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Foolhardy electoral promises



In 1924, the five-year old future Labour cabinet minister Barbara Castle wrote her first election address: “Citizens - vote for me and I will give you howses!” Her father kept that scrap of paper in his wallet for the rest of his life, which is where she found it after he died.

It's a quotation which has come back into my mind repeatedly as I've watched housing rise up the political agenda during this Parliament. A recent poll by Ipsos Mori for the Chartered Institute of Housing found that three-quarters of the population believe there is a housing crisis in the UK, and the same number say they can see it in their local area. That rises to four-fifths amongst renters.

These concerns are matched by the growing realisation amongst politicians that as the economy improves and people feel more financially comfortable, they will question why finding housing remains so difficult and expensive. A parallel poll of MPs found that a slightly lower, though still substantial, proportion agreed there was a housing crisis and that it was affecting their constituencies. But 86% still showed a touching faith in the ability of Government to solve it.

I'm not so sure. Everyone acknowledges the ultimate solution is to build more houses. But the disparity between supply and demand took a generation to build up and will take another generation to resolve. That assumes that there is sufficient consensus around the solution to enable political opponents to produce a long-term, sustainable plan which transcends the five-year electoral cycle not just once, but many times.

... risk shrinking the private-rented sector

It may be the real solution is too big and too complex for our politicians to

grasp. If so, it shouldn't be a surprise that they focus instead on something they think they can tackle. The private-rented sector is seen as separate and contained, offering a ready, accepted narrative and a classic, well-understood villain.

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Every party except the Conservatives has talked openly of giving renters more security in their tenancies and protecting them from escalating rents. The look of shock, horror and disbelief on NLA members' faces at local branch meetings as I explain this tells me that those writing the manifestoes are being dangerously naive. The policy wonks' assumption is that what they are proposing is little more than a formalisation of current good practice. The impact will be marginal at worst, and even so, landlords can afford to take a cut in their profits. That flies in the face of evidence of how landlords and investors around the world respond to similar policies.

What I have yet to see is any real grasp of – or indeed interest

in – the economics of supplying private housing for rent on the basis that the provider needs to make a profit, and consequently no understanding of how those whose money is at risk will respond. Nor do I sense an appreciation of how these good intentions will complicate the management of tenancies. There's no shame in politicians wooing voters; they have an election to win. The risk they are running is that without making the effort to understand the whole problem, they unwittingly blind themselves to the consequences of their future actions. Making impractical promises to win an election only stores up problems for the future. ■



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