

The housing crisis: too difficult or a great opportunity?

Michael Edwards

In the first of our Sounding Futures series,
Michael Edwards looks at alternatives to
current housing policies

The crisis affecting housing in Britain both reflects and contributes to most of the pathological features of the present conjuncture which the *Kilburn Manifesto* has analysed. The onslaught on the living standards and wellbeing of most citizens during the decades of triumphant neoliberalism has seen an economy increasingly dominated by financialisation, a debt-fuelled regime of wealth accumulation and a society dominated by rentiers - those whose incomes flow from profits and rents rather than productive work. In the housing field many UK residents are spending half their salaries on housing rents or mortgages but are inadequately and insecurely housed. These expenditures could be securing decent housing for all but instead are mainly pumping up the asset values and incomes of land and property owners, incumbent owner-occupiers and the professionals linked to the process. This is a field crying out for analysis which would lay bare what is really happening - the heroic *Soundings* project - and point towards policies and programmes taking us to a better future. Building such a programme, however, requires close attention to the fragmentation of class identity which the housing system has generated. But there may be grounds for optimism as the contradictions for capital worsen and more and more people are hit by the vindictive austerity

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flowing from public policy and an unforgiving market.

The housing crisis is experienced in very different ways by individuals and households, depending on where in Britain they live, whether or not they have inherited property or gained a council tenancy, what their employment position and income are, and what age group they fall in. The failures of the housing system stem from a mixture of international, national and local policies and relationships, some of which have been operating for four decades, others since the credit crunch of 2007-8, and some from government policies of the last few years. No wonder that it's all hard to understand, resistant to simple solutions and very divisive between sections of the population. It's a class issue, but mediated in geographical, generational and other ways.

This article offers an account of the housing problems faced in the UK, seeing them partly as a stage in the long struggle against the neoliberalism which took hold in the 1970s, and partly as a consequence of the growing dominance of financial relationships and financial institutions over the same long period. These two sets of changes have been shared with people in many other European countries and beyond, but have had some distinctive British features. In addition our housing problems reflect a distinctive and strong British form of private land ownership and restriction of the supply of land and new housing. Governments of both the main political parties have given strong support to the spreading of individual owner-occupation and done little (Labour) or nothing (Tories) to sustain or expand the availability of council or housing association housing outside the grasp of the market. The combined effect of these processes has made the UK's housing system an engine of growing inequality, concentrating wealth in the hands of landowners, landlords and established owner-occupiers (and the lawyers, surveyors, developers and financial institutions integral to the process), at the expense of tenants, new buyers and the growing numbers rendered homeless. The country now finds itself with a banking system heavily dependent on inflated house values as security for loans and balance sheets, many home-owning households dependent on house price escalation to finance their old age and help their children get 'on the housing ladder' and a widespread ambivalence among citizens towards new housing development in their localities. The economy as a whole has become strongly distorted in the process.

Britain has the greatest long-run escalation of average house prices of all the

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rich countries (see Figure 1) and that average masks huge regional variations. Thus average house prices in London and some southern cities are ten to sixteen times the average annual household income, while in poorer cities of England, Scotland, Wales and especially Northern Ireland, the ratio falls to four or five years' income.¹ And within every region the widening of income inequality (especially dramatic in the Thatcher period) puts a large proportion of households in very severe housing difficulties, constrained to rely on housing benefit to afford private rents (themselves among the very highest in Europe), and even to afford social rents in many cases.

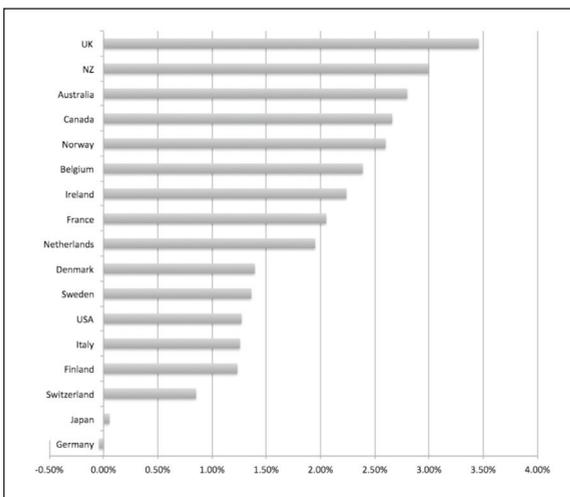


Figure 1: Annual average change in real house prices in OECD countries over the period 1970-2013. Percentage per annum compound, deflated by the consumer price index of each country. Source: OECD Housing Prices database 2014.

That is a very compressed version of the story. The following paragraphs unpack it with some detail.²

Incomes of households

First of all incomes. Incomes from employment (wages and salaries) rose as a proportion of total national income in the post-war period, thanks to strong unions, growing productivity and a sharing of the benefits of growth between wages and profits. This pattern was rapidly reversed from the late 1970s onwards under the onslaught of neoliberal ideas and a strong attack from employers and governments - the Thatcher government in Britain, Reagan's in the USA, and other regimes elsewhere across the global north, and in Chile and elsewhere. In the last forty years

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most countries have experienced falling shares of national income (to be precise it is normally GDP which is measured) going to wages and salaries while - by definition - the balance going to profits and rents has increased. (See Figures 2 and 3.)

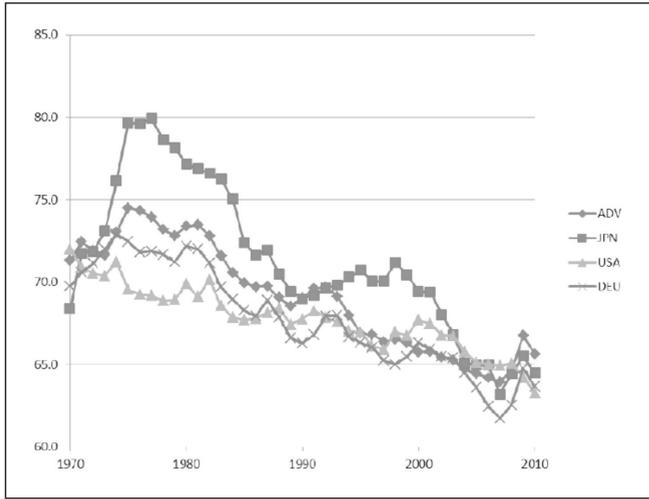


Figure 2: Adjusted wage share of GDP, high-income countries, 1970-2010. Source: E. Stockhammer, Conditions of work series #35, ILO 2013, Fig 1. ADV stands for unweighted average of high income OECD countries (without South Korea). Original source AMECO.

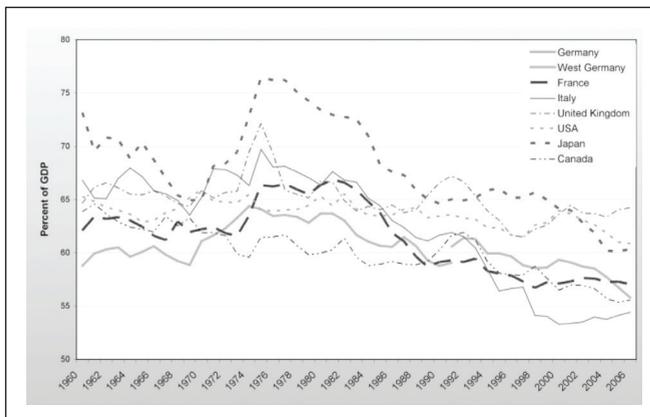


Figure 3: Adjusted wage share as percentage of GDP, various countries, 1960-2006. Source: Christian Zeller, Die Gewalt der Rente: die Erschließung natürlicher Ressourcen als neue Akkumulationsfelder, Seismo, 2009. Original source AMECO database.

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The distribution of incomes has become increasingly unequal, partly because of this process of profit and rent incomes rising faster than earned incomes, but also because wages and salaries have become more unequal, with professional and managerial pay rising faster than pay in less-skilled occupations, especially those in weakly-unionised sectors like retailing, catering and other private services. The combined effect has been the growth of inequality among households, now very well documented for Britain by Wilkinson & Pickett, Hills and Atkinson, and internationally by Piketty.³

Thus a central strand in the worsening housing problems of the UK has been growing inequality of ability to pay. Since housing has mainly been obtainable only as a market commodity this means that richer households can get steadily more of it and poor households steadily less. By 1981, non-commodity (non-market) housing, built during the twentieth century by councils, new town corporations and housing associations, accommodated a third of all households, and much higher proportions in many cities. But from the early 1980s onwards that stock was steadily run down, mainly through the right to buy policy promoted so strongly by Thatcher and kept in force by subsequent governments of both parties. In hardly any year has production of new non-commodity housing equalled these losses, so that it now accommodates between 15 and 20 per cent of households - and the percentage is falling.

Credit and financialisation

The 'demand' from households when buying housing has been amplified by the availability (and often, especially recently, by the relatively low cost) of credit. As the world's economies have generated a growing pool of profits, more and more money capital has been directed by investors away from financing production and towards land, housing and other markets in real estate and urban infrastructure and the supply of credit to support consumption.⁴ Linked with this switch has been the transformation and growth of the financial sector - banks, insurance and related companies - through the channelling and management of these flows, through dealing in shares, bonds and currencies and above all through the growth of derivatives - essentially secondary financial contracts such as claims on future revenues, hedges (a bit like insurance) against changes in values and packaged bundles of conventional debts. Following the deregulation of financial services in

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the 1980s, and especially the liberalisation of mortgage markets, the UK has seen an explosion in the size of its financial sector. Its total assets in 1958 were equal to one year's GDP. By 1978 the proportion had doubled. But by 2013 the sector had assets valued at nearly twelve times that year's GDP, a scale which dwarfs the economy and outstrips the proportion in the USA (less than five times GDP) and even in the notoriously financialised Switzerland (nine times GDP).⁵

This growth of the financial sector is just a part of the process of 'financialisation' which goes much wider and deeper. It permeates the way in which non-financial companies, including construction and housebuilding firms, behave, and it penetrates deeply into the thought and behaviour of citizens.⁶

The financial sector has pumped money into mortgage lending, amplifying the purchasing power of those able to borrow and accounting for much of the escalation of prices. Financial relationships have become ever more dominant, not just in the ways households manage their housing and saving strategies but in the pressure on local authorities and housing associations to think of their land and social housing as 'assets', not as use values, and to manage their rent policies and allocation of tenancies to meet the imperatives of securing finance - squirming to minimise the dreadful impact of 'austerity'. Financialisation has powerful cultural expressions too, as we see in popular TV series like *Location, Location, Location*, and creates strong imperatives on the work of built environment professionals whose products increasingly have to satisfy investors' criteria. The entire urban ensemble and the practices of participants have become, as Louis Moreno puts it, both a *product* of financialised accumulation and a primary *instrument* enabling that accumulation to take place.⁷

Not enough housing?

The main response of neoliberal politicians and think tanks has been to ignore the widening class gulf between well-housed owner-occupiers and struggling tenants and borrowers. For the most part, and until recently, they have also ignored the role and responsibility of financialisation in producing the crisis. Instead they have focused overwhelmingly on the need to build a great deal more housing to satisfy demand. Tories have focused on the need to build more houses for sale in the open market while Labour have sometimes stressed the need for new housing to be

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'affordable' - using the term which the coalition government had entirely emptied of any meaning - or to include some social housing. At a national level (which in this context mostly means England), parties and their manifestos compete about target levels of output. There is a similar tendency in planning debates and mayoral political campaigning in London and some other cities.

But is there really such a shortage of housing, and if so why?

Rebecca Tunstall and Danny Dorling have both examined the data on inequality in housing space, and the latter has rightly pointed out that, if the national housing stock were equitably distributed, there would be enough to house everyone.⁸ This is a valuable insight and good ammunition for campaigning, but scarcely the basis for a plan of immediate action or a quick fix since the inequalities involved are so deeply embedded. The use of royal palaces for homeless families is not in early prospect.

Undoubtedly the UK builds fewer dwellings per head of population than many other countries, and has done so since social housing production was virtually halted in the Thatcher years. The housing stock has by no means kept pace with population growth or with the falling average size of households at a national level, and in growing cities the shortages have mounted steadily. On top of that, most of the new dwellings produced have been for sale in the open market, so that it has been the better off (in terms of income or wealth or both) who have been able to take advantage of what growth there has been. It is very clear that, as people get richer, they want to occupy more and more housing space and in general they do so.⁹ Low-income people can only afford to buy housing in the open market in regions and localities which have the very lowest prices or with the discounts given with Right to Buy. Middle-income people in expensive southern areas are also very circumscribed in what they can afford. All of this reflects the fact that the private housebuilding industry in Britain does not build to meet those needs, and has no incentive to do so.

The housebuilding industry has evolved alongside the steadily inflating prices in the private land market, with land prices now often representing half or more of the selling price of a dwelling. Firms which are profitable in this sector prosper because of their skill in acquiring (or taking options to purchase) land, negotiating planning permissions, and then selling at prices as high as they can get, completing dwellings on each of their sites at the speed (often rather slow) which they judge can keep prices up.

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Although a lot of attention does get directed to the housing supply problem, it tends to be from a neoliberal perspective that blames planning for the inadequacy of land supply - either the planning system as such, or planning policies, or sometimes simply the delays and costs developers encounter in gaining permissions to build. This view has been the subject of some robust criticism from planners, who have pointed out that far more land is allocated for development in plans than is actually developed; while house-building developers have renewed their criticism of the delays and costs they encounter in securing permissions to build.

These controversies tend to be fascinating reading and contain beguiling information but their limitation lies in their very restricted neoliberal problematic. All the social class relationships surrounding the housing market are implicitly taken as given, and the behaviour of the planning authorities is reduced to a hypothesis that - since they are themselves seen as economic agents - they are subject to the wrong incentives: if only the market could be made to work less 'imperfectly' all could be well. But even 'perfect' markets in our society can be disastrous, given that land ownership confers such enormous power; that income and wealth disparities are so great; and that regional differences are so strong. There is a substantial part of the population whom 'the market' will never be able to house: their salaries or pensions are too low or too insecure. They are therefore driven into the private rented sector, which has expanded to take advantage both of their need, and of the need of would-be owner-occupiers - who are unable to buy in present market conditions.

Critics of planning practices in the UK have in recent decades focused their attention on issues such as planning priorities for the protection of countryside, protection of conservation areas and the minimisation of negative development impacts on established incumbents (NIMBY behaviour), and urged relaxations. One of the things that this approach misses is that planning policies and practices are - often unwittingly - the tools of property-owning interests, helping to maintain the scarcities and capital gains of home-owners and landowners. The most exhaustive study of land ownership in Britain found that, 'just 189,000 families own two-thirds of the UK's 60 million acres, of which nearly three-quarters is owned by the top 40,000', and stressed the extreme difficulty in researching the topic because of the continuing lack of a complete land register.¹⁰ The transparency problem is in the process of being addressed in Scotland but remains a major defect in the way

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in which land and property markets operate, as Peter Hetherington explains in his mainly-rural *Whose Land is Our Land?*.¹¹

What neoliberals treat as a planning problem, to be solved by relaxing planning, should instead be understood as a class problem - one in which most of our national institutions, from the monarchy and aristocracy through banking, pensions and the policies of most (not all) planning authorities and professionals, are instrumental, or at least complicit.

It is a significant contradiction that the great drive to owner-occupation for more and more households has now failed. The proportion of households owning their own homes peaked at about 70 per cent and is declining nationally and in most places. The current UK figure is 65 per cent. Previously-owner-occupied dwellings, as well as some new ones, have been bought by landlords for renting out, taking advantage of surging demand, favourable tax treatment, plentiful credit, and (since the Thatcher years) Britain's uniquely weak protections for their tenants. Escalating bills for housing benefit (until capped) and tax credits (due for reform) enabled and underwrote high rents while helping to keep wages low. Many recent measures by governments intended to bolster house purchase, especially by first-time buyers, have helped inflate prices and thus exclude people, while assisting some lucky beneficiaries. However, the present Tory government has now removed some of the privileges of landlords, presumably to stem the slide in home ownership.

Depending where you live ...

The housing system produces very different experiences in 'rich' and 'poor' regions of the UK. Prices and rents are higher in London and the south, some northern towns, Edinburgh and Aberdeen, and lower in many other places. This does not, however, mean that in the cheaper areas there is no problem, no crisis. Many such areas experience severe shortages of social housing, and these have been exacerbated by policies of demolition of estates and by the ill-considered launch (and sudden termination) of the Housing Market Renewal programme in northern England. One of the effects of the credit crunch and its aftermath has been that, while prices in prosperous areas - especially London - regained and passed their pre-crash peak level relatively fast, the housing market recovered much more slowly elsewhere, and in some parts of the UK market values are still well below 2007 levels. This

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has caused hardship for the many working-class and other households who had managed to enter mortgage-financed owner-occupation and now find themselves in negative equity ('under water' as they say in North America). For those who had come to rely on equity withdrawal to make ends meet, or on the security of their home to support other borrowing, this is a cruel problem, one that is especially severe in Northern Ireland, where in 2013 house prices were still about half their pre-crash levels.

Major regional variations also affect migration, making it hard to move to high-price cities and regions. They also mean that homeowners who cash in by selling their homes in high price areas (or take out second mortgages) are in a position to outbid local workers in other regions when they move out and buy there, or acquire second homes. Thus we have the familiar problem of 'incomers' bidding up prices in coastal and mountain areas and in many villages, pricing out those whose purchasing power reflects low rural earnings. Listeners to *The Archers* get glimpses of this problem, and I wrote about the village of Umbridge, Dorsetshire, in my report to Foresight (see footnote 2).

Because of the shortages of housing in so many places where demand is high, scarcity can itself become a factor in boosting prices. The economist Fred Hirsch long ago pointed out that in prosperous societies people increasingly seem to compete for scarce 'positional' goods, goods whose attraction is simply (or partly) that they are better than others, or better than other people's, hard to reproduce and thus scarce. It could be access to the best schools, homes with the best views, clean air or any other privilege. But as the rich pay more for these things, their prices rise so people may be no better off relatively: 'if everyone stands on tiptoe, nobody gets a better view'.¹² Thus part of our apparent increase in national asset values, year after year, comes from the essentially illusory growth of spending that is related to rising rent (the rising price of land and property). Cheshire and Sheppard have drawn attention to the strong influence on house prices of proximity to schools that are considered best, and Ahlfeldt and Holman have evaluated the premiums paid for homes in and near Conservation Areas.¹³ Thus the housing market segregates our cities in overlapping ways, not just through access to city centre jobs.

The very fact that property prices rise relatively fast in some cities compared with others (and especially in those which combine economic growth with scarcity of property) attracts more money from investors who speculate that the relative

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growth will continue. It has been discovered that, in US cities, these trends, acting over many decades, have been able to squeeze low- and middle-income people out of some cities: they simply cannot afford to be there. This may be a motive, too, for some UK households and investors: while it is hard to get an initial toe-hold in the London housing market, high levels of capital appreciation are anticipated by those who do, and this may be a factor encouraging some to enter that market and 'trade up' energetically. It is clearly also a factor for international investors buying housing in London and some other parts of the UK.

What is to be done?

How can it be that, on the one hand, we have an extremely 'high-value' built environment, the value of which has mushroomed in recent decades, generating massive profits and capital gains (rents), while, on the other, many people are inadequately housed, space standards are low, value for money poor, funds for social and physical infrastructure and services can't be found and the environmental performance of the resulting settlement pattern is substandard?

It is a dreadful paradox, a severe contradiction. Not only does it feed injustice, it also damages the productive capacities of capitalism. The very high rents and housing costs being extracted from workers constitute a great burden on the productive economy - on the production of goods and services which really meet human needs. It is as though there were two kinds of tax in our society: one paid to the state and local authorities for public services, the other paid as rent to landlords, financial institutions and established owner-occupiers. These extra costs must greatly reduce the competitiveness of UK exports (and tourism, universities and other services), and our ability to reduce our consumption of imports. Furthermore, the burgeoning of debt and rent means that working hours remain high as people struggle to make their payments. The leisured future promised by capitalism continues to recede.

Put like this, however, it is clear that the problem could be solved. There is lots of money being spent on housing and more of it could go on what people need - good quality, well-designed, secure, affordable housing with good services, environments and accessible workplaces - with less being distributed as profits and capital gains/rents. How it could be done is the subject of the rest of this article. The

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future has to be different from the past.

Constructing a socialist or red/green strategy involves a whole series of challenges if this analysis is close to the truth. So what could be the components in a strategy? Certainly it would need long-term and short-term measures.

Alternatives via reducing inequality

Insofar as the housing crisis is a consequence of inequality, measures aimed at greater equality would help: strengthening trades unions; raising pay and productivity in low-paid sectors; progressive taxation of income and wealth; and the whole raft of economic policies which would be central to any left programme. And since the land, rent and housing system is such a strong *generator* of inequality (as well as a consequence), success in dealing with housing would contribute to a fairer society. Housing struggles are thus a dimension of class struggle, albeit that the 'classes' involved are not monolithic but fragmented, an issue discussed below.¹⁴

Alternatives through land reform

Long-term aims must include pushing towards land policies which socialise at least some of the growth in values and rents associated with urban land. There is a connected rural dimension, too, which would include capping farm and forest subsidies. Both the urban and the rural dimensions of land reform would involve removing tax breaks from land holding and housing - capital gains and inheritance tax in particular - perhaps retaining some inheritance allowance for primary homes in a transitional period. One important debate for the left will be how and whether to move towards some version of land value taxation.

The inheritance and capital gains tax exemption for owner occupiers is a huge gift, and an important mechanism in the growth of wealth inequalities. Since 50 per cent of householders benefit from it, it is also difficult to change. Is there a way of making an argument from social justice that such advantages should be equivalent for all householders, not just one category? One of the arguments for council housing in earlier times was that it did confer a different kind of entitlement - security - and even in the passing on of tenancies to children. These benefits conferred by the state have been struck down (as undesirable 'dependency' and all

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the rest of it) and attacked as a kind of political vote-assembling device (which it was among other things) as if the tax benefits for property owners were not also a gift of the state, and did not also have electoral aims. If the reinstatement of security for tenants were linked with a right to pass tenancies on between generations, there would be some parity in this respect. If the inheritance tax breaks for owner-occupiers are to survive, they should probably be capped in terms of floor space, rather than money value: say 150 square metres, which represents a generous three-bedroom dwelling.

A land reform programme should start with compulsory purchase of land to begin a programme of publicly-managed housing production, wholly or mainly of non-commodity dwellings, including a wide diversity of collective ownership and management forms, to meet general needs and also a wide variety of needs for supported and collective living. These acquisitions would be undertaken by paying only existing use value for the land acquired, reaffirming the 1947 Act principle that private land owners have the right to use land in the existing way, but they do not own the development rights and should not be compensated for loss of development rights or the expectations of development.

The stabilising prices option

A complete de-commodification of housing and land would be many socialists' dream. In the meantime one central challenge is what to do about house price levels (and the land prices which reflect and underpin them). The 'housing ladder' is really more like snakes and ladders since there are losers as well as winners - and for the winners it is less a ladder than an escalator, continuously carrying property owners up the wealth scale. Policy could aim to place the ladder flat on ground (or switch the escalator off) - i.e. to keep prices stable. That would remove the speculative appeal of house purchase and be good for the economy if it diverted savings into other, more productive, branches of the economy. However a major and sustained fall in house prices would de-stabilise banks and ruin many more households than have been hit already. To do this within a short period, it would need to proceed in tandem with a debt-jubilee, or a new way would need to be found of diverting the quest for capital appreciation from the actual housing market to some sort of derivative, or system of equity loans (as proposed by Susan

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Smith), which would enable people to buy housing more cheaply by foregoing some or all of the capital gain.¹⁵

A housing market in which prices are constant in real terms over long periods, and generally expected to remain so, is easy to imagine, and indeed, as Figure 1 showed, this has been the experience of Switzerland and Germany. But it would be hard to bring about for at least two further reasons. Firstly, if prices were stabilised at a national average level without tackling the mounting divergence between cities and regions, the lower-growth regions would (simply mathematically) have to experience sustained falling prices to keep the average at zero. Secondly, this kind of change would be so radical for the UK and so disruptive for perhaps half the population that it would surely require a consensus of political parties to be believable. And that is hard to imagine. All the same, it should be at the core of any strategy to work towards a stabilisation of prices, both through active measures and through avoiding policies and practices which add fuel to the fire. The recent Help to Buy scheme, after its extension to second-hand dwellings, is a classic example of what to avoid.

Alternatives through regional rebalancing

Our housing problem is substantially a regional problem, and the neoliberal aversion to active regional policy will have to be overcome if housing problems are to be tackled effectively. Elements in such a policy would include:

- i) a re-orientation of infrastructure investment to support public transport connectivity between Northern cities and other provincial areas so that they are able to gain, as networks of cities, more of the agglomeration benefits which at the moment arise disproportionately in the South East. (Transport infrastructure spending per head of population in 2013 was nearly £5000 in London, and was less than £500 in every other region.¹⁶)
- (ii) a damping of the almost explosive growth of London and its surrounding region through reduced infrastructure spending there, and the relocation of high-level civil service, university, cultural and other services to other cities - especially those in the Northern cities mentioned above.
- (iii) a re-negotiation of the competition regulations of the EU to facilitate a greater

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focus of public funds on housing and economic development in 'lagging' regions (many other European countries experience problems with the over-dominance of a primary city).

Alternatives through making better use of the dwelling stock

One of the inefficiencies we have lies in the very large amounts of space occupied by small households, almost all in the owner-occupied sector. A number of steps could be taken to release some of this space. For example, the replacement of Council Tax by a system which charged more for larger dwellings would no doubt lead some households to down-size. Since many of such households are elderly, and many may be asset-rich but income-poor, there would probably need to be transitional relief in some cases, or a power to defer payment until sale or death. The success of this strategy of pricing people out of their generous spaces would also be assisted by expanding the provision of housing in all tenures, which would meet the down-sizing needs of older and post-divorce households.

Alongside attempts to encourage people to move we should also find better ways to encourage those who wish to do so to take lodgers or boarders if they have surplus space. This would have to tread a careful line, to prevent housing from being diverted to - in effect - hotel use through AirBnB and similar schemes. But it could contribute significantly to meeting some housing needs. (This contrasts with the government's Bedroom Tax, one of the great policy failures of all time, which sought to encourage working-age social housing tenants to downsize by cutting their benefits if they had spare rooms. Very few could find small flats to move to, very few did move, debts increased, and the policy has attracted great odium for its effects on carers and the disabled.)

Short-term and emergency measures

Long term measures, and increased production of housing (whether for the open market or as non-commodity dwellings), would be slow to transform most people's conditions. Short-term and emergency measures must also figure in any alternative programme. At least the following urgent measures would surely be both necessary and widely popular.

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- i) a stop on the right to buy council and housing association dwellings in England and Wales (catching up with Scotland).
- ii) a halt to the clearance of council housing estates and declaration of a right to stay put, the moratorium to continue until a new basis can be agreed with tenants and leaseholders to ensure that they can remain in situ or be re-accommodated nearby on conditions similar to those they have previously enjoyed.
- iii) changes to private renting, to introduce controls on levels or rates of change of rents, linkage of rents to safety, environmental performance and quality standards, and greater levels of security for those who rent from non-resident landlords.
- iv) the decriminalisation of squatting in long-term empty properties, and the re-introduction of licenses for short-term vacant units, something that was important in the 1970s and early 1980s, for example as fostered by the GLC.

Overcoming the fragmentation of resistance

The problem of building support for radical housing reforms stems from the way in which financialisation fragments and individualises people's relations with credit and housing providers.

Council housing was, and still is, the exception: council tenants share a landlord - an accountable and identifiable landlord who can be confronted and even potentially voted out of office. Council tenants are often clustered on estates and often share social, caring and other relationships too. The conditions for solidarity and organisation here are good.

Tenants of housing associations are much less organised. Though some, where a single association manages a large local stock, are organised, it is common for organisation to be weak, and it is often managed in a paternalistic way by the associations concerned. Legislation could empower housing association tenants in a number of ways, for example through requiring elected tenant representatives on their boards of directors (as one might wish for all large organisations, as with German supervisory boards).

For owner-occupiers, the primary relationships are with the banks which

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lend for house purchase, but these relationships are by their nature entirely individualised. The individual feels powerless in the face of their lender, and we do not see (yet) in Britain the militancy among mortgage payers which is found especially in Spain, where mortgage-financed purchase is ubiquitous, and repossessions and evictions take place on a massive scale. Solidarity and activism in this sector could develop in the UK if interest rates rise and evictions become more common. For the time being, though, mortgage arrears are modest, and UK lenders have been avoiding assertive behaviour - perhaps as a way of thanking the state for such generous bailouts.

Campaigning on issues surrounding owner-occupation could, however, build on the poor value for money (in floor space, design, acoustic and environmental performance) of new homes compared with other countries, and could certainly build on the frustrations experienced by would-be buyers - people who a decade or two ago would easily have been able to buy but now can't because house prices have outstripped earnings, and banks now can't lend as high a proportion of purchase price, or in such a high ratio to earnings (new rules called 'prudential regulation'). In effect one whole stratum of society has had its prospects of home-ownership cancelled, and it is their fury which powers their organisation PricedOut.

The new and significant force in housing campaigns are the organised private tenant groups, nationally networked as Generation Rent, and with many local groups. In London there are active (and activist) groups in about half the 33 boroughs, and City-wide networks called Renters Rights London and the radical housing network. The detailed anatomy of these movements needs to be better understood, but certainly it spans a wide range of kinds of demands, including calls for a segment of private renting to be detached from the investment market and partly de-commodified; calls for more social housing; and calls for rent controls, more tenant security and so on. Some of the groups are active in heading off evictions and in providing legal advice and support to tenants as the numbers of evictions by landlords continue to grow. On this front, candidates for the London Mayoralty are being challenged to establish a forum representative of private tenants alongside other tenants at a London level. Here again, legislation to improve tenant security and to control the rents of private tenants could include measures to foster representative bodies.¹⁷

This fragmentation of resistance should inform left thinking about housing

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strategies, since effective strategies are going to need to appeal to all of these segments - what Peter Marcuse has called a coalition of 'the deprived and the disappointed'. Housing is not a field in which the 99 per cent confront the 1 per cent, at least not in ordinary consciousness: more than half the population are still ensconced in owner-occupation and many more still aspire to it. Until security of tenure improves in private renting, and social and collective forms of housing are more widespread and stigma-free, any radical housing programme will have to carry the support of many owner-occupiers.

Finally it must be said that some elements in a left housing strategy would need to be based on reform at the European level, some at the UK level, and some at the level of the constituent nations of the UK, while many, especially of the emergency measures, ought to be at city-scale or region-scale, or, indeed, be subject to decision-making in neighbourhoods or small entities.¹⁸ This dimension of housing, of course, opens up important debates on bottom-up versus top-down government systems more widely, and should be able to build on grassroots innovations in linking politics at multiple scales.¹⁹

This article has argued that the housing crisis in the UK is part of a larger crisis, interconnecting the structure of the whole economy and society, internationally as well as locally. It knits together problems of land ownership, financialisation, income and wealth distribution, environmental impacts, pensions, planning and design, culture and social geography. This complexity may make it seem hard to transform. On the other hand, a radical housing strategy could be a point of entry and a platform for changing all these other aspects of the society.

Michael Edwards is UCL Teaching Fellow at the Bartlett School of Planning, and has written extensively on planning and the built environment. He is author of *Prospects for land, rent and housing in UK Cities*, published in 2015 as part of the government's Foresight Future of Cities project.

Notes

1. Centre for Cities, *Cities Outlook 2016*: <http://centreforcities.org>.

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2. This article draws on a longer and more detailed 2015 report, *Prospects for land, rent and housing in UK Cities*, commissioned by the Government Office for Science as part of their Foresight Future of Cities project: <http://bit.ly/1NvjmV7>.
3. R. Wilkinson and K. Pickett, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, Allen Lane 2009; J.Hills, *An anatomy of economic inequality in the UK: Report of the National Equality Panel*, Government Equalities Office 2010; A.B. Atkinson, *Inequality: What Can Be Done?*, Harvard 2015; T. Piketty, *Capital in the Twenty-First Century*, Belknap Press of Harvard UP, 2015.
4. The fullest treatment is David Harvey, *The Limits to Capital*, Blackwell 1982, but his later works return to the issues.
5. Bank of England (Oliver Burrows and Katie Low), *Mapping the UK financial system*, *BoE Quarterly Bulletin*, Q2, 2015.
6. C. Lapavistas, 'The financialization of capitalism: profiting without producing', *City* 17(6) 2013: <http://dx.doi.org/10.1080/13604813.2013.853865>; and *Profiting without producing: how finance exploits us all*, Verso 2013.
7. L. Moreno, 'The urban process under financialised capitalism', *City* 18 (3), 2014.
8. D. Dorling, *All that is solid: The great housing disaster*, Penguin 2013; R. Tunstall, *Twentieth century trends in inequalities in housing consumption: the case of housing space in England and Wales 1911-2001*, Centre for Housing Policy, University of York 2012.
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11. P. Hetherington, *Whose land is our land? The use and abuse of Britain's forgotten acres*, Policy Press 2015.
12. F. Hirsch, *The Social Limits to Growth*, Routledge 1977.
13. P. Cheshire and S. Sheppard, 'Capitalising the Value of Free Schools: The Impact of Supply Characteristics and Uncertainty', *Economic Journal* 114 (499): F397-F424, 2004; G.M. Ahlfeldt, N. Holman and N. Wendland, *An assessment*

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of the effects of conservation areas on value, LSE and English Heritage 2012: <http://eprints.lse.ac.uk/44756>.

14. This is a central thread in *After Neoliberalism: the Kilburn Manifesto*, Lawrence & Wishart 2015, see for example p17.

15. S.J. Smith, 'States, markets and an ethic of care', *Political Geography* 24 (1) 2005; S.J. Smith, C.M.E. Whitehead and P. Williams, *A role for equity finance in UK housing markets*, Joseph Rowntree 2013: <https://www.jrf.org.uk/report/role-equity-finance-uk-housing-markets>

16. Data from IPPR North.

17. The challenge is from some of the private tenant groups in the Just Space document *Towards a community-led London Plan* 2016: <https://justspacelondon.files.wordpress.com/2016/01/towardse280a6final.pdf>.

18. An encouraging sign is the recent formation of the European Action Coalition for Rights to Housing and to the City, see: housingnotprofit.org/en.

19. Many of the London community and activist organisations mentioned here are co-operating in a multi-scale network trying to influence planning in London from below. See: JustSpace.org.uk.