Working together to end the housing crisis in the West of England

On the 4 May the people of the City of Bristol, Bath and North East Somerset and South Gloucestershire will have the opportunity to elect a Metro Mayor for the new West of England Combined Authority. As the Metro Mayor of one of the strongest economies outside London, he or she will have important new powers for housing, planning and improving the infrastructure of the area.

As such the Metro Mayor is uniquely placed to work with the West of England Combined Authority leaders in Bristol, Bath and North East Somerset and South Gloucester, and with leaders in North Somerset, to tackle the housing crisis in the West of England.

This manifesto sets out a seven-point plan for how the new West of England Mayor can address the housing crisis.

The problem of housing affordability in the West of England is acute. Housing costs are rising faster than local wages. **We need a strategy that will ensure that everyone has a home they can afford to rent or buy.** This is essential to attract new workers to the area, retain existing workers in the area, and allow the economy to grow.

To do this the Metro Mayor must **plan for at least 150,000 new homes across all tenures**, ensuring we meet the growing need for housing by keeping pace with projected household formation, and addressing the years of accumulated undersupply which has damaged housing affordability.
The challenges

Here we outline how the scarcity and cost of housing in the West of England is damaging the people and economy.

Homeownership

People, especially younger people, are being frustrated in their desire to become homeowners. The cheapest homes in the West of England area now cost 7.3 times the lowest household incomes. In Bath, the cheapest homes now cost nine times more than the lowest household incomes\(^2\).

As a consequence of past public policy and housing market failure, homeownership is being denied to large segments of the population. This is exhibited by a shift in tenure across England where the size of the private rented sector has more than doubled since the turn of the century, and is concentrated predominantly among those under 45 years of age.

Unless you are wealthy, or able to benefit from the bank of mum and dad, many young people face a lifetime of renting.

Renting

Not everyone wishes to buy a home, many prefer to rent. Renting is a flexible form of tenure especially suited to those starting out in their careers or who like to travel and change jobs frequently. Some, however, have no other choice but to rent owing to the cost of buying a home.

Unfortunately, rents are becoming increasingly unaffordable to households of all ages in the West of England. Average private sector rents in the region are now £990 a month, while average earnings remain at just over £27,000 per year\(^3\).

Between 2006 and 2016, the number of completed affordable houses was only 8,800 – just 22% of the overall planned supply\(^4\). Because housebuilders subsidise the supply of affordable homes through the sale of market homes it is vital that we increase the overall housing requirement to facilitate the supply of more affordable homes. We also need to explore other mechanisms to improve the supply of affordable homes.

The economy

The West of England economy will suffer unless the region confronts the housing crisis. The West of England Strategic Economic Plan 2015–2030 has identified high house prices and shortages in the supply of housing, including affordable housing, as one of the major weaknesses in the region inhibiting growth.

To do this the Metro Mayor must consider that the West of England including North Somerset needs to be building 150,000 more homes over the next twenty years. This is 45,000 more homes than is being proposed by the West of England authorities. We have calculated that the economic dividend from providing these additional 45,000 homes would add a further £2.1bn to the Gross Value Added (GVA) of the area\(^6\).

Housebuilders will also help create new jobs and sustain employment levels. It is estimated that 4.3 direct and indirect jobs are supported by each new home built\(^7\). The industry is also working to extend the apprenticeship programme to provide new employment opportunities for those who do not wish to go to university.

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1 Business West has calculated the need to be 132,000 new homes over the next twenty years. Planning consultancy Barton Willmore, acting for housebuilders, considers the need to be nearer to 153,000 new homes. See representations to the West of England Joint Spatial Plan for details.
6 Research from the Federation suggests that raising the level of housing provision to 150,000 would add a further £2.1bn to the local economy on top of that currently planned for by the local authorities.
The solution

To address the housing crisis, we call on the West of England Mayor to:

1. Publish an action plan within the first 100 days of office setting out how the Metro Mayor will address the regional housing crisis in the first term and through a long term strategy for the next 20 years.

2. Commit to the Joint Spatial Plan to provide an appropriate planning framework for the area including North Somerset. The Metro Mayor must work with local authorities to support collaboration, coordination and partnership if we are to end the housing crisis.

3. Take action to increase the planned levels of housing supply within the Joint Spatial Plan to tackle the problem of affordability. This can be achieved through significantly increasing new supply beyond the proposed level of new homes from 105,000$^8$ to 150,000. The Metro Mayor should consider commissioning independent advice to identify what the appropriate level of new housing should be including assessing the true need for affordable housing.

4. Expand on the work of the Bristol Homes Commission and establish a West of England Homes Commission. This should be an independent body that will examine land availability and the most appropriate locations for growth to support the development of the Joint Spatial Plan. The Commission should consider a wide range of solutions for accommodating the housing need.

5. Coordinate the work of the West of England Homes Commission with the Joint Transport Strategy and other infrastructure plans. The Metro Mayor must provide a realistic strategy that will ensure that public spending on transport and infrastructure is aligned with where the new housing is to be provided.

6. Commit to an ambitious strategy that will quantify, understand and address the growing affordable housing crisis affecting the West of England and work with partners including housing associations to boost the volume and mix of affordable homes. This should include affordable rent, shared ownership and innovative rent to buy models so everyone in the West of England has the opportunity to live in a quality home that they can afford.

7. Complement central government funding for affordable housing with a flexible, localised funding pot to support wider regeneration and infrastructure initiatives.

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$^8$ The figure of 105,000 homes is what the draft Joint Spatial Plan is currently proposing for the four local authorities of the region.
Rising to the challenge
The new Metro Mayor will be unable to avoid the politics of housing. The Metro Mayor will be judged by the people of the West of England against the ability to provide more housing than has been delivered in the past.

The Metro Mayor should make a strong political commitment to tackle the housing crisis in the West of England by creating a positive, pro-development environment, underpinned by a realistic assessment of the housing needs of the city region and a strategy that will coordinate new infrastructure investment with housing.

Our commitment
We commit collectively to working with the new Metro Mayor to help end the housing crisis in the West of England and invite all mayoral candidates to support this manifesto.

This is a joint manifesto bringing together all parts of the housing market, led by the National Housing Federation and the Home Builders Federation, to call on the next Metro Mayor to address the housing crisis in the West of England.

The National Housing Federation is the trade body for housing associations in England, and the Home Builders Federation is the trade association representing private sector homebuilders in England and Wales.

To find out more about this manifesto and how you can get involved, please contact:
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