

The end of landlords: the surprisingly simple solution to the UK housing crisis By Nick Bano, *The Guardian*, March 19, 2024

The forthcoming general election is once again likely to be dominated by claims about a housing shortage and a dire need to build more homes.

The evidence, however, does not support this thinking. Quite the reverse. Over the last 25 years, there has been a constant surplus of homes per household while our living situations have been getting so much worse. In London there is a terrible housing crisis even though its population is roughly the same as it was 70 years ago, when the city was still extensively bomb-damaged by the second world war.

It is impossible to make a case for unique levels of housing scarcity in Britain, in comparative international or historical terms. What has changed for the worse is not the amount of housing per household, but its cost. And cost, in turn, has a great deal to do with landlordism.

We now find ourselves in a situation where one in every 21 adults in the UK is a landlord. We have four times as many landlords as teachers. As a consequence, virtually everyone struggles to afford a home that meets their needs despite a net gain in housing stock. Landlords are entitled to ask for whatever rent they think they can get, and insecure contracts drive a coach and horses through the concept of tenants' rights. This is the market that landlords and developers want to "free up". Instead of confronting the horror of our situation and its causes, they pretend that there is an extraordinary shortage of homes. This is simply untrue, as the international and historical data shows.

We must acknowledge that landlordism is holding us back. Our insistence on pursuing policies that ensure that letting private property is an "economic proposition" drives up prices for would-be homeowners. It also inflates land values, making new state-led building projects unfeasible. We can only achieve more livable cities, by driving the landlords out, as we did 50 years ago. Solving the housing crisis does not need to involve an ecologically unforgivable project of mass-scale housebuilding. We simply need to relearn the wisdom of the last century: to acknowledge that landlordism is the enemy of affordability.

Our recent history shows us that landlord abolition, while maintaining adequate levels of housing stock, is an entirely realistic ambition. The landlord apologists believe in an economy that involves skimming as much passive income from people's incomes as possible. If they are against rent controls, they believe that rents should be set by the market, which (in the context of urban housing) tends to mean monopoly prices. They believe in a mechanism that necessitates rising poverty, and by which the already wealthy thrive on other people's money.

Where Adam Smith and Karl Marx found common ground was in the idea that everyone's interests are aligned against landlords: they are an economic deadweight. Homebuyers are now forced to compete with landlords, who chase sensational yields in our unregulated rental market, and £85.6bn a year (which comes, of course, from wages and taxes) is wasted on rent. A renewed collapse of landlordism would represent not just the tenants' revenge for the housing crisis, but a much broader and more valuable moment of social progress.