Our Position Paper on:

HOUSING
IN A NUTSHELL

Two million or more new homes are needed over the next 15 years. These should be built in the right place and to the right standard in order to reduce future carbon pollution and ensure a good quality of life – with access to nature and good public transport, for example. But building new homes is only a small part of the solution. Existing homes need to be renovated to make them water and energy efficient. We also need to make homes affordable again. And we need to fix an economy that is too dependent on ever-increasing house prices.

THE FACTS

1. Over the next 15 years we’ll need to build at least 2 million new homes, probably more. We could fit 3 million or more homes into existing towns and cities. Compact cities and towns are a good thing. Designed for walking, cycling and public transport, and with easy access to amenities, services and jobs, they are internationally recognised as necessary for addressing climate change.

2. Insulating 1 million homes per year to a high energy standard would:
   - create more than 100,000 jobs;
   - provide a net return to the Treasury;
   - save money for the NHS because it would be dealing with fewer illnesses caused by bad housing; save the average home £300 a year in energy bills.

3. There are 2.4 million homes in the UK at risk of flooding from rivers and the sea. An additional 3 million homes are at risk from flash floods. Flooding is getting worse because of climate change. Climate change will also create overheating in homes. The Committee on Climate Change (the Government’s official adviser) says that premature deaths from overheating homes could triple to 7,000 per year by the 2050s.

4. Almost 70,000 households are now said to be in serious rent arrears in England and Wales, while tens of thousands have been evicted. In 1983 the average first-time buyer’s house-price-to-earnings ratio was 2.7 (London 3.7); now it is 4.9 (London 8.8). The OECD (Organisation for Economic Co-operation and Development) says that UK house prices are on average a third above their true value.
THE PROBLEM
We’re in a housing crisis that’s bad for people, bad for the economy and bad for the environment.

With more than 600,000 people living in overcrowded housing, around 200,000 homeless and a population expected to grow to around 70 million by 2030, millions of new homes are needed.

Many of our existing homes, meanwhile, are poorly insulated, which is bad for human health and creates unnecessary climate pollution.

Existing housing is often too expensive for many people – be they renting or buying. And rising house prices, which continue to outstrip wage increases, compound the problem by making housing more unaffordable.

Reducing house prices is therefore essential, yet this could leave millions of mortgage holders in negative equity.

Local authorities, which should be centre-stage in fixing this crisis, have been marginalised and weakened by a succession of governments.

WHAT WE THINK
We need radical action to sort out our housing crisis – one that at the same time reduces carbon pollution and protects nature. So far politicians have been far too timid.

Our vision is for affordable homes that are water and energy efficient, built in places that enable a good quality of life. People will have easy access to shops, schools, jobs, green spaces and public transport. Thriving local economies will emerge with people sharing more resources, generating more renewable energy and having more of a say in how their communities are run.

We are calling for:

1. Our homes to be renovated to make them water and energy efficient. We should be insulating a million homes a year.

2. Our towns and cities to be redesigned as “compact” places to live, with walking, cycling and public transport prioritised.

3. All new-build homes to have a high environmental standard.

4. Homes to be protected from flooding, heatwaves and water shortages.

5. Fair rents to protect tenants from exorbitant rents, while ensuring landlords get a fair rate of return on their investment.

6. The banks and mortgage companies to stop excessive lending, which is driving up property prices. And speculation in land and housing to be reduced through a Property and Land Tax.

7. People renting to be given much greater security of tenure through the introduction of five-year contracts, and homeowners struggling with the mortgage to be able to sell their homes to Housing Associations and stay in them by paying a fair rent.

8. Empty properties and unused land to be brought into use through compulsory purchase.

9. Local government to be put centre-stage in solving the housing crisis.

10. The removal of borrowing caps on local authorities so they can build hundreds of thousands of affordable homes.

11. A rebalancing of the economy so it is less dependent on increasing house prices and consumer spending, and the overheating of London and the South East to be reduced through developing other regions.
KEY REFERENCES

Friends of the Earth briefing: An environmental and socially just agenda for housing:

To give us feedback please visit: www.foe.co.uk/feedbackcomment.html