

6. Maintaining the Housing Stock

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6.1 DEFINING THE RESEARCH ISSUE

6.1.1 This topic paper addresses the overall research question as to whether public policy and programmes which have sought to widen home ownership are or will affect the long term maintenance of the private housing stock. These issues are also discussed in Topic Papers 1 and 2.

6.1.2 The term 'maintenance' can have different meanings. It is used in this paper to cover all forms of repair and maintenance but exclude major home improvements and extensions. The research question actually posed is:

6.1 Will the expansion of owner-occupation to include wider-economic groups lead to long term problems of housing maintenance?

6.1.3 There are important definitional issues to be resolved. Fiscal measures which favour home owners have been in place since the introduction of Mortgage Income Tax Relief and the abolition of income tax on homeowners imputed rental income. Classical economists argue that these have clearly distorted consumption decisions and promoted home ownership. Certainly since 1979, central government pronouncements have reinforced the general aspiration of most households to be home owners. Specific measures to promote home ownership have taken two forms:

- those which transfer stock from the social housing sector to the owner occupied sector, with or without previous occupiers, eg. the sale of Council houses;

- those which have offered subsidies to existing social housing tenants to leave their tenancies and purchase in the private sector eg. Tenants Incentive Schemes, Assisted Purchase Schemes.

6.1.4 A wide range of other measures, including shared ownership, low cost ownership schemes (eg. rural exceptions schemes) have also been used. It is quite difficult to assess whether these are widening home ownership or merely providing an alternative housing option for people who would have been home buyers in any case.

6.1.5 The sale of council homes has been underway in some areas since the early 1960s, although the peak period was the 1979 to 1985 period, the

'honeymoon' of the Right to Buy. A study design could be created which specifically examines the post-transfer maintenance behaviour of 'Right to Buy' households. They would, in many other respects, be unusual among owner-occupiers having acquired relatively new houses built to public sector standards. Although many observers argue that former council tenants, many of whom are aged over 50, are facing increased difficulty in maintaining the houses that they bought at discount, we are not aware of any specific studies.

- 6.1.6 It is certainly a statistical reality that as home ownership expanded and the social housing sector shrunk, there are now far greater numbers of low to middle income households in owner occupation than in the past. Their income characteristics and housing expenditure can be estimated from the Family Expenditure Survey (at a national level) and will be available in detail in the ongoing Survey of English Housing. Any assessment of their future maintenance behaviour needs an independent view to be taken of likely real income changes for these marginal groups in the future and competing expenditure demands.
- 6.1.7 The other key research problem arises because it is households who occupy and maintain houses. Their propensity to maintain or improve their houses will depend on life stage, income and other financial commitments which will vary through time. Households make short term decisions about housing consumption and investment. Many will move several times during their life, leaving the maintenance problem to future occupiers. Evidence from many studies confirm the tendency for significant expenditure on repair, maintenance and improvement to occur immediately after house moves.
- 6.1.8 Research into housing maintenance and renewal divides into disciplinary strands, including some which are now distinctly out of fashion:
- behavioural studies of inner city housing areas, mainly undertaken in the 1970s and early 1980s;
 - fiscal and consumer behaviour surveys;
 - action and policy research directed at evaluation of specific renewal initiatives and repair programmes, funded by DoE, the Housing Corporation, NFHA and Joseph Rowntree;
 - repair and maintenance of the public sector housing stock and the application of those principles to the private sector.

6.2 THE NATIONAL EVIDENCE

6.2.1 Seminal studies in the behavioural category include much of the work at CURS, University of Birmingham, at that time eg. Karn, Kemeny and Williams (1985) as well as work by, Crook and Bryant (1982), and more recently at Bristol and Glasgow (eg Forrest and Murie, Leather and Mackintosh, Munro and Symon).

6.2.2 The concepts of planned and cyclical maintenance were developed by public sector housing and building professionals. These approaches were only fully embraced in a few authorities, most notably SSHA in the 1980s. While Tenants Charters imposed greater pressure on local authorities to provide effective repairs services (AMA, 1991) the compulsory contracting-out of housing maintenance stopped the spread of planned initiatives. Their validity in the private sector, except for large landlords, was limited and we are not aware whether any serious attempt has ever been made to evaluate their cost-effectiveness. Many social housing agencies continue to use cyclic maintenance but for external decoration.

6.2.3 Available evidence from the Family Expenditure Survey suggests that the average owner-occupier spent around £500 in 1992 on repair, maintenance and decoration, but less than half of that if household income was below £8,000 p.a. Most of this spending is on decoration and improvements. Leather and Mackintosh (1994) summarise the reasons why people do not maintain their houses adequately:

- insufficient income, often closely correlated with the age of residents;
- a widespread lack of awareness of house condition problems (see DoE, 1993) or the inclination to resolve them;
- a tendency to over-estimate the resources and effort they routinely put into maintenance; and
- difficulty in finding of reliable builders and tradesmen.

The results of the Scottish House Condition Survey examination of owners attitudes and behaviour is reported in Munro (1995). That for England has yet to be published.

6.2.4 There is also considerable evidence to support the common-sense view, that underspending on repairs and maintenance may be entirely rational on the part of the individual owner, particularly if they intend to move house (eg.

Wilkinson, 1973 and Malpass et al, 1987). Evidence from the private rented and social housing sectors is no more encouraging. Unfits and housing requiring major repairs are still disproportionately found in the private rented sector, while the public sector has a substantial backlog of major repairs.

6.2.5 At a national level, the EHCS and local authority data are used by many observers to compute vast costs for an allegedly increasing repair bill for the private sector housing stock. It is not entirely clear whether this increase is real or reflects improved data collection. While it must certainly be seen as a policy objective to provide households with adequate accommodation, free from serious disrepair, it is not economically efficient to pursue bringing all private housing up to a full standard of repair.

6.2.6 Most local initiatives are primarily directed to improvements rather than maintenance of private sector stock and include:

- area renewal and regeneration programmes. Few local authorities have persisted with area based initiatives in private and mixed housing areas. The DoE is now again promoting these in the Housing Bill, based on the Saltley experience (Morris, 1995). Leicester's Urban Management Strategy is only the latest in a 20 year commitment to area action (Branson, 1994). A greater priority is now being given to housing under the SRB and City Challenge programmes;
- empty homes strategies. The DoE (1995) is now encouraging local authorities to develop empty property strategies, although to date no more than 50 have them. The Empty Homes Agency has a similar brief and has prepared good practice guidance (ADC, 1994). The dynamics of housing vacancy, condition and improvement by owner occupiers and landlords have been covered by a recent detailed study by Fielder and Smith (1996).
- targetted programmes. The improvement grant system is now only of marginal relevance because of the change in eligibility rules. A wide range of other housing repair and social initiatives have been piloted, but few have been adopted widely eg. Care and Repair, Home & Dry Property Care (Walsall MDC), Staying Put, Neighbourhood Revitalisation. These have been extensively evaluated by SAUS (Leather and Mackintosh, 1993a and 1993b);

fiscal and educational initiatives. These are mostly still merely being advocated but include reintroducing MIRAS for repairs, equity share loans, fixed interest or subsidised loans. Emergency repair services paid for by annual subscription already exist and could be extended to insurance against costly repairs. Surveys and educational initiatives linked to care and repair services have also been proposed.

private and housing association leasing and management. These schemes temporarily transfer stock to social housing agencies who necessarily repair and improve them.

6.3 THE REGIONAL EVIDENCE

6.3.1 The EHCS and Census, combined with data from local authorities own surveys, could be analysed to provide an accurate view of the extent of unfitness and disrepair in the Region. This would need to be reinforced by detailed surveys in selected locations to validate these findings and relate them to tenure, social, demographic and economic circumstances of occupiers.

6.3.2 For those authorities whose housing needs assessments include questions about fitness, maintenance and income, these could be re analysed to provide spot pictures of the situation in the West Midlands.

6.3.3 Action research evaluating the Saltley Renewal Area initiative and the Walsall Care and Repair Scheme are noted above.

6.4 RESEARCH IN PROGRESS

6.4.1 The DoE funded research into the effectiveness of the Saltley Renewal Area initiative has just been completed and is due to be published shortly.

6.5 COMMENTARY

6.5.1 Expressed in its strictest form, there is no evidence that specific initiatives to widen home ownership have affected the long term maintenance of the housing stock. Even if expressed more widely, to embrace all those on lower incomes who are now owner-occupiers, there has been no specific or credible research.

6.5.2 In our view, there are likely to be larger scale economic and social changes taking place, which will be far more influential in affecting maintenance behaviour and expenditure. Landlords and home owners have consistently failed to spend enough to secure the long term maintenance of the stock. One of the key findings from vacancy research and elsewhere is that the turnover of houses and the constant 'renewal' of ownership is the strategic driving force in repair and improvement of individual homes. The changing age-structure of the population is also likely to be a key factor in future maintenance behaviour.

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