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Worsening plight of first-time buyers is now a real social problem, YouGov poll shows

The difficulties facing first-time homebuyers have grown into a significant social problem which threatens the well-being of local communities nationwide, according to a new national survey carried out by the New Homes Marketing Board (NHMB).

Almost 90 per cent of the population, as sampled by YouGov, think property prices are a major problem for first-time buyers in their areas – and that the problem is worsening everywhere.

The findings are the first clear indication that the public recognises the unique importance of first-time buyers to the local and national economy and how badly they are suffering in the present housing shortage, says New Homes Marketing Board chairman David Pretty CBE.

In the light of the survey, Mr Pretty – formerly chief executive of Barratt Developments Plc – is again calling on Government, local authorities and housebuilders to work together to introduce a package of extra help for first-timers.

He wants both central Government and local authorities to rapidly speed up the release of their redundant and surplus land suitable for housing, and to introduce a 'fast-track' planning application process for first-time buyer homes. Once housing output has increased, he would like to see these measures followed by the elimination of Stamp Duty – or at least raising the threshold to £250,000 - and the introduction of other financial incentives for first-time buyers only, all measures which won strong support in the survey.

As part of this partnership, Mr Pretty also called on the housebuilding industry to devote at least 20 per cent of future production to homes suitable for first-time buyers, to give them greater help with deposits and moving costs – and to give first-timers genuine priority over investor purchasers.

"This NHMB survey indicates that the housing shortage is a reality and is being felt right across the country in virtually all social and age groups. What's more, when we asked our sample who should take most responsibility for trying to solve the problems facing first-time buyers, more than half – 54 per cent – said it should be jointly tackled by the public sector and the private sector, that is with Government, local councils, housebuilders and housing associations working together" said Mr Pretty.

"I believe, however, that this should actually be a three-way partnership, with local communities playing their own part. While our poll showed that the vast majority of people see the plight of first-timers as a very serious local issue, only around half of those surveyed said they would support new home building in their immediate neighbourhood.

He added: "That's understandable to an extent, but it won't solve the problem that the communities themselves are identifying. Communities need to play their part and embrace more new homes, particularly in areas of acute housing need."

All political parties agree on the need for more homes, he said, especially for first-time buyers who are vital to the general health of the housing market, the wider economy and for the good of society.

“We support the Government’s efforts to streamline and speed up the planning system – which is still the biggest constraint on new homes supply – and its various initiatives to help first-time buyers, particularly key workers like teachers, nurses, emergency service personnel and those others who keep our vital public services running” said Mr Pretty. “But these initiatives, while welcome, really only deal with part of the problem. To crack it, we need decisive action on land supply and the planning system.”

Commenting on Conservative leader David Cameron’s conference announcement this week, for plans to scrap Stamp Duty for first-time buyers, Mr Pretty said: ‘I welcome it and look forward to seeing the details. I’ve been calling for this for sometime, and as recently as June, but the elimination of Stamp Duty on its own will not be effective. It needs to be part of an overall package of special measures in areas of acute housing need, including land release and fast-track planning.

“The plight of today’s first timers is so precarious that, in my view, we also need an all-party consensus on resolving it. As I’ve said before, a generation has already been sacrificed and it will happen to another generation unless we soon take strong action on a national scale.”

He concluded: “The Government is working hard on the problem, and the housebuilding industry is confident that it can boost production, but we need the active co-operation of local communities and their representatives. We have a collective responsibility, but our poll demonstrates there is still more work to do to convince communities to welcome new homes in their areas. Without their co-operation, the Government’s housing targets are going to be extremely hard to achieve.

“First-time buyers are now an endangered species. It’s in all our interests to treat them as a special case - we have to act to stop them slipping further down the endangered list.”

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Editor’s Notes

KEY LINKS

- 1) [Results of the YouGov Survey](#)
- 2) [Fact sheet detailing key facts on first-time buyers](#)
- 3) [First-time buyer case study material](#)

General Housing Facts

- UK population is set to grow to 69 million by 2050 (United Nations, 2007)
- Last year 160,000 new homes were built in England (CLG, 2007)
- Whilst housing output has increased in recent years it is still lower than previous decades e.g, in 1927, 80 years ago, 255,000 homes were built in Great Britain (CLG).
- Projected household growth in England is 223,000 (CLG, 2007)
- This leaves a current annual shortfall of 63,000 homes
- The cumulative shortfall is estimated to be at least 450,000 in England alone (Kate Barker, 2004)
- It takes on average 15 months for home builders to receive full planning permission on sites they wish to use (HBF, 2006). This compares with around 12 weeks in the mid-seventies.
- Between 1997 and 2004 England’s Green Belt actually increased from 1,650,000 to 1,678,200 hectares, an expansion of 1.7% (CLG, 2007).
- Green Belt land now comprises 13% of total land in England (CLG, 2007)
- Only 8% of land in the UK is classed as urban, half the figure in Holland and lower than Belgium, Denmark and Germany (Policy Exchange, 2005)
- Between 1997 and 2003, the amount of land being brought forward for development annually fell by 7% (CLG, 2007)

- 74% of all new homes are today built on previously developed 'brownfield land' ahead of the Government target of 60%. This compares to 53% in 1997 (CLG, 2007)
- An extra 120,000 homes being built per year in the South East – four times the current rate – would only use an additional 0.75% of the total land area of the South East over the next ten years (Kate Barker, March 2004)

Note: CLG – Communities and Local Government department.

New Homes Marketing Board

The New Homes Marketing Board (NHMB) was established in 1982 by the House Builders' Federation (HBF, now the Home Builders' Federation) to promote their activities to consumers. The NHMB consists of HBF members and some house builders registered with the National House Building Council, as well as material producers, suppliers, building societies and associated industries.

The NHMB is responsible for promoting the need for new housing with the general public and raising awareness of the benefits of new homes. In promoting a positive image of the housing industry's aims and activities the NHMB supports the HBF's political and media campaigns.

YouGov

Founded in May 2000, YouGov is a professional market research agency pioneering the use of the Internet and information technology to collect higher-quality in-depth data for market research and public consultation.

YouGov proactively recruits respondents from all ages, socio economic groups and regions of Britain. The sample for each survey is carefully selected and controlled so that it is representative of the adult population as a whole.

Because of their online data collection methodology, YouGov's data is of higher quality than that required by the use of conventional market research techniques.

Biographical information: David Pretty

David A Pretty stepped down as Group Chief Executive of Barratt Developments PLC at the end of 2006 after 40 years in the industry, 27 of them with Barratt. He is one of housebuilding's best-known figures, having been active at senior management level for well over 25 years. He has also worked in North America, France and the Far East. In the Queen's Birthday Honours List 2007, he was made a CBE for services to housebuilding.

Although recognised primarily for his extensive experience and leading role in the fields of urban regeneration, land buying and marketing, he is also considered a pioneer of social housing partnership development in the inner-cities. He undertook one of the first private-public partnerships in London 25 years ago and, as CEO of Barratt, headed the nation's largest single provider of social housing.

Since retirement from Barratt, he has remained active in the housebuilding sector, as a Director of the Home Builders Federation (HBF), Chairman of the New Homes Marketing Board, a trustee of The Prince's Regeneration Trust and an appeal board member of Shelter, the homelessness charity. He is also a non-executive Director of McCarthy & Stone, Britain's largest provider of private retirement housing. As well as steering the Barratt Group to 'Housebuilder of the Year' status on several occasions, Mr Pretty was personally named the UK's Regeneration Champion in the national Regeneration Awards in December 2006.

He lives in south-west London and has two daughters and five grandchildren.

Contacts

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