

Create Streets

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We're been focused on the wrong thing:
instead of regulation and obsession with process this might be the start
of a systemic shift in the UK planning system to provide popular homes
people want to live in and see built in their neighbourhoods

Summary

- Create Streets today welcomed the proposed publication of an “*initial set of exemplar designs for starter homes*” and of a “*new national planning policy*” to support this
- Nicholas Boys Smith, Director of Create streets, said: **“We've been focussed on the wrong thing: instead of regulation and obsession with process this might be the start of a systemic shift in the UK planning system to provide popular homes people want to live in and see built in their neighbourhoods.”**
- Create Streets believes that new homes and places must become systemically more popular in order to ‘shift’ the politics of planning and ‘solve’ the housing crisis
- Two thirds of people in the UK would not even consider buying a new home (Source: RIBA). This is absurd, especially given the better insulation standards in modern homes
- Research by Savills found that the two most important issues people search for in their home are the “neighbourhood” and the “external appearance.” Meanwhile Create Streets’ own research shows that vast majority of people just want to live somewhere fairly normal in a normal house on a normal street. However, particularly in an urban context, planning policy and viability tests often reject this
- The British planning system should move in line with the planning systems of most other countries (nearly all of which place greater emphasis on design and local appropriateness) and place greater focus on creating the types of place which are provably more popular. More popular homes make it easier to build new ones
- In this context, today’s announcement is very welcome
- It is however utterly crucial that the “exemplar designs” can be shown to be popular (for example via polling data or via market value analysis) rather than merely representing an ‘expert’ view on ‘good design.’

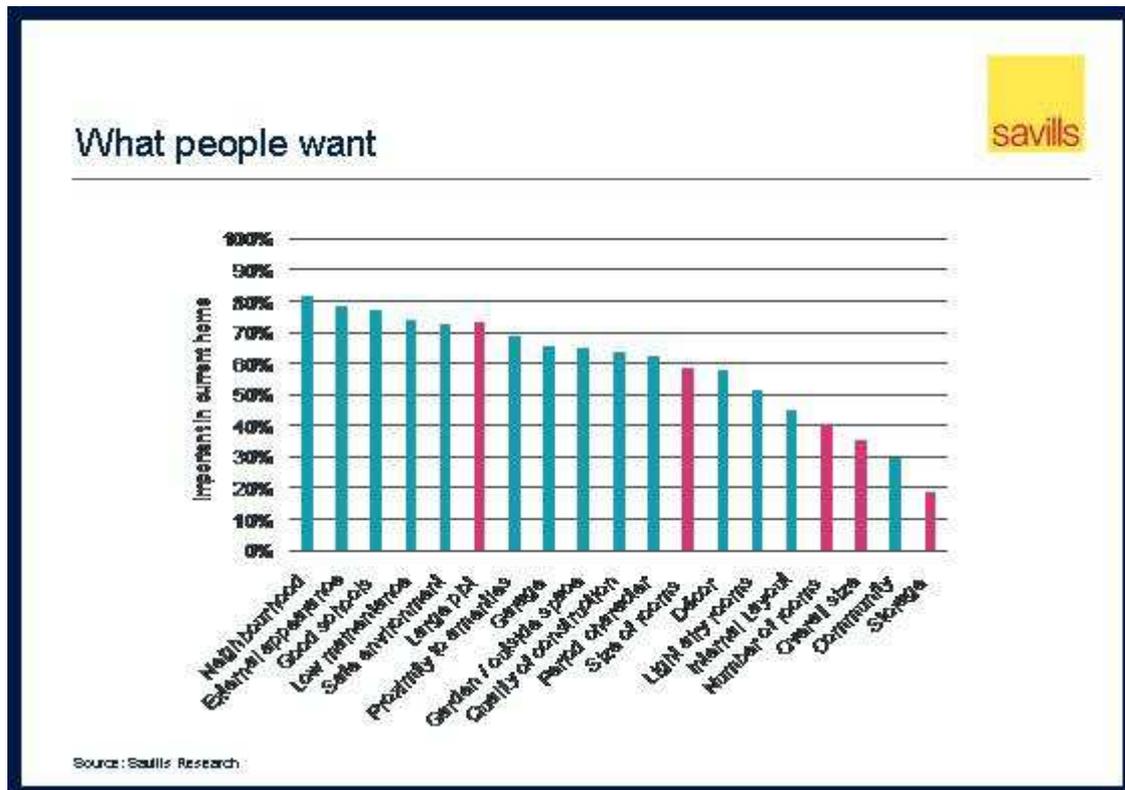
We've been regulating the wrong thing: why we should be regulating quality not process in the British planning system

Much of the commentary on the Prime Minister's Starter Homes announcement is focused on the targeted volume and the exemptions from Section 106 and Community Infrastructure. This is natural in the current numbers-obsessed debate.

However, we think it might just be missing the key point. To shift systemically the whole debate on housing in the UK we need to make new homes not something that are forced onto communities from on high but which are popular and demanded by communities from below. New homes must be beautiful, must be welcome and must be loved.

Something has gone very badly wrong with what we do to the built environment in Britain. Despite advancing wealth and technology new homes and new developments are almost without exception fundamentally less popular, less valued, less cherished and less visited than their historic equivalents. Older homes are larger and normally worth more per square foot (despite staggeringly lower insulation standards or embedded technology). Even the Royal Institute for British Architecture admits that the system is profoundly wrong. They found, in one recent report, that 'only around a third of homebuyers would consider buying a new home at all. Two thirds or more are only prepared to purchase from the existing stock.'¹

Figure i – what people want



Why is this? Well the evidence would appear to suggest that one of the key drivers is that most people just *don't like what most new homes look like or their impact on the*

¹ RIBA, *Improving Housing Quality – unlocking the market*, p.6

local built environment. Research by Savills found that the two most important issues people search for in their home are the “neighbourhood” and the “external appearance.” (See figure i). Meanwhile Create Streets’ own research shows that vast majority of people just want to live somewhere fairly normal in a normal house on a normal street². However, particularly in an urban context, planning policy and viability tests (which focus on the very short term) often reject these as either unviable or inappropriate on design grounds. This situation is stunning, indeed absurd. In what other sector of the mass consumer economy are better-built more efficient modern products *less* popular than antique equivalents? Meanwhile of course, the housing crisis marches on. We don’t build enough homes and (above all in London and the South East) the rise in sale prices and rents is arguably the most malign drag on living standards for over a generation. France has overtaken Britain as a home-owning democracy.

Surely if the planning has one fundamental aim it is to ensure that new homes are popular, beautiful and welcome? And yet, as many of the despised and yet unsurprisingly ubiquitous “NIMBYS” (or their elected representatives) will tell you, objecting to new homes ‘because we think they are ugly and want a better design’ is not going to get you very far. And Create Streets have yet to find *any* official or market practitioner whose understanding of what people want or like in the built environment comes even close to the sort of market-understanding that any half decent supermarket or consumer goods company would take for granted.

When new homes are so badly needed and yet new homes so unpopular surely we should be doing everything we can to make them popular ?

In this context, there was a very interesting and potentially important comment about design in today’s Starter Homes announcement.

“Starter Homes developments are expected to be well designed and of a high quality, contributing to the creation of sustainable places where people want to live, work and put down roots to become part of the local community. A new Design Advisory Panel set up by the government, involving leading industry experts, is developing an initial set of exemplar designs for starter homes which we expect to publish shortly for wider comment. While recognising the need for local flexibility, we would expect these designs over time to become the default approach to design to be considered for Starter Homes developments.

This new national planning policy should be taken into account in plan-making and decision-taking, and should be read alongside other policies in the National Planning Policy Framework.”³

What this is essentially saying is that for developments to access the Starter Homes they will need to conform to a set of designs that are good enough and popular enough.

This must be right. From an international perspective the UK planning system, in nearly always denying landowners development rights without formal consent, remains curiously interventionist. We have a forthcoming research paper on this comparing London to Paris. But it is not just France. For example in free-market America, the zoning approach constrains what types of use, size or (occasionally)

² See Create Streets, (2013).

³ <https://www.gov.uk/government/speeches/starter-homes>

design is permissible in different states, counties, cities of towns. However, and critically, if a development is *within* these constraints then no specific challenge is normally possible. Landowners have the right to develop. They just have to obey the prescriptive local zoning requirements so that their impact on neighbours or other residents is in some way regulated.⁴ This is the opposite of the situation in the UK where landowners have no right to develop until it is specifically granted.⁵

Germany also respects the right to develop, subject to conditions set out by regional or local government, very clearly – in fact it is in the constitution. Article 14 of the German Basic Law states that ‘Property and the right of inheritance shall be guaranteed.’ For purposes of development this means that landowners are entitled to build on their property as long as there is no explicit rule against it. And if a proposed building fits into the local plan, *permission has to be granted*. As Professor Michael Hauth (an expert on German planning law) put it; ‘The freedom to build is a part of the constitutionally guaranteed definition of property and ensures the right to build on one’s plot of land and to use or realise it. The right to build is therefore not assigned to or granted to the property owner by the public law.’⁶

Put simply, by starting from a position that landowners cannot develop without specific permission, the UK is taking an opposite, and more economically interventionist, approach than most other nations. Countries as historically and ideologically contrasting as the US, Germany and France all instead start with the presumption that a landowner may develop without challenge as long as they fit within a local plan on land use or design.

Table i – Regulating design permits more development than regulating development⁷

	UK	France
New-build housing units, ‘000	138	330
Total property sales, ‘000	1,074	1,095
Ratio of new build / sales	13%	30%
10 year construction peak, ‘000	226 (2007)	478 (2006)

However, there is an irony in this comparison of British and non-British practice. For so disliked and controversial have many modern developments in the UK become that the pragmatic, contract not code approach of British planning has ended up becoming starkly *more* antithetical to development than is the case in France.

⁴ This is not to say that zoning rules have not compounded many mistakes. Frequently for example, they have prevented (often popular) mixed use development.

⁵ There are a few exceptions to this – for example back garden extensions in some situations.

⁶ Evans, A. & Hartwich, O.M. (2005), *Bigger, better, faster*, pp. 16-7..

⁷ Sources for *Table i*. HM Revenue & Customs - Annual UK Property Transaction Statistics, <https://www.gov.uk/government/statistics/annual-uk-property-transactions-statistics-2013>. Department for Communities and Local Government - Statistical data set : Live tables on house building, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>. Ministère de l'Écologie, du Développement Durable et de l'Énergie - Prix immobilier, Evolution 1200 – 2014, <http://www.cgedd.developpement-durable.gouv.fr/prix-immobilier-evolution-1200-a1048.html>. Ministère de l'Écologie, du Développement Durable et de l'Énergie - Statistiques de construction de logements, <http://www.statistiques.developpement-durable.gouv.fr/logement-construction/s/construction-logements.html>. Ministère de l'Écologie, du Développement Durable et de l'Énergie - Chiffres & statistiques n° 482 - janvier 2014, <http://www.statistiques.developpement-durable.gouv.fr/logement-construction/r/logement-social-parc-social.html>. All accessed September 2014.

The numbers are fairly stark. In 2013, France built nearly two and a half times as many new homes as the UK did. In consequence they represent 30 per cent of the sales market as opposed to a paltry 13 per cent in the UK. Of course, France is a physically larger country with an equivalent population so new developments is always likely to be less controversial. Nevertheless, the point stands. In the UK, it can clearly be very hard for local planning committees staffed by councillors requiring re-election to force through developments that their constituents loudly detest.

Put simply, the greater degree of freedom that we permit in what development *looks like* has led to a politically all-powerful demand that development should be very hard to do. We are sacrificing the liberty to have an affordable home of your own on the altar of the artistic liberty of the architect. It would not appear to be a very good bargain.

We hope that the announcement today might be the start of regulating quality more clearly so that the politics of house-building can change.

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