

Going round the houses



The shock of the new: England's green and pleasant land could be a thing of the past

Legislation designed to get more homes built will do no such thing, says **Mira Bar-Hillel**. But it will mean that the country could lose greenfield sites to profit-hungry house builders

You have no doubt heard a great deal about the Government's proposals to relax the planning system to enable more houses to be built. It has, inevitably, caused organisations such as the National Trust, not to mention *The Daily Telegraph*, to reach for their loud hailers. As the uproar has come from groups that protect the countryside, you may have assumed that as Londoners, you would hardly be affected by these changes. If so, I invite you to think again.

Opponents of the proposed reforms – not just the National Trust, but also the Campaign to Protect Rural England, the Royal Society for the Protection of Birds and dozens of others – fear that these government proposals have largely been framed with the undue influence of house builders. The proposals are so favourable to this sector that companies are buying up green fields in the expectation of lucrative windfall permissions. And those sites may be closer to London than you think.

But what exactly is the proposed National Planning Policy Framework (NPPF)? It is based on local councils having comprehensive, up-to-date statutory local plans. Unfortunately, there is a problem with this: two thirds of councils don't. The proposal is that those councils will have to decide planning applications on the basis of a "presumption in favour of sustainable development". "What we are saying to councils is very clear," said Henley MP John Howell, who is an adviser to the minister responsible for planning. "If you don't want to put in a local plan

that deals with the needs of your area that's fine, but there are consequences to doing that. In the absence of a plan, a developer can come in and build what he likes, where he likes." Howell has since backtracked on this stark warning, but public suspicions have been raised by alarming reports of inappropriately close relationships between developers and ministers.

The Government's main argument for overhauling this area is that the planning system is broken and that it urgently needs radical reform to save the economy. But is this argument, to quote its own cliché, actually "sustainable"? I think not. Here are some facts. The number of housing plots with planning permission held by developers has varied between 300,000 and 350,000 every year since 2003. The 2010 figure is around 300,000, of which some 170,000 plots are located in London. At the current rate of building, this is around three years' worth – hardly a crisis.

I did not get this figure from the Government, which claims not to know how many existing permissions there are – an odd starting point for a major policy change, I would have thought. The figures were compiled by the Campaign to Protect Rural England using the developers' own annual reports. The proportion of planning applications approved by councils is currently more than 80 per cent. Of those that are rejected and go to appeal, again around 80 per cent are approved by the Planning Inspectorate. This is an increase from around 70 per cent in previous decades.

None of the above facts suggest that the planning system is blocking housing development, as the builders – and the Government – would have us believe. On the contrary, it suggests that they are using the planning system as an excuse to explain why more houses are not getting built.

For decades both Labour and Conservative governments have claimed that they wanted more property to be built so that house prices would at least stabilise, if not fall, thus making homes more affordable. But the truth is that it is the last thing the developers want. House builders are more than

"House builders are happy to restrict supply to keep their margins high"

happy to restrict the supply to keep their margins and profits high. And governments are secretly content to see house prices rising, as most voters own their homes and want the capital appreciation whatever the social cost.

The evidence is that in the second quarter of 2011, while they were bleating about the planning system and the need to relax it, only 25,171 residential permissions were granted in England. Which, given the 80-plus per cent success rate, must mean a low rate of applications, rather than a harsh planning regime.

In September, Redrow founder and chairman Steve Morgan dismissed the opponents of the Government's planning reforms as "selfish, emotional scaremongers". Morgan fully endorsed the NPPF that, he said, would boost the economy and allow for cheaper homes. Morgan did so while announcing his company's £25.3m pre-tax profit for the 12 months to the end of June, up from £700,000 the previous year. On the same day, it was reported that Redrow was making its first concerted push into London since 2009, acquiring five sites with a development value of £200m. They include £2m detached houses in Ealing, flats in Kingston-on-Thames and luxury apartments in Connaught Place. Which doesn't sound very much to me like a company that is concerned with "cheaper homes".

"This government plans to give the developers a big boost and ask them for nothing in return"

The next day it was reported that big developers were among the biggest donors to the Conservative Party. Nothing new there, you might say, but the following day's revelation went much further. Apparently, the government recruited senior housebuilding figures to help draft the controversial NPPF. The four-strong panel included Peter Andrew, director of land and planning at Taylor Wimpey, and it played a key role in redrawing rules to achieve a presumption in favour of development. Not surprising, perhaps, but shocking nevertheless. Thanks to a report in *The Daily Telegraph*, we now know that the Planning Minister Greg Clark secretly appealed to the developers to help him fight off the environmentalists and keep his proposals, which, at the time, he officially claimed were still under consultation.

A major feature of the new Planning Framework is that it will relax the requirement to prioritise brown field (previously developed) land before allowing development on green fields (but, probably not the green belt, which is separately protected).

Between 1989 and 2009, the proportion of homes built and converted on brown field land went from 55 to 80 per cent. The new proposals reverse this trend. Builders will not build more, but will use the system to divert houses away from previously used land to green field sites, which are easier and more profitable to develop.

The previous government bailed out the banks without insisting on anything in return, and mortgage lending remains a big problem. The current government appears not to have learnt anything, and plans to give developers a big boost, again, asking for nothing in return. If it is hellbent on the NPPF – as it seems to be – the very least it must do is insist that any building enabled by new rules would be in addition to past development figures, not a substitute. Otherwise, the big housebuilders will be ravishing our green fields and laughing all the way to the bank, without relieving the housing crisis. **1**



Forthright: "In the absence of a plan, a developer can come in and build what he likes," says John Howell, MP

Empire spirit

Chelsea FC owner, Roman Abramovich, has recently made another addition to his London property empire. He has acquired a mansion in Kensington Palace Gardens that was, ironically, once the Soviet embassy's naval headquarters and part of the former empire's massive compound in 'Millionaires Row'. Now Abramovich has paid a cool £90m for the property that hedge fund 'king', Pierre Lagrange, acquired from the Russians in a dilapidated state in 2004 for only £19m.

The mansion will be added to a portfolio that began in Lowndes Square, where Abramovich is in the throes of converting nine flats into a massive single dwelling. (A house in Chester Square, bought for £10m, was given to his ex-wife Irina when they divorced.) For the duration of the Lowndes Square conversion, Abramovich, his girlfriend Dasha Zhukova and their baby son have moved into a part of the historic Lindsey House in Cheyne Walk, the lease for which they acquired from the National Trust for £25m. They are now expected to make Kensington Palace Gardens their main residence, which is at the very top of the property ladder and probably the most expensive address in the world.



Expanding empire: Abramovich's new mansion

Blow to the community

Sad news for Stoke Newington High Street. Katharine Tasker is selling Lemon Monkey after four years: the café/deli/gallery/music venue has proven to be more than she can manage on her own. "Lemon Monkey is more than a shop or a café, it's a lifestyle celebrating food, conviviality, creativity and communication," says Katharine. "We have attracted all sorts of customers: artists, musicians and literary festivals. I hope that Lemon Monkey is taken over by owners who have the same interests." If the idea appeals and you have £80,000 sitting around, give agents Christie + Co a call and save a local institution. **lemon-monkey.co.uk**

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