

Scale of cladding crisis revealed to be three times larger as 4.6 million properties are unsellable

About 16pc of Britain's housing stock is considered worthless, new figures reveal

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Almost 4.6 million properties have been caught out by the cladding crisis sweeping through Britain's property market, with residents effectively trapped in their homes and unable to sell.

Since the Grenfell Tower fire of 2017, building safety defects have been uncovered at thousands of high-rise blocks. Owners of flats in smaller buildings have also had their lives upturned because their blocks were built with unknown or dangerous materials.

Mortgage lenders have declined to offer loans for these properties and surveyors have declared them effectively worthless. However, new figures show the [scale of the cladding crisis](#) is much greater than previously understood.

Research for Telegraph Money by the New Build Database, an industry analyst, shows about 870,000 cladding-hit properties are in buildings above 18m (59ft) tall. These blocks are considered the highest risk buildings and homes in these blocks typically need to have passed an External Wall Fire Review (EWS1) before banks will offer mortgages.

The New Build Database estimates a further 3.7 million problem homes are in blocks between 11m (36ft) and 18m, which are also commonly being [caught out by cladding rules](#). In many cases these low-rise buildings do not have any visible cladding, but require further assessment as there are concerns over the materials used during construction.

Invasive surveys are needed to test wall insulation and fire breaks, which are supposed to stop the spread of fire. However, the materials used were often flammable or of unknown origin, meaning they must be replaced before the building can be declared safe.

Why do properties need EWS1 forms?

As a consequence of regulations hurriedly introduced in the aftermath of the 2017 Grenfell fire, hundreds of thousands of properties have become unsaleable, either because they have dangerous cladding or their owners cannot prove their safety.

In a bid to restore confidence in high-rise apartment blocks, the Royal Institution of Chartered Surveyors (RICS) introduced fire safety forms at the end of last year in collaboration with UK Finance, the banking trade body. These certify whether a building's external wall systems meet safety requirements or need further checks.

They were designed for blocks taller than 18m (59ft). But in January the Government issued advice saying buildings of all heights should be assessed for cladding.

This means most lenders now require an EWS1 form for all flats in modern buildings – even those without cladding. But there are only 291 engineers in the country who are qualified to make the checks, leaving homeowners facing enormous delays to use their services. As a result, the owners of 1.5 million flats in England could be stuck with unsaleable properties.

The scandal risks derailing the property market, as millions of homeowners [are unable to move up the ladder](#). Official figures show there are about 24.4 million dwellings in England, 2.6 million in Scotland, 1.4 million in Wales and 800,000 in Northern Ireland. This means about 16pc of the country's 29.2m houses are affected by the cladding crisis.

Adrian Buckmaster of TetraClad, a cladding specialist, said the [scale of the problem](#) was much greater than previously thought. Previously it had been estimated that between 1.2m and 1.5m properties were affected by cladding issues.

“The crisis started with identifying Grenfell-like aluminium composite material on buildings, and despite all of the publicity we are still discovering projects that have ACM but where no testing has been done,” Mr Buckmaster said.

Pressure on the Government is increasing. The All-Party Parliamentary Group on Leasehold and Commonhold Reform, a group of MPs including Tory grandee Sir Peter Bottomley, Labour's Justin Madders and Liberal Democrat leader Sir Ed Davey, has written to Housing Secretary Robert Jenrick demanding that repair costs are [not passed on to residents](#).

“Government has responsibility and resources to rescue the living victims of the cladding costs scandal,” the letter said. “Everyone seems to be at fault except those presently lumbered with impossible costs and with unsaleable flats in place of their dream homes.”

Several attempts have been made to solve the problems posed by flammable cladding. Mortgage lenders and surveyors, who jointly created the EWS1 regime, [struck a deal with the Government in November](#) which was supposed to allow sales of properties in blocks with no visible cladding to proceed.

However, *Telegraph Money* understands many transactions are still falling foul of mortgage lender rules, given other unchecked materials were used during the construction process.

Mr Buckmaster said [issues had been discovered](#) with insulated renders, used within wall cavities, and high pressure laminates which are used to clad the outside of buildings. Major fire safety issues have been uncovered with many commonly-used materials.

“One of the main problems is the guidance on cavity barriers has been very loosely followed,” he added. “It has highlighted so many more buildings as being non-compliant.”

Residents face long waits for their buildings to be checked because of a lack of fire engineers, and if issues are discovered then it [can take years for repair works to be carried out](#). Until then, residents are unable to sell their homes and are effectively trapped.

Trade bodies UK Finance and the Building Societies Association said current Government guidance, which states the fire safety of all multi-storey, multi-occupied buildings must be assessed "has made it challenging for lenders to take a pragmatic approach to the use of the EWS1 as it was originally intended for buildings of six storeys and above".

They added: “This has led to it being requested for a wider range of properties and we are working with Royal Institution of Chartered Surveyors to assess the viability of a more proportionate approach for lower-rise, lower-risk buildings.”

While the forms were not required for buildings without cladding or wooden balconies, they added: "There are buildings which may look as though they are solid brick built, but are in fact clad with brick slips and unknown material behind.

"We will continue to work with the government in pursuit of the best solution for customers in relation to these.”

A spokesman for the Ministry of Housing, Communities and Local Government said: "We don't recognise this analysis which seems speculative. However, through no fault of their own, some flat owners have been unable to sell or re-mortgage their homes – and this cannot be allowed to continue."

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