

# If Governments Don't Fix The Housing System, Soon They Won't Be Able To Win Elections

A small housebuilder has outlined a two-point plan that it says would mean 30,000 more homes being built each year – with the caveat that Britain's electoral system needs to be changed if the country is to see the levels of housebuilding really increase.



*Courtesy of Pocket Living*  
Pocket Living's Marc Vlessing

**Pocket Living** CEO Marc Vlessing told *Bisnow* the polarisation in politics has held back changes to the way homes are delivered in Britain, adding electoral reform is needed to help solve this issue.

Vlessing also said changes in the demographic and economic structure of Britain mean that housing will soon become as important for voters as health, education, and law and order.

“You won’t be able to win an election in 10 years time without housing the people in the middle,” Vlessing said.

House prices have inflated so fast in the past 20 years that some people earn more from their homes than from working, he said. This has created a huge economic disparity between those who can and can’t afford to buy a home, and created a generational divide between older homeowners and younger renters, with those who don’t own a home substantially better off.

Voters will pick parties in future that are able to reduce that disparity, increasing homeownership without ramping up prices, he said.

Vlessing pointed to Britain’s first-past-the-post electoral system as a major contributing factor to a dysfunctional housing market.

“In a winner-take-all political system, you end up with policy being formulated to please those at the extremes,” he said. “The people in the middle don’t scream and shout enough, and they get forgotten.”

In the case of the UK, Vlessing said the **Conservative party** typically puts all its attention on policies that boost house prices, but don’t increase supply to appeal to their core voters and some of the undecided middle. Labour puts its attention on social housing for the same reason. And middle-class, middle-income voters are left out.

A proportional representation system, which tends to lead to more coalition governments, or at least the need to appeal to more centrist voters, would lead to policymaking in which housing is less politicised.

Vlessing pointed to the fact that former Housing Secretary **Robert Jenrick** rowed back on housing targets that would have seen more homes built in Conservative constituencies, an unpopular plan with voters in those areas, as an example of politics interfering with the delivery of new homes.

He cited the Netherlands, from where part of his family hails, as a system that is far from perfect, but one in which the central government sets housing targets and local authorities work to achieve them in a less political way. He credits the fact that the country’s voting system almost always returns coalition governments as a factor in a system that still has shortages, though not as acute as the UK.

Pocket, which is 75% owned by Related, has built 1,000 homes in and around London and has a pipeline of 1,500 more. It builds homes that are typically one bedroom and no larger than 409 SF, but are never pitched at more than 80% of prices in the local market. Buyers must earn below £90K a year to buy one.

Running a small-house builder is the third act in a colourful career for Vlessing. He started out as a film producer, working with famous directors such as Mike Leigh, before becoming an investment banker and then moving into real estate. He said it's the hardest profession he's encountered: the most frustrating, but also the most important.

Pocket has called for two changes to the planning system. One calls for simplified planning for developers looking to build on smaller sites and providing housing that is 80% of market rates. The other would be an exemption from the need to provide affordable housing units for developers that are providing these discount market-rate units.

Vlessing said the company's research shows the former policy would allow the provision of 30,000 more homes a year. He added the need to provide section 106 and Community Infrastructure Levy payments were particularly onerous for smaller housebuilders, which led to a situation where 70% of British homes are provided by large firms.

"Pocket is the only specialist intermediate housing developer in the UK — I call that a market failure," he said.