



## Royal remonstrance

● Prince Charles — an emotional intervention that will provoke a considerable debate.

PRINCE Charles has launched a scathing attack on the building industry, writes Peter Poole. In passionate terms he drew attention to inner city decay, and declared: "Despite the obvious need to tackle this problem, it always seems to me crazy that the building industry spends a great deal of energy in trying to secure greenfield sites."

The prince was impressed by a Scottish project in which the local authority — lacking the resources to demolish or rehabilitate a terrace of houses — handed the properties over to local people to renovate.

"I see the potential whenever I go to these areas

and it drives me mad that others seem blind to the immense possibilities that are there," he told the National Housing Building Council's 50th anniversary conference in London on Oct. 28.

He criticised builders for concentrating their activities on greenfield sites, leaving the inner city to "fester" in an ever-increasing spiral of decay. And he said he was not impressed by the "short-sighted economic argument" that there was little point in pouring money into the inner city because there was no effective demand there.

The prince's emotional intervention, while not based on a sound analysis, will nonetheless provoke a controversial political debate. This could provide others with the opportunity to identify the heart of the problem, which is the failure of landowners — public and private — to offer their valuable sites for use at realistic prices.

## OVER WAGES

lem can be judged by the fact that planners predict a shortage of at least 122,000 homes in the south-east by 1991: the inadequate supply of land. The next two major problems stem directly from the rate of increase in the price of houses, which are exclusively the result of the cost of land.

Then, in September, Britain's biggest house-builder, George Wimpey, suspended its purchases of land in the south-east (the economy's major economic growth region). Land prices were now constituting half of the cost of houses.

Public policy is in part to blame for the problem. Prince Philip — who chaired an investigation into housing — wrote a critical article in *The Times* on October 7, in which he said that home-buyers benefited from the tax-break on interest they paid on mortgages to the tune of £4.75bn a year. The Royal Institution of Chartered Surveyors explained:

"For new houses this has the effect of driving up land prices and thus reducing the amount of land which it is economic to allow each house."

More — and smaller — houses are, in fact, now being squeezed onto plots of land. The housing crisis deepens; and the unemployment queues lengthen.

### REFERENCES

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3. Robert Warren, *Evening Standard*, 10 April, 1986.
4. *Land and Liberty*, March-April, 1985, p. 31.
5. *Housing: The Next Decade*, London: RICS, Sept. 1985, p. 27.

## Jobless and taxpayers

exploited to make fortunes for landlords

BRITAIN'S recession is providing landlords with scope to make large unearned fortunes, says David Alton, MP. The Liberal MP has alerted the government to the way in which landlords are buying empty buildings in Liverpool and inviting unemployed people to occupy their bed-sitters at rents which are set at two to three times the market rates. Taxpayers then pick up the tab, because unemployed people can claim housing benefits to cover their rents.

## ROCK OF GOLD

FACT: The Domesday Book — commissioned by William the Conqueror, who wanted a record of the taxable value of property in the British Isles — placed a value on England of £700,000. Nine hundred years later the Isle of Jethou, a speck of infertile rock in the channel was sold for £500,000!

## RENT RUMBLES

THE SHETLAND Islands' Council, in the North Sea, is demanding £97m. a year ground rent for the Sullom Voe oil terminal. BP, acting as spokesman for the consortium of 31 oil companies, says the £300,000 they have offered is "a perfectly reasonable rent" for what is 1,000 acres of bare hillside. The council bought the site from a bankrupt firm of land developers for £2.1m.