

B RITAIN's 10% unemployment rate could be reduced dramatically if more land was brought onto the market for housebuilders to use.

But if immediate action is not taken to increase the availability of land, the country will face a housing crisis in the mid-1980s.

This is the argument of the House-Builders Federation, whose Director, Roger Humber, warns:

"That crisis will be, first and foremost, a land crisis. Further, land shortages mean house price explosions, or a short-fall in houses, or both."

He says that unless more land became available, it would not be the house-builders who would suffer. The public would have to pay "through the nose" for the very few houses that could be built.

This would be because the land content of the price of new houses, which was 10% in the 1950s, and which was now 25-30%, could easily be 50% of the sale price very soon.

M ORE LAND could also have a striking effect in reducing the 2.5m people who were unemployed, according to the Federation's President, Lynn Wilson.

"The private housing industry wants to play its role and help lead the nation out of the recession as it did in the 1930s," says Mr Wilson.

"Looking back on those dark days, a striking parallel emerges with the position today. In 1930 only 114,000 homes were started in the private sector. By 1934, 270,000 homes were started – an increase over the period of 135% – and the depression was beginning to ease. We did it then and we can do it again now.

"No other industry can provide jobs immediately and can have the same 'knock-on' effect in providing still more jobs in the building materials industry, whilst also stimulating the consumer durable industry and the furnishing industry."

Mr Wilson says that every new house built would provide 2.5 jobs per year. In 1980, total housing starts were barely above the 150,000 mark compared with an estimated demand of about 300,000.



● ROGER HUMBER

Housing crisis in mid-1980s warns UK building chiefs

Report by P. E. POOLE

According to this reasoning, therefore, the dole queues could be reduced by around 370,000 people if the house-building industry was able to meet the demand for new homes.

B UT WHO – or what – is causing the land market to malfunction?

The burden of blame is placed on local politicians and the planning process.

Mr Wilson says that there are two fundamental requirements for private house-builders to begin immediately to step up their programmes. First, local authorities must take a more positive attitude to releasing land and, second, they must get the planning system moving.

"We can start to provide the jobs tomorrow but will local politicians allow us? I challenge them to do so."

This view is endorsed by Mr Humber, who says that planning authorities had decided to severely restrain house building. Out of 46 counties in England, 36 planned to cut their rate of house building in the 1980s to levels below the average rate achieved between 1975-79.

Indeed, he alleged, the amount of housing land actually available in many counties was far below that required to implement even the inadequate rates of building contained in structure plans.

T HERE IS a great deal of force in what the Federation argues. But is the private sector entirely blameless? Are landowners keenly waiting for planning permission so that they can release land onto the market in response to demand?

The possibility that private landowners are hoarding land does not enter into the public denunciations of the Federation officials. According to Mr Humber:

"The private sector has houses it wishes to build at prices which will substantially expand the range of individuals and families who can afford to buy. What is required is for local authorities to take the initiative, sell land they own and stop obstructing those initiatives.

"It is local authorities' refusal to sell land, not public expenditure cuts, which is the greatest barrier to more new housing today."

And it was the attempt to squeeze the highest prices out of land users which resulted in land remaining idle while waiting lists for new homes grew longer, he said.

Revealingly, Mr Humber then adds: "Local authorities must sell land at realistic prices to house-builders, rather than acting like 'property speculators', if the potential private sector contribution is to be realised."

Precisely. It is the speculative motive – of which the private as well as public sector is guilty – which is the prime de-stabilising influence in the land market.

We must hope that the Federation will produce a comprehensive critique in which both public and private "land speculators" are blamed. Only then will they begin to define the appropriate remedy.