

THE PM WANTS MORE BUILDING...EXCEPT ON THE GREEN BELT NEAR MAIDENHEAD.

It is not just that politicians don't listen to what we say - they do not even look at the evidence. Developers have been moaning for years that it is just nimbys and the planning system that get in the way, so why are approvals continuing at a greater rate than the building rate?

The developers have failed, time and again. A new approach is needed. If government does not wake up, they will find that the build rate will have gone down and there will be nothing to offer young people who desperately need housing they can afford.

WRITE TO THE PM, TO SAJID JAVID (SECRETARY OF STATE DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT) OR TO THE NATIONAL MEDIA. THE GOVERNMENT NEEDS TO BE INFORMED THAT THEY ARE PURSUING FAILED POLICIES AND THAT IT IS BEING CONNED BY THE DEVELOPMENT LOBBY.

Below are some bullet points that can be used to make the point. Paraphrase these as you wish!

The Government's housing policy is failing

- This Government, like many that have gone before, has a housing policy which is in total disarray. There is justifiable pressure from the Government to increase the number of houses being built and to build them more quickly. Unfortunately ministers are still under the illusion that the problem is the planning system and a shortage of building land. This is in spite of their own figures showing that planning approvals for new housing are far outstripping the number of houses being built and has been for the last ten years. At the same time, the building of affordable housing is at a 20 year low,
- All the talk by Sajid Javid about pulling up the ladder and nimbys are at the same time ill informed and offensive, a clear vote loser. Meanwhile the current policies are failing to deliver low cost housing for first time buyers, meaning that the Government is unlikely to attract younger people, whose votes they are desperately seeking.

The evidence – planning approvals have out stripped the building rate for 10 years

- The Government's own figures demonstrate that, at the national level, planning applications are being granted well in excess of the rate of building. This is shown in the following table from the Government White Paper of Feb 20 (Figure 4 on page 14).

Figure 4: Annual completions versus permissions



Source: Glenigan planning permissions data; DCLG Live Table 120

- There are a number of reasons why this happens. The massive uplift in value of land with planning permission means that it is treated as an investment opportunity, with developers slowing build rates if

the market shows signs of weakening. Additionally there is a shortage of skilled workers which makes it difficult to increase the build rate even when demand is strong.

- Lobbyists for the development sector have persuaded the Government that the planning system is the main obstacle to an expanded house building, and that if only more land could be made available, then the housing crisis could be resolved. For the last ten years at least, the developers have failed to deliver on this promise.

Five year land supply – a flawed methodology

- The current methodology to assess land supply is counter-productive and arguably results in fewer, not more, houses being delivered.
- In spite of the huge amount of building taking place around Wokingham, a number of planning appeals have been lost on the grounds that the Borough does not have an adequate 5 year land supply. This has resulted in additional dwellings on unsuitable sites. This is because a flawed system is used to assess land supply which is based on developers (who have a vested interest in the outcome) advising what they expect to build. If the Borough does not meet its housing target (over which it has no control), then the developers are rewarded with yet more allocations.
- In Wokingham alone, planning approvals have been granted which should provide some 13,000 dwellings but which have not yet been built. Where are they? In developers' land banks, it seems.
- Meanwhile, the same developers and their advisors continue to acquire and put forward new applications for housing in totally inappropriate and unsustainable locations, often without any infrastructure to support them. To add further insult to injury, Planning Inspectors, at appeal, appear to be giving undue weight to the 5 year land supply which, as explained above, is a flawed methodology.

Outlook – building rate in danger of slowing as house prices soften

- House prices are currently flat or even falling. There are widespread tales of new-build houses being sold at discounts of £30,000, £50,000 or even £70,000. This may help to improve affordability, but it is likely that the rate of building will slow if developers have made commitments based on high land values. Many will find themselves in the situation that it is better financially to sit on land banks, waiting for a hoped for rise in land values, rather than to build houses and sell them at a loss.
- Expansion of the Help to Buy programme sounds like a step in the right direction. Sadly it is the complete reverse and is the house purchase equivalent of housing benefit. The effect of both schemes is to pump money into the housing market, helping to keep prices high and beyond the reach especially of the younger people.
- The housing target for Wokingham is being increased somewhat arbitrarily. However the reality is that over the next few years, the rate of building is likely to decline. If the current 5 year land supply policy continues, it will do nothing to remedy this situation but will just provide additional opportunities for land speculators.

Solutions – strengthen the role of local government, not weaken it

- Current Government housing policy allows land owners and their agents to make money out of land, while failing to address the key issues of providing the right kind of houses in the right places at the right prices.
- It is recommended that attention should be devoted to incentivise developers and/or to penalise them to encourage timely build out of planning applications. There are various ways this could be done, for example agreeing to lower CIL payments if houses are completed within an agreed timescale and higher CIL payments if delivery is behind schedule.
- The Government needs to be exploring ways for local authorities to purchase land cheaply, with or without compulsory purchase intervention. This would allow local authorities to contract builders to build within predetermined time scales. Builders would be forced to consider more efficient ways of

building such as modular construction. Meanwhile landowners would still be able to make a profit, but not the jackpots they currently receive.

- Developers do not like affordable housing and complain that they cannot make a profit and lose money on the 35% affordable housing they are required to provide. The land designated for this purpose should be appropriated by the authority to allow them to build their own housing stock for the less well off.
- The Department for Communities should provide guidance to Planning Inspectors to allow responsible authorities such as Wokingham to continue with their strategy of delivering housing according to its sustainable plan, without the additional burden of fighting unreasonable planning appeals that rely on the fiction that the Borough has not provided adequate land for development..

Conclusions

- Providing more land will not solve the housing crisis. Current Government housing allows land owners and their advisors to make money out of land, while failing to address the key issues of providing the right kind of houses in the right places at the right prices.
- The Government must urgently put in place measures to ensure that the current exploitation ceases.
- The current flawed system of assessing land supply should be scrapped as soon as possible.
- Local authorities should be given a more active role in procuring land. This would also mean that any uplift in land values – which is based on planning decisions, would mainly accrue to the authority and not developers, or better still allow affordable housing to be truly affordable at much lower prices.
- Guidance to Planning Inspectors should give much less weight to the flawed 5 year land supply process. Instead responsible authorities such as Wokingham should be allowed to continue with their strategy of delivering the housing according to its sustainable plan, without the additional and wasteful burden of fighting unreasonable planning appeals.

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