

## Briefing Paper 7: Modernising and Making Better Use of the Existing Housing Stock

### KEY OBJECTIVES

- Reduce under-occupation and overcrowding
- Stop any further loss of social rented housing stock
- Invest in existing dwellings in poor & energy deficient conditions
- Bring into use long term empty property & second homes

### Introduction

The 25.2 million existing dwellings in England are not used efficiently and investment in maintaining their condition is secondary to new house building (which only adds 1.1% homes to the stock each year). Nearly 3% of homes, mainly privately owned, are left empty. Many other homes are only used part of the time or are significantly under-occupied, while other properties are overcrowded, in poor condition and unsuitable for occupation. The priority for housing strategy is to build additional homes whilst ensuring that the existing stock is fit for purpose

### Realistic and deliverable policy objectives

Reduce the number of long-term vacant properties, albeit the challenge is that most are privately owned.

Limit the number of second homes that are not in permanent occupation.

Control the use of residential properties for tourist accommodation, such as Airbnb.

Reduce under-occupation and overcrowding by ensuring a better mix of property sizes through new house building and use of the existing stock in local areas.

Achieve a better balance of tenures in the existing housing stock and increase its affordability to enable lower and middle income households to access a wider range of properties and in different locations.

Invest in the improvement of the quality of existing housing in all tenures, by encouraging or directly intervening in retrofitting housing to improve the physical condition of housing, meeting current environmental standards and achieving carbon neutrality objectives through improved energy efficiency and water use.

Make use of existing housing, depending on size, for conversion or de-conversion for special needs or as part of regenerating areas e.g. high streets or town edges.

### Delivering desired objectives in the current context

Long term empty homes are a wasted resource. Councils should be encouraged to increase council tax on them; and to set higher rates of council tax on second homes or ban them in areas where there is unmet housing need.

Councils should also be enabled to remove the single person discount on council tax for under occupied private housing; and be able to apply a multiplier on council tax for significant under-occupation, (for two or more rooms above bedroom standard) or vary council tax according to floor space. This should encourage right sizing of accommodation to provide homes of appropriate tenure, size and location for movers.

Councils should be encouraged to use empty property management powers to take over long term empty properties; and social landlords to acquire them for rent to meet locally assessed housing needs.

Councils should be able to determine that short term lets or tourist accommodation be for only 30 days a year or less; and that specific planning consent be required (as proposed by government) and regulated with tourist accommodation, such as Airbnb, and subject to a tourist tax.

Capital gains tax on sale of property, with a discount for households downsizing to a smaller property, should be considered. This will act as a disincentive to small households buying large properties in excess of the bedrooms they need.

Councils should be able to impose planning conditions on new housing development to ensure the speedy occupation of completed units. Councils should include in local plans targets for provision of housing suitable for downsizers and should monitor these against performance. These measures would free up larger homes for families and reduce overcrowding as well as under occupation.

To improve the balance of tenures in the existing stock, the Right to Buy (RTB) should be phased out to avoid further loss of social housing. Plans for estate redevelopment should require a 'like for like' replacement of demolished or converted social housing stock.

Social landlords should be enabled to acquire empty formerly privately rented or owned properties that are required locally to meet housing needs; and councils to re-acquire former RTB properties with discount based on original proportionate discount on RTB. There should be increased regulation and acquisition of PRS properties by councils (see Briefing Note 6 on PRS).

To improve the physical condition of accommodation in all sectors additional capital funding is required for councils and housing associations to bring existing stock up to required standards, respond to obsolescence, make safe from fire and meet current environmental and energy efficiency standards, without diverting resources required to build additional social homes.

Councils should reintroduce equity loans to raise standards in private rented housing; and loans for individual owner occupiers to retrofit their homes.

### **Lessons from past experience**

The experience of the renovation grants programme is relevant, although the use of equity loans rather than grants would avoid abuse and limit negative gentrification impacts.

While Housing Management Orders used to deal with Housing in Multiple Occupation have not been widely used, understanding their targeted use would make these processes more effective.

Research is required to understand the social impacts of the shift of tenure balance, first away from social housing to home ownership, and second, in more recent years, to a largely unregulated private rented sector. The government should set a target for a tenure balance which is more appropriate to meeting current and projected housing requirements.

Research on the impact of previous restrictions on short term lets and the removal of these restrictions would be useful, as would be the more recent experience of cities abroad in seeking to restrict Airbnb.

### **Contribution to achieving Government's key missions**

Strategies for improving and maintaining the existing housing stock and building new homes should be developed together, based on policies to achieve a better mix of tenures, housing types and sizes and an improved state of existing housing. This would improve the quality of life of many households, reducing additional revenue costs to the public purse arising from poor health, homelessness, overcrowding and educational deprivation.

A better tenure balance would improve residential and labour mobility and contribute to economic growth in both the construction and retrofitting industries. Modifications to the taxation of property would support a more efficient use of housing supply and increase public sector revenue.

*Duncan Bowie*

[duncanbowie@yahoo.co.uk](mailto:duncanbowie@yahoo.co.uk)