

# THE TIMES

## We need more houses, not 100 per cent mortgages

We were, famously, told by the Bank of England governor Andrew Bailey that to do our bit to curb inflation we shouldn't ask for a pay rise. Surely an exception must be made for the PR wizards behind the launch last week of Skipton Building Society's "100 per cent" mortgage for first-time buyers. Never has a financial product offered by a niche lender been greeted with such overblown press coverage, from hysterical think pieces to exhaustive analysis; social media hot takes to confected outrage.



Skipton leant on hyperbole to maximise publicity. The lender would, it said, help people to "break out of their trapped rental cycles" by offering mortgages to tenants with a strong rent payment history but without enough cash for a deposit. The reality is, if this product is not an irrelevance, it's extremely close to being one. This is because, unlike in the free-for-all days leading up to the financial crisis of the late-2000s, borrowers must — rightly — jump through hoops to qualify for the deal.

A borrower's monthly mortgage payment must be equal to or lower than the rent they pay on their existing home, their credit record must be strong and they will face mortgage affordability criteria that have become more rigorous in recent years. Should they meet these requirements they will get a five-year fixed rate of 5.49 per cent — far from the best rate on the market right now.

So why are we discussing it? The housing statistics guru Richard Donnell says that because there has been so little innovation in mortgages since the financial crisis, people will discuss solutions "no matter how small".

I think it's because of something sadder: the fact that young people are so desperate for a route to homeownership they'll grab at whatever hope they can.

A fundamental problem is that — as our interview today with Theresa Villiers shows — nimby Tory MPs are so worried about offending suburban and rural voters in the run-up to the next general election that they have forced the government to abandon housebuilding targets, thereby denying young people the homes they need.

The political stakes are high. A poll by the Land Promoters & Developers Federation, a builders' group, shows that 41 per cent of Labour voters under the age of 35 would be more likely to vote Conservative if their housing policies made properties more affordable. At the moment some 48 per cent of young people think Labour would manage housing policy best, with the Tories on just 14 per cent.

Yet where are the solutions? The housing crisis won't be solved by a single niche mortgage product. And certainly not by the mooted revival of the Help to Buy scheme — pumping more state cash into the system simply risks inflating the price of properties and heightens the risk of negative equity.

It is time all Conservative MPs realised there will be a heavy price to pay — politically and morally — for failing to build the homes we need. The nimbys may keep their seats at the next election, but unless they find a way to help younger voters, they risk ending up in opposition for a generation.

*David Byers is deputy property editor*

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