

## Notes on London's housing crisis

# London landlords renting out dangerous "floating shacks"

Allison Smith  
29 August 2016

The high cost of living in London is driving a record number of people to turn to renting riverboats. Since 2012, applications for continuous cruiser licenses, which cost around £1,000 per year and require users to move every 14 days, have increased 153 percent, leading to overcrowded conditions on some parts of the London waterways.

In an interview for CNN, long-time riverboat resident David Akinsanya said, “People do it now because they have to, not because they want to. We had a very lovely existence—it was like our secret. But over the past five years it has gone absolutely crazy. When I come into London I can’t stop because there are so many boats.”

Many of these new boaters are facing exploitation from unscrupulous riverboat landlords and are forced to rent dangerous and unfit boats.

Former boater Sam Forbes—who chronicled the harrowing experience of being evicted from his riverboat when a safety inspector found “significant faults ... which put the occupants at risk and in immediate danger”—commented that many boats were merely “floating shacks ... without running water, central heating or adequate sanitation facilities.”

Canals are only monitored periodically, and it is not possible to know the full extent of the problem of unfit riverboats.

## London’s Admiralty Arch flat for sale for staggering £150 million

Last month, a flat in the Grade I public landmark Admiralty Arch was listed for sale at a record £150 million—£10 million more than the previous record of £140 million for One Hyde Park.

The 1912 public landmark was commissioned by King Edward VII—in honour of his mother Queen Victoria—as a ceremonial route to Trafalgar Square. It once served as the residence of the First Sea Lord and other Admiralty offices.

In 2012, the British government sold a 250-year lease to the historic site to Spanish property speculator Rafael Serrano, who developed it into a 12-bedroom flat, luxury hotel with spa, and private club. Sale of the flat includes access to private parking, a

private entrance and dedicated elevator, 24-hour concierge service, and a lifetime membership to the private club.

## London School of Economics evicts student suffering acute mental illness

Academic leadership at the elite London School of Economics and Political Science (LSE) evicted a student suffering from acute mental illness, leaving the student homeless in London.

After the student interrupted studies and went into hospital to address health issues, the student was notified by the LSE that he/she was no longer considered a student for the 2015/16 academic year and had one week to vacate the hall of residence.

Ayesha Fekaki, LSE’s Student Union Community & Welfare Officer, and two National Health Service doctors intervened on behalf of the student to stop the eviction. Many students were appalled, with more than 1,000 signing an online petition in protest.

However, the LSE only granted a two-week extension, which was inadequate because the student could not return home and did not have anywhere to go upon release from hospital.

The student’s current status is unknown.

Commenting on the draconian response by the LSE, Fekaki said, “I had contacted seven different people within the school who all referred me to each other for an answer over the two week period. How can students be put through this when they are reaching out for support? When speaking with Residential Life [the body which helps students with accommodation issues], we were told that they need to support other students who are actually staying at LSE and well enough to do their exams and that they cannot support everyone. The staff member expressed directly to the student that they want to ‘see a healthy student come back in the New Year and finish their exams like all other students do at LSE’”.

Fekaki added, “This to me was not only a huge contradiction, but a complete lack of understanding of mental health difficulties that students experience. This was a complete failing both institutionally and personally to the detriment of the student.”

## **Rents likely to rise due to London's night Tube**

Twenty-five percent of Association of Residential Letting Agents (ARLC) said they expect rent increases near London Underground stations that are connected to the 24-Tube hour service.

ARLC spokesperson Nic Mada said, "Transport links are a major player in influencing demand, and in turn rent costs, so as end-of-the-line areas become better connected, there's a chance we'll see prices rise. It will mean less time spent on late night buses for those living in Epping or Walthamstow, and will make the prospect of living further out of London more attractive for renters—especially as rent costs continue to rise in the centre."

## **Housing and high cost of living force most emergency service workers to live outside capital**

A report by the London Chamber of Commerce and Industry (LCCI) draws attention to the fact that of 54 percent of frontline fire-fighting, paramedic staff and police now live outside London and have to commute into the capital.

The report, "Living on the Edge: Housing London's Blue Light Emergency Services," found that 54 percent of those deemed "Blue Light" commute in mainly due to high housing costs in London. The LCCI took evidence on how NHS workers' earning had risen by just 3 or 4 percent, compared to an increase in travel costs of 35 percent and housing costs of a third.

It reports, "London consistently features among the top of global cost of living reports, with consumer prices considerably higher than elsewhere in the country, and public transport fares ranking among the highest in the world," before noting, "However, it is the cost of housing that has been the primary pressure point on Londoners, pushing many to move out of the capital in recent years."

It cites a previous LCCI report, "Getting our House in Order," that found "London's chronic under supply of homes had resulted in house prices—as well as rent levels—greatly outstripping average wage increases so making living in London unaffordable for many."

The staggering cost of accommodation is cited by the LCCI who note, "Average house prices in London are more than five times their level in 1970, even adjusting for inflation. In 2015, the average house price in London was £515,000, compared to £292,000 across England. Over 2014/15, the average private sector rent for a one-bedroom dwelling in London was £1,200 per month, around twice the level of surrounding regions, while the average two-bedroom rent was £1,450, compared to less than £600 across England as a whole."

The report raises concerns that the situation poses serious issues about how about responses to major incidents in the capital can be planned and dealt with.

## **Small businesses hit as employees increasingly unable to afford London rents**

The Federation of Small Business (FBS) in London says that this year the number one concern among its members is the high cost of living for employees, which is leading to increasing staff turnover.

It stated that the increase in the minimum wage to £7.20 an hour for people over 25 isn't nearly enough, as employees are experiencing rent increases of 200 to 300 percent in London and asking employers for salary increases of 10 percent just to stay afloat.

Sue Terpilowski, London policy chair for the Federation of Small Businesses, says, "Staff are now much more transient because they're Generation Rent. They don't have the same loyalty and hold to an area via a mortgage, so they tend to come to London, do their London thing for a couple of years then move out."

## **UK home ownership at lowest level since 1986**

A new report by the Resolution Foundation think tank reveals that the skyrocketing cost of homes across most of Britain has led to a decrease in home ownership to levels not seen since 1986.

The report finds that between 1995 and 2003 house prices and incomes across the UK grew at a similar rate, leading to the 2003 home ownership peak of around 71 percent. However, since 2012, incomes and government benefit payments have decreased while home prices have soared, leading to a decrease of the home ownership rate to as low as 58 percent in areas such as outer London and Greater Manchester.

The report states, "It is wrong to see housing as a living standards challenge only in the South of England. Indeed, we see the North and South converging on some, if not all, affordability measures, with households in parts of the North now having a housing cost to income ratio approaching that witnessed in London two decades ago."

Young people and private renters are the most vulnerable because they "consistently spend a higher proportion of their incomes on housing than any other tenure group, with significant implications for both their immediate living standards and longer term prospects."



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**