York exiles the poor

Submission to the Pubic Examination on the 2018 York Draft Local Plan

An unfair, unsustainable plan.

Transfering wealth from the poor to the rich and affluent

Planning gain: Estimate 1

According to the Department for Communities and Local Government in December 2015, the price of agricultural land in Yorkshire and the Humber was estimated as £21,000 per hectare. In York, the value of a hectare of building land was estimated as £2,710,000. Planning permission turns agricultural land into building land. This is planning gain, increasing the value of land by well over 100 times.

Planning gain is a windfall to the landowner - before any building starts. At the recommended rural density of 35 dwellings per hectare this estimates planning gain per dwelling as £77,000. This adds to the cost of a new house in York, when in a greenfield setting. In contrast, a similar calculation gives the planning gain for a house in Liverpool as £27,000 per dwelling, £50,000 less than in York.

However, recent searches on the housing website, Zoopla, give the value of a typical new three bedroomed house in Liverpool to be in the £100,000 range but in York they are in the order of £300,000; a difference of £200,000. In York the cost of a new house is about £200,000 more than a similar one in Liverpool.

According to RICS data, building costs in Yorkshire & Humberside are about 1% higher than in the North West. Rates of Community Infrastructure Levy (CIL) may vary across the country but they are not large enough to cause much difference to house prices. In most areas, the CIL for a standard house will be just a few thousand pounds.

The difference in house prices between Liverpool and York is not caused by building costs or other development costs that are subject to competitive market pricing. Nor is it caused by differences in CIL. It is planning gain that soaks up the difference. The difference in house prices between Liverpool and York suggests that £77,000 is a gross underestimate of planning gain in York.

Planning gain: Estimate 2

To make an alternative estimate of planning gain, I will use the relationship

Planning gain = Selling price – development cost - agricultural land price

Here, I will use a value of £900 per square meter for building cost in line with The City of York Local Plan Viability Study (2014) by Perter Brett and Associates (PBA). This

figure is only slightly higher than RICS data for the Yorkshire and the Humber Region.

PBA costs would estimate the building cost of a new 85m2 house in York as £76,500 but other costs should be added: external works (10%), professional fees (10%) and contingency (5%). This becomes £100,500.

Adding further sums for financing (7%), developers profit (20%), site purchaser's costs (6.5%) and marketing (10%) makes the development cost of a notional house of 85m2 to be £133,875.

Agricultural land in Yorkshire has been valued at £21,000 per hectare. At a density of 35 dwellings per hectare(dph) this is £600 per house. Adding a possibly generous £5,000 for the Community Infrastructure Levy (CIL), £140,000 should be subtracted from the sale price of a house to arrive at this estimate of planning gain:

Planning gain = Selling price – £140,000

An indication of selling prices for new build green field 3 bedroomed houses with 85 m2 of floor space may be made in comparison with the new Development in Derwenthorpe by the Joseph Rowntree Housing Trust. A typical example (82m2) is now selling for £322,000. So for a greenfield site, where little site remediation is required

Planning gain for one house = £322,000 - £140,000 = £182, 000

In making following calculations I have divided sites into greenfield sites and brownfield sites and use the percentages for affordable housing for greenfield (30%) and brownfield sites (20%). The following sites in the Local Plan I have guessed as greenfield: st2, st4, st7, st8, st9, st14, st15, st31. The rest are brownfield.

Planning gain for greenfield sites

My estimates of planning gain for greenfield sites in the York Local Plan:

Site	Site Code	Planning gain per site
Civil Service Sports Ground	ST2	£ 46 million
Land Adjacent to Hull Road	ST4	£ 36 million
Land East of Metcalfe Lane	ST7	£145 million
Land North of Monks Cross	ST8	£166 million
Land North of Haxby	ST9	£126 million
Land West of Wigginton Road	ST14	£231 million
Land West of Elvington Lane	ST15	£571 million
Land at Tadcaster Road, Copmanthorpe	ST31	£ 27 million

Total planning gain for greenfield sites is £1.34 billion for 7870 dwellings. In terms of the population of York, This equals over £16,000 for each of the 83,000 or so households in York.

Planning gain for brownfield sites

For brownfield sites I have assumed/guessed an average value of £4,000 per dwelling for site remediation. At a density of 50 dph this is £200,000 per hectare. On the more polluted sites such as York Central, densities are planned to be 100 dph allowing £400,000 per hectare for remediation.

This gives the total planning gain for brownfield sites as £1.20 billion for 7070 dwellings. This is over £14,000 for each of the 83,000 or so households in York.

Combined with the gain from greenfield developments, my estimate of total planning gain in York is £2.55 billion equal to £30,000 for every household in York.

Wealth transfer and planning restrictions

As OPEC often demonstrates with the supply of crude oil, restricting the supply increases prices. The supply of housing in York is restricted by the supply of building land, which, in turn, is restricted by the supply of planning permission.

OPEC also finds that although each of its members is restricted in what they can produce, the increase in prices caused by the restrictions will mean that all members should have increased revenues.

This version of the Local Plan reduces the number of dwellings compared to the previous one. It is quite likely that this will mean that the total planning gain – the actual gain in practice – will be even greater than previously to the increased benefit of landowners.

Although land owners profit because their planning gains rise, the wider and more important effect is the overall rise in the cost of housing: Home owners see enormous increases in their property wealth, while others pay higher rents. This is an enormous transfer from the poor and the young who don't own their homes to the old and the affluent who do. This will be exacerbated by this local plan.

The plan uses the term 'affordable housing' implying concern for the less well off. However, A Guardian article in 2014, Affordable housing does not mean what you think it means, commented:

> In a move worthy of George Orwell's Ministry of Truth, affordable rent will be higher than before, set at up to 80% of the local market rent. Across whole swathes of southern England affordable rented properties will simply not be affordable to people on low incomes.

It is interesting to note that the town planning expert Mark Tewdwr-Jones, from Newcastle University, has drawn maps which show Manchester, Leeds and York as part of London's sphere of influence. York is no longer part of 'The North'. In the new 'southern' York 'affordable' rented properties will not be affordable to people on low incomes.

In York, this has the effect of forcing out the less affluent and their children. Even the children of the more affluent may have temporary difficulty - in the years before they inherit from their parents.

York exiles the poor

This story was outlined in a report by Ove Arup & Partners Ltd. For the City of York Council. The report, Housing Requirements in York, Assessment of the Evidence on Housing Requirements in York. The telling part of the report is in section 6.3 *Broader relationships and impacts*. I have added numbered headlines (in bold). Paragraphs from the Arup report are in green.

6.3 Broader relationships and impacts

1. First time buyers cannot even afford lower priced houses

> Although headline prices have remained in line with national trends in York, lower quartile priced housing has become less affordable suggesting that established home owners are probably compromising their choices at the lower end of the market, probably in homes that were previously available to first time buyers.

2. Older, more affluent people will displace traditional population.

> The consequences of such changes are complex, but are likely to include the development of an increasing proportion of older, more affluent (and socially conservative) population over time. There will also be displacement of traditional population, perhaps to locations such as Selby or Leeds as gentrification becomes more widespread.

3. Incomers from London and the South East will move to York because of lower house prices

> However, perhaps more positively is that the city may become more attractive for high skill groups, perhaps relocating from the higher house price areas of London and the South East.

4. These incomers cannot return to the South East

> Relocation from such places is typically constrained by the assumption that moving to a cheaper location means that it will never be possible to move back and that relocation may prove to be the “graveyard of ambition” as in the future it could constrain future career choices.

5. High skilled people move in

> For example, surveys suggest that the parity of house prices between say, Cambridge and London, has been a factor that improves the attractiveness of the city to the highest skill groups. To some extent Harrogate and the Wharfe Valleys, as a premium housing locations for the Leeds labour market also may be demonstrating this effect. The issue here concerns the type of role as a City that York wishes to play.

6. Neighbouring local authorities may not help

> York is located is a broader strategic housing market in which most indicators suggest strong demand. There is thus no obvious sub area options to disperse growth to neighbouring districts, indeed on the contrary it is likely that York will face additional pressures both because surrounding districts may under provide for housing. Such pressure also

arises because York is and is likely to remain the major source of employment and services in its sub region and York's range and choice of housing is broader.

7. Higher house prices will cause commuting to increase

Whilst is possible, that market processes in terms of higher house prices may encourage a wider area of housing search, including most obviously Leeds (or perhaps Hull) this is likely to be associated by additional in commuting. There are opportunities for sustainable travel choices for commuters in the sub-area, including rail links from Malton and Selby and there is scope for a future, more planned, sub-regional approach.

This version of the Local Plan will have the effect of exiling the poor by forcing up the cost of housing by keeping the supply limited. The City of York Council Strategic Housing Market Assessment by GL Hearn Limited calculates the Objectively Assessed Need (OAN) which uses demographic analysis to arrive at a starting point for the number of dwellings to be included in the Local Plan. The report states

> Government's Planning Practice Guidance sets out how the objectively assessed need for housing should be defined. It sets out that the starting point should be demographic projections, with appropriate assumptions regarding household formation rates. The need may then need to be adjusted to support economic growth or improve affordability. The SHMA follows this approach to identifying housing need.

If the Government's draft revised Planning Practice Framework (March 2018) does mean affordable in its normal sense (rather than 80% of the local market rent) then the future housing targets outlined in the report are clearly insufficient because current market conditions have made housing in York unaffordable causing even those on reasonable incomes to move to out of York e.g. Selby or further. As GL Hearn points out

> In travel to work terms York has a strong influence in the immediately surrounding districts particularly Selby, the southern parts of Hambleton and the eastern parts of Ryedale and East Riding.

This version of the Local Plan does not consider the incomers from the rest of the country, particularly London, who will move to York because it is a pleasant place to live, work and retire. Many will still be linked economically to London, managing to continue their London jobs remotely but living in York.

My comment No.4 on the Ove Arup report “These incomers cannot return to the South East.” needs the addition “They will exile the poor from York who will not be able to return.”.

The proposed green belt acts a a lock on these policies, making changes difficult for the next twenty years or more. This is discussed later after the section on climate change.

Climate change

Climate change is worse than the UK Government admits. The claim that the UK is a leader in the combatting climate change rings hollow. For example, UK Government sources emphasise greenhouse gas emissions from production rather than those from consumption. Production counting means that the UK's 'official' carbon emissions decrease when a steel works is closed in the UK and steel is imported from overseas but overall emissions increase because overseas production is more carbon intensive.

Remaining carbon budget is 100 tonnes CO2e per person.

Carbon dioxide (CO2) is the most important greenhouse gas accounting for about 80% of global warming. Other gasses, including methane, add about 25% to the warming. To simplify the picture the warming caused by these other gasses are measured compared to the effect of carbon dioxide. The combined figure is know as carbon dioxide equivalent (CO2e).

The Remaining Carbon Budget is that amount of greenhouse gasses that can be emitted before a given rise in temperature is predicted to happen. The Guardian's Carbon Countdown Clock says remaining carbon budget to keep the Earth's surface temperature below 2°C is 736 billion tonnes of CO2e. The world population is 7.6 billion so, shared equally, the personal remaining carbon budget is just short of 100 tonnes CO2e each.

The Global Carbon Project says world CO2 emissions in 2016 were just over 40 billion tonnes CO2, when land use change is included. Adding 25% to allow for other greenhouse gasses gives 50 Gt CO2e /year. That's 7 tonnes per person. With a budget of 100 tonnes CO2e, 7 tonnes per person will last just 14 years. A bit longer if reductions happen soon.

[Note: The debate on remaining carbon budget is more complex than presented here. If necessary I will provide a further note. One thing is certain: If everybody on Earth emitted 100 tonnes of CO2e, there would be very serious consequences for the climate.]

Carbon footprints and the York Local Plan

As an indicator of the likely carbon footprints of the residents of the new greenfield dwellings in the York Local Plan, let us take the "sustainable" development at Derwenthorpe by the Joseph Rowntree Housing Trust as an example. The related Joseph Rowntree Foundation commissioned a report to assess the environmental sustainability of Dewenthorpe residents. The study, A sustainable community? Life at Derwenthorpe 2012–2015 was by the Centre for Housing Policy and the Stockholm Environment Institute at the University of York. (It is not now available on the JRF website.) The study reported the carbon footprints of residents of Derwenthorpe using the REAP petite assessment method. It reported:

- Derwenthorpe carbon footprints were lower than the UK mean (at 14.52 tonnes compared with 16.24 tonnes per year).

  However, when interpreting these results it should be noted that, compared with the national REAP Petite sample, Derwenthorpe REAP Petite respondents are skewed towards higher income households (see Chapter 2) with the richest 10 per cent of households nationally consuming three times more carbon for household energy and travel than the poorest 10 per cent (Preston et al ., 2013).

The estimated carbon emissions of the residents of Derwenthorpe mean they reach the 100 tonnes CO2e within seven years. The report also noted that residents of Derwenthorpe had higher carbon footprints the average for York (14.52 as opposed to York's 14.30 tonnes CO2e per year).

It might be argued that if new housing were made to the zero carbon homes standard the carbon footprint of new housing could be reduced. However, the zero carbon homes initiative has been scrapped but, in any case, it would not have cut the average footprint of Derwenthorpe residents by much as their the power consumption was only 10.5% of their average carbon footprint. Broken down into categories the footprints given were:

Category	Tonnes CO2e per year	Percentage of total
Power	1.53	10.54%
Food	2.35	16.18%
Travel	4.3	29.61%
Shopping	1.52	10.47%
Activities	0.96	6.61%
Other	3.86	26.58%
Total	14.52	100.00%

The emissions of an average Derwenthorpe resident would exceed the 100 tonne CO2e budget in 24 years in travel alone. For their whole budget it just lasts 7 years.

The Derwenthorpe study notes that the richest 10% of the nation create three times the carbon emissions of the poorest 10%. This version of the York Local Plan is aimed at the wealthier sections of the population - those that can afford expensive houses and who also live unsustainable lives. Many of these will be incomers from the richer parts of the UK, particularly the South East.

Embodied Carbon in Building

The Derwenthorpe study does not address the issue of embodied carbon in construction: This is the greenhouse gas emissions from building houses. I have found several sources but, for a conventional house the estimate I trust most is a fairly detailed working of the RCIS method sent to me by Bob Hill. This arrived at a figure of 92.38 tonnes CO2 for a 100m2 semi-detached house. It included the pavement and half the road outside but made no allowance for constructing a garage. For a typical household of 2.5 people that is a massive 37 tonnes CO2e each – a massive proportion of a 100 tonne Remaining Carbon Budget.

However, some housebuilders claim that using their methods of construction, enough carbon can be stored in buildings so that the embodied carbon is negative (i.e. The construction process, including materials, has the net effect of extracting CO2 from the atmosphere.) Two sample approaches are provided by UK Hempcrete and Baufritz. Baufriz have actually claimed that the embodied CO2 in one of their buildings can store the equivalent 50 tonnes of CO2. Such claims should be examined closely. However, it is almost certain that some form of building is possible will extract CO2 from the atmosphere as a result of its construction.

I have had considerable correspondence on this issue over the past decade. This includes includes BRE Limited, Bioregional, The Inventory of Carbon and Energy (ICE), The Association for Environment Conscious Building, Department of Trade and Industry, The Department for Communities and Local Government and York Council. Sadly, awareness of this issue is small. I have detected resistance to acknowledge the issue despite some good work by the Royal Institute of Chartered Surveyors.

Embodied carbon does not feature in this version of York's Local Plan.

Climate summary

In order to avoid the climate disaster, the average remaining carbon budget for individuals on Earth should be less than 100 tonnes CO2e. Perhaps optimistically, the IPCC is looking

towards the time in about 50 years when we (I use that pronoun loosely) will no longer be net emitters of greenhouse gases.

One scenario for keeping in budget for a period of 50 years is to start at 4 tonnes of CO2e emissions and evenly reduce to zero. Today the world is starting from 7 tonnes a year per person. In York, the average footprint is twice as much as the world average. This version of the York Local Plan is facilitating lifestyles that will be 14 tonnes CO2e, probably rather more. It is facilitating affluent lifestyles that threaten life on Earth.

The Green Belt Lock

There are many objections to green belt policies. Most of greenbelt land is agriculture, now an internationally traded agribusiness and little to do with food security. Fields surrounding York are as likely to be growing Fava beans for the Arab market than anything that is consumed locally.

Modern farming has high greenhouse gas emissions and is degrading soil fertility and destroying insect populations. For other objections see Housing – part 9: Greenbelts - or for some weak arguments in favour of greenbelt policy see Green Belt myths: what you need to know from the Campaign to Protect Rural England.

However, the most important objection to the proposed greenbelt is that it restricts development to the current proposals in this local plan. It is a lock on the unfair and environmentally damaging plan. This prevents developments that could alleviate inequity and inhibit the search for lifestyles that are truly sustainable.

What to do?

Times are changing. Robots are displacing workers. The gig economy is bringing more precarious patterns of employment. Brexit may cause further instability to the UK and wider economies. This is not the time for a rigid plan, like this local plan, which contains visions of lifestyles that are too expensive for many of York's current residents. It is a plan that will continue to exile the less wealthy while making enormous transfers of wealth to those that are already rich and affluent.

It will set patterns of life that are environmentally unsound.

This plan must be rejected and rethought.

Appendix – A late submission

This is a late submission. The delay partly caused by my workload and incompetence, but I did have a scheduled meeting with planners at York Cody Council. This was abruptly cancelled at a time when a submission would have been within time.

In my view, the most compelling reason from accepting this evidence is my track record. My evidence to the York Inner Ring Road Inquiry in 1972 was described by the inspector as “the only workable alternative”. Indeed, most of my proposals have since been implemented and it can be plausibly argued that this evidence was key to stopping the scheme.

I have commented on planning in York and appeared at other public inquiries. I did put in a submission to an earlier stage in this local plan and got a response from York Council in 2016 which included:

> I will need to review your submission to the Local Plan before advising you on whether it would be better submitted as part of the full, formal Local Plan consultation early in 2017. In the meantime we will log it as part of the current event.

Geoff Beacon
13th July 2018