Housing, class and regeneration: exploring the ‘new’ inequalities
A Whose Economy Seminar Paper

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Executive summary

This paper explores issues of class-based inequalities in housing, particularly housing regeneration. It argues that housing is an inherently classed issue and an ongoing source of inequality. Hard fought gains in the 20th century in improving access through social housing provisions are being subtly and profoundly undermined. In the 21st century the state’s investment in social housing provision in the UK has receded. Housing has altered in its role as a collective social welfare provision to a more privatised and individualised form. These processes are compounded by an ideological shift towards home-ownership, whereby home-ownership is seen as the preferred tenure, and social housing a non-choice; a necessity or a ‘last resort’. This creates a new set of inequalities in urban regeneration which are often hidden from view in working-class neighbourhoods: these people and places are often marginalised in regeneration processes.

The findings in this paper are taken from a research project into the impacts that urban regeneration in Partick, Glasgow has on the local working-class community. This research was carried out from 2005 until 2009. The project was the result of collaboration between Westgap (West Glasgow Against Poverty), Oxfam and the University of Glasgow. All three groups came together with a shared concern about the effects that regeneration policies were having on the communities and neighbourhoods that they claimed to help. This was borne out of Westgap’s concern around the changes they saw happening in Partick, particularly with the redevelopment of the former granary site into the Glasgow Harbour housing development, which began in 2003. Westgap has been a registered charity operating in Partick for over ten years. It is an anti-poverty group run by and for people who have first-hand experience of poverty. Westgap is concerned with the experiences of poverty and inequality of groups and individuals who are often marginalised and obscured from view.

In this paper the focus is primarily on the experience of some of the inequalities in relation to housing and regeneration taking place in the neighbourhood – giving voice to residents experiencing such processes. Regeneration often takes the form of gentrification, which sees the local government promote land sale and private housing developments in neighbourhoods as a strategy of dealing with social or economic problems. Social housing has also changed in form: burdened with the responsibility of generating revenue, it has shifted away from the social welfare model to an increasingly business-oriented one. Both these aspects of housing regeneration limit the housing opportunities for local working-class residents in Partick. This paper highlights the hidden injuries of regeneration: the heightened insecurity of tenure, and evidence of the displacement of local residents as they find it increasingly difficult to secure a tenancy or buy a home in their own neighbourhood. This demonstrates the need for state investment and intervention in housing provision. It is argued that this requires a return to
public-subsidised housing, and a focus on housing inequality on the basis of a rights-based agenda rather than in terms of consumerism.

Introduction

Housing is an inherently classed issue. The ability to access and secure one’s housing tenure continues to be a source of inequality in UK society. Hard fought gains throughout the 20th century in improving access through public housing provisions are being subtly yet profoundly undermined. Social housing in the 21st century has faced disinvestment and increasing privatisation, compounded by an ideological shift towards homeownership. This is epitomised by, this paper argues, gentrification. Gentrification has been described as a blueprint for urban regeneration in the UK, used to improve working-class neighbourhoods by increasing both private housing stock and the population of middle-class residents. I offer a sociological exploration of how gentrification has been used as a local government policy, and what this represents in broad terms – political restructuring that heralds the shift away from collective consumption towards neoliberalism, a form of political economy which relates to marketisation.

Neoliberalism holds that the state is best regulated by the market, so that state actions and policies are submitted to the considerations of profitability, and the social contract of state welfare, previous notions of citizenship and collective consumption are dismantled. This has serious ramifications for state-subsidised housing, seen in policy changes such as ‘Right to Buy’ which will be discussed in the following section. It also creates a new set of inequalities in housing in relation to regeneration, which will also be discussed, that are often obscured from view. Working-class people and places are frequently marginalised from housing policy, yet are the targets of policy, whilst simultaneously being at the sharpest end of market change. Dispossessing or depriving someone of their own home is a ‘heinous act of injustice’ which is why it is important that we give voice to these experiences. In doing so, this paper highlights the hidden inequalities caused by housing regeneration, as a way of demonstrating the need for state investment and intervention in housing provision.
Housing policy in historical context

In order to understand the changes that have taken place in housing policy it is useful to have some historical context, albeit concise.\textsuperscript{3} Historically, inequality in housing stems from a marketised, unregulated system, as it largely was under early industrial capitalism. The Industrial Revolution saw inequality in access to housing, poor standards, public health issues and the emergence of a new class of landlords profiteering in what was a mostly unregulated market. Market supply of housing, particularly in the rental sector, had the effect of reducing the quality and security of tenancies and increasing rent rates.

Therefore state intervention has been critical in mediating housing inequalities. This has seen the task of clearing British slums, providing affordable subsidised housing, ensuring rent controls and the setting of building standards come to dominate social policy for much of the 20\textsuperscript{th} century.\textsuperscript{4} It is important to note that these gains were hard fought for; the infamous challenging of private landlords by working-class women resulted in the 1914 Rent Restrictions Act. As such, municipal housing became the accepted tenure choice for families in Britain. So much so that in 1979 council housing represented just under one-third of all UK housing stock;\textsuperscript{5} while in Scotland this peaked in 1981, by which time over half the population had lived in homes provided by the public sector.\textsuperscript{6} However, this was to be undermined with the 1979 Conservative government who introduced the ‘Right to Buy’ policy which gave long-term council residents a discount to buy their rented property. In doing so, the state subsidised the sale of a large proportion of council housing stock. This was a landmark policy and signalled the curtailing of investment in municipal housing. This erosion of the collective housing provision saw the introduction of the notion of ‘consumer citizenship’: the private consumption of formerly state-subsidised collective goods. A more recent housing policy strategy has further crystallised this via the local government’s use of gentrification as a regeneration strategy.

Contemporary housing policy: regeneration or privatisation?

Gentrification is a process whereby working-class neighbourhoods are transformed when middle-class families move in to the extent that a process of class succession can take place and working-class residents can be outpriced and displaced. From the 1990s onwards, gentrification became tightly woven with policy, becoming the mainstay of urban regeneration.\textsuperscript{7}
This was manifest in two key ways. First, self-financing imperatives of local governments have seen them work more closely with private business to generate revenue. Gentrification has been central to this, particularly the selling off of disused or devalued land. Thus we see the redevelopment of sites once given over to industry into new-build properties, shopping malls, casinos and so on. Second, gentrification in policy relates to governance of local social processes. This is evident in urban policies, such as the Urban Task Force report, *Towards an Urban Renaissance*[^8] and the Scottish Executive’s *People and Place* policy statement.[^9] Middle-class settlement in working-class neighbourhoods is promoted in policy through mixing tenure and in Scotland’s community regeneration statement.[^10] This is underpinned by the idea that socially-mixed neighbourhoods provide a solution to poverty. Middle-class residents bring the neighbourhood ‘up’ by improving the value, demanding greater services and acting as ‘role models’. The belief is that the middle-classes are not just financially ‘better off’, they also have high stocks of cultural, social and economic capital that can be transmitted throughout neighbourhoods, having a positive, relational effect. Thus, their settlement is believed to create ‘virtuous circles’ and ‘opportunity effects’ to provide the means for the ‘degenerated’ to regenerate themselves, rather than relying on traditional state welfare provisions. Controversially, this essentially blames the victims of deindustrialisation, disinvestment and housing policy such as slum clearances, whose neighbourhoods and lives have been stigmatised.

Gentrification is a political strategy which typifies this change in housing policy in the way that it fundamentally promotes housing privatisation. Social landlord’s stock levels have been decreasing each year since the 1980s. The picture is one of long-term disinvestment in municipal housing, and an ideological shift towards market forms. In England, this latest statement of disinvestment is evident in the 2010 Comprehensive Spending Review, which saw a budget cut for the construction of affordable new homes over the next few years by nearly 50 per cent, from £8.4 billion to £4.5 billion.[^11] Scotland pertains to be taking different action to England. The Scottish policy paper, *Homes Fit for the 21st Century*,[^12] billed as a housing action plan for 2020, offers a range of initiatives for housing. Yet, in the end, these initiatives effectively amount to cuts in public grants for housing which suggests, despite the Scottish Government’s efforts to the contrary, a gradual shift to the English ‘business’ model. As it stands, social housing has hit a 50-year low in Scotland,[^13] yet demand has increased. In 2001 there were 3.9 people on council waiting lists for every let. This rose to 6.6 people per let in 2008.[^14]

Across the UK, social housing’s role and institutional form has changed from a primary concern with social wellbeing to a neoliberal model, through the partial privatisation of associations precipitated by the ‘Right to Buy’ and the 1988 Housing Act and 1988 Housing Act (Scotland), and compounded by Housing Stock Transfer across the UK. More self-financing arrangements of council housing are to be introduced. The very principal of secure tenancies within social housing, which has protected against people being evicted in the UK, has been undermined.

This is familiar territory: a revival of the unequal conditions of marketised private landlordism which was prevalent at the beginning of the 20th century. Today there is a ‘new’ privatisation of housing, seen in the promotion of home-ownership as
the ideal tenure, and also in privatisation of the social housing sector itself. This shift highlights the potent yet often hidden effects of housing regeneration namely creating insecurity in tenures which can, for some, end in eviction. This leads to ‘new’ inequalities in housing which are both cultural and material in form: punitive treatment of working-class behaviours, including the stigmatisation of renting social housing and claiming benefits; and economic inequalities, creating greater insecurity around tenancies and limited access to housing.

Case study: gentrification and regeneration policy

Research undertaken from 2005-2009 in Partick, Glasgow, demonstrates the effects of housing regeneration policy via gentrification on this formerly industrial, working-class neighbourhood. The area of land next to the River Clyde was regenerated into Glasgow Harbour: a private luxury-housing development. Discreet forms of displacement are created by this regeneration policy. I do not focus on the impacts of the Harbour development in causing displacement per se but rather the changes within the neighbourhood relating to the social housing provider, Partick Housing Association (PHA): social housing stock has historically protected tenants from the effects of gentrification and displacement by offering secure tenancies and regulated rent.

Changes have seen housing associations turn their attention to revenue-generating activities. An example of this is the Association’s use of property development to create revenue. PHA created a ‘risk isolator’ to build West 11, a private luxury-housing development on Dumbarton Road. In 2011, a two-bed apartment here was listed for sale at £270,000. Thus PHA contributed to gentrification in the neighbourhood, enticing affluent homeowners and increasing the number of privately-owned and rented stock. This can increase house prices throughout the neighbourhood as it becomes increasingly desirable, rebranded as ‘the beating heart of the West End’ and, over time, middle-class residents can outnumber the working-class population.

The impact of this is evident in the increased demand for social housing. In 2002, there were 208 applicants on PHA’s waiting list. By 2006 this was 400. In this time, PHA barely built any new properties.15 This can lead to displacement through lack of choice or suitable stock. Social housing tenants then face a dilemma if their family size increases or circumstances change. Accessing a more suitable property in their neighbourhood can be difficult. Instead, families have to move out of Partick to a cheaper neighbourhood or attempt to transfer to the private renting sector.

The local demand for housing is demonstrated in the following two residents’ accounts. Gordon, 24, lives with his parents in Partick after being evicted from his privately-rented flat. When the landlord increased the rent, believing the flat’s value was increasing due to gentrification, Gordon couldn’t afford to pay:

‘...it just bothers me because you know I can’t get anywhere to stay around where I live now. I can’t afford it and that’s something that annoys me because the prices are so expensive...’
This was echoed by another resident, Fi (63):

‘It’s a big issue. I can’t get my son a house but other people do. A whole generation of people can’t get a house, you can’t buy. They are with their mothers.’

Historically, housing list points were awarded to individuals who were either from the neighbourhood originally or who had family there. However, this ‘Local Connection’ policy was scrapped in favour of a policy which allocates sensitively. This means that associations are given autonomy to intervene in housing allocation in order to uphold a ‘balanced’ community. This, as PHA states, allows them to ‘identify trends, and take appropriate action to try to redress imbalances’. This means that if the neighbourhood has too many residents on a low income they can redress this – by introducing residents to the neighbourhood who they deem more ‘desirable’.

This illustrates the notion of ‘deserving’ and ‘undeserving’ poor that underpins much regeneration policy and the shift away from a rights-based agenda. It is in contrast to some respondents on low-incomes who lived in fear of eviction for missing rent payments. Sean, 25, worked two jobs – one in a fish factory, the other audio-typing and transcribing. As a young person he had been through the homelessness system, but had eventually moved to Partick where he had been settled for the past few years, although he had amassed some debts:

‘I’m just worried about my rent arrears. Partick Housing have threatened to take me to court a few times. I’ve got all my furniture in that flat, if I was to lose that flat I would have nowhere to put that stuff.’

Steve, a single, unemployed man suffered from depression and had debt problems. Steve found himself threatened with eviction by PHA for rent arrears:

‘…they do this traffic light thing; three strikes and you’re out. I’m on amber. But surely you’re entitled to a couple of hundred pounds [arrears]? …I mean it’s not the greatest of wee flats I’ve got, but it’s a roof over my head and I need it.’

Steve contacted homelessness charity Shelter as he felt that PHA was determined to evict him even if he paid his arrears. Shelter intervened and the matter was resolved.

Rent arrears are a significant issue for housing associations since the 1988 Housing Act (Scotland) required them to use a proportion of private finance in their building projects. Rent payments from tenants are an important part of housing associations’ ‘income’. Disputes over arrears are often easily resolved through one-to-one communication and agreement of a plan to pay the amount owed, but the processes are, in reality, overly bureaucratic. In many cases late payments offered are rejected by associations. This raises the question of whether immediate profit is the main goal. There may be moral imperatives in evicting particular tenants from properties. Indeed, the number of ‘Notice of Proceedings’ given to residents in the 2005-2007 period has since doubled. PHA’s mixing strategy and need to generate revenue could result in strategic evictions, whereby residents with rent arrears, or who are seen to be economically or socially undesirable, are treated punitively. This highlights the long-term financial gains also being pursued through moralising discourses which operate at the expense of the most marginal
groups. This is an often hidden injury of regeneration, whereby working-class residents deemed morally and materially unproductive can be unfixed from place, in order to make it more profitable.
Conclusion: housing and privatisation in hard times – back to the future?

This case study is not intended to single out Partick or PHA; the practices discussed are pervasive in housing associations throughout Scotland and the UK. Such changes indicate a return to private landlordism which characterised the early 20th century, but which was fought against. As it did then, reliance on market supply of housing, particularly in the rental sector, has the effect of reducing quality and security of tenancies and increasing rent rates. The unsold gentrified flats neatly become private rental properties taken up by the next generation of Partick residents who cannot secure a socially rented property at affordable costs. The outcome is that residents are put at greater risk of eviction through this broad privatisation of housing.

The effects of this are not fully manifest, but it highlights the serious need for investment in public housing in Scotland, as well as an awareness of the punitive role of social housing providers. Ironically, as housing associations undertake ever more self-financing opportunities such as those described in this paper, residents – their customers – find that their housing opportunities are increasingly limited. Shelter reports that there were 3,577 evictions by councils and housing associations from 2007-2008 in Scotland. Glasgow Housing Association was the most punitive, with the highest number of evictions (558), 97 per cent of which were caused by arrears. The most marginal groups face increasing housing problems, often at the hands of those organisations designed to assist them. A solution to this would lie in more publicly-subsidised housing which eradicates the competition and quest for profit, and addresses housing inequality in relation to rights, rather than in terms of consumerism.
Notes

17. The process is as follows: first, a 'Notice of Proceedings' is sent, followed by legal proceedings, and tenants will be sent a summons telling them when their case will be heard at court. When the case goes to court the Sheriff can grant a decree for eviction. Sheriff Officers will be sent to remove tenants from the property. They are entitled to use reasonable force to enter the home and remove tenants and their possessions.