

**LABOUR'S
NEW DEAL
ON HOUSING**



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INTRODUCTION - A NEW DEAL ON HOUSING WITH LABOUR

Home is at the heart of our lives. It is the foundation on which we grow up and raise our own families; the bedrock for our dreams and aspirations. It helps us belong - shaping who we are and what we do.

For too long politicians in Westminster haven't given housing the same priority that you give to your home. For too long, while you have done what is expected of you - working and saving to buy a home, keeping up on the mortgage, paying the rent - government hasn't kept up its end of the deal.

However hard you or your children save, it still gets harder to buy that special first home. However many hours you work or how much more you earn, the rent still eats up more of your pay packet. And however hard you try, if you fall on hard times there's often no safety net to catch you and your family if you can't pay the mortgage or the rent.

It's why today more than two in three people in this country say there is a housing crisis, and why public concern about housing is now around the highest level it has been in 40 years. You have a right to expect better,

and a right to expect Government to do more to deal with the failings in the housing market and housing policy.

After seven years of failure, it's clear the Conservatives have no plan to fix the country's housing crisis. When the country needs a government that will step in, they have stepped back. And many of the decisions that Ministers have made on housing since 2010 are making the problems worse.

They've withdrawn from building new affordable homes so the number has fallen to the lowest level in 24 years.

They've done too little for first-time buyers on ordinary incomes so home-ownership has fallen to a thirty-year low.

They've stripped away protections for people who need help with housing, so the number of people sleeping rough on our streets has more than doubled.



They've cut investment and outsourced responsibility for building new homes to big developers, so since 2010 fewer new homes have been built on average than under any governing party in peacetime since the 1920s.

We can't go on like this. We need to draw a line under the failings of the past seven years, and the shortcomings of the last forty years. In short, we need a New Deal between the people of this country and a new government. A bold, long-term plan for housing which expects more from all – from commercial housebuilders to housing associations, from lenders to landlords, and from local councils to central government. A plan for housing to meet people's needs and their aspirations.

That is what Labour's New Deal on housing offers. A new national mission that demands more of those who can help fix our housing crisis, and offers more to those who we are currently failing. This is what a new Labour government will deliver:

- a fully-fledged new Department for Housing to spearhead our New Deal on housing and tackle the housing crisis
- a New Deal for first-time buyers with no stamp duty on your first home, 'first dibs' on new homes built in your area, and 100,000 new discount FirstBuy Homes which are linked to local average incomes

- a New Deal for home owners to stop leaseholders being ripped off, and a new Homeowner Guarantee to help you pay the mortgage if you lose your job
- a New Deal on housebuilding with at least a million new homes over the next Parliament, and a new target to see 250,000 new homes a year being built by 2022, then sustained each year after that for the following five-year Parliament
- a New Deal on affordable homes to build at least 100,000 genuinely affordable homes to rent and buy a year by the final year of the next Parliament, including the biggest council housebuilding programme in more than 30 years
- a New Deal for private renters to establish new consumer rights for renters, with legal minimum standards as well as making three-year tenancies the new norm, with an inflation cap on rent rises
- a New Deal on homelessness with a new national mission and plan to end rough sleeping within the next Parliament and action to tackle the root causes of rising homelessness.

Our national New Deal is radical, and credible. We know we can do it and fund it. There is no need for net additional day-to-day spending on the housing measures in this manifesto, and on capital spending we reset national grant investment to the level it was under Labour. A new Office for Budget Responsibility style Office for Housing Delivery will monitor Ministers at every step, independently auditing delivery plans and progress against government targets.

At this election Labour is offering you a New Deal on housing. A new national mission to fix the failings in the housing market and in housing policy. This manifesto is our plan to deliver it.



John Healey
Shadow Secretary of State for Housing

A NEW DEAL FOR FIRST-TIME BUYERS

With the last Labour government the number of home-owning households rose by a million but has fallen by almost 200,000 since 2010. The proportion of people who own their own home is now at a 30 year low. Increasingly it's young people on ordinary incomes who are struggling to buy that special first home - and who are being failed by the Conservatives.

Backing young people on low and middle incomes who want to buy a home of their own is Labour's first housing priority. It's in our DNA: the same aim set out half a century ago in our Labour Government's 1965 housing white paper which declared: "The expansion of building for owner occupation... reflects a long term social advance which should gradually pervade every region."

We want more people to feel that huge sense of achievement and security that comes with buying your first home. We know that the growing gap between the housing haves and housing have-nots is at the heart of the gulf in wealth and opportunity within and between generations.

The Conservatives' record on home-ownership since 2010 is little more than hot air and broken promises. After seven years, the rate of home-ownership is at a 30 year low, with the fall sharpest for younger households and those on low and middle incomes:

there are now 900,000 fewer under-45s owning a home than in 2010. The number of new low-cost homes to buy, like shared ownership, has fallen by two-thirds as a result of cuts in investment.

Our desire to back young people on ordinary incomes to buy a home of their own is why Labour commissioned the independent Redfern Review - the first major inquiry into home-ownership in over a decade - which revealed that the squeeze on young people is at the heart of the recent decline in home-ownership.

So Labour's New Deal for first-time buyers will give younger people the hand up they need to buy their first home, by shifting the market decisively in their favour and opening up new opportunities for first home-ownership.

As a down-payment on this commitment we will cut stamp duty to zero for first-time buyers buying their first home up to a maximum value of £300,000, for a two year period. This fully funded measure will lower the cost hurdle for first homes and save the majority of first-time buyers up to £5,000 which they can put towards a deposit instead.

We will introduce a revolutionary new type of housing - FirstBuy Homes - with housing costs for new build homes benchmarked at a third of local average incomes so homes are priced at what local people can afford, not what makes developers the most money. We'll build 100,000 FirstBuy Homes over the next Parliament, reserved for first-time buyers. And



we'll lock in the discount so that while first-time buyers gain a share of any value increase, these homes will remain affordable for future first-time buyers too. The post-war Labour government built long-term affordable homes to rent, the next Labour government will build affordable homes to rent and buy.

The Government's current Help to Buy scheme was based on Labour's HomeBuy Direct but the Conservatives aren't targeting it at those who need the help. One in four being helped by Help to Buy are not even first-time buyers. Labour will extend Help to Buy for a full decade to 2027, but direct it solely on first-time buyers. We'll set an upper earnings limit so that those households earning more than £100,000 a year no longer qualify. And in return for providing this 10-year certainty for commercial developers, we'll negotiate an agreement to get private house builders building more homes more quickly, including more affordable homes for first-time buyers.

We will introduce a tough 'first dibs' rule on new housing developments to give local people confidence that homes built in their area can be for them and their families. Developers will be forced to market new homes to local first-time buyers first, including those who work locally, not to overseas buyers or those with no connection to the area.

We will tackle the scandal of long-term empty properties to bring them back into use for local people including first-time buyers. Government figures show there are 200,000 long-term vacant homes, including those bought and left empty by speculative investors. The next Labour government will allow councils to charge a 300% empty homes premium on properties that have been empty for more than a year and ask them to prepare empty homes strategies to bring back homes into use in each area. We will reverse the Conservatives' weakening of councils' powers to introduce Empty Dwelling Management Orders to bring homes back into use.



A NEW DEAL FOR HOMEOWNERS

Buying a home can be a huge source of satisfaction and security. But it comes with pressures too – keeping up with mortgage payments and bills, dealing with unexpected charges and staying in your home as you get older. Conservative Ministers have weakened protections for the nearly two-thirds of households who own their home and ignored their problems. Labour will back homeowners to stay in their homes with a new Homeowner Guarantee and protect them from rip-off fees and charges.

In government, Labour stood by homeowners in the teeth of the

2008 global financial crisis and deep recession. Our mortgage rescue scheme meant that repossessions were far lower than at the height of the previous downturn in the early 1990s when Conservative ministers refused to act as thousands of families faced repossession and bankruptcy.

However, since 2010 the Conservatives have again failed to stand by homeowners. They have weakened the safety net for homeowners who need short-term relief on mortgage payments because they get ill or lose their job, including increasing the waiting time before home-owners get help and banning those in low-paid work from support.

They have sold older homeowners short by removing support for the private sector renewal programme

which helped thousands of older people with repairs and adaptations so they could continue to live in their own homes.

And the Conservatives have turned a blind eye while those who own their home on a leasehold basis are left unprotected from huge rises in rip-off 'ground rents' from developers or management companies - at its worst little more than legalised extortion.

Labour will do things differently. Our New Deal for homeowners will give security to homeowners and their families.

We will introduce a Homeowner Guarantee to improve the safety net for homeowners so that losing your job or having your hours reduced doesn't mean losing your home. We will consult on the content of this new Homeowner Guarantee with a view to reducing the waiting time for receipt of mortgage interest loan support and improve support for homeowners in low-paid work.

We will place a cap on charges that leaseholders pay in so-called 'ground rents', ruling out large rises that some home-owners have been hit by, and giving leaseholders security against unforeseen rises in housing costs. We will also commission a review into ending the routine use of leasehold ownership in developments of all new homes, and on making it easier for existing leaseholders buy the freehold of their homes.

We will look at options to increase transparency in the mortgage market to ensure that consumers are not facing unfair spikes in mortgage payments after being placed onto variable rate mortgages. We will seek to safeguard low interest rates including by working to avoid a no-deal exit from the European Union as the Conservatives have threatened.

We will save homeowners money on energy bills by insulating existing properties and phasing in a new zero carbon homes standard for new-build homes – an important long-term programme previously in place until it was abandoned by the Conservatives.

We will consolidate existing support for home adaptations into a Better Homes Fund to enable older homeowners make the personalised adaptations they need to stay in their homes and conduct a review into housing options for older people, including exploring new ways to increase the opportunity for downsizing to allow older people to live independently for longer.

A NEW DEAL ON HOUSEBUILDING

We're currently building far fewer homes than the country needs, and this makes renting or buying a home more expensive for everyone.

The Conservatives promised to 'get Britain building'. But since 2010, new housebuilding has been lower than under any governing political party in peacetime since the 1920s. Last year the numbers of new homes built fell again. Not only is the overall number of homes being built still far too low, the number of new affordable homes to rent and buy has fallen to the lowest level in 24 years.

After seven years of failure it's clear that the Conservatives have no credible plan to build the number of homes we need. They've cut investment and outsourced responsibility for building new homes to big developers.

Labour will draw a line under the failure of the past seven years and shortcomings of the last 40 years, and put building new homes at the heart of government. For the first-time ever we will establish a fully-fledged Department for Housing to spearhead our New Deal on housing. It will give a clear direction to housing as a national priority and give housing a full place at Cabinet. Ministers will be challenged at each step by a new OBR-style Office for Housing Delivery – an independent auditor of housebuilding projections, delivery plans and progress against government targets.

We will set the new Department for Housing a target of building at least one million new homes in England over the course of the next Parliament. We will set a further target that by 2022 we will reach and then sustain housebuilding at a level of 250,000 homes a year.

We will bring more land forward for development at a lower price, by setting a new role for the Homes and Communities Agency as the government's main housing delivery body with a new remit to support the preparation of land for new homes, starting with public sector land, and to commission homes directly. The Agency will also more actively support development by aggregating opportunities for private investment. We will protect the greenbelt, and prioritise brownfield land for development. We will draw closely on the independent expert Lyons Review, which Labour commissioned.

We will increase the powers that local authorities have to build the homes and neighbourhoods that local communities want by confirming and strengthening their powers to assemble and prioritise land for development including enabling compulsory purchase at a price closer to existing value. As there are thousands of potential homes with planning permission that haven't been completed we will also give local authorities new powers to speed up building, and 'use it or lose it' powers where development is being held up without good cause. We will also support councils to require more affordable homes through the planning process. With these new powers will come a greater public

accountability to ensure that councils are delivering the homes that local communities need.

We will start work on a new generation of new towns and garden cities within the next Parliament, delivered by New Homes Corporations based on reformed new towns legislation. Labour's new towns programme is one of the biggest successes in post-war policy, building 32 new towns which today are home to over 2.5 million people. We will consult widely with local areas on the best location for new settlements, and explore the potential for urban extensions to existing towns and cities.

We will ask more of all parts of the housebuilding sector to deliver the homes we need. We will begin the biggest council building programme for over 30 years, removing counter-productive government restrictions that stop councils building homes. We will back housing associations to build more with increased investment through our New Deal on affordable homes. And we will give commercial house builders a decade of certainty by extending Help to Buy to 2027 in return for a wide-ranging agreement on housing output, speed of delivery and high standards in the design and quality of new homes. We will encourage housing co-ops and provide support for regeneration schemes as we did in government, in partnership with local communities.

We will back the growth of small and medium sized builders, with a Small Builder Support Programme, and ensure that sites suitable for small builders are released on public land disposals. We will

support the development of new custom-build housing, encouraging local authorities to make sites available where this is practical and promoting the availability of finance for custom builders.

We will back the construction workforce, requiring new apprenticeships as a condition of receipt of public money for housing, just as we did in 2009 in government. And we will undertake a review into capacity, skills and employment in the construction industry to ensure that bad practices of the past are not repeated and that the industry makes pre-Brexit preparations and the country has a post-Brexit plan for when we leave the European Union.

We will keep the Land Registry in public hands where it belongs, and make ownership of land and property more transparent.



A NEW DEAL ON AFFORDABLE HOMES

We can't build the homes we need without a much bigger role for publicly backed and built homes, alongside commercial housebuilders. There's only been one year since the second world war when we've built more than 200,000 homes a year in England without at least 80,000 of them being built by councils and housing associations, and that was in 1988 at the height of an unsustainable housing boom - quickly followed by a crash.

But under the Conservatives the number of new affordable homes has fallen to its lowest level for 24 years. Even that near-record low flatters Conservative Ministers who

have stretched the definition of 'affordable' housing beyond breaking point to cover so-called affordable homes with rents of over £1,500 a month and sale prices set to be as high £450,000.

The number of new genuinely affordable homes built for social rent has fallen to a record low, with fewer than 1,000 new government funded homes for social rent started last year, down from over almost 40,000 in Labour's last year in government. And the number of new affordable homes to buy, like shared ownership, has plummeted too - down by two-thirds since 2010.

This isn't just bad social policy, it's bad fiscal policy too - leading to hundreds of millions of pounds additional spending on housing benefit.

Labour will build 100,000 new genuinely affordable homes to rent

and buy a year by 2022, calling on all parts of the housing industry to play a part in building the homes the country needs.

We will launch a new era of council housebuilding, with councils building to meet local needs and aspirations. We will kick-start councils to commission and build the range of homes people need in their area, as leading Labour councils are already starting to do. This will be the biggest council house building programme for over 30 years.

We will ditch the Conservatives' ban on long-term council tenancies to give council tenants security in their home, and stop the government forcing the sale of council homes through their high value levy. We will clarify the law to make sure that councils can offer homes to local people first without facing challenge in the courts. And to ensure that areas can build and retain council homes for local people Labour will suspend right-to-buy, allowing councils to reinstate it only if they can prove a plan to replace homes sold one-for-one and like-for-like.

We will recycle housing benefit savings from our affordable housing programme into helping tackle the causes of the housing crisis, rather than relying on higher housing benefit spending to deal with its effects. We will scrap the punitive bedroom tax, which indiscriminately punishes social tenants for not downsizing even when there are no smaller properties available to move to.

As well as prioritising homes for social rent, we will introduce two new types of affordable home linked to

local incomes area by area. We will build 100,000 FirstBuy Homes where mortgage costs do not exceed a third of average local incomes. And we will also build new homes for 'living rent', with rents capped at a third of local incomes to give private renters the breathing room to save for a deposit on a first home.

We will once again help bring more council and housing association homes up to a decent standard, just as we did in government when over a million more council and housing association homes were made warm, safe and dry.

We will look to strike further devolution deals with metro mayors and other devolved authorities in return for an increase in land supply and clear plans to work with local partners to make best use of public money and build more affordable homes.

A NEW DEAL FOR PRIVATE RENTERS

Renting from a private landlord can offer welcome flexibility. However, there are a growing number of renters who would like to put down roots but cannot buy a home of their own or get access to social housing, and for whom renting privately offers neither security nor financial certainty. And for too many, paying ever higher rents does not even guarantee a decent place to live.

On the Conservatives' watch the lack of new affordable homes and slump in home-ownership has meant there are 1.2 million more households renting privately – a third more than in 2010. This is no longer just young, single people and students. England's private rented sector is home to 1.6 million families with children. While the majority of renters are satisfied with their properties, far too many find that conditions are poor, costs high and tenancies uncertain.

Average rents are now almost £1500 a year higher than in 2010. And in 1.3 million properties – home to 400,000 families with children – private rented homes don't even meet basic standards. In total renters are spending £800m every month on homes classed as 'non-decent'. And taxpayers are paying over £2 billion a year in housing benefit to private landlords letting out these sub-standard homes. But unlike other sectors, where consumers can expect certain standards, with clear redress

and repair and replace provisions, in practice you have fewer consumer rights renting a family home than you do buying a fridge freezer.

The Conservatives have turned a blind eye to the pressures England's rapidly growing number of private renters are facing. They voted against Labour plans for longer tenancies and secure rents, scrapped Labour's plan for a register of landlords, watered down legislation for councils to license private landlords in their area and rejected Labour amendments to their legislation to bring in legal minimum standards for private rented properties.

A Labour government will introduce a consumer rights revolution for renters – to bring private renting into the twenty-first century and make all rented houses fit to be called home.

We will take decisive action to raise standards for private renters by introducing new legal minimum standards to ensure that private rented homes are free from serious faults such as unsafe wiring and appliances, problem damp and vermin. In return we will expect renters to look after their properties and treat them with respect.

We will name and shame rogue landlords and introduce tough fines of up to £100,000 for those who fail to meet new minimum standards, with fines used to fund local authority enforcement work. We will support councils to meet their obligations to vulnerable tenants, and will also support them to license landlords in their area – helping to drive up

standards and identify the minority of landlords who are not paying full local or national taxes.

We will give renters security by making three year tenancies the norm, with control on rent rises so that rents do not rise by more than inflation. We will give renters the option of ending the tenancy with two months' notice, and explore giving new freedoms for the Mayor of London to set additional terms for renters in London given the particular pressures that London faces.

We will ban letting agent fees paid by tenants and encourage councils to set up local letting agencies in their areas.

A NEW DEAL ON HOMELESSNESS

Britain is too decent and too well off to put up with the scandal of homelessness. But to our national shame, tonight and every night thousands of people will sleep in doorways and on park benches for want of a place to stay. Many thousands more will be stuck in hostels or temporary accommodation or 'sofa-surfing' with friends.

Increasing homelessness is the most visible sign of Conservative Ministers' seven years of failure on housing. In the last six years, the number of people sleeping rough on our streets has more than doubled, the number of homeless households has risen by almost half to nearly 60,000, and this year well over 120,000 children are without a home.

The hard truth for Conservative Ministers is that their decisions have caused this crisis: record low levels of new affordable rented housing, lack of action to help private renters and deep cuts to housing benefit and charity funding.

Many may remember the mass homelessness of the 1980s and 1990s, with tent cities in central London. It is one of the proudest achievements of the last Labour government that we reduced rough sleeping by around three-quarters and managed an unprecedented decline in statutory homelessness. We set out a comprehensive intervention plan, ground-breaking legislation, fresh

investment, and a target to cut rough sleeping by two-thirds – delivered a year early.

The next Labour government will go further and end rough sleeping for good. We will establish a Prime Minister-led taskforce on ending rough sleeping by the end of the next Parliament, making the links between housing, health, social security and work. As a first step we will overhaul the way we measure rough sleeping so that we know how many people are sleeping rough and more about how we help them.

You can't help people who are homeless if you won't provide the homes so we'll transform our capacity to get people off the streets for good by making available at least 4,000 new homes for people with a history or rough sleeping. We'll explore how this might develop into a 'housing first' approach to provide a long-term solution to those rough sleepers with complex needs.

We will also take action to tackle the wider causes of homelessness beyond rough sleeping. We will halt the government's plans to change the way supported and sheltered housing is funded which charities, housing associations and councils all say will lead to the closure of homelessness hostels and other vital housing for some of the most vulnerable people in our country. We'll work with the housing sector to bring forward a new plan to fund this vital housing adequately for the long-term.

We will protect the housing cost element of Universal Credit for 18-21 year olds which the Conservatives

have cut, and we will undertake a review of the adequacy of support for housing costs through the social security system given the huge reductions in the housing safety net over the last seven years.

We will build thousands more affordable homes to rent, to give those on low incomes more options for a place to stay. And with the failure of a private rented tenancy now being the single most common cause of homelessness, our plans to increase security for private renters with predictable rent rises will help people remain in their homes.

LABOUR'S NEW DEAL ON HOUSING

DAY 1

- Make the machinery of government change to set up a new Department for Housing, with an accompanying Office for Housing Delivery.
- Confirm a clear target for at least a million newly-built homes over the Parliament, with an additional commitment to scale up to and sustain 250,000 homes a year by the end of the Parliament.

MONTH 1

- Set out the new remit of the Homes and Communities Agency to become the government's main housing delivery body, including a new role to assemble land for new homes, commission homes directly and aggregate opportunities for private investment.
- Set up a new Prime Minister-led taskforce on ending rough sleeping, and start by setting out plans to make available at least 4,000 homes for people with a history of rough sleeping.
- Publish details of a new funding prospectus for Labour's New Deal on affordable housing to build 100,000 affordable homes a year, including plans to lift the housing revenue account borrowing cap to liberate councils to start a new era of council house building.

YEAR 1

- Publish a new Housing and Planning Bill setting out the legal changes needed for our programme, including new powers for local authorities, updated new towns legislation and new rights for private renters.
- Begin consultation on a new generation of new towns.
- Revise planning rules and guidance to support the delivery of more affordable homes through the planning system, including new FirstBuy homes.
- Remove stamp duty for first-time buyers purchasing properties for less than £300,000 for two years.

