

# Housing Matters: #20ways to tackle the housing crisis

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Demand for new homes continues to outstrip supply and successive governments have failed to keep up. Housing policy alone won't be enough to solve a housing crisis whose roots are as complex as they are varied. The only solution lies in bringing together the public and private sector to promote, enable and finance new homes, and improve the quality of the homes we already have. High quality design needs to be at the heart of the solution - without it, we'll be solving one problem by storing up further challenges for the future.

## **A joined-up approach**

The competitiveness of the UK economy will be hampered unless we do more to tackle the major infrastructure challenges we face. With a housing crisis, and growing concerns around energy, telecoms, road, rail and airport capacity – decisions need to be taken as a matter of urgency.

- 1. Housing policy should be added to the remit of the National Infrastructure Commission and future infrastructure schemes should include details of their impact on housing supply.**
- 2. The Government should adopt the RIBA and House of Lords' Select Committee recommendation for the establishment of a Chief Built Environment Adviser.**

## **Better use of public resources**

With interest rates at historic lows, more can be done to use the balance sheets of public and private sector bodies to boost housing supply.

- 3. The cap on Housing Revenue Account receipts should be lifted to allow councils to borrow to build social housing.**
- 4. Central and local government should set up public sector investment vehicles and a national housing investment bank to issue bonds and ISAs, recycle right to buy receipts and attract long-term institutional investment.**
- 5. Local authorities should set up Local Housing Development Funds, with initial capital for investment provided by local authority pension funds. Once such schemes are up and running, they would be able attract secondary institutional investment.**

### **More decisions made locally**

As part of the drive towards devolution, the Government should transfer responsibility and resources for housing and planning to local and regional authorities. This transfer needs to be accompanied by greater autonomy over policy setting. The regeneration of housing estates should be based on an approach which makes the most of the strengths of existing communities and addresses the challenges exacerbated by the urban environment such as anti-social behaviour or high rates of obesity

- 6. Local leaders should be empowered to shape their local housing market by taking control over requirements for affordable housing, including the tenure composition for new developments (social rent, affordable rent, living rent, shared ownership, Starter Homes) based on local housing need, rather than fixed national targets.**
- 7. The Guiding Principles of the Estates Regeneration programme should be strengthened to ensure that engagement with local communities is at the heart of the process and the rights of existing residents to remain after regeneration is complete – including those who exercised the right to buy – is protected.**

### **Support for new approaches that expand the market**

Local authorities should have an expanded role in facilitating innovative development models. Self-build and custom build add value to a locality, can be an affordable routes to home ownership, and are valuable as delivery mechanisms for new, high-quality homes. The Self-Build and Custom Housebuilding Act and the Housing and Planning Act aim to identify land and provide planning policies to support custom build. However, unless local authorities have sufficient resources, they will struggle to implement their duties effectively.

- 8. Sufficient resources must be made available to identify land and for the management and promotion of the custom build register.**

### **A focus on good design**

The focus on the number of new homes must not lead to lower design and quality standards. Local communities should be given greater powers to shape how development in their area meets local needs – including for local amenities like schools and health centres, as well as housing. Clarity for architects, developers and communities on the quality and design standards expected will be particularly important to the success of permission in principle and the conversion of offices to housing.

- 9. The Government should ensure Design Review Panels are an integral part of the planning process – particularly for larger and more complex schemes.**
- 10. Local and neighbourhood plans should include design review to help drive high quality design in new housing developments.**
- 11. Key factors that affect quality of life and affordability of housing like space, access and environmental standards should be subject to regular review to ensure that the highest possible standards are adopted.**

### **Better use of public sector land**

Local authorities should dispose of public land only where it leads to high quality design and the right supply of housing. Up to 40% of land suitable for development, and about 27% of brownfield sites suitable for housing are currently owned by the public sector. Long-term best value considerations should be paramount when public land is sold.

- 12. The value of social return should be given equal consideration to economic return and the long-term impact of a proposal on the public sector should be taken into account to ensure that inappropriate development is avoided.**
- 13. Local authorities should consider partnering arrangements where land and ownership is retained by the authority, possibly in the form of Community Land Trusts, to ensure long-term best value for those assets.**

#### **Support for new types of housing development**

Our ageing population has huge implications for the houses that we need to build. A broader range of housing options is needed – both to ensure that people are living in the best possible homes, but also to unlock larger housing for families. The Government should examine the options for freeing up under-used homes by incentivising older residents to ‘right-size’ and it should be made easier to build homes aimed specifically at older generations.

- 14. The removal of stamp duty when moving to a smaller home should be piloted in the Autumn Statement.**
- 15. A distinct, clear planning use class should be introduced for housing for older people that is designed to Housing our Ageing Population: Panel for Innovation (HAPPI) principles.**
- 16. Local authorities should be required to address the principles of inclusive design in internal and external environments and the needs of older people in plan-making and land allocation.**

#### **Sustainable and resilient homes**

The Government should strengthen national standards and Building Regulations to ensure that future homes are sustainable and resilient. At the same time, more needs to be done to address the poor condition of much of the UK’s existing housing stock. The review of energy performance standards must include a detailed analysis of how the UK can best meet its carbon reduction targets.

- 17. Research into concerns around viability, build quality and overheating should be commissioned to help guide future standards.**
- 18. The metrics currently used to calculate energy efficiency and CO<sub>2</sub> reduction should be reviewed; learning from other European countries such as Germany and Denmark.**
- 19. A VAT rebate scheme should be made available for the renovation and improvement of homes with poor energy efficiency.**

#### **A more transparent market**

Close working relationships and public trust are vital components of tackling the housing crisis. However, too often, negotiations between developers and local authorities are hampered by a lack of trust, and public perceptions that their interests are secondary to decisions about the construction of new homes. For that reason, we believe that a much more open, transparent and approach is needed.

- 20. The Neighbourhood Planning and Infrastructure Bill should be amended to ensure that viability assessments used in Section 106/CIL discussions are public documents – with no commercial confidentiality restrictions.**