Upwardly Mobile [1]

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The hubbub over housing benefit reflects, yet again, a fixation by policymakers and their noisy claimants on just half of the fundamental supply/demand equation. In this case, the clamour for ?affordable? housing has prompted a nightmare framework of subsidising the demand for shelter with the inevitable result that housing of any kind has become prohibitively expensive and in short supply for just about everyone.

We now have the absurdity of many claimants receiving £20,000 a year in housing benefit. This requires five people each earning that amount of money a year just to come up with the taxes. Complex schemes to manage rents and regulate distribution do nothing to resolve the problem.

Totally neglected is any serious discussion about the supply of housing that would do more to reduce prices and increase choice than anything else. Quite simply, the UK has got to overcome its ingrained abhorrence of the high-rise apartment block.

That abhorrence is deeply entrenched. The disastrous council blocks of the 1950s and 60s left a negative legacy. The British obsession with home ownership created a vested interest in rising house prices as a disastrous substitute for productive saving and investment. And then there?s the misty-eyed myth of Ye Olde Rose Cottage as the only plausible mode of living.

It doesn?t need to be this way. Other cities around the world manage just fine with a large chunk of its accommodation in high-rise towers. Even the city that regularly tops the rankings as the most liveable is awash with towers, as the above picture of the Vancouver skyline attests.

Apartment blocks bring more benefits than just shelter for the masses. They?re energy efficient, they don?t need green-belt land, they reduce car traffic, they limit infrastructure expenses like water, sewage and other utilities. An adequate stock of apartments facilitates job mobility. They can be cost efficient for residents by minimising upkeep, insurance and commuting costs. The bigger the supply of apartment blocks, the greater the diversity. For a city like London, the current gap between the super-rich and those on benefit will be filled by legions of the middle classes? university graduates, singles, DIY-haters and empty-nesters.

The coalition government would be smart to stop fiddling with subsidising demand and get serious about increasing supply. For most cities, that means facilitating the construction of high-rise apartment buildings. It most certainly doesn?t mean the government should be building them itself. Whether it?s apartments for rent or condominiums to buy, let the market rip.

It took a few years for the City of London to get over its aversion to high-rise office towers but, once that mindset was overcome, the new buildings in Canary Wharf and in the traditional City look stunning and dynamic. Bung in a few apartment towers and the 7:24 from Slough can become a thing of the past.

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