



tent city, Sacramento, USA 2009



Climate Camp, Kingsnorth, 2008

Poles apart? But we're facing a common problem

Some useful organisations

London Tenants Federation
Camden Federation of Private Tenants

www.londontenants.org
www.cfpt.org.uk

Defend Council Housing
Advisory Service for Squatters
Shelter

www.defendcouncilhousing.org.uk
www.squatter.org.uk
www.shelter.org.uk

Housing Justice
London Coalition against Poverty
The Land is Ours

www.housingjustice.org.uk
www.lcap.org.uk
www.tlio.org.uk

Radical Routes
Games Monitor

www.radicalroutes.org.uk
www.gamesmonitor.org.uk
www.corporatewatch.org

Corporate Watch
International Network for
Urban Research and Action
City Mine(d)

www.inura.org
www.citymined.org
www.reclaiming-spaces.org
www.hic-net.org
<http://eng.habitants.org>

Reclaiming Spaces
Habitat International Coalition
International Alliance of Inhabitants



Housing is a right – not a commodity

Housing is a right

HOW DID WE GET INTO THIS STATE?

Public service workers in London earning less than £50,000 a year are unable to get on the housing ladder. The wealthy few sitting on land and often empty houses just watch their income grow while single earners struggle to pay the rent or the vulnerable unemployed are stigmatised on council estates. Migrant workers cramped in overcrowded and below-standard accommodation face ignorance of their contribution to the economy. The homeless languish in chaotic bed and breakfast establishments.

And that was before the credit crunch!

As the climate campers prepare to pitch their tents in the Square Mile, real tent cities spring up across the USA on a scale not seen since the 1930s. As the grim repo man stalks their cities, the homeless victims of the sub-prime meltdown come down to earth. The mirage of universal home ownership under the American capitalist dream dates back to the 1920s before the Great Crash, and there is little state infrastructure to act as a safety net for households with the demise of the banks and mortgage lenders.

FROM RUBBLE TO BUBBLE

In the UK a welfare state grew out of the rubble of war in 1945, and house-building escalated under pressure from tenants' actions and squatters' movements.

Sixty years ago, Nye Bevan envisaged a huge investment in municipal housing that would create a "living tapestry" of mixed communities (the miner next door to the bank manager, no less), underpinned by full employment. Council tenants were not demonised as an (anti) social underclass as they are today. Even in 1979, 20% of them were in the top 10% of earners. Today, some 7 in 10 of tenants' families are in the bottom 2/5 of the population in terms of income. Over the last two decades council house building has almost ground to a halt, while waiting lists grow.

not a commodity

In 1979, when Margaret Thatcher came to power, 42% of the population lived in local government accommodation, a figure now reduced to just 12%. She hit council housing stock with a double whammy: "right to buy" for existing tenants and a stricture on local authorities to hand over 75% of sales receipts to the Treasury, thus preventing replenishment of public housing stock and forcing up demand for private housing with consequent price inflation.

Nonetheless, the recession of 1992 flashed up warning lights for the "property-owning democracy" and forced a rethink among the powers-that-be. Thatcher had "rolled back" the state to enable the market to flourish, but now it was necessary for the state to come to the rescue of what has come to be known as "neo-liberalism". Eddie George, governor of the Bank of England from 1993, stated to the House of Commons Treasury Select Committee in 2007 that "we only had two alternative ways of sustaining demand and keeping the economy moving forward – one was public spending and the other was consumption through extending credit for increased high street spending." In May 1997, Gordon Brown, the new Chancellor of the Exchequer, made up his mind. Public spending was to be frozen for two years. He told the Bank of England to use consumer spending to stimulate the wider economy. This was to be achieved by increasing credit and debt.

Of course, freezing public expenditure was incompatible with the Labour party's manifesto commitments to build new hospitals and schools, and oppose Tory private finance initiatives, so the latter commitment was broken and the off balance sheet wheeze was brought in to keep Britain within the Public Sector Borrowing Requirement but at major long-term cost to the taxpayer. The preferred vehicle for new house-building has become the housing association rather than the local state, and development was increasingly set loose from public accountability. Housing associations, which had initially served to provide homes for those not eligible for municipal housing, have now often morphed into corporate giants looking to enter into partnerships with property developers, in turn creating a real deficit in tenants' rights. These "registered social landlords" have been joined by "arms length management organisations" (ALMOS) that manage council properties.

BANKING ON HOUSING

In the decade following the election of New Labour, right-to-buy sales totalled around 470,000 units, peaking in 2003 at over 70,000 in the year. During the same period, local authority completions numbered little more than 1,700 (never rising above 300 a year and dipping to just 50 in 1999). Housing associations built about 170,000 units. This obvious shortfall against need was great news for private landlords, who were able to charge exorbitant rents to those unable to buy or on waiting lists.

Despite Gordon Brown's claim that the economic crisis is all the fault of US sub-prime, the same trends were apparent in the UK credit boom as commercial banks turned themselves into investment banks under the benevolent eye of the state, creating the housing bubble. The credit boom was increasingly underwritten by a flow of mortgage finance, leading to an unlimited amount of money chasing a finite housing stock. Housing prices rose by 150% between 1996 and 2008, when they finally peaked. As recently as 2004, a staggering 63,000 mortgages were granted here at a price 10 times greater than the applicant's income. In 2008, there were 40,000 home repossessions across the UK and current estimates for 2009 are in the order of 70,000-75,000.

But the other side of the housing bubble coin has been the crisis of homelessness, counted in the millions who are denied a step on the greasy pole to affluence. The crisis has been exacerbated by municipal housing drying up and so-called "regeneration" rolled out to attract the new rich – those above a largely mythical "affordability" line – and to displace the poor whose presence adversely affected house prices.

In 2008, up to 1.7 million households were on council waiting lists – up 60% from 2001. Following the credit crunch, it is expected there will be 2 million in 2010 – affecting some 5 million people including children. Officially there are 80,000 households homeless, not counting those crowding in with friends or relatives. Set this against the estimate that in 2008 there were some 750,000 properties standing empty in Britain – over 40% of these long-term – and the crisis becomes a scandal. Much of this is due to the (non)activities of builders and speculators (land) banking on

the eternal appreciation of house prices. Even for those with a roof over their heads, money spent on housing costs means less for food, clothing and health, and undermines attempts to reduce poverty at time when differences in wealth between rich and poor have widened to a chasm.

HOMING IN ON LONDON

Nowhere are the disparities of wealth more marked than here in London, touted as a paragon of global finance for the past decade, which sucks in the international bourgeoisie with associated financial, legal and service industries. The light touch of regulation in the City of London, with its processing of offshore fortunes, has distorted national and global development and colonised public spaces. The Mayoralty and Greater London Authority, themselves housed by a private consortium, "More London", are tasked with strategic planning of the metropolis in this unpromising environment. Mega developments such as Kings Cross, Elephant, White City and Stratford ring the inner city, favouring retail, leisure and sports complexes for the better off. Meanwhile the poor are displaced, and middle-income earners head for cheaper homes in the outer suburbs. This in turn exacerbates horrendous and expensive transport conditions. The average travel to work time in London is 43 minutes compared with 20-25 minutes in other regions.

Local groups have used the limited means at their disposal to hold up the developers, and bargain for more "affordable" housing units against the profit-seeking developers of the shareholder city. Where profit is the main concern (plus a distasteful dose of PR), the private builders balk at infrastructure costs that include affordable housing. This starkly highlights the lack of public sector investment. Neither the Mayor nor the borough councils have used their planning "powers" to ensure social infrastructure, and the mega developments generally involved the demolition of existing council housing.

The original London housing target of 23,000 units a year was revised upwards in 2006 by the London Plan to 30,500 annually, a 33% increase. **The total net requirement has been estimated (2007) as 35,400**

a year to meet population growth and housing need backlog over 10 years – of which 22,000 need to be affordable. The policy was for 50% affordable (35% social; 15% intermediate). “Affordability” meant: intermediate a midpoint of £35,600 a year income based on housing costs of £830 monthly or £190 a week, and social a guideline of 30% of net income. In any event Ken Livingstone did not deliver on his 50% affordable target and Boris Johnson has ended the policy altogether.

HOUSING, THE UNIONS AND POLITICAL ACTION

During the years of boom before the economic crisis, housing was never seriously raised as an election issue. A cross-party consensus extolled the property bubble as a boon to their middle England constituents, who hold the balance of power in our first-past-the-post electoral system. Millions of people have been effectively disenfranchised, and the social forces that have underpinned market economics remain a threat to any radical political movement that can develop in the perfect storm conditions following from the lower wages, unemployment and home repossessions to come.

Most trade unions have failed to raise a serious debate on housing inequalities, and generally went with the flow when low wages still promised job security, a long-hours culture persisted, and minor if hard-fought achievements such as the minimum wage added to the general complacency. There was some focus on raising local weighting for key workers such as nurses and teachers, but that only reinforced the regional distortions of the housing market caused by the financialisation of the economy.

Now in crisis, the unions are learning to adapt by agreeing losses in hours and earnings in the none-too-certain expectation of staving off redundancies. But members are waking up to their current powerlessness in averting what is laughably described as “shared sacrifice” with the bankers and executives. They may have lost big, but expect to be bailed out in the prospect of an eventual upturn and business as usual. They still expect the rest of us to pay for the crisis and to stay in our social place. We won't tolerate this. One way or another, things can never be the same again.

WHAT ARE THE PROSPECTS FOR RADICAL ACTION ON HOUSING?

The next pre-election year offers the best prospect for reversing the direction of policy as new Labour attempts to claw back its working class constituency. There will be more warm words from Gordon Brown and Margaret Beckett on kick-starting the construction industry and revitalising council housing. Some actions are already apparent. But small measures from above are no substitute for a bottom-up residents' movement, employing a mix of direct action and lobbying pressure to build a powerful coalition of forces that can face down a return to the speculative capitalism that rides roughshod over the basic human right to housing. Such a coalition cannot allow divisions between private and council tenants, tenants and leaseholders, those selling their labour power and the unemployed.

ASK NOT FOR WHOM THE BAILIFF CALLS, HE CALLS FOR US ALL!

AN INJURY TO ONE IS AN INJURY TO ALL!

DECENT SUSTAINABLE HOMES FOR ALL!

Produced by London Housing Action Now! For more info, email: londonhousingactionnow@gmail.com

