

## Call for Evidence

### **Environmental Audit Select Committee: Sustainability of the built environment**

**To:** Environmental Audit Select Committee

**By:** The Intergenerational Foundation

**Date:** 12 May 2021

The Intergenerational Foundation ([www.if.org.uk](http://www.if.org.uk)) is the UK's leading independent non-party-political think tank focusing solely on researching fairness between generations. IF believes policy should be fair to all – the old, the young and those to come.

#### **Introduction**

With our emphasis on protecting the rights of younger and future generations, improving the sustainability of the built environment and reducing the nation's carbon footprint is a priority. The prioritisation of short-term fixes over long-term policymaking is a major source of intergenerational unfairness: when policy-makers fail to consider the long-term consequences of their decisions, it is all too often younger and future generations who pay the price. IF therefore welcomes this inquiry into the sustainability of the built environment.

This response answers two questions set by the inquiry which relate to our central mission in our housing research work stream which is that we should use our existing housing stock more efficiently, while also creating new housing for younger and future generations:

1. How should re-use and refurbishment of buildings be balanced with new developments?
2. What can the government do to incentivise more repair, maintenance and retrofit of existing buildings?

#### **Question 1: How should re-use and refurbishment of buildings be balanced with new developments?**

##### **a) Discourage under-occupation**

Re-use or refurbishment of our existing housing stock should be a priority in order to reduce the carbon footprint that will inevitably arise from undertaking new building. However, much of our housing stock is used inefficiently in economic terms and this is in large part due to increasing levels of under-occupation with the over-consumption of housing in the private owner-occupied housing sector. By "under-occupation" we mean private sector homes which have **more than one spare bedroom** as permitted under national minimum space standards.

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Some might even argue that the nation has less of a housing crisis and more of an under-occupation crisis.

Under-occupation accounted for around 37% of the total English housing stock in 2011.<sup>1</sup> This trend has increased dramatically. In 2021, the Intergenerational Foundation found that 52% of homeowners now under-occupy their homes, with older, wealthier homeowners over the age of 65 years actually buying up more space, more rooms, and more expensive homes during the COVID-19 epidemic.<sup>2</sup>

The reasons for increasing under-occupation are complex and solutions are politically difficult, but should include the following:

- Reform local and national taxation systems in order to make under-occupation a less attractive option for smaller households who continue to live in larger properties;
- Reform of our retirement housing market so that developers provide downsizing homes in the right locations with the right amenities at the right price;
- Higher local and national taxation of second homes.

The amount of space we consume matters in terms of ensuring the sustainability of our built environment. But, how we share the space we have has also led to space inequality. Owner-occupied homes enjoy a third more space (108m<sup>2</sup>) on average than privately rented homes (76m<sup>2</sup>) and almost double the space as a social home. Just 7% of 55–65 year-olds reported a lack of outside space compared to 21% of 25–34 year-olds.<sup>3</sup>

## **b) Yes to office-to-residential conversions but micro-homes are not the answer**

The relaxation of permitted development rights on office-to-residential conversions, which on the face of it, should provide much-needed new housing using existing buildings, has instead exacerbated space inequalities, due to the emergence of “micro-homes”.<sup>4</sup> Intergenerational Foundation research revealed that these “homes”, which are smaller than the 37m<sup>2</sup> national minimum space standard, have increased fivefold in five years. Micro-homes are not just a London phenomenon. From 2016 to 2018 significant numbers have been built in the North West, the South East outside London, and Yorkshire and the Humber. The UK can now claim the dubious title of having the smallest rooms, and the second smallest homes, to be found across all of Europe with some micro-developments as small as a single garage at 8.3m<sup>2</sup>, and others without windows or ventilation. While we support office-to-residential conversions in principle, there needs to be better control of these speculative, uncontrolled, and unplanned contradictions to the planned approach set out in the National Planning Policy Framework which requires that “planning policies and decisions should ensure that developments create places that are safe, inclusive, and accessible and which promote health and wellbeing, with a high standard of amenity for existing and future users.

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<sup>1</sup> Griffith, M. (2011) [Hoarding of Housing: The intergenerational crisis in the housing market](#) Intergenerational Foundation, London.

<sup>2</sup> Wiles, C. (2021) [Stockpiling Space: How the pandemic has increased housing inequalities between older and younger generations](#) Intergenerational Foundation, London.

<sup>3</sup> Ibid.

<sup>4</sup> Wiles, C. (2020) [Rabbit Hutch Homes: The growth of micro-homes](#) Intergenerational Foundation, London.

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## 2. What can the government do to incentivise more repair, maintenance and retrofit of existing buildings?

### a) Encourage downsizing-in-situ

One way that we can use our existing housing stock better, disincentivise under-occupation, and thereby reduce the carbon footprint that occurs with new building, is to encourage households who want to remain in their local areas, to downsize in their own homes, otherwise known as “downsizing-in-situ”.

More than one third of Britain’s homeowners are now aged 65 years or older and live in under-occupied homes with more than two extra bedrooms. One in five of these older homeowners would like to downsize, totalling 3.3 million people. The barriers preventing them from doing so may also appear insurmountable: many older people simply do not have enough housing wealth to be able to downsize and retain what they consider to be an acceptable amount of living space; many more cannot afford to downsize and remain in their local area; and still more simply cannot contemplate the emotional loss of the family home.

Downsizing-in-situ involves the subdivision of larger properties in to two or more property titles. It solves the downsizing issue, creates new housing for younger generations, and also reduces the need for more new building thereby reducing the nation’s carbon footprint. With the right kind of policy support we could deliver more new homes than the entire number of new homes currently delivered each year and help to address the housing crisis for all generations. The Intergenerational Foundation estimated in 2016 that there are 4.4 million homes **with two or more spare bedrooms** which could be subdivided. In London alone, there are 374,000 homes which could be subdivided, thereby reducing pressure on the Green Belt.<sup>5</sup>

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<sup>5</sup> Kingman, D. (2016) *Unlocking England’s Hidden Homes: How subdividing larger homes could solve the housing crisis* Intergenerational Foundation, London.