Housing and the Compact City: Principles and Practice in Britain

Barry Goodchild
School of Urban and Regional Studies
Sheffield City Polytechnic
Pond St.
GB - Sheffield S1 1WB
Great Britain

1. Introduction

The aim of this presentation is to examine the rationale for and the problems of house building as a means of using vacant and derelict sites in urban ares. The presentation starts with the rationale, as this has been articulated in Britain through the "inner city" programme, that is to say the public expenditure programme intended to regenerate areas of social deprivation and physical dereliction, as well as through the calls of the green movement for compact urban forms. It then goes on to examine the implementation of policies to bring housing back to the city. The emphasis is on the role of the private sector, as this has been the main theme in urban policy initiatives in Britain since the late 1970s.

2. Why Encourage House Building on Urban Sites?

Measures to combat urban fragmentation, the growing sense of social division in many European cities, require wide ranging policies which are pursued over many years to counter unemployment, to reduce the contrast between rich and poor and to increase the confidence in those who live in stigmatized residential areas. Improved housing conditions and improved housing choice are en essential element of this. The promotion of house building in depressed and deprived areas has a number of advantages, according to its supporters (Goodchild & al., 1984; Maclennan & al., 1987). It can,

- add to the quantity and variety of the existing stock and meet new demands from younger households who wish to live near the city centre;
- help satisfy a demand for owner-occupation in areas where the owner-occupied stock is often small;
- help correct the population imbalances which result from emigration of economically active households to the suburbs;
- remove eyesores and so improve the quality of the urban environment;
- strengthen the economic base of depressed areas through the creation of jobs in the building industry and increased demand for local services.

In addition, the use and re-use of urban sites is consistent with the broader aim of the green movement and others to create compact "European" urban forms which might avoid the waste and sense of fragmentation caused by continued dispersal. The compact city, such critics argue, is not simply a means of reducing the impact of urban development on the countryside. It also leads to cities which have a clearer visual

identity and which are better suited to pedestrian movement, to energy saving innovations in district heating and public transport and economy in the provision of public services (Elkin & al., 1991).

The density aspects of compact urban forms deserve particular attention. Some theorists lay down specific guidelines. For instance, Cooper Marcus and Sarkissian (1986) have argued in favour of medium density, to be more precise, low rise/high density "clustered housing" schemes which would make better use of space than American suburbia whilst simultaneously applying the lessons of numerous surveys that an overwhelming preference exists in the English speaking world for the typical visual and environmental features of a suburban estate - features such as a private entrance at the ground level, private open space, convenient car parking and a pleasant open aspect from the windows.[1] In the inner city clustered development housing would allow "people to enjoy a green and quiet environment within easy access to city jobs". On the city fringes, similar housing would, "if repeated often enough increase overall densities and render public transport more economic".

The arguments of Cooper Marcus and Sarkissian (1986) have an important lesson for an architectural competition. For the authors explicitly reject those architectural theories which argue for higher densities merely on aesthetic grounds as a means of promoting "urbanity" - a word which, in any case, cannot be defined with any clarity. The high density/low rise solution is presented as neutral in terms of its implications for architectural style, so long as the resulting appearance conforms to notions of social acceptability and so conforms to local conceptions of the home.

Nevertheless, as the authors admit, high density/low rise provides only a selective vision of the future, a vision intended for lower income family households, especially single parent households and families with working women who have no access to a car. Other household types - for example those of higher income or younger childless households may well prefer something different (Goodchild, 1991). In addition the concept of high density/low rise raises difficult questions about density limits in low rise housing. The experience of such schemes in the public sector in Britain has not always proved satisfactory. The desire to maximize density can lead to layouts whose unusual appearance is disliked by residents and which lack privacy and adequate parking space (Furbey & Goodchild, 1986).

Another doubt concerns the need for higher densities in new housing. Policies to encourage the more economical use of land do not imply wholesale increases in density for all types of development. Savings in land consumption are most marked and most easily achieved by banning very low density schemes comprising houses with large private gardens, as well as by avoiding scattered urban development characterized by a large amount of undeveloped infill sites.

3. Private Housing Development in the Inner City

The actual amount of new housing which can be diverted to vacant sites in urban areas is a matter of dispute. Local authorities have to make an assessment of such potential in order to prepare land allocations for their development plans. But the assessments are often unreliable, sensitive to different judgements about environmental suitability and development costs and liable to become out-of-date as a result of changing

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[1]   Low rise housing means a family house or a block of flats of five storeys or less.

market trends. In any case, the estimates of the local authorities are often challenged by private house builders who want as wide a choice as possible of development sites.

There is also uncertainty about the present proportion of private housing which is built on urban land. Unpublished survey results, quoted by the House Builders Federation (HBF, 1987), suggest that, in the mid 1980s, about 45% of private house building in England was already being undertaken on land which had previously been developed for some other purpose. However, no information is available to determine how much of this apparently impressive figure refers to development on derelict inner city sites.

The difficulties of estimating current trends, together with the political priorities of the British government, has meant that, in practice, most researchers who are interested in the subject of house building in urban areas have focused on a qualitative assessment of the constraints on private development in the inner city. The first, and in many ways still the most systematic study is that undertaken by Nicholls & al. (1981) in Nottingham. It comprises a detailed assessment of the suitability of vacant sites in two sample areas, one in the inner city and another on the periphery, followed by two questionnaire surveys of the majority of private house builders active in the city, the first dealing with their general attitudes to the inner city, that is to the older areas where most vacant land is located and the second dealing with their attitude to specific sites.

The study found that most of the vacant land in the inner city was owned by the local authority. The main obstacles to development were land prices; a scarcity of available land caused mainly by the refusal of the Labour-controlled authority to sell; and a lack of knowledge of potential sites amongst developers. If the local authority released more land, Nicholls & al. (1981, iii) concluded,

> "the prospects for inner city residential development are considerably brighter than might be expected."

The report's conclusions were accepted by central government and by the Building Societies Association as confirming their belief that private developers were willing and able to build in urban areas if land was available. They are also consistent with the provisions of the Local Government, Land and Planning Act, 1980, which requires local authorities to prepare and maintain registers of vacant land in public ownership in order to alert private developers to inner city opportunities and which also gives central government reserve powers to direct local authorities to sell.

In fact, Nicholls & al. (1981, 65) also state that,

> "the kind of inner city site most likely to attract residential development is one which is situated in an area of the city, preferably non-industrialized, separated from local authority housing developments and terraced housing, which is not populated by and identified with immigrant communities and which is large enough to accommodate at least 30 units."

Private developers who declared an interest in principle in the inner city became less interested when confronted with the reality of particular sites. And even in the case of these "better" sites, interest was partly dependent on the existence of restrictions on the development of greenfield sites. The report noted:

"Given a choice, most developers would perceive a greater demand for houses in attractive suburban locations and would adjust their development programmes accordingly."

Experience with the land registers suggest that public land ownership is not the prime obstacle to private house building in the inner city. The HBF stated in evidence to the House of Commons Environment Committee (1984, 211) that only about 11% of registered land could be used for private housing. A longer and more thorough analysis by the HBF (1987, 5) came to similar conclusions. In any case, local authority land holdings have become less extensive since the late 1970s. Sample survey of derelict sites undertaken by the Civic Trust (1988, 20), a pressure group which is concerned with urban design and the urban landscape, suggests that "public bodies are not the only or even the chief problem" and that in 1988 only about 28% of derelict sites were in the ownership of the local authority.

4 . Economic and Other Constraints

Development in the inner city presents a combination of difficulties for private house building and these difficulties are largely independent of whether the land is publicly or privately owned.

First, the development strategies of private house builders are very sensitive to the likely price of the scheme on completion. Other than in inner London and a few other prosperous cities, developers are aware that newly completed houses in the inner city command relatively low prices. The demand in most inner ares comes from lower income groups, often first-time purchasers, who are searching for less expensive property. In addition, new dwellings in such areas generally have to compete with modernized pre-1919 dwellings which provide better value for money in terms of the relation between price, floorspace and the number of rooms.

Secondly, development costs are less predictable with many sites which are small, awkwardly shaped or which have other difficulties such as old foundations which have to be cleared before building can begin.

Thirdly, land acquisition costs are uncertain, owing to competition from industrial and commercial developers. Even in the most depressed areas, costs are inflated by "hope values", where the owner's perception of value is based on an optimistic, sometimes an over-optimistic, expectation of economic expansion at some future date. Moreover, buying land from the local authority often encounters the same difficulty of high prices as local authorities are constrained in the sale of publicly owned land by the Local Government Act, 1972, which requires them to sell land for "the best consideration". The latter phrase is not very clear. But local authorities generally interpret it as "the best price".

The result is that housing development in the inner city is generally more risky than that on greenfield sites or on sites in middle class suburbs where house prices are relatively high (Goodchild & al., 1984).

The development of new housing in industrial and commercial areas is even more problematic and has only been pursued on a limited scale. The former is restrained by a combination of high land values, poor environment and the weakness of the statutory planning system to protect householders against the subsequent intensification of industrial use. The latter is generally limited to schemes of "planning gain" in which

private developers provide a limited amount of housing or other community facilities in return for the granting of planning permission. The conversion of empty floorspace above shops has often been suggested as a way forward in the provision of new housing in city centres and has the additional advantage of promoting the conservation of historic buildings. However, experiments in such conversion schemes have been restricted by the frequent difficulty of arranging independent access to the upper floor and by the preference of commercial users to keep upper floor space vacant for reasons of security and operational flexibility.

5. Policies to Increase Urban House Building

The amount of house building in urban areas may, in principle, be increased through the strengthening of existing policies for urban containment, such as the Green Belts which surround most of the larger towns and cities in Britain. But it is unclear as to the extent to which an increase would, in fact, be achieved. Urban containment is a negative device which merely stops development in designated areas. It can encourage developers to look for potential sites in urban areas, as Nicholls & al.'s study of Nottingham suggests. But it cannot ensure that development will be undertaken there. Development has to be shown to be profitable before private investors risk their capital and, given the various economic and other constraints, that prospect remains uncertain.

In any case, there are doubts about the feasibility of restraining house building in the countryside in the light of present trends for the dispersal of employment. The manufacturing industry, distribution and certain types of routine office activities have lost their demand for centrality. The most attractive sites are now invariably those which are closest to a motorway network. Local authorities have recognized this and have accordingly adjusted the allocation of sites for industry and office parks. Moreover, recent trends towards private/public partnerships have made local authorities even more likely to follow, rather than guide market trends.

In addition, the economic constraints on private house building may be overcome, as the HBF (1987) and SLABS (1987, 84) suggest, by a combination of increased levels of grant aid, increased spending on environmental improvement and by the more frequent use of compulsory purchase to free those sites affected by private ownership constraints. The difficulty is that the government argues that it already does much to support house building in urban areas. Indeed, some economists have asked whether the substantial sums involved can be fully justified. Kleinman (1991), for instance, has called for a much closer examination of whether urban policy should seek to preserve local communities. Perhaps, he argues, it might be more efficient to promote internal migration within Britain and the EEC as a whole and to ensure that more dwellings are made available in growth areas. Though Kleinman does not make the point explicit, the same question may be asked about the public costs of vacant and derelict urban land. Rather than spend enormous sums of public money in promoting development, why not use vacant sites as a means of promoting more parks and open space within urban areas?

6 . Who Benefits?

The social consequences of urban policy should also be considered. The compact city is sometimes considered as necessarily equitable on the grounds that it facilitates public transport and access to employment and social and cultural facilities. In principle this may be so. But in practice the compact city can intensify competition for housing and involve the displacement of existing low income residents.

The promotion of private house building in the British inner city provides a good example. In inner London and in the inner area of other prosperous towns, where potential housing sites are generally few in number, the sale of publicly-owned land to private house builders means the loss of a scarce resource which cannot be easily replaced. The market for new private housing in such areas is severely restricted by its high price and is well beyond the financial means of the residents of deprived areas. Thus, a review of the development activities of the London Docklands Development Corporation (LDDC) in the early 1980s concluded that,

> "90% of local residents, and especially those in poor housing ... have interests that are totally opposed to those of the LDDC and the volume house builders." (Ambrose, 1986, 243)

Admittedly the LDDC and the other Urban Development Corporations now take social considerations into account to a greater extent than in the past. The LDDC has, for example, signed an agreement with the Borough of Tower Hamlets and with a consortium of local housing associations to increase the proportion of social housing in new house building in their area. But the new social emphasis does not go far enough in the view of most community activists and still fails to take adequate consideration of local needs.

In towns and cities where the market is less buoyant and where land is cheap and plentiful, the rationale for private house building is stronger because the sale of publicly-owned land is less likely to preclude house building for rent at a later date. The economic advantages clearly outweigh the social costs. Even here, however, building for sale fails to meet the needs of those who, for reasons of age, low wages or unemployment, are dependent on rented accommodation. Private house building, on its own, does not adequately meet housing needs or reduce the sense of deprivation in the inner city.

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