

How to solve the housing crisis in Wales?

Housing is one of the top priorities for people but with barely half the number of houses needed being built and nearly 25,000 empty properties in Wales – how do we solve the Labour created housing crisis in Wales?

You can either complete the consultation using the response document or online at www.conservatives.wales/cpf. Below is a short briefing on some of the key areas but please do read around or give us your personal thoughts and experiences. **The consultation will close at midnight on the 27th August 2023.** You can submit your responses online at www.conservatives.wales/cpf or email manifesto@conservatives.wales.

Sam Rowlands MS - Policy Director for the Welsh Conservative Group

Janet Finch-Saunders MS - Shadow Minister for Housing

Overview

Under the Labour Government there is a housing crisis in Wales. There is a shortage of properties that are available for the people in Wales to purchase or rent at affordable prices. As a result, many people who are in low-income households are put in a very difficult position, with some even forced to move into a property which is unaffordable putting them at risk of financial hardship. Some are forced into poor quality accommodation and others are left to seek help from local authority homelessness services.

The Labour Government continues to exacerbate their housing crisis by failing to build even half of the homes that is desperately needed in Wales. Instead of addressing this longstanding and pressing issue, the Labour Government in Cardiff Bay is distracted by their vanity projects which fail to align with the needs of the people of Wales.

This consultation will focus on the key priorities which need addressing to improve the state of housing in Wales.

Consultation Questions

Using the consultation response document answer the questions below or complete online at <https://www.conservatives.wales/cpf>

Question 1:

What do you believe is the bigger priority for housing in Wales: the building of new homes, affordable rental properties or the creation of more social housing?

Question 2:

In your opinion, what is the main barrier to building new homes in Wales?

Question 3:

What changes would you make to ensure housing is more affordable?

Question 4:

Are there any incentives you would want to put in place to ensure the required housing per year is met?

Question 5:

Do you consider second home ownership to be an issue? If yes, should there be a council tax premium and what level should this be set at?

Question 6:

How would you ensure that more apprenticeships and vocational courses are taken up by young people to reduce the skills gap?

Briefing: what is the impact of the housing crisis in Wales?

Welsh Government priorities

The Welsh Government's poor record of house building has worsened issues of affordability with the rise in house prices now far outstripping the wages of the people in Wales – Welsh workers pay packets are £2,000 lighter than other parts of the UK. The Labour Government in Wales has failed to build enough homes to meet the rising demand in Wales and Labour Ministers must do more to tackle the social housing waiting lists and address the backlog of people which are currently in temporary accommodation.

Janet Finch-Saunders MS has established a Policy Board with experts from the housing sector, exploring five key areas where improvement is needed to improve the state of the housing sector in Wales. These are:

1. Increasing the overall supply of housing
2. Barriers to developers
3. Measures to improve housing affordability
4. Planning and design of housing
5. The promotion of technology and innovation in the construction sector.

The challenges facing Wales in:

Housing supply

Wales is currently facing a shortage in its supply of housing. Labour ministers have failed to build the required 12,000 houses per year which would meet the current demand. Instead, Welsh Labour have only set a target of up to 8,700 houses per year which is almost 4,000 homes short of what is needed.

5,273 dwellings were completed in 2021-22 – this is 26.8% less than compared to five years before. The number of dwellings started in the fourth quarters in 2022/23 was 992, which is the lowest since 2008/09. It is also the second lowest quarter since records began in 1974/75. In 2021-22, 2,676 additional affordable housing units were delivered across Wales – this is a 26% decrease on the previous year and 9% less than in 2019-20.

As of 2021, two local authorities had households on social waiting lists for over 17 years, yet in March 2022, there were 4,846 vacant social housing units.

Instead of addressing the 22,000 chargeable empty homes in Wales, with almost 10,000 households on social housing waiting list, it is inexcusable that Wales has a large number of empty homes.

Development barriers

Housing developers in Wales are currently facing several barriers. Housing associations in Wales have reported that a reduction in specialist personnel and challenges within the implementation of environment management policy is causing lengthy and expensive delays to its affordable home building projects.

The introduction of phosphate regulations has caused housebuilding to come to a standstill in Wales and despite the 10,000 properties believed to be on hold, the Welsh Government has provided no solutions to addressing this crisis.

Barriers identified were high increases in material costs, a lack of capacity within the planning system, local development plans not fit for purpose; a lot of red tape (lots of regulations to adhere to, which is costly and timely), and a skills gap in Wales.

Housing affordability

As well as a shortage in the supply of housing, those which are available are high in cost. The average price of a property in Wales was £214,174 in March 2023. This is an increase of almost 6% since January 2021. Eight local authorities have had increases of over 10%, yet latest figures show that unemployment increased in Wales whereas it decreased elsewhere in the UK.

The average house price in Wales is over 7 times the median income in Wales. The median income for a full-time worker in Wales is £28,704, meaning that the affordability ratio of the average house is 7.4. In the 12 months leading up to April 2023, private rental prices had increased by 4.8%.

The Rent to Own scheme was scrapped by the Labour Government in Wales, despite providing tenants with the opportunity to buy their property. Tenants could receive 25% of the rent paid during the tenancy to use as a deposit towards purchasing the property.

Planning and design of housing

Housing Associations in Wales are leading the way in delivering innovative, high quality, low carbon places to live that enhance rather than damage the natural environment.

Monmouthshire Housing Association delivered a home building project in partnership with the Welsh School of Architecture at Cardiff University. The project produced 17 long-life high-quality homes. The goal of the project was to eliminate the use of fossil fuels and the scheme was subject to ecological consideration.

However, housing developers are experiencing significant delays to the planning and design of housing as a result of the challenges they face with achieving planning permission, as well as challenges due to systemic and market pressures. This means that ground-breaking projects such as this are not able to be delivered at a larger scale.

Fixing the housing crisis also relies on recycling the huge number of vacant buildings which are scattered across Wales. Latest statistics show that there are more than 22,000 long-term empty properties in Wales. These are a wasted housing resource. Where planning permissions are successful, the conditions of these buildings can be improved to make them safe, affordable, high-quality homes. This should be more of a priority over building on greenfield sites.

The promotion of technology and innovation in the construction sector

There are several drivers of innovation in the construction sector, some of which include improving cost efficiency, pressures to improve the environmental performance and sustainability of products and processes, pressures to schedules and timelines, new developments in technology, and global competition.

The environmental sustainability driver is very prominent. The Welsh Government is planning to invest £10m over the next 3 years in efforts to decarbonise the construction sector. The pilot scheme will provide green business loans so they can invest in measures to reduce their carbon footprint and energy costs.

Skills and apprenticeships

Unfortunately, within this sector there is a shortage of greens skills. There is currently not enough apprenticeships and vocational education out there to sufficiently support the current skills gap. The Welsh Government established a Green Skills Academy in 2021, the college has already trained 550 people in practical skills such as installing solar PV, heat pumps, solar thermal hot water and electrical vehicle Charging points.

However, they have found it difficult to get individuals signed up to the training. It can be challenging for tradespeople and employers to get time out of their business. Many also do not realise that this sort of training is available to them, despite it being offered in local colleges across a wide geographic area.

Websites for further information

Welsh Government Information on housing homepage.

<https://www.gov.wales/housing>

StatsWales: Welsh Government Statistics on housing.

<https://statswales.gov.wales/Catalogue/Housing>

Senedd Research: Communities and Housing

<https://senedd.wales/senedd-now/topics/communities-and-housing/>

Community Housing Cymru

<https://chcymru.org.uk/>

Shelter Cymru

<https://sheltercymru.org.uk/>

The Wallich

<https://thewallich.com/>

Property mark

<https://www.propertymark.co.uk/>

Home Builders Federation

<https://www.hbf.co.uk/>

Office for National Statistics: Housing Affordability in England and Wales 2022

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2022>

Senedd Research: Decarbonising Private Housing

<https://research.senedd.wales/research-articles/decarbonising-private-housing-the-net-zero-elephant-in-the-energy-inefficient-room/>

Senedd Research: Second Homes

<https://research.senedd.wales/research-articles/second-homes-what-s-happening-in-wales/>

Community Housing Cymru: Housing associations

<https://chcymru.org.uk/membership/housing-associations>

Shelter Cymru: what is social housing and why do we need it?

<https://sheltercymru.org.uk/what-is-social-housing-and-why-do-we-all-need-more-of-it/>

Welsh Government: Colleges are boosting their green skills offer in the Construction Sector.

<https://www.gov.wales/colleges-are-boosting-their-green-skills-offer-construction-sector>