

# let the people have a home



In Kate Barker's *Final Report* of 2004<sup>1</sup> she solemnly noted that 'increasing housing supply raises concerns about the environment and loss of open spaces'.

How understated this was! People with houses loved the rising paper value of their beloved asset – borrowing against it to buy houses to rent to others, to pay college fees and year-out adventures for the children, to buy luxuries, and (like me) to finance their businesses – but they hated to see new houses being built over countryside and crammed into the gardens of bigger houses in the neighbourhood.

Initially the town cramming agenda appealed to such people. This would save countryside by forcing new home owners downtown. Piling them high would make public transport viable and remove the need for cars, and Lord Rogers said that the quality of life in towns and cities would be all the better for it: a virtuous circle of dense development, sustainable lifestyles and reborn creative urbanity would be achieved.

But directing the pressure inside the towns and cities swiftly exposed some unexpected consequences. Particularly irritating was the redevelopment of houses on large plots for higher-density schemes, changing the social stability of neighbourhoods and their inherent greenness. So fast did this bite that a campaign against 'garden grabbing' took off (fuelled in a modest way by this column, it must be said), and it was a Tory Manifesto commitment to bring the practice to an end.

Directing pressure into towns was also soon shown not to suit market demand on the forecast scale. Many flats stand empty today, or are rented to transient tenants as a holding operation in the hope that an affordable exit for the developer can be found.

So if people who already have nice houses want to protect the countryside from housebuilding, and

find that town cramming spoils the towns and cities and does not meet the needs of new home owners, what are they to do?

In the run up to the general election, the Tories wrote to their local government colleagues to tell them that they needn't do anything. What a wheeze! Just stop housebuilding at whatever level 'local people' fancy. 'Doing nothing' was offered as a real option.

There might have been a few people who believed that nonsense, but now it is time to deal with the real world. We have just said goodbye to a government on whose watch the housing supply side practically ceased. Please don't let the situation continue, for 'doing nothing' was not and still is not a real option.

The demographic time bomb keeps ticking. The birth rate is rising; young adults still want to leave the parental home (for work, for space, to grow up); couples still separate and both need space for the children; people still live a long time, and don't all want to sell the family home and garden until they have to. Net increases in immigration still occur. No government can change the direction of these trends, but governments can affect the supply of new housing which relieves their consequences.

## 'Housing is not a 'discretionary good', like a speed boat or a bigger car, but something far more profound in every sense'

These consequences are not little. Housing is not a 'discretionary good', like a speed boat or a bigger car, but something far more profound in every sense. Back to Kate Barker, a serious and senior economist,<sup>2</sup> who *also* wrote in the Executive Summary to her *Final Report* in 2004:

'Housing is a basic human need, which is fundamental to our economic and social well-being....

- A weak supply of housing contributes to macroeconomic instability and hinders labour market flexibility, constraining economic growth...

- For many people, housing has become increasingly unaffordable over time. The aspiration for home ownership is as strong as ever, yet the reality is that for many this aspiration will remain unfulfilled unless the trend in real house prices is reduced. This brings potential for an ever widening social and economic divide between those able to access market housing and those kept out. Rising numbers in temporary accommodation is evidence of the polarisation which exists today.
- Homes are more than shelter. They provide access to a range of services and to communities. Housing also plays a major role as an asset in household balance sheets and in household planning for their financial futures.
- The housing market indicates people's preferences for the types of housing, location and communities that they would like to live in, for example the preference for space as incomes increase.'

So you've had your holiday from housing development. Find some way to get family houses with gardens in nice places, within easy distance of work. Land suitable for housing is at its cheapest for generations – buy it *now*.

● **David Lock CBE** is chair of planning and urban design consultants David Lock Associates. He is a Vice-President and Trustee of the TCPA. The views expressed are personal.

**Notes**

- 1 *Barker Review of Housing Supply: Securing Our Future Housing Needs. Final Report.* HM Treasury, Mar. 2004
- 2 Kate Barker was Chief Economic Adviser at the CBI, 1994-2001; a member of the HM Treasury's Panel of Independent Economic Advisers, 1996-97; and a non-executive Director of the Yorkshire Building Society, 1999-April 2001. She was appointed as an external member of the Monetary Policy Committee of the Bank of England with effect from 1 June 2001. The MPC is responsible for setting interest rates to meet the Government's inflation target. Kate Barker is the first external MPC member to have been appointed for three terms, the latest of which ends on 31 May 2010. She was appointed by the Government in April 2003 to conduct an independent Review of UK Housing Supply; leading to a final report in March 2004. In October 2005 she was appointed a Board Member of the Housing Corporation. In December 2005, she was asked to conduct an independent Review of Land Use Planning, and she reported on 5 December 2006. She was awarded a CBE for Services to Social Housing in 2006. The quotes from her report of 2004 are edited to remove remarks about European Monetary Union which are not relevant in this context

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