



Leeds Building Society



PUBLICFIRST

THE CASE FOR INCLUSIVE PLANNING

How representative consultation
can overcome barriers to
housebuilding

About Leeds Building Society

We're the UK's fifth largest building society and we're a proud mutual. This means we're owned by nearly 1 million members right across the country and every decision we make is always in their interest. Set up in 1875, our purpose remains as clear today as it did back then, to help put home ownership within reach of more people, generation after generation. Since 2020 we have helped over 70,000 first time buyers join the housing ladder. We stopped lending on residential second homes and we're proud to say 1 in 2 mortgages went to a first time buyer last year. We employ over 1,800 colleagues, with a head office in the centre of Leeds, a customer contact centre in Newcastle and a network of 50 branches across the UK.

About Public First

Public First is a global strategic consultancy that works to help organisations better understand public opinion, analyse economic trends and craft new policy proposals. It has worked directly with some of the world's biggest companies, government departments, top universities and major charities to produce bespoke, original policy proposals and reports derived from an evidence base of economic analysis and public opinion research. Public First is a member of the British Polling Council and is a Company Partner of the Market Research Society, whose rules and guidelines it adheres to.

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CONTEXT

The Labour government has set an ambitious goal of building 1.5 million new homes in England over the next five years to tackle the ongoing housing crisis. However the reality is that local councils are already struggling to meet their housebuilding targets. This shortfall has serious consequences, as it exacerbates the housing shortage, drives up housing costs and makes it increasingly difficult for people to find housing. One of the most significant barriers to housebuilding is the way the current planning system functions.

A key issue is that the planning system is often dominated by vocal minorities who oppose new developments, often known as NIMBYs. These minorities tend to overshadow the needs and preferences of the wider community, many of whom are in favour of more housing. The current planning system places too much emphasis on these views, rather than ensuring that the perspectives of the entire community are fairly considered. This imbalance prevents the level of housebuilding needed to meet demand.

This report has been commissioned to explore how the planning system could be reformed to address this imbalance and to become more representative of the broader public's opinion. By conducting a review of international comparators and by undertaking public opinion research, this work aims to provide insights into how a more inclusive and representative planning process can help overcome barriers to housebuilding. It offers recommendations for creating a system that not only listens to the community but also ensures that the urgent need for more homes is met in a timely and equitable manner.

EXECUTIVE SUMMARY

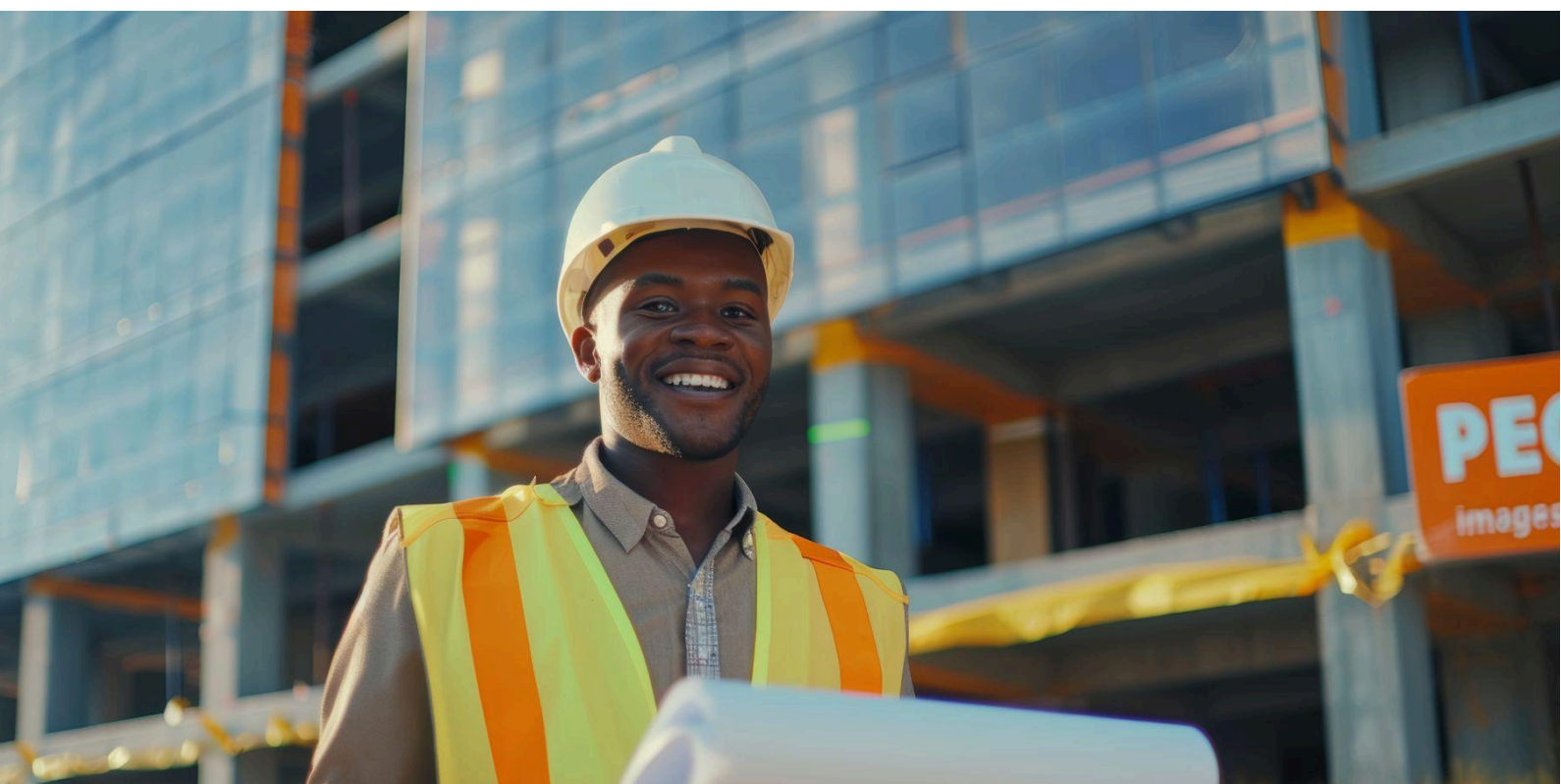
People want to own their own home, but increasingly they cannot afford to.

Homes, to rent or buy, are too expensive, because we don't build enough, in the right places. The public get this, which is why three in four favour building more houses in their area. New Zealand - which we discuss later - shows that it is possible to build more, and that doing so makes houses more affordable.

Wanting more houses does not mean people want a developers' free-for-all. They want to be listened to, understanding that local leaders will have to make decisions that do not please all of the people, all of the time.

Proper consultation is the way forward. Where councils take into account the views of the whole community, not just the elite few that are ready to raise their voices. Where councillors understand people's deep rooted commitment to being able to afford a place of their own, in their own communities. Where councillors listen to people's preferences for development on old industrial sites wherever possible, for good quality infrastructure, and for green spaces.

Putting the people first, listening to all of them, sincerely and profoundly, accepting their deep wish to own a place of their own, accepting their preferences as to where the homes should be; that is the route to more building, and - crucially - more people being able to afford a place of their own.



INTRODUCTION

British people want to own their own home. According to the 2018 British Social Attitudes Survey, 87% of people would like to own their own home one day. That number has little changed in a generation - 85% had the same view in 1996.¹

In the 1980s, over three quarters of people would advise “a newly-married young couple, both with steady jobs” to buy a place of their own as soon as they could. By 2010 that number was down to little more than one half.² It isn't that buying is looked on less favourably - the proportion who say you build up an asset, or that it is cheaper in the long run, or that buying is risky - has not changed. What has changed is that buying is now all too often impossible.

Home ownership is an increasingly distant dream for many. Rates have been falling since 2007, from over 73% then to under 63% now.³ Home ownership is now lower than at the turn of the century for people of working age.⁴

The reason is simple: affordability matters. When homes are unaffordable, people cannot afford to buy one. People are forced to rent, and often to flat share, or live with their parents long after that is a sensible thing to do. Today those aged 20-34 are a third more likely to live with their parents than was the case a generation ago.⁵

Understanding prices

The relationship between demand, supply and price is well-established, thanks to the work of the National House Planning Advisory Unit. The relationships are simple: if incomes rise by 1%, prices rise by 2%. If the population rises by 1%, prices rise by 2%. And conversely, if the number of homes rises by 1%, prices fall by 2%. Finally, if interest rates fall by 1%, prices rise by 3%. Subsequent research by the Bank of England finds that the effects on prices are largest in areas where the supply response is smallest,⁶ an

¹ [Public attitudes to house building - GOV.UK.](#) & [Public attitudes to housing in England: a report based on the results from the British Social Attitudes survey](#)

² [Public attitudes to housing in England: a report based on the results from the British Social Attitudes survey](#)

³ [Housing and home ownership in the UK - Office for National Statistics](#)

⁴ [Housing and home ownership in the UK - Office for National Statistics](#)

⁵ [Young adults living with their parents](#)

⁶ [How house prices respond to interest rates depends on where they are in the country – Bank Underground](#)

effect also found in the US.⁷ Supply responses have generally fallen since those estimates were published, implying that elasticities are now even higher. That is both good and bad news. It is good news in that it implies that a relatively smaller number of houses are needed to ensure housing affordability improves. And bad news in that it implies that without additional houses, prices will rise by more than we might previously have expected.

Using both the existing quantitative evidence, and a more qualitative judgement, the Centre For Cities say that the UK has a backlog of 4.3m unbuilt houses that we need to get built.⁸ That would bring us broadly in line with the typical ratio of houses to population for Western Europe.

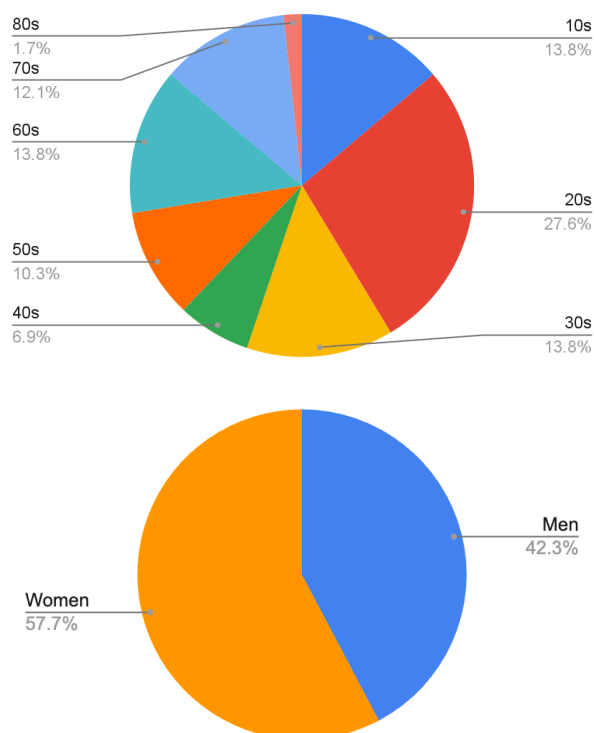
⁷ [Monetary policy and US housing expansions: what can we expect for the post-COVID-19 housing recovery? – Bank Underground](#)

⁸ [The housebuilding crisis: The UK's 4 million missing homes | Centre for Cities](#)

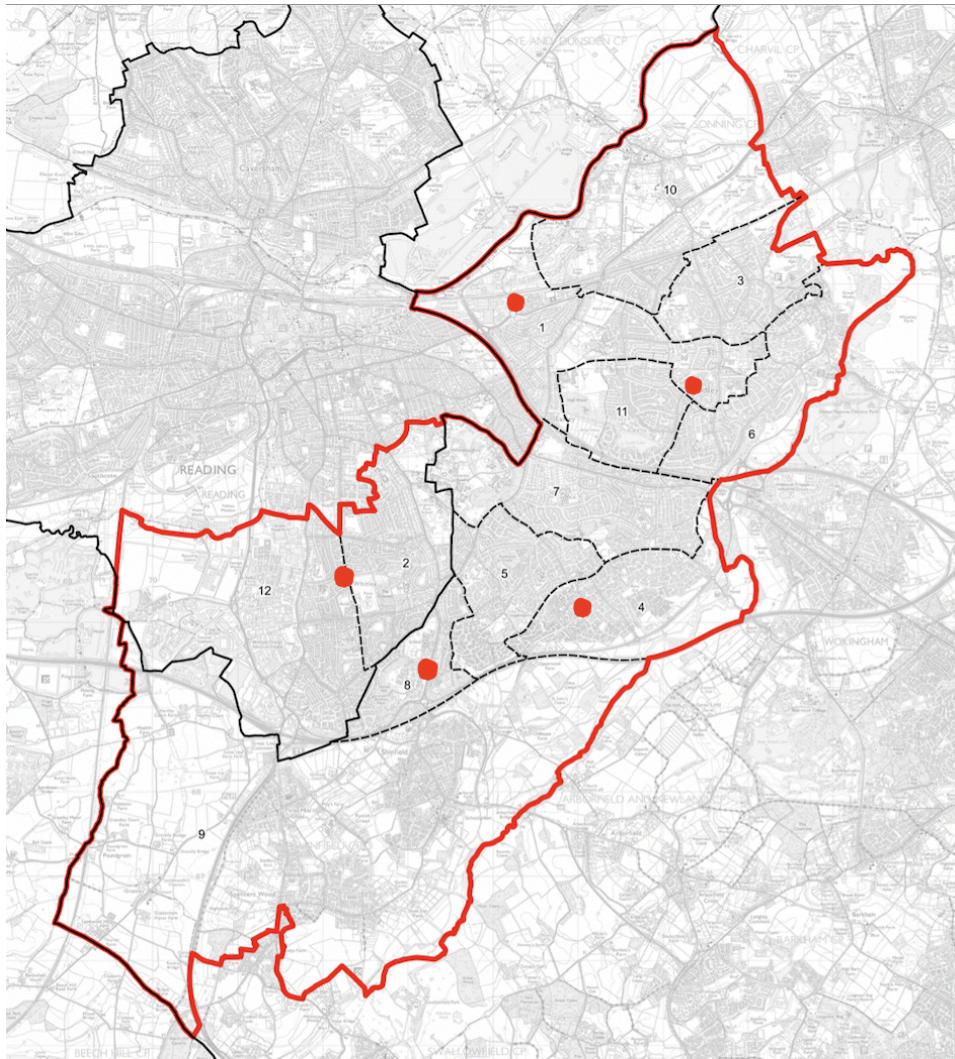
METHODOLOGY

We first sought to understand public opinion around the current planning system and how people would like to see the system changed through qualitative and quantitative research, before exploring practical and popular changes to the system.

For the qualitative stage, we conducted a day of immersive research in Earley and Woodley, a constituency near Reading, on August 1st 2024. We spoke to the public across the constituency about their opinions on housing availability, house building and the planning system. We ensured representative splits between residents from Earley and Woodley, and a mix of income, wealth, age and home ownership levels. We spoke to a range of people aged between 18 and 80.



Our data team mapped key demographic information onto the constituency and used this data to inform a targeting strategy representative of the whole constituency. We spoke to 71 constituency residents in cafes, shops, pubs, parks and on the street.



The advantages of conducting immersive research as opposed to more traditional methods are:

- **We hear from people who qualitative research methods may not otherwise reach.** This research allowed us to communicate with a broader mix of people and, crucially, those who would never take part in conventional market research. This dramatically widens the type of people we come across, including those who are digitally excluded. For example, we spoke to an 80 year old woman who did not own a mobile phone. This also allows us to reach people who would not usually take part in planning consultations to gather their views on what changes they want to see.
- **Settings matter.** In our research, one of the reasons that the public are able to open up and give useful insights is that they are most comfortable when in their own environment. They feel like they are talking in their space, as opposed to being asked their opinion in an unfamiliar room among strangers.

- **Expanding the conversation.** Traditional research is largely undertaken in a structured way, to ensure certain questions are covered, and all participants are spoken to. Given time constraints, this often means that not every angle can be pursued, or that every participant can say all that they wish. With this method, researchers can hold long uninterrupted one-to-one conversations with participants and take the conversation in directions it would not be able to go otherwise.
- **Gaining a deeper understanding of people's lives.** When people talk about how difficult it is to get on the housing ladder or how important it is for them to protect green spaces, being able to see what they are talking about allows us to understand their views. With this research, we see people in action; researchers are able to build relationships and gain insights into people's lives which are otherwise not possible.

This form of targeted qualitative research is brilliant for engaging communities and bringing their experience to life for outsiders.

For the quantitative stage, we ran a nationally representative poll with a 2,000-strong, UK sample from 19 July 2024 to 24 July 2024. Our survey results are weighted by interlocking age & gender, region, and social grade to Nationally Representative Proportions. This helped us to quantify our findings, understand the scale of support for building different types of housing and to gain an insight into what elements that the public would like to see in a reformed planning system that is more consultative. Our full results can be found [here](#).

PUBLIC OPINION

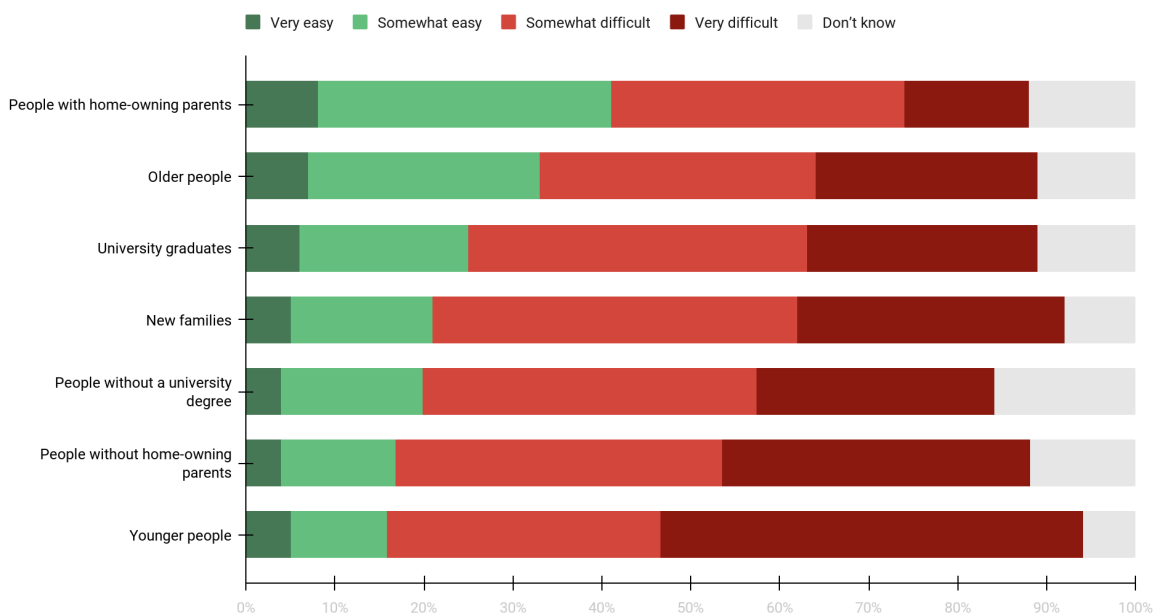
This section outlines the findings of our public opinion research on housing and planning reform, exploring the major themes that shape the discourse. From concerns over affordability to location, we examine how different factors influence public sentiment. By analysing the results of both our quantitative and qualitative research, we provide a comprehensive overview of the attitudes and priorities that guide public perspectives on house building.

Difficulty getting on the housing ladder

Respondents to our survey recognise that it is extremely difficult for different groups to get onto the housing ladder. An overwhelming 79% thought it was difficult for younger people to get onto the housing ladder in their area. This is comparable to the percentage of people who think that it is difficult for people without home-owning parents (72%), and people without a university degree (65%) to get onto the housing ladder.

If you were to guess, how easy or difficult do you think it is for the following groups to get on the housing ladder in your area?

Public First | UK Adults | Sample Size: 2,010 | Fieldwork 19 July - 24 July



This sentiment was echoed in our immersive research sessions. In all locations we visited, people consistently accepted that it was almost impossible for young people to buy homes in the area, and that this was a major problem. The primary, and

unsurprising, reason for this was that people felt it was prohibitively expensive to own a home, with some citing the cost of the process such as employing a solicitor, as well as the cost of the home itself.

“ *Britain's got a problem with housing in built-up areas. There's not enough housing is there? Young ones can't get on the ladder, people are thrown out of their flats with families. The big problem in Britain is housing* ”

Female, 60s, Woodley Town Centre

“ *I make a decent wage, a normal wage; and there is absolutely no way I could afford a home around here right now. I've lived here all my life* ”

Male, 30s, Shinfield North

These concerns were especially prevalent among younger people.

“ *The number of houses is terrible. It's so expensive* ”

Female, 20s, Woodley Town Centre

“ *If you are on a basic wage, and you don't have help to buy or a shared ownership, you physically can't [buy a home], you physically can't. It's just ridiculous* ”

Male, 20s, Lower Earley

“ *I think [housing availability] is alright. There's students coming in so more houses are being built, more apartments... So it's alright. But it's too expensive. House prices have risen like crazy. Not many people can afford it or can take out a mortgage* ”

Male, 20s, Whitley

“ *It's very difficult to get a house because it's so expensive. Young people need a partner to get anywhere financially* ”

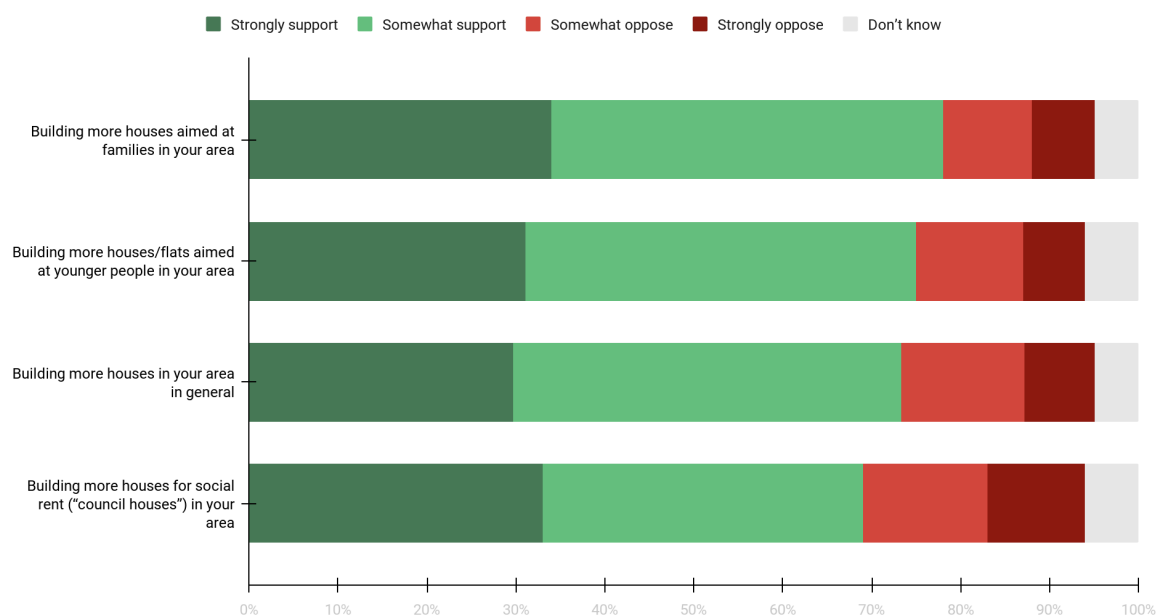
Female, 20s, Lower Earley

People recognise the need for more homes, but want communities to be consulted

In our survey, we find respondents are supportive of the idea that more houses need to be built across the UK. 74% of respondents were in favour of building more houses in their area “in general”.

To what extent would you support or oppose the following?

Public First | UK Adults | Sample Size: 2,010 | Fieldwork 19 July - 24 July



However, almost two-thirds of respondents (61%) think that residents should need to be supportive of developments before they are allowed to go ahead, with only a fifth (21%) holding the view that residents' views could be ignored to allow developments to proceed. This view is consistent across all of the key demographic groups we studied - with no notable gender, age, social grade, regional, or political differences. Homeowners (63%) and Renters (59%) agree that local residents should have to be supportive of developments in order for them to go ahead. Interestingly, respondents said they would be more in favour of developments going ahead if they knew local people had voted in favour of the development (52% more likely, compared to 43% who said it would make no difference/make them less likely to support the development).

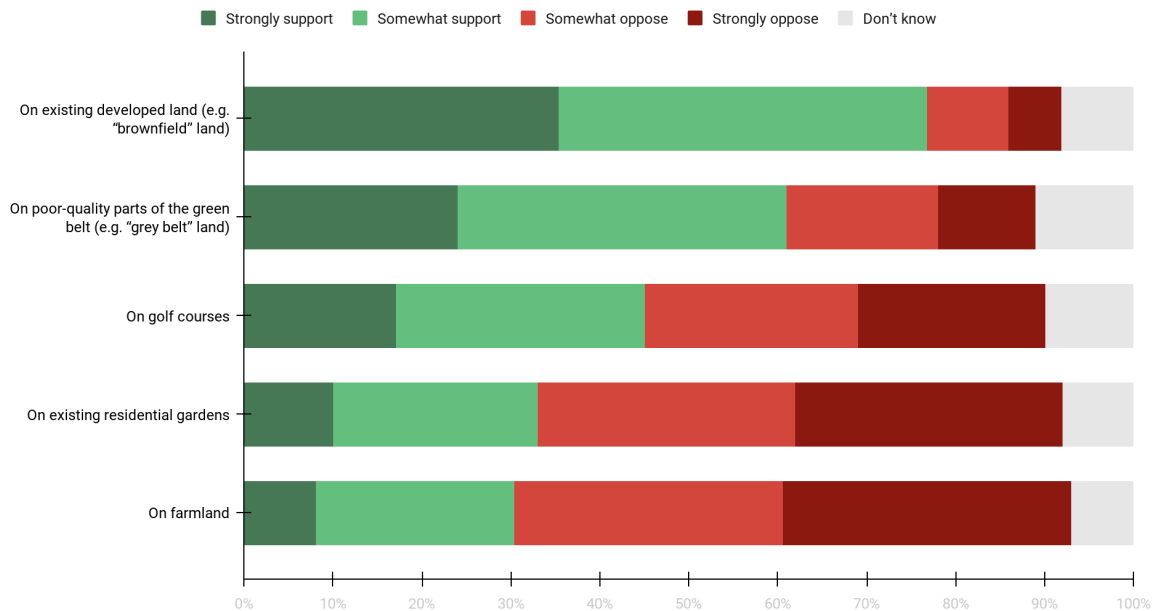
Location, location, location

Participants in both types of research held strong views on where housing developments should be focussed. In general, respondents are far more supportive of developments on brownfield land (77%), followed by the “grey belt”, land in a green belt

that is considered to be of poor quality (61%). There was less support for house building on golf courses (45%), existing residential gardens (33%), and on farmland (30%).

To what extent would you support or oppose building more houses in your area in the following locations?

Public First | UK Adults | Sample Size: 2,010 | Fieldwork 19 July - 24 July



In Earley and Woodley, there was a high level of support for protecting both the broader idea of green spaces and the greenbelt in particular, and strong opposition to any sort of house building on green land.

“ I get there's a problem but I'm not even sure where you would put more homes ”

Male, 60s, Woodley Town Centre

“ Look I'm all for new homes, but I live on an estate. I want somewhere nearby where I can at least walk my dog through some greenery. I don't want to have to take my dog on a walk around 3 estates at night ”

Male, 30s, Shinfield North

“ So we had a minister in charge of housing for 14 years, and they just sat on their hands. So I'm hoping with Labour possibly there will be new housing, they say they are going to build more houses. But we can't keep building in towns when you've got masses of land in Scotland and Wales ”

Female, 60s, Woodley Town Centre

Across the board, people we spoke to were supportive and protective of the greenbelt. There was a strong sense that high-quality greenbelt land such as fields and areas around villages need to be protected, even by those who accepted that we need more housing.

“ The location needs to be properly selected, you can't build a load of new flats in a nice quiet village ”

Male, 50s, Whitley

“ I know we need to keep the fields green, but we also need more homes for the young ”

Female, 20s, Lower Earley

“ There are too many houses around here. Shinfield has been absolutely decimated over the last 5 or 6 years. Far too many houses... There were open farm fields there before they built on them ”

Female, 50s, Shinfield North

This concern around protecting green spaces was echoed by many people who felt it was extremely important for people to have access to green space, whether that was in a local field or in their own garden.

“ Houses need to have outdoor space for the kiddies, they shouldn't need to go to the local park ”

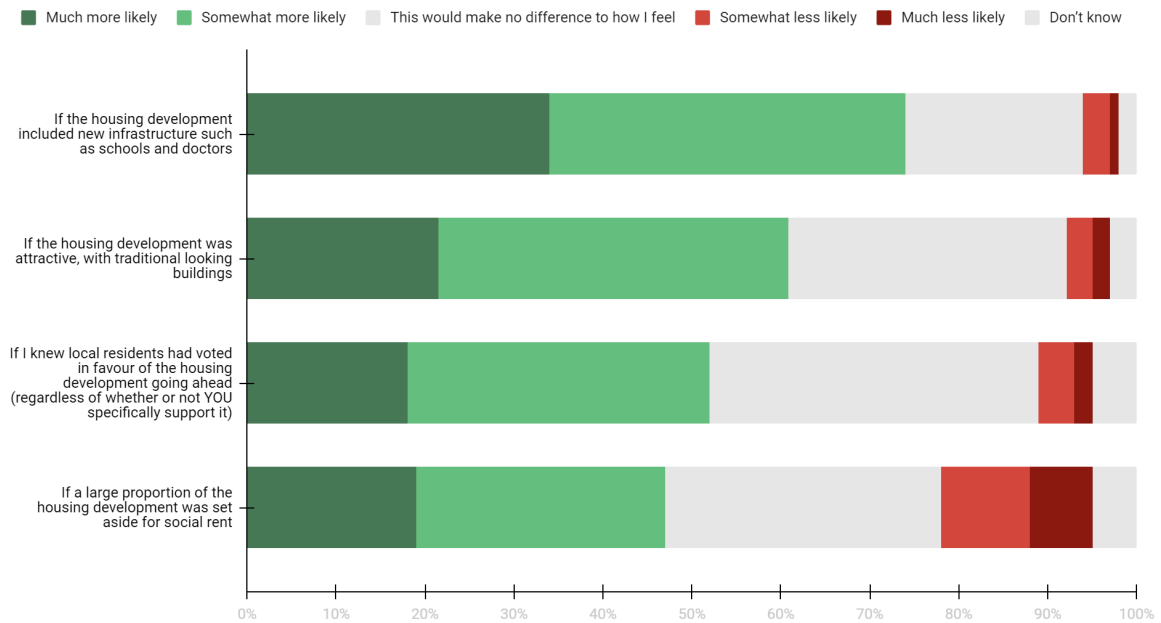
Male, 70s, Woodley Town Centre

Importance of infrastructure

We found in our survey that developments which include widely-requested public services (such as new schools or doctors) are the most likely to have a positive impact on support, seconded by developments that include attractive traditional architecture.

Looking at the below, would the following make you more or less likely to support [a new development in your area] going ahead?

Public First | UK Adults | Sample Size: 2,010 | Fieldwork 19 July - 24 July



There was a strong sense in Earley and Woodley that infrastructure investment, ranging from parking places to GP appointments, is not keeping pace with the level of new housing being built. This came up numerous times in the context of existing developments. People often feel that the level of infrastructure is not keeping pace with the increased population.

“ *Schooling is an issue. Around where we are, we get people blocking their cars in on the school run that can stop us getting to work. And I think that’s all down to the sheer amount of people... I wouldn’t say there’s too much housing because you need it everywhere, but if you’re going to do it you need to expand schooling, doctors surgeries and all that* ”

Female, 50s, Woodley Town Centre

“ *The kids... can’t get into the school around here. Schools and GPs have gone down since they built these houses, and I think everyone around here has had enough really. We’re all concerned that we can’t get a GP appointment for love nor money* ”

Female, 50s, Shinfield North

As well as concern over the impact of existing developments, there is a strong feeling that all new building developments being considered should also align with plans for new infrastructure to ensure that pressures do not come to fruition.

“ *There’s no thought for the people who will live in the homes. They need doctors and schools, not all these places that are barbers and betting shops* ”

Female, 70s, Woodley Town Centre

Low awareness and planning system reform

The individuals we spoke to in Earley and Woodley consistently expressed low levels of understanding and engagement with the planning system.

“ *I’ll be honest, I know nothing about the planning system* ”

Female, 20s, Lower Earley

“ *I think the planning process is not transparent at all and I think sometimes it’s who you know* ”

Female, 70s, Lower Earley

Other residents felt disillusioned by the complexity of the planning system and felt that the system was rigged such that developers and local government could do what they wanted without engaging with local people.

“ *There’s no point in trying to stop big developments here. Look at what is happening with Lidl and the same thing is happening with McDonald’s in Wokingham* ”

Female, 60s, Woodley Town Centre

“ *People were protesting about building at the golf club but the government went ahead with it anyway* ”

Male, 19, Lower Earley

“ *I don’t think that residents have any power at all. I think [the council] decide what they’re going to do, they go through the motion of saying ‘you may object’, and then everyone does but they push it through* ”

Female, 60s, Whitley

“ *In practice, the current system doesn't work because the council wants the money, so they just let land be developed as long as someone offers them enough money* ”

Female, 60s, Bulmershe and Whitegates

“ *People have got so fed up with successive governments just not listening. They don't take any notice of what we say, so why bother [opposing developments]* ”

Female, 50s, Shinfield North

Young residents expressed apathy towards the planning process, consistently saying that there were too many barriers and that they were too busy to reach out to authorities. There was a sense that young people would get involved, but only if they could see material benefit and if the process was not time consuming.

“ *I literally go to work, come home, go to work. To be honest, I don't engage much with the council or any political stuff. But, I'm happy to fight for stuff if you tell me how to fight and make it easy, but I don't want to drive it* ”

Male, 20s, Lower Earley

“ *You need to find a way to get into us younger generations, and make it in our interest to involve ourselves* ”

Male, 20s, Lower Earley

Overall, the consensus from the people we spoke to was that the current planning system does not accurately reflect the views of local people. A changed system, that actually addressed the needs of local communities, would be preferable. Residents responded positively to the idea of a more representative system that took into account the views of a wider section of the community.

“ *You need the whole community to get involved in order to get a good system going* ”

Male, 60s, Woodley Town Centre

“ It would be difficult to get everyone’s views, but it would be good in principle if they could ”

Female, 60s, Woodley Town Centre

“ It’s not fair. Councils should take into account the views of the whole community ”

Female, 20s, Woodley Town Centre

“ Yes they should definitely get more views, not just the elite few that are ready to raise their voices. It should be more [people] but then it’s up to people to raise their voices ”

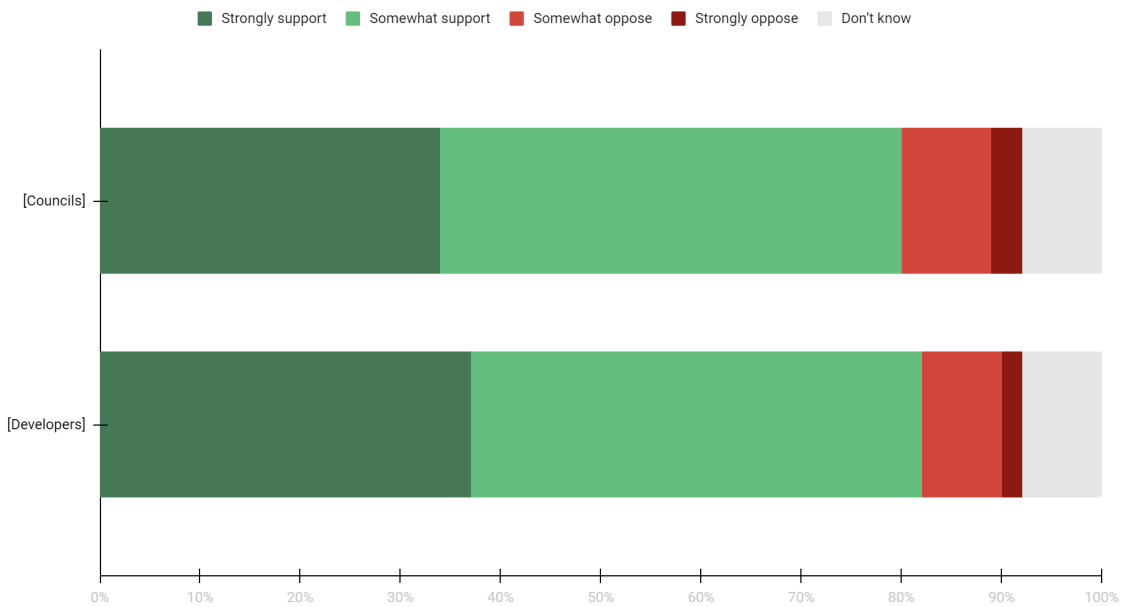
Male, 70s, Woodley Town Centre

This sentiment was mirrored in our survey. We asked whether respondents thought local councils and developers should be required to seek the views of the wider community before making a planning decision. In the case of local councils, we explicitly pointed out that this would represent a change from the current system, where the local council only considers the views of those who directly comment on planning proposals. We found **8-in-10 respondents** supported both proposals. Only around **1-in-10 respondents** were opposed to either.

Again, support for both proposals was very high and relatively uniform among all of the different demographic groups we studied. This includes those who were opposed to developments in their area in general - where a similar proportion supported the idea of wider community engagement becoming a more formal part of the process.

Would you support or oppose introducing a requirement for [X] to seek the views of the wider community before making a planning decision?

Public First | UK Adults | Sample Size: 2,010 | Fieldwork 19 July - 24 July



Interestingly, this desire for a stronger local voice on planning decisions tended to be tempered by people acknowledging that a small minority could not be used as a barometer by the council as to what decisions need to be made - people needed to accept that sometimes the decision would not go their way.

“ *Local councils need to talk to people and do what the majority approves, even if a minority disagrees* ”

Female, 18, Shinfield North

“ *Local people should always have a say but you shouldn't expect it to happen the way they think all the time* ”

Female, 80s, Shinfield North

People's desire to be more involved in the planning system was tempered by the practicalities of not having enough time in their everyday lives. When probed, people often accepted there was a tension that they had opinions about housing which they wanted the authorities to engage with, they did not feel that it was their responsibility to actively reach out to authorities. They wanted the planning system to be structured differently so that they can voice their concerns in a non-burdensome way.

“ I don't have the answers. It should not be on us to do the planning, we are not politicians. But I want to be listened to ”

Female, 50s, Bulmershe and Whitegate

“ Why do we want to pay more wages for someone to go out and speak to people? It'll be like a tick box exercise ”

Female, 60s, Woodley Town Centre

“ If there's a new development and I like it, I'll support it, 100%... The council should do advertisements to tell people about projects, anything to do with using technology ”

Male, 20s, Rose Kiln Lane

RECOMMENDATIONS

The urgent need for new housing to address the affordability crisis must remain a priority for the planning system. Our public opinion research underscores a broad consensus on this point, with 74% of respondents supporting new housing developments in their area to help more people, especially younger generations, get on the property ladder. However, the success of such developments depends on taking into account the community's concerns about infrastructure, green spaces and local character.

Building more homes

The National Housing and Planning Advice Unit report shows that the only sustainable solution to high house prices is to build more homes. Whether those homes are large or small, houses or flats, general use or specialist makes very little difference. At the end of the day, it is all housing, and the ripple effects are real. If we build executive mansions, people can trade up, and make more ordinary family houses available - including to sharers. If we build small flats, house shares can move into those flats, freeing up a house for a family.

There are, broadly speaking, three ways to ensure we get more housing. The first is to compel councils to permit more housing. The Labour government has raised the housing targets for (some) areas, and have pledged to reduce the ability of councils to say no. In this approach, communities can choose where the houses should go, and what types, but they are required to plan for a minimum number of houses.

The second approach is to create incentives, so that local communities want more houses. This could take the form of community facilities, reductions in council tax, or significant upgrades to infrastructure. This reflects the findings in our survey that developments that include widely-requested public services are the most likely to have a positive impact on public support. It would be possible, for example, for the government to allocate more trains per hour in commuter areas towards stations whose populations are increasing. Land value capture is important here: it creates a revenue stream that can be used to create those incentives, without creating a burden on taxpayers. Again, the Labour government has talked extensively about modifying the rules on compulsory purchase.

The final approach is permitted development, whereby the government allows certain sorts of development to happen in certain places. This is how houses were built before the second world war, and this approach - sometimes known as “zoning” - prevails in many countries.

The UK government introduced some permitted development rights in 2013, the most commonly used allowed offices to be converted into flats. Although causality is always hard to assess, these subsequently added around 10,000 units to UK housing supply, although the number has declined as the number of office buildings suitable for conversion has declined.⁹ Permitted development rights are controversial, particularly with planners. RIBA have called for an end to their use, while the TCPA commissioned a critical review.¹⁰ Against that, many housing campaigners support them strongly, as do neutral bodies such as the Centre for Cities.¹¹ The UK government exempted permitted developments from section 106 contributions and social housing obligations, but this should not be seen as inherent in a permitted development system. Given that we found that people want facilities to be provided at the same time as new housing, it may be that requiring permitted developments to make contributions to the local authority to cover the cost of relevant new infrastructure would change people’s perception of this approach.

Lessons from abroad

The boldest and most successful approach to tackling unaffordable housing in recent years has been in New Zealand.

New Zealand changed its approach to planning significantly after the 2011 Christchurch earthquake. Many of the city’s buildings and infrastructure were damaged, with the central bank estimating the cost of repairs at about NZ\$40bn, or around £25bn in today’s money.¹² As many as 20,000 homes no longer existed, more than one in ten of the total stock.¹³ Critically for housing policy, these homes could not simply be rebuilt: whole areas of the city were no longer suited to development because of the likelihood of further land stability issues. The new policy was no free for all,¹⁴ but it was markedly more liberal than previous policies. The city made two choices:

⁹ <https://researchbriefings.files.parliament.uk/documents/SN00485/SN00485.pdf>

¹⁰ [Permitted development, housing and health: a review of national policy and regulations - Town and Country Planning Association](#)

¹¹ [Planning in England: Permitted development and change of use](#)

¹² [Reserve Bank of New Zealand bulletin Feb 2016](#)

¹³ [Land use recovery plan summary & Housing in greater Christchurch after the earthquakes - Stats NZ publications](#)

¹⁴ [Christchurch Central Recovery Plan | Department of the Prime Minister and Cabinet \(DPMC\)](#)

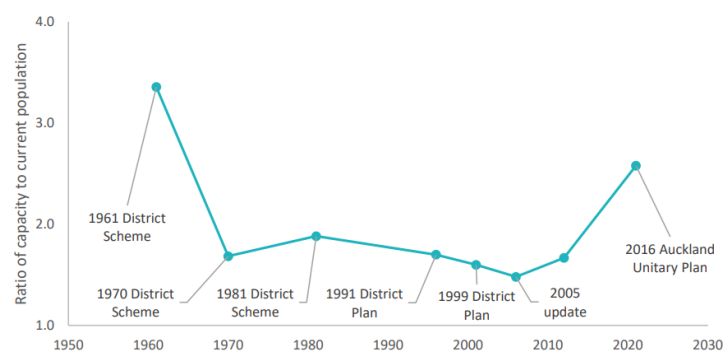
to allow a denser urban core, including terraced houses, and to allow more land to be built on.

The approach worked, and it worked relatively quickly. Planning permissions rose by 40% in the seven years after the earthquake, while building rates tripled.¹⁵ The effect on prices was marked. In the short run the shortage of homes meant that rents rose significantly compared with the New Zealand average, but by 2017 rents were back to their counterfactual “no earthquake” rates.

The success of the more liberal but still plan-led approach caused a significant reevaluation of planning policy across New Zealand. It led to more liberal, pro-supply policies in Auckland, Hutt City, and - to a lesser extent - across New Zealand as a whole.

Specifically, in 2013 Auckland’s Unitary Plan increased the amount of land that could be used for housing, and the density of housing that would be permitted on that land. Prior to the passing of New Zealand’s 1977 Town and Country Planning Act, Auckland identified enough land to more than treble its population. They did not expect that to happen, of course. Rather this meant that when demand increased, supply was able to increase rapidly to prevent rises in prices. No developer holding land could build out slowly to exploit a monopoly position, since another developer could jump in and build the houses people wanted to buy elsewhere. From the 1970s onwards the city halved the land allowable for development, so that the city could only grow by 1.5 times. However it was not enough to lead to the level of development consistent with housing being affordable. Since the reforms, housing has risen back above twice the size of the current city.¹⁶

Figure 13: Room for growth: Ratio of zoning capacity to current population in central Auckland



This increase in permissions has caused rents to become more affordable, from just under 22% of income, to 19%. In contrast, the rest of New Zealand saw rents rise, from

¹⁵ [Canterbury: the rebuild by the numbers | Stats NZ](#)

¹⁶ [The decline of housing supply in New Zealand](#)

20% to just over 22%. A fall of just over 2%, rather than a rise of the same amount, means that this reform improved affordability by around a quarter, from the level that would otherwise have prevailed. This estimate has been confirmed econometrically, with estimates that the reform made housing 28% more affordable.¹⁷ No area in New Zealand did better on housing affordability than Auckland.¹⁸

Auckland's success has been replicated in Hutt City, a town 12 miles and 20 minutes from Wellington, New Zealand's (expensive) capital city. Worried about an ageing population, Hutt City went out and consulted a representative cross-section of their community, using a citizens' panel approach. The citizen's panel was 50% more supportive of more housing than the traditional UK approach, which was also followed. This is because the self-selected group had, as in the UK, a higher proportion of older homeowners. Although all submissions were considered, the views of the latter group could be placed in context. Following the consultation, the local authority decided to allow buildings of up to 12 metres - three to four storeys, including flats above shops. Second, it decided to allow buildings up to 10 metres - three storeys - to allow terraced housing. Both of these changes only applied in some areas, under a zonal system. They also relaxed the minimum land area per house, and the requirement to have two car parking spaces for each home.

The effect of the reforms was to raise the number of permits per 1000 residents per year from a low of 2.3 to a rather healthier 12.2.¹⁹ This doubled Hutt City's share of the Wellington area total.²⁰ This five fold increase in permitting led to a tripling in houses built. There was a particular emphasis on terraced houses, which accounted for a majority of new homes in 2019.

Lessons for the UK

The lesson from New Zealand is simple: it is possible for reform of a plan-led system to cause more houses to be built, and for that to lead to housing becoming more affordable. Auckland and Hutt City are still plan-led, but the plans are made in the context of a strategic commitment to make housing more affordable, by changing the balance of supply and demand in line with well-established relationships.

Let us imagine that the UK wanted houses to be 20% more affordable by the end of a parliament. This would involve raising supply by 10%. Since the current stock of housing is around 30m, that means 3m houses in 5 years, or around 600,000 a year.

¹⁷ [Can Zoning Reform Reduce Housing Costs? Evidence from Rents in Auckland](#)

¹⁸ [Can Zoning Reform Reduce Housing Costs? Evidence from Rents in Auckland](#)

¹⁹ [Going it Alone: The Impact of Upzoning on Housing Construction in Lower Hutt](#)

²⁰ [Going it Alone: The Impact of Upzoning on Housing Construction in Lower Hutt](#)

This is not sufficient to reduce house prices and rents by 20% - that would be true only if population, incomes and interest rates did not change.

600,000 seems like a high number - it is around 2% of our housing stock. But that is exactly the figure that New Zealand has delivered on average over the last five years.²¹ We could, like New Zealand, decide that high housing costs are not something we want. Having decided that, we could then take the actions that are needed to reduce them.

Delivering 600,000 houses means giving permission far more liberally. Auckland outlined areas that could allow the city to double or triple its population. Making this sort of development possible does not mean it will happen, rather it means that those who own the land with planning permission have proper "use it or lose it" incentives: if they do not use it, someone else will satisfy their customers by building homes elsewhere. Competition is the only reliable way to get builders to build.²²

Notice that this requires no public money. The houses are needed in areas where it is economic - indeed more than economic - to build houses. That is true if we decide as a society that we want to build out - with new suburbs and well-planned urban extensions. It is true if we decide to come together, replacing detached and other land hungry forms of housing with terraced housing. It is also true if we decide to go up, and have anything from the sorts of flats you get from Pimlico to Paris, or the sorts of skyscrapers we have in the City, or Hong Kong. All of these are viable, including with developers paying for the costs of infrastructure and a good number of social houses.

²¹ [Estimated number of private dwellings in New Zealand - Figure.NZ](#)

²² [The local effects of relaxing land-use regulation on housing supply and rents](#)

THE WAY FORWARD

Our system of planning allows everyone to have a say, but it does not test whether those who choose to have a say are representative of the views of the wider community of people who live in an area, or who would like to live in an area. The result - although not the intent - is that the majority of respondents are over 55, disproportionately affluent and disproportionately likely to be home owners.²³

That is the context for this report. It is an optimistic report. It sees the planning system as important in delivering places and homes that people want to live in. But it also sees planners as shackled by the current system, shackled by being expected to listen only to those who choose to write in. Planners are deterred from seeking views from a wider, more representative selection of people, and deterred from building communities and opportunities for residents current and future.

Plans need to be made in the context of the fundamental outcomes that people want. We found consistent support for the idea that it should be easier to get a place of your own, and that young people in particular are struggling. That is why we need to consult a wide and representative cross section not only about the details of the plan and about specific proposals, but on the very objectives of our plans. If people want houses to be more affordable, for young people to be able to find a place of their own, then the plan needs to make sure that it will deliver on that objective. That means planning for new homes at scale, for new communities, for new infrastructure. It is an exciting agenda, and one that can deliver for Britain and for its many and diverse communities.

²³ [Planning and public engagement: the truth and the challenge](#)