

PRESS RELEASE

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Downsizing-in-situ could create more new homes than are built each year

England could create more new housing than the entire private sector currently builds each year simply by making it easier for older generations to downsize-in-situ, according to a new report from the Intergenerational Foundation (www.if.org.uk).

Unlocking England's Hidden Homes reveals that 110,000 new homes could be created if just 2.5% of the 4.4 million owner-occupied households, with two or more spare bedrooms and no dependent children, decided to downsize-in-situ.

Angus Hanton, IF Co-Founder, comments, "This is a win-win scenario for all generations. Not only could older people remain in their own homes and own communities, but they could also be financially better-off by either selling or renting the new home created to other generations."

Some 3.3 million older people currently want to downsize but are not doing so. Experts suggest that this is due to a combination of factors: a lack of supply of retirement housing; not enough housing wealth to be able to downsize and retain an acceptable amount of living space; the unaffordability of smaller homes in local areas; the emotional loss of the family home; and the upheaval involved in moving. It means that many older people put off the decision to move until it is forced upon them due to lifetime shocks such as bereavement, lack of savings, illness or frailty.

The report recommends simple policy changes that would allow older generations to subdivide their homes. These include: creating a permitted development right to subdivide a large home with prior approval rather than planning permission; granting Private Residence Relief from Capital Gains Tax on the sale of subdivided units; zero-rating for VAT the necessary building work; and diverting some of the £7.6 billion which is being spent on the New Homes Bonus scheme towards soft loans for subdividing households to help homeowners pay for the conversion works.

Professor Danny Dorling, who wrote the foreword to the report adds, "The government has committed to building 1 million new homes over the next five years but just building our way out of the current housing crisis may be an unattainable goal in so short a timescale. Many different solutions are needed and this is part of the answer that has been overlooked for too long."

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Fewer than 4,500 homes are currently subdivided each year, yet over half of all owner-occupied homes could be large enough to subdivide into at least two properties which meet the government's national space standards, figures in the report show.

The report also demonstrates that the homes suitable for subdividing are predominantly in areas with high forecast demand for new housing, particularly Birmingham and northern cities such as Manchester, Liverpool, Leeds and Sheffield. These cities combined could create more than 250,000 new homes through subdivision.

In London, the majority of the 374,000 homes ripe for subdivision are in cheaper Outer London boroughs such as Barnet, Enfield, Redbridge, Croydon and Bromley. If subdivided, these homes could help to ease the housing crisis in Inner London while also reducing pressure to build on the surrounding Green Belt.

Angus Hanton concludes, "Neither the government nor the retirement industry have responded adequately to the last-time buying crisis. Why create more specialised housing for older people when we can adapt the housing stock we already have and keep or release the equity ourselves while also providing homes for other generations?"

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Notes to Editors:

Angus Hanton, IF Co-Founder, is available for interview.

Please contact liz@if.org.uk mob: 07971 228823 for all media enquiries.

The statistics in the report are drawn from freely available government data from DCLG and the ONS.

The Intergenerational Foundation is a non-party-political charitable think tank, funded by no-strings donations, that researches fairness between the generations. IF believes that policy should be fair to all: the old, the young and those to come.