

NEWS RELEASE

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Keep housing manifesto target, building society urges Conservative leadership hopefuls

Candidates in the Conservative Party leadership race must pledge to keep their General Election manifesto target of building 300,000 new homes every year, a building society has warned.

The chief executive of Leeds Building Society has written to all of the remaining candidates outlining why the promise should be retained if they become the next Prime Minister.

His letter highlights how supply is a vital factor in addressing the difficulties faced by people looking to buy the home they want.

The 2019 General Election manifesto included targets of building a million more homes in this parliament and 300,000 homes a year by the middle of this decade, a figure which was last reached in 1977¹.

Richard Fearon, Chief Executive of Leeds Building Society, said: “We regularly see first time buyers and those trying to move up the property ladder facing huge challenges in achieving their home ownership ambitions.

“There are lots of factors at play but the lack of housing supply remains a major obstacle and it needs the Government to be loud and clear in its commitment in overcoming it.

“We’ve seen increasing talk about the need to focus house building only in specific areas but diluting the overarching target sends the wrong signal: this is a crisis that requires big and bold ambition.”

Leeds Building Society lends to borrowers across the UK and last year the mutual helped more than 20,000 first time buyers onto the property ladder. It is the country’s leading lender on Shared Ownership homes and was one of the first providers of First Homes mortgages.

Mr Fearon’s letter highlights how the expected end of the Help to Buy scheme at the end of this year will reduce support for first time buyers and how the increasing cost of living will make it even harder for people to afford a mortgage.

For further information please contact:
John Brenan Senior External Relations Manager Telephone: 07553 645576 Email: jbrenan@leedsbuildingsociety.co.uk

It also emphasises the positive impact house building can have on economic growth, with the housing targets expected to create £14.2 billion of economic activity and 260,000 additional jobsⁱⁱ.

Mr Fearon said: “We are entering a considerable period of economic uncertainty with average household incomes getting squeezed tighter than we’ve seen for decades. Supporting our housing infrastructure would create valuable growth opportunities for the country, create jobs and give hope for the millions of people unable to make home ownership a reality.”

Ends

Notes to editors

The Society operates throughout the UK and had assets of £22.5bn at 31 December 2021 (£20.6bn at 31 December 2020). The UK’s fifth-largest mutual has its head office in the centre of Leeds, where it was founded in 1875.

The Society won the title of Best Shared Ownership Mortgage Lender in the 2021 What Mortgage Awards, its sixth consecutive year of success in this category. It also received a Gold Ribbon from Fairer Finance for savings accounts for the fourth year running, based on customer happiness and trust, along with the ability to explain things clearly.

ⁱ Office for National Statistics: House building, UK: permanent dwellings started and completed <https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/housing/datasets/ukhousebuildingpermanentdwellingsstartedandcompleted/current/ukhousebuilding.xlsx>

ⁱⁱ [https://www.hbf.co.uk/documents/7876/The Economic Footprint of UK House Building July 2018LR.pdf](https://www.hbf.co.uk/documents/7876/The_Economic_Footprint_of_UK_House_Building_July_2018LR.pdf)