

Vorsprung durch Technik— learning from German planning

If Britain cannot shift the balance towards more local incentives and decision-making in planning, then good and affordable housing will remain something that the British will only be able to see on TV – when reporting from Germany, says Oliver Hartwich



Dr Oliver Marc Hartwich is the Chief Economist at Policy Exchange (www.policyexchange.org.uk)

English TV listings seem to consist of endless variations on three basic themes: documentaries on the War, cooking shows and better living programmes. Whether it is Kevin McCloud's *Grand Designs*, *Location Location Location* or *Relocation Relocation*, the English have an insatiable appetite to find out about the homes and lives of others.

Perhaps this is not so surprising. As we are all struggling to make our climbing exercises on the property ladder, it comes as a small consolation to see that other people are essentially facing the same challenges. It makes us feel that we are not alone with our own problems and worries, as other people also struggle to find decent, affordable and spacious accommodation. And it does not even help to be well off: after all Kirsty and Phil never fail to make even millionaires realise that they cannot afford the kind of home they actually aspire to.

A few weeks ago the BBC Politics Show joined in on the act with a report about a young couple of first-time buyers. But this time it was a very different story. Nadine, a 29 year old teacher, and her husband Bjorn had just bought their dream house. The space they enjoyed was enormous. The cellar alone was more than 100 square metres large. On the ground floor and the first floor they had more than 140 square metres. And, if that was not enough, they had additional storage space in the large attic and in the garage.

The house was detached and overlooked a large garden. The standard of construction was very good as well with modern double glazed windows throughout and solar panels on the roof. To round off the already impressive features of their domicile, it was situated in a quiet, green and suburban neighbourhood, yet Nadine and Bjorn only had short

commute to work.

How on earth could this young couple afford a place like this, you may ask? But that would be the wrong question. Rather you should ask where on earth such houses exist that are not out of reach for first-time buyers. Certainly not in London. In fact, nowhere in England would people like Nadine and Bjorn be able to buy anything remotely comparable on their budget. And their budget was only 200,000 Euros (approx. £135,000). Yes, Euros, not pounds. They bought their house in Essen, in the West of Germany. The city is part of the Ruhr Region, the country's largest conurbation, and it is also my home town.

When the BBC asked me what is wrong with planning in Britain, I suggested they compare the British housing situation to housing in other countries, and then draw their own conclusions. Apparently they liked the idea and so we went on a field trip to Germany together. And that was how we met Nadine and Bjorn.

But in fact, before we had a look at their property we first met a town planner from Essen's city council. What we wanted to know was what their approach to planning for housing was. But what this Essen town planner told the BBC reporters sounded rather strange to an English ear. "We want people to live here. They are the taxpayers who are contributing to our budget," he said. "So we have a very strong interest in making planning for development as smooth and efficient as possible." What this means in practice is that planning applications usually do not take longer than eight weeks to decide, and the planners are trying their best to reduce this further.

And they should: when we visited Nadine, she actually complained that the permission for their ground floor extension took "forever". When the

reporter asked back how long precisely they had to wait, "forever" in German terms meant six weeks - much to the amazement of the BBC crew who had all made their own experiences with similar extensions back home in Britain where "forever" was closer to its literal meaning.

That planning and building go hand in hand was also confirmed by the developers we met. Germany's construction industry is quite different from Britain's. In Germany, there is a large number of small and medium sized developers, often family businesses, only operating on a local or regional market. We asked them how long it typically takes them from the idea stage to getting an area developed to handing over the keys to the new owners. "About a year," was their answer, and the main reason why development goes ahead at such speed was the fact that developers and planners very much work together and not against each other. In fact, their interests are mutually compatible. The developer wants to build houses and sell them and the council wants houses built so that families (i.e. taxpayers) can live there. So the cooperation between developers and planners was exceptionally good, as both planners and developers confirmed.

When we then visited Nadine and Bjorn at their new house, it was clear who benefited the most from this planning approach. It is young families who can afford a lifestyle which would be inconceivable for most young Britons. What they bought was not what we in Britain would consider a starter home that you hope you will be able to leave in a few years' time when you have grown out of it. On the contrary, their home was something they still needed to grow into. There was enough space for the children they hope to have in the future. And with

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Leuchtwerte, Essen, a contemporary light art project by Peter Kozma in the context of the 57. Essener Lichtwochen - Essen and Pécs, European cultural capitals 2010
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house prices having been traditionally low and stable in Germany, there is no need to worry about the ups and downs of the property market. Altogether, they can afford to enjoy a much more relaxed lifestyle than their British contemporaries.

And if I needed confirmation of this, I only had to switch on the TV on the evening of my return to Britain. The comparison was almost too good to be true. On *Location Location Location*, Phil and Kirsty were trying to help a couple of first-timers from Bromley. Like Nadine and Bjorn they were in their late twenties and their budget was even slightly higher than theirs. But as London's average property prices are now almost three times their budget, they had come to accept that they would need to leave the capital behind and try to find a place to live far outside.

In their case, far outside meant really far outside. While they still intended to keep working in London, they were looking for a property in Bexhill and Hastings. To cut a long

search process short, Bexhill turned out far too expensive for them, and even in Hastings, arguably not the most buoyant of places in Britain, all they could find was a small two bedroom flat.

I wonder what these two Londoners would have thought watching Nadine and Bjorn a few days later on the BBC Politics Show. Would it have made their blood boil with envy? Maybe. But though this would be an understandable reaction, much more would be gained if this comparison would have made them – and us – think.

Astronomical house prices, to which we have almost got used in the UK, are by no means unavoidable. In Germany and Switzerland they have only gone up in line with general inflation for the past four decades. And there is a clear reason why it has happened this way. Local planners and politicians in Germany are happy to build for development because development is good for their budgets. At the same time, local residents support it for much the

same reason. Where local budgets can be increased by some extra inhabitants, local public services can also be improved, much to the benefit of everyone in the community. It is a classic win-win situation. When development happens, it is the residents, local politicians and first-time buyers who win.

The situation in the UK is quite the opposite by comparison. Local development does not generate much extra funding for local communities. On the contrary, they often have to provide extra infrastructure out of their core budgets, deal with NIMBY resistance and do not get anything out of it. All costs and no benefits: this has proved to be a recipe for building as little as possible. It is no wonder, therefore, that our house prices have gone through the roof in the past few years, effectively pricing young families and even people on medium incomes out of the market.

At least the Government has now recognised that something needs to be done about our housing crisis – a

UK housing crisis in which London is most severely affected. The Prime Minister has announced his wish to build three million new homes by 2020. But while it is most welcome that the problem is understood at least in principle, it is not clear whether the Government has actually realised where Britain's housing crisis originated from. It is not a lack of ambitious programmes from central government, but a lack of incentives for local planners and politicians that is to blame.

If Britain cannot shift the balance towards more local incentives and more local decision-making in planning, then good and affordable housing will remain something that the British will only be able to see on TV – when the BBC is reporting from Germany again.