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## Spatial Economics Research Centre

Monday, 3 October 2011

## **Cameron's Brownfield Plan**

David Cameron has announced a plan to release thousands of acres of publicly-owned brownfield land for housebuilding. It is hoped that the scheme relead to the construction of 100,000 homes and create 200,000 jobs. Whether or not this will work will depend a lot on the location of sites.

If these brownfield sites happen to be in high demand spots and of reasonable quality then you might expect a supply response (particularly as the scheme will allow developers to pay for the land later).

If these brownfield sites are in low demand spots and of poor quality (so requiring lots of remediation costs) then expect the scheme to make very little difference. This is especially true given the current uncertainties about both the planning rules and the state of the economy (a factor that could dampe the effect for good sites too)

As I explained last week, the fact that many brownfield site are *not* in places where people want to live is the fundamental problem with 'brownfield first solutions to the housing problem. Some of the sites that Cameron's scheme releases may not suffer from this problem, many will. As my colleague Tin Leunig put it when discussing plans to build in Bordon: "developing the Bordon army base for housing simply because the War Department decided it was a good place for army training in 1863 is not good spatial economics or good planning". The overall impact of the plan, will thus depend on the composition of sites that become available. Either way, the fundamental problem for brownfield policies remain the mismatch between the location of supply and demand.

Posted by Prof Henry G. Overman on Monday, October 03, 2011

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