

What is Solid The housing crisis isn't a question of supply – it's far more serious than that, finds Murphy



"The last time the housing finance system in Britain was in as much of a mess as it is today, the saviour proved to be a cataclysmic event – a world war." Such are the cheery delights in store for readers of Danny Dorling's latest, a high-speed guide through the unbelievable mess that is British housing. In London and much of the south-east, house prices are rising 10 per cent year on year, in some fashionable neighbourhoods by well over 20 per cent, while in the rest of the country prices are stagnant, if not falling. Rents are rising, the Government is victimising the recipients of social security – despite the fact that so much of housing benefit goes straight into the pockets of landlords – while housebuilders are "banking" vast tracts of land that are just as valuable to them empty as they are with houses on.

And that's not all. London has become a tax haven for money from the shakiest parts of the world, with many millions of pounds worth of houses sitting empty while homelessness has risen massively since 2008. To top it all off, the government's only real intervention in the housing market is to guarantee mortgages, thus inflating everything even further. As Dorling, the Halford Mackinder Professor in Geography at Oxford, puts it: "If you were trying to set the market for a great fall, you could hardly do better than this."

Recently, the slogan "let the councils build" has been gathering force – we hear more and more calls for moves to repair the damage caused by the Right-to-Buy, Thatcher's masterful strategy to manufacture a "property owning democracy". The idea is that an increase in housing supply, aimed specifically at those who need it most, will alleviate the pressure that is currently so worrying. Dorling's position on the matter, however, is somewhat different. He's unconvinced that the problem is a lack of housing, pointing out that there have never been so many potential residences in the UK as there are now. Instead, Dorling thinks that the problem is one of distribution: too many people owning more housing than they need. The problem is not scarcity, but inequality.

According to Dorling, "The UK combines the excesses of Anglo-Saxon capitalism with royalist attitudes towards the sanctity of accumulated wealth." Too many people are too heavily invested, both financially and emotionally, in the property ladder. The 1 per cent own truly vast amounts of property, while everyone else is engaged in a panicked race to get as far up the ladder as possible before

it's too late. "Someone has to win from all of this," he explains, "and it is those at the very top." i.e super-wealthy families such as – to take one of Dorling's examples – David Cameron and his wife.

Dorling has a number of solutions. He strongly advocates a land-value tax to replace council tax, which he argues would see the majority of people pay far less, while making it much less lucrative to leave property empty or land unbuilt. He recommends a "Right-to-Let", where mortgage defaulters can automatically become private tenants, thus avoiding the misery of repossession. Greater rights for tenants would help too, as the UK has one of the least regulated private rental sectors in the developed world. But most of all, there needs to be a determined political effort to reduce the inequality that Dorling blames for the crisis in the first place. The alternative to fixing these problems is not difficult to imagine – Dorling

asks us to consider Ireland or Spain to see what happens when a housing market crashes – mass unemployment and crime, rising illness, mortality and suicides, homelessness, emigration. The thing is, however, that compared to those countries in 2008 the UK has further to fall, and Dorling reminds us that it could all collapse within just a few days.

This is not a positive book by any means, but it is clearly argued and comes with a wash of facts and statistics, so if you're looking to fill out your knowledge of the economic history of the housing crisis, this is a great place to start. But overall, although he balks at the implications of the statement quoted at the top, professing his belief in strong reforms, when Dorling writes that "None of these solutions will work if we continue to tolerate the rising polarisation in wealth," it's hard not to come to the conclusion that we're all a bit doomed.

