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Dear Ms Barker

re Nimbyism and Housing Supply

I have been prompted to write because of an article in the Financial Times by Nicholas Timmins about your investigations and disappointment at the public resistance to new housing.

From what I can understand from reading your brief, the primary motivation for the review is the Chancellors perceived view that the society has too much wealth tied up in the profits of property speculation and this is undermining the Governments ability to stimulate needed house building and build our economy. As somebody who has undoubtedly profitted from the last 30 years escalation in property prices, it may seem inappropriate to seem to support the Chancellor by saying there is a need to tax this profit. However I do feel there is a need for this country to pay more attention to becoming economically self sufficient on the International arena when our oil runs out and not build South Sea Bubbles in property that must inevitably burst. I think property profits on the individuals personal residence should not be VAT exempt but perhaps rated below the top rate of 17.5%. This could then replace stamp duty and only come in net after deduction of the price paid for the first dwelling which would be VAT exempt..

Turning to the specific issues:

1. Factors influencing owners willingness to sell land.

An interesting example of failure to build on a brownfield site in a prime development area comes from our neighbourhood where there is a Hallal chicken slaughter house and about 15 other small properties in multiple ownership. All the owners are holding out because land values are continuing to rise as does their rental income on the present plot. However they will only get a major increase if the whole of the plot is developed but the developer will get more than the individual.

2. Constraints to increase use of alternative manufacturing methods.

An interesting illustration of an indirect factor inhibiting use of alternative manufacturing methods is Asbestos compensation led bankruptcy of Lloyds underwriters by American for profit Lawyer culture seeking compensation for rare cause of cancer by a material that even today saved more lives than have died from this rare cancer. This occurred because the industry did not understand the principal of research method and preferred to hide the evidence instead of having a building equivalent of the committee of safety in medicines

and accumulated evidence of potential adverse events to new building materials and then advised on how to control these either by reducing exposure or banning use.

### 3a. Social and economic costs benefits of housing.

Prior to moving four years ago to my present location on the front liine between the affluent City and impoverished East London, I was completely ignorant of the planning process. Since that time I have been in perpetual conflict haviing initiated 2 judicial reviews of planning decisions(the first because of the arcane process of planning where there were conflicting drawings and lawyers managed to consume nearly £60,000 arguing over what was meant by a 'NON-MATERIAL INCREMENT'. Having won that the second was because the planners doctored the minutes of the Planning Panel when they passed the motion that led us to withdraw our judicial review). We are am now in the process of tryng to find out how to appeal to the Mayor over a decision about an application for 24 stories which gives them a 370% profit on what they already own at the expense of loss of £8 million in value for 200 local residents property as at it's nearest it will be 2 meters from already existing residential property and invades a conservation area with a 90 meter tall section covering 100 sq m. It has already been turned down by the local planners to get the residents off their back because they knew the developers had the right to appeal to the Mayor and it would be more difficult for the residents to find out how to interfere. We all know that development has to come but when the profit gearing is so high the opportunities for corruption even if there are no brown envelopes changiing hands because of simple economics of the size of the economic activity meaning that the planning department gets bigger and the officers become bigger fish. Meanwhile the local residents get increased seasonal affective disorder(SAD) because of loss of direct sunlight or get driven out

### 3b Perverse incentives of 106 agreements.

To me the falure of section 106 peymets to delivery is well made by experience in our local area. The two buildings that have been built have brought in about £500,000 in social housiing payments but nothing has been built in the area because there was no available land and the developer of the two buildings would not allow any social housing to be built in the building as it would lower the sale value of the rest of the flats. As I understand it under the terms of 106 agreements if nothing is done with the money it reverts to the developer after a given period.

### 4. Why is the private rental sector an unattractive investment

Although there may be a long term gain for the private individual, the short termism of most commercial developers compared to what could be got through other types of investment particularly because of persistance of some tennant protection from unruly landlords cutting corners for profit, meke the rental sector not attractive enough. However as yields through other instruments come down to the reality of 1-2% interest there could be changing attitudes

Yours sincerely

Tim Oliver  
Professor in Medical Oncology an.