Moving toward answers in housing supply - how far have we come?

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Timeline

Review:
- Announced: April 2003
- Interim report: December 2003
- Final report: December 2004

Responses:
- CSR July 2004
- Other consultations
- Full response December 2005
- PGS consultation
- Infrastructure review
- CSR July 2007
Government response

- Comprehensive
- Most recommendations addressed
- Supported by research
- Affordability – Geoff Meen
- Sustainability - ENTEC
Housing additions - England

Source: ODPM.
Government Conclusions (1)

- Draft PPS3
  - more account of market
  - retention of brownfields

- Merger of RHB/RPB

- Local authority incentives
Government Conclusions (2)

- Affordability objective
  - CSR 2007
  - National/regional

- Planning Gain Supplement
  - retain affordable housing in S106
  - complexity?
Major housing decisions

Number decided and granted


Total decisions Applications granted

Source: ODPM

1 A major development contains 10 or more dwellings.
## Role of land prices

<table>
<thead>
<tr>
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<th>1994-2004</th>
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</thead>
<tbody>
<tr>
<td>Land price increase (England)</td>
<td>327%</td>
</tr>
<tr>
<td>House price increase (UK)</td>
<td>170%</td>
</tr>
<tr>
<td>Land price increase (South-West)</td>
<td>309%</td>
</tr>
<tr>
<td>House price increase (South-West)</td>
<td>195%</td>
</tr>
<tr>
<td>Land price per house (South-West) (density of 50)</td>
<td>£43,573</td>
</tr>
</tbody>
</table>

Source: ODPM and own calculations
Additional affordable units

Review

- Baseline 02/03: 31,000 units
- Additional need: 17-23,000 units

Social new build

CSR 04: additional 10,000 social by 2007-08
CSR 05: ? focus on efficiency
Intermediate housing

- Increasing need
- Should market adjust?
- Buy-to-let - at least 2.5% of stock
- Increased supply/changing expectations
Housing stock by tenure

Source: ODPM.
Summary

• Process, not event

• Significant changes
  - implementation important

• Social housing
  - more to come?

• Intermediate market
  - need to clarify role