

A Crisis of Affordability. (A deputation to the Housing and New Homes Committee 21/06/23)

Much of the focus on the city's housing crisis understandably centres on the plight of people experiencing housing insecurity or indeed the lack of any home at all. [] I want to commend local campaigners on their efforts but also draw this committee's attention to a crucial set of issues highlighted at October's *Action on Homes* one day-conference organised by Brighton & Hove Housing Coalition (Cllr Williams - I think I saw you in attendance). (1)

Nationally, the crisis of housing supply has been approached by central government as something remedied by a top-down house building drive enforced by targets. However, the 'build more homes' mantra sidesteps the issue of affordability. In reality, Britain needs to build council homes by the 100s of thousands. In Brighton & Hove, as the birth-rate drops, as half the population is swapped out by those who can afford to come and live here, as school leavers realise they'll have to leave the city to have a home of their own ... it feels to many of us that successive council administrations have failed to grasp – or certainly to act on – the key obstacles to resolving the crisis of affordability.

I lived in Lambeth in the 1980s – I learnt that a radical council does not cower to government decree. It unites with other like-minded councils to demand change. In this case that means demanding that central government abolish the 1961 Land Compensation Act (2). It means seeking, as London has done, that government regulate Airbnb and other forms of short-term letting in our city (3). It means demanding that government enable local action on empty homes (4). This new administration should recognise, as the public does, that housing is the political issue of our times. On behalf of citizens forced out of Brighton by this crisis, I hope the new administration will be a campaigning council issuing relentless demands on government to engage in a large scale nationwide council house building programme.

Of course, this means challenging the oligopoly of the big house builders. Until the issue of land ownership is tackled, the crisis of affordability will continue. Big business buys up pre-planning permission land and the iniquitous 1961 Act ensures the owners reap the financial gain from permissions granted (in other countries 50 percent of the land gain goes to the community). Buying up land, hoovering up permissions and sometimes sitting on the land for years while values rise results in the big developers putting the small house builders out of business.

One morsel of good news is that the government has asked the Competition and Markets Authority (CMA) to conduct an inquiry into the house building sector (5). Could this be a challenge to the big house-builder oligopoly? So long as this virtual cartel continues to dominate the sector, rents and house prices will stay high ensuring the housing crisis will rumble on.

It is my hope that the Housing and New Homes Committee will celebrate the government rebels who recently forced an end to the imposition of targets. For years B&H hasn't been able to demonstrate the required 5 year housing land supply and that, as you know, came at a cost (6). However, criticism that the end of targets has created a "nimby's charter" is unwarranted. Yes, permissions are down but most of these simply lead to more unaffordable homes. As my colleague at the Brighton Society Jeremy Mustoe has written:

"House building targets kill off local planning control and community involvement. The emphasis on pure numbers leads to the wrong type of housing and it ignores other important planning considerations such as heritage and landscape concerns. It effectively transfers power over planning matters into the hands of big powerful developers".

I hope this committee concurs with this assessment. We must transform BHCC into a radical, campaigning council that demands current and future governments break the oligopoly and build council houses on a massive scale countrywide. As a first step I trust the council will press the government to legislate to deal with the Airbnb mega hosts and the glut of empty homes which make renting impossible for most people (7).

Thank you.

Signed:

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Co-signed:

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Notes:

- (1) The conference inspired this essay: <https://www.brighton-society.org.uk/housing-held-hostage-a-2023-update/>
- (2) 1961 Land Compensation Act:
It is land ownership that stands in the way. Big business buys up pre-planning permission land and the iniquitous 1961 Land Compensation Act ensures the owners reap the financial gain from permissions granted (in other countries 50 percent of the land gain goes to the community). Buying up land, hoovering up permissions and sometimes sitting on the land for years while values rise results in the big developers putting the small house builders out of business. In short, the big house builders act like a cartel. That governments (both Labour and Tory) have so far refused to take on such a powerful vested interest speaks for itself. The push will have to come in the form of a people's campaign. MPs should tell voters where they stand on this question.
- (3) Airbnb: In Brighton & Hove, there are over 2,000 houses and flats are 'entire home/apartment' Airbnb rentals. The UK government has legislated in London so that Airbnb properties cannot be let for more than 90 days a year (this restriction applies to both 90 days in a row or 90 days throughout the year). Government must do this for Brighton and Hove too. There are some promising signs that the 'levelling up and housing secretary' wants to take specific action on Airbnb 'mega hosts'.
- (4) Empty Homes: In Brighton & Hove around 4,500 homes are empty (1,350 long-term, plus 850 exempt) with around 2,000 more declared as second homes. There are 237,000 long term empty homes in England. Another 231,000 are short-term empty and 185,000 are empty but exempt from council tax. This adds up to 653,000 homes no one lives in. On top of this figure there are a further 253,000 'furnished empties' (though it's impossible to know how many of these are Airbnb lets or other kinds of holiday or second homes). The already existing 'empty dwelling management order' legislation needs to be allowed to perform its intended social duty rather than be frustrated by government red tape designed to impede it.
- (5) See: <https://www.insidehousing.co.uk/news/competition-watchdog-to-launch-review-of-housebuilding-market-79899>
- (6) Because the targets were mandatory, failing to deliver on them came at a cost. The powerful developers challenged refusals via the courts and, if they could show a failure to meet the housing target, permissions for large, badly designed blocks of unaffordable flats were invariably awarded.
- (7) Some hopeful signs: <https://www.architectsjournal.co.uk/news/gove-proposes-new-planning-powers-to-curb-airbnb-style-home-conversions>
Campaigner Daniel Harris writes on the 'mega-host' problem here:
<https://housingcoalition.co.uk/airbnb-mega-hosts-worsen-housing-crisis-for-key-workers-and-council-tenants-in-brighton-as-investment-properties-leave-them-in-dire-need-of-temporary-and-affordable-accommodation-with-emphasis-on/>