

Assess the ways in which the affordability crisis in the UK housing provision could be solved.

The housing costs Britons face are now among the highest in the world and this holds for house prices or rents; we lack houses of every type, causing severe economic and social impacts. The housing shortage is already a cause of inequality, with Britain's economy being needlessly held back. Young people are no longer prepared to bear the costs of nearby housing so those who could work in our most productive sectors choose less productive jobs elsewhere. This leads to Britons being excluded from their own capital city as London is now one of the most expensive major cities in the world for buying or renting a home (per square foot). The impact of house prices also affects the demand for housing benefits. Councils are facing a crisis in the number of homeless families needing somewhere to stay. Landlords can now make more money out of providing emergency accommodation than renting to regular tenants. This is no new problem, since 1970, the average price of a house has risen four and a half-fold after inflation, with no other OECD (Organisation for Economic Cooperation and Development) country having experienced a price increase of this magnitude over this period. After 2010 the country faced the lowest five year period of construction since World War II. In 1991, 67% of all 25 to 34 year olds owned property; in 2018 only 37% did. [1] The solution seems simple, to get house prices down, increase supply. This is because of basic supply and demand principles and the inverse relationship between price and supply; if supply increases then the price will decrease and housing will be more affordable. However as straightforward as the outcome seems, the solutions are not that simple.

The most obvious solution would be using and adjusting greenbelt land. The green belt, which describes zones of protected countryside around cities, are clear barriers to construction. The Greenbelt was a policy instituted shortly after the Second World War to protect large swathes of land around English major cities from further development. The idea was to safeguard agricultural land so the country could feed itself, and to encourage the regeneration of inner-cities following extensive bombing and the spread of slum housing. The organisation for Economic Cooperation and Development (OECD) stated that a reform aim for 2019 should be to further relax regulatory constraints to release more land for housing. [2] An example of relaxing constraints would be in towns around cities such as Iver, which is around 20 minutes away from London by train. Yet, due to greenbelt policies, only around 11,000 people live in the town, and further construction of housing is restricted. It is clear that releasing greenbelt land near commuter towns and transport hubs should be a priority to solving this crisis. 'Metropolitan Green Belt land' describes land within realistic walking distance of a railway station. Metropolitan Green Belt covers over 514,000 hectares. Building one million homes on green belt would mean developing on only 3.9% of this land. Furthermore, it can be assumed that half this land will become private garden space. [3]

Yet, many Britons are against building on Green Belt land. The National Planning Policy Framework (NPPF) states that the green belt has essential functions: Checking the unrestricted sprawl of large built-up areas, preventing neighbouring towns merging into one another, helping safeguard the countryside from encroachment, preserving the setting and special character of historic towns and helping urban regeneration, by encouraging the recycling of derelict and other urban land. [4] Many people across England have a strong sense of attachment to the greenbelt land. If developers are given the option to build on a small percentage of greenbelt land, they will choose to do so and the low density sprawl that is seen across continental Europe and North America, will be seen in Britain as well. Allowing for building on this land can cause a “slippery slope” affect where authorities will become more lenient towards relaxing constraints as it becomes more common.

On the other hand, there are areas of green belt that do not support many of the NPPF purposes and could be considered for declassification. As shown in “Figure 1” these are areas not meeting objectives of environmental protection and preservation of settings. Similarly, development on other greenfield sites other than green belt due to policies is more harmful to the environment and people’s wellbeing, and this occurs and will continue to occur if the greenbelt is not reformed. Therefore, selective green belt reclassification is a necessary solution. Green belt land that is already built on, that has been allowed to become derelict, and other brownfield areas within the green belt, would also be declassified. In these declassified zones of former green belt, there would be a presumed right to development. It is clear that complete scrapping of greenbelt policies is not a sustainable solution however the greenbelt which is declassified to be made more attractive through appropriate house building provides a possible solution to this housing crisis as supply of housing will largely increase, while around 96% of the green belt will remain, making housing more affordable.



“Figure 1” [5]

Further solutions all involve removing constraints on supply, for example, in England and Wales around 6% of the land remains in direct state ownership. This adds up to around 900,000 hectares. Amongst urban local authorities, where there is immense pressure on housing, around 15% of land is owned by the public sector; local authorities are the major landowners.

Furthermore, there are parts of the country where it is the public sector that owns over 40% of the land. In these areas, very slow progress has been made in terms of housing and affordability, as land in areas such as Brighton and Hove, Leicester, Barking and Dagenham, Portsmouth etc. has been neglected and misused. The National Audit Office conducted a study where it was found that of the public land sold between 2011 and 2015, only 200 new homes had been built and completed, on sites which have the capacity to hold thousands of homes. [6] A solution to this crisis would be to remove this constraint on supply by putting the land to more efficient use, if we are to even attempt to meet the government's optimistic target of the construction of 320,000 homes by 2020. Transforming 'Right to Buy' policies can help achieve this. If the right to buy was applied to government land it would allow people the right to demand the sale of government land, and speed up progress on UK housing. Removing unnecessary constraints on supply and efficiently making use of land in high demand areas can ensure that more houses are being built faster, helping solve the affordability crisis.

Another solution is to consider housing options and the affordability of the housing that is being built. Studies suggested that the most desired housing was the Georgian style townhouses, and much of the recent estates and housing built do mimic this style and it is what many British consumers are attracted to. However, many young people are struggling to even get onto the property ladder as the housing available are out of reach for a first time buyer. If supply is being increased, but the prices are still high, then the crisis is not being solved but further complicated. A focus should be placed on building more affordable housing, especially around 'commuter towns' so that first time buyers are able to afford a place to live and step onto the property ladder. Another option is to step onto the housing ladder in a less traditional way. Alternative housing such as boats, containers and sheds are all examples of more affordable housing. However, this low cost solution to the crisis is being overlooked due to the stigma attached with the less conventional solution. For example, in Bristol, containers are being converted into liveable homes for homeless people to move into. It's a similar story in London too, with one project taking 290 people off the streets, giving them a safe place to stay. [7] This example is proof that it is a very affordable short term solution to the crisis until a sustainable long term solution can be carried out. By increasing supply affordably by producing low cost alternatives to housing, the crisis can be helped.

Overall, it is clear that there are efficient solutions to help the affordability crisis, for both the long term and short term. If the government wishes to meet their target than compromise between policies, such as the green belt policies, must occur otherwise the crisis will remain. However, without an increase in supply there is no easy solution or efficient way of solving the problem. Reclassifying the greenbelt provides the most sustainable solution to the crisis, introducing more housing without causing a drastic effect on rural areas or greenery in the UK. If the government can overcome these barriers to construction, overcome problems such as nimbyism and build more houses, more people would be able to afford to buy.

References

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