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THE HOMES LONDON NEEDS

Part 3

A Direct Planning Revolution for London

A Policy Exchange Essay Series

Policy Exchange

Introduction

"The Next Mayor of London Should stop asking how to build more homes and start asking how to make new homes more popular."

London and the South East has a housing crisis. France has overtaken Britain as a home-owning democracy. So far, so anodyne. But why? "NIMBYs" incant frustrated developers. "Greenbelts" invoke irate LSE professors. "Timid politicians refusing to reform the planning system" shout furious lobby groups. But they are all wrong. Or at any rate they are insufficiently right. They are dealing with symptoms not maladies.

One of the key reasons we have a housing crisis is because new housing, new neighbourhoods and new multi-storey blocks are consistently, unambiguously and predictably unpopular with most people most of the time. Looked at through this prism, the London housing crisis is a problem of lack of sufficient political consent for new development. Politicians trying to 'fix' the problem have been consistently asking the wrong question. They have been asking; "how do we build more homes?" They should have been asking; "how do we make new homes more popular?" – making new homes more popular and reducing local opposition to them *is*, ultimately and profoundly, the way to build more.

If you could make Londoners not just accept but *love* new buildings and neighbourhoods, *argue* for them, *lobby* for them then most other problems would, over time, fade away like ghosts at cockcrow. If this seems overly-simplistic then consider the evidence. And, consider what you *could* do about it by turning the entire planning system on its head and using the planning system to help the market deliver the homes people actually want to see built in their communities rather than continuously frustrating it.

The problem of unpopular new homes

Consistent and strong majorities of the public in the UK and in London prefer a certain built form. Such a built form and style could very easily provide sufficient homes to meet London's housing needs. Given differential maintenance costs and historical valuation it is even a very good long term investment.[1] Such a built form historically has normally cost less to maintain and has held its value better. It would even appear to be more sustainable.[2]

And yet we don't build it – or at least not sufficiently or in such a way as to garner widespread public support let alone enthusiasm. To examine 'case studies' of exemplar schemes or appropriate densities authored by architects or developers is, too frequently, to observe a depressing litany of glass towers and large blocks with very few densities below about 250 homes per hectare and (at best) a sort of simplified brick sub-vernacular that our polling tells us most people simply do not like.[3] Meanwhile tower blocks not just by the edge of the Thames but in outer suburbs are leading to a clear and entirely unnecessary backlash against building, thus slowing down the process of achieving the increase in the number of homes we need.[4]

Even some professionals are prepared to voice concern. A large number of architects put their name to the launch of the Skyline Campaign in March 2014 protesting at the quality and design of many of the 260 towers being built in or planned for London above 20 storeys. And in a series of 30 interviews *Create Streets* conducted during summer 2014, many experts evinced a material concern about what we are building at the moment and that we are not optimising for the long term. Though some believed that we have learnt lessons from the past (above all with better connectivity and greater use of front doors), many others think we are replicating too many errors. The MD of one London-based regeneration firm told us that most 'blocks of flats' currently being built were 'pretty shoddy.' And one very senior industry insider who has personally worked on many towers being built in London was alarmingly clear about the consequence of his work: "This is a ticking bomb as more and more will need maintenance. There are long term issues around renewing cladding, lifts etc in tower blocks – how will this be funded and who will be willing to? I worry that we are creating ghettos of tall buildings."[5]

So what on earth is going wrong? Why have we not sufficiently learnt from the past? Why do developments such as Mount Pleasant which so please GLA planning officials so displease the public? What noxious cocktail of supply, demand, investment and regulation is leading to this? And what can we do about it?

Problem 1 – land supply for housing is being rationed

Contrary to received wisdom, planning is not new in the UK or in London. It's just different, wider in its scope, slower and much less predictable. In the sixteenth and seventeenth centuries there were several concerted attempts to prevent London expanding beyond pre-defined boundaries, a sort of (only episodically effective) proto-green belt policy.[6] In the eighteenth and nineteenth centuries regulations instead typically focused on the urban form through a fairly limited number of factors: ratios between street width and height, building materials, window design and control against fire. That said, by contemporary standards these rules could be surprisingly consistent and rigorous. Landowners could develop but they had to follow a limited number of very clearly set-out rules. Interestingly, landowners developing via the leasehold system (whereby builders were offered developing leaseholds on initially peppercorn rents) often *added* to statue setting down a clear street pattern and 'urban code' to builders as to how they should develop. That is why much of historic London is so elegantly consistent.[7]

British planning changed again, and radically, in 1947 when the axis of control shifted back to what might be called historically a more 'pre-modern' approach. Instead of demanding consistency of exterior form the state controlled (indeed initially banned) the right of private landowners to develop their land at all.[8] And they did so via the tool of the local plan. Local plans are meant to be comprehensive but also to leave room for case-specific interpretation. Individual planning decisions are then made in the light of this plan and of a large (though recently reduced) corpus of housing and building regulations which has increasingly focused on the inside of buildings more than the outside. The process has proved slow, inconsistent and hard to predict.

The economic consequence of this approach has been to limit the supply of land, delay building and, absent wide-scale government intervention, shift most of the value of a building from its built form to the land on which it stands or, more precisely, the permission which has (or has not) been granted to that land. For example, in 2010

granting planning permission to agricultural land in or near outer London increased its value by an absurd 20000% - from around to £19,000 a hectare to more like £4million per hectare.[9] Meanwhile in 2011, the build cost of a £220,000 house typically represented only slightly over a third of the cost with land cost and planning gain representing around 55%.[10] This is not to say that there are not inherent inefficiencies in land markets (higher capital costs, greater risk, potential for opacity). But it seems impossible to escape the conclusion that the UK planning system, which is particularly unpredictable in international terms, is not hugely exacerbating these problems.[11]

While public policy in the 1980s unpicked most elements of the post-war state this was assertively not the case for planning. In parallel with reductions in state-financed house-building, the 1991 Planning and Compensation Act specifically required that a local authority's development plan be a 'significant factor' in what might or might not be permitted. In 1999 an influential report by the McKinsey Global Institute argued that planning constraints were one of the most important breaks on British economic growth.[12] Since then Governments of all political hues have attempted to loosen the constraints of the planning system.[13] However, with a brutal irony they have largely done so not by ripping up the development control system but by increasing the targets and pressure from the centre to build – in short by centralising the nature of government intervention not reversing them. With one hand the Government makes it hard and expensive to build and erects barriers to entry though high capital costs and complex regulatory unpredictability. With the other it now insists that local authorities get lots built. The consequence is missed targets and bad buildings.

The further design consequences of most value coming from getting land zoned for housing or securing planning permission is that building a home that someone really *likes* is commercially too often a rounding error, because it is land value and its appreciation, not good design, that makes the money. The approval of planners and the compliance with a (still not that small) bible of codes and regulations necessarily trumps what people actually want in the built environment.[14]

Problem 2 – a design disconnect: what people want vs what professionals build

Planners and architects value different attributes and (provably) prefer different types of buildings to most people. In 1987 a young psychologist was conducting an experiment into how repeated exposure to an image changed perceptions of it. A group of volunteer students were shown photographs of unfamiliar people and buildings. They were asked to rate them in terms of attractiveness. Some of the volunteers were architects and some were not. And as the experiment was ongoing a fascinating finding became clear. Whilst everyone had similar views on which people were attractive, the architecture and non architecture students had diametrically opposed views on what was or was not an attractive building. Correlations 'were low or non-significant'. The architecture students' favourite building was everyone else's least favourite and *vice versa*. The disconnect also got worse with experience. The longer architecture students had been studying the more they disagreed with the general public on what is an attractive building.[15]

The young psychologist was David Halpern and he is now a highly influential man. He runs the Cabinet Office Behavioural Insights team (often called the 'Nudge Unit'). Two decades on, he is very clear that 'architecture and planning does not have an empirical, evidence-based tradition in the sense that … sciences would understand. There are very few studies that ever go back to look at whether one type of dwelling or another, or one type of office or another, has a systematic impact on how people behave, or feel, or interact with one another.'[16]

If he is right then the process of a professionally-derived borough plan, of planning consent and of expert design review is the very worst way imaginable to build our towns and cities. The very act which confers value on a site (the granting of planning permission) is a process whose key players are, empirically, the very worst judges available of what people want or like in the built environment.

But is he still right? Perhaps more than two decades of 'market pressure'' since the state largely removed itself from house-building has obliged the profession to value what their clients not their training appreciate. A glance at the criteria of architectural prizes is not reassuring. Few if any place value on evidence of popularity or provable correlations with wellbeing. Certainly RIBA's prizes specifically demand evidence on sustainability but not on what members of the wider public think.[17] Similarly, in a 2004

study into attitudes to housing conducted for the Joseph Rowntree Foundation, nearly 60% of the public said they disliked flats. Only a little over 20% of 'experts' shared that view.[18]

To investigate this further Create Streets recently conducted an informal poll. We asked our twitter followers and the members of our e-mail distribution list (in total about 4,000 names) to take part in what we termed a 'pop-up' poll. In total 283 took part. We asked respondents 'which of these would you most want to see built on an urban street very near to where you or a close friend live?' and presented four options whose order was randomised. We also asked their profession. 37% of respondents worked as architects, planners or in creative arts.

We were not surprised to find that among our overall respondents place trumped time. 87% of our respondents preferred the two options which most clearly referenced historic housing forms (top figure 1, below) and which had a very strong sense of place. This was nearly seven times more than the 13% who preferred the two more original forms which prioritised a sense of time over a sense of place (bottom figure 1).

Figure 1 – Options in Create Streets Pop-up poll[19]

We also found that the sharp and important distinction between what non-design specialists and design specialists would like to see built is still there. 25% of supporters

of the more popular two options worked in planning, architecture or creative arts. 46% of supporters of the less popular two options worked in planning, architecture or creative arts. People are from Mars. Professionals are from Venus.[20]

The melancholy implication of this is that architectural awards are a good indicator of popularity – but only if you invert them. We are aware of nine architectural or planning prizes awarded to the two least popular two options. We are not aware of any architectural or planning awards that the most popular option has received.[21]

These prejudices of too many in the design and planning establishment are not just idle personal preferences. They palpably influence what actually happens. In a 2014 design meeting for a major London site, the 'traditional' built form of conventional developments was openly ridiculed and dismissed as unworthy of discussion even though it is *what the public most like.*[22] Similarly, in a June 2015 meeting of very senior officials and architects at which Create Streets was present, the Director of Housing and Regeneration at an important London borough spoke (without apparent irony) of the 'horrid Edwardian streets that most of us live in' and complained of 'dreary terraces.' When a senior and respected decision-maker does not just disagree with the vast majority of the public but is actually contemptuous of their views it must be time to ask if the whole public procurement and planning prioritisation process needs dramatic rebuilding from the bottom up. Certainly, in public sector design competitions for city-centre development and estate regeneration marks are routinely (in our experience always) awarded very materially for 'innovation of design'. In at least two cases that we are aware of this was despite the explicit request from councillors that a more conventional, even traditional, design would be more appropriate. The point is not that design innovation is necessarily bad. Clearly it is not. It is often excellent. But it needs to be balanced with the familiar. And in at least two cases, design competitions were being run in contradiction to what had been requested by the council leadership. It is hard to conclude that the system is under effective democratic control.

Problem 3 – international investment preferences are dominating new-build design

There is intense debate raging about foreign purchasers of London property with many complaining that rich foreign purchases are to blame for gentrification or a rapidly

changing urban form. At a site specific level there can be truth in this but the wider picture is more nuanced. Overall the London property market remains very British. Even at the top end buyers with some sort of UK link dominate. Convincing 2013 research by Savills found that 46% of Prime London sales – still a minority - are to international buyers and that 93% of foreign buyers have a real occupation or business interest in the capital. They are not *just* looking for 'safe deposit boxes' of sterling real estate.'[23]

However, our own experience with surveyors as well as increasing evidence is beginning to point to the fact that these aggregate statistics are hiding a very different project-specific reality. Look at new builds and things look different. One study of Land Registry records found that more than half of the 127 apartments in one recently built block in east London were sold to overseas buyers. Around 500 of the 866 flats proposed in the first phase of the Battersea Power Station redevelopment were sold in the Far East. Similarly, 2014 research by the consultancy Molior for the British Property Federation found that over 70% of new-build London sales in developments of more than 20 units and in the £1,000-£1,500 per square foot range were to investors.[24]

Some might say 'so what' if the homes are subsequently let out to those less cash-rich than these fortunate foreigners seeking a sterling investment. However, international preferences are starting to dominate physically what we design. Despite the fact that consistent large majorities would rather have more street-based high-density designs we are building ever bigger and higher. In a fascinating recent Create Streets meeting with an experienced London surveyor, it was startling the degree to which Middle Eastern and Far Eastern high-rise preferences are clearly dominating what developers seek to get consented. But these buildings cannot be made to disappear once the international capital flows that preferred them have dried up or gone home again. Nor, as we shall see, do we need these blocks to solve our housing needs.

Surely, if there is to be a democratically-controlled planning system at all, it should be mediating between what the 'pure' market would build and what most residents want to see built. Otherwise, what purpose does it serve?

Problem 4 - all roads lead to high density development … away from conventional streets

Promoting large developments in London is difficult and, above all, expensive. The approach of maximising density on any given site often leads to slow, confrontational and unpopular development. By maximising the number of units on a relatively small number of sites and by imposing a top-down model, we constrain the number of sites that get developed or regenerated.

Current large projects are carried out mostly in partnership with commercial developers. They typically have several common features. To start with they normally need rapid returns from the early sale of many units. This is for a range of reasons: Firstly, land values are very high, driven by constrained supply of sites as we have seen. Secondly, there is an increasing expectation that uber-densities will be permissible which in itself drives up values further. Thirdly, a cumbersome and lengthy planning process pushes up costs even more. So does a strong demand both from domestic and international investors, eager to buy in to what they see (certainly wrongly) as a one-way bet on capital values. The best way for commercial partners (who are mostly cash-flow businesses, quite reasonably looking to maximise short-term profit from sales) to cope with the high land and rental values and meet their investors requirements is to build big and build high.

Under the 1999 Local Government Act local authorities and other public bodies are required to secure 'best value' when disposing of assets and land. 'Best value' was deliberately defined broadly to permit local and specific variation:

'A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.'[25]

Given the range of individual circumstances, it is not unreasonable that the concept of 'best value' has been left open to local interpretation. The problem is that, absent hard and fast rules, local authorities and public bodies have typically found it safest to focus on higher initial land value (and thus much quicker cash returns) over long-term (but ultimately higher) investment returns accruing over time via a co-investment. This is despite the fact that several government studies make it clear that consideration *may* be given to the wider benefits of regeneration.[26] In practice, (though there are

increasingly exceptions) too often the best value test thus turns into a maximum density test.[27] In a prompted survey of development professionals we ran last year on the barriers to conventional street-based redevelopment, the 'Best Value' test emerged as the second most important barrier, with a barrier score of 7.3 out of 10. The Managing Director of First Base, Elliot Lipton, commented starkly, 'If they [councils] sell they are constrained by best value considerations to maximise density.'

This has interacted malignly with 'viability assessment' in the planning process. These not only accept that the price paid for land is an admissible development cost. Their lack of transparency has also led to widespread suspicion that some developers are deliberately exploiting the system to reduce social housing. Certainly, in private, several developers have admitted to us that it is very possible to manipulate viability assessments and that councils 'just don't know what they are doing.' The system allows developers to argue that because they paid so much for the land, their proposed schemes can only be viable with less policy-compliant levels of Affordable Housing. This drives a race to the bottom: as developer 'A' secures consent for 40 per cent provision, then developer 'B' thinks they can achieve 35 per cent and so on. The result is developers increasing bids for land in the hope of securing more development and Planning Authorities accepting higher levels of development than their policies might justify, in order to maximise the number of homes developed. Developer mis-representation of costs only amplifies this vicious circle.

Problem 5 – misconceived housing regulations are creating perverse outcomes

If that wasn't enough, the density targets and design rules in the London Plan and the London Housing Design Guide then often make it hard to build conventional high density normal streets. In the previously referenced prompted survey of development professionals on the barriers to conventional street-based redevelopment, a majority felt that London Plan density targets acted as a barrier - the 'Need to build higher unit numbers / volume to meet London Plan density targets' achieved a barrier score of 5.9 out of 10. This issue can be simple. As Richard Blyth, Head of Policy and Practice at the RTPI put it 'there is a drive for numbers at the exclusion of nearly all else.' It can also involve a complex interaction between high level rules, density targets, economics and the physical constraints of a particular site. As Mike De'Ath of HTA Design put it 'The

issue in the London Plan we find is that it mitigates against certain approaches to creating density that work quite well.

Other rules to prevent street forms kick in as well. Borough rules on light or street width tend to favour larger blocks with more open space between them as opposed to narrower streets. (Mews-style developments, though clearly popular, fail minimum to minimum window guidance in much of London for example). Rules also make it hard to trade off high levels of light in some rooms versus less light in others. A recent report by four important residential architectural firms explained;

'Given their enduring popularity (and value) you might suppose that they [Edwardian Mansion blocks] would provide the ideal model for today. But, sadly, modern planning and building regulations outlaw some of the key design features that enabled Edwardian architects to create such opulent buildings on such small footprints. Apartments of this era typically offer spacious and bright front rooms with bay windows and balconies forming their distinctive street facades. Meanwhile the rear rooms are quite dark and have privacy distances way below current standards. To us it seems a satisfactory trade-off, which should be encouraged rather than prevented.'[28]

Rules on streets themselves matter too. In our prompted survey of development professionals, a majority felt that (borough-level) highway rules acted as a barrier to street-based regeneration - the 'Need to build wider or different streets to meet council rules' achieved a barrier score of 5.9 out of 10. Many industry practitioners were particularly vocal on this point with some of the most emphatic comments we received criticising the impact of highway engineers on good design and place-making via issues such as required turning circles, refuse collection standards, lines of site and road access. Alastair Mellon, of Providence Developments, was clear that 'Highways engineers should not be allowed close to any development. They insist on a whole series of regulations that kill a development.' Others complained about inappropriate minimum road widths. There was, however, a sense that the situation was improving with John Spence, an architect at Calfordseaden and also a member of Create Streets, one of several commenting that their impact 'seems to be getting less.'

The ban on recycling open space between buildings into private gardens can also make it very hard to redevelop estates into streets. Key Performance Indicator 3 states that there should be, 'no net loss of open space designated for protection in Local

Development Frameworks due to new development.'[29] When estates are regenerated this can and has impacted this metric.[30]

However, we also know that most people would sacrifice poor open space for small private or communal gardens.[31] But they cannot. The GLA are quite categorical that, 'the definition of open space …does not include private residential gardens.'[32] In our prompted survey of development professionals on the barriers to street-based regeneration, the 'Need to include more open space to meet the London Plan´ and the 'Need to include more open space to meet local council's requirements' both achieved barrier scores of 5.6 out of 10. It was generally felt that planners cared about this more than residents. In the same survey the 'Need to include more open space to satisfy local residents' only achieved a barrier score of 4.9 out of 10. Ingrid Reynolds, Director of Housing and Public Sector at Savills summarised the majority view when she said that, 'the reduction of open space is potentially a barrier [to street forms]. It is more likely to be the planners saying you've got keep or add to the open space than residents. Part of the general planning strategy is to retain public open space.'

Additional regulatory requirements can also hinder street based redevelopment. Andy von Bradsky, the former chair of PRP, one of the architectural practices designing many homes in London at present, commented; 'Lifetime homes are potentially a barrier. .. [for example requiring] level access from street to threshold. But sometimes a raised ground floor is a benefit in terms of house typology.' Alastair Mellon also complained about 'the insistence on elevators over four storeys.' Nigel Franklin of Calfordseaden and a member of Create Streets was more concerned about the impact on spatially efficient terraced houses: 'The London plan works well for flats. It is less easy for houses. Stairs have to be shallow pitched – this needs more floor-space. The through the floor lift is easy for two storeys. It is difficult for three or four storeys. It adds challenges all round and costs as well as less ideal storage provision due to the area required for stairs and lifts.'

To summarise the access and internal barriers:

- Requiring lifts in all apartment buildings makes it more expensive to recreate the typology typical of many dense, street-based areas of London with apartments on a number of floors off one staircase. This also incentivises higher building as the cost of lifts does not increase substantially as more floors are added, once the initial cost is incurred.[33]

- Rules against staircases being too narrow or too steep make it harder to build the conventional tall but thin London terraced houses.[34]

- A requirement that ten percent of homes be fully wheelchair accessible and for all homes to be built to 'Lifetime Home' standards biases the system in favour of large blocks.[35]

Four contributory barriers add to this:

- A dislike for on-street parking biases the planning system against conventional terraces and streets.[36]

- Heavy requirements for bike storage, make it much harder to build terraced flats and conventional terraced homes.[37]

- Heavy requirements for bathrooms on storeys with bedrooms make it harder to build the conventionally tall but thin modest London terraced homes.[38]

- Finally, requiring 'weather protection' over front doors adds yet more cost to terraced streets with multiple entrances.[39]

Regrettably the situation is currently getting worse. Proposed changes to the London Plan will require lifts in all blocks with apartment entrances on more than one floor (currently only required in blocks of four or more storeys). A better disincentive to building human scale terraced streets, particularly in the suburbs, it is hard to imagine. Peter Barber of Peter Barber Architects, has commented on the latest proposals:

'If this goes through I'm giving up. [It would] sound the death knell for a lower-rise high-density approach to urban housing and neighbourhoods…a resounding endorsement of the generic corridor apartment building… This is a Draconian, pointless, sledgehammer change to policy which has not been thought through. It is policy which plays in to the hands of land grab London's generic developer and his lazy architect. It will encourage the kind of lumpy middle and high rise apartment blocks

which are currently being shoved up all over our city. [It signals the end] for the kind of sociable street based high density lower rise (4/5 storey) urban neighbourhoods which we should be building in their place.'[40]

Hopefully the next Mayor will stop this insanity.[41] When we started to complain about the way that some (well intentioned) regulations were making it harder to build our most popular street forms and housing types it was a lonely battle. One very senior London politician even commented privately that there was no political chance of opening up these issues. Another told us we would be ignored at best, eviscerated at worst. It seems that the situation is, slightly, beginning to shift and that more planners and architects who care about the built form of London are daring to put their head above the parapet and to challenge the collective 'group-think' to which the whole industry has subscribed in recent years. Richard Lavington (of Maccreanor Lavington Architects) said in evidence to the GLA in March 2014:

'One very efficient way of delivering family housing at a certain density is with narrow-frontage terraced houses, but actually Lifetime Homes [embedded in the London Plan] is very obstructive to making that work particularly well. Once you get to three bedrooms, you need a very large bathroom on the entry level and that actually obstructs the width of the plan; which means you have to go into a very narrow kitchen and through that into a living space at the back. . . . you are prioritising the lifetime use of the home and disabled access over its efficiency and use for a family; a family without disabled kids and things like that, admittedly. We are applying that across every new-build single home in London.'

Then at a talk to the National Housing Federation, in December 2014, Ben Derbyshire the Managing Director of HTA Design, one of the larger London residential practices, agreed: *'it's actually quite difficult to design streets which are streets in the sense that citizens will recognise.'*[42] The architect Peter Barber echoed this in a lecture to the Royal Academy in July 2015: 'planning law makes it very difficult to design streets.'[43] The report cited above, *Superdensity the Sequel*, rightly picked up on these concerns. Andrew Beharrall of PTE architects stated publically at the launch that 'it is time for a review' of the London Housing Design Guide which is 'leading to rising homogeneity' and, he stressed, making it impossible to build well-loved housing types such as the Edwardian Mansion block.

The Mayor of London, Boris Johnson, has agreed with much of this analysis though also made clear he plans to do little about it. In GLA Questions in July 2014 he stated;
'One of the difficulties of course is that within the London Plan there is this stipulation that any building above 3 storeys must have a lift. … that is one of the problems that we face. If you put in a lift for a building of 4, 5, 6, storeys people will say well why, the economics of it won't add up. You'll be spending an awful lot on the core and shaft of the lift and not actually maximising the potential habitation in the building.'[44]

Hopefully, the next mayor will be bolder. Because it *does* matter. In case this discussion about regulations seems abstruse, here are two real world examples of the impact that the rules are having. Firstly, in January 2015 an architect in East London explained to us why he had not been able to meet residents' passionately felt preference for streets of terraced houses: 'of course we couldn't do that, we wouldn't have got planning…the council would have insisted on open spaces, you just can't build houses like that any more… all the rules….'

Secondly, currently being built in a (good) development in Kensington and Chelsea are a row of terraced houses to the north of Portobello Road. They are in the right of figure 2 (below). The houses are mainly 7.5m or 7.9m wide and are shallow with wide corridors and gently-sloping wide stairs. Of course they are fully compliant with all national, London and borough requirements. But they are also grossly inefficient terraced houses in consequence and compared to historic norms. The house on the left of figure ii was built in 1825. It has narrower staircases, a narrow corridor and is slightly deeper. It fails current London rules on at least 13 separate points (and probably far more). It is also, like many thousands of similar houses across London both very valuable (because very popular) and very spatially efficient It has an almost identical Net Internal Area as the new homes which are 35-45% wider than it. If the modern homes had been built on the template of (though not necessarily in the style of) the historic homes there would have been about 22 of them not 16. That is an example of the 'price' of regulations in the London Plan. We are sacrificing what most Londoners want on the alter of narrow codes and ill-informed dogma.

Figure 2 – London terraced-houses: 1825 and 2015

The potential to build what people want – what is spatially possible?

As Create Streets has examined at length elsewhere and as has been set out above, consistent and strong majorities of the public in the UK and in London prefer a certain built form of conventional streets of houses and medium rise flats.[45] We could solve the London housing shortage for a generation, indeed for several generations, without building a single building above five or six storeys and with an entirely conventional urban arrangement interspaced with squares and pocket parks.

Historic urban forms *can* provide high density housing within a dense network of streets, modest private gardens, larger communal gardens, thin terraced houses and medium rise mansion blocks without any over-crowding at all. A recent comprehensive survey of world city densities by Savills found that:

'High density does not automatically mean high-rise. Very small, core areas like San Francisco's Chinatown accommodate 287 people per baseball field and the Centro district of Madrid, 286. Both of these districts are notable for not housing skyscrapers. Both are a mix of mid-rise, 7-8 storey buildings and lower 2-4 storey terraced city houses, perhaps with a scattering of small towers. … Areas of London which are being redeveloped, more in the style of Manhattan, or the centre of Asian cities are unlikely

to achieve such high densities when interspersed with London-style proportions of open space.'[46]

Table 1 sets out some of the most popular and perennial types of London street together with the densities they typically provide today (*without* historic over-crowding).[47]

Table 1 – Different densities by urban form

	Urban form	No. storeys	Homes per hectare	Example area
A	Terraced houses	2-3	~50	Wandsworth
B	Terraced houses	4-5	~75	Kennington
C	Mostly terraced houses, some flats	4-5	~100	Notting Hill
D	Mixture terraced houses and flats	4-6	~175	Pimlico
E	Terraced flats	5-7	~220	Ladbroke Grove
F	Terraced flats	to 10	~300	Ladbroke Grove + higher buildings

Options E or F might be a reasonable default for zones 1, options D or E for zones 2 and 3 and then options A, B and C for the zones beyond to outer parts of London, though depending on other factors such as transport accessibility. While low rise cannot compete with tight clusters of towers, often very high rise towers actually fail to maximise density.

Land clearly *is* there to build *en masse* at such liveable and popular densities. We don't need to build at hyper-density to 'solve' the London housing crisis. Some of this could be on post-war estates. But there is a lot of other publicly-owned land which could be built on, as well as ex-industrial land or wasteland, as well as light industrial warehousing that could be suitably relocated out of central London.

How much land is there? The short answer is that at present no one quite knows[48], though this became clearer at the end of last year when the London Land Commission

reported on available land in the capital. [49]There appears to be at least 21,000 hectares of public sector land - the equivalent of up to 150 Hyde Parks – in London. Table (2) sets out some of the currently available data.

Of course, not all of this land could or should be built on for homes. Some estates will be more appropriate for infill rather than regeneration. Or nothing at all. Much NHS and TfL land may be unusable due to necessary ongoing requirements. Some land should be used for new schools or commerce. And, indeed new developments should be 'mixed use' (i.e. with commercial, social and retail uses interweaved with residential). This will further push down achievable densities but at the benefit of typically more popular, higher value, more walkable and better developments.[50]

Table 2 – Public sector land in London, estimates[51]

Public body & nature of land	No. hectares
Housing Estates	12,500
London Borough brownfield sites	3,730 (min)
Transport for London	2,307
National Health Service	1,845
Greater London Authority	840
Total	21,222 (min)

Brownfield land presents many challenges and can be expensive. In planning to regenerate post-war estates one advantage is that their basic infrastructure is in place. But of course estates are peoples' homes. If managed badly or with only tokenistic 'consultation' then the process of estate-regeneration can be not just unjust but expensive and slow as well. In contrast ex-industrial land may need decontamination or very expensive primary infrastructure – particularly in parts of East London. Table 5 presents four scenarios to reflect such uncertainties, but serves to illustrate just how many homes could be built on the 21,000 hectares of public land estimated in London:

Table 3: Number of additional homes that could be built on 21,000 hectares of public land

	Low housing density * (50 homes per hectare)	High housing density * (175 homes per hectare)
33% usable	309,440	1,013,690
59% usable	600,850	1,860,320

*Assumed mixed-use residential and commercial. Homes per hectare figure for the residential area only. Figures are net of estimated homes replaced on post-war estates.

Given the very imperfect data the range estimates for the number of homes that could be built on is necessarily very wide. But clearly the potential for meeting London's needs with a conventional urban form is immense. It ranges from around 7 years supply to 44 years.

Solution – A direct planning revolution: By the people, for the people

The public are very clear about what they see as the answer. A 2013 IPSOS-Mori survey of Londoners found that 'redevelopment of run-down areas' was the most popular development proposal to meeting London's housing needs. 40% felt this should be the Mayor's priority. In contrast only 21% felt the priority should be building new social homes, only 17% building new homes for first time buyers and only 12% new homes for families. *Where* it is and *what* it is matters more to the public than *who* lives there. (Quite rightly, as well designed housing can change its use – including who lives there - over time).[52]

The GLA should lead a city-wide programme of popular, nearly always street-based home-building in conjunction with long term investors. This should be supported by actions to better inform planning officials in boroughs and the GLA about what the public like, more effectively empower local people actively to influence what gets built and change national, London and borough rules and strategies to make it easier to build the types of home people prefer (or at the least give local communities the right to over-rule top-down standards).

The next London Mayor should therefore do a number of things.

1. Rewrite first the London Housing Strategy and then the London Plan to:
   a. Be far shorter, clearer and more consistent with fewer but far more clearly defined and consistent rules and principles.
   b. Abolish density targets which no longer serve much purpose and which are used to Justify a range of tower blocks and large multi-storey blocks wherever possible.
   c. Abolish the rules in the Housing Supplementary Planning Guidance which create perverse incentives against the most popular forms of housing or at the very least give local people the right to override such rules. Examples would include open space rules and access codes.

2. Spearhead a city-wide programme of popular, nearly always street-based, home-building on brown field sites and post-war estates and in partnership with long term investors to:
   a. Identify and prioritise for co-design two-dozen publicly-owned strategic brownfield sites for comprehensive redevelopment, setting examples to follow.[53] Certainty should be granted by pre-approving a certain high density medium rise built form as far as legally possible in advance and in conjunction with national government's proposed brownfield zoning rules.
   b. Demand improved quality and democratic control of estate regeneration via (i) co-design with a community and obligatory neighbourhood plan style referendums and (ii) presumption for a locally approved design-code approach in estate regeneration (iii) setting out clearly that social tenants will not be required to move more than once or to see changes to their tenancies as a result of redevelopment and (iv) encouraging long term strategic investment partners rather than a standard short term development model.
   c. As far as possible, within UK legislation, require neighbourhood plans, co-design or robust evidence of popular support in order to avoid Mayoral call in for sites above a certain size.[54]

3. Use his powers of call in to:
   a. Build fewer towers (unless they are provably popular). Making within the first two weeks of the mayoralty a clear public statement that super-density developments or residential tower-blocks that are not able to demonstrate

very convincing evidence of local support are highly likely to be called in and rejected by the Mayor (particularly beyond zone 1 and perhaps in 4 or 5 other areas).

b. Encourage popular design-code and street-based approaches. Making within the first two weeks of the mayoralty a clear public statement that design-code led approaches[55], with the demonstrable support of local people, are the least likely to be called in by the Mayor, as well as the most likely to attract any GLA financial support. Such approaches should also permit the type of medium to high density developments correlated in most data with better long term outcomes.

c. Use guidance and rules underpinning Housing Zones, Development Corporations and the Mayor's Affordable Homes Programme to encourage the same model of popular development. Specifically the residential high-rise approach being taken by the Old Oak and Park Royal Development Corporation needs to be dramatically reconsidered.[56]

In order to support this policy change, the GLA should build a richer understanding of what people like and want. So in conjunction with the London Land Commission, which has reported for 2016, the new mayor should commission a full study of what housing would be possible *and popular* at street-based densities and typologies on land identified by the Commission.

Simultaneously, London boroughs should adapt their borough strategies and development control process to:

1. **End anti-street policies often embedded in borough strategies** via parking, highway, street width and light policies (the mayor should make any GLA support to boroughs contingent on this).
2. **Improve estate regeneration** along the lines set out in 2(b) above.
3. **Better interpret the Best Value test** with an understanding of long term value not just short term cash flow (both the Government and GLA should issue further guidance on this).
4. **Make Viability Assessments public documents** required as part of the planning application process and end the practice of accepting 'price paid' for land or 'land valuation' as an allowable development cost.[57]

Conclusion

These actions would, we believe, be the first steps in a London-led Direct Planning revolution to solve, systemically and for a generation, the housing crisis in parts of the UK. It would do so *not* by forcing hated high rise or 'could be anywhere' developments on reluctant communities but by unleashing the power of popular support for beautiful places.

The plan-led, supply-constrained, short term capital model of development has failed in this country. It was initially propped up by state-building but, too often, the state built places most people sought to avoid when they could afford to. Subsequently the system has simply failed to build enough homes.

It is time for a Direct Planning revolution to bring the system back under democratic control and to empower a long term understanding of value rather than a short term bet on obtaining planning permission. It is time to stop asking 'how do we build more homes?' and to start asking 'how do we make new homes more popular?' Only that way can we create the streets, homes and walkable neighbourhoods in which most of us actually want to pass our brief lives.

Endnotes

[1] For more detail on these points see Boys Smith N (2014), *Mount Pleasant Circus*.

[2] Empirical controlled data from Hong Kong show a marked positive correlation of total electricity use per m^2 with height in office towers. Every additional 10 storeys add roughly 30 kWh/m^2 to the intensity of electricity use. Lam J C *et al* (2004) 'Electricity use characteristics of purpose-built office buildings in subtropical climates', *Energy Conservation and Management,* 45, pp.829-44. See Steadman P, (2015) *High Rise Buildings: Energy and Density.*

[3] Of course there are exceptions. And the one design element that *is* consistently improved on from a previous generation is spatial arrangement. Most new developments are much better 'plugged in' to the surrounding city. The best three current estate regenerations that we have visited or studied are the Packington in Islington, Portobello Square in North Kensington and Myatt's Field in Lambeth.

[4] For example current controversies in Acton, Swiss Cottage and Kingston could probably have been entirely prevented by medium rise, high-density schemes.

[5] Create Streets research and interviews, June – July 2014. Not previously published.

[6] For example Elizabeth I's 1580 proclamation, her 1589 Act and Royal proclamations of 1608 and 1625. They were only periodically effective but could result in houses being pulled down and builders imprisoned. Knowles, C. and Pitt, P. (1972), *The History of Building Regulations in London,* pp.8-20.

[7] Cruickshank, D. & Wyld, P. (1973), *The Art of Georgian Building*, pp.22-33.

[8] From 1947 until the 1950s the 100% Betterment Levy was charged on any rise in land value consequent on private developments. This was meant to ban private development. This attempt at state monopoly was rapidly abandoned.

[9] KPMG, Shelter (2014), *Building the homes we need*, p.35.

[10] Morton, A. (2013), *A Right to Build*, p.16.

[11] For a good summary of the problems inherent in land markets see KPMG, Shelter (2014), *Building the homes we need*, pp.32-44. On the point of comparable unpredictability in the UK planning system see the discussion in Boys Smith *et al* (2014), *Mount Pleasant Circus and Fleet Valley Gardens*, p. 9-10. Countries as historically and ideologically contrasting as the US, Germany and France all 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. By contrast the UK system nearly always denies landowners development rights without formal consent.

[12] McKinsey Global Institute, *Driving Productivity and Growth in the UK economy,* 1999.

[13] Though they have not dared, materially, to touch the all enveloping green belts.

[14] Even when codes are only guidance all the pressure on developers is to comply in order to win permission as quickly as possible.

[15] Halpern, D. (1995), *Mental Health and the Built Environment*, pp. 161-2.

[16] *The Psychologist*, Vol 24, (2011), 'An interview with David Halpern', pp. 432-4.

[17] Though it is reassuring to see the August 2015 launch of the RIBA Journal McEwan Award to fete projects 'a clear social benefit, right across society.' This is a step in the right direction.

[18] Platt, P. Fawcett, W., de Carteret, R. (2004), *Housing Futures,* p.40.

[19] The poll ran online between 1 April and 22 May 2015.

[20] Our is not the only research with this finding. For one study and to see a summary of others see Brown, G., Gifford, R. (2001), 'Architects predict lay evaluations of large contemporary buildings: whose conceptual properties?', *Journal of Environmental Psychology,* 21, pp.93-9.

[21] The second option has not been built so is not able to win awards.

[22] Private information. A member of Create Streets was at the meeting which was for an (ultimately) public sector client.

[23] Savills Spotlight (2013), *The World in London 2013.*

[24] British Property Federation, (2014), *Who buys new homes in London and why?*

[25] 1999 Local Government Act.

[26] For example, DCLG (2010), *Valuing the benefits of regeneration*.

[27] Several London councils are learning how to interpret the 'best value' test more sensibly with a better understanding of long term value. This is to be welcomed.

[28] HTA, Levitt Bernstein, PTE & PRP (2015), *Superdensity the Sequel*, p.14.

[29] GLA (2011), *London Plan,* p. 260.

[30] GLA (2014), London Plan Annual Monitoring Report 10, 2012-13, p.19.,

[31] Evidence has shown for many years that people prefer private gardens (however small) to less usable communal space. In an early 1980s survey of residents' views of London multi-storey housing, the main dislike was the way the estate was set out and the lack of individual gardens with 54 complaints. Coleman, A. (1985), *Utopia on trial,* p. 33. Recent evidence from RIBA supports this. In a survey of apartment block residents they found that, 'private gardens were preferred to shared gardens'. This was particularly true in London. 'Those in urban London [were] most keen across all the groups to have some outside space in their new property.'[31] RIBA found that typical apartment block residents interviewed 'appreciated that the properties were set in a natural area [but] they felt that this space was difficult to use as a personal outdoor area as sharing the area with others did not tend to work well.' RIBA (2012), *The way we live now,* p. 49., p.52.

[32] GLA (2013), *London Plan Annual Monitoring Report 2011-12, p. 19.*

[33] Key rules are clauses 3.2.5, 3.2.6, 3.2.7 and 4.3.2.

[34] Key rules are clauses 3.2.8, 3.1.3 and 4.10.2.

[35] Key rules are clauses 4.9.1 and 3.2.7.

[36] Clause 3.3.3.

[37] Clause 3.4.1.

[38] Clauses 4.6.2 and 4.6.3.

[39] Clause 3.1.4.. This is not as material a cost as others mentioned above.

[40] *Architects' Journal*, 8 October 2015, 'Experts concerned over 'disastrous' London housing guidance'

[41] 'Boroughs should seek to ensure that units accessed above or below the entry storey in buildings of four storeys or less have step-free access.' GLA, (May 2015), *Minor alterations to the London Plan*, p.8.

[42] Ben Derbyshire, lecture to National Housing Federation, London Development Conference, 2 December 2014.

[43] Cited by Peter Murray, the Chairman of New London Architecture on twitter, 3rd July 2015. https://twitter.com/PGSMurray

[44] London Assembly, 23 July 2014.

[45] For example see Boys Smith N (2014), *Mount Pleasant Circus*.

[46] Savills (2015), *The World and London,* p.9.

[47] Densities provided by built form change over time. For example areas such as Ladbroke Grove saw densities shoot up at the end of the nineteenth century as singles houses were converted into multiple occupancy and then become slums. Density then fell post war as over-crowding was eased. However most buildings remain flatted so densities remain higher (~200-230 dwellings / hectare) than first planned when the area was developed. Densities of residents will be less discrepant to historic intent due to large Victorian households including servants living under one roof. Thus the built form of a traditional street pattern has proved very adaptable to changing local economic fortunes and wider social patterns.

[48] When the London Chamber of Commerce recently asked the 33 London boroughs how much brownfield land they owned via Freedom of Information requests only seven were only able to give full responses. Only 13 boroughs provide information to the (voluntary) National Land Use Database. Transport for London claims to own 2,307 hectares (which seems low). We have not been able to find reliable data for the NHS though one very rough estimate (based on available valuation and Gross Internal Area data which is available) is that they might own around 1,800 hectares around London. Lord Adonis has estimated that there are 3,500 council estates around London. And we are aware of another professional estimate that post war estates account for around 12,500 hectares. London Chamber of Commerce, (2015), *Unlocking London's Housing Potential*, p. 2. See https://tfl.gov.uk/info-for/business-and-commercial/commercial-opportunities/property-development. Accessed July 2015

[49] https://www.london.gov.uk/media/mayor-press-releases/2015/07/mayor-to-build-first-ever-database-of-public-land-for. Accessed July 2015.

[50] For one of the many studies linking walkability with greater value see Alfonzo, M. and Leinberger, C. (2012), *Walk this way.*

[51] London Chamber of Commerce, (2015), Unlocking London's Housing Potential, pp1-3. Savills, (2014), Spotlight: Public Land – Unearthing Potential, p.7. Unpublished research. The pro-rated figure for London boroughs is a guestimate scaling up from 13 boroughs who provided information to the National Lan Use Database to all 33 London authorities (including the City of London due to their extensive holdings elsewhere.

[52] *New homes: more Londoners prioritise building quality over quantity*, IPSOS-Mori September 2013. https://www.ipsos-mori.com/researchpublications/researcharchive/3268/New-homes-more-Londoners-prioritise-building-quality-over-quantity.aspx

[53] By co-design we mean true and ongoing engagement between neighbourhood and design team rather than *post hoc*, often superficial, consultation. These often (but not always or necessarily) use methodologies such as charrettes. After taking part in one, the Director of the East London Community Land Trust, Dave Smith, wrote: 'the Charrette enabled us to cast aside the pessimism and low-expectations that accompany most tawdry "consultations" and the masterplan now truly reflects our community' stated aims.' Civic Voice (2015), *Collaborative Planning for All.*

[54] Further work is required to assess what might be the correct limit to take. One option might be develoments which trigger an Environmental Impact Assessment.

[55] A form-based design code was defined in the 2006 Planning Policy Statement 3 as 'a set of illustrated design rules and requirements which instruct and may advise on the physical development of a site or

area. The graphic and written components of the code are detailed and precise, and build upon a design vision such as a masterplan or other design and development framework for a site or area.' Codes primarily regulate what a place looks like rather than the development control process. Although design codes were the *de facto* approach used in much of the UK in the eighteenth and nineteenth centuries, design codes have not sat easily with the post 1947 UK Planning system. In consequence, design codes are now far more common abroad. Today, design codes in various forms are used internationally, for example in Germany, France, the Netherlands, Australia and the United States, as a means to focus on the delivery of high quality with popular support. There are a growing number of form-based codes in the US (now over 400 including Miami and the US Department of Defence). A 2006 UK Government assessment of 15 different Design Codes contrasted to 4 non coded approaches found that: "*Significantly, where codes are being implemented on site, schemes have been delivering enhanced sales values and increased land values. When set off against the up-front investment, this to a large degree determines the value added by coding, at least in crude economic terms. The qualitative evidence suggests that the outcome is positive, and for commercial partners, over the long-term, codes seem to be more than paying for themselves."* DCLG (2006), *Design Code Practice: an evaluation*, pp. 14-5.

[56] There are limits to what will be doable. For example the national Affordable Housing Capital Funding Guide sets out the rules and procedures for delivering homes under the AHP in London. Some limited London variation is possible. Likewise, it will not always be possible or wise to change Housing Zone rules mid-flight but new opportunities can be tendered differently.

[57] A true "residual" valuation would deduct from the value of the completed development a reasonable profit, then the cost of construction, fees and finance, leaving a land value. However, if developers are allowed to include either the price paid for land, or an assessment of its value based on comparable evidence, and this results in the total cost of development, including land being higher. Planners then allow a reduction in the provision of affordable homes to increase the end value of the development, rather than insisting on policy compliant provision. The incentive therefore is for developers to overpay for land in the hope of negotiating a reduced provision of affordable homes. The result is land prices higher than what a true "residual" approach would produce, effectively being supported by an under-provision of affordable homes.