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The case for getting Britain building



## The case for getting Britain building

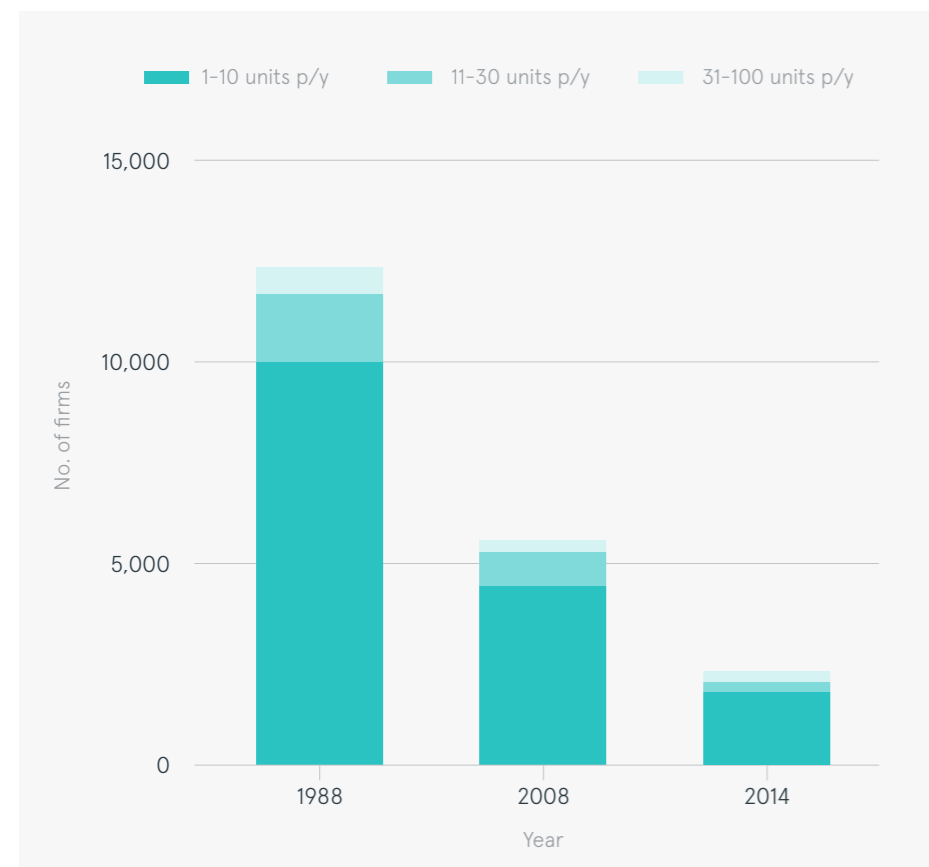
### How bad is the housing shortage?

“To meet demand and have a moderating effect on house prices, **at least 300,000 homes a year need to be built** for the foreseeable future.”

Source: House of Lords Select Committee on Economic Affairs, *Building More Homes*, 2016

### Small housebuilder fortunes declining

Number of firms registering low volumes of housebuilding, 1988 to 2014



Source: Federation of Master Builders

### The failure to hit housebuilding targets



Source: Department for Communities & Local Government

### We can't rely on the big housebuilders

“A common criticism of large housebuilders is that they sit on large amounts of suitable building land and develop it slowly in order to keep prices high.”

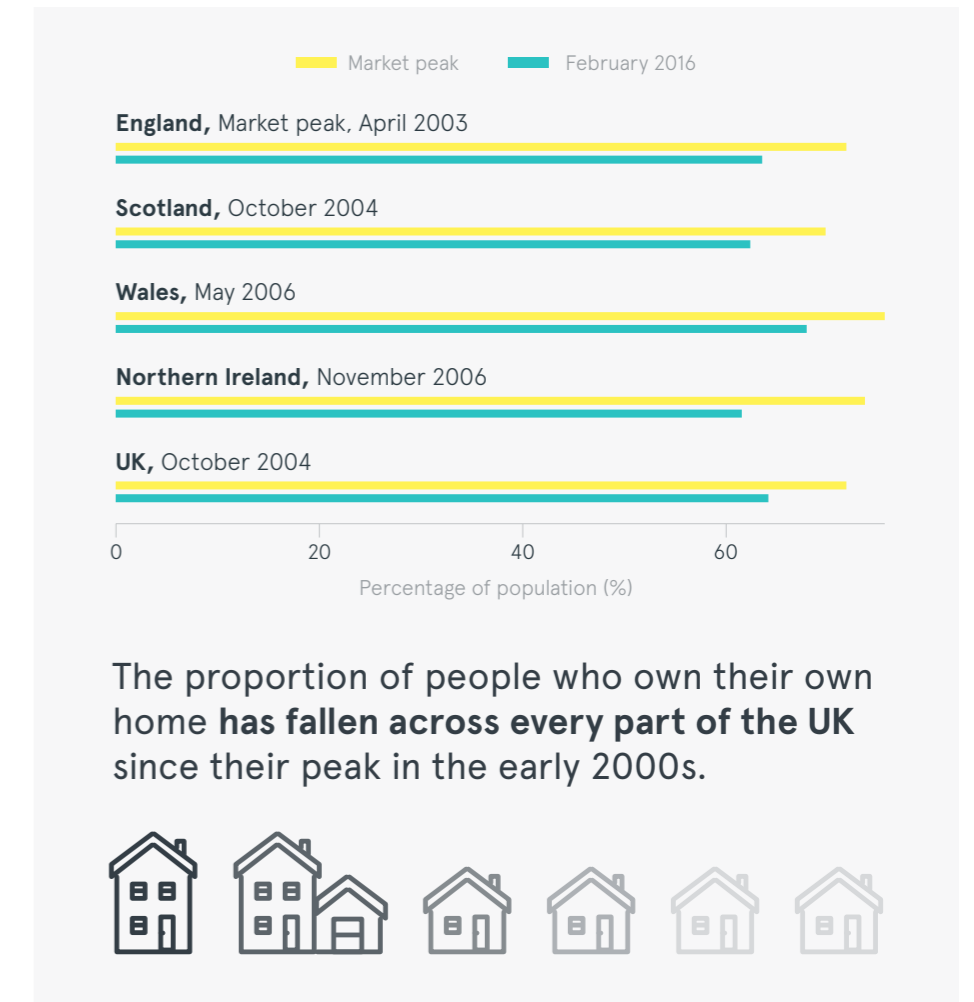
Source: House of Lords Select Committee on Economic Affairs, *Building More Homes*, 2016

**615,152** Britain's nine biggest housebuilders have 'landbanked' **615,152 housing plots** that have not yet been developed.

Source: The Guardian, 2015

### The result of missing housebuilding targets

Percentage of the population that own homes



The proportion of people who own their own home **has fallen across every part of the UK** since their peak in the early 2000s.



Source: Guardian | The Resolution Foundation

**30**  
years

**Overall home ownership is at its lowest level in 30 years.** 77% of young people believe it is harder for them to own a home than their parents' generation.

Source: House Building Federation

### People want more homes

**56%**

The British Social Attitude Survey 2014 found that **56% of people support new housebuilding in their area**, up by 28 percentage points since 2010.

Source: British Social Attitude Survey, 2014

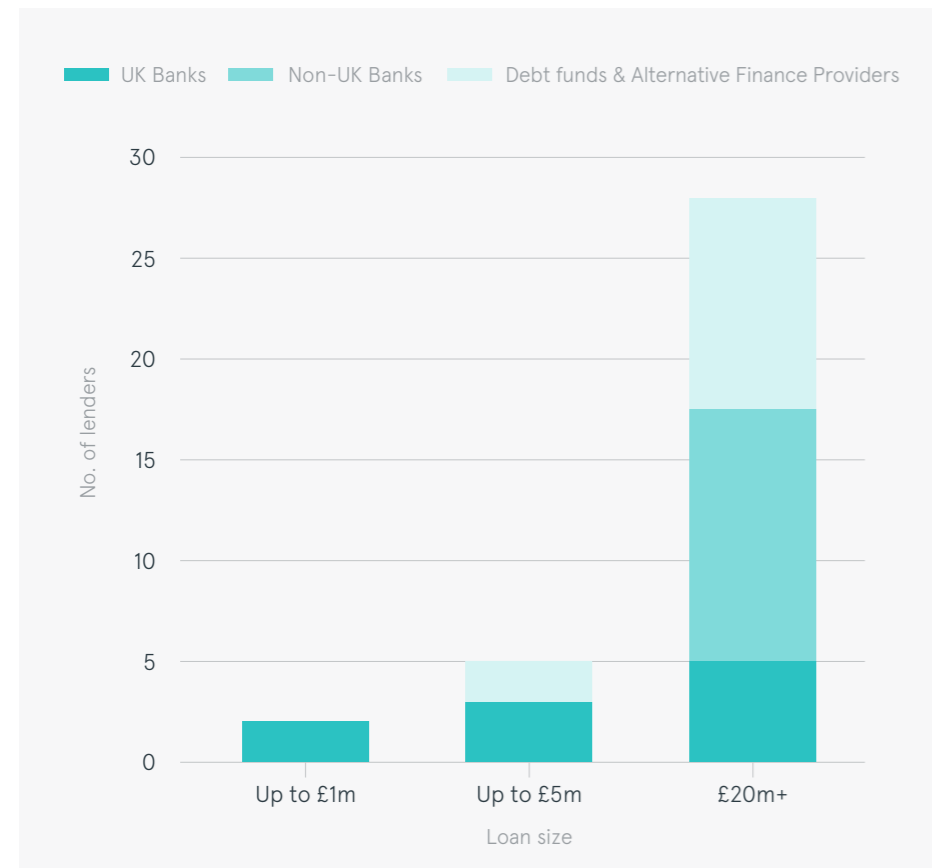
# The case for getting Britain building

## How can we help small housebuilders?

“ The Federation of Master Builders identified two main barriers to entry: the difficulties of smaller builders accessing finance since the financial crisis and the way in which smaller sites are treated in the planning system ”

Source: House of Lords Select Committee on Economic Affairs, *Building More Homes*, 2016

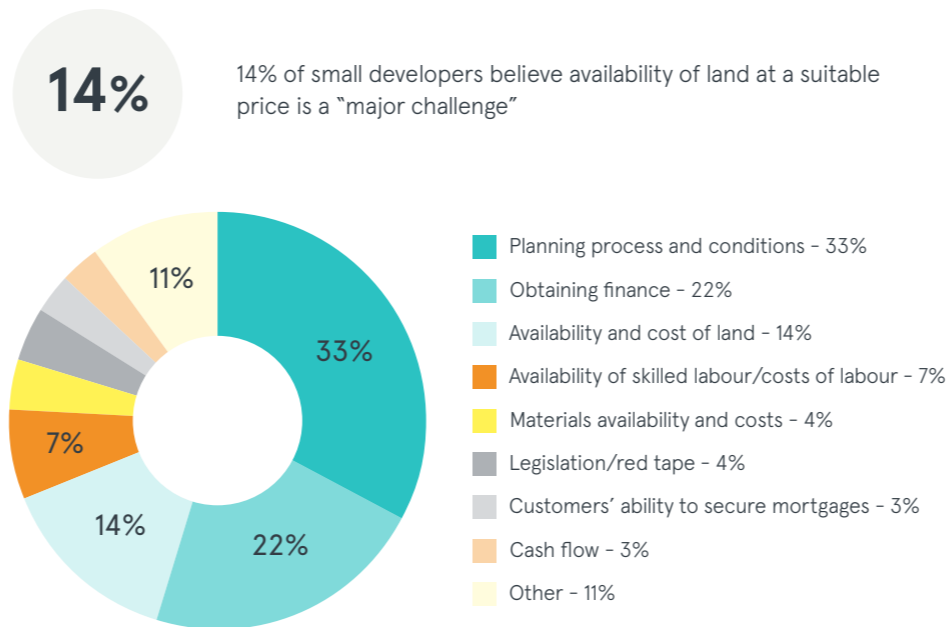
## Access to finance



Sample comprised 8 UK banks, 10 non-UK banks and 12 debt funds & alternative finance providers.

Source: Investment Property Forum, *UK Development Finance Review*, 2015

## Access to land



Source: National House Building Council Foundation, *Improving The Prospects For Small House Builders And Developers*, 2014

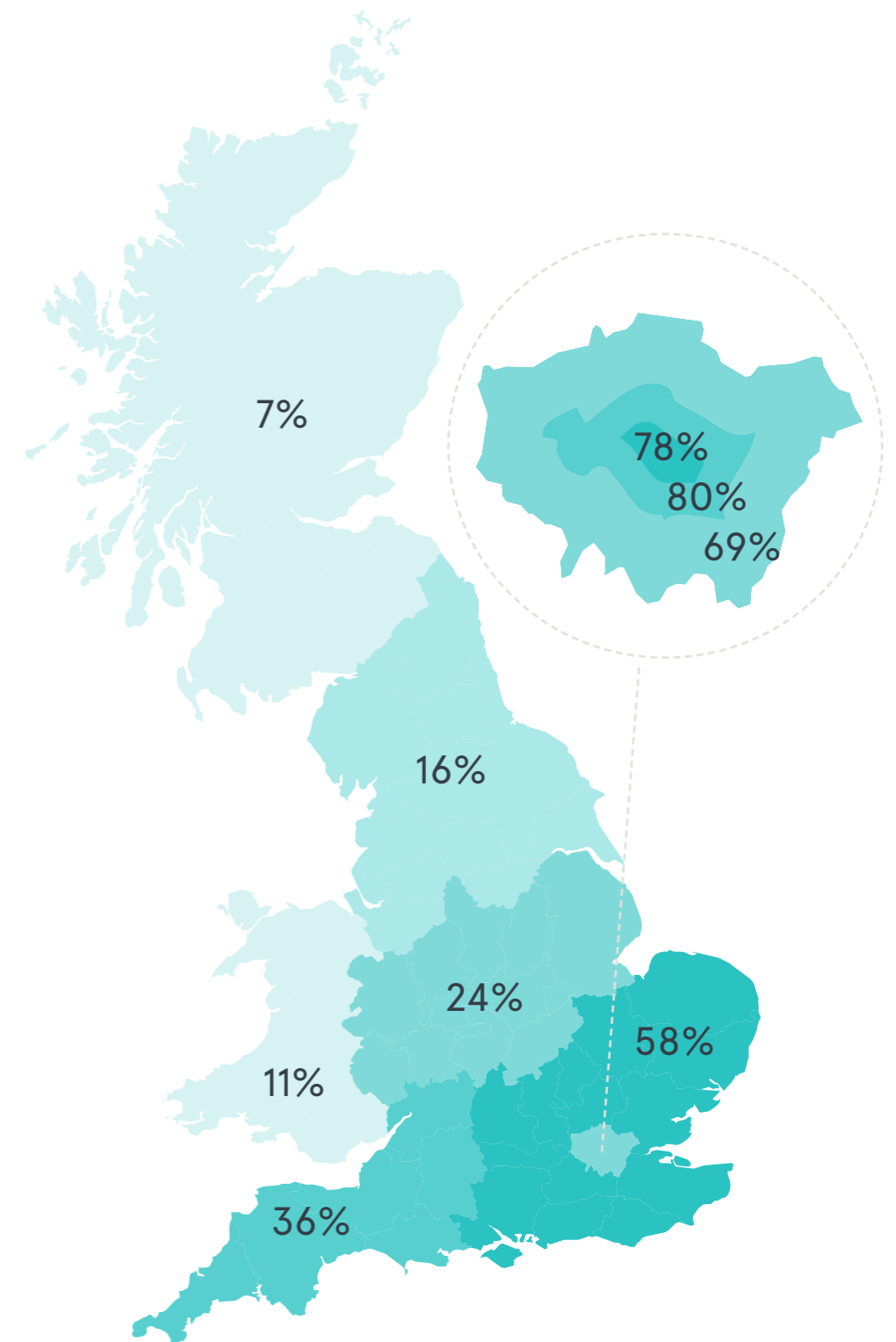
## Access to skills

According to Construction Industry Training Board, industry will need to find almost 224,000 new recruits between 2015 and 2019.



## Development finance map

In which locations have lenders arranged development finance in the last 12 months?



Source: Knight Frank, *Residential Development Finance Report*, 2015/16