

**PRESS RELEASE**

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## **Younger people most affected by the cladding crisis**

Younger people are at most financial and mental risk from the cladding crisis, according to a new report published by the Intergenerational Foundation. The report, [\*“The cladding scandal: a crisis for young people”\*](#), explains that younger people are: more likely to buy newbuilds; more likely to buy flats - particularly high-rise flats; more likely to use government-backed house purchase schemes such as Help to Buy or shared ownership; and if renting, more likely to rent one of the 850,000 flats potentially fitted with dangerous cladding.

Colin Wiles, report author, comments, “Of the two million people affected, those born after 1980 have borne the brunt of the financial and mental costs of the cladding crisis, spurred on by government-backed house purchase schemes, such as the disastrous Help to Buy programme, and tempted by mortgage-lenders, and builders. While we cautiously welcome the recent government announcement that the housing industry is expected to pay £4 billion for remediation works in medium-rise buildings, it will still take many years before any actual work can commence, leaving largely younger generations trapped inside unsafe, unsellable buildings.”

A further 300,000 high-rise leasehold homes have been left out of the government plans, with younger owners expected to pay many thousands of pounds on interim measures such as waking watches, further eroding their financial and mental wellbeing.

Angus Hanton, IF Co-founder, comments, “The wider housing crisis has pushed many younger people into buying these substandard and dangerous homes. The government, developers, mortgage lenders, banks and builders are letting down a generation of younger people. It seems patently unfair that younger generations, who bought properties in good faith based on mortgage valuations and homebuyer surveys, should have to face huge bills to put right their buildings through no fault of their own. Consumer protection laws exist to protect consumers from faulty cars, TVs, fridges etc. Those laws should also cover home purchases to better protect the young.”

Lord Bishop of Albans, Alan Smith, who led the Lords’ amendments to the 2021 Fire Safety Bill comments, “This research by the Intergenerational Foundation shines a powerful light on the circumstances that forced many young people into unsafe flats and the mental and financial burden this has placed on them. The fire safety scandal owes as much to our current lack of quality affordable homes as it is a crisis of confidence in construction and building regulations. The recommendations in the report make a significant contribution to the debate about navigating our way out of this crisis and ensuring future generations of young people are better served in the housing market.”

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The report explains: how younger generations make up the majority of people affected by the cladding scandal; how younger generations' wellbeing is being affected by central government inaction; and how younger generations are currently being expected to bear a disproportionate percentage of remediation bills.

The report concludes that a 10-point action plan is needed:

1. The Building Safety Fund should be increased to include every affected building, regardless of height and to include all internal and external fire-safety defects, not just cladding.
2. The Residential Property Developers Tax should be increased.
3. Owners and residents should be fully compensated for any short-term increases in service or other charges to keep people safe.
4. The government should underwrite all insurance claims where insurance premiums have soared as a result of the crisis.
5. The Building Regulations should be rewritten.
6. The government should produce a plan to remove all dangerous cladding by summer 2022.
7. The ESW1 process should be speeded up.
8. All owners and other residents affected should be offered long-term mental health support.
9. The government must improve the collation of data and release the data more quickly.
10. The government must apologise to all those affected by the cladding crisis and pledge to put right all areas where owners and residents have been let down or tragically lost their lives.

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### **Notes to editors**

- 294,000 high-rise (above 18 metres) and 546,000 medium-rise leasehold homes in England, totalling 840,000 are potentially fitted with dangerous cladding, housing 1.6 million people.
- 40% of leasehold flats are owner-occupied leaving 60% rented.
- In 2020, 55% of 25–34 year-olds were renting, compared to 35% in 1998.
- A qualified surveyor using an EWS1 (External Wall System 1) form must sign-off safe properties.
- The House of Commons Communities and Local Government Select Committee calculated that £15 billion would be required to fix the cladding crisis. Colmore Tang Construction suggests the cost is closer to £50 billion.
- MHCLG March 2021: 328,506 properties were bought in England using Help to Buy between 2014 and 2021 with a total loan value of £20.111 billion, a total property value of £91.083 billion, and an average property price of £277,800. Close to one in five (18.2%) of these properties were flats. Two-thirds of purchasers have an annual household income of less than £80,000 and 82% of purchasers were first-time buyers – see page 23 of report for full citations.
- In strict legal terms, shared owners are “assured tenants”. They do not own anything but are liable for 100% of all maintenance and repair costs in their home on top of service charges and rental payments.
- A UK Cladding Action Group survey in 2020 found that 90% of those surveyed said that their mental health had deteriorated.
- The Residential Property Developer Tax, levied on the largest developers, will deliver just £2 billion, even with a 4% levy on all profits over £25 million. Persimmon is likely to pay £40 million, while profits were £1 billion in last available accounts.