

Summary Note from Shaping Futures UK Stakeholder Event, February 27 2017 (London)

Attendees: KG, DM, SC, Paul Smith, Michael Thain, Graham Brown, Michael Newey, Ian McDermott, Jeff Matso

Points made by participants are unattributed.

- We need fresh ideas and fresh policies – worth talking to Retties?
- Pressured markets – cities are important to national economies, productivity and economic infrastructure, but vertical imbalances and need for restructuring subnational governance of housing and urban economies around functional economic areas.
- Concerns about the future of work and the breakdown of the work-home nexus and makes the point that cities are more than home/work but also social places.
- Interesting discussion about the housing system impacts adversely on business investment and performance suggesting they are an important potential advocate for better housing policies. Noted the varying contribution of housing to city-region deals.
- Reforming institutions is also about good local leadership, clarity over the spatial structure of such institutions.
- The WP has both suggested greater accountability for councils but also possible opportunities for new style development corporations and entities like local housing companies doing commercial renting.
- Should PRS be regulated by HCA/SHR – good experience of this in Canada [worth investigating further].
- Interesting discussion about whether to let small scale BTL renting investment wither on the vine and instead promote corporate/SRLs and other models of PRS alongside mid-market rent and other affordable options. Would it not be helpful to see some of that BTL 2nd hand stock reverts to home ownership?
- Interesting discussion also about the long-term market failure over home owners and collective property rights over repairs and common areas, etc. – a huge problem being stoked up in parts of Scotland. A role for a regulator?
- Repeated sense of the problem of adverse selection – we regulate the good providers rather than deal with the bad ones.
- Diversification tends to have a problem that the diversifiers are ahead of the regulatory curve hence the rules act as a barrier to diversify.
- Good discussion about the willingness of diversification supporters to allow providers to fail – this is a real issue since the reclassification deregulation process may weaken the capacity of the regulator to stand behind the sector and re-populate boards and senior staff in failing organisations – they may no longer be able to protect tenants as has been done so successfully since 1988.
- Also, a worry that diversification may lead to a loss of fundamental purpose.

Ken Gibb February 28 2017