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# “Housing rights and housing duties : the twisted legacies of investments in the UK’s private rental market”

Presentation to the ‘*Generation Rent*’ seminar, 13 February 2015,  
University of Sheffield

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## Housing rights and housing duties

### Contents of presentation

- Considerations about intergenerational ‘rights’ & ‘duties’
- Values apparent in the growth of the UK’s PRS
- The actions of housing ‘stakeholders’ - NEF case study
- Can the PRS have a ‘sustainable’ legacy?.....

## Housing rights and housing duties

**The debate about the PRS is fundamentally about social equality :**

*“There is increasing inequality between those who are able to become homebuyers (often aided by parents who already have a stake in the housing market) and those who cannot afford to leave the private rented sector”*

*Kate Barker (2014)*

## Housing rights and housing duties

### Previous considerations about intergenerational ‘rights’ .....

- to have a roof: council housing / owner-occupation
- to affordability: social rents / mortgage repayments
- to the State’s assistance – especially when fragile
- ‘home ownership’ is open to all
- a consensus *to have provision* for the next generation

## Housing rights and housing duties

### Previous considerations about intergenerational ‘duties’ .....

- housing providers to help access more housing
- financiers to set affordable costs
- individuals to seek self-sufficient home-ownership
- ‘social’ housing to be provided by social housing bodies
- a consensus *to make provision* for the next generation

## Housing rights and housing duties

### Current views on 'rights' and 'duties'

- the State's primary *duty* is to safeguard the economy
- the *duty* of the finance sector is to limit risk / maximise return
- no absolute *right* exists for people to keep their home
- the State's *should* utilise third parties before 'social' providers
- home ownership is failing – alternative 'choices' are needed

## Housing rights and housing duties

### What the change in views represent in general (1)

- removal of consensus to provide for the next generation
- reduction in ownership opportunities for first-timers
- a focus on ‘risk’ with minimal connection to social outcomes
- state subsidisation of private rental businesses
- reduced concern to link stable housing with a stable society



## Housing rights and housing duties

### What the change in views represent in general (2)

#### **A very contemporary poverty :**

*“The average household in the private rented sector spends 40% of their income on rent compared to the average mortgaged owner occupier household only paying 20% of their income”*

*(English Housing Survey 2012/13 quoted in Lyons Review, 2014)*

## Housing rights and housing duties

### Values apparent in the growth of the UK's PRS (1)

- the housing sector's priorities for private investment returns
- prioritisation of *property*-ownership and portfolio growth
- lure of buy-to-let income for housing investors / pensioners
- 'cross-funding' will reduce calls on public grant finance
- justification of 'neo-liberal' pro-market policies & supply

## Housing rights and housing duties

### Values apparent in the growth of the UK's PRS (2)

- PRS benchmarks for other modern rental development
- poor private sector practices will not meet market demands
- assumptions on 'home-sharing' / household mobility
- PRS to dominate the planning and strategic consensus
- complacency about reliance on PRS, security & costs

# Housing rights and housing duties

## The perceived role of the PRS .....

As highlighted in Chapter 1 and reinforced by evidence to the review there is considerable potential for the market rented sector to have a positive impact on the housing market by providing additional homes, creating jobs, improving choice, and driving up quality and standards. However, if renting is to be a tenure of choice not a last resort, affordability in higher demand areas will have to be better, and standards of property and management will have to improve. A bigger market rented sector will help improve quality and drive down the cost of supply by counteracting the shortage of rented accommodation, particularly in London and other vigorous labour market areas, which has forced up rents very quickly.

Lyons Review 2014

## Where is the evidence to support this?

## Housing rights and housing duties

### The evidence of actual PRS impacts ....

- Social impact: owner polarisations / divisiveness / insecurity
- Economic impact: inflation of markets / costs / prices
- Environmental impact: high densities / inflexible standards

**n.b.** NPPF ‘sustainability’ = economic priorities *of providers*

PRS represents the *antithesis* of holistic ‘sustainability’

## Housing rights and housing duties

### The actions of housing ‘stakeholders’ : New Economics Foundation (1)

- NEF ‘Defined Income Scheme’
- specifications for delivery of units with *guaranteed* income
- level of rental flow dictates degrees of ‘subsidised’ units
- planning permissions require flexibility of approvals
- targeted to encourage ‘new’ investment entrants

## Housing rights and housing duties

### The actions of housing 'stakeholders' : New Economics Foundation (2)

- another prioritisation given to investment returns
- an unravelling of core principles for planning approvals
- evident inflexibility over the promotion of other tenures
- PRS-paradigm promoted as having only positive outcomes
- income for authorities - Elphicke Report, 2015

## Housing rights and housing duties

### Summary on PRS' poisonous legacy ...

- huge risk to complete devaluation of 'affordable' provision
- continual inflation of all costs up to private market rates
- rifts in the UK's social fabric fostered by PRS insecurities
- indifference to new poverty or need for egalitarianism
- abdication of responsibility to the next generations



## Housing rights and housing duties

### Are there alternatives to PRS and its impacts? *(Field 2014)*

- enforce non-PRS / collective rental by planning policies
- set lending targets and low-cost prices to help first-timers
- link ‘bonds’ for investment capital to social outcomes
- penalise ‘crowding’ by minimum space standards
- **Challenge Complacency / advocate social duties**

## Housing rights and housing duties

### Selected sources

Barker B (2014) *Housing : Where's the Plan?* in 'Perspectives' ed. Diana Coyle

DCLG (2015) *The Elphicke-House Report : From statutory provider to Housing Delivery Enabler: Review into the local authority role in housing supply*, DCLG

Field M (2014) *Reappraising the place for private rental housing in the UK market: Why an unbalanced economy is at risk of becoming even worse. . .* Local Economy 2014, Vol. 29(4–5) 354–362

Lyons Housing Review (2014) *Mobilising across the nation to build the homes our children need*

New Economics Foundation <http://www.neweconomics.org/projects/entry/defined-income-flex-scheme>

This paper proposes an examination of the values that are apparent in the recent growth of the UK's private sector rental housing market. It looks at assumptions of 'rights' and 'duties' that successive generations have supposed will govern access to future housing resources, and challenges the manner in which current economic narratives camouflage the deliberate orchestration of housing-based wealth creation towards distinct sets of stakeholders, at a growing cost to households whose circumstances are outside of those privileged sets.

Particular consideration is given to how a traditional discourse on 'rights' and 'duty', and its regard for a corresponding responsibility from one set of stakeholders towards others, has been undermined by the political and neo-liberal priorities now given to housing 'investment', rather than to securing appropriate long-term accommodation for all the UK's population.

A current 'investment' initiative discussed by the New Economics Foundation will be used as a case study for this shift in the shaping of future housing opportunities, and will illustrate the extent to which contemporary UK funding and residential provisions represent the antithesis of 'sustainable development', given that they are harnessing social, economic and built environment forces into a demonstrable weakening of what is needed to sustain wider UK society.

*Thank you  
for listening*

Any Questions?

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