

All That Is Solid review – Danny Dorling's brilliant study of Britain's housing disaster

Danny Dorling's examination of home ownership and the grim prospects for those stuck with high rents and few rights makes shocking reading



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○ Nick Cohen

○ The Observer, Sunday 2 March 2014

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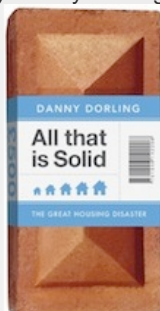


Estate agents' boards in Brighton: housing prices rose sixfold between 1983 and 2007. Photograph: Alamy

Shelter, like food, is essential for life. Without a home you have no place to lay your head and no place in the world to call your own. Even in rich countries, where they were once secure, homes have become precarious, as if sinkholes were opening under them.

All That Is Solid: The Great Housing Disaster

by Danny Dorling



A few figures from Danny Dorling's brilliantly original study of our national obsession and national malaise explain why. No one can pretend now that we are moving towards a property-owning democracy. For the first time in a century, the share of homes rented privately has risen – up 6% between 2001 and 2011. In London and the south-east –

and many cities outside – rents are extortionate. In 2012 the National [Housing Federation](#) said they had risen by 37% since 2007 and would rise by another 35% by 2018. The [Joseph Rowntree Foundation](#) estimated that the number of people in their 20s with a mortgage will halve within the next five years. The economic system is pushing millions into the private rented sector, which has no rent controls and no security of tenure, and where minimum standards apply only to houses in multi-occupancy – when, that is, those standards are enforced, which is hardly ever.

The coalition has taken John Stuart Mill's criticism that landlords "grow rich in their sleep without working, risking or economising", and treated it as a compliment. It gives the 2% of the population that make up the landlord interest tens of billions of pounds of public money in the form of housing benefit and guarantees for speculative building. As for the increasingly privatised world of social housing, we are told that it is the home for scroungers. The slur may carry truth in individual cases but in 2011/12 the average tenant of a social housing home had a median income of £8,996 a year – £24.63 a day. They cannot live without state support. But that support is crumbling. As Dorling says, the only new social homes we are building are prison wings.

The apparent exception to the state's pandering to rentiers is the government's [Help to Buy scheme](#). You have not understood the full meaning of the word "disgrace" until you have understood its effects. Help to Buy no longer encourages the building of new homes or affordable homes. It does nothing to stop its potential landlords using taxpayer guarantees to buy homes to rent. (One third of the council homes sold to tenants by Margaret Thatcher are now owned by buy-to-let landlords. Why should it be different this time?) Albert Edwards, of Société Générale, described the use of taxpayers' money to fund "Help to Buy" as a "[moronic policy](#) that stands head and shoulders above most of the stupid economic policies I have seen implemented". The [Conservatives'](#) purpose is to push up [house prices](#) in the hope of benefiting from feelings of wellbeing among owner-occupiers, and this at a time when tens of thousands of Londoners are handing over 50% of their income in rent.

The market is more twisted than in 100 years towards those who own land and property, and the right is twisting it further. House prices rose sixfold between 1983 and 2007. Land values rose sixteenfold – which is why landowners and builders hoard development land like grain profiteers in a famine. With the lazy complicity of the Treasury and

Revenue & Customs, the rich evade stamp duty through offshore service companies. And, of course, they are the beneficiaries of the council tax, a modified version of the poll tax, which is an effective subsidy to the wealthiest.

I accept that if you live in Glasgow or Hartlepool or Derry, London is another planet. But look at what it is becoming. The centre is a playground for the global super rich. The working and middle classes are leaving. The poor are shunted into banlieues in the outer suburbs or sent north. Even if London is a foreign city to you, the government's bedroom tax will bring the capital's segregation close to your home by moving families, notably families with disabled children, into blocks of small flats or forcing them into poverty.

Upholders of the existing order say that nothing can be done. When 60% of our national wealth is tied up in property, and the banks would crash all over again if the property market went, the status quo must be protected at all costs.

Reformers say we cannot go on like this. But their solution is to rip up the green belt, let the bulldozers roll and build new homes. I agreed with them once, even though I love the southern countryside. But I was shaken by Dorling's question: what is the point of building new homes if only the well-off can buy them? You would never guess it but there isn't a housing shortage. Even London has more bedrooms than people. But the rich have gathered space and properties for themselves to enjoy or exploit. In 1981 the wealthiest 10th of households had three times as many rooms in their homes as the poorest 10th. By 2011 it had five times as many. We have seen nothing like it since the pre-Lloyd George Britain of 1901, Queen Victoria's last year.

A few of Dorling's proposals to redistribute space are as old as Lloyd George's liberalism: a national land tax, for instance. Others ought to be uncontroversial: use the tax system to discourage second homes, holiday homes and empty commercial property; bring back rent controls; and give homeowners the "right to stay" as tenants if they can no longer afford to pay a mortgage.

It is only because we are caught in the mania of a bubble market that we think we cannot change. I wonder what it will take to wake us from our dream. A crash? A revolt of the rent payers? I don't know. But I do know this: when the present is intolerable and reform appears impossible something has to give.

<http://www.theguardian.com/books/2014/mar/02/all-that-is-solid-review-house-prices-danny-dorling>