



# BRITAIN'S BROKEN HOUSING SECTOR

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**EXPERIENCES & POLICY SOLUTIONS FROM THE  
YOUNG FABIANS**

**YOUNG  
FABIANS**

Foreword by **Cllr Sharon Thompson**

Edited by **Jack Parker, Amy Dwyer, Safa Amirbayat & Joshua Hurst**

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**Young Fabians Housing Report**

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# CLLR SHARON THOMPSON

## FOREWORD

**The housing market in Britain has changed enormously in recent decades, and it is vital that housing policymakers are aware of the impact that these changes have had on the lives of young people.**

This illuminating report from the Young Fabians takes an in-depth look into young people's experiences in the modern housing market in Britain, giving fascinating accounts of the challenges that we face if we are to shape a market that allows young people to afford a decent place to live.

As the Cabinet Member for Homes and Neighbourhoods at Birmingham City Council, I am acutely aware of many of the challenges raised in this report. Young people by virtue of their age, are likely to have least housing experience, often lowest incomes and are not necessarily looking for homes for life at this stage in their lives. What they do need is a truly affordable, safe home which enables them to pursue their education and employment ambitions without the added challenge of dual-navigating a complex welfare system.

Our housing system expects young people to stay in a family home until they earn enough to pay market rent, often in shared accommoda-

tion. For many this works, for many it does not. They may not have a safe home to stay in; they may be in our care system, or in precarious relationships.

There is a huge shortage of truly affordable housing in this country, where costs relate to actual incomes, including those of younger people. This in turn contributes to many other housing problems such as high-rent, overcrowding and homelessness.

This report gives detailed insights into the state of the rental market, and the shocking practices employed by rogue landlords in this country. The experiences given in this report paint a poor, yet sadly very accurate, picture of the rental market, and add weight to the calls for further legislation to tackle rogue landlords.

My experiences in Birmingham tell me that much more needs to be done to highlight and, where appropriate, prosecute rogue landlords for their activities. For too long, rogue landlords have been able to game the system to make huge profits whilst their tenants live in substandard accommodation.

I have been working with the Government on a pilot scheme to launch a Charter of Rights and Quality Standards for tenants in

Supported Exempt Accommodation. This pilot has championed good landlords, whilst tackling rogue landlords, and I am confident that we will see a positive change in our city over the coming months and years.

This report has helped to highlight the need for similar approaches to be taken by central government to bolster renter's rights and ensure that landlords are not able to continue their malpractice.

The need for good quality housing extends far beyond people's needs for a roof over their heads, and impacts on mental health, life chances, employment opportunities, and so many other aspects of life. It is crucial that the nation's housebuilding policies take this into account, and take steps to creating a fairer housing market for all. This must include a new housing offer for young people which enables them to live, work, earn and learn, underpinning their future through development of truly affordable housing.

I would like to thank everyone who contributed to this report, it is a vital piece of work in helping policymakers at all tiers of government to understand our modern housing market and the challenges that face us. 🇬🇧



Sharon Thompson is the Cabinet Member for Homes and Neighbourhoods on Birmingham City Council

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# JACK PARKER

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# INTRODUCTION



**F**or many young people across Britain today, housing is a constant source of anxiety and frustration, as well as a reminder of the deep inequalities in society.

Many of those who have spent several years in full time, skilled employment cannot afford the deposit to buy their first home and are forced to spend hundreds of pounds of hard-earned wages each month on rent. Landlords, usually comparatively wealthy, use this rent to cover mortgages and place deposits on more properties, which act as strong stores of value

for the future. Young people realise that their labour is being converted into someone else's wealth instead of their own, and they are understandably angry about it.

Meanwhile the high costs, poor quality and instability of the private rental sector can have a detrimental impact on physical and mental health. Many of this project's authors refer to Maslow's hierarchy of needs and explain how their sense of insecurity around housing holds them back from achieving their potential in various aspects of their lives.

This project sought to better understand young people's experiences and identify the root problems with Britain's housing market. How is it that our parents' generation could afford home ownership at a younger age than us, even though we are often better educated and earn more? Furthermore, for those of whom home ownership is not appropriate right now, how has securing decent, affordable shelter become so difficult in one of the world's richest nations?

## Section 1: Experiences & Impact of a Broken Housing Sector

**T**his report begins by relaying the stories of young people and the impact their experiences have had on their lives, especially their mental health and sense of security. You'll read how landlords have failed to fix major health hazards including floods and broken doors, how letting agents create

fear by visiting properties unannounced and how something as simple as looking after a pet can become a restriction on where you can or cannot live.

This report outlines how short-term contracts and being priced out of neighbourhoods can make it extremely difficult for young people

to enjoy a sense of community, limit access to health services and increase stress. Finally, we touch on how the recent pandemic and the shift towards working and studying from home has exacerbated each of the above issues.

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## Section 2: Enabling Ownership of High-Quality Housing

**This section explores the supply of homes and monetary policy.** For decades, house building has failed to keep up with demand. Meanwhile low interest rates and easier lending has arguably caused asset inflation, likely exacerbated by recent money printing by central banks during the pandemic. While it is difficult to differentiate the comparative strength of these two forces, the conclusion is that house prices have risen significantly due to an imbalance of supply and demand.

While many renters may instinctively want house prices to come down to become more affordable, we saw in 2007-08 how vulnerable the financial system is to the housing market. A significant decrease in house prices would cause young people with large mortgages ‘underwater’, with debts greater than their assets. A sustainable solution would be to support wage increases for young people and make it easier to save for a deposit, while supporting a major house building program to fulfil the demand and

bring about longer term price stability in the market.

In this section, we assess why existing ‘help-to-buy’ schemes have failed and identify criteria that new housing should meet to protect future buyers, such as building in areas with low flood risk, and achieving net zero emission housing to reduce energy bills and help mitigate climate change.

## Section 3: Addressing the Needs of Minorities, Coastal Communities &

### Unique Groups

**We enthusiastically recognise Britain’s diversity across geography, ethnicity, age, education and more.** We therefore dedicate our final section to explore the problems and solutions specific

to certain groups. We outline the housing challenges faced by minority ethnic groups and students, the situation for supported housing and homelessness, alongside a discussion for how the demand

for housing in coastal towns and smaller communities is vastly different to large cities.

### Summary: The Criticality of Solving the Housing Crisis

**During my many conversations with authors of this report, I was constantly reminded of the strength of emotion that young people feel when talking about housing.** My generation was taught by our parents and wider society that if we worked hard at school and got a good job, we would be rewarded with a high quality home we could call our own.

Yet now that we have grown up, many of us find ourselves vulnerable to the whims of landlords and letting agents, frustrated that we must pay ever increasing rent for lower quality shelter, angry about

the structural inequality from which there seems to be no escape. Perhaps worse still, we have abandoned hope that our future might be better, as property prices rise faster than our wages and ability to save.

Homes should be a place of safety; somewhere young people can come back to after a hard day’s work to relax. Homes should act as a force of stability in an otherwise chaotic world, from which we can raise a family and become part of the local community. Young people are unsurprisingly despondent, even depressed, that this positive

vision of a home has been replaced by a source of anger, frustration, and vulnerability.

A Labour Party that can fix Britain’s housing crisis will transform the economic prospects, physical and mental health of millions of people and revitalise communities across the country for generations to come. We hope this report will make this long and difficult job just a little easier and quicker to implement.



**Jack is the Networks Coordinator for the Young Fabians National Executive and has been an active member of the Labour Party for over five years. As Managing Director at Hanson Wade he hosts international construction conferences, working with major contractors to highlight design and building best practices and innovation for the built environment.**

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I'd like to thank our team of Assistant Editors who volunteered many hours of their time reading, editing and improving this report.



## Amy Dwyer

Amy is the current Chair of the Young Fabians Education Network, founder of the University of Manchester Young Fabians and policy officer for the International Network. Alongside this, Amy is studying for an MA in Politics, campaigns for political education and is a campaign ambassador for 50:50 Parliament.



## Safa Amirbayat

Safa is an investment banking professional with an interest in financial markets and economics.



## Joshua Hurst

Joshua Hurst is International Public Law Masters graduate from Cardiff University. He was the Welsh Labour Candidate for Clwyd West in the 2021 Senedd Elections. He is the ex-president of the Cardiff based student homeless charity 'Help for Homeless'

I would also like to thank Unison Labour Link for their support. Their funding has enabled the design and printing of this report.

Labour Link works directly within the Labour Party to take UNISON's policies into the heart of the party. They work at local and national level and have a network of Labour Link officers at branch, regional and national levels who work together with other affiliated unions. 🇬🇧



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# POLICY HIGHLIGHTS

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**O**ur authors have provided dozens of detailed policy suggestions through their reports. Below are just some of the key themes, ideas and highlights that we recommend to the next national Labour government, as well as Labour regional and local governments.

## Build More Affordable Homes & Restore Social Housing

**S**ince the sell-off of council homes under the Thatcher government, the private sector has failed to build enough new homes and prices have risen. The next Labour government should enable local councils to build social housing and more incentives and requirements placed on private developers to increase the provision of truly affordable housing. Government and the private sector can work together on innovations such as modular construction to speed up the delivery of hundreds of thousands of new homes.

## Reduce House Price Speculation & Make it Easier to Save a Deposit

**D**ue to ease of credit availability and low interest rates, homes have become as much a speculative investment as a place to live. As house prices rise faster than wages, many young people feel that getting on the housing ladder is an impossible task, no matter how hard they work or how much they save. The next Labour government should explore how monetary policy and regulation can help bring about house price stability, while reducing inequality and rising wages can help make houses more affordable in the medium to long term.

## Improve Accountability of Landlords to Repair & Maintain Properties

**A**lmost every renter in the UK has experience of needing important repair work to a property, and found themselves waiting excessive amounts of time for a landlord to respond or act. Especially for inexperienced young people there seems to be no way of generating urgency, even when the problem is as severe as broken electrics and plumbing or a serious health and safety issue. Landlords often wait days or even weeks before fixing problems, with no repercussions. Labour should set strict expectations for repairs and improve the rights of renters to demand fixes, and receive compensation where appropriate.

## Improve Privacy for HMOs & Shared Properties

**L**etting agents and landlords must give 24 hours notice to a tenant before entering a rented property. However many rooms are often considered as individual units and communal areas such as hallways, bathrooms and living rooms are not covered. This means young renters can often find strangers entering their property with no notice, raising justified concerns about security and privacy. Regulations should be improved so tenants must be aware and give permission for entry to shared living spaces also.

## Make it Easier to Access Health & Other Services in a New Area

**D**ue to a faster moving jobs market and short term rental contracts, young people migrate between cities and neighborhoods much more frequently than past generations. Each move requires a ton of paperwork and cash flow difficulties. In this report we outline how something as critical as registering with a GP can be a difficult experience, but this is also true for dentists, paying deposits, utilities and council tax, as well as developing a sense of community with neighbors and local businesses. The next Labour government should make it easier to register for a GP and other local council services as well as explore how to ease the cash flow burden of having to put down deposits and first month of rent before receiving back the deposit from an old property. 🚩



# **SECTION 1: EXPERIENCES AND IMPACT OF A BROKEN HOUSING SECTOR**

# EXPERIENCES



## No Privacy & Poor Safety Causing Anxiety by Amy Dwyer

**D**uring my third year of university, I lived in a three-storey student house and my landlord was required to make sure there was a working fire extinguisher on each floor. When my landlord realised that the house was due to be inspected by the council, she brought three fire extinguishers to the property the week before and hired workmen to change all of the bedroom doors to fire doors.

The situation became far worse when our landlord gave workmen keys to the front door and all of our bedroom doors, we were left feeling unsafe in our own house. Our landlord did not tell us that they had keys or when they were

coming round. Several times, they arrived unannounced when one of us was in the shower or there was only one of us in the house. To be constantly on edge in your own house and never be able to relax in case workmen arrive at any moment, serves to demonstrate how little consideration student landlords give for their tenants.

The situation worsened following the rise in coronavirus cases, when we were told to stay inside and not to mix with other households. Yet we were still visited multiple times a week, by the workmen who showed no respect for the coronavirus restrictions and took no precautions. Despite complain-

ing to the landlord about the situation, they continued to visit unannounced during the lockdown, so that the landlord could avoid fines.

My landlord acted to avoid fines, rather than out of genuine concern for safety. Disregarding privacy and coronavirus restrictions is representative of all landlords and estate agents that I have come across during my time living at university. Students are routinely taken advantage of, ignored and pressured into signing for houses, living in substandard housing or paying extra fines when they do not need to.

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## Unite Students Private Halls: Transition from Figurative Dumpster Fire to Literal Dumpster Fire

by Conrad Fallon

**A**fter enjoying our first year in student halls in Manchester, a couple of friends – including my girlfriend – and I moved into Parkway Gate, a private hall of residence run by Unite Students. After liking the bright and spacious show flat, and its central location, we went for it, despite the price (£600 a month per room ‘bills included’). When we finally moved in, however, the disappointment was staggering.

The rooms were small and dark, and the windows didn’t close properly which let a lot of cold air and noise in. The radiators – part of the ‘bills included’ – only activated for an hour at a time so you couldn’t have the heating on overnight, which led to several sleepless nights, as did frequent misfires of the fire alarm in the early morning. Worse still, were the woodlice that

could be found crawling along the bureaucratic blue/grey carpet of our bedrooms. I remember my girlfriend saying how much they upset her, so I felt guilty for getting us to stay there. On top of that, she has Asperger’s, which makes stressful situations (like living in a dump) severely worse. It was very stressful for both of us and not how I’d pictured our first year living together.

Still, I could have ignored how depressing it was, were it not for the fire.

The block had a problem with rubbish. There wasn’t enough space for it, and it wasn’t removed often enough. A couple months after moving in, a storage area for old mattresses and sofas caught fire and quickly turned into a huge blaze. Our flat was directly above the fire, but we only realised when we saw our neighbours opposite

waving to us and a fireman coming to evacuate us. It was heart-breaking to realise our fire alarm hadn’t gone off, nor in many of the surrounding flats.

I’ve never felt as exploited as when I lived there. Without our neighbours and the fire crews, we wouldn’t have known about the fire, and had the building been made of a cladding material like Grenfell, or the ‘Cube’ student halls in Bolton, who knows what could have happened to us.

Unite Students is one of the largest and most visible private halls providers in the UK. If Parkway Gate shows anything, it’s how little they care about student welfare, and how much about profit: the rents are now £680 a month ‘bills included’.

## No Smokers, No DSS, No Pets: The Rental Sector and Pet Ownership

by Councillor Craig Wright

**I**n the UK, 51% of adults own a pet. In February 2020, there were 10.1 million dogs living in homes in the UK. Despite being a nation of pet lovers, the rental market remains hostile to pet ownership with 78% of pet owners experiencing problems with finding a tenancy with a pet.

In February 2015, I moved to a property in Thornaby, Stockton on Tees. I had recently been promoted to middle leadership in a secondary school and was a model tenant. I passed each inspection without problem and always paid my rent on time. In 2017, I was promoted again to senior leadership and as such moved to a different property. Upon leaving, I was told there was a “dog smell” and I would therefore need to forfeit my £500 bond to cover the costs.

Jed had lived with me for all of four months at the time and spent very little time in the apartment. Equally, the flat had been inspected just two months prior and there was no dog smell mentioned on the inspection report which described the condition as “excellent”. The landlord withheld my reference until the bond dispute was resolved. I was therefore required to forfeit my bond.

Despite my reference, stable income and profession I was repeatedly refused tenancies because I requested to be allowed to keep a pet. Each search resulted in the same outcome, “No DSS, No Smokers, No Pets”. After around three months of searching, phone calls and pleading emails, I found a landlord willing to allow me to keep a dog (one dog, no other pets) but

on the understanding that I paid an additional security bond and my monthly rent increased by £50. My moving in costs were therefore: £650 rent (upfront), £650 bond, £250 pet fee, £200 admin fee. The eye watering total of a rental house move was therefore £1,750.

Pet owners in the UK who are in rental properties face higher costs, discrimination and difficult choices. Often, they are forced to forfeit properties in suburban areas for urban areas because of the willingness of landlords to accept pets. This is a grey area of the rental market. Landlords do not face any checks or balances on this aspect of tenancy agreements and the costs can be whatever they decide.

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## Students Pressured into Poor Housing

by Emma Melendez

**T**he housing market is volatile and the move from Wolverhampton to Bristol though only a two-hour journey holds a massive difference in terms of housing; particularly student housing. I didn't fully appreciate the disparity between the West Midlands and the South but after living in Bristol for three years I was made fully aware of the divide between properties and how much location impacts living costs.

As a student you find yourself in an even more precarious position as there is so much early competition to settle on a property - especially when there are limited vacancies. Like many students, I found myself compromising on quality to secure housing. However, the rush to do so can cause a lot of anxiety and

lead to regrettable decisions in the long-term. Worse still is the fact that students are easy targets. Estate agents and landlords are fully aware that they have the upper hand and that students will often settle for less but still pay an extortionate amount for the security that confirming these arrangements early brings.

Nightmare housing situations are not totally uncommon, and stories will regularly circulate over the length landlords will go to, to disguise issues within a property. During my second year flat, I remember our bathroom (that had terrible air circulation) developing a lovely patch of black mould on the ceiling. If left untreated it can often become problematic, yet one of the cheapest and thriftiest ways

of handling it is to simply paint over it. Much like a plaster over a crack in the wall, it conceals the problem without actually addressing it. Students are fairly resilient though and I think many of these anecdotes are laughed at because I guess it adds to the 'slightly grimy charm' that university brings. No-one upon leaving university would ever actually settle for the same standards we once were almost grateful for.

Living back home in the West Midlands as I save for London has made me incredibly thankful for what I have and I'm sure I will never take for granted the benefit of living somewhere that does not have mould, refrigeration issues and the aroma of sewage.

## Unscrupulous Edinburgh Student Letting Agents

by Euan Saunders

**E**very summer, the Edinburgh Festival rolls around. The local population trebles, rents soar to easily £100 a night, and the price of a pint doubles to an average of £6. The Festival is a unique opportunity for locals and often students to experience comedy, theatre, and music in an accessible manner. Yet Edinburgh landlords are unscrupulous and, in an attempt to extract more rental income, price students out of the opportunity.

In my second year of university I paid £560/month for my share of a four bed private flat. We paid well over the market rate, in part due to worries about not having somewhere to live, but also because of the Edinburgh market and the number of students. The flat itself was poky and dated, and for comparison, other flats in the building with the same layout had two bed-

rooms, with a separate living room and dining room. Worse still was that the front door to the building was broken for seven months of the 11-month tenancy, meaning anyone could walk in, posing a threat to all tenants inside the building.

When our lease ended in June, our agent emailed an offer to extend the contract to the following academic year, saving us the hassle of searching for a new home. The offer was a rental increase of £200, up to £760/month, to allow us the convenience of staying in the property during the Festival.

If we were to decline, another option was a smaller increase in rent to £600/month, but with the requirement we completely move out during the months of July and August, as they would then let the property on Airbnb for short-term lets, and we would move back in

mid-September. Due to the unaffordability of staying over the summer, this forced my flatmates and I out of Edinburgh. The knock-on effects of this were significant.

Our letting agent robbed us of the employment and cultural opportunities the Festival provides, as it was simply unfeasible to remain in the flat. Additionally, two of my flatmates were at the time in relationships which, unexpectedly, became long distance relationships, adding further strain.

This story is sadly not unique. The landlords of Edinburgh have benefited significantly from the emergence of the gig economy and Airbnb, and have as a result sought to exploit students throughout the summer months but also place them in precarious tenancies.



## Over a Week of Floods & No Electricity

by Ingrid Allan

**T**he first property I ever rented with friends was a six-bedroom house in Brighton's Hano-ver area. My bedroom was a major safety-hazard, as someone had built a shoddy conservatory extension with a leaking roof onto its one window and installed a boiler, giving me no means of escape if the boiler (which was an older model and a little unreliable) caught fire or exploded.

The other five bedrooms weren't much better. One didn't have a functioning radiator and was always freezing, leading to one of our number moving back in with his parents but still having to pay rent thanks to a fixed-term contract. Three of the other four had black mould and in one case the mould was so bad it began to give another of my house-mates regular asthma attacks.

Following a week of continued bad weather caused a flood in the basement (which included our kitchen

and bathrooms) we weren't able to make dinner or use the bathroom without wading through ankle-deep, stinking water. We tried to call our landlords but it kept going to voicemail. We called the estate agents and they claimed there was nothing they could do. The following day we came home and the power was out, it was bitterly cold and, with no running water and no electricity, we spent the next few days either staying with friends or eating takeaway food and cycling to the local leisure centre to use the showers.

As it approached week two of no electricity and a flooded basement (which involved doing your coursework by torch after 6pm and eating by candlelight as though the last 100 years hadn't happened) one of our landlords finally answered our calls. He'd been on holiday and claimed he'd had no idea about any of this happening but we'd been calling him at least twice a day

whenever we weren't at uni. He said he'd be round in the evening to see if he could sort it out. We asked if he could come sooner. He claimed he had football training. We'd been without heating, hot water and electricity for over a week but apparently football-training was more important. Our landlords were two fairly young guys who had either inherited money or done very well for themselves early on. They didn't seem to realise that being a landlord means actually fixing things for your tenants rather than just continuing to collect money from them.

Needless to say we moved out of that place as soon as our lease was up. We reported our landlords to the council but nothing came of it. I have no doubt they're still extorting some other poor students for two grand a month for the same sub-standard accommodation.

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## Crooked Charges, Rip-Off Repairs & Fictitious Finances

by Joshua Hurst

**The exploitation of tenants occurs in a variety of ways, but none is more pernicious than the exploitation of naïve and uninformed students.**

Landlords have at their disposal a series of refined methods of deception, discreetly developed through many years of parasitic experience to dishonestly maximize revenue. The pinnacle of all these is the ‘deposit retention scheme’, a scheme which permits willing landlords to generate false charges, overcharge for unnecessary work and charge multiple students for the replacement or repair of an item— without actually replacing or repairing it.

This exact experience happened to me in the summer of 2020. Upon attempting to claim my fourth year university deposit, the landlord of the property (communicating through a letting agency) generated a series of false damages and

costs to the house totalling an excess of £900. This inflated charge exceeded our expectations as we had kept the house in good condition. I felt exploited and powerless, however, I was prepared to fight these deductions to the bitter end.

I was aware that the proposed deposit deductions were without evidence to indicate that work had been, or even needed to be carried out. Further absences included receipts, contractor information and an acknowledgement of the fair wear and tear principle. Armed with the knowledge of the letting agents missteps I wrote back contesting the deductions and requesting any evidence be sent.

In response to my challenge, the letting agency sent a further inflated “itemised bill” for the property to the eye-watering sum of £7545, with all-new charges added to their already creative inventory. Some of these new charges held confusing

descriptions “adjusting the taps – £250” or plain exaggerations “paint rooms - £1500”. Despite the innovative charges, the letting agency remained incapable of sending a single receipt to account for one penny of the proposed charges.

I researched tenants’ rights and relevant legal guidelines of the deposit retention scheme (I believe the accessibility of these rights to be deliberately difficult and an issue in itself). I wrote to the letting agency detailing my reluctance to pay until receipts could be generated. In the final correspondence, the letting agency was only able to produce a receipt for the cleaning of the property and as such a final deduction of £22 each was agreed. If it were not for my perseverance I do not believe we would have been so fortunate.

## Migrant Taken Advantage of by Letting Agent

by Mariano delli Santi

**I am a migrant, and I am new to London. I moved in September 2020, after spending almost an entire year looking for a job.** I first rented a nice room in a shared house, in Hackney, and I would have never expected to be in for another nightmare.

As soon as I moved in, my housemates briefed me about their troubles with the letting agency — the mismanagement they experienced, the abusive attitude of the staff, and the stubborn obfuscation of basic information such as staff names or the identity of the landlord. I thought they were a bit dramatic at first, but then the ceiling in our kitchen started to leak, and it took an entire week for the repair crew to show up. The agency claimed to have fixed it, but they had not, and they would deny

the issue even after being shown that water kept dropping. It took another week to stop the leaking, and another two for the hole in the ceiling to be covered. In the meanwhile, I was forced to wear earplugs at night to cope with the noise of the water drops — and this was only the beginning.

One day, after finishing a zoom call, I realised that some noises were coming from the main door. It turned out to be one of the letting agents who came unannounced. Having found the door latched, she was trying to tear the door chain apart with a screwdriver, to forcibly let herself in. I sought legal advice only to find out that this was not “threatening enough” to have clear legal recourse. What I could do, however, was to lodge a complaint with the Council about disrepair,

as well as to report the agency for harassment. Here is where things got a bit spicy.

On the evening of a Monday in early January, I had to lock myself into my room and call the police. The agency sportingly reacted to my complaints by sending two staff members to forcibly evict me without any notice or previous warning. After this incident and the intervention of the police, they called me and “offered” a free early termination of my tenancy if I were to leave in one month. I accepted and moved out in February, right in the middle of a national lockdown.

This experience taught me a bit about the housing market in the UK. Our letting agents had already been caught by a BBC programme for collecting illegal fees. They evolved since then, and now they

leverage on fixed-term contracts: once you are exasperated by their harassment, they will collect finder fees or they will try to extort your money for the early termination of your contract. They also learned that they can hide behind limited liability companies, as they have liquidated and reincorporated their agency at least three times over

the past four years. This allows them to carry on even after being expelled from a redress scheme, prosecuted by a local council, or condemned to compensate their victims by a civil court.

I might be out of there, but I am not breathing any sigh of relief. Others are still going through the same

harassment and abuses I faced, either from this agency or from others: Their model is proving quite successful, so who is to say this is the last time I will end up in a situation like that?

## Implications of Working from Home

by Laura Griffiths

**Air, food, water and shelter - Maslow's hierarchy of needs.** For us to be able to fulfill these needs we also need money, and for many of us, that comes from employment. The coronavirus pandemic has put these needs in a greater focus than ever. This piece will reflect on the need for shelter, specifically housing and work for young people during this tumultuous time.

For a number of young people both nationally and internationally, accessing a career path where we venture into a workplace and have sustained employment, usually involves either renting a flat with friends or a significant other, or a room within a house of multiple occupancy (HMO) used as a base to sleep, eat and shower before going back to the grind. If your family relationships are good, or you have caring responsibilities on top of your job, you may be in a position where you live at home. Trying to save up for a deposit which feels lightyears away - not to forget the thousands of students who may be studying and working on top of renting in halls or with a private landlord.

That is, until 2020.

For an overwhelming number of us, our workplace and home are now interchangeable. Furthermore some of us have greater home burdens: Some are restricted to one specific room, trying to teach a class, or have siblings or our own children learning remote-

ly. This last year, we have not just worked from home, but also learnt, studied, shopped, and conducted the bulk of our socialising through using technology - without ever walking out of the front door. Many jobs that we were previously told could only be done from the office were shown to be able to be done remotely.

When many made the decision to move or rent, they likely made those decisions without thinking 'what if a pandemic occurs?' where everything we do is concentrated within the same four walls with the necessary infrastructure in place. While many of us may be looking forward to the prospect of no longer working at home later on this year, we do have to acknowledge the fact that flexibility needs to be created within our homes and offices.

Having access to the internet to be able to socialise, work and shop has meant that basic digital access should no longer be a luxury in the UK and broadband for all is a policy not to be scoffed at. Workplaces should equip employees with the technology and bandwidth they need to be productive and efficient at home rather than be frustrated about possible failings.

That being said, when we are creating build-to-rent housing to help with the housing crisis or creating social housing through our local councils, developers and housing providers should look to work with broadband providers to facilitate

this option so it is an inclusion, rather than an extra addition residents have to pay for.

Likewise, an unexpected benefit of working from home may have been reducing our carbon footprint. As a collective, our vehicle movements have reduced and a number of train journeys are a lot less frequent than they were prior to the lockdown. It has been less announcement of 'leaves on the line' and more of a lower impact on the line. However, our homes have now become a source of heightened activity and energy. More at home activity due to our homes becoming our primary workplace is likely to have increased our electric, gas and water usage exponentially. We have to therefore try and find ways to make our homes greener and cleaner and not just by adding to our plant collections.

We have to use the problems of this pandemic to allow our homes of the future to be better - better space, better separation of work space and social, better for the environment and better for our minds. Going forward, a holistic approach needs to be taken when creating a new home, neighbourhood or a town centre masterplan to reflect the complexities we have experienced with COVID-19. This can only be achieved through a collective endeavour with councils, developers and residents working together and learning from experience so we can enhance and improve from this time. 🇬🇧



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Cllr Craig Wright is a senior leader in a Teesside Secondary School and lives in Middlesbrough with his husband and pet dog, Jed. Craig is the Labour Councillor for Ladgate Ward in Middlesbrough where he represents a diverse ward.



Emma Melendez - I am a recent Politics and International Relations graduate from the University of Bristol, with a keen interest in party politics and the Labour movement. Upon living back home in Wolverhampton (since the start of the pandemic) I have been working at a secondary school where I have supporting students and managing mass testing. It has been a bit of a culture shock in terms of lifestyle and the difference between students that wanted an education at university versus those who have a certain fatalism regarding it here. In September, I will be pursuing a master's degree at University College London in Latin American studies.



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# IMPACT ON MENTAL AND PHYSICAL HEALTH



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**JATINDER HAYRE**

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# IMPACT OF POOR HOUSING ON MENTAL HEALTH



**H**health is created and fostered in the home, first and foremost; housing is a chief social determinant of health. Yet, the UK housing market is a perilous landscape for the mental health of young people. In England, 1 in 5 people have reported housing issues to negatively impact upon their mental health.<sup>1</sup> In specific vulnerable populations, this exponentially increases with those in social housing being 1.5 times more likely to suffer with poor mental health,<sup>2</sup> and four times more likely

to report that housing conditions worsen their health.<sup>3</sup> The quantity of housing has been the emphasis, though, the quality of housing is also of significant burden to mental health. The epidemiology of the issue is stark, with over 975,000 children living in poor social housing conditions, and a further 845,000 living in the poor Private Rented Sector (PRS).<sup>4</sup> And neither is this an issue existing in solitude or at the peripheries of society; the costs to the NHS of poor housing are £1.4 billion, annually.<sup>5</sup>

Traversing the housing market landscape for young people is marred with pitfalls for mental health; though, it appears to be a question of Government will. The hostility of the housing market need not be, with sensible economic management and commitment from the very top of Government. The current situation, however, requires careful dissection and sensible policy recommendations to protect the wellbeing and mental health of the youngest in society if we are to truly build back better.

## The Hostile Political Economy

**The comparatively weak social security system of the UK is the antithesis of fostering good mental health and health-promoting housing for young people.** In absolute terms, the housing costs to families with children in PRS were £135 a week in 2016, compared to £84 in the social rented sector and £55 amongst home owners in the same period.<sup>6</sup>

For the poorest living in PRS, the average weekly rent not covered by housing benefit rose from £53 to £92 per week, in 2018.<sup>7</sup> The soaring housing costs in private accommodation should be taken in the context of the social welfare reforms of the Government over

the prior decade, in line with the austerity agenda.

The implementation and propagation of Universal Credit (UC) has been widely criticised; associated with the rise in food bank usage<sup>8</sup> and rise in absolute destitution.<sup>9</sup> Acute hardship from UC appears to be linked to the waiting period between application and first payment, in arrears. Additionally, Third Party Deductions (TPDs) as “priority debt” from UC, reduced the amount paid to the claimant. As of 2018, 53% of all UC claimants had some of their benefits deducted at source by DWP to pay off debts to utility companies or landlords.<sup>10</sup> TPDs can amount to 40% of the

standard allowance, or higher, under UC.<sup>11</sup> Theoretically, payment in arrears, the minimum five week waiting time until first payment, and TPDs means a claimant could be left with just one penny of their UC.<sup>12</sup>

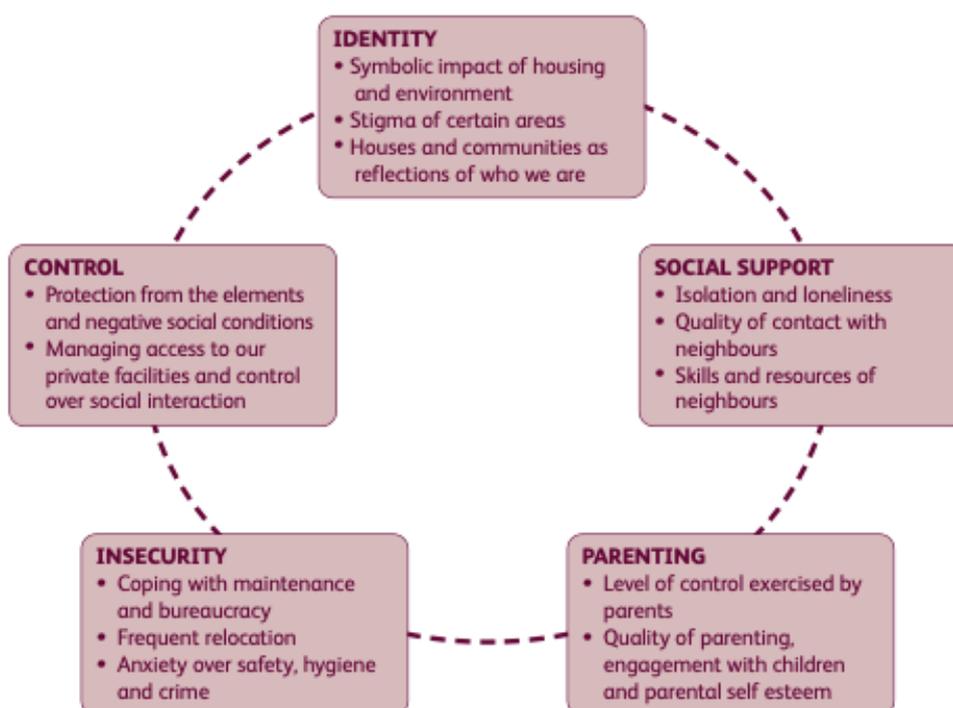
Professor Philip Alston, the UN special rapporteur, gave a damning verdict of UC: “No single programme embodies the combination of the benefits reforms and the promotion of austerity programmes more than Universal Credit. Although in its initial conception it represented a potentially major improvement in the system, it is fast falling into *Universal Discredit*”<sup>13</sup>

## Mechanistic Insight into Housing and Poor Mental Health

**The home environment takes a multidimensional role in our lives:** a venue for contact with the most prominent members of one’s social network; and for most of society, perceived as a representa-

tion of major financial and personal investment. Given this substance, the home forms a tremendous social determinant of mental health and overall wellbeing.<sup>14</sup> The psychosocial processes mediating

poor mental health within the context of housing manifest from five key domains: identity, social support, parenting, insecurity and control. This model is described in figure 1 (below).<sup>15</sup> 🇬🇧



**Figure 1:** Psychosocial processes accounting for the linkage between poor mental health and housing.<sup>16</sup>



## Generation Rent

### 1. The Status Syndrome

**This hostile economy of austerity has meant young people who are unable to access homeownership because of increasing house prices, insecure employment and stagnating wages combined with the inadequate social security.** This is tangible in a society which places great emphasis on outright homeownership as a symbol of status and identity.<sup>17</sup> The overwhelming majority of young

people articulate a long-term aspiration for homeownership. Yet, 68% of young people, aged between 17-24, live in the PRS; only 9% of this age bracket are homeowners. Even in the 25-39 age bracket, 43% are living in the PRS, as of 2018.<sup>18</sup> This creates a dichotomy between subjective aspirations and the objective reality of economic constraint. PRS is not seen as a choice per se, rather the lack

of availability of choice after being unable to access social rented housing or homeownership; thus, the experience of private renting is reported as negative.<sup>19</sup> This status syndrome manifests as a feeling of frustration, disappointment, and a failure, and that lack of security is a source of anxiety and stress. The detrimental impact of the 'aspirations gap' should not be underestimated in young people.<sup>20</sup>

### 2. Stranger Shares

**It is likely that living in shared housing will become a more common experience for some groups, such as young people on low-incomes, as a result of changes to support for housing costs.** Poor quality housing and the behaviour of other tenants have been

shown to be associated with stress, anxiety and insecurity.<sup>21</sup> This is particularly acute in tenancies designated 'stranger shares': a shared property with people who were unknown to tenants at the start of the tenancy. Stranger shares are having a deleterious effect on mental

health because of greater insecurity, a loss of control, and poorer social networks, in addition to the aforesaid potential behaviour of other tenants.<sup>22</sup>

### 3. Financial Insecurity

**T**he aforementioned 68% of young people who are coerced into the PRS due to a lack of suitable alternative choices,<sup>23</sup> will predictably find themselves spending a markedly higher proportion of their income on housing costs: 11% of income on housing for

mortgagors and just 5% for outright homeowners, compared to 32% for private renters whom often represent the more deprived.<sup>24</sup> The outright homeowners compose 70% of the top wealth decile.<sup>25</sup> Furthermore, more deprived individuals typically have substantially higher

levels of financial debt as a proportion of marketable assets, more property debt and less savings to resort to in the face of economic shock.<sup>26</sup> Financial stressors exacerbated by the PRS are associated with a decline in mental health amongst young people.<sup>27</sup>

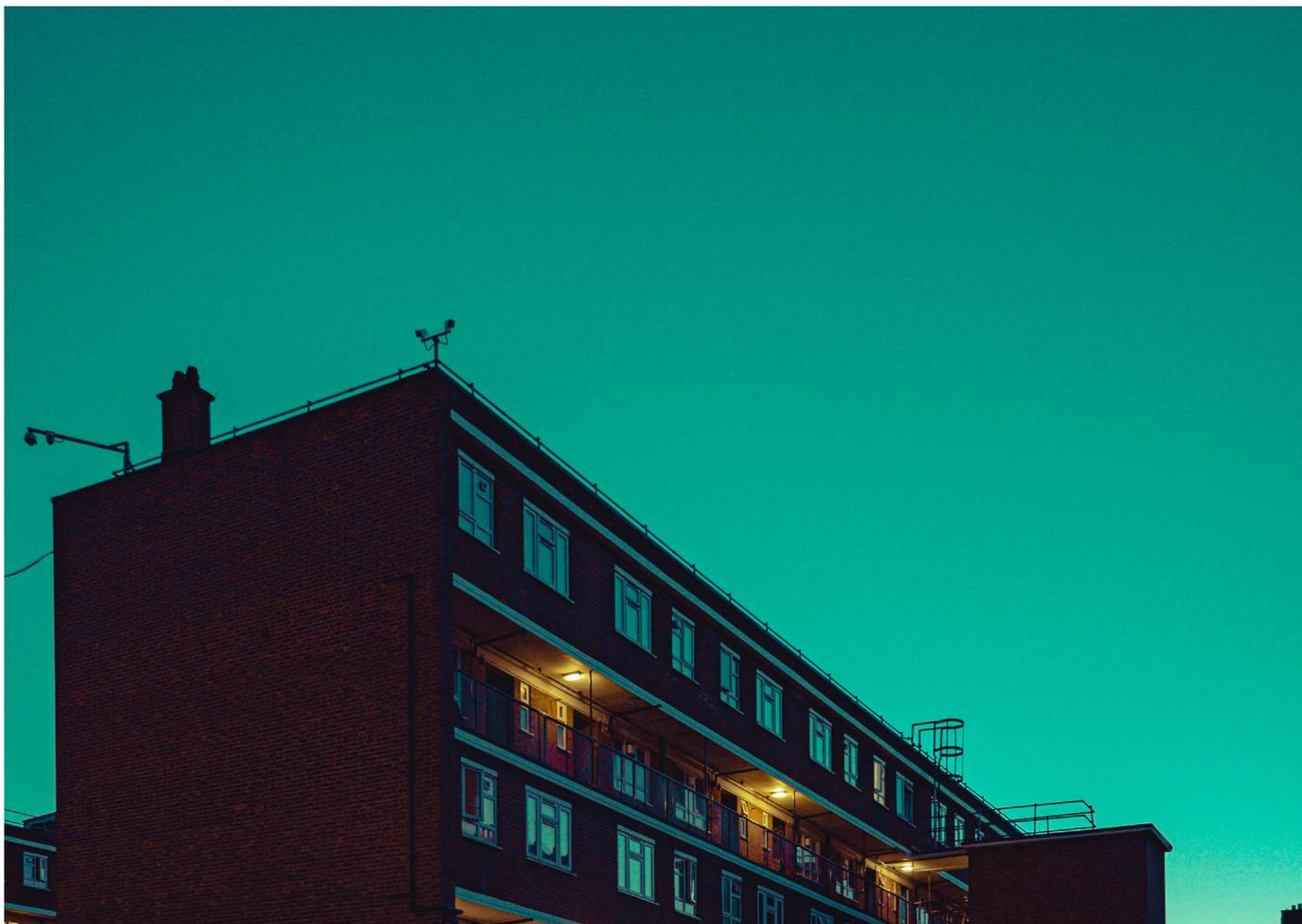
### 4. Dilapidated Housing

**T**he Government have defined adequate quality housing in the 'Decent Homes Standard', though, 1 in 3 houses in the PRS have failed to meet this criterion:<sup>28</sup> With 61% of PRS tenants reporting damp, mould, leaking roofs or windows, electrical hazards, animal infestation and gas leaks, in

2014 alone.<sup>29</sup> In a housing market where demand far outstrips supply, the tenants living in these dilapidated conditions are harshly disempowered, with one in eight renters having not asked for repairs to be carried out in their homes or challenged a rent increase in 2014 because they fear eviction.<sup>30</sup>

Of course, it is disproportionately younger people living in these PRS conditions.<sup>31</sup> These dilapidated conditions create an environment associated with poor mental health and is also associated with other stressors such as violence and social isolation.<sup>32</sup> 🚩





## Conclusion and Policy Recommendation

**'Generation Rent' represents a *nomadic neoliberalism*: A complete and utter failure of the housing market to provide decency and dignity in the form of a secure home.** This leaves a generation of people largely excluded from social status, identity, financial security, and social support. Instead, ren-

dering them isolated with a feeling of loss of control over their life. These manifold factors combine to create a hostile environment of poor mental health and poor wellbeing. However, the delivery of health creation through quality housing is not just an expectation, but a duty from the state via the so-

cial contractual obligation. A set of evidence-based policy recommendations are set out to protect the mental health of young people and require the full commitment of the Government at the highest level.



Highlighted Issues	Policy Recommendations
<p><b>The hostile political economy and financial insecurity</b></p>	<ol style="list-style-type: none"> <li>1. Reducing errors and the 5-week delay in processing UC by increasing staff capacity and training. Further reducing the total deductions to a maximum of 25% and granting a 3-month delay on deductions when starting UC. A review of working-age benefits, including housing allowance, so claimants are able to pay rent and comfortably meet the basic means of subsistence: food, fuel and utility costs, without sacrificing one for the other.<sup>33, 34</sup></li> <li>2. Set a national target for delivering 90,000 social lets a year and grow investment to meet this target over a 15 year period.<sup>35, 36</sup></li> <li>3. A suspension of the “right to buy” policy until a decline in social lets is resolved.<sup>37</sup></li> </ol>
<p><b>Stranger Shares</b></p>	<ol style="list-style-type: none"> <li>4. Effective management of multiple occupancy housing by local authorities is to include broader approaches that utilise appropriate legislation within wider public health and wellbeing strategies to help protect and enhance mental health. Before this can happen, however, the significant knowledge gap about how local authorities actually regulate and police multiple occupancy housing needs to be addressed; otherwise progress in this area will remain in the theoretical rather than practical domain.<sup>38</sup></li> </ol>
<p><b>Dilapidated Housing</b></p>	<ol style="list-style-type: none"> <li>5. A requirement for landlords of private sector accommodation to ensure their property is fit for human habitation and require private landlords and letting agencies to submit annual data on the size of their rental property and the level of rent they are charging. Making it easier for local authorities to introduce selective license schemes for private landlords to increase regulation in this sector, without bureaucratic impediments.<sup>39</sup></li> <li>6. The involvement of local authorities in health and wellbeing boards and the creation of Joint Strategic Needs Assessment (JSNA) should include officers involved in private sector housing regulation as well as environmental health professionals more widely so that the public health role of housing regulation and environmental health is fully recognised.<sup>40</sup></li> <li>7. Creation of a community which aims to promote healthy behaviour and positive psychosocial relationship within the home. This is to be achieved using the THRIVE toolkit describing 20 community factors within four interrelated clusters: built environment, social capital (which includes societal factors such as social cohesion and trust, civic engagement and participation, and broadly shared beliefs and standards of behaviour), services and institutions, and structural factors, with a depiction of risk and resilience for each factor. This can have a tremendous impact on not just physical health but also mental health.</li> </ol>



Jatinder Hayre is a medical student, researcher, and campaigner. He has an interest in health inequalities and the social determinants of health, having recently co-authored 'SAGE Report 21: COVID-19 and Health Inequalities'. He is also a member and spokesperson for Keep Our NHS Public.

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## MOVING MAKES IT WORSE: NOMADIC RENTING AS A BARRIER TO HEALTHCARE ACCESS



### Overview

**R**enting and frequently changing addresses is often an economic necessity, however it creates barriers to accessing mental health care.

Specifically, moving frequently makes it difficult to maintain GP registration, and GPs provide a

large amount of highly effective mental health support and treatment, as well as gatekeeping referral to counselling and specialist services. In this chapter I will demonstrate that these barriers are maintained by overzealous street-level bureaucracy and eval-

uate simple central interventions which could overcome them. Finally, I will use original data to show that the SNP's attempts to overcome these barriers by empowering patients have been unsuccessful. I propose intervening at the practice level instead.

### Key Points

- **Renters tend to move house frequently** and this may mean leaving their current GP practice
- Cumbersome local GP practice policies currently make **registration difficult for frequent movers**
- **Streamlining the GP registration** process could increase early access to mental health services for renters

### Most Movers are Renters

**R**esearch by Zoopla in 2017 found that the average homeowner holds onto their property for 23 years before selling.<sup>1</sup> There's some variation nationally: homeowners in Tower Hamlets and Midlothian tend to move after 15 or 16 years. Those in Powys, apparently more satisfied, stay put for over 30 years.

According to ONS,<sup>2</sup> the mean duration private renters have lived at

their current address is 3.9 years. 25% have lived in their current house for less than one year. Those privately renting moved 860,000 times in 2017. Among young adults, the majority of house moves were due to job changes or a need to change neighbourhood.

The English Housing Survey found that whereas 24% of private renters had moved within the last year, only 3% of homeowners had.<sup>3</sup> (Only

5% of social renters had moved within the last year, so that can be treated as a distinct phenomenon.)

Shelter's 2017 report described renters relocating so often they are "nearly nomadic".<sup>4</sup> When we think about people moving house, the majority are privately renting (and those movers are disproportionately young).

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## Mental Health & Moving House

**A**mong young adults, mental health problems are the most common cause of ill health.<sup>5</sup> Suicide is a leading cause of death among young adults.<sup>6</sup> Unlike other diseases, mental illnesses tend to start in young adulthood.<sup>7</sup>

Frequently moving house threatens to exacerbate mental ill health in several ways. Frequent moves disturb efforts to forge community and to build local connections which provide important sources of wellbeing for young people, including sports teams, volunteering opportunities, and faith groups. Frequent moving is expensive and

disruptive in itself, diverting financial and time resources away from self-care.

Frequent moving disturbs regular routines such as exercise and moves people away from known gyms. Many people who are working on their mental health benefit from exercise, but this involves significant determination and can be easily disrupted. Frequent moving means frequently disrupting those efforts and disruption to exercise routines is associated with worse mental health.<sup>8</sup>

For people who need professional medical help with their men-

tal health, the GP is often the first port of call, the anchoring point, the prescriber of medications, and the source of referral to specific services. Those specialist services may include specialist psychiatrists and psychologists as well as counselling services. A nomadic lifestyle often entails moving across service boundaries: this is a much larger problem with respect to GP care because GP practices cover smaller areas than secondary care services. The remainder of this chapter will focus on this challenge because it is amenable to policy change.

### GP Registration

**R**egistering with a GP is not only a right, but a responsibility under the NHS Constitution (NHS Constitution 2b. Patients and the public - your responsibilities):

“You should register with a GP practice - the main point of access to NHS care”.

However, local guidance makes it difficult, especially for young people, despite guidance stating that failure to show identification should not be a barrier to GP registration. British Medical Association guidance states:

“There is no contractual duty to seek evidence of identity, immigration status or proof of address. Practices should not refuse registration on the grounds that a pa-

tient is unable to produce such evidence.”

Research published in the British Journal of General Practice found that 75% of GP practices in London ask for photo ID or proof of address.<sup>10</sup> These websites described an inconsistent set of seemingly arbitrary rules regarding registration. The majority requested both photo ID and proof of address. However, many young adults, particularly in cities, do not have driving licences.<sup>11</sup> Many more do not need passports.

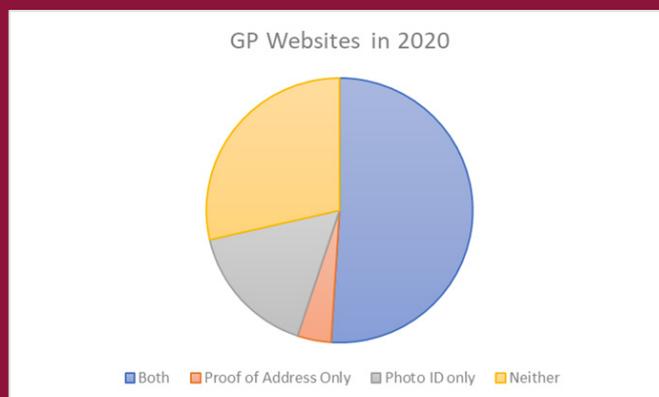
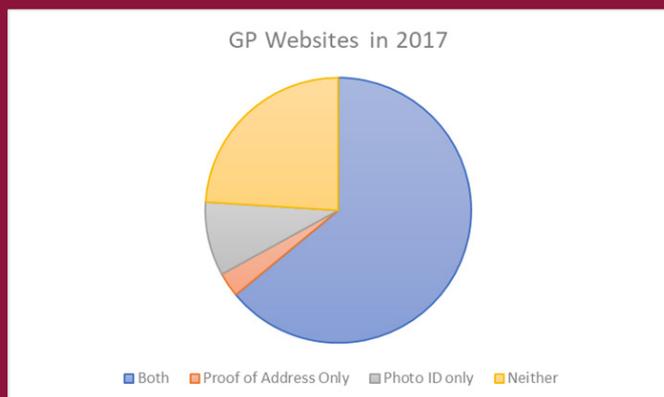
Reports in the British Medical Journal reveal that British patients have been forced to save up money until they could afford a passport before being allowed to register with a GP.<sup>12</sup>

Providing proof of address can also present challenges. People who rent shared accommodation often share bills, so may not be able to provide a bill in their own name. Even where they are the bill payer, some GP practices do not accept electronic bills but insist on posted bills. Some practices even ask for several consecutive bills or refuse mobile phone bills.<sup>10</sup>

It remains difficult for frequent movers to register with a GP. In 2020, I remeasured the 100 practices included in the British Journal of General Practice paper and found that the problem was still as significant as it was before (see box 1). Barriers to registering with a GP practice remain.

## BOX 1: Updated data on GP practices in London

98 out of the original 100 practices were followed up. One had closed and the other had no online presence. 28 of the 98 included practices asked for neither proof of address nor photo ID. By comparison, in 2017, 24 of 100 practices asked for neither.<sup>10</sup> There was no change in the proportion of practices which offered an alternative way of registering for people who could not provide ID: it remained 12%.



## Policy Options

### Option 1: Inform people of their rights

**I**n September 2019, the SNP approached this problem in Scotland by printing information cards informing people vulnerable to exclusion that they are entitled to GP services without providing ID.<sup>13</sup>

In July 2020 I sampled 114 GP practices within NHS Greater Glas-

gow and Clyde and NHS Tayside. I found that 65% of practice websites asked for photo ID or proof of address. This suggests that these informational interventions were unable to overcome the power gradient between gatekeepers and would-be patients. Whereas we would hope that practices would bring their local registration poli-

cies into line with the information cards, 10 months after the implementation of the policy, two-thirds of practices continued to operate exclusionary registration policies. Alternative policies targeting interventions at GP practice managers rather than patients are likely to be more effective.

### Option 2: Inform GP practices that they must allow people to register with any GP they want

**R**emoving all restrictions on GP registration would mean people who moved house frequently would not have to change GP practice as often.

During the COVID-19 pandemic GP

practices have increasingly conducted telephone consultations, making it more feasible than ever for people who live far from the GP to be registered. However, GPs have particular expertise regarding local referral pathways. Addition-

ally, GPs often wish to examine patients in the surgery and frequently provide interventions. Delinking place and practice would mean losing many of the benefits of the UK's highly efficient primary care system.

### Option 3: Produce uniform, simple guidelines for GP registration and ask all GP practices to use them.

**E**nding local discretion over GP registration and introducing a standardised registration poli-

cy would create clarity for everybody switching practice. This policy would create a window of

opportunity to ensure that registration policies are simple, inclusive, and efficient.

Proposed Requirement	Explanation
Text stating that no ID or proof of address is required. There is no need to provide a passport or drivers licence.	Some people cannot access ID and proof of address as soon as they move but may still need healthcare. <sup>14</sup> Current guidelines state this but it is not enforced.
Text stating that registrants must give their address and it must be within the practice boundaries.	GPs cannot visit people who live far away so practice boundaries are still legitimate. Under current guidelines patients should be trusted to state their address but, again, this is not enforced.
All GPs should accept registration online through a simple form equivalent to the existing GMS1 form. Practices which cannot produce this online form themselves could use a nationally provided service. (In person registration should also be an option.)	Some practices have extensive additional forms and ask patients to attend during narrow time windows on specific days. An online form would make it easier for busy people to register quickly.
Registration should take no more than three working days and patients will be informed when registered.	Some practices state that registration will take 2 weeks and that appointments cannot be made until then. They may not inform patients once their registration is complete. The onus should be on practices promptly to “push” this information to patients who may be waiting to book mental health appointments. Almost all practices have automated SMS systems which could do this.
Upon registration patients can book appointments with doctors. Registration is not conditional on attending an initial appointment, although practices may offer an optional welcome appointment or phone call.	Some practices state that patients are not registered until they have attended an initial health check with a nurse or healthcare assistant. For patients who urgently need mental health support, this means they must first get time off work for a physical health appointment and then obtain further time off for the mental health appointment they need.

Some GP practices value their autonomy as independent organisations so some may conceivably

push back against the imposition of a policy. However, the ongoing failure of practices around the UK to

adhere to the guidelines provides sufficient justification to intervene on behalf of excluded patients.

## Conclusions

The problem described in this chapter is a threat to access to mental health care. The intervention in policy three can promote better access to mental health care among young renters. But it also benefits people across society, whether older people (who are more likely to lack passports and driving licences) and people from

immigrant backgrounds (who are eligible for GP registration but regularly encounter hostile messaging).<sup>15</sup>

Renters described as “nearly nomadic” are highly vulnerable to exclusion from NHS mental health care. They may miss out on the early support needed to prevent illnesses becoming severe, mean-

ing they experience unnecessary suffering (and ultimately costing the NHS and the economy more in the long run). With the simple, inclusive intervention proposed here – in keeping with the ethos of the NHS – a Labour government could ensure that renters who move frequently can access mental health-care as soon as they need it. 🚩



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# IMPROVING YOUNG PEOPLE'S HOUSING SECURITY



**A** secure place to call home is something we easily take for granted as we climb into our warm beds at night. We take it for granted because having a safe and warm place to sleep doesn't seem like something that should be considered a privilege.

However, for many young people in the UK the consequences of the unsolved housing crisis and the Government's blatant desire to avoid any kind of meaningful

intervention in the housing market has had a significant impact on their lives. It is estimated that in the year 2019-2020 '121,000 16-24-year olds were homeless or at risk of homelessness in the UK'.<sup>1</sup> These statistics should appal all of us. Whilst homelessness is at the harshest end of the spectrum of the risks which threaten young people's security, there are a multitude of other issues such as young people suffering under the unbearable pressure to pay sky high rents

out of inadequate wages. Although the problem of housing for young people is enveloped in a complex web of interwoven social problems, not addressing the threats to secure housing is a political choice. The government's unwillingness to face the catastrophic effects of the housing crisis demonstrates that their ideology is at war with our reality. We must make it a priority that every person in the UK has somewhere secure to call home.

## Why is security so important?

**A** secure home is an essential basic need. How can anyone be expected to thrive in life or contribute to society if they are struggling to keep a roof over their heads?

However, for young people in particular having a secure place to

call home is fundamental. In 1943, Abraham Maslow created his well-known and frequently quoted hierarchy of needs. His work has had big influences on businesses but somehow seemed to escape influencing our ideas on welfare. Maslow claimed that 'people had five sets of needs, which come in

a particular order. As each level of needs is satisfied, the desire to fulfil the next set kicks in'.<sup>2</sup> At the bottom of the hierarchy are physiological needs and safety needs. The work of Maslow suggests that without somewhere warm and safe to call home, without meeting these most basic needs, it is unlikely that the

individual will be able to go on to have success in their lives. Maslow labels this success 'self-actualisation' or in other words people doing the things they feel they were put on the planet to do.<sup>3</sup>

Are we failing young people for the rest of their lives by not supporting them to have a secure home, a base from which to build their lives, to dream and to work for the life they truly want? Maslow states that the individual 'may even forget that once, when he was hungry, he sneered at love'.<sup>4</sup> How are we expecting young people to focus on

their futures when their priority is to keep a roof over their heads? How are we expecting young people to focus on their education when they are forced into the world of work, working for a minimum wage which is set at a lower, and quite frankly inadequate, rate.

Our current social policies surrounding young people in the housing market suggest that the government assumes young people will be living with their parents. However, this is not the reality for many. The minimum wage being set at different levels depending

on age with the youngest and subsequently most vulnerable people in our society receiving the least, is unfair and outdated.<sup>5</sup> For young people to even have a chance at being secure in the housing market, they need to be able to earn a real living wage for the work they do. The minimum wage policy is a great success of the most recent Labour government. However, unless it is amended to remove the age discrimination, this policy is being used in a way that causes harm to young people and is simply another barrier in the way of them achieving security.<sup>6</sup>

## How secure are young people?

**T**here can be no doubt that insecure housing is a problem mainly impacting on the working classes and those in poverty. This may go so far in explaining why the age-old issue of housing has still not been properly addressed.

We are led to believe that the issue of housing has not been resolved due to its complexity and the way in which housing is impacted by other social problems such as poverty. However, it is argued here that the very people in need of support

to obtain secure housing aren't the kind of voters which political parties feel they need to impress. Furthermore, some of the most vulnerable young people in the housing market are the very people without representation in parliament; the 16- and 17-year-olds left voteless, voiceless and disempowered. Young people need to have the vote if they are to have any chance at having their concerns heard and addressed.<sup>7</sup>

The short answer to the question

of how secure young people are in the housing market is that it depends on luck. Some people are fortunate enough to be born into a well-off family who can provide them with significant funds to find secure accommodation. However, for many young people this is a luxury not afforded to them. It should be the vision of the Labour Party that having somewhere secure to live doesn't depend on luck or on how well off your family is. In the 21st century this is totally unacceptable.



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## What can we do to ensure security for young people in the housing market?

**I**t is essential that Labour has a vision and a plan in order to make real world change. Breaking down the barriers that stand in the way of young people having a secure place to call home needs to be a priority. We must be the ones to say that leaving people in insecure housing is not inevitable but rather a political choice. There are multiple ways in which we can make a difference and this includes recognising how housing is interwoven with other social problems.

### Council Tax and the Criminalisation of People in Poverty

**I**t is totally unacceptable that people, already struggling to find the money to pay their rent, are forced into choosing between paying their Council Tax and putting food on the table or keeping the lights on.

So how do we as a country respond to the suffering of these people? Not with support or compassion but rather by criminalising

their poverty and putting them in prison for a Council Tax debt. Not only does this cruel policy echo the Victorian approach to poverty with their debtor's prisons, but it is an expensive and ineffective method of using the public purse to lock away innocent people for being poor.<sup>8</sup> When the victim of this immoral law is released from prison, the debt still hangs around their

necks and they are branded with a criminal record; their chances of finding work are drastically reduced. Council Tax debt needs to be decriminalised and public funds should be used to support people in poverty as opposed to punishing them and exacerbating their situation by reducing their ability to keep a roof over their heads and pay the bills.

### The Minimum Wage and a Real Living Wage

**A**s previously mentioned, the age discrimination within the minimum wage also needs to be addressed.

The minimum wage should be the same for everyone, irrespective

of age, and set at a level which is possible to live on. The coronavirus pandemic has demonstrated that the vast majority of workers who are essential to our country are paid a pittance for keeping the country running. It is a shame on

our nation that our nurses and NHS workers in particular are forced to rely on foodbanks. Labour should take hold of this opportunity to invest in the welfare state and properly pay our public sector workers.

### Welfare Conditionality, Punishing the Poor and security

**A**nother issue which threatens the security of young people in the housing market is the failing welfare system and its outdated conception of poverty.

The idea of welfare conditionality has been found to be ineffective in 'promoting paid employment and personal responsibility, and is likely to exacerbate social exclu-

sion among disadvantaged populations'.<sup>9</sup> Similarly, imprisoning people for their inability to pay their Council Tax, many of the conditions and sanctions which have been attached to our welfare system are another way of punishing the poor. For young people, the consequences of being sanctioned and having their welfare payments suddenly cut is enough to sweep them

from barely managing into a situation where they can not pay their rent or afford food. The Labour party should scrap the conditions attached to the welfare system in order to support people in poverty as opposed to punishing them. We need to move on as a society from the old and inaccurate belief that poverty is a choice.

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## Conclusion

**Whilst it is clear that the issue of secure housing for young people is complex and entangled with other social problems such as poverty, it is also apparent that there are multiple actions the Labour Party could take in government in order to ensure security for young people.**

We have allowed ourselves to be blindfolded by social constructions and discourses which tell us that

this is the way things have always been and this is the way things always have to be. But change is possible. The impact of not having secure housing has been discussed alongside answering the key question of how secure young people are. The idea that the security of our young people is currently left to luck has been explored as has young people's vulnerabilities due to not having the vote and being

discriminated against by the minimum wage policy. A handful of recommendations have been made which would address some of the most cruel and outdated social policies such as the criminalisation of poverty together with the imprisonment for council tax debt and welfare sanctions. Labour needs to be a vehicle for addressing the suffering caused by immoral policies and laws. 🇬🇧



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A photograph of a modern living room. In the center is a white L-shaped sectional sofa with several pillows. In front of it is a low, round wooden coffee table with a plant on it. To the left is a patterned ottoman. The room has a blue carpet, a lamp, and curtains in the background.

# **SECTION 2: ENABLING OWNERSHIP OF HIGH- QUALITY HOUSING**

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# SAFA AMIRBAYAT

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## WHY HAVE HOUSE PRICES INCREASED IN THE UNITED KINGDOM AND WHAT TO DO ABOUT IT?



### Introduction

**“House prices are high because not enough are being built” is a common hypothesis and a stubborn media narrative that is inconsistent with the available evidence.**

As discussed in this piece, house prices have risen four-fold over the prior twenty-five years, yet supply has kept pace with demand. Supply is not the most important driver of housing prices in the medium

term. It is low interest rates that are heating up the housing market. Econometric studies estimate a 1% increase in supply (c. 250,000 houses in the United Kingdom) to decrease house prices by circa 2% all else constant; while according to a Bank of England economist, a 2% decrease in the base rate will increase the ratio of prices to rent by 67%.<sup>1</sup> That’s not to say supply is unimportant, it is in the long-run

to satisfy the needs of a growing and changing population. However, even over the past twenty-five years, there are strong reasons suggesting that supply is responsible for a small proportion of house price variation in the United Kingdom.<sup>2</sup> This article puts forward an argument as to why it is interest rates, not undersupply, that explains house price changes over the past twenty five years.

### Houses vs Housing

**H**ouses have not one, but two prices as ‘house’ is an umbrella term for two distinct goods in a capitalist economy: shelter and real estate.

The first price, which this essay focuses on, is the price of ‘houses as an asset’. This refers to ownership over real estate, typically paid with a mortgage from a bank or building society. The other price is the price for ‘housing services’ or shelter. This price is known as rent. A given property’s rental payment will differ from the equivalent monthly mortgage payment as they are

payments for fundamentally different services. In addition to housing services, homeownership confers the benefit of planning rights, inheritable wealth, zero eviction risk, rental income and, crucially, right to capital gains from a sale.<sup>3</sup>

Talk of rising house prices refers to the price of houses as an asset, and not of rent. Real house prices increased fivefold and doubled as a proportion of average incomes from 1996 to 2020; rent, the price of housing services, didn’t change nearly as much – hovering around a third of average income.<sup>4</sup> The av-

erage Briton needed a smaller deposit than today on a house valued at four-times their income a couple decades ago; now they must produce a larger deposit on a house valued at eight-times their income. Therefore, the cause of house price increases is unlikely to be related to rent. Specifically, it must be a factor(s) influencing supply and demand of houses as an asset but not housing services. Such factors include changing attitudes to homeownership, mortgage rates, regulation and taxation. The evolution of these factors represent the ‘financialisation’ of housing.

## Understanding Housing Demand and Supply

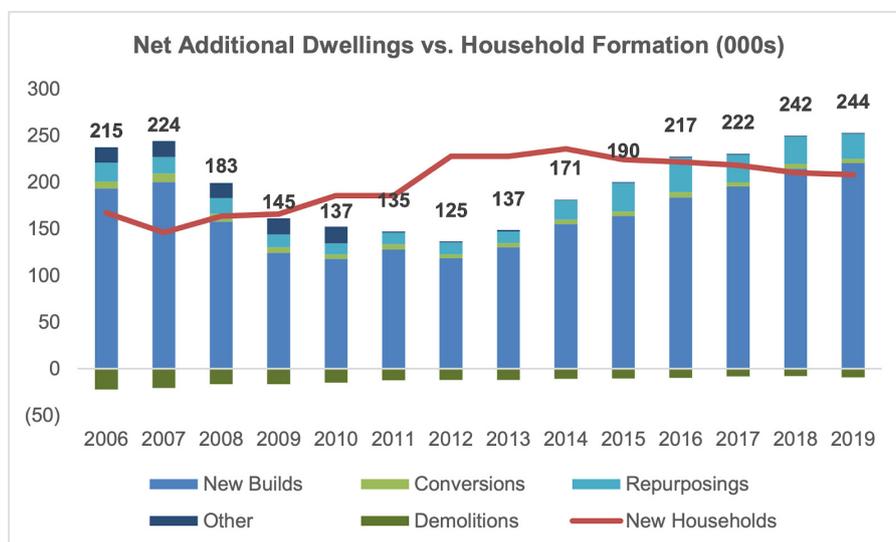
Determinants of Rent		Determinants of House Prices	
Demand	<ul style="list-style-type: none"> <li>Population</li> <li>Preferences</li> <li>Headship Rate (Households/ Adult Population)</li> </ul>	Demand	<ul style="list-style-type: none"> <li>Population</li> <li>Headship Rate</li> <li>Interest Rates</li> <li>Preferences</li> <li>Credit Availability</li> </ul>
Supply	<ul style="list-style-type: none"> <li>Net Additional Dwellings</li> <li>Regulation</li> <li>Market Structure</li> </ul>	Supply	<ul style="list-style-type: none"> <li>Net Additional Dwellings</li> <li>Regulation</li> <li>Market Structure</li> </ul>

**As renting a house and buying a house are payments for different services, they have different demand and supply dynamics.** Renting and homeownership both provide housing services or shelter. Yet only homeownership confers the benefits of capital gains, security, right-to-let and more. House prices reflect only supply and demand of shelter but

also that of benefits unavailable to renters.

Housing supply is captured by 'net additional dwellings', a measure comprising new builds (+), extensions (+), newly repurposed real estate (+/-) and demolitions (-). Agenda setters are understandably concerned with new builds as they are more visceral, but such prag-

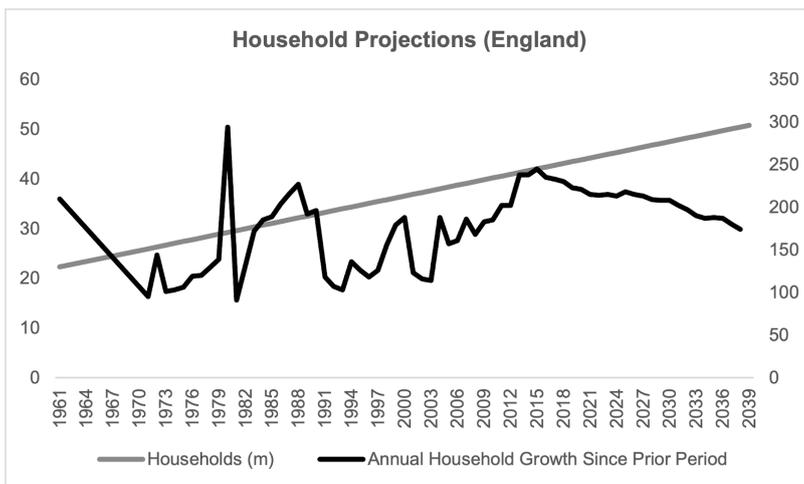
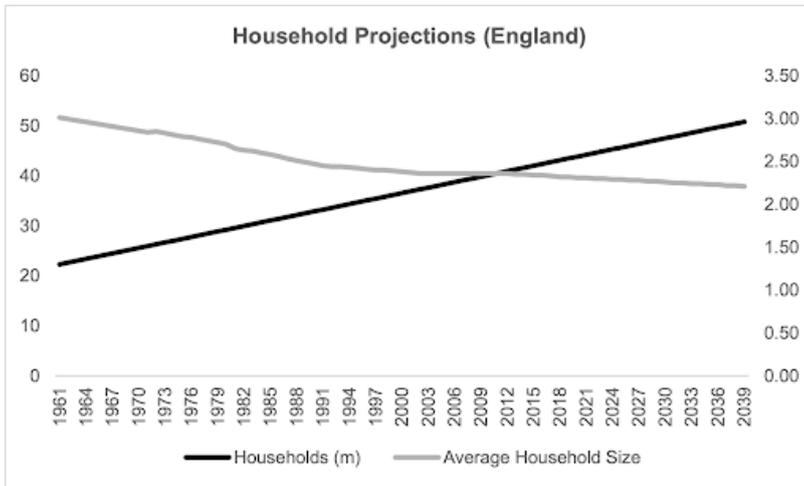
matism comes at a cost, with a persistent understatement of housing supply growth to the public fuelling political will for policies based on a premise of undersupply that fails to show empirically. A full measure of housing supply should be used as it has greater explanatory power than narrower measures such as new builds.<sup>5</sup>



Rather than supply, it is differing means of payment between rent and houses that has caused their divergent price behaviour. Houses are leveraged purchases – they are paid with borrowed money; rent is by-and-large paid with cash. As a result, house prices are tied to mortgage rates, determined by the

monetary policy set by the Bank of England; rent, on the other hand, is insulated from interest rate movements. A decrease in the central bank base rate brings with it lower rates on variable rate mortgages and new mortgage issuances. In the short run homes are more affordable for owner-occupiers and

more profitable for realtors. However, in the long run demand generated from previous rentiers and investors seeking higher yields in illiquid assets causes price appreciation. This is what has happened in the United Kingdom.



Housing demand is measured by 'household formation' or the number of new households per year. Estimates range from 250,000-300,000 households per year in the United Kingdom, but may overestimate future housing demand due to unaccounted for changes in behaviour such as a rising proportion of immigrants in the population (with a propensity to form larger households) and young adults postponing moving out of their childhood homes. The headship rate (households formed per head of the household) fell from 2.84 per in 1971, to 2.35 as of the 2012 census and is likely to be even lower in today's precarious economy due to Covid-19.<sup>6</sup>

Supply and demand measures show no sign of an acute shortage. Demand (net additional dwellings) and supply (household formation) didn't differ significantly over the

period spanning 1996 to 2020 with c. 3 million new households and dwellings formed. Instead, there was a small housing surplus (net additional dwellings less households formed) of circa 500,000 over 1996 to 2016. Different measures tell the same tale. One finds we added 3,500,000 homes from 1996 to 2014, over 500,000 more than the 3,000,000 increase in households. Another measure from the Labour Force Survey shows a 3,300,000 increase in the 'stock of dwellings', a surplus of roughly 500,000 to the 2,800,000 increase in households. Over the same period that supply kept up with demand, a five-fold appreciation in house prices occurred, from circa £50,000 to £250,000 as of October 2020, so it is unlikely supply is the culprit.<sup>7</sup>

Rent to income ratios tell a similar story. Rent is the touchstone

of housing affordability as it is the price of only housing services and not the additional benefits accruing from ownership. If more people sought a place to stay (distinct from a house to own) than houses were built, rents should rise as a proportion of incomes; instead, rent has remained at circa a third of incomes while house prices have increased.



## Monetary Policy, Interest Rates and Housing

**A**s we have seen, housing statistics points away from supply and demand as the cause of rising house prices. Financial economics points towards interest rates (or the 'Cost of Housing') as the cause. House prices can be modelled by a simple discounted cash flow model:

$$\left( \sum_{t=1}^n \frac{Rent_t}{(Cost\ of\ Housing)^t} \right) + \frac{Sale\ Proceeds_n}{(Cost\ of\ Housing)^n} + \frac{Mortgage\ Principal_n}{(Cost\ of\ Housing)^n}$$

*Rent* refers to prospective rental payments on leasing the house or 'imputed rent' of owner-occupiers. *Cost of Housing* refers to the discount rate, or rate of return that could be earned by the money elsewhere. And *n* refers to the number of periods the house is expected to be marketable.

*Rent* hasn't changed as rent has remained roughly the same as a proportion of income, neither has *n*. By elimination, only the *Cost of Housing* can explain rising prices. *Sales Proceeds* and *Mortgage Principal* are determined by financing conditions and house price expectations.

For a homeowner the *Cost of Housing* is determined by depreciation (wear-and-tear), interest rates and taxes less the expected capital gain on the sale of the house.<sup>8</sup>

Out of the components forming *Cost of Housing*, only interest rates have changed. Mortgage rates specifically have plummeted due to an unprecedentedly easy post-WW2 monetary policy regime of forward guidance, quantitative easing and continued reductions in the base rate. Given banks are willing to ex-

tend loans, if the cost of housing is less than the cost of renting, home purchases will increase, leading to rising prices until the cost of housing and renting equate (i.e. until mortgage payments less capital gains is equal to expected rental payments).<sup>9</sup> If people also believe house prices will rise 'forever' and assume capital gains in their purchasing decision then house prices will rise beyond their fundamental values. Halving interest rates from 4% to 2% could lead prices to rise by 67%, according to Nickell. A combination of cheaper mortgages, growing demand from investors due to lower returns on liquid assets such as bonds (also due to lower interest rates), low returns on savings and the liberalisation of the property market do much to explain why prices have increased as they have. None of these factors are supply-side in nature.

Rising house prices are common across developed economies, yet within countries the increases have been unevenly distributed. Prices in London rose 41% in real terms from 2010 to 2018, while the North West, Yorkshire and the

Humber, and Scotland went unchanged, and the North East saw a decline of 12%. How can this be if interest rates have declined countrywide? A possible answer is proposed by European Parliament economists in *The Side Effects of Non-Standard Monetary Policy*, who found prolonged periods of low interest rates encouraged investment into illiquid real assets such as real estate, compensating for lower liquid asset yields. Because investors have a preference for the financial-hubs strengthened by liberalisation of global financial markets in the 1980s and 1990s, money has flown mainly into London and Singapore, as opposed to, say, Blackpool. Even as yields on London real estate have declined prices continue to rise as investors show a clear preference for lower yields in London than Blackpool. Lower yields are illustrated by the ratio of rental payments to house prices, which have risen from 4.4x average incomes to 8.0x as of 2020, demonstrating a breakdown in the link between house prices and rent.<sup>9</sup>

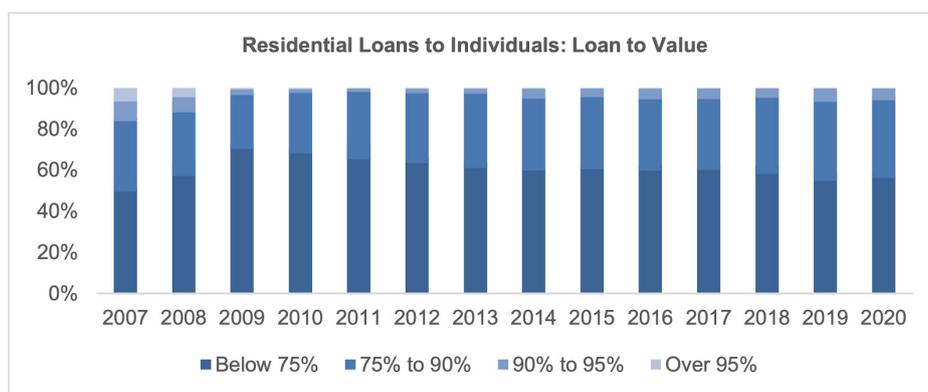
## Home Ownership

**As interest rates have declined, so too has homeownership. A decade of mortgage market deregulation and the 1980 Housing Act drove homeownership rates up from 55% to 64% in 1987 to reach a high of 70% in 2003.** At the precipice of the Great Recession in 2007 home ownership was just shy of the 2003 high at 69%.

The financial crisis led to a decrease in homeownership by 6% over the eight subsequent years to 63%. High prices cannot be the cause of the decrease, as they would have decreased up to the Great Recession, instead they barely declined

as house prices rose by 85% in real terms. This is because price isn't the main obstacle to ownership, it's access to credit. Home ownership has decreased as mortgage issuance policies have become increasingly stringent post Global Financial Crisis, and for good reason too, as financial institutions deleveraged and macroprudential regulations were initiated. Interest rates on mortgages increased by 1.5% between 2009 and 2012. Moreover, the deposit requirement increased, making homeownership a reality only for those with substantial savings.

Why have declining homeownership rates not led to lower prices? The reason is that house prices are determined by expected rental payments and interest rates – neither of which are explicitly tied to ownership rates. To be clear, houses as an asset will increase in value regardless of mortgage demand conditions, so long as demand for the underlying asset (housing services) is robust. This is because even if homeowners cannot find a buyer for a house they can profitably rent it assuming rent and interest rates do not change adversely.



## Policy Implications

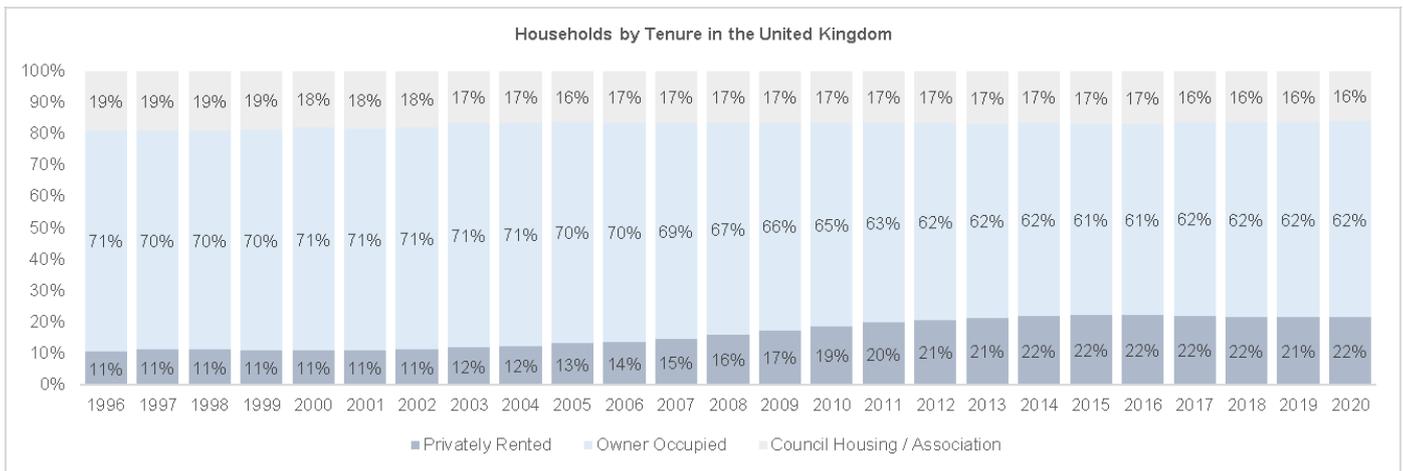
**There are two ways to increase homeownership rates.**

The first is to reduce barriers to obtaining a mortgage by lowering the deposit and loan-to-value requirements for mortgages. This type of regulation would drive up homeownership rates by increasing affordability, particularly for people without inherited wealth. The second means of increasing homeownership is to decrease prices, keeping loan-to-value and deposits requirements constant. The former policy, of deregulation, is unwise from a macroprudential perspective and resembles the

pre-financial crisis policy. Decreasing prices is therefore a preferable policy. So, how to go about decreasing house prices? It should be clear now that the answer (at least in the short term) is not in an expansion of housebuilding.

Such a programme would decrease prices, but the magnitude of the decrease would not suffice to meaningfully improve affordability. A back-of-the-envelope calculation helps make this point: there are circa 25 million households in the United Kingdom, and econometric studies estimate the impact of a 1% increase in housing supply

to cause a 2% decrease in prices. Taking this as given, even a decade long homebuilding of 500,000 a year (an extremely ambitious target) would reduce prices by c. 40% all else constant. Given that the Government has been unable to meet even its 300,000 target, any realistic efforts over the next ten years are likely to make a minor dent on the 400% increase over the past 25 years.<sup>10</sup>



An obvious solution to high prices is to reverse the interest rate reductions causing the housing crisis. After all, we tend to climb down a tree the same way we climbed up it. The problem with this simple logic is that it neglects crucial details. Monetary policy is an economic medicine with a plethora of severe side effects (of which the housing crisis is one) and even more severe withdrawal symptoms – from widening wealth inequality, asset price collapses and recessions. There’s also that higher interest rates would increase the cost of living for five million Britons paying down variable rate mortgages. With houses being increasingly multifunctional, playing the roles of: income generator, wealth store, inheritance vehicle and form of shelter – we ought to take care to avoid negative wealth affects from falling house prices. Moreover, given interest rate hikes are known to have caused recessions, the economic consequences of an interest rate increase of a magnitude sufficient to decrease house prices to 1996 levels (3-to-4%) would be immense. Then neither will homebuilding (ineffective in the short term) nor interest rates (too high an economic cost) suffice as remedies to the housing crisis. In their most charitable light, they alleviate the symptom, high house prices, while worsening the disease (stagnant income growth, financial market deregulation, growing inequality).

The ideal policy would seek to provide the security of homeownership while creating alternative forms of inheritable wealth that are free from the societal costs of debt-financed homeownership. People should always have the right to property ownership, yet it should not be the sole means of secure housing and inheritable wealth. Germany is closer to this alternative, whereby stringent loan-to-value requirements and renter-friendly regulations have offered both push and pull incentives to renting private housing long-term. Improving conditions for private renters would create an affordable alternative to a 30-year mortgage for those that need the level of security ownership provides. Restoring social housing provisions to pre-Thatcher levels would be a step in the right direction. In 1981, 32% of housing was socially rented; in 2019 that number was 17%.<sup>11</sup> It’s worth noting that this reduction has occurred in a backdrop of rising income and wealth inequality. Given mass homeownership is no longer a possibility, a strong social housing sector acts as a competitive bulwark against loosening private market rental standards and increases affordability of shelter for individuals and families. There are barriers to such a project, such as a change of cultural attitudes toward council housing and who is eligible for it. As a UCL study notes:

“UK, home-ownership has been actively encouraged for the last half a century. Renting has been denigrated as an inferior tenure that does not provide a context for household or family stability, and will not provide a vehicle for the inter-generational transfer of wealth.”

Inaction means a United Kingdom in which owner-occupiers are a minority in the private tenure sector by 2030 – a state of affairs with millions of Britons, from young footloose professionals to families with a need for stability, compelled to live under precarious tenancy agreements in a system that is structurally discriminatory.<sup>12</sup> If fiscal or cultural obstacles prevent policies for greater social housing provision then private sector rental reform is a welcome alternative to protect vulnerable tenants, as homeownership is no longer realistic in an economy where the average Briton makes savings of £100 per month. Rental-market specific are superior as they don’t bring the macroeconomic side effects of blunt policies like raising interest rates (risking a recession) and mortgage deregulation (risking a financial crisis). The U.K. housing market’s original sin was to financialise a service essential for human wellbeing – housing – which undoubtedly brought benefits to millions in the form of inheritable wealth but has also led to a viscous zero-sum game that has led gen-

eration after generation to enter a 'market' characterised by weak yields, stringent loan demands and interest rates that can only go higher in the long-run. As stated by Ian Mulheirn of the Centre for Collaborative Housing Evidence, our fate is one where we must choose from a trilemma of mass property ownership, macroeconomic stability and fiscal neutrality of housing. And the sooner we make that choice, the more harm we can prevent in the future.

With that in mind, I make the following tentative recommendations and criticisms to steer our housing policy in a more sustainable and just direction: Firstly, I suggest gradually shifting the balance of power away from landlords and towards renters. I suggest a gradual approach as that is less likely to face institutional and cultural opposition. The first policy would be to put downward pressure on private rental rates by increasing the prevalence and affordability of non-private alternatives. From an economic perspective, the government repurchasing ex-council

housing en-masse and renting it out at a subsidised rate would benefit the economy in two ways, firstly by diverting rental funds away from relatively frugal landlords to consumers spending more from each pound would benefit employment with a Keynesian multiplier effect.

The second manner would be in job creation through a state housing association. From a social perspective, the quality and cultural cachet of renting can be improved first and foremost by improving the experience of renting. For example, incentivising the (minority) of landlords that mistreat tenants to act justly through long-recommended policies such as a national landlord register, the introduction of a regulatory body for lettings agencies and the abolition of oft-abused 'no-fault' eviction and 'right-to-rent' checks that are regressive in nature. Even if such a policy is funded with government borrowing, it's false economy to state it is costly. Firstly, interest rates are at record lows and government borrowing is cheaper than it has been in decades and are even in negative real

territory for certain maturities; secondly, the less easily quantifiable benefits are important, the stimulus from transferring rent from landlords to tenants will increase growth, employment and ultimately tax receipts, not to mention rental payments made to the state.

A third policy would aim for higher homeownership rates by publicly subsidising the risk of home ownership through mortgage interest relief (as in 1983 to 2000), but this would not be prudent budgetary economics as house prices are at a seeming inflection point (given rates can only rise from the zero lower bound) leaving the government paying interest (and likely principal) on debt for houses falling in price; the alternative to this, shifting risk to the private sector by removing leverage caps on mortgages would be equally imprudent economically due to encouraging unsustainable private sector build up of debt in exchange for higher home ownership, a hefty price to pay as discovered in the run up to the global financial crisis. 🇬🇧



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## WHY EXISTING SCHEMES ARE FAILING TO GET YOUNG PEOPLE ON THE PROPERTY LADDER



**M**ost political ideologies agree that the purpose of the human condition is to achieve self-actualisation.

Maslow's hierarchy of needs supports this idea, arguing that the greatest thing an individual can achieve is the desire to become

the most that they can be. However, Maslow clarifies that people will be unable to pursue their dreams without first acquiring basic economic freedoms. In other words, the freedom to pursue happiness can only be realised by people with financial security. Indeed, the government's failure to provide the

next generation with affordable and comfortable housing is one of the biggest threats to young people's economic security today. How can we expect young people to pursue their dreams if they are focused on finding adequate shelter?

### Pathways to Home Ownership

**C**lapham's study revealed that the four paths to homeownership for young people are 'stay at home to own', 'dual-income, no kids' owners', 'two-parent families' and 'early nesters'.<sup>1</sup> As the name implies 'stay at home to own' refers to individuals who live at home with their parents to save for a house deposit and consist of four million young people.<sup>2</sup> This phenomenon is not new however, the length of time that people are living at home before they can afford to purchase their own house has increased to an average of ten years.<sup>3</sup>

While 'Dual income, no kids' owners' are couples who do not have kids before purchasing a property, two-parent families are the opposite having kids before they buy their own home. These groups consist of 1.4 million and 0.85 mil-

lion young people respectively.<sup>2</sup> Both these groups of people move between the parental home and Private Rented Sector (PRS) until they have enough to purchase a property.<sup>1</sup> However, couples with kids are more driven to become homeowners, viewing the lack of long tenures and poor conditions in the PRS as unsuitable for their children.<sup>1</sup> Additionally, the deposits and rents paid by people who have kids are disproportionately higher as parents will have to pay a premium to live near good schools.<sup>2</sup>

Further, if the private rented sector becomes more family-friendly, through the ending of no-fault evictions and an increase in the length of tenures, many young families will not feel obligated to purchase a property. Conversely, couples without kids tend to be more satisfied with the PRS finding it more

affordable than couples with kids. As a result of not having kids, these couples can spend more of their disposable income on rent.

Early Nesters are individuals able to leave their parental homes early (by the age of 21) and get onto the housing ladder through older relatives' support. This group consists of 420,000 young people.<sup>2</sup> Without the help of relatives, this group of individuals would not have purchased a property. Also, the individuals in this group that are eligible for social housing tend to refuse it. As many of the people in this group come from families who are homeowners, the stigma around claiming benefits is the main reason they do not take social housing when offered.<sup>1</sup>

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## Problems in the Housing Market

**The lack of housing supply combined with the increase in demand has led to rising house prices across the UK.** As of March 2021, the UK's average house price is £256,405, an increase of 63% since 2009.<sup>4</sup> These price surges have a disproportionate effect on aspirational homeowners, who will need to spend longer living with parents (approximately ten years) to save for higher deposits.<sup>5</sup>

Labour conditions have also had an enormous effect on homeownership amongst young people. When a young person's wage increases, they are highly likely to switch from parental housing to homeownership or the PRS.<sup>6</sup> This suggests that young people desperately want independence from their parents, and will move out as soon as they can afford to do so. The urge to leave parental homes may also be because of the stigma around living with parents. However, due to stagnant wages over the last ten years, young people that leave their parental homes prematurely are likely to get stuck in the PRS.<sup>17</sup>

Having said this, many young professionals are willing to stay longer in the PRS and pay high rents for high-quality accommodation and flexible tenancies. This increase in the number of people who want to rent high-quality properties, and can afford to do so, has meant

that to maximise private profits developers have focused on producing higher-end accommodation, excluding young people in low-income groups from the PRS. Additionally, the increasing reliance on the PRS to provide houses for those on low income due to a lack of social housing is impractical unless the PRS is significantly reformed. This is because PRS is driven by profit and will therefore find it difficult to provide both comfort and affordability to low-income individuals. Evidence of this can be seen by the fact that on average young people spend 34% of their income renting privately, 4% higher than what is recommended by personal finance experts.<sup>8</sup> With rents in the PRS trending upward, increasing by 9.9% since 2015, and wages amongst young people set to fall due to COVID-19 the amount of rent young people pay in proportion to their income is likely to grow.<sup>9</sup> Further, if the government wants to rely more on the PRS to provide housing, it needs to give developers incentives whilst also giving renters more protections. Changes to housing benefits and the lack of social housing supply means that the majority of young people on low-income are no longer eligible for social housing. Indeed, only 7% of young people who approached their local authority because they were homeless or at risk of homelessness were

housed.<sup>10</sup>

Additionally, it is essential to distinguish between young people who have not finished paying off their mortgage and people who have. Firstly, a change in interest rates will have a disproportionate effect on those with a mortgage. For young people with a variable interest rate agreement with their bank, an increase in interest rates will increase their monthly expenses. Further, the increased interest rate will also mean that individuals will have less money to pay off the mortgage's principal and grow their equity on the house. On the other hand, those who own their home outright do not have to worry about rising interest rates, as it will not change their monthly expenses. Secondly, a decline in house prices can leave individuals paying off a mortgage that well exceeds the house's value. Young people who are mortgage holders are conflated with outright owners because low-interest rates combined with rising house prices has benefited both groups. Furthermore, it is essential to acknowledge only a small number of young people with significant privilege will be outright owners. Therefore, economic conditions, namely a fall in house prices and an increase in interest rate will affect mortgage holders.

## Failure of Existing Schemes

**Since 2010 the government has created several schemes designed to help take the pressure off the PRS by moving more people who could afford to keep up with mortgage payments into homeownership.**

These schemes include Help to Buy, the Lifetime ISA, shared own-

ership and the Starter Home Initiative. Not only have these schemes been inefficient at tackling the problems they were designed to solve, but they also do not address the real issues in the housing market: lack of supply and rising demand.

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## Help to Buy

**A**ccording to a review by the National Audit Office, 60% of buyers who used Help to Buy would have purchased the property without the scheme.<sup>11</sup> This highlights the biggest issue with Help to Buy: a disproportionate number of people who use the scheme do not need it.

## The Lifetime ISA (LISA)

**L**ike Help to Buy, the LISA has helped some people get onto the property ladder but has failed to address the housing market's real issues.

Other issues such as the lack of financial literacy amongst young people mean that many are confused about using a LISA in conjunction with pensions. A poll conducted by the FT in 2017 showed that 38% of young people would

While affordability, the lack of housing supply and increasing rents remain the barriers for getting onto the housing ladder, the £20 billion tied up in this scheme would be better spent addressing these issues.

prefer to pay into a Lifetime ISA instead of a pension.<sup>12</sup> This is a poor financial decision as the compounding effect of tax relief for pension contributions comfortably beats the LISA yearly government bonus. Further, young people have paid a combined total of £9 million in penalties for withdrawing money from their LISA, according to Royal London's data.<sup>13</sup> Thus, a scheme that is supposed to help young

people build wealth is actively leaving them worse off. The 25% penalty should only come into fruition to mitigate this problem once the money has been in the LISA for a year. If money is taken out earlier, the government should only take back their bonus. Reforming the LISA in this way will give young people, who are disproportionately affected by sudden economic shocks, greater flexibility.

## Shared Ownership

**U**nder shared ownership schemes individuals purchase a share in the property and pay rent on the part they don't own.

Once seen as undesirable, complicated and expensive, active marketing of shared ownership as a pathway to homeownership has

increased its popularity amongst young people. Indeed, 53% of shared ownership homes are occupied by those aged between 18 and 35. The problem with shared ownership is that most people get stuck in it, never acquiring 100% equity.<sup>14</sup> Additionally, the unusually high and unexpected service

charges and the lack of legal security of the shared owner's equity have made shared ownership unfit for purpose. Instead of getting rid of the scheme, the government should focus on reforming it, with the priority being protecting tenants' equity and ending unjustified service charges.

## Starter Home Initiative

**T**he Starter Home Initiative is designed to provide new build properties at 30% below market value.

These properties will be available to those who live or work in the area, with priority given to first-time buyers, members of the armed

forces and key workers. According to government estimation, this scheme will save buyers an average of £100,000.<sup>15</sup> An additional aspect of this scheme is that the 30% discount is passed on to future buyers of the property. The two main issues with this scheme are that it only helps a limited number

of individuals and will not be available in the short term. According to government estimation, the first starter homes will be built in 2025. Therefore, while this scheme is good theoretically, its impact on the housing market will not be in effect for several years.

## Policy Recommendations

To address the problems facing young people within the housing market, the government needs to:

- **Reform the Planning System**, giving developers an incentive to build more houses that are suitable for low-income families.
- **Build More Council Houses**. Because 1.6 million households are currently waiting for a council house, young people on low-income aren't the priority. An increase in the supply of council houses will significantly increase the chance of a young person acquiring one.
- **Introduce a Lifetime Deposit Scheme**. This will allow individuals to transfer a single deposit between landlords when they decide to move.<sup>16</sup>
- **Reform the Shared Ownership System**. Provide security over service charges and prevent an unjustified increase in expenses of those with shared ownership.
- **Promote Renting Amongst Young People**. The government should launch a campaign designed to debunk the myth that homeownership is the best option for everyone. The aim should be to change young people's perception so that they see homes as places to live and not financial assets.
- **Remove the Penalties from the LISA**. The government should remove the 25% penalties if someone withdraws their money within a 12-month window.
- **Convert Existing Properties into Starter Homes**. Instead of waiting until 2025 for the first starter homes to be completed, the government could convert existing new builds into starter homes allowing young people to reap its benefits. 🚩



Tobin is the membership and development officer for the Young Fabians this year. He is also responsible for the Young Fabians Academy, a series of public event designed to help give young people the skill required to succeed in the world of politics.

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**JACK PARKER**

# SHARED OWNERSHIP EXPERIENCE

**A**fter years of renting, an ex-partner and I decided to get onto the property ladder. We believed that doing so would improve the quality of our housing, increase control over things like maintenance and decorating and act as a store of wealth, rather than giving money endlessly to landlords, which felt like burning cash every month.

Shared ownership was the only way we could afford to buy somewhere in London, and we viewed a property we liked near Canary Wharf. The building had two entrances, one which led to the 'luxury' flats, a 24-hour reception and gym facilities. The other entrance led through a poorly decorated small lobby and an elevator that was damaged with scratches, small bits of graffiti and a cracked mirror. These led to the 'affordable' shared ownership flats.

The flat itself was expertly presented, and after verbal reassurances that the lift and communal areas were due to be fixed up very shortly with funding already set aside, we decided to buy a 40% stake in the flat with a mortgage, continuing to pay rent on the other 60% to the housing association.

During the first few months of living there, it became apparent that the

quality and control we hoped to gain was an illusion. The elevator broke down several times, sometimes just for a few hours, occasionally for a few days. Due to the lack of security, the stairwell would often be littered by the remains of late-night gatherings: beer cans, crisp packets and the lingering smell of weed. I was fortunate, being young and healthy, that I could carry shopping up the seven floors of stairs when the elevator broke. If I was elderly, or disabled, I'm not sure how I would have coped. I'm also not sure how vulnerable people would have escaped in the event of a fire.

Then we came home one evening to find a small water leak in the spare bedroom, with damage to the ceiling and a pool of water on the floor. A plumber was called, but we were told the source was not from inside our flat and was coming from higher up in the building. The flats above us were part of the luxury side, only accessible by going outside and then back into the building through the other entrance.

This is when things got complicated. Our housing association said they were not responsible for a leak coming from outside of the flat. The owner of the luxury flat above ours

hadn't experienced any leaks, and didn't know the cause. The security and maintenance team on the luxury side didn't seem to care about our problem, and wouldn't allow us to access the seventh floor to investigate. So who was responsible for finding the source of the problem? Who should we contact to fix it? Luckily, the water leak stopped by itself, without clear explanation. We fixed the damage done, but anxious that the root cause was still not fixed, and the leak would happen again.

For separate reasons, my then partner and I separated and I moved out. After 18 months of living in the property the elevator was still breaking down regularly, the communal areas had never been decorated, the stairwell stank of weed, and the source of the leak unidentified. When my name was taken off the mortgage I felt a sense of relief to be back renting again.

When I spoke to my ex-partner a few months later, I heard that the leak had occurred again, and that a bill from the housing association had arrived to cover the costs of replacing the broken lift. The verbal reassurances that this money had already been allocated clearly hadn't been true. 🚩

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# JACK BALDAN

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## HOW ALMSHOUSES CAN HELP TACKLE THE HOUSING CRISIS IN THE 21ST CENTURY



**A**lmshouses have existed in the United Kingdom for over a thousand years with the first thought to be the Hospital of St Oswald in Worcester which was founded circa 990.<sup>1</sup>

Yet this model of housing is often unknown or at least misunderstood

### The Almshouse Model

**A**lmshouses are legally and physically unique entities. Owned by an almshouse charity, dwellings are ‘gifted’ to beneficiaries who meet the charity’s purpose. This purpose will be unique to each of the over 1600 almshouse charities across the UK, but overall, they all seek the relief of those in financial hardship and housing need. Some may also have other criteria such as age, location or gender. The property is gifted for the life of the beneficiary or until they no longer meet the charity’s purpose, for example the person can no longer live independently due to sickness. Instead

by the general public and policy makers. Seen more as quirky vestige of a bygone era, they appear more as a sign of society’s failure to look after its own people. Yet, it does not take too deep an investigation to see that this model of housing is still relevant today and in fact can provide a life changing

of an assured tenancy, which most of us will be more familiar with, they operate through licences. The licence ensures that the beneficiary has the security of a roof over their head for as long as they need.

However, as the property can never be owned by the resident it ensures that a genuinely affordable form of housing remains available to the community in perpetuity. Should a resident need to be removed due to needing a higher level of support or bad behaviour they are given a ‘Set Aside’, this process is similar to the eviction of traditional tenants.

opportunity to communities across the country. By the end of this article, I hope you can come away with a better understanding of how the model can be best utilised now as part of the solution to the housing crisis which is crippling our country.

Rent is also slightly different with beneficiaries charged a Weekly Maintenance Contribution (WMC). This charge contributes purely to the ongoing maintenance and upkeep of the almshouse and is usually well below the Government’s “affordability” quota of 80% of market rent.

One of the key purposes of an almshouse is that it allows a person to continue living independently, without the burden of eye-watering private rents, within a community of people with a shared experience. This independence is shared by residents and the charities themselves who fiercely seek to

remain distant from national Government involvement in day-to-day affairs. Thus, although almshouses make use of funds such as £50m from the Affordable Homes Programme through Homes England, they are very self-sufficient. Over 40% of new build almshouse units have been funded without public grant.<sup>2</sup> Instead, these new dwellings are built through the use of charity reserves, partnerships with other community housing groups or organisations such as Charity Bank. This provision of housing

can ease the financial burden of local authorities who have seen their budgets slashed by Conservative austerity.

With a better understanding of the benefits of the model, there is potential for a wide expansion of the current circa. 30,000 dwellings. The movement currently has ambitions to see a further 5,000 dwellings built by 2030. Yet, with greater appreciation and understanding from Government, local planners and communities there is no rea-

son why this target cannot be built upon. It is however important to remember that one of the benefits of the almshouse model is its small-scale nature where they can form part of the wider tenure mix, alongside private or community-led housing, within a larger development. It can be argued that it is the quality of the accommodation and strong community provided that is more important than seeing a sharp increase in the short term.

## The Benefits of the Almshouse Model

**T**he model brings a number of benefits for young and old. At the present moment, as we emerge from lockdown, it is the community spirit which runs through almshouses which makes them so attractive. Genuine affordability coupled with cost savings for the NHS and local social services mean that almshouses are an attractive option when considering new developments.

Loneliness is an issue we will all be familiar with. Research from Age UK has shown that 1.4 million people aged over 50 are often lonely.<sup>3</sup> But this issue is not restricted to the elderly, with a YouGov poll showing that 30 percent of 18–24-year-olds felt lonely often or all the time.<sup>4</sup> Solving this problem will take a multi-faceted approach across our society, but almshouses can provide part of the solution in our homes. Firstly, there is a traditional design, generally with older almshouses which sees developments built in a horseshoe shape, with doors opening onto one and other. These subtle design features, along with beautiful communal gardens, encourage communication and interaction between neighbours. Communal areas, although restricted

during the pandemic, provide an area for further interaction through shared activities and events. Many charities also provide the services of a warden who ensures the ongoing safety and happiness of residents, something which has been vital during our various stages of lockdown. Persistent loneliness can have a significant negative impact on well-being and quality of life.<sup>5</sup> Yet every £1 invested in tackling loneliness can save £3 in health costs.<sup>6</sup> The beauty of the charitable model, is that the needed investment from Government is minimal with much of the day-to-day running costs being managed by the charity, a level of independence that many will fiercely defend. Central Government investment is largely restricted to that of Homes England. Thus, almshouses are in an advantageous position of being able to provide part of the solution to tackling loneliness in a way which maintains independence in a community environment, while being kind to the public purse. Research has also found additional health benefits, such as increased life expectancy connected to living in the almshouses of Whiteley Village in Surrey, with residents

seeing a boost by up to almost 5 years.<sup>7</sup>

Almshouses can also improve the longevity of affordable housing provision in our communities, which is largely thanks to them being exempt from Right to Buy. The current housing crisis continues to be linked to a lack of capacity following the introduction of Right to Buy, which saw our nation's social housing slowly dwindle without any real attempts to meet the shortfall. This in turn has led to greater reliance on the Private Rented Sector (PRS) which fails to provide genuine affordability for those young and old. Moreover, as 'Generation Rent' gets older and the chances of buying a home diminish, the number of retired people in the PRS seems set to change dramatically.<sup>8</sup> Yet, due to the exemption, almshouses are able to provide an enduring affordable option which we should build upon when looking to replenish our stock of social housing. Not only does this mean that there is an accessible form of housing in perpetuity, but it means that communities can be built around them as cornerstones of our social fabric.



## Current Hurdles

**C**urrently the almshouse model faces two main issues which are holding back its potential; a lack of awareness from key stakeholders and the general public and a need to modernise.

As already stated, almshouses have a strong, proven heritage and yet they are rarely on the radar for professionals, politicians and others concerned with the provision of housing.<sup>9</sup> The impact of this is that the model is not considered within the traditional housing 'mix' which leads to unintended legislative challenges. For example, even though the WMC for most charities is well below the 80% Government

affordability definition, the National Planning Policy Framework (NPPF) does not consider almshouses as affordable, unless they are registered with the Regulator of Social Housing (RSH). Some charities choose to register with RSH, but for many, managed by volunteers, they just don't have the time to deal with the bureaucracy and cost of this process. This can lead to issues which delay or even stop planned expansions.

Many charities are actively exploring modern housing issues with new and remodelled almshouse developments specifically for younger people, families and peo-

ple who need wheelchair housing, or as intergenerational housing including both younger and older people.<sup>9</sup> This is something which should be encouraged as some almshouses find themselves stuck in old ways. Trustees may not wish to change the original guidance which established the charity. But if the charity was established over 100, 300, or 500 years ago, then there is a good chance that a review is needed to ensure that the almshouse can still effectively serve the community. Resistance to change could bring into question the long-term viability of a charity which in turn could lead to the loss of accessible housing.

## How to Overcome and Open the Market to Young People

**T**o overcome these issues almshouses must step out of the shadows and find a stronger voice within the housing sector. They may only provide part of the solution, but for those who live in them they can provide a life-changing opportunity.

Engagement with local politicians and stakeholders must be more widely utilised so that almshouses become more widely recognised as part of the housing tenure mix. Continued work in this area can lead to greater cooperation on issues which hold back development. The onus for this work should not just fall on the charities, but also on the stakeholders who should take the time to investigate

this tried and tested form of affordable housing.

Greater awareness can also lead to more opportunities for new trustees in their local charity. With this brings new skills, ideas and experiences, this is vital. If we really want to modernise and ensure that these homes represent their communities in the 21st Century.

But with a market that is so skewed towards the elderly, how do we open it up or use it to the benefit of young people and families? As previously noted, there is an avenue of updating the guiding principles of the charity which could see young people being considered or even given preference to housing. Yet this is not the only option. By

creating more almshouses we are provided many more appropriate homes for older people. We know that many older people live within homes that are no longer appropriate for them, they might be too large or may have too many stairs. According to ARCO, 56% of older people are interested in moving... yet only 12% say their local area has enough downsizing options.<sup>10</sup> Almshouses can provide that attractive option which allows an older person to leave their home, remain in their local area and maintain their independence. The knock-on effect here is that we would be able to free up homes for younger people and families by helping to 'rightsize' the older population.

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## Policy Recommendations

- **Create an environment which is friendly to charitable and community-led housing providers** by removing unnecessary costs and burdens through reforms to Section 106 agreements or the newly proposed national Infrastructure Levy.
- **Place a greater emphasis on the integration of almshouses** as a tried and tested method of community social housing which can ease the housing burden of local councils and healthcare costs of loneliness and isolation on the NHS.
- **Build a campaign promoting volunteering through trusteeship** to ensure that new, fresh ideas are found within all charities. This could help build stronger involvement of individuals within their local communities, something which we should look to build on following the pandemic. 🇬🇧



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# GAH-KAI LEUNG

## REDUCING FLOOD RISKS FOR YOUNG PEOPLE IN THE UK HOUSING MARKET



### Introduction

**F**looding is one of the most serious natural hazards faced in the UK. The Environment Agency estimates that in England alone, about 5.2 million properties are at risk of flooding, or roughly one in six.<sup>1</sup>

Future climate change is likely to be a major driver of increased susceptibility to flooding; it is thought that the number of at-risk households in the UK will more than double to 1.9 million by 2050.<sup>2</sup> While official Government guidelines do not recommend building on floodplains, in recent years property development has continued unabated in vulnerable areas.<sup>3</sup> For example, about 70,000 new homes have been built in the highest-risk zones in England since 2009.<sup>3</sup> None of

these are covered by the Government's Flood Re scheme — which aims to provide affordable flood insurance — and around 20,000 of them have no protection from flood defences.<sup>3</sup> Flooding imposes significant financial, psychological and social burdens on households and these may be especially acute for young people in the property market, such as renters and first-time buyers. Given that younger generations and the unborn will bear the brunt of climate change, it is imperative to ascertain the implications of increased flood risk for these individuals. This will clear the path for ways to reduce younger homeowners' vulnerability to flood damage.

Consequently, this paper exam-

ines how housing-related policy can help alleviate the burdens of flooding on young people in the housing market. Section 1 examines the kinds of damage inflicted when flooding affects properties. Section 2 then discusses the financial burdens imposed by such damage. Section 3 enumerates the financial burdens and benefits of measures to protect against flooding. Section 4 moves on to consider the non-monetary burdens of flooding, in the form of psychological and social burdens. These burdens may be important to recognize, as they are often missed out in cost-benefit studies of flood risk. Section 5 offers some policy recommendations in light of the preceding discussion, and Section 6 concludes.

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## How Flooding Affects Properties

**Flooding damages properties in a multitude of ways. We can make a useful distinction between ‘overland’ and ‘overfloor’ flooding, depending on the extent of the floodwater around an individual property and therefore the extent to which that property is affected.** Overland flooding covers the physical land surrounding the house, such as gardens and patios, but otherwise does not actually inundate the property. Overfloor flooding occurs when floodwaters enter the interior of the property.<sup>4</sup>

Overland flooding physically cuts off the house and thus impedes vehicular access, while also causing minor damage to sheds, garages and landscaping. Overfloor flooding is far more severe: apart from the problems caused by overland flooding, overfloor inundation can result in losses of equipment, furniture, contents and other personal objects. Moreover, overfloor flooding can inflict major structural damage, which ruins wall linings and exposes electrical wiring.<sup>4</sup> A building’s overall susceptibility to flood damage is a function of the con-

struction techniques and materials used, the depth and duration of the flood and the velocity of the floodwaters.<sup>5</sup> In cases where the water depth is greater than one metre, water should be allowed to flow through the house; to do otherwise is likely to increase the water pressure on the external walls of the property, leading to major structural problems.<sup>5</sup> Damage can also occur from lingering contamination and pollution in the aftermath.<sup>5</sup> In the very worst cases, entire houses can be swept away, no matter how well defended they are.

## The Financial Burdens of Flood Damage

**Damage from overfloor flooding is likely to pose the greatest financial burdens for homeowners.**

A study for the Department for Environment, Food & Rural Affairs (Defra) found that the repair bill for a flooded house can range from £10,000 to as high as £50,000, depending on how high the floodwa-

ters reach.<sup>6</sup> Restoration work after a flood can lead to the property being *overcapitalised*: additional money is spent not to improve the house overall, but simply to bring it back to its original state. Thus, restoration work is a sunk cost that cannot be recovered when the homeowner sells the property.<sup>5</sup> In the case of young people and first-

time buyers on the housing market, the sunk costs may be so exorbitant that (absent insurance) they may simply choose not to repair the property. This would avoid the sunk cost problem but still leave the homeowner worse off, as the property will lose value anyway due to neglect and structural depreciation.

## The Financial Burdens and Benefits of Flood Protection

**A financial alternative to post-flood reconstruction is to install appropriate resistance and resilience measures within the home.** Resistance measures are those designed to prevent water from entering a building or at least minimize the amount of water that does inundate the property. They may be temporary (e.g. barriers and sandbags) or permanent (e.g. waterproof doors and windows, air bricks and automatic barriers).<sup>6</sup>

Temporary resistance may cost in the range of £2,000 to £4,000. Their effectiveness has not been proven in laboratory tests, but they may be useful in cases of flash flooding or short-duration flood events (a matter of hours) less than 900mm, where temporary barriers can be quickly deployed.<sup>6</sup> Permanent resistance is more expensive, ranging from £3,000 to £10,000,

but does not need to be deployed with advance notice and likely requires less maintenance.

Resilience measures are those designed to minimize interior damage. Because they are the most costly measures, at £10,000-£30,000, they are generally recommended only for buildings highly exposed to flooding or are installed during planned renovations. Such measures include water-resistant paints and solid concrete floorings, which prevent floodwaters seeping into the structure of a building.<sup>6</sup> A major advantage of resilience is the shortened recovery time.<sup>6</sup> In one reported case, the homeowner was able to return and use the property just 24 hours after the flood.

Flood resistance and resilience represent clear financial benefits for homeowners, in the form of

damage that is mitigated and prevented. However, they also impose a significant financial burden, particularly for young people and first-time buyers entering the property market. Even so, there are weighty financial reasons that count in favour of flood protection. For example, the highest-end resilience measures, costing £30,000, are significantly less expensive compared to the damage wrought by a very severe flood event, at £50,000.<sup>6</sup> Some resilience measures may not be any more costly than standard repairs, such as raising electrics higher than the likely inundation level. Indeed, flood protection may well pay for itself even after a single event, in terms of the damage prevented next time round.<sup>16</sup> This tallies with cost-benefit studies of other natural hazards, which show that pre-disaster mitigation is sev-

eral times cheaper than post-disaster reconstruction.<sup>20</sup>

Another important financial consideration is insurance. In the UK, private flood insurance is bundled with other kinds of hazard insurance; this ensures very high coverage, up to 95 percent.<sup>8</sup> But in some sense this figure is deceptive as it does not account for lower socioeconomic groups, who are least likely to be insured and also the most vulnerable, as they typically live on cheap land which is prone to flooding. As of 2002, only 30 percent of poorer households had flood insurance.<sup>8</sup> Moreover, at-risk properties may face large flood excesses, which were as high as £5,000 in 2001.<sup>8</sup> Because of the

bundle system of flood insurance, all households may generate a claim regardless of whether or not they live in a flood zone. As a result, private insurers have gone to great lengths to produce their own flood maps, which are more extensive than those in the public domain.<sup>8</sup> Where citizens do not have access to private insurance, there is usually no state compensation available.<sup>8</sup> In recent years, the government has introduced a Flood Re scheme to ensure that more economically deprived households are sufficiently covered. But properties built after 1 January 2009 are not eligible, which equates to tens of thousands of homes.<sup>4</sup>

The lack of insurance uptake by

poorer households suggests the need for a more comprehensive socialized system. As well as being a way to safeguard households from financial insecurity following a disaster, comprehensive insurance can also have wider social benefits beyond those that accrue immediately to the household, for example by enabling citizens to relate to each other on fair and equal terms.<sup>9</sup> Conversely, such an ability to relate on fair and equal terms may be severely hampered absent flood insurance. This kind of social burden of flood damage is one that I will explore in the next section.

## Non-Financial Burdens of Flood Damage

**While it is clearly necessary to consider the monetary burdens and benefits of flooding on young people in the housing market, we must also account for non-monetary burdens which are psychological and social.** Such non-monetary costs may be easily missed out in studies that purely focus on the financial costs and benefits involved. Let us first consider the psychological burdens of flood damage, before addressing the social burdens.

When floods wreak havoc in our neighbourhoods, they do not only destroy the physical properties, but also the rich psychological associations we have with those physical properties. Treasured personal possessions, such as photographs, craftwork and heirlooms, are essentially irreplaceable if they are lost to a flood. This was clear from interviews carried out in the wake of the Carlisle floods of 2005: “We had a lot of books, some first editions, and a lot of personal things you can’t replace”.<sup>10</sup> Homebuilding can require years of financial investment and personal commitment, so it should not be surprising when flood victims experience

feelings of grief akin to losing a loved one.<sup>11</sup> This kind of deep psychological loss resonates with Marc Fried’s classic study of displaced working class Bostonians, who reported grief-like feelings of depression, helplessness, direct or indirect anger, overwhelming sadness and an idealized nostalgia for their lost homes. And just as when we lose a loved one, many flood victims find the sudden interruption of normal life difficult to process: the stress can be compounded if people do not receive adequate mental health support.<sup>11</sup>

Moreover, we might think of our homes as extensions of our inner lives and therefore integral to our sense of self.<sup>12</sup> When we are forcibly evicted from our homes due to a flood, we thereby lose an important connection to our sense of self. Many Britons still aspire to have a place of their own, even after the post-2008 housing crisis and in spite of a generally unfavourable housing market. For young people trying to move up the property ladder, floods can threaten their aspirational sense of self, precisely because homebuilding carries strong connotations of

social mobility. Renters, too, may find the rich personal associations with their surroundings irreparably damaged in the wake of a disaster.

The emotional toll of losing the home itself is compounded by the psychological damage inflicted in trying to recover a sense of normality. As when we lose a loved one, many flood victims find the sudden interruption of normal life hard to process. Survivors of the 2005 Carlisle floods, for example, report difficulties in adjusting to their ‘new’ properties, worries about being “stuck here” and the enormity of a year “lost” to the disaster. In short, the floods had “taken over their lives”.<sup>10</sup> In a study of flooding in Hull, some residents described the work of recovery as akin to project management, juggling multiple tasks such as chasing quotes, phoning insurance companies, managing builders, contacting companies to correct snagging issues, redirecting the post and phone bills, sorting out paperwork and driving back and forth between rented and real houses, all while dealing with several government agencies and attempting to maintain normal routines such as

caring for children.<sup>13</sup> The psychological trauma inflicted by flooding may take longer to repair than the physical damage itself: in the case of the Carlisle floods, some homeowners never fully adjusted to their 'new' properties when they moved back after the disaster.<sup>10</sup>

As well as damage to psychological wellbeing, homeowners also incur social harms insofar as their connections with others come un-

der threat. Humans are social creatures almost by nature: we depend on our relationships with others for our own personal wellbeing and these relationships are eroded in the aftermath of a disaster. Disasters such as floods are major changes in our lives and so have knock-on effects on our occupations, our leisure activities, our caring responsibilities and all other kinds of ways in which we interact with others.<sup>14,12</sup> Moreover, when

households are physically cut off from each other due to flooding, such isolation can have impacts on society as a whole, such as a lack of trust, a loss of togetherness and an evaporation in community spirit. Sociological studies of disasters emphasize the importance of rebuilding relationship networks, restoring social cohesion and therefore on regenerating our wider communities as part of the recovery process.<sup>15,16,17</sup>

## Policy Recommendations

**In light of the considerable monetary and non-monetary burdens imposed by flooding on young homeowners and renters in the property market, what are the implications for housing-related policy?**

The financial impacts of flooding on young people must be a priority area. First, policymakers should *subsidize permanent resistance and resilience measures* for young people who cannot afford the hefty cost of flood protection. Residents should be aware of the range of available options and households should be assessed on a case-by-case basis to determine the most appropriate protection measures for their particular context, in consultation with surveyors, engineers and insurers.<sup>18</sup>

Second, all vulnerable households should be entitled to a *comprehensive socialized scheme of flood insurance*. This should include an extension of the existing Flood Re affordable insurance scheme to include those built on or after 1 January 2009. Importantly, flood insurance should be seen as one component of a wider damage limitation policy that complements other protection measures, rather than being seen as the be-all and

end-all.<sup>19</sup>

Third, *land use regulations could be strengthened* to actively discourage property development in flood-prone areas, rather than simply advising against construction on floodplains (as is currently the case with the *National Policy Planning Framework*). One way to do this would be to have a classification system similar to that in Australia, which rates properties from (1) very flood-labile to (4) flood-free, depending on the expected frequency of inundation within 100 years.<sup>5</sup> Planning authorities could then make it illegal to build in higher-risk zones and/or offer incentives to attract development in lower-risk categories.

Fourth, renters and homeowners should have *full information about flooding risks* when they enter the property market. This would require, for example, that the above-mentioned flood classification system should be made publicly available. Equally, landlords and developers should be required to declare their flood risk status to prospective renters and buyers. There should be regular awareness campaigns and clear information on what to do in the event of a flood, particularly for

newcomers who are not familiar with their surroundings or who do not know where to access local resources.

Finally, policymakers should give due attention to the psychological and social impacts of flooding. This should include *investment in ample mental health support for affected families*, lasting well beyond the immediate aftermath of the disaster. This would address the ongoing mental trauma of losing a home, as well as the emotional toll of trying to resume normal routines while still coming to terms with such a life-changing event. Local authorities should emphasize the *importance of strengthening community ties* as a way of reducing flood risk. Young people should be encouraged to serve their neighbourhoods through undertaking first aid training, participating in flood campaign groups, raising awareness on social media or helping to organize flood drills. This will give young people a stake in the wider community, induce psychological preparedness for flooding and also ensure that they do not experience social and emotional isolation in the aftermath of a flood disaster.



## Conclusion

**This report has sought to provide ways to reduce the flooding risks for young people in the UK housing market.**

First, it outlined how properties suffer damage from both overland and overfloor flooding. Second, it discussed the financial burdens accrued when households experi-

ence inundation. Third, it explored the financial burdens and benefits of various measures to counteract flood damage. Fourth, the report widened the focus to include the non-monetary burdens of flood damage, which tend to be neglected in cost-benefit studies. Finally, the report ended with a series of

policy recommendations to alleviate the burdens of flooding. This report reveals the need for a comprehensive policy strategy to reduce flood risks, where authorities at all levels can act in concert to reduce the risks to both renters and first-time buyers on the property ladder. 🇬🇧



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# CHRIS WONGSOSAPUTRO

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## GETTING TO NET ZERO HOUSING STOCK & HELPING YOUNG PEOPLE TO REDUCE CARBON EMISSIONS



### Background

**Net zero housing is important in reducing carbon emission given housing's 22% contribution to the UK's CO2 emissions in 2020.**

This figure is behind only energy production and transportation. The UK is aiming to be carbon neutral by 2050 following the Cli-

mate Change Act 2008. Therefore, the Government targeted for new houses to be net carbon zero by 2025 and for most existing homes to reach the Energy Performance Certificate (EPC) Band C by 2035. However, the target is some way to being met as 60% of the UK's current houses have lower than EPC C ratings and most new houses are

non-net zero. This is despite the Government's planned £3 billion green investment.<sup>1</sup>

In order to accomplish the carbon neutral target by 2050, there are two natural pathways. One involves retrofitting current houses and the other ensuring that the new houses are net carbon zero.

### Retrofitting Current Houses

**Retrofitting current houses will require more than 2,000 houses to be retrofitted weekly for the next 30 years.** The average cost of doing so ranges from £20,000 to £26,000 for every house and overall cost £65 billion.<sup>4</sup>

This will involve installing insulation, double glazing and substitut-

ing gas boilers with heat pumps and hydrogen boilers amongst others.<sup>2</sup> Moreover, the thermal-store heating system needs revamp in homes where residents cannot adjust the temperature and timing of the system.<sup>3</sup>

Cost presents the main obstacle of this approach of retrofitting current

houses. For instance, electrical pumps extracting heat from the air or ground incur thrice the cost of a gas boiler.<sup>3</sup> With numerous social housing tenants on low wages, the landlords or Government might not be able to recoup their investment costs.<sup>1</sup>

However, this approach, if pursued

appropriately, has the potential to reduce fuel poverty for 2.5 million English households. Other benefits include generating health benefits due to warmer houses, lower electricity and gas bills for tenants and new jobs.<sup>4</sup> Furthermore, the creation of more jobs will increase the tax receipts and decrease benefit payments.<sup>5</sup> A study by The Institute

for Public Policy Research (IPPR) North indicates retrofitting current houses in northern England will generate 111,000 jobs across the country by 2035.<sup>4</sup> This includes 77,000 estimated for northern England alone. Moreover, IPPR North quantified the associated economic benefit to be £5.61 billion per year including £3.85 billion

in northern England. Meanwhile, IPPR North calculated total investment needed as £2.36 billion annually over a decade with funding coming from the Government and social housing providers. The basis of their calculations is that 1.35 million existing houses (c.20%) do not fulfil the Decent Homes Standard.<sup>2</sup>

## The Conservative Government's Current Strategy vis-à-vis Retrofitting Current Houses

**The Government has implemented the Energy Company Obligation scheme necessitating energy providers to ensure energy efficiency for eligible low-income households.**

Furthermore, the Green Deal (previously funded publicly) also provides loans to ensure energy efficiency and fund retrofit. Examples of retrofit are insulation, heating,

double glazing and renewable energy production. The Government has also implemented minimum energy efficiency standards for privately rented houses.<sup>7</sup> Meanwhile, the Government has initiated the Green Homes Grant during the Covid-19 pandemic to cover 67% of energy efficiency enhancements costs up to £5,000. Low-income families might qualify for 100% funding up to £10,000. The scheme

is estimated to cost £2 billion and will last until March 2022.<sup>8</sup>

Moreover, the Committee on Climate Change (the CCC) also recommended offering stamp duty cuts or cheaper 'green mortgages' in exchange for the switch. The aim is to incentivise house owners to change from gas boiler to electric pump.<sup>3</sup>

### Solcer House

**There has been a significant volume of research into ensuring that new houses are net carbon zero (and cheap).**

One example is the Welsh School of Architecture's Solcer House which produces more energy than it consumes. The house uses renewable energy source, heat and

electrical energy store, more heat insulation and lower air leakage. By doing so, Solcer House lowers energy requirements and becomes more carbon neutral.<sup>9</sup>

## Government's Commitment Needed for New Houses

**The challenge with the approach relates to the Government's wavering commitment. They removed in 2015 the target of ensuring net zero new homes by 2016 and scrapped the Green Deal aimed at enhancing energy efficiency of current houses. Conversely, the Government has also proposed via the 2019 Spring Statement to ban fossil fuel heating systems in new houses from 2025.<sup>10</sup>**

In order to meet the net zero target, the Government needs to be consistent in their commitment towards realising the target. The CCC highlighted in their report *UK housing: Fit for the future?* that only 1% of new houses in 2018 fulfilled the highest energy efficiency standard (EPC Band A). Meanwhile, the installation of loft and wall insulation in 2017 was only at 5% of the 2012 peak levels.<sup>11</sup> In addition, the lack of government-led enforce-

ment meant numerous new houses needing a retrofit. This approach is more costly and inefficient than implementing the standards correctly the first time. The CCC has estimated that retrofit can cost up to five times more than correct first-time installation.<sup>3</sup> Having consistent policy measures and enforcement will thus improve the situation as it incentivises developers to meet the prevailing standards.

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## Ensuring New Houses are Net Carbon Zero

**In order to reduce carbon emission, there is a need to broaden awareness among young people on carbon ratings and its implications.**

Young people can benefit from potential cost and energy production efficiency with better carbon ratings while also slowing down climate change. This can be done by working with the Department for Education to better embed climate change into the school curriculum. 69% of UK teachers indicated via a May 2019 UKSCN or Oxfam Teachers Survey that there should be more teaching on climate change. 68% of UK students (via a December 2018 Green Schools Project or NUS pupil survey) also would like to better understand climate change.<sup>12</sup> Both survey results indicate broad support among teachers and students to integrate climate change into the curriculum.

Linking back to a previous example, the Solcer House offers two possible solutions in getting young people to reduce carbon emission. The first is for the Government to increase funding to universities and Further Education colleges, in particular for related fields such as Environmental Engineering. The Government can fund similar studies to Solcer House which aimed at reducing energy requirements for existing and new homes. In this way, there is more incentive for young people to participate in similar research, especially with funding becoming less of a barrier. The second is that the Solcer House provides a template for a net zero and affordable housing. When looking for houses, affordability is a key concern for young people fresh out of universities or school, starting their first jobs or looking to climb onto the property ladder. As

such, cost-efficient yet carbon neutral housing will incentivise young people to consider environmental factors when making their housing decisions.

Another potential solution revolves around encouraging young people to become active participants of the carbon efficiency measures. An example solution includes offering jobs, apprenticeships and internships to retrofit current homes. It is imperative to communicate the bright future for the industry given the increased UK and global focus on climate change and carbon neutrality. The Government and the construction sector can allocate more funding to equip interested young people with the relevant skillsets and knowledge to enter the industry. The funding will help mitigate skills gaps within the construction industry.

## The Government's Role in Meeting the Net Carbon Zero Target

**Moreover, the Government can work together with property developers to provide net zero housing stock.**

They can incentivise the developers committing to building net zero housing with some tax breaks and grants. An example is Legal & General (L&G) which announced its intentions to make all their housing stock net zero by 2030. L&G uses enhanced thermal building fabric and environmental control systems including low and zero-carbon technologies. Furthermore, one project by L&G, Inspired Villages in Kingswood (Surrey), has also decreased utility usage by 30% across its homes. Inspired Villages has also embedded electric vehicle charging points onto 10% of the parking spots within its premises.<sup>13</sup> Therefore, the Government can partner with developers such as L&G to provide net zero housing stock for young people.

Another idea is for the Government to implement a scheme whereby developers exceeding their carbon emissions targets can pay into a fund. The payment amount is in turn determined by the excess emissions. With the funds, the Government can invest into local, community-based energy schemes and provide grants to enhance innovation in clean technology.<sup>14</sup>

According to the CCC, the Government can tighten existing regulations and inspections on new houses. One example is for the Government to compare the original design of the houses to the actual progress. The aim is to ensure the latter resembles the approved design and meet the carbon emission requirements. The CCC also suggested for the Government to encourage a greater use of timber frame to reduce carbon emissions. However, there is a need for more clarity from the Government on

the fire safety of timber. Another policy area to address is to ensure new houses meet the latest regulations including carbon emission throughout the construction life cycle rather than at the point of planning permission being granted, as is the case now. Furthermore, the CCC highlighted the Government needs to close the regulatory loopholes exempting houses converted from offices and industrial units from fulfilling building regulations.<sup>11</sup>



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## WILL MENDOZA

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# TO WHAT EXTENT CAN CO-LIVING BE A SOLUTION TO THE HOUSING CRISIS?



**T**his essay will argue that Co-Living has the potential to play an essential role in tackling the housing crisis. This solution is targeted at young people as they are the most likely to benefit from the housing model, although this does not exclude other demographics. The innovative version of Co-Living that is currently sweeping through London has already been proven to be successful. Westminster should better support Co-Living to help deliver the model across the country.

Co-Living is a housing model where residents have a private living space, with access to a range of communal facilities such as cinemas, dining areas, gyms, bars and swimming pools. The private living space is usually a small studio flat, and the quality of communal facilities

vary depending on the target users.<sup>1</sup> The Greater London Authority (GLA) defines shared living units as being for rent with minimum tenancy lengths of three months.<sup>2</sup>

While the excitement bubbling up around Co-Living suggests it is a modern idea, the principle of Co-Living is not new. Early examples include Victorian and Georgian garden squares, the Isokon building in Hampstead and the Barbican Estate in the City of London, all of which include elements of communal living.<sup>1</sup>

There are several fundamental advantages of Co-Living. Firstly, Co-Living is more affordable than other housing types. Sharing high-quality communal spaces mean individuals can spend their income on smaller and cheaper

homes than they would typically need. Chief Executive of the RSA, Matthew Taylor, argues that Co-Living can offer young people, in particular, more affordable, more convenient and more enjoyable ways of living.<sup>3</sup>

Co-Living can help to reduce loneliness. Research from the Office for National Statistics in 2016 and 2017 found that young people feel more lonely than other age groups. 27% of 16 to 24 year olds and 21% of 25 to 34 years olds feel lonely often or for some of the time in the UK.<sup>4</sup> Sharing communal facilities and living near other residents of a similar age means that Co-Living can help people to foster new relationships and reduce loneliness. Pioneering Co-Living developer, The Collective, has provided testimonials from individuals living in

their Old Oak development who found that Co-Living helped them make new friends and boost their mental wellbeing.<sup>5</sup>

Co-Living can take some pressure off the overheating housing market and lead to more efficient use of the UK's existing housing stock. For example, Co-Living homes could decrease demand for social homes if they can successfully provide a viable option for people without children. The diminished demand for social homes would free up family-sized properties for those with children who need more space.<sup>1</sup>

Co-Living's community properties can encourage the sharing of resources, skills, knowledge and caring responsibilities. Jonathan Schifferes and Atif Shafique of the RSA argues that what brings together different Co-Living models is that increased communality is positive for society and the economy. The challenge then is to provide benefits for the wider community as well as the residents.<sup>3</sup>

Manish Patel, a Senior Partner at PRP architects, believes that the time is right for Co-Living to thrive. New technologies, including booking systems and mobile-based platforms, can allow residents to share resources more efficiently; to make social interaction opportunities more likely, and connect residents to services and civic opportunities in their neighbourhood.<sup>3</sup>

The benefits of Co-Living listed above are all applicable to the current Co-Living stock, which is for rent. Scott Corfe, Research Director at the Social Market Foundation, argues that there is a strong case to expand the Co-Living 'to-buy' offer to bolster homeownership. As Co-Living homes are typically much smaller than other homes, individuals could afford to purchase them in relatively expensive urban areas like London.<sup>1</sup>

A survey to test demand for a 'to-

buy' Co-Living housing offer was conducted by Opinium.<sup>1</sup> and found that:

- 53% of respondents were willing to consider buying a Co-Living product
- 42% of respondents were not willing to consider buying a Co-Living product
- 60% of respondents in London were willing to consider buying a Co-Living product, reflecting the challenge of buying property in the capital

This study suggests that there is demand for this kind of homeownership.

Respondents' perceived advantages included:

- Lower housing costs (47%)
- Getting a first foot on the housing ladder (27%)
- Ability to meet new people (21%)

Affordability is an obvious benefit but why else is a Co-Living 'to-buy' offer attractive? Demand for space is not as high as it was in the past. Firstly, technological advancements have reduced space requirements; for example, online streaming means there is no need to store large vinyl or DVD collections. Secondly, the proportion of people living alone in the UK has increased by a fifth over the last 20 years, from 6.8 million in 1999 to 8.2 million in 2019,<sup>6</sup> highlighting the need for an affordable housing offer for single people which Co-Living can provide.

Corfe suggests two options for 'to buy' Co-Living homes that can be delivered by the government, local communities or private companies. The first is for a private residential space that differs in size and communal facilities that vary in quality depending on the target consum-

er's budget. The second is for a small studio space with provision for a range of high-quality communal facilities such as a library or gym, like The Collective's offer.<sup>1</sup>

Given that Co-Living is still in its infancy, it might take an initial proof of concept to show that the tenure type can be viable. The government could support this by unlocking its own land or buildings to support construction of these Co-Living spaces. Furthermore, to ensure it is easy to buy and sell Co-Living homes, it is vital for the industry to thoroughly research demand and tailor homes to local needs.<sup>1</sup>

Co-Living does have its challenges though. Opinium's research found that the key concerns with buying a Co-Living space are:

- The risk of bad neighbours (52%)
- Not having enough space to meet their needs (33%)
- Difficulties selling the Co-Living space (28%)
- Poor maintenance of communal facilities (28%)

The research suggests that exemplary community and property management is fundamental to the future success of Co-Living.

There is no guarantee that a real sense of community will take hold in Co-Living buildings. A resident who lived in The Collective's Old Oak building believes he was misled, saying that the building is "*not much more than a glorified student dorm*".<sup>5</sup> Jess Steele, a regeneration expert, believes that to maintain a strong sense of community, developers should consider community-based governance models and seek partnerships with co-operatives, Community Land Trusts and housing associations.<sup>3</sup>

There is a risk that Co-Living communities become disconnected

from their local area. While working with The Collective to deliver their Chatfield Road scheme in Battersea, residents and politicians were mainly concerned with proposed 'Short-Stay' units which offer short tenancy contracts. They believed that 'Short-Stay' residents would not engage with neighbours leading to a lack of community cohesion. To help with future collaboration, The Collective drafted a Community Investment Programme which provided local stakeholders and residents' groups with the opportunity to help develop the project's public benefits. It is hoped that the subsequent dialogue between the local community and The Collective will continue during the building's operation.

Any new Co-Living developments may need to meet minimum space requirements and affordable housing obligations. The emerging London Plan has included no minimum space requirements for 'to-rent' Co-Living offers yet. The Plan includes obligations on developers to make a financial contribution to affordable housing though, potentially impeding on the financial viability.<sup>2</sup> Anthony Breach, economic analyst at the Centre for Cities, contends that minimum space requirements worsen the housing crisis. The lowest minimum space standard in the UK of 37m<sup>2</sup> reduces housing supply by limiting the total number of units in new developments. The policy also restricts people from having the freedom to live in smaller homes if they want. Abolishing or relaxing the regulation to deliver small Co-Living homes would increase housing supply and help to reduce the pressure on larger homes and free them up for families.<sup>7</sup>

Land requirements for Co-Living developments can be significant, depending on the quality and range of communal facilities. Consequently, it might prove challeng-

ing to find sufficient space in urban areas like London or Manchester. Smaller developments closer to the city centre would either need to compromise on space or roll out premium service charges.<sup>1</sup> A 2014 World Bank report suggests that compromising on space would not necessarily be a bad thing. Regulations on minimum land consumption mean poorer households cannot afford whatever the minimum cost is. Meanwhile, wealthier households are forced to use more land than they would want. Delivering small Co-Living homes as new low-income housing stock would help to provide genuinely affordable housing.<sup>8</sup>

Despite the challenges, we already know that Co-Living projects can work. The Collective successfully opened its second UK-based building, in Canary Wharf in October 2019. It includes 705 rooms and offers tenants a flexible model. Members can access a range of excellent communal facilities including a restaurant, a swimming pool and co-working spaces.<sup>9</sup>

We also know there is support from local authorities. In Manchester, planning permission for Downing Living's proposals were approved in September 2020. The project will comprise over 2,000 units ranging from studio flats to five-bedroom apartments. The communal facilities will include a public square, café and gym.<sup>10</sup>

There is a risk that developers bring forward proposals that are of poor quality and fail to fulfil the community obligations that are critical in creating successful Co-Living initiatives. That is why government guidance is so important. In November 2020, Wandsworth Council unanimously refused Dandi Living's proposals for a 159-unit Co-Living building on the basis that it would be an "*unneighbourly development*" resulting in "*undue harm to the amenity of neighbouring occupiers*".<sup>11</sup>

National policy does not yet address Co-Living. The emerging London Plan includes policies on Co-Living, setting out the criteria large-scale developments need to meet. For example, new developments must be in well-connected areas, units must be for rent with minimum tenancy lengths of three months, the communal facilities need to be sufficient for the intended number of residents, 35% of units should be available at 50% discounted market rent and a contribution must be made to build affordable housing.

LPAs in the UK, especially outside London, generally lack clear guidance on Co-Living. Some do not even know what Co-Living is. Without government guidance LPAs consider Co-Living proposals on what contribution they can make towards housing delivery, local needs and affordable housing.<sup>12</sup>

Some LPAs in London are paving the way in their Local Plans. They include the London Boroughs of Lambeth, Hackney and Wandsworth, to name a few and they all diverge from GLA policy in some way. For example, LB Lambeth's Draft Local Plan accepts future Co-Living developments in Waterloo and Vauxhall only and sets out a minimum of 30 units.<sup>13</sup> LB Hackney's approved Local Plan accepts Co-Living schemes anywhere but specifies that rents must be affordable relative to ward-level incomes.<sup>14</sup> LB Wandsworth's goes further in their Draft Local Plan stating that Co-Living projects should generally be resisted.<sup>15</sup> The reason for this could be that many developers are bringing forward Co-Living schemes on difficult sites, banking the land after approval, and then flipping them or reducing the rooms' size and quality through amendment applications. Councillors may still approve of high-quality Co-Living applications but feel this is the only way to stop developers exploiting the planning sys-

tem.

This disparate approach to Co-Living policy is unhelpful, and the government should provide clear guidance to LPAs. For example, LB Wandsworth's draft policy could scare off investors, preventing high-quality projects from being proposed. Meanwhile, shoddy applications that fail to fulfil the criteria set out in this essay should not be allowed to come forward. Although LPAs have the authority to refuse them, government guidance will prevent the applications being made in the first place, stop-

ping local authorities from wasting valuable resources and time. In addition to this, Corfe's suggestion to develop a 'to-buy' Co-Living housing option should be explored. As explained above, the government could support an initial proof of concept to ignite construction.

In essence, there are clear advantages to developing Co-Living as an alternative housing model, including affordability, reducing loneliness among young people, taking pressure off the existing housing market and encouraging a sharing economy. A 'to-buy'

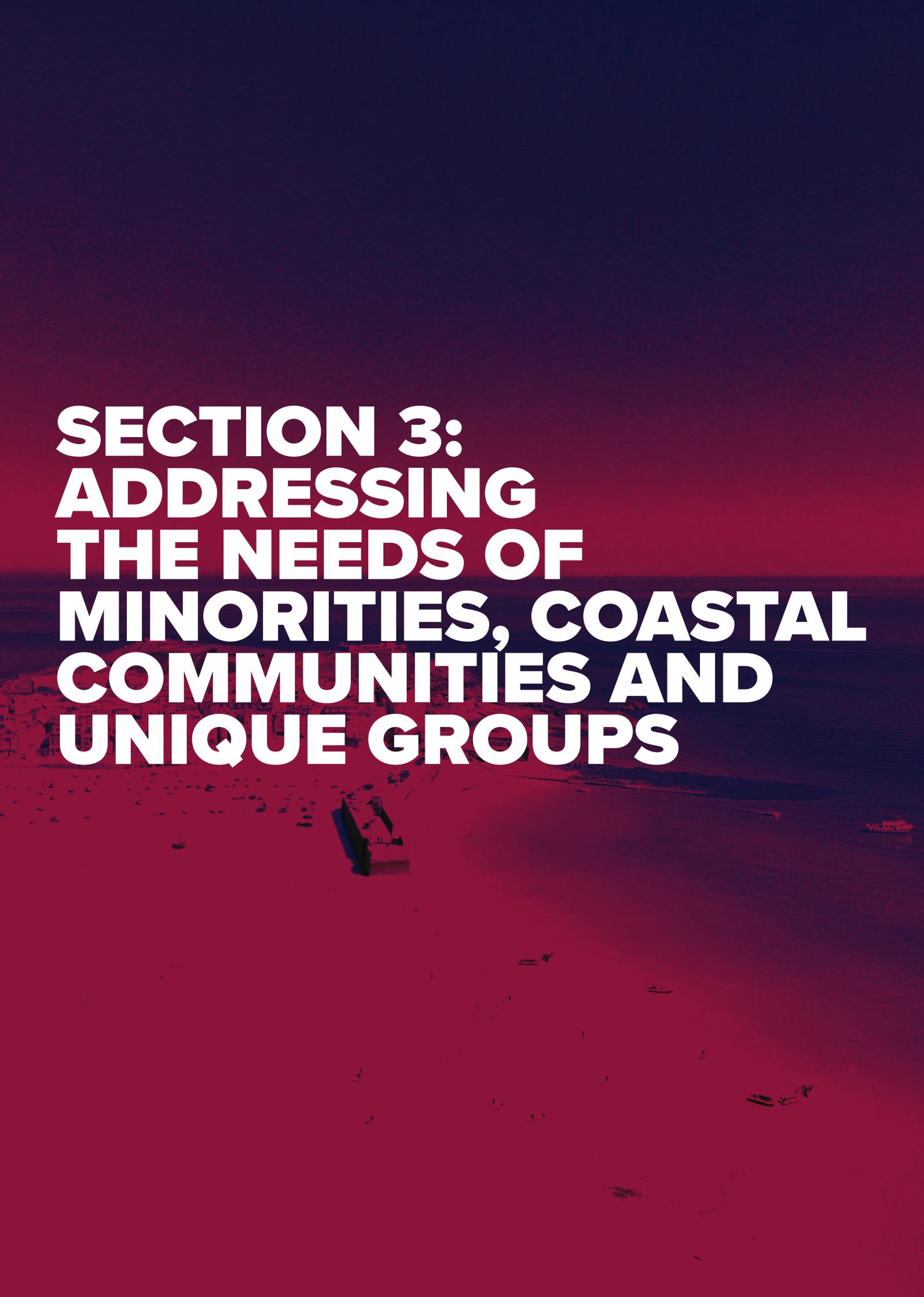
option would lower the threshold for getting on the housing ladder and give people more disposable income. We know that there is demand for Co-Living, that Co-Living buildings work and schemes are subsequently springing up around the country. While Co-Living is a small slice of the housing tenure pie, government policy and investment can help scale the model and encourage its success. Co-Living can and must form part of the solution to tackling the housing crisis.



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An aerial photograph of a coastal town, likely in the Caribbean, showing a harbor filled with numerous small boats and a few larger vessels. The town's buildings are visible along the waterfront, and the surrounding landscape is lush and green. The sky is clear and blue.

# **SECTION 3: ADDRESSING THE NEEDS OF MINORITIES, COASTAL COMMUNITIES AND UNIQUE GROUPS**

## THE CHALLENGES & EXPERIENCES THAT THE HOUSING MARKET POSES FOR MINORITY ETHNIC GROUPS



**Y**oung people of minority ethnic groups are faced with socio-economic constraints, prejudice, and the changing character of cities when renting and buying property in the United Kingdom.

These issues help to contextualise a wider historical trend of housing disempowerment of these communities, alongside current issues of the gentrification of urban spaces. Many of these issues do not exclude other underprivileged socio-economic groups, however, this article will focus on the experiences and challenges of minority ethnic communities that more often than not fall into this category. Focusing mainly on urban areas with historical multicultural links, this will cover the importance of social housing provision, affordable homes, and the threat of homelessness that

these communities encounter.

Social housing appears to be a guarantee of accommodation for citizens in need, in the face of prevalent high private sector rent in urban areas. According to Shelter England, affordability, accessibility, stability and quality should be the conditions that housing appropriation should be measured against.<sup>1</sup> These are not always universally guaranteed, and since the 1980s the economic position and independence of young people has declined as a result of collapsing young labour markets (reflected in local housing registers and the prioritisation of developmental construction contracts). Government statistics indicate that out of all ethnic groups, Black African and Black Caribbean households are the most likely to rent through

social housing.<sup>2</sup> In addition, the growing need for local councils to provide social housing, that has recently risen to over 3.8 million has led to a nationwide housing emergency.<sup>3</sup> The long waiting times as a consequence mean that for many, private sector rent is the only viable housing option, which can be exclusionary to many minority ethnic groups.

Social housing has been allocated in many residential development projects, however, government policy does not always promote it sufficiently. Changes to housing policy such as Section 106, shows the effects of government support on enforcing or relaxing social housing provision. Further changes to policy may have a detrimental impact on existing communities where BAME groups have lived



over the past few generations.<sup>4</sup> The amount of affordable housing has fallen by a third since the 2010 coalition, and developers have also taken advantage of planning regulations to minimise affordable housing obligations and quotas. Additionally, developers have taken advantage of urban displacement out of council (distance from family links and higher costs of travel).<sup>5</sup> Local councils must ensure that profit is not prioritised over the provision of affordable housing to the socio-economically marginalised. Regulations should be ensuring provision for those groups most overlooked.

The issue of affordability and the state of the current housing market is clear when investigating social housing programmes. In addition to renting, issues associated with purchasing property also make this a significant obstacle for those navigating the housing market to ownership. While it can be said that house ownership was recorded as highest among Indian and Pakistani communities, Black ethnic groups in Britain are among those with least percentage of house ownership.<sup>6</sup> A Guardian article notes that “fewer than a third of black households are headed by owner-occupiers – either owning their home outright or with a mort-

gage...compared with two-thirds of white families and 58% of Asian households. While home ownership across all ethnicities has fallen since the financial crisis, Black families have seen the biggest drop: in 2001 the proportion who were owner-occupiers stood at 39%; by 2016 it had fallen to 29%. The same report showed that 48% of Black households were living in social housing, thus highlighting the importance of social housing provision for minority ethnic communities supports national figures of minority ethnic housing inequality.<sup>7</sup> From the poor quality homes, and BAME households being steered away from white neighbourhoods, the Grenfell fire symbolises many sentiments of authority neglect. Many studies have found links to institutional discrimination within the wider UK housing system, as referred to in LSE’s article regarding historical housing prejudice.<sup>8</sup>

The national trend shows house prices rising faster than wages, highlighted by the Help-to-Buy scheme. Despite its intentions as a means of promoting more young home ownership, it has been attributed to artificially increasing property prices across the country, especially in urban and suburban areas. According to an Independent article, the scheme has fed into

a housing bubble, benefitting developers and existing homeowners, rather than those looking to get a foot on the property ladder.<sup>9</sup> These locations have seen an increase in developer contracts and profits in the private sector, at the expense of ensuring affordable and social housing. The wealthy can afford, while the working class are kept out, yet again, as median rent in locations such as London average at £1,425 a month – more than double the English average.<sup>10</sup> The Mayor of London Sadiq Khan’s ‘First Dibs’ policy may potentially be a step in addressing this issue by prioritising the allocation of new build home for residents of London. This could be a significant move towards affordability if embraced in more urban areas nationwide. However, property experts note that this may cause conflictual rifts between buy-to-let investors and first-time buyers. Furthermore, questions have been raised over whether this has benefited and prioritised those in need and addressed overcrowding and waiting lists.

Urban and ethnically diverse low to average income areas are becoming more susceptible to economic and demographic change, through what is commonly referred to as gentrification. Rising living costs



as more property is bought, has resulted in those living in these areas being forced out. The issue of disappearing communities recently seen in the youth exodus from coastal towns (Rhodes, 2019) also arises within large cities as residents and those growing up in these areas have been marginalised through high unemployment and property development policies.<sup>11</sup> Profits gained from private contractor developments are often prioritised over the cultural integrity of these communities, and this issue is no longer an abstract concept but a reality facing many communities. Amid a recent government climate of Windrush deportations and decreasing local council funding, many have argued that this is often 'particularly detrimental' to ethnic minority communities.<sup>12</sup> Generational cultural ties erode along with their respective economic communities. Many young people will have to confront the inability to afford to live in the same area where they have grown up. In addition, the demographic shifts have resulted in such places becoming unrecognisable as those who move in are wealthier. What results is a disparity between what is advertised by property, development, and estate agency platforms - where many portray idealistic and

altruistic hopes of regeneration, and the realities experienced by the already marginalised. Ongoing evidence of this demonstrates communities being broken up and divided, and rather than balancing the housing situations of traditionally low-income areas, local authorities seize lucrative development contracts "[paying] lip service to diversity".<sup>13</sup> This combined with evidence previously explored with affordable housing, perhaps indicates that wealth divides and housing bubbles still continue contributing to urban inaccessibility for young first-time buyers, and BAME community members.

As seen with Help to Buy's implications on housing affordability, private property renting has also seen volatile increases. Private rent accounts for less than 15% of Black Caribbeans in London, Birmingham, Manchester, and Leeds, while White British private renting is up to 50% in both London and Manchester. Furthermore, more than White British, at least 50% of 'Other White' communities account for more than half of private renting in major cities. According to the National Housing Federation, "the number of people in need of social housing in England...has now hit 3.8 [million]" highlighting the ever-increasing need to tack-

le the UK housing emergency that private letting itself cannot account for.<sup>14</sup> The fact that almost almost half of those on social housing waiting lists (1.5m) live in private rented accommodation, means that many must choose between living in poverty or succumbing to debt in order to keep a roof over their head. The lack of affordability reflects the importance of social housing provision for Black ethnic and other minority ethnic groups.

Housing is not an isolated issue, rather it highlights wider problems of social inequality in our towns and cities. Disparities between the rich and poor within the same neighbourhoods present a stark reminder of the past decades' effects of austerity and budget cuts on at-risk families.<sup>15</sup> As an example, Tower Hamlets in London reflects the prevalence of social inequality in the south of England.<sup>16</sup> Similarly, the borough "has the highest rate of child poverty in the country and yet the average salary of those who work in the borough is £58,000, the second highest in the UK after the City of London".<sup>17</sup> Coupled with the effects of overcrowding from inadequate social housing provision, poor housing conditions are more likely to affect ethnic minorities. Ultimately, both are likely to leave the young and vulnerable

without adequate safeguarding.

Similarly, rising cases of homelessness, hidden homelessness, and temporary housing mean that the burden of housing provision, and difficulties in quantifying this issue, often falls into the domain of charitable organisations. Many of the affected are minority ethnic communities as statistics show that “someone from a BAME background applies to a local council because they are homeless or threatened with homelessness every eight minutes”.<sup>18</sup> As inner cities become more attractive for property ownership, even more will be faced with the resulting disregard if authorities do not make an effort to consult them alongside development schemes. As the ef-

fects of the COVID-19 pandemic are yet to expose the full manifestations of social disparities and privilege, the necessity to manage both the surge in social housing needed, and growing rates of homelessness call to attention previously overlooked areas of social policy.

The effects of social inequality have meant that housing is an issue that reflects widening social inequalities in our cities. Changes in governmental administration have also affected how this provision is allocated and exercised. Recent Conservative administrations can be attributed for the rise in residential development projects, but also have affected how their policies of budget cuts and austerity

have shaped social housing policy and the lives of those impacted. Regardless of intention, developers have benefitted while the most marginalised groups have suffered. The result of gentrification poses questions regarding the future of minority ethnic populations across the country and whether they will be divided further. More is needed to promote initiatives that benefit cultural-historical needs and call to attention the importance of social housing provision. If housing programmes do not cater for BAME young people and their families, the consequence will be further privatisation and lack of affordable housing in the midst of social and economic alienation. 🇬🇧



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# MATTHEW SUDDART

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## A HOUSING STRATEGY THAT WORKS FOR OUR COASTAL COMMUNITIES



### Introduction

**C**oastal Communities have been badly let down by the central government for too long. Years of under-investment by Westminster have meant that many of these communities have fallen into decline, with poverty rising exponentially.<sup>1</sup> Analysis by the Social Market Foundation found that in 85% of Britain's 98 local authorities which are situated in coastal areas, people earned below the national average, with employees situated in these areas paid on average around £3,600 less a year.<sup>2</sup>

The key issues discussed in this chapter will point towards the inadequacies in a housing system that doesn't build enough Council Housing, which relies on private-landlords, and which has a high proportion of HMO properties at its heart. Furthermore, many

young people who grow up in coastal areas, move in search of work and opportunities. The lack of opportunities and often homogenous work that is found in these areas, means that many talented young people leave, but never return. This has a significant impact on the housing sector for a variety of reasons; these will be explored below.

The All Party Parliamentary Group (APPG) for Coastal Communities has said that coastal communities are at risk of being 'left behind'.<sup>3</sup> At the heart of this, is the amount of young people that are beginning to move away from their hometowns. Population projections made by the ONS for 75 Local Authorities with a coastline found that thirty could see a fall in the number of residents under the age of 30 by the year 2039.<sup>4</sup> The

biggest decline in the number of under-30s was found in the north of England, Copeland and Barrow in Furness could both see a fall of more than 10% in the number of young people and children. It is crucial that Labour can offer a compelling vision for these areas. Copeland, a historically Labour seat, was lost in a 2017 by-election after over half a century of Labour representation, Barrow in Furness, was lost in 2019 after 27 years of Labour representation. It is coastal communities like Barrow in Furness and Copeland, working-class towns that Labour has failed to offer a compelling vision for. It is critical that Labour's housing policy crucially incorporates coastal communities, as it is often one of the top issues shared by residents in coastal areas.

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## The Problem with HMOs

**One of the biggest problems that is found in coastal communities is the high number of house in multiple occupancy (HMO) properties.**

A report on the prevalence of HMOs in coastal communities found that 13.8% (52,218) were found in 34 coastal local authorities.<sup>5</sup> However, this report was from 2012 and it is highly likely that the figure has increased or at the very least stayed the same, given that local councils such as Blackpool have stated a desire to improve the tenure of many HMOs in the area in their most recent housing strategy. Furthermore, a BBC report into HMOs found that in 2014 not only were there 543,000 HMOs in England and that the number is rising, but also that more people are living in them.<sup>6</sup>

Why is it then, that HMOs are often a feature of the type of tenure found in coastal communities? The answer is simple. As the advent of package holidays and air travel became a reality for working-class people, the decline was a rapid one for coastal communities. For instance, towns like Morecambe, a town with a tourism industry worth £46 million in 1973, by 1999, witnessed an 86% decline. I could list many more examples. Therefore, the increase in HMO properties was due to the decline of tourism in these communities. As former hotels, guest houses and other types of accommodation tailored for tourists were converted into HMOs for use by local residents.

In a House of Lords report on *The Future of Seaside Towns*, evidence was presented which stated that

HMOs were ‘amongst the most urgent challenges for coastal areas’. Furthermore, as *The Seaside Town Report* states, ‘large numbers of HMOs can present difficulties for the regeneration of an area, as their poor physical conditions can put off investors’.<sup>6</sup> This is not a new issue. The last Labour government explicitly acknowledged that ‘the current housing supply and tenure balance in coastal towns is now seriously undermining regeneration’.<sup>7</sup> It is time to take meaningful action and put into practice serious policy recommendations that will once and for all improve the type of tenure found in coastal areas.

## The Importance of Transport

**Whilst this piece is investigating how we can improve the stock and quality of housing in coastal communities, it would be remiss not to include the importance of quality transport in coastal areas.**

Again, the decline has been decades in the making and can be traced right back to The Reshaping of British Railways, colloquially known as the Beeching Railway

Cuts. The cuts occurred in 1963, horrific timing with the advent of foreign tourism taking off. However, the report disproportionately affected train services in coastal communities. The report called for closing all services along the coasts of north Devon, Cornwall and East Anglia aside from Norwich to Great Yarmouth. All branch lines in the Lake District were closed and all services connecting the Isle of Wight were closed. Lastly, many

of those along the coast are at the ‘end of the line’ meaning their connection to major economic hubs is often limited, which often means chronic under-investment from businesses who just aren’t enticed to invest in coastal areas. We can improve the type of housing found in these coastal communities, but until we link up the importance that transport plays, we will never increase the prosperity in coastal areas.

## Coastal Community Councils: Blackpool Case Study

**Blackpool Council, in an aim to regenerate the town and stop increasing rents within the private rented sector, set up their own company as a regeneration vehicle to address social and economic challenges within the private rented sector.**

In Blackpool, ‘80 percent of those households are claiming housing benefit. This is in contrast with the national average which stands at

30 per cent’.<sup>9</sup> This leaves landlords little incentive to invest in the properties, with full knowledge that many tenants have no choice to stay and that the government will continue to fund disproportionately high rents.

“My Blackpool Home” have acquired and refurbished 200 properties and despite tough financial conditions are starting to have a positive impact in the inner core of

Blackpool.<sup>10</sup> It is hoped that Blackpool Council can set the standard for those in the private rented sector, by offering cheap rents at a good standard for its residents. The company is able to invest in ways the council cannot. The company is self-financed through rents from residents, which means the company has a long-term sustainable future.



## Comparison with Towns & Cities

**M**any of the points made in this paper are found across the country including in towns and cities. The problems of unscrupulous landlords are a national problem, the problems of HMOs

not being fit for purpose are a national problem.

However, what makes this problem more prominent is that the prevalence of these issues is much higher in coastal areas.

As stated above, transport is a key issue in coastal communities. Other infrastructure, such as broadband connectivity, also frequently holds coastal communities back.

## Coastal Communities: The Effect of Austerity

**I**n a report carried out by Linda McDowell, Carl Bonner-Thompson and Anna Harris from The University of Oxford on the effects of austerity in coastal communities, they spoke with ten young working-class men in Hastings, Southport and South Shields.

All three towns rank similarly in regard to indicators of deprivation, losing male-dominated employment in the fishing industry, in growing inequality, and the scourges of poverty and homelessness

rising. In these communities, rates of youth unemployment and in all three places were higher than the national average, (11.2% in December 2018).<sup>11</sup>

Therefore, the impact this has, is that in theory lower incomes mean that households have less to spend on discretionary activities. This is because essentials such as food and housing are generally regarded as the priority on people's budgets. It is for this reason that spending on leisure and tourism

will decline. This spells bad news for those living in coastal areas.<sup>12</sup>

In theory, lower incomes mean that households have less to spend on discretionary activities. Indeed, because items such as food and housing are generally regarded as the first claim on people's budgets it is likely that when incomes are squeezed, spending on leisure and hospitality will fall especially steeply.

## A Solution: Affordable Council Housing

**9**4% of houses in the private-rented sector are too expensive for families on housing benefit.<sup>13</sup>

Yet, in many coastal areas, the majority of residents in the private-rented sector are reliant on housing benefit. For instance, it was estimated that over 80% of private tenants in inner Blackpool receive housing related benefits, whilst Thanet District Council reported similar figures of 75% of private sector tenants in Cliftonville being in receipt of housing support.<sup>14,15</sup> It is ludicrous that the government should continue to line

the pockets of private landlords, where too often, the standard of housing in the private sector falls well below expected standards.

It is also not just a case of building more houses, a report into solving the housing crisis by the right-wing think tank The Centre for Policy Studies rightly stated that it was private-landlords and buy-to-let investors who profited from the last decade of homebuilding. Over the last ten years private landlords increased their ownership share of the housing stock by 8%, or two million homes.<sup>16</sup> It is too simplistic to therefore say that we simply

need to build more homes, what we need to do is build more council homes and allocate those for sale for owner-occupiers.

Therefore, building more council housing is a call with a proven track record. As John Boughton pointed out in his book *Municipal Dreams*, the case for council homes is not ideological. He rightly states 'the enormous contributions local councils have played historically in meeting our housing need and in doing so, they have transformed the lives of many millions for the better'.<sup>17</sup>

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## Policy Recommendations

- **Transport:** The Government are pressing ahead with Restoring Your Railway Fund, which aims to reverse some of the Beeching Cuts. Labour must hold the Government's feet to the fire, in ensuring as many stations are reopened as is possible.
- **Lake District Rail:** The Beeching Cuts in the 1960s stopped the railway from Keswick, a key tourist area in Cumbria. Just outside of Keswick lie the towns of Workington, Cockermouth and Whitehaven. It will be incredibly difficult to reopen the line, given that the A66 has replaced it. However, if there is any possibility of reopening the line, Labour should overwhelmingly support it. The potential for economic growth in the above towns would be fantastic given the huge amount of tourism Keswick generates. However, if this proves too difficult, the A595/6 corridor must at least be improved to encourage locally based economic activity.
- The Shadow Housing Team should consider carrying out a **Coastal Communities Manifesto** ahead of the 2024 General Election. This would crucially speak to the concerns of those in coastal communities on crucial issues, such as housing and transport. It would also give Labour canvassers the opportunity to sell the policies that will directly appeal to those in coastal areas.
- There is no solution to the housing crisis without **building council housing**. We have witnessed in coastal communities the inferior quality that many HMOs offer, a significant minority of private landlords are exploiting some of the most vulnerable in our society. Labour must invest in local councils by ensuring they have the funds available to build their own council housing. This could include empowering local councils to start their own housing companies such as the successful models in Salford, Preston, Blackpool and Norwich.
- Whilst building more council housing in coastal areas must be an objective of the next Labour government, we cannot wait for these houses to be built. Labour's housing team should consider **a new package of occupation rights**. The Conservative Party announced in 2019 that they will end Section 21 notices (no fault evictions), it is simply following through on that promise.<sup>18</sup> Furthermore, the grounds for possession should be reformulated. Labour should argue for the concept of 'greater hardship', which is still recognised in Scotland. In these cases, courts have to look at the competing interests on which party would lose the most from the outcome of the case.
- Labour must also argue for **greater security of tenure in the private sector** for tenants. Security of tenure in England is amongst the worst in Europe: tenancies can be as short as six months and Labour should consider placing security of tenure on a level similar to Germany. This should be on a level of indeterminate tenancy as the sole form of rental contract.
- Individuals and families in coastal communities routinely cite poor quality and poor access to housing as one of the main concerns they have. However, simply building better housing isn't enough for the Labour Party. Labour should **empower local councils and housing associations to run educational courses to encourage life-long learning**. Whilst housing access and quality is certainly a challenge that must be overcome in many coastal areas, Labour must tackle the root causes of poverty in these coastal areas. Therefore, Labour in government should be addressing systemic problems that exist, in partnership with local government. This means tackling the limited access to educational institutions and levels of unemployment. To this end, the Labour Party should encourage anchor institutions such as universities in the area, public services such as the NHS and schools and further education colleges, as well as local businesses and industry to improve local skills levels and boost the local economy.
- Labour in Westminster must put the case across for **local councils owning their own property portfolio**, which they can then provide homes to all residents. Council housing is stigmatised, and it is a great injustice that 1) we have let our council housing stock depreciate massively over the past decades and 2) that council housing is perceived as a preserve for the most marginalised in society. Historically it was provided to all, and that is a situation we should be aspiring to. Labour in power can empower local councils to build a housing portfolio which is socially conscious, economically interventionist and which delivers for all residents. A strong local government role is desperately needed in our coastal communities and for these communities to be able to recover from the coronavirus pandemic, this is needed more than ever. 



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# JESSIE WILSON

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## THE CHALLENGES & EXPERIENCE THAT THE HOUSING MARKET POSES TO STUDENTS



**A**s a second year student at the University of Birmingham living in Selly Oak, I have extensive first hand experiences of the avoidable challenges that face students while they are, often for the first time in their lives, renting their own homes. The two main challenges are as follows:

- Poor quality of student housing, to the point of houses being uninhabitable or unsafe
- The pressure put on first years to sign a lease 7-10 months in advance of the lease starting

Though the examples I will use are largely based in Selly Oak, these

issues are widespread and felt by students across the country, such that the experience of renting a student house is infamously difficult.

### Poor Quality of Student Housing

**T**hough student homes and lifestyles have become something of a cultural joke, the horrific living conditions that students

are very often subjected to, can be genuinely traumatic and increase students' propensity to drop out of university.

The following are true stories of poor housing, the likes of which are extremely common and familiar to almost any student.

### Poor Quality of Student Housing

**S**ophie paid £429 per month for a house so overrun with rats that, when exterminators were eventually called, they didn't want to tell her how many rats they had found for fear of scaring her!

She said "My room was on the ground floor and I could hear them

in the ceiling at night. We could also hear them fighting and squeaking in the walls of our kitchen. As well as this, there was a toilet we couldn't use for the entirety of the tenancy because it had a horrible smell that we theorized, and later confirmed, was a dead rat under the floor. We never felt clean or

comfortable in the house, and to this day if I hear a squeaking sound I feel really panicky."

She repeatedly called her letting agent and landlord about the issue, but they ignored her completely until she got the council involved. It took six months for the issue to

be dealt with.

A similar story was reported by *The Mirror*, in which another Selly Oak-based student “considered deferring a year and dropping out because it has been so foul”, due

## Mould and Damp

**A lack of structural maintenance of student properties often leads to damp and mould, which affects students’ health.** Again, this is illegal under the Homes Act 2018. According to a survey by Save the Student, one in three students are affected by damp and/or a lack of heating and hot water.<sup>3</sup> At a time when many students are suffering from coronavirus, a respiratory disease, it is unacceptable that they should have to do so while also being subjected to the allergens, irritants and toxins produced by mould and damp.

Joe, who has asthma, lives in a ground floor bedroom which is so damp that his mattress grew mould

to rats and mould in his house.<sup>2</sup>

He continued “It has impacted our mental health. It’s been a massive source of stress and anxiety. Because of Covid you are in your house all the time. But when you

while he was away for a few days and couldn’t air the room out.<sup>4</sup> When he returned home, sleeping on his mattress made him vomit the next morning and, for the sake of his health, he was forced to sleep on the sofa for days, until he was provided with a new mattress. Rather than fixing the faulty windows that caused the problems, Joe’s landlord told him not to close the window for any extended period of time. Particularly in the winter months, this made his room extremely cold and left the house susceptible to burglary.

Similarly Megan, another student facing comparable living conditions, has “damp in multiple rooms

and leaking ceilings too”.<sup>5</sup> Soon after moving in, she “contacted [her] landlord multiple times about the situation only to be dismissed... continually blamed [her] for the situation”. The landlord eventually sent someone to inspect the house after “mould began to grow on [her] clothes”.

The inspector confirmed to her “how bad the house was” and that it was “a problem with the house”, only to later claim to the landlord that “the issues were due to [Megan] and drying [her] clothes inside the house”, which she has to do in bad weather due to the landlord not providing a tumble dryer.

weeks so it’s still one for the six of us and the “good” shower leaks through and is rotting the bathroom floor.”<sup>6</sup>

This is illegal under Section 11 of the Landlords and Tenants Act 1985, which states that landlords have a legal obligation to “to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water”.<sup>7</sup>

dent, signed a lease less than two months after starting university.<sup>8</sup> He said “I definitely got pressured to sign...I got three separate texts off [the letting agent] and they were calling my number the whole day”. Only time will tell if Conor’s tenancy will be a success, since he won’t be allowed to move in until July 2021. However, young students

## Cleanliness

**When writing their own contracts, the vast majority of lettings agents commit to deep cleaning properties before new tenants move in.** However, in reality, this promise is often not kept.

My own letting agent claimed that, on the first day of our tenancy, we could not enter the property until late afternoon because cleaning was in progress. However, when we arrived, it was clear the property had not been cleaned for months as there was dust, hair, mould and

crumbs everywhere.

A student from Lancaster, who will remain nameless and pays £90 a week for their property, said “It wasn’t all ready when we moved in, on the day they promised. The kitchen wasn’t fitted, we had no wifi for nearly two weeks, people’s dirty sheets were left on the bed and the backyard was full of old fridges”. “The basement flooded, under the sink flooded...the radiators barely work, they’ve been saying they’ll fix our shower for 11

## Early Lease Signing

**Students in many cities are aggressively pressured by letting agencies to sign leases up to ten months in advance of their tenancy actually beginning - a length of time far greater than that imposed on non-student tenants.** This puts totally unnecessary stress on students, particularly first year students, as they scram-

ble to find houses mere weeks after starting university, before they are settled in the area and can be sure who they want to live with and where.

It can also lead students to rush into contracts that disadvantage them, or just don’t meet their needs.

Conor, a first year Selly Oak stu-

should not have to make such an important decision so quickly and under so much pressure, particularly when they are likely to be first-time renters.

Personally, when I was in my first year at university, I was told by a lettings agent that I had left it very late to be looking for a house and would have to choose quickly, complete all the paperwork and provide a deposit all on the same day. This was only four weeks after I'd started university, and eight-and-a-half months before the tenancy actually began. I was told there were very few houses left to rent, which absolutely wasn't the case. Had I not been scared into rushing the decision, I almost certainly would have been more discerning and chosen a better house with more reasonable rent.

This problem is particularly pronounced in Birmingham, but it is not inevitable. The issue has been largely solved in Bristol, where the University of Bristol Student Union Lettings agency works with private landlords and students to create an outcome that is acceptable for both parties. Since students are far more likely to use landlords that work with their university, landlords have an incentive to meet students' needs in order to be accepted by Bristol SU lettings. As a result, landlords are less likely to lie to students and pressure them into signing leases, and also less likely to break laws regarding property standards.

This leads to a far better outcome for students. Sam, a student at the University of Bristol, said "Most people at the University of Bristol were looking from January.<sup>9</sup> We

were pretty standard with the timing...I think we were looking at a good time. We had long enough to decide who we wanted to live with and spend a while looking". He said that, had he and his housemates been pressured to sign a lease earlier, "I think we would've ended up in a worse house".

So, how can other universities follow Bristol's example? And what can the government do to help? To find out, I spoke to Dean and Michael, two representatives from the tenants' union ACORN who are also students themselves.<sup>10, 11</sup>

They stressed that much of the legal framework aimed at protecting tenants already exists. However, tenants, particularly students who are usually not experienced in renting properties, don't know what their rights are. As Dean put it, "If you quote the law [to landlords], they actually back off. It's all about consciousness-raising...there are legal ways you can challenge [unfair treatment from landlords], but people aren't aware of it."

Michael emphasised the role of MPs in addressing this lack of consciousness. "MPs have a responsibility to ensure that their student constituents know their rights... dialogue between MPs, students and universities would be a good thing". He also highlighted that "MPs putting pressure on letting agents within their constituencies would certainly help."

Michael also said "because we've seen the decimation of legal aid over ten years of cuts, it is far more difficult for tenants to legally challenge behaviour of a landlord or letting agent". If students, most of whom are already in deep debt to

pay rent, could access free legal aid in order to ensure their rights are upheld, it is unlikely landlords and letting agents would feel so confident in routinely breaking the law.

In the long term, he feels that one of the most useful and effective ways to help students, as well as other tenants, would be to create a national landlord registry. He said that if, "by law, if you own a house of multiple occupancy, then it needs to be registered and it needs to meet certain requirements", then that would be of "great benefit".

In lieu of this, in the shorter term, universities should follow in the footsteps of the University of Bristol and "create [their own] registration programme in which they say 'these landlords are registered and affiliated with the university... we hold these landlords in a higher regard than others, and they have to adhere to a certain code of conduct". This style scheme has been very successful in Bristol, and the government must encourage other universities to follow suit, in order to ensure that their own laws are properly upheld.

Time and time again, we see that much of the necessary laws to protect tenants, particularly students, is actually already in place. All that the government, individual MPs and universities need to do, is to work with students and with each other to ensure these laws are properly upheld, and that those who break the law or show poor behaviour face proper consequences in terms of either legal action, or removal of universities' approval. 



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# JOSHUA GILL

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## THE STATE OF PLAY FOR SUPPORTED HOUSING & HOMELESSNESS FOR YOUNG PEOPLE



### Introduction

**Exact figures for young adults experiencing street homelessness have proven impossible to attain over the decades.**

Street counts, widely used as the main metric since Tony Blair's time as Prime Minister, still do not give a measure of the total number of

people experiencing homelessness over the course of a year, because the duration of each person's rough sleeping is not known. This method only allows us to see a snapshot of the issue that, for many, is a repetitive cycle attributed to an array of social issues.

Throughout this chapter, we will investigate the changing landscape of homelessness, paying close attention to transition between Labour and Conservative governments and how each in turn, dealt with young adults experiencing homelessness in England.

### John Major, 1990-1997

**During the 1990s, the consensus behind homelessness began to change.** Politicians who had previously believed the issue was only present in the capital, were beginning to see signs that it was spreading.

In 1990, a report was released on Homelessness in Britain by John Greve and Elizabeth Currie. Later in December, Labour Peer Lord Stallard called attention to the report in the House of Lords; and to

move for Papers. Lord Stallard said, "The report emphasises that the acute problems of homelessness are not confined to London alone nor even to the south east of England. Homelessness has become a national problem. Two-thirds of the registered homeless live outside the capital. Indeed, for the past 25 years homelessness has been growing faster outside London than in it."<sup>1</sup>

Arguments that rose to dominance

in the 1980s, citing housing shortages as the main reason for homelessness, were being cast to one side.<sup>2</sup> In the same sitting, the Lord Bishop of Bristol supported this reading, emphasising that "homelessness becomes an issue which you cannot solve for yourself, not only if you are young and unemployed but also if you happen to be suffering from mental health problems." The report laid bare the complexity of homelessness, as a set of systemic and engrained so-

cietal issues not merely related to the issue of housing. Furthermore, this uncovered the trend in homelessness among young adults, which stemmed from the 'cycle'. Speaking in response to Lord Stalard, The Lord Bishop of Bristol noted, "One of the major concerns about youth homelessness is the cycle. They cannot obtain employment because they do not have an address. They cannot obtain medical care because they cannot get on a doctor's list." It became clear that single homeless people – and in particular rough sleepers (whose numbers had been growing) invariably had high health and social support needs.<sup>3</sup> The answer to the issue didn't start and end with housing, as Thatcher's government assumed, it began with support, opportunity, education and accompanied by housing.

The authors of the report had noted that homelessness doubled since Margaret Thatcher came to power in 1979 and warned that homelessness would be a growing problem in the 1990s. By the time Major formed his majority government, the problems related to youth homelessness had been known for 40 years. During his time in office, he launched the Rough Sleepers Initiative (RSI) and Homeless Mentally Ill Initiative, although these were criticised for being a responsive action after the first and second St Mungo's organised National Sleep Out Week. The event, which was discussed in Parliament, was repeated again in 1991 and the disapproval for government action was emphasised by the 30,000 people said to have slept out to raise awareness and funds to help homeless people.

Despite launching two initiatives to reduce homelessness and address the 'cycle', Major had failed to address the rising levels of homelessness. There was a serious lack of large-scale investment to address engrained issues and most attention was given to London in Major's early years. Although the work of the Major government had rightly sought to address the myriad of reasons associated with homelessness among young adults, many within the homelessness sector saw John Major's work as responsive, non-progressionist and lacking proper investment. Between 1997 and 1998 the number of people experiencing homelessness stood at 164,620. At the beginning of 1990, it was 150,000.<sup>4</sup> The work of the next government was to build on previous efforts to record statistics, identify systemic issues and root them out.

## Tony Blair and Gordon Brown, 1997-2010

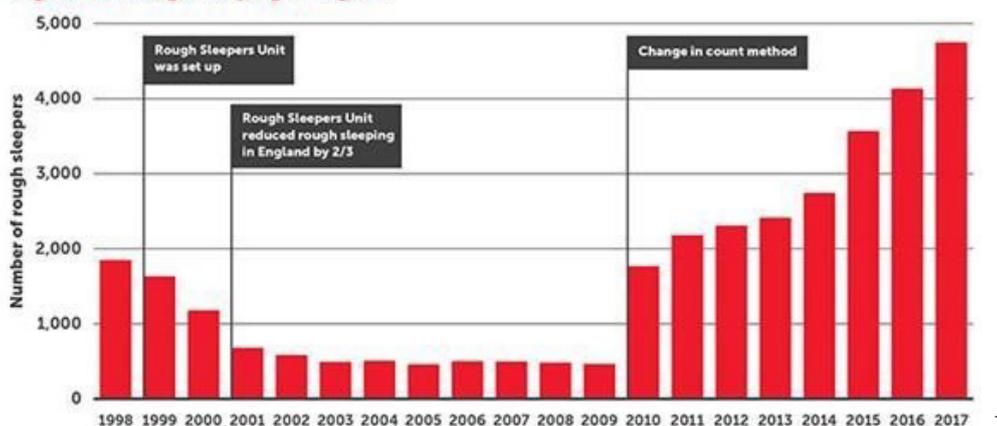
**In 1997, the incoming Labour government, who had previously stated that homelessness was 'the visible symbol of all that was wrong with our country', sought a more effective approach to dealing with homelessness.**<sup>5</sup> A year after assuming power, New Labour launched the Social Exclusion Unit (SEU), to prioritise the key social issues associated with homelessness. Rough sleeping was selected as a high priority and the Rough Sleepers Unit (RSU) created to re-

place the RSI in 1999, following the publication of the 'Coming in from the Cold' report.

The 'social exclusion' agenda sought to tackle structural factors including unemployment, low income and inter-generational poverty, and individual impacts such as mental health, addiction and family breakdown, for the first time since it was recommended in 1990. The appointment of Dame Louise Casey, who headed the RSU, was

also seen as a progressive step in tackling the issue of young adult homelessness. Crisis wrote in their 'Plan to End Homelessness' that, "This Rough Sleepers Unit (RSU), led by ex-Shelter Deputy Director Dame Louise Casey rather than a civil servant, was powerful across several departments. This was vital, as the causes of rough sleeping, and indeed homelessness generally, are complex and involved the failure of many different systems."<sup>6</sup>

Figure 2.3: Rough sleeping in England



Source: MHCLG and RSU

Tony Blair's ambition to cut rough sleeping by two thirds was achieved in 2001 and in 2002. A count estimated that there were 504 rough sleepers in England and Wales, less than half the total in 1998. Blair's work to establish The Homelessness Act (2002) in England and Wales brought in new duties and preventative approaches including the introduction of Housing Options which meant more people could access advice and assistance.

## David Cameron, 2010-2016

**Undoubtedly, the biggest impact to homelessness in the last four decades was the 2010 general election, and the period of austerity ushered in by the Conservative-led coalition.**

The work that Labour accomplished during its over a decade in power, was eroded in just a few years. The efforts Labour made to create stronger cooperative strategies and hand over greater responsibility to local government, led to the system's own breakdown in the hands of the Conservatives. By cutting funds to local government further, the Conservatives created a situation whereby local authorities no longer had the resources to cope with the responsibilities they had been given by the Labour party. Responsibilities that they proved they could handle. This was also accompanied by a series of welfare reforms that also contributed to rising levels of inequality and

## Supported Housing Today

Youth homelessness has always existed beneath the surface and people have continued to misrepresent its significance in national data and government statistics. Although there was a notable decline during Labour's time in government, its effects were short lived. Since their time in power, the rhetoric on homelessness, especially youth homelessness, has also

Although the government continued to reach milestones in rough sleeping reduction, attention had to turn to the numbers of 'hidden homelessness', largely made up of younger adults. Crisis stepped up its own criticism of the Government with a campaign to highlight the plight of Britain's 400,000 "hidden homeless" – those in temporary housing.<sup>8</sup> The accomplishments of Blair and Brown marked a period of dramatic change, featuring some of most substantial

homelessness, exacerbating the 'cycle' of homelessness. The 2016 Homelessness Monitor England said, "Two-thirds of local authorities in England reported that 2010-15 welfare reforms had increased homelessness in their area."<sup>9</sup>

Over the past decade, levels of rough sleeping in England more than doubled as a result of cuts and inaction. A report written by the Cambridge Centre for Housing and Planning Research, stated that in the UK an estimated 1.3 million children have been forced to sleep 'rough' or in an 'unsafe place' and over 255,000 children experience hidden homelessness on any one night.<sup>10</sup>

Despite the government releasing £20 million in funds, sparking the beginning of the 'No Second Night Out initiative', aimed to support rough sleepers to get off the streets and their lives back on track - right across the country – there

changed dramatically. Following David Cameron's Welfare Speech (2012) where he said, 'Can't afford a home of your own? Tough, live with your parents', youth homelessness has been perceived as a lifestyle choice instead of a necessity in times of crisis.<sup>13</sup> This language has since been used as a justification to severely cut budgets and services for young people.<sup>14</sup> It was only

decreases to street homelessness which resulted from progressive strategy and organisation. But Gordon Brown's attempts to declare an end to rough sleeping by 2012 never came.

was little success.<sup>11</sup> National statistics, especially among young persons who were homeless, continued to rise. Conclusions by Heriot Watt University for the OVO foundation on 'Youth Homelessness in the UK', summarised that "The UK-wide programme of welfare reform and austerity measures initiated in 2010 has significantly weakened the welfare safety net and support services available to young people."<sup>12</sup>

The foundational work to combat homelessness, which started in the 1990's began to crumble as the Conservative coalition began to renege on the progressive steps each government had made previously. Homelessness continued to rise dramatically, with the true number of young adults dealing with hidden homelessness remaining unknown.

in 2017 that parliament passed the first significant piece of housing legislation since the 1974's Homeless Act, which enshrined local authorities' statutory responsibility to provide housing for people in need.

For years the demand for temporary or supported housing has far exceeded its availability. The needs of communities across Eng-

land have soared, as waiting lists continue to break records. A report published in 2019, revealed that almost two-thirds (65%) of families have been on lists for more than a year, while 27% had been waiting for more than five years.<sup>15</sup> Unfortu-

nately, the statistics for young adult housing waiting lists remain ambiguous. However, the data for young adult hidden homelessness paints a stark image for how concentrated the issue is among young adults who don't understand the housing

system or who might be stuck in the 'cycle'.

The table below provides estimates for sofa-surfing and rough sleeping, drawing on the 2014 young people's survey.

Numbers during last year	Source	London	Rest of England	Wales	Scotland	Northern Ireland	UK total
Rough sleeping	Table 2.2	118,388	910,823	70,031	122,022	57,078	1,277,546
Sofa surfing	Table 2.5	240,475	988,262	89,484	144,208	53,272	1,514,541
Sofa surfing and/or rough sleeping	Table 2.5	310,768	1,718,395	140,063	240,346	91,324	2,499,547

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Recent research by Centrepont has revealed the reality that young homeless people often leave home after violent and turbulent relationships with their parents. Around six in 10 young people who come to Centrepont say they had to leave home because of arguments, relationship breakdown or being told to leave.<sup>17</sup> The very same reduc-

tions in housing benefit and youth services have effectively removed the safety net for those who are not able to rely on their families for support. Young people who report as homeless represent the poorest and most marginalised young people in the UK.

To reduce the numbers of young adults experiencing homelessness

we need to see more supported housing units and a greater investment in local government to lead on preventative homelessness strategies. The proper funding of Critical Time Interventions and an evidence-based approach will help those most at risk of homelessness. 🇬🇧



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# **YOUNG FABIANS HOUSING REPORT**

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**YOUNG FABIANS**

