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## “BUILDING IS NOT A PANACEA” – AN INTERVIEW WITH DANNY DORLING

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This is an interview with **Danny Dorling**, Professor of Geography at the University of Oxford, about his book, **All that is Solid: How the Great Housing Disaster Defines Our Times and What We Can Do About It**. The book describes problems – including homelessness, indebtedness, poor quality housing, high housing costs, housing insecurity, and evictions brought on by the ‘bedroom tax’ on social housing tenants – and sets out solutions. Though the focus of the book is the United Kingdom, where its publication in 2014 prompted much discussion, its ideas have international relevance.

***Elinor Chisholm:** Some of your other recent books have focused on inequality: **Inequality and the 1%**, **Unequal Health**, **The 32 Stops**. How did this background affect your understanding of the housing crisis?*

**Danny Dorling:** If you look at housing in other countries, you see that in many countries in mainland Europe there are fewer posh houses and the cost of housing is lower, rents are lower, and quality is higher. The same

thing happens in Japan. It doesn't happen in the US. It doesn't happen in the UK, it doesn't happen in New Zealand. What these countries have in common – the US, the UK, New Zealand – is currently very high levels of income inequality. Other rich countries have much lower income inequality. It makes a lot of sense. It's just impossible to house people well if you're paying some people 4 or 5 times more than others. You can't expect the market to work well if people have got such an unequal entry point into the market. That just seemed very obvious to me.

If suddenly Britain were to get a much more equal income distribution – the most likely way would be an almighty financial crash, we leave Europe, our banks all go bust – then we'd very quickly sort our housing out. It's not advisable, and it wouldn't be very much fun, but the people who can currently afford to buy or rent a huge amount of space in the middle of London couldn't afford that, so it would have to be shared more equally. We built an enormous amount of homes in the 1930s and 1950s in a time when income and wealth inequality was narrowing. And people became better housed. Then, in the late 1970s and early 1980s, when inequality begins to widen, the quality of our housing becomes worse, the amount of space people have shrinks, the cost of housing rises massively, and also, really pernicious views begin to form. You begin to have it commonly argued that it's okay for someone to own lots of property, and rent it out, and to make a big profit from lots of other people, while doing nothing to improve the housing. It's being presented as okay that lots of people can't afford to live in London, and if you can't afford it, you should leave. You can't have these attitudes in a country that doesn't have the economic inequality that we've got.

*EC: So is it more important to work on reducing income inequality or dealing with housing?*

**DD:** It's a circular thing. One reason why [more equal countries] have a very small number of rich people is that they didn't let people make so much money from housing. I was in New Zealand years ago when one of the broadcasters was paid a \$250,000 salary, and there was a big fuss about how she was being paid so much. The problem is, she won't have spent most of that. \$150,000 of that she'll have invested back then in housing in Auckland. The problem isn't just paying your newscaster \$250,000, it's letting her make so much from doing nothing by becoming a landlord as well.

*EC: One way in which your book stands apart from others is that building more homes is not presented as the key solution. Why do you think building is not so important?*

**DD:** There are reasons to build. But building is not a panacea. Even if we imported all of Europe's bricklayers, and built as fast as we possibly can, it would still take us 10 or 15 years to build what we might need, if we're going to carry on using what we've got inefficiently. The way that we could improve the situation very rapidly is by encouraging people to move out of houses that are under-occupied, and not to leave homes empty.

The striking thing in **Becky Tunstall's work [on relative housing space inequality]** is what happened between 1991 and 2011. Around 1991, the best-off tenth of people had about three times more rooms per person than the worst-off tenth. By 2011 it had jumped to five times. So we have this escalating inefficient use of our existing housing stock. You could build a million houses and still have most of the population badly housed. You'd

just have more second homes, and more people occupying a lot of space in that example.

The other thing that happened in the last twenty years is ageing. The housing stock worked okay when people died in their 70s. If you've got a large population living through to their 80s and 90s and they're still sitting in those family houses, it gets tricky. So we do need to build retirement apartments. They need to be very near to where people currently live, because people want to live near their friends and their families.

*EC: There are more bedrooms than people in the UK, as there are in New Zealand, but people are homeless and in overcrowded living situations. To address this problem, you recommend implementing a land value tax.*

**DD:** It should be possible for every family to have a spare bedroom. It shouldn't be possible for every single individual to have a spare bedroom. You do need spare bedrooms. You just don't need as many.

We need an annual tax that is related to the amount of space and the value. If somebody wants to have a bach in the middle of nowhere in New Zealand, there's no problem with that. Second homes where nobody actually wants to live are fine. What a land value tax does is deter people from having their second home in the middle of Oxford or London.

*EC: So the argument is that an incentive to own fewer properties or occupy less space would increase the amount of housing and space available to others?*

**DD:** [The idea is to] use what you've already built first. Whereas what the mainstream in Britain – the elite – want to do is to leave in place what we

already have. I recently gave some **evidence to members of the House of Lords on the economics of the UK housing market**. Some of those lordships sitting opposite would have owned two or three properties. They want to try to solve the housing problem without anyone touching their multiple homes, and without looking into the over-consumption of housing by others like them.

That's the elephant in the room with housing: the sanctity of property. [It makes it hard] to even discuss the idea that people shouldn't necessarily have as much property as they've managed to get. Or even talk quietly about how they managed to get it. Which is not through their own hard work. Ever. No one works so much harder than someone else that they can legitimately afford several properties in London, for example. It is from inherited money or capital accumulation that they own so much, not from having worked hard themselves.

The other problem about housing is that if you own land you're stopping somebody else being there. I'm happy for wealthy people to buy as much art as they want. It doesn't hurt anybody else.

***EC:** In previous times, tenant protest helped force the government to bring in rent regulation and council housing. Now that the majority of households live in their own homes, and are invested in house prices remaining high, is it possible that we'll see any similarly drastic changes in approach to housing?*

**DD:** Well, the numbers of renters have been going up since 1991. The number of renters in London is going up by 1% a year. So, if that were to continue, London will be at least 90% renting by the end of the century.

We're heading rapidly to a majority of the population renting. The question is, will you manage to fool a population where the majority rent that the current system is somehow in their interests?

*EC: People aspire to own a home just as they have in the past, even as it gets harder and harder or less likely.*

**DD:** People think "it'll be fine if I meet someone and we can get together a deposit to buy something". The tragedy is that, it worked in the past because housing was cheaper, jobs were more secure, there was less unemployment, and people didn't split up so often. Now, in those 25 years [of having a mortgage] something's going to happen, and they'll end up renting. But people blame themselves and say, "it's my fault because we split up", or "I didn't work hard enough at my career". People don't realise that having a mortgage is much more dangerous than it used to be. We have the haves, the might-haves – those who can get a mortgage – and the have-nots. And the have-nots are getting to be a larger and larger group. There's a law going through today, **the Housing Bill to take away lifetime tenancies from social housing**, to get us back to where we were before the 1930s.

*EC: Can you tell me more about why you decided against recommending the mass building of council housing?*

**DD:** I worry that it was the solution of a century ago. We're so bereft of solutions now that we just hark back to something that worked before. It's a gut reaction I have against simply doing what we did before, because I can't find examples of when we've done that and it's worked. Good solutions are always new. If people in the 1930s had simply advocated

solutions from the 1830s where would we have got to?

One of the themes in the book is the idea of a right to sell [your house to the council or a housing association when you can't pay the mortgage]. The right to sell already exists. In Sheffield many hundreds of families have already used it. It's called the mortgage reduction scheme. So your local council ends up with lots of different properties all over the place. You can never guarantee that your neighbour won't be in social housing. I'd let private builders build. Just not the big five firms. They need splitting up, and oligopoly law needs to be implemented. There's a cabal of five builders. They work very well to pretend they're not acting as a monopoly, but just look at their profits and how they behave.

***EC:** Tenants pay so much of their income in rents. Is the problem high rents or low incomes? What is the right target?*

**DD:** I'd begin with housing costs because the bulk of the costs are unnecessary. So most of the rent is going towards making the landlord rich. It's not the cost of painting the house or fixing it. So you could regulate the rents and reduce them dramatically. People say that the problem with rent regulation is nobody will build. Students in economics have been taught that rent control equates slums. Whereas in fact we had slums, and we brought in council housing and rent controls [until 1981], and we got rid of slums.

Oxford's a market town. A market town means by law it was allowed to have a market in it, which was regulated by the local authority, which said: "these are the rules of the market". Markets have always been regulated. That's their original definition. They're not a free-for-all to allow you to

make a lot of money out of other people just because you like money, and they are more interested in other things in life. If you don't control the greedy you can easily all end up renting from them. Only a tiny proportion of people can ever be landlords.

*This interview has been edited for clarity and length.*

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