
How can we solve London's housing crisis?

Anthony Kerr, associate in our London office, proposes some solutions to the current challenges of housing supply in London.

London is a pacemaking, breathlessly busy, global city. It is the kind of exciting, 24-hour urban metropolis where you feel you can do anything and get a hold of anything. Except, perhaps, somewhere to live.

One of the UK capital's major challenges is a shortage of housing stock. The fact that it is a desirable and aspirational place to live means that more and more people are moving in.

On average, the city's population is rising by nearly 100,000 every year. That increase is larger than the number of people living in Bath, Harrogate or Rochdale.

That is a huge number of residents to accommodate, and London is failing to cope. According to Greater London Authority's *Housing in London: 2017* report, only just over 20,000 new homes have been built annually, on average, over the last decade.

To meet demand, according to the city's mayor Sadiq Khan, that number needs to rise to 66,000 every year, with a particular emphasis on affordable homes, whether for sale or let. With such a significant gap between demand and supply, urgent and wide-ranging action with leadership from government is required.

Closing the housing gap is about more than quality of life, important though that is. It also has a strong bearing on the economy. If people cannot afford to live in London, they will be forced to seek a home and employment elsewhere, impacting on the availability of labour.

So, what can be done to mitigate what is effectively a crisis? For a start, we should recognise that we could actually increase the density of housing in London. Cities like Istanbul, New York and Shanghai have comparatively more accommodation within their boundaries, making better use of space by building high and increasing density.

There are brownfield and greenfield sites that could be more sensibly used. Suggesting any intrusion on the green belt usually, and often justifiably, causes people to throw their hands up in horror, but not all this land is of high grade and providing amenity.

Some of it is wasteland: unused, unattractive, in poor order and of little use to anyone. It would make sense to carry out a survey to evaluate exactly which areas are genuinely worthy of protection and identify the spaces that could be imaginatively developed.

The same is true of agricultural land, which does exist in and around London. Some of this is underutilised, with farmers holding out for the right price to sell the land. Why not come to an agreement with them now?

Of course, not everyone will want to see their assets developed in this way. But the issue of housing in London is a hugely important one both regionally and nationally, so it may make sense to consider allowing public authorities to make compulsory purchase orders where needed.

This may seem like a dramatic step but, as a solution, it would have its merits: the current housing shortfall has the potential to impact on London's commercial firepower and badly inhibit the labour flow on which that depends.

An imaginative solution also needs to be found to address the problem of about 20,000 properties, valued at nearly £10 billion, lying vacant in the metropolitan area.

Other issues which impact on housing availability include the problem of underused land in the ownership of the public sector and the fact that many individuals, often elderly, continue to live in large family houses. They often have a strong emotional attachment to these homes, but in truth, they would themselves often be better off, and the overall property market better served, if they could be persuaded to move on to somewhere more suitable for their needs.

Of course, this can only be done by gentle persuasion and encouragement, perhaps with public sector incentives and with the provision of new, more energy-efficient housing within close walking distance of the everyday facilities they need.

This need to think holistically illustrates that residential property, whether for purchase or rent, cannot be supplied in isolation. A strong and imaginative supporting infrastructure is needed too. We need to learn from the mistakes of the past and build not just properties, but communities.

Placemaking, factoring in provision in areas such as transport, amenity, health and wellbeing, needs to be at the centre of these new developments, along with local facilities such as schools, health centres and retail outlets.

There also has to be a realisation that the housing stock needs to consist of far more than new flats for upwardly mobile young professionals. Other social groups, and in particular, families, need to literally be accommodated too.

Over-stringent red tape may also impede progress. Planners can take a relatively lengthy period of eight weeks or more to give permission for new developments and the conditions they impose can be restrictive.

While some level of planning control is clearly necessary, a rigorous application of conditions, especially at the pre-start phase, can act as a disincentive for developers to proceed.

The process of buying a property in England can also be slow and cumbersome, taking months for a deal to be struck and the keys handed to the purchaser. By contrast, a tenant seeking a rental property can often move in within a week or so. It would make sense to see if purchasing timelines can be improved.

To add to all this, Brexit may well present a challenge to the construction sector. Only by dealing with the fundamental issue of housing provision can we ensure that London maintains its unsurpassed reputation for quality of life and its potential for continued economic growth to remain a great world city.

There's no time to waste. The UK's biggest city cannot wait. So let's ensure we get on with it.