

# A Case Study in Social Housing: London

by Alvin Chua



The decline of public housing in London and the social problems in its wake bear lessons for global cities like Singapore, says Chris Hamnett, Emeritus Professor at King's College London.

“The key implication is high housing costs squeeze out the poor, unless there are counter-vailing policy measures,” said Professor Hamnett. “Without lower income workers or (those performing essential services like police and public transport workers), cities cannot function.

“You have to ensure that social (public) housing is spread across the city rather than concentrated in the suburbs. Workers need to live centrally to able to get in in the mornings to operate subways or provide other services.”

Government policy to encourage the privatisation and redevelopment of housing estates, and global investment in London's property market, have made housing prices unaffordable for most lower income groups and pushed large parts of the population out of the city.

“Faced with the dilemma of ageing estates and the need...to bring them up to standards, some councils have opted to...sell estates to private developers for clearance and redevelopment. The private market, almost invariably, cannot provide profitably for lower income groups in society. The economics simply do not work unless the housing is subsidised.”

A proportion of redeveloped properties is usually branded as “affordable housing”, but Professor Hamnett adds: “The term affordable housing in Britain is an enormous misnomer. (It refers to rents that) are about 80% of the market rate. For the great majority of people, that is not affordable at all in any meaningful sense.”

“If Singapore is to avoid (the housing problems) of London and continue as a socially sustainable city, my key suggestions are to retain and increase social housing. Please don’t make the mistake we’ve done in Britain of privatising the lot. Don’t concentrate the low income groups in the worse estates, and try to maintain the social mix.”



The privatisation effect and high housing prices are intensified by London’s role as a global city. “Almost inevitably, private market housing in global cities is much more expensive than in non-global cities.

“(It has been said that) London now functions as a safe deposit box for the global rich, a safe place to park money as a part of a strategy of global asset diversification. It does not matter if the property is left empty and does not generate any rental income, or is only occupied three to four weeks a year.”

Particularly pertinent to Singapore is the gradual change that comes when certain estates become more desirable, leading to long-term alterations to the social mix. “One implication of the sale of public housing to occupants is that the more desirable flats in the more desirable areas are more likely to be bought by wealthier people,” said Professor Hamnett.

“Over a period of time, you’re going to see a process of social change, which may have implications for the distribution of the remaining housing stock, leading to such neighbourhoods becoming less inclusive. You could see the gradual gentrification of central areas.”

# About the Speakers



## **SPEAKER**

### **Prof Chris Hamnett**

Emeritus Professor, Department of Geography King's College London

He is regarded as a leading British expert on housing wealth and inheritance and a leading researcher in the fields of social polarisation, gentrification and housing. He has co-authored or co-authored a number of books including *Cities, Housing and Profits* (1989), *Shrinking the State: the political underpinnings of privatisation* (1998), *Winners and Losers: home ownership in modern Britain* (1999), *Unequal City: London in the global arena* (2003) and with Tim Butler *Ethnicity, Class and Aspiration: remaking London's New East End* (2011). He was the research director of the Nugee Committee which led to the Landlord and Tenant Act, 1987 and recently served as a Housing Commissioner in the London boroughs of Westminster and Ealing.



## **MODERATOR**

### **Mr Yam Yujian**

Director, Property Research Urban Redevelopment Authority (URA)

Yujian is URA's director of property research and his department is involved in work to ensure a stable and transparent property market in Singapore. Apart from providing comprehensive and timely real estate information to help home-buyers, developers and investors make informed decisions, URA's property research department also conducts in-depth and market-oriented research to assess the state of the property market to support policy making. Commissioner in the London boroughs of Westminster and Ealing.

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