HOUSING FUTURES 2024

A PROVOCATIVE LOOK AT FUTURE TRENDS IN HOUSING

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FOREWORD

HOUSING AS COMMODITY OR LIFESTYLE?

The way we will live in the future is already being shaped by information and communication technology (ICT), and spatial planning and infrastructure decisions that are being taken today. Information technology is opening up new opportunities for how we organise work, spend our leisure and where we choose to live. Planning decisions taken today will only begin to have an impact a decade ahead.

It could be argued that the word 'housing' still reflects an expectation of a commodity; measured in units produced, assessed by technical functionality and produced by specialists. Looking twenty years ahead with a blurring of functions, greater social diversity and a speed up in changes in demographics, will we still predominantly be concerned with facilitating choices for alternative lifestyles?

Housing Futures 2024 opens up the debate about possible futures; six papers were commissioned to look at the future of housing from different perspectives. Four of the papers are presented as future scenarios set out as stories from a particular perspective. The other two papers point to potential outcomes. An introductory paper argues that housing is more than a simple equation of supply and demand, it is part of a consumer society, with a widening diversity of expectations. Housing should be offering diverse products but 'instead it seems to present more dull and unimaginative buildings; a proliferation of mediocrity'.

The work of Building Futures has identified the future challenge of designing for paradox. The binary choices of 'either' this 'or' that, are being superseded by a realisation that expectations are more complex, focusing us on searching for solutions that will allow often conflicting demands to co-exist. Housing choices in the future may reflect a paradox where living and working overlap; where different living patterns reflect a diversity of lifestyle choices.

Building Futures, a joint initiative between CABE and RIBA, is a three-year programme with the aim of scanning over the horizon to search out opportunities and potential barriers to help formulate current policy and stimulate debate.

The value of looking ahead is that we can identify potential pitfalls and opportunities that reflect our specific values and expectations and then take decisions to steer policy towards the outcomes we would desire. The four scenarios, whilst not presented as 'predictions' are not necessarily what might be desired but rather the outcomes we might expect if current trends in attitudes and technologies are followed. Housing Futures 2024 will, we hope, provide the stimulation for a wider debate, through our website at www.buildingfutures.org.uk and a programme of events. This should then influence the production of housing to support a diversity of lifestyles.

John Worthington, Chair of Building Futures
March 2004

INTRODUCTION

WHAT IS HOUSING FUTURES 2024?

In 2004, housing is at the top of every local, regional and national planning and political agenda, and frequently features in the media. There are important questions to ask, where these homes will be built, who will build them, what they will be like and whether they will meet the needs of future generations? The question of the existing housing stock and its capacity to meet future needs is also a key issue.

This project arises from the context set by the Sustainable Communities Plan published by the Office of the Deputy Prime Minister in February 2003. The plan proposes an expansion of housing provision in the South East and a renewal in the North East and North West. This new housing is due to be completed in 20 years time, a timescale that fits well with the Housing Futures horizon. Building on from this, the Barker Report 'Review of Housing Supply' published in March 2004 outlined a number of concerns surrounding the failure to provide an adequate supply of housing in the UK, and the adverse effects an unresponsive housing supply can bring about.

Housing Futures 2024 has been a major element of the Building Futures programme in 2003/04. The project comprises a provocative series of papers written by academics, built environment professionals and construction industry representatives. In common with much other 'futures' oriented work, the scenarios themselves are not intended as 'predictions' of the future, but as vehicles for investigating issues that will inform policy and practice decisions today. Authors, with expertise in a range of fields, were chosen to explore the range of issues affecting the supply and delivery of housing in this country. These were based around six 'drivers of change': social, technological, economic, environmental, political and delivery factors, together with a paper giving a contextual opinion.

The seven papers and authors are:

1 **HOUSING VISTAS**
A contextual overview by Kathryn Firth and Roger Zogolovitch, Cities Programme, LSE

2 **BACK TO THE FUTURE:** STAYING WITH THE SUBURBAN IDEAL
A social perspective from Sean Griffiths, FAT

3 **THE BRAVE NEW WORLD OF THE 21ST CENTURY HOME**
A technological perspective from Andy Gillespie and Jonathan Rutherford, CURDS, University of Newcastle

4 **THE ECONOMIC FRAMEWORK FOR HOUSING**
An economic perspective from Christine Whitehead, Department of Sociology, LSE

5 **HOUSING IN A CHANGED CLIMATE**
An environmental perspective from Roger Levett, Levett-Therivel

6 **FUTURE INVOLVEMENTS:** GOVERNING HOUSING
A political perspective from Duncan MacLennan and John McLaren, Department of Urban Studies, University of Glasgow

7 **CHARTING THE REGENERATION FUTURE**
A delivery perspective from John Callcutt, Crest Nicholson

A PROVOCATIVE SERIES OF PAPERS WRITTEN BY ACADEMICS, BUILT ENVIRONMENT PROFESSIONALS AND CONSTRUCTION INDUSTRY REPRESENTATIVES

The authors were issued with a brief detailing a number of questions and issues for consideration however they were not 'prescribed' with a particular topic. The papers have evolved over a period of months during which a series of workshops took place with authors to discuss conflicting and consenting views. An expert seminar was also held where delegates from a range of backgrounds were invited to discuss the emerging papers and give their responses to expand the debate.

The different papers themselves fall broadly into two types. The first type is an exploration of a possible scenario for housing in 2024 from a particular perspective, developing a narrative about what may drive change in the next two decades, (for example a shift in culture, governance or climate), and exploring at first hand the experience of living in the resultant housing environment. The 'urban renaissance' is a strong underlying theme implicit in all of these scenario-based papers: issues of where people might choose to live and the motives behind these choices (and the extent to which these motives may be shaped by different policy interventions) are explored through a number of standpoints.

The second type of paper is firmly grounded within an examination of the mechanisms governing housing today, and the specific trends and driving forces that are likely to act upon the housing sector within the next twenty years. Alongside discussion of what the future is likely to hold, these papers propose a series of broad-brush policy and governance interventions in response, that seek to foster the best possible housing outcomes within the constraints identified.

Whilst all of these papers were originally intended to explore the issues of housing in the future from markedly different standpoints, there are many common themes emerging. These serve to reiterate that the issues surrounding the demand and supply of housing are inextricably linked, and that the concept of 'housing' has many facets and roles: that of a private consumer 'good'; a vehicle for social justice (or conversely inequity); the major household investment and a lottery for unearned wealth; a political bargaining tool; a tool for community and political capacity-building; a driver for interest rates.

Across the different papers there was also an acknowledgement that the current situation is not sustainable in the long term, whether due to a growing risk of household indebtedness, inequity between tenures and areas, or inefficiencies in the maintenance and viability of the housing stock. In addition, the narrative scenarios also give a sense of the need for radical action or change, painting provocative (yet in some cases dystopian) views of the future: a failing urban renaissance; increasing spatial, technological and cultural segregation; an environmental crisis. As can be seen in the resulting scenario extracts and summaries, the papers reflect a range of cross-cutting themes and questions.

1

HOUSING VISTAS: A POSSIBLE FUTURE

KATHRYN FIRTH &
ROGER ZOGOLOVITCH
LSE CITIES PROGRAMME

SUMMARY

There is a growing sense of crisis relating to housing. This is most immediately expressed by the imbalance in supply and demand between the South East and North of England, which the government has sought to address through its Sustainable Communities Plan. The plan is a useful context for the debate and clearly defines the issues but ultimately continues the planning led idea of 'predict and provide'. It attempts to treat the problem by assessing housing statistics from previous eras, and treating the shortage of housing supply according to housing patterns from the past. This paper questions whether that is the correct approach and argues that it is necessary to look beyond the issue of supply and demand.

Housing is part of the consumer society. It is seen as an investment and home ownership is rising – by 1% in London and 3% across the country. However, owning a home is out of the reach of many people, and this is most true in the capital. Statistics that measure the affordability of housing show that the cost of private ownership keeps rising to historically higher and higher levels. These statistics point not only to a growing crisis, but also to this paper's argument that the housing context is moving away from historical precedent. In short we are on the road to a new housing landscape.

The major problems are that the type and location of housing that people want to live in, is not available, and that land supply is severely restricted. The latter does not only refer to the availability of land, but also to its use. The planning system is too inflexible in allowing change of use. The result of these constraints on housing is spiralling prices.

EXTRACT

HOUSING PART OF THE CONSUMER SOCIETY

Ours is a consumer culture partly fuelled by a belief in home ownership. Therefore, it is when the supply-side of the accommodation equation is plummeting that we get into trouble. Across the UK the balance between households and dwellings has worsened slightly, especially in the 1990s and in London.

Housing, in this country probably more than elsewhere in Europe, is seen as an investment asset. It therefore reflects cyclical influences on expectations and consumption patterns; for example, the spiralling of house prices during the last five years in the context of a low interest environment; and the transfer of chunks of personal savings from equity markets to real estate markets, with the growth of the buy-to-let investment. All of these are symptoms of the failure of supply, and drive us to imbalance and to crisis.

Despite the fact that a healthy private rental sector has been shown to correlate with healthy employment levels, home ownership keeps growing. It is up 1% in London and 3% across the UK.

Interestingly, the private rented sector appears lately to have started accommodating poorer households as access to social housing declines. This has occurred despite the fact that there are no tax incentives to encourage owner-occupiers to rent out their homes or some portion thereof.

Owning a home is out of the reach of many people, and this is especially true in London. Statistics monitoring the cost of private ownership in affordability terms - the multiple of earning necessary to support the mortgage repayments and, thus, capital cost, keep rising to historically high and unsustainable levels.

These statistics point to the growing crisis, and reinforce this paper's position that the context is moving away from historical precedent. We are on the path towards a new landscape for housing provision in the UK, expressed through desire and choice rather than the older municipal predict and provide. Demand in the South East and surplus in the North West and North East reflects these consumer choices.

The problem is that the type and location of housing that people want to live in, is not available. The market must free up aspirations and housing choice. This change in the market towards consumerism will demand a much wider choice than our historical predecessors.

The ready availability of long term mortgage finance at historically low levels of interest has enabled ownership of multi-units of accommodation for occupation, enjoyment and investment.

Capital gains tax relief on gains from home ownership has contributed to the attractiveness of real estate investment for affluent sections of the community. Economists recognize that spending generated growth in the economy is assisted by house price escalation, which, in turn, has justified additional personal borrowing.

2

BACK TO THE FUTURE: STAYING WITH THE SUBURBAN IDEAL

SEAN GRIFFITHS
FAT

SUMMARY

This imaginary newspaper article considers how, over the decades, the Ideal Home Exhibition has more accurately reflected the housing preferences of the majority than the visions of architects and planners. In particular, the exhibition has anticipated the trend towards suburbanisation that has been a major shaper of the urban and rural landscapes throughout the twentieth century. This trend is shown to have continued in the period up to 2024, despite the attempts of architects, planners and politicians to stimulate an urban renaissance. This assumption is made on the basis of processes that have actually unfolded over the last hundred years and which show no sign of abating in 2004. The assumption is also informed by the experience of similar societies, such as the USA, where the process of suburbanisation, and a number of other associated social trends, are more advanced.

Also taking its cue from the urban experience of the United States, is a discussion of the effects of immigration and the changing culture of communities, and the impact on both inner city and suburban housing. By 2024, a process of middle class flight from the inner cities will be well underway. It will be driven by factors such as increasing privatisation of public services and large increases in levels of immigration. The inner cities will be home to a significant proportion of the new unskilled immigrants, who will appropriate the discarded urban fabric and adapt it to meet their needs.

The middle class will be joined in the expanding suburbs by established immigrant groups, who have also risen to the ranks of the middle class. This process and a number of other social factors will effect a substantial change in both the physical fabric of the suburban landscape and the social practices within it. However, these changes will manifest themselves subtly, particularly in respect of the appearance of housing, which will maintain its largely traditional aesthetic.

EXTRACT

This year's exhibition shows us that despite the great social, environmental, and technological changes we have witnessed over the last 20 years, little has changed in the aspirations and values of Middle England. Despite the pressures of environmental ideology and the exorbitant cost of land and housing, Middle England continues to yearn for the house surrounded by a bit of garden in a landscape, which, in the mind's eye at least, is still a rural ideal. This has meant that the trend towards urban sprawl and the suburban ideal, that many predicted would disappear, again perhaps through a little too much wishful thinking, is still going strong. And the so-called urban renaissance, which many architects and urbanists hoped for twenty years ago, has with the exception of London and a few trendy spots in the northern cities, largely failed to materialise.

Environmental and social factors, together with technological change, have undoubtedly contributed to this failure, but could it also be a result of the continuing rejection of architects' values by those who inhabit mass housing? The social failure of many new types of houses dreamt up by architects in the 1990s and 2000s certainly raises this question. And it does seem as though the much heralded reinvigoration of Modernist housing that was inspired by the Dutch high-density housing boom of the 1990s has resulted in architects and planners repeating some of the mistakes of the 1960s. Prefabricated micro-flats, in particular, have proved to be lacking in adaptability for the new inhabitants of the inner city – those on the lowest incomes and the immigrant poor. Originally built for inner city key workers, there are today very few key workers left to fill them. Those who work in the now largely privatised health, police and fire services have tended to follow their paymasters to the suburbs.

In contrast, types of inner city housing that developed more organically, such as loft apartments have proven more adaptable to social change. Like the fine inner city Georgian and Victorian houses of the eighteenth and nineteenth centuries, these former homes of the wealthy have been abandoned to poorer immigrant groups, as the wealthy flee the increasing social polarisation, crime and exorbitant congestion charges of the inner city. Such properties, somewhat ironically given the image of foot-loose and fancy-free bachelor life with which they were once associated, have proven to be ideal places for immigrant communities, accommodating a range of household sizes to inhabit. However, the 'open-plan' lifestyle celebrated by the previous occupiers, has been replaced by a more flexible maze of rooms, creating warren-like environments that accommodate the demands of living, sleeping, eating, reproducing and - importantly – working. The inhabitants of these spaces, offered no support by the social security system, seek to eke out a living amongst themselves, causing the buildings to spawn innumerable cottage industries including manufacturing, schooling and farming. As a result, certain sections of our inner cities have begun to look more like the old walled city of Kowloon in Hong Kong, than a traditional British city, whilst others are deserts of desolation, either in the form of uninhabited wastelands, or in the equally grim and lifeless gated communities, which protect the few remaining wealthy urbanites from those who free them of drudgery.

3

THE BRAVE NEW WORLD OF THE 21ST CENTURY HOME

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SUMMARY

Technological change offers increasing flexibility and can support widely varying lifestyle choices and urban forms. This paper presents three varying scenarios – the home as cocoon, the home as integrated live-work space and the home as the temporary touch-down space for the ultra-mobile. In each of these cases, albeit in widely varying ways, technological advances associated with the widespread availability of bandwidth and wireless access are providing the means for changing the ways the home is used and integrated into daily life. The scenarios are thus about how new technologies are being used to underpin different lifestyle choices and this in turn may have significant implications for the nature and location of housing and for urban sustainability.

To take opposed examples, the new wireless technologies could support the revitalisation of public space, or the process of retreat into the electronically-gated and secure home; they could contribute to bringing life back into run-down urban neighbourhoods, or the decentralisation of activities into remote rural areas. Which of these opposing scenarios prevails, will depend on the aggregation of individual lifestyle choices, within the constraints and opportunities set by housing developers, planners, telecommunications companies and governments.

The increasing importance of technology in underpinning daily life means that a technological dimension needs to be integrated into broader strategies to bring about desired societal outcomes.

To take two examples, strategies to revitalise our cities should be attempting to encourage the proliferation of wi-fi hotspots in city centres, transport termini, public parks and other public spaces; while strategies to diversify the economy of rural areas need to ensure that rural market towns and smaller communities have access to broadband services, whether by wire or wireless means of delivery.

EXTRACT

The biggest problems with attempting to suggest one technological outcome for the future of housing developments are the fast moving nature of technology and the opposing groups of stakeholders involved (technophiles and technophobes, private telecommunications companies and the public, rich and poor, young and old...). ICT supply and demand changes virtually on a daily basis, dictated by technological developments, economic market forecasts and government regulation. While we feel safe enough in predicting that mobile, wireless technologies are likely to become an increasingly important element in satisfying the communications needs of people (both at home and on the move), we cannot say for certain that these technologies will completely displace fixed, wire-based communications networks in coming years. The chances are that both will co-exist to provide faster, more seamless connections from the home (in the case of the latter), and more convenient and flexible connections while people are on the move (in the case of the former).

If we were to highlight one crucial preferred outcome of our 'technological scenario' on the future of housing, it would be more public intervention to try to reduce territorial disparities in the access and take-up of the infrastructures and services of the near future, particularly of broadband.

A policy of expansion or renewal of housing provision should include an expanded technological element to it, whereby any new construction or redevelopment foresees connection of homes to a broadband backbone infrastructure, preferably fibre, running along major roads, from which coaxial cable or ADSL-enabled copper wires serve each individual house. There should be connection points situated throughout each house, plus sufficient cabling space left for any future telecommunications upgrading.

Developers should follow closely technological changes in the ICT sector, and be flexible enough to adapt plans to include any new or upgraded infrastructure that might emerge. Housing developers need to be encouraged to work more closely with telecommunications providers. This type of technologically aware and sustainable strategy should take place in all cases, and not just for developments in more prosperous or urban areas.

An undesired outcome of this scenario would be a continuing and reinforced form of socio-spatial polarisation. Some housing areas would be left without technological access because they would not be deemed profitable enough by the networks and services of powerful private companies operating in a liberalised market environment. Government policy (in telecommunications and housing) needs to provide at least a context of territorial regulation, in which less favoured areas and groups stand a chance of seeing future housing developments equipped with some of the latest technology, rather than being bypassed by it. However, given the complexity of the sector, the number of stakeholders involved, and the wide range of external factors bound up in telecommunications infrastructure provision, any policy intervention should be open and flexible, rather than encouraging exclusively top-down master plans.

We have looked at a wide range of contexts, factors and implications, from the global technological backdrop to the importance of individual lifestyle choices. It must be stressed that gaining a coherent image of the future of housing from a technological perspective (and from all the papers) will depend on thinking and acting in relation to these mutually constitutive elements in parallel.

4

THE ECONOMIC FRAMEWORK FOR HOUSING

CHRISTINE WHITEHEAD
LSE

SUMMARY

Future housing economics provide three possibilities – one good, one bad and one in between, with the last scenario having the highest probability.

The optimistic scenario stresses the reality of economic growth. There will be more households to be housed, greater demand from each household, and the capacity to adjust to those demands without incurring significant social costs. The most important housing aspect of this optimistic scenario lies in the capacity of the planning system and the construction industry to reduce the costs of building, to make both new and existing housing cheaper to run and more environmentally friendly, and to provide more housing to meet the increasing demands.

The pessimistic scenario is fundamentally dependent on what happens to the world's economies, in particular the United States. If there were to be large scale world recession then the problems of housing market confidence, unravelling over-extended indebtedness, and maintaining a reasonably operating housing market, would become very significant indeed. Supply would dry up and price differentials would increase significantly. Equally, the government's capacity to assist the market to adjust to lower levels of investment and demand would be extremely limited.

Under the most likely scenario there is still significant demand for housing concentrated among higher income households and in already pressured areas. On average, confidence remains high in the prosperous areas – but it becomes increasingly difficult to support housing in poorer neighbourhoods – leading to greater segmentation of markets and households. Housing conditions for the vast majority do improve, households probably pay a little more for their housing and there is greater flexibility in the use and tenure of the existing stock. But the lack of robustness of the housing system to economic and social change remains.

EXTRACT

WHAT WILL NOT CHANGE?

There are many factors that are unlikely to change. First, most of the housing decision makers in twenty years' time are already born – and most of them are already living in this country. Second, the vast majority of the housing stock in twenty years' time is already in place. Third, if personal incomes increase, the demand for housing will rise roughly in proportion to that income. Fourth, housing aspirations, although not necessarily backed by the capacity to pay for those with lower incomes, will almost certainly increase over time.

SO WHAT WILL HAPPEN BY 2024?

Under the most likely scenario there will be considerably increased demand for housing, concentrated among higher income households and in already pressured areas. In twenty years the demand will have expanded by perhaps 40% - but prices will also have increased.

On average, confidence will remain high in the prosperous areas – but it will become increasingly difficult to support housing in poorer neighbourhoods. Government will have some capacity to address these issues through policies to further restructure the social rented sector and to increase investment in regeneration areas. However these will be at the expense of more general investment strategies that could help maintain and improve inner suburbs where older, poorer households tend to be concentrated.

Pressures to develop a small number of new areas will have been successful in their own terms but many of the pitfalls related to single tenure and badly designed housing will have resurfaced in a slightly different format.

In some areas the social sector will be more closely integrated into the local housing markets. However, more difficult areas with inflexible built form and limited economic opportunity will remain a continuing drain on the Exchequer.

Thus, although major problems will remain, housing conditions for the vast majority will improve, households will probably pay a little more for their housing and there will be more flexibility in the use and tenure of the existing stock. However, the housing system will not be robust to change in this economic environment.

WHAT IS REQUIRED?

First, adequate housing will continue to be unaffordable for a significant proportion of the population. We must therefore maintain the principles of the welfare state – aiming to ensure that all households can achieve adequate housing and that these standards will increase with general income levels.

Second, the government must maintain its commitment to act as the residual funder to produce the necessary supply of affordable housing. The cost to government of this commitment can be reduced both by increasing the flexibility of land and housing supply and by improving financial mechanisms.

Third, individual households must have some choice over their accommodation, tenure and location, and landlords some freedom to compete with one another. Only then will the social sector be properly integrated into the overall housing system and the current investment in the existing stock be effectively supported.

Finally, the tax and benefit system must ensure that individuals face the true costs of housing, but that affordability is sustained by income-related subsidies.

5

HOUSING IN A CHANGED CLIMATE

ROGER LEVETT
LEVETT-THERIVEL

SUMMARY

The scenario assumes that within the next decade the proliferation of climate related disasters will finally make the British public take climate change seriously, and accept - indeed demand - heavy government interventions to cut fossil fuel use by about tenfold. Implications for housing could include:

- Regulation, customer preferences and higher energy prices together forcing a step change in the energy consumption of new housing, largely through familiar 'passive' technologies - insulation, thermal mass, solar orientation, daylighting, passive ventilation, terraced and tenemental built forms, and careful landscaping and planting to manage microclimate
- A blossoming of technologies to make houses (or neighbourhoods) zero-energy or even net energy generators through solar cladding, local biomass fuelled combined heat and power plants, heat grids, heat pumps, 'green roofs' etc
- More 'social democratic' development, including mutual, co-operative, and social landlord-led developments for upmarket not just 'affordable' housing; the relative decline of commercial developers
- Transport policy will finally grasp the nettle of discouraging and restricting car use, not just subsidising additional greener 'choices' that few choose. Car-dependent lifestyles will be made unattractively expensive. This will make people actually want to live in the urban, high density housing that planning policy already promotes - and maybe perceive urban life as privileged with opportunity, and suburban life as restricted
- The typical 1950s - 1990s suburban estate houses are least adaptable to climate change and least accessible to re-urbanised amenities – consequently they become the new slums. Pre-1914 urban housing, already good in many ways, and easier to adapt/refit to respond to climate change, will be the most desirable

Housing aspirations will still be formed from a mixture of practicality, perception and prejudice. But a serious response to climate change could change all three.

EXTRACT

Suppose that the positively Biblical succession of floods, famines, droughts, hurricanes, mudslides and other climate-related disasters paraded across their televisions every night finally make Joe and Joanna Public feel that there is something radically wrong with the way humankind is living off the planet. Once there, it is not a big step for them to see that putting this right must take top priority, since climate insecurity casts a dangerous and darkening shadow over everything else we may aspire to.

What then, in these circumstances, would housing and people's attitudes to it, be like? Let us peek into the home of a typical young English couple of 2020, Miriam Olowayo-Bull and Chang McPherson-Mohammed. It's a modest brick house in the middle of an inner city terrace of similar homes dating from the nineteenth century. At first glance they look much the same as they and millions of similar houses did around the turn of the millennium. At second glance, puzzlingly, they look much more the way they did in 1900 than they did in 2000. Let's take a closer look and see why.

The clumsy, ill-proportioned replacement windows have all gone and the original elegantly minimal sashes are back. Except they aren't the originals, but modern ones with exactly the original proportions yet with low emissivity triple glazing, fitting snug and draught-free on teflon coated airtight runners. They are opened and closed by electric motors in the sash boxes under the control of the house's building management system.

Also gone is the hotchpotch of replacement roofs. The roofs are now identical and in perfect repair, just like when they were built. But those aren't slates, they are photovoltaic panels, installed by the community energy agency. Participation was voluntary, but no households declined because the new roof was free and came with a Greenhouse Tax rebate that halved an average household's tax bill.

The coal plates are back in the path outside every front door. However, they are not for coal, but to give access to the eco-utilities connections. Every house has: drinking water (in a microbore pipe), washing-grade water (in a bigger pipe because it's a tenth of the price), biogas (from the local digester – a premium fuel used only for cooking), hot water (from the local combined heat and power (CHP) plant, grey water out (to the reed beds), sewerage out (to the digester), and electricity (in or out depending on whether the roof is generating less or more than the household was using.)

Traffic is back to the Victorian scatter of bicycles and small service vehicles - the late twentieth century car infestation turned out to be a transient anomaly. However the service vehicles are now mostly battery-electric food delivery or recycling collection carts operated on foot, with the occasional electric taxi or minibus. The road itself has been reduced to a single-track gravel path winding past a succession of lawns, play areas, ponds and the occasional vegetable patch. Now look behind the houses: is that a mango tree holding up one corner of the graceful canvas awning?

6

FUTURE INVOLVEMENTS: GOVERNING HOUSING

DUNCAN MACLENNAN & JOHN McLAREN
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SUMMARY

Rising but stubbornly unequal incomes and growing household numbers will sustain demand and put pressure on the housing system. Pressures and imbalances will be evident both regionally - with the South still growing faster than the North and locally, with cities combining to recover in all regions whilst poorer quality, suburban markets become more problematic. Pressures will be reflected in 'quality' issues within the market (in contrast to the social sector) and within decline and abandonment in less popular northern localities. There will also be overcrowding in emerging market 'slums' in the South. Affordability issues will permeate the lives of middle income households except where family wealth supports new owners. Both affordability and quality issues may hamper the attraction of international migrants to meet emerging, Britain-wide labour shortages.

New structures of government and governance will have to cope with these divergent, market-driven, localised problems. EU membership will still mean pressures for a more stable market but the EU will continue to ignore housing systems and leave policy to nations. Whitehall will increasingly focus on a stable housing market policy framework and benefits system reform, but is likely to only grasp possibilities for taxing housing gains as the elderly 'dependent' population expands. Allocation of resources to 'regions' will become an increasingly contested issue as 'regional' or 'metropolitan' government becomes the key focus for strategic housing policy formulation. Community governance of social housing, especially in regeneration areas, will become the norm but the main area of housing problems and politics will shift to the market.

EXTRACT

Devolution from Westminster means that regional agencies and providers could acquire a new democratic accountability. What can be better provided regionally than locally? That debate has hardly yet surfaced in England and it simmers below the surface in the presently devolved administrations. There are at least three arguments for a wider regional governance of housing:

- the economic arguments lie at the supra-local authority level
- 'housing authorities' are often too small to mesh with wider housing and labour markets
- local planning decisions may neglect wider strategic regional economic impacts

Regional providers could offer an alternative to ineffectual local authorities. There may be a case that authorities that consistently score poorly on delivery indicators across housing, planning and related services, should see their functions and budgets transfer to others in the region (public or not for profit). The future will require housing planning, provision and price outcomes that foster competitiveness as well as social justice. Governance will have to be driven by competence because it is performance rather than old party and boundary loyalties that increasingly shapes the votes of Britons. Some of our strategic housing and planning functions may just be too local.

Regional government could have housing functions where local governments are small or weak. Such variety already exists within the UK, with devolved administrations in Scotland, Wales and Northern Ireland pointing the possibilities for England beyond Regional Housing Boards and Government Regional Offices. For instance, the Northern Ireland Housing Executive essentially acts as an overall regional housing service. Taking these considerations together the future thrust of housing policies at the regional scale could require:

- reshaping the Housing Corporation, merged with English Housing Partnerships, into a series of Regional Housing Partnerships (RHP); in devolved regions the RHP could report to the regional assembly and be funded from its block grant; in others it would have a regionally based board involving councillors and community leaders and be funded from ODPM with a 'mission'-oriented budget
- regional governments or Government Regional Offices developing a ten-year vision statement for the region in collaboration with local governments and Whitehall departments; regional investment strategies should be influenced by vision as well as indicators of social need
- developing better links to the planning system. The regional strategic housing plan should follow from the regional vision, have a clear competitiveness audit and have a costed statement of the infrastructure and related programme expenditures required
- a clear emphasis on connecting housing investment, and related land and infrastructure decisions, to economic development possibilities.

These proposals should help both promote devolution and effectiveness in UK housing and bring key strategic choices closer to regions of interest. But delivery of housing and neighbourhood regeneration will require more decentralised provision and presence.

7

CHARTING THE REGENERATION FUTURE

JOHN CALLCUTT
CREST NICHOLSON

SUMMARY

The present shortages in housing supply are the inevitable consequence of decades of neglect and under investment in the social and physical infrastructure of our towns and cities.

The nature of tenures and social mix need to be clearer; a single allocation process could deliver public rental, shared ownership or owner-occupier properties from the same 'sales' outlet. The physical attributes of the built environment are key considerations: achieving a high quality living environment at medium to high densities will require the very highest standards of layout and architecture for both buildings and public spaces.

The integration of public buildings such as schools and health care facilities in the physical core of new neighbourhoods to bring people together would underpin the viability of local retail and leisure facilities.

In the future, new forms of 'localism' may emerge. There is a clear and permanent link between apartment or street management and the local democratic and administrative systems. Unified estate administration structures are one way to achieve this, allowing owner-occupier and public sector rental residents to participate equally in the management of the community.

Crime and anti-social behaviour must be tackled and topical proposals such as tagging, use of CCTV, zero tolerance and 'broken window' policies are considerations in 2024 as well as issues of civil liberty and the role of the state.

There are a number of ways to tackle social exclusion, some of which are self-evident but expensive like free pre-nursery education, while others such as instruction in civic responsibility are more controversial and open to abuse.

Costs and viabilities are essential to the process of regeneration and serious proposals need to be made now to maximise the market value and yield of urban regeneration projects through the concept of 'rolling forward' value.

EXTRACT

FOREWORD BY THE RT. HON CHARLES BRAEFORTH MP
Secretary of State for Urban Regeneration, March 2024

In the first decade of the century, domestic policy became sharply focused on the need to increase the housing supply through urban regeneration rather than edge of town or greenfield development. The principle barrier to the immediate and widespread implementation of this policy was that the majority of the population regarded cities, as highly unattractive places in which to live and bring up a family.

At the urban edge and in the provincial towns and cities, planning authorities tried to use the planning system to resist the encroachment of these estates, which they believed would destroy the heritage and character of their communities. The Government launched initiative after initiative, spending and earmarking billions of pounds for regeneration and new settlements, yet still the problem persisted.

The solution was clear - make city living the preferred location of choice for a much broader section of society and ease the many problems caused by urban flight. Whilst the proposition sounded simple in theory, in practice it represented the most daunting challenge of the time. There was no easy fix, the quality of life in our cities had to be significantly improved before we could begin to stem the outward migration of the relatively affluent.

We estimated that it would take decades to repair the damage that generations of neglect and under investment had wrought on our cities and their most vulnerable inhabitants. Alternatives such as the widespread release of greenfield land or the relaxation of design and quality standards, a 'dash for trash' would only postpone the crisis; the nettle had to be grasped.

The range and complexity of issues that had to be tackled was daunting and demanded an unprecedented level of inter-governmental and public/private co-operation. As the first steps of implementation were set in train, issues came to the fore testing the adequacy of our legislative, administrative and judicial processes.

The single largest disincentive to city living was fear of crime and anti-social behaviour. In the short-term our policy had to be one of containment and deterrence. For the longer term we began to address issues of social exclusion and under-achievement, the root causes of crime and anti-social behaviour. While there was no disputing the need for additional, more cost effective investment in basic social services such as universal free nursery education and better schools and hospitals, our educational programmes in personal and civic responsibility were more controversial.

Cost quickly became the major issue. The level of public investment required for improved services together with subsidies for affordable housing was so large that hard choices had to be made between infrastructure for new settlements or sustainable urban regeneration. Notwithstanding this, the greater part of the management and financial resource needed for project implementation had to be sourced through the private sector.

Finally the most valuable and expensive lesson we learnt still guides us; it is not for government, developers, architects or construction engineers to impose solutions. The historic account of the Berry Trees regeneration project begins 20 years ago in 2004 with a young couple peering through park railings in an unfamiliar neighbourhood, seeking a better life for themselves and their unborn child. Until we learn to listen, understand and meet their aspirations there can be no urban regeneration, sustainability or social justice.

CONCLUSIONS

DRIVERS & TRENDS

Currently within the UK, there are a number of different housing 'contexts' and 'crises'. These encompass affordability issues, housing shortages and issues of low demand, across different parts of the country. These issues are outlined in the Housing Vistas paper The 2003/4 'Review of Housing Supply'[1] (the Barker report) identifies a series of drivers and trends that have impacted upon and constrained the supply of housing; ranging from increasing demand, population growth, and demographic change to the increasing emphasis and preference for ownership, and the highly political nature of housing development.

It is clear that over the next two decades, the underlying issues driving such trends need to be addressed, whilst other forces for change need to be anticipated and accommodated, to avoid a deepening crisis.

There are a number of key drivers identified and explored within the housing futures work. The economic paper identifies the macro-economic environment as the major determinant of housing outcomes – world recession, the rates of income growth, distribution of income, inflation and deflation, interest rates, employment levels, employment security and geographic distribution, regional economic factors and finance markets. In this respect, the state of the macro-economy is seen as a limiting factor. The extent to which housing and financial mechanisms can be effectively employed to create the optimum housing conditions depends upon economic factors. At the level below that of the macro-economy, demographic trends are relatively easily identified and anticipated; whilst the nature or survival of the welfare state is a key contributing factor that is less easy to define. The popularity of owner-occupation is yet another major factor that could significantly change over time.

[1] Barker, K (2004), 'Review of Housing Supply', London, ODPM.

'CONTINUING GROWTH IN HOUSEHOLD INCOMES AND NUMBERS, AND INCREASED PRESSURE FOR HOMES WILL HAVE A MAJOR IMPACT ON THE HOUSING SECTOR'

The policy paper suggests that housing is a key integrative system, and in this respect is affected by factors at both the global/national level and at the regional/local levels. It reinforces the view that continuing growth in household incomes and numbers, and increased pressure for homes will have a major impact on the housing sector, alongside continuing spatial imbalances between north and south (growth and decline), wage inequalities and regional affordability. Policy failures are anticipated as contributing towards increasing rates of house price rises, whilst housing value gains (the 'lottery') are seen as becoming more politically contested. Immigration (achieving continuing growth of the nation across the skills sector) is seen as an increasing driver with economic and political ramifications, alongside the issue of the ageing population, and the inadequacy of existing housing stock. Balancing the housing needs of a diverse population across the UK will increasingly drive political and economic agendas in the future, alongside a potential shift away from short-termism in city and building policies.

'BALANCING THE HOUSING NEEDS OF A DIVERSE POPULATION ACROSS THE UK WILL INCREASINGLY DRIVE POLITICAL AND ECONOMIC AGENDAS IN THE FUTURE'

The narrative scenario papers adopt a number of themes to use as the basis for hypothesising about the future. These have strong underlying social factors, exploring issues of lifestyle, consumer choice and aspirations in tandem with technological advances, environmental concerns, and immigration. Shifts in public services provision, or a breakdown of civil order, are also considered. The relative likelihoods, or prominence, of such drivers is unknown; each paper strikes a different standpoint.

EMERGING THEMES

CULTURE, FLEXIBILITY AND CHOICE

Whilst the housing futures work has identified that aspirations and demand for housing will rise roughly in line with incomes, and that in the future there is likely to be a growing emphasis on consumer choices and mechanisms, there are a number of different views as to how this will find expression within the housing (and urban) environment. It is suggested within some scenarios that the ability to choose the housing 'offer' (including not only the house, but the neighbourhood and the public services within) could result in an increasingly segregated society, between the urban and the suburban.

> 'IN THE FUTURE THERE IS LIKELY TO BE A GROWING EMPHASIS ON CONSUMER CHOICES'

This sense that consumer motives in housing choice are driven by a complex system of factors at the neighbourhood level is borne out across the narrative papers. In addition, overlaying environmental imperatives (represented by carbon rationing, or other policy mechanisms) across the neighbourhood structure start to add another layer of physical detail to what the consumer would then demand.

> 'TECHNOLOGY IS SEEN AS A STRONG FORCE ENABLING THE EXPLORATION OF DIFFERENT LIFESTYLES, INCREASING CHOICE IN TANDEM WITH ACCESS TO INFORMATION'

Technology is seen as a strong force enabling the exploration of different lifestyles, increasing choice in tandem with access to information, entertainment and work without reference to location. The technology paper suggests that instead of driving forward a homogenised future either urban or suburban, technological advances open up the potential for greater diversity in how people live and work (whether they are 'cocooners', 'ultra-mobile' or juxtaposing live-work) and a greater diversity in the spatial structure containing those activities.

At a base level, the notion of a 'culture-shift' seems to form part of each scenario, some of which are more easily imaginable than others. Some are deemed to have occurred incrementally (as some of the scenarios suggest – a filtering of ideas and attitudes across a society), whilst other examples are as a result of a major event or catastrophe.

In terms of the house itself, the vast majority of future housing stock in 2024 is already likely to be in place now. Whilst advances in technology will mean that the concept of a 'smart-home' is commonplace, the nature of the individual households is forecast to continue changing. Viewed in tandem with the diverse modes of living, working and leisure time, it can be seen that our future housing needs to be flexible. Construction techniques and local regulation will need to acknowledge and enable this increasing flexibility, whilst the suitability (and adaptability) of the existing housing stock will become an increasing factor. The ability to upgrade existing housing stock to fulfil higher environmental criteria will become increasingly significant. One scenario provocatively forecasts the emergence of 'slumburbia'; the obsolescence of the suburbs due to lack of environmental adaptability, whilst in contrast, an alternative scenario suggests that suburbs can adapt (through intensification) to different social and community needs.

'THE VAST MAJORITY OF FUTURE HOUSING STOCK IN 2024 IS ALREADY LIKELY TO BE IN PLACE NOW'

In parallel with this need for greater flexibility and adaptability in the housing typology and fabric, the housing futures work also acknowledges the need for greater flexibility in tenure and ownership; consequently reducing the current stigma around renting, enabling greater workforce mobility and integrating the social sector. Choice is seen as being a cornerstone of progress within housing; the economic paper suggests that the housing system will not be robust until households have some choice over their accommodation, tenure and location, whilst landlords are enabled to compete effectively.

URBAN RENAISSANCE

The 1999 report of the Urban Task Force[2] presented a new vision for an 'urban renaissance', making a broad series of recommendations to achieve quality design, social well-being and environmental responsibility, and consequently attract people back to urban living. The scenarios explore many different motivations and drivers towards both suburban and urban development.

[2] Urban Task Force (1999), 'Towards an Urban Renaissance', London, DETR.

Whilst the benefits of urban housing in 2024 (in social, economic and environmental terms) are identified within a number of the scenarios, the potential failure of the urban renaissance is also explored. The social paper attributes the failure of the urban renaissance in 2024 to the dissolution of public services and the welfare state, alongside middle class preferences for the suburbs. However, the delivery paper identifies crime, anti-social behaviour and failing education as key triggers, with lack of investment and the inefficiency of delivery and management of developments, contributing to the decline of urban life.

'THE ROLE OF GOVERNANCE AND THE PROVISION OF QUALITY PUBLIC SERVICES WILL BECOME INCREASINGLY IMPORTANT WITHIN NEW AND EXISTING URBAN COMMUNITIES'

What seems certain is that the role of governance and the provision of quality public services will become increasingly important within new and existing urban communities over the next two decades. The premise within the delivery scenario is that the success of the urban renaissance is built upon significant public investment and commitment at the outset, in tandem with a shift to collaborative modes of delivery through partnership. It is suggested within this scenario that such urban communities evolve into viable structures over time, relying on high quality development and public services, alongside the empowerment and involvement of the local community.

GOVERNANCE

It is clear from examining the current housing context in 2004 that governance and regulation lay a critical role in enabling or disabling adequate housing provision. The Government's Sustainable Communities Plan (launched in 2003) sets out to tackle the issues of supply, demand and quality through six key priorities, identifying areas for growth and areas for renewal. The Housing Futures 2024 project has also identified and explored the broader role that governance could potentially play in reversing the major housing problems. The economic paper describes a current housing system where too little housing is available overall, where housing is poorly allocated between income groups, between different types of household and between areas; and where far too many have a stake in continuing these tensions. The paper further suggests that these may be argued to be the result of a number of administrative failures, in the context of:

- inadequate land supply
- constraints on using the existing stock effectively
- the incapacity to control the macro economic environment - and the capacity to blame housing for this failure
- providing incentives to over-consume housing especially in the owner-occupied sector, and
- poor neighbourhood management

In addition to this, common to all of the narrative scenarios was the central role of governance. It was generally viewed that the role of governance would need to strengthen in order to deliver specific objectives. The absence of governance in the social paper was seen to result in an increasingly polarised society. Stronger governance was also identified in the technology paper as a pre-requisite in the event of technological change. This is to avoid deepening inequality due to the highly-commercial telecoms sector focusing on profitable areas of development, at the expense of increasing and ensuring technological access for all.

> 'ROLE OF GOVERNANCE WOULD NEED TO STRENGTHEN IN ORDER TO DELIVER SPECIFIC OBJECTIVES'

Furthermore, within the environmental paper, increasing political intervention was the tool through which the objectives of environmentally sustainable development and lifestyles were driven (in this case in response to consumer/electorate demand). In the delivery paper, systems of governance were adapted and increased to deal with inefficiencies in the development process, neighbourhood management and anti-social behaviour, and devolved to the local community representatives at another.

POLICY CHALLENGES

The economic and policy papers, oriented towards an exploration of trends and outcomes, present a series of challenges and recommendations for the future that would overhaul the current system of governance. Common themes emerging were the need for housing policies that make the system robust to economic pressures, enhancing market stability, alongside an acknowledged need for a welfare state, albeit redesigned/reformed.

> 'COMMON THEMES EMERGING WERE THE NEED FOR HOUSING POLICIES THAT MAKE THE SYSTEM ROBUST TO ECONOMIC PRESSURES'

The economy paper further proposed increasing the flexibility of land and housing supply through financial mechanisms: improving the land use planning system, supporting innovation in the construction industry, and increasing the use of intermediate tenures and shared equity mortgages, whilst maintaining Governmental commitment for residual funding for necessary types of affordable housing.

A review of governance at the local, regional and national level is also proposed within the policy paper which includes, the creation of a national spatial development strategy as a context for local planning and investment decisions; strategic housing and planning functions that could potentially occur at the regional level; and devolution of management at the local level could be devolved to residents and community groups.

The theme of devolving aspects of neighbourhood management to the communities is also identified as a vehicle for increasing public engagement in democracy, and is further reinforced within the delivery scenario.

However, despite the above arguments, a key question exists as to the extent of change that can occur within the systems of governance, due to the level of coherent management that would be required, alongside the need to overcome barriers and embedded motives and values within the electorate and the wider political arena.

> 'A KEY QUESTION EXISTS AS TO THE EXTENT OF CHANGE THAT CAN OCCUR WITHIN THE SYSTEMS OF GOVERNANCE'

KEY QUESTIONS

Whilst the future is likely to be a synthesis of what we already know, there are many issues and questions addressed within – and arising from - the Housing Futures 2024 project, that form a basis for ongoing debate:

- The issue of where people want to live relies on a complex number of factors, including high quality environments, access to high quality public services and facilities, consumer choice, community safety, security and engagement. Is current urban development and regeneration achieving these goals? If not, what needs to be done to achieve a successful urban renaissance?

- Housing is part of a highly-sensitive and inter-related system, of which the provision of high quality public services is a cornerstone. How is this level of provision to be achieved, maintained and 'designed in' to new development?

- If the effectiveness of development and management at a neighbourhood level has a significant impact upon the quality of the environment, the community's sense of ownership, and consequently the desirability of housing, what can be done to achieve the best possible outcomes? What role does 'civic responsibility' play?

- Housing in the future needs to be more adaptable and responsive to change, whether demographic, technological or environmental. In this respect, the issue of obsolescence within existing stock is an important issue. Should rates of demolition and redevelopment increase?

- Innovation in the construction sector is to be encouraged, to enable better quality housing to be delivered quicker. Can lessons be learned from other fast-moving industries that successfully innovate and provide increasing consumer choice?

- Greater understanding of the housing market is required. Greater knowledge of need and demand, economic prospects and demographics is also required. How can the housing system become more responsive and proactive whilst ensuring social equality?

- Strong coherence between different tiers of strategy is required. Where should strategic responsibility for planning and housing lie – at the regional or local level?

- If radical review of policy is required, how can we overcome political inertia, and ensure that a long term view is held by both politicians and public?

It is impossible to accurately predict what the future holds. Looking back over the past twenty years to 1984, there have been shifts in the means of housing provision, typology and culture, but essentially our living environments have not altered drastically. In contrast to this, the prevailing context for housing in 2004 is one characterised by important issues in affordability and supply. It seems certain that fundamental change is required; the challenge is in making it happen.

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