

Planning reform and levelling up

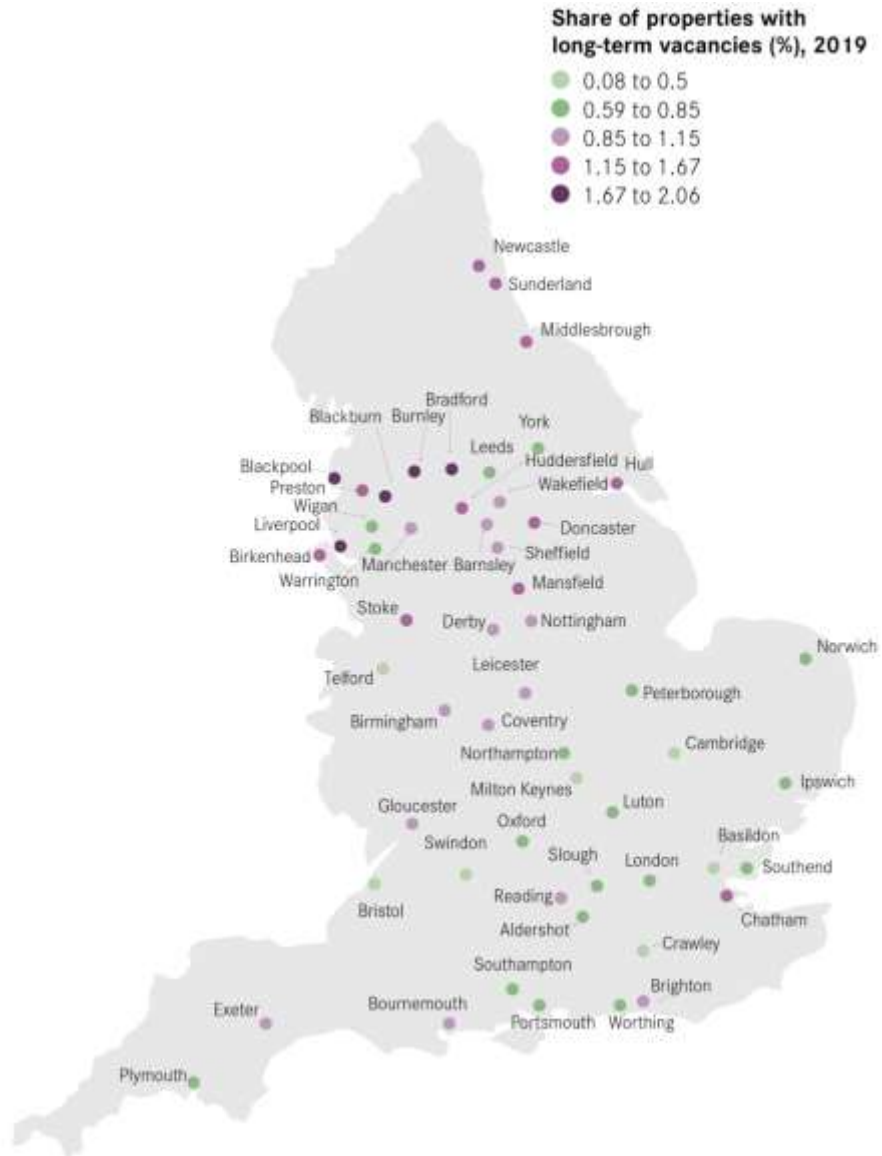
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@antbreach



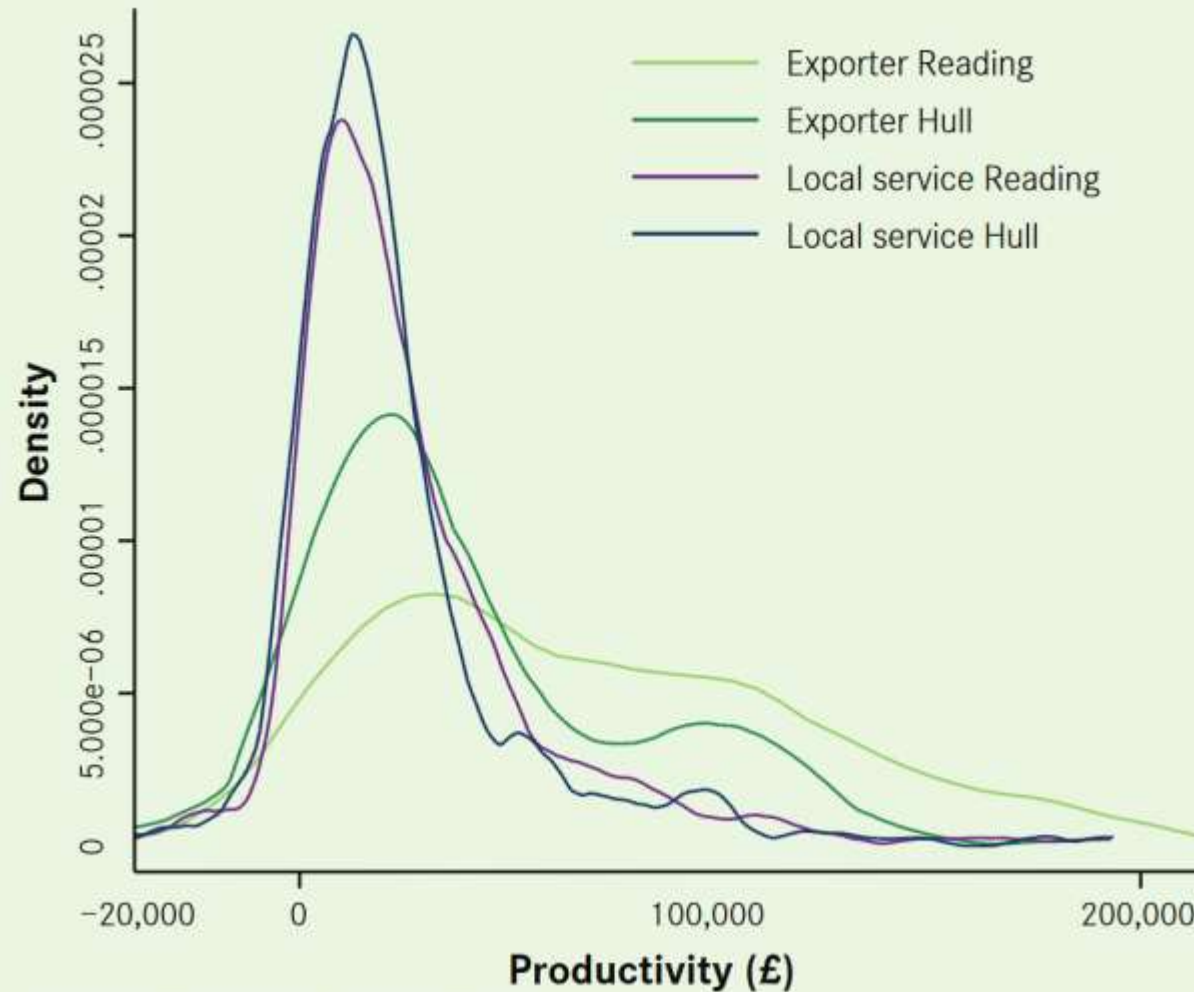
We need more supply & more empty homes in expensive cities



- Prosperous cities have more expensive housing
- And fewer empty homes – 0.1% in Crawley in 2019
- We need to tackle the housing shortage in Southern cities, and boost prosperity in Northern cities

Northern cities need more exports

Figure 6: Productivity of businesses in Reading and Hull, 2015



Source: ONS, Annual Business Survey

- Urban economic theory distinguishes between “local services” (eg cafes) and “exporters” (eg manufacturers, software)
- Northern exporters are less productive than Southern exporters – this is the levelling up divide

Northern cities need demand for their exports

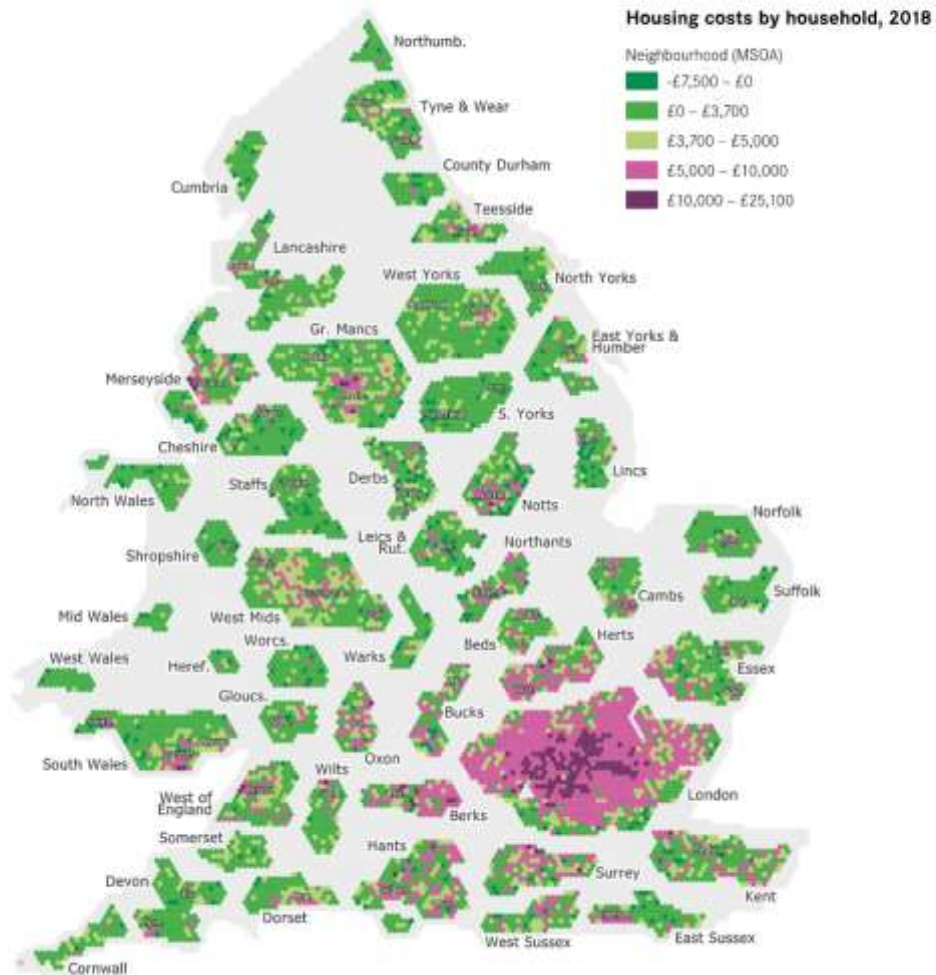


- Nottingham makes Warhammer figurines
- By selling them across the world and to other parts of the UK, these exports bring money into Nottingham
- Therefore – more consumption elsewhere helps Nottingham's production

• Source: Warhammer Brighton

The housing crisis suppresses consumption in the South, and production in the North

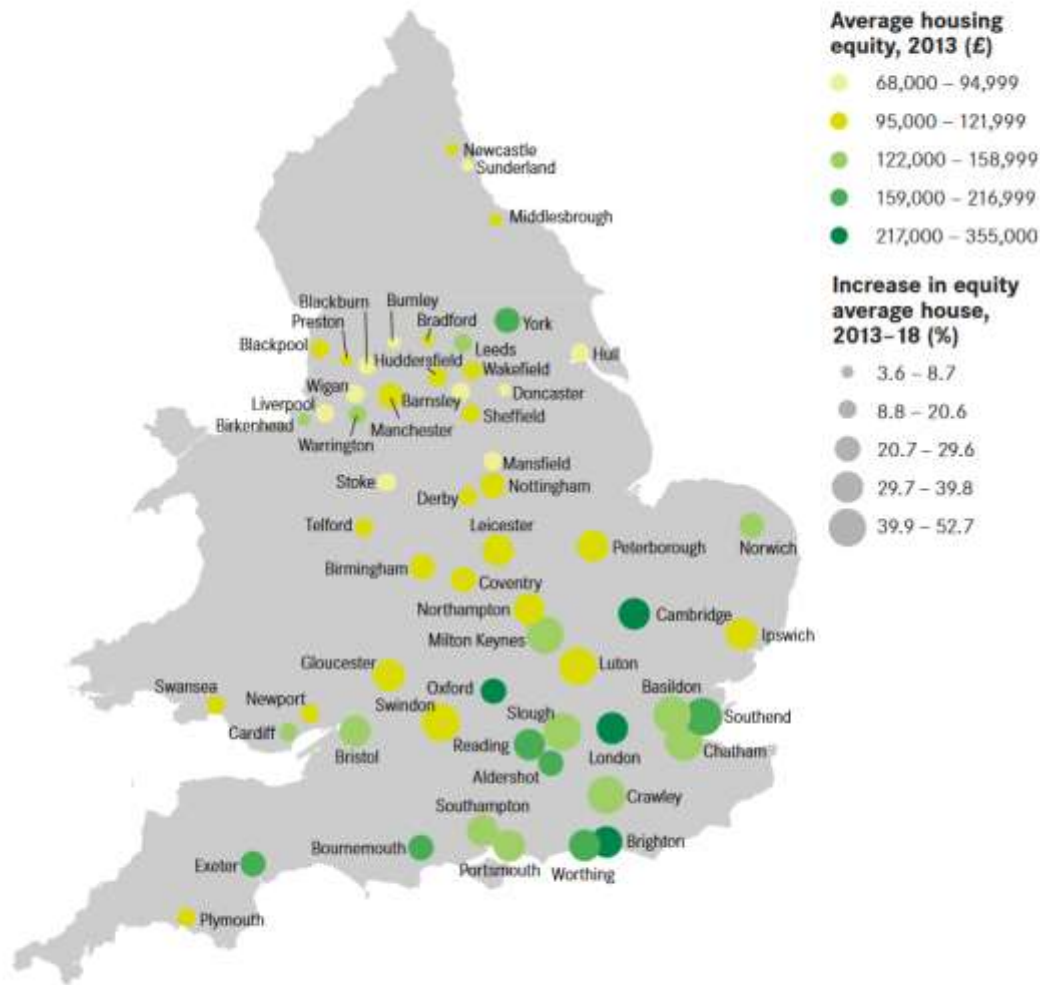
Figure 1 – Housing costs' reduction in disposable incomes across geography, 2018



- Housing crisis suppresses disposable income and consumption in Southern cities. More homes would address this.
- Planning reform increases consumption and income after housing costs in the South.
- And increases production and incomes before housing costs in the North.

More homes in the South would also redistribute wealth

Figure 1: Average housing equity 2013 and growth to average equity 2013-18



Source: UK Finance; Dwelling Stock Estimates, ONS; Dwelling Stock Estimates, Welsh Government; Land Registry

- Current planning system causes mismatch between supply and demand
- Housing wealth builds up in affluent cities – and poorer areas lose out
- More housing in expensive cities would reduce this inequality



We need a flexible zoning system

- Current planning system is highly discretionary
- We need a much more rules-based system – where you can build if you follow the rules
- Would increase total supply and reconnect local demand to local supply – and advance levelling up
- Government’s planning reforms are a big step in the right direction