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EVENT REPORT

West of Scotland Chapter event: Does Scotland have a Housing Crisis?
January 2011

West of Scotland Chapter

Does Scotland Have a Housing Crisis?

Professor Duncan Maclennan enthralled his audience at the January meeting of the Chapter. He started off low key but finished with quite a head of steam. Initially he observed that in the 1980s there had been an exaggerated sense of housing crisis. However, come 2011, the question revolves around which housing crisis do you want to pick? It appears we are about to be spoiled for choice.

The crises about to hit us is being driven by four interactive factors:

- Long steady changes (aging demography, climate change and globalisation)
- The Crash and related economic consequences
- Public spending crises and the impact on values, priorities and choices
- An inflexible housing system – people, politics and planners

Focusing on housing Professor Maclennan sees the following looming crises:

- Homelessness will be a crisis issue again by 2016
- Existing Registered Social Landlord structures are too fragmented
- Poor housing conditions will worsen through neglect (This will reduce natural and human capital for the 2020s.)
- A building and planning houses crisis stemming from the reduction in new social housing since the 1980s.
- Average prices and rent levels have changed out of kilter. Between 2000 and 2010 the average price of housing in Scotland has increased by 162%. In the same period social rents have increased by 46%.

Moreover, re the last point, there is increasing social rent chaos through fragmentation and changing funding support which will be aggravated by government benefit changes. In addition, first time buyers have been squeezed out the market due to easy loan availability. Professor Maclennan believes the housing market will decline again this and next year. He expects the market to recover by 2016.

How are we responding to the challenges? Professor Maclennan described them as:

- **Serious Assessment** : Will the Scottish and Local Governments, the professions and other stakeholders address the chaos objectively?
- **Governance** : Are current government, local government and stakeholder arrangements effective?

- **What can be done to improve the efficiency of Markets Etc?** : Changes should be explored to improve efficiency; eg by abandoning tenure targets, enable equity release for the elderly, etc
- **Planning** : Approach needs to change; ie more emphasis on housing impact than demand assessment (al la HONDA models). Good planning is more about imagination and creativity than money (politically and professionally).

Professor Maclennan concluded that the cutbacks were going to be worse than those of the 80s. He believes poor politics and obsessions with ideologies hinders progress and wastes resources. However, devolution allows to ability for a more creative response. There is an opportunity for change and we should grasp it. Professor Maclennan believes there is a need for a National Coalition to develop a properly argued case for housing. In these conclusions there was a clear resonance with the views of Professor Greg Lloyd who spoke to the Chapter and RTPI in Scotland at the 80th Anniversary event last December.

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