

19/05/2015

NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS ON TUESDAY 19th MAY 2015

The Halifax Generation Rent Report is the largest research project of its kind in the UK. It provides ongoing insight and in-depth analysis into the attitudes and behaviour of young people towards home ownership since the financial crisis. This is the fifth annual report and contains data from over 40,000 20-45 year olds and 4,000 parents with children aged between 20-45 years old.

Generation Rent 2015: Getting empty homes back on the market best supported proposal to benefit first-time buyers

Generation Rent participants have given their verdict on which policy proposals during the General Election they rate most highly

Halifax's Generation Rent Report 2015 has analysed the housing policies proposed by the political parties over the last few months to weigh up which ones would be of most benefit to young people (20-45 year olds).

The results indicate that overall the Conservative policies seem to be most in-tune with the needs of first-time buyers. However, while five of the top nine policies* were from the Conservative party, the top rated policy was put forward by the Liberal Democrats. The Liberal Democrat policy proposed increasing supply by giving greater powers to local authorities to tackle empty homes in the form of renovation and subsequent return of the property to the rental or sales markets.

New Government, New Build

Increasing the supply of housing was the overall mandate given to the incoming Government by Generation Rent participants. All pledges to build more homes and to either reserve a proportion of these homes or offer them all to first-time buyers were welcomed by the majority of respondents.

Other popular policies included the Conservative proposals to launch a new Rent to Buy scheme and a new Right to Buy scheme.

As a demand side policy the new Right to Buy scheme has received a mixed reception to date, but more than half (54%) the young people surveyed in the Generation Rent Report thought it would be of benefit to getting more people on the housing ladder.

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The most highly rated housing policy proposals according to Generation Rent

	Housing policies which 20-45 year olds believe will be of most benefit	Percentage who said it would benefit	Proposed by
1	Greater powers to local authorities to tackle empty homes, get them renovated and ready for rent or sale**	67%	Liberal Democrats
2	Build 100,000 starter homes and offer to first-time buyers aged under 40 (no landlords) at 20% below market rate	65%	Conservative
3	Increasing the supply of housing generally	64%	Conservative
4	A new Rent to Buy scheme launched. Social tenants offered fixed rents at 20% below market rates guaranteed for 7 years and given first refusal to buy the home**	59%	Conservative
5	Give local authorities the power to reserve a proportion of new homes for first-time buyers for 2 month window and restrict sale to buy-to-let landlords	58%	Labour
6	Extension of the Help to Buy equity loan scheme for new build homes until 2020	56%	Conservative
7	A new Right to Buy scheme	54%	Conservative
8	Set Government target of at least 200,000 new homes a year being built by 2020	53%	Labour
9	Set Government target of at least 300,000 new homes a year being built	52%	Liberal Democrats

Source: Halifax Generation Rent. Some of the policies and pledges – such as the Help to Buy ISA – were announced after the fieldwork was carried out (19th - 25th February 2015), others such as the Conservative proposal to increase the supply of housing generally were changed in the manifesto.

Craig McKinlay, Mortgages Director at Halifax, said:

“Housing was a major issue during the General Election campaign and political parties of all hues acknowledged that more needs to be done to help first-time buyers. However, this now needs to translate into concrete plans during the next Parliament. By taking the most beneficial cross party policy positions according to 20-45 year olds, the Generation Rent Report has created the ‘ideal’ policy package.

“Earlier this year the independent Commission on Housing identified that we need to deliver at least 2 million homes by 2025 to meet demand. Getting empty homes back on the market and tackling the shortfall in housebuilding needs to be a political priority and requires a long-term commitment if it’s to address the shortage of supply.”

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Help to Buy and New Buy Schemes

In the first two years of the Help to Buy: Equity Loan Scheme (to 31 March 2015), 47,018 properties were bought with an equity loan. Taking this into account the Generation Rent Report 2015 found more than half of 20-45 year olds (53%) think the current Help to Buy schemes have had a positive impact, compared with 8% who think it has had a negative effect, and 39% who don't know or are undecided.

As such, the Conservative party proposal to extend the Help to Buy Equity Loan scheme for new build homes until at least 2020 was popular among first-time buyers with 56% expressing approval.

Craig McKinlay comments:

"The majority of Generation Renters participants believe Help to Buy has had a positive impact, and its good news that the schemes will be carrying on for a number of years yet. However, the fact that 39% either don't know or are undecided demonstrates that more work is needed to educate people as to the benefits and how the schemes work.

"For our part we will continue to promote and provide these products. And as part of Lloyds Banking Group we're committed to helping Britain prosper and to providing 1 in 4 first-time buyer and 1 in 4 new build mortgages."

ENDS

Notes to editors

*The parties released different numbers of housing policies. In analysing the research a 51% limit was introduced, so the results only include those statements that were preferred by a majority of respondents.

**Policy announced in advance of the publication of the manifesto, but didn't make it into the actual document.

Helping Britain Prosper

Launched in March 2014, the Lloyds Banking Group Helping Britain Prosper Plan sets out seven separate and significant public commitments to do even more to help address some of the big issues facing its customers and Britain today. The first two commitments made within the Plan are:

1. We will help more customers get on the housing ladder - and more customers climb up it. We are committed to providing 1 in 4 first-time buyer mortgages and 1 in 4 new build mortgages in 2015.
2. We will help our customers plan and save for later life

To find out more about Lloyds Banking Group's commitment to Help Britain Prosper, please visit <http://www.lloydsbankinggroup-cr.com/>

The aim of the **Lloyds Banking Group Commission on Housing** is to generate cross-party agreement on key policy areas which could make a significant difference in providing greater levels of new homes.

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Co-chaired by Mark Prisk MP and Nick Raynsford MP, two former Housing Ministers from different political backgrounds, the Commission also includes a number of industry experts from different fields who collectively generated the insight shaping the conclusions of the Report. The research underpinning the report has been carried out by Cambridge University and sponsored by Lloyds Banking Group.

Headline recommendations of Lloyds Banking Group Commission on Housing

The Report calls for a progressively rising target for national house-building which will deliver 2 million to 2.5 million homes by 2025.

To achieve this, the focus needs to be on the delivery of more high quality yet affordable homes, with large private sector builders supported by:

- A revitalised SME home-builders sector and custom/self-build sector.
- A new professional rental sector backed by institutional investors, with more secure, longer-term tenancy agreements.
- A duty placed on all public sector bodies to review land holdings and assess the case for the disposal of surplus for the purpose of new homes.
- Strategic Plans introduced to provide clarity to Local Planning Authorities (LPAs) on the number of new homes needed and the infrastructure around them at 'first-tier' council level
- Meaningful public engagement which informs local communities of both the need and benefits of more high quality homes.
- A review of the balance between public expenditure on new homes and housing benefits that help to pay rents.

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