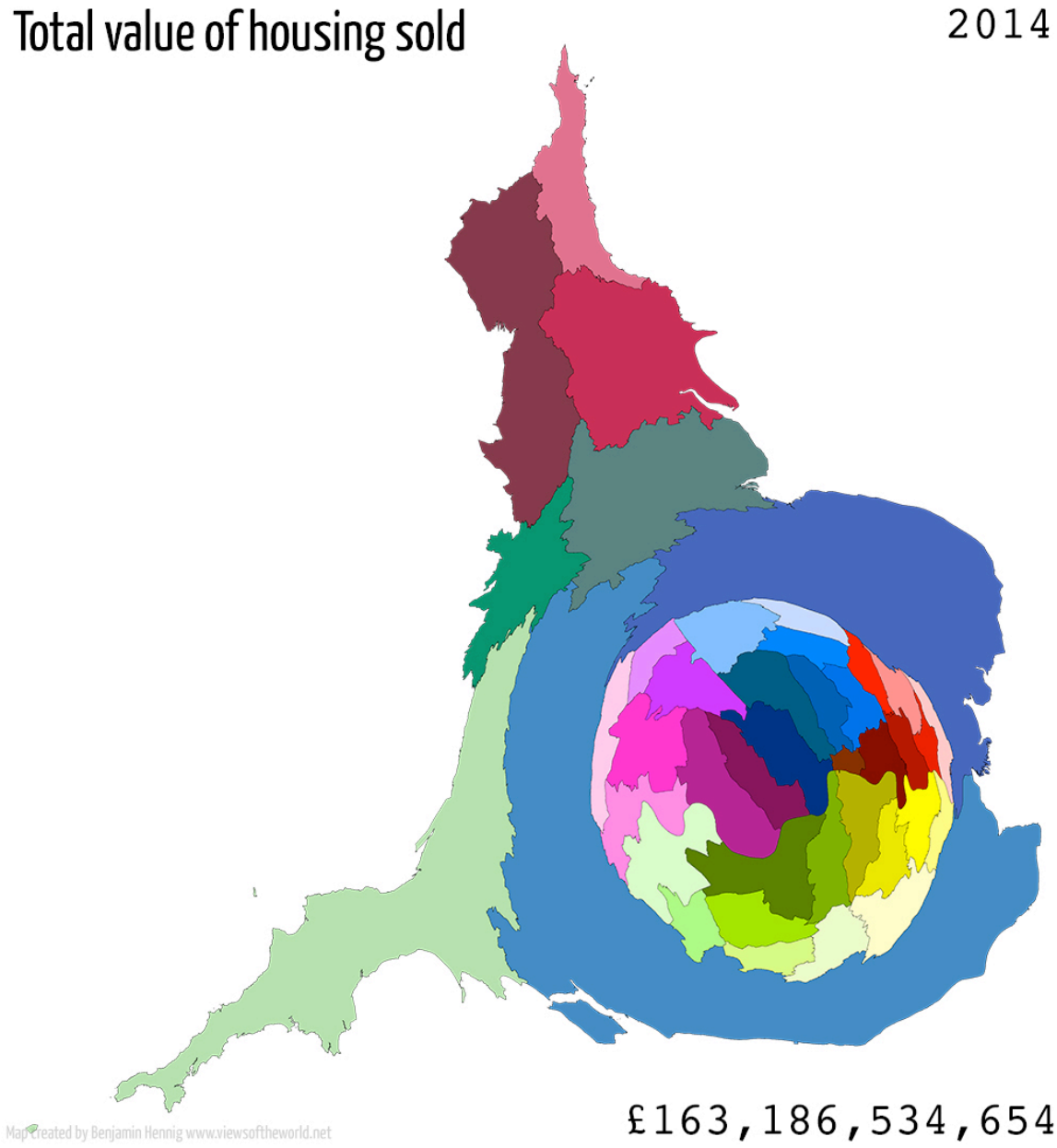
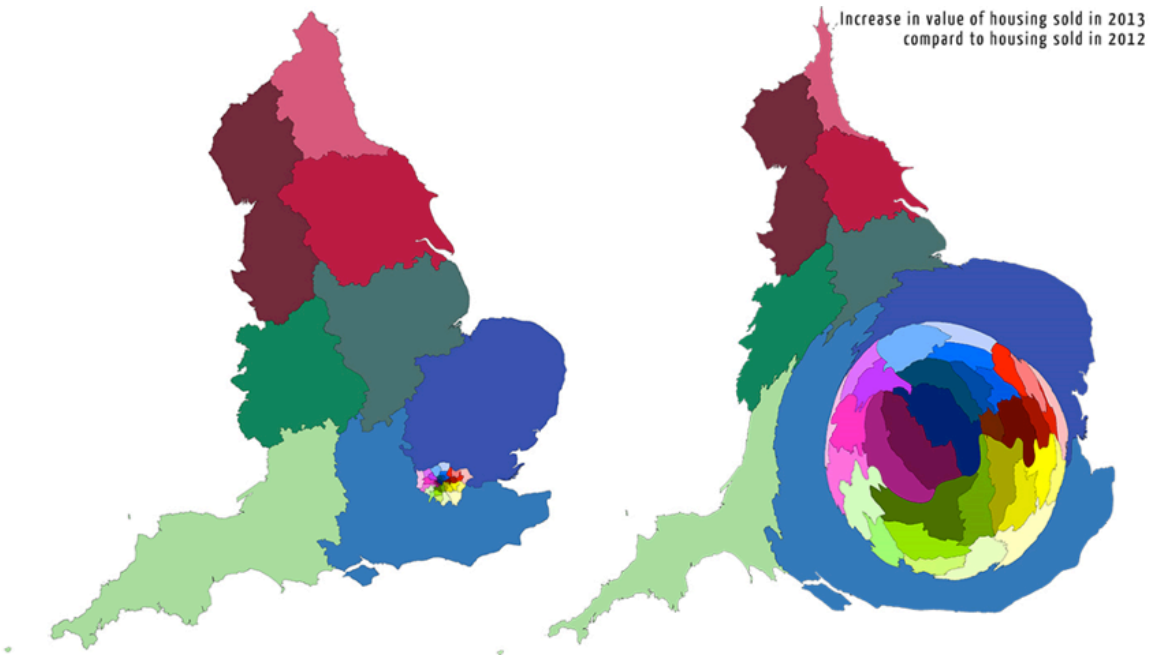
Embargoed Until February 26th (1am)

Summary of new material/arguments included in Dorling, D. (2015) All That is Solid: How the Great Housing Disaster Defines Our Times, and What We Can Do About It, London: Allen Lane.

This is a new image of the size of the housing bubble. The area of each London borough and region of England is drawn in proportion to the total value of residential property sold there in 2014, next to a graph showing change over time. Below it is the 2013 picture – produced in March last year and normal equal area map:





During 2013 housing prices in London rose by around £40,000 for an average flat or house that was sold as compared to the previous year. This brought the cost of a typical London home sold on the market up to just above £475,000. This rate of increase continued through 2014, as times accelerating, except in the very centre. By 2015 average London prices were over £500,000 but Oxford house prices had risen to be an even more expensive if compared to local Oxford salaries and wages.

Housing Chaos

Homelessness is rising. Fewer people are able to secure social housing and less and less money is being spent on the upkeep of that stock. Private landlords spend less doing up their properties while house prices rapidly rise out of the reach of most people in most areas. But it could become worse. In the US an extra million children became homeless between 2006 and 2013. The highest ever US rate of child homelessness was reported in the run up to Christmas 2014.[1]

Fewer and fewer people are able to get a mortgage. In the UK stricter tests have been introduced to try to prevent banks and building societies lending as recklessly as they did before. There have been repeated warnings to borrowers that at some point interest rates will have to rise. Up is the only direction in which they can go.

At least a third of mortgagees would struggle if interest rates were to rise by just a couple of percentage points.[2] The further house prices in the South of England climb the

greater that proportion will grow as new entrants become more stretched. People who are a safe bet at one point in time can easily lose their jobs, split up or become ill. Add a slight rise in mortgage interest rates and anyone already struggling to pay the bills quickly gets into arrears.

This image shows the proportion of people buying or owning property between 1983 and 2012 (columns) by age (rows). The green band is the generation who were able to get a mortgage buy, those older or younger than them mostly could not (BSA survey data).

Row Labels	1983	1984	1985	1986	1987	1989	1990	1991	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
17	x	x	x	x	x	x	0%	x	x	x	x	x	x	0%	100%	x	x	x	x	x	x	0%	x	0%	100%	100%	33%	x
18	88%	69%	66%	71%	60%	68%	69%	70%	77%	65%	77%	59%	64%	76%	63%	59%	59%	65%	59%	83%	65%	58%	61%	70%	58%	66%	63%	53%
19	75%	52%	55%	66%	69%	54%	79%	61%	37%	60%	38%	35%	40%	65%	57%	67%	59%	50%	54%	40%	72%	54%	55%	52%	57%	31%	53%	64%
20	65%	67%	63%	74%	60%	81%	60%	36%	44%	46%	50%	41%	38%	43%	45%	67%	45%	48%	54%	52%	60%	54%	61%	43%	50%	39%	37%	46%
21	51%	59%	38%	52%	59%	64%	65%	47%	64%	47%	45%	48%	39%	39%	70%	38%	45%	49%	47%	47%	42%	52%	55%	46%	48%	31%	38%	39%
22	57%	54%	55%	48%	59%	70%	58%	57%	41%	54%	43%	48%	33%	45%	48%	45%	53%	56%	36%	41%	49%	31%	47%	31%	29%	42%	39%	29%
23	50%	67%	51%	58%	53%	63%	58%	58%	64%	60%	46%	47%	44%	59%	51%	35%	45%	53%	47%	51%	42%	40%	36%	36%	31%	40%	32%	41%
24	68%	67%	49%	63%	51%	63%	56%	62%	44%	46%	40%	35%	30%	38%	38%	51%	39%	45%	43%	45%	45%	46%	38%	50%	40%	43%	41%	29%
25	61%	64%	58%	55%	60%	69%	66%	61%	69%	53%	48%	55%	53%	58%	46%	25%	44%	50%	47%	56%	38%	42%	44%	53%	28%	41%	23%	36%
26	62%	69%	80%	68%	52%	71%	78%	70%	51%	64%	39%	62%	61%	50%	58%	52%	56%	44%	51%	59%	45%	39%	45%	45%	61%	40%	27%	38%
27	70%	82%	66%	71%	68%	60%	76%	54%	63%	64%	56%	65%	63%	50%	53%	58%	47%	51%	48%	43%	50%	60%	51%	43%	47%	51%	35%	44%
28	75%	71%	75%	82%	61%	80%	67%	53%	61%	61%	53%	61%	66%	55%	57%	68%	58%	61%	54%	54%	58%	66%	52%	68%	53%	37%	58%	53%
29	77%	62%	69%	79%	77%	73%	63%	67%	56%	69%	56%	60%	41%	71%	66%	59%	63%	78%	63%	65%	62%	48%	52%	63%	55%	45%	43%	42%
30	65%	51%	69%	61%	69%	67%	64%	67%	63%	70%	55%	68%	45%	60%	60%	70%	47%	58%	64%	59%	69%	57%	57%	45%	71%	43%	41%	36%
31	63%	68%	66%	65%	62%	75%	75%	64%	66%	72%	65%	61%	55%	67%	82%	67%	63%	68%	55%	71%	72%	62%	60%	64%	63%	52%	53%	55%
32	76%	68%	75%	70%	72%	77%	81%	69%	61%	61%	69%	70%	78%	73%	69%	65%	50%	67%	55%	74%	66%	57%	70%	60%	65%	54%	49%	56%
33	74%	67%	71%	72%	74%	67%	72%	71%	61%	72%	68%	67%	69%	68%	66%	66%	62%	68%	67%	64%	66%	56%	63%	54%	55%	54%	55%	52%
34	71%	76%	76%	76%	73%	80%	82%	74%	55%	73%	78%	63%	72%	76%	75%	65%	76%	73%	66%	74%	73%	74%	73%	71%	72%	62%	64%	53%
35	84%	83%	63%	80%	73%	69%	83%	70%	70%	68%	74%	72%	70%	60%	60%	67%	73%	69%	65%	60%	68%	61%	61%	60%	66%	65%	51%	58%
36	74%	70%	72%	74%	80%	71%	85%	68%	76%	65%	71%	70%	77%	75%	74%	70%	68%	64%	64%	69%	66%	65%	74%	71%	61%	68%	59%	58%
37	65%	87%	65%	77%	73%	80%	85%	72%	74%	70%	55%	70%	71%	73%	73%	67%	68%	79%	70%	80%	69%	70%	75%	66%	56%	57%	58%	58%
38	72%	73%	82%	73%	78%	75%	77%	80%	86%	72%	70%	67%	58%	73%	79%	73%	70%	83%	77%	80%	70%	73%	73%	70%	61%	63%	48%	57%
39	73%	87%	75%	74%	74%	87%	83%	73%	65%	71%	77%	75%	72%	60%	70%	80%	74%	78%	67%	77%	68%	73%	72%	64%	67%	54%	75%	59%
40	72%	81%	62%	82%	88%	80%	88%	73%	72%	86%	73%	78%	71%	69%	84%	79%	70%	77%	77%	65%	72%	68%	77%	71%	72%	64%	60%	61%
41	75%	64%	76%	80%	80%	76%	86%	79%	73%	67%	81%	61%	76%	74%	69%	70%	70%	81%	79%	78%	72%	73%	76%	76%	70%	74%	67%	75%
42	79%	88%	71%	80%	78%	75%	85%	76%	86%	80%	79%	77%	86%	73%	73%	74%	78%	80%	72%	88%	70%	72%	79%	74%	72%	72%	63%	70%
43	78%	83%	69%	75%	83%	88%	77%	77%	79%	86%	70%	76%	40%	78%	72%	71%	73%	73%	78%	74%	77%	73%	72%	77%	68%	69%	61%	74%
44	71%	81%	81%	88%	76%	81%	79%	79%	68%	79%	71%	79%	82%	83%	75%	80%	75%	77%	75%	82%	75%	74%	78%	69%	72%	66%	52%	64%
45	74%	80%	77%	81%	69%	90%	75%	60%	84%	82%	71%	81%	92%	74%	67%	72%	70%	84%	78%	80%	77%	77%	82%	80%	77%	75%	70%	69%
46	68%	79%	73%	78%	82%	79%	83%	81%	85%	75%	79%	83%	83%	85%	79%	63%	77%	69%	67%	80%	75%	88%	66%	65%	76%	72%	69%	71%
47	83%	85%	57%	88%	82%	84%	63%	78%	75%	83%	73%	89%	65%	74%	74%	66%	80%	78%	64%	80%	68%	83%	71%	79%	86%	74%	72%	66%
48	67%	84%	62%	74%	84%	79%	82%	70%	88%	86%	79%	79%	94%	79%	76%	69%	87%	80%	77%	69%	78%	77%	70%	75%	61%	75%	66%	64%
49	70%	58%	85%	75%	78%	82%	71%	84%	79%	81%	71%	75%	85%	85%	72%	78%	69%	74%	72%	75%	82%	86%	80%	75%	72%	80%	73%	59%
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51	73%	100%	74%	79%	93%	79%	79%	81%	74%	84%	80%	85%	61%	78%	76%	76%	89%	82%	79%	88%	77%	83%	72%	76%	76%	71%	69%	72%
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58	54%	60%	46%	54%	74%	77%	77%	82%	84%	71%	68%	77%	82%	78%	77%	86%	80%	81%	71%	81%	75%	92%	87%	81%	74%	77%	76%	68%
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61	35%	41%	54%	61%	63%	63%	77%	68%	81%	84%	78%	82%	82%	76%	77%	72%	78%	89%	82%	86%	86%	82%	81%	80%	83%	81%	77%	87%
62	45%	53%	62%	58%	68%	76%	71%	72%	70%	71%	80%	78%	71%	68%	73%	78%	68%	70%	69%	82%	79%	85%	77%	83%	81%	76%	80%	82%
63	68%	73%	76%	50%	66%	64%	76%	73%	67%	69%	83%	82%	78%	81%	78%	71%	74%	64%	76%	70%	70%	84%	79%	72%	68%	73%	77%	75%
64	47%	63%	49%	62%	61%	61%	63%	72%	68%	71%	66%	62%	77%	74%	72%	68%	81%	86%	71%	70%	79%	64%	83%	80%	72%	80%	74%	80%
65	59%	40%	32%	61%	60%	55%	73%	70%	58%	56%	68%	73%	71%	75%	80%	67%	71%	76%	72%	76%	67%	70%	84%	78%	69%	74%	85%	83%
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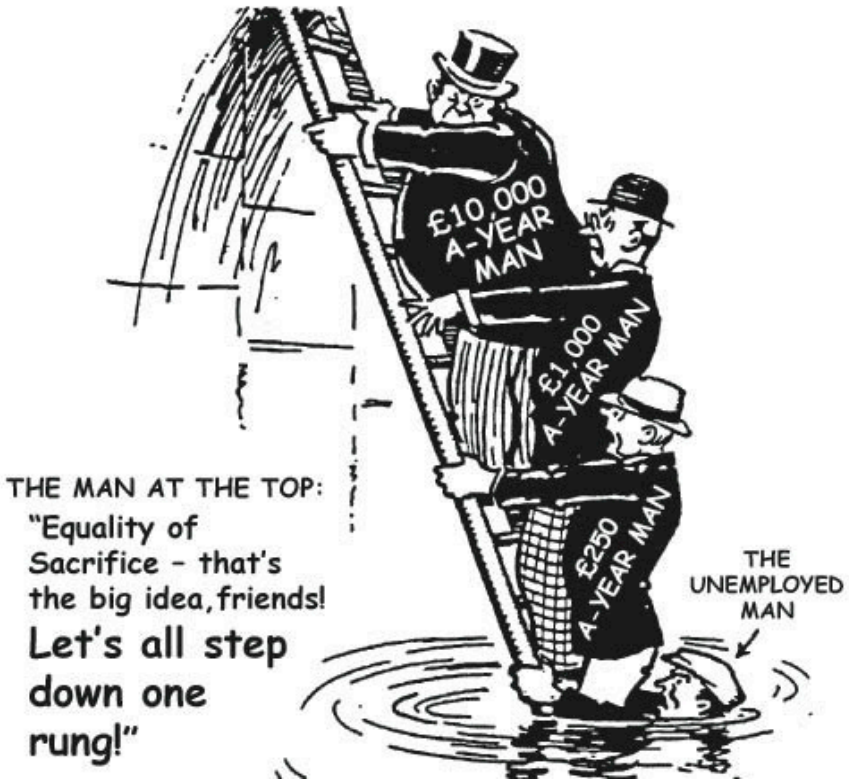
68	67%	43%	71%	56%	54%	58%	69%	57%	69%	53%	71%	70%	61%	73%	86%	87%	66%	69%	69%	65%	77%	77%	80%	78%	76%	70%	72%	80%
69	55%	58%	50%	64%	53%	47%	65%	39%	60%	76%	58%	61%	50%	73%	72%	59%	67%	74%	69%	80%	64%	71%	72%	70%	86%	79%	79%	78%
70	50%	47%	44%	53%	48%	63%	69%	60%	48%	66%	70%	65%	79%	79%	63%	71%	77%	73%	79%	81%	79%	72%	78%	74%	68%	70%	66%	73%
71	78%	68%	44%	61%	65%	54%	62%	63%	43%	60%	59%	61%	75%	71%	51%	73%	61%	78%	79%	80%	81%	83%	82%	78%	80%	83%	78%	73%
72	60%	62%	23%	53%	58%	70%	52%	52%	58%	40%	69%	69%	67%	61%	65%	60%	77%	85%	71%	72%	73%	71%	77%	82%	88%	77%	73%	86%
73	61%	56%	43%	64%	48%	63%	65%	50%	35%	47%	71%	61%	88%	64%	58%	62%	60%	76%	78%	67%	69%	78%	78%	78%	65%	86%	71%	70%
74	61%	53%	36%	68%	53%	61%	73%	52%	67%	57%	45%	73%	70%	66%	73%	76%	56%	69%	80%	71%	63%	63%	78%	83%	77%	68%	80%	77%
75	38%	78%	33%	52%	60%	71%	56%	71%	57%	68%	55%	61%	64%	69%	62%	52%	59%	62%	65%	64%	76%	84%	79%	74%	78%	83%	79%	77%
76	69%	75%	53%	50%	39%	46%	61%	51%	47%	58%	66%	64%	71%	48%	74%	65%	73%	67%	73%	64%	75%	74%	80%	65%	86%	90%	71%	82%
77	57%	40%	38%	74%	40%	56%	67%	48%	48%	55%	44%	54%	50%	65%	61%	62%	46%	73%	64%	69%	60%	76%	59%	83%	68%	75%	78%	89%
78	65%	73%	50%	39%	39%	68%	47%	70%	50%	57%	71%	65%	50%	67%	74%	73%	57%	69%	65%	77%	76%	67%	78%	76%	78%	84%	82%	77%
79	29%	13%	54%	52%	46%	50%	57%	57%	63%	46%	53%	66%	29%	62%	57%	58%	72%	68%	72%	84%	85%	61%	83%	70%	74%	67%	77%	72%
80	38%	43%	75%	56%	67%	47%	74%	26%	48%	48%	63%	60%	33%	68%	45%	54%	65%	54%	63%	81%	64%	71%	67%	77%	70%	79%	84%	69%
81	78%	100%	44%	36%	42%	75%	38%	50%	45%	39%	64%	53%	50%	41%	57%	58%	62%	63%	76%	68%	64%	74%	72%	70%	64%	83%	83%	85%
82	50%	33%	43%	60%	59%	45%	45%	54%	65%	60%	47%	67%	62%	42%	50%	47%	48%	63%	60%	62%	59%	62%	84%	71%	63%	83%	59%	83%
83	75%	63%	33%	75%	17%	57%	50%	27%	57%	56%	38%	59%	55%	70%	59%	78%	55%	44%	62%	56%	56%	88%	67%	65%	92%	52%	67%	74%
84	67%	50%	46%	63%	60%	38%	29%	63%	56%	55%	60%	39%	43%	68%	53%	59%	69%	50%	50%	67%	81%	64%	73%	70%	76%	78%	77%	81%
85	100%	50%	43%	50%	67%	18%	27%	33%	55%	36%	55%	65%	25%	57%	60%	40%	50%	67%	57%	67%	69%	79%	52%	70%	77%	73%	83%	72%
86	0%	50%	67%	67%	50%	38%	50%	50%	18%	43%	89%	50%	50%	52%	50%	47%	57%	62%	73%	86%	53%	70%	56%	53%	64%	64%	76%	93%
87	0%	50%	100%	50%	25%	0%	60%	86%	50%	14%	56%	57%	25%	56%	43%	78%	29%	57%	45%	63%	69%	57%	76%	67%	100%	63%	67%	92%
88	100%	0%	100%	20%	x	100%	100%	80%	71%	100%	67%	62%	33%	50%	17%	44%	64%	63%	55%	75%	50%	38%	45%	60%	67%	86%	50%	89%
89	50%	67%	0%	0%	100%	67%	67%	50%	40%	33%	50%	38%	75%	60%	33%	57%	50%	38%	58%	14%	67%	50%	71%	50%	88%	50%	71%	86%
90	100%	0%	x	33%	50%	0%	50%	100%	36%	67%	33%	73%	0%	33%	80%	83%	50%	67%	60%	43%	71%	60%	83%	80%	75%	43%	33%	82%

Prices have risen because the government has been trying to get them to rise. At the end of 2014 the campaigning organization 'Priced Out' calculated that the government-sponsored new-build Help to Buy programme had helped raise average prices by £46,000 in 18 months – or 27% – resulting in an additional 258,000 renters being priced-out of buying a home as compared to the 31,000 buyers helped by the scheme. Some

three and a half million people who would have normally been able to buy a home are now trapped in private renting.[3]

Private renting in the UK is generally appalling as there is so little regulation. We have become used to such low quality service that we consider poor quality as normal quality. In November 2014 the House of Commons Library reported that 213,000 private tenants had been evicted in the last year after asking for basic repairs to be carried out. A further half a million tenants did not dare to complain about any faults due to fear of eviction. A majority of landlords, some 56%, say they have evicted tenants.[4]

By July 2014 it had become clear that a third of all privately rented property was being rented out in poor condition; that tenure was both the most expensive and lowest-quality sector of housing in the UK. It was also growing rapidly, passing the 4 million households level in 2014, having overtaking social renting in 2013.



When the *Financial Times* (*FT*) confronted the landlords with the facts, the National Landlords Association said that '…the rented sector continues to mature into a functioning and positive market that is serving renters well [and] costs in the sector have remained static...'. The FT then pointed out that private sector rents take up 40 % of tenants' gross income according to the annual English Housing Survey. For those who own their homes, the figure is 20 %, while social tenants paid 30 %.[5] In 2014 landlords were laughing all the way to the bank.[6]

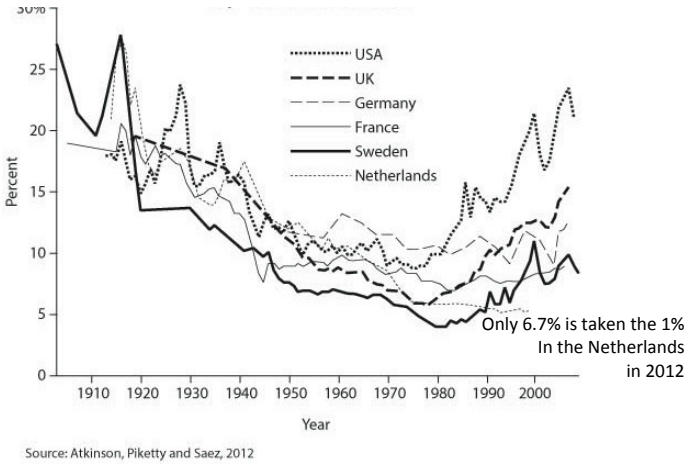
In October 2014, just three months after the *FT* report, rents in the private sector were revealed to have risen to a new all-time-high of £770 a month for the average property in England, £1162 in London.[7] A month earlier they had been £761 a month. A year of such rises would result in a 15% price hike in rents.[8] Even without that, rents are rising faster than inflation, while tenants' wages still lag behind it.

In November 2014 *Citizens Advice* published figures showing that there had been a 20% rise in households seeking help over eviction, even among those up to date with their rent payments. Two in five of these households had dependent children. They also revealed that London renters are three times as likely to report problems with vermin than are tenants elsewhere in the UK.[9]

At some point landlords can't or won't be allowed to squeeze yet more out of their tenants in higher rents. The housing benefit bill will have to be cut. People won't take jobs in London if the wages won't pay the rent. It will most probably be social forces rather than market forces that bring about the end of escalation. The lobby in favour of a change in the law to extend tenancies to three or five years, rather than two months, is growing and represents millions of people. In contrast, private landlords are a small group who attract less and less sympathy during hard times.

Almost two hundred years ago, in his *On the Principles of Political Economy and Taxation*, the Economist David Ricardo argued that, in the long term, economic growth would disproportionately benefit landlords.[10] That view fell out of favour but modern day economists are finding that the landlord advantage appears to be true again today; suggesting that without intervention we are looking at an enormous property bubble being driven by rapidly rising land prices forced up as landlords and investors speculate wildly.[11]

The UK in the 1970s was similar to Sweden (in income share of the 1%)



Source: Atkinson, Piketty and Saez, 2012

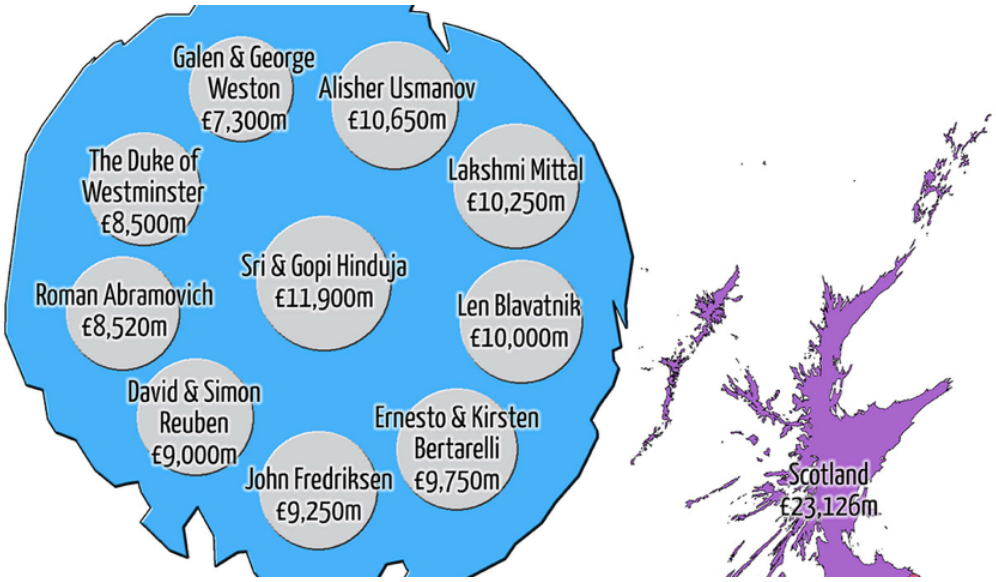
In the autumn of 2014 there was little sign of a slowdown in the UK housing market. There were plenty of *warnings* of a slowdown, but very little evidence of prices falling. By September prices fell slightly in most regions, but they usually do in that month. In London prices had risen by a remarkable 18.4% in just one year.[12] That annual percentage increase had itself been rising all year; but no one can tell you what it will be by the time the paperback edition of this book is published. It could crash; it could grow

even higher; it is unlikely to remain the same.

On 23 October 2014 shares in the London-based estate agents, Foxtons, fell by 20% in just a matter of hours. They fell because Foxtons said that they did not expect to make as much money next year as they had in 2014. Many investors wondered whether this might be signaling the start of a wider property crash. Annual price rises of 21 % were now being reported in London. Four years of such housing inflation and prices would more than double. Everyone in the business knows it has to come to an end, they just don't know when.[13] Rumours abounded that the housing bubble in China had burst but, rather than learn from the experience, the Chinese and many other investors began looking even more earnestly for what they thought was a safe haven in London.

Journalists write about 'luxury' flats being built across the capital. By these they mean flats that might look great in brochures being sold at prices that could never be supported by rents, in areas where no infrastructure has been built to support the new local communities. Those building the flats are only concerned with selling them on to the next wealthy overseas investors who, in turn, are concerned only with doing the same again in a year or so, until someone is stuck holding the unsellable 'asset'.

Now redraw the population map to make area = the wealth of the richest



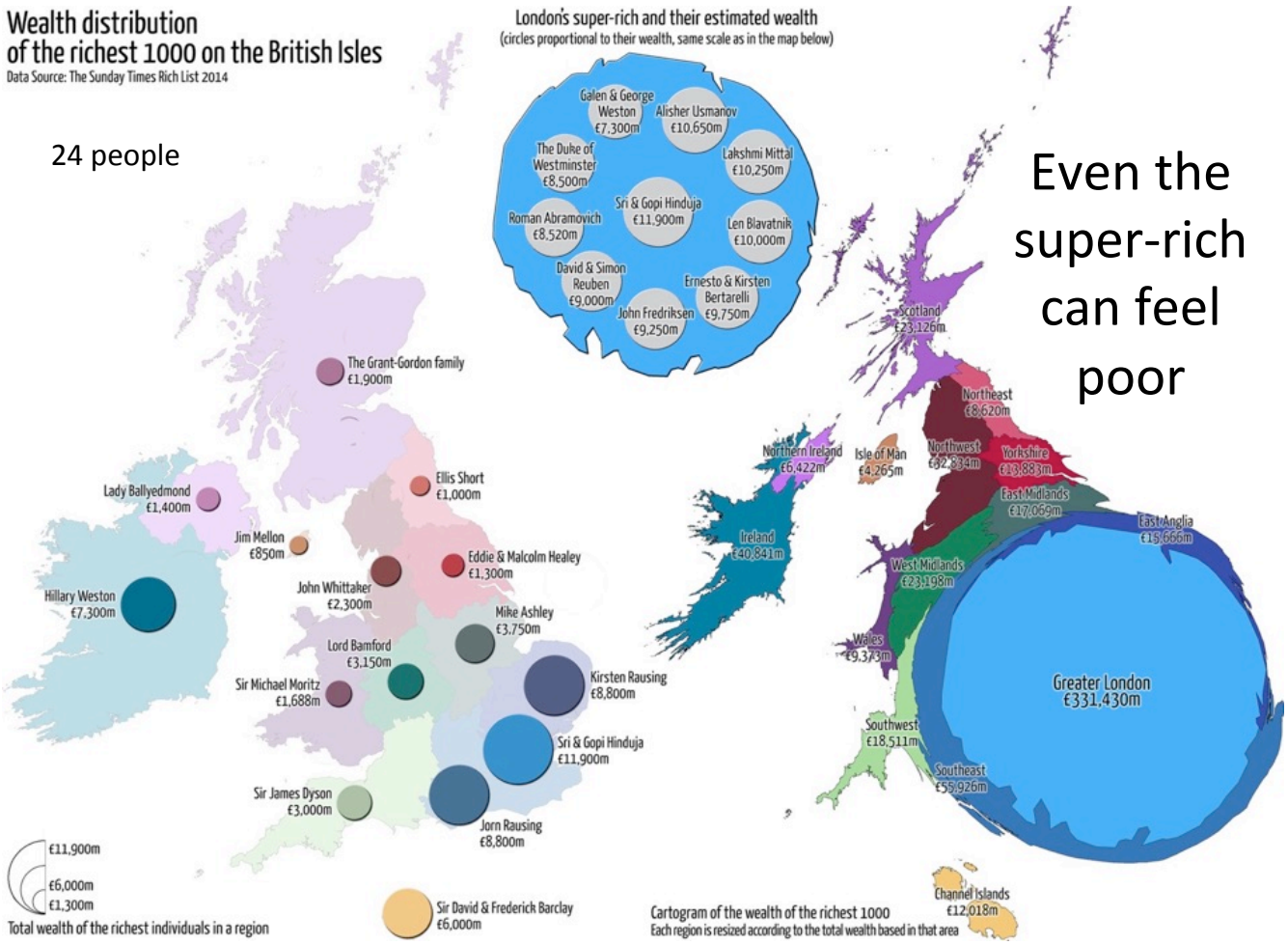
1000 people most of whom are in London… as are all ten of those who have most

potential first time buyers, since landlords are offered better mortgage terms.

The *Telegraph* newspaper now regularly reports on the woes of the young upper-middle-classes unable to rent a property with a living room. In one story a public

relations account manager shares a home with an accountant, a filmmaker, a barrister, a solicitor and an advertising executive. All six of these otherwise well-off people have to share with each other, and only have a kitchen as communal space. Even with promotions and pay rises these young adults should expect to be living in cramped accommodation for some time. London's population is set to rise by a million in the next few years.[14]

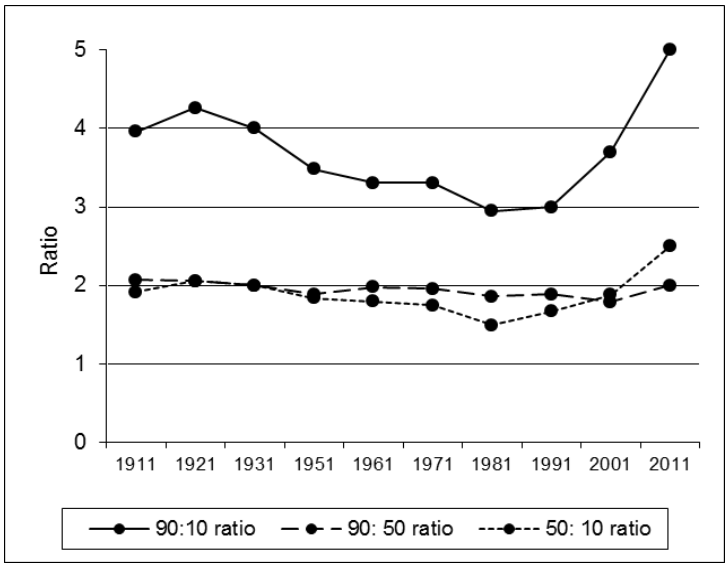
The estate agent Savills predicts that between 2014 and 2019 across England and Wales the number of households privately renting will increase by 1.2 million, owner-occupiers will fall by 200,000 and social renters fall by 50,000. Half the fall in owner-occupiers is predicted to take place in London. Private landlords are predicted to buy the equivalent of all the new build flats and homes in London, and a further 100,000 currently mortgaged or owned homes, and some 10,000 currently social rented properties.[15]



Looking forward, the Joseph Rowntree Foundation extrapolates and suggests that by 2040 private rents will rise by more than twice as much as incomes, resulting in a majority of future private renters in England living in poverty. Social renting, currently

the tenure of one in seven people, will house only 10% of the population by 2040. It will be even worse if 220,000 homes a year are not built by the 2030s and if another £20 billion a year is not spent on housing benefits as more poorly paid families come to rely on the state. All of this is just if current trends continue, not following a further downturn.[16] In the last six years, two thirds of all new housing benefit claimants have been middle-income-earners.[17]

It is not too few homes



Inequality in distribution of rooms per person for people in private households in England and Wales, percentile ratios, 1911-2011

From Figure 6 of:

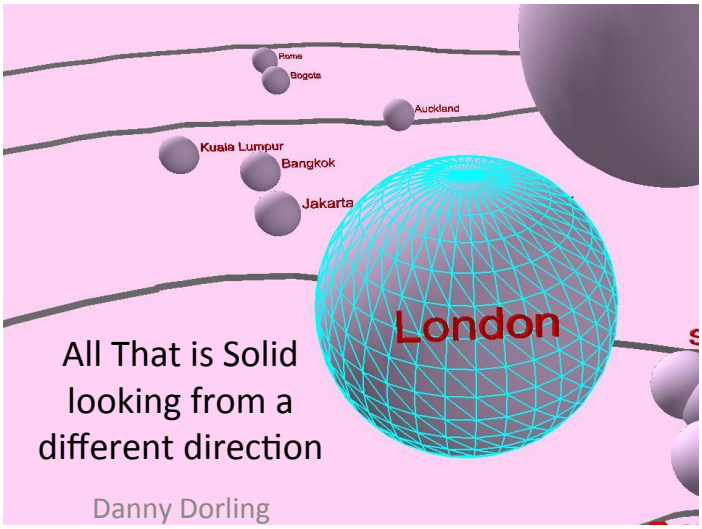
Relative housing inequality: The decline and return of housing space inequality in England and Wales, 1911-2011

Rebecca Tunstall
Director, Centre for Housing Policy, University of York
(now published)

How do politicians react? The Conservatives keep inflating the bubble, most recently by announcing that upon reaching retirement age pensioners can purchase property with their pension pots rather than take an annuity. Only the most affluent pensioners will be able to do this but the policy was presented as if it would apply to all. The Tories need house prices to rise until at least the day before the general election of May 2015. If they win an outright majority, the Tories propose to end the building of what little social housing is now constructed by abolishing the 20% levies local councils are allowed to charge on new developments for new roads, schools and affordable housing provision.[18]

Nick Clegg did not mention housing in his speech at the 2014 Liberal party conference, although he did claim that his party would build ten garden cities by incentivizing local communities to ask for building around their homes by offering them an express train service.[19]

Labour published the Lyons review, which suggested changing the law so that local councils should have real powers to ensure that if land has been allocated for development in a plan, it is actually delivered, including the ability to levy a charge where delivery has not occurred (and there is no good reason for the failure). The review also proposes the possibility of Compulsory Purchase Orders being applied to acquire land at close to existing use value – in other words at agricultural prices.



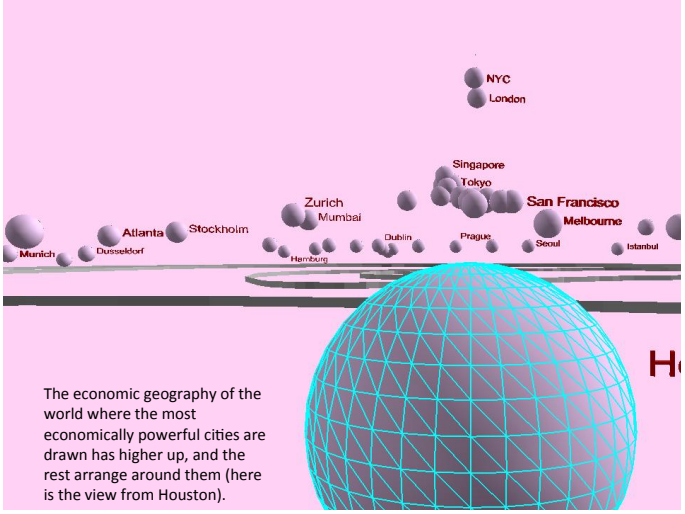
However, building 200,000 new homes a year will not lead to Utopia, unless they are in the right places, owned and rented out the right way. At some point someone has to acknowledge that the reason we have to build more homes is due to immigration. Immigration we are lucky to benefit from. 'Lucky' because it is conditions out of the UK's control, such as a favourable time zone, the spread of the internet and the spread of the English language which draws so many young, productive and daring people in.

With net immigration comes a necessity to build. Without building new homes people can be held to ransom. When held to ransom they strike out in all directions, including blaming immigrants. But it is not immigrants that are the problem – it is the 'investors'. Economist Aditya Chakrabortty found the appropriate analogy: "I can think of one other aspect of everyday life where this has happened recently: food. Over the past 10 years, wheat and other staples have become a financial asset class, to be speculated in by Goldman Sachs and Barclays. The result has been misery and even starvation for the poor of the Third World. For the poor of London, the financialisation of property spells homelessness."[20]

In London at the end of 2014 the New Era housing estate was fighting for its life. The estate is in Hoxton where 'investors' have recently been making millions buying and selling homes. The Conservative MP Richard Benyon had been persuaded not to buy the flats in partnership with the US private equity company Westbrook partners and evict the tenants, despite the potential boost to his £110 million family fortune through charging 'market rents'. This turnaround was achieved by public petition where 300,000 people registered their disapproval. The authors of the petition then turned to try to influence Westbrook partners not to raise the rents and in effect evict the tenants, when Westbrook took over as the new sole landlords.[21]

Private landlords, of which Westbrook is just one among many, have in aggregate brought up so much formally owner-occupied and social-rented property that their wealth will have growth by £109.5bn in the year to April 2015. This is due to the rising value of their existing property and the increases in the rents they charge. The total value of all landlords' property holdings in Britain will exceed £1 trillion by mid-year 2015, with 41% of those holdings being in London.[22] Just a few years earlier their wealth had been many times lower.

Outside London there are still a few areas where house prices are lower than in 2008, where private rents have collapsed and homes may have to be demolished, and where living conditions are rapidly declining not due to overcrowding but under-use. By October 2014 it took 3.5 average homes in the North East of England to buy one modest home in London, four years earlier that divide had been 2.5 times. By late 2014 the estate agent Frank Knight was predicting that the gap would only grow wider.[23]

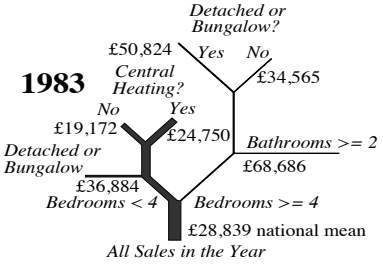


The economic geography of the world where the most economically powerful cities are drawn has higher up, and the rest arrange around them (here is the view from Houston).

In his December 2014 autumn statement George Osborne announced an £800 million cut to stamp duty on the purchase of properties. All his previous budgets had concentrated on measures designed to raise housing prices and the cost of housing, committing more spending or guarantees in that area than any other. George was determined that prices should increase, at least up until election day 2015, and for far longer than that if more and more people are forced to rent.[24]

Only the well off will be able to buy a home in future. Most people will have to rent and enrich a landlord. Just under 80% of people think it is harder to buy a home now than it was a generation ago, even in the hardest times of the recent past. Over 80% of people think the main political parties won't deal with the problem effectively.[25] This is what chaos looks like.

Average Prices in the 1980s when I first started studying housing



The National Composition of Housing Price in Britain by Price, Attributes and Sales, 1983-1989 anually.

Each branch of the housing composition tree represents homes with a particular set of attributes. The width of each branch is in proportion to the number of sales, its length gives the mean price, thus area shows total sales. Dark trees are the inflation between years (magnified by 25). The overall size of each tree illustrates the total size of the housing market (given in millions of pounds).

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6 Rent doesn't all go on the landlord's mortgage and upkeep costs. £770 a month pays the interest only on a £200,000 mortgage at 4.6%, £1162 a month covers the costs of a £300,000 property. The

longer ago the landlord bought the property, the smaller their mortgages will be and the greater their profit. However, many landlords have been relying on rising prices to make them bigger profits.

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