



“REFORM PROPERTY TAXES BUT DONT TINKER”.

Housing Policy and Delivery Oversight Committee Advises Chancellor

The recently formed independent Housing Policy and Delivery Committee has advised Rachel Reeves not to tinker with the property market in the forthcoming Budget.

In response to widespread speculation that the Chancellor is considering significant changes to property taxation in the Budget the committee urges caution in the face of a dysfunctional market.

Former Government minister and Lib-Dem MP Sir Vince Cable, chair of the committee said: “There is no doubt that the housing market is not working efficiently, and property taxation is a significant factor. The case for major reform of the whole property tax system – from Stamp Duty Land Tax to inheritance tax to council tax and VAT – is almost unarguable.

“Recent speculation about piecemeal changes in the Budget for revenue raising purposes, if they came about, would be a step in the wrong direction. To take just one example, putting National Insurance tax on landlords would be most likely to lead to higher rental charges.

“That is, in effect, an increase in taxation on working people.

“The reality is that wholesale reform is needed to make the market work more efficiently and achieve improvements in housing provision across the country. This is no small task, and we do not underestimate its complexity or the political dimension.

“Change on the scale necessary demands the most careful consideration and at the least, a white paper and extensive consultation to avoid unintended consequences to this fundamental aspect of society.

“Properly functioning, the housing market can bring great benefits – improvements to the economy, greater labour mobility, supporting skills development and providing more and better-quality housing – to name but a few”.

He added that as an independent committee its aim was to bring a non-partisan, well-informed, critical - but constructive – eye on developments in this vital part of the fabric of the country.

“It is in all our interests that everyone has safe, well-designed and built accommodation. We are not there at the moment, and we are committed to doing all we can to help the government achieve those aims.”

For further information:

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Notes to Editors:

1. The independent Housing Policy and Delivery Oversight Committee is funded by the Family Building Society as part of its long-standing contribution to research to deepen understanding of the housing market in the United Kingdom.

2. Apart from Sir Vince Cable the other committee members are:

- Mark Bogard, Chief Executive of the Family Building Society
- The Rt Hon Damian Green, Chair, Social Care Foundation
- Luke Murphy, Labour MP for Basingstoke
- Neil Jefferson, CEO of the Home Builders Federation
- Vicky Pryce, Chief Economic Adviser at the Centre for Economics and Business Research
- Ingrid Schroder, Director of the Architectural Association School of Architecture
- Maya Singer Hobbs, Senior Research Fellow, IPPR
- Professor Tony Travers, a director of the LSE London

At its first meeting the committee began identifying the many aspects of the housing crisis which need to be improved and ways in which changes are measured.

The committee will initially focus on a select range of metrics including:

- Households and stock
- Affordability - average house prices and affordability
- Need – households in temporary accommodation, those with children, homelessness
- Supply - net additional dwellings
- Existing stock – quality and design

It will also meet every 3 to 4 months and issue reports on its analyses of trends and meeting government objectives.