



SCOTTISH LAND COMMISSION  
COIMISEAN FEARAINN NA H-ÀBHA

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# Land and housing: What next for Scotland?

by **Laurie Macfarlane**

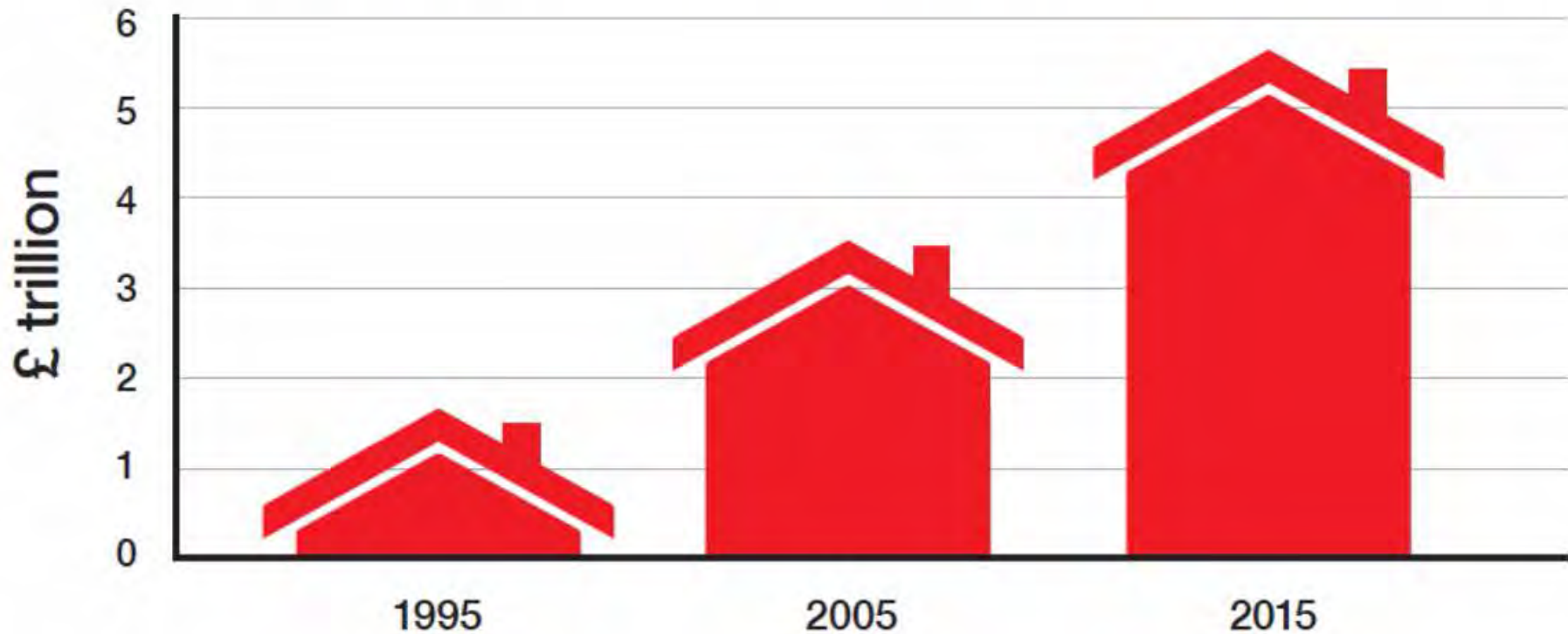
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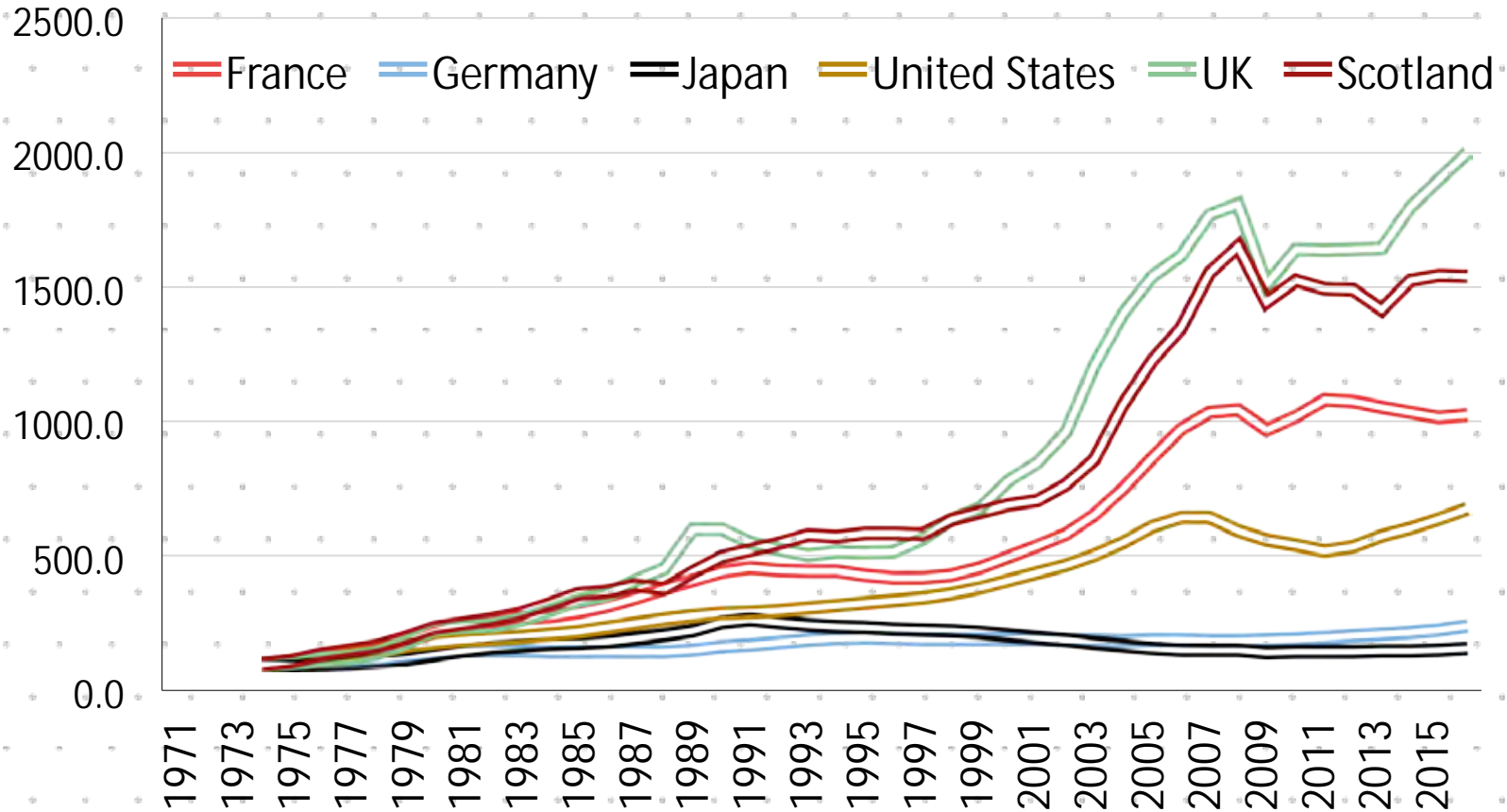
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# VALUE OF HOUSING STOCK IN THE UK

Source: Office for National Statistics



# NOMINAL HOUSE PRICES (INDEX, 1974 = 100)



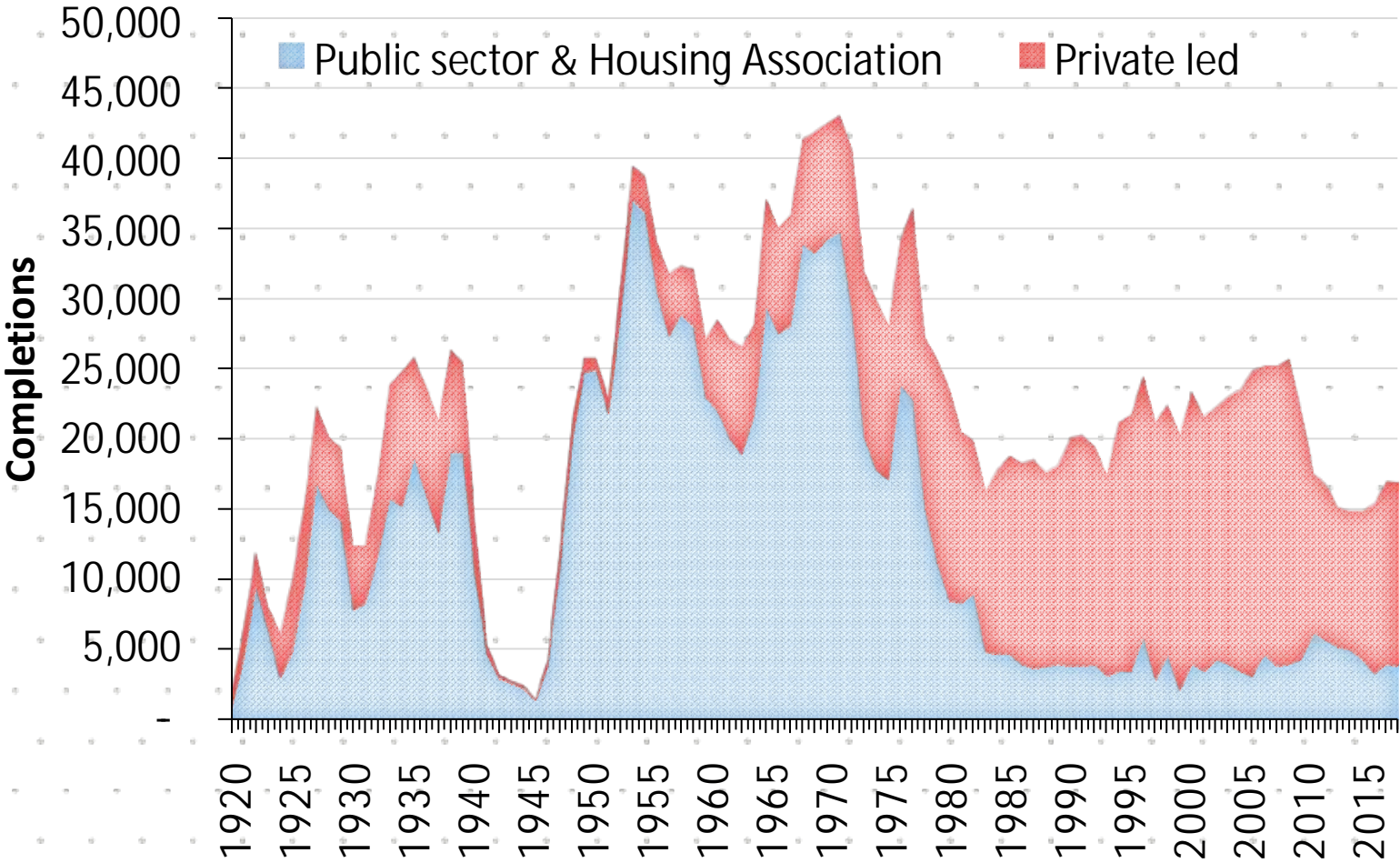
Source: OECD, Nationwide

Roads are made, streets  
are made, services are  
improved, electric light  
turns night into day, water  
is brought from reservoirs  
a hundred miles off in the  
mountains - and all the  
while the landlord sits still.

Winston Churchill

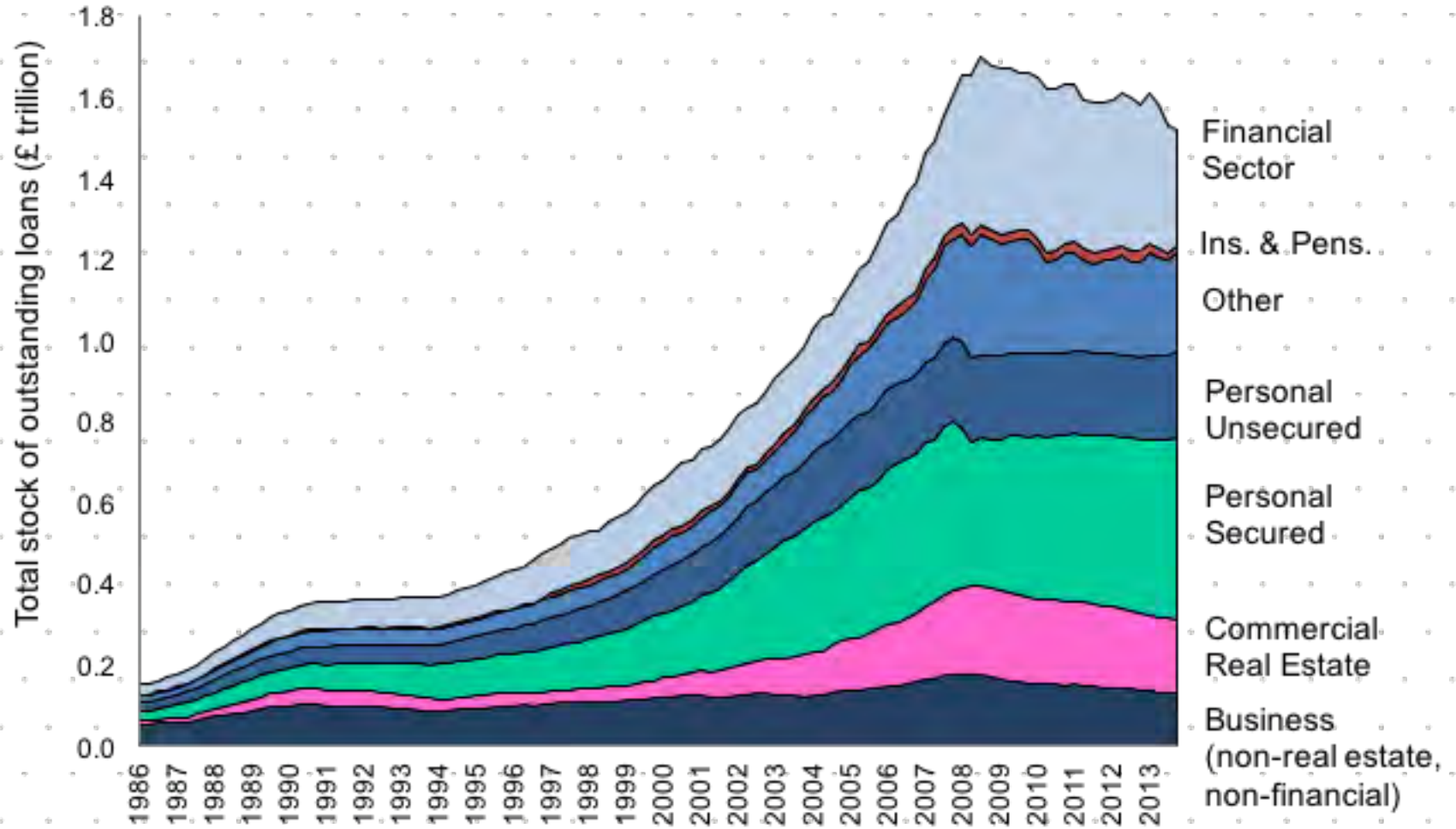


# NEW HOUSE BUILDING IN SCOTLAND



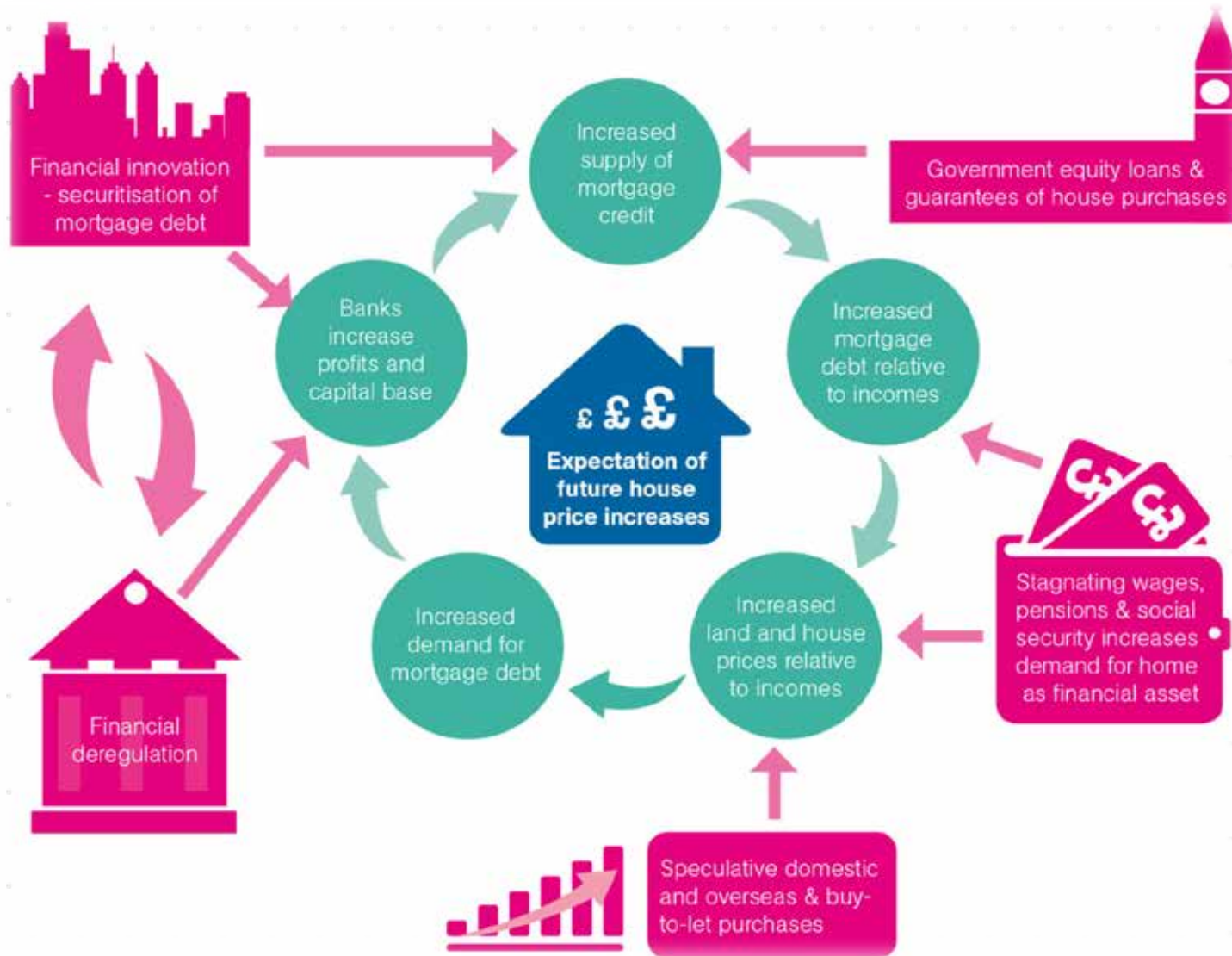
Source: Scottish Government

# UK BANK LENDING BY SECTOR 1986-2014



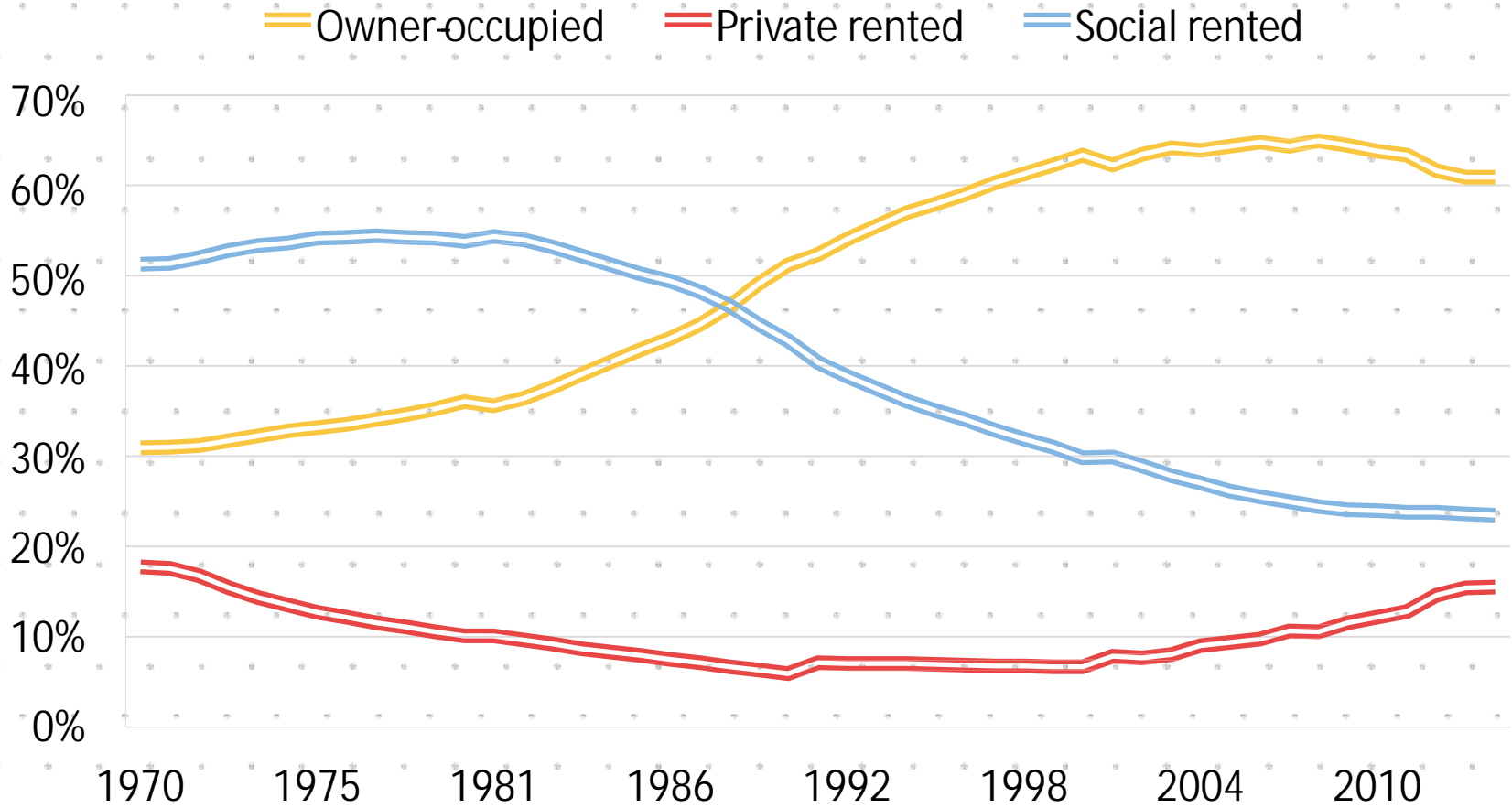
Source: Bank of England

# THE LAND-CREDIT FEEDBACK CYCLE



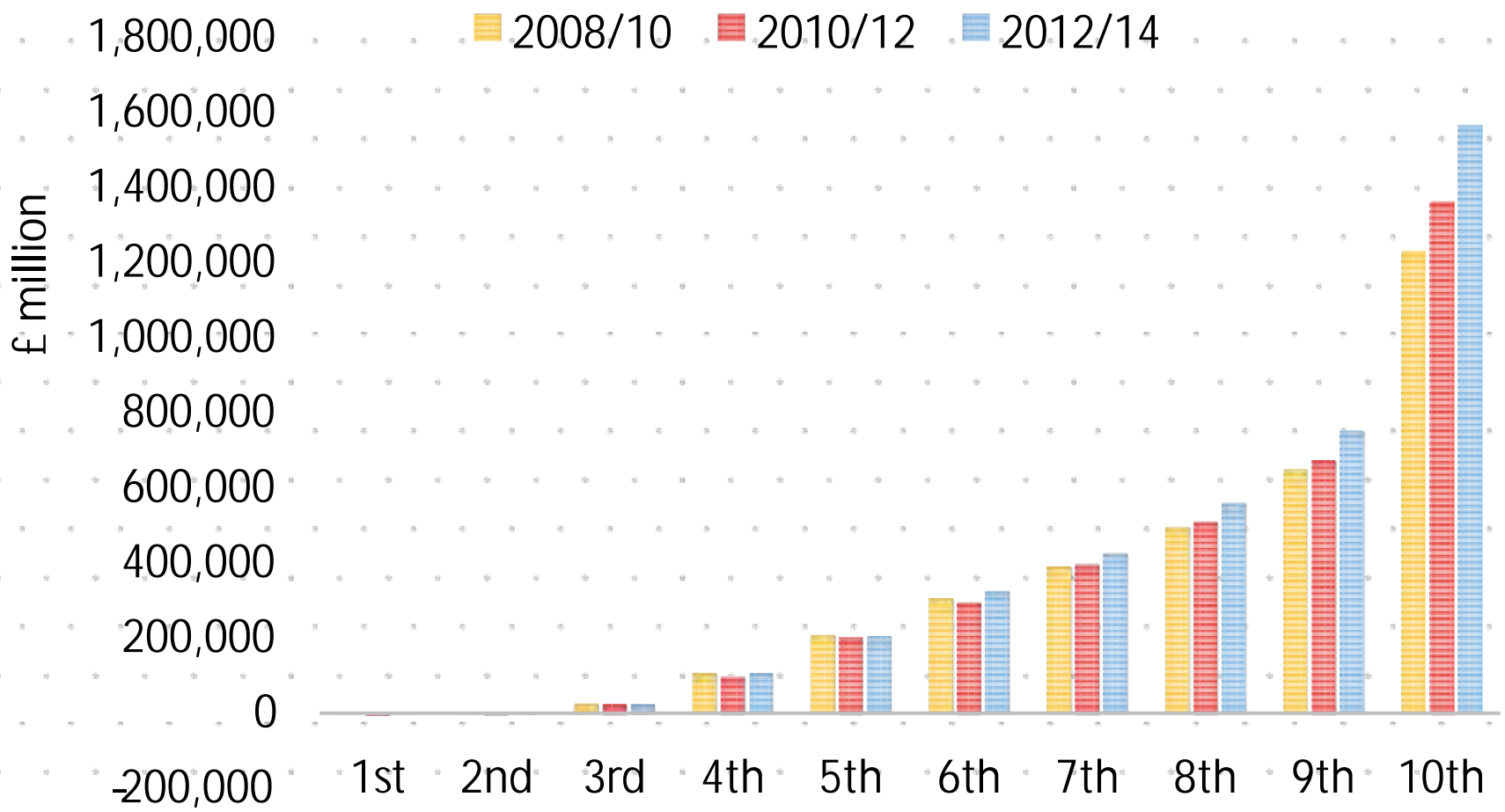


# TRENDS IN TENURE OF SCOTTISH HOUSING STOCK



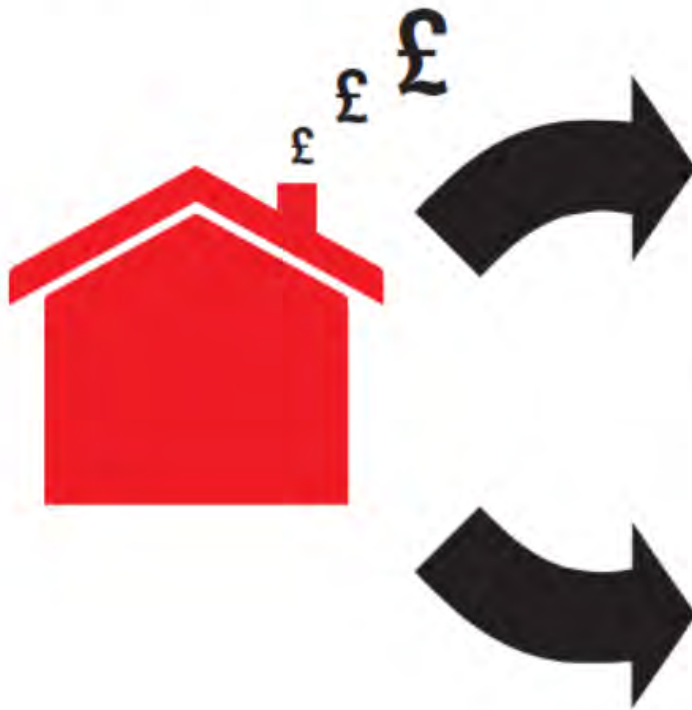
Source: DCLG, Scottish Government

# BREAKDOWN OF NET PROPERTY WEALTH, BY DECILES (GREAT BRITAIN)



Source: ONS

# RISING LAND VALUES



## PROPERTY OWNERS

- Increased net wealth
  - Greater economic security
  - Ability to borrow more
- 

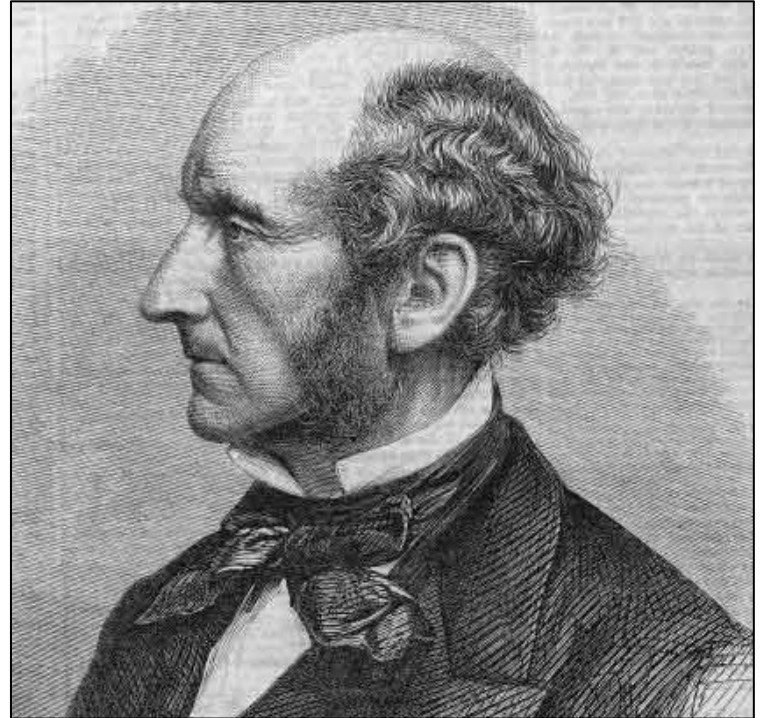
## EVERYONE ELSE

- Higher rents
- More to save for a deposit
- Less disposable income

“

If some of us grow rich in our sleep, where do we think this wealth is coming from? It doesn't materialize out of thin air. It doesn't come without costing someone, another human being. It comes from the fruits of others' labours, which they don't receive.

”

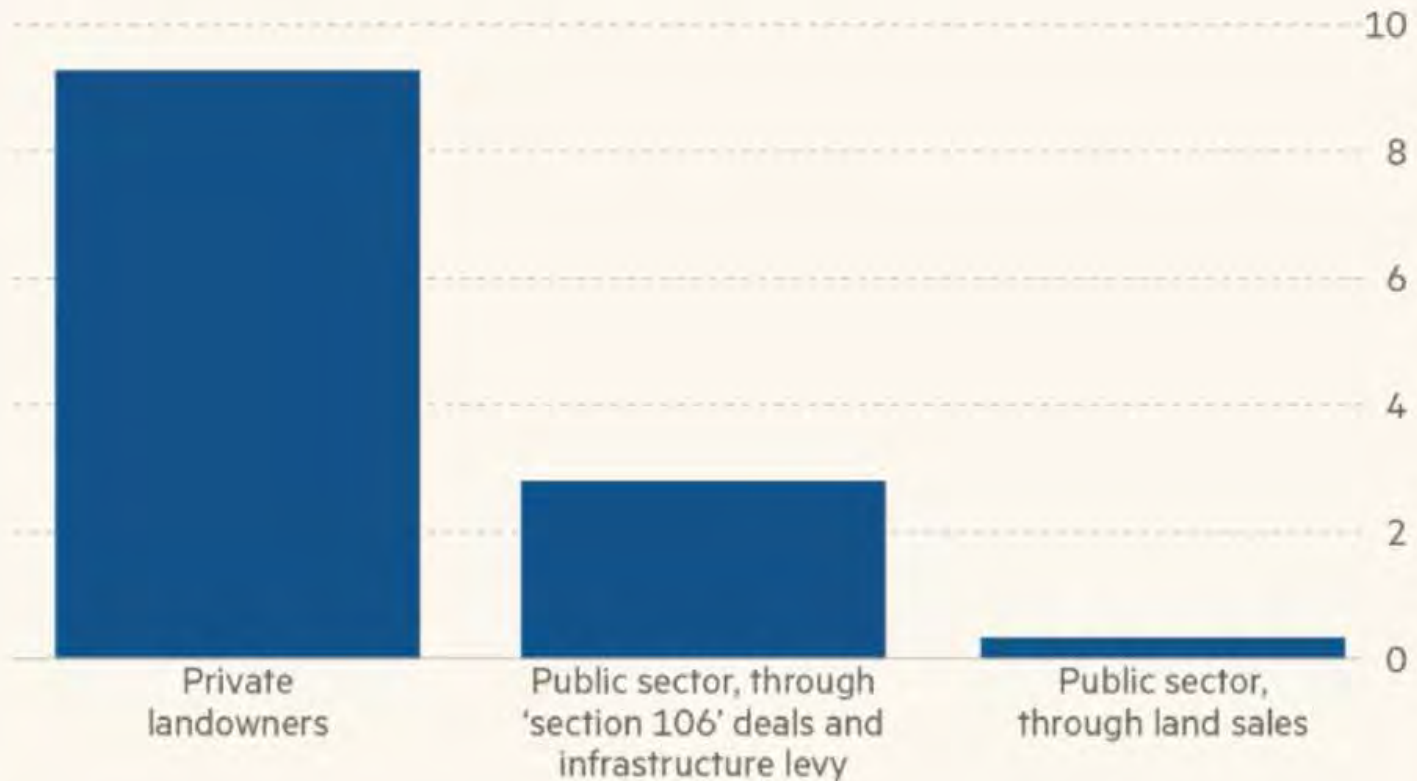


## **OBJECTIVES FOR REFORM:**

1. Make housing supply less dependent on the volatile private market in land and homes.
2. Capture uplifts in the value of land for public benefit.
3. Level the playing field between tenures so that people are not incentivised to overinvest in property.
4. Break the positive feedback cycle between the financial system, land values and the wider economy.
5. Reduce reliance on housing market as a means for accumulating wealth, paying for retirement, or funding care in old age.

## Who gains from increases in UK land prices?

England, new homes, 2015 (£bn)



Source: Centre for Progressive Capitalism

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# **PROSPECTS FOR POLICY IN SCOTLAND:**

1. Tax reform
2. Land value capture
3. Housing Land Development Corporation
4. Community Right to Buy and Compulsory Sale Orders
5. Data and transparency

**THANK YOU!**

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