

HALT THE FIRE SALE OF PUBLIC LAND AND BUILD AFFORDABLE HOMES

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Registered charity number 1055254
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In an initial snapshot survey of sites being offered for fire-sale, the New Economics Foundation has identified 10 plots of publicly-owned land that could provide 4,631 good quality, low cost homes.

As highlighted in the latest Public Accounts Committee report¹ the rate of new homes built on land sold remains appallingly slow. Big developers are hanging on to newly acquired sites without building, cashing in on rising land prices.

This is a scandalous waste of public resources. Making the land available for non-profit housing developments would begin tackling the housing crisis straight away. It would also bring a much better deal for taxpayers.

On these 10 sites alone – using the land for non-profit housing could reduce the housing benefit bill by £231 million over the next 30 years.

Key findings:

- Over 4,631 affordable homes could be built on the ten sites we looked at
- For 8 out of the 10 sites, the savings on housing benefit over 30 years is greater than the one-off sales value of the land
- On average, 50% of the cost of building affordable housing would be recouped through reduced housing benefit payments over 30 years
- On these 10 sites alone building affordable housing could reduce the housing benefit bill by £231 million over the next 30 years
- On average, the sites would become net contributors to the public purse after 20 years

Communities taking action now

To address the housing crisis, we need a transparent plan for using land that involves local residents and institutions. The public must know whether new homes are being built on land already sold, how many of those homes are actually affordable and how they can intervene in plans for sites not yet sold off.

The Foundation will be working with groups like Citizens UK to answer these questions for sites in local areas, building a crowdsourced map of public land sales across the country. Residents will be supported to gather data, supplementing official records with local monitoring of land sites, plans and sales.

Carrying out these citizens land audits is the first step. Crowdsourced land maps will enable communities to put forward alternative proposals for sites in their areas where private development plans fall short.

Groups across the country are already taking action, putting pressure on the Government to work with local authorities to make better long-term decisions.

Case study 1: Haringey residents and St. Ann's Hospital

A campaign involving over 300 residents in the London borough of Haringey is focused on taking control of the St. Ann's Hospital site.

Planning permission was granted in March 2015. Just 14% of the private housing development currently proposed would be classed as genuinely affordable.

Residents have instead planned a community-led development of the site which would provide genuinely affordable homes, plus facilities focused on the needs of local people, including mental health provision. The Foundation's calculations show the site could provide 1,680 affordable homes.

Kathryn Medien, local resident, Haringey:

"The plans for private development submitted here in Haringey proposed building only 14% affordable homes on site despite the local housing crisis reaching breaking point."

"We've put forward an alternative plan and are hoping to work with the NHS Trust and the local authority to make it happen. It'd be great if the New Economics Foundation can help more communities take on developers in this way, too many public land sites risk being sold off with no proper plan for affordable homes."

Case study 2: Maiden Law Hospital and St George's Hospital, County Durham

The housing crisis is not limited to London and the South East. The North East has some of the highest levels of elderly people living alone and in poverty, with private renters also struggling with pressures on their living standards amid a student housing boom.

The Foundation's calculations show the sites could provide a total of 1,330 affordable homes (267 on Maiden Law Hospital site, and 1,063 on St George's Hospital site).

ACORN supports members to improve their neighbourhoods, and is active in the area.

Stephanie Mosley, ACORN Newcastle:

"I don't think local residents are aware that land, owned by us, is being sold off around us. In the north east we have a shortage of homes that are actually affordable for local people and that offer security. More and more families are living in high cost rented homes with no protection from eviction."

“Giving land to private developers and hoping for the best surely means we’ll just get more of the same – homes we can’t afford to buy bought up by landlords and rented back to us at inflated rates.

Note on methodology

The Foundation have estimated the volume of social or community housing that could be built on pieces of public land that are scheduled to be sold off. The construction costs and social rent revenues are associated with developing particular sites for low cost rental housing.

The estimated number of new affordable homes that could be built is based on the land area of the sites and target densities of 75 dwellings per hectare, with the exception of London sites where the target density is 150 dwellings per hectare.

The 10 sites covered in the Foundation’s study were chosen as a sample of sites put up for sale by the Homes and Communities Agency (HCA) and the Ministry of Justice. They are:

1. Brixton Prison
2. Maiden Law Hospital, County Durham
3. St George’s Hospital, County Durham
4. Officers Mess within Connaught barracks site, Dover
5. Tipner Greyhound Stadium, Portsmouth
6. Site A Towergate, Milton Keynes
7. Alt Bridge Park, Liverpool
8. Chapel Street Site, Cornwall
9. St Ann’s NHS Trust site, Haringey
10. Land at Ingersley Vale, Cheshire

The estimate of housing benefit payments avoided is calculated based on average housing benefit payments in the regions where the 10 sites are located and an assumption that 50% of new residents in affordable housing will no longer require housing benefit. This is calculated over 30 years at a discount rate of 3.5%.

Endnotes

¹ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news-parliament-2015/public-land-new-homes-further-progress-review-report-published-16-17>