

London rent rates to rise

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London's Conservative Mayor Boris Johnson has got his plan through the London Assembly to set "affordable rents" in councils at 80 percent of the going market rate. This will accelerate the social cleansing of the capital by putting housing beyond the reach of the poor. Aimed at promoting the interests of private property companies, it will further fuel the speculative housing bubble.

Four councils housing some of the poorest Londoners—Southwark, Islington, Tower Hamlets and Camden—claim to be challenging the plans. They say residents will not be able to afford the new rates. This is especially the case under conditions in which the Conservative-Liberal Democrat government has capped the amount of benefits those on low-income can claim towards their rents.

The state's promises of "affordable housing" are nothing more than sloganeering to justify private profit at the expense of vital social needs, in a city increasingly ravaged by poverty, affecting both those in and out of work.

Under the proposal, Johnson claims the new amount for social rent will average 65 percent of market rate for existing properties across the capital, which he claims is within the benefit cap. But developers building new homes will be allowed to charge up to 80 percent of market value, effectively handing public money to private property companies virtually free from any regulation or control. Southwark currently sets its affordable rent at 40 percent of market value.

The London Assembly rejected the motion by a majority. However, because of absences the Assembly did not manage the two-thirds majority necessary to block the move. Thirty-nine Assembly members voted against, but three members were away.

Deputy Mayor for Housing Richard Blakeway said, "We're attracting investment through a very flexible programme which will deliver the maximum number of

homes that are cheaper than the equivalent in the market." He claimed that this meant that those "on low incomes, rather than spending vast sums of money in the private rental sector, are able to access affordable housing, secure housing in the capital."

The investments Blakeway mentions will be for the benefit of shareholders, private contractors, and landlords. A spokesperson for the mayor said that allowing the 33 boroughs to set their own rent controls would "simply have the negative effect of driving away vital investment and reduce the number of homes built—exacerbating London's housing crisis."

Market-set rents are increasingly unaffordable for many of those in work, let alone people between jobs or the socially vulnerable. The proposed leap in rents would put housing beyond the reach of many more. Critics have noted the income levels that would be required under the plan. To rent an "affordable" three-bedroom home in Brent would require an annual income of more than £48,000. In Islington it would be more than £83,000, while it would top £108,000 in Westminster.

For workers, the invisible hand of the market is a clenched fist.

Southwark Council says it plans to appeal the decision. Even with its current rent rate of 40 percent of market value, the borough is struggling with homelessness.

This is just another stage in the ongoing social cleansing of London, first made obvious with the 2012 Olympics acting as its test bed. Running routes were diverted away from areas too unsightly for affiliation with corporate sponsors. Families were forcibly evicted from Newham as homes were demolished. Stratford was transformed from a poverty-stricken transport hub into the home of one of England's largest shopping centres. Luxury super yachts lined the Royal Docks.

Johnson intends to sweep any signs of the struggling,

the vulnerable, the poor, and the working class from sight, all of whom are enthusiastically being set upon by the coalition government. Labour is complicit and in agreement.

When the Olympic Village project in East London was initiated, the public was sold the lie of “affordable housing.” Many of these apartments, however, were quickly bought up by private investors. They were affordable principally for the Qatari ruling family, who cut a deal with the Olympic Delivery Authority for £557 million.

The current plans are further aimed at foreign investors. Last week, Blakeway told a conference on residential investment that there was “very big interest” from foreign pension funds looking to invest in social housing projects, specifically from Europe, Canada and the United States. When asked by a finance adviser about foreign buyers acquiring flats as a “savings piggy-bank” and leaving them empty, Blakeway indicated that that was exactly the layer targeted by these plans, “I personally think the international element, particularly in parts of prime London, is a feature we’ve had for a long time and is important for our status as a global city,” he said.

The impact is devastating. Earlier this year, Labour-run Camden Council planned to evict 761 families from the area who were affected by the benefits cap. Thousands are threatened with forcible evictions that will see them rehoused up to 200 miles away.

Johnson is copying the Paris model: a playground only for tourists and the financial elite. Working people will increasingly be relegated to sink estates and new-builds in outer London suburbs. Although workers and their families may have lived all their lives in central London, Johnson makes clear that he believes the city is no longer for the working class.

As the government gears up for yet another expensive and deeply unpopular war in Syria, the living conditions of the vast majority of those in the country’s capital are dismissed as issues of non-importance.



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