Large changes in tenure structure

Table 1: Changes in Tenure Structure (UK)

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<td>21</td>
<td>23</td>
<td>25</td>
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Changes in Tenure Structure (FR)

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<tr>
<td>Private Rented</td>
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<tr>
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These trends are some clear policy objectives

Firstly
- To get public finances under control
- To make significant cutbacks in that expenditure

Secondly
- To increase the efficient use and targeting of subsidy for housing going both to providers and consumers

But does it exit a chance for social housing?
- The price of housing is increasing
- Massively reduced access to funding for both developers and purchasers following the credit crunch
- The effect of economic crisis and subsequent recession
The development of UK government social housing policies from the 1970s

- This choice between supply and demand side subsidies was central to government political thinking in the early 1970s

- Financing social Housing
  - 1970s were the starting point for a shift away from supply to demand side subsidies and for developing ways of sweating the social housing asset
  - In 1988, Local Authorities lost the right to borrow for housing investment purposes
  - Instead Housing Associations became the major providers of additional social housing.
The new regime is in many ways a return to the 1988 principles:

- Rents are to rise to enable Housing Associations to borrow to invest with lower grants, while housing benefit takes part of the strain.
- Across the sector rents have been restructured so that they vary more in line with market rents.
- However, rents in high priced areas are still much lower in social housing, although in some lower-priced areas the levels of social rents are much closer to those in private housing.
The current policy direction

- The Coalition’s policies follow past trends in many ways but there is also a new political direction:
  - The arguments that social housing should be a tenure of choice are now rejected. The new government wishes to see social housing directed towards housing those in need.
  - The new government has set no targets with respect to tenure.
  - There is a new concern to address the unfair divide between those who can and cannot access social housing.
The coalition government has already made major changes to housing related policy

- In the context of social housing the immediate trajectories have been set:
  - the affordable housing program is to deliver 170,000 affordable and social homes by 2015;
  - the affordable rents regime will help to generate the funds required – but will increase the housing benefits budget and will stretch some social landlord balance sheets and put some residents under pressure;
  - regulatory changes aim to incentivise mobility and improve the utilisation of the stock in both the social and private sectors.
Questions

- Could you explain what are the differences between Local Authorities and Housing associations? And what are the (political, economical, social) determinants of the housing act choice in 1988?

- "The Conservative government of the early 1980s shifted the policy on allocations away from a generalist approach towards accommodating more vulnerable households who clearly needed assistance with their housing costs and so benefited from the lower rents regime", What are the consequences on the middle class? And on the perception of social housing in the UK society?
Questions

- What are the consequences in the long run of « Right to buy » policy?
- If the rents in social housing are correlated to the rents in the private sector, for example in London - Where do the poorest households live? -