

**Collaboratives** on addressing  
racial inequity in covid recovery



# Housing

Briefing Paper

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# Introduction

## Purpose

This briefing has been prepared to facilitate discussion about the challenges and potential solutions to the housing crisis facing the most marginal in our communities after Covid. Evidence of increasing levels of housing debt<sup>1</sup> and street homelessness<sup>2</sup> together with the threat of eviction for those in arrears are likely to disproportionately affect marginalised groups. The introduction to the paper summarises historical housing policies, arguing that interventions have been discriminatory, favouring those with the resources to own property to live in or rent out at the expense of tenants and discriminating against migrants and racial minorities. The rest of the paper draws together emerging analysis from survey and administrative data to explore facets of the current housing situation and identifies key areas of concern to address.

## Housing policy

Racial discrimination has been evident in the housing market for more than a century<sup>3</sup>. It has limited the choices available to those who migrated from the New Commonwealth and elsewhere after the Second World War, forcing them to either buy houses using mortgage clubs and other collective ways of raising funds or to rent in specific districts of the cities they settled in<sup>4 5</sup>. The focus of post-war governments on building to replace war damaged housing and then on slum clearance meant that there was little space for those local authorities who wanted to address the housing needs of the post war migrant communities. Their priority was to clear slums and build enough housing to cater for the population housed in them.

The 1957 Conservative government removed the rent freeze which had been in place since 1939, arguing that it had led to disinvestment in the housing stock owned by private landlords. They articulated an ambition to create a property-owning democracy. We look back on that time and associate it with *Rachmanism*, a process of intimidation and illegal eviction to remove tenants and replace them with those who would pay higher rates. The practice was more widespread enabled by the change in laws on rent control and security of tenure and not limited to a few rogue landlords. At the same time there were politicians from different parts of the country arguing for immigration control because of the housing situation in their towns and cities<sup>4</sup>. The housing crisis of the period led to a Royal Commission. The archives show that the racial dimensions of the crisis were suppressed, that politicians did not want to talk about them publicly<sup>6</sup>. The findings of the Commission informed the introduction of rent controls and security of tenure tilting the balance back in favour of tenants through the 1965 Rent Act.

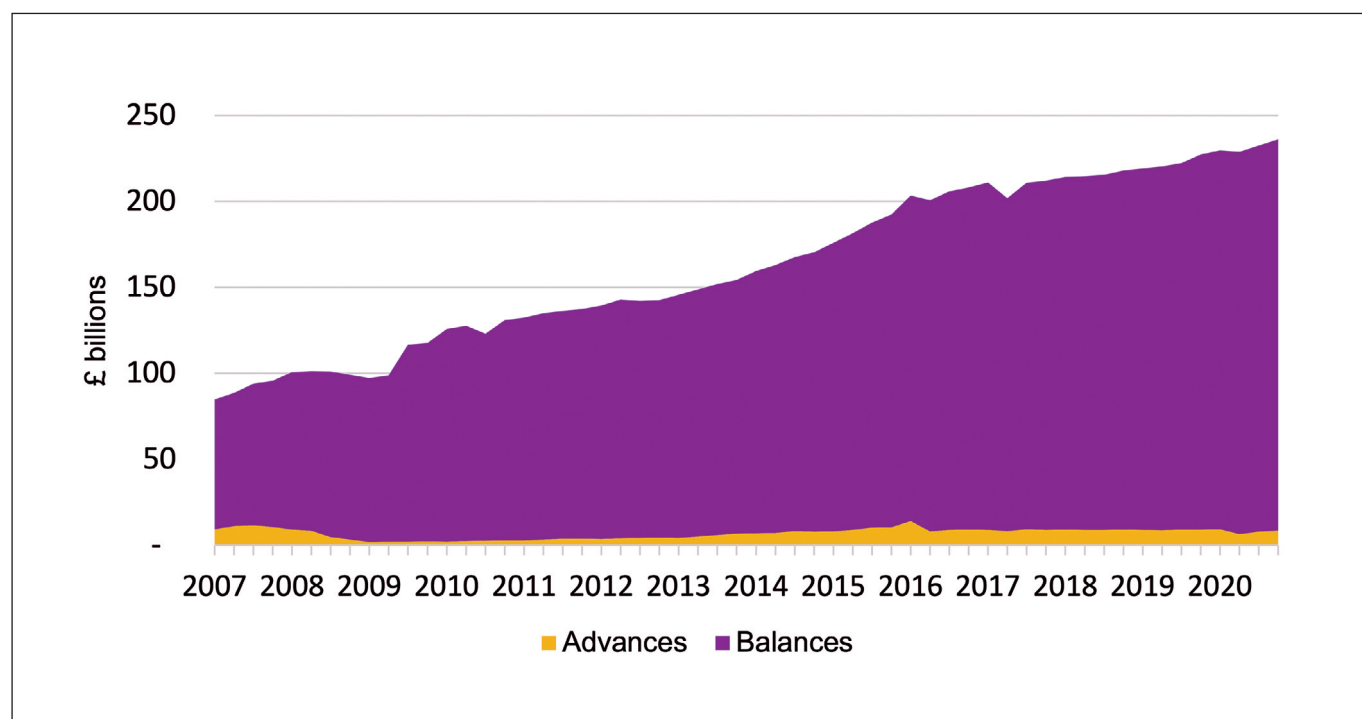
From the 1970s we saw tightening immigration controls. The 1971 Immigration Act meant that primary immigration from the New Commonwealth was reduced to a trickle and the 1981 Nationality Act removed the right of children born in the UK to automatically acquire British citizenship. In the 1990s tighter controls restricted the rights of asylum seekers to access services and appeal immigration decisions. They introduced internal border controls for access to education, health and housing<sup>7</sup>.

The property-owning democracy was re-invigorated by the introduction of the Right to Buy council housing at substantial discount in 1980. Since 1980 more than a third of the council housing stock (two and a half million homes) has been bought. Subsequent evidence suggests that many of these homes are now part of the private rented sector (PRS). In 1988 rent controls were removed, tenancy protection was reduced substantially, creating the PRS environment that we now live in.

From the 2000s we saw increasingly restrictive immigration controls extended from trials with asylum seekers to all migrants. As immigration controls arising from Brexit begin to kick in those from the EU who used to have the right to live and work in the UK, will increasingly be incorporated in these controls. An important thing to recognise here is that the discourse around immigration and the hostility to migrants has been translated to discriminatory practices. Whilst the law says those with specific citizenship statuses do not have the right to housing, officers, local authorities and housing providers have developed local rationales for exclusion and treated some as not entitled because of the way they look or sound<sup>8</sup>. The Right to Rent Act was a key piece of legislation that required PRS landlords to check the citizenship status of potential tenants. Whilst it has been overturned by the Courts it is likely to be back in a similar form covering European residents as well.

The right to adequate housing has increasingly been curtailed by the dominance of the housing market. Developers have had the priority to determine what is built and where. They have ignored local housing needs, ignored lots of affordable housing agreements they made when planning permission was granted and have built for investment. Their focus has been on profit. Figure 1 shows the amount of money held and advanced to individuals through buy-to-let mortgages. This does not include individual investors with cash, properties bought as assets on international exchanges or the growing size of corporate investment. At the end of 2020 two hundred and twenty-eight billion pounds was held in these mortgages with thirty-five billion pounds loaned in that year. Some of these properties are poorly maintained and overcrowded to maximise profit.

**Figure 1. Buy to let advances and balances to individuals.**



Source: Financial Conduct Authority 2021

The impact of poor-quality private rented housing has affected the wellbeing of marginalised groups in both urban and rural areas<sup>9 10 11 12</sup>.

The most flagrant denial of the right to adequate housing has been reserved for England's longest standing ethnic minorities. The accommodation needs of Gypsies and Travellers have been denied by local inaction and government attacks. As part of the regional spatial planning policies of New Labour, local councils were required to address their accommodation needs but this planning failed to deliver the spaces needed. With the election of the coalition government in 2010 attacks on Gypsies and Travellers escalated both through national policy and discourses that encouraged abuse.

Gypsy, Traveller and Roma people have the worst outcomes of any ethnic group in Britain in relation to educational attainment, health and employment. They are also disproportionately represented within the criminal justice system. There are higher mortality rates and (anecdotally reported) incidences of suicide within GTR communities than are found amongst the wider British population. Exacerbating this situation, GTR people face everyday discrimination and hatred across all aspects of their lives, occurring in their engagement with public and private services and in their homes<sup>13 14</sup>.

The new Police, Crime, Sentencing and Courts Bill proposes the criminalisation of unauthorised encampments, further eroding the rights and wellbeing of Gypsies and Travellers<sup>15</sup>.

# 1. Emerging evidence

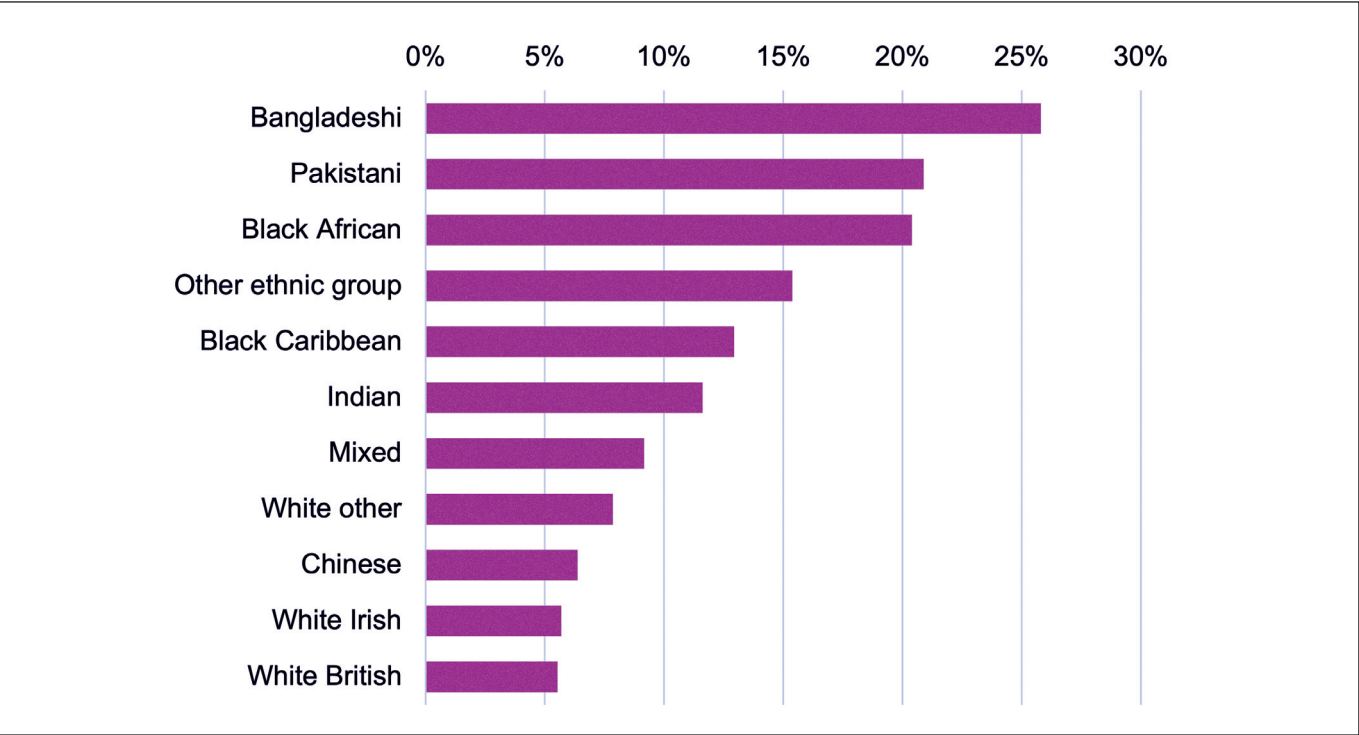
## Interventions in response to Covid

Those who own their homes with a mortgage have been able to apply for a six-month mortgage holiday – this includes both homeowners and landlords. There has been a promise of no evictions from rental properties. In a rule change earlier this year, evictions of those with more than six months arrears have been allowed and the London Renters Union is currently fighting cases in the courts. The ‘Everyone In’ programme provided accommodation for those who were street homeless in hotel accommodation. Probably the biggest cost has been the Stamp Duty holiday which redistributes money to those who can afford to buy their homes including landlords acquiring buy-to-let houses.

## Debt

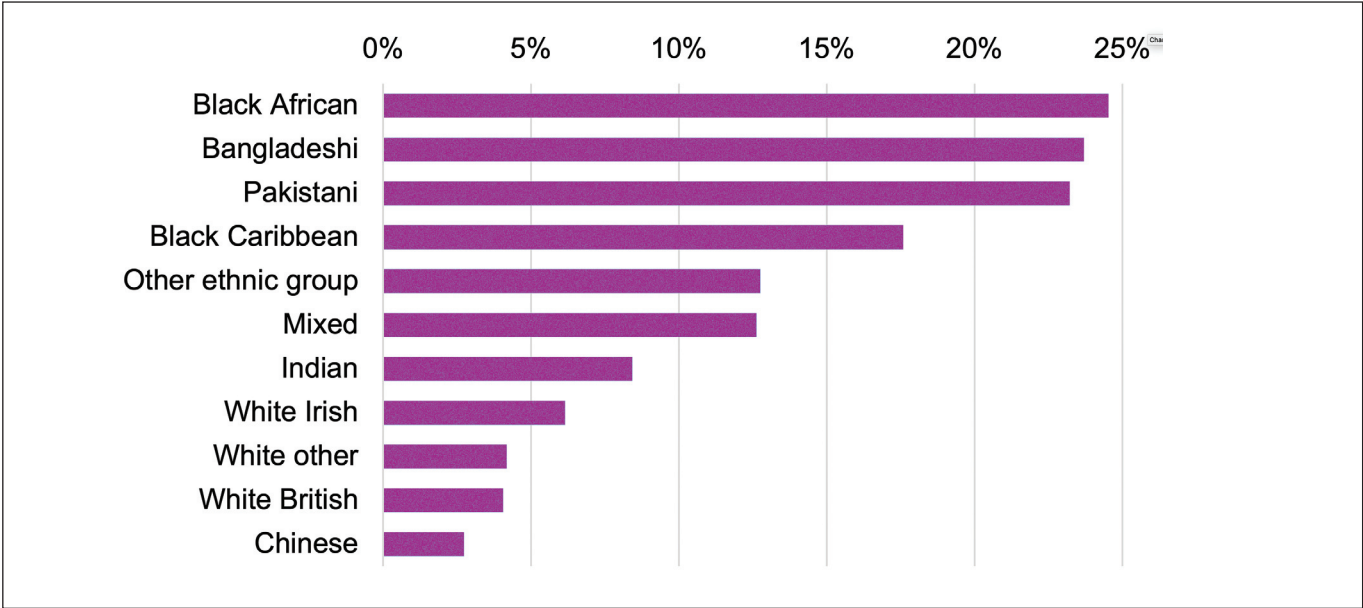
Overall, around 6% of households responding to the Understanding Society survey were in arrears with their housing payments. Those born outside the UK were twice as likely to be in housing arrears. Single parents and other households with dependent children twice as likely and social housing tenants two and a half times as likely to be in housing arrears. Figure 2 shows that the starkest evidence of inequality is by ethnicity with a quarter of Bangladeshi people and a fifth of Pakistani and black Africans in housing arrears.

Figure 2. Percentage of respondents in housing arrears by ethnicity<sup>16</sup>



Similar patterns emerge when looking at those behind with bill payments. Around 5% of the respondents were behind with bill payments. In comparison, more than twice as many born outside the UK, 17% of single parents with dependent children, 21% in social housing and 11% of private rented tenants were behind with bill payments. Figure 3 shows that again ethnicity has a significant effect with more than 20% of black Africans, Bangladeshis and Pakistanis behind with bill payments.

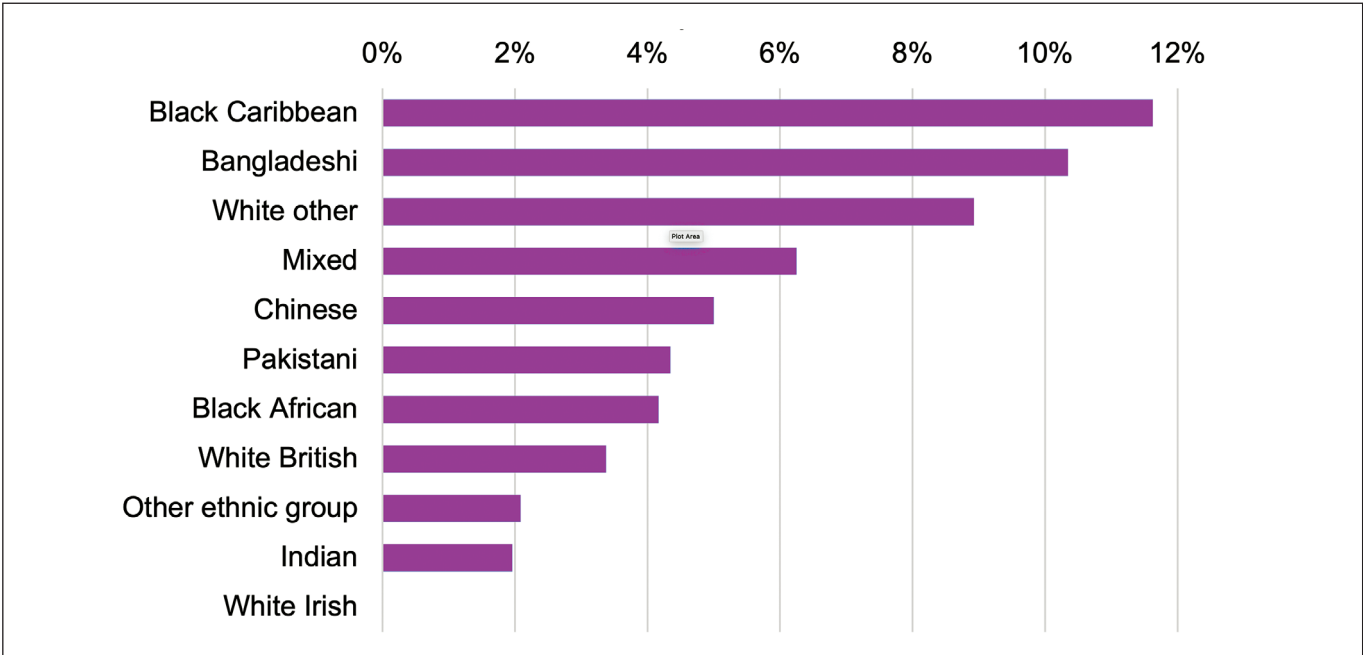
**Figure 3. Percentage behind with bill payments by ethnicity<sup>17</sup>**



**Intention to move**

For some households, Covid has provided an incentive to improve their housing situation. Proximity to work and access to leisure opportunities have become less important whilst more space, a garden and access to green spaces have become more important. For other households, reduced income, unemployment, debt and job insecurity are forcing them to move. Over a quarter of respondents to the Understanding Society survey said that they intended to move. The majority of these (66%) were to improve their housing situation, to downsize or to form a new household whilst 30% cited other reasons. The remaining 4% cited the end of their tenancy or eviction. Twice as many lone parents with dependent children and members of other households intended to move because of the end of their tenancy or eviction. Four times as many in the private rented sector and one and a half times as many in social housing also intended to move because of the end of their tenancy or eviction. There was little difference between those born in the UK and those born abroad. Figure 4 shows that black Caribbean, Bangladeshi, White other and mixed ethnic groups were more likely to intend to move because of the end of tenancy or eviction.

**Figure 4. Intention to move because of the end of tenancy or eviction by ethnicity<sup>18</sup>**





## Other housing data

House sales dipped significantly between February and August 2020 suggesting that if previous years patterns were to be repeated there would be 170,000 house sales expected in order to catch up with demand<sup>19</sup>. This figure is likely to be inflated by the demand arising from the suspension of stamp duty. At the same time private rents increased by around one and a half percent with the lowest rates in London and the highest in the South West and the East Midlands<sup>20</sup>.

The number presenting as statutory homeless is similar to previous periods. Figure 5 raises questions about racial inequality with nearly seven times as many mixed white and black Caribbean and five times as many black Africans presenting as homeless than would be expected from comparison with population forecasts. We have no measure of the different housing needs by ethnicity and expect them to vary by age and household circumstances suggesting the need for further research.

**Figure 5. Statutory homeless presentations by ethnicity<sup>21</sup>**

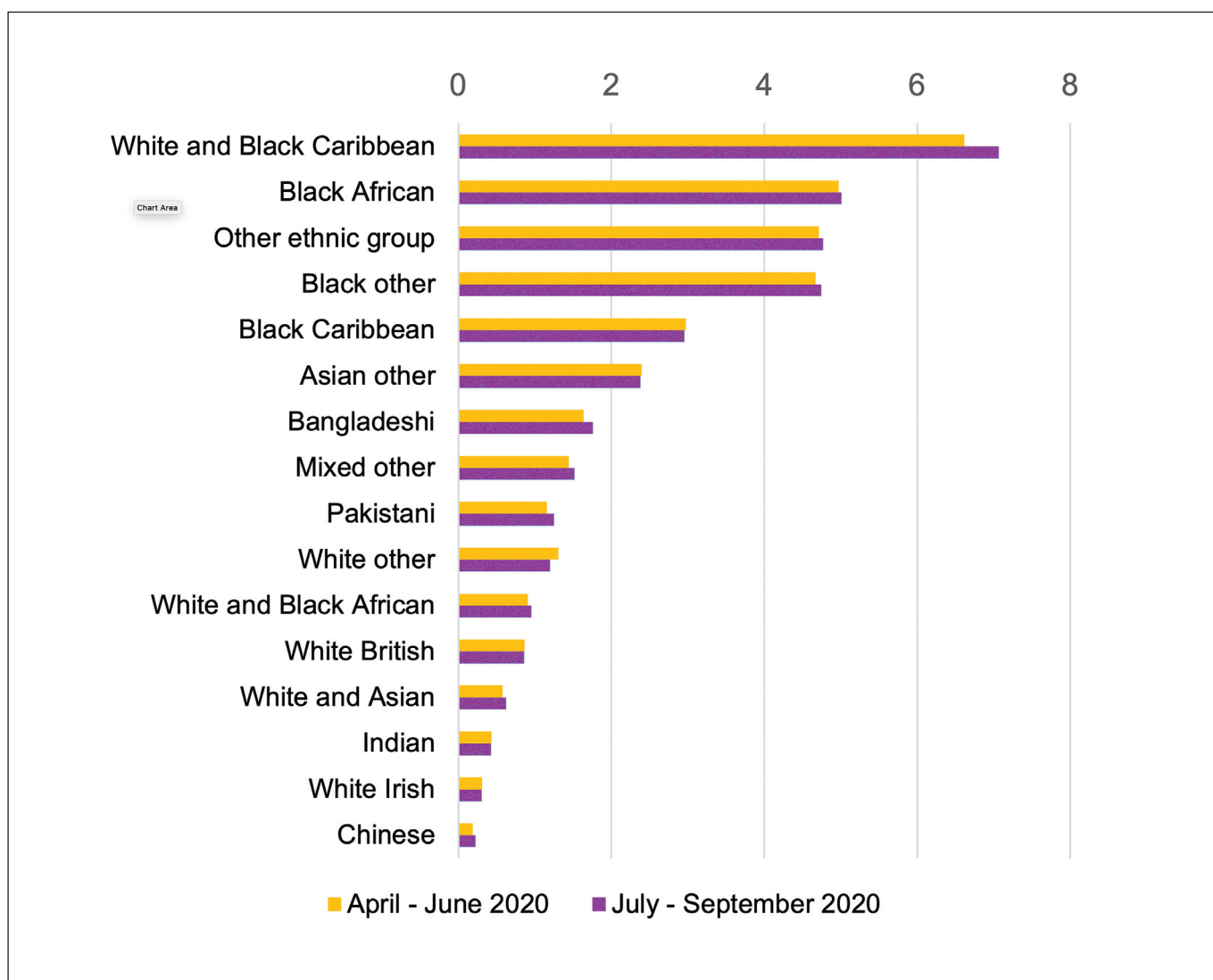
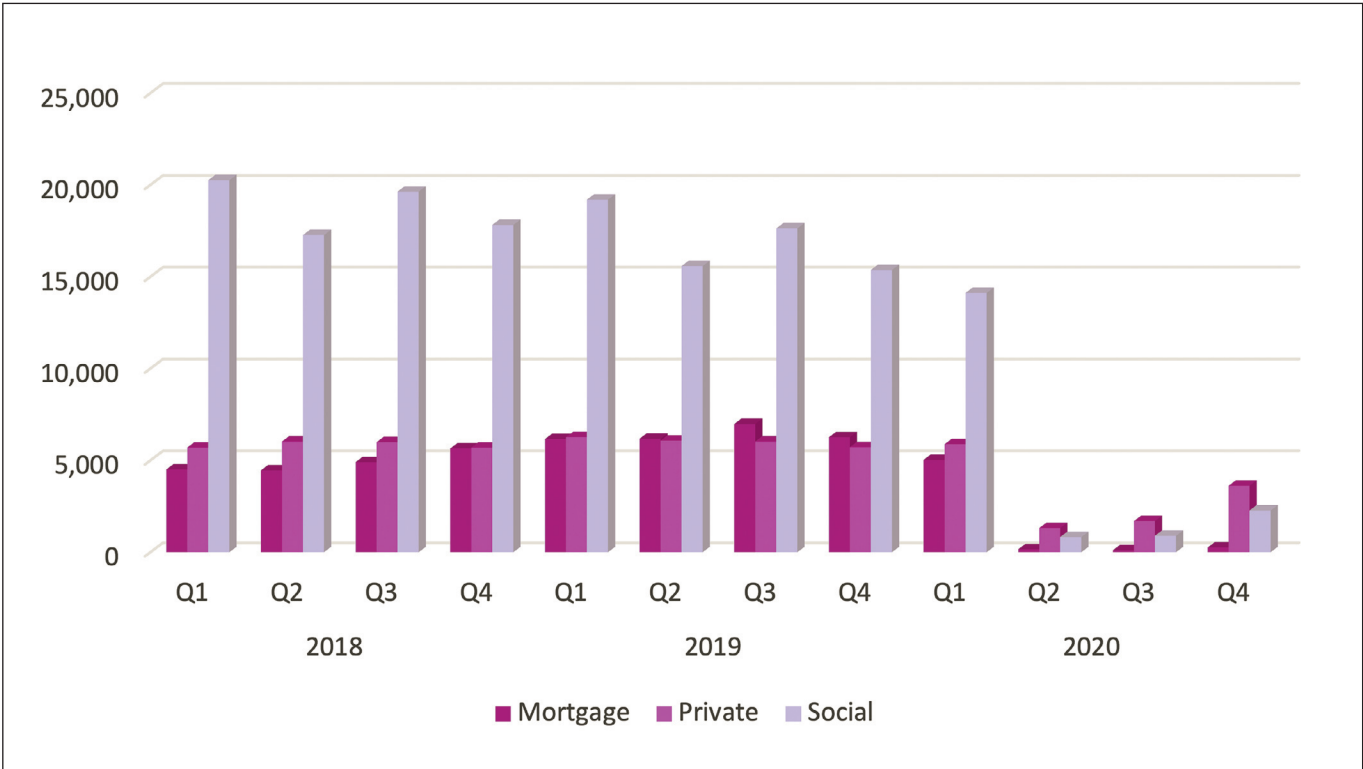


Figure 6 shows that eviction claims reduced significantly across all tenures during the Covid pandemic. Early signs of increasing claims to the county courts for those in private rented and social housing are evident in the fourth quarter of 2020. There is likely to be an acceleration due to increasing arrears and the lifting of the temporary protections for eviction in May.

Figure 6. County court claims for possession by tenure





## 2. Conclusion and Discussion Questions

### Conclusion

Housing policies and the behaviour of the housing market have consistently created structural inequalities. The temporary interventions to address issues raised by Covid have favoured homeowners and landlords more than tenants. They are likely to be followed by an acceleration in sales and evictions affecting those in most need. For those who can make the choice to move to places with gardens and more space, the added incentive of the stamp duty holiday seems likely to lead to significant moves. These may in turn trigger the displacement of existing residents and the reduction of housing choices for their families as market demand increases the prices of suburban and rural housing. For those who cannot afford the choice the spectre of overcrowded, unsafe and insecure accommodation looms large.

The government has demonstrated no evidence of seriously getting to grips with the housing situation in the country, preferring to apply sticking plasters to address perceived issues raised by the stakeholders they listen to rather than considering the international commitments the UK has made to provide adequate housing for all.

Mayors and councils have some local power to intervene and are likely to hold valuable learning for policies that work in addressing the impact of Covid on housing.

### Discussion questions

1. Do you agree that the dominant principle is the right to affordable, adequate housing as agreed under the UN Convention of Social and Economic Rights in 1976?
2. How can individual debts arising from the Covid pandemic be ameliorated? Which debts should be considered? What do you think needs to be done?
3. Should we curtail the powers of developers requiring them to build to address local housing need and provide adequate affordable housing?
4. How should we address the accommodation needs of Gypsies and travellers?
5. Should we introduce housing market regulations to protect local communities from being displaced by gentrification?
6. Should we investigate apparent racial inequalities in presentations for statutory homelessness?

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