

Land-use planning and housing – issues of supply and affordability in England and Portugal

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Objectives

- To discuss policies and practices of land-use planning in Portugal and England;
- To problematise the effects of land use planning on housing outcomes (with a focus on Portugal);
- To emphasise the limitation of supply argument and the relevance of land use planning mechanisms to support the provision of social and affordable housing (as in England).

Land-use Planning in Portugal and England

Two contrasting planning systems:

- Legal and administrative models (regulatory vs discretionary planning traditions);
- Planning philosophies of development control (permissive vs restrictive);
- Neoliberal ideologies: one tries to shrink the state and establish an overall sustainable development strategy, and another offers subservience to private market interests at the expense of environmental and financial sustainability.

Land-use Planning in Portugal and England

‘Planning systems are expected to do different things in different countries, and objectives are pursued within different institutional structures and mechanisms’

Michael Oxley

Economics, Planning and Housing (2004)

Regulatory vs Discretionary Planning Systems

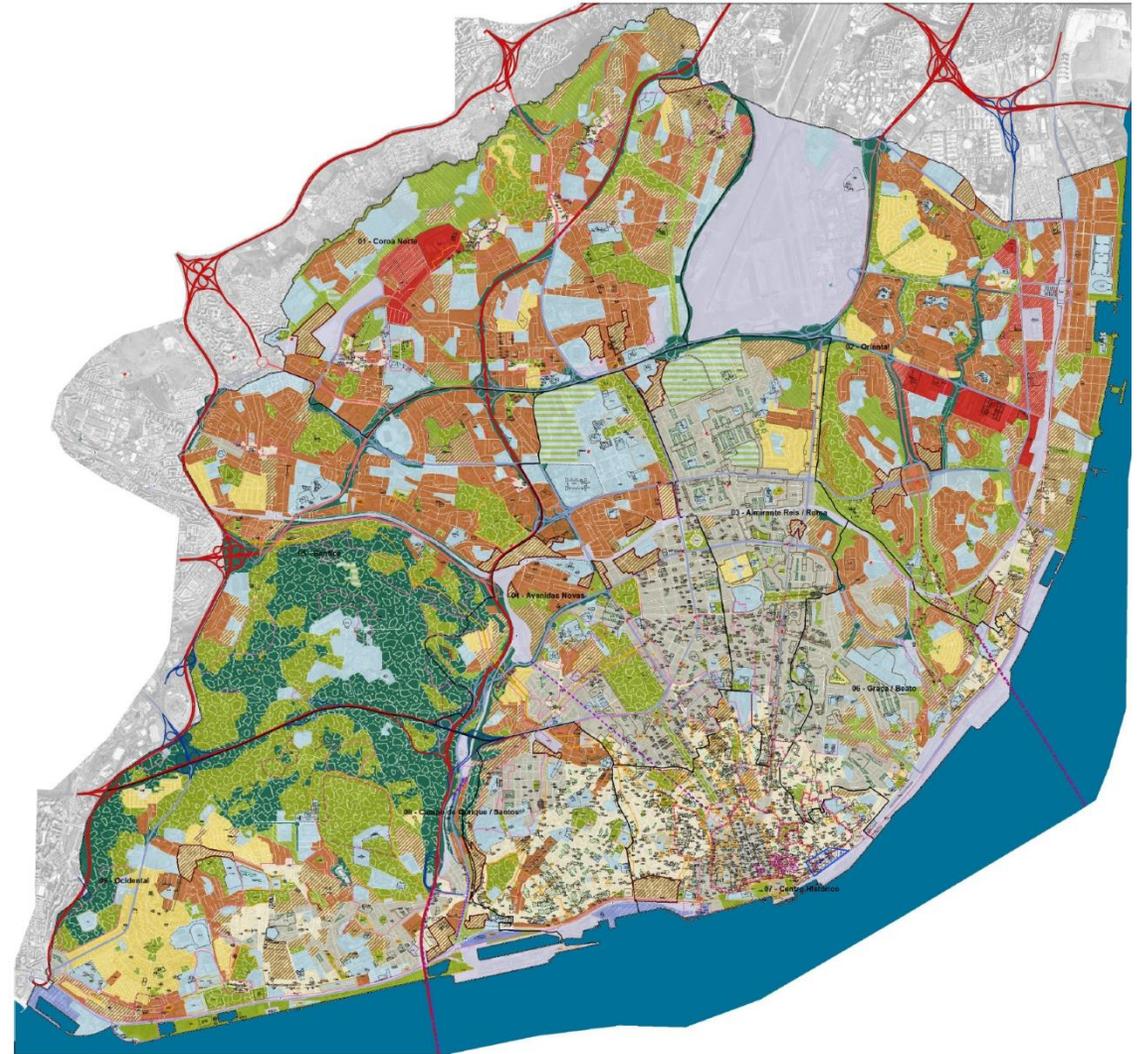
- Portugal has a regulatory planning system that uses zoning to classify and qualify the permissibility of land uses, offering a higher level of certainty regarding planning permissions;
- England uses a discretionary model with development plans that do not use zoning, and do not confer development rights. Each development requires specific permission.

Portugal: Regulatory Planning System

- The national territory is covered by local land-use plans that define the “jus aedificandi” (potencialidade edificativa) of the land;
- The ratification of a land-use plan creates an automatic presumption in favour of development, unless other requirements are codified within planning regulations.

Portugal: Regulatory Planning System

- If applications conform with the law and zoning regulations prescribed for the plot (in terms of design, form, uses, etc.), planning permissions are likely to be issued. If they are refused, landlords may have the right to compensation;
- There is a general presumption in favour of house building and the markets;
- Planning legislation does not try to capture planning gains for the provision of social and affordable housing.

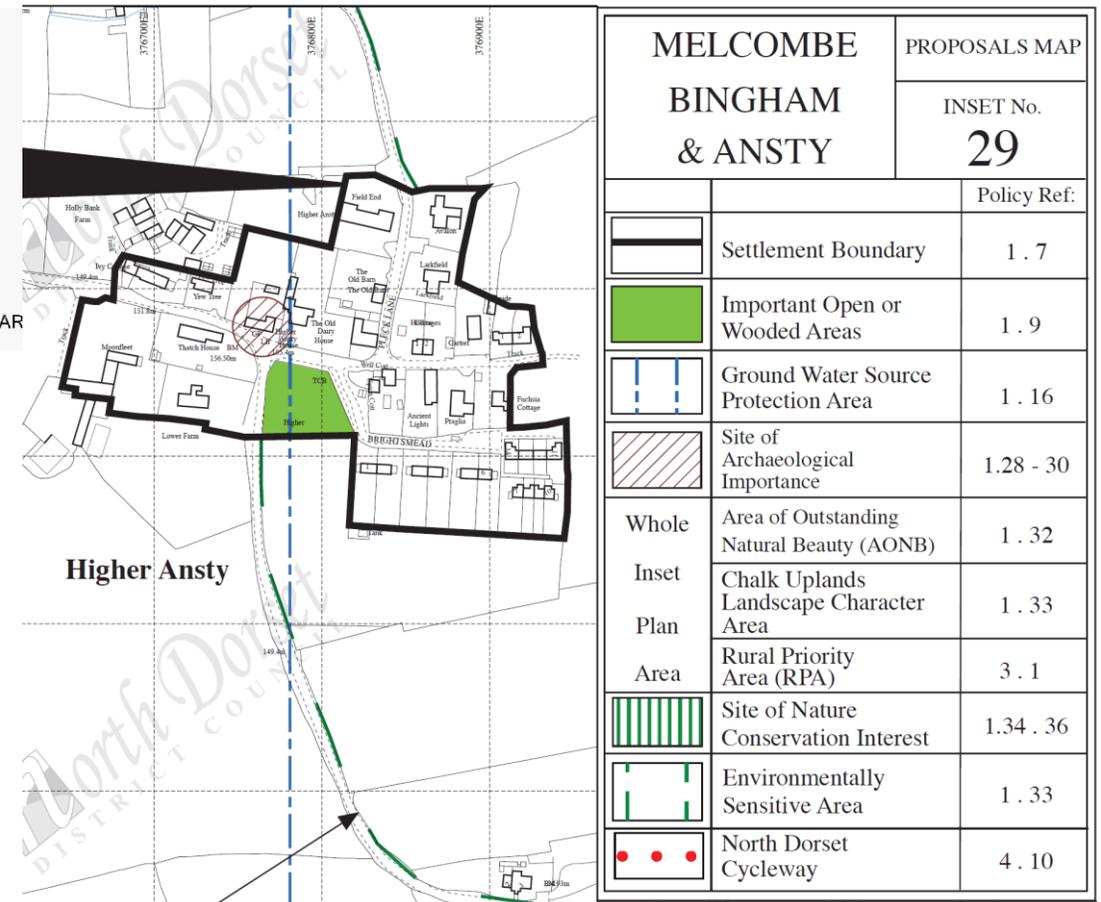
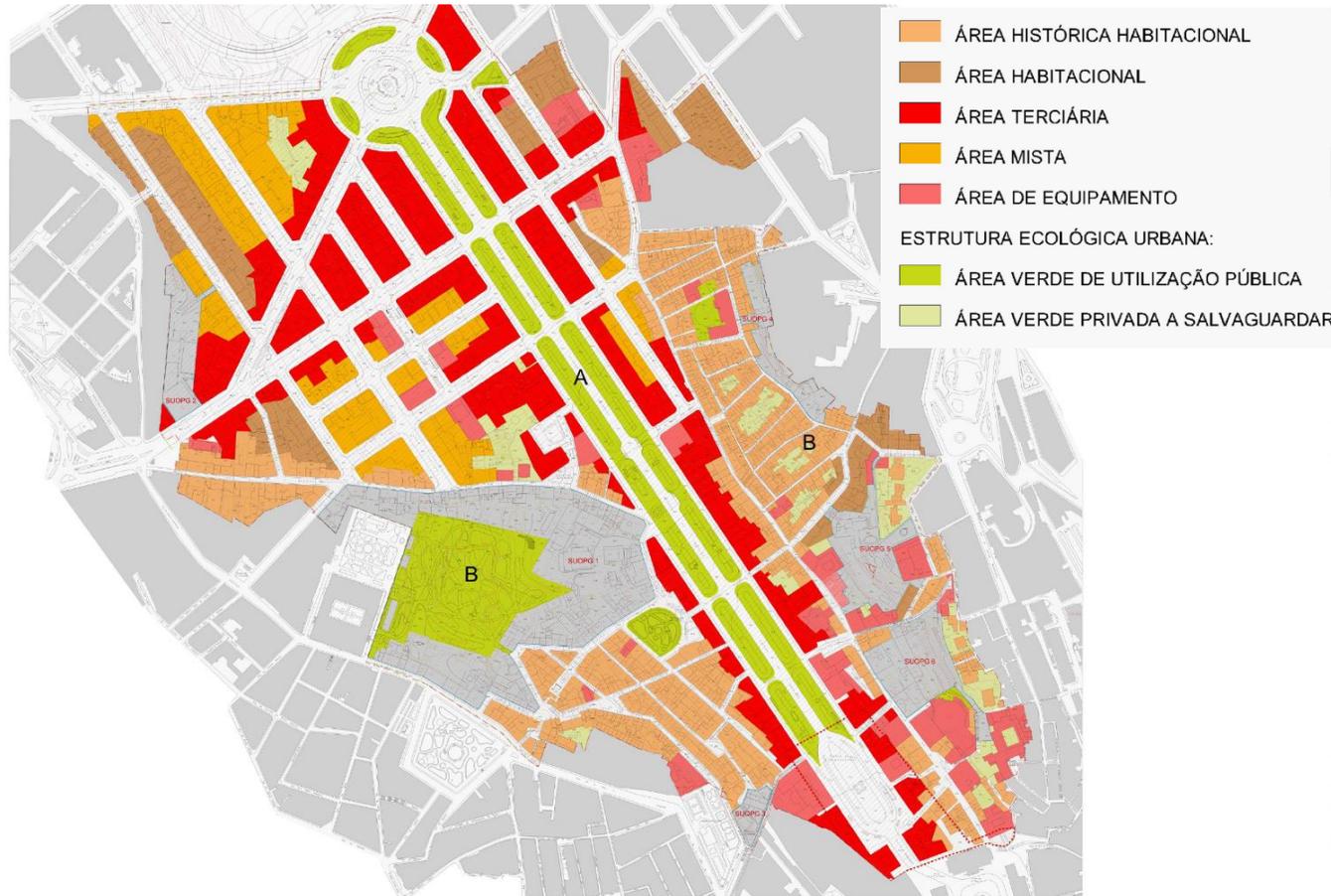


PDM - LISBOA

Legenda de | Planta de Ordenamento - 1 - Qualificação do Espaço Urbano

USO DO SOLO		ESPAÇOS A CONSOLIDAR	
ESPAÇOS CONSOLIDADOS		 Espaços Centrais e Residenciais	 Espaços Centrais e Residenciais - POLU
 Espaços Centrais e Residenciais - Traçado Urbano A		 Espaços de Atividades Económicas	
 Espaços Centrais e Residenciais - Traçado Urbano B		 Espaços Verdes de Recreio e Produção	
 Espaços Centrais e Residenciais - Traçado Urbano C		 Espaços de Uso Especial de Equipamentos	
 Espaços Centrais e Residenciais - Traçado Urbano D		 Espaços de Uso Especial Ribeirinho	
 Logradouros Verdes Permeáveis a Preservar		PATRIMÓNIO ARQUEOLÓGICO E GEOLÓGICO	
 Espaços de Atividades Económicas		 Geomonumentos com Área de Proteção	
 Espaços Verdes de Recreio e Produção		 Ocorrências Hidrominerais de Alfama com Área de Proteção	
 Espaços Verdes de Proteção e Conservação		 Nível Arqueológico I - Área / Restos das Cercas de Lisboa	
 Espaços Verdes de Enquadramento a Infraestruturas		 Nível Arqueológico II	
 Espaços Verdes Ribeirinhos		 Nível Arqueológico III	
 Espaços de Uso Especial de Equipamentos			
 Espaços de Uso Especial de Equipamentos com Área Verde Associada			
 Espaços de Uso Especial de Infraestruturas			
 Espaços de Uso Especial Ribeirinho			

Regulatory vs Discretionary Planning Systems



The English regulated system within a discretionary model

- This is a plan-led system. Decisions on planning applications should be made in accordance with the adopted development plan, unless material considerations indicate otherwise;
- Local Plans incorporate a core strategy and may include Supplementary Planning Documents, including the amount of houses that are required in particular locations (cf. size, type, tenure of housing);
- Local Plans should set out the contributions expected from development, including the levels and types of affordable housing provision required and other infrastructure.

England: Discretionary Planning System

- Local plans do not include any maps on which individual properties can be identified (Galey and Booth, 2007);
- Plans only have an indicative force: the constraints prescribed for development are delivered case by case, at the moment at which applications for planning permission are determined (Galey and Booth, 2007).

England: Discretionary Planning System

- The 1990 Town and Country Planning Act provides Local Planning Authorities with the right to negotiate obligatory contributions with developers on a case by case basis;
- Since then, the planning system has been used to gain public benefits – such as affordable housing – through setting targets and negotiating with developers.



The Incidence, Value and Delivery of Planning Obligations and Community Infrastructure Levy in England in 2016-17

Dr Alex Lord, Dr Richard Dunning and Dr Bertie Dockerill
The University of Liverpool

Dr Gemma Burgess
The University of Cambridge

Dr Adrian Carro
The University of Oxford

And

Professor Tony Crook and Professor Craig Watkins
The University of Sheffield

Professor Christine Whitehead
London School of Economics

March 2018
Ministry of Housing, Communities and Local Government

- Substantial growth in volume of planning contributions in the value of affordable housing in both absolute terms and as a proportion of the total value of planning obligations agreed;
- Affordable housing contributions have grown as a proportion of total planning obligations, from 53% in 2007/8 and 62% in 2011/12 to 68% in 2016/17;
- Where affordable housing is delivered through the planning system via Section 106, it is tied to market supply, facing the same constraints as market production.

Land-use planning in Portugal and in England

- The basis of the UK planning system lies in the power of the state to refuse permission (or grant with conditions), without the need to pay any compensation to land owners or developers;
- The planning system enables negotiations with developers for the provision of social and affordable housing (Section 106);
- Planning tools leverage significant quantities of affordable housing supply in many parts of England.

Land-use Planning and Housing Markets in England

- Criticisms

TPR, 89 (2) 2018 <https://doi.org/10.3828/tpr.2018.8>

Nick Gallent, Dan Durrant and Phoebe Stirling

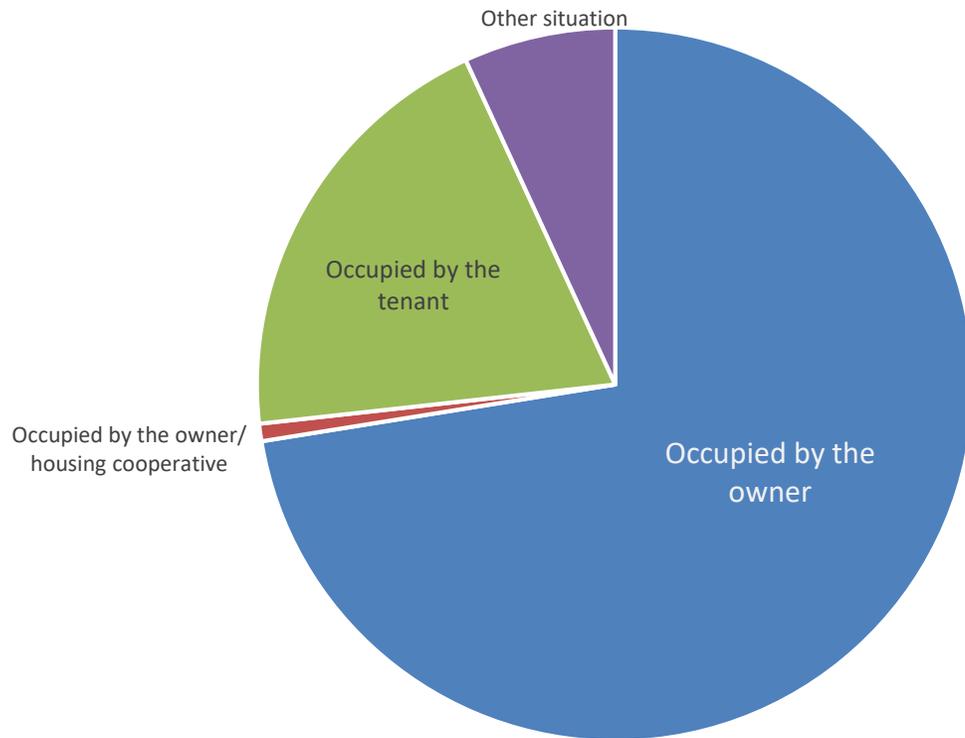
Between the unimaginable and the unthinkable: pathways to and from England's housing crisis

This paper provides a critical perspective on England's housing crisis, characterised here as a concentration of wealth in residential property which is driving up prices and reducing access to the homes that people need. Housing has become a wealth machine and government has arguably lost sight of its social function. It is important that planning draws a functional distinction between housing as an asset and housing as a social good. The paper ends by considering how a decoupling of housing's 'home' and 'asset' functions might be achieved through land-use policy.

Keywords: housing, credit, wealth, privatisation, investment, justice, England

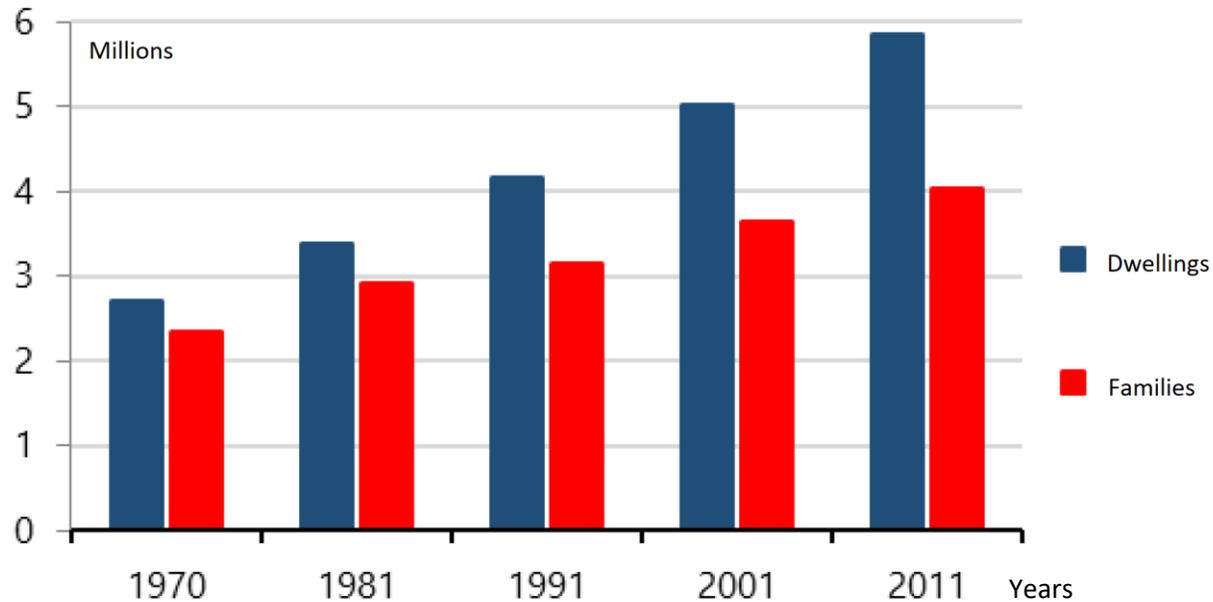
- Unresponsive land and housing supply to secure sufficient quantity of new housing and assure appropriate location;
- Rising property prices lead to declining affordability;
- Unaffordable for certain sections of the population.

Main features of the Portuguese housing market



- Owner-occupancy is the dominant tenure;
- Social housing is restricted to the very poor (3% of all housing stock);
- High housing needs: in 2018, 25,762 families live in unsatisfactory housing conditions (PNPOT, 2018).

Main features of the Portuguese housing market



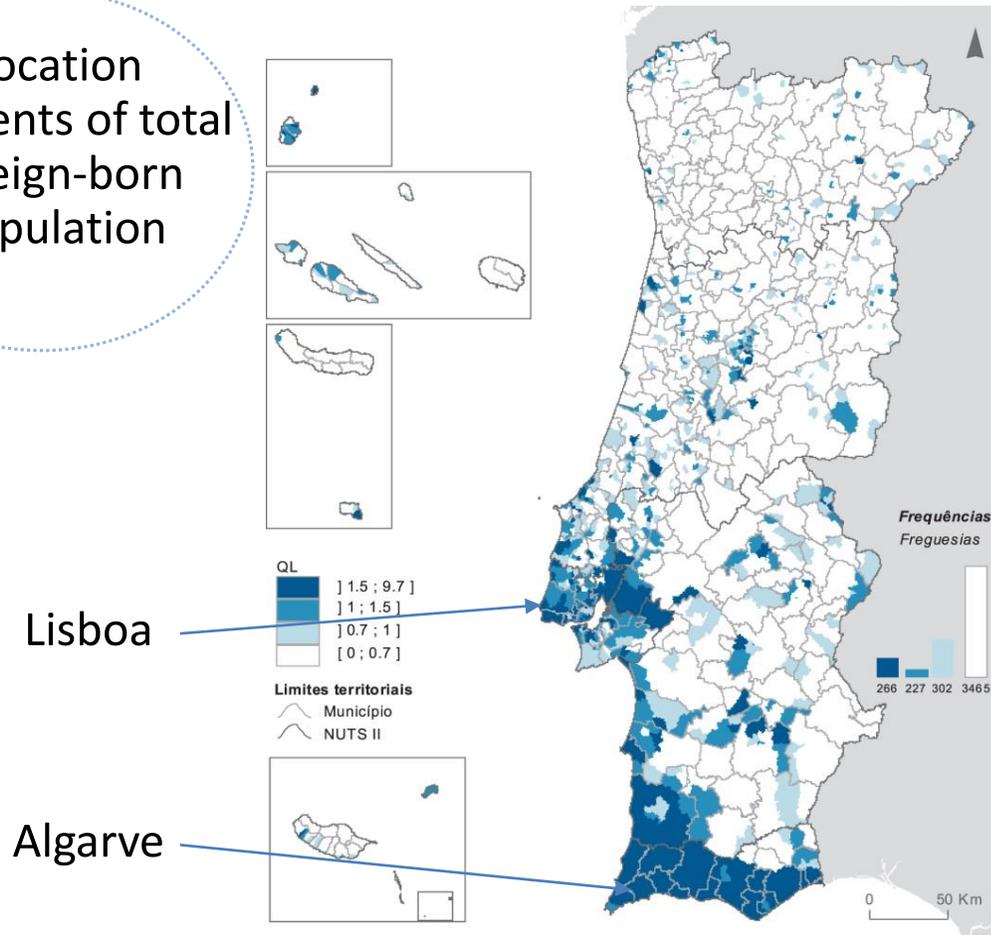
Source: PNPOT (2018)

- Massive construction boom (mainly owner-occupied);
- Between 2001 and 2011 » +11% families (+ 393,000) and + 16% dwellings (+ 840,000);
- A great number of dwellings that are not used permanently (18%).

Main features of the Portuguese housing market

Source: Statistics Portugal 2011

Location
quotients of total
foreign-born
population



Lisboa

Algarve

- Strong demand from for foreigners in tourist areas;
- No restrictions on construction of second homes;
- Purchase by foreigners is supported (Golden Visa + tax exemptions);
- No capture of the development value that is created by planning permission.

Land-use planning & housing issues of supply and affordability in Portugal

- An instrumental use of land-use planning oriented towards market interests.
- High volume of housing (vacant and seasonal housing) and YET housing bubbles » rising property prices;
- Economic and environmental externalities - urban sprawl, scattered disordered suburbs, wasteful distribution of infrastructures.

Land-use planning and the markets

“If policymakers trust land owners and real estate markets too much, everyone will suffer from market failures caused by stupidity, ignorance or externalities.”

Benjamin Davy
Land Policy (2012)

Conclusions

- In Portugal, the subordination of environmental and social goals to private economic interests has accelerated housing production and urban sprawl, but not avoided localised housing bubbles that have fed public and private debts;
- Planning policy can be used directly to meet housing needs but, as the English housing crisis illustrate, this is not enough;
- More grant-supported public or third-sector provision is needed to provide genuinely affordable housing.

Conclusions

- The introduction of planning obligations can raise significant contributions for affordable housing and infrastructure, and can help to build more mixed and balanced communities;
- Planning obligations can also contribute towards mitigating the negative impacts of delivery, but they can't tackle the increasing disparities in wealth between social groups and areas;
- More redistributive mechanisms are needed to tackle the social and spatial inequalities that remain deeply embedded in both countries' structures.

What next in terms of research?

- To add a third country (Denmark, which remains one of the most egalitarian countries in the world);
- To examine how land-use planning has contributed to the provision of affordable housing for low-income people within new developments in three capital cities - Copenhagen, Lisbon and London.

What next in terms of research?

- Within the framework of a Marie Skłodowska-Curie Individual Fellowship, the project PLANAFFHO (PLANning for AFFordable HOusing) will offer opportunities for:
 - collecting qualitative and quantitative empirical data in three different countries/capital cities;
 - developing interpretive methods to scrutinise policies and practices in various cities, in relation to their specific social, cultural and political contexts;
 - promoting cross-national learning to generate new insights on what works and can be transferable across countries.

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