



State of the cooperative housing nation – what does the future hold?

Terrie Alafat CBE, 14th May 2016

What I will cover:



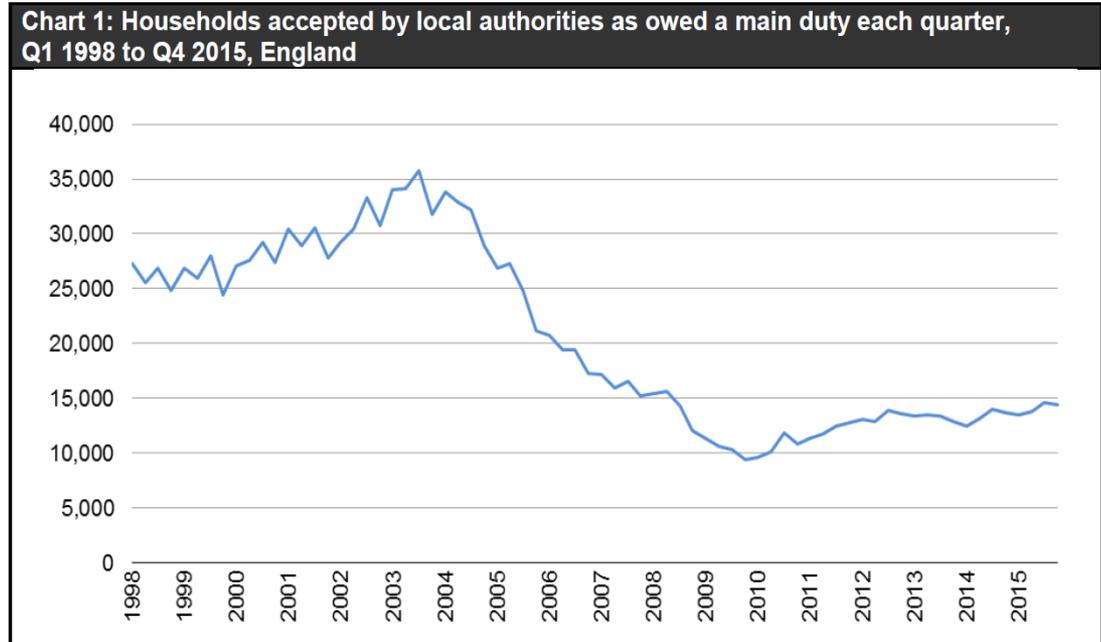
- Key housing policy issues in England and Wales
- The future of the housing sector – England
- The future of the housing sector – Wales
- What next for the community led sector

Key policy issues:



Many of the challenges facing us are not new, they are the same issues housing professionals have been grappling with for some time:

- Housing supply
- Affordability
- Welfare reform
- Homelessness

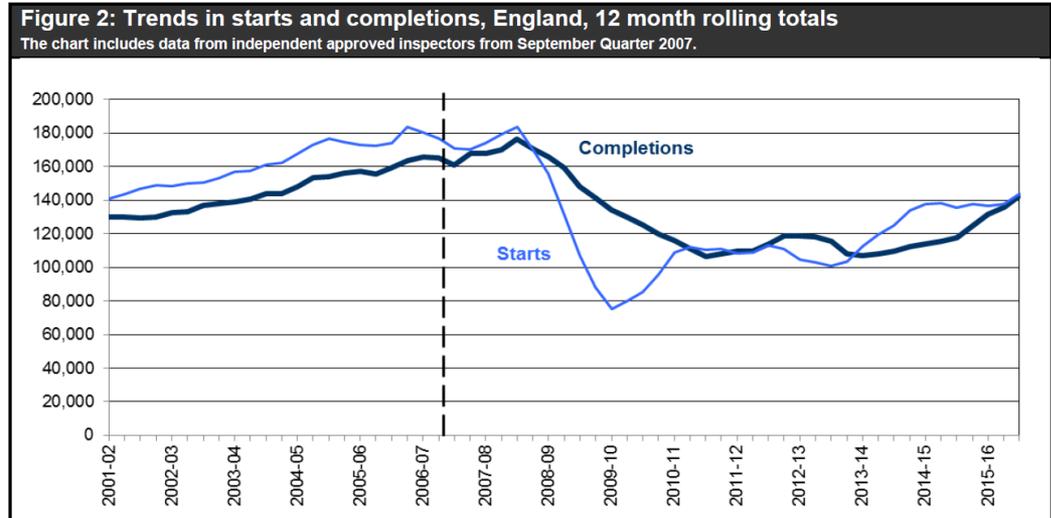


Housing supply - England

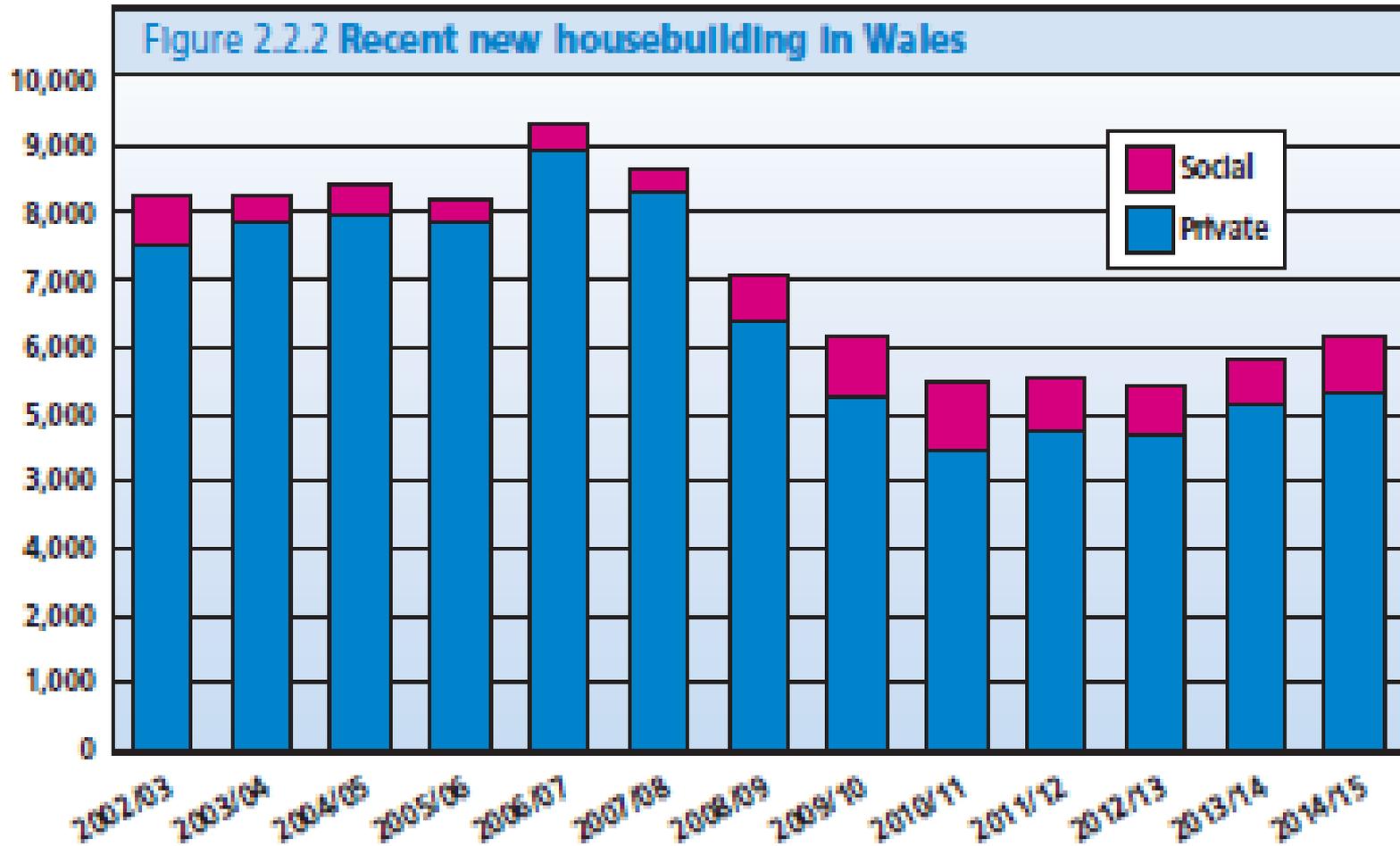


“We need a national crusade to get homes built” – David Cameron

- Ambition to build 1m new homes by 2020
- Latest figures - 142k completions in 2015 or 171k net additions in 2014/15



Housing supply - Wales



Source: Stats Wales.

Home Ownership

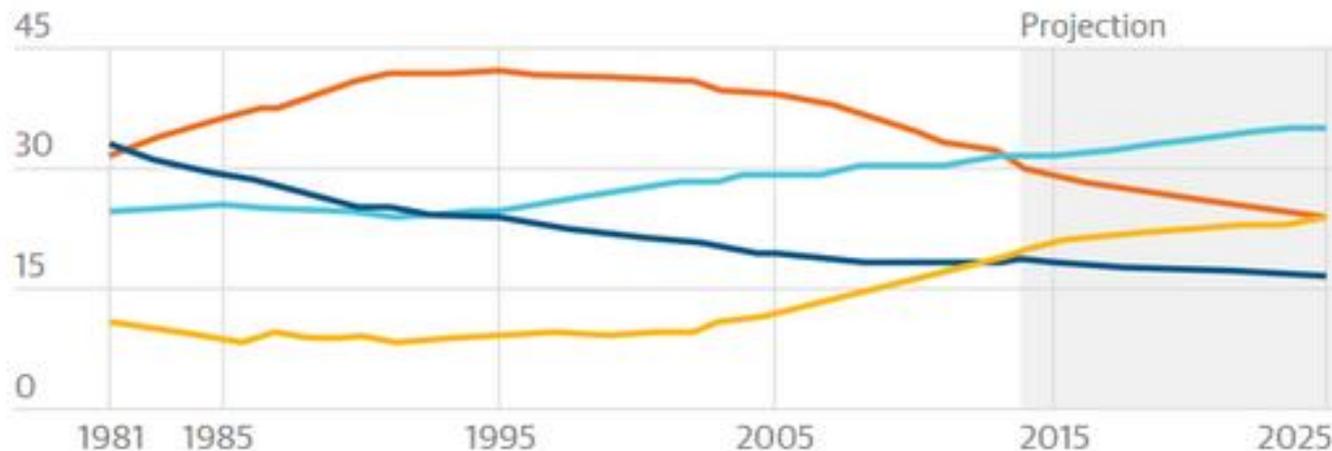


“Above all, we choose to build the homes that people can buy. For there is a growing crisis of home ownership in our country” – George Osborne

UK housing tenure

Proportion of households, percentage

Mortgaged | Owned outright | Social rental | Private rental



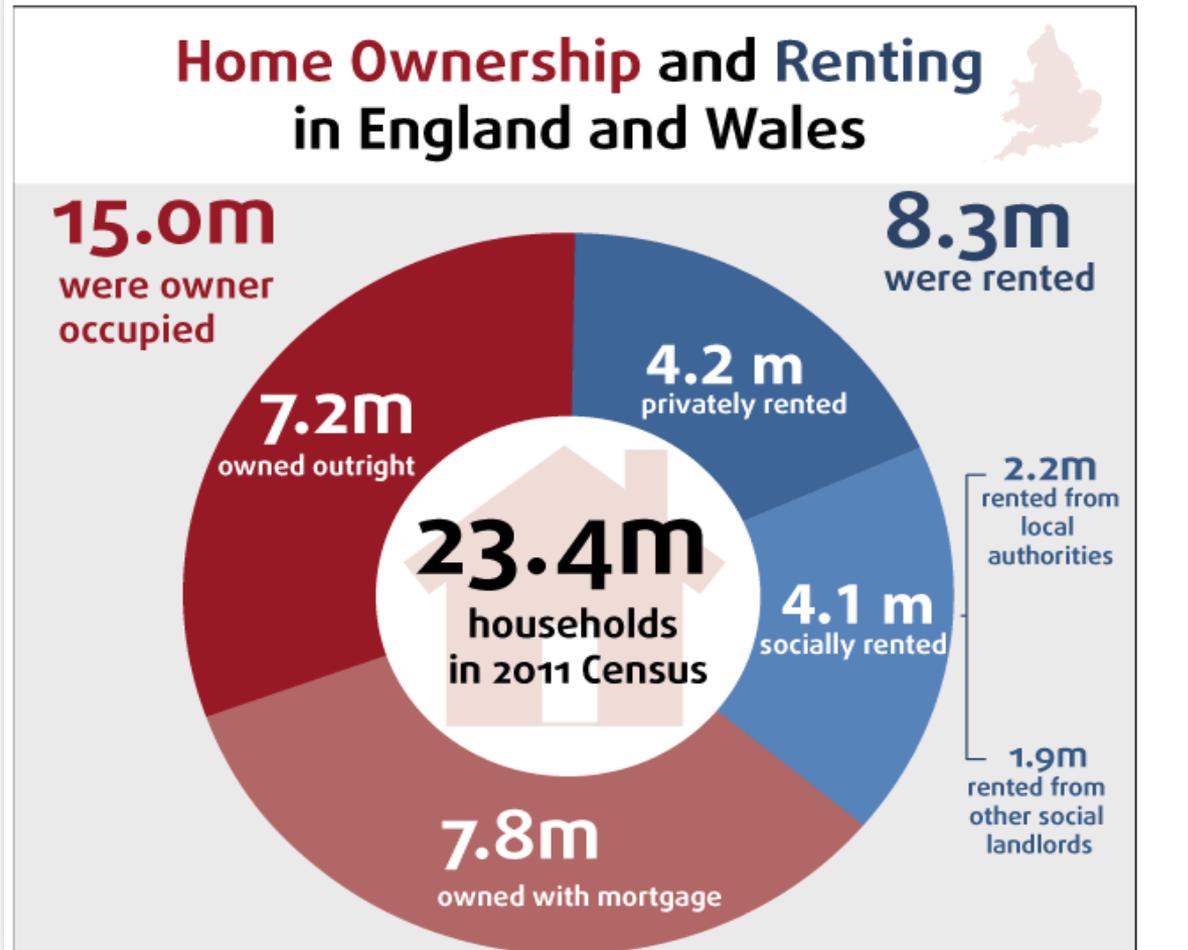
Guardian graphic

Source: PwC analysis, English Housing Survey

Housing tenure in England and Wales



Figure 1 : Percentage of households owning and renting homes in England and Wales

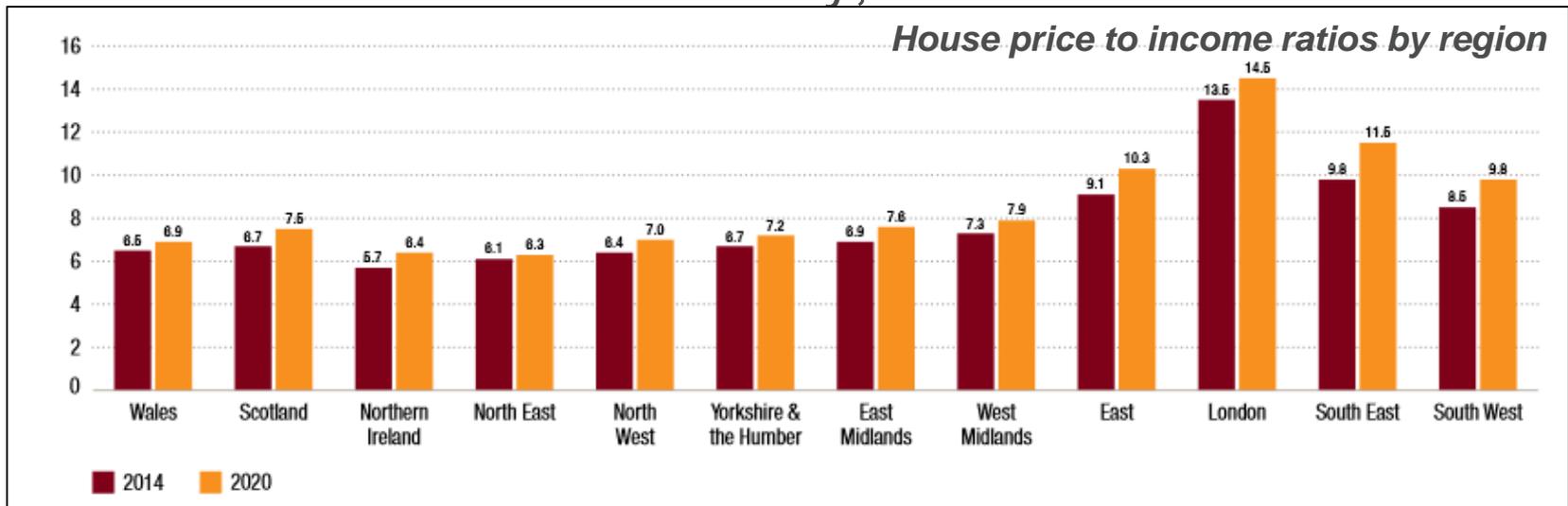


(Office for National Statistics, 2013)

Affordability – Is home ownership the answer?



- Latest Observer poll:
 - Ownership still desirable – 78% want to buy in the future
 - But 37% say they don't think they'll ever be able to
 - Increasing reliance on the 'Bank of Mum and Dad' – 71% agree it is increasingly difficult to buy without help
- What about those who can't buy, even with assistance?



Affordability – Rise of generation rent



- **England**

- Private renters spend on average nearly half of their income on rent
- 48% of private renters in England who want to buy a home do not manage to save any money towards a deposit

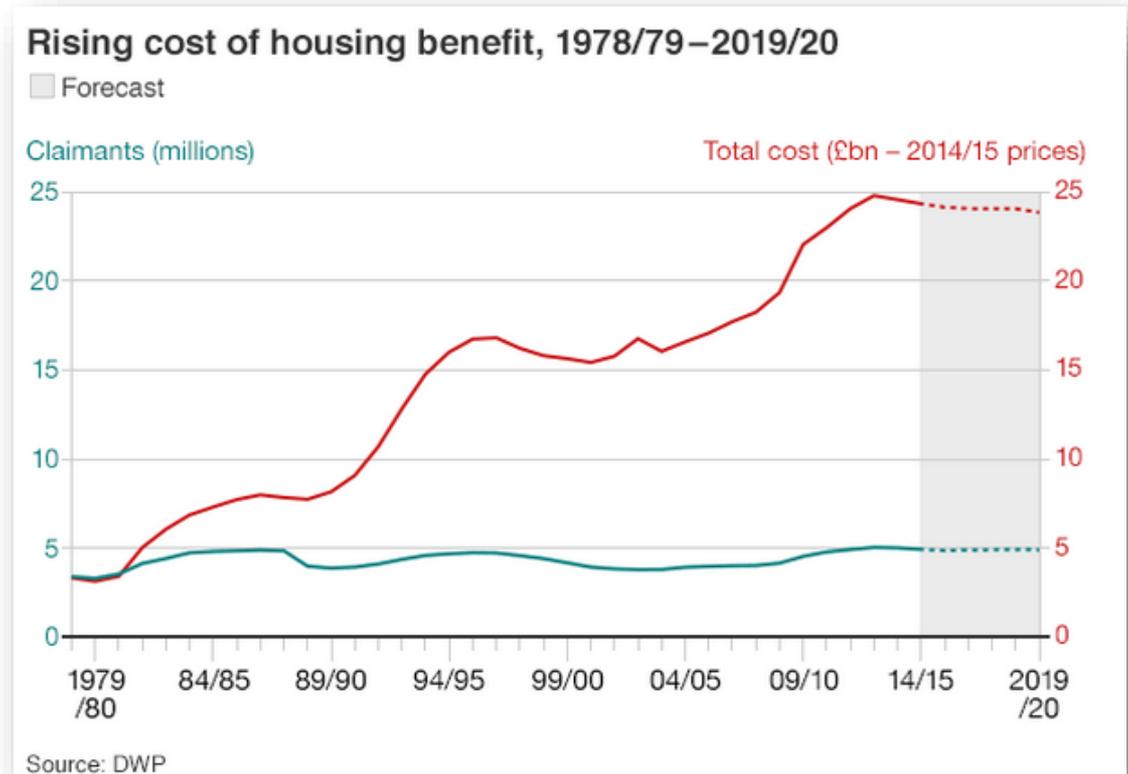
- **Wales**

- The proportion of private rented housing stock has almost doubled in ten years
- The average monthly rent in Wales increased 4.3% between April 2015 and April 2016

Welfare Reform



“We promised to move Britain from being a high welfare, low wage economy to a lower welfare, higher wage economy” – George Osborne



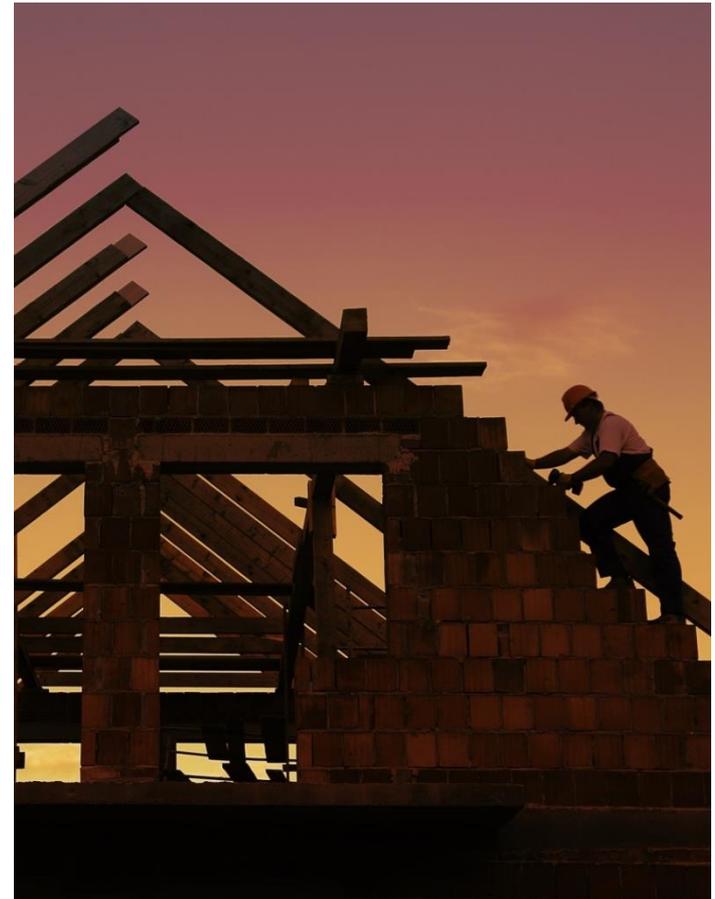


- **Housing (Wales) Act 2014**
 - New duty to take steps to prevent households from becoming homeless
 - Legal duty triggered when someone is at risk of homelessness with 56 days (England – 28 days)
 - 70% of households homelessness prevented since implementation April 2015
- **Success within a One Housing System context**
 - Financial backing - £4.9 million 2015/16
 - Protection of Supporting People grant despite cuts
 - Investment in social housing

What next for the housing sector - England



- Further reductions in social/affordable housing - government focus on increasing home ownership
- A stronger focus on efficiency and on house building
- More mergers and new partnerships
- Reduction in social housing grant - greater use of cross-subsidy to fund affordable homes to rent
- Residual role?



What next for the housing sector - Wales



- Strong commitment to social housing
 - Grant at 38% is a clear commitment
 - 10,000 homes Community Housing Cymru affordable housing supply pact plus
 - Cooperative housing target of 500 new homes
- The recent Welsh White Paper proposes changes to legislation to reduce maximum right to buy discount
- Welsh Government funds the national co-operative housing project delivered by Wales cooperative centre
- In May 2016 Merthyr Valley Homes became the first large Welsh housing mutual cooperative.

What next for the community led sector?



- Housing and Planning Bill (England)
 - Voluntary right to buy for housing association tenants – some community led landlords could be affected
 - Starter Homes – rural exception sites are excluded from the requirement to include starter homes on all sites (local flexibility)
- Budget announcement - £60 million for community led housing developments
- Funding
 - No more Empty Homes Community Grants Programme
 - Community Land Trust fund
- Opportunities for new partnerships with housing associations



Thank you for listening



Terrie.alafat@cih.org

@TerrieAlafatCIH