

# Landlords set to make killing

By Paul Knight

**T**YPICAL of the cases that will now start to hit the desk of Environment Secretary Patrick Jenkin is the application from Seymour Egerton, the 7th Earl of Wilton.

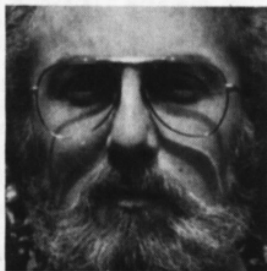
He wants to turn a 50-acre swath of land near Manchester into a housing estate for 300 executives and their families, writes Paul Knight.

His application for planning permission was turned down by Bury Council, which wants to contain urban sprawl.

The earl's land is in a Green Belt. If he gets permission to build, the value of his land will be increased by £1.4m.

But the metropolitan authorities that oppose tampering with the Green Belts have failed to produce a coherent plan for putting derelict urban sites to use.

According to Graham Moss



● Graham Moss

there is enough vacant land in Britain's towns and cities to build houses for five million families. Derelict land totals more than twice the size of Northumberland.<sup>1</sup>

The reason why land is held vacant is no mystery: the cost of possessing vacant land is zero – there is no property tax on the rental income that could be imputed to it.

Nor is the solution a mystery: a reform of the rating system, so that owners are obliged to pay a high tax on the market value of their land.

The additional income that would be raised could be offset by a reduction in the tax that now falls on the value of buildings – a tax which is a deterrent to fresh capital investment and a brake on the construction industry.

The release of vacant urban land would be the best protection for rural land, but few people believe that this strategy is likely to protect the Green Belts in the foreseeable future.

And that is why the government's Green Belt strategy is good news for owners.

According to Daniel Tate: "Land values in the Home Counties Green Belts have already begun to rise in anticipation of relaxed guidelines."<sup>2</sup>

1. Graham Moss, *Britain's Wasting Acres*, London: Architectural Press, 1981, p.2.  
2. Daniel Tate, 'Green-belted earl wants to build homes', *Sunday Times*, 14 Aug., 1983.

**G**REEN BELTS are considered to be one of the finest achievements of Britain's post-war planning system.

Rural havens ring the big towns, affording quick access to open spaces for urbanised families.

But now the Conservative Government wants to eat away at those Green Belts, and has issued a draft circular that seeks to redefine the boundaries between town and country.<sup>1</sup>

This has produced howls of protests from conservationists, and the Association of Metropolitan Authorities has accused the Environment Secretary, Patrick Jenkin, of conspiring with housebuilders to "unbuckle the country's green belts and unleash a torrent of peripheral development."

*Housebuilders, however, have done their homework. Earlier this year they produced a devastating report that indicted the municipal authorities for abusing open spaces.*

The House-Builders Federation investigated the condition of 66 sites

in Outer London boroughs that are registered on public files – ostensibly available for development.

These were sites designated as either Green Belt land or protected as open space in the local plans.

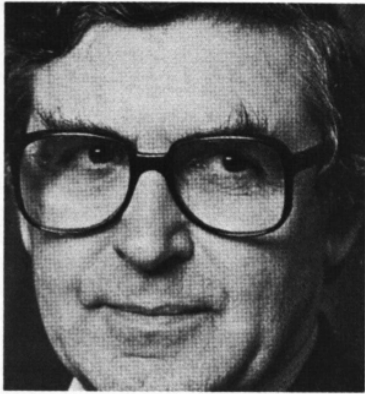
● 45 of the sites did serve some function as open space. In that case, asked the builders, why are they on the public registers. Their inclusion gave an inflated impression of the amount of land available for development.

● 21 sites, totalling 243 acres, were in a derelict condition and served no amenity purpose: they could provide 4,000 new homes if released to builders.

The President of the builders' federation, Peter Woodrow, declared: "I was appalled to see the condition of some of these sites. They are filled with rubbish and totally unkept and left as scrubland. They detract from the amenity of the area as most of them are simply eye-sores."



There are green belts . . .



● Patrick Jenkin

**T**HE HOUSEBUILDERS submitted the results of their investigation to the government, in an attempt to pressurise the planning authorities to step up their planning permissions.

There is little doubt that the builders would like rural land re-designated for development. The Green Belt is an abstacle to their activities. Said Mr. Woodrow:

"The same policies apply to many privately owned sites that are eyesores and yet are prevented from being developed by the blanket application of Green Belt policy."

But this neglect of privately owned land can be part of a deliberate strategy. As the *Estates Gazette* noted: "In the private sector, deliberate dereliction of potential

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## Tory red light for green belt invaders

by Gareth Huw Davies

GROWING anger over proposals by Patrick Jenkin, secretary of state for the Environment, to loosen planning controls and allow greater freedom for house builders to develop green belt and country sites could erupt in

pany confirmed last week that it was looking at sites for three new mini-towns of up to 20,000 people in Essex, Hertfordshire and Hampshire.

Consultation on the draft circulars, which reflect senior Whitehall thinking, is due to end in mid-October. But Conservative MPs are

● Protests pour in

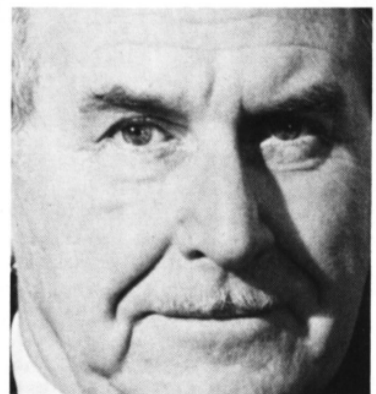
housing land is not unknown as a lever which can be used to secure its release for development."<sup>2</sup>

*The net result of public policies and private motives is a land-starved house-building industry.*

As Mr. Woodrow explained: "Whenever a piece of land comes on to the market we all want that same piece of land. We do not put in what the land is worth. We have to put in what we think will beat the rest. We are all forcing land prices up."

The result is that the cost of land now takes up to 40 per cent of the total selling price of some houses.

Agricultural land near London with a £2,000 price tag would fetch £200,000 an acre if houses could be built on it.



● Peter Woodrow – appalled

**A** CRISIS undoubtedly afflicts the house-building industry, because the land market is not able to supply the sites that are required.

Builders blame the planners, but the problem has been undermining the foundations of this industry for the past 200 years.<sup>3</sup>

Ten of the major housebuilding companies have decided that the only solution is to build self-contained villages as satellites to the big towns in the South-East.

Sites have been inspected, and options have already been taken out on land. Some of the sites are in Green Belts, which means that the Environment Minister's sympathies will probably have to be enlisted in the face of opposition from the local planning authorities.

*If this permission is granted – and Mr. Jenkin's sympathies have now been disclosed – the landowners, and builders who have options, will make a killing on the re-sale of land.*

Paragraph 6 of another draft circular states: "In some areas it may exceptionally prove the best solution to plan for new settlements rather than to expand existing communities."<sup>4</sup>

Thus, the belt-loosening process begins while hundreds of thousands of acres lie vacant in the towns of Britain.

REFERENCES

1. 'Memorandum on Structure and Local Plans and Green Belt', London: Dept. of the Environment, Aug. 1983.
2. 'Time for review', *Estates Gazette*, April 16, 1983, p.169.
3. Fred Harrison, *The Power in the Land*, London: Shephard-Walwyn, 1983, Ch. 7.
4. 'Land for Housing', London: Dept. of the Environment, 1983.



... and 'green belts'