London calling for an end to its housing crisis

With the capital facing the worst housing shortage since the postwar reconstruction, one borough council set up a commission to look for answers – and co-operation featured strongly in its proposals.

The housing crisis of the 1940s was caused by the Blitz and half finished pre-war slum clearance – but today's problems are due to the lack of house building over the past 40 years.

Housing completions have fallen to numbers not seen since the 1920s. Shortages have caused private sector rents to go through the roof. Foreign speculators have made things worse.

So how do we solve London's housing problems? In 2014 the Labour Group on Barnet Council – a north London authority which includes Hendon, Golders Green and Finchley – set up a housing commission to prepare proposals for radical reform. Its report, 'Home Truths for Barnet – Housing Challenges in an Outer London Borough' was published last month.

It concluded that co-operative and mutual housing schemes could make a valuable contribution to the London housing scene and supported their introduction.

The commission was chaired by Nicky Gavron AM from the Greater London Assembly, chair of the Greater London Authority’s planning committee. Independent housing experts, local representatives and Labour councillors also sat.

Evidence was taken at public meetings from housing experts, London Assembly members, borough councillors, academics, trade unions, specialists from the private sector, community groups and members of the public.

The commission visited other London boroughs and social housing providers. Visits were made to Wals and Leeds, and other written evidence was also considered.

The report advocates a massive increase in the availability of genuinely affordable homes in the borough as well as in Greater London. That means a big house-building programme. Half of all new homes built should be affordable, with three in ten built for social rent and two in ten built for rent to buy or shared ownership.

Our deputy chair, Cllr Ross Houston visited LILAC, a low-environmental-impact mutual home ownership scheme in Leeds.

In Lewisham, we heard about the RUSH [Rural Urban Synthesis Society], a self-build mutual scheme to be built in Ladywell. We also visited Wales at the invitation of the Wales Co-operative Centre where we visited several new co-ops and co-housing schemes and environmental-impact mutual home ownership schemes.

The commission also recommended tenant participation and tenant management schemes for the council’s estates. Local housing associations should be encouraged to do the same. The recommendations were submitted to Barnet Council. Some were accepted – but Barnet is one of the few outer London boroughs still controlled by the Tories.

They have a majority of one, so if they lose one byelection Labour could take over.

Even without a byelection, the London mayoral vote is on 5 May, and Labour candidate Sadiq Khan has already committed his party to addressing London’s housing crisis.

So the people of London will have the chance to decide whether they want to improve London's housing or stick with Tory shortages, high rents and private squatters.

It was felt that mutual retirement housing schemes could provide specially designed homes for older people while releasing much-needed family housing for younger people.

Two forms of mutual retirement were considered. The first would use the commonhold form of tenure; here, everyone would own their own flat. A commonhold association set up by the residents would own the structure of the building, the land on which the block stood and common parts such as stairways, lifts, gardens and car parks.

Each resident would be a member of the association which would be run as a co-operative. There would be no external shareholders – and no cost to the public purse as each resident would sell their existing homes and use the money to buy into the scheme. Through joint ownership they would be able to keep service charges to a minimum.

This solution would help with loneliness and social isolation among the elderly. Participation in the management can bolster self-confidence and create companionship and a feeling of community.

For people who don’t have the resources to buy, mutual home ownership may be appropriate. Here, the housing is built on land owned by a community land trust. The CLT land will have been gifted by the local authority or other body; thus the rents should be much lower. All tenants would be members of a rental co-op and would pay two monthly payments; rent and a contribution to a joint mortgage.

On leaving the scheme they would get a refund of part of the rise in the capital value of their homes since they have been there. No deposit would be required.

Mutual Home Ownership schemes are also suitable as intermediate housing for key workers like teachers, and nurses. MHO would also enable young people to get on the housing market, by using their refund as a deposit for their first home.

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