



# Spatial Economics Research Centre

Monday, 28 July 2014

## Time for a more rational debate on 'mixing' in new developments?

[Posted by Prof Henry G. Overman]

I may have made this point before, but I would love to see more sensible discussion of policy around mixed housing developments. I was reminded of this by the Guardian headline on Saturday about 'Poor doors' which highlighted the segregation that goes on in some of these developments. Personally I find such stories unpleasant, but not at all surprising. If you share that sentiment suppress, for a moment, your outrage and ask yourself the following question - if the uncomfortable truth is that wealthy people don't want to mix with their poor neighbours (and can't be forced to do so) then what, exactly, does this policy achieve?

The first reason for encouraging such mixing draws on the literature about neighbourhood effects. The underlying theory is that this kind of mixing improves outcomes for poorer families. Unfortunately, the empirical evidence on this is surprisingly weak. There is evidence that families do better when they live in mixed neighbourhoods. But establishing that the causality runs from mixing to better outcomes (rather than the other way round) has proved difficult. The evidence that *forcing* mixing at such micro-scales (e.g. within the same blocks) improves outcomes is thin to non-existent. Perhaps not surprising when you start to think about the realities of mixing as highlighted by the Guardian article.

The second reason for forcing mixed units is that it allows local authorities to extract 'development' rents from the private sector. In other words, by forcing them to provide some social housing in exchange for permission to develop you increase the supply of social housing. But mixing per se need play no part in this. Indeed, the irony is that you could *increase* the amount extracted from private sector developers if we didn't insist on social units being delivered in the very same development as the private sector units. This in turn would allow us to fund more social housing provision than we achieve with the current arrangements.

In short, if forced mixing at the site level doesn't deliver clear benefits and reduces the 'tax' we can extract from developers - should we persist with it? This site uses cookies from Google to deliver its services, to personalise ads and to analyse your usage information. [LEARN MORE](#) [GOT IT](#)

A few decades ago, we were providing poor quality social housing on large estates, often in areas poorly served by public transport and far away from employment opportunities. We clearly do not want to see a return to that. But policy now seems to have swung to the opposite extreme where it insists on having a mix of social and private housing in every single new development. There is little strong evidence to support such a policy - which suggests that the optimal policy may lie somewhere between these two extremes. Perhaps it's time we had a sensible debate that tried to figure out where the appropriate balance might lie?

Posted by [Prof Henry G. Overman](#) on [Monday, July 28, 2014](#)

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**Michael Bach** said...

Good points, but overstated. Few local authorities seek on-site provision of affordable housing - first there is usually a size threshold for requiring any contribution, even in lieu payments, and an even higher threshold for seeking on-site provision.

One reason for seeking on-site provision is that off-site provision has often resulted in an increasing concentration of affordable housing, especially social rented housing, in an area which already has a high proportion of such housing - this kind of "dumping" increases this polarisation.

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