

# New homes and the changing High Street

In some parts of the country house prices are high and affordable homes for sale are in short supply. Home ownership has been falling as a percentage of all households, as more young people decide they cannot manage the deposit and the interest on the mortgage, or find they cannot borrow enough to get started on the housing ladder.

Despite this home ownership remains the preferred tenure of most people. There are many people in rented accommodation who would like to buy, whilst anyone in a home of their own can sell up and rent if they wanted to. It makes sense for most people to want to own. Over your lifetime it is considerably cheaper to buy than to rent. As you approach retirement if you own your own home you look forward to the mortgage paid off and no rental payments. You just have to put up with the Council tax. If you are in rented property you know that as a pensioner on a lower income than when at work you will face your highest housing bills of your life, as rents continue their upwards march. If you buy one house and stick with it you might be paying mortgage payments for 20-25 years. If you rent a property you will be paying rent for 60-70 years or more.

If you own you can improve and decorate your home as you like, and you can borrow against its value. It may help you build a business. The only downside of owning is you, not the landlord, are responsible for repairs. Most UK houses are of sturdy brick and tile construction and do not need major structural work over their lives.

So the question is how can we encourage or help more people to help themselves by buying? We need to work on both perceptions and realities. Some think a home is not affordable but maybe it is. Whilst it is true that homes cost a much higher ratio of income today than 40 years ago, interest rates today are a lot lower than they used to be. As a result the early years of mortgage payments are not so different from past experience. Clearly there is a risk if rates went up again, but modern mortgages usually allow a fixed rate period to get you through the early years whilst your pay rises to make it all more affordable. For others in some parts of the country homes are not easily affordable even allowing for lower rates. This requires expansion of supply of sensibly priced homes.

Here the changes in shopping may be of help. We live in a world where there is too much shop space for the amount of retail business transacted through stores. On line purchases are now 30% of all non food retail activity, and growing. Competitive pressures between big chains has boosted the amount of floorspace on offer. There is plenty of evidence that well known retail names are now considering cutting the number of stores they run and reducing their trading area. This represents an opportunity for conversion or replacement of their space with housing.

In some cases it could be the out of town retail park that is surplus to requirements. These would make suitable sites for comprehensive redevelopment

as housing. In other cases it will be the end of the old shopping centre that has been bypassed by new space elsewhere at the heart of the town or city. These properties too can be subject to change of use to reflect the altering pattern of demand.

There are many other ways of finding sites for more affordable homes for sale that I might cover in future articles. Meanwhile it will take people to want to transform these older shopping areas to help add to the supply, and imaginative policies to help individuals who want to take on the task themselves of creating a home out of former commercial premises. There are now good examples around the country of blocks of flats springing out from within old commercial buildings. My flat in London started life as an office block.