

CONNECTING THE PERSONAL TO THE POLITICAL:

Homeownership; improving older homes; the proposed national housing conversion fund and Labour's red wall collapse.

This post argues that, from my past encounters with the housing system, the best current way to improve working-class housing experience is to improve older homes for owner-occupation. The focus is on Labour's 'Red Wall' areas that collapsed to the Tories in 2019 and the Affordable Housing Commission's report on [*A National Housing Conversion Fund: buying properties to boost affordable housing supply*](#) (2020).

Abstract

Personal experience of the housing system indicates that the best way to enhance working-class housing experience is to improve older homes for owner-occupation.

The collapse of Labour's 'Red Wall' was related to paternalism and the neglect of homeownership.

The report of the Affordable Housing Commission *National Housing Conversion Fund: buying properties to boost affordable housing supply* contains some good ideas on the transfer of private rented housing to other tenures but is also too 'top down' and gives insufficient consideration to low-cost homeownership with first-time buyers able to claim improvement grants directly.

A number of extra initiatives are necessary to promote transfer out of private renting including:

- The decent homes standard requires revision to become a new norm for the transfer.
- An extra Stamp Duty Land Tax Levy on second home sales.
- Improvement grants paid directly to low-income households enabling them to compete more effectively with private landlords in purchasing and improving older homes. Local authority mortgages would also help.

As a child better housing conditions came from 'self-help' home improvements and later, when my parents bought their terraced house from an absentee private landlord caught in rent control and upgraded the house with modest state help via a local authority mortgage available under the 1959 House Purchase and Housing Act which authorised the Exchequer to make grants to local authorities for house purchase under the Small Dwellings Acquisition Acts, 1899 to 1923 (almost ignored in the housing literature) a 'basic amenities' improvement grant also under the 1959 House Purchase and Housing Act. A council house was far too expensive.

In the 1970s there was an extensive system of improvement grants available for homes with low rateable values. These were means-tested in the middle 1980s and the resources available were severely cut by the Conservatives and New Labour. Moreover, housing associations and local government had extensive involvement in acquiring and upgrading private landlord homes under the 1974 Housing Act, supported by all parties. The [A National Housing Conversion Fund: buying properties to boost affordable housing supply](#) (2020) notes:

By the end of the 1970s some 14,000 properties a year were acquired or converted for improvements. The levels of acquisitions declined in the 1980s. However, there was a significant increase in the early 1990s following the downturn and the introduction of the government's Housing Market Package (HMP). As a result, levels rose from 7,000 acquisitions in 1991-92 to 25,000 the following year. This was the high-point and levels declined after the mid-1990s. There was a slight increase after the financial crash, but not at the scale seen in the 1990s - numbers have tailed off since to around 1,000 per year.

In recent years government assistance has focused on upgrading energy efficiency by installing new insulation and heating systems.

The new government initiative, announced on July 8th 2020 as a response to the economic implications of the Covid-19 pandemic and operative from September 2020 provides energy efficiency upgrade support in the form of grants which will cover at least two thirds of the cost of the work, up to £5,000 per household. For low income households, the grants will cover the full cost of the work — up to £10,000. Homeowners and landlords will be able to apply for vouchers. The Government expects these measures to:

- make over 650,000 homes more energy efficient
- save households up to £300 a year on their bills

- cut carbon by more than half a mega tonne per year, equivalent to taking 270,000 cars off the road
- support around 140,000 green jobs

However, older homes require other improvements.

Decent Homes

The Decent Homes Standard is the current measure of housing conditions in England. Set in 2001 and revised in 2006, for a dwelling to be ‘decent’ it must meet the following criteria:

- It is above the current statutory minimum housing standard i.e. it fails to meet one or more of the hazards assessed as serious (category 1) under HHRS.
- It is in a reasonable state of repair: dwellings failing on this point will be those where either:
 - one or more key building components are old and need replacing or major repair; or
 - two or more of the other building components are old and need replacing or major repair.
- It has reasonably modern facilities and services: dwellings failing on this point are those that lack three or more of the following:
 - a reasonably modern kitchen (20 years old or less);
 - a kitchen with adequate space and layout;
 - a reasonably modern bathroom (30 years old or less);
 - an appropriately located bathroom and WC;
 - adequate insulation against external noise (where external noise is a problem);
 - adequate size and layout of common areas for blocks of flats.
- It provides a reasonable degree of thermal comfort.

(Department for Communities and Local Government, 2006).

Housing standards have been improving in the private landlord sector. In 2007/8 44% of the dwellings rented privately in England were non-decent, in 2018/9 24.6% in the private landlord sector (17.3% owner-occupation, 13.2% local authority, 11.3% housing association). However, because of the expansion of the private landlord sector, the number of non-decent homes in the rented from private landlords is high at 1,216,000 (MHCLG, 2020). Moreover, at 2.6 million, the number of non-decent owner-occupied homes is worrying.

The Affordable Housing Commission's interesting report on [A National Housing Conversion Fund: buying properties to boost affordable housing supply](#) (2020) notes the role of private landlordism in reducing affordability. It recommends the establishment of a £1.3 billion National Housing Conversion Fund allowing social housing providers to purchase mainly private landlord properties for upgrade and use as 'affordable' housing. Tax and other concessions would be available to provide landlords to encourage sales.

The idea has appeal, although payments to private landlords seem unnecessary. By 2021 the sector may be in a parlous state and, if not, an increase in the Land Stamp Duty Levy on second home sales from the current 3% would prove a powerful incentive. Rent control would be better but is a long way from the political agenda. Moreover, there is paternalism in the idea: government help does not come directly to low-income households. They have to go, cap in hand, to social housing providers. Yet polls have shown that between 80% and 86% of respondents want to be homeowners within ten years ([Council of Mortgage Lenders, 2016](#)) and that 'the property is mine' and 'I can do what I want' top the list of the reasons why homeownership is considered desirable. Moreover, concluding on the results of polling and focus group work for the Affordability Commission ([Caluori, 2019](#)) comments:

The struggling blue-collar renters we spoke to who don't qualify for social housing are far from happy. Instead of saving for a deposit they are stuck living in expensive and often poor quality privately rented accommodation. They describe being at the mercy of landlords, unwilling to report problems for fear of being moved on. Yet this group do not aspire to return to the stability of a socially rented home. They tend to see social housing as a residual product, housing mostly drug addicts and undesirables. When asked if they'd support building more council housing they are lukewarm. Perhaps for other people, they say, but not for me. This is despite the fact that most had grown up in council houses – such is the 'othering' of social housing tenants. Interestingly, they are also hostile to ending the right to buy if it denies a right to a family living in social housing who had 'done all the right things'.

Likewise, the frustrated first-time buyers we spoke to are desperate for properties they can afford so they can move on with their lives. They are also stuck in the PRS, perceiving housing costs and the wider cost of living as eclipsing their incomes year on year. Many are making sacrifices on their quality of life and delaying important life decisions such as when to start a family, without the guarantee that their sacrifices will ever come to fruition.

These couples want to buy...

Labour's Red Wall

In the 2019 General Election Labour placed social housing above homeownership with its manifesto devoting three times the space to social housing compared to homeownership.

The Election was a total disaster for the Labour Party. Labour's working class Red Wall was obliterated. Labour obtained 34% of the social class D/E vote compared to 47% won by the Conservatives ([YouGov, 2019](#)). This was an unprecedented post-war 13% Tory ascendancy. In the North East, for example, the Labour vote was down by 12.9%, the largest regional drop in England and Labour lost Bishop Auckland, Blyth Valley, Darlington, North West Durham, Redcar, Sedgefield and Stockton South.

General Elections are fought in vivid colours with 'Get Brexit Done' the dominant slogan in the 2019 General Election. Leaving the European Union was a protest symbol about livelihood standards.

In 2019 housing was in 8th position in Ipsos/Mori's 'top mentions' list of the issues facing Britain, down from 5th in 2017 ([Ipsos Mori, 2019](#)). However, housing is strongly connected to other issues with higher rankings such as Brexit via immigration and the economy via living standards.

The decline in homeownership and the rise in private renting are class related ([Green 2017](#); [Rhodes, 2015](#)) with private renting growing the fastest in deprived areas. In the North East, where Labour lost so many seats, owner-occupation is 61.9%, the second lowest in the UK. At 210%, the growth in private landlordism in the North East from 1996 to 2016 was the most rapid in UK, followed by the West Midlands at 150%, with London at 100% ([Barton, 2017](#)). Yields from private renting are 5.1% in the North East compared to 4.2% in London ([This Is Money, 2019](#)). There was a 12.8% swing from Labour between the 2017 and 2019 General Elections in the North East. In 1997 Labour had an 80/20 advantage over the Conservatives in the votes cast in the North East. By 2019 the split was almost even ([Uberoi et al, 2019](#)).

Watchers of *Homes Under the Hammer* will know the process. House speculators, using cash, and out-bidding first-time buyers, purchase properties to improve to minimum standards for renting. The Affordable Housing Commission (2020) noted:

In many low demand areas the need for additional affordable housing is less than in London and the South East.⁵⁹ However, the Commission found was that many households in these areas still had affordability problems as well as a specific challenge around non-decent housing. Supporting housing conversions and improvements in low value market – sometimes as part of wider place-making regeneration schemes – could

play an important economic role in supporting jobs and growth, with additional benefits to people's health and well-being. In so doing, it could help to level up housing grant allocations, which have been disproportionately concentrated in the South.

When used as a noun, housing simply means 'houses' but, used as a verb, 'housing' refers to a process or activity — 'to take or put into a house'. Both Labour and the Affordable Housing Commission are using housing as a verb — 'over-parenting' and taking or putting the working class into the hands of others. . The aspirations of the working class require a higher place on the agendas.

To change current trends, a number of added actions are necessary.

The decent homes standard requires revision to become the new norm for the transfer of accommodation from private renting. An environmental standard should be included (litter incidence, children not living above a specified storey in a flat block, play areas, access to green space, kitchens and bathrooms less than 25 years old, solid doors, fire safety, showers as well as baths, low consumption water pumps etc. [The Building Better, Building Beautiful Commission](#), (2020) suggested a fruit tree in every garden, presumably entire forests around high rise flats!). If retrofit and upgrade is implemented through an improvement grant system and the reduction of VAT on home improvement to 5%, as suggested by the Architect's Journal, it will help lower-income households to avoid the private landlord sector.

Movement from private renting to the social sector as suggested by the Affordable Housing Commission (2020) has to be linked to promoting low-cost homeownership, a task made easier by a larger supply of lower-cost homes coming from private landlords. The increase in housing associations acquisitions in the early 1990s occurred as a result of Michael Heseltine's low-cost homeownership initiatives included 'Homesteading', that is, housing association help to first-time buyers to find a house needing improvement. The idea seems to have disappeared although it appeared in Lord Heseltine's report [Tees Valley: Opportunity Unlimited](#) (2016).

Improvement grants should be paid directly to low-income households enabling them to compete more effectively with private landlords in purchasing and improving older homes. Local authority mortgages would also help.

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