

Tackling the intergenerational housing crisis

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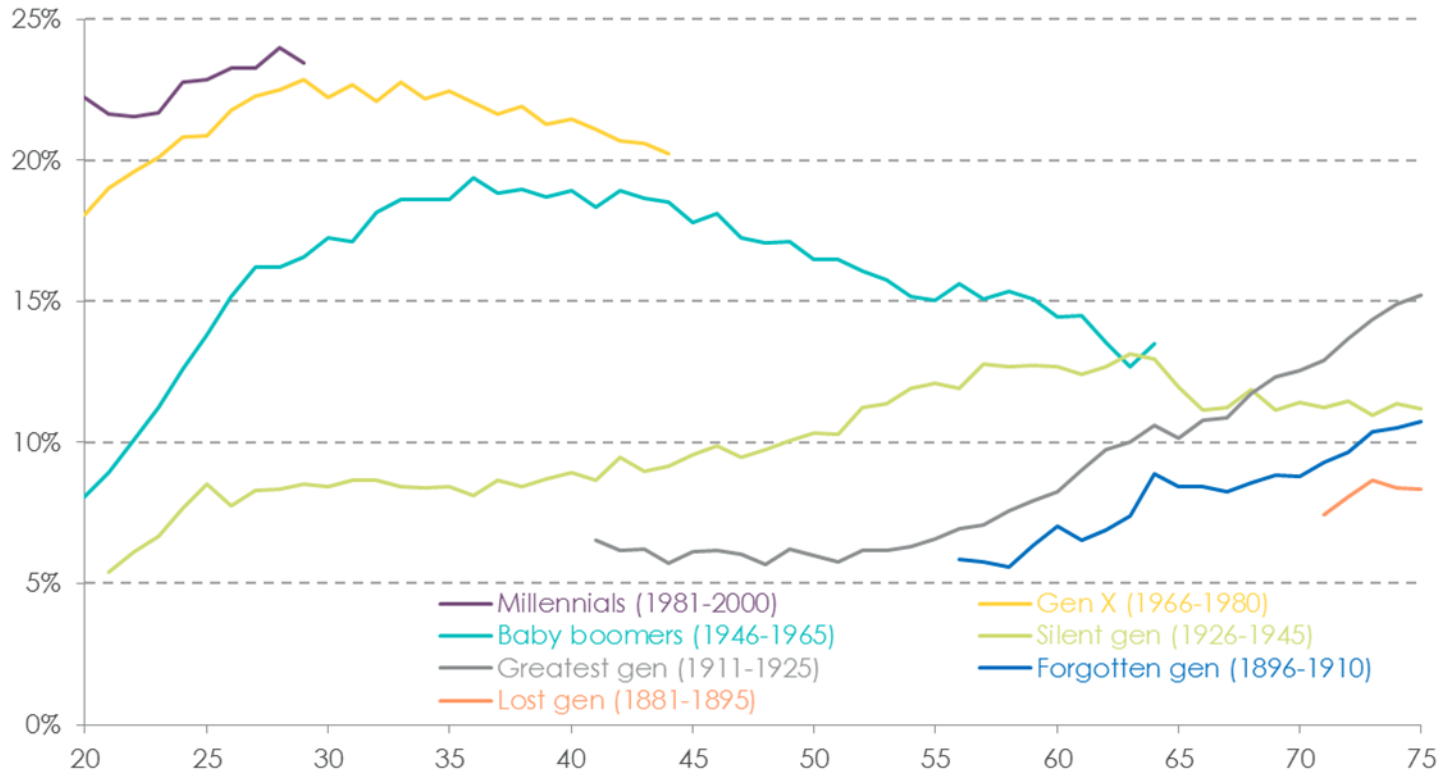
Resolution Foundation

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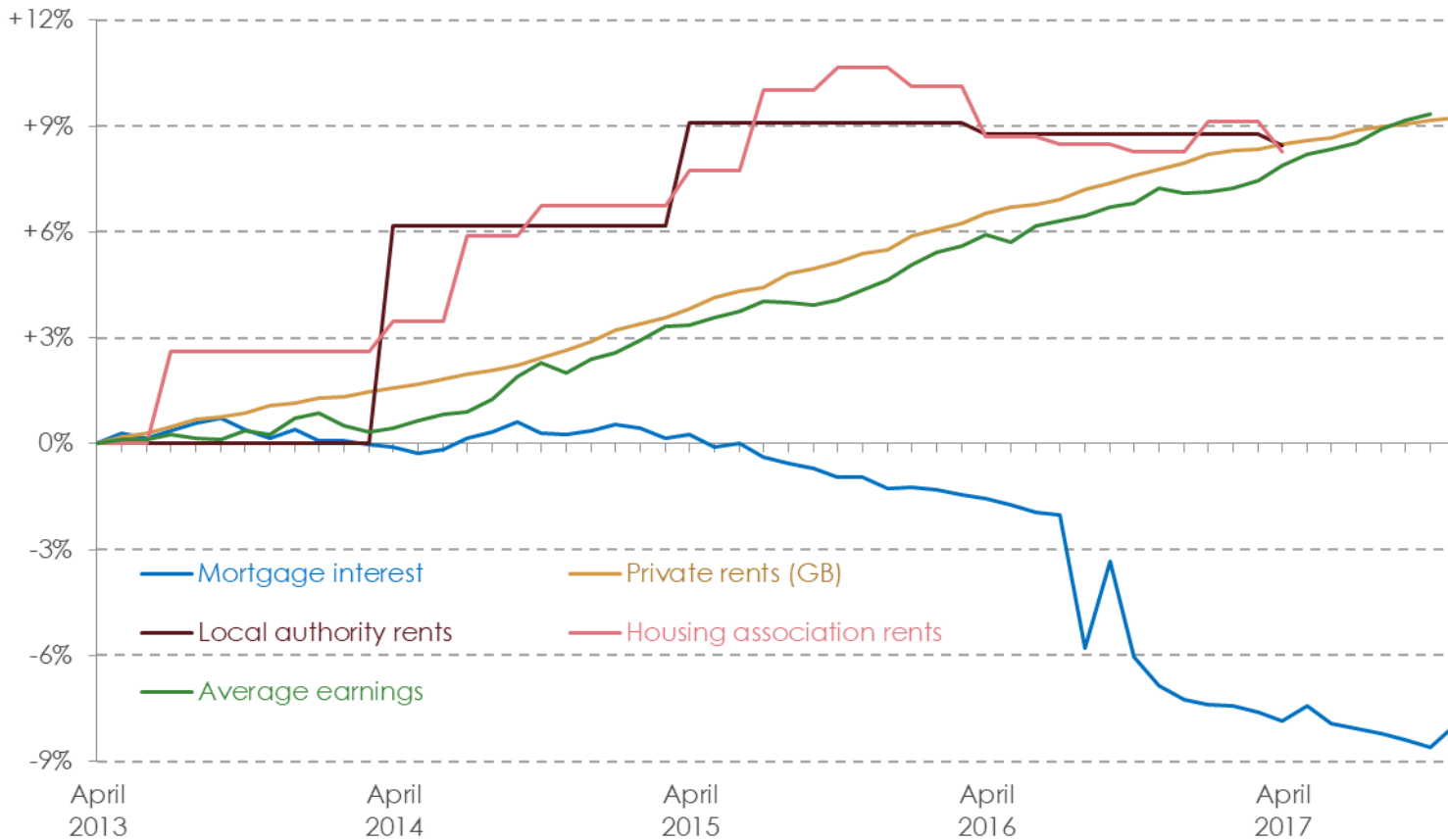
Housing affordability has deteriorated over time

Proportion of income spent on housing costs, by age and generation: GB



In recent years housing costs have gone up for everyone except owner-occupiers

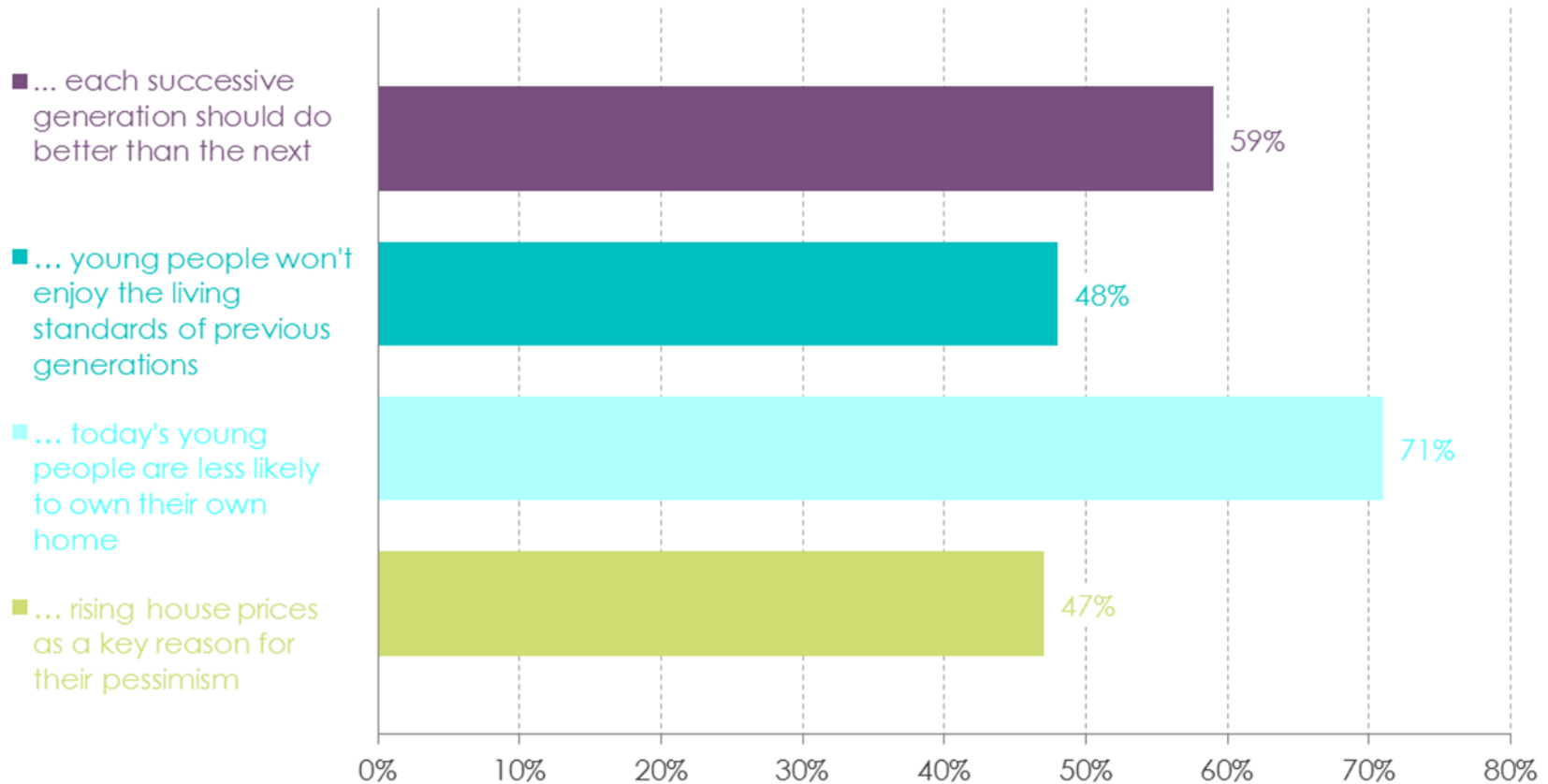
Cumulative change in mean costs (and earnings) since April 2013



Source: RF analysis of DWP HBAI (FRS)

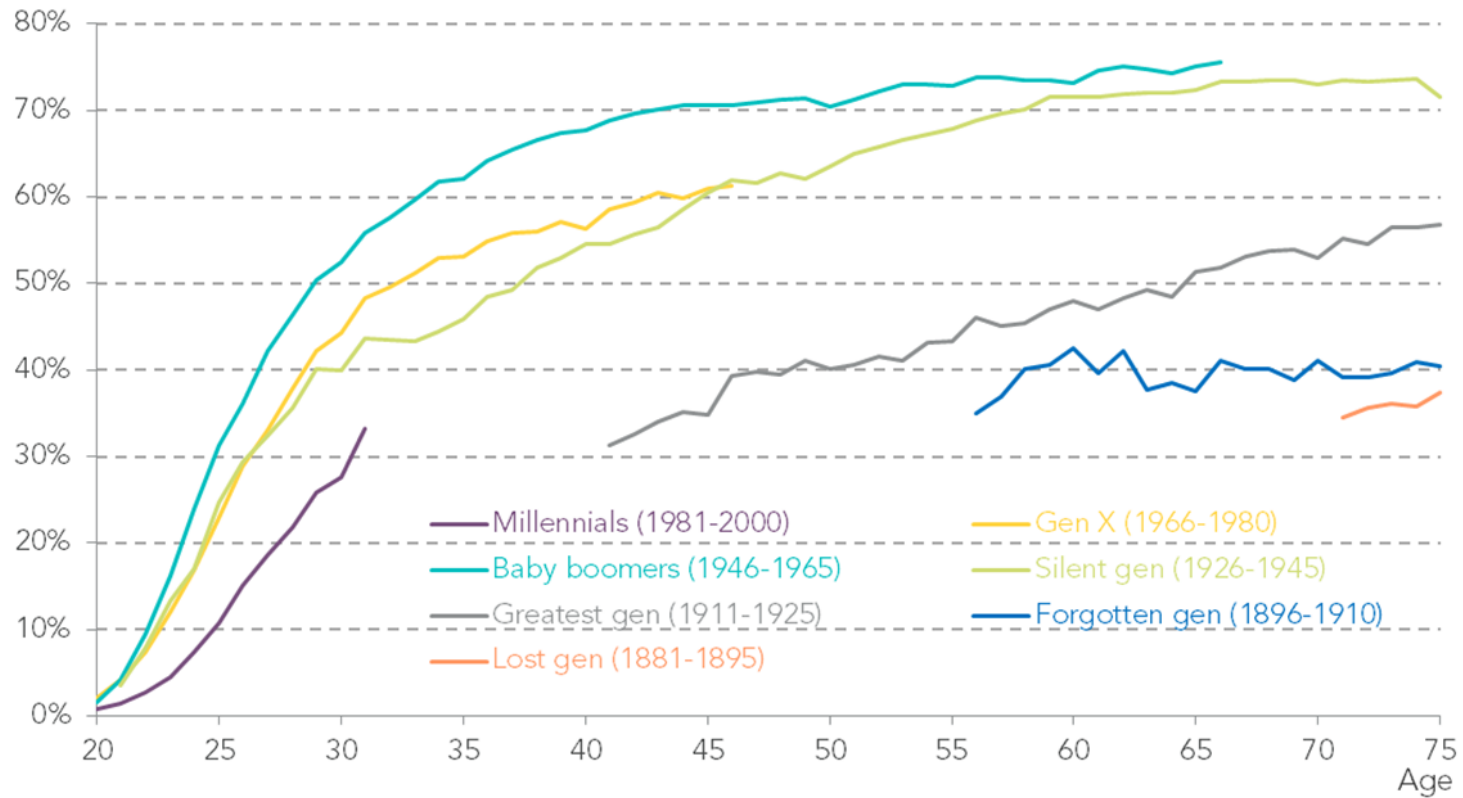
What's bugging millennials (and their parents)?

Proportion of the population who thinks ...



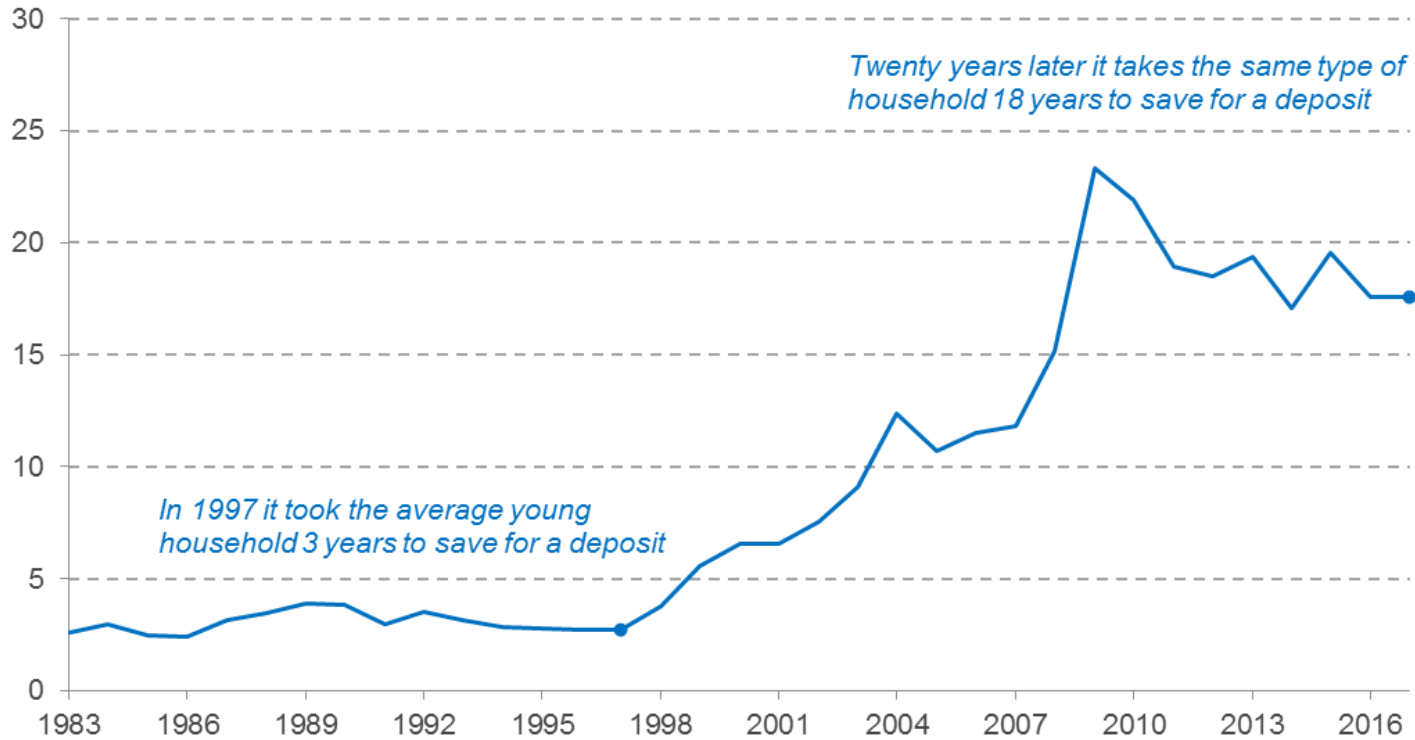
People are right to worry... ownership is down for young people

Family home ownership rates, by age and generation: UK

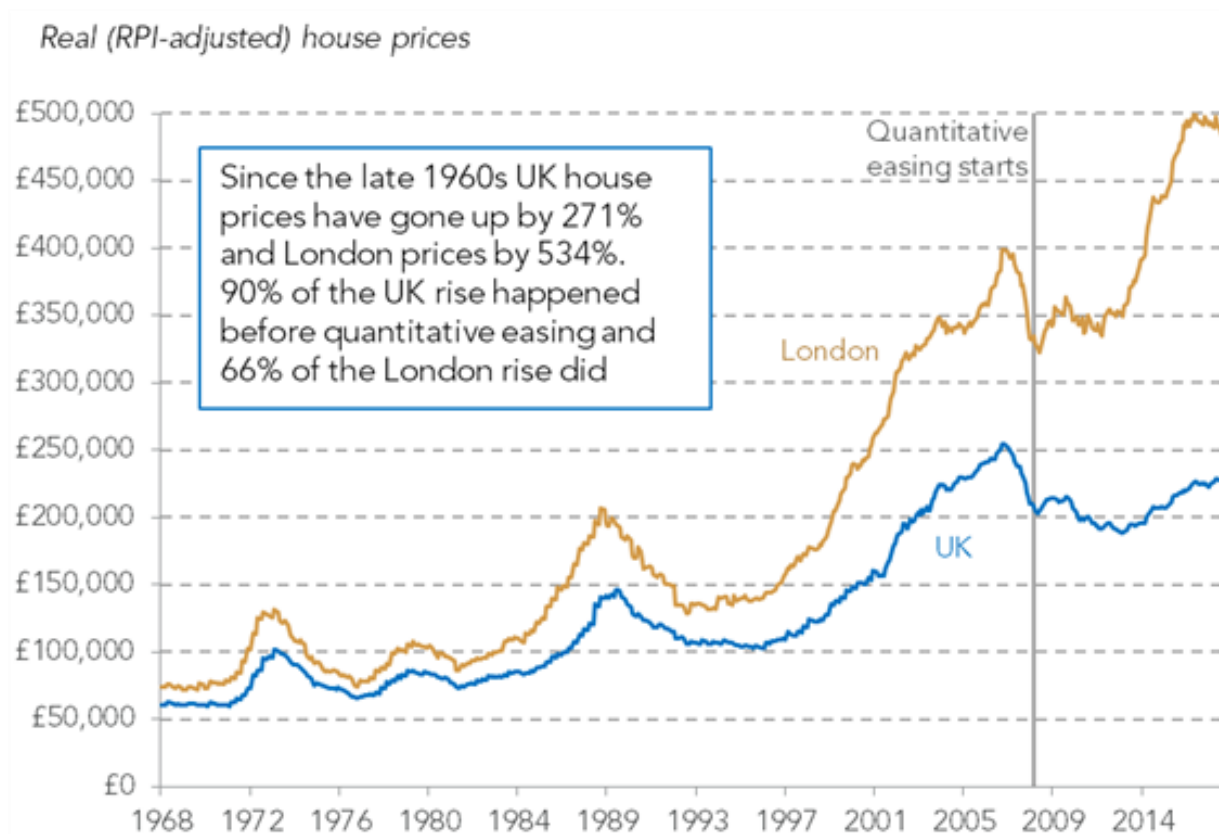


...because barriers to entry are prohibitively high

Estimated number of years required to save for a first time buyer deposit among young (28-30 year old) households: UK

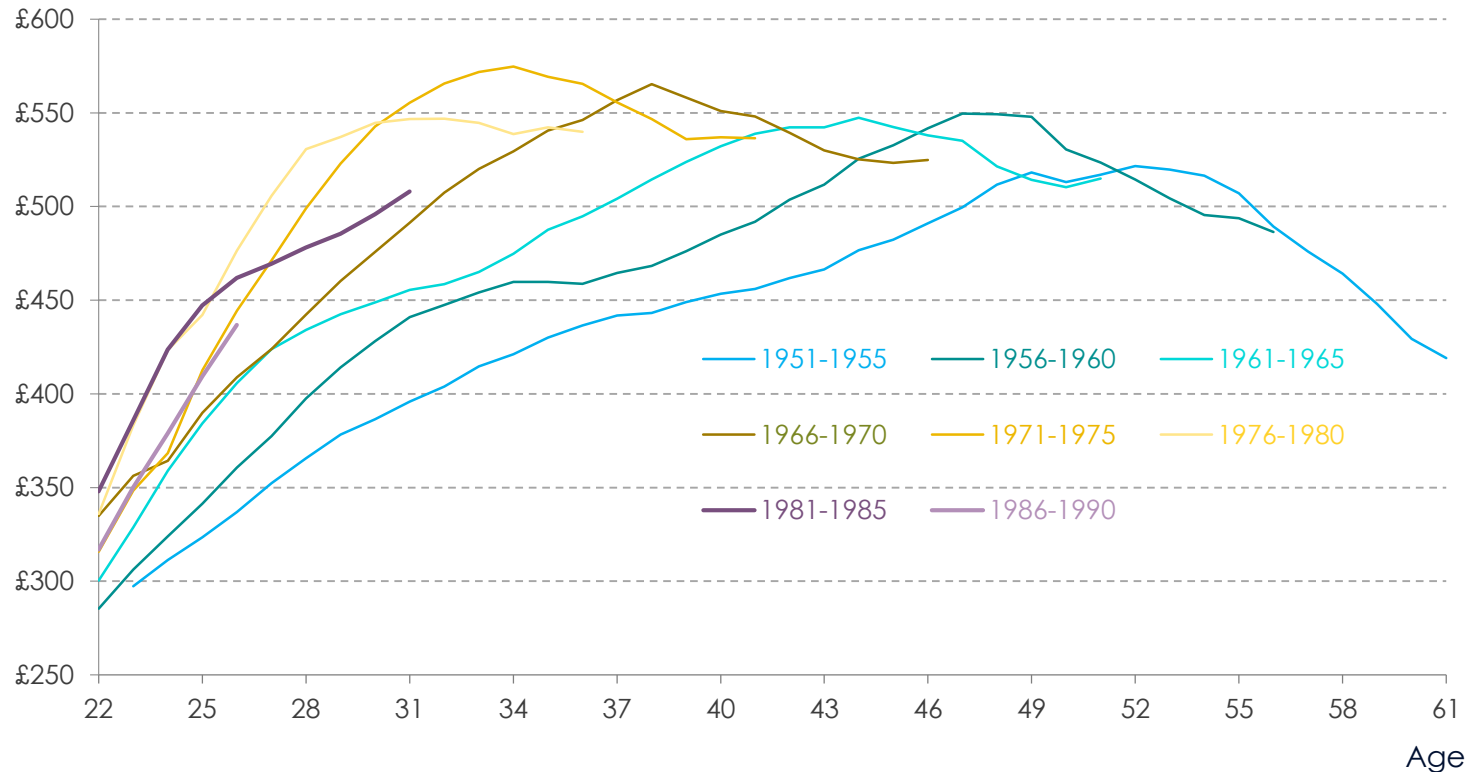


Reason 1: House price inflation over time

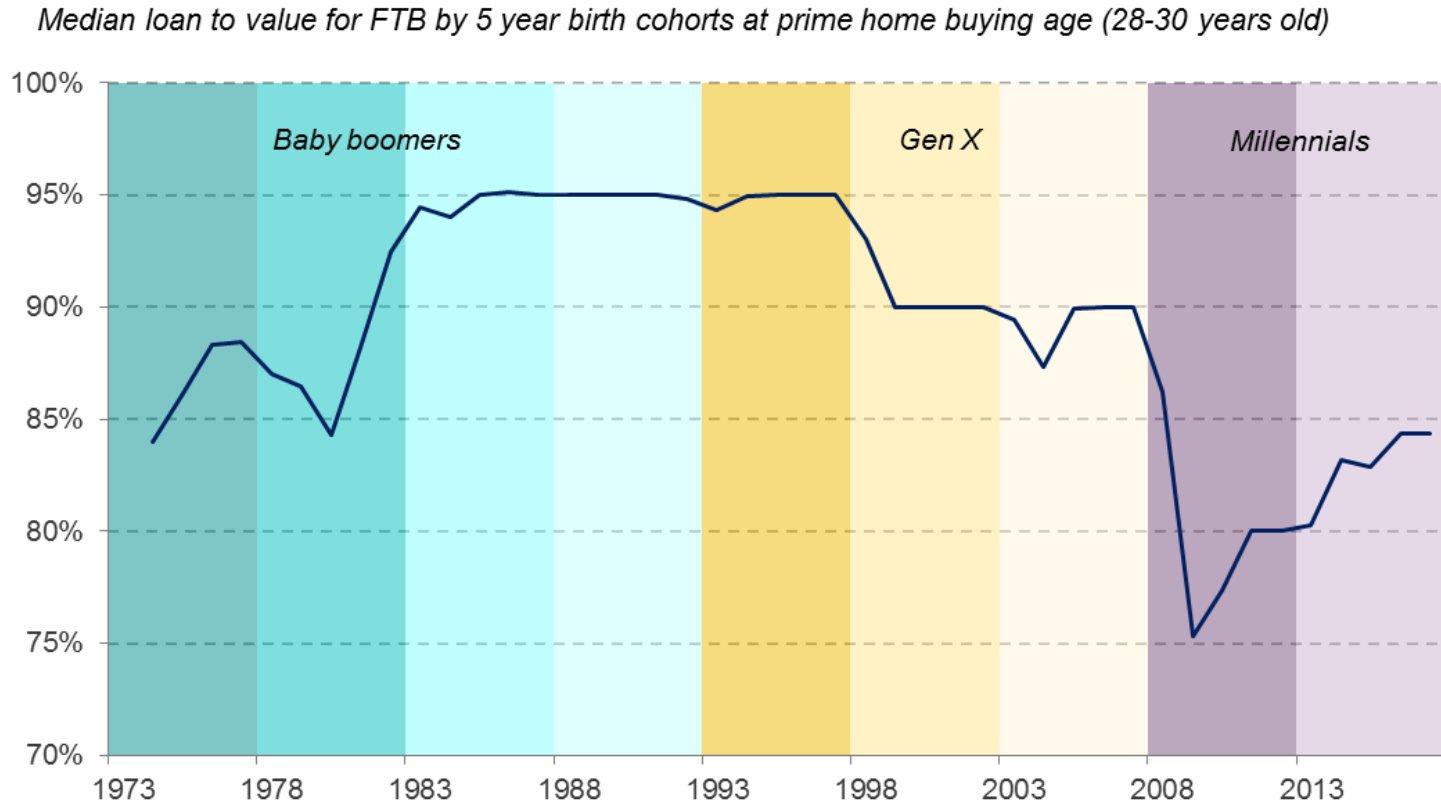


Reason 2: Young people's earnings lag previous generations

Median real weekly pay (CPIH-adjusted to 2017 prices) for five-year birth cohorts

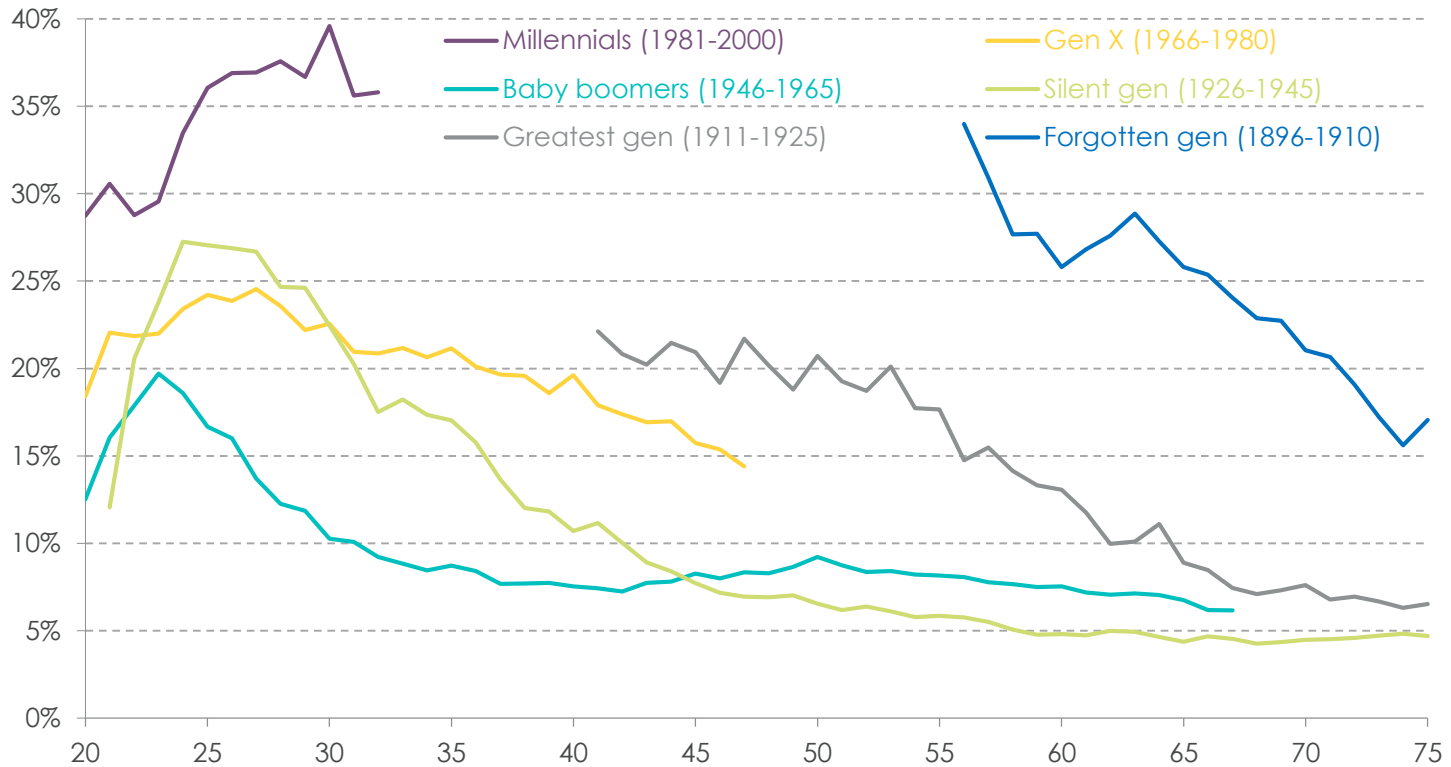


Reason 3: Credit availability has tightened since 2008..

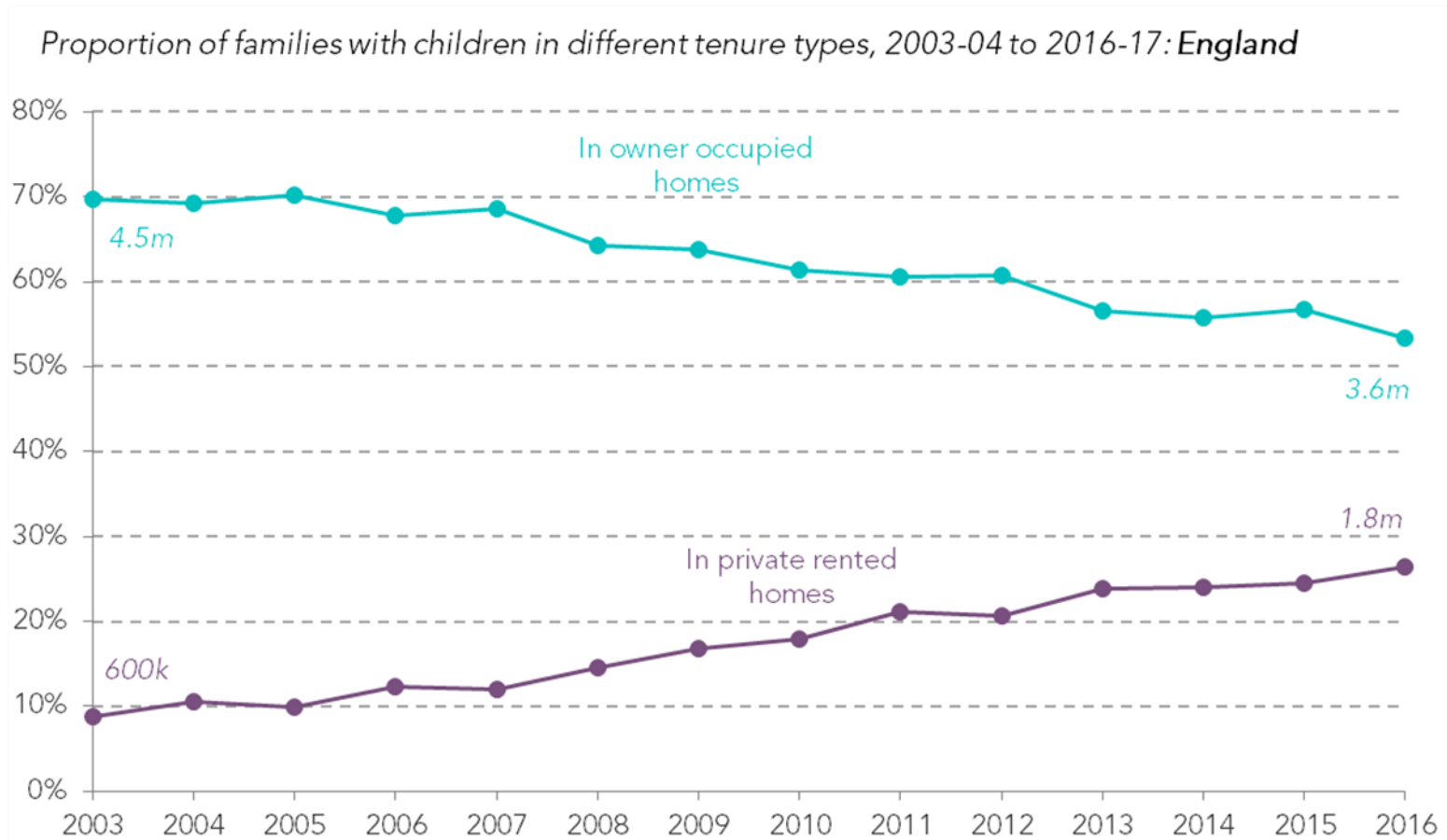


This has knock-on effects, pushing more people into the PRS...

Rates of private renting, by age and generation: UK

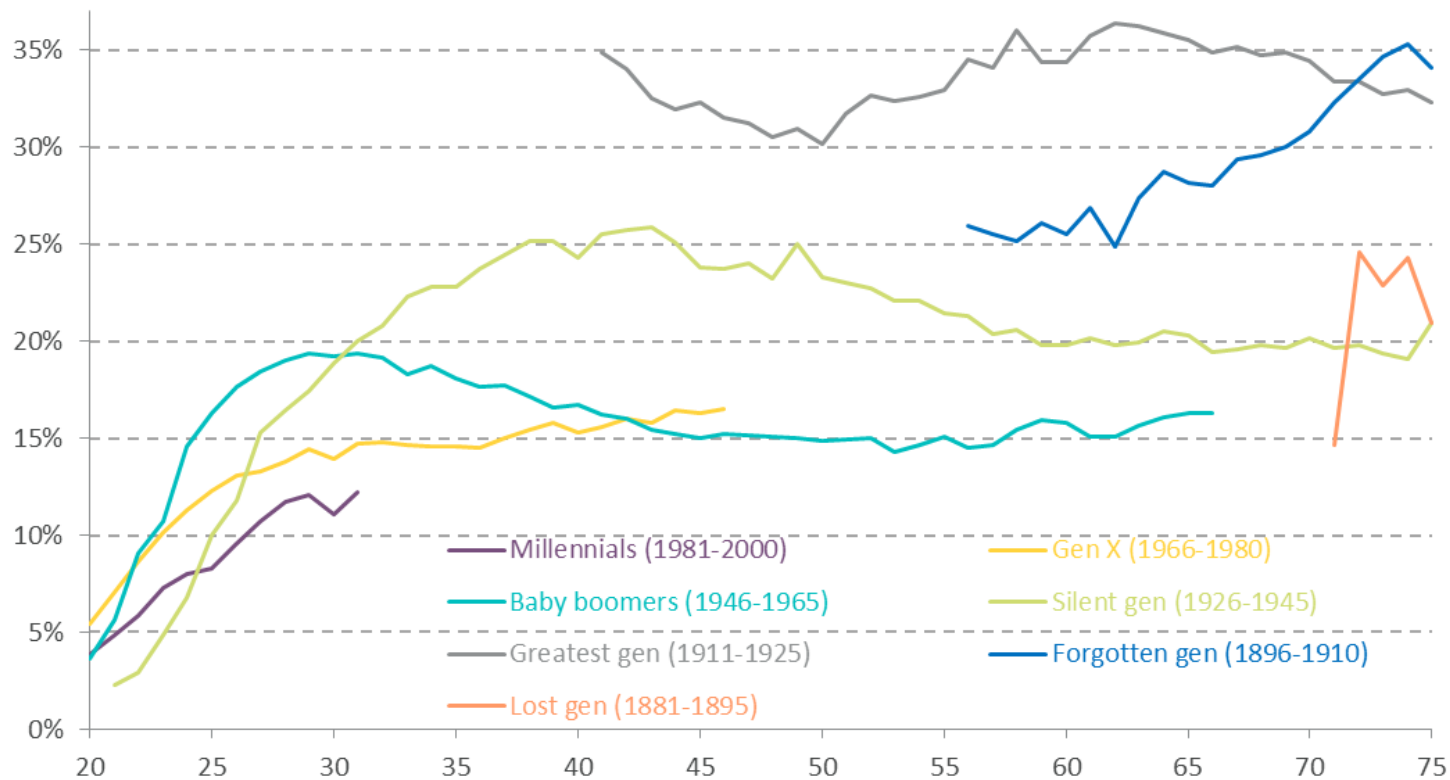


...particularly families with kids



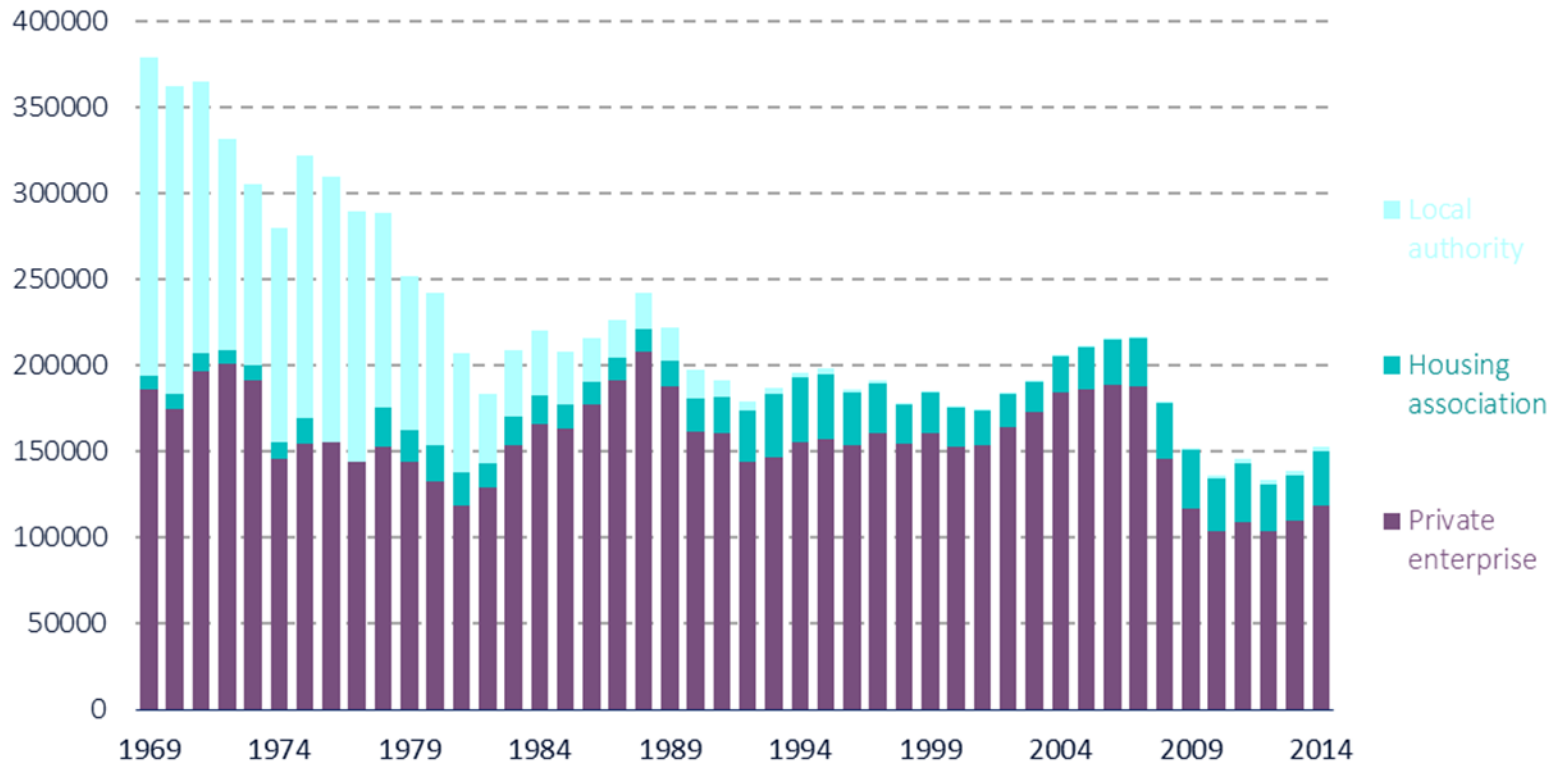
Younger people are also less likely to live in the social rented sector...

Family social rented sector rates, by age and generation: UK



...due to active policy decisions

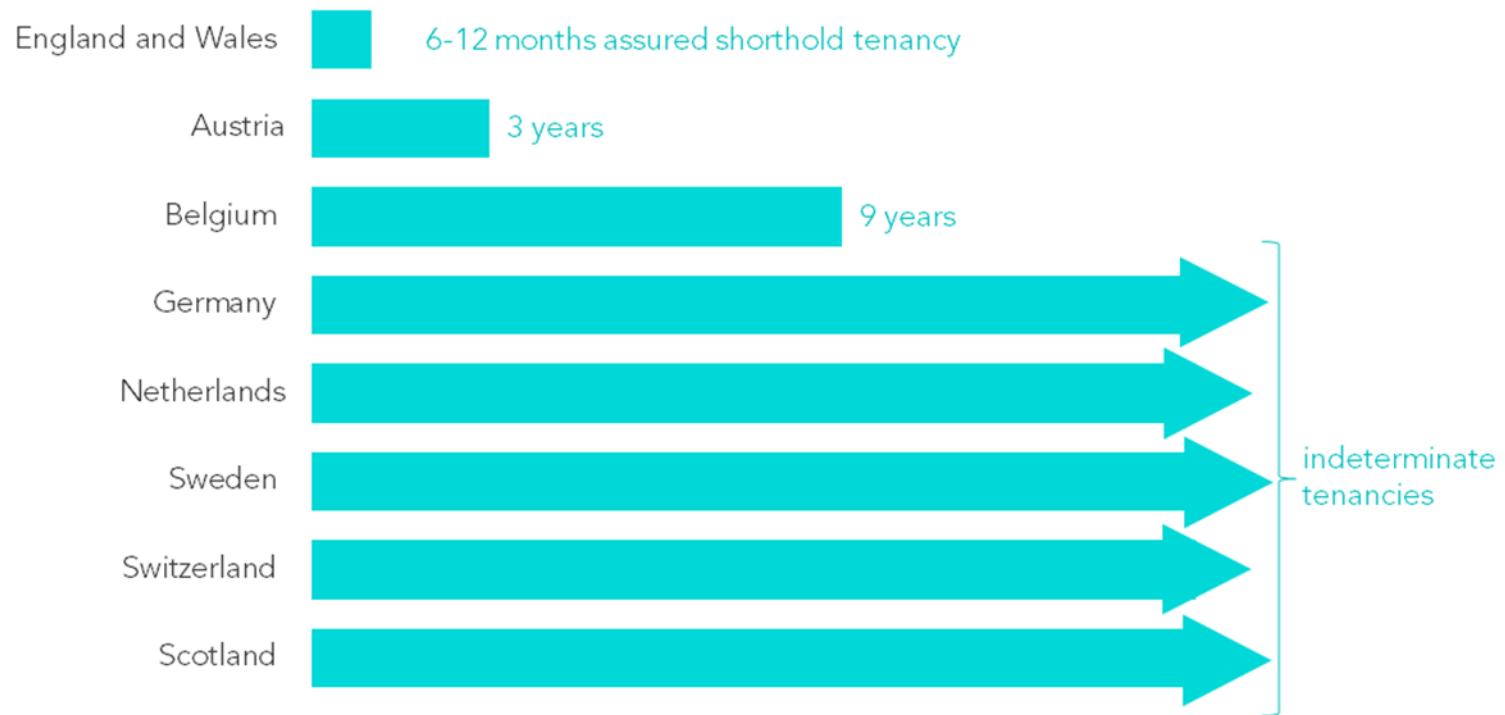
House building completions in the UK, by tenure 1969-70 to 2014-15 (annual)



Source: DCLG live tables on house building, 2016

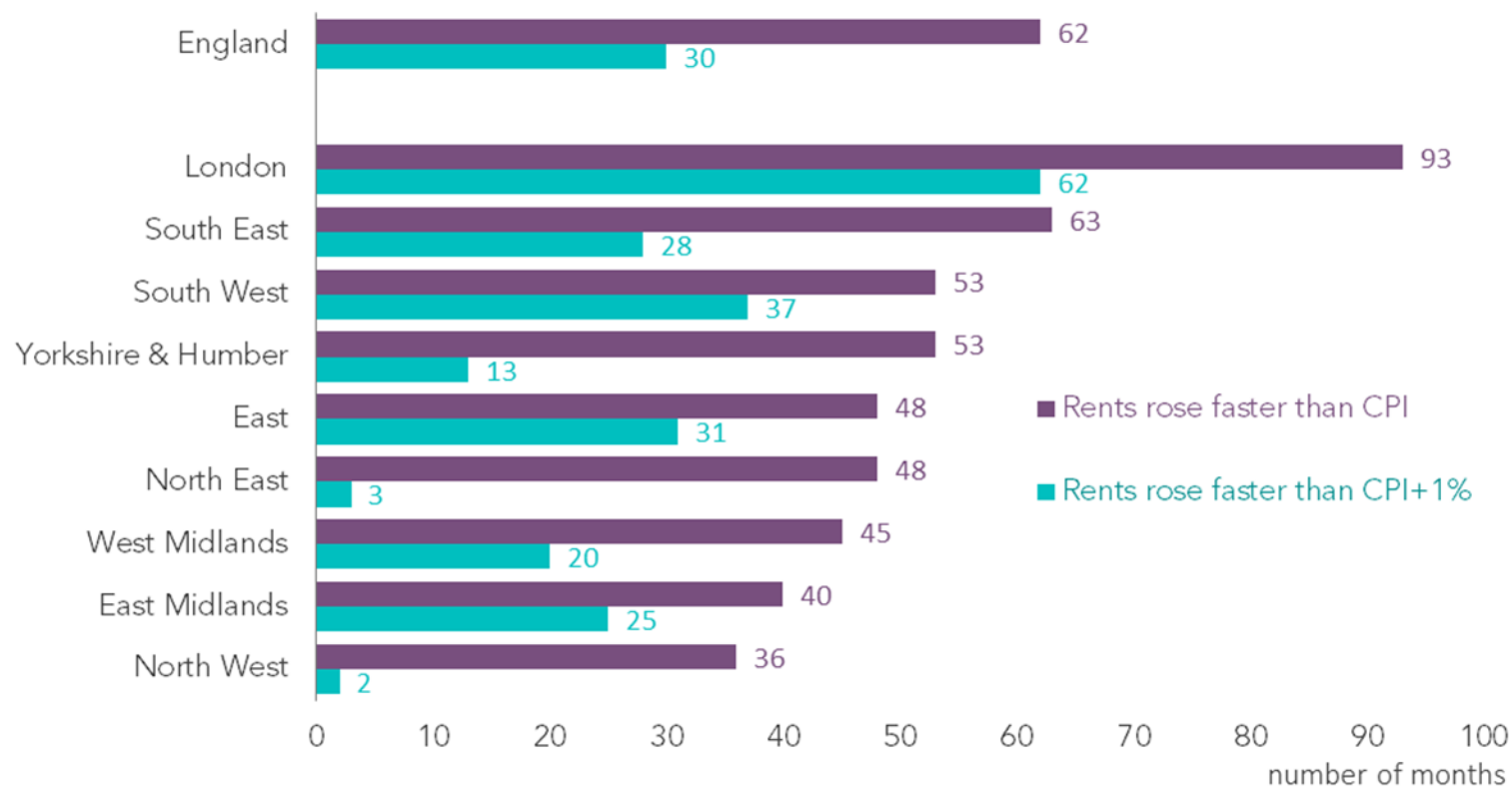
Problems in the PRS... England and Wales are outliers for security of tenure

Length of 'no fault' tenancy term: *various countries*



Problems in the PRS... rent spikes aren't uncommon

Number of months when rents rose faster than inflation between Jan 2006 and Feb 2018 (n=146)



Our proposals

De-risking the private rented sector

Tenancy reform

Light touch rent stabilisation

Rebalancing effective demand for housing

Better target programmes that stoke demand

Reform stamp duty, property tax and CGT to reduce demand from the 'over-housed'

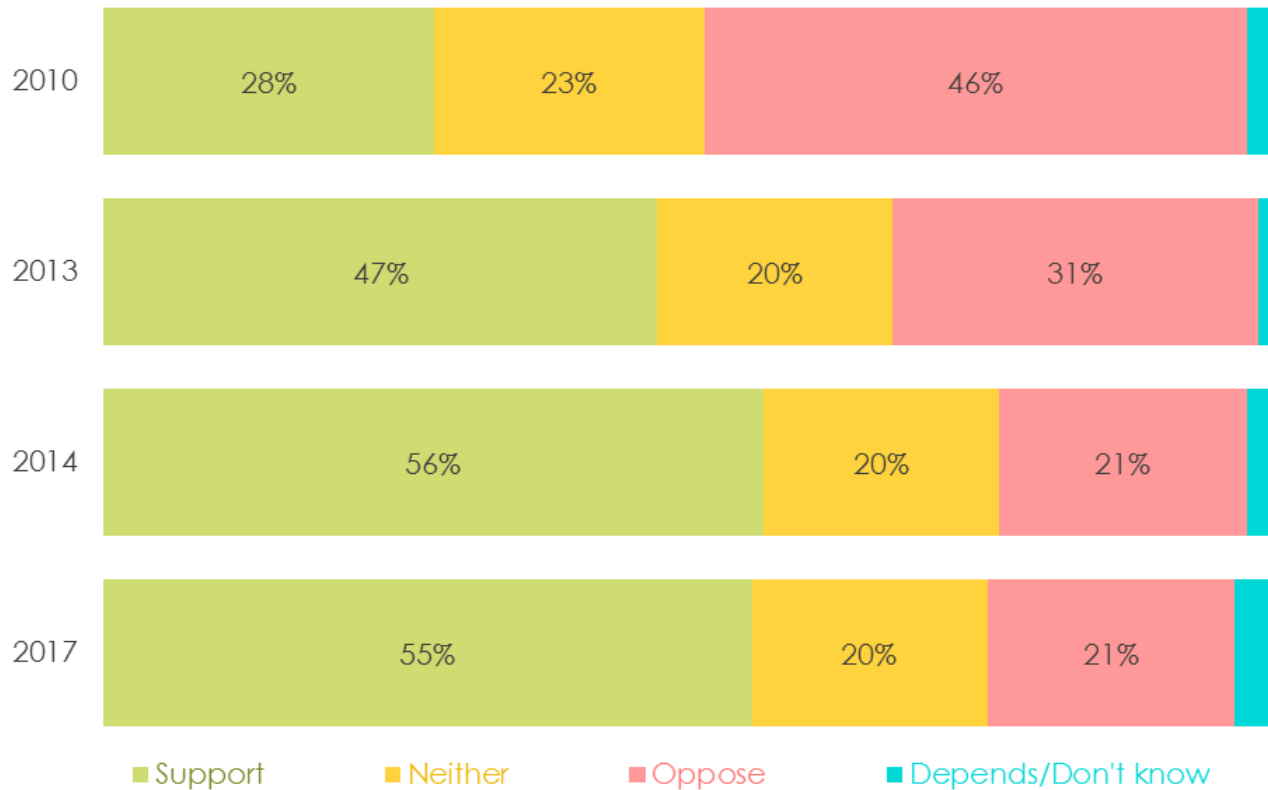
Ratcheting up housing supply

Build capacity of planning departments and reduce the cost of inputs

Give local authorities the power to raise a 'building precept' to fund house building

Finish with optimism

Would you support or oppose more homes being built in your local area?



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