The Changing UK Housing Context

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May 2017

Shaping Futures

Toronto
Chart Two: Stock by Tenure (As a % of All Dwellings) 2015

- **Social Rented Housing Stock (%):**
  - Scotland: 23%
  - England: 17%
  - Wales: 16%

- **Private Rented Dwellings (%):**
  - Scotland: 15%
  - England: 20%
  - Wales: 15%

- **Owner Occupied Dwellings (%):**
  - Scotland: 62%
  - England: 62%
  - Wales: 69%

Source: Scottish Government

Source: CHMA 2017 Q1
Table 2: Households: by household type in 1996, 2006 and 2016

<table>
<thead>
<tr>
<th>UK</th>
<th>One person households</th>
<th>One family household: couple*</th>
<th>One family household: lone parent</th>
<th>Two or more unrelated adults</th>
<th>Multi-family households</th>
<th>All households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>6.6</td>
<td>13.9</td>
<td>2.3</td>
<td>0.7</td>
<td>0.2</td>
<td>23.7</td>
</tr>
<tr>
<td>2006</td>
<td>7.3</td>
<td>14.5</td>
<td>2.6</td>
<td>0.8</td>
<td>0.2</td>
<td>25.4</td>
</tr>
<tr>
<td>2016</td>
<td>7.7</td>
<td>15.5</td>
<td>2.7</td>
<td>0.9</td>
<td>0.3</td>
<td>27.1</td>
</tr>
</tbody>
</table>

Source: Labour Force Survey, Office for National Statistics

Notes:
House prices relative to pre-crisis peak (Monthly)

Source: ONS HPI

Source: CHMA 2017 Q1
Figure 3: Affordability ratio by local authority, 2015

Data Sources:
- ONS Boundary Line
- DCLG Live Table 557

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Annual rate of change in rental prices

Source: ONS

Source: CHMA 2017 Q1
Figure 5: UK house building, permanent dwellings completed, financial years 1970/01 to 2013/14

UK dwellings completed

Notes:
1. Source: DCLG Live Table 209
2. Data based on financial year
Higher-risk lending as proportion of all regulated residential lending: UK (Quarterly)

- Non-high income multiple; LTV > 90
- High income multiple; 90 < LTV < 95
- High income multiple; LTV > 95
- All loans with impaired history

Source: FCA

Source: CHMA: 2017 Q1
Policy Frameworks

• UK-level housing policy:
  - large part of fiscal policy including spending rules
  - most welfare spend
  - financial policy, monetary policy & financial regulation

• Devolved housing: e.g. RTB; homelessness, borrowing

• Rubbing points: welfare benefits, HA reclassification and the PRS

• Multi-level governance – city deals, local governance, etc.
Case Study: Private Renting Schizophrenia?

**Tax Policy**
- 3% surcharge on stamp duty (land buildings transactions tax in Scotland)
- 8% surcharge on capital gains tax for landlords selling assets
- Stealth tax reduction on mortgage interest tax relief to basic rate (becomes a turnover tax and increases many landlords marginal tax rate)

**Scotland**
- From December 2017, new open-ended tenancy – asymmetric rules for ending tenancies
- Local rent pressure zones and rent growth limitation
- 3rd party arbitration over unreasonable rent increases
Policy Responses

• Fixing our broken housing market
• Supply targets in England, in London, Wales and Scotland
• Homelessness reduction & prevention
• Other key responses not already mentioned:
  - industrial economics of building
  - local housing need & plans
The 2016 UK General Election

• Overview – opposition party positions

• Key Conservative Pledges:
  - social housing (but later reversion and fixed tenancies)
  - bidding for right to borrow more
  - care funding: £100K ceiling on assets – quickest u-turn in history?

• Brexit and housing (depending on ‘deal’):
  - economy to housing negative drivers via GDP, currency & migration
  - construction sector
  - much bigger effects if leads to further constitutional change