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# Home is where the heart Is

## Governments need to seriously reassess housing policy if they are to tackle entrenched inequality and exclusion

*Read this article in German or Russian.*

The right to shelter is a fundamental human right, and yet many governments across Europe still fail to take homelessness seriously. Our homes are such a key part of our personal lives: few of us would imagine not going home tonight to our familiar possessions, and our equally familiar bricks and mortar.

2017's State of Housing in the EU report points out that the level of housing construction is low, with incomes not rising in line with house prices. The consequences include a huge increase in the proportion of income spent on housing, lower disposable income levels and reduced consumer spending. This does not make for a vibrant economy, and it forces people to make career choices based on housing affordability.

High rents mean many young people are unable to afford to live in a country's capital or in large cities and are therefore cut off from the career possibilities these centres offer. Inequality is further embedded, as those without family or financial support are doomed to take less-skilled jobs in areas where the large companies and organisations rarely recruit.

## A generation blocked

Those who own property in large cities are already ahead of the game, as they are able to support their children in internships and work experience and – most importantly – provide them with a place to live while they secure a paying job. The housing crisis is blocking a generation of young people from finding fulfilling careers, employment and opportunities.

We are acutely aware in the UK of the chronic shortage of housing, the high number of households overburdened by housing costs and the lack of funding for social rented homes, and we anticipate that forthcoming changes to our social security system will exacerbate the crisis.

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The shift from capital investment in housing stock to social security allowances makes it easier to shift the burden on to individuals. If we build houses, there is a broader distribution of money, to the building firms, small sub-contractors and eventually to wages. However, when capital investment is replaced with social security allowances, it's also easier to decrease this particular pot of money, while the individuals to whom it is paid are demonised as the feckless poor.

As happens in the UK, introducing caps is another effective way to raid this pot but, like any policy, it has consequences. When housing allowances or benefits are lower than the rental prices in an area, it creates waves of internal migration, causing people to lose contact with their families, their local support systems, schools and employment. This policy can also cause social segregation and an accumulation of public-service needs in already deprived areas.

## Piecemeal solutions

The report states that in the UK, 17.6 per cent of the population live in social rented accommodation and 19 per cent in private rentals, while 63.1 per cent are owner-occupiers. However, the owner-occupier figures will hide many types of arrangements: overcrowding, under-occupation, children living with parents and couples unable to separate, as well as survivors and current victims of domestic abuse trapped in devastating situations.

Most powerfully, the summary points out, 'house prices are growing faster than income in most Member States, while inequality and housing exclusion are mutually reinforcing'. This is a telling statement and one that we at the Equality Trust certainly recognise. One the problems that hounds every government is the tendency to pick off issues such as housing in a piecemeal fashion, meaning solutions are only geared towards piecemeal actions.

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Homelessness and the ability to afford a home are intrinsically linked to income levels, employment, social security, domestic violence and abuse, drug and alcohol abuse, and child and youth poverty. Many of those issues are linked to education, labour market opportunities, discrimination and other

vulnerabilities and structural problems that contribute to and exacerbate inequality. With a 'class pay gap' in the UK of almost £7,000 and health inequality levels taking years off poor people's lives, this agenda ought to be accorded greater political importance.

## Inequality passed on

Housing as an asset entrenches inequality for the current generation that is locked out of decent housing, whether renting socially or privately or through ownership schemes. However, it also transmits this inequality gap intergenerationally, passing on a level of privilege that opens up a chasm between those who inherit property or have the benefit of the 'Bank of Mum and Dad' to provide deposits and act as security for mortgages, and those who are struggling to earn enough to put food on the table after paying the rent.

It creates the material differences that exacerbate social distance as well as contributing to inequality. As we know from a vast amount of research, countries with high levels of inequality also have high levels of physical and mental ill health, obesity and incarceration, and lower levels of trust, civic participation and education.

We need a holistic approach to reducing inequality, part of which is fuelled by the housing crisis. While the Equality Trust is calling for the introduction of an inequality reduction strategy, we are also campaigning with social rights movement Just Fair for the British government to bring into force Section 1 of the Equality Act 2010, which lays a duty on public bodies to pay due regard to the effects of their policies on those who are socio-economically disadvantaged. Such a measure adopted across Europe would surely have an impact on housing, and on how we treat those at the sharp end of inequality.

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