

Barely any “affordable” housing being built in the UK

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Practically no affordable homes are being built in the UK, even according to the government’s own dubious definition of “affordability.”

The vast majority of new apartments are built either for the well-off or as buy-to-lets at exorbitant rents.

Responsibility for this crisis in housing lies not just with the Conservative government, but with Labour, the party that runs most borough councils in London, as well as the local authorities in every major city. The Grenfell fire in London’s Royal Borough of Kensington and Chelsea last June, with the loss of at least 72 lives, highlighted the callous indifference on the part of the authorities to the most basic needs for safe, good-quality homes.

Planning documents researched by the *Guardian* show that of 14,667 new homes built in Manchester in the last two years, none met even the government’s criteria of “affordability.” Over the last decade, Manchester’s skyline has changed dramatically with new for private rent towers springing up and cranes building more. There are plans for new blocks of 18, 26 and 32 storeys.

With only the housing requirements of the well-off being catered for, 12,900 people are on a growing waiting list for social housing. The number of homeless has swelled, with rough sleepers every few yards on the main shopping thoroughfares.

Labour-run Manchester City Council issued a rebuttal of the *Guardian*’s figures, claiming that 10.7 percent of new housing was affordable. Even if true, this means that almost 90 percent of units built are beyond the means of most working class Mancunians. In a clear policy of social cleansing, any planned “affordable” homes will be outside the city centre, and its amenities, where land is cheaper.

Other Labour-run councils building hardly any

“affordable” houses include Sheffield—only 1.4 percent of its new homes, 97 out of 6,943, were deemed “affordable.” In Leeds—just 3.4 percent are “affordable” (7,871 of 3,522). Only Cardiff in Wales exceeded the council’s own target of 20 percent. Even then, there are just 24 percent “affordable” new homes out of a total of 12,085.

The government’s National Planning Policy Framework, which informs local councils, includes under “affordable” housing: “Social rented, affordable rented and intermediate housing [including shared ownership] provided to eligible households whose needs are not met by the market.”

“Affordable” rent is either the social rent rate or no more than 80 percent of the local market rent. Affordable mortgage payments are classed as higher than social rent, but lower than market levels.

According to housing charity Shelter’s definition of “affordability,” rent/mortgage should ideally not consume more than a third of household income. On the median income of £27,000, that translates to rent of £687.50 per month, or a mortgage of around £125,000.

One of the main reasons so few affordable homes are built by private developers is an escape clause contained in the Conservative’s Town and Country Planning Act 1990, known as Section 106. This enables property developers to abrogate the commitment made with local councils to build an agreed percentage of “affordable” homes simply by claiming this would make their project financially unviable and agreeing to pay a fee instead.

Using research conducted by EGi, the news and research arm of commercial property magazine *Es tates Gazette*, Shelter found that across 11 local authorities 79 percent of “affordable” homes were lost through viability assessments last year.

Shelter found Manchester City Council built no affordable housing out of a 20 percent target, losing a possible 472 units out of 2,362 units, when viability was used. When viability was not applied in the case of a further 1,911 units, just 178 were “affordable.”

Birmingham, with a Labour majority on the council, only achieved 1 percent of its 35 percent target of affordable homes last year when viability was applied. Labour-run Brent achieved 25 percent out of a 50 percent target. Other councils failing to achieve their targets include Bristol, Cambridge, Leeds, Leicester, Newcastle, Southwark, and Manchester—all Labour-run authorities.

Research into 26 sites by Sheffield University’s Jonathan Silver revealed Labour-run Salford lost 2,194 affordable properties.

The House of Lords Select Committee on Economic Affairs report in 2016/2017 recommended that 300,000 new homes were needed annually in England just to meet existing housing needs. Last year saw an increase of up to 217,350 units, but less than a quarter (41,530) were “affordable.”

Social rented housing is the cheapest form of housing—applying to local government (council)-owned homes—but most council stock was sold off by Conservative and Labour councils. The number of council homes in Britain fell by 69 percent (down from 6.5 to 1.6 million in 2017) since the right-to-buy scheme was introduced by the Tories in 1980.

With the collapse in social housing provision, the expensive and far less secure private rented sector now provides more households than the social sector. However, access to this sector is fraught with obstacles, including rent to be paid in advance and hefty deposits. Many private landlords will not let to those receiving welfare.

According to the government’s Valuation Office Agency, the median monthly private rent for England (all bedrooms) was £675 for April 2016 to March 2017. This includes London, average median rent £1,495; the North West, £535; the West Midlands, £575; the South East, £875. The lowest average private rent was in the North East at £495.

With house price growth outstripping wages—by 7.7 percent in England on average, and as high as 24.8 percent in London’s affluent Chelsea and Fulham areas—obtaining a mortgage is almost impossible even

for those on the median income. This has resulted in an exodus from London in the decade up to 2016, with 292,000 driven out by rising house prices. There are now 50,000 people living in temporary accommodation in the capital.

Local councils, many Labour-run, have responded to rapacious funding cuts from central government by privatising services, selling off remaining council stock and facilitating highly profitable deals with developers. This is set to escalate with central government funding to local councils being phased out and ending completely by 2020.

Property developers are making a killing in “regeneration” schemes centred on replacing working class neighbourhoods with high-end apartments. Residents mobilised recently in opposition to Labour-run Haringey Council in London, which set up the Haringey Development Vehicle run jointly with Lendlease to privatise £2 billion in public assets and demolish seven council estates.

Dr. Jonathan Silver of the Urban Institute at the University of Sheffield recently authored a research paper into the financialisation of housing in Greater Manchester. He concluded that housing has become “an investment opportunity for financial actors, from within the UK and increasingly internationally.”

Labour has embraced this ethos, with many of its senior local council officials intimately involved with property developers. This month, Salford’s Labour Mayor Paul Dennett and Sir Richard Leese, Labour leader of Manchester Council—along with representatives from other councils—attended the world’s leading annual real estate event, MIPIM, in Cannes, France. Dennett unveiled his council’s plans for a 240-acre development area, including 2,000 residential units as an £800 million investment opportunity to the approximately 20,000 global property speculators.



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