



Consultation Response

A future where families come first – Labour Policy Forum

Response by the Royal Institution of Chartered Surveyors (RICS).



Introduction

The Royal Institution of Chartered Surveyors (RICS) are delighted to have the opportunity to respond to the Labour Policy Forum commissions on its next policy development cycle.

Established in 1868, RICS is the largest organisation of its kind for professionals in property, construction, land, and related environmental issues, setting and upholding professional standards for 125,000 qualified professionals and over 10,000 firms. RICS regulates both its individual qualified professionals and those firms that have registered for regulation by RICS.

Over 80,000 of our qualified professionals work in the UK, where our goal is to deliver a healthy and vibrant property and land sector as a key pillar of a thriving economy while addressing the need for the creation of green, safe communities.

We are not a trade body; we do not represent any sectional interest, and under the terms of our Royal Charter the advice and leadership we offer is always in the public interest.

For our response to the Labour Policy Forum, we have focused on question five of the consultation where we have our greatest influence, and ability to be informed and shaped by our members who every day, work tirelessly to ensure quality, supply and safety exists in our homes.

Creating affordable, safe, and green homes

How can Labour make home ownership a reality for more families, give private renters the security they need and tackle the scourge of homelessness? How can the next Labour government build more social and council housing and ensure greater investment in genuinely affordable homes?

Housing supply

One of the fundamental challenges in the housing sector is the continuing lack of high-quality, affordable homes. This inadequate supply of housing has a direct correlation on property prices, rent and quality – which brings with it wider economic and social challenges.

At the end of 2022, the UK Government abandoned its 300,000 annual target for new homes, having never met the long-held ambition.

Developers have told RICS of consistent challenges in recent years, with Brexit, then the Coronavirus pandemic and now the cost-of-living crisis and ongoing conflict in Ukraine. BCIS data recorded a 22.3% rise in construction materials between 2021 and 2022, significantly hindering project costs and forcing developments to downsize.

Add to this a major labour shortage. Then there is the planning system – which is already under significant resource pressures and now nutrient neutrality guidance is having a significant effect on developments. To increase housing supply, RICS are calling on the next government to:

1. Reinstating the housebuilding target, which has direct links with the need for planning authorities to maintain a five-year land supply. This will demonstrate ambition and confidence in the sector.
2. Ensuring sustainable placemaking remains at the heart of the Levelling Up agenda, including data modelling to plan local and regional needs. This should also explore looking at standards-led commercial to residential conversions where appropriate and quality is not compromised.
3. Review the Shortage Occupation List for immigration purposes to expand those working within construction, helping to facilitate labour shortages, and cutting red tape in recruitment.
4. Use the nutrient Strategic Mitigation Scheme introduction to work with the water industry and developers to improve treatment works and solutions to minimise pollution impacts within catchment areas.
5. Work with developers to review the impact inflation and labour shortages is having on current and planned projects. This includes using services such as [DRS](#) to minimise risk of disputes due to project delays or down-scaling – something which has become increasingly common in recent years and impacts on Section 106 and social housing contributions.
6. Explore opportunities through stamp duty, council tax and other means to incentivise downsizing.
7. Continue to work with RICS and industry to address the challenges of building safety. This includes the ongoing expansion and delivery of PAS 9980 and the recent updated valuation guidance from RICS to support the buying and selling process.

Energy efficient and greener homes

Climate change and sustainability must be embedded into the housing market. 90% of new-build homes currently achieve EPC A or B, yet around 60% of existing owner-occupier homes fail to meet even EPC C – while the more regulated social housing sector is ahead of the game in energy efficient homes.

Failure to decarbonise and create energy efficient homes in the UK not only puts our climate change obligations at risk, but it can also be a factor in the health and wellbeing of a home and its residents. The war in Ukraine and subsequent energy crisis has also highlighted the impact greener homes have on energy bills – and its direct correlation with the cost-of-living crisis. To support the creation of greener and more energy efficient homes, RICS is calling on the next government to:

8. Action the recommendations from the recent [RICS Decarbonising UK Real Estate](#) that call for reform to how energy measurement and EPCs are presented, including the introduction of four new metrics:
 - fabric energy efficiency (the capacity of the building fabric to retain heat, in kWh/m²/y)

- space heating demand (the share of energy required only for heating, in kWh/ m²/y)
 - peak energy load (the maximum energy demand at one point in time, in kW)
 - on-site renewable generation capacity (in kWh/y)
9. Develop a framework for encouraging and requiring retrofitting, including responding to the 'Mission Zero: Independent Review of Net Zero' recommendations on introducing minimum energy standards for house sales (where applicable) and greater upfront information for renters on estimated energy bills.
 10. Clarify proposals by the current government on the requirement for mortgage lenders to achieve EPC C averages across their portfolio by 2030.
 11. Legislate carbon measurement requirements through Parliament which will measure, track, and encourage the decarbonisation of large real estate.
 12. Ensure the Eco Plus scheme and future energy and decarbonisation improvement funds embed the requirement for retrofit assessments, undertaken by competency-based professionals, to be part of the process – helping to support consumers with understanding the most effective measures to invest in, and install.
 13. Encourage and expand the use of Building Passports, especially in multi-block tenures, to facilitate retrofitting of hard-to-treat properties.

Private rental sector

Recent years have seen extreme pressures in the private rental sector (PRS), with declining housing stock seeing increasing competition among prospective tenants and increasing rents.

Significant changes in the sector are seeing an increasing number of landlords either sell properties or leave the market altogether, and while some will be purchased by new homeowners or landlords, demand for private rent remains high.

Changes in the tax system across the UK, new quality and energy standards, as well as rent controls in Scotland and reforms in Wales have all added pressures on landlord. With recent record rises in house prices, many landlords have taken this opportunity to sell up – further adding to the limited support of PRS homes and housing supply challenges. To support the sector and help those looking to rent, RICS is calling for the next government to:

14. Provide certainty, at the earliest possible time, on new regulations for landlords to adhere to, including the Decent Homes Standard and Minimum Energy Efficiency Standards – which at present will mean all new PRS lets from 2025 must meet EPC C.
15. Ensure announcement on new regulation dates must be backed by fiscal and advice support for landlords – many of whom may be asset rich, but cash poor, limiting their ability to invest in the work.
16. Support owners and tenants by adopting the upcoming 'RICS Service charge residential management Code' which will give greater protection for those in leasehold (even through reforms) and commonhold properties.
17. Reevaluate current regulations and standards in the PRS to create a system that protects tenants' rights and supports landlords.

For further information please email RICS housing policy lead Samuel Rees at srees@rics.org