

A carbon neutral housing development in Beddington, Surrey



The zero option

The Government wants more of us to live in carbon zero homes, but is it going about it the right way? Robert Llewellyn Jones found out more

Houses are responsible for 27 per cent of the UK's production of CO₂ emissions which the Government has pledged to cut by 60 per cent by 2050.

To achieve this target a wide range of policies designed at cutting emissions has been introduced, and where housing is concerned the Government has pledged that all new houses will be zero carbon by 2016.

"While such a target is commendable, the start of building zero carbon homes comes at a time when many people are being priced out of the housing market and there is a need for affordable housing," explained David King, telecommunications and energy specialist at solicitors MLM Cartwright.

He added: "In the housing green paper published last year the Department for Communities and Local Government called on the industry to produce affordable, well-designed and greener housing. The question is whether these zero carbon homes can be affordable as well as green, and will the introduction of zero carbon homes do enough to reduce the 27 per cent of CO₂ emissions produced from the UK's housing stock."

A zero carbon home is one which requires a minimal energy input and generates enough energy through solar panels and wind turbines to cancel out its production of greenhouse gasses. The Government is encouraging the take-up of such homes by exempting them from stamp duty. The exemption applies to all new zero carbon homes built after October 2007 with a purchase price of up to £500,000. Homes over £500,000 would qualify for a maximum relief of £15,000.

Mr King said: "The construction of zero carbon

homes is likely to be costly and thus any incentives to reduce the cost in purchasing the homes are welcomed. This incentive would seem to encourage the take up of greener homes by making them more affordable.

"However, on closer inspection this assumption seems less certain. On buying a zero carbon home worth between £150,000 and £500,000, a prospective buyer will save between one and three per cent on the purchase price, which would have otherwise been charged for stamp duty purposes."

LUXURIATING IN YOUR ZERO CARBON HOME WHILE TWO 4X4S STAND IN THE GARAGE WILL ENDLESSLY POSTPONE CO₂ REDUCTION

The estimated cost of building a zero carbon home is likely to be between £120,000 and £140,000. But the purchase price of the home is likely to be far higher. Once the cost of land and the developer's profit is taken into account the initial cost of a zero carbon home will be around £350,000. This is far greater than the average cost of a house in Wales which is £166,500.

Although the costs of the technology will reduce over time as more homes are built, it is difficult to see how initially these homes will be affordable even with the stamp duty exemption.

To make matters worse the stamp duty exemption will only apply on the first purchase of the property. Subsequent purchasers will have to pay stamp duty at the standard rate. "This seems somewhat illogical as the house will still

be a zero carbon home when it is bought and sold in future years. Given that the initial exemption was to encourage the purchasing of a green home, would it not make far more sense if the property enjoyed tax benefits throughout its life to ensure that it was competitively priced thus encouraging the continued take-up of green homes?" said Mr King.

While zero carbon homes will undoubtedly be greener than many homes in the UK's housing stock, unless the Government introduces other incentives it is unlikely that such homes will be truly affordable. The incentives currently contemplated will have only a marginal impact on affordability and the Government needs to ensure that the homes that are produced are not just green but affordable.

"The production of zero carbon homes will certainly aid the reduction in the UK's CO₂ emissions but the ambitious target of a 60 per cent cut can only be achieved by the application of joined-up thinking in every aspect of our lives to reduce our carbon emissions, the production of zero carbon homes being but one step," Mr King explained.

"We also cannot ignore the fact that even by 2050 most of us will be living in homes which are currently in use today and it is crucial to the achievement of the 60 per cent target that existing homes as well as new homes are made more efficient and greener," said Mr King.

He added: "Above all, housing only makes up 27 per cent of the UK's carbon emissions. Luxuriating in your zero carbon home while two uneconomical 4x4s stand in the garage and you book another flight to the Bahamas will endlessly postpone the achievement of that 60 per cent target." ■