

The UK housing market is outdated, undersupplied and over-regulated by central government structures. A more prescriptive system might work well, as it does overseas, but is the political price really worth paying, asks **Marc Vlessing**

Economists agree - we need to deliver approximately 350,000 homes a year for the next ten years to create a balance between supply and demand in Britain. So why have successive governments failed to achieve an equilibrium supply of housing? What can be done?

Let's look abroad first - where do they do housing better? Germany, the Netherlands, Japan and Sweden all jump to mind. In reviewing their key differences with the UK scene, interesting similarities between them emerge:

They all have strong layers of regional government intermediating between the long-term demands of national government and the short-term delivery hurdles of local government. National housing plans are negotiated over long periods of time between all layers of government - once the last National Housing Plan comes to the end of its political life, the new one is ready to be slotted in.

Consequently, we see prescriptive planning systems which set out very clearly what kind of development is allowed and where. This top down approach creates the kind of certainty that construction, development and finance companies alike love when placing their capital at risk.

Countries with more benign housing cycles also manage to depoliticize housing - their context for decision making is a ten-year cycle overseen by civil servants in tandem with the private sector rather than the five-year political cycle in the UK

Britain's planning system is a jumble of national, regional and local policies which often do not mesh, and certainly offer little prescriptive certainty. Planning decisions are meted out by local government councillors, who often have little technical know-how. Decisions are, by definition, subject to the kind of local political pressures which make it very hard to square local needs with the demands of regional government, let alone national government.

So you might expect me to argue that what we need is a prescriptive, centrally directed planning system to sort out the ills of our current system. But you'd be wrong. As a Dutchman,



I marvel at the often utterly chaotic way in which politics works in this country. Yet after 25 years, I have come to recognize and ultimately respect the fact that we will never have joined up top-down government in Britain - it's just not what we seem to want culturally.

Our inherent suspicion of administrators and politicians means that we prefer a system of checks and balances, and with it, more often than not, we accept a certain level of economic and administrative inefficiency. To be sure, this costs us in wasted public finances and complaints about the length of time it takes to get runways built, but hey, at least we don't have to wake up to endless newspaper reports about corruption and abuses of power.

Or as an Italian architect friend once said to me about trying to get a planning consent in the UK: "...I'd happily bribe my way to get this consent, that's what I'd do back home, but in this country I just wouldn't know where to start: should I bribe the local Councillor, the Chair of the Planning Committee, the planning officer..."

A German colleague told me that in his view the Brits didn't operate a planning system at all; what we had was planning theatre: everything

depended on the performance on the night.

But a generation of Thatcher's children complain that their 'hard-earned' housing equity is being eroded by the needs of their children to put down ever larger deposits for first homes. It is clear that reform is needed and is needed fast.

Enter local government Secretary Eric Pickles, a man not prone to waste much energy on explaining himself, which in this case is a shame, because his planning and local government reforms may yet unlock this country's seized up housing market.

Firstly, Localism: local people now get more say about what they want in their backyard so that the poorly directed central targets under the past government (which produced thousands of unsold, un-needed, one-bed flats in middle England) are replaced by a pragmatic evaluation of what is actually needed on the ground.

What's more, government will make budgets available to groups who want to create local neighbourhood plans to ensure that they can pay for experts to advise them on the viability of their plans.

Lastly, government wants to put a presumption in favour of

development at the heart of its new slimmed down planning system. This is administrative dynamite in housing-speak: it allows a Planning Inspector to override a whole raft of emotive considerations in favour of development.

I believe this government has concluded (rightly) that top down planning won't ever work in Britain and that they now are creating the certainty which industry and finance so badly needs by doing things the other way round: bottom up planning. Will it work? Time will tell, but the idea needs to be given a proper chance because so far, nothing else has worked.

Housing is fiendishly complex and this article doesn't even start to touch on the complexities of land release, construction innovation and (crucially) credit provision. But there is something rather arresting happening at the heart of the government: without much noise a coalition government which nobody gave much of a chance to is doing some mightily brave things. We should wish them well with it.

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