HOUSING: THE CLASS DIMENSION

Summary

- In recent years, the relationship between housing and social class has been neglected: unfortunate given the association between housing, social class, political disenchantment and the Brexit vote due, in part, to a hotchpotch of social class definitions.
- Land ownership patterns indicate the possibility that the late 19th century division between a 'landed aristocracy' and the 'landless' has contemporary salience.
- Home ownership expanded rapidly from the 1960s to the early 2000s and helped to boost resistance to new development. Today, homeowner opposition to new homes being built in their local area is almost double that amongst social and private rental tenants and is highest amongst those over 65.
- Statistics relating to social class and owner-occupation are scarce but the available evidence indicates a very strong class dimension to home ownership decline.
- Wealth is family wealth with housing wealth cascading down the generations to perpetuate wealth inequality.
- Homeownership decline and private renting growth are two sides of the same coin: as private renting has increased, homeownership has declined with the fall in home ownership in the various age groups since 2003 almost entirely reflected in enhanced private renting.
- The most troubling aspect of the growth in private landlordism has been the rapid increase in the number of households with children in the private renting sector. More and more potential 'second steppers' have turned to the private landlord sector to expand their living space.
- The private landlord profile replicates the class and age dimensions of the owner-occupation divide. Over half (59%) of landlords are aged 55 years and third are retired. Private landlord characteristics, combined with the profile of outright homeowners, have intensified social class wealth divisions
- Social Renting has always displayed a strong social class divide that, over the past 40 years has changed and intensified.
- The Brexit vote revealed a social class fissure related to housing conditions.

- There are few signs that the housing crisis related to social class is abating with implications for future General Elections.

Main Text

Statistics connecting housing outcomes to social class are scarce, reflecting a 30 year neglect of social class in analysing housing policy outcomes. This inattention has been unfortunate given the association between housing, social class, political disenchantment and the Brexit vote.

Social class refers to a grouping of individuals who occupy a similar position in the economic production system. Whereas mainstream Marxist Political Economy asserts that there are only two classes — those who own the means of production and those that do not — there are many social class taxonomies. In 2015, Savage et al added cultural and social capital to economic capital to produce a seven class division: Elite; Established middle class; Technical middle class; New affluent workers; Traditional working class; Emergent service workers and the Precariat.

Until 2001 the Registrar General categorised class by the occupation of the chief income earner. Grade A was the upper middle class (higher managerial, administrative or professional). The middle class (intermediate managerial, administrative, professional) were in Grade B and C1 was the lower middle class (supervisory, clerical, and junior managerial, administrative, professional). The working class was divided into skilled manual workers (C2) with semi-skilled and unskilled manual workers labelled D. Grade E was composed of casual workers and those depending on state welfare for their incomes. The social class system was updated for the 2001 Census in and is now known as NS-SEC (National Statistics Socio-Economic Classification). It differed from the previous classification in that it grouped occupations by employment conditions and relations rather than skills. Allocating an NS-SEC category to a household involved deciding which household member best defines that household's position. This person was called the household reference person (HRP). The HRP was defined as the person responsible for owning or renting or who is otherwise responsible for the accommodation. In the case of joint householders, the person with the highest income took precedence. The classification was:

1.Higher managerial, administrative and professional occupations

1.1 Large employers and higher managerial and administrative occupations

1.2 Higher professional occupations

2.Lower managerial, administrative and professional occupations

3.Intermediate occupations

4.Small employers and own account workers

5.Lower supervisory and technical occupations

6.Semi-routine occupations

7.Routine occupations

8.Never worked and long-term unemployed
(ONS,2016)

Income is often used as a class proxy and New Labour's 2010 Equality Act required public sector bodies to exercise their functions in a way designed to reduce the outcome inequalities resulting from 'socio-economic disadvantage'. The 2010 coalition government axed this 'socio-economic disadvantage' clause. Income is related to occupation but income often includes state provided resources thereby obscuring the market position of people with lower paid jobs. 'Socio-economic disadvantage', with its paternalistic 'social exclusion' connections, is not social class.

This definitional hotchpotch has contributed to a dearth of reliable information on class/housing relationships. Occupation is the key to social class in that it marks position in market capitalism but the National Statistics Socio-Economic Classification lacks a long time series and data on its nine major classes is difficult to summarise. The Cabinet Office's publication *Ethnicity: Facts and Figures* (Cabinet Office, 2019) qualifies some of its ethnicity figures with a three dimensional class taxonomy: higher managerial, administrative and professional classes; intermediate occupations and routine and manual occupations.

Land

In the late 19th and the early 20th centuries, land ownership was a major political issue. The emerging middle class challenged the landed aristocracy on their land monopoly alleging it produced an 'unearned increment' for landlords from the enhanced land values generated by community activity. When, in 1873, radicals alleged that less than 150 men owned half of England, Lord Derby, sanctioned an inquiry into land ownership to refute the claim. The inquiry outcome was a Lord Derby 'own goal', giving support to the radicals' claim. No government has published a landownership inventory since 1873. The Land Registry has said it will complete one by 2030 but, without compulsory land registration, this will be a difficult task. Although Guy Shrubsole's book *Who Owns England?: How We Lost Our Green and Pleasant Land, and How to Take It Back* will provide useful data, the information dearth on landowners is a triumph for landlords. Some enlightenment can be obtained from the existing meagre data. Royalty and nobility form 28% of the top 50 UK landowners, Utility Companies 18%, 'charitable' organisations such as the Forestry Commission, and National Trust 9%, and property developers 6% (ABC Finance Limited,2018) but little is known about the development potential and value of such landholdings. Land ownership patterns indicate the possibility that the late 19th century division between a 'landed aristocracy' and the 'landless' has contemporary salience.

Homeownership

Land ownership declined as a top political issue from the 1940s, perhaps a consequence of high death duties, the 1947 Town and County Planning Act nationalising development rights, and Labour's repeated — but failed — attempts to tax betterment gain. In the late 1950s a new dimension to land ownership emerged. Homeownership started to increase and established owner-occupiers began to use the planning system to protect their assets and, in so doing, prop up the established land ownership system. As Harold Bellman, Chair of the Building Societies Association remarked in 1927, home ownership became a 'bulwark against Bolshevism and all that it stands for'. Green belt designations, promoted by Duncan Sandys via Circular 42/55 (MHLG, 1955), accelerated, despite objections from large boroughs that were being 'fenced in'.

Home ownership expanded rapidly from the 1960s to the early 2000s and helped to boost resistance to new development. Today, homeowner opposition to new homes being built in their local area is almost double that amongst social and private rental tenants and is highest amongst those over 65 (DCLG, 2017).

Positive planning — aimed at promoting good development as part of a comprehensive plan — became negative. As Lord Porter said, 'You don't actually need a plan to be able to build houses; you need a plan to stop building houses'. Green belts became sacred cows, regarded as god-given rather than designated by local authority planners and councillors under central government guidance. Green sites, not in a green belt, were robustly defended at local level, with the ammunition supplied by the Campaign to Protect Rural England. The Skeffington Committee (Skeffington, 1969) promoted participation in planning but some Labour leaders, including Harold Wilson, regarded the public involvement clauses in the 1971 Town and Country Planning as wanted by 'only a few interfering members of the middle class, who were hostile to Labour' Shapely (2014).

In attempts to reconcile growing household formation with 'Middle England' resistance to green site development, John Major's government, New Labour and the coalition government promoted 'Brownfield First'. Under New Labour the brownfield site development proportion increased from 55% in 2001 to 71% in 2010 but has since dropped, and now fluctuates between 56% and 60%. 'Brownfield First' was justified as contributing to urban regeneration but restrictions on overall land supply pushed up land and house prices and brownfield site densities were high — 51 addresses per hectare in 2009 — compared to 32 addresses per hectare for non-previously developed land (DCLG, 2010). Some brownfield sites — isolated and surrounded by industry — are unpleasant places to live (Economist, 2013).

As argued in another post, *Planning: A Class Act*, the planning system has become a mechanism for preventing houses being built in areas where opposition is vociferous. However, as Edwards (2017) claims:

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

‘Generation rent’

‘Generation rent’ is a label frequently applied to people aged 16-34 but homeownership decline is rapidly rising up the age scale (see Table 1).

Table 1: Homeownership by age: 2003 and 2018

	2003	2018
25-34	43.8	27.7
35-44	66.6	52.9
45-54	75.4	63.8
55-64	76.6	71
65+	76.2	76.6

(Source: Resolution Foundation, 2019)

Statistics relating to social class and owner-occupation are scarce but the available evidence indicates a very strong class dimension to home ownership decline. Green (2017) has demonstrated that, in 1991, compared with young people with parents in semi- and unskilled jobs, those with parents in professional and associate professional jobs were 1.44 times as likely to own a home, and those with parents in skilled jobs were 1.34 times as likely. By 2013, those with parents in skilled jobs were now 1.55 times as likely to own a home as those with parents in semi and unskilled jobs and young people whose parents had professional jobs were 2.39 times as likely to own a home as those whose parents had semi or unskilled occupations.

Blanden and Machin (2017) found a relationship between people whose parents were homeowners and their children’s homeownership rates, a relationship that has strengthened in recent years. They state:

> It is clear that cohort members who grew up in owner occupancy are more likely to be owner occupiers themselves....Those with parents' who were home owners have an owner occupancy rate of 80 percent and those without this advantage have an owner occupancy rate of 59 percent, a gap of 21 percentage points.

The Resolution Foundation (2018) claimed that:

> Our analysis reveals two key findings. The first is that at the age of 30 those without parental property wealth are approximately 60 per cent less likely to be homeowners. Secondly we find that the amount of property wealth your parents have increases the chances that you yourself will become a homeowner. Moving from the median amount of property wealth up to the 75th percentile increases the probability that someone's children will, in a given year, become a homeowner by over 11 per cent. Moving down to the 25th percentile reduces the probability by approximately 7 per cent.

In 2017/8, only 3.8% of first time buyers in England came from the lowest income quintile, 9.1% from the second lowest but 31.4% came from the fourth quintile and 32.7% from the highest income quintile (MHCLG, 2019).

The accommodation space acquired and its type also requires consideration. Unfortunately, there is very little information on the overall space available to each social class according to tenure, age and number of inhabitants, but overcrowding figures — based on the 'bedroom standard' — reveal that 1% of White British from the higher managerial, administrative and professional classes were overcrowded (6% of 'other than White British'), and 3% of White British routine and manual workers (12% of 'other than White British') [MHCLG, 2019]. Under-occupation — at least 2 bedrooms more than needed according to official classifications of need — 50% for White British' and 27% for 'other than White British' (higher managerial, administrative and professional classes), 40% for White British' and 27% for 'other than White British' (intermediate) and 29% for White British' and 14% for 'other than White British' (routine and manual occupations). By tenure, under occupation is 53% for White British' and 37% for 'other than White British' (owner-occupation); 10% for White

British' and 6% for 'other than White British' (social tenants) and 17% for White British' and 9% for 'other than White British' (private tenants) [Cabinet Office, 2019]. Homeowners are increasingly acquiring more space. In 2003/4 45% of owner-occupiers were under-occupying (11.8 % social renters, 17.5% private tenants). In 2017/8 53.5% of owner-occupiers were under-occupying (9.6 % social renters, 14.6% private tenants) [MHCLG, 2019].

'Terraced' includes a variety of housing types ranging from the £3 million plus 'town houses' in Bath to the £35,000 home in Redcar. Across the UK, terraced houses are cheaper than semi-detached and detached houses with, in 2018, terraced houses priced at £179,000, compared to £208,148 for semi-detached homes and £292,000 for detached properties (Nationwide, 2019). However in many parts of England, terraced prices have been losing ground to detached and semi-detached properties. In the North West, for example, terraced properties were worth 50% of a detached home and 75% of a semi-detached home in 2007: in 2018, 40% (detached) and 69% (semi- detached). In part, this reflected the scramble to get on bottom rungs of the housing ladder in the 2003 to 2007 price boom that disproportionately pushed up prices at the lower end of the market. Given that working class households are more likely to own terraced properties, relative housing type price changes will have influenced wealth inequality.

The Bank of Mum and Dad

Wealth is family wealth. As an example, according to a report published in 2019 by the Intergenerational Foundation, at least 10% of the wealthiest students from the UK have their fees paid upfront by their parents. At Oxbridge, the percentage climbs to 16%, meaning that they circumvent accruing the considerable interest paid by poorer students. 73% of respondents in a 2010 survey wanted to pass their wealth to their children (National Centre for Social Research 2010).

The ways that wealth cascades down the generations is complex but the 'Bank of Mum and Dad', plus the 'Bank of Grandpa and Grandma', play a role in perpetuating housing wealth inequalities. Equity release provides a small part of the 'Bank of Mum and Dad' resources to help their children but there is a strong connection between property wealth, income and liquid savings. Baby boomers' incomes are relatively high. Pensioner households under 75 had an average weekly income of £361 in 2016/7, compared to £265 for households over 75, mainly the outcome of the growth in occupational pensions. There are considerable income variations within retired households with, in 2016/7, the top quintile of retired households having an equivalised disposable income of £49,226, the second quintile £29,011 and the bottom quintile £12,149. With the mortgages of the highest quintiles likely to be low or paid, their housing costs will be small. The average cash savings of the age group 65-74 was £49,000 (DWP, 2017).

Young people have increasingly relied on their parents to supply finance for house purchase. Legal and General (2018) calculated that 316,000 (27%) young people were helped to buy a home by the 'Bank of Mum and Dad', given £18,000 per child to help finance £81 billion property acquisitions This put the 'Bank of Mum and Dad' into the top ten mortgage lenders.

Private renting

Homeownership and private renting are two sides of the same coin: as private renting has increased, homeownership has declined with the fall in home ownership in the various age groups since 2003 almost entirely reflected in enhanced private renting.

Private renting has been moving up the age scale, in part, due to the 'rent trap'. Access to the private landlord is easier than for homeownership because deposits are much smaller. Housing Benefit helps lower-income households and the Financial Services Authority's mortgage affordability tests are not applied. However, there is a 'rent trap'. The average private tenancy deposit in England and Wales is £1,041, with London deposits around £1,750. Agent fees — now abolished in England by the 2019 Tenant Fees Act — have been significant, on average £200-£300, but can be over £800. Private tenants move frequently — 860,000 households moved within from one privately rented home to another in 2017/8 (MHCLG, 2019) — so moving costs are significant in outgoings. Rent levels are high. On average, those buying their home with a mortgage spend 17% of their household income on mortgage payments whereas rent payments are 33% of household income for private renters. Excluding Housing Benefit, the average income proportion spent on private rent was 37% (MHCLG, 2019), — ranging from 49% in London to 23% in the North West (BBC News, 2017), limiting the ability to save for a mortgage deposit.

The most troubling aspect of the growth in private landlordism has been the rapid increase in the number of households with children in the private renting sector. Between 2003/4 and 2016/7, the number of homeowner couples with dependent children plummeted from

3,089,000 to 2,602,000: a decline from 73.3% to 53.1% in the two parent household homeowner proportion.

Finding an affordable home with more space when children arrive has become increasingly difficult. Home size in England is a contested issue. An investigation into housing space standards in England reached some very tentative conclusions.

> For the whole of the English housing stock, and for most dwelling types, average internal floor area has remained fairly constant over time, particularly if homes built before 1919 are excluded.
>
> There is some evidence to suggest that for medium and larger sized family homes, there were generally more habitable rooms within properties of similar total floor area from around 1980. The inclusion of rooms such as *en suite* rooms and utility rooms, some of which may have been added after a home was originally constructed, may be making our modern homes feel smaller.
>
> (MHCLG, 2018)

Extensions seem to have played an important role in maintaining space standards.

During the 2003 to 2008 house price boom, first-time buyers stretched their resources to get a foot on the homeownership ladder. Housebuilders responded to rising prices by building flats and cutting space standards. Bedrooms dropped to below three for the first time ever and their size dwindled. Compared to the 1990s, the homes built were $4m^2$ smaller. In many parts of England house prices declined with the homes bought by first-time buyers dropping by relatively more than the houses they required for expanding families, leaving potential movers short on equity. Moreover, in response to the credit crunch, mortgage lenders increased deposits, a problem compounded by the Financial Conduct Authority's affordability tests that included high child care costs. In 2018 Lloyds Bank reported that the average equity gap between the existing homes of potential 'second steppers' and the property required to accommodate a growing family was £50,000. Moreover, in response to the credit crunch, mortgage lenders increased deposits, a problem compounded by the Financial Conduct Authority's affordability tests that included high child care costs.

More and more potential 'second steppers' have turned to the private landlord sector to expand their living space. In England, the number of households with dependent children renting privately (couples and single parents) increased from 503,000 in 2003/4 to 1,025,000 2010/11 and, by 2016/7, had reached 1,724, 000. Noting that homeowners are now moving half as often as before the 2008 recession, BBC News quoted Savills as stating ‘Those not trading up are the forgotten people of the housing market....We've concentrated on first-time buyers. They get the concessions and all the focus has been on getting people onto the housing ladder’. The Help to Buy Equity Loan has helped first-time buyers onto the homeowner ladder but, although its upward house price impact may have helped ‘second steppers’ to acquire more equity, they have acquired only 19% of the loans. Land Tax Stamp Duty Relief — zero up to 300,000 and 5% from £300,000 to £500, 000 — applies only to first-time buyers and, when the current Help to Buy Equity Loan scheme ends, the new version will only be available to first-time buyers.

Although, in England, bedroom numbers and the house proportion relative to flats in new build homes have increased since 2009/10, the dwellings built post 2005 consist of 44% flats and 54% with two or less bedrooms compared to 18% flats and 37% with two or less bedrooms for dwellings built before 2005 (Wilson et al 2018). UK figures on housing space price per square metre are sparse but new UK houses are expensive ‘rabbit hutches’ compared to their continental equivalents. In 2014 the average size UK *new* home size was 87 square metres compared to 109.2 (Germany); 137 (Denmark); 112.8 (France) 96 (Austria) and 82.2 (Portugal) [Jones, 2017]. €200,000 bought 119 m^2 in Spain, 94 m^2, in Belgium, 97 m^2 in Germany and 39 m^2 in the UK (Deloitte, 2016).

A rough and ready new house size calculation in relationship to occupancy placed UK houses at the 12th most expensive in a 16 country list, above only Hong Kong, Russia, Italy and China (Shrinkthatfootprint, 2018). Central guidance on space standards — introduced in 2015 and officially known as the ‘nationally described space standard’ — gives local authorities the option to set minimum sizes for new homes. Although 37m^2 is now the minimum legal standard in London for a new-build one person flat, under the ‘permitted development’ system, developers who convert offices into homes do not have to meet minimum floor area standards and the smallest studio flats in a London office block conversion were a ‘dog kennel’ 16m^2 (Guardian, 2017).

Many family houses have been converted into flats. Somewhat contradicting the Ministry of Housing, Communities and Local Government's report on space standards, considering all dwellings — existing and new — Williams (2009) comments:

> In terms of *dwelling size*, the UK has the 5th smallest homes in Europe, 87 m^2..... However, it has the 4th (joint) highest number of rooms (4.7). Hence, the UK has, on average, the third smallest average room sizes (18.5 m^2).... If one compares UK house sizes with countries such as the USA (average dwelling size 215 m^2) and Australia (average dwelling size 227.6 m^2) an even more contrasting picture emerges.

For the majority of working-age households in England, floor space per person has been flat or has fallen since the mid-1990s and, for private renters in London, space per person declined by a quarter between 1996 and 2012 (Belfield et al, 2015). Tunstall (2015), having examined housing space distribution over time, concluded that housing space inequality declined from the 1920s to the 1980s but then increased, and, by 2011, space inequality was back to 1950s levels. By 2014 the average family home had shrunk by two square metres since 2004 and it was estimated that 150,000 children had seen their bedrooms partitioned in an attempt to create extra bedrooms (Liverpool Victoria Insurance, 2014).

More houses are being built but, at 128 m^2, their average size has remained unchanged since 2014 and the housing numbers game needs redirecting towards housing size. Housing association shared ownership schemes have considerable potential to help 'second steppers' but they are normally restricted to first-time buyers, a limitation that should be removed. In London, the 'second stepper' problem extends well up the income scale but, across England, low-income households have experienced the worst problems.

Rogue Landlords

Private renters not only face affordability problems. The private rented sector is very diverse in terms of conditions and landlord behaviour ranges from cordial to deplorable and controversial (Panorama, 2019). Rented homes have to conform to the Housing Health and Safety Rating system but the standard is very low and patchily enforced by local government. The Housing, Communities and Local Government Committee (2018) noted that that Birmingham City Council had only five EHOs to cover a city of 1.1 million people and six out of 10 councils in 2016 had not prosecuted a single landlord. 800,000 private rented homes in England have at least one Category One hazard (Housing, Communities and Local Government Committee, 2018) and 500,000 children live in a privately rented home that is physically unsafe (New Policy Institute, 2016). In 2017/8, 25% of private rented homes were 'non-decent' compared to 19% in the owner occupied sector, 13% of social housing homes (MHCLG, 2019). In 2015-16, 415,000 working-age households in the private rented sector (36%) were in receipt of HB and living in non-decent homes (Dawes, 2018).

Occupying a home in 'quiet enjoyment' depends on security. The 'assured shorthold' tenancy became the norm for new tenants under the 1988 Housing Act and it was made the default tenancy under the 1996 Housing Act. Effectively, the tenant has six months tenure security. Whereas most landlords want to retain good tenants, short-term tenancies promote feelings of insecurity. Private renters move ten times more frequently than homeowners (Shelter, 2013) with consequences for participation in neighbourhood activities and for 'social capital'. Frequent movement in the private rented sector seriously affects electoral participation and the lack of involvement extends up the age scale. Voter turnout in elections up to 2015 was 20% above the norm for 'baby boomer' owner-occupiers aged 62 but 32% below the norm for 46 year old generation X renters and 37% below the norm for 30 year old generation X renters (Resolution Foundation, 2016).

Regular flitting has a strong impact on children with Shelter (2013) noting that 1 in 10 renting families (10%) have had to change their children's school due to moving, with the upheaval causing stress and upset for some children; Moreover, as Coulter (2016) states:

> Although housing insecurity can be problematic for anyone, the expiry of short contracts or brinkmanship by landlords seeking to raise rents between leases may be especially detrimental for families if this makes it difficult for them to avoid making costly and disruptive residential moves ....

Limited tenure security in the private landlord sector impedes tenants in improving their housing conditions due to fear of 'revenge evictions', that is, evictions following complaints about repairs etc. The 2015 Derogation Act gave tenants some protection from such 'revenge evictions' but 44% of tenants said a fear of retaliatory eviction would stop them from making a complaint to their landlord and 200,000 tenants reported having been abused or harassed by a landlord (Housing, Communities and Local Government Committee, 2018).

Private landlords

Private landlords have had considerable advantages over first-time buyers and second steppers in acquiring homes. As businesses, landlords could counterbalance mortgage interest payments against tax liability — wealthier landlords received relief at 40%. They also gained from a tax offset worth 10% of their annual net rental income covering 'wear and tear' on furniture and fixtures. Other claimable expenses included broker and arrangement fees; letting agent fees; advertising; tenant credit checking; obtaining references; deposit protection costs; insurance premiums; maintenance and repairs; ground rent and service services and the direct costs of letting the property such as phone calls and the business costs of travelling between different properties. Some of these business tax offsets were reduced

Landlords have been increasingly able to pay cash for their house purchases, thereby cutting out chains in the transaction process. A study by the Intermediary Mortgage Lenders Association (2014) revealed that only 420,000 of the additional 1,310,000 properties in the private rented sector between 2007 and 2012 were financed by buy-to-let loans. Some landlords are moving upmarket by buying family homes thereby increasing the pressure on couples wanting to buy a larger house when their children are born. In 2016/7, the percentage of median/large terraced houses owned by private landlords was the same as the owner-occupied proportion and private landlords possessed about half the proportion of semi-detached houses as homeowners (MHCLG, 2018c). According to the *Financial Times* (2018) flats and maisonettes have fallen out of favour amongst buy-to-let investors with flat sales down by 10% in 2017 compared to a 1.6% fall in detached and semi-detached homes. Landlords have been competing in the same market as first-time buyers and, for a time, the restrictions on mortgage access to owner-occupation applied by the Bank of England to dampen the housing market — affordability tests and limiting the number of mortgages more than four-and-a-half times a borrower's income — did not apply to buy-to-let loans. This meant that a high proportion of the finance released by Quantitative Easing and Funding for Lending was taken up by private landlords, not by potential first-time buyers (Robinson, 2018).

The ONS (2018) found that the proportion of households owning second homes and buy- to-lets had increased from 7% to 9% between 2012 and 2016. The average size of private landlord property portfolios is accelerating with the tendency most marked in the North East, Yorkshire and London (Shaw, 2017). In 2010, 78% of private landlords owned only one rented property but by 2016 this had dropped to 62% and it has been estimated that 38% of all the private landlord dwellings are now owned by landlords with five or more properties Scanlon and Whitehead (2016). Private landlord growth limits the supply of homes for homeownership. As Chancellor of the Exchequer, George Osborne declared ‘Frankly, people buying a home to let should not be squeezing out families who can’t afford a home to buy’ (Osborne, 2015).

In the absence of the compulsory registration in England, the total number of landlords is unknown although it has been estimated that 2.3 million adults in England are private landlords (Rugg and Rhodes, 2018). An investigation by Shelter (2016) revealed that 82% were from social classes ABC, 29% had an annual income of more than £70,000 per year and 20% between £50,000 and £69999. On the ACORN Group classification, private landlords were over-represented in the ‘lavish lifestyle’, ‘executive wealth’, ‘mature money’, ‘city sophisticates’ , ‘successful suburbs’ categories. 45% had no mortgages. A survey of private landlords by the MHCLG (2019) revealed that landlords received 42% of their total gross income from rental property; the mean estimated value per rental property for all landlords was £261, 900, compared to the £243,600 average house price in England in April 2018 and 48% of landlords had terraced houses in their portfolios, 35% semi-detached houses and 18% detached. 36% of landlords had portfolios they valued from £200,000 to £499,999, 22% had a portfolio valued from £500,000 to £999,999 and 18% had rental property portfolios valued at £1 million or more. The median private landlord *non-rental* income was £25,000 per annum but 38% reported between £20,000 and £49,999 and 24% reported £50,000 or more (MHCLG, 2019).

A study by HomeLet (2015) found that 32% of landlords were aged over 60 whereas 5% of older people rented privately. A survey by Scanlon and Whitehead (2016) revealed that the landlord median gross income band, including rental receipts, was £60,000 – 69,999 with

18% of buy-to-let landlords having an income of more than £100,000 per year. For comparison, at the time, UK median household income was £25,700. Moreover, in 2017, landlords held £1.3 trillion in net housing equity — the portion of a home that is owned rather than mortgaged — compared to £1.2 trillion in mortgaged homes with their owners in residence (Savills, 2018).

The private landlord profile replicates the class and age dimensions of the owner-occupation divide. Over half (59%) of landlords are aged 55 years and third are retired. The majority (89%) of landlords are White.

Housing Wealth

In exploring total wealth — including housing wealth — A.B. Atkinson (2015) in *Inequality: What Can Be Done?* concludes that the wealth owned by the UK's top 1 per cent fell by 17% between 1950 and 1975, before increasing by 2% between the early 1980s and 2000s. He states that although 'we need to be cautious in drawing conclusions about any upturn in wealth concentration', we can 'conclude that the trend to less wealth concentration came to an end'. In 2014/16 UK housing wealth had increased by 17% since 2012/4. This was 36% of all UK wealth with the Gini Coefficient reaching 67 for housing wealth compared to 62 for total wealth. In 2014/6, the top decile of housing wealth holders had £1823 billion and the fifth decile £242 billion (ONS, 2018). The poorest 29% had no or negative housing wealth, with the 10th percentile £480,000 and the richest 1% £1,400,000 (National Housing Federation, 2018).

Social Renting

Social Renting has always displayed a strong social class divide. Until 1919 housing associations and local authority housing was provided mainly for people displaced in slum clearance schemes, albeit that the rents charged were often beyond the incomes of slum residents who often found accommodation in sub-standard accommodation rather than move into the new homes. Between the wars, 'general needs' supply by local government made the class composition of social housing more diverse and, after the Second World War, large-scale local authority building enabled more working class (and some middle class) households to enter the social housing sector. By 1972, the average income of household heads living in a local authority house was 56.4% of those buying with a mortgage. Housing became a site of class conflict with, for example, the 1972 Housing Finance Act that increased council house rents, generating considerable unrest.

However, the poor quality of many of the social housing built from 1955, the increasing tendency to allocate social housing according to need and the owner-occupation tax advantages led to the 'residualisation' — an ugly term referring to the tendency for social housing to house low-income, often workless households — of the local authority and housing association stock.

The generous discounts supplied under the Right to Buy clauses of the 1980 Housing Act provided a 'wealth pot' for the 1.9 million people who bought their council houses. Information on the RTB's distributional impact is limited but it has been mainly a within class redistribution with working class people inhabiting good quality local authority homes making considerable gains at the expense of those living in the less desirable properties and future working class generations whose opportunities to acquire social housing, when needed, have been severely restricted. Moreover, private landlords have been acquiring properties sold under the RTB with, according to some estimates, 40% of the sold local authority homes now owned by private landlords. The capital gains made by private landlords will depend on when the houses were bought but their acquisitions have adding to class/generational impact of the RTB policy.

Social Housing Tenants

On the National Statistics Socio-Economic Classification, 56% of social tenants were classified as 'semi-routine or routine', 13% as lower supervisory and technical and only 3% as higher managerial and professional. On the ACORN neighbourhoods classification of half of all social renters were living in neighbourhoods considered to be in 'urban adversity' compared to 23% of private renters and 8% of owner occupiers Over a third of social renters were living in 'financially stretched' neighbourhoods, a far higher proportion than owner occupiers (17%) and private renters (22%). Only 2% of social renters were living in neighbourhoods of 'affluent achievers' compared to 11% of private renters and 32% of owner occupiers (MHCLG, 2019). Table 2 gives the quintile of household income according to tenure in 2017/8.

Table 2: Housing Tenure by Income Quintile

	1st (lowest)	2nd	3rd	4th	Fifth (highest)
Buying with mortgage	3.7	9.6	19.3	27.8	39.6
Private renting	19.2	22.2	23.4	20.8	14.4
LA	46	25.8	17.9	8.4	1.9
HA	45.6	26.6	17.2	8	2.5

Hills (2014) has directed attention to how social classifications based on the 'us' and 'them' notions neglect the fluidity involved in giving and receiving through the welfare state over a lifespan. Although the idea of a long-term, social tenant economic interest in 'social housing' may be whimsical, 58% of tenants currently living in the social sector have lived in their homes for more than ten years ((MHCLG, 2019). As Chancellor of the Exchequer, George Osborne attacked social housing as subsidised stating 'social housing is subsidised because the price of private rental stock is the real price, reached by logic of the market' (Osborne, 2015). But, viewed in relationship to historic costs plus maintenance and management charges, local authority tenants, as a group, are not subsidised.

Despite the £42 billion in capital receipts acquired by the Treasury in asset stripping local authority housing, the sector still pays its way. The tangled rules governing local authority housing revenue accounts operations make surpluses and deficits difficult to assess but between 1995/6 and 2015/6 the Treasury gained an average of £250 million per year from local authority housing (Stephens et al, 2018). The Localism Act 2011 started a process of redistributing debt between local authorities with the aim of removing the need for revenue subsidies to some local authorities. By 2015 local authority housing had become 'self-financed': no subsidies, no Treasury surplus purloining. However, between 2012 and 2015 the Treasury took £800 million of the £3.5 billion raised in Right to Buy receipts (Apps and Barnes, 2017). Given the loss of local authority homes to the private landlord sector and the demolition of council housing to be replaced by expensive houses (Lees, 2018), 'accumulation by dispossession', used by David Harvey in *The New Imperialism*, seems an appropriate notion to apply to the process.

Conclusion: What Next?

The Brexit vote revealed a social class fissure (see Table 3) with the people most likely to vote Leave being:

- Those with no formal qualifications (78%);
- Those with an income of less than £1,200 a month (66%);
- Those in social housing provided by councils (70%) or housing associations (68%);
- Those finding it difficult to manage financially (70%), or just about getting by (60%);
- Those who believe Britain has got worse in last decade (73%);
- Those who think things have got worse for them in last decade (76%).

Table 3: Brexit Vote by Social Class

	Stay	**Leave**
AB	54	46
C1	52	48
C2	38	62
DE	36	64

Cultural explanations have dominated commentary on this outcome with Goodhart's influential book *The Road to Somewhere: The New Tribes Shaping British Politics* (2017) arguing that the split was between 'Anywheres': liberal, cognitive, have received a higher education, outward-looking, at ease with globalisation and immigration and secure in their portable, cosmopolitan identities and 'Somewheres': more socially conservative, unlikely to have acquired a higher education and communitarian' by instinct gaining their identities via national and local attachments. However, the 'Anywhere/Somewhere' distinction, underplays the economic variables in the Brexit vote with 'the economy' — high on the list of public concerns — reflecting perceptions of living standards with housing an important factor — and immigration — also high on the list of public concerns. As

Halikiopoulou (2018 p 2), explaining the rise of populist parties, claims, the assertion that 'the economic insecurity argument is wrong' is false.

> ... 'cultural indicators' such as immigration, are not exclusively cultural. There are reasons to expect the material aspects of immigration scepticism to still matter....Social groups that have a higher degree of exposure to labour market competition are more likely to have an interest in limiting immigration.
>
> (Halikiopoulou, 2018 p 2),

Social class, as reflected in the income split, influenced the Brexit vote with 62% of those with income of less than £20,000 voting to leave, but with that percentage falling in steady stages until, by £60,000, the percentage was 35% (Ipsos Mori, 2016). Underlying this divide was dissatisfaction about being left behind with housing having a significant role in this discontent.

Examining the period 2002–03 to 2016–17, Cribb Keiller and Waters (2018) identified a real average housing cost increase of 20% among private renters and 34% among social renters, compared to a 14% fall amongst owner-occupiers and, having examined the impact of housing costs on low-income households with children Cribb, Keiller and Waters (2018) concluded:

> Between 2002–03 and 2016–17, real mean housing costs among households with children in the bottom 20% of the AHC income distribution rose by 47% ...compared with an increase of 11% among children in the middle income quintile. Changes in housing costs not covered by housing benefit have also been much higher for low-income children than for middle-income children.

The Joseph Rowntree Foundation (2018) noted that:

> The growing crisis in the UK's housing market has created especially stark problems for low-income families with children. Housing costs have grown much faster for these families than for those who are better off. This has been driven by

> rising costs for renters and the rapid increase in the number of families renting privately due to a lack of social rented housing and the high costs of buying a home.

Rhodes (2015) identified a steep location gradient in the increase in private renting growth from 2001 to 2011 with private renting increasing by 37.5% in the least deprived 10% of districts, but by 89.5% in the most deprived 10% of districts. If local authorities are ranked by levels of multiple deprivation, there is a gradient from 13% privately renting in the least deprived local authorities to 21% in the most deprived authorities (Rugg and Rhodes, 2018).

The 2017 General Election

Class voting appeared to decline in the 2017 General Election (see Table 4) leading the polling organization *You Gov* to conclude:

> The class divide in British politics seems to have closed and it is no longer a very good indicator of voting intention...Labour is now 4% behind amongst ABC1 voters and 2% behind amongst C2DE vote.

Table 4: 2017 General Election: Voting by Social Class

	Conservative	**Labour**
AB	46	38
C1	41	43
C2	47	40
DE	41	44

YouGov (2017)

However, Brexit had an influence on the 2017 General Election outcome with the remnants of the UKIP vote concentrated in traditional Labour areas and, according to

> Of an estimated 140 Labour seats in England that had given majority support to

> Brexit the average Conservative vote increased by 8.3 percentage points, compared to an average of 4.6 points across England as a whole.

The association of Corbyn with a 'Metropolitan Elite' having little concern about the Northern working class may have contributed to Labour' lacklustre performance amongst C2DE voters which perhaps explains Corbyn's reluctance to endorse a second EU referendum with its connections to an elite thwarting the people's will.

Projecting current living standard patterns, income distribution and wealth into the uncertain Brexit future is complicated by the interaction between wage trends, employment rates, rent levels, mortgage rates and benefit changes. Some runes are encouraging. Homeownership appears be increasing. The 2017/8 English Housing Survey (MHCLG, 2019) declared: 'the rate of owner occupation has not changed since 2013-14. The increase from 63% in 2016-17 to 64% in 2017-18 is not statistically significant'. A greater number of first-time buyers are entering owner-occupation but the drop-out rate from homeownership remains high.

More people are in work and wage rate increases have started to exceed inflation. The proportion of low paid jobs (weekly: defined as the value that is two-thirds of median hourly earnings) began to fall from its high point of 28.9 in 2014 to 27.3 in 2018. Social housing rents increases are capped at 1% below inflation by until 2020 and private landlord rents increases are below wage increases. However, with benefit cuts in the pipeline and social rents set to rise by 1% above inflation post 2020 — welcomed by 86% of social landlord respondents but rejected by 87% of tenants and tenant groups — the Resolution Foundation (2019) has declared 'Our projection includes a five-year income stagnation for working-age households' and 'the last two years may have left lower-income non-pensioner households worse off than in 2016-17, while future growth is projected to be weak'.

Class variations in the 2016 European Union referendum remain/leave vote reflected changes in living standards and perceptions of the causes of these changes, with housing having a significant role. There are few signs that the housing crisis related to social class is abating with implications for any future 'People's Vote'. However, as Harold Wilson once said, 'a week is a long time in politics' and if Brexit is settled then the working class resentment on their long-term reduction in living standards may be reflected in greater support for Labour's 'for the many not the few' policy pitch.