

Sir Ed Davey  
Leader of the Liberal Democrats  
1 Vincent Square  
London  
SW1P 2PN

12 June 2024

Dear Sir Ed,

On behalf of the Home Builders Federation (HBF) I am writing to draw your attention to some worrying inaccuracies included in the Liberal Democrats' General Election manifesto.

The first inaccuracy concerns the energy efficiency and environmental credentials of new build homes. As the home building industry plays a critical role in the delivery of much needed energy efficient new homes, I was extremely disappointed to read your Party's assertion that "*newly built homes are often energy inefficient and environmentally unfriendly*". This statement is categorically dismissed with reference to available evidence.

Government data shows that new homes significantly outperform older properties, with almost 9 in 10 newly built or converted homes achieving an A or B rating for energy performance. Fewer than 5% of existing properties meet this level of performance. In carbon terms, this means that new build homes use 57% less energy and emit 61% less carbon than their older counterparts, cutting annual emissions by 2.16 tonnes for each new property. This increases further when you examine the data specifically for houses, with the average new build house emitting 65% less carbon than their older counterparts.

Overall, buyers of new build homes in 2023 reduced carbon emissions by 500,000 tonnes, a figure which is set to increase as new homes built from June 2023 under Part L emit 73% less carbon than older homes. This is a saving of over 2.5 tonnes per property each year<sup>1</sup>.

The occupants of new homes save, on average, £140 a month compared with those in older dwellings. This saving rises to £183 per month for purchasers of houses, totalling almost £2,200 a year.

I am sure you will be pleased to hear that the home building industry is far from complacent and is working to make further strides in the energy efficiency of new build homes. In 2020, HBF was the key initiator in the creation of the Future Homes Task Force which brought together representatives from Government, the home building industry and utility providers to develop a roadmap for the delivery of home building's contribution to meeting national environmental targets and objectives on Net Zero.

This taskforce subsequently led to the creation of the Future Homes Hub, an independent body that has been tasked with implementing the roadmap as well as exploring broader issues such as embodied and whole life carbon and water

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<sup>1</sup> HBF, Watt a Save, April 2024



neutrality. Further information about its work programmes is available on the Hub's website: [futurehomes.org.uk/latest-news](https://futurehomes.org.uk/latest-news).

The forthcoming Future Homes Standard will increase the differential even further between the performance of new build homes and older properties. This further step change in performance follows on from previous enhancements and has been made possible by major investments by many houses building businesses, testing new products, materials and building methods. The innovative approaches being taken by HBF's members will not only benefit purchasers of new homes as the learning from these experiences will likely support better and more effective retrofit practices in the future.

I would be delighted to arrange for you and relevant colleagues to visit some of the fantastic pilots and projects being pursued around the country by HBF members in their efforts to make the challenging goals a reality and ensure our industry goes further, faster in the pursuit of Net Zero.

While the unfounded criticism of this industry's efforts may play well politically with some parts of the electorate, in the long-term it will only serve to let down the very voters who find themselves at the sharp end of the housing crisis.

To that end, HBF has set out its own blueprint for the next Government which if implemented, could encourage consumers to make more energy efficient choices when it comes to housing and provide developers with the right tools to build them. These proposals include:

- Making home ownership a reality for more people through the expansion of green mortgages, whereby the savings that energy efficient homes can offer on utility bills are factored into mortgage affordability criteria.
- Encouraging the purchase of more energy efficient homes by abolishing stamp duty for purchasers of all homes with an EPC rating of B or above.
- Developing a roadmap for establishing the talent pipeline needed to deliver low-carbon and energy efficient new housing. This should include the training and recruitment of heat pump installers as well as measures to ensure that post-16 education provided through Further Education (FE) colleges has more focus on practical skills and new technologies.
- Producing a strategy for ensuring that infrastructure, such as the National Grid, has sufficient capacity to support the delivery of new and increasingly energy efficient new homes.

The full plan is available to read at [hbf.co.uk/policy/general-election-plan/](https://hbf.co.uk/policy/general-election-plan/) and I would of course welcome the opportunity to discuss these issues in more detail with you should that be useful.

The Liberal Democrats' manifesto also states "*too many new houses are built as leasehold*". As you'll be aware, in 2017 the current Government announced its intention to ban new leasehold houses, a proposal that will be implemented by the 2024 Leasehold and Freehold Reform Act.

However, long before this, the sale of new leasehold houses dropped remarkably. Data from the Department of Levelling Up, Housing and Communities suggests that more than 99% of new houses are sold as freehold.

Recent years have also seen a major shift in the way new apartments are sold. Although, in the absence of a viable alternative tenure new apartments are mostly sold as leasehold, it has long been the case that most new homes of this type attract only nominal ground rents.

I trust that you have found this letter a useful explanation of our concerns and I look forward to seeing a revised version of the manifesto as soon as possible.

As an industry that supports around 750,000 jobs and generates more than £40bn in economic activity each year, house building has a lot to offer both nationally and to local communities.

I would welcome the opportunity to meet with you to discuss these topics in more detail.

Yours sincerely,

A handwritten signature in black ink that reads "Neil Jefferson". The signature is written in a cursive, flowing style.

**Neil Jefferson**  
**Managing Director**

*Copied to: Dr Mark Pack, Party President and Helen Morgan, Spokesperson for Housing, Communities and Local Government*