



*Association of Mortgage Intermediaries' response to DCLG Housing
White Paper: Fixing our broken housing market*

This response is submitted on behalf of the Association of Mortgage Intermediaries (AMI). AMI is the trade association representing over 80% of UK mortgage intermediaries.

Intermediaries active in this market act on behalf of the consumer in selecting an appropriate lender and product to meet the individual consumer's mortgage requirements. Our members also provide access to associated protection products.

Our members are authorised and regulated by the Financial Conduct Authority (FCA) to carry out mortgage and insurance mediation activities. Firms range from sole traders through to national firms and networks, with thousands of advisers.

Response

In making our comments, these are based on the limited perspective of our members. As mortgage intermediaries we are fundamentally involved in working with consumers looking to acquire a house through the social housing, new build and secondary markets (through estate agents) as well as providing remortgage advice. In these discussions they have a unique insight into what is important to consumers and what aspects of the market are proving difficult. They are also involved in assisting funding in the private rented sector and hold hundreds of discussions daily with landlords.

While we welcome the publication of this paper as a starting point to address the problems in today's housing market, we note that it does not delve into the issues surrounding infrastructure, transport, schools, hospitals and other related matters which limit the attractiveness of developing housing in certain areas. Surrounding market interventions such as Help to Buy are not addressed and we would like to have seen a vision or targets for total build volumes, types of tenure, property types and sizes. While the differences in the regional housing markets are acknowledged, we believe more analysis could have been done on the London centric nature of the English economy and how that could or should be addressed in housing terms. The paper lacks any analysis of the impacts of taxation on building and renovation, the application of stamp duty land tax and the issues surrounding an ageing population which is increasing the ownership of properties without a mortgage. We are pleased to see that modern types of construction are discussed however we believe key areas are missing such as funding types, first time buyer significance and the rental market debate.

We welcome the initiative to commence a dialogue via a joint working group with lenders, valuers and the industry to ensure that mortgages are readily available across a range of tested methods of construction. At AMI we already work with lenders to ensure they have products in place to meet changing types of borrower and consumer demand. The debate proposed excludes intermediary representatives and consumers but we would highlight the importance of needing to involve these groups as part of the overall strategy. As part of the government's proposed engagement programme with the mortgage sector we would therefore welcome the opportunity to be included in the further discussions and working groups.

Given our limited influence over other parts of the housing landscape we believe that other bodies' opinions should have priority and therefore we do not propose to respond to the questions consulted. This should be the provenance of those directly involved in the housing market, not mortgage intermediaries who provide advice on funding for housing.