

! WIMPEY PLC ORD 1P 153.00 -0.82%

## Barwell's policy shift: the property industry reacts

22 September 2016 | By [Samuel Horti](#)

At last week's RESI Conference, housing minister Gavin Barwell made the most pro-rental speech from a government housing minister in recent memory.



Housing minister Gavin Barwell gave a pro-rental speech at the RESI conference – Source: [Jon Cardwell](#)

He said that the government should encourage ownership – as it has advocated for so long – but **not “at the exclusion of all else”**.

Barwell highlighted the “tension” between encouraging home ownership and building more homes, and said his focus was solely on boosting supply. Building homes for rent is an “important” part of that, he said.

“A growing number of families and young professionals are choosing the private rented sector [PRS], and while home ownership is still the goal for the majority, many will rent for some years before they buy,” he added.

It's a far cry from David Cameron's promise at last year's Conservative Party conference to turn “generation rent into generation buy”, and the first sign of a clear shift in government housing policy since Theresa May replaced Cameron in July. So what should the industry make of it?

### Good reaction

The reaction to Barwell's speech has been highly positive. Craig McWilliam, incoming chief executive of Grosvenor Britain and Ireland, told Property Week that the apparent increased commitment to PRS was “very

supportive”.

He was particularly pleased with **Barwell's plan to encourage investment into build-to-rent (BTR) schemes**, after the minister called for a “significant boost... to ensure more choice and quality for people living in rented accommodation”.

McWilliam said: “BTR can bring supply into the market more quickly; you can rent a house in a day, whereas it would take you a month to sell. If the government gives support and tones down support for homes for sale, that's good for the UK as a whole.”



Source: [Shutterstock/Nadina](#)

Mike Slade, chairman of developer Helical, was also encouraged by Barwell's focus on rented tenures. “This idea that everybody walks straight into their three-door mansion at the age of 24 is bollocks,” he said. “When I was brought up, we all rented. I'd like government to encourage rental within the mix.”

One way in which the government could turn pro-rental rhetoric into action would be to soften its stance on starter homes, David Cameron's flagship policy that promised new homes for first-time buyers at a 20% discount. Barwell seems to have recognised this: he suggested that pushing for too many starter homes may make schemes unviable, or “squeeze out affordable rent provision” – something his predecessor Brandon Lewis would never have said.

This idea that everybody walks straight into their three-door mansion at the age of 24 is bollocks  
– Mike Slade, Helical

The government has a manifesto commitment to build 200,000 starter homes by 2020, so a move away from the policy could require it to break that promise.

Asked whether the government would stick to the number, Barwell said: “It's obviously a manifesto commitment that we have. What I've got to look at is can we have a wider range of affordable housing products and not just say that the only thing that qualifies is this one [tenure type]?”

## 'Sleight of hand'

David Partridge, managing partner at Argent, detected a “sleight of hand” in Barwell's response. He likened the minister's apparent moving of the goal posts to **London mayor Sadiq Khan backing away from his commitment to 50% affordable housing** on new development in the capital after taking office.

But even if the new emphasis on homes for rent proves to be at the expense of some of the 200,000 starter homes for discounted sale, Partridge isn't worried as long as the commitment to boosting supply remains.

"Of course it's a bit of sleight of hand, but the direction of travel is to ensure as many people as possible live where they work and where they want to be," he said. "The tenure of that in a sense is not really for the government [to determine]."

Unsurprisingly, ministers tend to be wary of talking down ownership – as Barwell pointed out, 85% of the population want to own their own home – but if he means what he says about supporting rental products, he will have the industry's full support.

Follow @pwnews { 58.1K followers }

**Like** Be the first of your friends to like this.

