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Introduction

The background to the research reported here is located in two General Elections in Britain, 1964 and 1979. In the 1964 election, housing assumed a central political role, which indirectly can be traced to the activities of one west London private landlord named Rachman. Interest in Rachman was the by-product of the Profumo Affair, a ministerial sex scandal, which rocked the Conservative Government and led to its downfall in 1964 (see Green, 1979). Rachman and his rent collectors provided the key issue over which the 1964 election was fought: the poor physical condition of the housing stock, the absolute need for housing and the necessity for the state to intervene in housing to remove the worst excesses of the private provision of housing. In the early 1960s, private rented housing comprised approximately one-third of the housing stock in England and Wales, and in urban areas such as Greater London the majority of households were private tenants. At that time, private rented housing provision was a significant political issue.

It was not until 1979 that housing reappeared as a crucial election issue, but in the context of a radically new debate and a new set of policy issues. The focus of the debate over housing was no longer the problem of supply, the condition of the housing stock, but rather one of demand, the problem of tenure. Throughout the 1960s and 1970s, slum clearance, improvements to the housing stock and new building reduced the number of households living in poor conditions. Against this background of improved housing conditions, the traditional problems of housing shortages and substandard housing was displaced by the new problem of tenure; in essence, the dissatisfaction with council housing and the frustrated ability of households to secure their ‘natural’ desire for home ownership.

The ‘other’ tenure, private rented housing, had virtually disappeared from the political debate. The Conservative Party’s commitment to a policy of council house sales and their encouragement of private activity to promote owner-occupation set the terms of the debate and found the Labour Party wanting in their response. Dispossessed by the Conservative Party donning the mantle of freedom of choice in the sphere of housing, the Labour Party vacillated over what response to offer in order to protect their electoral base.
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It would appear that the two and a half million households dependent upon the private rented sector for accommodation at that time were marginal to this consideration.

Though the debate over housing in the late 1970s and early 1980s has centred on tenure, the tenure of private rented housing has, for all the major political parties in Britain, occupied a residual political status. Paradoxically, it has remained an acutely sensitive political issue. The legacy of Rachmanism, the negative ideas associated with private landlordism in the 1960s, act as an ideological reservoir which is tapped whenever the issue of the future of private rented housing reaches the formal political agenda. Despite its marginal political significance, there remains a deep-seated political divide over the future of private landlordism and the rented housing market. The issue may not be central politically, but it still touches a raw political nerve.

In one sense, this book is an attempt to agitate that political nerve, to raise the political status of the issue of private rented housing and place it firmly on the political agenda. Since the early 1960s, private renting has declined from just under a third of the housing stock in England and Wales to less than a tenth and it has done so in an unplanned, geographically uneven manner, leaving much of the sector to operate outside the legal regulation designed to safeguard tenants’ rights. Moreover, private tenants continue to suffer arbitrary eviction from their accommodation and private rented dwellings still comprise much of the worst housing stock in the country. If the politics of tenure is to remain an integral aspect of the politics of housing, then the future of private renting should become, once again, a crucial issue in housing debates.

One of the fundamental obstacles to this inclusion is a lack of knowledge about the nature and character of private landlordism and tenants’ housing needs. The heterogeneous nature of the rented housing market, the diversity of interests of those who provide and of those who live in private rented accommodation is recognised descriptively in academic literature and government publications, but rarely explained in theoretical terms. Surveys of how different types of landlords and groups of tenants act in the market are of interest as they reveal something of the diversity of these groups and may cast light on their reasons for adopting certain courses of action. The focus of this book is primarily upon the nature of private landlordism in Britain in the early 1980s, the form and scope of landlords activities, in order that we may be able to understand more clearly what types of policy interventions can and cannot exert leverage on the rental market. More significantly, the analysis of landlordism presented here provides the basis to
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assess what current role and future place, if any, private rented housing provision has in relation to the two major housing tenures, privately owned and state owned housing.

The aim of the book, however, is, first and foremost, to provide an explanation of how the private rented housing market in urban areas presently operates, and how it has changed over time in different ways in different places. In the last chapter we return to the question of policy and offer a series of policy initiatives that arise from the preceding analysis of the current state and direction of the private rented housing sector.

Explanation and housing change

Explanation is a beguiling term. When it is invoked it tends to convey a sense of rigour, of coherence and the security of completeness. It is invariably considered to be better than commonsense, more penetrating than description, and in advance of mere generalisations cast about a particular subject matter. To attach the accolade ‘explanation’ to an account appears to endow the account with a certain value – it deserves to be taken seriously. On close scrutiny, however, the term in abstract is fairly meaningless. There are different types of explanation, including that of commonsense explanation, and each type may possess its uses and its limitations with respect to particular objects of study. If we are to judge whether a particular type of explanation is adequate or not we need to ascertain what the investigator wishes to know about a particular object or event. In the analysis of the same object, different sets of questions that imply different modes of explanation and methods of investigation may be asked.

If the objects and the questions asked of them are different, then the modes of explanation employed may not be directly comparable. A concern, for example, to understand the constructed reality, the taken for granted assumptions which inform and make sense of the practices by which rent officers determine the level of a fair rent, is likely to require a different type of explanation from a study which addresses the possible relations between fair rent levels, domestic house prices, and the decline of the rented housing market. The former is likely to involve an interpretative mode of explanation, whereas the latter is likely to employ a more formal, extensive mode of explanation. There may, of course, be some overlap or compatibility in the results expressed through the different types of explanation, but it is not valid to suggest that one type of explanation is better than the other.

In the second instance, where the objects or events to be explained are common to two or more types of explanation and the questions asked of
them are of a similar kind, the terrain is eminently contestable. In our case, the object of investigation is the structure of private landlordism and what we wish to explain are the quantitative and qualitative changes that have shaped both the past and the present structure of the private rented housing market. Needless to say that this is not a new topic of investigation; there is no shortage of studies which attempt to make sense of how the market has changed over time. There is considerable difference, however, over the type and scope of explanation employed to account for changes in the rented market. In brief, our argument is directed at the incompleteness of many of the explanations advanced. In one sense, any explanation is incomplete, for the obvious reasons that existing knowledge is always revisable and that the object under investigation is subject to change, episodic or otherwise. Our concern, however, is with more significant forms of incompleteness; ostensibly what has been left out or neglected in an explanation, given the questions asked of a particular object.

Drawing upon developments in the exposition of a realist philosophy of science,1 we would argue that to adequately explain why the private rented market has changed in certain ways requires an understanding of what it is about the market, that is, those who constitute it, that enables particular processes of change, such as residential disinvestment or investment, to occur. The focus of this type of enquiry is directed, in the first instance, at the object to be explained – the changing structure of the private rented market – rather than beyond it to, say, developments in the two main related tenures which have affected private renting, for example, the inflated sales price of owner-occupied dwellings, or changes in the demand for home ownership or public housing.

The rationale for initially adopting a restricted focus rests upon the need to critically examine the nature of the object under investigation rather than simply taking its known character for granted and looking elsewhere to seek the causes of change. Working within a realist framework is not without its problems, which we will note shortly, but one of its strengths, in our view, is the emphasis it places upon problematising the very object which is to be explained. At root, the market is about the different types of relations between landlords and tenants, their economic character, their political

1 Realism has taken a number of different forms in the history of philosophy. In the social sciences, largely through the works of Bhaskar (1975, 1979), one version, transcendental realism, has gained considerable influence. In this book we have drawn upon the explanatory form and methodological approach of transcendental realism set out by Sayer (1984). Indeed, we have also followed his constructive account of research designs which flow from a realist philosophical standpoint (1984, chapter 9). The modes of conceptualisation advocated in the text are set out in Allen (1981b).
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form, and their ideological complexion. It is within this set of social relations that particular causal powers may be located which have enabled the sector to change in the ways that it has done in recent years.

Implicit in this view of explanation, then, are assumptions about methodological procedure and about the nature of causality. With respect to method, an emphasis is placed upon the meticulous conceptualisation of the basic relationships that make up the object of enquiry, the agents that are involved here and the social forces to which they are subjected. Too often, explanations of the structure of private renting are incomplete because they fail to interrogate who is in the market and why, and under what conditions they tend to act. To draw up a category of, say, ‘small’ landlords and then rather hastily attempt to show through quantitative analysis how such a group generally responds to changes in the financial rate of return on their property or to changes in the legislation governing the sector, tells us little about why ‘small’ landlords tend to act in certain ways. Is there some explanatory value attached to the notion of ‘smallness’? Is the ownership of a few properties a determining characteristic of response to change, or is it simply the most obvious characteristic, which, once frozen as an abstraction, is placed on one side to allow the research process to continue?

Now it may be the case that the ownership of a few properties is a significant characteristic for some private landlords, but to pass over other characteristics that they may possess, for example, the capital funds available to them, or the meaning they attach to the ownership of property or their role as landlords, is to dismiss by fiat these characteristics from the explanation. Such an explanation is incomplete because it limits other possible avenues of enquiry which may lead to a richer form of explanation. Moreover, the conceptualisation is inadequate because the causal significance of the characteristic ‘small’ is not specified. Landlords who own a few properties may have nothing else in common except that characteristic. Invariably, we are left, for example, with an empirical association between an unexamined generalisation such as ‘small landlords’ and a set of events, the sale of their properties, under a set of social conditions, a rise in domestic house prices. This is an interesting empirical pattern, but it is not a causal explanation.

From a realist standpoint, causal explanations are specified not by an association between separate phenomenon and events, but by reference to particular causal characteristics, in this instance of a group of landlords, which tend to make them act in certain ways by virtue of the characteristics they possess. In this view, causes are separate from the empirical events they produce. Explanation is concerned with the discovery of what kind of relations obtain for particular landlords which give them the power to act in
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certain ways and under what social conditions such power may be activated. The specification of what it is about particular landlords that enables them to operate in certain ways can be identified separately from what landlords actually do in the market place. The residential property of, say, a large charitable trust may enjoy a symbolic significance for the trust which tends to prohibit the sale of the properties, but whether a strategy of retention is pursued will depend upon the actual set of circumstances that make up the housing market at any one point in time.

From this brief review of the type of explanation we have employed, it should be apparent that conceptualisation is central. The identification and specification of the kinds of basic relations that obtain in the rented housing market are essential to an understanding of the different trends that we observe in the market. To arrive at a full account of what has actually taken place in the market, however, requires a further methodological step.

The identification of groups of landlords in possession of certain causal attributes, in itself an exercise open to revision and fraught with analytical uncertainty, is only, as we have indicated, one aspect of the type of explanation employed. To ascertain why the market is in decline, or is relatively stable, or is growing, perhaps in different ways in different parts of the country, cannot be known on the basis of a simple checklist of the basic relations of private landlordism. We cannot ‘read off’ from the knowledge that different types of landlords are constituted in particular ways, their specific response to different circumstances. We know only that each type will have a propensity to act in certain ways. What actually happens in different housing markets, whether it be the sale of the rented stock, or a growth in furnished lettings, or an increase in unregulated lettings, will vary over time and in accordance with the particular social conditions of the different markets.

Put another way, there are a possible range of outcomes to the causal powers inscribed in different types of landlords. What landlords actually do in the different housing markets is contingent upon the peculiar array of circumstances – the type of tenant demand, mix of tenures, local government policy, type of housing stock and so forth – that combine to make each housing market in one sense, unique. It follows from this observation that we can explain how, when and why the rented housing market of a particular area changed in the ways that it did, but we are restrained in our ability to predict a similar pattern of change for other areas, even if those areas possess similar types of private landlord.

These are empirical questions, as indeed is the process of conceptualisation advocated earlier. Conceptualisation as an activity does not take place in an autonomous realm separate from or prior to submersion in empirical
Investigation. There is a constant interplay between the observation of events and the identification and specification of the types of relations that make it possible for the events to be of a certain sort. To reason towards a possible set of causal relations from which the events are explicable as a matter of course is part and parcel of the research process and an integral aspect of explanation. Equally integral to the type of explanation adopted in this book, however, is the recognition that the contingent nature of local housing conditions may modify, alter or affect the potential ways of acting inscribed in the character of different types of landlords over time. The two aspects of explanation, the meticulous conceptualisation of the basic, causal relations that constitute different types of landlords, and the detailed investigation of how such relations manifest themselves in different ways at different times in different places are the strengths we have drawn from a realist approach which are often neglected or unacknowledged in alternative explanations of the operation of the private rented housing market. These aspects are not of merely academic interest, they also raise a different set of questions which policy initiatives have to address if they are to exert any leverage upon how the market operates in general and in specific ways.

Processes and places

One of the attractions of working within a realist framework in investigating the changing structure of the private rented market is that this framework allows for, indeed is based on the assumption, that general processes of change will take particular forms in different places. The general process of, say, disinvestment from the rented housing market is likely to have a different impact in different housing markets because of the diverse structure of the different markets. Moreover, the process of disinvestment itself is likely to be the product of a range of factors which contribute towards different types of landlords acting in a similar manner. An adequate explanation should be able to capture both the diverse impact of wider processes and be sensitive to the variety of factors that produce a seemingly unified response by some landlords.

The ability to explain the particular outcomes of broader processes of change is particularly pertinent to geographical studies which are, to a large degree, concerned to account for the differences between places – the uneven processes of social change. In line with recent developments within the discipline of geography we would go further and argue that one of the important tasks of geography is precisely to demonstrate how wider social processes of change are modified by the social characteristics of places in which they operate to effect a unique outcome (Massey and Allen, 1984). In
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this sense, the uniqueness of places is produced and reproduced by the reciprocal relationship between processes and places. Too often within geographical studies the unique characters of places has either been the subject of rich, descriptive accounts with little or no reference to the effects of broader social processes, or the differences between places has taken the form of a methodological nuisance, a deviation, as it were, from the normal pattern of events and something to be explained away.

It is now necessary to assert the expicability of the particular, without losing sight of the wider processes of change that structure the pattern of uneveness. This is an ambitious aim that requires considerable effort on the one hand, to avoid simply ‘tacking on’ empirical outcomes to an elaborate abstract explanation, and, on the other hand, to avoid an over-zealous concern to preserve the uniqueness of events in particular places which then remain unconnected to the more abstract, expansive processes of change. The aim is to provide a synthetic kind of explanation which combines both abstract and concrete research findings; a synthesis which demonstrates how the specific characters of places modify and in turn are modified by the general process of change that operates across space.

There are a number of risks attached to this approach. The first risk is that of over-ambition; the inability to restrict the focus of the enquiry solely to an examination of the social relations within an area that are considered relevant to the wider process selected for study. Any place is an amalgam of economic, political and cultural relations, but not all of the relations present will have an incisive bearing upon the questions asked of a particular process of change. It is important to be selective rather than exhaustive in choosing which social relations to focus upon if the synthesis is to be both plausible and manageable. So, for example, in a consideration of the structure of private renting certain characteristics of places such as the tenure structure, socio-demographic profile, local state policies and employment structure are likely to be among the main characteristics which will affect processes of disinvestment from and investment in rented housing. There will, of course, be other considerations thrown up in the research process, but each aspect should be assessed for its degree of relevance to the questions asked of the sector.

A second concern is related to the practice of synthesis. Faced with the task of putting together a rather complex mosaic of social relations, it is essential that they are not simply added together but considered as a combination of relations in which each qualitatively modifies the other. This is obviously easier to state, than to achieve; it requires a recognition, for example, that the interrelation between housing and labour market change may take different forms in different places. It is not a question of simply
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adding together the geography of housing and the geography of employment.

Thirdly, it is also important to note that in this type of explanation there may be several causal powers emanating from the different characteristics of places which affect the shape of the local rented housing market. Causality is not located at any one spatial level; explanation does not proceed from the level of broad processes of change and work down to specific local housing markets. Places are the crucible, as it were, of causal change; the point of interaction between the general and the particular which determines the direction and shape of housing change.

The approach adopted here is to recognise the spatial variations in the changing structure of private renting, the different roles the market performs across the country and simultaneously to keep a grip upon the fundamental processes that are affecting the market in general. Both the particular and general aspects of housing change are important, both to explanation and policy formulation.

The structure of the book

The thrust of the book is both substantive and conceptual. Initially, we look at the well-established decline of the private rented housing market and argue that the reasons for the decline have been largely misrepresented. Concentrating on the period since 1945 and, in particular, on changes within the sector over the last decade we identify in Chapter 2 three processes that have been operating in the sector in various combinations at different times and in different places. Together, the three processes – disinvestment, investment and formalisation – are shown to produce a market that is structured unevenly rather than simply declining in a linear, uniform fashion.

Each of these three processes is, itself, composed of a set of alternative actions. Disinvestment may take place through sale, either to owner-occupation or to the local housing authority, by holding the property empty temporarily or permanently or by outright abandonment. In addition, the compulsory purchase of properties under slum clearance schemes might be labelled involuntary disinvestment. Investment may occur through new purchase or by intensification of the use of existing stock, possibly although not necessarily associated with improvement and conversion and the shift from the unfurnished to the furnished sub-sector of the rental market. Formalisation, our third category, is a less self-explanatory concept. We have used it to refer to a marked trend in parts of the private rented sector towards small-scale landlordism, often associated with resident landlords,
entering the market on a temporary, informal basis. Their motives are not necessarily explicable solely in formal economic terms.

These three processes are associated with particular sets of national and local circumstances ranging from the overall state of the economy, through changing interest rates down to the policies of local councils and the socio-demographic structure of the population in particular areas. In the next chapter, Chapter 3, to understand why these processes have been operated by private landlords, we step back from the processes themselves to analyse what it is about certain landlords that enables them to adopt such strategies and why they tend to act in certain ways and not in other ways.

A classification of types of landlords is presented based upon the role that residential property rent fulfils for different types of landlords by virtue of the economic and social characteristics that constitute them as distinct groups. The form of analysis focusses upon two dimensions of landlordism. First, the basic historical and ideological relations that landlords have exhibited in the development of the rented housing market, in particular the constitutive meaning they attach to the ownership of residential property. This is important if the contemporary activities of landlords are to be understood. The second dimension focusses upon the basic economic characteristics that shape landlords’ activities: their size of capital, their source of funding, their economic liabilities and the type of capital involved. Within this framework, particular relations of landlordism are identified which bestow a degree of coherence upon certain groupings, that is, a structure which enables them to act, or potentially act in certain ways depending upon the spatial and temporal circumstances. This causal classification of landlords then acts as a basis for an explanation of the structured unevenness of the private rented market in terms of the three social processes identified in the previous chapter. The geographical variation in the structure of the lettings market in Britain is explained as a diverse effect of the relations between local social conditions and the specific combination of the types of landlordism to be found in a particular housing market.

In Chapter 4 we outline the combination of intensive and extensive research designs we adopted to explain the structure of private rented housing provision in two local housing markets in inner London, and the nature of our sample. To convey a richer understanding of the relations that distinguish one type of landlord from another and some of the variations within types, we present, in Chapter 5, a series of case studies which look in depth at the combination of characteristics that comprise certain landlords, with particular reference to their practical ideologies. How landlords interpret and ‘make sense’ of their role and activities in the market is an oft