

Build more houses?

Labour proposes two main ways of boosting growth. They wish to lift new homes from 200,000 a year to 300,000 a year. They want to double onshore wind, treble solar and quadruple offshore wind investment.

If the government is serious about building 1.5 million homes by 2029 it will need to talk to the banks and the Bank of England about the credit squeeze. The main reason housebuilding has got stuck is the scarcity of mortgages and the high prices of credit.

Homes are very expensive, in part because the government has allowed in so many additional people all needing accommodation. If the government wants to ease housing shortages and curb price rises it needs to stick with the government's changes to eligibility to gain legal entry to the country and to tighten the criteria further.

The government says the main blockage is planning. Local authorities say there are over 1 million available plots for homes with planning permission. The English planning system is based on a five year supply of building land, meaning there should always be available site to lift the build rate when demand is available.

The government's proposed change is just to put a centrally determined house building target into every Council's local Plan by amending the national Planning Policy which guides the planning system. We had such targets until September 2023 when they were removed. When we had them the system did not deliver 300,000 a year.

Presumably this old system will be introduced in any given Council area when they need to revise their current local plan. Councils usually revise every five years so it will take time to get these re introduced.

The U.K. government does not have planning powers outside England. The devolved governments will have their own approach and have not agreed to match England.

The government will only build 1.5 million if they resolve money and credit, demand pressures and the Bank's money squeeze.