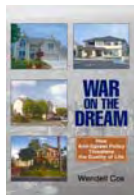




London & Southeast England: Planning Disfigured Metropolis



WAR ON THE DREAM:
How Anti-Sprawl Policy Threatens the Quality of Life
 By Wendell Cox

To order: http://www.iuniverse.com/bookstore/book_detail.asp?isbn=0595399487

Summary and Chapter Titles: <http://www.demographia.com/wod1.pdf>

BASIC INFORMATION		Similar To
Metropolitan (Labor Market) Population	13,900,000	Cairo, Calcutta
Urban Area* Population	7,200,000	Bangkok, Beijing, Nagoya
Urban Land Area: Square Miles	458	Portland, Rio de Janeiro, Vancouver, Perth
Urban Land Area: Square Kilometers	1,186	
Population per Square Mile	15,700	Tokyo, Manaus, Barcelona
Population per Square Kilometer	6,100	
Capital of the United Kingdom		
Metropolitan Area Atlas: <i>AA Street by Street: London & South East England</i> , purchase at bookstores (945 maps)		
*Continuously built up area (urban agglomeration)		

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London: Original World City

The London of the tourists is one of the most attractive cities in the world. There are arguments about which modern urban area (urban agglomeration) was the first to reach 1,000,000 residents (some say London, while others say Tokyo or Beijing and pre-1000 Baghdad is reputed to have achieved that population). However, London was the first urban area to achieve 1,000,000 residents and maintain that population. London was the first world city in a world that now has many.

London remains at the center of the world economy. The central business district houses 1,200,000 jobs --- few in the world have more (Tokyo, New York, Osaka). While Paris has seen nearly 15 percent of its central business district employment leave since 1990, London, alone among the world's largest business districts, is adding jobs.

The London Congestion Charge

Or, at least it was until the advent of congestion pricing in February 2003. This program, which requires an approximately \$8.00 toll for crossing into 10 square miles of inner London, has reduced traffic congestion. However, the research by the London Chamber of Commerce and Industry indicates that it has been a damper on retail sales. Of course there is considerable argument about whether or not this is true, with all formal evaluation of the system under the control of the very government (Greater London Authority, under

Mayor Ken Livingstone) that has the highest political stake in its being perceived as a success. Perhaps the test will be the extent to which impacted businesses successfully apply to central government (not GLA) for a reduction in their business rates (business taxes based upon the commercial value of occupied space), also known as “non-domestic rates.” Already appeals for lower business rates have been applied for by some businesses, including the large department store, John Lewis, which has noted its post congestion charge sales have dropped more than seven percent at its Oxford Street store, inside the cordon, while sales are up outside the cordon.¹

In what may be the ultimate irony, a proposed near doubling of the cordon size could *increase* traffic congestion in the original zone. The expansion, largely westward into residential inner suburbs, will make it possible for these residents to again use their cars to travel to the central business district without charge. There is much less commercial activity of the type that would attract cars from outside the area in the proposed annexation.

So it remains an open question whether, in the end, central London will prosper or be severely damaged by the congestion charge. The biggest risk is that those who believe every congestion charging scheme to be desirable, combined with those who cannot tell the difference between central London and downtown Fresno, will seek to implement similar programs wherever they can. Even if the London program is ultimately determined to be an unmitigated success, there are virtually no growing central business districts in the high-income world that are growing. The natural order of things for decades has been that central business districts are getting less significant, losing share and even losing employment. Indeed, there are considerably fewer jobs in the London central business district today than there were in 1960. Congestion charging would be better used as an alternative for people who value their time more (such as the high-occupancy-toll lane proposals in the United States) or as a revenue neutral approach to replace current user fee highway finance systems.

Public Transport

London is known for its red double-deck buses, which transport planners are often surprised to learn are operated by private contractors. Indeed, the “competitive tendering” system applied to the operation of London buses reduced operating and capital costs by one-half before Mayor Livingstone began artificially increasing costs through new labor regulations. Even so, unit costs, after adjustment for inflation, remain at least 40 percent below 1985 levels.² By the end of fiscal year 2007 (March), gross savings are likely to surpass \$10 billion (\$10,000,000,000), or nearly \$20 billion (\$20,000,000,000).

The most revered are the “Routemasters,” which are boarded in the back where the conductor stands to sell tickets. However, these will soon be gone, as a new system will make it possible to purchase tickets from machines at virtually every bus stop. While new double-deck buses are being put into service, so are long articulated buses. Mayor Ken Livingstone is proud of these “bendy” buses and concocted arguments to convince Londoners that they are advancement. They are not. In a city that has implemented a draconian congestion pricing cordon because there is too much traffic congestion, the articulated buses take up perhaps twice as much road space as the double-deckers. They often block streets when they stop --- streets that would not be blocked by the smaller double-deck buses. It is not unusual for a few buses to arrive at virtually the same time at busy London bus stops. This will make it less convenient for customers and block more streets.

Highways

For all of its public transport, few world cities are more poorly served by highways. Some motorways protrude toward the core, but none ever quite gets there. There is a single peripheral motorway, the M-25; which had over capacity traffic from the beginning should have served notice on transport planners that much more was needed. However, the M-25 is fully outside the urban area and far from the core. At one time, there was a plan for an inner motorway, the “circular road.” Even this roadway would have encircled a

¹ See our oped that appeared in the *Daily Telegraph* on 17 February 2003, the morning the congestion charge took effect, <http://www.publicpurpose.com/pp59-loncong.htm>.

² <http://www.publicpurpose.com/ut-lonct.htm>.

far larger area than the Boulevard Peripherique in Paris. Only small parts of the roadway have been upgraded to motorway standards. Other parts have no more capacity than the space starved arterials in northern Atlanta suburbs. It is possible to drive the entire Circular Road (North Circular and South Circular), with the exception of a ferry ride (the Woolwich Ferry) on the eastern side. However, while the Peripherique in Paris takes less than an hour, the Circular Road could take the better part of a day.

In addition to some of the finest monumental architecture in the world, London has some of the most unique. The most notable examples are in the “city of London,” which is the old mile-square core, built on Roman foundations, where St. Paul’s Cathedral and a multitude of other Christopher Wren churches are to be found. Here also is the Bank of England and the financial services sector. The “City” is the core of London’s central business district, though it sits at the eastern periphery.

Modern Architecture: Failure and Success

It is hard to imagine a worse example than the Lloyd’s of London Building. Just when it had been thought that tastelessness had reached rock bottom, Lloyd’s dug a deeper hole. The defining feature is its external intestines (piping and the like). One wonders why the Lloyd’s architects stopped short of the gracelessness that would have made the sanitary intestines transparent. Lloyd’s achieved something else. It made the juvenile international design of the former National Westminster Bank Tower (now “Tower 42”) look good by comparison. This 52-story monolith’s principal flaw is a poorly designed crown --- the first principal of tallest building design is that the top should not be something that would be better hidden. National Westminster violates the principal. On the other hand, the Lloyd’s Building is mercifully hidden from all but short views by buildings of similar or greater height that surround it.

However, things are getting better. Central London finally has a building that is unique does not call out for flushing down exterior intestines. Locals call it the “Gherkin,” because of its upright pickle shape. Its real name is the Sir Norman Foster Building and it is welcome relief only one block away from the Lloyd’s of London Building.

To the east of “the City” is Canary Wharf, the new business district built on disused docklands. Employment is now about 50,000 and this district contains London’s tallest building, which exhibits a grace not achieved by so many other of London’s high rises. Other building in the center are similarly well designed and Canary Wharf may well be the most attractive “edge city” designed to resemble a downtown area.

Of course, it is well to remember that architecture, like so much else in life, is a matter of taste. Certainly, the Bilbao Guggenheim and the Pompidou Center would be strong competitors for any worst architecture prize; however, others find them quite pleasing.

What is the London Metropolitan Area?

However, there is much more to London than the core. How much more is the question.

For years, I had searched London bookshops for a detailed street atlas of the metropolitan area --- the labor market area that is larger than the urban (continuously built up) area in urban regions around the world. Two years ago, I found it. There was one copy in what is probably the largest bookstore in the United Kingdom, *Foyles* on Charing Cross Road. I have visited the store in the two intervening years and never seen the volume again.

This speaks volumes about the near indefinable organism that might be called the London metropolitan area. Moreover, that the volume itself contains as many pages as the New Testament and Old Testament combined is witness to the hyper-sprawl of development that is London and Southeast England.

There are all sorts of detailed street atlases available of “Greater London,” (the area of the Greater London Authority, or the “GLA”) which is the central city established in the 1960s by the Conservatives, dismantled in 1985 by the Conservatives and restored in 2000 by Labour. This is virtually the same as Pre-World War II

London, which had sprawled outside the old London County Council boundaries, propelled by improvements in Underground (subway) service.

Individual atlases are also available for the counties on the periphery of Greater London. However, there is little, if any, market for an atlas of the London metropolitan area because, it can be argued, it hardly exists. Here, depending on the definition, the metropolitan area can be considered to house between 7,200,000 and 18,400,000 residents.

- The urban area (continuously built up area or urban agglomeration) within the GLA covers approximately 460 square miles, with 7,200,000 inhabitants.
- The GLA plus the counties (pre-2000 definition) bordering it cover 6,300 square miles, with 13,900,000 residents. This metropolitan area definition is used here.
- The GLA plus two rings of counties cover 10,600 square miles and have a population of 18,400,000.

However, if a metropolitan area is also a labor market area, none of these definitions qualify. Larger metropolitan areas may be a series of overlapping labor markets. For example, it is reasonable to consider there to be a labor market that stretches from New Brunswick, New Jersey to Manhattan. At the same time, a labor market could be said to stretch from Stamford, Connecticut to Manhattan. However, for all intents and purposes, these are separate, but substantially overlapping labor markets. It would take a very loose definition to consider Stamford to New Brunswick as a single labor market. However, the separate labor markets of London and Southeast England are not so much overlapping as they are adjacent.

Curbing Sprawl by Socializing Land

This quirk of urban development is the result of the United Kingdom's command and control land use policy, implemented shortly after World War II. It starts with the famous Green Belt, which encircles urban London, consuming nearly one-quarter of the GLA area, and a total of nearly 2,000 square miles. No development is permitted in the Green Belt, and as a result road and rail travelers find themselves in rural areas in far shorter distances than in other "world" cities. The Green Belt itself covers more than four times the urban area of London and more land than is covered by all of the urban areas of the world except for New York, Tokyo and Chicago.³

However, it does not stop there. The 1947 Town and County Planning Act nationalized development of all land not already developed. With a distorted vision that prohibits anything being built unless, as it were, its proper "color" can be found on the planning map. So, outside the Green Belt, the restrictions on development are, for the most part, just as strong. The result is very strong rural-urban distinctions, with single-family and detached housing stopping abruptly, and construction at similar densities from the core of towns to the edge. The British are the modern founders of the urban growth boundary, which in its varied forms making housing unaffordable and traffic congestion unbearable from Sydney, Melbourne, Auckland and Perth to Portland to Denver and Minneapolis-St. Paul.

It was perhaps in London that concern about "urban sprawl" was translated into action first. The solution adopted for the whole nation was a rigidity of land regulation not experienced outside the former communist world. As with so many planners' dictates, the intentions were honorable (though it may be too charitable to append honorable intentions to actions whose dishonorable results can be predicted). One intention was to reduce overcrowding in London. That sprawl-inducing objective was accomplished. London's 1939 population of 8.6 million dropped to 6.6 million by 1981 and has only recently risen back to 7.2 million. Today, the limits of the urban area are little different than in 1939.

³ See <http://www.demographia.com/db-worldua.pdf>.

Curbing Opportunity by Curbing Sprawl: The Housing Crisis

The government has plans to allow hundreds of thousands of new homes to be developed. Some will even be permitted on greenfield sites. However, things are not getting better. The average size of new houses has dropped 55 percent since 1920. By comparison, in the United States the average size of a new house has increased 55 percent since 1970.

Indeed, British house sizes are rapidly approaching the decrepit standards long since abandoned in what was communist East Germany. Averaging 815 square feet (76 square meters), new houses are only 15 percent larger than the East German standardized flats built in tower blocks before 1990 (700 feet or 65 square meters). The English speaking peoples of the New World live in much larger quarters. The average new house in Australia and the United States is approximately 2,200 square feet (over 200 square meters), including both detached houses and multiple units. New house sizes are nearly as large in Canada and New Zealand (1,900 square feet or 175 square meters).

Moreover, and not surprisingly, there is a well-publicized “housing shortage” in the United Kingdom, especially in Southeast England. The Barker report, commissioned by the Deputy Prime Minister, found that planning driven land rationing is the “main” reason. From 1971 to 2001, average house prices increased 2.4 percent annually, more than double the 1.1 percent rate in Europe, where land use regulation tends to be less restrictive than in the United Kingdom. Our *Second Annual Demographia International Housing Affordability Survey* showed London and all major housing markets in England to be “severely unaffordable” in 2005.⁴

The result is to curb opportunity. A recent government report indicated that home ownership among younger households had dropped 15 percent in just five years.⁵ Given the role that home ownership plays in wealth creation, this cannot be good for London, Southeast England or the United Kingdom.

The New Towns

People were encouraged to move to new towns outside the Green Belt. The new towns were to be self contained --- that is to say that they were to be independent of London. People who lived in the new towns would also work there. Of course, this part of the dream did not work. Many people continued the long commute into London. Others purchased cars and took jobs in other communities outside the Green Belt (since there was rapid public transport only to London) and some worked in their home communities. Since the planners expected people to work near where they lived, there was no point in developing motorways between the new towns, except for the radial routes toward London. As a result, the numbers of jobs available within, say, a 30 minute drive or public transport ride is a smaller fraction of the metropolitan total than in any of the high-income world’s other major urban areas. This particularly limits opportunities for many people without the education or excess time that filling central London jobs requires.

The new towns were successful in attracting jobs and residents, but they failed as self-contained communities. According to the 2001 census, average work trip journeys for new town residents average nearly two times the diameters of the new towns, again indicating the myopia of urban planners.⁶ This indicates that a large percentage of new town residents work elsewhere and a large share of new town employees commute from elsewhere. That is what agglomeration economies are about.

This is not to suggest that the planned new towns themselves are not sometimes attractive. Letchworth, for example, is the world’s oldest garden city, established in 1903. Letchworth has a cozy core and single-family dwellings that would be at home in any inner ring American suburb. Milton Keynes is the newest of the new towns and is well designed to accommodate the automobile oriented way of life today’s planning Luddites would like to outlaw. Its core is particularly attractive, with wide streets and an international style of architecture that is low-rise enough to blend well with the environment.

⁴ <http://www.demographia.com/dhi-ix2005q3.pdf>.

⁵ See http://www.fromtheheartland.org/blog/2006/11/england_smart_growth_drives_do_1.php.

⁶ See <http://www.demographia.com/db-seuknewtowns.htm>.

Thus, instead of urban sprawl beyond the 1939 urban area, London's planners have created "urban splatter" -- an urban form consisting of a sprawling core, a sacrosanct green belt and a spattering of urbanization outside the green belt.

What if there had been no London Greenbelt?

What if there had been no Green Belt? At outer London densities --- those typical of the inter-war period, the new London area residents that are spread over thousands of square miles of urban explosion would have been concentrated in approximately one fourth of the Green Belt. At Los Angeles suburban densities, 75 percent of the Green Belt would still be undeveloped.⁷ Moreover, London would be a collection of overlapping rather than adjacent labor markets with greater opportunities for a population that has seen its standard of living slip to lowest in Western Europe outside the Iberian Peninsula.

A report commissioned by the Corporation of London found that London's economic output per capita was less than that of Paris, at least partially because of its less comprehensive transport system,⁸ which has to traverse so many miles of empty space to tie the region together.⁹

Disfiguring London & Southeast England

All of this is to say that the planners have disfigured London. Intent on an ideology ignorant of economics, their precision design tool was the equivalent of a hand-grenade. Their preferences for how people should live took precedence over the preferences of those doing the living. As a result, many lower income residents are precluded from living in the built-up area itself where there are far more opportunities. As the planning induced housing crisis intensifies, the victims are increasingly becoming middle income households that are denied home ownership. Their counterparts in Paris, Atlanta or Lisbon are not similarly constrained. Perhaps most pitifully, however, is the fact that so many consider the disfigurement of London a planning success. However, this is not unusual. The reality of failure dawns last on those who design it in the name of progress --- witness the Soviet planners of the early 1980s who still didn't understand after the fall that von Mises declared inevitable even before the October Revolution.

London and Southeast England could use some planning "glasnost."

⁷ See <http://www.demographia.com/db-longrbelt.htm>.

⁸ Center for Economics and Business Research, Ltd and Observatoire de l'Economie et des Institutions Locales University of Paris XII, 1997. *Two Great Cities: A Comparison of the Economics of London and Paris*.

⁹ For a more complete discussion, see Wendell Cox, *War on the Dream: How Anti-Sprawl Policy Threatens the Quality of Life*, pp. 151-152.



St. Paul's Cathedral: City of London (Inner London, inside the urban area)



Bayswater: Westminster (inner London)



Lloyd's of London Building: The City



Semi-Detached Housing: Finchley (outer London)



The “Gherkin.” The City



Detached Housing: Finchley (outer London)



Former National Westminster Tower: The City



“Routemaster” Double Deck Bus on Bayswater Road (Soon to be gone)



Articulated Bus (“bendy” bus): The City



Brent (outer London, inside the urban area)



Hampstead Garden Suburb: Barnet, (outer London)



High Gate: Harringley (outer London)



Croydon (outer London) from the Gatwick Express



Crossing the Green Belt on the M-1



Entrance Sign: Letchworth, Bedfordshire (outside the urban area)



Letchworth Central Business District



Letchworth Residences



Letchworth Residences



Strip Mall, Letchworth (Not in Original Plan)



Hertfordshire Dream: Royston (outside the urban area)



Milton Keynes: New Town, Former Buckinghamshire (outside urban area)



Milton Keynes



Apartments: Milton Keynes



Milton Keynes

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<http://www.rentalcartours.net>
<http://www.demographia.com>
<http://www.publicpurpose.com>