

Building on London's Green Belt cannot solve the housing crisis

What are the real facts and figures behind London's housing crisis?

Population in London is rising and so we need to build more homes - and we are building more homes: in London, 25,000 homes were built last year and there is space already identified for at least 560,000 new homes. **We have a 22 year supply of land in London if we build 25,000 new homes a year.**

Government says we are not building fast enough - that we need to build at least 50,000 new homes per year in London. But releasing Green Belt won't increase build rates: all it will do is give developers more sites to choose from. **Land supply is not what is holding up house build rates. Developers already have many sites to choose from. Releasing Green Belt won't enable them to build any faster.**

The government says the laws of supply and demand mean that that a housing shortage has caused house prices to rise. **But the Redfern Review said: "The relatively simple 'supply and demand' model whereby increasing supply will reduce prices... just doesn't work for housing... Restrictions on new housing supply have not been the main culprit when it comes to price rises over the past 25 years." The main culprits have been availability of cheap finance and rising incomes. Even if we build faster, in other words, it won't bring house prices down.**¹

The real crisis in London is one of affordability for people on low incomes and the lack of available property to buy or rent at the right price. **A recent study reports that since April 2009, whilst average London house prices have nearly doubled from £245,000 to £472,000 annual affordable housing delivery in London has dropped by 37%.² Building lots of properties which are out of reach of the people on low incomes, whether they are in the Green Belt or in other expensive locations like much of inner London, will not solve the key problem of affordability.**

Government says "housing is increasingly unaffordable" but if we use a commonly understood definition of affordability this applies only to very particular parts of England, notably many (but not all) parts of London and the South East. The average price of a terraced house in Blackpool is £88,000 for example. And a recent report 'Pricing Londoners In' shows hugely varying levels of affordability even within London.³ **Since housing price pressure is driven to a great extent by incomes and employment opportunities, it could equally be said that the crisis is one of a lack of opportunities elsewhere in England.**

Homes built in the Green Belt are, because of their location, exclusive and expensive and out of the reach of most people facing a housing crisis in London. **Building on London's Green Belt won't help anyone needing a genuinely affordable home.**

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¹ [The Redfern Review](#) 2016

² [Viability and the Planning System](#) Jan 2017

³ <http://www.smith-institute.org.uk/book/pricing-londoners-not-mapping-new-affordable-homes-london-built/> Dec16