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Industry warns on housing shortfall

By Ed Hammond and Jim Pickard

The housing shortage in England is set to worsen during the next three years as data reveal planning permission approvals have fallen to the lowest level since the start of 2009.

In a sign that the coalition government's decision not to implement a transitional housing policy is curtailing homebuilding, just 25,000 residential planning applications were approved during the three months to July, according to data published on Friday by the Home Builders Federation, which represents the industry.

The level of approvals – the second lowest since the start of the recession and 24 per cent down on the same three-month period a year earlier – suggests the UK is on course to build less than half of the 240,000 homes needed each year to meet shortfalls.

Mark Clare, chief executive of [Barratt](#), the country's largest housebuilder by units sold, said it was vital that the planning system did not act as a bottleneck to a housing market recovery.

"It's an inescapable fact that the housing needs of the nation are not being met so it's vital that we end the uncertainty and put in place a new planning system that balances legitimate local views, the need for more housing and economic growth," said Mr Clare.

The view was echoed by the HBF, which said it was the duty of a society to make sure people had houses.

Stewart Baseley, the group's chairman, said he welcomed the government's proposed National Planning Policy Framework (NPPF). He warned, however, that the debate on planning was "being hijacked by irresponsible scaremongering from anti-growth groups".

The poor figures come as ministers are embroiled in a [row with several charities that oppose their proposal to change the planning system](#) with the aim of stimulating homebuilding.

Greg Clark, planning minister, has accused the National Trust of being "risible" in its attacks on the new policy, which may make it harder for councils to reject projects because of a new "presumption in favour of sustainable development" proviso.

Building Consensus

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Mr Clark said the National Trust and the Campaign to Protect Rural England had wrongly accused the government of putting “greenbelt” areas at risk, when they will remain protected.

“The current planning system is slow, bureaucratic and too complex for local residents and local firms to use effectively, leaving too many planning applications stuck in the system for too long,” Mr Clark said.

Environmental charities insisted, however, that the reforms could blight unprotected countryside. Shaun Spiers, chief executive of the CPRE, warned of a “huge political battle” if the government did not backtrack.