



# Spatial Economics Research Centre

Friday, 20 February 2009

## Latest Housing Figures

The [latest housing figures](#) issued yesterday make for very depressing reading:

A few "highlights":

- Annual housing completions in England totalled 141,900 in 2008, down by 19 per cent compared with 2007
- Private enterprise housing completions (non-seasonally adjusted) were 32 per cent lower in the December quarter 2008 than the December quarter 2007. In contrast, housing completions by Registered Social Landlords (non-seasonally adjusted) rose 10 per cent.
- Private enterprise housing starts (non-seasonally adjusted) were 64 per cent lower than the December quarter 2007. Housing starts by Registered Social Landlords (non-seasonally adjusted) fell 5 per cent.

It is very unclear what the government can do about this. Michael Parkinson makes some suggestions in his recent [report on the credit crunch](#).

The only short term thing I would add is that it makes sense to go back and reassess the costs and benefits of projects and downgrade any that claim large benefits from "transformational" impacts on the back of leveraged private sector development. Actually, a bit more scepticism on that front would not hurt with the long term evaluation of projects either.

It's also clear that the current model of partly financing regeneration through constraining land supply, increasing property prices and then using section 106 (to fund regeneration projects partly aimed at sorting out house price affordability caused by constraining land supply!) is not going to work in the short run. As it's not necessarily a great long run model either, perhaps it's a good moment to revisit that thorny issue?

Posted by [Prof Henry G. Overman](#) on [Friday, February 20, 2009](#)



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