

THE HOUSING QUESTION AND ANDY BURNMAN THE PROSPECTIVE UK P.M.

One of the priority issues for the incoming UK Prime Minister is the country-wide housing crisis. The problem he faces, but he has not yet admitted to, is that once the housing market has been financialised, it is difficult to reverse it without precipitating a financial crash.

Before proceeding with examining the problems reversing a financialised property market let us knock one issue on the head. The issue is not the shortage of homes but the question of ownership. It is this unequal ownership that has created a housing crisis. This much was revealed in the 2011 Census which for the first time counted the number of bedrooms. It identified 23.4 million households in England and Wales. The average number of people per household was 2.4. The number of bedrooms was 2.7. So, there were 12% more bedrooms than people. Snoring aside, if we adjust for the number of households who were married or cohabiting and therefore sharing one bedroom the surplus of bedrooms shoots up yielding a ratio of bedrooms of 1.3 to 1.4 to sleepers. Finally, if a property was empty on the night of the census that property would be omitted, so the number of empty bedrooms increases even more.

[An idea of the dispersion of bedrooms](#) can be gauged from the graph below. It shows that detached houses, which tend to be larger, was the single biggest component of housing followed by semi-detached. Flats and converted flats were smaller about half the footage. Included in the detached houses are of course the mansions of the rich and their second and even third homes, homes which are vacant most of the year, creating dark villages populated only by streetlamps.

Graph 1.

Dwelling type

The average total floor area of a dwelling was 94m².

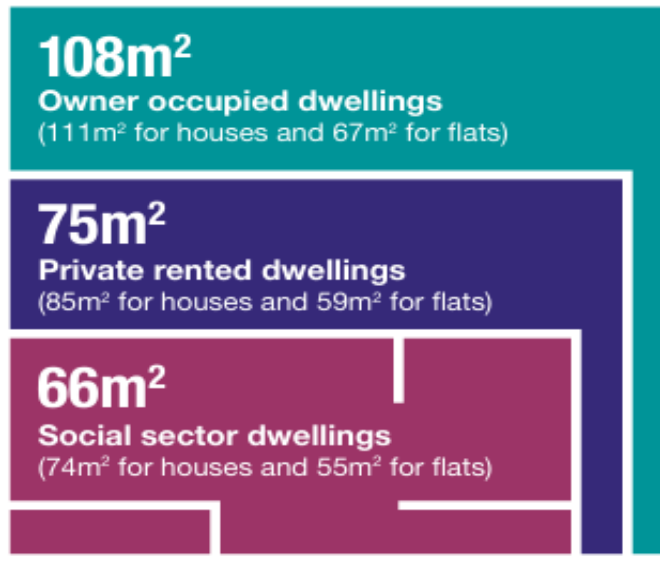


Graph 2 shows who owns these dwellings. Just over a quarter is social housing of one description or another. Much of the social sector is legacy housing rather than newly built as we will see when examining construction data below.

Graph 2.

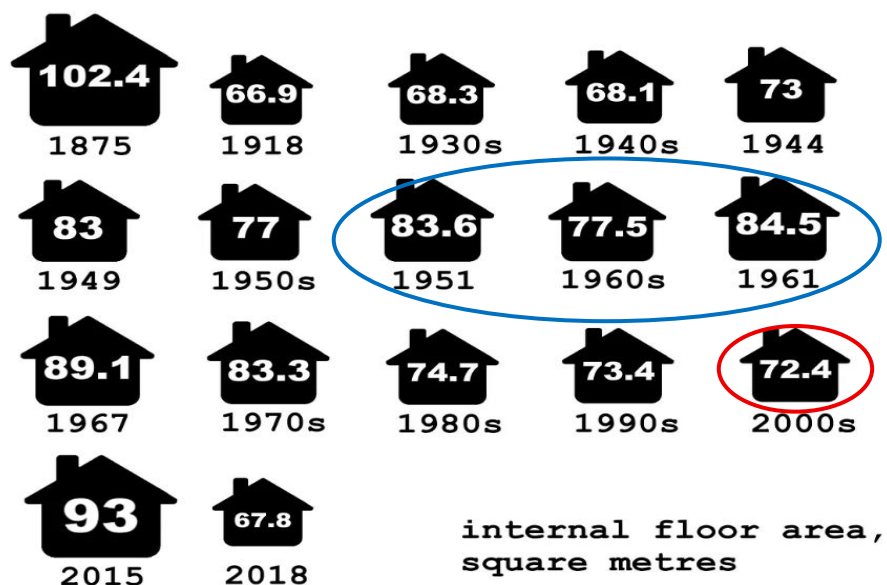
Tenure

On average, owner occupied dwellings were larger than rented dwellings.



Before we address the issue of the number of dwellings built historically, we need to compare average footage. [This remarkable article](#) provides detailed analysis of dwelling sizes. On average dwelling sizes are currently more than ten percent smaller than in the 1950s and 1960s.

Graph 3.



So too were the size of their plots and gardens. In the 1950s and 1960s the instruction to municipal architects was to build homes large enough for families to grow into and gardens large enough for children to play in. (See green arrow)

Graph 4.

Dwelling type

Almost all houses (99%) had private plots while most flats (74%) had shared plots.

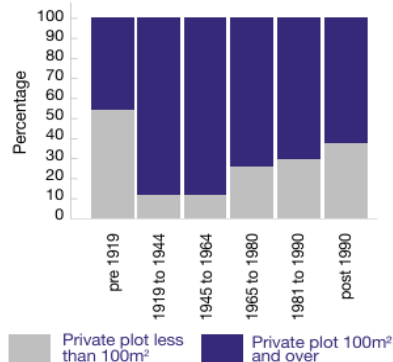
Among houses, terraced homes were most likely to have the smallest private plots (more than half had plots less than 100m²).

Detached houses were most likely to have large private plots (97% had plots of 100m² and over).

Private plots 100m² and over



Plot size by dwelling age

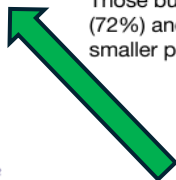


Dwelling age

Homes built before 1919 were most likely to have smallest private plots (54% were less than 100m²).

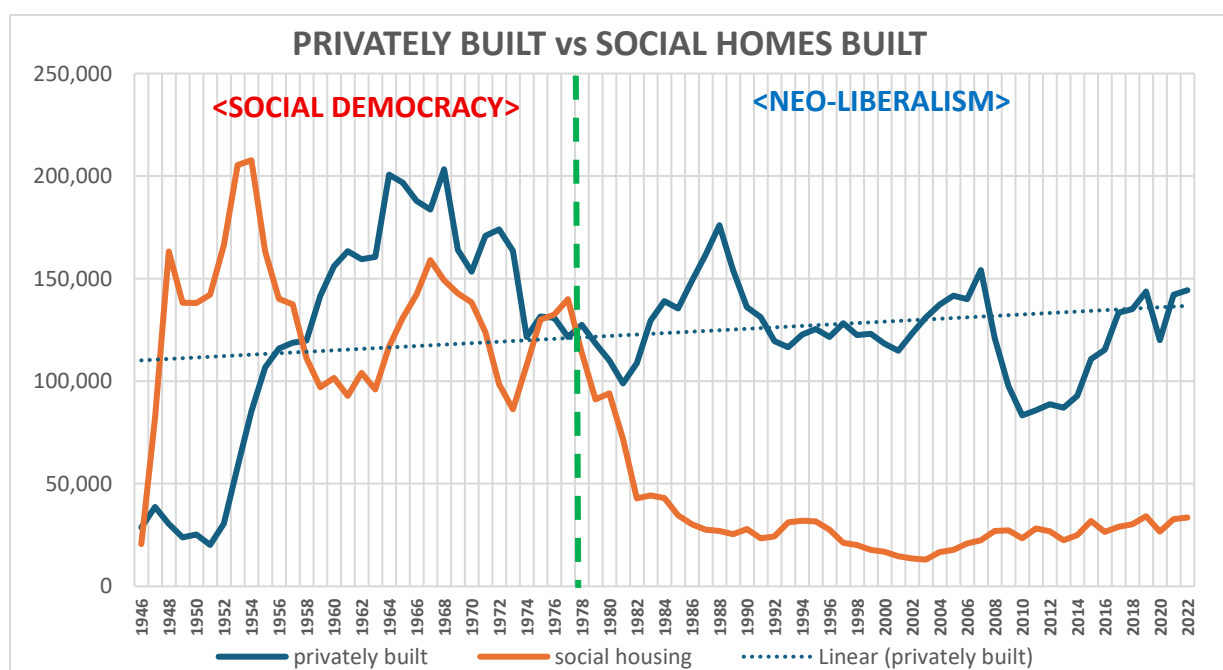
Homes built between 1919 to 1944 and 1945 to 1964 were most likely to have a private plot, and these were generally the largest (86% to 87% of these were 100m² and over).

Those built after 1990 were least likely to have a private plot (72%) and in recent years an increasing proportion were built with smaller plots.



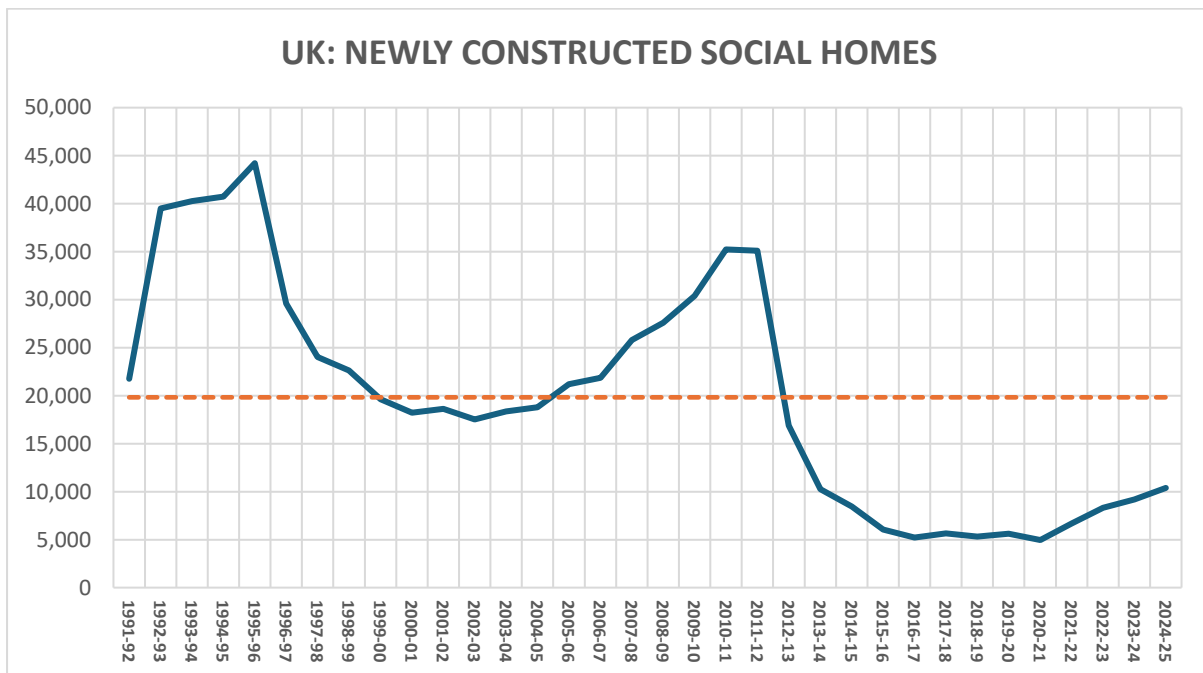
We can now turn to the construction data. We note the collapse in municipal house building after the fake Sterling crisis engineered by the Bank of England which drew in the IMF which the Labour Government used to end the age of post-war Social Democracy. Social housing fell by 75% thereafter.

Graph 5.



This Graph looks more closely at the fall in social housing in the period of austerity and is based on a [study by the House of Commons](#). The figures are lower than that found in the graph above, but I believe they are more accurate because they are better researched. Like the collapse in new social dwellings in 1977 due to the Sterling crisis, this later collapse is due the global financial crisis in 2008, after which the Tories socialised the banking losses through cuts to spending including social housing.

Graph 6.



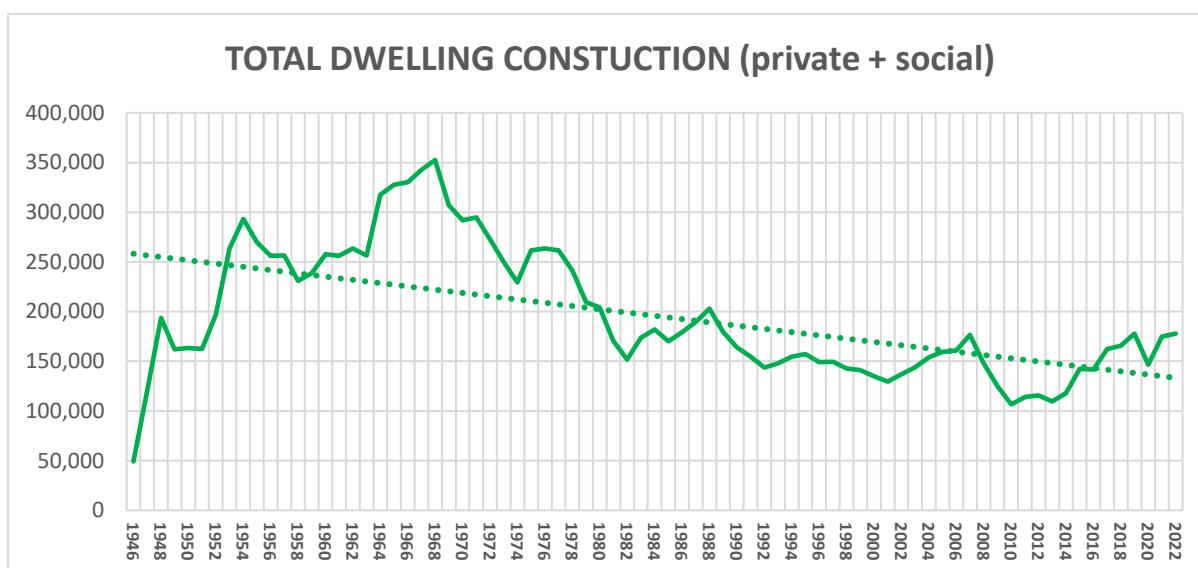
[Comparing the average construction rate](#) up to 2012 to post-2012, the cumulative difference in construction amounted to a loss of 260,000 homes. If we add in reduced acquisitions that is another 50,000 homes not bought. Had these 300,000 social homes been built it would have reduced the current 1 million housing queue by a third. This would have reduced housing benefits and council emergency housing bills by tens of billions of Pounds. Another example of Neo-liberalism being *Penny wise and Pound foolish*.

Financialisation.

The most important graph is Graph 5. It shows no significant fall in private construction. The fall has been entirely due to the fall in the construction of social housing. Due to the substantial fall in social housing construction, total construction has fallen significantly as Graph 7 below shows. This fall is significant; it amounts to nearly five million homes since 1977. Financialisation, that is the elevation and propping up of prices, rents and land values requires a scarcity of supply or what is the same thing a controlled supply. This control was exclusively exercised in the sphere of social housing. Unrestricted municipal house building would break any attempt at the financialisation of housing.

Due to the financialisation of housing, a higher share of personal income must be spent on housing costs. [These costs have increased 3 to 5-fold](#) since the 1960s depressing living standards. It has not depressed the profits of the house builders nor those who finance mortgages. Quite the contrary, the big six monopoly home builders have made fabulous profits boosting their share prices, even without adding AI to their names, and by this we don't mean additional interiors, but artificial intelligence.

Graph 7.



Financial capital and builders have become addicted to high prices. A collapse in prices, which would happen if social housing output surged, would undermine the collateral used for mortgages imperilling mortgage providers and it would collapse the profit margins of the monopoly builders. And the economic effect would not be limited to providers and builders. Up to 40% of household wealth is tied up in housing much of it being owner occupied. It is bigger than the next component, pensions at 30%. A collapse in prices would not only force mortgage providers to demand more collateral from borrowers curbing their spending, but additionally as property owners now feel poorer because their property is worth less, it would further inhibit their spending.

House prices is the key consideration circling Burnman's proposals, not what is being talked about, the effect on mortgage rates, government borrowing or the value of the Pound.

Financialisation on the back of neo-liberalism has created a monster, one not born in the Thatcher era as is often assumed, but beginning with the Callaghan led Labour Government post 1977. Reversing the financialisation of housing would require the state stepping in to secure the mortgage and banking sector which would not be able to bear the costs of a collapse in house prices. Thus, when the left demand a programme of municipal house building, they also should include the demand to nationalise the financial sector, otherwise another 2008 beckons.

No doubt the banks and civil servants will tell Burnman to behave prudently in line with his promise to to abide by fiscal rules. All previous Prime Ministers upon entering office promised to tackle the housing crisis, Starmer for his part promised to provide 1.5 million new homes, all failed. The difference with Burnman is that he has made housing his keynote pledge. In doing so he has signed his own political death warrant. Within months he will end up being a younger and more jovial Starmer, and like Starmer, just as discredited.

Brian Green, 2nd July 2026.