Employers and government must help first-time buyers save deposit money to break housing impasse, Localis urges

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To boost young people's chances of getting on the property ladder, employers and government should both contribute to first-time buyers' deposit-savings using auto-enrolment of monthly pay-packets – a think-tank has today urged.

The call comes as centre-right think-tank Localis produces the interim findings of its report 'Disrupting the Housing Market'.

The report presents three key policy recommendations: -

- Extension of principle of auto-enrolment from pensions to saving deposits among 18-40 year olds to radically speed up the time it takes young people to earn the deposit for their first house;
- Let local authorities re-designate greenbelt land through the creation of 'yellowfield registers' - allowing the sustainable release of land for new homes in areas where green belt protection is unwarranted;
- Providing greater protections to private-rented tenants by allowing them to choose their initial tenancy length at six month intervals up to thirty-six months, with a one month break option after six months.

Jack Airey, senior researcher at Localis, said: "Whether out of choice, or simply because they do not have enough money at the end of each month to do so, a majority of people are not building any financial capacity with which to get a mortgage and purchase a home in the future.

"This crisis of saving transcends people of all tenures, ages, regions and socio-economic classes yet these consequences are underappreciated, least of all by non-homeowners themselves. Under this auto-enrolment scheme, rather than relying on the 'Bank of Mum and Dad', employers and government would help young people onto the housing ladder."

Liam Booth-Smith, chief executive at Localis, said: "The available evidence overwhelmingly points to the vast majority of people still wanting to own a home. It is an important life ambition, one that recent generations have enjoyed and future generations should too.

"The housing market is everyone's problem - those who already own their home are dependent on someone else buying it. If the first rung of the housing ladder is lifted too high, there will be fewer and fewer buyers to sell to in the future.

"A Burkean intergenerational contract needs to be restored between those who wish to own their home, those that already do; and those that want to leave for retirement."

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Notes to Editors:

- For a full breakdown of the interim findings, please visit the Localis website: http://www.localis.org.uk/news/policies-for-a-fairer-housing-market/

- On 16 October Localis will issue a report entitled **'Disrupting the Housing Industry'** which will provide workable ideas to government on the most effective methods by which state intervention can disrupt the housing market.

Involving a keynote speech from Housing and Planning Minister Alok Sharma MP ,the report launch will make the case that land can be used more productively, both economically and socially, but that this needs to be managed carefully. And it will also explore possible changes to the consumer market that make it more open to change.

To learn more and book your place for the launch at 09.00 a.m.at the Royal Institute of Chartered Surveyors (RICS), Westminster , please visit:
http://www.localis.org.uk/events/report-launch-disrupting-housing-market/

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