



# Spatial Economics Research Centre

Wednesday, 28 August 2013

## Railways and Houses

It's been a very busy summer planning for the new [What Works Centre for Local Economic Growth](#). I've also been on leave and am now travelling for the third European meetings of the [Urban Economics Association](#) (free to join for all those interested in urban econ research). In short, I haven't had much time to keep up with the news.

I have, however, been enjoying the slow drip, drip, drip of criticism of HS2 (enough to make you wonder whether there is some sort of orchestrated campaign to have one high profile figure come out against it each week). John Kay good on this in [today's FT](#) (£):

"The carefully argued [Eddington report](#) showed in 2006 that Britain's creaking transport infrastructure needs a multitude of incremental improvements rather than a few extravagances. Advocates for HS2 have had five years to make their case. They have failed. If it goes ahead, it will dominate the UK investment programme for the next two decades. It would be better if it did not."

Very much my own position as [I have argued before in this blog](#). I discussed HS2 yesterday in a short interview for Radio 4's PM. Lord Greaves was making the case for HS2 and made two points which, while they may be true, struck me as very depressing. The first is that 'it's HS2 or nothing'. That if we scrapped HS2 the money wouldn't be spent on other smaller to medium sized schemes. Second, 'if we get HS2 then we'll get these other schemes because government will have to be seen to make HS2 work'. I find these arguments very depressing. The first is the threat I make to my small children when they are refusing to eat their dinner. The second suggests we should do a big, bad project first because that will force government to throw good money after bad. As [LSE's growth commission argued](#), this is no way to make decisions about infrastructure spending.

Finally, on something different (planning for housing, not railways), I see that headlines concerning '[enough planning permission for 400,000 unbuilt homes](#)' are making a comeback. I tried to pull apart these numbers a few weeks ago. You can read the nerdy detail [here](#), but my basic conclusion is that the headlines are misleading because the statistics count everything on a site as until the very last house or flat is finished. Digging a little further, it seems that we might be slow to start compared to the US, but we don't appear to be particularly slow to build once started. I don't know why we are slow out of the blocks (although I wouldn't rule out issues around planning, building control etc). Regardless, the figures as they stand muddy rather than clarifying debate.

Posted by [Prof Henry G. Overman](#) on [Wednesday, August 28, 2013](#)

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## 2 comments:

[simon batterbury](#) said...

In 2011 I was on sabbatical in Wendover, the Conservative town in the Chilterns, at the height of the HS2 protests-Wendover's on the route (goes right through the cricket pitch). It was fascinating to watch the local party stalwarts trying to work out what to do about their own party leaders that had betrayed them, and to attend some public presentations given by fearful young transport and PR guys from HS2. I used to work with Barras and Cadman at PMA 25 yrs ago so know a bit about about regional change. I asked about multiplier effects for Wendover (no station so none...). My own submission is here. <http://stophs2.org/tag/simon-batterbury>. I agree it is a silly way to stimulate growth – by ripping up the country to save a few minutes on a journey with no stops, benefiting the wrong people. Since 2011 and the decision to build, the whole thing has become farcical, and the drip of opposition continues. I left LSE in 2001 and now teach at the University of Melbourne. It is as though these megaprojects follow me. The state of Victoria, AU (Liberal run) is adamant it will build a 6 lane road tunnel right through the inner north of Melbourne, costing \$8bn?, going against our own Ron Eddington report (2009) which recommended several other cheaper projects, some of them rail and public transport. He also recommended "incremental improvements rather than a few extravagances" for Melbourne, which is a prosperous growing city of c4m. The East-West tunnel would be one of the largest urban infrastructure projects in the world at a time when few are building urban motorways. It goes against the advice of many experts, the sustainable transport lobby, the govt. will not reveal its business case, it will take up almost all the transport budget (all or nothing...) and will have binding PPP contracts signed just before the next election so the opposition cannot rip them up if elected. Consultation is being shortened, thanks to legislation passed by the proponents in government. Sound familiar? We need transparency, joined-up thinking, freedom for civil servants (transport planners) to speak, and less politicisation of such megaprojects. And following Flyvbjerg, better costings. <http://www.theage.com.au/national/transparency-urged-for-key-transport-projects-20130903-2t2s2.html>

11 September 2013 at 13:18

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<http://www.theage.com.au/national/transparency-urged-for-key-transport-projects-20130903-2t2s2.html>

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