

EDITORIAL

Why housing research? – a personal view

Much of the time housing researchers must feel that they are swimming against the tide - so why do we do it? In my case it was, at least to start with, almost entirely by mistake. I went to LSE as an eighteen year old undergraduate to avoid Oxbridge and, with some gaps, have been there ever since. LSE is why I became an academic and why I have studied housing for almost all that time - even though it is one of the most frustrating policy areas imaginable.

The London School of Economics was very different from more traditional universities of the time in that its core aim was to concentrate on 'the study and investigation of the concrete facts of industrial life and the actual working of economic and political relations based on scientific training in methods of investigation and research'.

It is not surprising, given these objectives, that LSE economists were already involved in housing research ranging from building housing into macro-economic models; measuring fundamental relationships such as that between income and housing demand; and perhaps seen as of particular importance at the present time, the impact of regulatory constraints on new housing supply. What made these topics exciting for me was that they were all highly policy relevant.

But when I chose my PhD topic it wasn't for these more positive reasons. It was simply that I started in industrial economics but didn't like my supervisor and to change supervisor I had to change subject. I looked around and found two new economics lecturers both of whom were working in housing. As a result, I ended up doing my thesis on the first econometric model of the UK housing market.

Even so, my interest in housing would not have been maintained if it hadn't been for politics. I was lucky enough to be involved with the incoming Labour government in 1974 helping to produce an overarching Housing Policy Review. Unhappily it had almost no effect on policy but I learned an awful lot about the constraints that government faced, but also about how economics might be used to frame their thinking. But mostly, I fear, I learned that politics often won.

One long lasting example of these tensions where LSE was particularly involved – relates to housing affordability and it fits into the wider welfare regime.

The obvious starting point was in the Beveridge report. William Beveridge, an economist and politician, was Director of LSE from 1919 to 1937 but published his seminal work in 1942. The report set the scene for the post-war welfare state by proposing a form of social security by which workers paid into the scheme and those in need received support.

Beveridge's overall approach to social security was based on ensuring a national minimum income for every household, which varied only by household composition. To work, this needed prices for necessary goods to be similar across the country – which was reasonably okay for everything but housing. He 'solved' this problem by providing a separate housing allowance sufficient to meet the full cost of the rent for those households with no other income and reducing the payments as income increased. So someone with only welfare payments could both afford adequate housing and the other essentials of life. This principle remained in place over the decades as both the welfare system and the housing system changed.

The problem is that this worked well in the post war period of cost rents in the social sector and rent controls in the private rented sector which limited the costs involved. When rents rose, this policy both became extremely expensive and, as Beveridge recognised, lacked any incentive for low income households to change their housing decisions. As a result, welfare benefits for housing were restricted so many low income households now have to choose between their rent and cutting back on food, heat, light and clothing, or going into debt. The issues and potential

solutions were made entirely transparent by housing researchers –notable at LSE by John Hills, who sadly died last year. But it has taken the pandemic to lift some of the restrictions, at least in the short term.

Some years ago at the ENHR conference there was a questionnaire which included two questions: one about which country had the best research and the other on which country had the best policies. The UK came top for the first question – at that time we had high quality housing research groups in most major Universities. Perhaps it will not surprise you that we came bottom on the second.

So, what is the message to younger researchers? Housing research is incredibly frustrating – but it is worth going on fighting.

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