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THREE QUICK FIXES TO HELP SOLVE HOUSING CRISIS

There are three immediate actions the Government could take which would provide a positive start to solving the UK's housing crisis, according to a report by the London School of Economics published today 14 July).

Sponsored by the Family Building Society it suggests:

- scrapping stamp duty for older homeowners
- taxing second homes and short term lets to bring more homes back into mainstream use
- treating private landlords like other businesses

The full report covering detailed analysis of both new build and the use of the existing stock was led by the LSE's Emeritus Professor Christine Whitehead with Professor Tony Crook (Sheffield University) and Kelvin MacDonald (Cambridge University).

The report suggests that exempting older households from SDLT would mean they can better afford to move to more suitable housing, leaving more family homes available on the market.

They suggest taxing second homes and short term lets would bring more housing back on to the mainstream market while treating private landlords as businesses would result in a more reasonable standard of rental housing to accommodate those who cannot currently afford to buy their own homes.

“The Labour government's current housing policy has put almost all the emphasis on new build. Yet even when their National Policy Planning Framework is fully in place it is unlikely that anything like 300,000 new homes per annum will be added to overall housing supply, at least during their first term” says Professor Whitehead

“It will take time to bring green and grey belt into development except where there is unused infrastructure available. The development of new and extended towns, while a very popular policy offering significant long- term potential, is unlikely to be fully operational within the next decade.

“A particularly difficult issue is how social and affordable housing is to be funded. A major problem is that Housing Associations do not have the capacity to purchase new S106 homes and without that cash flow developers are slowing the output of both market and affordable homes, especially in London”.

The three quick wins suggested in the report stress the importance of using the existing housing stock, which makes up 99 per cent of current homes at any given time, far more effectively.

“While we clearly need all the new homes we can get, improving the use of the existing stock has far more immediate potential to improve housing conditions” added Professor Whitehead.

Mark Bogard, Family Building Society Chief Executive said: “This latest Government has put great store in housing as a key engine for the growth so very badly needed in the UK economy and to support their spending objectives. But we have not seen a coherent policy, yet.

“It has focused on new build; and, as this report highlights, this is only 1% of what is at stake each year. Optimising the use of the existing stock which makes up the other 99%, matters far more.”

“As this report shows there are actions that can be taken immediately to improve the situation. Going forward we need a coherent policy, joined up government thinking and oversight of delivery of the policy objectives.

“Housing matters to everyone, every night when they go to bed whether they own or rent, private or social. It matters to people for their children. It matters to the elderly that they live in suitable accommodation.”

Politicians often seem to focus on “legacy” – what greater legacy could any politician have than laying the ground for starting to sort out the mess that housing policy has been for so long in this country”.

The report “**A More Coherent Road Map 2: Using the Existing Stock More Effectively**” is available to download at: www.familybuildingsociety.co.uk/integrated-housing

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About Family Building Society

The Family Building Society, launched in July 2014, is a trading name of National Counties Building Society.

1. National Counties Building Society is the UK’s eleventh largest building society, with over 69,000 members and £2.5bn of assets. Operating from its head office in Epsom, Surrey, the Society employs approximately 180 people and offers a range of competitive savings and mortgage products throughout the UK.
2. National Counties Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
3. Eligible deposits with Family Building Society are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK’s deposit guarantee scheme.