

# Lack of building leads to 'housing crisis'



A rainbow forms over a housing estate in Middlesbrough Ben Gurr for The Times

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England and Wales is in the grip of a “housing crisis”, according to figures that show a fall in homes approved for construction.

The Housing Pipeline report from the Home Builders Federation, published today, said that in the final three months of last year local authorities granted planning permissions for 33,000 new homes, a fall of 9 per cent on the previous quarter and 22 per cent on the previous year.

Social housing suffered the most, according to the report, with planning permissions granted for just 5,500 homes in the same period.

Alison Seabeck, the Shadow Housing Minister, said: “These are shocking figures which show just how deeply flawed and unfair the Tory-led Government’s housing policy is.”

With experts warning that first-time-buyers are now virtually frozen out of the housing market, the reality for many young people is to take a room in a shared home or move back in with their parents.

Stewart Baseley, executive chairman of the Home Builders Federation, said: “These figures are extremely concerning. A reduction in permissions granted now will see fewer homes built in future years, exacerbating the already acute housing shortage we are currently experiencing.”

The figures come just days after the Government published its housing statistics for 2010, which showed the number of new homes completed in England fell by 13 per cent to 102,570. That is the lowest peacetime level since 1923 and less than half the number experts say need to be built each year up to 2033 to solve the crisis.

Marc Vlessing, the director of Pocket, which delivers affordable housing, described the figures as “very bad” but warned they were not a one-off. He blamed a “poisonous cocktail of issues” including the fact that small private developers were struggling to borrow money and that there was confusion about the Government’s new planning system. But he also pointed to the dearth of mortgages available to those wanting to step onto the housing ladder, even if they have a strong credit history.

“There is a mix of problems but if they could just focus on one issue - it should be that of first-time-buyers,” he said.

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