

The Changing UK Housing Context

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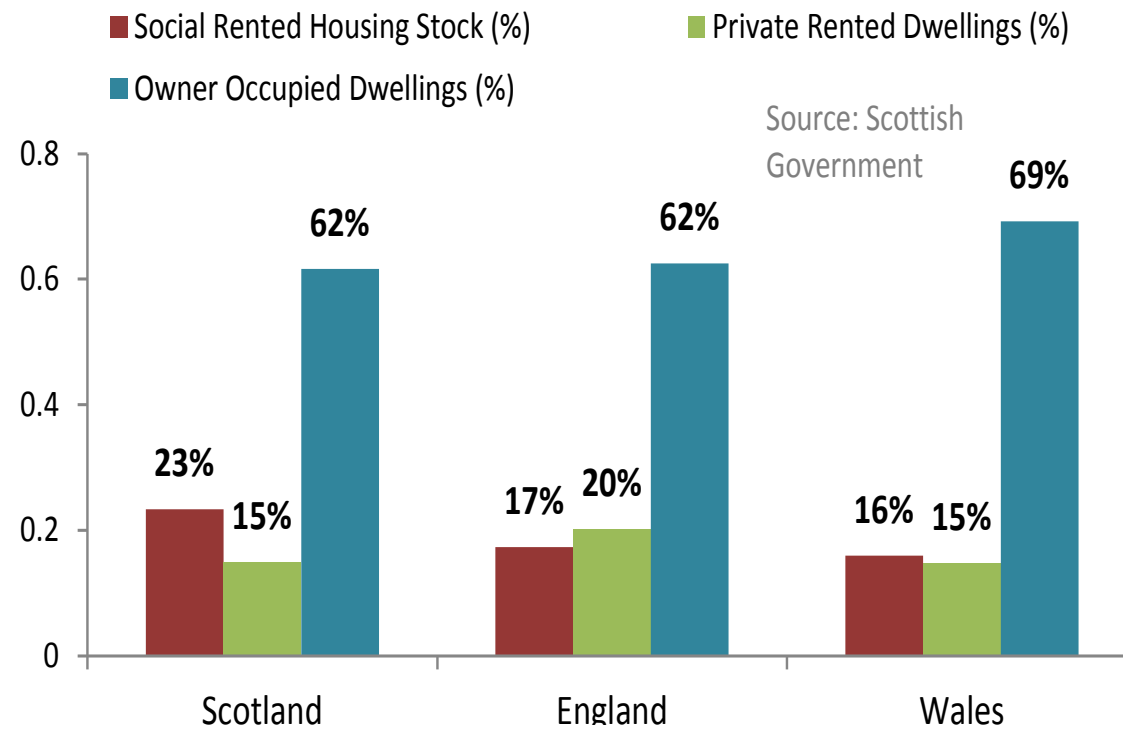
May 2017

Shaping Futures

Toronto



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



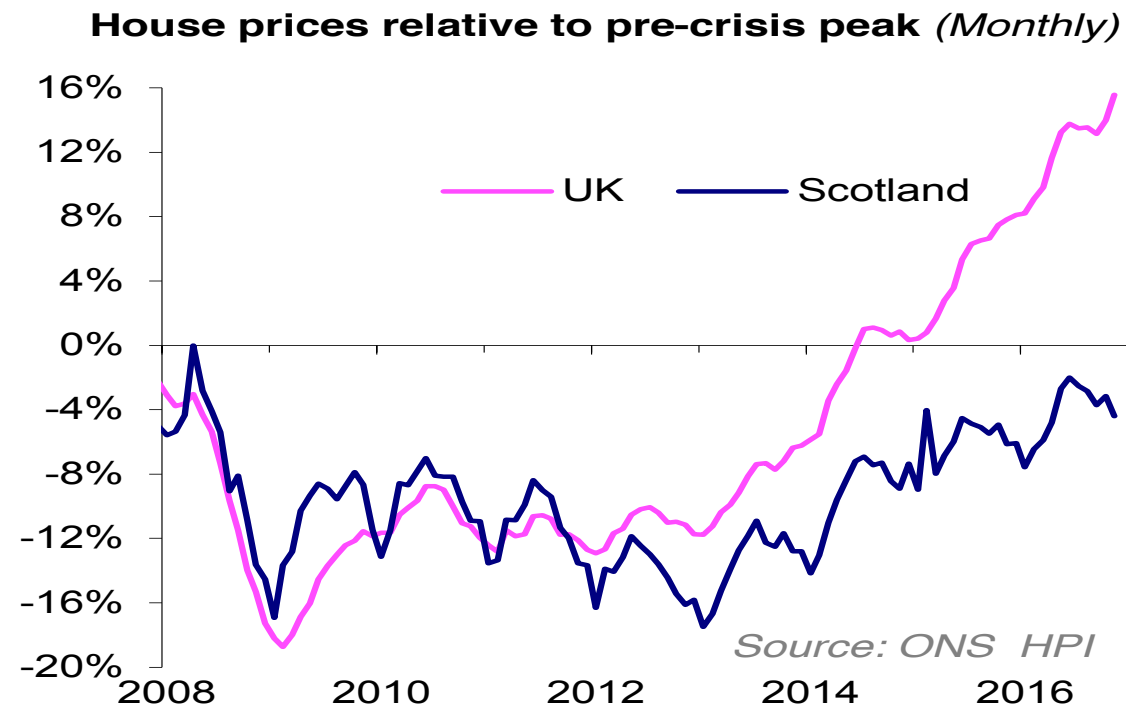
Source: CHMA 2017 Q1

Table 2: Households: by household type in 1996, 2006 and 2016

UK						Millions
	One person households	One family household: couple*	One family household: lone parent	Two or more unrelated adults	Multi-family households	All households
1996	6.6	13.9	2.3	0.7	0.2	23.7
2006	7.3	14.5	2.6	0.8	0.2	25.4
2016	7.7	15.5	2.7	0.9	0.3	27.1

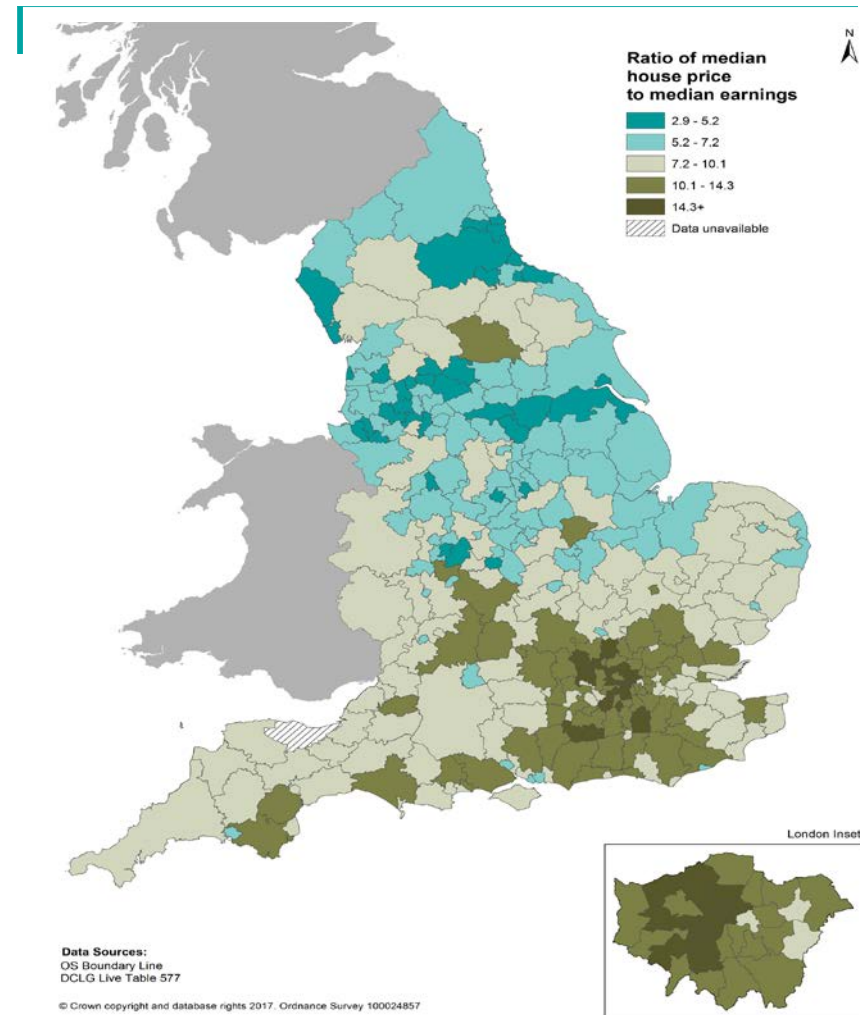
Source: Labour Force Survey, Office for National Statistics

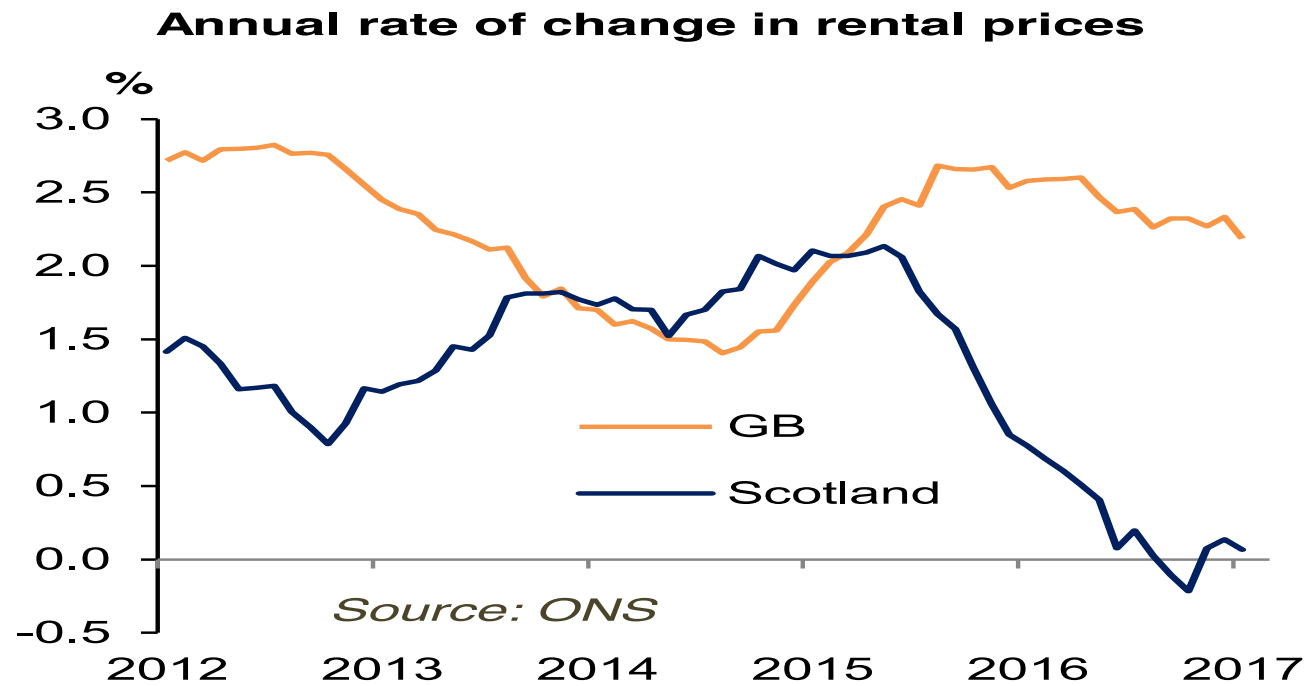
Notes:



Source: CHMA 2017 Q1

Figure 3: Affordability ratio by local authority, 2015

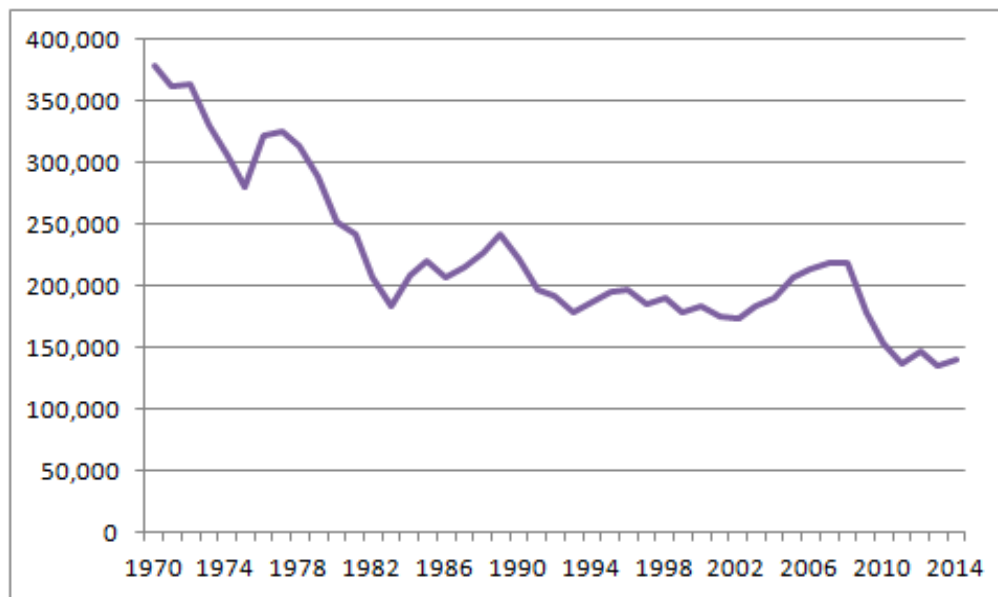




Source: CHMA 2017 Q1

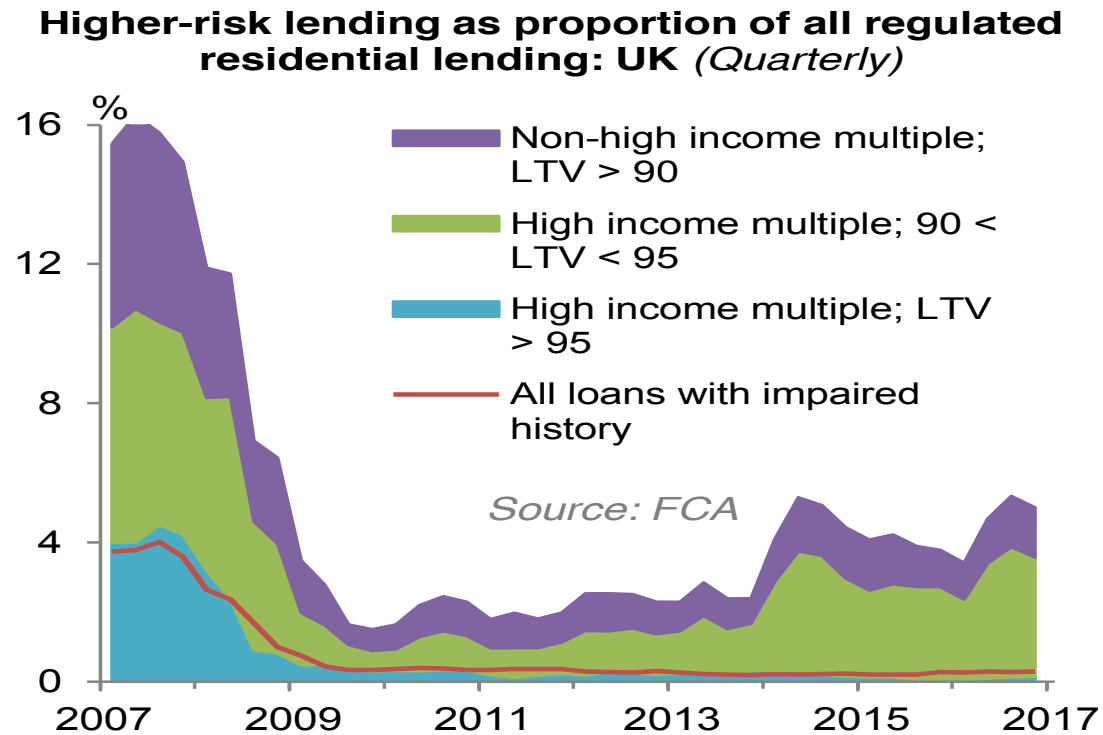
Figure 5: UK house building, permanent dwellings completed, financial years 1970/01 to 2013/14

UK dwellings completed



Notes:

1. Source: DCLG Live Table 209
2. Data based on financial year



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