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Spatial Economics Research Centre

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Greener Homes?

The Environmental Audit Committee has undertaken an environmental analysis of the government's house building plans. They published [their report](#) yesterday.

Let me comment on a few of their recommendations. First, they question whether the 3 million housing target is justified given current economic conditions. Note two things (i) this is a target for 2020 - unless the recession is very deep and long you wouldn't expect much to change on that time horizon (ii) recent figures suggest that we are some way from [meeting this target](#).

The credit crunch does raise a question about the timing of house building. The report argues that more should occur after stricter carbon targets are introduced in 2016. This may be sensible, but in the absence of government policy to the contrary ([a large social house building programme for example?](#)) it will happen anyhow as the housing market turns down.

Finally, there's the issue of the size of new houses and gardens and where we should build them. I'll deal with the issue of green versus brown field another day when I have taken a closer look at the numbers (my back of the envelope calculation translates CPRE's [36,000 football pitches between now and 2020](#) in to about 1.5% of green belt land in England; and far under 1% of all undeveloped land). For now, just consider the Committee's suggestion that government should stop trying to address people's aspirational demand for bigger houses and gardens because these don't reflect urgent need. That kind of logic works in a centrally planned economy where government allocates housing to people. However, last time I checked, we still allowed people to buy and sell houses freely (even if they are not choosing to do so). If we don't increase the supply of space as the demand for space rises, then the price of space and thus of housing will rise again once the economy recovers. Cue complaints about housing affordability long after the current problems have been forgotten ...

Posted by [Prof Henry G. Overman](#) on [Tuesday, November 04, 2008](#)

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