



Spatial Economics Research Centre

Wednesday, 11 August 2010

Who benefits from new housing?

I was thinking a little more on the [new home bonus](#) and reflecting, in particular on the following: "Mr Shapps urged councils to open up an honest and direct debate with the communities they serve about the benefits of building new homes in their area - how they can reap the benefits of development and not just the costs."

The problem is that new development doesn't tend to benefit *existing* residents. NIMBY's are generally acting in their own self interest because new housing will tend to decrease the value of the existing housing stock (because it takes away valuable amenities that are capitalised in to prices). An honest and direct debate doesn't address that problem!

[PS: From Today's (11/08) FT Editorial: "But the bonus scheme does not do enough. It smacks of bribing councils not to use the beefed-up powers to veto development the government gave them by scrapping Labour's housing policy. What if councils think new developments hurt their constituents' house prices more than extra government money makes up for?"]

Posted by [Prof Henry G. Overman](#) on [Wednesday, August 11, 2010](#)

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Village said...

Another way to look at it is that the people who would move into the new, yet to be constructed homes, do not have a vote in that area yet. There is no easy way to take account of their views within the development system.

11 August 2010 at 11:56

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