**Potential title: Who gains from new housing?**

TCPA article

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Probably the most familiar depressing fact in planning, and one of the top ones in politics (and even in discussion at bus stops) is that we are not building enough new homes. While this information has been filtering into the conventional wisdom, demand has continued to accumulate: the number of new households 2008-15 was half a million more than the number of new homes[[1]](#footnote-1). In recent years, the planning system has been continuously reformed to try to encourage development. Pledges to boost house building featured in all main party manifestos for the 2017 general election, and are certain to do so again at the next.

Policy makers tend to assume that more homes will equal reduced house prices (or at least reduced increases), which will equal reduced affordability problems, which will help everyone (including, somewhat vaguely, disadvantaged groups). The recent housing White Paper argued that the problem is “*very simple”[[2]](#footnote-2).* However, new housing often has no effect at all on people in poor housing conditions or on low incomes. They will not be able to afford most of any new housing that does get built. Some suggest that this doesn’t matter, as benefits will ‘trickle down’ (so, to mix the metaphors, a new rung on the top of the ladder lets everyone step up). However, others argue that trickle cannot be relied on[[3]](#footnote-3). My own research finds no sign it exists.

Over the 30 years 1981-2011, 38.3m extra rooms were built in England and Wales, a whopping increase of 44%, which ran well ahead of growth in households (32%) and people (15%). This development cost money, natural resources, green spaces, millions of hours of work, and some very boring or very fraught meetings. However, it had almost no impact on the housing conditions of the least-spaciously housed people. If someone is at the ‘10th percentile’, it means that 10% of the population have less housing space per person than they do and 90% percent have more. In 1981 people at the 10th percentile had 0.95 rooms per person[[4]](#footnote-4). In 1991 they had 1.0 room per person. In 2001 and 2011 they still had just 1.0 room per person. Meanwhile people at the 90th percentile improved their position by 1.20 rooms each over the same period[[5]](#footnote-5). The table shows the gains in housing space per person in England and Wales made by people at different percentiles in the distribution of the population according to housing space.

Table: Gains in room per person for people at different percentiles of the population by housing space, England and Wales, 1981-2011

Source: Census 1981, 1991, 2001 and 2011

The situation was even more extreme in London. 3.7m net rooms were added to the London housing stock 1981-2011. This was a substantial 32% increase, although in the capital, population and household growth was also dramatic. Despite new housing development, over the thirty years 1981-2011, Londoners at the 10th percentile got absolutely no extra housing space per person. In addition, the vast majority of Londoners made no more than trivial gains in housing space. Only Londoners at the 80th percentile and above got significantly more[[6]](#footnote-6).

In fact, building new housing has been so inefficient as a means of improving things for the worst housed that it took till 1991 (under the Major government) for those at the 10th percentile in England and Wales to get to the space per person enjoyed by the average citizen in 1911 (under the Asquith government). The only times in the twentieth century when those at the 10th percentile gained proportionately more than those at the 90th were 1931-61 and 1971-81. The first period covered the bulk of council housing development. The second was a decade when population and housing growth were both unusually slow.

So who gains from new house building? The general rule of thumb for the last thirty years or more is that the beneficiaries have been people who were already better-housed. Building new housing, even building enough new housing to keep pace with population growth, is not actually enough. We also need to pay a lot more attention to who gets what. Distribution over 1981-2011, when private ownership and private renting were increasingly dominant, resulted in increased inequality in housing space. New housing needs to be genuinely affordable to enable disadvantaged people to benefit. In addition, new homes need to be fairly small if they are to help the worst housed get an extra room or two. By 2011, most of those in the worst-housed tenth of the population had homes with three rooms or fewer. However, the median new home produced 1991-2011 had at least seven rooms, putting it out of reach whether by price or social housing allocation policy.

1. Crisp, R; Cole, I; Eadson, W, Ferrari, E; Powell, R and While, A (2017) [*Tackling poverty through housing and planning policy in city regions*](https://www.jrf.org.uk/report/tackling-poverty-through-housing-and-planning-policy-city-regions) York: JRF [↑](#footnote-ref-1)
2. DCLG (2017) *Fixing our broken housing market* Cmnd 9352 London: HMSO [↑](#footnote-ref-2)
3. Crisp et al. 2017 [↑](#footnote-ref-3)
4. ‘Rooms’ include bedrooms, living rooms and kitchens, utility rooms, studies and conservatories, but not bathrooms, toilets, halls, landings, or rooms that can only be used for storage. [↑](#footnote-ref-4)
5. Tunstall, B (2015) ‘Relative housing space inequality in England and Wales and its recent rapid resurgance’ *International Journal of Housing Policy* Online 13th January pp105-126 http://www.tandfonline.com/doi/abs/10.1080/14616718.2014.984826?journalCode=reuj20 [↑](#footnote-ref-5)
6. Author’s calculations [↑](#footnote-ref-6)