

Housing: Moratorium on Land Planning?

THE construction industry is the weather vane of the economy. Builders would like to build houses. Britain is said to need a programme of 100,000 new houses a year. Yet plant lies idle. Architects, surveyors, skilled craftsmen and general labourers would all like to work. Bricks, tiles, cement, timber and all manner of fittings and furnishings are to be had for the asking. Yet building activity is quiet, which is to say distressed.

The wild days of speculation in housing land - and not just housing land - are over. The slump is with us, probably for some considerable time. Eventually, though, there will be recovery, signalled not so much by green shoots as by puffs of red brick dust.

Now is a good time to set housing needs in perspective.

The population of the UK at the 1981 census was under 56m. Let us assume they are in families of four, so that we have 14m households. Let us assume houses will be built at a density of just eight to the acre - a much more spacious allocation than now. This means that the whole UK population may be comfortably housed on only 1,750,000 acres, or less than 2,750 square miles.

The overall land area, excluding inland water, is over 93,000 square miles. Put slightly more dramatically, the entire population could be very adequately accommodated in not much more than half the land area of Northern Ireland, leaving all of the rest of the UK for farms, factories, offices, shops and leisure. Truly, we do not live in crowded, over-populated islands. Our housing problems are self-contrived.

The first step in solving the housing crisis is to stop pretending there is the slightest justification for it. A radical programme would make an immediate start by lifting planning restrictions. There is no shortage of land. If a "holiday" were to be declared for the rest of the century, and refusal of planning permission prohibited except in a small number of special circumstances, the monopoly, "scarcity" value of land with planning permission would be destroyed. Down would come the cost of the site as a component in house-building. Very little new land is actually needed. Most would come from redevelopment as slum landowners panicked at the thought of being left out if whole populations were to drift away from the areas in which they are now entrapped.

The regional planning conference of local authorities in London and the south-east of England recently produced figures to show there was enough land available

for far more than the allocation of new houses set out in the structure plans covering the period to 1996. The difficulty is that much of this land is simply not in places where people want or need to live. My suggested moratorium on refusal of planning permission for housing development might offend a few sensibilities, but that is no reason to continue to inflict leaky roofs and cold, damp walls on so many of our fellow-citizens!

There is therefore much that can be done, even without a more fundamental approach to the land question. Proponents of the taxation of land values rightly lay stress on the artificiality of the land shortage. Undoubtedly a tax on the site value of all land could have an enormously beneficial effect by stimulating redevelopment of poorly used land and bringing vacant and derelict sites to market. It would also discourage urban sprawl and take pressure off land in green belts. There is, though, artificial scarcity

now, even by the criteria of a society which accepts private appropriation of land rent. LVT would work best if these land use planning restrictions were curtailed and applied sensibly. Bad planning will distort, even in an LVT regime.

NOT IN MY BACK YARD

SITE VALUES reflect and interact with public policy and private activity. At present, the NIMBY attitude, though understandable up to a point, is distasteful and selfish. Homeowners who have the ear of local politicians can manipulate planning procedures to prevent further development and gain residential exclusivity. They see it as protecting their amenities and lifestyle. An artificial ring of scarcity is drawn around their desirable residences, which acquire thereby a site value reflecting the area's social cachet. Existing residents enjoy this land value not only whilst they continue to live there, but even when they go, because they are able to capitalise it and sell it on to the next buyer of their house.

There is no reason to deny NIMBY people residential exclusivity. Equally there is no reason the rest of us should not be compensated for the loss of amenity. NIMBY occupiers expect to pay for exclusive rights to enjoyment of land, but NIMBY landowners (who may or may not be the same people) should not be allowed to get away with the profits. LVT would take care of this.

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