



Wilkinson King Architect-designed house on the edge of Esher's desirable Blackhill's estate is on the market at £3.9m. Tedworth Property

A NEW Dawn

With election fever upon us, James Ellis quizzes industry experts about Labour's proposed New Deal on housing

Housing is a key policy for any political party. With successive government policies threatening to dramatically slow development; housebuilding in England will fall to its lowest level since the Second World War. The current Conservative administration has been mired in reforming laws that protect the 10 million Britons who own their leasehold homes and millions more who rent. At the Conservative Party conference, Michael Gove restated the party's commitment to building more homes, with planning reform "high on the agenda," and a long-term plan for housing. So what exactly do both parties have in mind?

Easing planning rules in cities is one game-changing proposal floated by Sunak which would grant permission for developers to convert empty retail premises into homes,

as well as relaxing the rules around barn, warehouse and agricultural building conversions. The Conservatives have seemingly put a few eggs in the Renters Reform Bill basket too, with the proposed abolition of the so-called "no fault" eviction, plus other significant proposals - such as the move to rolling, periodic tenancies, new rules for pets in lets, and a new property ombudsman.

Not to be outdone, the Labour party has released its jam-packed manifesto with a stated ambition to build 1.5 million new homes over the next five years. Kier Starmer reflects the party's thinking on housing policy as "a decade of national renewal," and to "get Britain building, unleashing a roll out that ensures the winner this time will be working people, everywhere." Labour's draft policy includes rent controls with a national mission to fix "key failings" in the housing market.

Marc Schneiderman, Director of Arlington Residential comments: "As the likelihood of a Labour Government gathers momentum, there will certainly be opportunities for buyers to secure a purchase at a competitive price. A Labour Government will mean a change in housing policy, taxation and will almost certainly turn the property market on its head. Astute buyers will be those poised and ready to exchange contracts with finance/mortgage offers in place. Purchasers ready to act quickly, will be highly valued."

Matthew Morton-Smith, Partner at Tedworth Property reflects: "Political uncertainty plays havoc with the sentiment we require for an active market in Prime Central



Randolph Avenue, Little Venice on the market at £6.1m, Arlington Residential



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LABOUR'S DRAFT MANIFESTO

Labour's draft manifesto includes rent controls and more with a new national mission to fix the failings in the housing market and in housing policy as follows:

- At least 1 million new homes over the next Parliament and a fully-fledged new Department for Housing to spearhead and tackle the current housing crisis, including the biggest council housebuilding programme in more than 30 years
- No stamp duty on first-owned homes with a guarantee of having "first dibs" on new homes built in their area and 100,000 new discount FirstBuy Homes, which are linked to local median incomes
- A new deal for homeowners to solve the ground rent leaseholder crisis and a new Homeowner Guarantee to help owners pay their mortgage should they lose their job
- For private renters to establish new consumer rights, with legal minimum standards as well as making three-year tenancies the new norm with an inflation cap on rental rises
- Action to tackle the root causes of rising homelessness with a new national mission and plan to end rough sleeping within the next Parliament.

London and the fear and confusion that we experienced last time around had a significant stalling effect. Vendors who needed to sell at that time, felt a pressure to be pragmatic and our sense is, that we'll see a similar view taken in the coming months."

Shadow Chancellor (and former Bank of England economist) Rachel Reeves meanwhile, has pledged to overhaul the "antiquated" planning regime, including recruiting 300 new planners for local authorities to help manage the workload with a government "siding with the builders not the blockers. A government that will get Britain building again."

"It's simply not right, that while so many people are struggling with the cost-of-living crisis, homes are being snapped up by foreign buyers, only to be left vacant, driving up prices, while families and young people are desperate to get onto the housing ladder," she reflects. "Additional payroll costs could be funded by a Stamp Duty surcharge for overseas property buyers – shifting from 2% to 3%. The aim of this increase, would of course be to raise revenue, not dissuade inward investment."

The main thrust of Labour's planning agenda seems to be focused on large infrastructure projects – making it easier

to build wind turbines, solar farms and electricity pylons and to protect developers from "vexatious" legal challenges. "Net zero goals will be "hard-wired" into the system," adds Reeves, "and local communities will be offered discounts on energy bills to offset the impact of major infrastructure building in their area."

Starmer has also weighed-in on building design, suggesting support for the ideas in the current government's "building beautiful" agenda that idealises Georgian-style architecture. Property developments that adhere to "gentle urban development" are expected to receive "stronger presumption in favour of permission."

Developers may be given "planning passports" to bring forward projects on brownfield land if they meet the new design standards, with a national planning policy statement updated "within six months" of Labour moving into Downing Street.

As for who is fighting the landlord's corner- Cornerstone Tax the UK's leading property tax consultancy has revealed that 15% of landlords are considering selling up due to rising costs associated with their property. The latest Hamptons Letting Index found that UK landlords are collectively paying £15 billion in mortgage interest annually – up by £4.3 billion over the last 12 months, totalling a 40%

increase. According to Cornerstone's data, a staggering 20% of landlords have lost thousands as a result, with average estimates as high as £7500 in 2023 alone.

Adds David Hannah, Chairman of Cornerstone Group International: "Holding the interest rate at its current level is the most sensible approach for the BoE. In the months following the Bank of England's decision to hold interest rates at 5.25%, we've seen a gradual emergence of opportunities for first time buyers, giving mortgage lenders and banks the time to suitably adjust their operations. Subsequently, this has allowed for a flurry of new products to enter the market."

"Whilst market conditions may not be optimal today, if rates remain where they are or even start to fall, we will see continued growth in the number of first-time buyers taking their first step on the housing ladder."

Labour have ruled out increasing Capital Gains Tax (CGT), with Reeves stressing that it has no plans for a wealth tax. Instead, the focus will be on reducing the overspend of public money rather than taxing the wealthy. She adds: First and foremost - Labour is the party of homeownership.

As to whether 2024 could be a new dawn for housing in the UK - watch this space.