

Call for overhaul in housing sector to meet targets

WIDESPREAD CHANGES in the housing sector are needed if housing targets are to be met, according to a housebuilding expert.

Rosemary Edwards, partner and head of residential development at Leeds-based law firm Shulmans said increased planning and regulatory hurdles had added time and costs to developers. She also said that accusing developers of land-banking was ridiculous.

Ms Edwards said: "I have heard of many major housebuilders being accused of land-banking, but this is patently ridiculous.

"A housebuilder's business is entirely based on selling homes. If they can build them and sell them, why would they hold back?"

"In reality, a housebuilder will struggle to sell more than say 40 houses a year on any one site, so natural market forces mean that a scheme of 200 houses may take five years to build out."

Planning was also adding time and cost in the housing sector, Ms Edwards explained.

She said: "Increased planning and regulatory hurdles have added time and cost, such as the new Community Infrastructure Levy, now effective in some districts, including Leeds. Staff shortages in local authority planning departments can also add to delays."

Mortgage finance was another issue in getting more people into homes. "We may say that we need 200,000 new houses or more each year, but not everyone who wants a house can afford one – and mortgage eligibility criteria



ROSEMARY EDWARDS: 'A housebuilder's business is entirely based on selling homes.'

have tightened up considerably in recent years," said Ms Edwards.

There are those who believe that one way of tackling the shortage of housing is to build on brownfield sites but Tim Halstead, managing partner at Shulmans says it's not as straightforward.

Mr Halstead, who has worked with housebuilders for over 25 years, said brownfield sites often had multiple land owners and to bring them together or persuade the local authority to exercise compulsory purchase powers takes time. He added that prospective housebuyers may not find buying a house on a former industrial site attractive.

Mr Halstead said that there was a skills shortage in the construction sector. "Many skilled construction workers left the industry during the recession," he said. "You can't just click your fingers and bring in an endless supply of tradesmen to get new houses built."

