

**A presentation to
The Barker Review of Housing Supply**

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HOMES FOR LONDON

24nd July 2003

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THE GOVERNMENT'S STATED OBJECTIVE

**“We need more homes where people want to live,
near where they work, in the North and in the South,
at a price that people can afford, and in a way that
protects the countryside”**

**John Prescott
18th July 2002**

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THE GOVERNMENT'S PROPOSALS

- To make local authorities accelerate the planning process
- To instruct local authorities to release additional land for development
- To better manage existing overloaded transport systems and support limited investment in new schemes
- To encourage public and 'affordable' housing schemes
- To identify Ashford, Milton Keynes and Stansted as 'Growth Areas'
- To move Thames Gateway forward

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WILL THE NEW 'GROWTH AREAS' WORK?

- Ashford, Milton Keynes and Stansted investigated by Professor Stephen Crow and his team
- Based on conditions that existed in 1960 but which are more difficult today - there are no longer big companies looking for new sites eg for over 10 years Ashford has tried and failed to expand employment
- Building new infrastructure in a truly rural location is very expensive
- They may cause flooding
- They will clog the motorways
- They will encourage commuting
- They will compromise the countryside for miles around
- They will almost certainly get bogged down in protest and enquiries
- They will not solve London's need for cheap homes

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THE LONDON MAYOR'S PROPOSALS

- To expand London by 700,000 people and 636,000 jobs within 13 years
- To provide homes for most of these people on the back of planning gain despite a probable collapse of the commercial property market in 2003
- To build on unsuitable sites eg near roads and railways, and on flood plains
- To encourage housing associations, without adequate funds, to fulfil the traditional role of council housing departments
- To solve the existing transport and future transport problems with additional buses, road charging and very limited tram and light rail schemes

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THE REALITY

- With the current planning system and vested interests the Government's proposals are unlikely to keep pace with the ever increasing demand for new homes
- The Mayor of London's objective of accommodating London's expanding population within his domain can never be achieved without an enormous injection of public money
- A case of too little too late?

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WHY ARE WE HERE?



TO BRING REALITY TO THE DEBATE

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OUR PURPOSE

**To create a route map for the Government
which can quickly provide homes for the
people of London and the South East**

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WHAT HAVE WE STARTED?

Hundreds of responses to the article in The Times - almost all positive except from within the affected area

'The most concise analysis of the housing problem that I have ever read'

'Original thinking to solve a serious problem'

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WHAT HAS CAUSED THE PROBLEM?

- The Urban containment debate began in the 1920's & 30's
- A social elite prepared legislation during the War to prevent city dwellers from accessing 'their' countryside
- Rigid local authority control resulted
- The availability of land was restricted
- NIMBYism began
- Planning has existed for longer than most people have been alive
- "Fields are more important than people" (quote from CPRE)

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WHERE HAS THE DEMAND COME FROM?

- Most of the additional demand is from people born and raised in the South East
- Life expectancy is increasing rapidly
- Fewer than 8% are people who have moved down from the North of England
- Can people be moved up North to live? Not if London with its ageing population is to function
- The Mayor of London believes that much of the future growth will be ethnic minorities

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THE HOUSING SHORTFALL

Between 1981 and 2000 in England

- Growth of 193,000 new households per annum
- But only 162,000 new homes
- Cumulative shortfall 620,000 homes.....and growing

(Source: HBF June 2002)

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HOW MUCH HOUSING IS SUB-STANDARD?

- 7% of all homes are unfit for habitation
- 14% of all homes are seriously sub-standard
- This could mean up to 1,000,000 homes across London and the South East
- Maintaining and upgrading the existing housing stock will take most of the existing construction workers
- At the current rate of building a new home built today will have to last 1500 years before it is replaced

(Source: HBF June 2002)

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WHY HAS THE PROBLEM TAKEN SO LONG TO REGISTER WITH THE PUBLIC?

- Redundant agricultural buildings have been converted
- Playing fields have been released for building houses
- Houses with large gardens have been demolished and the land redeveloped
- Large houses have been split into flats
- Factories and warehouses with character have been converted

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WHY HAS THE PROBLEM TAKEN SO LONG TO REGISTER WITH THE PUBLIC?

- Residential care homes have been redeveloped
- Redundant NHS and military sites have been redeveloped
- Inappropriate land has been used eg close to roads, railways and airports
- THE PRICE OF HOMES HAS RISEN TO THE POINT WHERE IT PAYS TO BUILD ON THE WORST LAND
- ARE BROWN FIELD SITES 'THE END OF THE LINE'?

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THE SCALE OF THE PROBLEM BY 2016

Expected growth in London population	700,000
PLUS:	
Health service - 50% more staff?	100,000
Other public services eg teachers?	200,000
Adults forced to live with parents?	200,000
Families in local authority accommodation?	100,000
Commuters with over 4h/day travelling?	300,000
People who rent but wish to buy?	200,000
Total	1,800,000

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ARE THERE ANY UNKNOWN FACTORS?

- Last year between 110,000 and 172,00 asylum seekers and dependants entered Britain while only 13,000 returned home
- According to official estimates this equates to 750,000 people over the next 25 years
- A large number enter via other routes and fail to return
- Next year the EU is to expand and widespread migration is possible c.f. the depopulation of East Germany
- Whatever the actual numbers turn out to be the population of Britain is likely to increase by several million people over the next two decades

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WHAT IS THE SCALE OF THE PROBLEM IN LONDON AND THE SOUTH EAST?

Currently or in the near future there may be more than

1,800,000 people

wanting homes in London and the South East which means

at least 500,000 homes

above and beyond existing production levels

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QUANTIFY 500,000 HOMES

- A row 2,000 miles long or almost three times the distance from John O'Groats to Land's End
- Finishing 4 miles per week for 10 years
- Finishing almost 1 mile every working day

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500,000 HOMES BUILT AS A TERRACE



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CAN THIS EVER BE ACHIEVED?

The only way that this rate of production can be achieved is on a single large green field site with mass production techniques

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THE CONSEQUENCIES OF FAILING TO ACT

- Hundreds of GPs are about to retire – there are few replacements due to the cost of good accommodation in London
- Only new nurses working short term contracts will tolerate the basic living conditions on offer
- Social services are already overstretched due to a lack of staff
- Young adults will live and raise their families far away from their parents putting an additional strain on the State

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THE CONSEQUENCES OF FAILING TO ACT

- Parents who commute excessively do not spend sufficient time with their partner and children putting pressure on relationships
- Many businesses cannot recruit 'back room' staff
- Many stores are lacking staff and managers

THE RESULT HAS TO BE A BREAK DOWN IN SOCIAL COHESION

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WHAT CAN THE AVERAGE PERSON AFFORD?

The level of incomes in London

- 10% earn over £50,000 a year
- 10% earn £12,000 a year or less
- 50% earn less than £20,000

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TRANSLATE THIS INTO A MORTGAGE

A mortgage - five times the average salary

- The average salary - £20,000
- Maximum mortgage - £100,000
- To enable most people to become home owners - £80,000 is the maximum price

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THE PRICE OF A FIRST HOME IN LONDON

- The average cost of a first home is £160,000
- The average deposit is £32,000
- The average first time buyer is 35 years old
- The gap between salaries and housing costs continues to grow

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CAN A HOME BE BUILT FOR THIS AMOUNT?

IT IS IMPOSSIBLE TO BUILD A HOUSE FOR £80,000

- On a brown field site – due to reclamation costs
- In London zones 1, 2, and 3 and with difficulty in zones 4 and 5 - due to logistic problems
- On a small convoluted site

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CAN WE BUILD UPWARDS TO USE LESS LAND?

- Every time a high rise development has been costed or built each dwelling has been found to be more than twice as expensive as a similar low rise unit. The disparity in costs is increasing.
- High rise developments need a lot of open space around them if they are to be judged acceptable to most people.
- It is pointless increasing densities unless the other infrastructure is in place e.g. transport and services. This is impossible in an already congested city.

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IS URBAN REGENERATION A SOLUTION?

- History tells us that it will not work
- Most people want to own a house with a garden
- High density accommodation costs twice as much to build as low rise
- High density housing projects have been tried and failed - the last time was in Manchester in the 1960's
- Who believes in the idea? Politicians who need to appear optimistic and Architects who like large buildings
- FACT - Low rise developments create better domestic environments

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CAN BROWN SITES BE A SOLUTION?

ONLY PARTIALLY - SLOW AND EXPENSIVE

- Reclamation works - are laborious and expensive
- Enabling works - are extensive and tortuous
- Environmentally damaging - remediation spreads contamination
- Wasteful of resources - energy wasted both human and carbon
- Inefficient working - small convoluted sites are always difficult
- Working restrictions - Local Authorities apply onerous conditions

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BROWN FIELD SITES ARE OFTEN EXPENSIVE TO AMELIORATE



The quarry next to Bluewater will cost millions of pounds to grade and pile - it is highly unlikely that any units built within the quarry will be within the price range of the average Londoner

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DO BROWN FIELD SITES HAVE OTHER USES?

- High added value jobs are not appropriate for all
- Manufacturing in the South East is in decline
- Many industries cannot survive if land and labour costs are high
- Planners have made business conditions difficult
- Should brown field sites be left for commercial activities?

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BUT WHAT ABOUT THE COUNTRYSIDE?

- There are two alternatives – dissipate or concentrate
- Dissipate means destroying the countryside across the South East
- Concentrating homes in one place and providing them with new infrastructure would protect the countryside

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WILL WE CONCRETE OVER THE COUNTRYSIDE?

- 89% of Britain's population lives in urban areas
- This is the second highest in Europe
- This is the sixth highest in the World
- A Government study (1995) showed that future household growth would raise England's urban area from 10.6% to 11.9% by 2016 or 1% over 20 years

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A SOLUTION

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IS THE SOLUTION AN EXTENSION TO LONDON?

PROS

- Quick to build
- Cheap to build
- Close to London
- Outside planning
- New infrastructure
- Pressure off the SE
- High visibility
- Low energy
- Regional support

CONS

- Agricultural land
- Localised infrastructure pressure outside the development zone
- Local opposition

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ARE NEW TOWNS A NEW IDEA?

- The idea is over 100 years old.
- The idea was to 'reduce concentrations of people and workplaces in very large towns, which otherwise could not be relieved of congestion, disorder and squalor'
- Today London has some of the worst areas of social deprivation and poor health to be found in Western Europe

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WHICH ARE THE 'NEW TOWNS'?

- Letchworth – the first Garden City - 1903 – 4
- Welwyn Garden City – the second - 1919 – 20
- Post War 15 New Towns started - 8 for London:

Basildon	Hatfield
Bracknell	Hemel Hempstead
Crawley	Stevenage
Harlow	Welwyn Garden City
- 50 years on, the quantum is the same

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COULD 500,000 NEW HOMES BE A COMMUNITY?

- Social and commercial studies have shown the ideal community size to be 50,000 families
- This was the size of each of the post war New Towns
- For construction purposes this size works ie ten work zones
- Green buffers would separate the different communities to maintain their identity
- Each community would have a different theme and character
- Communities would share certain large facilities

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LOCATION PLAN



Imagine this area placed within the M25 – few fields left

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WHY HERE ?

- Close to London
- Solvable transport infrastructure
- Connected to Europe
- Underused sea ports
- Ease of building
- Topographically constrained

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THE NORTH DOWNS WOULD FORM A NATURAL BOUNDARY TO THE SOUTH



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WHY HERE ?

The site is

- not prone to flooding
- it would not cause flooding elsewhere
- undulating for gravity drainage
- naturally free draining
- not subject to settlement

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THE AREA IS UNDULATING AND WELL DRAINED



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**MUCH OF THE AREA IS NOT
VISUALLY OUTSTANDING**



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**INTENSIVE AGRICULTURE HAS DEGRADED
MUCH OF THE AREA**



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WHAT ABOUT THE NEW AIRPORT AT CLIFFE?



a new airport would require over 80,000 new homes

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WHY GREEN FIELD ?

QUICK AND CHEAP

- No reclamation works
- Less enabling works
- Less environmental damage
- Massive economies of scale
- 365 day a year working
- Advances Government's objectives

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BUT WHY BUILD IT HERE?

To the North
the infra-
structure is
overloaded

To the West
it would
flood
London

To the South
it would spread
and overload
the roads



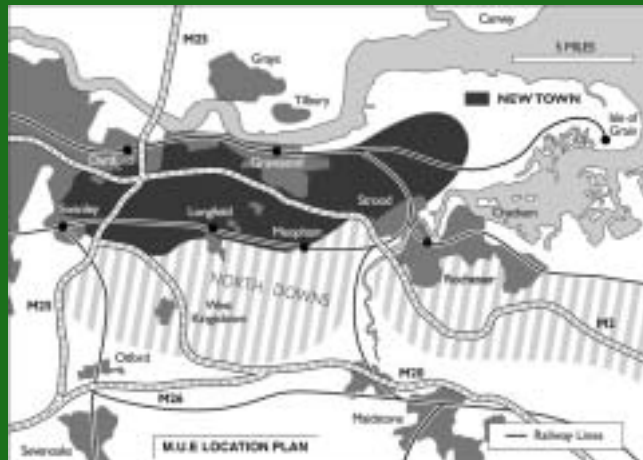
To the North
East the only
railway leads
to Fenchurch
Street

Only due East
do all the right
factors come
together

To the South
East it would
overload the
routes to
Europe

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TRANSPORT INFRASTRUCTURE PLAN

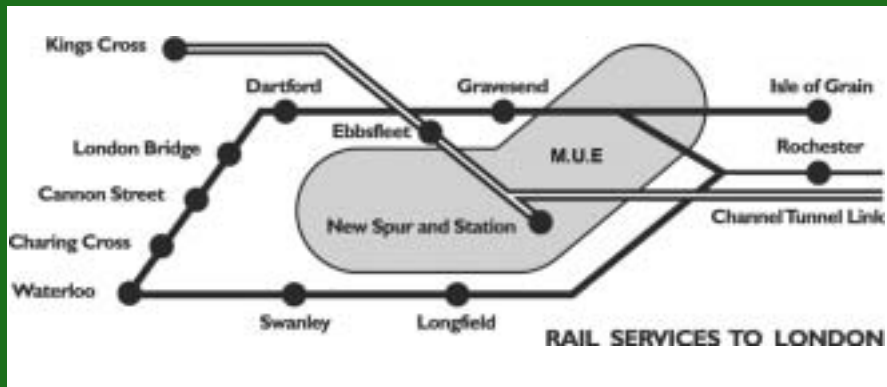


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COMMUTING TIME FROM THE 'GROWTH AREAS'

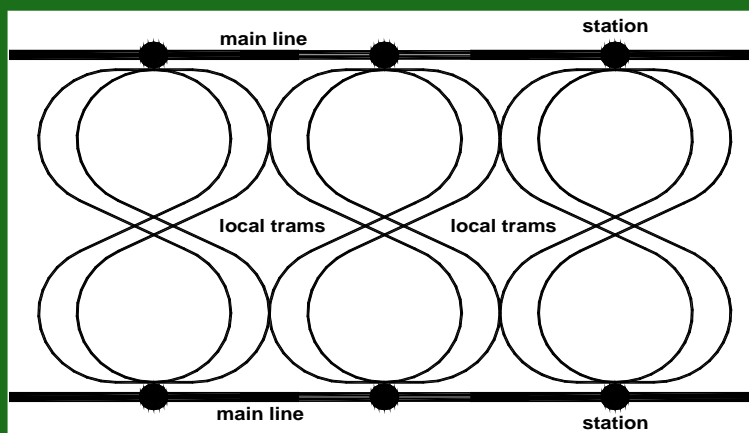
	HOME	RAIL	WORK	TOTAL
Milton Keynes	20 min	50 min	30 min	100 min
Ashford	20 min	70 min	20 min	110 min
Stansted	20 min	50 min	30 min	100 min
North Kent	10 min	35 min	10 min	55 min

PROPOSED RAIL SERVICES TO LONDON



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LOCAL TRANSPORTATION



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HOW CAN THE RAIL SYSTEM BE FUNDED?

- Transfer approximately 120 miles of existing track to an independent operator to completely rebuild
- Construct another 75 miles of new track
- Capacity to move well over 500,000 people a day (existing and proposed communities)
- Return fare of say £5.00 per day
- Income of £750 million/annum for say a 50 year franchise

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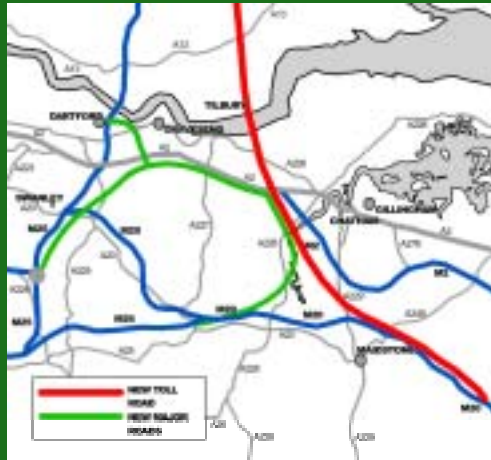
THE M20 AT MAIDSTONE AT 9.00am



The motorway network is already overloaded

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A NEW MAIN ROAD NETWORK WOULD LINK INTO THE MOTORWAY NETWORK OF THE SOUTH EAST



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A NEW TOLL ROAD AND RIVER CROSSING WOULD FUND THE LOCAL MAJOR ROADS



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ENVIRONMENTAL ISSUES - ENERGY EFFICIENCY

- Building on poor land wastes energy
- Building big in one place saves energy - each home would take half the energy to build
- The inhabitants would consume half as much energy
- The loss of a few fields would be insignificant when compared to the saving in greenhouse gas emissions

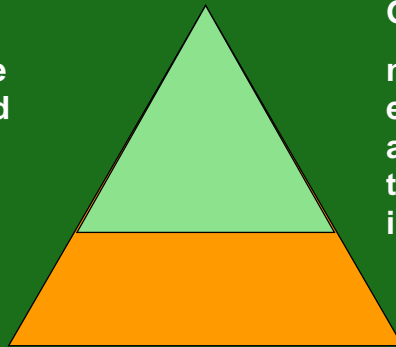
RESULT - THE GLOBAL ENVIRONMENT BENEFITS

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CAN WE AFFORD TO WASTE ENERGY AND MONEY?

Brown Sites

use double the energy to build and double in the future



Green Field Sites

need minimal energy to build and safeguard the environment in the future

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GOVERNMENT POLICY TOWARDS THE ENVIRONMENT

- The Government is committed to making huge savings in carbon dioxide emissions – making good the amount that will be wasted on brown sites will be impossible to achieve elsewhere
- The Government's current policy fails to support the Kyoto Agreement both in the short and in the long term

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THE ENVIRONMENT - EFFICIENT SERVICES

- New reservoirs and water treatment
- New sewers and sewage disposal plant
- Ability to recycle water ie to use 'grey' water
- Local power generation and area heating schemes
- Efficient power distribution
- Domestic waste recycling integral from day one

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THE ENVIRONMENT - SENSITIVE CONSTRUCTION

- Bulk materials arrive and stay on one site
- Manufacturing facilities on site
- No public inconvenience on road or rail
- Greenhouse gas emissions minimised
- Huge economies of scale
- Efficient working practices

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THE ENVIRONMENT - LOCAL PROCESSING

- Cement manufactured on site
- Bricks made on site
- Concrete batching plants on site
- Timber components manufactured on site
- Recycling plants for waste
- Spoil used to create landscape

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CHALK IS AVAILABLE ON SITE FOR CEMENT



THE LAST BRICKS WERE MADE ON THE SITE IN 1966

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METHODOLOGY

- Light overall concept control
- Central quality control and monitoring
- Central purchasing for bulk items only
- Central technical department
- Central educational department
- Ten teams of designers and contractors to ensure different areas have a unique character

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PRODUCTIVITY BENEFITS

- House builders never benefit from a learning curve
- House builders never benefit from economies of scale
- On a large project
 - specialist GPS controlled trenching machines etc
 - bulk handling equipment
 - computerised production line facilities
 - technical support
 - R&D team
 - rigorous quality control

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FACTORY CONSTRUCTION TECHNIQUES

- No true whole house factory assembly at present in the UK – mainly kits which need specialist labour to assemble on site
- On a large site whole houses could be assembled in factories and moved into place as no width restrictions
- Specialist trades not required eg wiring looms like a car rather than an electrician with spools of cable
- Houses fully finished under factory conditions eg fitted kitchens and bathrooms
- Each unit tested and certified in controlled conditions

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HOTEL SUITES ARE ALREADY BUILT IN FACTORIES



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HOUSING UNITS ARE ALSO BUILT IN FACTORIES



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A VENEER CAN BE ADDED TO SUITE ANY TASTE



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YESTERDAY'S HOUSING STYLE



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YESTERDAY'S HOUSING STYLE



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TODAY'S HOUSING STYLE



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THE FUTURE



A BLEND OF STYLES THAT PEOPLE
ARE COMFORTABLE WITH

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CAN THE PROJECT BE SELF FINANCING?

COST BREAKDOWN PER UNIT (assume 36 units per ha)

• Land	£10,000
• Building cost (assume factory assembly)	£30,000
• Overheads and profit	£10,000
• General costs	£ 5,000
• Local infrastructure eg roads and trams	£10,000
• Social facilities eg schools and hospitals	£10,000
• Other general costs	£ 5,000
	Total £80,000

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THE GOVERNMENT'S COMMITMENT

“Giving everyone the opportunity
of a decent home”

THE CURRENT REALITY

Most of the population under the age of 30 is being
‘disenfranchised’ - the social consequences within
the next ten years could be very serious

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WHAT WILL THE OUTCOME BE?

- The State has to ensure that its citizens are housed
- The State does not have the money to do so itself – it needs individuals to help themselves
- Developing difficult sites squanders society's wealth
- Developing difficult sites squanders non-renewable resources

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CAN THE STATE PROVIDE 500,000 HOMES?

- Is the bulk of the population to live in subsidised housing?
- How could the Government subsidise housing in an equitable way?
- The Government may wish to support new house building but does not have the resources
- The free market could provide most of the revenue with the State just helping the most disadvantaged

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WHY NOT EXPAND THAMES GATEWAY?

- Thames Gateway is intended to provide homes and jobs in East London
- Building homes on brown sites is not economically viable as land costs are a large component of the total cost
- Building offices, shops and factories on brown sites is viable as land values are a small component of the total capital outlay
- Thames Gateway could be expanded to build homes on green field sites and businesses on brown
- The Government could deflect objections to it's most recent proposals for 'Growth Areas'

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WHAT DOES THE GOVERNMENT STAND TO GAIN?

- meets an election pledge on housing
- can claim to have saved social structure
- solves the staff shortage in the Health Service etc
- seen to preside over a major project at little cost
- takes pressure off London's transport infrastructure
- rejuvenates East London
- protects London's position as a commercial centre

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WHAT DOES THE GOVERNMENT STAND TO GAIN?

- credit for British lead in factory built housing
- credit for British lead in sustainable communities
- stimulates the UK economy as a whole
- can claim to be protecting the global environment
- benefits from huge tax receipts
- does not need to build the 'Growth Areas'

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CONCLUSION

**For London and the South East the only
solution is an urban extension built
on a green field site in North Kent**

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THE POLITICAL REALITY

- **Nothing will happen until the middle classes are hurt.....and by then it will probably be too late**

Quote from a senior Government political advisor

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