

Speech: Helping builders to get building

Standing here looking at all these red benches, it feels a bit like being in the House of Lords...

Though I suspect the audience is a bit livelier!

I hope it is, let's see what happens in the Q&A!

It's great to be here at the beautiful home of the Royal Society of Medicine, perched at the end of this historic thoroughfare.

Virginia Woolf – not a name you often hear at housing conferences, but that's what you should come to expect from a former Culture Secretary – Virginia Woolf was a big fan of this part of London, particularly its august, inspiring, buildings.

She found them oddly reassuring, in fact.

And she once wrote that: "when the world seems tumbling to ruin, and civilisation rocks on its foundations, one has only to go to Wimpole Street."

So I'm hoping that Stewart's choice of venue today isn't a reflection of what he thinks about the housing industry's current mood!

Some of the publicity for this conference described me as having "strong views about housing".

I have to say that's something of an understatement!

Since I was appointed to this job last summer, I've been very clear that housing is my number one priority.

Housing is one of those rare government issues that touches on the lives of literally every single one of us.

Maybe you're stuck renting because you can't afford to buy a place of your own.

Maybe you're trapped in a leasehold property with unfair, onerous terms.

Maybe you're spending too much on mortgage payments, so you can't afford to do anything else.

Maybe you have no problems with your own home, but are worried about a development that's planned in your area.

Or, like most of the people here today, maybe your own job relies on a steady, strong, sustainable house-building sector.

Whatever your story, whatever your background, housing matters to you.

And there is no doubt in my mind that the housing market is broken.

I know not all of you agree with that view.

But as far as I'm concerned, any market that stops people accessing a basic human need cannot be said to be working.

If the price of water was so high that people could not afford to drink, nobody would argue that the system was functioning as it should.

Safe, secure, affordable housing is just as important to the people of this country.

The lack of it is hurting British people, it is harming our economy, and it is the biggest barrier to social mobility in our country today.

And the cause of the problem is very simple: not enough houses.

For decades, we haven't built enough new homes in this country.

It's not the fault of one government or one Prime Minister.

House building peaked the year before I was born, during Harold Wilson's first stint in No 10.

The line on the "completions" graph has been steadily heading in the wrong direction ever since.

There's been a modest improvement in the past few years, a small upward tick after decades of failure.

But there's still a long, long way to go before supply meets demand.

Now, I can't force you to build more homes.

But what I can do is make it as easy as possible for you to build more.

I can remove the barriers, I can unblock the system, I can speed things along.

In short, I can take away the reasons you may have not to build.

And that's what the [Housing White Paper](#) is all about.

It's good news for anyone in this country who wants to get more of the right homes built in the right places – and that includes everyone involved in the construction industry.

Because we've been listening – myself, my Housing Minister [Gavin Barwell](#), my officials.

We understand what's holding you back.

We appreciate that the system hasn't always served you well.

And we're taking real action to fix it.

So we're reforming the planning system, making sure it really does objectively assess the need for new homes in different areas.

We're also going to encourage a higher density of building.

And we've shown that we're not afraid to take tough planning decisions when exceptional circumstances require it.

At the same time we're simplifying the plan-making process, making it easier for local people to understand and then to engage with.

It might not sound like much, but we've found that people are much more likely to support development in their area if they've had a genuine say in the proposals.

And that means fewer objections, fewer delays and more permissions granted.

We're also speeding up the process of securing those permissions, giving planning authorities access to extra resources so they can improve their services.

We've created a new way of securing planning permission on suitable brownfield sites.

And we're going to make local authorities publish registers of those sites so everyone knows what's available, from the biggest developers to independent self-builders.

We'll be doing more to ensure sites are connected to utilities in a timely manner, so you can get on with building.

And of course, at the [Autumn Statement](#), we launched the £2.3 billion competitive [Housing Infrastructure Fund](#), a fund that was widely welcomed by the industry.

But this isn't just about helping the household-name house-builders.

SMEs have long shown that they can be flexible, innovative and responsive to need.

Exactly the qualities we need in developers, all developers, right now.

But too many of them have struggled to bounce back from the effects of the financial crisis.

That's why I want to see a bigger role for smaller companies.

So we're strengthening the National Planning Policy Framework to bring more small sites into the planning system.

We've created the £3 billion [Home Building Fund](#) to offer financial support – 90 per cent of applications so far are from SMEs.

And we're creating more opportunities for off-site, modular construction, so that growing British companies can become world leaders in this exciting and effective area.

Finally, for the benefit of all builders, we're streamlining the system for managing great crested newts.

I've nothing against newts.

I'm not a newt-ist!

But when we desperately need thousands of new homes, developers shouldn't have to jump through endless little amphibian hoops!

The new system will balance continued protection with common sense, so build-out isn't subject to endless delays.

That's just scratching the surface of the White Paper.

You've read it, you know the details.

And you've seen that it represents an unprecedented package of measures aimed at making the system work for you.

Concrete steps that will remove unnecessary barriers and let you get on with what you do best – building houses.

But this isn't a one-way street.

The White Paper is about partnership.

About government, local authorities, communities and builders working together to fix our housing shortage.

As part of that we're doing a lot to help your industry.

And, in return, we do expect to see action.

Obviously we want to see more homes built. But it goes further than that.

Look at quality and design.

Housing is one of the few areas in life where newness is not always considered a virtue.

Where many people, if they are given the choice, would rather go for the older, tried and tested option.

It's fair to say that new builds don't always have the best reputation for quality.

Just last month we heard about one developer paying £7 million to homeowners whose houses were littered with problems and even unfinished.

This isn't a new issue.

More than a century ago, Jerome K Jerome wrote that: "I want a house that has got over all its troubles; I don't want to spend the rest of my life bringing up a young and inexperienced home."

But it's a problem for which, in 2017, there's really no excuse.

And if it's not solved, it risks undermining public confidence in new-build homes – something that would be bad for the sector and really bad for the country as a whole.

So I want to see every new home built to the highest possible standards.

And not just technically, but aesthetically too.

Obviously the attractiveness of a building is a subjective matter.

Views of what looks "good" of course may vary from person to person.

But nobody has any attachment to the rows of pokey, identikit boxes that plague too many developments.

I've seen some brilliant examples of attractive, sympathetic, contemporary homes.

But I've also seen some that make me wonder how they ever escaped the designer's sketchpad.

A pleasing appearance isn't just a "nice to have".

It's also in your commercial interest.

When people come to me objecting to developments in Bromsgrove, for example, one of the main reasons they cite is unsympathetic design.

They know we need more homes, but they also know they're going to have to look out of their window at them every day for the next 30 years.

Put more thought into design and you will take that objection away.

Get local people on board and you can secure permission more quickly and get building more quickly.

I'm not going to stand here and tell you what good architecture looks like.

That's not my job.

I'm not saying every development should mirror Poundbury.

Nor am I saying every new home should be fit for inclusion in the next series

of Grand Designs.

All I'm saying is that engaging with the local community and giving them a greater influence over design will reap rewards for everyone.

The Housing White Paper was also very clear that we want to see a greater investment in the build-to-rent sector.

I know some of you have been questioning whether that means we're shifting our focus from ownership to rental.

I can tell you now, that's not the case.

The property-owning democracy remains at the heart of our philosophy, and we remain absolutely committed to getting people onto the housing ladder.

What the White Paper acknowledges is that millions of people are not in a position to buy.

Some may prefer to rent.

The private rented sector has grown enormously in recent years, and people living in rented properties deserve our support just as much as owner-occupiers.

That's why we'll be giving build-to-rent homes greater recognition within the planning system, making it easier to include private rental homes as part of the affordable housing component.

It's an area that some developers have already recognised the potential of – Telford Homes and Crest Nicholson being two obvious examples.

It's about meeting the need for more rental homes while also protecting your commercial interests.

Once again that's a win-win, benefiting both the construction sector and the people of this country.

If we're going to build a country that works for everyone we need a housing market that works for everyone – regardless of whether you rent or own your own home.

And that also means making the market that little bit fairer.

Now, here at the Royal Society of Medicine we're just around the corner from some of London's most famous shopping streets.

And if you pop over the road to John Lewis and buy some new crockery, for example, you'll get a receipt and know that you've paid for it and it belongs to you.

End of story.

You won't expect the company that made it to send you an annual invoice for

the next 100 years.

If you walk into Selfridges and pick out a new dress, and you'll be allowed to take it in a little around the waist without seeking and paying for prior permission from the tailor.

Or maybe you'll head over to Hamleys, buy some Lego for the kids.

When you get home and hand it to them, Lego won't be allowed to charge you an enormous "change of ownership" fee.

Yet if you're about to complete the process of buying a new-build house, these are exactly the kind of problems you might find yourself facing.

The simple truth is that too many new houses are being built and sold not on traditional freehold terms, but as leaseholds.

Now, leasehold has, of course, been a common part of life in this country for many years.

I know the first flat I bought was leasehold.

It can serve a valuable purpose for flats and mansion blocks and so on.

And nobody would dispute the need to pay a fair amount for the upkeep of shared spaces and shared facilities.

It's part of the responsibility of being a home owner.

But I'm hearing about more and more cases where developers are selling newly-built houses on a leasehold basis for no obvious reason.

And I'm hearing about more and more cases where ground rent is being used in an entirely unjustifiable and unfair way.

When this was [debated in Parliament](#) around Christmas, we heard all kinds of horror stories.

One MP talked about a constituent stuck in a house with ground rent that doubles every 10 years.

Starting at £175 in 2009, by 2060 it will be more than £11,000 a year.

Others shared stories of leaseholders being charged nearly £3,000 by the landlord for the right to extend their home.

Of homeowners being told they have first refusal to buy out their lease for 30 times the ground rent, only to discover the freehold has been sold to a third party who won't give it up for less than 100 times the ground rent.

I don't like legislating to fix problems like this.

I know that most builders and developers are fair, honest, sensible people.

Most of you don't use leasehold in this manner.

Of those who do, several have started making positive noises about the future.

And the last thing I want to do is tie the industry up in more red tape at a time when supply is already so far short of demand.

But as a government committed to building a fairer society, I don't see how we can look the other way while these practically feudal practices persist.

So I will look to ensure [Help to Buy](#) Equity Loans are only used to support new build houses on acceptable terms.

This will send a serious message to the building industry: if you want the government to help you build and sell homes, you have to sell them on fair terms.

And that's what all this is ultimately about – helping people find homes.

It's all too easy to get hung up on graphs and charts and numbers, to think about what you do solely in terms of bricks and mortar and pounds and pence.

Yes, you all run businesses.

You employ people, you create something, you sell it for a profit.

But what you're creating, whether you're a developer or part of the supply chain, isn't just another product.

It's something that's very special.

Our home is fundamental to who we are.

It forms the backdrop to our lives.

It's where we grow up, it's where we settle down, it's where we raise a family, it's where we retire to.

Our homes shape our experiences and, in time, grow to reflect us.

A house is four walls and a roof, but a home is so much more than that.

And so let's work together to give everyone in this country the safe, secure, affordable home they need, they want and they deserve.

Thank you very much.