

Recommendations

The National Housing and Planning Advice Unit should:

Examine the consequences for low- and medium-demand areas of freeing up the housing market in high-demand areas.

Review the mechanisms and opportunities for housing development to create value through the development process, (rather than capture the existing value of locations which are attractive for development).

Identify housing needs currently not met due to affordability problems and recommend planning, financial and other incentives to address them.

Investigate when a decline in house prices should be attributed to the satisfying of demand by the supply of additional housing or to the decline in quality of the places where the additional houses were built.

Reassess measures of affordability in the housing market to take into account access to capital wealth as well as incomes.

Redefine affordability in terms of households' access to the housing they need, covering the social sector as well as the market sector, recognising that:

- > the market will never meet the needs of many social sector households;
- > issues such as overcrowding are neglected across all sectors under current definitions of affordability;
- > housing benefit and similar types of assistance address the symptoms of the housing problem but there may be scope to reform the personal taxation regime by tying it more overtly into access to a suitable home.

Propose reforms to incentivise the housing development industry to build additional houses in response to house price stimuli, by taking forward the work of Kate Barker's Interim Report on Review of Housing Supply, including incentives to discourage excessive landbanking by building firms.

Research how the planning system and other appropriate measures might support a more even geographical distribution around England of locational advantages, and reduce the incidences of very high demand and very low demand for housing.

Assess the extent to which a shortage of affordable, ie social housing, has increased stress in the private sector, increasing house prices and worsening affordability.

Investigate a range of influences on house prices (in addition to the four reported in this study – urban green space, school catchment areas, windfarms and trees).

The Government should:

Invest in training for HM Treasury and other Government Departments in the role, functioning and capabilities of the town and country planning system.

Research the means by which taxation and other measures could promote the purchase of housing for personal occupancy rather than as an investment, including addressing:

- > the recycling of inherited wealth into property;
- > mortgage lending policy;
- > borrowing against house values.

Assess the impact of infrastructure constraints on housing supply.

Regional Assemblies and local planning authorities should:

Monitor housing land supply in more detail; collate accurate information on housing land allocations; and distinguish between outline and full planning permissions.

House builders should:

Declare the amount of land they control with full and outline planning permission to each local authority in a transparent and consistent way for use in the local development framework annual monitoring report.