

Urban and rural poverty and the problems of the slums cannot be understood or explained without a knowledge of the operation of the different institutions of the housing market and the ownership of land, together with a knowledge of the social allocation, cost and use of all accommodation. This chapter aims to elucidate the latter. It will start by analysing the distribution of poor housing (identified by three separate criteria), and housing costs according to type of tenure, social class and household type, and will go on to examine the interrelationship between poor housing, housing costs and poverty. Finally, some of the reasons for the existence and scale of poor housing and the present structure of costs are discussed.

### **The Problem of Obtaining Objective Measures of Poor Housing**

Historically, three standards or measures of poor housing have been used: of inadequate structure, amenities and space in relation to the numbers of users. As in our previous analysis of poverty and deprivation, a distinction must be made between standards as they are perceived socially and standards which in some sense of the term can be said to be objective. This is basic to any understanding of 'the housing problem', and can be illustrated historically and contemporaneously. Thus the standards which have been used historically can be shown to have changed. For example, Octavia Hill and other reformers who were concerned to improve the housing of the working classes adopted as a standard the assumptions that privies and a water tap could be shared by several households on the same landing, and that it was justifiable for a family with one or two or even several children to live in a single room.<sup>1</sup> During this century, successively more generous standards have been adopted officially as a result of the recommendations in 1919 of the Tudor Walters Committee, in 1944 of the Dudley Committee and in 1961 of the Parker Morris

<sup>1</sup> In 1883, Octavia Hill argued that 'good-sized' single rooms should be built to meet the needs of (a) 'The small families of unskilled labourers', and (b) 'the larger families of unskilled labourers who have one or two children old enough to work, and who can afford to take a second or even a third room, but whose wages do not allow of their paying for the more elaborate appliances provided in tenements intended for artisans' - Hill, O., *Homes of the London Poor* (2nd edn), Macmillan, London, 1883, pp. 14-15.

Committee.<sup>1</sup> In the same way, the official census definition of overcrowding was changed in 1961 from two or more persons per room to over one and a half, and shows signs of being changed again in the 1970s.<sup>2</sup>

Social perceptions of housing standards or needs tend therefore to change with the passage of time. However, the process by which this comes about has not been carefully traced and is little understood. Evidence collected by research workers and others about deprivation and ill-health, for example, has undoubtedly had a marked effect on public opinion, and hence on social standards. The work of Chadwick and Simon on the relationship between overcrowding and infectious disease paved the way for Public Health Acts, just as work on pollution at Billingham,<sup>3</sup> the problems of high flats<sup>4</sup> and hypothermia among the elderly<sup>5</sup> may contribute to changes in modern standards. But such evidence has often been interpreted less seriously by housing administrators and the public than it deserves, or has even been framed in terms which compromise with conventional opinion. More depended in the past on the gradual recognition among the population and particularly among elites of changes in styles of living in the home, the spread of new kinds of equipment and facilities and the development of new attitudes about policy strategies engendered by the general system of social values. Thus the Parker Morris Committee recognized that home conditions as well as expectations had changed since the Dudley Committee reported in 1944, but made little or no attempt to examine systematically the distribution of practices, methods and expectations of a method of deriving new standards. Their report represents more the results of a kind of osmosis among the members of the committee, by which a consensus judgement about what seems practicable and attainable to reasonable men is reached. It is neither a searching and comprehensive examination of the housing situation, nor a full assessment of the capacities or resources available in society to meet housing needs.

<sup>1</sup> Ministry of Housing and Local Government, *Homes for Today and Tomorrow*, Report of a Sub-Committee of the Central Housing Advisory Committee (The Parker Morris Report), HMSO, London, 1961.

<sup>2</sup> 'In 1961, 2.1 per cent of households in England and Wales, and 3.8 per cent in Great Britain, were overcrowded by this measure; by 1966 the proportions had fallen to 1.2 per cent and 2.1 per cent respectively, and by 1971 (according to GHS data) to 0.6 per cent and 1.0 per cent. *Under these circumstances consideration should be given to the adequacy of such a measure.*' (my emphasis) - Office of Population Censuses and Surveys, Social Survey Division, *The General Household Survey*, Introductory Report, HMSO, London, 1973, p. 113.

<sup>3</sup> Gregory, P., *Polluted Homes*, Bell, London, 1965.

<sup>4</sup> Jephcott, P., *Homes in High Flats*, Oliver & Boyd, London, 1971.

<sup>5</sup> Report of the Committee on Accidental Hypothermia, Royal College of Physicians, London, 1966. See also report of research being undertaken at the Centre for Environmental Studies (Annual Report, 1971), and Wicks, M., 'Death in a Cold Climate', *Guardian*, 18 February 1974.

Social perceptions of housing problems are very restricted. They are conditioned, and in effect distorted, by the rules and fashions accepted in Parliament, the press and elsewhere by which housing is discussed. Housing problems come to be defined in ways which are acceptable to ruling elites, particularly the government, and are measured according to procedures devised by government and local-authority services. The problems are, for example, seen as problems of attaining a minimum or threshold standard defined at some point in the past, and without regard to inequalities, or even interrelationships, within the existing system, rather than as problems of maximizing welfare and restraining privilege in housing in terms of today's resources and styles of living. The philosophy of a historic national minimum underpinning a free market pervades statements of policy, but also administration and the presentation of information, including statistical information, about the problems. There are tendencies among officials to underestimate the true scale and severity of housing problems,<sup>1</sup> to use outdated fixed standards of measuring them instead of relative standards,<sup>2</sup> and to overlook or even conceal the extent and growth of privileged housing among the wealthier sections of society, which may lead indirectly to relative impoverishment elsewhere in the system.<sup>3</sup> This must not be regarded so much as calculated deception as an inevitable consequence of the limited roles and functions that officials are expected to play in administering housing, their unconscious as well as conscious efforts to represent problems as within their powers to manage, and their need to represent their administrative achievements in the best possible light. This suggests how a restricted perception of a particular problem in society is arrived at, circulated and reinforced. Nevertheless, the conclusion must be faced. Emerging as well as continuing inequalities in housing are minimized.

<sup>1</sup> The local-authority returns on the numbers of slum dwellings, both in 1954 and 1965, were subsequently shown to underestimate the scale of the problem. A Ministry of Housing survey carried out by public health inspectors found that there were 1.8 million unfit dwellings in England and Wales in the mid 1960s, and not 820,000, as counted by the local authorities. See 'House Conditions Survey, England and Wales, 1967', *Economic Trends*, No. 175, HMSO, London, 1968. A Scottish survey came to the conclusion that the true number of unfit dwellings was at least twice the official figure. See *Scotland's Older Houses* (The Cullingworth Report), HMSO, Edinburgh, 1967.

<sup>2</sup> The best example historically is the repeated claim by Ministers of Housing that the back of the slum-clearance problem was going to be broken within the next five years or ten years, ranging, for example, from Sir Hilton Young in 1933 to Mr Harold Macmillan in 1955 and Mr Julian Amery in 1971. No account seemed to be taken of 'twilight' houses that become slums as time goes on, or of the periodic redefinition of the meaning of slum' as society becomes more prosperous.

<sup>3</sup> For example, government White Papers on housing in 1971 and 1973 did not examine the effects of changes in owner-occupation on the rest of the housing market, nor the effects of the acquisition of second homes on homelessness in certain areas.

Perceptions of housing problems tend also to be biased in favour of physical rather than social manifestations. Any review of the literature on housing, particularly official surveys of conditions in the census and by central departments, will show that disproportionate attention is given to physical appearance, amenities and layout compared with social and economic allocation and use and financial cost. Again, this might be charitably explained: visual eyesores are easier than the special social and financial problems that certain kinds of family have in restrictive physical settings to communicate to councillors, officials and the public. They dominate the preoccupations, training and organization, for example, of the architectural and planning professions.

Certain lessons can be drawn from any attempt by social scientists to understand how housing problems come to be perceived and discussed in society. They can use the standards defined by society itself in its legislation and administrative regulations, or implicit in its policy decisions, to find how far these standards are actually fulfilled. They can also see that such standards are socially created and both differ from those prevailing in other societies and apply only to a particular historical period, being replaced at a subsequent stage. In principle, they must strive to adopt an alternative or objective standard which will allow them to compare the situations in different countries or in the same country at different moments of history.

In what follows, therefore, an attempt will be made to document poor housing as subjectively and socially perceived, but also to strive towards an alternative standard, principally by applying measures of housing within a distributional framework.

### **Different Indices of Poor Housing**

Poor housing has traditionally been defined first in terms of structural defects. A series of Housing Acts has sought to define 'unfit' or slum housing, and official measures have been produced both locally and centrally. In practice, the designation is imprecise and lends itself to misapplication to suit administrative planning convenience.<sup>1</sup> In the poverty survey, we were not able to use an independent and

<sup>1</sup> As the Minister of Housing states, the term 'slum' is 'variously applied to houses unfit for human habitation, unfit houses beyond repair at reasonable cost and houses in clearance areas' (parliamentary written answer, February 1971). The criteria are set out in Section 4 of the Housing Act 1957, as amended by Section 71 of the Housing Act 1969: 'In determining ... whether a house is unfit for human habitation, regard shall be had to ... (a) repair, (b) stability, (c) freedom from damp, (d) natural lighting, (e) ventilation, (f) water supply, (g) drainage and sanitary conveniences, (h) facilities for ... preparation and cooking of food and for the disposal of waste water (plus internal arrangements of dwelling, added by the 1969 Act) and the house shall be deemed unfit for human habitation if and only if it is so far defective in one or more of the said matters that it is not reasonably suitable for occupation in that condition.' The phrase 'is not reasonably suitable' is, of course, open to flexible interpretation.

consistently applied measure and simply asked informants whether their housing had any structural defects, carefully prompting answers on such specific questions as rising damp, damp walls or ceilings, loose brickwork or plaster, roofs which leaked, windows and doors which fitted badly or did not open or close, and floorboards or stairs which were broken. Twenty-two per cent of households, representing about 13 million people, declared there were defects. This compares with under 12 per cent of dwellings found to be unfit, and under 35 per cent defined as fit but requiring more than £125 repairs in the official Household Conditions survey of February 1967.<sup>1</sup> When asked whether such defects were felt to be a danger to their health, nearly a third, representing over 7 per cent of the entire sample and 4 million in the population, said they were.

Secondly, poor housing has been defined traditionally in terms of inadequate housing facilities, such as lack of piped water, a bath and a WC. The 1969 Housing Act provided improvement grants for homes with a life of at least fifteen years that needed to be brought up to a five-point standard of having an internal WC, fixed bath or shower, wash-basin, hot and cold water at three points and a sink. In February 1967, it was estimated that 25 per cent of all dwellings in England and Wales failed to satisfy the first four of these criteria (about two fifths of these being unfit for human habitation).<sup>2</sup> According to the Census of 1966, about 20 per cent of households in Britain lacked sole use of a bath or shower, and by 1971 this figure was estimated in the General Household Survey to have declined to 12 per cent.<sup>3</sup> The comparable figure established in the poverty survey was 17 per cent (Table 13.1). In 1971 there were, according to the General Household Survey, 15 per cent lacking sole use of a WC inside the accommodation, or 17 per cent inside the building.<sup>4</sup> The corresponding figure in the poverty survey was 16 per cent. We sought to combine information about the 'basic' facilities of internal WC, sink or wash-basin, fixed bath or shower and gas or electric cooker which had been used in previous censuses, and evolved a 'housing facilities index'. A score of 2 was assigned to the household for each of these four facilities if it was lacking entirely, and 1 if it was shared, thus allowing us to grade the extent to which households satisfied this social standard of sole access to these basic facilities. As Table 13.1 shows, 21 per cent of households failed in one or more respects to satisfy the standard.

Again, any fixed standard becomes rapidly outdated. In the case of housing facilities, this is beginning to be recognized more readily than with some other standards, simply because of the speed with which changes have occurred. Thus data about central heating were collected in the General Household Survey, and the

<sup>1</sup> *Economic Trends*, No. 175, Table 5, p. xxxii.

<sup>2</sup> *ibid.*

<sup>3</sup> *The General Household Survey*, Introductory Report, pp. 137 and 139.

<sup>4</sup> *ibid.*, p. 139.

authors of the report point out, 'in 1960 only 8 per cent of households in Greater London, and 5 per cent in the rest of England and Wales, had any form of central heating; by 1971 these figures had risen to 30 per cent and 36 per cent respectively'.<sup>1</sup> Ideally, a more objective standard could be produced, first, by attempting to list *all* household facilities, including any new facilities being introduced into homes - which in the 1970s might, for the United Kingdom, include air-conditioning and ventilation units, immersion heaters, built-in kitchen working surfaces and cupboards, double-glazed windows, two or three electric points in every room, sink grinder units and calcifiers (low temperature incinerators which sterilize and dehydrate putrescible refuse and reduce its bulk). Secondly, the possession of these facilities could be shown within a distributional framework, in relation to the mode and the mean. This would allow relative changes as well as changes by historical standards to be better traced. Some care would of course have to be taken in redefining the respective possession of facilities, which are a kind of 'fixture' in the home and which are left when the occupant moves, and consumer durables, like refrigerators and washing-up machines.

We could not fulfil these principles in the survey, but added questions on central heating and telephones, which were at the time, and still are, rapidly being converted from the privilege of a minority to the expected possession of the majority of the population. Table 13.1 shows that, at the time, these minority facilities were far more common among the middle than the working class. A measure of the number of rooms usually heated in winter was also introduced. We asked how many of the total number of living, dining and bedrooms were usually heated during the evenings in winter, whether by coal, gas or electric fire, paraffin stove or central heating. It is, of course, difficult to express the results in a form equally appropriate for different types of household living in different numbers of rooms. We found that 44 per cent of households usually heated only one room in winter, and that another 24 per cent, having four rooms or more, heated only two. Since it might be argued that some people - for example, single people living in centrally heated bedsitters - should not be treated as 'deprived', we have also presented the results in terms of those with all or four fifths or more of their accommodation heated, those with three fifths to four fifths, those with half, or just under or just over a half, those with between a fifth and two fifths, and those with under a fifth. As Table 13.1 shows, 48 per cent had under two fifths of their accommodation heated.

A third traditional definition of poor housing is inadequate space, or high density. The 1935 Housing Act, for example, gave a statutory definition of overcrowding, not permitting more than two people to occupy a single room, three for two rooms, five for three rooms, seven for four rooms, and so on. Implicitly, every room was treated as if it was available for sleeping. The standard was not one regarded as desirable but as a minimum. Although occupancy rates had continued to fall, the Housing Act of 1957 reiterated this definition. By 1964, only 0.5 per cent of

<sup>1</sup> *The General Household Survey*, Introductory Report, p. 136.

**Table 13.1.** Percentages of households and persons in households having different characteristics who experienced or felt different kinds of housing deprivation.

	Households		Males	Females	Age			Occupational class						
	Males	Females			0-4	5-14	15-29	30-49	50-64	65+	Professional and managerial	Other non-manual	Skilled manual	Partly unskilled manual
With structural defects	22	24	24	24	28	27	27	22	22	19	18	17	28	31
Poor housing facilities	21	18	18	17	18	15	19	15	18	24	4	11	20	29
no sole use internal WC	16	13	14	12	13	10	15	11	14	17	2	8	14	23
- no sole use sink or wash-basin	3	3	3	2	2	2	4	2	3	1	0	2	2	4
- no sole use fixed bath or shower	17	13	13	13	13	9	15	11	14	19	3	8	15	22
- no sole use gas or electric cooker	4	3	3	3	3	3	3	3	2	4	1	2	2	6
No electricity for both power and lights	2	2	2	2	2	2	2	2	2	3	0	2	1	4
Accommodation less than 1 room per person	3	3	4	3	8	7	4	2	1	0	0	1	3	9
Accommodation less than bedroom standard	11	18	19	17	31	28	22	17	10	4	5	13	19	29
Only 1 room (or none) heated in winter	44	40	39	40	41	34	38	34	45	51	14	30	46	54

Less than 40% of accommodation heated	48	48	47	48	46	46	45	43	53	58	31	43	51	59
No central heating	83	82	82	82	80	79	83	78	86	90	46	78	89	94
No telephone in household	69	68	67	68	74	65	71	64	65	74	16	53	81	91
No vacuum cleaner	22	19	19	20	23	17	23	14	16	29	3	13	19	35
Insufficient internal play space for children <sup>a</sup>	5	19 <sup>a</sup>	20 <sup>a</sup>	18 <sup>a</sup>	20 <sup>a</sup>	19 <sup>a</sup>	-	-	-	-	1	13	24	31
Moved twice or more in the last 2 years	4	3	3	3	4	3	8	3	0	0	3	3	3	3
Need expressed for additional room(s)	25	34	35	33	53	50	38	39	14	8	31	32	38	34
Serious housing problem now	6	7	8	7	13	9	7	7	5	5	2	5	8	13
Serious housing problem since head aged 21	21	24	24	23	23	30	25	26	21	14	11	21	27	29
Structural defects felt to be danger to health	7	8	8	8	11	10	10	7	8	6	2	5	9	16

NOTE : <sup>a</sup>Children aged 1-10 only.

households in England and Wales were overcrowded in this statutory sense,<sup>1</sup> and, as is now recognized, it has become 'irrelevant as a measure of satisfactory conditions'.<sup>2</sup> An alternative bedroom standard<sup>3</sup> was adopted by the Government Social Survey in 1960.<sup>3</sup> This depended on allocating bedrooms according to the composition of the household:

1. A married couple was presumed to need one room.
2. Each additional person aged 21 and over was presumed to need one room.
3. Others under 21 were presumed to share with one other, or to occupy a room alone if there was no other with whom to share, but persons aged 10-20 were not expected to share with someone under 20 if he or she was of the opposite sex.

This standard is arbitrary and is not related to family customs. It presumes, for example, that two boys of 17 and 19 can share a room and a girl of 9 with a boy of 9, but not a girl of 9 and a boy of 10; and that two rooms are needed both for a boy of 11 and a girl of 10, and for two boys and two girls all aged 15-20. No allowance is made for a bedroom for visitors. While acknowledging vaguely that future work might lead to the adoption of a 'living standard', and perhaps also take account of the purpose to which the available rooms are put, the standard has none the less been treated in the analysis of the General Household Survey as a 'convenient yardstick' that has gained acceptance by adoption in previous surveys.<sup>4</sup>

Official surveys showed that the number of households in England and Wales with fewer rooms than the bedroom standard declined from 11 to 6 per cent between 1960 and 1971, and in Scotland from 21 to 15 per cent between 1965 and 1971.<sup>5</sup> In the poverty survey, applying to the United Kingdom as a whole, there were 11 per cent. In both official and independent surveys, the percentage of population was much larger than of households. In the poverty survey, 17.7 per cent of the sample, representing nearly 10 million people, lived in accommodation with insufficient bedrooms.

The official presentation of statistics about density in terms of the bedroom standard does, in fact, go some way towards showing density in a full distributional framework, and hence paves the way for an understanding of relative deprivation. But results are still presented in terms which cut short the distribution at its extremes. Thus, 21 per cent of households in Britain were shown in 1971 to have two 'or more' bedrooms above the standard.<sup>6</sup> There is, of course, a substantial

<sup>1</sup> Woolf, M., *The Housing Survey in England and Wales*, Social Survey, SS372, Ministry of Housing and Local Government, March 1967.

<sup>2</sup> *The General Household Survey*, Introductory Report, p. 112.

<sup>3</sup> Gray, P. G., and Russell, R., *The Housing Situation in 1960*, Social Survey, SS319, Central Office of Information, May 1962.

<sup>4</sup> *The General Household Survey*, Introductory Report, p. 114.

<sup>5</sup> *ibid.*, p. 114. There was a further decline in England and Wales, from 6 to about 4 per cent (or from 990,000 to 710,000). Department of the Environment, *Housing Policy*, Technical Volume: Part I, HMSO, London, 1977, p. 67.

<sup>6</sup> *The General Household Survey*, Introductory Report, p. 115.

minority with three or more rooms above the standard. The poverty survey found 1 per cent with four or more bedrooms above the standard. Similarly, the Census of 1966 found that there were 34 per cent of households in Britain with a ratio of 'under 0.5' persons a room, and by 1971 this figure was 37 per cent.<sup>1</sup> Again, the point might be made that the full extent of inequality is not revealed through this processing of the data. Thus, it is possible to estimate from some of the detailed tables in the census report of 1966 that there were 100,000 people in England and Wales living, at one extreme, in just over 30,000 rooms, while there were 100,000 living, at the other extreme, in 750,000 rooms.<sup>2</sup> According to the poverty survey, while there were 3.3 per cent living in overcrowded conditions (on the criterion of two or more persons to a room, including living rooms, dining rooms and bedrooms), there were, at the other extreme, 1.9 per cent with four or more rooms for every person.

The need for better standards of space has been recognized by committees of inquiry, such as the Parker Morris Committee, and is widely felt among the population. Altogether, as many as 25 per cent of households, representing 17 million people, felt the need for at least one additional room, more than a third of them for two or more additional rooms. Subjective deprivation in this sense was greater than according to most other indices applied in the survey, and though common among the poor and the working class, tended to be marked also among upper income groups and middle classes. The figure stands up to comparison with other data. It was highly correlated, for example, with low ratios of rooms to persons. As Table A.47 in Appendix Eight (page 1029) shows, two thirds of those judged by the bedroom standard to have too few bedrooms wanted more rooms, and almost none wanted fewer. By contrast, very few of those judged by this standard to have more than enough bedrooms in fact wanted more. The great majority thought their accommodation was adequate, and as many as a quarter wanted fewer rooms.

Another measure of subjective deprivation is how seriously housing needs are rated. We asked whether the family had a *serious* housing problem now. Six per cent of heads of households or chief wage-earners said they did, nearly a third specifying overcrowding and over a fifth damp. Others specified inadequate basic facilities and various structural defects, and some a need to move elsewhere. Interviewers were inclined to believe that people were reluctant to regard their housing problems as 'serious', and that some in accommodation with marked deficiencies in structure, or who were overcrowded, stated they did not have a serious problem.

<sup>1</sup> *The General Household Survey*, Introductory Report, p. 127.

<sup>2</sup> Calculated from General Register Office, *Sample Census, 1966, England and Wales, Housing Tables*, Part I, p. 9. Census data on numbers of rooms must, however, be treated with reservations. In 1966, households having only one room were underestimated by 52 per cent. see Gray, P., and Gee, F. A., *A Quality Check of the 1966 Ten Per Cent Sample Census of England and Wales*, Social Survey Division, OPCS, HMSO, London, 1972.

To these attempts to measure structural defects, inadequate housing facilities and overcrowding respectively in terms of subjective, social and more objective standards, we also added as an index of deprivation insufficient indoor play-space for children. People with children aged 1-10 were asked whether the children had enough good places to play indoors without troubling the neighbours. Seventeen per cent of such families or five per cent of households of all types, representing nearly a million families in the United Kingdom, said they had not (Table 13.1).

Finally, evidence of deprivation experienced by people in the past was also collected. After asking whether households had a serious current housing problem, we asked whether they had experienced one, and for how long, since the head of the household had reached the age of 21. Twenty-one per cent declared they had experienced such a problem, including 9 per cent specifying overcrowding, 4 per cent inadequate basic facilities, 2 per cent damp or other structural defects, 3 per cent the need to move elsewhere, and 3 per cent other types of problem. As many as 20 per cent said this had lasted for ten or more years, a further 16 per cent for five to nine years, and only 31 per cent for under two years. Housing stress is, of course, typified as much by pressure or need to move as by poor conditions in the home. Four per cent of the entire sample had moved at least twice in the previous two years, 1 per cent four or more times.

### **Characteristics of the Poorly Housed**

The problems of housing are distributed more widely than is sometimes supposed. Table 13.2 shows that Scotland, the South-West and Wales, and Northern Ireland, in that order, had the largest proportion, between 30 per cent and 34 per cent, of households with structural defects, but the two regions with the smallest proportions, the North-West and Anglia and the East Midlands, each had 17 per cent. Households with structural defects were not concentrated in rural rather than urban areas or conurbations, and although there were more in low-income than in other areas, the differences were not very large.

By other measures of poor housing, some regions, such as Greater London and Anglia and the East Midlands, ranked higher than, or nearly as high as, Scotland and the South-West and Wales, although Northern Ireland was ranked worst by all measures. It is unlikely, then, that the explanation of poor housing is to be sought according to specifically regional or even area characteristics, at least of large areas. Two other points have to be noted in considering regional and area differences. In some instances, the proportion of households with poor housing is smaller, and in some instances higher, than the proportion of population in such households. In Northern Ireland, a strikingly higher proportion of people than of households had inadequate housing facilities and insufficient bedrooms. In some other regions, the proportion of population living in poor facilities is smaller than of households. This

**Table 13.2.** *Percentages of households in regions and areas with poor housing (percentages of individuals in brackets).*

<i>Region</i>	<i>With structural defects</i>	<i>Inadequate housing facilities</i>	<i>Insufficient bedrooms</i>
Scotland	34	20 (15)	17 (28)
South-West and Wales	30	26 (18)	7 (14)
Northern Ireland	30	45 (53)	24 (41)
Northern Yorks and Humberside	22	25 (24)	8 (15)
Greater London	21	24 (20)	12 (19)
South-East	19	13 (9)	6 (9)
West Midlands	18	13 (11)	12 (18)
Anglia and East Midlands	17	24 (21)	10 (18)
North-West	17	16 (12)	9 (18)
Rural	24	17 (13)	8 (13)
Urban	23	22 (18)	10 (18)
Conurban	21	22 (20)	12 (20)

is explained by the tendency in most areas for more small households, including old people, to be in housing with poor facilities. In Northern Ireland, both old people and families with children are in poor housing. It should also be noted that some regions ranking low in defects had large populations. For example, although the proportions of households with structural defects was much smaller in Greater London and the South-East than in Scotland, each of these regions accounted for as many of the total households with defects, as did Scotland.

Poor housing was widely distributed by household type. By nearly all criteria, households with a man and woman and four or more children showed to great disadvantage, but in some respects they were run close or overtaken by other types of household. Some of the larger types of household, with four adults, three adults with children, and with four or more children, were more likely to be in accommodation with structural defects (Table 13.3). But even among households with a man and woman and only one or two children, the percentage with structural defects was not much lower than the average. Table 13.3 shows, however, that single-person households were much more likely than households with children to have inadequate housing facilities, though the latter, especially households with three or more children, were much more likely to have insufficient rooms, by social standards.

This difference is important for our understanding of housing problems and can be

**Table 13.3.** *Percentages of households of different type with poor housing.*

<i>Type of household</i>	<i>With structural defects</i>	<i>Inadequate housing facilities</i>	<i>Insufficient bedrooms<sup>a</sup></i>	<i>Less than two fifths of accommodation now heated</i>	<i>Serious housing problem</i>
Man over 60	(20)	(37)	(0)	(65)	(3)
Man under 60	18	56	0	37	2
Woman over 60	22	32	1	54	5
Woman under 60	22	37	0	45	2
Man and woman	20	23	1	49	5
Man, woman, 1 child	20	19	12	37	7
2 children	16	13	9	42	9
3 children	25	10	20	46	9
4+ children	27	20	38	55	13
3 adults	19	14	5	56	6
3 adults + children	25	11	23	43	4
4 adults	30	13	17	44	6
Others without children	20	19	26	52	1
Others with children	33	15	50	40	11
All types	22	21	11	48	6

NOTE : <sup>a</sup>According to the bedroom standard.

highlighted by other data. Sixty-four per cent of single-person households, a high proportion of whom were elderly people, compared with 44 per cent of households consisting of a man and woman, and 36 per cent consisting of a man, woman and children, had only one room or none usually heated in winter (Table A.48, Appendix Eight, page 1029). But relatively few single-person and two-person households felt the need for an additional room, and relatively many would have liked to have had fewer rooms. Table 13.4 shows that families with children felt keenly the pressures for more space. Over half those with three or more children, and over two fifths of those with one or two children, would have liked additional rooms. Hardly any of them wanted fewer rooms.

In total, those wanting to have extra rooms represented just under 5 million households in the population, dividing approximately as follows: 1.7 million wanting two or more rooms extra, 1.8 million wanting an extra bedroom, 1.1 million wanting an extra living room and a further 100,000 wanting an extra bathroom. The number preferring to have fewer rooms is also substantial, being 1.8 million, dividing between 0.9 million preferring to have one fewer room and 0.9 million at least two fewer rooms.

Variation in experience of deprivation by household type partly explains variation by sex and age. Males and females did not differ much in experience of deprivation. Slightly more males than females were overcrowded, and fewer had poor housing facilities. This is explained by the disproportionately large number of women among the elderly population who were living alone, sometimes in several rooms, and who

**Table 13.4.** *Percentages of households of different type who would have liked additional or fewer rooms.*

<i>Household</i>	<i>Would have liked</i>				<i>Total number</i>
	<i>2 or more rooms extra</i>	<i>1 room extra</i>	<i>1 room fewer</i>	<i>2 or more rooms fewer</i>	
Man over 60	(0)	(2)	(15)	(17)	41
Man under 60	3	11	6	10	62
Woman over 60	1	1	8	13	197
Woman under 60	5	10	7	12	60
Man and woman	7	8	6	6	536
Man, woman, 1 child	17	24	3	2	151
2 children	16	30	1	0	189
3 children	13	43	1	0	89
4+ children	28	31	0	0	54
3 adults	3	10	6	5	221
3 adults, plus children	14	29	1	1	154
4 adults	5	20	1	2	87
Others without children	2	20	5	2	80
Others with children	24	22	4	0	106
All types	9	16	5	5	2,027

tended to live in housing with poor facilities. The trends in incidence of poor housing at the oldest ages are similarly explained. The most important finding with respect to age is that relatively more children and young adults than middle-aged and older people were in overcrowded households and had housing with structural defects. More also experienced serious housing problems, and structural defects felt to be a danger to health (Table 13.1). The constraints of space were felt so widely that families who included more than half the children in the country expressed a wish for additional rooms. Children were at a slight disadvantage compared with the middle aged in heating standards. According to a variety of measures, the middle aged were least deprived. Few of the elderly were overcrowded, and relatively few said there were structural defects felt to be a danger to health.

### The Housing Market

Much the most important structural factor found to be associated with housing deprivation was social class. By all criteria, except for frequent moves, we found a consistently falling incidence of deprivation with higher occupational status, as Table 13.1 shows. In many instances, the differences between the professional or managerial and the partly skilled or unskilled manual classes were very marked: 5 per cent of the former had insufficient bedrooms, compared with 29 per cent of the latter; 2 per cent had structural defects felt to be a danger to health, compared with 16 per cent; and, most striking of all, 1 per cent insufficient play-space for children indoors, compared with 31 per cent. Quite how social class comes to be correlated with poor housing will be discussed later in this chapter.

Poor housing is, in substantial part, explained by the evolution of the structure of the housing market, as reflected by type of tenure or ownership. Our next step then is to spell out the relationships between poor housing and type of tenure. In the nineteenth century, the great majority of housing was owned by private landlords and rented to families. During the present century, the proportion has dwindled, and in recent years has dwindled fast. In England and Wales in 1947, for example, privately rented accommodation still accounted for 61 per cent of the total,<sup>1</sup> but by the time of the Census of 1961 was about 28 per cent, and in 1966 was 22 per cent. For the United Kingdom as a whole, a figure of 22 per cent was reached in the poverty survey.

This decline is broadly attributable, on the one hand, to the effect of public housing policies, which have sought to control private rents, establish public authorities to build and manage housing and, through financial and other measures, and at the behest of growing numbers of non-manual workers, encourage owner-occupation; and on the other hand, it is attributable to the adaptations of the institutions of private capital to such state and local policies in order to find alternative means for making profit. With the spread of owner-occupation, building companies and insurance companies have grown in importance and the building societies have become a powerful source of wealth.<sup>2</sup> Owner-occupied housing now accounts for a half, and council housing nearly a third, of the total housing stock.

Table 13.5 shows the percentages of households of different types of tenure displaying various indices of poor housing. According to a number of criteria, strikingly more households in privately rented unfurnished accommodation than in other types of tenure and fewer owner-occupiers, particularly those still paying a mortgage, had poor housing. By minimal social standards, such as the possession of

<sup>1</sup> See *Council Housing, Purposes, Procedures and Priorities*, Ninth Report of the Housing Management Sub-Committee of the Central Housing Advisory Committee, Ministry of Housing and Local Government, London, 1969.

<sup>2</sup> Greer, R., *Building Societies?*, Fabian Society, London, 1974.

**Table 13.5.** Percentages of households of different tenure with poor housing.

Type of poor housing	Owner-occupier		Rented			Rent free	All types
	Fully owned	Paying mortgage	Local authority	Privately (furnished)	Privately (unfurnished)	(mainly through employment)	
With structural defects	12	14	27	21	41	25	22
Inadequate housing facilities	16	9	8	60	55	25	21
Insufficient bedrooms (by bedroom standard)	5	9	13	16	14	11	11
Need for additional room(s)	10	34	26	42	26	26	25
Less than two fifths of accommodation heated	52	31	50	30	57	45	48
Serious housing problem now	4	2	6	9	14	8	6
Serious housing problem since age 21	9	18	39	11	17	15	21
Insufficient play-space indoors for children aged 1-10	15	7	27	(21)	28	-	17
Number	474	477	559	109	323	68	2,020 <sup>a</sup>

NOTE : <sup>a</sup>Including ten renting privately with farm or business.

four traditionally approved facilities, the percentage of council tenants in poor housing was relatively small, but by some other standards was much larger than might be expected. The percentage with structural defects and insufficient internal play-space for children, for example, was substantially higher than for households as a whole.

The relative disadvantage of private tenants has attracted considerable attention in previous studies and is well established.<sup>1</sup> This survey adds to the data available, but also calls attention to many serious problems among council tenants. Twenty-seven per cent of households occupying council property declared that their housing had structural defects. They accounted for 33 per cent of the population in such property. These figures deserve to attract notice and concern.

A larger proportion of the total population in structurally defective housing were in council housing than in all other rented property. Thus, although 41 per cent of privately unfurnished tenures had structural defects and accounted for 43 per cent of population in such tenures, the numbers in defective housing formed only just over half the corresponding number in council tenures. Indeed, there were more people altogether in defective council housing than in all other defective rented property, whether furnished or unfurnished.

This finding must be examined closely. There are marked differences in household composition among the different tenures. There are relatively more households with children among council tenures, and fewer among private tenures, whether furnished or unfurnished, as Table A.49, Appendix Eight (page 1030), shows. Privately furnished accommodation is characterized by a strikingly large proportion of single people under 60, and privately unfurnished accommodation by strikingly large proportions of single people over 60 and of households consisting only of a man and a woman, which together comprise 54 per cent of total households in such accommodation. This helps to explain the importance of our findings relating to council accommodation. Table 13.6 shows the proportion of different types of family living in different tenures who declared they had housing defects. For all types of household, a larger proportion of privately unfurnished tenants than other householders stated there were defects, but again, more council tenants than owner-occupiers, of each type of family, stated there were defects. In the case of council tenants with children, the proportion was higher than of those without children. Their dwellings accounted for 43 per cent of all dwellings containing children which were said to have defects, compared with 24 per cent of the dwellings of tenants of privately unfurnished accommodation. One important reservation must be entered. Evidence of degree of defect was not collected, and other studies have shown

<sup>1</sup> For example, Report of the Committee on Housing in Greater London (The Sir Milner Holland Committee), Cmnd 2605, HMSO, London, 1965; Rose, H., *The Housing Problem*, Heinemann, London, 1968; Donnison, D., *Housing Policy Since the War*, Codicote Press, Welwyn, 1962; Cullingworth, J. B., *English Housing Trends*, Bell, London, 1965.

**Table 13.6.** Percentages of different types of household within types of tenure with structural defects.

Household type	Owner-occupier		Rented		
	Fully owned	Paying mortgage	Local authority	Privately (furnished)	Privately (unfurnished)
Man or woman over 60	13	<sup>a</sup>	17	<sup>a</sup>	33
Man and woman	10	16	22	(13)	41
Man, woman and children	(4)	11	30	(17)	55
Other households without children	11	16	29	<sup>a</sup>	35
Other households with children	11	15	38	<sup>a</sup>	(58)
All types	12	14	27	21	41
Percentage of all defective housing <sup>b</sup> in such tenures	12	15	34	5	30

NOTES: <sup>a</sup>Total number under 20. Percentages in brackets have base of under 50.

<sup>b</sup>The percentages across the page do not add to quite 100 because a small number were in rent-free accommodation, not included in the table.

that private tenures are more liable than other tenures to suffer from serious defects.<sup>1</sup> We also found that whereas 6 per cent of council tenants said they had a serious problem now, the figures were 9 per cent and 14 per cent respectively for tenants of privately furnished and unfurnished accommodation.

The conclusion that, in absolute terms, council housing includes more people than privately rented housing with experience of deprivation, is reinforced by the data about space. More couples and couples with children who were living in privately rented than in council accommodation felt a need for extra rooms; but this tendency was not sustained for some other types of household, and overall the total percentages of council tenants and tenants of privately unfurnished accommodation expressing a need for more rooms were the same. Expressed need for more accommodation was substantial in all forms of rented accommodation. As Table 13.7 shows, among those expressing such a need, more were living in council housing than in all other types of rented accommodation.

Table 13.7 also brings out the high proportion of owner-occupiers paying mortgages, particularly those with children, who expressed a need for extra rooms. The concern among those with children was broadly the same as among council tenants. But, as we shall show, the evidence is that either by their own subjective

<sup>1</sup> See, for example, the House Conditions Survey, *Economic Trends*, No. 175.

**Table 13.7.** Percentages of different types of household within types of tenure expressing need for more accommodation, and the percentage in fact with insufficient bedrooms, according to the bedroom standard.

Household type	Owner-occupier		Rented		
	Fully owned	Paying mortgage	Local authority	Privately (furnished)	Privately (unfurnished)
Man or woman over 60	0	a	4	a	1
Man and woman	5	16	11	(61)	21
Man, woman and children	(27)	47	45	(52)	67
Other households without children	20	23	19	a	20
Other households with children	36	40	49	a	42
All types	10	34	26	39	26
Percentage of all households expressing need in such tenures <sup>b</sup>					
	10	32	29	9	17
<i>Percentage with insufficient bedrooms</i>					
Man or woman over 60	0	a	1	a	0
Man and woman	1	0	0	(4)	1
Man, woman and children	8	8	16	(22)	43
Other households without children	6	11	14	a	17
Other households with children	(30)	24	40	a	(46)
All types	5	10	14	23	15
Percentage of all households with insufficient bedrooms in such tenures <sup>b</sup>					
	12	21	35	8	21

NOTES: <sup>a</sup>Total number under 20. Percentages in brackets have base of under 50.

<sup>b</sup>The percentages across the page do not add to quite 100 because a small number were in rent-free accommodation, not included in the table.

definition of play-space required for their children, or by social standards of need for extra space, they were much less deprived. The lower half of Table 13.7 shows that they were in fact less overcrowded, by social standards, than those living in council accommodation.

This illustrates the critical importance of housing policies. The government can restrict council building and encourage owner-occupation through its subsidy and

other financial measures. But this will not deal with the problems of those in council homes and, unless it were to take measures to help owner-occupiers only with growing families (such as by raising space standards in new private building, and offering special mortgage facilities or tax reliefs), the government would do little to remedy the problems in the owner-occupied sector. At a time of rapid inflation of house prices, owner-occupiers without children, or those whose children are growing up and leaving home, are in the most commanding position to improve their housing status. Their homes have been paid for, or nearly paid for, and have appreciated rapidly in value. As our data show, a significant minority of those without children feel a need for more space. If housing policies are relatively indiscriminate, as they have been in recent years, there will be little improvement in the use of housing stock. Councils can, of course, ease some existing problems by facilitating transfers between council tenants. But the evidence collected in this survey shows that what they can do must be limited. By conventional standards, council housing is already more economically used than any other type of tenure, except the relatively small privately furnished sector. I mean that, by the bedroom standard, this type of housing has the least amount of under-occupied accommodation. This is confirmed by official surveys.<sup>1</sup> And however flexible the transfer policy, it is circumscribed by the reasonable right of tenants to continue living in localities which have become familiar to them even when their children have grown up. And the council stock is being overtaken rapidly by rising housing standards.

Our analysis suggests that, with the decline of privately rented housing, council housing is beginning to take its place as the sector with the largest numbers of deprived houses. This is partly due to the ageing of many estates faster than the rate of modernization. It is also due to the fact that many estates were built according to low threshold standards of previous generations, and have been built by threshold standards in recent years which have often neglected garden space for the family and play-space for the children, and have not kept pace in standards of accommodation and structure with new building in other sectors.

This can be partly substantiated with reference both to the 'stratification' by age of council housing and the poor standards of some recent homes. At the time of the survey, just over a third of council housing had been built before the Second World War, just under another third between 1946 and 1954, and the final third in 1955 or afterwards. As might be expected, more of the older housing was found to have

<sup>1</sup> In 1971, 27 per cent of owner-occupied property and 20 per cent of privately unfurnished rented property, compared with only 12 per cent of council housing, had two or more rooms in excess of the bedroom standard. A higher proportion of the first two types of tenure than of the latter had one room in excess of the standard. (*The General Household Survey*, Introductory Report, p. 116.) Between 1971 and 1975, the percentage of owner-occupied accommodation with two or more rooms in excess of the bedroom standard increased and the percentage of council accommodation decreased. (*Housing Policy*, Technical Volume, Part I, p. 67.)

inadequate housing facilities, by conventional standards, but as many as 22 per cent of the tenants of post-1955 housing reported there were structural defects, a higher percentage than, for example, of owner-occupiers paying mortgages and about the same percentage as of tenants of housing built between 1946 and 1954. And more tenants in the newest type of council housing than in older council housing said there was insufficient indoor play-space for children, insufficient outdoor play-space, and expressed a need for extra rooms.

The explanation lies partly in the trend in recent years of building flats rather than houses. When we turn to examine *type* of housing, there are some significant differences in the proportions with poor housing. Two thirds of owner-occupiers are in detached or semi-detached houses, compared with half of council tenants and a quarter of private tenants (Table 13.8). The advantage of owner-occupation even here is concealed, because 42 per cent of owner-occupiers are, in fact, living in detached houses, compared with only 1 per cent of council tenants.<sup>1</sup> Between a fifth and a third of owner-occupiers, council tenants and private tenants live in terraced housing, but 27 per cent of council tenants, compared with only 18 per cent of private tenants and as few as 5 per cent of owner-occupiers, live in self-contained flats in blocks of buildings or houses. The proportion of council tenants in flats in blocks has been increasing rapidly. We found that, in council housing built before the war, between 1946 and 1954, and since 1955, the percentage living in flats was 20 per cent, 20 per cent and 42 per cent respectively. Despite the fact that more of the flats than of the houses had been built in the last thirteen or fourteen years, the proportion of tenants declaring there were structural defects was the same in the former as in the latter. More of each of the major types of council housing were said to have defects than of the corresponding owner-occupied categories, though fewer than of privately tenanted categories (with the notable exception of flats). More, too, said that they had a serious housing problem now.

In the possession of four traditional household facilities, council accommodation compares favourably with privately rented accommodation, and, for terraced houses but not semi-detached or detached housing and flats, with corresponding owner-occupied property. But, in terms of bedroom accommodation, it compares unfavourably with owner-occupied property for all three types.

Table 13.8 also breaks down the proportions of poor housing already reported for the different tenures. Thus owner-occupiers living in terraced housing (and also the small numbers living in rooms and other dwellings, such as caravans) were more likely than those living in detached or semi-detached houses to have structural defects, inadequate housing facilities and insufficient bedrooms, and their inclusion in the owner-occupier group raises the average incidence of poor housing among the group. Private tenants living in terraced houses (and also in furnished and unfurnished rooms and other kinds of accommodation) were similarly situated. For

<sup>1</sup> Estimated from Table 5.12, *The General Household Survey*, Introductory Report, p. 99.

**Table 13.8.** Percentages of owner-occupiers, council tenants and private tenants in different types of housing and percentages of households within such types with various indices of poor housing.

<i>Type of housing</i>	<i>Type of tenure</i>		
	<i>Owner-occupiers</i>	<i>Council tenants</i>	<i>Private tenants<sup>a</sup></i>
Detached or semi-detached house	66	50	25
Terraced house	25	22	34
Self-contained flat in block	2	22	7
Self-contained flat in house	3	5	11
Self-contained with shop/business	1	0	2
Furnished or unfurnished rooms	1	0	14
Other	2	1	7
Total	100	100	100
Number	950	557	510
<i>Percentage with structural defects</i>			
Detached or semi-detached house	9	27	37
Terraced house	21	27	41
Self-contained flat	(19)	26	26
<i>Percentage with inadequate household facilities</i>			
Detached or semi-detached house	4	6	27
Terraced house	26	10	59
Self-contained flat	(8)	5	16
<i>Percentage with insufficient bedrooms (by the bedroom standard)</i>			
Detached or semi-detached house	3	10	11
Terraced house	9	18	17
Self-contained flat	(4)	17	6

NOTE: <sup>a</sup>Including small number of those living rent free. It should be noted that there were substantial minorities of private tenants in unfurnished or furnished rooms and in other kinds of dwellings who are not included in the lower half of the table. Almost all of them had inadequate housing facilities.

each type of housing, they compared unfavourably with the other tenures by almost all criteria.

These figures help to show that within the owner-occupied sector as well as within the other two major types of tenure, there are big variations in amenities, size and quality of housing. Each sector has a deprived element. This is, of course, partly the outcome of the operation of different forces in the housing market historically in different areas. Thus, in Scotland, the proportion of owner-occupied and privately rented housing is relatively low and council housing relatively high. In Greater London, the proportions of council and owner-occupied housing are relatively low and privately rented housing relatively high. And in the South-West and Wales, the proportions of council housing and privately rented housing are relatively low and owner-occupied housing, particularly housing owned outright, relatively high. In Wales, a very high proportion of owner-occupied accommodation is in terraced housing, much of it of relatively poor quality and low value. Such housing assumes functions in the local economy and community structure fulfilled elsewhere by privately rented housing and serves to complicate, and perhaps partially obscure, the national picture of tenure. In an area of declining industry and outward migration, private landlords no longer found it profitable to build houses for rent and terraced housing was gradually sold at low costs, leasehold and freehold.

### **Poor Housing and Low Income**

Poor housing is also related to low incomes and the structure of housing costs. The type and size of the housing stock is the result of the historical operation of the housing market and of public housing policies, and has, of course, been indirectly related to the rents or the mortgages people could afford, or were induced, to pay. In the short run, deficiencies of stock are difficult to remedy, and those with the lowest incomes tend to find that they can only afford the cheapest, and in certain respects worst, housing. But we should expect the association to be complicated. People moving into bad housing because their incomes are low and because they feel they have no other choice may subsequently experience an improvement in living standards which is not regarded as leading, or cannot lead, to the rapid acquisition of a home of better standard. We found in Chapter 7 how many people fall below and rise above the state's poverty line even in a single year. This is the result not just of fluctuating earnings, but of adolescent children starting work, a child being born, a member of the household marrying and moving away. Household incomes fluctuate. A contribution to that income, say by an adolescent child, may not be treated by the household head as sufficient to justify a search for a better home. People become attached to localities and have obligations to friends and relatives. There are expenses involved in moving, and vacant homes of the kind wanted are perhaps difficult to find, or difficult to find time to look for. Finally, measures of poor housing are necessarily diverse and not all can be documented in a single study or

easily combined and weighted. Thus, a home close to a motorway or at a busy traffic intersection may be of good structure, spacious and have good facilities, but none the less be shunned by people with incomes high enough to command a home elsewhere. For such reasons, the association between income and bad housing may be less close than might be assumed and is likely to be demonstrated better for potential movers and those who have recently moved than the population at large.

Table 13.9 shows the association between poverty, as judged by social standards,

**Table 13.9.** Percentages of poor, marginally poor and non-poor households with different types of poor housing.

Type of poor housing	Net disposable income last year as % of supplementary benefit scales plus housing cost		
	Under 100	100-39	140+
With structural defects	19	27	20
Having only 1 room heated in winter	56	60	38
Inadequate housing facilities	31	27	18
Having no sole use indoor WC	19	18	15
Not having electric power and lighting	4	4	1
Insufficient internal play-space for children aged 1-10 <sup>a</sup>	(26)	18	16
Moving at least twice in last 2 years	6	3	4
Insufficient bedrooms (by bedroom standard)	13	10	10
Serious housing problem now	5	8	4
Number <sup>b</sup>	126	416	1,214

NOTES: <sup>a</sup>Total numbers of households with children aged 1-10 being 31, 119 and 368 respectively.

<sup>b</sup>The numbers for some entries were, in fact, up to four short of these totals.

and poor housing. More households in poverty for the year as a whole, or more when combined with households on the margins of poverty, than other households, tended to be in poor housing. This was true for each measure, but in several instances the association was not very marked. For households who were very poor, housing facilities, heating and internal play-space were the respects in which they fared relatively worst.

An alternative measure of income which we employed was the relative income standard, expressing net disposable household income as a percentage of the mean of its household type. For some criteria of poor housing, namely structural defects,

inadequate housing facilities and insufficient internal play-space for children, the 'gradient' of deprivation was steeper according to this measure, than according to

**Table 13.10.** *Percentages of low-, middle- and high-income households with poor housing.*

<i>Type of poor housing</i>	<i>Percentage of households</i>		
	<i>Net disposable household income last year as % of the mean of household type</i>		
	<i>Under 80</i>	<i>80-119</i>	<i>120+</i>
With structural defects	25	23	18
Inadequate housing facilities	28	22	9
Insufficient internal play-space for children aged 1-10 <sup>a</sup>	29	16	7
Insufficient bedrooms (by bedroom standard)	11	9	11
Only 1 room (or no rooms) heated in winter	57	43	27
Number <sup>b</sup>	690	692	409
	<i>Percentage of people</i>		
With at least 1 of above 5 deficiencies	72	61	47
Number	1,735	1,949	1,173

NOTES: <sup>a</sup>Numbers of children of this age, totals for columns being 398, 378 and 183 respectively.

<sup>b</sup>The numbers for some entries were, in fact, up to four short of these totals.

the state's standard of poverty, as Table 13.10 shows. There was a similar association for indices of deprivation of the immediate environment.<sup>1</sup>

It is difficult to decide what would be a satisfactory method of combining the different indices of poor housing to find whether multiple deprivation is experienced by a considerable section of the population and how such deprivation compares with income. Clearly people in poverty were more likely also to be in poor housing. Equally clearly, substantial numbers of households not in poverty, and indeed with relatively high incomes, were none the less experiencing different forms of housing deprivation. This is illustrated in Table 13.11, where five principal indicators are combined.

<sup>1</sup> See Chapter 14, page 538.

**Table 13.11.** *Percentages of poor, marginally poor and non poor households with multiple types of poor housing.*

<i>Number of types of poor housing<sup>a</sup></i>	<i>Net disposable income last year as % of supplementary benefit scales plus housing cost</i>		
	<i>Under 100</i>	<i>100-39</i>	<i>140+</i>
4 or 5	7	3	2
3	26	13	6
2	17	20	14
1	36	37	34
None	14	28	44
Total	100	100	100
Number	310	1,081	3,642

NOTE: <sup>a</sup>The five types are listed in Table 13.10.

This measure of multiple deprivation can also be compared with income as expressed as a percentage of the supplementary benefit standard. On five criteria of poor housing, 86 per cent of those in poverty, 72 per cent on the margins of poverty and 56 per cent of those with higher incomes had inadequate housing in at least one respect (Table 13.11). Fifty per cent and 36 per cent respectively had inadequate housing in two or more respects, compared with only 22 per cent.

A further conclusion is that, independent of annual income, tenure is correlated with certain forms of poor housing. Table 13.12 underlines the critical importance of type of tenure in contributing to the likelihood of deprivation. At each range of income, relative to the mean of household type, owner-occupiers are consistently at an advantage over both council tenants and private tenants. Among 121 owner-occupiers in the sample with children aged 1-10, whose incomes were all 20 per cent or more above the mean income for their type of household, not one said there was insufficient indoor play-space. About a fifth of both private and council tenants at this level of income said such space was insufficient. At the lower levels of income, the differences are also marked. The same conclusion emerges from other data, such as data on structural defects (Table 13.12). Only 13 per cent of owner-occupiers with relatively high incomes declared that their homes had defects, the proportion being double this figure for each group of tenants. A measure of multiple deprivation, as applied to tenure and level of income, will be found in Table A.50, Appendix Eight (page 1031).

We can adopt one final method to help us understand the combined effect of income and type of tenure on housing standards. The data so far presented take no account of wealth, which may underlie the indices for income and make it possible for some people on the same incomes to command better housing standards than

**Table 13.12.** *Percentages of children with insufficient internal play-space and percentages of households with structural defects in low-, middle- and high-income households of different tenure.*

<i>Type of poor housing/tenure</i>	<i>Net disposable household income last year as % of mean of household type</i>		
	<i>Under 80</i>	<i>80-119</i>	<i>120+</i>
<i>Insufficient indoor play-space for children</i>			
Council tenants	31	33	(19)
Private tenants	39	15	(21)
Owner-occupiers	23	5	0
<i>Total number of children</i>			
Council tenants	202	112	26
Private tenants	67	55	29
Owner-occupiers	116	187	121
<i>With structural defects</i>			
Council tenants	24	30	26
Private tenants	39	37	26
Owner-occupiers	16	10	13
<i>Total number</i>			
Council tenants	223	209	60
Private tenants	165	154	84
Owner-occupiers	269	309	249

others. The concept of income net worth includes annual income and the annuity value of assets, including savings and other investments, but also fully or partly owned housing (in the case of people paying mortgages, only that part of the value of the house so far paid off is counted). Once this concept is applied and the net income worth of each household expressed in terms of a percentage of the mean net income worth of its type, a very marked association with poor housing standards can be demonstrated (Table 13.13). Nearly half the population with net income worth of less than half the mean were found to have inadequate housing facilities, and over a third to have insufficient indoor play-space for children, compared with figures of only 3 per cent and 2 per cent respectively for people with twice or more than twice the mean. Forty per cent had housing with structural defects, compared with 9 per cent. But again, even this measure does not wholly reflect the advantage of owner-occupiers. At similar levels of net income worth, more owner-occupiers than council and private tenants possessed good facilities and amenities in their homes. (See, for example, Table A.51, Appendix Eight, page 1031.)

**Table 13.13.** *Percentages of people in households with low, average and high net income worth with poor housing.*

Type of housing	Net income worth as % of the mean of household type				
	Under 50	50-89	90-109	110-99	200+
With structural defects	40	27	17	15	9
Insufficient indoor play-space for children <sup>a</sup>	35	27	10	9	(2)
Inadequate housing facilities	46	24	9	6	3
Having only 1 room heated in winter	73	49	31	22	19
Insufficient bedrooms (by bedroom standard)	15	22	15	11	11
With at least 1 of above 5 deficiencies	90	72	51	38	35
Only 1 room per person	28	35	34	18	18
In flats or rooms, not houses <sup>b</sup>	24	20	16	8	10
With fewer than 8 of 10 common types of durables or fittings in the home <sup>c</sup>	89	70	47	28	19
Number	517	1,989	748	884	236

NOTES: <sup>a</sup>Only children aged 1-10. Total numbers, reading across page, being 93, 402, 127, 129 and 43 respectively.

<sup>b</sup>Excluding a few flats attached to shops or businesses, but including small numbers living in dwellings, e.g. caravans or huts, other than rooms or flats.

<sup>c</sup>Television, radio, refrigerator, washing machine, vacuum cleaner, telephone, record player, central heating, upholstered chairs for each person, carpet in living room.

Multiple housing deprivation is sharply, and systematically, related to the occupational class of the household. Whereas 83 per cent of people in households of unskilled manual status lived in homes with at least one of the four (or five, in the case of people with children aged 1-10) possible defects about which we were able to collect information (25 per cent having three or more defects) only 25 per cent of people in professional households lived in homes with any defects. Most of these lived in homes with only one, and none of them in homes with as many as three defects. (See Table A.52, Appendix Eight, page 1032.)

### **Housing Costs, Poor Housing and Poverty**

Housing costs are by no means aligned with income. First, such costs have to be defined. Included are rent and rates (deducting any rent rebate or allowance and any

rate rebate), water rates, ground rent and payments for insurance of structure but not contents; receipts from sub-letting part of the dwelling or a garage, net of expenses; expenditure on repairs, maintenance and decoration ; and, in the case of owner-occupiers, interest payments on loans or mortgage and repayments of loan or mortgage. This is close to the working definition employed by such bodies as the Supplementary Benefits Commission (which we have used elsewhere in this report),<sup>1</sup> but it poses a number of problems. Thus, owner-occupiers are incurring the costs not only of providing themselves with accommodation but of an investment which will appreciate in value or which will represent, in later life, a form of savings that will materially assist their standard of living (because they will have paid off a mortgage and will not be obliged to pay rent). In this respect as well as others, they are paying for something more than are tenants. Moreover, they are not only paying costs for greater benefits. Tenants are prevented from paying some costs even if they wanted to. Thus owner-occupiers can finance structural adaptations which tenants, in the terms of their tenancies, cannot contemplate.

It is therefore inevitable that comparisons between households of different types of tenure in their housing costs should have to be made with extreme care. Tenants and owner-occupiers are not buying like commodities. All that can be done is for the reader to be taken through a series of comparisons and methods of standardization in order to demonstrate myths about cost which are currently perpetrated. Throughout we try to confront the problem of comparing 'real' housing costs. In much conventional analysis, unreal costs are quoted. Thus, in Family Expenditure Survey reports the weekly equivalent of the rateable value is substituted for interest payments, capital repayments and payments for alterations, and the costs of repairs and maintenance.<sup>2</sup>

When households in the sample were ranked according to the level of their net disposable income in relation to the state's poverty standard, surprisingly little variation was found in mean absolute costs from the bottom to the top rank. The richest households, with incomes of more than three times the poverty standard, were spending only £40 more per annum, on average, than households in poverty. And, in proportion to income, the richest households spent least on housing. Only a

<sup>1</sup> The main difference is that tenants' expenditure on repairs, maintenance and decoration is added, and owner-occupiers' expenditure on repairs, maintenance, decoration and alterations is substituted for a standard allowance for repairs. (We discounted expenditure on alterations or improvements where this could be ascertained but sometimes made an estimate.) Elsewhere in this book, for purposes of comparing living standards with SBC scale rates, we have adopted the SBC's method of defining housing costs.

<sup>2</sup> Average weekly housing costs, incorporating rateable value, are given for different income groups *and* tenure groups in the 1975 report, but the costs of purchase or alteration of dwellings, including mortgage payments, are not given for different tenure groups and are appended in a few tables only under 'Other payments recorded'. See Department of Employment, *Family Expenditure Survey 1975*, HMSO, London, 1976, pp. 18-19 and 24.

third of these households spent more than 6 per cent of their income on housing, and the average was 6.6 per cent. The poorer the household the greater the proportion of income needed to meet housing costs. The poorest households were spending an average of 25 per cent of their incomes on housing (Table 13.14).

**Table 13.14.** *Mean absolute and relative annual housing costs, and mean number of major housing deficiencies of households with incomes below and above the state's poverty standard.*

<i>Net disposable household income as % of supplementary benefit scale rates plus housing costs</i>	<i>Mean annual housing cost (£)</i>	<i>Housing cost as % of net disposable household income</i>	<i>Mean number of housing deficiencies<sup>a</sup></i>	<i>Total number</i>
Under 100	121	25	1.8	120
100-39	138	21	1.3	413
140-99	178	16	} 0.9 {	507
200-99	183	12		491
300+	161	7		177

NOTE: <sup>a</sup>Maximum 4 in the case of households without a child aged 1-10, and 5 in the case of households with such children.

No household with an income more than twice the state's poverty standard was spending as much as this percentage on housing. The types of household which were spending in excess of 30 per cent were not at all typical of those usually thought of as being in housing stress. They included widows living alone in council houses, young couples repaying a mortgage where the chief wage-earner had been made redundant, and young men and women who were in furnished rooms in London, some of whom had moved there only recently to take a job. Poor housing is common among households in poverty or on its margins, and yet housing costs are high. The structure of costs requires fuller investigation.

### **The Ill-balanced Structure of Housing Costs**

A fuller outline will be given of housing costs. They can be looked at in absolute terms in relation to the quality of accommodation occupied and the type of tenure. They can be looked at in relation to income. And finally they can be looked at in relation to the acquisition of wealth and property rights throughout life rather than at a moment of time. The housing market must be perceived as an institution which is doing far more than mediating housing supply and demand. It reproduces, and indeed creates, inequality within society.

The absolute cost of housing varies widely according to tenure. Thus, families in process of purchasing their homes were incurring costs, on average, of just over twice those of families in council tenancies (£306 per annum, compared with £147), but those owning their homes outright were incurring costs of only three fifths of those in council tenancies (£89 compared with £147) (Table 13.15). Those with the

**Table 13.15.** Mean annual housing costs of households in different types of tenure.

<i>Type of tenure</i>	<i>Mean annual housing cost</i>		<i>Total numbers</i>	
	<i>£</i>	<i>As % of net disposable income last year of household</i>	<i>Absolute cost</i>	<i>Relative cost</i>
Renting from council	147	16.6	541	476
Renting, privately (unfurnished)	119	14.6	317	284
Renting, privately (furnished)	195	18.9	102	95
Home buyer	306 (270) <sup>a</sup>	21.1 (18.5) <sup>a</sup>	448	390
Home owner	89	10.8	448	379
All types <sup>b</sup>	164	15.6	1,931	1,685

NOTES: <sup>a</sup>Excluding tax relief on mortgage interest.

<sup>b</sup>Including a small number of households living rent free.

lowest absolute housing costs are families who own their homes outright. The definition of costs, it should be remembered, includes full account for the costs of repairs, decoration and maintenance. The differential between buyers and council tenants is reduced if tax relief on mortgage interest is deducted from buyers' housing costs. But even without any adjustment for such tax relief, there were council tenants paying far more for their housing than families buying their own homes. As Table 13.16 shows, 17 per cent of council tenants were paying more than £200 per annum in 1968-9, while 18 per cent of people buying their homes were paying less than this figure (and 6 per cent were paying less than £125). Relative costs are similarly diverse. Twenty-eight per cent of council tenants were paying more than 20 per cent of net disposable household income on housing, while 9 per cent of home buyers paid less than 10 per cent (Table 13.17).

This establishes a paradox which we can only partially resolve in the following pages. Council tenants are conventionally believed to pay low costs and owner-occupiers high costs for their housing because the former are supposed to be helped most by the community at large. Yet, on alternative reasonable definitions, this

**Table 13.16.** *Percentages of households of different types of tenure according to annual housing costs.*

Type of tenure	Housing costs per annum (£)						Total Number	
	0-74	75-124	125-99	200-99	300-99	400+		
Rented, council	8	29	46	16	1	0	100	542
Privately rented (furnished)	11	10	36	32	9	3	100	104
Privately rented (unfurnished)	35	31	20	9	4	1	100	320
Home buyer	1	5	16	33	25	20	100	448
Home owner	49	24	23	3	0	0	100	448
Rent free, and others	83	7	9	1	0	0	100	75
All	23	21	27	16	7	5	100	1,937

belief could be said to be unfounded and in some respects the reverse of the truth.

In the first place, absolute costs are related to the quality, spaciousness and convenience of housing. For example, although buyers in general had costs which were 108 per cent higher than council tenants (before deducting tax relief on mortgage interest), they also had more accommodation. When we standardized costs crudely by numbers of rooms, we found that buyers with four and five rooms (the

**Table 13.17.** *Percentages of households of different type of tenure according to the relative cost of their housing.*

Type of tenure	Relative housing costs (housing cost as % of net disposable household income)					Total No.	
	Under 5	5-9	10-19	20-29	30+		
Rented, council	3	20	48	20	8	100	476
Privately rented (furnished)	4	12	41	30	12	100	97
Privately rented (unfurnished)	14	25	37	15	9	100	287
Home buyer	1	8	39	36	17	100	390
Home owner	31	31	24	7	5	100	379
Rent free, and others	80	8	11	0	0	100	61
All	14	20	37	20	10	100	1,690

most numerous sizes for council tenants) had costs which were only 93 per cent and 67 per cent respectively higher than the tenants. Again, standardization for 'basic' amenities (of the kind discussed above) would have further reduced the differential. As we have already seen, there are other respects than numbers of rooms and amenities - according to which home buyers enjoy better accommodation and which deserve to be taken into the reckoning (difficult as that may sometimes be) in comparing their costs with those of council tenants.

Secondly, housing costs of the two groups relative to their income are, on average, very similar even before the value of certain offsetting benefits, other than tax relief on mortgage interest, are deducted from buyers' costs. The average home buyer had housing costs which represented 21.1 per cent of his net disposable income. If tax relief on mortgage interest is deducted, the figure becomes 18.5 per cent, compared with 16.6 per cent for the average council tenant. But the validity of this comparison does, of course, depend on the measure of income. Thus one convention - followed, for example, in the FES reports - is to add the imputed rental income of house ownership to net disposable household income.<sup>1</sup> It is not easy to justify any particular estimate of such income, but if the FES estimate for 1968<sup>2</sup> is added to our figure of mean disposable household income, then the percentage represented by housing costs is reduced for the home buyer from 21.1 per cent to 19.5 per cent (or if tax relief on mortgage interest is deducted, from 18.5 per cent to 16.8 per cent).<sup>3</sup> Another question is whether or not the net incomes of all members of the household should be added together in order to obtain a measure of the burden of housing costs. It is sometimes argued on legal as well as social grounds that the earnings of an adolescent child should not be counted as household income like the additional earnings of the head of a household in which there are no such children. This has the effect of reducing the relative housing costs of council tenants more than of home buyers. When housing costs are expressed as a percentage of the net disposable income of the head of the household's income unit, they rise from an average of 21.1 per cent to 21.6 per cent for home buyers, but from 16.6 per cent to 18.8 per cent for council tenants.

Thirdly, the difference between both the absolute and the relative housing costs of

<sup>1</sup> The reasoning is that, though no money passes between the occupier and the owner of a dwelling when they are the same person, the services of the dwelling nevertheless have a value equivalent to the net income which would be obtained by letting the dwelling to a tenant.

<sup>2</sup> This was only the equivalent of rateable value. See Department of Employment and Productivity, *Family Expenditure Survey Report for 1968*, HMSO, London, 1969, p. 19.

<sup>3</sup> Strictly, it might also be argued that no tax is paid on this imputed income and that the notional tax relief should be deducted from housing costs in the same way as tax relief on mortgage interest. Until 1963, house owners paid tax on their imputed rental income from ownership (Schedule A taxation). Even then they were considerably undertaxed since the imputed rent was calculated on 1936-7 rating valuations.

**Table 13.18.** Mean annual housing costs of tenants and owner-occupiers according to length of residence.

<i>Type of tenure</i>	<i>Mean annual housing cost (£)</i>				
	<i>Under 2 years' residence</i>	<i>2 years and less than 5 years</i>	<i>5 years and less than 15 years</i>	<i>15 years or more</i>	<i>All periods</i>
Renting, council	143	152	148	144	147
Renting, privately (unfurnished)	181	160	107	92	119
Renting, privately (furnished)	217	198	148	76	195
Home buyer	375	334	268	215	306
Home buyer (less tax relief)	319	292	241	207	270
Home buyer (less tax relief and capital gain)	217	181	134	120	165
Home owner (owned outright)	119	98	90	84	89
Home owner (less capital gain)	23	11	9	3	7
Owner-occupied (both buying and owning outright)	324	265	188	109	198
	<i>Mean annual housing cost as a % of net disposable household income</i>				
Renting, council	19	17	16	15	17
Renting, privately (unfurnished)	18	18	16	15	16
Renting, privately (furnished)	22	21	15	11	20
Home buyer	24	24	18	17	21
Home buyer (less tax relief)	20	21	16	16	18
Home buyer (less tax relief and capital gain)	14	13	9	9	11
Home owner (owned outright)	10	12	9	12	11
Owner-occupied (both buying and owning outright)	22	21	14	13	16
Percentage of all owner-occupiers owning outright	20	29	44	81	50

the two groups changes with length of residence. The biggest difference between buyers and tenants is found among those with less than two years' residence at their address. Even without discounting the value of tax relief on mortgage interest, it can be calculated (Table 13.18) that the housing costs of home buyers fell from a level which was 162 per cent higher on average than the costs of council tenants, for households with less than two years' residence, to only 49 per cent higher, for households with more than fifteen years' residence. It must be remembered that length of residence is not the same as period during which a mortgage has been repaid, and that some households whose residence has been short, for example, will have sold a former house and taken out a new mortgage on their present home at a smaller absolute and relative housing cost than a new buyer. This will tend to reduce the average costs of those whose residence has been short. On the other hand, some households whose residence is lengthy will have been offered the opportunity to buy their homes only in recent years, and their absolute and relative housing costs may be high. This will tend to increase the average costs of those whose residence has been lengthy.

It can be argued that this comparison between buyers and tenants according to length of residence is unfair to tenants, because their costs have been compared with home buyers and not outright owners as well as buyers. Among all owner-occupiers, only 20 per cent with less than two years' residence, but 81 per cent of those with fifteen or more years' residence, owned their homes outright (Table 13.18). A young couple buying a house on a mortgage may have higher costs than a council tenant on average during the term of their mortgage, but may live a further twenty years or more in the house. The housing costs of owner-occupiers might therefore be converted into annual lifetime costs before being compared with the *on-going* costs of council tenants. To obtain approximate estimates, it is justifiable to amalgamate the costs of buyers and outright owners.<sup>1</sup> Once the two categories of owner-occupiers are combined, the average absolute housing costs of owner-occupiers in the sample are not very much higher for those with between five and fifteen years' residence than for council tenants with the same residence, and after fifteen years' residence are only 75 per cent of the costs of council tenants. Relative housing costs are lower for owner-occupiers than for council tenants (and private tenants) after five years' residence.

Finally the home buyer acquires an asset which appreciates in real value during purchase and afterwards, and therefore represents a benefit which might be regarded as offsetting costs during the period of acquisition. Between 1968 and the first quarter of 1975, average new house prices increased by 161 per cent and the prices of existing dwellings by 158 per cent,<sup>2</sup> compared with an increase in the Retail Price

<sup>1</sup> This means that people who have inherited a home from parents, for example, as well as people who have repaid a mortgage, will be included. It is difficult in principle to distinguish the former from the mass of owner-occupiers. Some will be benefiting from mortgages repaid by parents who have died prematurely.

<sup>2</sup> Building Societies Association, *Facts and Figures, Quarterly Bulletin*, July 1975, p. 11.

Index of only 84 per cent. If the price of an existing dwelling of average value (£4,290) had increased in line with the Retail Price Index, the dwelling would have been £7,894 in 1975 instead of £11,081 (the value in fact quoted by the Building Societies Association). It might therefore be said that, in purchasing terms, the owner had benefited by £3,187 in that period of a little under six years, or by over £500 per annum at 1975 prices (or a little under £350 per annum at 1968 prices). In fact, of course, the value grew unevenly during these years.<sup>1</sup> According to figures issued by the Building Societies Association, the price rose on average by about £85 more between 1968 and 1969 than would have been justified by the retail price index.<sup>2</sup> Although the average increase in value during the 1960s and early 1970s was higher than in 1968-9, we have applied this average figure of £85 (though in proportion to estimated house values) in adjusting the housing costs of owner-occupiers before comparing them with those of council tenants.

Any reader who has followed this series of conditional statements, and who has some appreciation of the complex structure of the housing market, will understand the tentativeness of the estimates given in Table 13.19. Quite deliberately I have refrained from complicating the discussion by comparing the housing costs of private tenants with those in other tenures (partly because their numbers have been declining rapidly) and by calling attention to the variation around the mean costs of both home owners and tenants. What I have sought to show is that, when society's conventions in categorizing types of tenure and housing costs are examined, the burden assumed to be borne by the average owner-occupier becomes instead a comparative benefit. In any real meaning of 'cost' - that is, after averaging cost over the lifetime, allowing for taxation foregone, allowing for the annual appreciation in real value to the buyer (and to his children) of the asset which is being acquired, and after standardizing (in so far as this is possible) for items being purchased and rented, the average owner-occupier pays less *absolutely* as well as *relatively* for his housing than the council tenant.<sup>3</sup>

<sup>1</sup> This period includes the exceptional boom in house prices between 1971 and 1973, but it should be noted that house prices increased in every year of the 1960s by more than retail prices.

<sup>2</sup> Building Societies Association, *Facts and Figures*, edn cit., pp. 7 and 11.

<sup>3</sup> In 1977, the Department of the Environment itself made estimates of the comparative costs of council tenants and owner-occupiers for the period 1967-76. For 1968-9, the cost borne on average by a public-authority tenant, including costs of upkeep not included in the rent, but after excluding a general exchequer subsidy of £44, was put at £104 per annum. The costs borne by the average owner-occupier were also put at £104 per annum, excluding transaction costs *and* repayments of mortgage principal, but excluding tax relief on mortgage interest estimated at £24. If repayments of mortgage principal are added to the second figure, it would become about £125 per annum, and if average payments of rates are added, the figures become, respectively, about £135 and about £170. Although the Department of the Environment's estimates were reached by different methods, they reflect the same relativity as the figures of £147 and £178 derived from the poverty survey in the last column of Table 13.19. See Department of the Environment, *Housing Policy*, Technical Volume, Part II, HMSO, London, 1977, pp. 19-23.

**Table 13.19.** Mean annual housing costs of council tenants and home owners, on different assumptions of cost.

Type of tenure/ assumptions about cost	Mean annual housing cost (£)				
	Under 2 years' residence	2 years and less than 5 years	5 years and less than 15 years	15 years or more	All periods
Council tenants	143	152	148	144	147
Home buyers:					
(i) No deduction for tax relief	375	334	268	215	306
(ii) Deducting tax relief <sup>d</sup>	319	292	241	207	270
(iii) Further deducting capital gain in 1968-69 <sup>b</sup>	217	181	134	120	165
(iv) Further deducting estimated cost of additional amenity <sup>c</sup>	(167)	(149)	(105)	(106)	(136)
All owner-occupiers:					
(i) No deduction for tax relief	324	265	188	109	198
(ii) Deducting tax relief <sup>d</sup>	278	234	171	106	178
(iii) Further deducting capital gain in 1968-9 <sup>b</sup>	177	130	73	24	84
(iv) Further deducting estimated cost of additional amenity <sup>c</sup>	(138)	(110)	(59)	(19)	(69)

NOTES: <sup>a</sup>Calculated on information supplied by mortgagor about annual mortgage interest. The mean corresponds closely with government estimates.

<sup>b</sup>The estimated gain of £85 on the average existing dwelling at 1968 prices (£4,290) has been applied as a percentage (2 per cent) to the estimated total value of each dwelling.

<sup>c</sup>The mean number of rooms in council tenancies has been divided by the mean number in owner-occupied dwellings, and the resulting fraction applied to the costs of owner-occupation in order to derive a 'standardized' cost. This is an admittedly crude method of standardization (and therefore the estimates are bracketed) which can be said to understate the value of owner-occupied accommodation. (Thus no account is taken, say, of access to garden or convenience or status of siting.)

While the costs of council tenants are distributed fairly evenly, in both absolute and relative terms, over the lifetime, the costs of owner occupation are, except in the case of those inheriting their homes, concentrated in the early years of such occupation. This financial hurdle could be said to have developed so as to regulate the social allocation and the distribution by tenure of the housing stock. During the 1970s, the pattern of housing costs has become even more ill-balanced, both between owner-occupiers and tenants, and between mortgagors in the early years and mortgagors in the final years of repayment. An important paper published in 1973 showed that, partly because of the high rate of inflation in the late 1960s, the comparative costs of owning and renting in Scotland narrowed more rapidly with length of residence than in earlier years.<sup>1</sup> The increase in the rate of inflation, and the uneven consequent pattern of increases in interest rates in the early 1970s, and especially in 1974-6, have accelerated this trend. Just as repayments in the early years have increased relatively to income, so repayments in the later years of a mortgage term have been reduced. During the late 1960s and early 1970s, average initial mortgage repayments upon a house of average price varied between 24 and 27 per cent of average earnings. In 1973, with the rise in house prices, the figure jumped to 39 per cent, and in 1974 to 43 per cent, before falling back slightly in 1975 to the still high figure of 37 per cent.<sup>2</sup> For buyers of several years' standing, some benefited from delays in putting up interest rates, including those with concessionary rates on housing loans from employers, and all benefited from the fall in real value of repayments of capital. Even if inflation were to average only 5 per cent during a mortgage term of twenty years, the capital repayments would amount to only 38 per cent of what they would have been without any inflation at all.<sup>3</sup> And in the middle of 1974, when the rate of inflation exceeded 15 per cent, interest rates were around 11 per cent.

The pattern of housing finance has come under increasingly critical examination.<sup>4</sup> There is little doubt, from the evidence on absolute and relative costs, that revenue for either public subsidies or public and private investment in the housing stock

<sup>1</sup> Hare, P. H., 'Comparing the Costs of Owning and Renting in Scotland', *Housing Review*, May-June 1973.

<sup>2</sup> Building Societies Association, *Facts and Figures*, edn cit., p. 12.

<sup>3</sup> Greer, *Building Societies?*, p. 7.

<sup>4</sup> Nevitt, A. A., *Housing, Taxation and Subsidies*, London, Nelson, 1966; Nevitt, A. A., *Fair Deal for Householders*, Fabian Research Series, No. 297, Fabian Society, London, 1971; Crouch, C., and Wolf, M., 'Inequality in Housing', in Townsend, P., and Bosanquet, N., *Labour and Inequality*, Fabian Society, London, 1972; Ball, M., 'Owner-Occupation', and Boddy, M., 'Building Societies and Owner-Occupation', in Edwards, M. *et al.* (eds.), *Housing and Class in Britain*, Political Economy of Housing Workshop of the Conference of Socialist Economists, (c/o F. Gray, University of Sussex), London, 1976; Lansley, S., and Fiegehen, G., *Housing Allowances and Inequality*, Fabian Society, London, 1973.

could be substantially increased and made more equitable. Major structural changes in housing finance (and in categorization of tenure) would be required. Through direct and indirect subsidies, those who need help least - namely, owner-occupiers who are no longer repaying mortgages, are in the latter stages of a mortgage term, no longer have dependants, but have taken out new mortgages for more costly homes, and have high incomes but are repaying housing loans at rates heavily subsidized by their employers - are receiving help most at the present time through housing and taxation policies. Under-occupation is being subsidized. The problem of redistributing housing subsidies is therefore two-fold - from the middle-aged to the young, and from the well-endowed section of owner-occupiers to poorer occupiers in different forms of tenure.

### **Access to the Housing Market: Owner-occupation**

We have discussed in turn the characteristics of the available housing stock and the distribution by type of tenure, the resources of the occupiers, and the costs which they have to meet. There remains one further ingredient to explain how deprivation in housing arises. This is the social system of rules by which housing is brought into use and allocated or made available. Our methods of research were limited and did not allow the provision and allocation of housing to be explored, but that process can be illustrated in certain particulars.

The production of housing of different types is very much in the hands of the government, through its control of housing finance. By various means, the Chancellor of the Exchequer can control both the total amount of accommodation built or improved and the distribution by type of tenure. The social system of allocation has two principal sub-systems: the private housing market and the subsidiary system of public housing. There are, of course, many different components of each, and some of them can be suggested here only in outline.

First and foremost, how do families acquire the privileged status of owner-occupation? Inheritance plays a substantial part. Society has been relatively lenient in shaping the rules by which gifts of property are made to relatives and passed on to heirs after death. Capital transfer taxation was introduced in 1974. Capital passing between spouses is exempt, as is the first £15,000 of capital transferred; and the rates of tax on the next slices of capital are lower than former estate duty. Estate duty could be avoided if property was passed on five or more years before death. But while inheritance has played an important part in conferring the status of owner-occupation and deserves to be thoroughly investigated, it has not yet assumed the importance it will undoubtedly have in the future. Until comparatively recent times, only a small minority of the population owned their homes. Even after the Second World War, only a quarter of homes were owner-occupied. The rapid increase in the proportion owes more to the financial power and lending rules of building societies and insurance companies than to inheritance. In 1950, the building societies had 1.5

million borrowers, and by 1973 42 million.<sup>1</sup>

A very large proportion of the population are debarred from becoming owner-occupiers, either because their parents did not own housing which could be passed on or because their incomes have been too low, the amount of capital security which they can offer too small or their age and occupational status fall outside the conditions laid down for eligibility for loans. Although building societies, insurance companies and local authorities apply a wide range of different rules of eligibility for capital loans, and the rules also vary regionally,<sup>2</sup> it was broadly true at the time of the survey that loans were not made to families with less than a net disposable income of about £1,200 a year (and this normally had to be the usual earned income of the head of the household rather than an income made up by overtime earnings or the income of others in the household). This effectively ruled out more than half the population who were not already in owner-occupied housing, some of whom, it must be remembered, were retired and now themselves had low incomes. Mortgages for women were also hard to come by.

In general, working-class households are not considered so good a risk as non-manual households, and households with single women are not considered so favourably as those with single men, even when they have the same basic income.<sup>3</sup> These groups find it difficult to raise a loan, or, if they do raise one, the ratio of the loan to annual income will tend to be lower. The decisions taken by building societies affect general housing policies. The societies help to define 'twilight areas' and hasten their decline by refusing to give loans on properties within certain-areas. Their interpretation of the adequacy of *types* of income, and also of acceptability of social status and locality, have the effect of reinforcing class differences in the opportunities which exist for acquiring housing, even where class differences in cash incomes may be very small or may even overlap. This was brought out in our analysis of resources in relation to class in Chapter 10 (pages 385-94).

Table 13.20 gives a crude representation of the outcome of these lending policies in relation to occupational class. The percentage of households who are owner-occupiers falls from a peak of 88 per cent for the professional occupations to 20 per cent for the unskilled manual occupations. The percentage falls sharply between the lower supervisory and routine non-manual classes and again between the routine non-manual and skilled manual classes. The gradient provided by particular levels of

<sup>1</sup> Building Societies Association, *Facts and Figures*, edn cit., p. 3. See also Greer, *Building Societies?*, p. 7.

<sup>2</sup> Studies of the policies of building societies and local-authority loans have been made for particular areas. See, for example, the study of Newcastle in Boddy, M. J., 'The Structure of Mortgage Finance: Building Societies and the Social Formation', *Transactions of the Institute of British Geographers*, NSI, 1975.

<sup>3</sup> For an introduction to some of the difficulties experienced by women, see Tunnard, J., *No Father, No Home?*, Child Poverty Action Group, London, 1976.

**Table 13.20.** *Percentages of households of different occupational class with annual income above certain levels, and percentage who are owner-occupiers.*

<i>Occupational class</i>	<i>Percentage whose net disposable household income was higher than</i>		<i>Percentage who are owner-occupiers</i>
	<i>£1,200<sup>a</sup></i>	<i>140% of supplementary benefit scale rates plus housing cost</i>	
Professional	92	91	88
Managerial	84	89	66
Supervisory, high	69	83	73
Supervisory, low	52	72	64
Routine non-manual	55	70	48
Skilled manual	45	66	38
Partly skilled manual	45	63	32
Unskilled manual	36	42	20

NOTE: <sup>a</sup>Approximately the qualifying level for a loan from a building society at the time.

net disposable household income is, by comparison, much more gradual, as the table shows.

Within the owner-occupier sector, classes also subdivide according to the value of the dwelling. The percentage of professional and managerial households in homes valued at less than £3,000 in 1968-9 was negligible, whereas there was a majority of

**Table 13.21.** *Percentages of chief wage-earners or heads of households and housewives, according to the value of owner-occupied homes.*

<i>Value of house</i>	<i>Non-manual</i>		<i>Manual</i>	
	<i>Professional and managerial</i>	<i>Other</i>	<i>Skilled</i>	<i>Other</i>
£5,000 or more	67	36	15	6
£4,000-999	20	21	19	11
£3,000-999	9	22	26	19
£2,000-999	1	13	18	29
Under £2,000	2	7	22	35
Total	100	100	100	100
Number	264	666	421	244

manual-class households in homes of such value (Table 13.21). Manual households outnumber professional and managerial households in the ratio of five to one, but twice as many of the former as of the latter owned or were in purchase of dwellings of a value of £5,000 or more. The conflicting interests of tenure groups, for example, in relative shares of state subsidies, are hence predominantly class interests.

Owner-occupiers do not comprise a uniform class and tend to sub-divide into strata according to market value of house. Those with larger incomes and greater capital security are not only able to obtain larger loans for larger and more valuable property, but also have opportunities to reduce the proportionate amounts they pay in taxes and the total net amount of repayments over periods of years. There are many schemes which might be instanced, one of the most common of which is to take out an endowment assurance policy, with or without profits, usually through a life office, but also through certain building societies, instead of a straight mortgage from a building society. Under the normal repayment method of a building society, a borrower makes regular repayments of a loan, plus interest on the loan, for the years for which the loan is advanced. If he dies before the repayments are completed, his heirs have to meet the outstanding capital value of the loan or continue repayments.

Under the endowment method, the borrower pays a larger premium to cover the cost of meeting any sum outstanding on his death, but he has the advantage of being able to claim tax relief, not only on the interest on the loan (which he shares with the ordinary purchaser of a mortgage from a building society), but also on the regular premiums which are made towards the repayment of capital. This is because tax relief can be claimed on premiums paid for life assurance, and since he has taken out a life assurance policy with the insurance company for the amount of the loan required for his house, he can claim on these premiums. If he takes out a policy with profits', his premiums are larger still, but if, as in recent years, bonuses from the profits on the investment value of each of the premiums paid are substantial they offset, over time, much of the total outlay. Expectations differ for purchasers of different age, source and amount of income and different amounts already insured, but in 1967 *The Times* estimated that a man of 35 borrowing £5,000 with repayment over twenty-five years on the standard rate of tax would have a total outlay over the whole period of only £5,500 if he took out an endowment policy with profits, compared with around £9,000 if he used a building society mortgage on its own.<sup>1</sup>

Why, then, do not all intending owner-occupiers adopt this method, which, on the evidence,<sup>2</sup> is an astonishingly cheap method of securing a substantial loan? We can

<sup>1</sup> 'House-Buying: Mortgage or Endowment', *The Times*, 7 January 1967.

<sup>2</sup> See, for an example from the literature of the choices open to house purchasers in the mid 1960s, 'How Life Assurance Can Help with House Purchase', *Insurance Mail*, February 1964. I am grateful to Michael Malin of the Life Offices Association for introducing me to the subtleties of life-assurance schemes, although he is not, of course, responsible for the interpretation I have placed upon them.

set aside the question of access to the relevant information, though, of course, this plays some part. The principal factors are that the life offices erect a higher hurdle than do the building societies for admission to straightforward mortgage schemes, in terms of checks on health, and financial status, and the initial payment of a survey fee to engage a valuer to inspect the property, and, 400 above all, the real costs in the early years are relatively higher (though much smaller in later years). This is because the repayments made by an ordinary borrower from a building society consist predominantly of interest on the loan in the early years and predominantly of capital repayments in the later years. Because tax relief is paid only on the interest, the total net cost rises.

The finance houses are reluctant to enlarge membership of the endowment schemes too quickly for fear, among other reasons, of raising too steeply the cost to their existing members of obtaining loans and acquiring assets. Borrowers with young families and high initial housing costs also shrink from imposing upon themselves the additional costs in the early years of an endowment scheme. The result is that endowment policies tend to be restricted to people needing large loans for the purchase of their homes. In the poverty survey, most of those recently obtaining loans of £5,000 and more adopted this method. There were very few examples in the survey of people with less than these sums adopting the endowment method.

One further means of access to owner-occupation is by means of a low-interest loan arranged through an employer. Nearly fifty households in the sample, representing some 500,000 in the United Kingdom, claimed to be beneficiaries of a low rate of interest. They were principally the staff of the clearing banks, insurance companies and building societies. Even by 1976, the rates were as low as from 2.5 to 5 per cent, compared with the lending rate of 12.25 per cent recommended by the building societies.<sup>1</sup>

I have dwelt on one process by which families obtain their own houses, not only to show how it is that people move into the best housing available in Britain, but also to show how most people are restricted in their choice to what is left and how arbitrary are some of the rules. This is necessary in order to explain how deprivation arises. Admission is almost like admission to different socially exclusive clubs, the size and quality of which are determined indirectly by the arbitrary standards of the market and by the financial and tax policies of the government, instead of a body of fair principles discussed and formulated in public. For example, some of the rules applied by building societies and life offices are more social than strictly financial, debarring people with disabilities and working-class families with fluctuating incomes. Again, the total effect of different tax concessions for owner-occupiers is not analysed by the government or defended in relation to other types of housing

<sup>1</sup> Stone, M., 'Who Gets Those Cheap Mortgages?', *The Times*, 11 December 1976.

subsidy. There would be nothing to prevent society from working out how owner-occupation could be quickly changed from being a privilege for around half of the population to being a universal right, or how the opportunities of owner-occupiers to advance their existing privileges could be restricted in order to release resources for the improvement of housing in the other sectors.

But the full implications of owner-occupation for standards of housing in society cannot be understood by concentrating attention only at a single moment of time on the rules and incomes governing admission to that status. As discussed above, in periods of inflation and of steadily increasing real incomes, access to that status takes on a very different light. The houses appreciate steadily in value, repayments of loans form a diminishing proportion of real incomes and are eventually paid off. This has a number of important results. It means that, in relation to people occupying other types of tenure, many of those owning their own homes have low housing costs and thereby higher living standards on the same cash incomes; more of their resources are released from direct repayments of loan and interest for expenditure on repairs and modernization, and, through the acquisition of a saleable asset, on the power to move into a more desirable home (it is one of the cheapest, if not the cheapest, form of saving) or obtain a loan for a second home. A high rate of inflation makes present policies in housing finance even less related to government intentions than they were in the late 1960s.

### **Access to Council Housing**

Potential householders denied access to owner-occupation stay in council housing, if they inherit the parents' tenancy or can wait until they qualify for a council house or, more commonly, begin family life in a furnished or unfurnished tenancy while obtaining qualifications for admission to the council sector. Of council tenants, 31 per cent told us that they waited only a year or less than a year, or inherited a tenancy, 24 per cent waited two years, 28 per cent three or four years, and 18 per cent five or more years. Their reasons for obtaining a tenancy when they did are set out in Table 13.22. A half were in bad housing, were overcrowded or had reasons of ill-health. Over 60 per cent had been in council housing for more than ten years, including 14 per cent for more than thirty years. Substantially more council tenants had experienced a serious housing problem in adult life than either private tenants or owner-occupiers (39 per cent, compared with 15 per cent and 14 per cent respectively) (see also Table 13.5, page 491). These data afford some inkling of the direction of the flows into and between sectors. The historical expansion of council housing has drawn far more families from poor housing in the privately furnished and unfurnished sectors than has the expansion of owner-occupation. Other national

**Table 13.22.** Percentages of council tenants, according to reasons for getting tenancy.

<i>Reason</i>	<i>Council tenants</i>
Inherited	5.5
Bad housing	23.5
Health of member of family	9.5
Overcrowding	18.2
Compulsory purchase	0.9
Solely reached top of list	23.9
Other	18.6
Total	100
Number	528

data show that over a half of those in unfurnished and a third in furnished private accommodation who want to move have applied to the local council, compared with less than a fifth of each group who have taken steps to buy a home.<sup>1</sup>

The poorest families in the sample tended to be in council and private unfurnished accommodation. Contrary to impressions given in the media, families in council tenancies were found to be poorer than in any other form of tenure (Table A.53, Appendix Eight, page 1032). More were in poverty or on the margins of poverty; and fewer had incomes as much as three or more times as high as the state's poverty standard. Within the council sector there were, as well as other forms of tenure, marked differences between regions. Costs in Scotland were, on average, only a little more than half those in Greater London (Table A.54, Appendix Eight, page 1033).

Council housing tends to consist of ranks by status. Locally, this may develop partly for reasons independent of the age or construction of the property. Some estates are far from shopping facilities and work, acquire disreputable reputations for vandalism or noise, or are sited among other buildings or communities which are felt to be uncongenial. But the status of housing depends also on the age, type and desirability of the property itself. We have already shown that a higher proportion of new than of older council accommodation is in flats, and that, in some respects, the incidence of defects in this new housing was as high as or higher than in older property. But, in general, many of the facilities of new council housing have improved with rising standards and new houses as well as some types of flats are sought after. Council housing is predominantly working class. Only 19 per cent of the occupants in the sample belonged to non-manual classes, and most of these belonged to the lower-non-manual categories. There was not a single member of the

<sup>1</sup> *The General Household Survey*, Introductory Report, p. 172.

professional class in the sample to be found living in a council flat or house, for example. We found a slight association between social class and age of housing. As Table 13.23 shows, rather more of the non-manual than manual groups were in the newest housing. But this may to some extent reflect the national increase of the

**Table 13.23.** *Percentages of council tenants moving into accommodation in previous two years, and percentages of all council tenants of different occupational class who were in pre-war and post-war housing.*

<i>When accommodation built</i>	<i>Moving into tenancies in last two years</i>			<i>All council tenancies</i>		
	<i>Non-manual</i>	<i>Skilled manual</i>	<i>Partly skilled and unskilled manual</i>	<i>Non-manual</i>	<i>Skilled manual</i>	<i>Partly skilled and unskilled manual</i>
Pre-war	(29)	39	46	37	33	36
1946-54	(21)	37	26	25	36	34
1955 or later	(50)	24	29	38	32	30
Total	100	100	100	100	100	100
Number	28	113	90	337	710	661

proportion of the population in non-manual classes, and may be partly obscured by changes in occupational status of the occupants rather than demonstrate deliberate allocation of tenants.

As an approximate check we therefore singled out tenants who had taken up their tenancies in the previous two years, and Table 13.23 suggests that more new tenants in non-manual than manual groups are moved, or move, into the newest housing, and more of the partly skilled and unskilled than of either the non-manual or skilled manual groups into pre-war housing. However, the numbers of such tenants in the sample were small, and include, of course, tenants exchanging homes with other council tenants, or moving from one council tenancy to another by arrangement with the housing department. These findings must therefore be treated with caution, and can only be regarded as justifying further investigation. There is the possibility that accommodation is allocated more according to social status than according to need. In most localities, council-housing departments are aware of estates which are less desirable or sought after than others, and they adopt assumptions about the kind of people who will or will not respect the amenities and rules. This is evident enough among the temporary homeless and 'problem family' categories, and has been

studied at length.<sup>1</sup> But the financial needs of councils can also determine allocation, because subsidies for new housing can be reduced if the tenants can bear increased rents. One of the effects of the Housing Finance Act 1972 is to give councils more incentive to place better-off tenants in more expensive accommodation, reduce the total paid in rebates and hence intensify the trend towards social stratification in council housing.<sup>2</sup>

### **Access to the Housing Market: Private Tenancies**

We can take up the story for tenants of private accommodation. Their housing situation is, in many respects, more deprived than that of their counterparts in other sectors. We found that of about 400 households in both unfurnished and furnished accommodation, sixty-two, or 15 per cent, said they (or part of the household) were on a council housing list. Of these, half declared the house had structural defects (and, in nearly all cases, inadequate housing facilities as well). Another third had inadequate housing facilities. They represented nearly 600,000 households in the population. Most of this minority were young couples or couples with one or two children, though a few were pensioners awaiting special accommodation. Over half were found to have been on a council list for three years or more, including a fifth for more than ten years. It should be remembered that only a quarter of privately rented accommodation (Table A.49, Appendix Eight, page 1030) is occupied by households with children. Privately rented accommodation seems to serve three functions: as temporary accommodation for young married couples starting a family who cannot afford to buy a home of their own and who cannot yet qualify for a council home; as permanent accommodation for older couples, whose children have married and left home, some of whom have been protected in the past by legislation on rent control, and who have little prospect of or desire for a house of their own or a council tenancy; and finally, as a kind of Hobson's choice of uncertain duration for single people, some of them young, some of them middle aged, and for migrants, families who have been evicted from council accommodation and others whose family status is tenuous or fluctuating. A sprinkling of all such accommodation occupied by middle-class people is to be found in the better quarters of all major cities - for example Belsize Park, Bayswater and Chelsea in London - but the bulk is in rather run-down quarters for the working class in local 'zones of transition' - for example, in Islington, Notting Hill, Brixton and Camden Town.

<sup>1</sup> Hull is the subject of Gray, F., 'Selection and Allocation in Council Housing', *Transactions of the Institute of British Geographers*, NSI, 1976. This quotes comments of housing inspectors on new tenants; for example, 'fair only - suitable for pre-war property'. See also a study of Colchester by Walker, A., *A State of Disrepair*, Colchester Poverty Action Group, 1976.

<sup>2</sup> For a detailed analysis of the effects of the Act, see Parker, R. A., *The Housing Finance Act and Council Tenants*, Poverty Pamphlet No. 9, Child Poverty Action Group, London, 1972.

Part of our second category of established older couples, whose children have left home, are in accommodation owned by an employer and are scattered geographically. Eleven per cent of those renting privately were in such accommodation, the great majority of whom, four fifths, said it was rented more cheaply as a consequence. For example, more than a third estimated the accommodation would cost another £200 a year or more if they had to rent it in the normal way, and another third more than £50. Two fifths belonged to non-manual and three fifths to manual groups. In addition to these households, there is a further category living rent free in accommodation owned by an employer.

In total, we found nearly 100 households in the sample, or nearly 5 per cent, living in accommodation owned by an employer, or 20 per cent of all tenures other than owner-occupied or council owned. They represent nearly a million households in the country.

Privately rented accommodation is very complex in quality and varies in degree of security, but, by and large, tenants are much more insecure than in the other sectors. The constraints on their ability to pay means that there is a good chance that they will find themselves in the older properties, probably built before the First World War, which are in a poor condition of repair and have a low standard of amenity. Two groups in different situations may be distinguished: the fallen or life-long poor, and the aspirant poor. Some people with low incomes have never experienced any other form of housing than privately rented homes, and in middle or old age have no prospect of moving into the other housing classes, and indeed may have difficulty in maintaining their foothold as property is sold and rent control lifted. They have been faced with rents rising relative to earnings, and of having to pay relatively higher rents even as rent allowances have been introduced in the 1970s to meet part of the so-called 'fair' rents.<sup>1</sup>

Other people have 'fallen' into the poorest types of privately rented housing because of a combination of low or reduced income (because of disability, retirement, unemployment, redundancy or bankruptcy) and social adversity, such as divorce or separation, bereavement and even punitive or disengaging action by the community against mental illness or handicap and deviant life-styles. Owner-occupied housing is compulsorily purchased, or mortgage repayments cannot be maintained by widows, or families are evicted from council housing because of arrears of rent. To these groups might be added those reaching retirement or becoming widowed in employer-owned property, who have to find alternative accommodation. Some of the 'fallen' or downwardly mobile poor cannot compete,

<sup>1</sup> For an anticipatory statement of the consequences of the Housing Finance Act 1972, see Nevitt, *Fair Deal for Householders*. In practice, the take-up of rent allowances by tenants in the private sector has been very small. In 1975, only 20 to 25 per cent of tenants in unfurnished and 10 per cent in furnished private accommodation of those believed to be eligible for rent allowances were drawing them. See *Hansard*, 17 February 1975, cols. 303-4.

in the rents they can afford, with the aspirant or upwardly mobile poor, and so they resort to lodging houses or rooms which are too small for the families comprising many of the latter to want - residential accommodation owned by the local authorities or simply the streets. In the late 1960s and early 1970s, the official number of homeless families in Britain increased.<sup>1</sup> Official statistics continue to be criticized as being underestimates. For example, they continue to underestimate the numbers of single and married people without children, some of whom are admitted into residential homes for the elderly and disabled.<sup>2</sup>

The aspirant or upwardly mobile poor consist of two groups: first, new house, holds of young married couples and couples with young children whose incomes are low and who are biding their time until they qualify for a council house or flat or save enough money to put down for a house of their own; and secondly, migrant workers, including coloured immigrants, who have nowhere else to go and whose status as potentially stable new households may yet be indeterminate. Each of these two groups may be said to be in the process of acquiring higher incomes, savings and possessions and eager to make their way as quickly as they can into housing sectors with greater security and higher status.

### **Explanations of Poor Housing**

What also has to be faced in understanding the situation of disadvantaged groups in the privately rented sector, in some parts of the council sector (such as temporary accommodation for homeless families and low-status estates), and even in a few instances in owner-occupied property, is that they result from the maintenance of certain values of society - such as the belief in the sanctity of private property, the virtue of making reasonable profits in a market economy, the need to pay rents on time and so on. Just as the threat or fact of unemployment is widely understood to be a means of restraining wage demands, so the threat or fact of eviction and homelessness has to be understood as a means of maintaining levels of rent and respect for property. The plight of certain people in bad housing is an object-lesson in conformity for the rest of society. It is also a consequence of some of the rules of business practice. Building societies with socially respected but stringent rules about eligibility for loans, and who believe they confer moderate rates of interest upon their clients, create the conditions for the operation of predators who lend money at

<sup>1</sup> In England and Wales, the number of homeless persons in temporary accommodation was 13,000 in 1966, 21,000 in 1969 and 24,000 in 1970. See *Social Trends*, No. 2, 1971, p. 126. By 1973, the figure reached 30,000. In 1974, new statistical returns began to be made by local authorities in London, and this was extended to the rest of England in 1975. The early returns continued to show an increase. See *Social Trends*, No. 7, 1976, p. 159.

<sup>2</sup> A substantial proportion of those admitted to residential homes are not 'infirm' and in need of 'care and attention', but have, in fact, for various reasons, lost houses or tenancies. See Townsend, P., *The Last Refuge*, Routledge & Kegan Paul, London, 1962, p. 326.

extortionate rates of interest to people desperate for a home. The price the latter pay is both a consequence of the restrictiveness of the building societies and one factor among many which encourage borrowers to accept the terms which the societies impose upon them. Thus, one study of three areas of older terraced housing in Birmingham in 1972-4 showed that the clearing banks, fringe banks and finance companies were a more common source of loans than building societies or local authorities, and that, owing to higher interest rates, monthly repayments were often twice or more than twice as high as repayments to a building society.<sup>1</sup> A similar point can be made about extortionate rents and deplorable conditions in the privately rented sector. These characteristics derive directly from the interest of landlords in maintaining high rents elsewhere, of councils which have created high barriers for applicants for homes, and of the mass of owner-occupiers and other tenants eager to maintain and extend their own rights and privileges.

However, just as unemployment fluctuates in a capitalist economy, so the *amount* and *degree* of housing deprivation can also fluctuate as a result of changes in the respective powers of different interest groups and of the adoption by society as a whole, and particularly governments, of new policies and rules about housing. I am suggesting here that elementary sociological explanations of a functional kind, like that put forward in previous paragraphs, are inherently fatalistic, and while providing insights into the reasons for the existence of bad housing, offer no deeper insights into reasons for its extent or degree and therefore of the ways in which it can be reduced and eliminated. But once we grasp the point that bad housing is functional for those in privileged housing, it is possible to go on to explore how the structure of privilege can directly affect the amount and type of bad housing and, indeed, how that structure must be changed if there are to be real as opposed to supposed improvements in bad housing. For an explanation to be a good explanation, it must be presented with sufficient empirical substantiation and detail to offer lessons for policy which can be easily read.

The preceding analysis has revealed the strong association between three variables: social class, type of tenure and income (and especially of the more comprehensive concept of net income worth), and different criteria of poor housing. I have tried to explain explicitly or implicitly how this arises and how these variables are interrelated. The scale and degree of deprivation in housing in society has three principal sources:

1. The processes by which the housing stock comes to consist of different characteristics, of structure, size or space, indoor and outdoor facilities or amenities, in relation to the household membership, and is distributed unequally and augmented.
2. How resources, especially incomes and wealth of members of the household, come to be distributed, and how these resources are maintained, restricted or

<sup>1</sup> Kam, V., *Priorities for Local Authority Mortgage Lending: A Case Study of Birmingham*, Centre for Urban and Regional Studies Research Memorandum, 52, 1976.

increased.

3. How costs and systems of rules of allocation and occupancy come to be related to groups of housing.

These three are, of course, closely related and mutually reinforcing, but they also operate independently. At a single moment in time, the housing stock of most rich societies has characteristics like those described in this chapter. It is unequally distributed and the distribution is continually being influenced and reshaped. Building regulations affect the quality of structure of new buildings and modifications in the density and surroundings of existing buildings. New technical processes are developed and new materials used by building companies. Conditions for improvement grants and slum clearance and urban planning schemes change the amount and quality of the stock. Legislation and tax policies affect the ownership of stock and hence the standards by which it is managed, maintained and modernized.

The second factor has direct and indirect effects. Increase in the resources of the poorest half of the population, through higher wages, more redistribution through social security, new laws on inheritance and higher taxation on wealth, can lead to investment in repairs, decoration and modernization, as well as pressure for more desirable types of housing.

The third factor determines how many and which kind of people are to be found in different types of housing, and hence how well the available space in such housing is utilized. Thus there are, as we have shown, social and not only financial determinants of standards. If society were to adopt greater inducements for people in under-occupied property to move to smaller accommodation, and then impose controls over the allocation of, or opportunity to move into, spacious accommodation on the part of single persons and married couples without children, inequalities in density of occupation would be reduced. If tenants had more of the security and other privileges enjoyed by owner-occupiers, such as some financial return after maintaining a tenancy in good condition for many years, a say in who is to inherit the tenancy, and the power to redecorate or make minor alterations subject only to local planning regulations, many would be prepared to invest in the maintenance and improvement of their homes.

These examples are given only to suggest which institutions, agencies and bodies of rules combine to make up the three causal factors identified above. This framework of explanation would need to be filled in.

## Summary

This chapter documents different types of deprivation in housing as established in the survey and in different official studies. Twenty-two per cent of households experienced structural defects, 21 per cent inadequate housing facilities, and 11 per cent insufficient bedrooms, by conventional social standards. Another 44 per cent

had only one of their rooms (or none) heated in winter, and 5 per cent had insufficient internal play-space for children. According to these five measures, 13 million, 11 million, 10 million, 22 million and 4 million people respectively in the United Kingdom were deprived. Sixty-one per cent, representing 33 million, experienced at least one type of poor housing. Eleven per cent, representing 6 million, experienced three or more types of poor housing. Twenty-five per cent of households expressed a need for additional rooms, and 6 per cent declared they had a serious housing problem now.

By most criteria, households consisting of a man and woman and four or more children experienced the worst housing. Single-person households were more likely than households with all numbers of children to have inadequate facilities and only one room heated in winter, but the latter, especially with three or more children, were much more likely to have insufficient rooms. A substantial proportion of households with children had need for more space, by both social and subjective standards.

Much the most important structural factor found to be associated with housing deprivation was occupational class. By nearly all criteria, we found a consistent relationship between lower incidence of deprivation and higher class. This was in part explained by the type of tenure associated with class. Strikingly more households in privately rented unfurnished accommodation than in other types of tenure, and fewer owner-occupiers, especially fewer of those still paying a mortgage, had poor housing.

The relative disadvantage of tenants living in privately rented accommodation has been documented in other studies and is well recognized. But in the poverty survey we found that, with the decline of such accommodation, council housing is taking its place as the sector accounting for the largest numbers of deprived dwellings. There were signs of the evolution of different grades or strata of housing in the council sector, to which people may be allocated on social and not only financial grounds.

Poor housing is also explained by low incomes. More households living in poverty or on the margins of poverty also experienced poor housing than did other households. For those in poverty, housing facilities, heating and indoor play-space for children were the respects in which they fared relatively worst.

Inequality in the distribution of net income worth is even more strongly associated with deprivation in housing. Nearly half the population with net income worth of less than half the mean were found to have inadequate housing facilities, and over a third to have insufficient indoor play-space for children, compared with only 3 and 2 per cent respectively for people with twice or more than twice the mean. But, at similar relative levels of income and net income worth, more owner-occupiers than council and private tenants possessed good facilities and amenities in their homes.

Owner-occupiers who fully owned their homes had much lower absolute and relative housing costs than tenants. Most owner-occupiers paying mortgages paid

more absolutely in current terms than tenants for their homes, but a substantial proportion paid less than the average tenant relative to their incomes. When account is taken of tax reliefs on mortgage interest, inflation and capital gains, owner-occupiers were paying less absolutely as well as relatively to income than council tenants on their lifetime housing costs. This is perhaps one of the most interesting outcomes of the entire survey. The homes they were paying for tended also to be of much higher housing standards - for example, detached housing, space, facilities and possession of gardens. The paradox that the poor pay most for their housing poses a major question for housing policy.

The scale and degree of deprivation in housing in society is broadly determined by three factors:

1. *The quality, amount and distribution of the housing stock*: the processes by which different characteristics of structure, size or space, indoor and outdoor facilities or amenities, in relation to household membership, come to be distributed unequally among the national housing stock and are maintained and developed.
2. *The distribution of resources*: the resources, especially the income and wealth, of members of the household, and how these resources are maintained, restricted or increased.
3. *The relationship of resources to the structure of costs of housing and access to housing*: the social system of rules by which housing comes to be allocated, the institutions and policies which are developed in relation to the finance of housing and the system of rights and obligations according to which accommodation is occupied.

The processes by which the housing stock comes to be created and augmented, access to resources controlled and modified, and the rules by which people are allocated to, or find themselves in, different standards and types of housing, are tentatively described.