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Spatial Economics Research Centre

Tuesday, 19 February 2013

Solving London's Housing Crisis

I see Richard Rogers had a piece in the Evening Standard last night calling for a greater focus on design and brownfield as the means of solving London's housing crisis. I confess to being deeply puzzled. In 1999 the Urban Task Force (chaired by Richard Rogers) advocated precisely this solution. The report received cross-party support and underpinned Labour's approach to urban and regeneration policy. For example, Labour introduced a 60% target for the proportion of development that should occur on brownfield land. Unlike most housing targets, this one was actually met with many Local Authorities achieving considerably higher proportions of development on existing sites.

The problem, of course, is that much of this brownfield land isn't in places where people want to live and is expensive to build on. As a result, private sector demand is low and costs are high. Public money filled some of the gap, but not all of it so we got low overall development levels. This shortfall in supply helped drive up prices (and created affordability problems), particularly in parts of the country where demand was high. Calls for continued brownfield development need to explain how we fix this problem in a world with far *less* public expenditure to go around. Sure, 'better design' (to the extent it drives down costs rather than increases them) will help but I can't believe the effects can be that large.

Next, come the same old arguments about better use of the existing stock. Yes, England has around 700,000 empty homes. But only [72,000 of these are in London and only 24,000 of those are long term empty](#) (more than six months). Should we try to make better use of those 24,000 properties? Of course. Will they solve London's housing crisis? No. Likewise, empty flats above shops which "*may* [my emphasis] not be counted in official statistics".

These arguments are simply a distraction from the central issue - the appropriate role for the planning system in helping solve the housing crisis. [Our research](#) suggests that planning constraints play a large and significant role in driving up the prices of residential and commercial development. That's why I believe *some* relaxation of constraints is a crucial component of any credible solution to the housing crisis. That would include some building on low (amenity) value greenbelt land. But I would also like to see a relaxation of height constraints and more tall buildings in our relatively expensive cities (including London). An 'up *and* out' strategy, if you want. Note, that this is an argument about the kind of land released by the planning system and restrictions imposed. Not, as Richard Rogers would caricature it, a call for radical relaxation of planning restrictions and an abandonment of the green belt.

Richard Rogers thinks we can solve the housing crisis without resorting to such an 'easy solution' (sic). But given that existing planning policy is partly blame for the housing crisis, more of the same seems like a very odd solution.

Posted by [Prof Henry G. Overman](#) on [Tuesday, February 19, 2013](#)

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