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Voting and the Housing Market:

The Impact of New Labour

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Executive Summary

1. The 1997 general election was the first at which the Labour party won more support than the Conservatives within the owner-occupier section of the British housing market. It obtained the support of nearly half of all voters whose home was being purchased with a mortgage, and it gained an equal share of the votes with the Conservatives among outright owners.
2. Many of those who switched their support to Labour between 1992 and 1997 were in the owner-occupancy sector, but housing market issues had little to do with their decisions. They were generally disillusioned with the Conservatives as a party of government and much preferred the Labour party leader – few were particularly well-off individually. They expected economic recovery to continue under the new government along with improvements in the major public services, for which they were prepared to pay slightly higher tax bills.
3. A survey conducted 18 months after the general election indicated little change in the situation. The electorate – including owner-occupiers – remained strongly pro-Labour, and there was little evidence of movement back to the Conservatives among those groups who traditionally supported that party prior to 1997.
4. Although Labour made substantial inroads into the housing-market heartlands of Conservative support in 1997, this does not indicate a major change from the situation at earlier elections. The elections of 1979-1992 were when the housing market was most polarised in terms of voting behaviour: the 1997 result saw a return to an electoral geography quite similar to that of the 1950s and 1960s. Nevertheless, Labour has convinced a substantial number of Britain's wealthier households (as defined by the value of their homes) to vote for it, not because of major changes in their ideologies and attitudes but rather because they trust Labour with government again – and currently don't trust the Conservatives. Labour's continued popularity rests on that trust, and on its delivery of reform of the welfare state and the public services, rather than on its policies and actions with respect to the housing market.
5. The housing market is currently not an issue of major political concern or debate. Very few policy initiatives have been taken, or are likely to be taken, which will have direct impacts on it, and there are unlikely to be major indirect impacts from other policies – on taxation and interest rates, for example. In the longer-term, UK entry to the single currency area of the European Monetary Union could have impacts on the British housing market.
6. The Labour government was elected with stronger-than-ever support within the owner-occupier sector of Britain's housing market: housing issues played little part in this and are of very little significance in the contemporary political scene. Labour's support there appears secure – for so long as it continues to be generally popular.

1. Introduction

Studies of variations in voting behaviour among the British population encompass a range of approaches seeking to account for why the parties do badly or well and why each gets more support from some sections of the electorate than others. Two of these are particularly important for work on politics and the housing market, particularly on the relationship between housing tenure and electoral choice.

The first approach argues that support for Labour and the Conservatives comes from different sides of what is termed a ‘consumption cleavage’. Those who obtain their major consumption items, such as housing, transport, education and health care, from within the private sector are likely to support a party which promotes the market system, whereas those who are reliant on the public sector will vote for parties that promote public services. Over recent decades, the Conservatives have been identified as the party for the property-owners whereas Labour has gained most support from among those dependent on the state.

The second approach is often referred to as ‘pocket-book voting’: it stresses short-term reactions to politically-relevant situations rather than long-term commitment to a particular party. It argues that people’s voting decisions are increasingly related to their evaluations of economic situations, both retrospective and prospective. Several situations might be evaluated – the voters’ personal and household financial situations, the state of the national economy, and the condition of the voter’s local economy, for example. In each case, among those who vote on the basis of

retrospective evaluations, if they think that things have been going well, for example, they should vote for the incumbent government to be returned to power, especially if they think that the situation reflects the impact of government policies; if they think things have been going badly (relatively if not absolutely) they may well vote for the opposition, especially again if they think that the situation is a consequence of government policies. In evaluating their personal and local situations, some homeowners (including those buying with a mortgage) may take account of the changing value of their homes, or of the costs of buying them, which will involve considering interest rates.

Was the 1997 general election a further representation of the general patterns represented by these two approaches, or did it herald something new in British voting behaviour? At each of the previous three general elections (in 1983, 1987 and 1992), the Conservatives had been returned to power because sufficient voters in the right places credited them with delivering prosperity and considered that they were more likely to do so again than were the opposition parties, especially Labour. During this period, however, many suffered from the ‘bust’ that followed the 1980s’ ‘boom’ in the housing market – experiencing negative equity as a consequence (see, for example, Dorling et al, 1994; Pattie et al 1995, 1997). There was a very substantial switch away from the Conservatives in 1997, despite the economic success stories of the mid-1990s, because many voters had lost confidence in both their economic policies and their general capacity to govern. Labour inherited a sound economic situation, therefore, and had restructured its position on many issues in order to appeal to middle-class voters. But was the underlying foundation of its electoral support any different in absolute terms than it had been over previous decades? Had it established

a new electoral base, or had it simply attracted the votes of disillusioned former Tories who might soon revert to their former affiliations?

To explore this question, voting trends are examined here in three different ways in the context of the two approaches just discussed. The first section uses survey data to look at both long-term trends from the 1960s on and short-term shifts between the elections of 1992 and 1997. The second section also takes a long-term view, investigating voting patterns in different segments of the owner-occupied housing market rather than by individuals. Finally, a CML-commissioned survey undertaken in late 1998 is used to explore what trends, if any, have emerged since Labour's victory at the 1997 general election.

2. Trends in Individual Voting Behaviour by Housing Tenure

2.1. The period 1966-1997

This section employs data from the British Election Study surveys conducted after every general election since 1966, which obtained data on respondents' housing tenure, as well as vote. (The previous surveys - in 1963 and 1964 - did not obtain tenure data: the first BES was not tied to an individual election – all subsequent surveys have been.) The tenure categories have been grouped into three – owner-occupancy; renting from a local authority of similar body; and renting in the private sector. Figures 1-3 chart the changing voting percentages among each group, with the three showing very different pictures. Among local authority tenants (Figure 1), Labour was the predominant choice throughout the period, rarely failing to get at least

60 per cent of their votes (excluding those who abstained). The Conservatives gained ground in the 1970s but then lost it fast, with a very similar story for the Liberals (we use this term throughout); the fall in Conservative support undoubtedly reflects the impact of the ‘right-to-buy’ policy which the party enacted in the *Housing Act 1980* and subsequently extended, and research has suggested that many of those former local authority tenants who exercised this right had relatively strong pro-Conservative leanings beforehand (i.e. they were more pro-Conservative than those who didn’t exercise their ‘right-to-buy’ but more pro-Labour than ‘traditional’ owner-occupiers). Among private sector renters, on the other hand, the Conservatives and Labour have frequently changed position as the most popular party, with the gap between them never particularly wide (Figure 2).

The third tenure category shows by far the most change, and then only at the end of the period (Figure 3). From 1966 until 1992 the Conservative party had a substantial lead of thirty percentage points or more over Labour among owner-occupiers, with the relatively narrow gap at the two 1974 elections being due more to the rise of support for the Liberals than any major incursion by Labour into the ranks of the property-owning classes. But there was a major change in 1997, with Labour gaining more support among owner-occupiers than did the Conservatives.

This change in Labour’s fortunes was a necessary component of its electoral success in 1997, when it won the support of over 40 per cent of the electorate for the first time in three decades (it won 43.2 per cent of the votes cast but because turnout was low – only 71 per cent of those eligible to vote – its support came from just 31 per cent of the electorate). The changing structure of the housing market since 1966, the date of

Labour's last substantial general election victory, meant that even if it retained its hegemony among the local authority tenants and won substantial support among private sector renters, it was unlikely to win enough votes to secure a Parliamentary majority (especially so as those two sectors are spatially highly segregated). Those two sectors have been in significant decline (aided by Conservative housing policies in the 1980s), and owner-occupancy has increased in relative importance (Figure 4); there has been a small recovery only in the size of the private-rented sector during the 1990s. A party which wants to gain a majority in the House of Commons now needs to win substantial support from among the propertied classes.

Given the significance of the owner-occupier sector, it is desirable to look at it in some more detail. The BES surveys allow this for every election except 1983 and 1987 (when the relevant question was not asked): owner-occupiers are divided into outright owners without a mortgage on the property and those who are purchasing their home with a mortgage. Figure 5 shows that the latter virtually doubled their share of all properties between 1966 and 1992, whereas the proportion of outright owners fell initially - because of the substantial increase in mortgages - before regaining their 1966 position in 1997.

Inspection of the voting behaviour of these two groups shows that Labour's 1997 lead over the Conservatives was substantial in the case of those who have mortgages (Figure 6), but the biggest, and perhaps the least expected, change was among outright owners, where the two parties now shared first place among the voters (Figure 7). Together, these two graphs show that Labour's 1997 victory was based on much greater support among owner-occupiers than it previously achieved - at a time when

the owner-occupier sector predominated in the housing market. So why did the propertied classes decide to switch their support to the party previously perceived as (relatively) anti the private sector and was the situation in the housing market related to their decisions?

2.2. Short-term changes 1992-1997

2.2.1. House price changes and vote 1992-1997

The 1997 BES asked all respondents whether they thought house prices over the previous five years had gone up a lot or a little, stayed the same, or fallen either a little or a lot. Twice as many thought they had increased rather than fallen (Table 1: 46.1 per cent compared with 22.2). Interestingly, non-home-owners were most likely to think that house prices had gone up a lot, but there was virtually no difference between the two groups most affected – outright owners and those buying with mortgages. There was also very little difference within each of those groups in their propensity to vote Conservative at the 1997 general election according to their appreciation of house price changes (Table 2), although among outright owners there was a ten percentage points difference between those who thought they had increased a lot and those who thought they had fallen a lot in their support for Labour.

Many home-owners and -buyers voted Conservative in 1992, of course, and so of particular interest in this context are those who then deserted the party in 1997. Table 6 shows 1997 vote by housing tenure and appreciation of house-price changes for 1992 Conservative voters only. Around two-thirds of outright owners remained loyal

to the party, except among those who thought that prices had fallen a lot: only just over half of them stayed as Conservative voters and one-fifth voted Labour, twice as many as in any other category. Among those buying a home with a mortgage, however, there was virtually no difference across the five categories: those who thought house prices had gone up a lot since the last election were no more likely to vote Conservative again than those who thought they had fallen a lot (about 53 per cent in each case).

2.2.2. Political attitudes among the vote 'switchers'

With the slight exception of the outright-owners who thought house prices had fallen a lot, therefore, there is very little evidence in the 1997 survey that the switch to Labour was a function of housing market trends. So what were the characteristics of the 'switchers'? Exploration of this issue uses the panel survey conducted between 1992 and 1997 by the BES: some 1900 people who were interviewed after the 1992 general election were interviewed on several occasions in the following years, including after the 1997 election, giving their voting history over the two elections. Of them, 95 voted Conservative in 1992 but Labour in 1997 and 91 switched from the Liberal Democrats to Labour. The great majority of them (over 85 per cent, compared to 78 per cent of the sample as a whole) were owner-occupiers. What were their other characteristics and why did they switch to Labour?

The arguments about 'pocket-book voting' and the 'feel-good factor' suggest that governments which are seen to deliver economic prosperity tend to be rewarded by the electorate and that the opposition parties only pick up votes from those who feel

that the government has failed. On this basis, those who shifted their vote to Labour between 1992 and 1997 should have been unimpressed by the government's economic performance and pessimistic about the future. But 72 of the 186 when asked in 1997 thought that the British economy had got stronger over the previous year whereas only 19 thought it had got weaker (the remainder thought it had stayed the same). And although a small plurality thought it would get weaker over the coming year (34) another 28 thought it would get stronger. At the individual level, however, there was much more concern: 68 of the respondents said that their household incomes had fallen below prices over the preceding year compared to 28 who had seen their income growth outstrip prices; 45 expected to fall behind over the next year, compared to 24 who expected the opposite.

Overall, therefore, those who switched their vote to Labour between 1992 and 1997 were finding the economic situation tough as individuals, even if many thought that the national economy had been performing well. Some were feeling the pinch: of those with a mortgage, for example, 25 (13.4 per cent) were finding it difficult meeting the payments, although another 109 who were experiencing no difficulties. And many of them felt insecure. Of the 186, 77 felt less secure against crime in 1997 than they had a couple of years before, with only 17 feeling more secure; and 53 were less confident they could keep/find a job, against 15 who were more confident; on making mortgage payments in the future, however, 22 were less confident (again, more than one-in-ten) compared to 29 who were more confident. Their confidence was lowest in the NHS, however: 134 were less confident that the NHS could look after them if they were ill, compared to just 3 who were more confident.

Confidence in the Conservative party was even less, however. Of the 186 'switchers', 160 thought it was good for just one class nowadays, whereas only 15 thought it was good for all classes (the comparable figures for Labour were 7 and 166); 182 thought the party divided (180 thought Labour united); 176 thought the Conservatives broke their promises; and 166 thought the Conservatives incapable of strong government (176 thought that Labour was capable of strong government). In other words, the switchers to Labour were totally disillusioned with the Conservatives and believed that Labour had made itself electable again. They also much preferred Tony Blair over John Major: 178 thought Blair capable of strong leadership, compared to only 27 so rating John Major. In sum, the reasons why voters shifted their support away from the Conservatives were very clear: they no longer trusted or had confidence in them, and they believed that Labour good deliver strong, effective government in the national interest.

And what were their expectations? They were asked a number of questions in 1996 about what might happen if Labour won the next general election. Of the 186, 57 expected the British economy to get stronger, against 25 who expected it to get weaker; 115 expected unemployment to fall, and only 20 that it would rise; 119 expected education standards to improve, with only 10 expecting them to fall; and 138 expected NHS standards to increase (7 expected them to fall). Nationally, 63 expected general living standards to improve with only 11 expecting them to fall, and 33 expected their own standards to rise as against 15 who expected them to fall. But they anticipated that there would be a price for this: 120 expected taxes to go up (only 16 expected them to fall) and 105 expected interest rates to rise (7 thought they would fall). These were people who believed in public services (92 agreed that they should

be state owned with 36 disagreeing with the statement) and in a 'mixed economy' (in response to a question asking whether private enterprise was the best way to solve Britain's economic problems, 44 agreed and 51 disagreed). And they were interested in politics: only 26 said that had only a little interest and 165 cared a great deal who won the 1997 election.

2.2.3. The switchers' economic situations

The BES survey concentrates on politically-related issues, and reveals relatively little about the shifters (of whom there was only a small number). Another, larger survey does provide some of that information - although it has less on political issues. The British Household Panel Survey (BHPS) is a longitudinal survey, which initially interviewed people in c.5000 households (c.10,000 individuals) in 1991 and has re-interviewed as many of them as possible in each succeeding year. The data for the 1997 survey include 7077 individuals who were also interviewed in 1992. Of them, 379 switched their vote from Conservative to Labour between the two dates (only 22 moved in the other direction) and a further 297 shifted from voting Conservative in 1992 to abstaining in 1997. These two groups of 'switchers' are compared here with the 1516 who remained loyal to the Conservative party over the two elections and the 1805 who supported Labour at both. Although the BHPS does not include a large number of politically-relevant questions a substantial number on the respondents' economic situations are of considerable interest here.

Table 4 shows that those who switched their allegiance away from the Conservatives, either to Labour or to non-voting, were typical of neither those who voted

Conservative in both 1992 and 1997 nor those who supported Labour on both occasions. Outright owners were much less likely to switch their allegiance from Conservative to Labour than were those buying their homes with mortgages, for example, a differential which was even more marked when comparing the Conservative 'stayers' with those who abstained in 1997 after voting Conservative in 1992.

In terms of their current financial situation, for example, many fewer of the Conservative:Labour (CL) and Conservative:abstention (CA) switchers reported that they were 'living comfortably' than was the case with the Conservative 'stayers' (CC). Similarly more 'switchers' than 'stayers' reported that they had become worse off during the year 1996-7, though the differences were not great. Labour attracted relatively financially hard-pressed voters away from the Conservatives, many others of whom also decided not to vote in 1997. Just over 14 per cent of CA 'switchers' were finding debt repayments a burden in 1997 compared to 6 per cent of Conservative 'stayers', for example, and half-as-many again were having problems with housing payments.

The 'switchers' were also among the less well-off among 1992 Conservative voters, using housing value as an indicator of wealth. Looking at home-owners only (both outright owners and those with mortgages) the average value of the home of a CL 'switcher' was £35,000 less than that of a CC 'stayer' and there was a £25,000 difference in the extent of their housing gain (the difference between their current assessment of their home's value and what they paid for it). Those who switched to non-voting in 1997 were less different from the 'stayers' but still significantly less

wealthy, a conclusion sustained by the data on Council Tax bands. Many more ‘switchers’ than Conservative ‘stayers’ had homes in the lowest two bands (A-B), and many fewer in the upper four (especially bands G- H).

The Conservative voters who shifted their support to Labour between 1992 and 1997 were atypical of Conservative voters generally, therefore: they were less wealthy and more likely to be experiencing financial difficulties, as also (though to a lesser extent) were those who abstained in 1997 after voting Conservative in 1992. Labour were most likely to attract those who benefited least under Conservative rule. But those ‘switchers’ were not typical of loyal Labour supporters either, being wealthier than those they joined. In financial terms, it was those in intermediate positions between the two parties’ core supporters who were most prepared to change their allegiance.

3. The Geography of Housing and Voting in Great Britain, 1979-1997

The British housing market experienced a cycle of ‘boom and bust’ between 1983 and 1992, with more rapid temporal changes and wider spatial variations in housing values than had occurred during previous cycles, notably in the 1930s and 1970s. So did the shift of a substantial number of owner-occupiers to Labour between 1992 and 1997 described above reflect a return to more ‘normal’ housing market conditions (last seen in 1979-1983) or was there a more fundamental change? Answering that question involves looking at changes in voting by housing market area between 1979 and 1997 (the latest year for which data are available).

3.1. Voting by housing market area: 1979-1997

The preceding analysis of BES data clearly shows important changes in home-owners' voting between the 1992 and 1997 general elections, but the sample is not large enough for separate analyses of sub-groups of home-owners according to the characteristics of their local housing markets. It seems reasonable to assume that wealthier people living in areas where housing is more expensive should be more likely to vote Conservative than those less well-off and living in less expensive properties and areas. It is not possible to establish firmly whether that is the case with such a relatively small sample, however, nor can the relationship between affluence, home ownership and voting over a longer period be explored in order to gain an appreciation of general trends within which the 1992-1997 experience can be set. Thus this section uses aggregate rather than individual data, employing Parliamentary constituencies as surrogates for housing market areas. The following discussion looks at the changes since 1979, therefore, and concludes that the situation in 1997 was quite similar to that at the start of the period: it was the years in-between that were aberrant. Further, less detailed analysis of the period 1955-1997 sustains that conclusion.

This discussion focuses on the owner-occupied and mortgaged housing market, as this is where the large majority of British voters live and where some of the greatest geographical divisions can be found between different areas, due to the very wide variations in average house prices across the country. The Nationwide Building Society mortgage book provides a nationally-representative source of data on house prices, from which average housing prices for a succession of time periods have been

calculated (weighted by housing type mix within Parliamentary constituencies), giving robust estimates of housing prices for all constituencies, other than the Western Isles and Orkney & Shetland. The time periods used are 1980, 1981-85, 1986-90, 1991-95 and 1996 to first quarter 1997, which correspond respectively to the situation at the time of the general elections of 1979, 1983, 1987, 1992 and 1997. Wider time periods are employed for the 1980s, partly because of data availability (1980 was the first year for which they were made available, and 1997 the latest) but also because house prices were highly variable year-on-year in the 1980s, which a five-year average can smooth out. The house prices used are weighted averages: the raw figures for each constituency by each of four housing types are weighted by the national mix of those four types to standardise the prices to a common base and avoid differences between areas in the mix of housing types (such as the large proportions of flats in much of Greater London). Production of voting data by constituency involved estimating what the results of the 1979, 1983, 1987 and 1992 elections would have been if the current set of constituencies (created in 1995) had been used then.

These data on voting by groups of constituencies according to the characteristics of their housing markets are analysed by dividing Great Britain into ten 'deciles' for each time period, with constituencies grouped according to their average housing price so that each group contained one tenth of the country's electorate. This shows how the country voted at each election from the least to most wealthy tenth of the constituencies in terms of the average market value of their residents' homes (not their incomes). The composition of decile groups changes slightly between time periods due to the changing geography of house prices and of the electorate.

However, at each time period the most wealthy decile always represents the tenth of

the electorate who lived in constituencies where house prices were highest at that time, and so on down to the least wealthy decile.

3.1.1. The pattern of voting in 1997

Table 8 shows the pattern of voting by housing-value deciles at the 1997 general election, when the country is divided by average housing price for the 15 months preceding that election. The first row shows that the average housing price in Great Britain was £63,000; some 22 per cent of the electorate voted for the Conservative party, 32 per cent for Labour, 12 per cent for the Liberal Democrats, 5 per cent for Nationalists and other parties and 28 per cent abstained – a distribution against which the pattern for each decile group should be compared. Decile 1 contains the least wealthy 10 per cent of electors by constituency: on average their homes were worth £42,000 and they were both most likely to vote Labour (42 per cent) and abstain (33 per cent did) than was the case in any of the other decile groups. They contrast most clearly with the most wealthy group (decile 10) living in areas where housing on average cost £104,000 and where people were most likely to vote Conservative (28.1 per cent). Overall, this table confirms the general assumption about voting and housing, that the more wealthy the area the higher the Conservative vote and the lower the support for Labour as well as in the percentage who abstained. The last row summarises the extremes of variation by comparing the most and least wealthy. By constituency deciles the most wealthy 10 per cent of owners live in homes worth on average 2.5 times those of the least wealthy, they are 2.2 times more likely to vote Conservative, twice as likely to vote Liberal Democrat and none voted for a

Nationalist party (no Nationalist candidates stood in these seats - which were all in England).

3.1.2. Changes 1992-1997

Much more interesting than simply confirming expectations is to look at changes in this pattern of voting by housing costs: have the differentials always been of this nature or did the 1997 general election represent a narrowing or widening of the “housing divide” in voting? Answering this question involved constructing exactly the same table for each general election since 1979 and then subtracting the comparable values to identify changes in the pattern of voting according to housing wealth.

Table 6 compares the voting profiles of decile groups of electors in Britain by average housing price 1991-1995 and 1996-97Q1. Average housing prices rose only slightly (by £3000) over this period as the housing slump had only just ended by 1997, but the increase in house values was concentrated in the richest areas of Britain. In decile 10, comprising the constituencies which already had the highest housing prices in the early 1990s, prices rose by on average £12,000, four times the national average and twelve times the increase experienced in the least wealthy constituencies. Intriguingly this degree of growing inequality – of the rich areas becoming richer – was only matched in geographical pattern by the swing in votes for one political party: Labour. Where housing prices rose the most before the election Labour’s percentage of the votes cast rose similarly.

Nationally, Labour gained a net increase of 4 percentage points (an increase in its share of the electorate from 28 to 32) but its increase in the wealthiest constituencies was 11 times greater than the 0.7 per cent increase in support in the least wealthy 10 per cent of seats (decile 1). Not only did this help Labour to win the election but it represents a remarkable illustration of the turn-around in public opinion that preceded its 1997 victory. People living in wealthiest parts of Britain changed allegiance to the Labour party and deserted the Conservative party in greatest numbers (the net fall in Conservative support in decile 10 was 16 percentage points). Had Labour started to become the party of the rich? In 1979, 21 per cent of electors in decile 10 voted Labour (8 per cent less than the national average): in 1983 this had fallen to 12 per cent, in 1987 it was 14 per cent, in 1992 it was 18 per cent, and then in 1997 it was 26 per cent – 6 points less than the national average, but 5 points higher than the situation in 1979. Labour's 1997 performance in these wealthy areas not only looks very good when compared with its low points in the 1980s but also when compared with 1979: its share of the electorate in the richest part of the country had increased by almost one-quarter over its performance when the Conservatives last defeated it, a pattern entirely in line with the individual data graphed in Figure 3.

3.1.3. The 1979-1997 trends

Table 4 summarises information on support for the Conservative and Labour parties for each of the five elections in this period by comparing their shares of the electorate. Thus in 1979, for example, Labour had a 17 point lead over the Conservatives in decile 1 (the constituencies with the lowest-priced housing), which increased to 29 points in 1997. Not surprisingly, Labour's lead over the Conservatives was largest at

every election in the lowest deciles, and the Conservative lead was greatest in the highest. The last two columns show the positions in 1979 and 1997 respectively with the national difference partialled out. In general terms the differences between the beginning and end years are not great, though interestingly one of the largest changes between 1979 and 1997 was in decile 10, where the adjusted Conservative lead over Labour fell by 5 percentage points - nearly one-third of what it was at the former date.

The last row of Table 7 gives the gap between the Conservative lead over Labour in decile 10 to Labour's lead over the Conservatives in decile 1 (it is the sum of the two values, irrespective of sign). It suggests that the country was most divided, in terms of voting by housing wealth, in 1987, which is when house prices varied most between groups of constituencies. These divisions were reflected in the polarisation of both voting and house prices. Across all five elections, the gap was smallest in 1997. If spatial polarisation were to increase again, with a growing north-south divide in prosperity (and there is evidence that this is beginning in recent house price trends), then voters in the south may decide to switch back to the Conservatives (assuming that the party is once again considered capable of strong government) in order to protect their newly-found equity if they believe that Labour's policies may threaten that newly-created equity.

Table 8 shows how average housing prices changed in each decile group during each electoral period, beginning and ending with the actual 1979 and 1997 average prices. The final column is the overall house price inflation for the period by housing price group. At the start and end of the period (1979 and 1997) the average house price in

decile 10 was just under 2.5 times that of the average in decile 1: Britain, it seems, was no more polarised in terms of housing prices in 1997 than it was in 1979, despite the major variations in the intervening period (house prices increased most in the wealthier deciles between 1979 and 1983, 1983 and 1987 and again between 1992 and 1997, but between 1987 and 1992 they were most buoyant in decile 1). Polarisation in the housing market was thus a temporary feature of the early 1980s: at the end of that decade, it was the highest-priced constituencies that suffered most from the ‘bust’ (having benefited most from the preceding ‘boom’); and then during the 1990s the degree of spatial differentiation in the housing market returned to its former condition, although there are signs in mid-1999 of growing polarisation in the operation of the housing market.

The change in support for Labour between the two years is not just a feature of changes in the housing market: its performance in the wealthiest areas was substantially better in 1997 than it was in 1979, when the ratio in housing wealth between the richest and the poorest areas hardly changed at all. When the housing market was most polarised during that period, between 1983 and 1987, so too was the electorate, but when housing value polarisation was reduced, so too were the differences between areas in their support for the two main political parties. And then between 1992 and 1997 the Conservative vote collapsed most where it had always been strongest, giving Labour a much greater foothold in the country’s wealthiest areas than it had previously enjoyed.

3.1.4. A longer-term perspective – 1955-1997

But was this an unusual situation in an even longer-term perspective? The voting shifts by tenure and by house prices between 1992 and 1997 were unprecedented in the light of voting since 1979 but all of those elections with which 1997 has been compared were won by the Conservatives. To be sure of the significance of that recent shift the 1997 voting patterns should be compared with previous Labour victories, which is extremely difficult, for two reasons.

The first problem was created by constituency redistributions. New constituency boundaries were introduced after the 1970, 1979 and 1992 general elections. For the last two of these, the result of the election preceding the redistribution was estimated as if were held in the new constituencies, and these estimates (BBC/ITN, 1983; BBC/ITN/PANews, 1995) were used in the work described above. For the first of the redistributions, however, all that is available is a list of those constituencies which were largely unaltered by the process. This has allowed construction of a set of 563 ‘quasi-constituencies’ whose voting patterns can be compared over the period 1955-1997, which cover some 90 per cent of the British population: the 10 per cent excluded are mainly in the inner cities and in rural areas - the former have lost population over the period whereas the latter have gained it.

Secondly, there is no good measure of housing prices for small areas in Britain prior to 1980. It has to be assumed that the basic geographical pattern of wealth in place in the 1980s has changed little since previous decades, therefore, so that voting in the 10 per cent of Parliamentary constituencies that were most wealthy in the 1980s can be

compared with the pattern there at elections since 1955. The distribution of constituencies into deciles for 1980 has thus been projected back over the preceding seven elections.

Table 9 shows the national share of the electorate voting for each party or abstaining in these 563 constituencies at each general election since 1955: Labour won more votes than the Conservatives in 1964, 1966, October 1974 and 1997. Table 10 gives the voting data for the richest 10 per cent of those constituencies. The Conservative share was nearly half at the beginning of the period, fell to below 40 per cent through the 1960s and in the 1970s until 1979. From then until 1992 its share was between 40 and 45 per cent but in 1997 it fell to just over 30 per cent, five points lower than at the previous nadir, in October 1974. Labour's share in these areas was its highest in 1997, at 21.6 per cent, since 1970. It performed better than that in those constituencies throughout the 1950s and 1960s, however, but that was when turnout was higher and the Liberals performed poorly (not contesting all of the seats). Labour's performance relative to that of the Conservatives is best seen through the table's final column, which gives the ratio of the Conservative to the Labour percentage of the electorate. That figure was lowest in 1997, although not much lower than when Labour achieved its other major post-1955 victory, in 1966.

Finally, Table 11 presents the situation in the richest 10 per cent of constituencies compared to the national pattern. The latter has been subtracted from the former (i.e. the national percentage has been subtracted from the decile percentage), to show how the richest constituencies differed from the country as a whole. Thus in 1955, 47.8 per cent of the electorate voted Conservative in the richest constituencies compared to

38.2 per cent nationally, giving the party an advantage of 9.6 points there. Labour's disadvantage there was 10 percentage points then, and it varies by only 4.7 points over the next 40 years, from a low of 9.8 in October 1974 to a high of 13.5 in 1992.

The evidence presented in this section suggests that although Labour made substantial inroads into the Conservative 'heartlands' of the richest 10 per cent of constituencies between 1992 and 1997, its performance there was not out of line, in relative terms, to that of previous elections: the period 1979-1992 was one of deviation from the general pattern. On the other hand, the Conservative share of the vote in 1997 fell substantially below its previous 'lows': for it, if not for Labour, 1997 was a significant 'deviation'. All that can be concluded, therefore, is that Labour's support in 1997 in the areas where home ownership predominated and where housing was at its most expensive was similar to that of earlier decades. It has not made new inroads into areas previously untapped - although it is several decades since it was last performing well there, so the people supporting it now are almost certainly not those who did so then - but rather regained significant support among a sector of the population which substantially deserted it from the late 1970s until the late 1990s. But will it last?

4. New Labour in office

During the later years of the Major government his party lost important electoral support among hitherto Conservative-inclined groups, notably home-owners. This was partly a consequence of the general loss of confidence in his government's economic competence which affected its support in all sections of society, whereas for home-owners in particular the impact of the housing recession of the early 1990s,

and (for some) the negative equity it produced, were further sources of concern. In part, too, the Conservatives' loss was a function of the re-established credibility of the main opposition party. New Labour under Tony Blair had spent the years prior to the 1997 election attempting to convince 'Middle England' – a nation of home-owners – that its interests were close to Labour's heart. The Conservatives' hegemony among home owners was therefore under attack from two sides: weakened by both home owners' own increasingly adverse reactions to the party in office and the newly-found apparent safety of a vote for Labour. And New Labour won them over, at least in the short term: the 1997 election was the first at which Labour won more votes than the Conservatives among home owners. To a large extent, the electoral allegiances of home owners (especially those still paying mortgages) were realigned in 1997.

But was that realignment a short-term reaction to the failures of Majorism, or are there signs of a longer-lasting shift in the loyalties of Middle England? Data derived from a MORI poll, commissioned by the Council of Mortgage Lenders and conducted in November 1998, gives a reference point close to the mid-term of the current Parliament, normally a time when the 'honeymoon period' which new governments enjoy after their election wins has begun to disappear. Blair's government has had a remarkably long honeymoon with the electorate, of course; even by the time of the poll, around 50 per cent of the electorate routinely said that they would vote for the party in a general election (by contrast, the Major government's post-1992 honeymoon came to an abrupt end only 5 months after its narrow win).

4.1. Voting intentions

In keeping with the longevity of Labour's post-election honeymoon, the survey reveals a strongly pro-Labour electorate. When asked how they would vote if an election were held tomorrow, 50 per cent of those who expressed a view ('don't knows' were excluded) said they would vote Labour, compared to under a quarter who would vote for the Conservatives. More importantly for the current analysis, Labour lead the Conservatives in all housing groups (Table 12). As expected, home owners were markedly less likely to express a potential Labour vote than were those renting from local authorities, but Labour was ahead of the Conservatives among home owners, suggesting that the transformation of 1997 was not a flash in the pan.

Labour's lead was not uniform across all home-owners, however. Among those who owned their home outright, Labour's lead was a relatively narrow 5 percentage points (though for Labour to maintain its lead in this group is still a striking departure from 'normal conditions': outright home owners have in the past been strongly pro-Conservative). Among those home buyers who were still paying mortgages, Labour was a full 14 percentage points ahead of the Conservatives. To some extent, age plays a confounding role here. Given the structure of housing finance in Britain, home owners who own their property outright are likely to be older than those who are still paying-off a mortgage (in the CML survey, for instance, almost 60 per cent of those who owned their home outright were aged over 65, whereas just under 5 per cent in that age group were still paying a mortgage). There is a well-established relationship between age and voting: other things being equal, older voters tend to be more pro-Conservative than the young. Furthermore, the swing from Conservative to Labour

between 1992 and 1997 was greater among younger than older voters. The CML survey data were therefore re-analysed controlling for age (where head of household's age was not available, age of spouse/partner was used). To avoid rapid data attrition, respondents were placed in one of three age groups: 16-44 year olds; 45-64 year-olds; and those aged 65+. The results are in Table 13, where the 'age effect' is clear: older home owners were indeed less likely to vote Labour, and more likely to vote Conservative, than were their younger counterparts. (None of the differences in voting between outright owners and mortgagees in all three age cohorts achieved statistical significance, however.)

To a large extent, therefore, the variation in vote intention between outright owners and mortgage-holders is a by-product of the existence of an age effect on the vote (though, clearly, the movement of home-owners from the Conservative to Labour camps is not). What is not clear from these data, however, is whether that age effect is itself the result of a cohort or an ageing effect. The implications for the relationship between age, home ownership and voting will depend on which it is. If a cohort effect is in operation, each generation of voters will develop a distinctive political 'profile' that it will carry through life (some studies have identified a 'Thatcher generation' among those who voted for the first time in the 1980s, for instance). The implication of this would be that as older, more Conservative home owners die and are 'replaced' by younger (and as it currently seems) more Labour-oriented owners, the newly-emerged pro-Labour bias among home owners will become further entrenched (until such time as a new cohort of pro-Conservative voters emerges and begins to enter the property market). If an ageing process is in operation, however, then voters' choices will evolve over their life cycles, and individuals will become

more pro-Conservative as they age. Should the latter be true, prospects for the Conservatives are more sanguine, especially given the rapid ageing of the UK population, and the relatively large proportion of mortgage-payers who have almost paid off their mortgages.

4.2. Changes since 1997

Respondents to the survey were asked how they had voted in the 1997 general election. While not ideal (since there is a possibility, which increases over time, that individuals will ‘mis-remember’ how they voted), it gives some idea of how things have changed since the election. Remarkably, however, there was very little change (Table 14). Eighteen months after their worst election defeat of the century, the Conservatives show no real signs of recovery in what was once a key constituency, with their potential vote increasing by 2.3 percentage points among outright-owners, compared to 1.6 points in the population as a whole.

Furthermore, attempts in the 1980s to ‘engineer’ a growing pro-Conservative body in the electorate through the encouragement of home ownership seem to have failed. Research following the 1987 and 1992 elections suggested that ‘right to buy’ had been only a qualified political success. Those who bought their council house in the 1980s were indeed more likely to vote Conservative than were those who remained as council tenants but longitudinal studies revealed that they were also more pro-Conservative *before* they bought. In other words, the act of buying their council house did not change their political leanings: it confirmed them. There is evidence of a similar political ‘gradient’ at the end of 1998. Around 10 per cent of the owners

identified in the MORI survey had bought their home from a local authority under 'right to buy' legislation promulgated by the Conservatives. Fully 52 per cent of this group would have voted Labour had an election been fought in November 1998, and only 16 per cent would have voted Conservative (Table 15). By comparison, 65 per cent of council tenants, and 'only' 46 per cent of home owners who did not buy from a local authority, would have voted Labour: council house buyers were 'in the middle' between council tenants and other home buyers.

More telling, perhaps, is the change in partisanship among council house buyers. At the 1987 election, 35 per cent of voters who had bought their council house voted Conservative, and a further 35 per cent voted Labour. By late 1998, however, only 20 per cent of those council house buyers who said they would vote gave their support to the Conservatives: 63 per cent said they would vote Labour, a rise of 28 percentage points over the eleven years. By contrast, the increase in the percentage of council tenants who both intended to vote and would vote Labour was just over 20 percentage points (from 61 per cent in 1987 to 83 per cent in 1998), and the equivalent rise in Labour's vote among other home owners was 29 percentage points (from 21 per cent to 50 per cent). Council house buyers moved just as dramatically towards Labour as other home owners.

Further investigation reveals that those ex-council tenants who had bought their homes outright were even more pro-Labour than those who were still paying a mortgage (59 per cent of the former group expressed support for the party, compared to 47 per cent of the latter: don't knows are excluded). Intriguingly, then, the relationship between vote and whether the property is owned outright runs in opposite

directions for those who have bought from local authorities compared to those who bought on the conventional market. (The reason for this is probably that many of those who bought their council houses outright were older people who had been long-term council tenants and qualified by the largest discounts on relatively cheap properties: most of them would have been loyal Labour supporters for most of their lives, and would not have changed their political affiliations as a result of their ‘windfall’ gains from purchasing their homes.)

4.3 Prospects

So what has happened to home owners and what are their prospects? Some clues can be found by looking at the relationship between vote, tenure, and evaluations of the state of the economy. Home owners were generally more pessimistic about the prospects for the national economy in 1999 than were renters, with those who owned their home outright the most pessimistic of all: 53 per cent of the latter group thought that the economy would get worse over the forthcoming year, compared to 49 per cent of mortgagees and 43 per cent of council renters (Table 16).

Home owners were more sanguine about prospects for house prices, however (Table 17). Whereas 70 per cent of those renting from their local authority expected house prices to fall over the coming year, only 57 per cent of home owners agreed. Not surprisingly, perhaps, given their more immediate relationship with the housing market, home owners were less pessimistic about the short term future of house prices than were the bulk of renters. This may suggest a strong limit to the further extension of home ownership through right to buy, however. Given how pessimistic council

tenants are about prospects for house prices, it would be surprising if many were to opt to invest in a depreciating asset by buying their council home (even though the discounts associated with 'right-to-buy' would still present most long-term council tenants intending to buy with a substantial bargain: much may depend on the psychology, rather than the economics, of house purchase here). Certainly, there is evidence of a decline in council house sales in the 1990s, partly because many of those council tenants who might buy have now done so, and partly because a substantial proportion of the best council stock has now been sold, with a large part of the remainder less attractive to buyers. Even so, the results hardly suggest optimism on the part of home owners: almost 90 per cent of them expected stagnation in the housing market at best. This is a far cry from expectations during the boom market of the late 1980s, when home ownership placed households on an wealth escalator as rapid house price inflation provided them with an appreciating asset. Home ownership is no longer seen as a reliable investment vehicle: the aspirational link between ownership and growing prosperity which the Conservatives did so much to foster while in office has been broken, at least in the short term.

4.4 The future for Labour?

Under 'normal' circumstances, economic voting theory suggests that these levels of pessimism imply problems for the government. Voters as a whole clearly are not expecting an imminent boom, and many are downright pessimistic about the future, especially for the housing market. Throughout the 1980s and early 1990s, government popularity tracked voters' economic evaluations closely. New Labour, having inherited a strong economy from the outgoing Conservatives, should be concerned

about the signs of continuing voter pessimism. But Labour continues to ride high in the polls. In fact, the contradiction is more apparent than real (Table 18): those who feel optimistic about the future state of the economy are still most likely to support the government (73 per cent of those who felt the economy would improve said they would vote Labour), and those who are most pessimistic are the least likely to do so (35 per cent would have voted Labour). But Labour is so far ahead (or, perhaps more accurately, the Conservatives are so far behind) that Labour is the most popular choice in all groups, irrespective of their evaluation of the economy. Economic voting sets the contours, as it were, but it does not indicate how high above sea level the starting position is. The absence of a credible opposition has given Labour a cushion against bad economic news.

Tellingly, the relationship between home owners' vote intentions and their economic evaluations is similar to that of the population as a whole. There are few striking differences; 71 per cent of 'optimistic' home owners would vote Labour, for example compared to 73 per cent of the population as a whole. There is only one substantial exception. Pessimistic home owners are rather more likely to express support for the Conservatives (41 per cent do so) than are pessimists in general (35 per cent), but this gap is not large. When home owners are divided into those who own their properties outright and those who are still paying mortgages, however, it transpires that mortgage-payers are most like the population as a whole. Those who have bought their home outright are in general more pro-Conservative, other things being equal, than other groups. Indeed, the only group in which the Conservatives now enjoy majority support are outright home owners who are pessimistic about the future of the economy. But they are a small group, comprising a little over a quarter of the

electorate, and only just over half of them would vote Conservative. (That said, the large proportion of the population nearing the completion of their mortgages and retirement in the next few years could mean that this group may grow, as Labour's pension and tax policies begin to bite.)

Breaking down the relationship between vote intention and evaluations of the housing market by tenure paints a similar story (Table 19): on the whole, home owners are little different from the general population, though mortgagees are somewhat closer to the national average than are outright owners.

The picture painted by the survey is rosy for Labour, therefore, but gloomy for the Conservatives. The inroads Labour made into the key Conservative constituency of home-owning Britain in the run-up to the 1997 General Election have not been eroded, and have shown little sign of doing so in the short to medium term since.

5. Conclusions

The three data sets employed here all provide different angles on the same story, therefore. At the 1997 general election Labour won more support among home-owners, especially owners of expensive homes, than it had achieved at any of the previous eight general elections, and eighteen months after the election there was no evidence of any shift back to the pre-existing pattern of support for the two main political parties. Voters now trust Labour with government, which they hadn't done for some twenty years, and they have little confidence in the main opposition party: even those who own their homes outright, traditionally among the strongest of

Conservative supporters, give most support to Labour, perhaps because they didn't see housing as an asset whose value will increase rapidly in the near future at the time of the 1997 general election (and didn't believe that its value will fall much either).

This is not a major shift in the nature and behaviour of the British electorate, however, and many of the major determinants of party choice remain in place: the more pessimistic people are about the future, for example, the more likely they are to indicate support for an opposition party – especially if they believe it is a viable 'government-in-waiting'. But Labour's lead throughout the electorate is so large at present, and shows no sign of falling, that the number of pessimists would have to increase substantially if any chance of a Labour defeat at the next election were to seem likely – and even then, one of the opposition parties would have to establish itself as a credible alternative government. Certainly, there is no sign that the situation with the housing market presents a threat to Labour, or that home-owners feel threatened by its policies; indeed, housing is an area in which the Labour government has shown very little interest since its election. (The only housing issue which Labour made campaign promises on involved allowing local Councils to spend some of the proceeds of council house housing sales – including new social housing construction; its policy on relaxing planning controls to allow more house-building in the countryside could be seen as a threat to some rural dwellers, however, who might be less inclined to vote Labour in future as a consequence.)

The housing market is affected by a range of other policy decisions and their impacts, of course, notably but not only those involved in economic management. The move towards final abolition of mortgage interest tax rebates and increases in stamp duty

will have some impact (though probably muted because it has been in train for some time), making housing (especially more expensive housing) somewhat more expensive, but against these has to be set the substantial downward trend in interest rates since mid-1998. Interest rates are currently substantially lower in the UK's major competitor countries (many of which now have a common rate since the creation of a European Monetary Union with a common currency and central bank in January 1999) and interest rates are unlikely to increase in the UK in the near future – certainly not substantially – despite concerns about an over-valued pound and its impact on British industry. Devolution is very unlikely to have any impact on housing markets in Scotland and Wales (only Scotland has taxation powers, and they are slight) – and in any case the possibility of Labour becoming somewhat unpopular in those countries has to be weighed against the continued weakness of the Conservatives and Liberal Democrats there: the SNP and Plaid Cymru occupied clear second place in the Scottish Parliament and Welsh Assembly elections of May 1999, and whatever their threat locally this is unlikely to extend to the next elections to the House of Commons.

Nor is there any evidence of slightly longer-term political decisions and trends that could impact on the housing market and thus threaten Labour's current electoral stranglehold nationally. Entry to the European Monetary Union early in the next century seems increasingly likely. Interest rates are even lower there than in the UK, however: low interest rates in the UK could stimulate a housing market boom with the potential for greater spatial polarisation discussed above: the main beneficiaries from this could be those who retire and move to smaller homes in less expensive areas whereas those who lose out were young (especially first-time) buyers in the large

cities, a segment of the voting population from which New Labour currently draws substantial support.. A tax on wealth (including housing) is a (currently slight) possibility for a government seeking new economic levers if it cedes control over major economic instruments to a European institution, which might harm the voter support of the party proposing it – but again there is very little evidence that this is even close to the political agenda. If the government were to have any impacts on the housing market it could be through its concerns over urban sprawl and environmental matters. Major increases in petrol tax, for example, could stimulate substantial house price rises in areas where commuting by public transport is relatively easy, but this would only make problems for new entrants to the housing market plus those moving from cheaper areas; those already in the owner-occupier sector would benefit from increased equity at little personal cost.

Overall, therefore, there is little evidence either of a change in government policy (let alone a change of government) that will have an impact on the housing market. The Labour government was elected in 1997 with a massive Parliamentary majority not because of any significant switch in the ideology of the British electorate but rather, as all detailed analyses of that election show (see Evans and Norris 1999), because New Labour ditched much of the baggage it carried with it from the 1980s, moved to the ideological centre-ground, and suggested it was capable of strong government (to an electorate which was convinced that the Conservative party no longer was). Since then it has enjoyed continued very high standings in the opinion polls and has done nothing to even threaten its support among the property-owning classes – while the Conservatives have done very little to suggest they will be a strong opponent at the next general election. Labour's support among owner-occupiers (with and without

mortgages) remains firm, in a quiescent housing market where no major upheavals are on the horizon.

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Table 1. Perceptions of changes in house prices between 1992 and 1997: all respondents to the 1997 BES and by housing tenure (percentage of column total)

House prices have	All	Owners	Buyers	Others
Gone up a lot	12.8	10.4	11.1	17.3
Gone up a little	33.3	35.0	35.7	29.4
Stayed the same	22.8	23.7	25.1	20.3
Gone down a little	14.5	16.5	15.0	11.5
Gone down a lot	7.7	8.9	9.1	3.9
Don't know	8.8	5.4	4.0	17.4

Source: 1997 British Election Study cross-section survey.

Table 2. Vote in 1997 by perception of changes in house prices between 1992 and 1997 (percentages of column totals by tenure type)

Party	UpLo	UpLi	Same	DoLi	DoLo
<u>Outright owners</u>					
Conservative	33.3	34.7	30.6	34.6	29.9
Labour	28.4	29.7	32.2	32.7	37.9
Liberal Democrat	11.8	17.5	12.9	13.6	12.6
Other	10.8	7.0	10.5	8.6	5.8
Did Not Vote	15.7	11.1	13.8	10.5	13.8
N	102	343	232	162	87
<u>Buyers with mortgages</u>					
Conservative	18.2	22.6	20.3	20.5	22.1
Labour	42.8	33.3	40.3	35.3	38.2
Liberal Democrat	13.2	16.4	13.1	17.2	16.0
Other	5.0	7.6	7.7	7.0	5.4
Did Not Vote	20.8	20.1	18.6	20.0	18.3
N	159	513	360	215	131
<u>Other tenures</u>					
Conservative	2.4	5.7	7.6	3.7	14.3
Labour	54.5	45.0	52.1	56.1	57.1
Liberal Democrat	9.8	7.2	5.6	3.7	3.6
Other	13.0	11.0	13.2	9.7	0.0
Did Not Vote	20.3	31.1	21.5	26.8	25.0
N	123	209	144	82	28

Key to columns: UpLo – gone up a lot; UpLi – gone up a little; Same – stayed the same; DoLi – gone down a little; DoLo – gone down a lot.

Source: 1997 British Election Study cross-section survey.

Table 3. Vote in 1997 by perception of changes in house prices between 1992 and 1997 among those who voted Conservative in 1992 (percentages of column totals by tenure type)

Party	UpLo	UpLi	Same	DoLi	DoLo
<u>Outright owners</u>					
Conservative	69.0	64.9	65.4	70.7	54.8
Labour	9.5	11.1	1.2	6.7	21.4
Liberal Democrat	4.8	10.5	8.4	13.3	9.5
Other	2.4	5.3	5.7	9.3	4.8
Did Not Vote	14.3	8.2	9.3	0.0	9.5
N	42	171	107	75	42
<u>Buyers with mortgages</u>					
Conservative	52.4	52.8	59.4	53.1	53.3
Labour	14.3	17.9	13.2	14.1	13.3
Liberal Democrat	11.9	13.3	12.3	10.9	8.9
Other	7.1	3.2	4.7	7.8	4.5
Did Not Vote	14.3	12.8	10.4	14.1	20.0
N	42	195	106	64	45
<u>Other tenures</u>					
Conservative	27.3	27.6	45.0	33.3	50.0
Labour	36.4	17.2	25.0	44.4	37.5
Liberal Democrat	27.3	0.0	5.0	0.0	0.0
Other	9.0	6.9	10.0	0.1	0.0
Did Not Vote	0.0	48.3	15.0	22.2	12.5
N	11	29	20	9	8

Key to columns: UpLo – gone up a lot; UpLi – gone up a little; Same – stayed the same; DoLi – gone down a little; DoLo – gone down a lot.

Source: 1997 British Election Study cross-section survey.

Table 4. Characteristics of ‘switchers’ and ‘stayers’ between the 1992 and 1997 general elections*

	CC	CL	LL	CA
<u>Housing tenure 1997 (%)</u>				
Outright owner	39.4	24.3	23.5	20.1
Owned with mortgage	48.4	59.9	44.5	55.6
Local Authority tenant	5.1	6.9	21.7	9.2
<u>Current financial situation 1997 (%)</u>				
Living comfortably	45.7	29.8	28.0	32.7
Doing alright	32.0	40.6	33.7	34.9
Just about getting by	18.5	24.8	29.8	24.6
Finding it quite difficult	2.6	2.9	5.1	4.6
Finding it very difficult	1.1	1.8	3.4	2.8
<u>Change in financial situation last year 1997 (%)</u>				
Better off	26.4	28.5	24.6	34.5
Worse off	19.1	21.6	22.0	22.9
About the same	54.3	49.9	53.2	42.6
<u>Financial expectations for the year ahead 1997 (%)</u>				
Better than now	21.5	24.5	20.3	33.5
Worse than now	8.5	8.7	10.3	9.5
About the same	66.9	62.3	65.9	54.9
<u>Financial situation for homeowners 1997 (%)</u>				
Debt repayments a heavy burden	1.5	1.6	3.8	4.6
Debt repayments somewhat of a burden	4.5	9.0	8.6	9.5
Been two or more months late with housing payments	0.7	0.8	1.0	1.1
<u>Housing value for owner-occupiers 1997 (£)</u>				
Mean assessed housing value	104,920	79,003	65,347	92,015
Mean gain in housing value (current value less price paid)	98,008	73,015	61,762	80,992
<u>Council tax bands 1997 (%)</u>				
A - B (<£52,000)	20.2	35.6	49.5	32.7
C - D (£53,001 - 88,000)	39.0	38.2	29.4	33.1
E - F (£88,001 - 160,000)	25.0	18.0	9.5	17.9
G - H (£160,001<)	9.3	2.3	1.4	3.5

* Key to columns: CC - voted Conservative in 1992 and 1997; CL - voted Conservative in 1992 and Labour in 1997; LL - voted Labour in 1992 and 1997; CA - voted Conservative in 1992 and abstained in 1997

Source: British Household Panel Survey data, 1992-1997

Table 5. Voting at the 1997 general election by constituency, with constituencies grouped into deciles according to their average house prices.*

Decile	Price	C	L	LD	N	O	A
Total	63	22	32	12	2	3	28
1	42	12	42	7	3	2	33
2	47	17	39	8	2	3	30
3	50	17	38	8	4	3	30
4	53	21	34	12	2	3	28
5	56	23	30	14	2	3	27
6	59	24	31	12	2	3	27
7	63	26	26	16	1	3	27
8	70	27	26	15	1	4	27
9	80	28	25	15	1	4	27
10	104	28	26	14	0	3	28
Ratio	2.48	2.24	0.62	1.99	0.00	1.39	0.84

* Key to columns: Price - average weighted house price (£000); C - percentage voting Conservative; L - percentage voting Labour; LD - percentage voting Liberal Democrat; N - percentage voting Nationalist; O - percentage voting for other parties; A - percentage abstaining.

Source: British Household Panel Survey data, 1992-1997

Table 6. Change in voting and average house prices by constituency, 1992-1997, with constituencies grouped into deciles according to their average house prices.*

Decile	Price Change	C	L	LD	N	O	A
Total	3	-11	4	-2	0	2	6
1	1	-7	1	-2	-1	2	7
2	1	-11	4	-1	-1	2	7
3	0	-9	3	-3	0	2	6
4	1	-9	4	-3	-1	2	6
5	1	-11	3	-1	1	2	6
6	1	-12	6	-4	1	2	7
7	1	-11	4	-1	-1	2	6
8	3	-11	5	-1	0	2	5
9	4	-11	4	-1	0	3	5
10	12	-16	8	-2	0	2	7
Ratio	12.00	2.29	8.00	1.00	0.00	1.00	1.00

Key to columns: Price Change - change in average weighted house price (£000); C - change in percentage voting Conservative; L - change in percentage voting Labour; LD - change in percentage voting Liberal Democrat; N - change in percentage voting Nationalist; O - change in percentage voting for other parties; A - change in percentage abstaining.

Source: calculated by the authors

Table 7. The difference between Labour and Conservative share of the electorate, with constituencies grouped into deciles according to their average house prices.*

	1979	1983	1987	1992	1997	1979A	1997A
Total	-5	-11	-9	-6	9	0	0
1	17	12	23	22	29	23	20
2	9	4	12	7	22	15	13
3	2	-3	5	9	21	8	12
4	1	-6	3	-1	13	6	4
5	-7	-15	-13	-7	-7	-1	-2
6	-10	-16	-21	-11	-7	-4	-2
7	-15	-19	-25	-15	-0	-10	-10
8	-15	-18	-24	-17	-1	-10	-10
9	-16	-20	-21	-19	-3	-10	-12
10	-21	-27	-28	-26	-2	-16	-11
Gap	38	39	50	48	31	38	31

Key to columns: the value in each cell shows the difference between the Labour and Conservative percentage of the electorate at the relevant election - a positive value indicates a Labour lead over Conservative, and a negative value a Conservative lead over Labour. The final two columns show the situation adjusted by removing the national trend (i.e. the figure in the Total row). The final row is the difference between the values for the first and tenth deciles, irrespective of sign.

Source: calculated by the authors

Table 8. Average house prices in 1979 and 1997 and changes in average house prices by constituencies grouped into deciles, by inter-election period*

	1979	79-83	83-87	87-92	92-97	1997	79-97
Total	23,324	5,662	20,545	10,732	2,500	62,762	169
1	14,423	3,570	7,509	15,510	1,086	42,198	191
2	17,639	3,648	10,309	14,902	747	47,245	168
3	19,084	4,081	12,064	14,566	310	50,106	163
4	20,445	4,236	14,143	13,604	505	52,933	159
5	21,803	4,876	16,617	11,813	864	55,971	157
6	23,131	5,219	20,071	10,071	522	59,013	155
7	24,455	5,729	23,237	8,688	1,034	63,143	158
8	26,396	6,906	27,386	6,796	2,729	70,213	166
9	29,623	8,353	32,424	5,548	4,447	80,394	171
10	35,514	10,111	41,192	5,634	11,797	104,248	194
Ratio	2.45	2.83	5.49	0.36	10.86	2.47	1.02

Key to columns: the columns for 1979 and 1997 show the weighted average house price and those for 79-83, 83-87, 87-92 and 92-97 show changes in that average for the relevant inter-election period.

Source: calculated by the authors

Table 9. Parties' share of the national electorate in the 563 'quasi-constituencies'

	C	L	D	N	O	A
1955	38.2	36.3	2.2	0.2	0.3	22.7
1959	38.9	35.2	4.8	0.3	0.2	20.6
1964	33.5	34.5	9.0	0.4	0.3	22.3
1966	31.9	37.0	6.7	0.6	0.4	23.5
1970	33.5	31.4	5.6	1.3	0.5	27.7
1974f	30.6	30.2	15.6	2.1	0.6	20.8
1974o	26.8	29.4	13.7	2.6	0.5	26.9
1979	34.1	28.8	10.9	1.6	0.9	23.7
1979	33.9	29.0	10.8	1.6	0.9	23.8
1983(a)	30.8	20.7	18.6	1.1	0.5	28.4
1987(a)	32.1	24.3	17.3	1.3	0.3	24.6
1992(a)	32.7	27.9	14.2	1.9	1.0	22.3
1997(a)	22.0	32.1	12.2	1.9	3.1	28.7

Key to columns: C - Conservative; L - Labour; D - Liberal; N - Nationalist; O - Other; A- Abstentions

(a) - indicates that the result in this election has been re-estimated for a standard set of constituencies employed for the period 1983-1997

Source: calculated by the authors

Table 10. Parties' share of the national electorate in the richest 10 per cent of the 563 'quasi-constituencies'

	C	L	D	N	O	A	C:L
1955	47.8	26.3	3.5	0.0	0.0	22.4	1.82
1959	46.8	23.2	10.1	0.0	0.0	19.9	2.02
1964	39.5	22.7	16.7	0.0	0.1	21.1	1.74
1966	38.9	26.0	13.6	0.0	0.1	21.5	1.50
1970	39.9	21.4	10.7	0.0	0.1	27.8	1.86
1974f	39.0	18.9	23.1	0.0	0.3	18.7	2.06
1974o	35.7	19.6	18.2	0.0	0.3	26.2	1.82
1979	43.9	17.6	14.6	0.0	0.9	22.9	2.49
1979	44.6	17.7	14.5	0.0	1.0	22.2	2.52
1983(a)	40.2	9.5	21.5	0.0	0.6	28.2	4.23
1987(a)	43.1	11.1	20.8	0.0	0.4	24.5	3.88
1992(a)	44.8	14.5	19.4	0.0	1.1	20.2	3.09
1997(a)	30.8	21.6	17.6	0.0	3.6	26.4	1.43

Key to columns: C - Conservative; L - Labour; D - Liberal; N - Nationalist; O - Other; A- Abstentions; C:L - ratio of Conservative to Labour vote

(a) - indicates that the result in this election has been re-estimated for a standard set of constituencies employed for the period 1983-1997

Source: calculated by the authors

Table 11. Parties' advantage in the richest 10 per cent of the 563 'quasi-constituencies'

	C	L	D	N	O	A
1955	9.6	-10.0	1.3	-0.2	-0.3	-0.3
1959	7.9	-12.0	5.3	-0.3	-0.2	-0.7
1964	6.0	-11.8	7.6	-0.4	-0.1	-1.2
1966	7.0	-11.0	6.8	-0.6	-0.3	-2.0
1970	6.4	-10.0	5.1	-1.3	-0.3	0.2
1974f	8.3	-11.3	7.5	-2.1	-0.3	-2.1
1974o	8.9	-9.8	4.5	-2.6	-0.2	-0.7
1979	9.9	-11.2	3.7	-1.6	0.1	-0.8
1979	10.7	-11.3	3.7	-1.6	0.1	-1.6
1983(a)	9.4	-11.2	2.9	-1.1	0.1	-0.2
1987(a)	11.0	-13.1	3.5	-1.3	0.1	-0.1
1992(a)	12.1	-13.5	5.2	-1.9	0.2	-2.1
1997(a)	8.8	-10.5	5.4	-1.9	0.5	-2.3

Key to columns: C - Conservative; L - Labour; D - Liberal; N - Nationalist; O - Other; A- Abstentions

(a) - indicates that the result in this election has been re-estimated for a standard set of constituencies employed for the period 1983-1997

Source: calculated by the authors

Table 12. Vote intention in November 1998, by tenure (percentages)

Tenure:	If an election was held tomorrow, how would you vote?					N
	Con	Lab	Lib Dem	Other	Not vote	
Owned outright	37.9	42.3	10.5	3.3	6.0	430
Buying on mortgage	23.5	47.4	12.9	3.4	12.9	699
Council rented	8.2	65.3	4.5	5.0	17.0	296
Other	17.6	44.1	12.7	5.9	19.6	102
All	23.3	50.0	10.2	3.9	12.5	1611

Source: MORI survey November 1998 for CML

Table 13. Vote intention in November 1998 by type of home owner, controlling for age (percentages)

If an election was held tomorrow, how would you vote?

Aged 16-44

Tenure:	Con	Lab	Lib Dem	Other	Not vote	N
Owned outright	30.0	45.0	10.0	7.5	7.5	40
Buying on mortgage	21.7	49.8	10.4	4.1	14.0	414
All owners	22.5	49.3	10.4	4.4	13.4	454

Aged 45-64

Tenure:	Con	Lab	Lib Dem	Other	Not vote	N
Owned outright	29.8	45.7	12.6	3.3	8.6	151
Buying on mortgage	25.3	44.8	16.2	2.5	11.2	241
All owners	27.0	45.2	14.8	2.8	10.2	392

Aged 65+

Tenure:	Con	Lab	Lib Dem	Other	Not vote	N
Owned outright	44.7	39.6	8.9	2.6	4.3	235
Buying on mortgage	38.7	32.3	16.1	3.2	9.7	31
All owners	44.0	38.7	9.8	2.6	4.9	266

Source: MORI survey November 1998 for CML

Table 14. Change between vote in the May 1997 general election and vote intention in November 1998, by tenure (percentages)

Tenure:	percentage point change in				per cent voting for:
	Con	Lab	Lib Dem	Other	Not vote
Owned outright	2.3	0.6	-1.6	0.3	-1.6
Buying on mortgage	1.5	1.0	1.3	0.3	-4.1
Council rented	1.5	2.0	1.2	2.3	-7.0
Other	2.1	4.3	4.6	4.3	-15.4
All	1.6	1.4	0.6	1.0	-4.7

Source: MORI survey November 1998 for CML

Table 15. Vote intention among home-buyers in November 1998 by origin of property (percentages)

Origin of property:	If an election was held tomorrow, how would you vote?:					N
	Con	Lab	Lib Dem	Other	Not vote	
'Right to buy' council	16.4	51.8	9.1	4.5	18.2	110
Bought from seller	29.9	45.5	12.0	3.2	9.4	987
All	28.5	46.1	11.7	3.4	10.3	1097

Source: MORI survey November 1998 for CML

Table 16. Evaluations of national economic prospects over next 12 months by housing tenure (percentages)

Tenure:	Do you think the general economic condition of the country will...?			
	Improve	Stay the same	Get worse	N
Owned outright	18.5	28.1	53.4	509
Buying on mortgage	19.7	31.0	49.3	858
Council rented	19.7	37.2	43.1	436
Other	16.5	43.8	39.7	121
All	19.2	32.4	48.4	1924

Source: MORI survey November 1998 for CML

Table 17. Expectations for house price changes by housing tenure (percentages)

Tenure:	What do you expect to happen to house prices in the next year?			
	Increase	Stay the same	Decrease	N
Own outright	11.7	31.0	57.3	539
Buying with mortgage	12.5	30.3	57.2	885
Rented from council	10.3	19.0	70.7	399
Other rented	12.5	30.8	56.7	104
Other	27.3	54.5	18.2	11
All	11.9	28.3	59.8	1938

Source: MORI survey November 1998 for CML

Table 18. Vote intention in November 1998 by evaluations of national economic prospects over next 12 months (percentages)

Economic Evaluation	If an election was held tomorrow, how would you vote?					N
	Con	Lab	Lib Dem	Other	Not vote	
<u>Improve</u>						
Home owners	14.1	70.9	10.1	2.0	3.0	199
Outright owners	17.4	71.0	7.2	2.9	1.4	64
Mortgagees	12.3	70.8	11.5	1.5	3.8	130
Council renters	1.3	85.5	2.6	2.6	7.9	76
<u>All</u>	10.9	73.1	8.5	2.4	5.1	294
<u>Stay the same</u>						
Home owners	20.0	53.3	12.7	4.1	9.8	315
Outright owners	25.0	48.2	17.9	3.6	5.4	112
Mortgagees	17.2	56.2	9.9	4.4	12.3	203
Council renters	6.3	70.1	6.3	3.9	13.4	127
<u>All</u>	16.0	58.3	11.0	4.3	10.4	489
<u>Get worse</u>						
Home owners	41.2	32.1	12.3	3.4	11.0	529
Outright owners	52.4	29.1	8.7	2.4	7.3	206
Mortgagees	34.1	34.1	14.6	4.0	13.3	323
Council renters	13.0	51.4	2.7	8.2	24.7	146
<u>All</u>	34.7	35.4	10.2	4.6	15.0	714

Source: MORI survey November 1998 for CML

Table 19. Vote intention in November 1998, by expectations for house price change (percentages)

House prices expectation	If an election was held tomorrow, how would you vote?					N
	Con	Lab	Lib Dem	Other	Not vote	
<u>Decrease</u>						
Own outright	31.3	54.2	6.3	0.0	8.3	48
Mortgage	29.3	40.2	12.2	3.7	14.6	82
All	26.2	47.7	8.7	4.7	12.8	172
<u>Stay the same</u>						
Own outright	42.0	38.2	13.0	3.1	3.8	131
Mortgage	26.1	43.0	14.0	4.3	12.6	207
All	27.2	45.4	13.2	3.9	10.3	438
<u>Increase</u>						
Own outright	37.6	41.9	10.0	3.5	7.0	229
Mortgage	21.8	51.3	12.3	2.8	11.8	390
All	22.3	52.4	9.4	3.8	12.0	175

Source: MORI survey November 1998 for CML