The significance of 'substandard' dwellings in the housing market: the case of Newcastle Upon Tyne

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THE SIGNIFICANCE OF 'SUBSTANDARD' DWELLINGS IN THE HOUSING MARKET: THE CASE OF NEWCASTLE-UPON-TYNE

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A B S T R A C T

This research focuses upon the problem of substandard housing and the significant part it plays in the housing market. Empirical evidence is derived from a case study of the inner city of Newcastle-upon-Tyne, England and is based upon a questionnaire survey. The work is divided into five parts.

Part One introduces the nature of the 'housing problem'. Important features are the rate of 'substandardisation', and the link between poor conditions and the private rented sector. The threefold nature of the housing problem is introduced, that is; the existence of poor housing; the relationship between the housing market and other markets and the behaviour of individuals in the housing market.

Part Two addresses the question of why poor housing exists. It begins with a review of previous analyses of the housing market and concludes that an approach based on political economy is likely to be the most successful. Subsequently the nature of housing both as a 'commodity' and a 'need' are examined along with the relationship of the state to problems in the economy. A principal conclusion is that poor housing is inevitable under capitalist relationships of production and that conventional state intervention cannot sufficiently displace the housing problem. In this context the history of state action towards a solution of housing crises is explained.

Part Three examines the operation of the housing market in relation to other factors affecting 'quality of life'. Deprivation is examined from both socio-economic and spatial perspectives in relation to housing situations. This is followed by an examination of deprivation in Newcastle-upon-Tyne. Here a factor analysis extracting 11 factors followed by a second order factor analysis identifies 3 higher order factors. These describe the dimensions of deprivation in Newcastle. Crucial to this work is the identification of a 'disfunctional inner city'. From this analysis the operation of social classes in different markets is examined in relation to various institutions that control access to resources and hence may add to relative deprivation.

In Part Four the behaviour of individuals in the housing market is examined in relation to their perceptions and experiences arising from the operation of the processes described in preceding parts. Residential relocation studies are reviewed and a conceptual model of relocation is derived based upon constraint.

This model is then tested in relation to Newcastle-upon-Tyne and found to describe the observed situation satisfactorily. A principal determinant of location is identified as the search procedure adopted by an individual household and evidence is presented showing that the worst conditions are occupied by those who adopt inefficient search procedures. Alienation from a particular dwelling does not however lead to alienation from neighbourhood.

Part Five concludes that substandard housing need not represent a significant part of the housing market, and explains various measures that might alleviate the problem in a mixed economy. All involve increased state activity in spheres such as the production of low cost housing, further controls on the private rented sector and acting as an impartial provider of housing market information.

P R E F A C E

The research included in this thesis is presented for the degree of Doctor of Philosophy in the Geography Department of the University of Durham.

Like any long standing research project certain problems are evident with the submission of the final version and I would like to draw attention to some of the most obvious. First, data for the factor analysis in Chapter Six is derived from the 1971 Census. This, of course, will soon be superseded and the results of such an analysis may change. Nevertheless the processes identified in the analysis are valid in that they interact, albeit on different scales, to produce the type of relationships identified in this work.

Similarly the empirical data was collected in 1980. The actual proportions might therefore vary if the exercise was repeated now. It is unlikely however, that the general findings would show any significant differences.

Problems of data are more varied than these terporal considerations suggest. At one stage in the research it was intended to investigate the activities of the builders who actually provided the housing under study. Such an investigation would have complemented the work currently included in Chapter Three. Unfortunately many weeks in the Tyne and Wear Archives showed this to be an impossible task if sufficient weight were to be given to the other questions addressed in the thesis.

A further dilemma throughout the work has been the relative importance of 'radical' and 'practical' solutions to the problem of poor housing. Whilst I hope 'radical' solutions have been given sufficient discussion, it will be seen that 'practical' possibilities are given more emphasis in the concluding chapter. This is because I believe researchers should try and put back some practical ideas into society for the resources they have taken out.

I would like to thank many people who have helped me in the completion of this work. Ray Hudson has been my supervisor and has consistently provided constructive criticism and advice. Peter Taylor similarly has helped me in my time at Newcastle and Durham. Others who deserve mention are Mum, Dad, Ann, Dick, Jane, Peter, Ozzy and friends. Mrs Doris Walkley typed the manuscript under trying circumstances. Many, many thanks.

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To everyone. As the great man says .....

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CHAPTER ONE

INTRODUCTION

In Britain, we are supposed to live in a 'caring society'. Yet certain social problems [illegible] appear to be one of those phenomena which, like the poor, are always with us. It has been the subject of a seemingly perpetual debate in government, the media and in universities. Legislation can be found dating from the nineteenth century providing for the housing of the most impoverished members of society. Curiously, the nature of the problem has changed over time, but a permanent solution would still appear to be in the realms of fantasy. Indeed, one is prompted to suggest that the housing problem is, in fact, unsolvable.

Certainly, the worst housing of even ten years ago has been, largely, eliminated. Unfortunately however, it is not only the very worst housing that is unfit for habitation. In Britain today, there exist many thousands of dwellings that can be regarded as substandard but which are still inhabited. Pickup (1975) observed that:

> "In the Autumn of 1971 there were about 1.2 million unfit dwellings in England and Wales. The 1971 House Condition Survey indicated that between 1967 ...... and 1971 we generated new slums at the rate of about 80,000 a year."

Taking into account the number of dwellings that, although not unfit, were badly substandard, the same author estimated that three million homes, (that is, one in six) were in need of substantial improvement.

By 1976 the problem still existed on a similar scale. The House Condition Survey of that year showed that there were still 794,000 dwellings classified as unfit. It also contained the estimate that 2.6 million households in England lived in dwellings that were in need of rehabilitation. Such a figure represented 16 per cent of the total number of households. Of those dwellings classified as being actually unfit for habitation, the position

in 1976 relative to that in 1971 is interesting. 42 per cent (4[illegible]1,740) of those dwellings that were unfit in 1971 were still unfit in 1976. 40 per cent (3[illegible]7,600) of the dwellings that were unfit in 1976 had become [illegible]. Thus, between 1971 and 19[illegible] slum [illegible] rate [illegible] 6[illegible] a year.

At first [illegible], [illegible] lies the essence of the housing problem. A [illegible] cannot be regarded simply as a physical structure that remains the same for approximately 100 years. Housing has economic, social and political significance and the standard of housing which society defines as being acceptable, [illegible] continually rises. At the same time individual dwellings age, decay and become increasingly unattractive for habitation. This being the case, [illegible] the housing problem is indeed an ongoing one, drawing its dynamism from the adjustment of a continually progressing society and solvable only by a constant, and intially massive, rebuilding and/or improvement programme. But since the second half of the nineteenth century successive governments have implemented programmes of these types and the housing problem is still with us.

The failure of approaches based simply upon expanding the physically acceptable stock of housing implies that there are wider issues to be considered in the housing problem than simple numbers. Consequently, straight from the outset of this work it is useful to draw a distinction between the provision of houses - that is the actual existence of a dwelling at a given location, and the allocation of those houses - that is the set of mechanisms and procedures that provide the means for households to occupy those houses.

It is an obvious fact that not all houses are of equal quality. However, given that there exists good, bad and indifferent housing, we can discern certain trends in the way in which the market functions. In Britain, for a considerable time, there have been more houses than there are households.

In December 1977 there were 17,224,000 dwellings compared to 16,284,000 households[1] - a net surplus of 5.77 per cent. Also Table 1.1 shows that it is in the private sector of the housing market that the slum problem is paramount. More particularly it is the private rented sector. Indeed, while in 1976 the private rented sector accounted for only 15.5 per cent of the total housing stock, it contained 42 per cent of all unfit dwellings.

Table 1.1 Tenure of unfit dwellings 1976

Source: House Condition Survey 1976.
Numbers are in 000's.

Owner Occupied		Council		Private Rented		Vacant		Total
No.	%	No.	%	No.	%	No.	%	No.
263	33.12	46	5.79	334	42.07	151	19.02	794

While it is increasingly apparent that the public sector contains many dwellings which are problematic, these problems tend to be associated with the design of the dwellings and the environment, rather than with the actual standard of the dwellings. Only 5.79 per cent of those houses that were unfit in 1976 were owned by local authorities. In this work therefore, we are concerned with the private rented sector.

A major aspect of the problem is that, despite the net surplus of houses in Britain, the worst housing tends to be occupied while better housing is vacant. Although the means that determine what actually constitutes the worst housing is debateable, a rough guide is that it is that housing which is about to be demolished - because it is sufficiently poor as to make improvement impractical. It is very seldom that the demolition of an area is not preceded by a rehousing programme. Hence, we have the worst physical stock inhabited until its final demise. Again, the link with the private rented sector is apparent as, between 1971 and 1976, 79 per cent of all demolitions involved dwellings that had been rented from a private landlord.

1 National Dwelling and Housing Survey, 1978.

It is to the problem of why substandard dwellings represent a significant part of the housing market that this work is addressed. In particular we are concerned with the private housing sector of Newcastle-upon-Tyne - an industrial city which is the economic centre of a major conurbation in North East England.

Cullingworth (1973, pv) has stated that:

> "Advances in policy come about only when public understanding provides a stable base for action."

The housing market and the housing problem, as we have said, are particularly complicated phenomena. Each of the three principal forms of tenure - owner occupation, council and private renting - has its own set of characteristics in terms of the economic and social relationships associated with the construction and occupation of a dwelling.

The last century has seen a massive increase in the level of owner occupation and renting from local authorities. Consequently there has been a decline in the amount of renting from private landlords. Whereas in 1914 about 90 per cent of all dwellings were let by private landlords, by 1979 this had fallen to 13.9 per cent[1]. The sector did still contain some 2.5 million dwellings however. In Newcastle the proportion is higher and in 1971 the private rented sector accounted for 28.3 per cent of dwellings, compared to 19.3 per cent nationally. This sector is of particular interest for three principal reasons. First, the way in which it functions in relation to other aspects of urban life is far from perfectly understood. Secondly, as we have seen, it consists of the worst housing stock, and thirdly, it also represents the most disadvantageous form of tenure for the occupants of it. The owner occupier pays for the use of a dwelling - but also retains the exchange value of that dwelling and can realise this as and when he requires. The council tenant, while he does not have the right to sell his house, has a range of benefits that the private tenant does not. The standard of his dwelling is

1. Local Housing Statistics for England and Wales, Nov. 1980.

guaranteed building standards. Until housing revenue accounts were pooled (see Chapter Four) he also lived at highly subsidised rents. The private tenant however, simply pays for the use of a dwelling and often has to endure substandard conditions.

The statement quoted above by Cullingworth would appear to have some validity in the housing field, as shown by the failure of policies to increase the acceptable stock. In fact, it would seem that there are three fundamental aspects of the housing problem. First, and most readily apparent, there is the problem of poor housing per se. Why does bad housing exist? Second, given the existence of poor housing, there is the problem that certain tenants and various other phenomena tend to be associated with it. Housing is in fact part of the deprivation syndrome. To understand this aspect of the problem we must examine the relationship between housing markets and other markets. Thirdly, there is the problem of the way in which the individuals in the housing market behave in it. The laws of supply and demand do not adequately explain why, in a housing surplus, the worst is occupied. It is only when the inter-relationships between these three distinct aspects of the problem are understood that advances in policy can be made.

The organisation of this work, therefore, reflects the threefold nature of the problem. Part Two examines why bad housing actually exists. In Part Three we investigate the wider context of housing and in Part Four our focus is the resultant behaviour of individuals in the housing market. Part Five contains our conclusion. The empirical work presented in this research is derived from an investigation of Newcastle-upon-Tyne and some initial explanation of this choice is merited.

Although it was the commercial centre of Tyneside prior to the industrial revolution, the addition of an important industrial basis to the local economy founded upon coal mining, shipbuilding and other heavy engineering industries

led to rapid expansion in the nineteenth and twentieth centuries (see Chapter Six). Newcastle is not untypical in that industrial development led to the production of a large amount of working class housing for rent. Even in 1971 there remained a concentration of privately rented housing in the central area of the city, as is found in many other industrial centres.

In fact, the private rented sector in Newcastle was, in 1971, larger than in many other urban areas of comparable size. Only in Greater London and in Liverpool did the private rented sector account for a larger percentage of dwellings, although the proportions were similarly large in other major industrial cities such as Manchester, Nottingham, Hull, Leicester, Sheffield and Plymouth as Table 1.2 shows. Because of this concentration of private rented housing, Newcastle is an ideal location for the study of the processes leading to the occupation of substandard housing, given the link between the private rented sector and poor conditions suggested above. The city offers certain benefits compared to other cities for such a study. Greater London, for example, is not representative of the more general situation in England and Wales regarding substandard housing, as it is the only area where households outnumber houses (see Tables 7.1 and 7.2).

The choice of Newcastle-upon-Tyne as an area in which to study housing market processes, is further justified on account of the nature of housing policies that have been pursued during the twentieth century. In Chapter Four the form in which the state has intervened nationally in house production is explained and this has been mirrored in Newcastle. The first direct intervention in house production came in 1904, (CHP, 1976a) since when council provision has increased to account for almost one half of the total housing stock. This increase has been complemented by other conventional clearance and improvement programmes, yet, as we will show, a 'housing problem' remains. Such processes, of course, are not unique to Newcastle and Table 1.2 shows a number of other cities with a large public housing sector. In addition though, we like, for example,

Table 1.2. Percentage of dwellings under different tenures in urban areas with populations greater than 200,000 in England and Wales, 1971.

Source: Household Composition Tables. Part III (10% Sample).

	Percentage		
		Rented from:	
	Owner Occupied	Council or new town	Private landlord or housing association
Greater London	46.5	26.9	26.6
Birmingham	46.8	38.7	14.5
Liverpool	35.1	38.3	26.6
Sheffield	42.4	39.5	18.1
Manchester	38.7	37.2	24.1
Leeds	45.7	39.8	14.5
Bristol	53.0	33.7	13.3
Teesside	51.8	38.3	9.9
Coventry	64.8	23.5	11.7
Nottingham	28.5	47.9	23.6
Kingston-upon-Hull	35.2	41.5	23.3
Bradford	62.1	26.9	11.0
Stoke-on-Trent	52.7	34.6	12.7
Wolverhampton	44.5	45.1	10.4
Leicester	49.3	32.2	18.5
Cardiff	53.7	30.0	16.3
Plymouth	46.9	31.6	21.5
Derby	56.8	30.0	13.2
Newcastle-upon-Tyne	30.5	43.4	26.1
Sunderland	33.8	52.9	12.3
Southampton	50.2	33.5	16.5

These figures are derived from the 1971 Census 10% sample. They do not, therefore, equal exactly those quoted for Newcastle taken from the 100% survey.

THE TOPOGRAPHY OF THE ESFAHAN REGION AND THE AREA TO THE WEST

Key

- <1500m.
- 1500-2000m.
- 2000-2500m.
- 2500-3000m.
- 3000-3500m.
- 3500m.+
- Agricultural area
- Urban area
- Stream
- 1522 Spot height
- Contour

0 5 10km.

51°00′ 15′ 30′ 45′ 52°00′ 15′ 52°30′

33°00′ 15′ 30′ 45′ 32°00′

SHAH KUH RANGE

KOHRUD RANGE

OSIN RANGE

ZAYANDEH RUD

Homayounshahr

ESFAHAN

Najafabad

Riz

1853 1877 2985 2581 2215 2044 2775 2511 2473 2953 2230 1769 1612 2021 2231 2418 2450 2481 2098 2396 1726 1557 2155 2534 2030 1522 2360 2161 2331 2545 1482 2057 2710 2608 2547 2433 2671 2072 2299 1976 3141 3035 2303

Liverpool, in which the Liberal Party has recently held control of the local council, Newcastle has always been controlled by either the Labour or the Conservative/Progressive Party (which have held control for 16 of the 38 years of the post-war period) and in this sense is more representative of the national political situation.

A further reason for the choice of Newcastle-upon-Tyne as an area for the study of housing market processes lies in the ethnic composition of the population. Certainly in 1971 there was, and to a lesser extent now there is, no particularly large ethnic minority. The absence of a large ethnic minority (in 1971 less than 20 enumeration districts contained more than ten per cent of households that were foreign born - see Figure 6.3) enables one to concentrate on the more fundamental <u>housing</u> processes.

Within Newcastle-upon-Tyne, as in other cities, housing problems and deprivation in general are most evident in the inner areas. That does not, of course, imply that such problems are absent in other areas or, indeed, in rural areas. The Final Report of the Liverpool Inner Area Study made the valid point however that although,

> 'they do not even contain a majority of those who are deprived, ... they do contain the greatest concentrations of deprivation in Britain today.' (DoE, 1977a, p1)

The instigation of the Department of Environment Inner Area Studies and Community Development Projects, singling out the areas for special treatment by central government, shows a recognition of this fact. The analysis presented in Chapter Six reinforces this spatial dimension of housing problems in Newcastle-upon-Tyne and it is this area of the city in which the empirical analysis has been undertaken. We begin our analysis however, with a discussion of the ways in which explanations of the housing market have been attempted.

PART TWO

THE EXISTENCE OF POOR HOUSING

CHAPTER TWO

ANALYSIS OF THE HOUSING MARKET

We have introduced this work by emphasising the fact that it is more than the number of dwellings which constitutes the housing problem. In many respects, however, a preoccupation with numbers is understandable on behalf of governments. Governments have an obligation to provide solutions to the social problems that exist. They also have an internal obligation to themselves to be seen to be solving these problems. Building, improvement and slum clearance programmes are tangible evidence that action is being taken towards a resolution of the housing problem. Attempts by academics to understand the housing market are not constrained in such a way however. Consequently, we might expect more attention to the processes at work in the market rather than to the specific manifestations of general problems at particular times. Duncan, (1971) points out however, that

> "far more is known about the structural quality of the dwelling stock and the way in which this has changed and been improved than of the manner in which the housing market operates or responds to changes in the general social and economic climate" (quoted in Pritchard 1976, p6)

Until recently geographers have been particularly guilty of allowing this to happen. As Kirby (1979, p14) says:

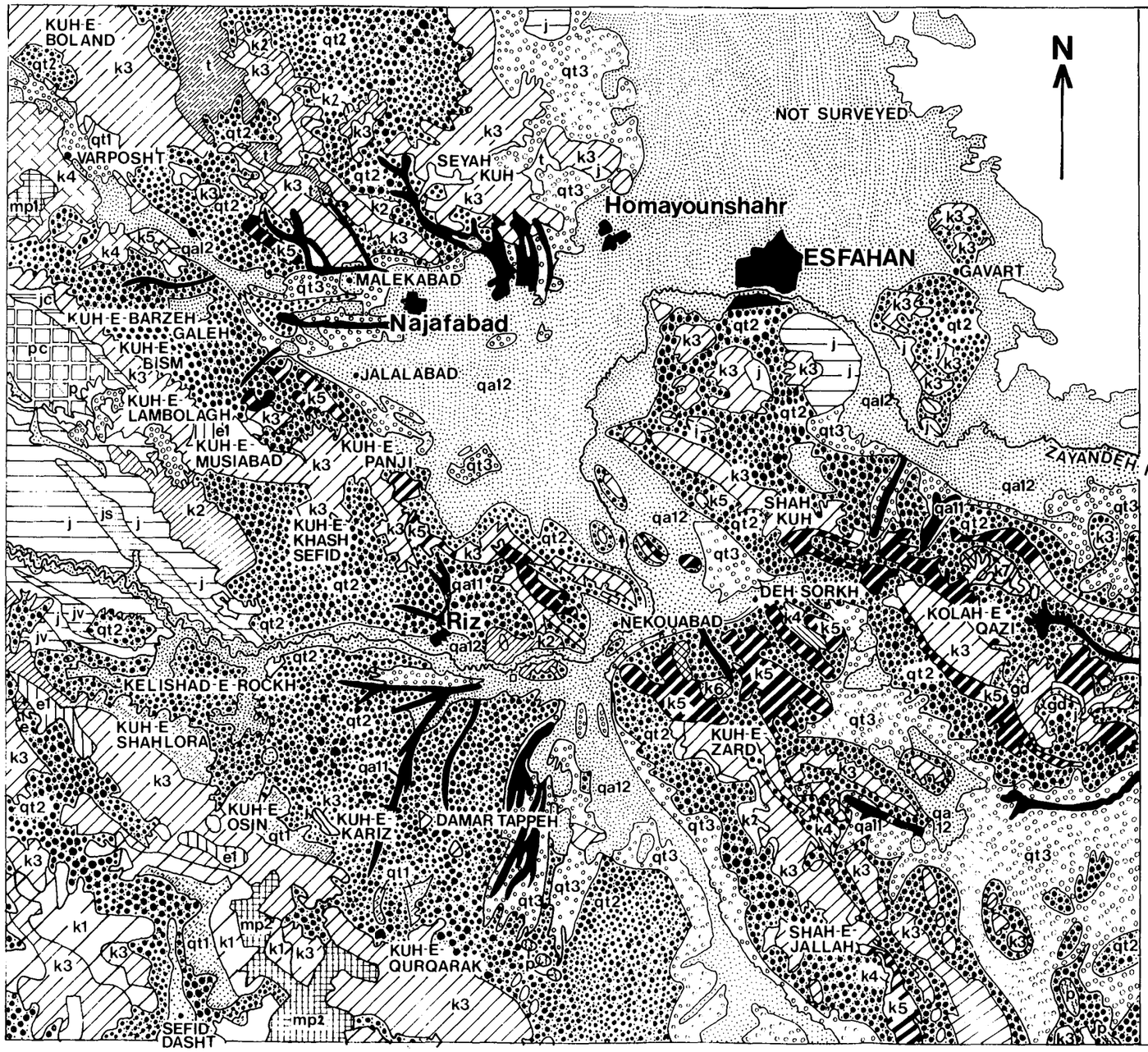
> "Geography has never concerned itself deeply with the question of housing."

Instead, there has been a more general concern with the evolution of urban areas, and any theory as it stands is more related to urbanism in general than to housing in particular. Two main approaches are worth mentioning - the morphological and the ecological.

Indicative of the morphological approach are the elements that Smailes (1953) believed to be essential to a geographical analysis of urban areas;

> "differences in either or both of these intimately related aspects of urban morphology, function and form, give a basis for the recognition of urban regions. It is the description of their nature, their relative disposition, and their social interdependence that constitutes a geographical analysis of an urban area." (quoted in Pritchard (1976, p7)

THE GEOLOGY OF THE CENTRAL AND WESTERN AREAS OF THE ESFAHAN REGION



Key

QUATERNARY		qal2	Agricultural areas
		qal1	Flood plains and recent river deposits
		qt3	Young terraces and gravel fans
		qt2	Gravel plain ("dasht") Subrecent terraces
		qt1	Old terraces
NEOGENE	MIO-PLIOCENE	mp1	White sandy porous limestone
		mp2	Conglomerate
EOCENE	Lutetian	e	Nummulitic and conglomerate limestone
		ef	Conglomerate with intercalations of nummulitic limestone
CRETACEOUS	Albian	k7	Calcareous grey shale
	Lower Albian	k6	Thin-bedded yellowish brown weathering limestone
		k5	Marly limestone
	Upper Albian	k4	Grey shale with interbedded orbitolina limestone
		k3 k2	Orbitolina limestone
	Barremian	k1	Yellowish and brownish sandy dolomite Sandstone
JURASSIC	Kimmeridgan	jv	Andesitic volcanics
		js	Sandstone containing intercalations of shale
		j	Shale
		jc	Conglomerate, sandstone and shale
	TRIASSIC	t	Dark grey shale
	UPPER PERMIAN	p	Limestone, dolomitic limestone and dolomite
	PRECAMBRIAN	pc	Schist, gneiss and metamorphosed volcanics
		gd	Granodiorite (Jurassic)

0 5 10 15 20 Kms

There are many deficiencies inherent in such an approach of which the treatment of housing is a good example. A dwelling is not treated as being a product of social forces and subject to political pressures, but simply viewed as a structure to be classified in terms of its age and size et cetera. Indeed, although the morphological studies have produced very detailed studies of the development of urban areas, see for example Conzen (1960) , this lack of attention to the social forces that produce the spatial patterns studied leave the approach sterile in explanatory power.

The alternative approach adopted by geographers is, perhaps predictably, almost antithetical to the morphological approach. The ecological perspective - arising from the University of Chicago in the 1920's was very much process oriented, and the subsequent developments from the original premises have been very influential in geography.

Led by the triad of Park, Burgess and McKenzie the ecologists were greatly influenced by the work of Darwin and plant ecologists. Basically, Park argued that as man is an organic creature he is subject to the same laws as govern the organic world. Of these laws the concept of competition was paramount.

> "Man competed for limited space and for access to the most desirable location for his residence and for his business activities. Such competitive activity was reflected in land values which, through the price mechanism, sorted out like types of person into similar sorts of areas." Robson (1969, p10)

Also crucial to the plant ecologists was the concept of dominance, whereby one species exerts a dominating influence upon those in the local environment. The early ecologists saw the expression of this in the city as the Central Business District, where competition to locate in the most accessible area between business concerns led to rising land values near the centre and ;

> "in turn affects the disposition of other elements within the urban complex." Robson (1969, p11)

Directly related to the concept of dominance were those of invasion and succession, which Burgess (1925, p50) defined thus:

> "The tendency of each inner zone to extend its area by the invasion of the next outer zone. This aspect of expansion may be called succession."

whereby residential areas were invaded by business and industrial undertakings and higher class residential zones were invaded by lower income groups.

All of the various concepts were united in the famous concentric zone model of urban growth advocated by Burgess which contained five zones. At the centre was the Loop which, in Chicago, Burgess viewed as the Central Business District. This was surrounded by a zone in transition;

> "in which invasion or incipient invasion by commerce and business led to a fall in residential desirability and the existence of a cheek-by-jowl mixture of land uses: industry, commerce and business intermingled with high density, highly subdivided residential accommodation, occupied by the poor and the undesirable." Robson (1969,p13

Having at one time formed the periphery of the city these houses were often substantial, but their value, once in this zone, was only a potential value dictated by the desirability of the area for invasion by business. Consequently repair and renovation would be unprofitable(as a result of the short life expectancy) and the maximum revenue that could be extracted from the properties lay in a massive subdividing.

The third area was inhabited by the working class that had managed to leave the slums but who desired or needed to remain close to work. Beyond this lay the residential zone with a largely 'middle class' population in higher class housing and,finally,beyond this zone lay the commuting zone where satelite towns and suburbs were found up to a maximum journey to the Loop of some 30 - 60 minutes duration.

Certainly, since the 1920's the model has been the subject of much criticism (for a summary of these critiques see Carter, 1975; Robson, 1969), most of which need not concern us here. What is important,however,is that the treatment of housing is implicit. It is seen as one of three types of land uses, each competing against each other and against the dominant land uses, commerce and industry, for space. As such it ignores the concept that there are three

aspects to housing problems. The reason for substandard housing, the social forces in society and the behaviour of individuals in the market are all subsumed by the parallels with plant ecology. These have been described by Abbott (1936) as;

> "theories which seem to be purely theoretical and not realistic" quoted in Robson (1969, p14)

and certainly, as a theory of urbanism and of socio-spatial patterns, the concepts used are at best over simplifications and at worst incorrect. The notion of competition between groups and between land uses is, however, an exception that has subsequently been seen to be useful and can be incorporated into more sophisticated analyses - a point to which we shall return in chapter seven.

For comprehensiveness one must mention two other schemes of urban land use that have been given some attention by geographers - the sector scheme of Hoyt (1939) and the multiple nuclei scheme of Harris and Ullman (1945). Hoyt, after an examination of residential rent patterns in 25 American cities, concluded that direction was the controlling influence upon land use rather than distance from the centre. High quality residential areas, for example, did not spring up at random on the edge of cities, but once established near the centre expanded along lines of communications to produce a sector. Similarly, industry would expand along communication lines in one direction producing another sector and so on.

Harris and Ullman's multiple nuclei model represents a further step away from the generalisations of Burgess. They note that most urban areas do not grow from a single nuclei located at their centre but, rather, are formed from the fusion of several originally distinct nuclei. Very simply, these nuclei would become specialised as growth continued and the spatial arrangement of urban areas would be dependant, not upon distance or direction, but upon history.

Of the three models it will be seen that the most realistic description

understanding the housing market we would be well advised to look elsewhere. As we have said, treatment of housing in all three models is implicit rather than explicit, allowing Kirby's statement (quoted above) to stand.

Economists as well;

> "have found the city in general, and the urban housing market in particular, a peculiarly intractable problem" Pritchard (1976, p12)

However, Kirwan and Martin (1971) make the point that the housing market is an economic system with housing allocation related to, amongst other things, income and price. Therefore, they conclude, an economic approach to the problem of modelling the housing market is justified. Nevertheless;

> "The economist armed with his kit of familiar tools is likely to be confused and bewildered when asked to dissect the city" Richardson (1971, p14)

Economists have, however, produced a voluminous amount of literature concerning residential location decisions and the housing market. Those which have received the most attention are what Hoover (1968) has named the 'access/space trade off' models, of which the scheme advocated by Alonso (1964) is the most famous. Such models adopt a micro-economic approach with the household as the basic utility maximising unit.

Essentially the model is based on the (undisputed) fact that each household has at its disposal a certain amount of income which places a restriction on potential locations of the form:

> "Individual's income = land costs + commuting costs + all other expenditure" (Alonso 1964, p19)

Given the constraint of income however, the rich will tend towards the outskirts of a city where land is cheaper, buying more units of land but using more of their income upon travel. As Alonso has stated,

> "it can be shown that, given two individuals of similar tastes, both of whom prefer living at low densities, if their incomes differ, the bid rent curves of the wealthier will be flatter than those of the man of low income. Therefore, the poor will tend to central locations on expensive land and the rich to cheaper land on the periphery. The reason for this is not that the poor have greater purchasing power, but rather that, at any given location the poor can buy less land than the rich, and since only a small quantity of land is involved, changes in its price are not as important for the poor as the costs and

> inconvenience of commuting. The rich, on the other hand, buy greater quantities of land, and are consequently affected by changes in its price to a great degree. In other words, because of variations in density among different levels of income, accessibility behaves as an inferior good." Alonso (1960).

That is,

> "the rich are price oriented whereas the poor are location oriented" Alonso (1964, p109)

Although such a brief description of the model does not do it justice, certain merits that it possesses are immediately striking. Kirby (1979) points to the fact that it ties up with established work such as the rural land use analysis provided by von Thünen, while Richardson (1971, p22) finds attractive

> "its emphasis on a household's rational calculations of a choice between more space and/or cheaper housing on the one hand, and shorter journeys to work and greater accessibility on the other."

Further, the same author notes that the price of transportation to the city centre does increase with distance from the centre while site prices decline with distance. Kirby (1979), on the other hand, points out that the analysis is concerned with land and not housing, and empirically it can be observed that house prices do not decline in price 'rationally' from the centre, assuming equal amenities of each dwelling.

Further criticisms can be levelled at the model. As Richardson (1971) suggests, the model becomes much less convincing if the assumption of centralised employment opportunities is relaxed and hence, in principle at least, transport costs are less in some peripheral areas. Perhaps even more damning are the assumptions that individuals have freedom of choice and near perfect competition. Neither assumption can be satisfactorily substantiated. Richardson (1971) points out that in many cases there may be a time constraint upon a household as it chooses a dwelling. Further, within an urban system location may actually be physically constrained, in the way discussed later in Chapter Five, due to the necessity for proximity to work. In this case location is a matter of constraint and not choice. Harvey (1973) also considers the matter of choice and suggests that models of this type discount the monopolistic qualities of space in some important respects. He assumes a given

number of houses and households in an urban space and then considers the emergence of land use patterns to be a sequential space packing problem, drawing an analogy with filling seats sequentially in an empty theatre. The first entrant has a choice of all n seats, the second n - 1 and so on until the last entrant has no choice, but must take the only vacant seat. By assuming that the housing market is entered in order of bidding power, then the poor are to be found located in the housing that is left after richer groups have exercised their choice. Hence, freedom of choice is a tenuous concept on which to base a model of urban processes.

At a more pragmatic level and with particular reference to Britain, the assumption of perfect competition is untenable due to the activities of local authorities in the housing market. This has led to large areas of working class municipal estates on the periphery of cities. Further, if we only consider owner occupiers, there is evidence that the utility maximising behaviour of the household is not only related to accessibility/space trade offs. As Richardson (1971, p26) states;

> "in the vast majority of cases the location decision will be ultimately determined by choice of a particular house rather than by choice of location near work".

while in the USA, Stegman (1969) found that;

> "the moving behaviour of approximately four-fifths.....(of a survey of 841 families moving between 1961 and 1966).....of the households is beyond the jurisdiction of the accessibility oriented location models."

Indeed, the survey suggested that;

> "Neighbourhood considerations were more significant in location decisions of suburban families than were considerations of accessibility and, to a greater extent, characteristics of the dwelling units themselves." Stegman (1969)

Richardson (1971, p27) attempts to incorporate such considerations in a model of residential location taking the form

$$a_i Y_i = J n_m e^{-Kd_{om}} q_m$$

where $a_i Y_i$ is the amount that a household will spend upon a house, n_m is an index of environmental quality, d_{om} is the distance from the city centre

to location m and q_m is the quantity of housing purchased at m. J and K are constant and e is the usual Naperian logarithm. Muth (1969) also allows for the effect of preference variations and incorporates other variables such as different house types, supply, separation of the bid price for housing and housing land et cetera. However, while Heilbroner (1970) is perhaps over-committal in stating that economics has 'rigor but alas, also mortis', the fact remains that there are many observable spatial patterns which the neoclassical economic models do not adequately describe.

Furthermore, the models do not explain the existence of bad housing and hence, at best, can only describe the processes that occur in the housing market at a superficial level. The considerations outlined above excepted, such models can only describe what happens and not why it happens. Against this however, such approaches are useful in that they emphasise the fact that some decision making process occurs at the household level and that for different income groups the constraints upon that decision are different.

An alternative to the micro-economic approach of Alonso, Muth et al is provided by the probablistic approach of 'social physics' (Kirwan and Martin, 1971) - spatial interaction models which utilise the gravity model (a term considered by Senior (1973) to be outdated and misleading) and entropy maximising (Wilson, 1967) which relates macroanalytical techniques to micro-situations (Wilson, 1970). Many formulations of the basic model exist (Lowrey 1963, Wilson 1969, Cripps and Foot 1969, Batty 1969, 1970, Echenique et al 1969a, 1969b) which at its most basic levels is concerned with the distribution of the total number of households to residential areas using the basic formula

$$T_{ij} = B_j E_j f(c_{ij})$$

where T_{ij} is the total number of people living in area i and working in j, E_j is the total employment in j, c_{ij} is the inter zone movement cost and B_j is a normalising factor. Using the entropy maximising methods the equation can be derived to yield

$$T_{ij} = A_i B_j O_i D_j e^{-\beta c_{ij}}$$

where A_i, B_j, O_i and D_i, all relate to trip constraints (Kirby 1979, Senior 1973).

In the present form it must be accepted that the model tells us very little (if anything) new about the workings of the housing market, household location being dependant upon journey to work and the probability of movement between areas i and j from home to work. However, the model has been disaggregated (Wilson 1970, Cripps and Cater 1971, Senior and Wilson 1973, Baxter and Anthony 1971, Openshaw 1974) to provide a more realistic model of the workings of the housing market, taking account of such factors as type and price of housing, income, area attractiveness et cetera. However, while the increasing mathematical sophistication of the model may produce more accurate results, (although Senior (1973) notes that empirical testing lags far behind theoretical development) and hence may prove to be of use to planners (Kirwan and Martin, 1971) it does not form an explanation of the workings of the housing market. As Boddy (1974, pp20-21) has stated:

> "These models are concerned with residential location, not the operation of the housing market."

The use of various income groups and housing types in the disaggregated models does, however, lead us neatly towards a consideration of the sociologist's contribution to comprehension of the housing market. Pritchard (1976) notes that the sociological significance of housing is fully established, and a correlation between social status and quality of dwelling has long been recognised (Chapman, 1955).

The recognition of the significance of housing conditions is also to be found in many studies of communities (Bott 1957, Willmott and Young 1957, Collison 1963, for example), but perhaps the most influential contribution towards an understanding of the workings of the housing market begins with the model of housing classes developed by Rex and Moore (1967) and Rex (1968).

The model is an attempt to incorporate generally accepted premises of sociological theory into a model of the workings of the housing market (Pritchard, 1976) and starts from the premise that society consists of groups

and individuals in competition for scarce and desirable resources. Assuming that everyone desires suburban housing Rex suggests

> "that the basic process underlying urban social interaction is competition for scarce and desired types of housing" Rex (1968, p214)

and that individuals are distinguished from each other by their ability to obtain these resources. Rex continues:

> "Max Weber, it will be remembered, relativised Marx's view of the nature of social classes by suggesting that any market situation, and not only the labour market led to the emergence of groups with a common market position and common market interests which could be called 'classes'. We need only qualify this slightly to include groups differentially placed with regard to a system of bureaucratic allocation to arrive at a notion of 'housing classes' which is extremely useful in analysing urban structure and processes". Rex (1968, p214)

Empirically the concept has to some extent been verified by Barbolet (1969). He found, in Kent, that although the occupations of clerk and manual worker provided different degrees of access to the owner occupied sector of the housing market, neither offered sufficient rewards to procure a range of desirable resources such as housing, good access to work and other amenities. That is, despite the superficial differences in their positions, both were placed in the same relatively deprived situation.

In Birmingham, Rex (1968, p215) identifies seven classes;

1. The outright owners of large houses in desirable areas
2. Mortgage payers who 'own' whole houses in desirable areas
3. Council tenants in council built houses
4. Council tenants in slum houses awaiting demolition
5. Tenants of private house-owners, usually in the inner ring
6. House owners who must take lodgers to meet loan repayments
7. Lodgers in rooms

As in the Marxist model of class, relationship to the means of production is vital. In this model, qualifications for a mortgage or a council tenancy are central to the class struggle for housing. Although the allocation of mortgages and council tenancies are based upon different criterion, neither

are universally available,

> "so that either position is a privileged one as compared with that of the disqualified." Rex (1968, p215)

Class consciousness amongst the members of housing classes can become blurred however, and the existing system becomes legitimated by the possibility of movement between classes. This, in Rex's view, tends to transform the class conflict into a status system in the view of the participants.

The model obviously represents an important departure from models and theories based upon income and access only. Criticisms can be made however (see for example, Richardson, Vipond and Furbey, 1975). In particular, the assumption of a collective goal of suburban owner occupation is a debatable one. Also, it has been stated that,

> "any theory of housing as an allocative structure must explicitly incorporate the economic processes of the housing market." Stewart (1973, p209)

and here some link in Rex's theory with income and a more explicit statement concerning the position of institutions in the housing market, such as building societies, developers and government is needed.

A similar classification based upon the means of access, rather than current housing situation, introduces such a link. Pahl distinguishes five housing classes based upon capital differentiation:

1. Large property owners and capitalist speculators
2. Smaller landlords

3a. Owners of sufficient capital to own their own houses and owning

3b. Owners of sufficient capital to own their own houses and renting

4. Those who must rent

Unfortunately the conceptual strength of the classification (quoted in Murie, Niner and Watson, 1977) is the empirical weakness. The concept of those who must rent is a useful one if we are to understand differential access to housing and to other resources (due to the spatial uniqueness of a dwelling), but it is difficult to tell if those who do rent must rent. (Murie et al, 1977).

What we have seen so far is that the various approaches all appear to have some merits, but none satisfactorily explain fully the workings of the housing market. It is interesting to note however, that the model of Rex's;

> "emerges from an attempt to make sense of the processes underlying Burgess's theory of urban zones." Rex (1968, p211)

Certainly what we can see in most cities is that the poor tend to live in the worst housing and the rich tend to live in the best housing. Apart from pointing to economic power as an explanation (and obviously this goes a long way) we cannot say exactly why the patterns exist and what more subtle mechanisms reinforce the overriding constraint of income.

Castells (1977, p146) has observed that the housing crisis is characterised by the fact that;

> "it affects other social strata than those at the bottom of the incomes scale and that it even reaches large sections of the middle strata better placed in other spheres of consumption, but unable to escape the housing shortage..... This shortage ..... corresponds to a relation between supply and demand, itself determined by the social conditions of production of the market commodity in question, that is to say housing."

In many respects, unless the market functions fairly and equitably, then even in a net surplus situation there can be an effective shortage in some sectors due to the mismatch of supply and demand. Council house waiting lists are but one example, and the fact that there still exist homeless people another.

> "Any analysis of 'demands', 'needs' or requirements ..... expresses subjective or ideological commitments". Donnison (1967a, p1)

and this leads us towards a consideration of the 'political economy' of housing.

The political economy approach represents an attempt to understand the processes at work in one sphere from the social and political economic structure of the whole urban system. Put very simply, any urban system is not in a state of equilibrium as neoclassical economist models would imply. It is in a state of permanent disequilibrium (Harvey, 1973) and this is the result of a mismatch between the concepts of need, demand and supply.

It has been observed that:

> "The social concept of need and the economic concept of demand are two quite different things." Harvey (1973, p154)

and because, in the private sector of the housing market, households bid for housing and occupation is based upon the outcome of the supply-demand relationship, then we can say that allocation is unrelated to need. (Boddy, 1974).

Yet, the political economy approach, by emphasising the overall structure goes much further. Apart from focussing upon market disequilibrium it;

> "focuses on..... the access of households to scarce resources and the effects of housing allocation on life chances and the distribution of real income. The social-spatial divisiveness of housing systems is emphasised, the nature of classes in the market examined." Boddy (1974, p38)

Such an analysis is far more penetrating and involves a consideration of many of the institutions in the urban system. The benefits of such an approach seem to be that the behaviour of the individual households in any market situation can only be understood once the operation of the whole structure of the market is satisfactorily comprehended.

Kirby (1979, p21) notes that;

> "housing struggles relate to the class struggle"

but believes the problem for researchers to be one of emphasis. He poses the question;

> "are we keen to explain the social system, or to shed light upon the housing system?" Kirby (1979, p21)

and decides that it is the housing system which is most important. The political economist view as stated above however, is that without understanding the social and political economic structure, the housing system cannot be understood.

It is safe to leave this discussion here rather than to delve too deeply into the methods and concepts of the political economy of housing approach. The basic approach adopted in the ensuing parts of this work is that of political economy in that the social and economic and political context of housing is investigated before we turn to the actions of individual households

in the housing market. The basic principles will therefore be discussed as appropriate.

One further approach should be mentioned briefly however. Although it is not normally explicitly linked with the political economy approach, behavioural studies of the housing market are in many respects complementary to it. This is because the way in which individuals act in a given situation is governed not, as geographers have traditionally assumed, by the physical environment but by the behavioural environment, and the way in which economic and political forces interplay will clearly affect the behavioural environment.

The origins of the approach lie with Kirk (1951, 1963) and Lowenthal (1961) who both advocated the distinction referred to above. The 'phenomenal environment' is the external real world as it exists, while the behavioural environment is the end product after the facts of the phenomenal environment have been organised and evaluated by the individual.

From these beginnings the approach has developed with notable contributions coming from Wolpert (1964), producing a specific case study, and Pred (1967), introducing the concept of satisficing behaviour into location models. In urban studies the approach gained ground due to the failure of factoral ecologies to explain the ways in which specific spatial patterns were created (Bassett and Short, 1980). By directing energies towards individual households as the decision making unit however, the way in which spatial patterns evolve, given the social, economic and political system, can be explained.

Much of the work produced by behaviouralists will be introduced in Chapter Eight when we consider residential relocation, given the constraints of the social system. Here, however, we can illustrate the type of consideration upon which the behaviouralists focus. Michelson (1977), for example, investigated the way in which people found their dwellings and was able to demonstrate that different housing classes adopted different strategies. Indicative of this was the fact that 75 per cent of house buyers inspected at least seven

dwellings during their search, while only 33 per cent of those moving into an apartment adopted such a lengthy search. From this we gain the impression that models of location based upon rational man, or upon some common form of [illegible] by individual households in the housing market, are likely to encounter difficulties.

Bassett and Short (1980, pp38-39) summarise the approach by suggesting that;

> "the results showed that 'residential relocation man' was a far more complex animal than 'neo-classical man.' On the other hand, however, by continuing to assume that the household was the most important unit of study and that housing demand was the crucial element in the housing supply and demand relationship, this type of research offered little more than a slightly more realistic extension to the basic framework marked out by neo-classical economists."

However, if incorporated into a framework that explains the total working of the housing system the behavioural approach is a useful tool for explaining the observed patterns, for certain phenomena can only be adequately explained in relation to the behavioural environment of the individuals that create those phenomena. In the present situation, for example, investigation of the economic, social and political relationships that are bound in the production and allocation of housing take us a long way towards explaining the housing problem. These relationships and concepts involving 'rational man' however, cannot fully account for the worst housing being occupied in a housing surplus situation. Hence we must turn to the way in which inhabitants of that housing perceive the market, given that its basic functioning is explained and is imposed upon these groups. This, therefore, is the approach adopted in this work and we shall examine the behavioural approach more fully in Chapters Eight and Nine. First however, we turn to the existence of substandard housing.

CHAPTER THREE

THE DUAL NATURE OF HOUSING

The most striking aspect of the housing problem is that of poor physical conditions, and in Chapter One we examined data which showed that 4.6 per cent of all dwellings in England were actually classified as being unfit for human habitation. Such a situation cannot adequately be explained solely in terms of the failure of housing programmes designed to improve or renew the housing stock, although clearly, given sufficient impetus such programmes would indeed rectify the problem temporarily. To understand the reasons for the existence of these dwellings we must examine the nature of housing itself and the nature of the social, economic and political system in which they are allowed to exist. Our starting point for such a discussion is that housing is no ordinary good, but rather, has a dual nature. It can be seen as a commodity to be produced for profit and sold in a market situation or it may be regarded as a right of citizenship to be produced and allocated by the state for the benefit of all members of society.

This polarisation of roles is reflected by the fact that in the vast majority of nations the housing sector is a mixture of public and private activity.

> "The nature of the mix varies greatly from nation to nation but the role of government is substantial even in those countries which generally allow the market place the greatest freedom in making economic decisions." Smith (1971, p10)

Certain points arise from this dichotomy which require some elaboration. What, for example, is a commodity and is a dwelling a 'normal' commodity, given that it usually changes hands many times during its lifespan. Although guilty of using a definition out of its' intended context, a commodity may be thought of as a thing whose qualities enable it in some way or another, to satisfy human wants. (Marx 1946). Evidently then any

dwelling, albeit produced for profit, produced to fulfil a social need, or a mixture of both, is a commodity.

The production of commodities has, however, embodied in it certain fundamental social relationships. First, a commodity has a use-value - the utility of the object to any potential consumer. It also has an exchange value - a quantitative amount that the use value of a commodity may be exchanged for, or the amount of capital or other commodities that the exchange of the commodity will realise. The relationship between these two aspects of a commodity's value determine its acquisition and subsequent use. Harvey (1973, p155) quotes Marx:

> "The commodity is a use value, but as a commodity it is simultaneously not a use value for its owner, that is, a direct means for the satisfaction of his own needs. For its owner it is on the contrary a non-use value, that is merely the physical depository of exchange value or simply a means of exchange. ....."The commodity is a use value for its owner only so far as it is an exchange value. The commodity therefore has still to become a use value ..... for others".

There are in any society, however, certain groups who cannot procure the use of a particular commodity simply because they do not have the use of sufficient other commodities or resources which they can exchange. That is, they cannot pay! In a pure market situation two principal solutions to this problem can be envisaged. The suppliers of commodities for exchange may perceive that there is a large group providing a demand for the use of a commodity which is not being met. They may decide, therefore, to produce a sufficient quantity of that commodity which fulfills this demand - a similar commodity with a lower exchange value. This however tends not to happen. Harvey (1973, p154) is but one who has noted that:

> "the social concept of need and the economic concept of demand are two quite different things."

Consequently the alternative 'market solution' to the problem tends to manifest itself - unmet demand and an ignoring of the problem by those who produce

commodities.

With some commodities this would produce relative hardship, maybe even resentment, amongst those groups who do not obtain the use value of commodities. Housing is not a normal commodity however. As well as being a commodity as described above it is also a 'need' - everyone must live somewhere. The market solution would consign large groups of people to hovels and slums, the like of which Engels, Mearns and Dickens wrote. Politically, as well as socially, this would obviously be an explosive situation and so, with a commodity as important as a house, the state is faced with no alternative but to intervene in the market to ameliorate the effects of that market upon the poorest groups.

In Britain the state has intervened in many ways which have regulated the private market. The most striking way however, has been its direct intervention in providing houses which are owned by and rented from local authorities. Whereas at the turn of the century virtually all housing was provided and owned by private individuals - in 1914 approximately 90 per cent of all houses were let by private landlords, by 1976 the public sector accounted for some 34 per cent of all dwelling units in Great Britain. In Newcastle-upon-Tyne the trend has been equally strong. Before 1920 the local authority had completed only 622 dwellings, but by 1973 this figure had risen to 40,953. In percentage terms, 42 per cent of all dwellings in the city were council owned in 1971, and redevelopment of privately rented areas since then has maintained the upward trend in council house provision.

As suggested, this state intervention is not performed simply as a magnanimous gesture to those in need. In Britain, the ideological leanings of the Labour Party, which has done most towards the provision of the services of the 'Welfare State', are undeniably such that the state would interfere in the private market to ameliorate the worst injustices that it can cause. But,

the explanation of continual intervention in Britain, and in nations with no similar social(ist) democratic history is more fundamentally rooted in the structure of society.

Mandel (1975) regards the state as being a product of the social division of labour and this division is itself a product of the capitalist system, with capital and labour diametrically opposed to each other. Much of the argument surrounding the state and the rationale for state intervention is bound up with the process of capital accumulation and we must briefly outline the main thesis of this.

Once the capitalist system has evolved, the capitalist uses his capital to make profits out of commodities which he sells. Ownership of the means of production (acquired through the ownership of capital) enables the capitalist to appropriate the surplus value embodied in a commodity. For Marx, the accumulation of capital was a driving force in society.

This incessant drive to accumulate more and more capital also creates many of the contradictions inherent in capitalist development which are expressed in periodic crises.

It is the state that attempts to prevent such crises. In liberal capitalism,

> "the organising principle was that of the market, which gave rise to a class polarised society and to (the) endemic economic crisis tendencies" Scott (1979)

and the role of the state

> "was to provide, where necessary, the preconditions for continuing capital accumulation" Hudson (1977)

in the private sector. The state

> "did not (however) directly replace market mechanisms or engage in production." Hudson (1977)

In late capitalist societies, conversely, the state is explicitly interventionist (Offe, 1975). Miliband (1969) recognises an economic elite and a bureaucratic elite in society, both of which have common backgrounds, ideologies and interest. The bureaucratic elite controls the machinery of government - that is, performs the duties of the state. Mandel, (1975) considers the three main functions of the interventionalist state to be:

1. Provision of the general conditions for production which cannot be assured by the private activities of the members of the dominant class. That is, to avoid the occurence of economic crises as described above.

2. Repression of any threat to the prevailing mode of production from the dominated classes.

3. Integration of the dominated classes so as to ensure that the ruling ideology of the society remains that of the ruling class.

It is the first of these which led directly to the use of the interventionalist state

> "in response to the requirements of accumulation and legitimisation in the nineteenth and early twentieth centuries." Hudson (1977).

Such a state is differentiated from the liberal version

> "by the inclusion of a productive mode of intervention (to supplement the allocative mode)". Hudson (1977).

In such a way the state is able to de-commodify goods which the private sector finds it unprofitable to produce and which are generally regarded as needs. By so doing, in late capitalism economic crises can in fact appear to be resolved. But in fact, they are merely displaced to the political level. As Habermas (1976, p46) says

> "the activity of the state cannot compensate for the tendency of a falling rate of profit. It can at best mediate it, that is, itself consumate it by political means".

or:

> "The state can regulate the crisis of a market economy, but only by creating persistent administrative and fiscal crises for itself." Scott (1979).

and this is clearly the situation that is born out by the evidence of all late capitalist societies. As Mandel (1975) describes, not only does the state take on the function of providing the infrastructure for continued capital accumulation, but there is also a tendency towards greater amounts of economic planning and towards a socialisation of the costs and losses in a growing number of productive processes.

The same author also considers the growth of social democracy. With the entry of significant numbers of working classes representatives to the 'bourgeois parliament', the political domination of capital was gradually transferred from parliament to the upper levels of the state adminstration, (which Miliband (1969) considers to form part of the same group which owns capital). The general extension of social legislation is seen by Mandel (1975) as being a concession to the class struggle of the proletariat in order to safeguard the domination of capital, at the same time enhancing reproduction of the means of production by assuring the physical reconstitution of the labour force - as in points two and three above.

In terms of housing, the state, even with the ideological leanings of the Labour Party, has been at pains to ensure that the conditions for providing private housing for profit have been maintained. Smith (1971) examines the conditions that are necessary for a private component in the housing sector to function. First he notes that the sector is heavily dependant upon the existence of a set of laws, institutions and public agencies - the superstructure identified by Mandel - for the conditions of production and exchange to be maintained. Amongst these conditions he specifies, the general recognition of property rights, the existence of financial institutions such as building societies to lubricate the exchange system and the provision of other services that make owner occupation a viable proposition (such as roads, education et cetera), which the private sector

cannot adequately fulfil while obtaining the necessary profit and still being able to sell houses.

The state ensures that all of these (and many more) conditions are fulfilled, even intervening to the extent of building and retaining ownership of a third of all dwellings. As we shall see in the next chapter however, only once has the private sector of the building industry been seriously threatened - in the years of Labour administration after World War II. In fact, generally it is the private sector which actually builds the dwellings for the state - at a profit to capitalists.

The relationship we have described between capital, labour, the state and the many institutions which operate in the housing market determine the outcome of the market situation and allow us to explain the existence of bad housing. There are many groups, each of which is involved in the market for different reasons and which have different motivations. Given the dichotomous nature of housing, it is worth putting the actions of these groups into some perspective relating to the concepts we have thus far introduced.

MacMurray and Shoults (1973) present a behavioural analysis of the housing market which differentiates between demand groups and supply agencies on the basis of their behaviour. Table 3.1 shows the main actors that they identify. There are certain parts of their analysis with which we may disagree. The goal of the large private landlord for example, is in their view, 'provision of responsibility to the community.' This assigns to the private sector a function that we have said is taken on by the state, because the private market does not have the ability, or more particularly the motive, to cater for it. Nevertheless, the simple identification of significant actors in the market is a useful step, enabling their inter-relationships to be examined.

Table 3.1 Actors in the housing market

Controlling agencies

Local Authority
Building Societies/Finance Institutions
Central Government

Actors in the demand process	Actors in the supply process	
	(Public Sector)	(Private Sector)
Upper income	Local authority	Developers
Middle income	Housing associations	Landlords
Lower income		

The actions of those forming a demand for housing are more easily understood than are those of the supplying and controlling agencies. Quite simply, they wish to obtain the use value of a dwelling and to do so they exchange money for that use. The amount of money that they have at their disposal largely determines the quality of the dwelling that they obtain. Hence, we obviously expect the most affluent groups to inhabit the 'best' houses and the poorest groups to live in the 'worst' dwellings.

This simple situation is made more complicated though by the existence of the three distinct sections in the housing market - made up of owner occupation, private renting and council renting. As a generalisation it is fair to say that the owner occupied sector is the most desirable for the actors in the demand process. Apart from allowing a return on the initial investment in the form of resale, Gimmie (1974) shows that financial benefits, in the form of tax relief, make owner occupation the most beneficial form of tenure. Ideologically too, there is a national acceptance of Britain as a property owning democracy and all political parties strive to encourage owner occupation.

As we have said, the owner occupier obtains more than the use value of his dwelling. He buys it outright (usually with the help of a loan from a building society or some other financial institution) and consequently

is in a position to realise the exchange value of the dwelling at some future date. The owner occupier's dwelling is, then, part of his wealth. In the private rented sector demand is simple. Here, the tenant pays only for the use of a dwelling. The exchange value of the property is not his to be realised. Instead it belongs to the owner or landlord, whose objective is almost exclusively one of profit. This sector may, then, be seen as the least attractive for those who create the demand for housing. Cox (1976, pp 69-70) observes however, that:

> "The decline of the accommodation provided by the private landlord has meant, then, the threat of removal of the chief roof over the heads of the people about whom mainstream society, well organised in its public and owner occupied sectors, does not want to know - coloured, poor, mobile, young and old. Local authorities, as the bodies mainly responsible for the destruction of the low cost private housing market, (by slum clearance), have a duty to see that there is low cost housing for those who had previously relied upon the private landlord."

The council tenant might seem to be in a similar position in as much as he also only pays for the use of his dwelling. However, the local authority is, in theory, not driven by the profit motive as strongly as is the private landlord. Furthermore, although some control exists over the private landlord and the condition of his property, the council tenant is protected by building and maintenance standards in the public sector. Although 'problem estates' are a very real phenomenon, the physical standard of a local authority let dwelling is reasonably assured. Unfortunately the groups that one would expect to constitute the demand for this sector are not always well catered for. Cox (1976, p 68) further notes:

"For the poorest, council tenancy was simply out of the question."

Given the supposed motive of local authorities this seems somewhat paradoxical. It appears even more perplexing when we remember that the whole 'raison d'etre' of public housing was the provision for the working classes. Indeed, until after the Second World War the law required that local authorities provide housing only for the working classes. This obligation was removed by the 1949 Housing Act.

In addition, the massive growth of the public sector has led to a commensurate growth of housing administration as a 'profession' and this in turn has brought bureaucratic procedures making access to council housing increasingly complicated, involving subjective judgements by housing officials upon the quality of prospective tenants. Grey (1976) examined the allocation of public housing in Hull and found many injustices, while Blair (1970) is led to the notion of an 'elite poor' who gain access to council housing. Taylor (1978) is more specific and examines the pattern of lettings on a problem estate just outside Newcastle, under the jurisdiction of North Tyneside Housing Department. By so doing he identifies different power groups in the public sector who gain access to the most desirable housing. Although ability to pay is no longer an explicit criterion for allocating households to houses, the overall effect is remarkably similar to that in the private sector.

Demand in the private sector is split into groups which gain different benefits and incur different costs from the use of various dwellings. The most affluent stand to derive the most benefits for their investment, and the poor generally incur the most costs in relation to the benefits they extract from the housing market. Indeed, Cox (1976, p 70) concludes that,

> "the problem is not simply a housing problem but a dimension of the poverty and inequality syndrome."

Why this should be is best illustrated by examining the motives of the groups regulating the supply of dwellings in the housing market. In the private sector two main groups regulate the supply of dwellings - developers and landlords. The actions of developers and builders are explained in this work by reference to evidence produced in other studies. At an early stage in the research however, it was intended to investigate the actions of the builders that produced the housing that is now regarded as substandard in Newcastle-upon-Tyne. The potential benefits that such an investigation offered to our discussion of the existence of poor housing per se were twofold.

Firstly, the results of such work would enable us to explain the actions

of the builders in their own right and hence understand why what is now 'poor housing' was originally built. It must be remembered in this context that not all housing built prior to the twentieth century is now regarded as substandard. Similarly, not all housing built today will be thought of as part of the housing problem in, say, 80 years time. Understanding the actions of the builder/developer in the late nineteenth century would therefore lend a historical perspective to the problems surrounding the production of poor housing.

Secondly, as we have said, a house is not a commodity in the normal sense of that word. The subsequent changes of ownership in what is now 'poor housing' following its initial building and the impacts on the quality of that housing stock must remain a matter for conjecture, although clearly, the effect may have been of considerable importance during the house's life. In relation to privately rented houses, however, the quality of the housing relates in important ways to the unprofitability of improvement for the landlord and this will be explained below.

Definitive information on these two aspects of the existence of poor housing could only be gained by a detailed empirical study of a particular area and would rely heavily upon the documentary evidence held in the conveyances and rate books of specific properties. Such an investigation was started and the Town Improvement Committee minutes for Newcastle-upon-Tyne were examined for the years between 1850 and 1910. This enabled a significant number of building companies to be identified who were building houses in a pilot study area during the late nineteenth century. (This area was the last part of the Byker area to be redeveloped.)

All of these builders were, however, small private concerns for whom there is no documentary evidence relating to their building procedures or to their financial circumstances. It was therefore impossible to determine the standards

to which these dwellings were built or the profit embodied in the dwelling from such a source. Conveyances and rate books of course, would provide something of an alternative source for determining the quality and cost of a dwelling. The Tyne and Wear County Archive holds, however, only a small sample of both for Newcastle and the collection is spatially random and temporally restricted to a one year in ten sample. In short, the information for such a study was unavailable (within the time constraint of this research) and hence, secondary sources provide the main evidence for our argument here.

Developers supply the market with, amongst other properties, houses in order to gain a profit which is acceptable to them. That is, they invest capital to obtain more capital. Clearly this requires a realisation of the exchange value embodied in the commodity but, more crucially, it depends upon the rate of profit. Most building firms do not only build houses. In fact only 40 per cent of building work is providing dwellings. The rate of profit of course depends upon the production process per se. Building offices, due to their value and factories due to their speed are more lucrative sources of capital accumulation for the developer/builder. Murie, Niner and Watson (1976) make the simple observation that developers and builders are not socially motivated and hence do not aim to provide a social service.

Obviously, to the builder a dwelling is a commodity like any other. It has to compete in their priorities with more lucrative investments. If the developer does turn to housing though, we can illustrate simply which part of the market he will attempt to supply. The absolute amount of profit will be higher on higher price dwellings, assuming a fixed percentage rate of profit.

The CDP (1976a) provide evidence that such an assumption is valid. They illustrate the breakdown of costs for private housebuilding companies in 1973 thus:

"Land and interest charges 30%
Building works 49%
Interest on stocks 3%
Overheads including selling costs 8%
Gross profit margin 10%

CDP (1976a, p21)

If this is true then obviously the absolute profit will depend upon the selling price. A dwelling sold for £50,000 will yield a profit of £5,000, whereas one sold for £10,000 will yield only £1,000 profit.

The same book in fact presents evidence that gross profit margins cannot be viewed in such simple terms and the 1973 profit margin for 24 large building companies is shown to vary between 10 and 30 per cent. Nevertheless, the notion that private building companies work to an, albeit loosely defined, fixed profit margin reinforces the assumption that the production of low cost housing will not realise as much profit in absolute terms as will building high cost housing.

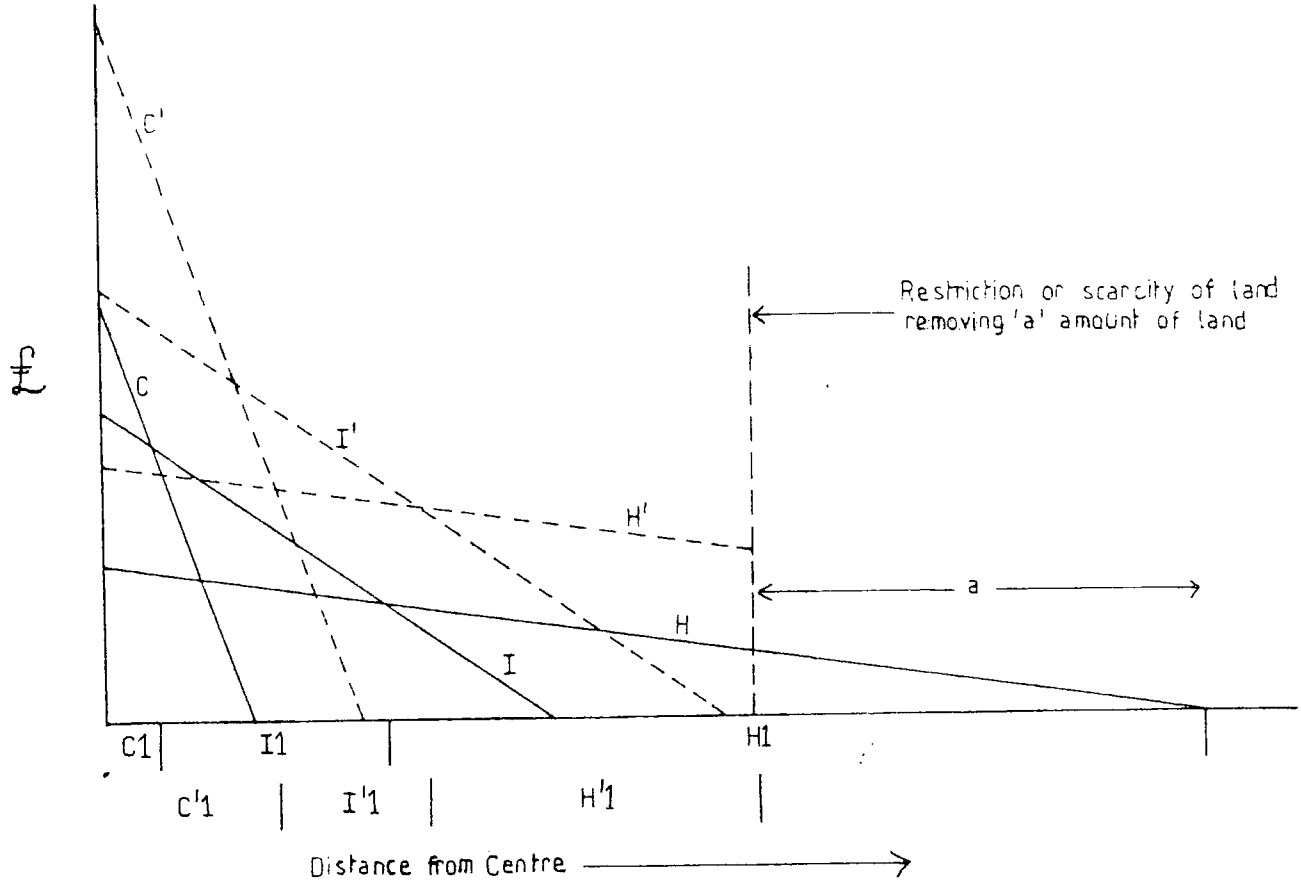
Indeed, there is indirect evidence that this has been recognised by the state and measures have been taken to increase the profitability of building low cost housing. In north east England for example, Hudson (1982) found that the Washington Development Corporation was forced to take action to stimulate the building of this type of housing. He states that:

> "Sites for low-priced housing were sold to private developers without recouping the cost of servicing or general development charges, in response to a 1967 Ministry Circular that the greater part of New Town housing for sale should be aimed at the poorer wage earner." Hudson (1982)

The need to reduce land costs in such a way - to increase the profitability of low cost housing for the private developer - is indicative of the general principle that these companies will have a preference for supplying dwellings to the higher price range of the market.

However, the actions of builders and developers produce disadvantages for households requiring low cost housing in more ways than one. Simmie (1974) is particularly scathing in his comments upon the actions of property developers. He points out that the first effect of the more lucrative (to the developer) commerical and industrial developments in cities, where land is regulated by town planners, is to reduce the number of houses available. As an illustration he cites the City of Westminster where between 1961 and 1966, largely through

Figure 3.1 The effect on bid rents of a scarcity of land



C rent payable by commerce for given location

I rent payable by industry for given location

H rent payable by housing for given location

C1 area where commerce is dominant land use

I1 area where industry is dominant land use

H1 area where housing is dominant land use

C' rent payable by commerce for given location with 'a' amount of land removed

I' rent payable by industry for given location with 'a' amount of land removed

H' rent payable by housing for given location with 'a' amount of land removed

C'1 area where commerce is dominant land use with 'a' amount of land removed

I'1 area where industry is dominant land use with 'a' amount of land removed

the activities of developers, the number of dwellings fell by 7 per cent.

This is not detrimental to the developer's activities in the housing sector and in fact they have in many respects a vested interest in maintaining a shortage of land for any type of development. Clearly, if a commodity is scarce and the demand is constant (which for housing it must, at the least, be) then the value of that commodity will rise. We can illustrate the effect of this by simple bid rent curves. (See Fig. 3.1). As land becomes scarce but demand does not show a commensurate fall off, commercial and industrial users have the greatest ability to pay for the most desirable locations. However, the general pressure of demand from these sectors means land prices increase generally and hence the price of housing is increased.

We may summarise then, that developers aim to produce commodities at a sufficiently high rate of profit and it is the quantitative amount of profit that is crucial to them. Consequently there is very little private investment in low cost housing for those on low incomes. To be priced sufficiently lowly to enable those groups to enter this sector of the housing market the rate of profit would not be sufficiently high. Supply of houses by developers is therefore restricted to upper and middle income groups, unless it is provided through building for a local authority. The Private Builders Conference (1980) however, views this aspect of the building industry's operations as being undertaken only as a financial safeguard to itself in periods of low demand in other sectors of their activities. They suggest:

> "The attraction of building council houses is that it is a relatively safe way of making money. Unlike speculative housing ..... demand does not fluctuate enormously ..... so although it may not be so easy to make a lot of money very quickly by building council housing, at least builders are sure of making a steady profit." PBC (1980, p 3)

The means by which private companies 'compete' for public building contracts is through the tendering system and councils almost exclusively accept the lowest tender. Yet, the PBC finds evidence of price fixing so that the building firm in the greatest need at a particular time is awarded a particular contract.

For those groups that are excluded from owner occupation and from council housing the private rented sector provides their final alternative. As 75 per cent of all private rented accommodation pre-dates 1919 and tends to be of (relatively) little value on the market, ownership of this type of property is unlikely to be motivated by a desire to realise its exchange value. The landlord receives rent from the tenant who pays for the use of the dwelling. For him, the rate of profit must again be sufficiently high to repay his initial investment in the property, given any repairs that he is forced to make. The use of the word 'forced' is considered, as the evidence of this and other studies suggests that, despite the available legislation, the rate of repair and maintenance is low. Indeed - although the private rented sector accounts for only 13.9 per cent of the national housing stock, it contains 42 per cent of all dwellings that are unfit, as we saw in Chapter One.

For example, in the North Benwell area of Newcastle (an area that is predominantly owned by private landlords) the Benwell CDP (1976, p8) noted that

> "before the 1974 Housing Act, over 75 per cent of all discretionary improvement grants went to owner occupiers who comprised only 30 per cent of the householders, and in the 15 months to September 1975, over half of the very few grants approved went to owner occupiers."

This illustrates the low level of improvement in the private rented sector and the low level of investment in the properties by landlords. Of course, the landlord also retains the right to realise what exchange value is embodied in the property. To the tenant it is likely to represent his only

choice, living in poor housing and expending money with no real return, other than being allowed the use of the dwelling.

The supply of houses to the market is then largely in the hands of private companies and individuals whose motive is to make a profit upon the capital that they advance. It is clear that this motivation means that there is a large demand for inexpensive housing of decent quality that is unmet by the private sector. It is also clear that the imperatives of continued capital accumulation make it impossible for the private sector to meet this demand.

The interplay between the two sides of the supply and demand equation is overseen by other institutions who regulate the activities of both groups - through legal controls upon those who supply houses and through various financial incentives and aids to those who provide the demand. Foremost amongst these groups is the state, which we have already seen acts in the housing market to maintain the conditions necessary for the continuation of the productions relationships that exist. Apart from this function (which is largely delegated to local government which provides council housing) the central state intervenes in the market's pricing mechanisms, being instrumental, for example, in setting constraints upon the rents that can be charged in the private rented sector.

Local authorities, as an organ of the state, also have a considerable influence upon the workings of the housing market - quite apart from the fact that they own approximately one third of the stock. Watson (1973) makes the point that although formulation of national housing policy is the responsibility of national government, its successful implementation depends increasingly upon local authorities. He suggests several examples of areas where local authorities have a wide discretion and, hence, ability to influence the operation of the local housing market, such as the selection of tenants for council houses, sale of council houses, giving

discretionary improvement grants, supplying local authority mortgage finance and releasing land for new building. The effects of most of these have been discussed above, but it is worth re-emphasising certain points.

The housing market functions as several discrete entities for the households in it. However, changes in one sector precipitate reactions in the others. As we have seen, the crises generated in the private rented sector led to the growth of the public and owner occupied sectors. Similarly, increased growth in the public sector is at the expense of the private rented sector as slum clearance programmes continue. The selection of tenants, therefore, must take account of the 'unelite poor' to compensate for this but it does not. Similarly, policies allowing the sale of council housing reduce the acceptable stock of rented housing and the danger exists that councils may become large scale slum landlords (due to the provisions of the 1980 Housing Act, explained below).

A group that fulfills a similar role to the local authority and which is becoming increasingly important is Housing Associations. In fact they do not control the housing market except in as much as the amount of stock that they own influences the actions of other groups. However, because of similarities between the actions of Housing Associations and Local Authorities and because of the close co-operation that often exists between the two (especially in Newcastle) we mention them briefly here.

Housing Associations are involved in the building, acquisition, improvement and management of houses for rent but profit is not the motive. Since the Housing Finance Act of 1972 they are bound by fair rent legislation and government subsidies cover deficits in the same way as they do for local authorities. In government, this sector (which in 1971 accounted for approximately 1.5 per cent of the national housing stock) is regarded as a means of retaining choice and diversity in the rented sector which, as private renting from landlords continues to shrink, becomes increasingly local

authority dominated.

In respect of their allocation procedures however, Housing Associations employ similar criteria to local authorities, using a managerial approach. Applicants are certainly questioned about their present housing circumstances and preference is given to those in the worst housing situation, but also assessed is the prospective tenant's ability to pay rent and whether they would generally make 'good tenants'. The Housing Associations thereby conform more to rational management criteria rather than greatest need criteria.

There is one further group that exerts a massive influence over the housing market. The actions of Building Societies, although they are only directly involved in the owner occupied sector, have repercussions throughout the whole market. Building Societies advance to individuals the capital to buy a house outright,with the purchaser repaying the Building Society over a fixed long term. Indirectly then, the Building Societies finance new house building by providing the means to satisfy what would otherwise be a latent demand. There are other financial institutions that fulfill a similar role but Building Societies are dominant. Willaims (1978a) illustrates this dominance by pointing out that in 1975 £18,882 million of a total £24,431 million (77.29 per cent) that was outstanding on housing loans was provided by Building Societies,although since then the major banks have significantly increased their share of this market.

Ostensibly, the motives of the Building Societies are to expand home ownership and to raise housing standards (Williams, 1978a), although this was not always so. Pritchard (1976, p 40) argues that originally,

> "One of the most significant roles which the building societies actually performed was to act as one of the means of lubricating the housebuilding market by allowing small builders to borrow fresh funds to continue their operations on the security of those properties which they had just completed but which they might not yet have sold to landlords."

He continues,

> "Certainly the records of the Leicester building societies do not indicate any great activity in extending home ownership." Pritchard (1976, p 40)

This has changed in the past century and the increase in the importance of building socieities has been coincidental with the massive rise in owner occupation during the twentieth century. However, the responsibility of the building socieites is not solely to those who aspire to owner occupation. Investment by private individuals in building societies occurs on a massive scale and these funds invested in them are inextricably linked to the private housing market. As Williams (1978a) says,

> "Investments in building societies are channelled via estate agents, solicitors, accountants, mortgage brokers and banks. All of these agencies have direct interests in the private housing market and the degree to which they promote building societies as depositors for investment will reflect their feelings about how building societies have performed in the housing market."

In much the same was as the state and local authorities manage their housing stock, building societies must show that they are performing 'efficiently'. This efficient financial management motive has important repercussions to the lowest income groups living in inner city areas. Here property values are relatively low and the building society will not normally grant mortgages. That is, they red-line the area. Despite a general denial by the societies that they do red-line areas, evidence has been found of the practice in, for example, Birmingham (Lambert 1976), Huddersfield (Duncan 1976), Islington (Williams 1976), Leicester (Leicester Shelter Group 1976) and Newcastle (Boddy 1976a

The effect of red-lining is to reinforce the poverty cycle. Those who seek to buy a dwelling in an area not regarded as secure by building societies will be denied the opportunity and consequently may have to stay in inferior accommodation. On the other hand, those living in a red lined area with the power to move to a better house may be denied the opportunity as no purchaser

for their own property will be found. The existing spatial structure is consequently reinforced, and possibly even exaggerated, as the effects of housing stress push individuals further into the poverty cycle (see below p74)

Summary.

To summarise then, a house can be regarded as both a commodity and a 'need' at the same time. The different actors and institutions in the housing market regard it as one or the other (occasionally both) and act accordingly. The net effect of this is that private capital is reinforced and accumulates, while the state attempts to function as a regulator, ameliorating the worst or most blatant effects of capital accumulation on private individuals. The lack of private production of cheap good quality housing is a consequence of the amount of profit that such activities generate when compared to that realised by other building works. Ironically however, although the state has acted to increase the profitability of building in this sector its activities can on occasions reinforce the arguments that have been advanced above.

We have explained the growth of state production of housing and intervention in the private housing market (notwithstanding the ideological leanings of the Labour Party) in terms of the imperative to maintain the relationships of production. This has necessitated, when viewed over a period of time, increasing the physical standard of dwellings in response to a complicated and inter-related set of factors. In part this has been because of the dangers to health of bad and overcrowded housing, in part a response to idealistic notions of planning a better society and in part due to working class pressures for better physical conditions.

However, by imposing minimum standards upon the private sector the state is constraining the builder's ability to produce low cost housing. For example, the adoption of building standards relating to the amount of space that a

dwelling must embody (see Chapter Four) increases the cost of that dwelling. It can also reduce the number of dwellings that can be built upon a particular parcel of land and, therefore, the returns to be gained from a project. In addition, planning legislation can control the density of dwellings on a given parcel of land. Both consequences reduce the amount of profit that the builder or developer can gain from building low cost housing on a given tract of land. Because the private builder will therefore, in all probability, search for more lucrative ventures the cycle is reinforced. The state must intervene in the market to either produce low cost housing or to subsidise the amount of profit that the building company can extract.

The logical conclusion of such an argument is that the state and the private construction industry are placed in a special relationship. The state needs low cost housing but the builders will not produce it in a free market situation. One consequence of this relationship is particularly important. It arises because the imperatives upon the state do not actually require that there is no substandard housing (see Chapter Two, p9). The state needs to produce evidence that it is solving the problem of poor housing and building/improvement programmes provide tangible evidence that progress is being made. It is, therefore, reasonable to suggest that the existence of substandard housing must be endemic in any society in which the market is given great importance.

It is worth noting however, that the comments that we have made in this chapter are directed specifically at the British situation. In Germany and Japan for example, individual private companies are more directly involved in the provision of houses for their workforces. In Britain, however, the endemic crises inherent in continued capital accumulation coincided with the growth of a strong working class movement, exerting pressure for the state to become directly involved in the provision of working class housing. Private capital was, of course, prepared to allow this to happen, releasing capital for more profitable investment.

Overall then, the situation is one in which demand is satisfied for the most affluent groups in society who are able, through the financial institutions, to become home owners. The income factor in demand satisfaction is clearly shown in the 1978 General Household Survey. The average household income then was £4,500. For owner occupiers buying their dwelling with a mortgage the average was, however, £6,480, while for households renting unfurnished dwellings from a private landlord the mean was only £3,195. Demand is also (largely) satisfied for those households seen as worthy of a council tenancy.

For those who do not meet the financial or bureaucratic requirements embodied in entry to the owner occupied or council sectors, the private landlord provides a solution of sorts. Harvey's (1973) examination of real income in the city is particularly appropriate to the housing situation in British cities. He states;

> "we can expect a 'pecking order' among various groups in the population for the exploitation of the various resources which the city has to offer. Those at the bottom of this pecking order are the losers." Harvey (1973, pp 78-79)

Sherrard (1968, p 10) points out that;

> "The slum is the catch-all for the losers"

and it is because of the nature of housing as a commodity (bad council estates notwithstanding) that slums exist. Housing for the lowest income groups is incompatible with continued profitable production and capital accumulation at the level of the private capitalist.

CHAPTER FOUR

HOUSING LEGISLATION

4.1. Introduction

Given the basic premises outlined in the preceding Chapter, it is necessary to examine the type of intervention that has been used in Britain. Clearly, the nature of housing, as a commodity and a 'need', gives a wide scope for the type of intervention to be adopted. Equally clearly, the specific type of intervention will be dependant upon the perception of the problem and the ideological leanings of policy makers. Housing legislation can be traced directly through the public health acts of the nineteenth century. The vast majority of legislation has, however, come into existence during either the Conservative or Labour parties terms of government in the twentieth century. Both political parties recognise the significance of housing and it has been at the heart of each parties' election manifesto. Pritchard (1976, p3) is but one who notes that the importance of housing is;

> "reflected in its social and political significance. Housing is a major plank in every party's platform at all elections, and there is a long history of lobbyists and pressure groups who have seen housing deficiences at the core of societies' problems."

Indeed, Wolman (1975) points to the fact that in the February 1974 General Election, public opinion polls consistently showed that between 20 and 30 per cent of the population considered it an important issue in the election, with only inflation being more important. This serves particularly well to illustrate the strength of public consciousness concerning housing, as the election had been precipitated by a confrontation between the Conservative Government and the National Union of Miners. This, and the controversy that was still surrounding the Industrial Relations Act of 1972, might well have been expected to place industrial relations or trade union power (who governs Britain?) in a prominant position in the national consciousness as it decided

its immediate future.

4.2 Tentative Steps

The above example is however, only a recent manifestation of a long standing phenomenon. Significant legislation dates from 1851, the year in which The Earl of Shaftesbury introduced two bills concerning housing. The more significant of the two gave towns and parishes with populations of more than 100,000 the power to build lodging houses (places where families or individuals could stay at night) raising the necessary money for the operations by loans and if necessary, from the rates.

In 1868 the Torrens Act was added giving to local authorities the power to improve existing buildings.

> "betraying a conviction that housing conditions were sufficiently improvable to be dealt with frugally"
> Orbach (1977, p 37)

Given the conditions however, such a view could not prevail for long and in 1875 R.A. Cross's Artizans Dwellings Act was passed, helped by the active propaganda campaigns of philanthropists such as Octavia Hill. This was a more radical form of state intervention giving to local authorities the power to demolish unsanitary and unimprovable areas and to replace these with new buildings.

Of course, the 'housing problem' of the mid nineteenth century was a different phenomenon from that of today. From certain individuals much emotive writing was forthcoming describing conditions that today, despite the relative injustices that exist, are hardly conceivable. Despite the early attempts of government to intervene in the housing market Andrew Mearns, for example, in 'The Bitter Cry of Outcast London. An Inquiry into the Condition of the Abject Poor' (1883, p 6) was able to write,

"Think of

THE CONDITIONS IN WHICH THEY LIVE

> We do not say the conditions of their homes, for how can those places be called homes, compared with which the lair of a wild beast would be a comfortable and healthy spot? Few who read these pages have any conception of what these pestilential human rookeries are, where tens of thousands are crowded together amidst horrors which call to mind what we have heard of the middle passage of the slave ship."

Even so, by this time the three main legislative concepts of demolition, improvement and new building, that are today seen as the solution to the housing problem had been (tenatively) introduced and the three principles were combined in the Housing of the Working Class Act of 1885. In 1890 another Housing of the Working Classes Act both clarified and consolidated the existing legislation and it is this Act which;

> "is now usually referred to as the first of the true Housing Acts as we know them" Smith (1977, p7)

although;

> "provision of houses by local authorities ..... was considered only as a last resort in the elimination of slums." Wendt (1962, p14)

Bowley (1945, p2) makes the point, however, that;

> "The real break with the nineteenth century came rather late in the housing field. The ideas of the housing reformers of the Victorian age dominated and paralysed the first few years of this century before the Great War. The housing problem was still basically the problem of the health of towns, and was part and parcel of the sanitary school of thought associated with Edwin Chadwick."

Orbach (1977, p43) further states that;

> "The work of the philanthropic trusts and the efforts of Octavia Hill to reform both tenants and management had succeeded in reaching no further than the 'artisan' class and thus, in a sense, was missing the point. The problem of rehousing the really poor continued to bedevil housing legislation ....."

The 1890 Act did go some way, permitting loans to Local Authorities who wished to build houses. Now, for the first time, the state was able to directly intervene in the house production process. Local authorities were also able to acquire land under the Act, but most authorities acquired no land and built no houses. In fact, in 28 years the Act produced only 32 schemes. Bowley (1945, p3) summarises the position thus;

> "The housing problem was a slum problem ..... of people living in insanitary conditions. The official policy, as far as one existed, was limited to making it legally possible for the local sanitary authorities to deal with the slums at their own expense if they liked."

Clearly, the legislation provided until the First World War was aimed only at ameliorating the worst atrocities that existed due to the massive urban growth of the nineteenth century. As yet the state had seen no reason to commit itself towards providing good conditions, and it was only following the war that progress in this direction came about.

4.3 Temporary measures.

After the war it was generally accepted that a massive reconstruction was required - of the economy of course, but also of the established social order. This may well be attributed to a general rising consciousness amongst the working class, much of which was just back from fighting in a brutal war. However, most of the pressure for change came from administrators and professional groups (Orbach, 1977) - which is in keeping with the thesis outlined in the previous chapter - along with the organised working class, rather than from the soldiers or working class in toto. Nevertheless, housing, in the space of a few years became an issue of real national importance rather than the special interest of isolated pressure groups. Bowley (1945, p5) states that;

> "It had graduated into the world of party politics. With the slogan 'Homes fit for Heroes', it started its career as a pawn in the political game of bribing the electorate with vague promises of social reform"

and in 1919, faced with the problem of relaxing rent control and stimulating investment in working class housing (which due to the rent freeze was becoming less and less profitable) Parliament passed the Housing and Town Planning etc. Act - (commonly known as the 'Addison Act').

Irrespective of house conditions, the scale of the problem can be seen by the fact that in 1911 there were 7,943,000 households but only 7,691,000

dwellings. By 1921 the discrepancy between supply and demand had grown so that the respective figures were 8,739,000 and 7,979,000 (Rollett, 1972), i.e. there were 760,000 more households than there were houses.

The 1919 Act attempted to deal with this by providing a subsidy to offset high building costs and interest rates. More importantly, it made the voluntary provisions of the 1890 Act obligatory, compelling local authorities to provide homes for the working classes. It should not, however, be seen as a massive ideological departure from the previous attempts to intervene. Normally, private industry would have been expected to meet the demand, but the state of the economy in general was such that it was felt that private capital would be unwilling to provide the necessary dwellings. To maintain the social conditions necessary for continued capital accummulation in the economy in general, therefore, the state was forced to intervene in the market.

The Act was shortlived however and in 1921 received its death sentence - simply because it was proving to be too expensive. Nevertheless, it resulted in 213,821 houses, of which 170,000 were built by local authorities. Orbach (1977, p139) concludes that the Act;

> "was never well conceived, and was rarely executed well. But it did, nonetheless, represent an important departure."

Basically, the government was faced with a choice between

> "having large numbers of working class houses built at immense public expense or having very few houses of this type built and saving the public purse." Bowley (1945, p33)

That is, pay for the provision of decent housing or allow the market to function largely as it had, leaving an increasing slum problem and an acute housing shortage in which the demand of the working class was never fully met. Predictably, with the return of a Conservative government the public purse came out favourably in a compromise and the 1923 Housing Act (the "Chamberlain Act") was passed. This provided for a small subsidy on houses conforming to

certain space standards, whether built privately or by local authorities. The measure was, however, only conceived as being a temporary one lasting for two years, at which time a return to 'normal' conditions was envisaged and housebuilding would consequently return to the hands of private industry, as it had done before the war.

The Act also saw the Rent and Mortgate Restriction Acts (originating during the war) extended. Significantly however, the provision was made in 1923 that properties were no longer subject to the restrictions once vacant possession was acquired. Overall the Act;

> "conformed to the principles of sound conservative finance."
> Bowley (1945, p36)

based upon the assumption that the problem was purely a temporary one that private enterprise would solve when normal conditions returned to the economy - at which time local authorities would reconfine themselves to the task of dealing with unsanitary conditions.

4.4. Labour Governments and the increasing importance of the public sector.

A significant change in policy orientation occurred, not so much in content but in context, with the election victory of the first Labour Government. Almost immediately the Housing (Financial Provisions) Act of 1924 (the Wheatley Act) was passed. This put the emphasis upon local authorities, which were given the power directly to provide homes for the working classes, without having to prove that they could not otherwise be provided by private industry. The Wheatley Act also saw the introduction, for the first time, of a long term housing policy with the Chamberlain Subsidy being made available on all houses completed up until October 1939. The Conservatives had planned to drop the subsidy in 1925.

It is tempting to claim too much on behalf of this Act. Certainly it was the most dramatic piece of housing legislation thus far. More importantly

however, it marked an ideological departure, giving the public sector a semi-permanent role in the provision of working class housing. The Labour Administration accepted the principle of the state interfering in the market to supply a 'need', whereas previously state action had been temporary and piece-meal, 'bailing out' private capital when times were hard. Further, the Act, by retaining the subsidies given to local authorities, meant that the rents charged could be kept artifically low, removing the profit motive from the landlord. The Wheatley Act was not, however, an attempt to eradicate the private sector, as it did not replace the Chamberlain Act and, although 500,000 council houses were built as a result of it, 360,000 privately built houses also received the subsidy between 1923 and 1930.

By 1931 the overall position was decidedly healthier. More than 1½ million houses had been built since the War (two thirds of them by private enterprise) and the second Labour Government was able to direct its attentions to the worst housing that already existed. In 1930 a Housing Act (the "Greenwood" or "Slum Clearance Act") was passed applying the principles used in the building programme to the 'new' problem. Every local authority with a population of more than 20,000 was required to produce a plan for dealing with the clearance of slums. The subsidy given to local authorities was based upon similar lines but, significantly, differed from the nineteenth century slum clearance attempts in that it was given on the basis of the number of people displaced and rehoused. Consequently those moved from the worst housing were not left to find their own accommodation.

As the financial crises of the 1930's gathered however, the Labour Government fell and with it many of the progressive steps that had been taken were lost. The 1933 Housing Act repealed the Wheatley subsidies and although provision for clearing slums remained, private enterprise was left exclusively to provide new housing.

With this legislation, Bowley (1945) considers that the state had absolved itself of all responsibility for dealing with anything other than the very worst of housing, a view which is reinforced by the subsequent passing of the 1935 Housing Act (the "Overcrowing Act") which made overcrowding illegal, carrying penalties for both landlord and tenant, but which provided subsidies only in exceptional circumstances.

With the outbreak of war however, virtually all effort was directed to the fighting and, needless to say, there was an almost total cessation of housebuilding. Throughout the war, on the other hand, approximately 200,000 houses were destroyed and a further 3½ million damaged - 250,000 of them to the extent that they were uninhabitable. Overall the p sition in 1945 bore a remarkable resemblance to that of 1918, although the immediate causes of it are superficially different - war damage had not been prevalent in the earlier situation.

The first objective, naturally, was to get as many dwellings as possible into use, either by building new ones or repairing existing ones (both war damaged and slums). Even so, the actual size of the housing shortage was unknown and Cullingworth (1966) notes that estimates of it varied dramatically between ¾ million and 6 million. Faced with such an urgent situation, one third of a million dwelling units were provided by the end of 1946 by repairing damaged property, 'pre-fabs', conversions etc. Only 52,000 of these were new permanent houses.

There was, though, a significant difference in the formulation of housing policy at this time, for the General Election of 1945 had seen the return of a strong Labour Government with a majority of 149. This administration saw the role of the public sector as being paramount in providing the houses that were required. Furthermore;

"a strong Labour Government was determined to control not only

> the production of houses but also their allocation. The great majority of houses were to be built for letting at reasonable rents to families in the most urgent need, not ability to pay." Cullingworth (1966, p29)

The private sector was therefore only to have a closely controlled and subordinate role.

To effect the building programme, new higher subsidies were introduced in the Housing Financial Provisions Act 1946, and the Housing Act 1949 removed from local authorities the obligation to provide houses for the 'working classes' only. Even though the term had never been defined, nor the principle strictly adhered to;

> "the implication was that local authorities were now responsible for fulfilling all the housing needs of their areas, and not only those of the working classes." Smith (1977, p14)

But control was also a key element in the housing policy of the Labour government (Wendt, 1962), and Cullingworth quotes the Standing Committee Debates in relation to the improvement subsidy and the government's refusal to remove rent restrictions:

> "So long as the Rent Restrictions Acts prevent a landlord from so increasing his rents as to make the holding of property profitable, there is no way in which it can reasonably be expected that these improvements will be carried out unless a grant of this kind is made." Cullingworth (1966, pp 31 - 32)

However, the Rent Act 1946, as amended by the 1949 Act, made provision for the establishment of rent tribunals and for security of tenure for tenants in rented properties during rental disputes.

The quality of the housing built during the immediate post war drive was assured by Aneurin Bevan's insistence that the recommendation of the Dudley Committee be met. As the Community Development Project (1976, p16) points out;

> "By the end of the 1930's the average size of a three bedroomed council house was 750 square feet. The post-war Dudley Committee had proposed 900 square feet (plus 50 square feet for storage) ..... Bevan ..... encouraged authorities to do better and by 1949 the average three bedroomed house was 1,055 square feet"

When Bevan left the Ministry of Health in 1950, however, the first reduction in standards took place, and these continued with the 1951 election victory of the Conservatives so that the average size was 984 square feet in 1952, 923 square feet in 1953 and 909 square feet in 1954.

4.5. The recovery of the private sector, and subsequent policy.

When the Conservatives returned to power in 1951, Macmillan, the Minister of Housing, had committed himself to produce 300,000 new houses a year. Building controls were relaxed and private builders were given more freedom - leading to a massive increase in output from them, although local authorities still provided the main thrust of building, reaching a peak of 220,924 council house completions in 1954. The 300,000 target was met in 1953 - 279,000 completions in England and Wales and 39,000 in Scotland and subsequent years also saw the 300,000 level reached - (348,000 in 1954, 317,000 in 1955) With the apparent success of the building programme it was again possible to contemplate a reorientation of policy.

November 1953 saw the publication of an important White Paper ('Houses: The Next Step' (Cmnd. 8996)) illustrating the need to return to the problem of obsolete houses, and it became implemented in the Housing (Repairs and Rents) Act 1954. According to Cullingworth (1966), there were approximately 13½ million dwellings in Great Britain at the time, of which some 7¼ million were privately rented, many (2¾ million) being very old. Clearly, some action to restore to sound condition those houses that were in a poor state of repair was needed - and a massive house building programme to wipe out a net deficit of houses was only part of the solution.

Indeed, pre-war slum clearance programmes had led to the identification of about 472,000 homes that were unfit for habitation. Of these, 173,500 were untouched at the beginning of the war and only some 34,000 had been dealt with between the end of the war and March 1951. There were, therefore, some 140,000 dwellings that had been considered unfit for habitation before

the war. Furthermore, it was not even known how many dwellings had fallen into an unacceptable state of disrepair since the war. With the returns from local authorities proposals to deal with the slum problem, this figure stood at an estimated 847,100 in England and Wales in 1955.

The 1954 Act provided for a three pronged attack upon the problem. There was to be a revival of slum clearance programmes, improvement of existing houses was to be stepped up, and encouragement given for repairs and maintenance. Only about 30,000 properties were improved in 1955 however.

The 1954 Act also attempted to deal with the repair and maintenance of private rented properties - (the first attempt since 1939). Increased rents were allowed in relation to the increase in maintenance costs. Measures were also taken to encourage owner occupation amongst the lower income groups, by reducing the percentage of a dwelling's value necessary as a deposit for a mortgage on cheaper properties. At the same time subsidies on council housing were reduced, and this was continued with the Housing Subsidies Act of 1956. Hence, there was a return to the use of the private sector as the main partner in the provision of housing.

By the 1956 Act, houses built by local authorities to cater for a 'general need' were no longer eligible for subsidies, basically because the government felt that;

> "in general council house rents were being subsidised to a greater extent than the financial circumstances of the individual tenants required" Cullingworth (1966, p44)

and that the excess money could be used for other parts of the housing programme.

In 1957 the Rent Act extended this 'realistic rents' policy to the private sector. All 'better' properties (those with a rateable value of more than £30 per annum, or £40 per annum in London and Scotland) were freed from rent control. Also, as tenancies fell vacant, properties were freed from control

when re-let. The Act was designed to improve the standard of rented accommodation, assuming that the additional rents would be reinvested in properties.

> "It was opposed mainly on the grounds that it would merely enrich landlords and enable them to exploit the housing shortage at the expense of tenants."
> Smith (1977, p21)

In fact, Cullingworth (1966) considers this to be one of the most controversial pieces of legislation of the nineteen-fifties, and indeed, the aims were vague. No real research of the problem of rents had been undertaken, and government hopes that both the quality and quantity of rented accommodation would improve, and that there would be a re-alignment of households to house size as rents on larger properties increased - discouraging under-occupation, were on the face of it, just hopes. As Smith (1977) points out, there is no evidence of a marked increase in mobility and the sector continued to decline. In large areas it also lead to exploitation, personified by the activities of Rachman in North West London.

Major legislation again followed quickly. In 1959 the House Purchase and Housing Act, 1959 came into existence. This had two principal aims. Firstly, it set out to encourage owner occupation. Building Societies, particularly when demand for loans meant that not all applications were successful, tended (then as now) to shy away from older property. The Exchequer therefore provided loans to approved Building Societies in return for their making finance available for the purchase of houses built before 1919 and valued at less than £2,500.

The second objective of the 1959 Act was to boost the improvement of older houses and for the first time a standard grant was available, as of right, towards the provision of certain basic amenities, provided that the dwelling had an expected life of 15 years from the date of improvement.

The shift in emphasis towards the private sector was reinforced by a further Housing Act in 1961. The major post-war housing debate had revolved around the respective roles of local authorities and the private sector, and the 1961 Act envisaged further expansion of the private sector in building, with local authorities focussing their efforts upon the persistent problem of slum clearance.

The policy was in fact an extension of the Conservative's 'realistic rents' concept. Overall it was aimed at giving authorities;

> "an incentive to rationalise their rents and use a rent rebate system, so that tenants who could afford to pay economic rents would pay them." Smith (1977, p23)

By restricting local authorities to providing houses for special needs, the private sector was to be encouraged. Private renting too, was included and £25 million was made available to approved housing associations to build houses for rent, the intention being to lead;

> "the way to the investment of private capital once again in building houses to let". Cullingworth (1966, p51)

Still, however, the problems remained and in 1963 another White Paper (Cmnd 2050) was issued which again stressed the need for increased new house production and a continued attack upon slums and obsolete housing. The White Paper was followed a year later by the Housing Act, 1964 which allowed for area based improvement - a pre-runner of today's Housing Action Areas.

1964 also saw a general election in which housing, more than ever, was a major issue. Although;

> "the 1957 Rent Act did not live up to the expectations of Government or Opposition" Macfarlane (1975, p65)

it was particularly unpopular, principally as a result of its effect in London. The new Labour Government immediately passed a Protection from

Eviction Act 1964, to give security of tenure and followed this in 1965 with a Rent Act which introduced the concept of 'fair rents' based upon amenities etc., but not including scarcity value in the valuation. This legislation was consolidated in the 1968 Rent Act.

To encourage owner occupation amongstlower income groups the Housing Subsidies Act 1967 introduced the option mortgage scheme. This gave house purchasers the choice of tax relief (already in existence) or a subsidy reducing the interest paid by the borrower to 2 per cent below the building society rate. This obviously aided those not paying a great deal of tax and consequently not gaining much tax relief.

A more positive role for local authorities was also envisaged by the Labour administration and part of the Act was designed to protect local authority building programmes from the effects of rising cost and increasing interest rates.

Also in 1967, a national sample house condition survey was published. It showed that, not only were there still many slums to be dealt with (by clearance), but that many old homes lacking basic amenities were capable of being improved. Consequently, in 1969 a new Housing Act, marking a significant policy shift, was introduced. The Act provided for improvement grants as had previous legislation. However, the important departure came with the new emphasis on both housing and environment - the 1969 Act being the first to provide a subsidy from the Exchequer for environmental improvement. Essentially, local authorities were asked to designate General Improvement Areas (G.I.A's) which could satisfactorily be upgraded as an area. The areas were not, however, to be those of the very worst housing, for which clearance and redevelopment was still favoured. Further, the powers of the Act were not compulsory and;

> "following the tradition of much housing policy in Britain emphasis ..... was placed firmly on encouragement" Murie Niner and Watson (1976, p 259)

The Act did nevertheless lead to a significant increase in the number of grants approved. Smith (1977) states that in 1969 the number approved was 108,900, while by 1971 it had risen to 198,000.

Successive Conservative Governments had always been concerned with the cost of public housing - both building and renting, and after the period of Labour administration the realistic rent policy reached its ultimate expression in the Housing Finance Act 1972. This removed the local authority's discretion in setting rents and granting rebates. Instead, it applied the principle of 'fair rents' to the council sector (the rent that might be expected given the condition, age, size and locality of the dwelling, but not taking account of the circumstances of the tenant). Hence, for the first time, the rent paid by council tenants was not related to the historic cost of the dwelling and;

> "it introduced a so-called profit element into a local authority in that a surplus over the historic cost might result." Smith (1977, p31) [1]

With the return of a Labour government in 1974, the fair rent legislation was repealed and local authorities were restored their power to fix 'reasonable' rents, although they should make no profit on their housing account. (Housing Rents and Subsidies Act, 1975).

Improvement of the older housing stock was still needed however, and the Housing Act, 1974 extended the principle of improvement. G.I.As were (and are) viable areas where the housing is basically sound and where residents have confidence in the area. The 1974 Act added Housing Action Areas (H.A.A.s) which were intended to be areas of great housing stress, in which both housing and social conditions combined to create unsatisfactory living conditions. Grants were available, once an H.A.A. was declared, to cover 75 per cent of the

1. A number of Labour controlled local authorities initially refused to implement the Act, most (in)famous of which was Clay Cross in Derbyshire

cost of improvement. Compulsory purchase powers were available to local authorities to obtain tenanted property to enact improvements.

To actually take account of the social conditions in an area before deciding on improvement or demolition is an important step forward, recognising as it does that housing problems are related to other phenomena and may be treated in association with them. However, both major items of improvement legislation have met with only marginal success. Randall (1973) notes that between 1969 and 1972, 552 G.I.A s were declared covering 171,775 dwellings. However, only about 19,500 grants had been approved and only 8,000 dwellings had had the work completed. The initial impact of H.A.A.s as well was slow, with only about 90 declared in the first two years of the Act. Basically, it appears that the local success of improvement policies relies largely upon the financial situation of the particular local authority.

The most recent Housing Act, 1980 represents an important departure from previous policy. While the two main political parties have always placed different emphases upon the public and private sectors, the mass sale of council housing is an ideological move towards increased owner occupation. The most important provision is that tenants are now allowed, as of right, to buy their houses, subject to certain residence qualifications. However, such a move has a significant implication, in that there is a real danger that only the best local authority housing stock will be sold, leaving local authorities with the least popular housing and giving non-owners even less choice of dwelling. In effect, the danger is that local authorities will become massive slum landlords, as suggested in Chapter Three.

4.6. Summary.

This has proved to be a lengthy summary of the measures adopted by governments in response to housing problems. Murie et al state;

> "Nebulous objectives, decisions taken in response to 'temporary crises', a multiplicity of different - and often unrelated - policies: these are the main features of 'housing policy' in Britain today."
> Murie, Niner and Watson (1976, p 248)

The evidence substantiates such a view, but the reasons for the chaos are many and deep. Clearly the state recognises a housing problem and is seen to attempt to ameliorate it. Equally clearly, the number of substandard dwellings alone show that it has failed. This is particularly interesting given that the state has been able to intervene directly since 1890 and that the three main legislative concepts in use have been used since 1875.

In relation to the search for ultimate solutions, 'housing policy' until the second quarter of this century can largely be ignored. Every act of intervention can be seen as a response to crises that were conceived of as temporary. State intervention in regulating the market and actually supplying houses was the result of specific sets of circumstances which were not expected to last. With this acceptance of the market and private enterprise as being the only (long term) legitimate instrument of housing provision and allocation, then no initiatory state policy was necessary. Only with the increasingly popular view of housing as a right or a need, which might not be provided in a profit making atmosphere, was a long term policy possible and the Wheatley Act of 1924 marks the first attempt at formulating what may be called a national housing policy. Conveniently, this coincides with the rise of a two party system based, supposedly, on an ideological difference in relation to private enterprise and to the

provision of fundamental resources such as housing, health care and education. But if we look at the policies, the similarities are more remarkable than the differences.

Basically, it is true to say that for both parties the housing problem has been one of numbers and quality - there have not been enough houses of a suitable standard to house the population, and policies have been aimed at increasing the stock of acceptable dwellings. This, however, is an oversimplification. While it is true that;

> "The housing problem is about bad housing - the number of people living in slums; the extent of overcrowding; the number of people living in accommodation lacking basic amenities"
> Bailey (1977, p 11)

and that the policies adopted, if pursued actively enough, might solve this, it is also true that the housing problem is about;

> "the increasing difficulty and in many areas the virtual impossibility, of finding decent accommodation at a price that is within the pocket of the person requiring it."
> Bailey (1977, pp 11 - 12)

This is a problem stemming directly from the relationships of production in Britain - private capital cannot profitably meet the demand at the lowest end of the market while, at the same time, the demands upon the state by private capitalists to maintain control of expenditure prohibits the state from building or improving sufficient numbers of houses. There are also many other facets of the housing problem which subsequent chapters will examine in some detail. The state however, only sees its role as being a provider (directly or indirectly) of an acceptable number of dwellings.

Historically, the principal fluctuation in the state's intervention has revolved around the Conservative Party's ideological preference for private enterprise providing and allocating houses via the market,

with increased owner occupation, and the Labour Party's belief in allowing the public sector more scope in this process. This should not be thought of as a deep schism however. Both parties have, when in government, found it expedient to encourage both sectors as the practical necessities dictated. Although there has been a general tendency for private building to increase under Conservative Governments and local authority completion to rise under Labour administrations there was, for example, the massive increase in local authority building in the initial years of the 1951-64 Conservative Government. Clearly, any ideological objections can be suppressed when houses are needed quickly. The Labour party, similarly, is not averse to owner occupation. In a draft housing manifesto published in September 1960, it is stated;

> "We shall encourage the owner occupied sector and build for sale schemes of local authorities" (Roberts and Straw, 1960)

and previous items of Labour legislation have aided owner occupiers.

Of course there are exceptions to this general trend. Bevan's insistence on the quality of council housing and the 1945 Housing Act produced a massive boost for local authority control of building and allocation. Despite the evident ideological bias however, local authorities represented at that time the most efficient way of co-ordinating the necessary post war rebuilding programme.

One further strand of policy, other than stimulating new building through subsidies or improving the stock, has related to the private rented sector. The massive rise in local authority provided housing, and the similar growth of home ownership, has necessarily meant a dramatic decline in this sector. Whereas until the first world war around 90 per cent of all dwellings were rented privately from landlords, by 1947 the proportion had fallen to 58 per cent, by the 1970's had reached only 15 per cent and still declines.

Although a relatively small sector, the relevance of the private rented sector to the housing problem cannot be overestimated. Bad housing tends to be old. In England and Wales about three quarters of private rented property pre-dates 1919. Table 4.1 illustrates the difference in quality between tenure types.

Table 4.1. Proportion of Households with Certain Amenities by Tenure in England and Wales 1966.

(Source: Halsey A. (ed) Trends in British Society since 1900, p 309)

	All Tenures	Owner Occupied	Council	Private Rented
With no hot tap	12.5	6.9	4.6	34.2
With no fixed bath	14.9	9.6	3.2	40.3
With no inside W/C	8.1	13.4	8.5	39.6
With exclusive use of hot water, fixed bath and inside W/C	72.4	81.1	87.8	35.3

Of course, slum clearance and improvement policies affect the private rented sector and have accelerated its decline. But, the problem seems sufficiently concentrated to suggest that some specific action is required. Successive governments have, however, been concerned mainly with rent levels in the sector. During periods of housing shortage, rent freezes have been applied and respected by both parties. Otherwise there has been a difference between Labour and Conservative administrations. Generally, the Conservatives have aimed at allowing 'economic rents', by which the sector is most profitable for the landlord. Labour, on the other hand, has applied the 'fair rent' principle which, while not directly attempting to make landlordism unprofitable, has reduced the amount of profit to be extracted from the sector. For the rented sector to thrive (numerically) the rate of profit is again crucial. Conservative administrators have held the belief that a sufficient rate of profit will lead to investment in the sector, so providing an alternative to ownership and council renting. Labour, suspicious of the profit motive, have sometimes

mentioned municipalisation, but steps towards such an aim have been few.

Consequently, the problem of poor quality housing remains, because no government is prepared to grapple with its causes - which, as we have said, are capitalist production relationships and the acceptance of capital accumulation as being legitimate. Further, to promote increased owner occupation a massive increase in the provision of local authority mortgages, or control over Building Society lending policy is required. The state, however, preserves the status quo and this is what housing policy has been about. Never has the state let the problem become so bad as to make it a common issue out of which a challenge to the existing production relations might come. At the same time, the continued encouragement to the private sector has allowed capital accumulation to continue. The use of controls in the private rented sector has generally led to further disinvestment, while a replacement policy has not kept pace with the increasing substandardisation.

What is evident is that for the sector to remain viable, both for tenants and landlords, some coherent policy is needed. Tenants are the most disadvantaged group in the housing market as we have seen, and the simple fact that the problem of poor housing is so closely bound with private renting makes attention to the sector vital. The generally held belief of all governments that the housing problem is related to numbers is not only a simplification, it is also untrue. That bad housing exists is true and has been explained. But, there are more houses than households in the United Kingdom, and there have been since the late 1960's as Table 4.2 shows:

Table 4.2. Dwelling stock and households in the U.K.
source: Smith (1977, p 45)

	No. of households (000's)	No. of dwellings (000's)
1951	14,554	13,900
1961	16,189	16,660
1965	17,960	17,801
1971	18,317	19,457
1975	19,500	20,350

Hence, the present position is one in which not only the problem of physical quality exists. This is only one side of the 'housing problem'. Because the worst houses are occupied in a net surplus situation we can infer that the actual house allocation mechanism is at fault. In a surplus, better housing must be vacant if the worst is occupied. In the ensuing two parts we examine the way in which the allocation system operates, given the existence of bad housing. First, we look to the general context in which households become allocated to houses and, second, we examine the actual behaviour of households in Newcastle -given the existence of both poor housing and the allocative system.

PART THREE

HOUSING IN A WIDER CONTEXT

CHAPTER FIVE

DEPRIVATION

5.1. Introduction

If the fact that bad housing exists is only one aspect of the housing problem, then the fact that there are a set of mechanisms, endorsed by society, that allocates households to it is another. There are two sides to this. First, as we have explained, it is paradoxical that in a housing surplus situation the worst housing is occupied. It need not be. Second, regardless of the current balance of houses to households, the mechanisms which form the housing (or any other market) are such that certain groups are placed in a position of advantage, relative to others. In the housing market the disadvantaged live in bad housing. In the labour market they are unemployed or receive low wages. In the 'education market' they are (relatively) unskilled. Disadvantage in one sector tends to lead to a cumulative disadvantage in others, and this is what produces deprivation. It is with the mechanisms that produce advantages and disadvantages, or winners and losers, in society in general and in the housing market in particular that we are concerned with in Part Three. We begin by considering the concept of deprivation.

5.2. Deprivation

The material quality of an individual's life is, by and large, dictated by the number of resources over which that individual has control. A resource may be defined as an object which is of use to man. It can be a lump of coal or a coat - a house, or even a job. A resource carries the economic and social relationships embodied in any commodity. It has a use value and it has an exchange value. It may occur naturally or it may be manufactured by man, using other resources in the process. It may even, as

in the case of employment, be created by man out of the social relationships of the production of resources.

The world is full of resources, all of which, in theory, are available to all its inhabitants. But, constraints exist which disqualify certain members of the population from using all of the resources that are potentially available. These constraints dictate the way in which society is organised and, at an elementary level, can be thought of as being of two types - spatial and non-spatial.

Spatially, resources are not ubiquitous and consequently, for access to be equal for all, a distribution system which allowed equal access over space to the unevenly occurring resources would have to be devised. Technically the means of transporting either resources to people, or people to resources, are available, yet the resources of the world are not evenly distributed amongst the population. The reason for this, of course, is that the non-spatial constraints represent more of a barrier to equality than does mere physical space.

It is difficult to measure the extent of these non-spatial constraints. Nevertheless, we can begin with the notion that certain individuals and groups possess the <u>power</u> to influence the allocation of resources - either by directing those resources to other groups or by retaining them for themselves. Power can be regarded as the subset of relationships between social groups and individuals such that the behaviour of one or more groups or individuals depends, to some extent, on the actions of others within the system (Dahl, 1961). Hence, power is possessed by those with the ability to influence people, and this in turn presupposes a certain control over resources so that this influence may be exerted. If then, the distribution of resources is unequal, and clearly it is, it is reasonable to argue that those who have control of few resources are in some respects deprived.

The city can be regarded as;

> "a gigantic resource system most of which are man made."
> Harvey (1973, p68)

and by similar logic, certain members of urban populations, who command little control over desirable resources, can be thought of as being deprived - the 'urban poor'. Yet, despite numerous studies of urbanism and its consequences, comparatively little attention has been given to deprivation per se. With very few exceptions the use of the concept is implicit rather than explicit.

Certainly deprivation is not the easiest of concepts to operationalise. It is, for example, relative. While individual A may be deprived in comparison to B, he may be wealthy in relation to C. Is A therefore deprived? Further, the concept has political implications. We have explained how and why the state intervenes in the market process but, even so, not only would there be different interpretations of the cause of deprivation between the left and right wings of the political spectrum, there would also be a commensurate disparity in the respective definitions of the concept.

How then can we operationalise the concept of deprivation? A universally acceptable definition is unlikely but, we can avoid this problem by examining the principal components that cause the economic, social, political and spatial patterns in cities, and regard deprivation in relation to these.

The city can be thought of as a manifestly complicated organism, and the information available to us to investigate the processes that sustain the patterns are equally detailed. The principal data source for British cities is the decennual Census of Population which contained, in 1971, 1,571 data elements, each describing some dimension of the 'urban mosaic' for every enumeration district in Great Britain. Not surprisingly, given the plethora of information available, students of urban processes have attempted to simplify the picture and reduce the number of dimensions to be discussed, and this has led to the widespread use of multivariate statistical analyses,

of which some form of factor analysis is the most common in urban geography.

The number of studies utilising the technique have been sufficiently voluminous for Evans (1973, p99) to state that;

> "the stage has almost been reached, however, at which the major dimensions which will emerge from a factorial ecology of British census material can be predicted with some degree of confidence."

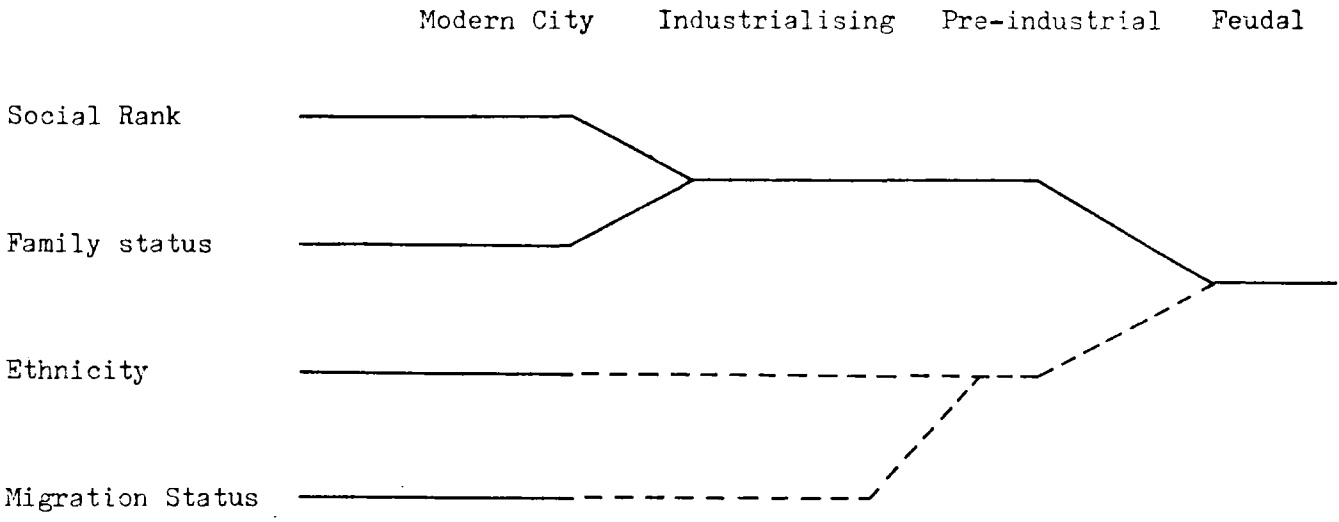
Essentially the actual technique of factor analysis;

> "may be seen as the reduction of the original n sub-area by s variable matrix to an n sub-area by m factor matrix in which m - the number of significant factors, is considerably less than s." Timms (1971, p55)

Put more simply, factor analysis aims for the orderly simplification of as many variables as may be considered necessary by the individual researcher to describe the social patterns in cities. (Burt, 1940) The actual technique itself will, however, be considered more thoroughly in the following chapter.

What understanding, then, has this simplification of census variables into factors brought us of urban social structure in general and of deprivation in particular? Most importantly, it has allowed (notwithstanding the constraints of data compatibility) us to examine in a 'standard' way the main dimensions of urban social structure, and a remarkable degree of similarity emerges from the findings of various studies in different countries. First, a socio-economic status factor would appear to be universally important to the determination of spatial structure, having been found across various cultures and in different historical periods. A second dimension which, although not universal, has also been shown to be consistently important is 'family type'. This is a life style characteristic reflecting demographic variables such as fertility, marriage et cetera. Other factors such as ethnic status and mobility have also been found with sufficient regularity for Timms (1971) to include them in a list of general differentiating dimensions. The general trends that have been identified are shown in Figure 5.1.

Figure 5.1. Differentiating factors in different types of cities.
(after Timms 1971, p 146)



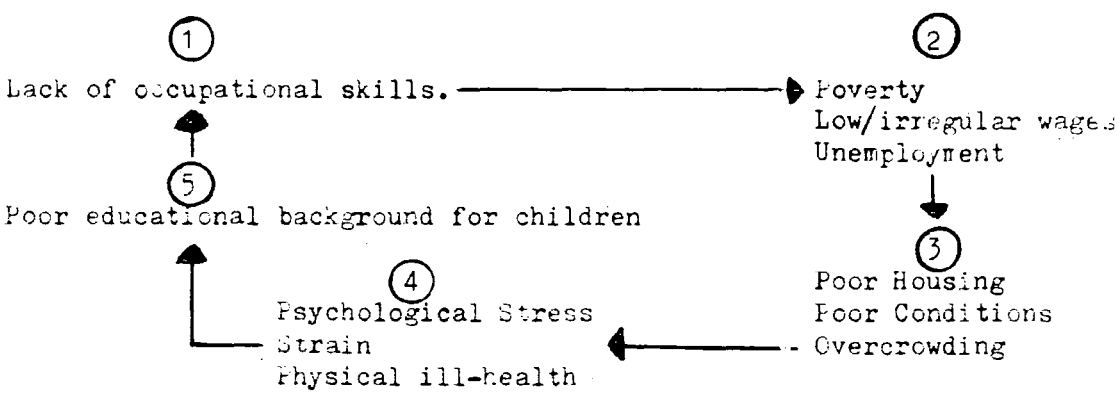
Studies of British cities, while tending to duplicate the results produced in North American and other industrialised cities, have shown certain notable differences. Firstly, using data drawn from 1971 and earlier censuses, the ethnic factor is seldom reproduced with the same level of importance. Secondly, characteristics associated with a person's actual dwelling assume a greater importance in British studies. There are two main reasons for this. First, the British census data is strongly related to physical housing characteristics, while second, the amount of council housing must be expected to influence results and polarise the differences found in housing conditions throughout the country in an areally based analysis.

Hence, housing conditions are found to be a major factor in British urban social structures (see, for example, studies by Robson (1969), Evans (1973), Davies and Lewis (1973), Gittus (1965)). The results obtained by utilising the technique in this study further confirm this pattern and in many respects advance explanation of the 'housing factor'. (See Chapter 6).

If, then, socio-economic status is universally important and housing conditions are, in Britian, generally the second most important factor in determining urban social structure, how does this help us operationalise the

concept of deprivation? It must be beyond contention that poor housing and low socio-economic status are indicative of deprivation, and much attention has been focussed upon the areal association of the two phenomena. But, even if we can identify those crudely classified as deprived, we cannot identify the cause of their plight so easily. It is tempting to suggest that causality is due to the socio-economic status of an individual - producing low income and consequently reducing the options available to him in the housing market. However, at this stage we would perhaps be presuming too much. Simmie (1974) discusses poverty in some detail and produces a diagramatic representation of the 'poverty cycle' (see Figure 5.2.)

Figure 5.2. The Poverty Cycle. (after Simmie, 1974, p98)



The processes described in the diagram are largely self evident. Deprivation, as identified from factor analyses, is contained in components 2 and 3 of the cycle. It must be noted however, that entry into the cycle can be at any point and thence, due to the nature of the phenomena that are in the cycle, the related symptoms are assumed. It is also important to note that the simple cause-effect situation suggested above is in fact an oversimplification. Deprivation is in this model, related to the education system and even the way in which subsequent generations are socialised, as well as to the housing and labour markets. It is the interplay between these factors which causes deprivation and which, for our interest, causes the stratification within the housing market. So, while low wages and bad housing have some relevance as casual

factors in deprivation, they are also merely manifestations of a wider problem.

The nature of the society in which such a situation exists and the position of the state in that society we have briefly described in the preceding Part. Intervention by the state has not solved the problem of poor housing however, and the more limited intervention into the labour market has not solved the problem of either unemployment or low wages. In Chapter One we saw that approximately 2.6 million dwellings come under component three of the cycle, whilst in 1981 there were more than $2\frac{1}{2}$ million people unemployed and at least as many again earning low wages. As further evidence of the cycle we can point to the growing unemployment amongst school-leavers - especially those with few or no qualifications.

However, like the housing situation taken on its own, the problem of deprivation and poverty is a long standing phenomenon. Abel-Smith and Townsend (1965) estimated that during the 1950's the proportion of households living in poverty increased from 10.1 to 17.9 per cent. A large part of this increase can be attributed to the increasing standards of what is actually defined as a 'need', but the notion that the Welfare State has eradicated poverty, perpetrated by political slogans such as 'You've never had it so good', was evidently false. Indeed, more recent evidence produced by Townsend (1979), based upon a survey undertaken in 1968 - 9, suggests that the state had not even produced a downward trend. Even if we allow the lowest definition of poverty (based upon the supplementary benefit scale plus housing costs) an estimated 3.32 million people lived on the margin of poverty, as shown in Table 5.1.

Table 5.1 Percentages in poverty and on the margins of poverty according to three standards. (from Townsend 1979, p.273)

	Sample % Households	Sample % Population	Estimated No. (U.K.) million Households	Estimated No. (U.K.) million Population
State's standard[1.]				
in poverty	7.1	6.1	1.34	3.32
on margins of poverty	23.8	21.8	4.50	11.86
Relative income standard[2.]				
in poverty	10.6	9.2	2.00	5.00
on margins of poverty	29.5	29.6	5.58	16.10
Deprivation standard[3.]	25.2	22.9	4.76	12.46

1. Net disposable household income last year less than 100 per cent (in poverty) or 100 to 139 per cent (on margins of poverty) of supplementary benefit scales plus housing costs.

2. Net disposable household income last year less than 50 per cent (in poverty) or 50 to 79 per cent (on margins of poverty) of mean household income for type.

3. Net disposable household income last year of less than a level below which deprivation tends to increase disproportionately as income diminishes.

Again however, as the Table shows, we are faced with the problem of definition, and it can be seen that the way in which poverty is defined predetermines the number of people found living in conditions of poverty. The problem is, however, more than one of statistical or political manipulation as poverty is, like need and like acceptable housing standards, a relative concept. The most widely used definition is the level of National Assistance or Supplementary Benefit scales, but these still leave problems. As Simmie (1974, p 95) points out,

> "although (these payments are woefully inadequate to support families in acceptable circumstances in an affluent society, (they) at least represent the Government's official operational definition of poverty."

Recent government plans to reduce the relative amount of Supplementary Benefit would appear to confirm what has been said in the preceding paragraphs.

No matter which particular definition of poverty is used (see Simmie (1974),

Townsend (1979), Perlman (1976)), given the existence of the poverty cycle and the cumulative effect that it can have through successive generations, the causes of it are of primary importance. Is it, as some suggest, due to indolence and laziness on the part of the individual or is there some other answer? Mills (1971) provides a line of argument in this respect that is difficult to refute. If only one person is found in poverty then it is probably safe to assume that the fault lies with the individual, but if something like 14 per cent of the population live in poverty, then it is more realistic to assume that the cause lies elsewhere - and probably in the structure of society itself. Abel-Smith and Townsend (1965) found, in fact, that the poverty that existed in 1960 could be accounted for by five factors; unemployment, inadequate wages, old age, sickness and death of the chief wage earner. Inadequate wages and old age accounted for 73 per cent of poverty. The inevitable conclusion then, must be that indolence and a reticence to work are not the immediate causes of poverty, but that the cause is related to the social and economic structure. Indeed, 17 years later the Department of Environment study on inner city areas found that, in Lambeth, low income and poor housing were the main forms of deprivation. In relation to income, the report concluded that the problem was a national one requiring national policies for income maintenance - particularly ensuring higher pensions and child benefits.

5.3. Spatial considerations concerning deprivation.

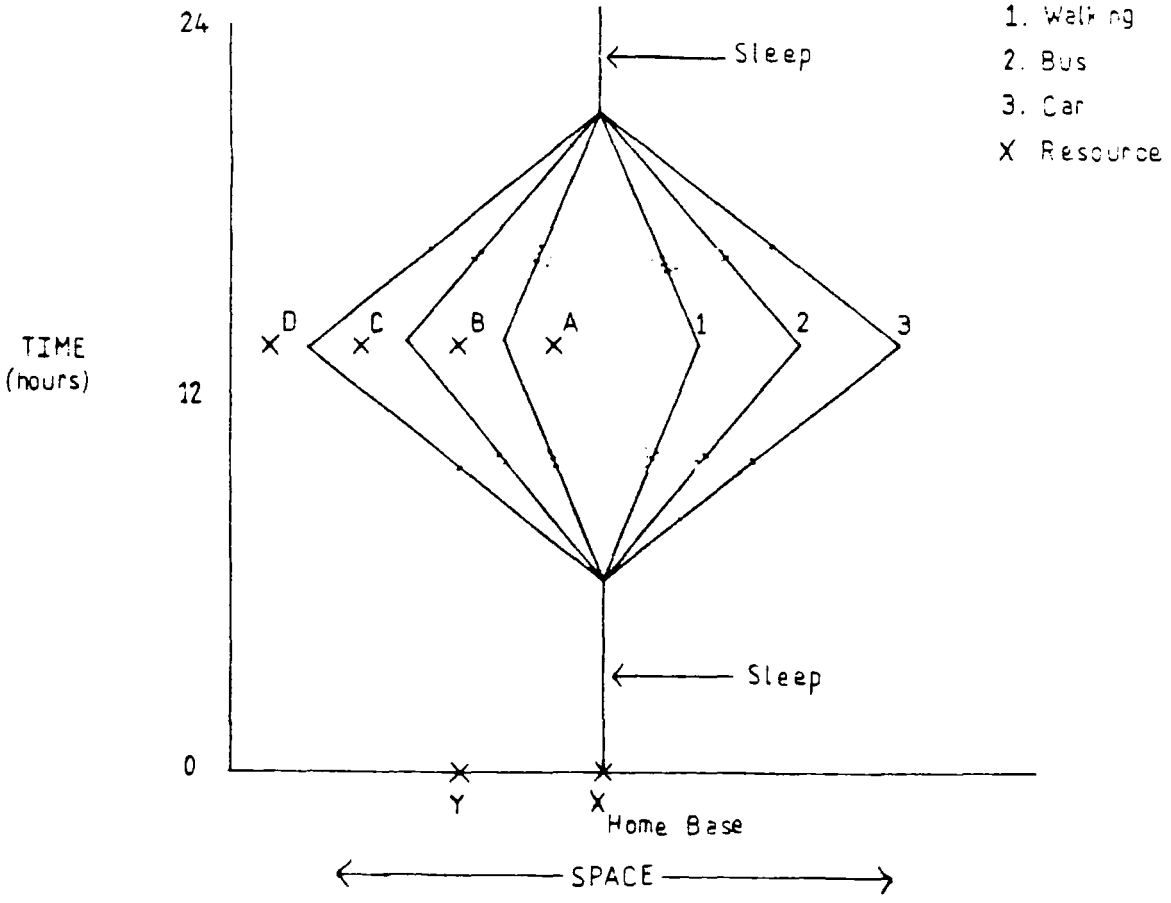
Those that are in the poverty cycle, for whatever reason, are not only deprived in measurable physical and economic terms however, nor in respect of housing do they have a monopoly on deprivation. We began this chapter by regarding the city, indeed the world, as a massive resource system and, just as in the general case, urban resources are highly localised. So is a house, and when considering deprivation we must take account of the location of the dwelling in which a household lives, for location per se accrues certain costs and benefits - giving differential access to the resources contained

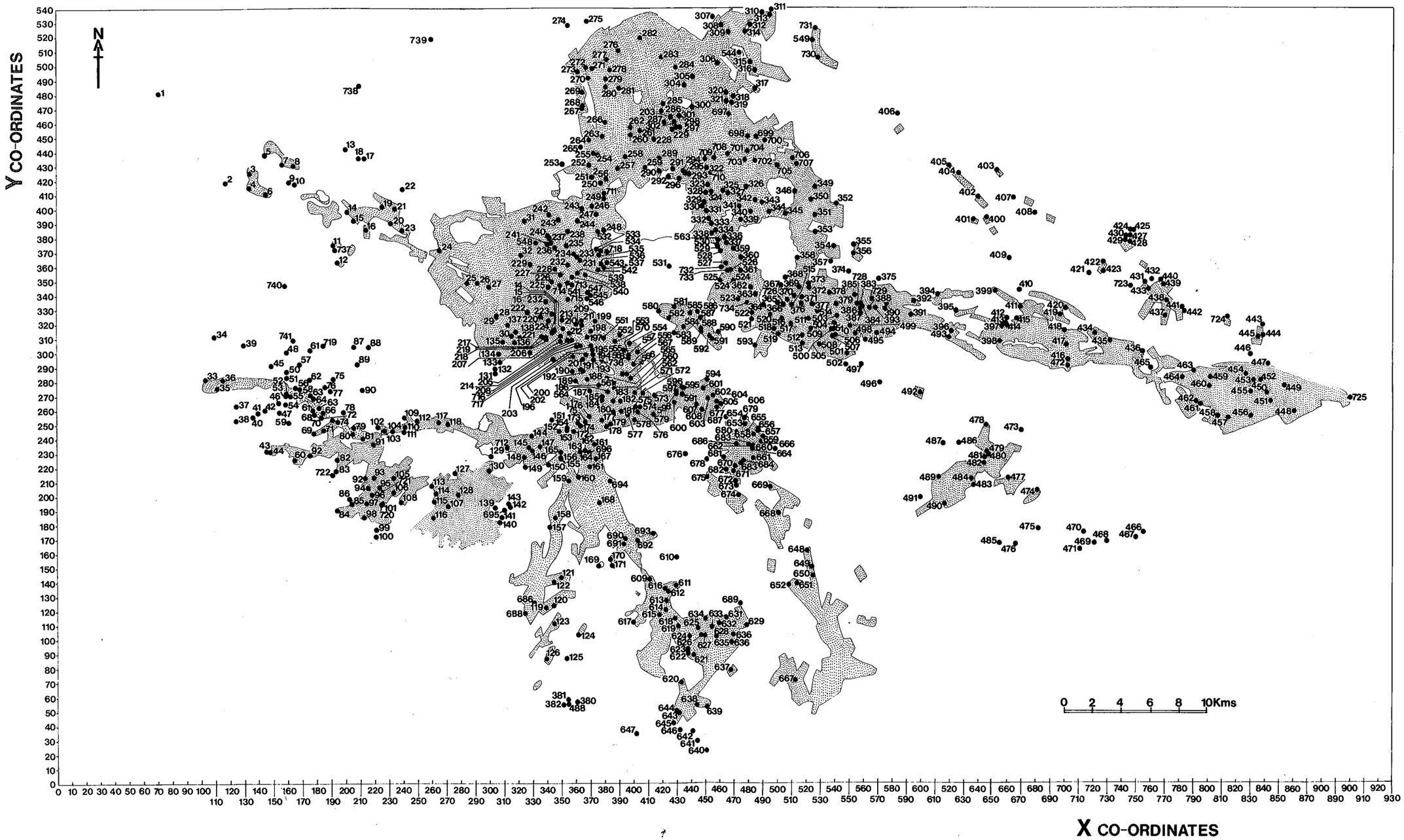
in the urban environment.

Accessibility can be measured in various ways, but it is usually associated with distance. Distance as well, however, can also be a relative phenomenon embracing more than just physical space between two places. It is important to realise that access to any localised resource requires, not only the means to gain access to it across space (unless one cannot walk, then no location is genuinely inaccessible), but also the time to gain access to that resource. Hence, when we think of the location of services and other resources in the city, and the access that different groups have to them, we must regard both space and time as resources.

One methodology, pioneered in Sweden by Hagerstrand (see Thrift, 1977), is particularly useful to illustrate this -that of time geography. In Figure 3.3 the range (in terms of distance) that three hypothetical

Figure 3.3. Access to localised resources by different means of transport.




N
Y CO-ORDINATES
X CO-ORDINATES
0 2 4 6 8 10Kms

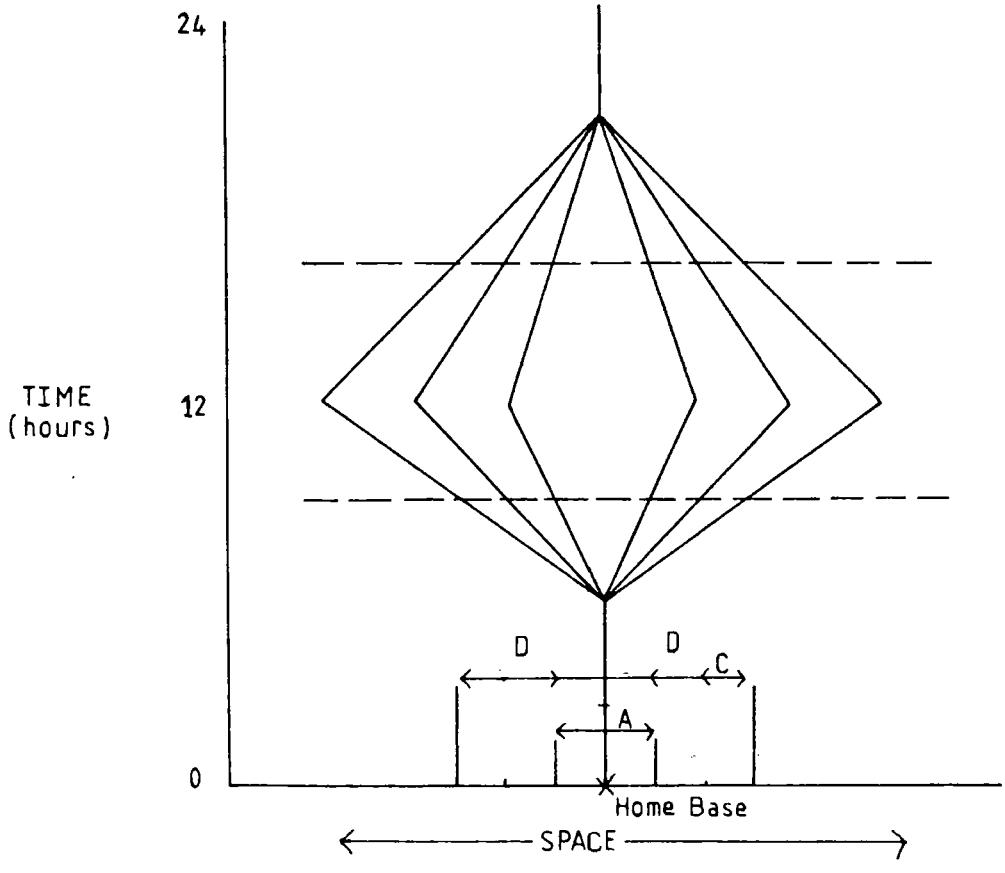
individuals, each with a different means of transport, can travel given the constraint that they must all spend, say, eight hours per day asleep, is shown. The amount of space that forms a part of each individual's resource system in a given time is dependant upon the velocity of the transport available to that person. Hence, all families can make use of resource A if they wish to and return to their home base in the same day. Resource B however, is only available to those individuals with a car or with access to bus transport. Likewise, resource C is only available to the individual with a car. Resource D is unavailable to each of the individuals at this particular base and hence they are deprived of that resource, while somebody living at location Y has access to D, providing he has a car.

We can see then, that although the city is full of resources, not all of them are necessarily available to everybody. The velocity of the transport available to the individual is largely dependant upon the disposable income that the individual has to spend upon transport. Hence, access is differential amongst the individual members of a group who may be living in the same area.

To take but one tangible example, access to employment opportunities is restricted by space and time, given the individual's domain (see Figure 3.4). If we assume the individual must sleep for 8 hours per day and must spend 8 hours at his place of employment, then we can see the differences in possible employment location with the three means of transport. Area D is inaccessible to the individual who must walk, while area C is inaccessible to the person who is dependant upon bus transport. Overall then, the person with the most efficient means of transport has access to more employment opportunities (without having to move dwelling of course), and this sort of process is likely to reinforce the pattern of deprivation found in cities.

Harvey (1973) considers this point when discussing real income, which he defines as being command over resources. This he considers to be a function

Figure 5.4. Access to employment opportunities by different means of transport.



of locational accessibility and proximity. Consequently, changing the spatial form of the city is a potential mechanism for redistributing real income. A massive injection of employment opportunities into area A of Figure 5.4 would increase the real income of each of our three hypothetical people. A similar event occurring in area C would only increase the real income of the individual possessing a car and would, relatively, decrease the real income of the persons without a car living in locality X.

Such considerations have implications for those living in poor housing, which tends to be found in the old inner areas of cities. During recent decades there has been an increasing trend for industry, and hence for employment opportunities, to move out of the inner city. Between 1961 and 1971, for example, employment decreased by 3.1 per cent in urban cores while it increased by 15.0 per cent in the suburbs (Drewett, Goddard and Spence, 1975, 1976) and the trend has become pronounced since then. The Inner

Area Study (DoE, 1977) of Merseyside, for example, suggested four programmes for the regeneration of inner Liverpool; promoting the economic development of Liverpool, expanding opportunities for training, improving access to housing, and channelling resources to areas of greatest social need. Two of these suggestions are concerned with providing employment or employment opportunities in the area, giving the population access to the resources of work and, hence, a regular income. The problem of finding employment in run down areas of bad housing is familiar and relates to the poverty cycle, introducing to it a locational dimension - generally the old inner areas of major cities.

The concepts of access to resources and deprivation are more general than we have shown by concentrating on the resources of employment, income and housing. Clawson (1969) for example, considers open space as a resource and finds that utilisation of rural amenities is limited to middle and upper income groups in an American context. In Newcastle-upon-Tyne, Bradley, Kirby and Taylor (1976) found that dental health was related to the distribution of dental facilities - i.e. access is a principal determinant in the use of a resource. Furthermore, they found that the dental facilities were largely concentrated in the more affluent areas of the city.

The nature of the urban system is, in fact, such that;

> "the activity of any one element in .....(it) may generate certain unpriced and perhaps non-monetary effects upon other elements in the system. These effects are usually termed externalities ....." Harvey (1973, pp 57-58)

or, in Cox's (1973, p2) words:

> "An externality effect exists if an allocation by one individual affects the utility of some other individual."

Externality fields can be either positive or negative or, as is more often the case, both at the same time. An urban motorway, for example, has a positive externality field giving benefit to those who use it - (especially to suburban dwellers for whom journey times to the centre are significantly reduced). To those who live in close proximity to the motorway and

consequently suffer from disruption during construction, and from noise and pollution from the vehicles, however, the road produces a negative externality effect. The balance between costs and benefit are difficult to evaluate, especially as it is usually different groups who receive either the benefits or the costs. However, the notion that power, and control over resources, enables events to be influenced, suggests that it is normally the rich who receive the benefits while the poor incur the costs. Pahl (1976) notes that in American for example;

> "they have ..... splendid freeways which simply enable the middle class to ride past the poor more easily"

and this type of situation is repeatedly found in British cities.

5.4. Summary.

Deprivation is then, a relative concept under which a plethora of events and situations can be subsumed. There are, however, certain characteristics that consistently occur in any discussion of it. Unemployment, low wages, bad housing and location are all bound inextricably to deprivation, and the inner city is the area in which the phenomena combine most often to create pockets of deprivation.

This however, only allows us to operationalise the concept of deprivation in as much as we can identify it. The poverty cycle gives us some indication of the way in which the deprivation syndrome becomes self regenerating, but this is not the full story. Not only are there more houses than households in Britain, but there are also more households on low incomes or unemployed than there are substandard houses. This leaves the question concerning the mechanisms which place some of the economically deprived into a situation of housing deprivation unanswered. It is in fact a problem that is related to defining deprivation. As low income households living in satisfactory houses are relatively better placed than low income households in substandard housing - are they deprived? The answer to such a question requires a value

judgement, and it is probably true to suggest that a quantitative definition would include any household that is deprived in any of the main characteristics.

However, the problem clearly shows that the characteristics of deprivation do not have to be causal effects, as we have suggested above. Hence, in subsequent chapters we turn to the actual allocative system of society in general and the housing market in particular, that places only some of a similarly placed population into the worst housing. However, we follow this general discussion of deprivation by considering its manifestation in our study area - Newcastle-upon-Tyne.

CHAPTER SIX

DEPRIVATION IN NEWCASTLE-UPON-TYNE

6.1. Introduction

Our discussion thus far has been conducted at a general level with urban areas and 'society' as a whole our principal focus. Obviously such an approach is necessary if we are to understand the context of findings in a particular study area. Nevertheless, although we may (debateably) regard the processes that determine spatial structure as 'universal' (see Harvey, 1969), the way in which they are manifested upon the ground differs in detail between British cities - take for example the contrasting evidence produced in support of land use theories such as those of Burgess and Hoyt (see Chapter Two). Hence, although British cities are subjected (largely) to the same economic, social and political forces as each other, they do not appear as actinomorphs of each other. Consequently, this chapter examines the patterns that existed in Newcastle-upon-Tyne in 1971. However, before this an outline of the history of the city is useful.

6.2. Newcastle-upon-Tyne

Newcastle grew to be a major commercial centre located at the lowest bridging point of the River Tyne long before the industrial revolution. The New Castle from which it takes its name was started in the eleventh century and the city thrived as a port and market centre throughout the middle ages. The fortification also gave the city a political importance and it was the scene of several disputes between the Scots and the English before (and after) the Union in 1603.

However, it is the industrial revolution that provides the backcloth for the status of Newcastle today and the context for many of the problems it has been confronted with and continues to face. Coal mining on a comparatively small scale had become important prior to the industrial revolution, but the need for

Figure 6.1a. Ward boundaries in Newcastle-upon-Tyne, 1971.

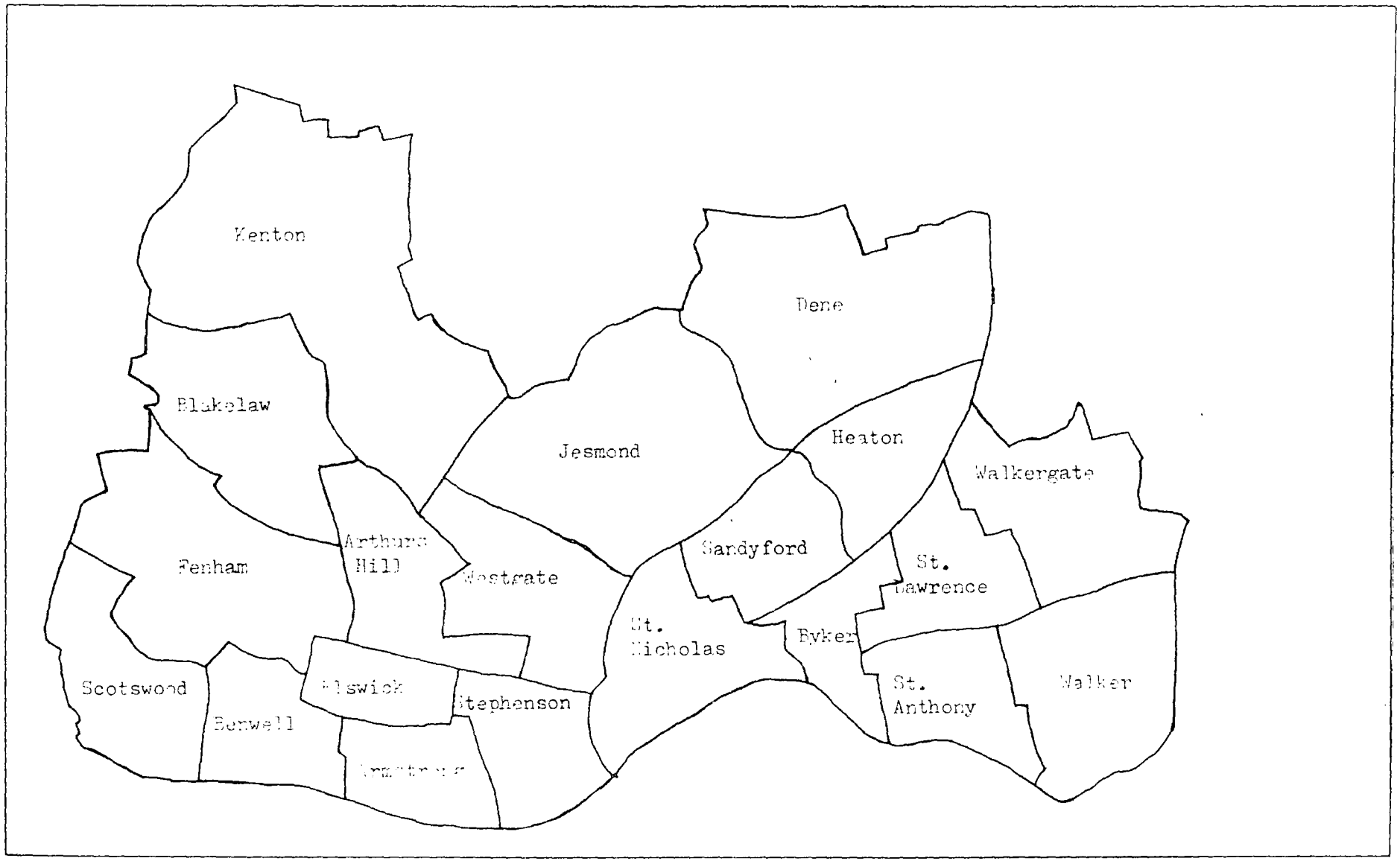


Figure 6.1b. Existing Residential Patterns in Newcastle-upon-Tyne, 1972.

(source - City of Newcastle-upon-Tyne, Planning Department)

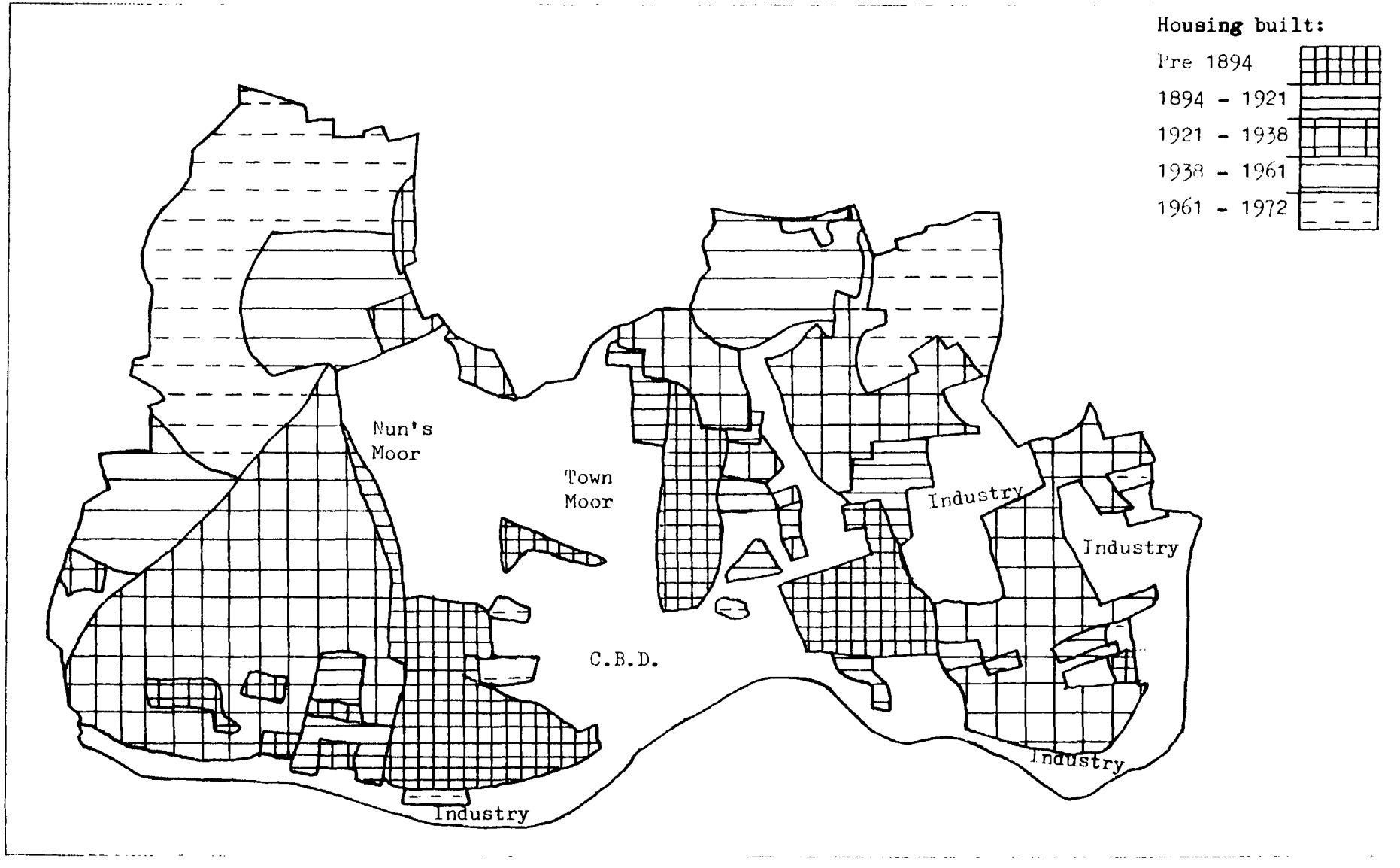
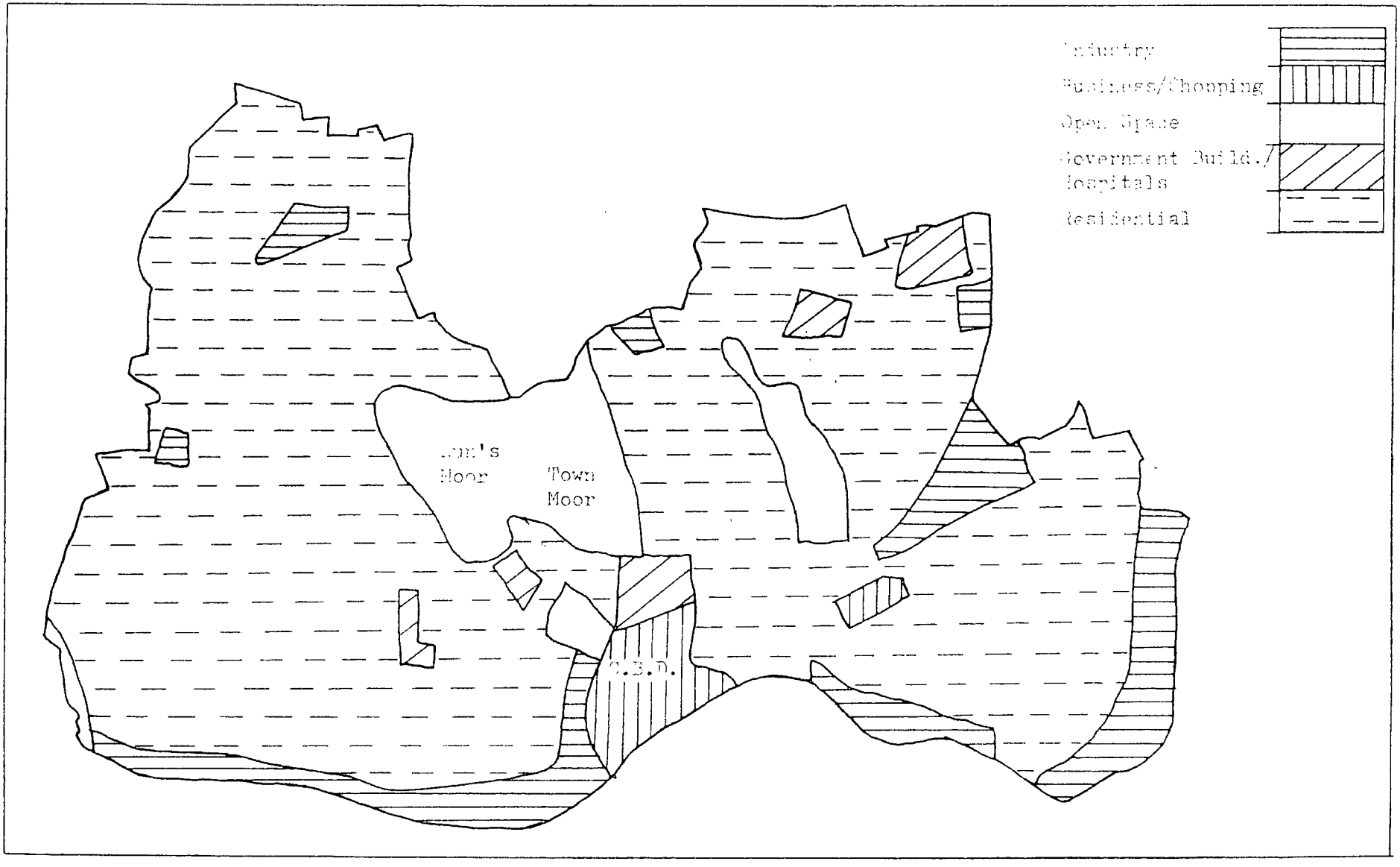


Figure 6.1c. Land use in Newcastle-upon-Tyne, 1980. (source - City of Newcastle-upon-Tyne, Planning Department).



power transformed this into a dominant part of the local economy. The presence of iron ore nearby (the Cleveland hills) and the growth of railways stimulated the growth of iron and steel production in the region and the development of heavy engineering and shipbuilding on the Tyne. Major employers were the Armstrong works in the west of the city and Parsons (now part of the Northern Engineering Industries) in the east. Shipbuilding, on the north bank of the Tyne, was confined to the east of the city and to the nearby towns of Wallsend and North Shields.

The outstanding growth in the industrial base of the area had many effects. Of particular importance, Newcastle was transformed into the economic centre of a regional economy. The growing industry and therefore workforce, also meant that vast amounts of housing was needed to contain the new industrial working class. Much of this building took place on land released by the large industrialists and distinct settlements of terraced flats, such as Byker in the east and Benwell and Elswick in the west (see figure 6.1a), grew on the steep banks leading up from the Tyne. Much of this housing development took the form of the Tyneside flat (see Chapter Nine) and still forms a significant part of the city's housing stock (figure 6.1b).

The development of the industrial base of the city was complemented by a commensurate rise in the commercial importance and Newcastle became a major shopping and administrative centre and the Central Business District has expanded to cover the area shown in Figure 6.1c. Interestingly, as new bridges were completed across the Tyne (there are now six, of which four carry roads) the specific centre of the main shopping area changed so that the principal stores were on the main route leading from the dominant crossing point. During the 1970's a further change occurred with the development of a major new regional shopping centre, Eldon Square, which is pedestrianised.

The massive industrial growth of the nineteenth and early twentieth century has not, however, been sustained throughout the recent history of the city and region. Obviously industry has been subjected to cyclical fluctuations but since the end of the 1950's there has been a secular decline with the original heavy engineering industries and shipbuilding amongst the worst hit. Since the 1930's there has been much state intervention in the regional economy aimed at reducing the disparities between it and other regions in the U.K. (Burns 1967; CDP 1974). Much of this intervention has aimed at promoting growth in specific areas, of which Newcastle has always been one, but none has reversed the industrial decline and service industries have assumed increased importance as local employers.

The broad pattern of development is clearly shown in Figures 6.1b and 6.1c, although it must be noted that the maps were compiled at different dates by the Newcastle City Planning Department. This accounts for any apparent anomolies of industrial land use in housing areas. Figure 6.1b shows the patchy nature of the area built up before 1894 with Byker, Benwell, Elswick, Sandyford, Scotswood, and parts of Jesmond in existence. With the exception of the common land area of Town Moor and Nun's Moor subsequent house building has both expanded the city and filled the open space between 'villages'. Commerce maintains the central location whilst industry predominates along the riverside. (Figure 6.1c).

Against this general outline of the growth and present spatial patterns of Newcastle-upon-Tyne, our attention now turns to a socio-economic description of the city based upon the 1971 census of population.

6.3. Data and Methodology

The last two decades have witnessed an ever increasing use of some form or other of statistical analysis of 'geographical' data and the benefits of this trend have been expounded by many authors. The general argument follows

two lines. First, the use of mathematics is seen as being more rigorous whilst second, arising from this, it is viewed as a considerable aid in avoiding self deception. Whilst there is obviously more than a grain of truth in both of these arguments, equally important is the simple observation made by Davies and Lewis (1973, p71), that the results produced by a statistical analysis;

> "only refer to the initial set of data, (and) any inadequacies in this direction could miss important features in the internal structure of the city....."

The use of quantitative analysis in this study is a means towards an end. Consequently the choice of technique is particularly important in as much as it must suffice to produce an end product that is meaningful, but it must not prejudice that end. Our goal is to explain the workings of a significant sector of the housing market. Housing however, is merely a product of the interaction of the dynamic forces existing in society. In the preceding chapter for example, we saw that deprivation and housing were intrinsically related, with housing being at once a cause and a sympton of deprivation. To understand the relationships that exist between these phenomena and the many others that exist in British cities some form of simplification is necessary, and the use of factor analysis is particularly appropriate for this task.

Certain cautionary points need to be made however. The principal data source for urban (and many other studies) is the decennial Census of Population. Although the census gives us a wealth of information about various characteristics of the population and its living conditions, there are certain problems associated with its use. Firstly, the one hundred per cent survey only occurs once every ten years and so inferences made upon the basis of the data it contains refer only to a particular point in time. Also, apart from being time specific, the data is not collected for the benefit or urban researchers and, hence, may often have to be used as a surrogate, or best alternative measure for a phenomenon not directly

covered. For example, we expect income to be central to deprivation and poor housing. Data concerning income cannot, however, be input directly into our analysis as it is not contained in the census. Hence a surrogate measure is needed and, of the possible alternatives, car ownership is probably the most desirable.

Thirdly, the British census does not contain the detail of, say, the Swedish data bank and information relates to areas rather than to individuals. Hence, any correlations between variables are 'ecological', referring to the populations of enumeration districts rather than to individual households. Finally, the desired end of this analysis is to describe and explain the spatial patterns that exist in Newcastle - particularly the patterns of deprivation. To reach this end without prejudicing it is not without pitfalls. Harvey (1969) makes the point that individuals possess values which are related to the society in which the individual lives and to their view of that society. These values colour our preconceptions of any situation and, no matter how objective one attempts to be, the choice of variables to input into an analysis is largely an exercise in which the individual includes phenomena he believes to be important and excludes those which he believes are not. This study is no exception and variables have been chosen with reference to housing, relative deprivation and affluence, although what might be expected to be more marginal influences upon the pattern of deprivation are included. Table 6.1 lists the variables used in the analysis.

In 1971 the City of Newcastle upon Tyne consisted of 20 wards (Figure 6.1a), which were themselves the result of agglomerating 526 enumeration districts. In the ensuing analysis however, data is used for 505 enumeration districts and the 37 variables listed in Table 6.1. a[1].

The stages involved in factor analyses are outlined in Table 6.1b. A

1. Twenty one enumeration districts are excluded from the analysis on account of the population living in private households in them being too small for the computation of composite variables.

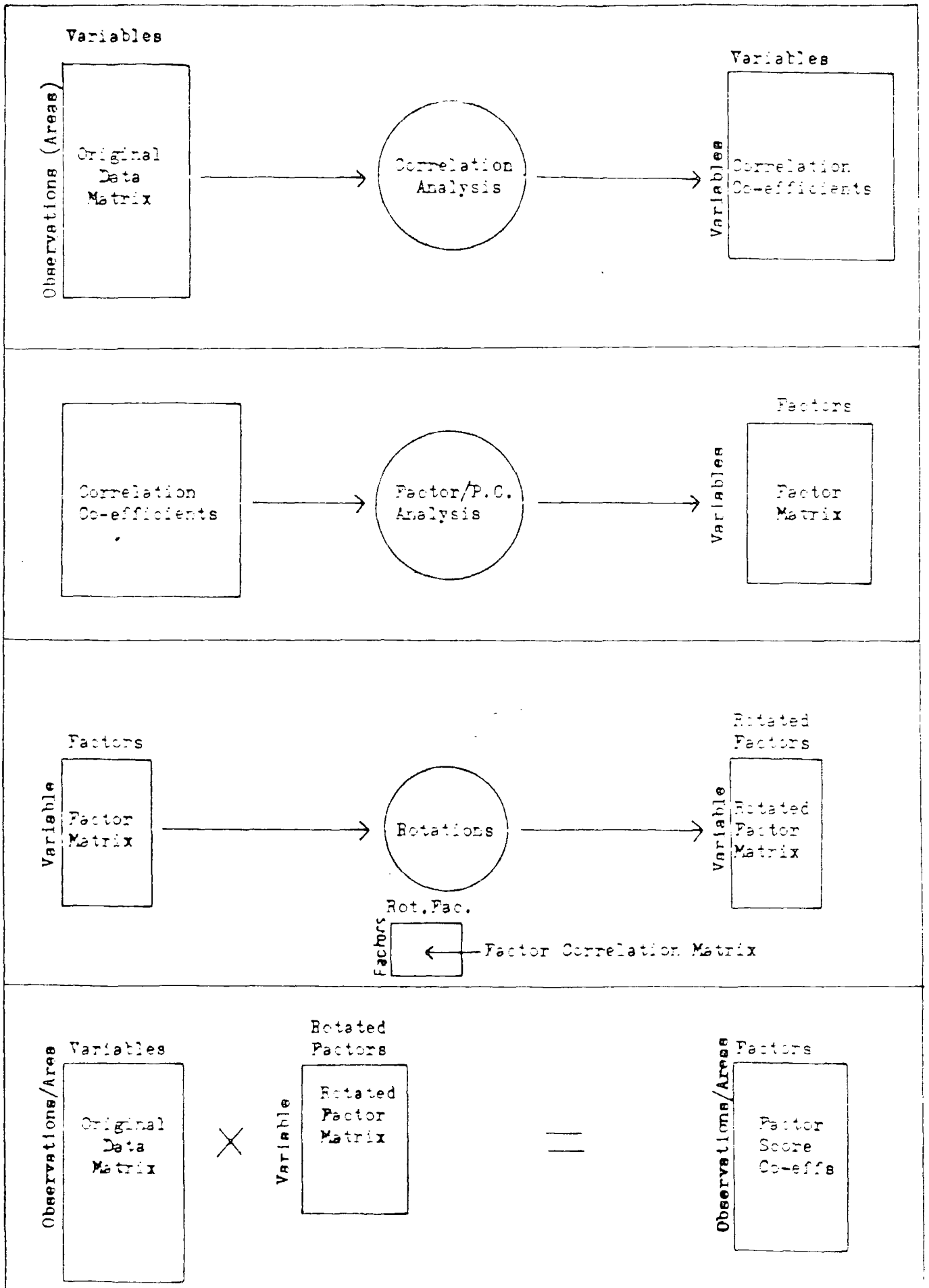
Table 6.1.2 Variables used in factor analysis.

	Abbreviation	Description	Definition (O.P.C.S. Word Nos.)
1.	PENSN	% Males over 65 and Females over 60	(P478 + P479) / 10
2.	CHILDR	% Children - aged under 14 years	(P475 + P476) / 10
3.	FERTILE	% Women aged 15 - 44 years	[(P298 + P299 + P300 + P301 + P303 + P312 + P313 + P314 + P315 +P316 + P317) / (P327 + P328)] x 100
4.	YOUNGADM	% Males aged 20 - 30 years	[(P271 + P272 + P285 + P286) / (P325 + P326)] x 100
5.	IRISH	% Born in Eire or Northern Ireland	(P490 + P491) / 10
6.	COMMNW	% Born in New Commonwealth	[(P469 + P470) / (P37 + P39)] x 100
7.	FORGN	% Foreign Born	[(P447 + P448 + P449 + P450 + P469 + P470 + P465 + P466 + P467 + P468 / (P37 + P39)] x 100
8.	ONEYRMOV	% Residents moving within last year	[(T88 + T89 + T90 + T91 + T92 + T93 + T94 + T95) / (P32)] x 100
9.	FIVYRMOV	% Residents moving within last 5 years	[(T144 + T145 + T146 + T147 + T148 + T149 + T150 + T151) / (P32)] x 100
10.	LCOMOV	% Residents moving within last 5 years within Newcastle	[(T144 + T145 + T146 + T147) / (P32)] x 100
11.	ECONACT	% Economically active	[(P257 + P258 + P259) / P32] x 100
12.	UNEMP	% Unemployed	[(P261 + P264 + P267) / (P257 + P258 + P259)] x
13.	UNEMPMA	% Males unemployed	(P261/P257) x 100
14.	PROP	% Population in S-E-G 3 or 4	[(T205 + T206 + T222 + T223) / (T359 + T360)] x 100
15.	EXPMAN	% Population in S-E-G 1 or 2	[(T203 + T204 + T220 + T221) / (T359 + T360)] x 100
16.	PORSKIL	% Population in S-E-G 8 or 9	[(T210 + T211 + T227 + T228) / (T359 + T360)] x 100
17.	SEMSKIL	% Population in S-E-G 7	[(T209 + T226) / (T359 + T360)] x 100
18.	UNSKIL	% Population in S-E-G 11	[(T213 + T230) / (T359 + T360)] x 100
19.	WKOUTLA	% Population crossing a local authority boundary to work	[(T177 + T178 + T179 + T180 + T181 + T182 + T183) x 10/P32] x 100
20.	CARTW	% Population travel to work by car	((T170 + T171) x 10/ P32) x 100

	Abbreviation	Description	Definition (C.P.C. Word Nos.)
21.	NOCAR	% Household with no car	H77/10
22.	TWOCAR	% Households with two or more cars	(H35/H32) x 100
23.	OWNOC	% Households owner occupied	H53/10
24.	COUN	% Households council tenants	H54/10
25.	PRUNF	% Households private rented unfurnished	H55/10
26.	PRFUR	% Households private rented furnished	H56/10
27.	PRENT	% Households private rented	(H55 + H56) / 10
28.	ONEHHOLD	% One person households	H72/10
29.	NOINWC	% Households with no inside W/C	H64/10
30.	SHLHOTW	% Households share or lack hot water	H61/10
31.	SHLBATH	% Households share or lack fixed bath	H62/10
32.	SHLINWC	% Households share or lack inside S/C	H63/10
33.	HIDENS	% Households at density 1 person/room	H65/10
34.	HIMEDENS	% Households at density 1/2 person/room	(H65 + H66) / 10
35.	LODENS	% Households at density 1/2 person/room	H69/10
36.	ALEVEL	% Population with 'A' level or equivalent	[(T362 x 10)/P32] x 100
37.	DEGREE	% Population with degree or H.N.D.	[(T363 x 10) / P32] x 100

Table 6.1.b The steps involved in factor analysis

(after Abler, Adams and Gould,(1972))



correlation co-efficient is a measure of association between two variables and in geographical terms tells us how much, if any, spatial association exists. Most powerful and most used of the various correlation co-efficients is the Pearson Product-Moment correlation Co-efficient (r). However, r is a parametric statistic - that is, the nature of the polulation being studied form parameters upon which assumptions are drawn which form an integral part of the statistical test. In the case of r one of these assumptions is that there is a normal (or Gaussian) distribution of the variables, but there are good reasons why, in urban areas, a Gaussian distribution should not be expected.

Spatial segregation occurs largely because of the operation of various market mechanisms which influence an individual's location in space. As the urban mosaic is created by non-random processes, then non-random distributions of variables across space are likely to be found. A particularly clear example is that provided by variables describing tenure. Each house can only be classified under one form of tenure - it is either owner occupied, privately rented or council owned. Experience of urban areas suggests that these different tenure groups are related to particular building developments, for example the council estate, or privately built housing estate, and that these building developments tend to occur in 'patches', forming a mosaic of tenure types across the city.

Given this tendency towards a mutual exclusiveness of tenure types (if an enumeration district is, say, 100 per cent owner occupied, then its percentage of all other tenure types must be zero) it is to be expected that the distribution of these variables will be bi-polar, reflecting this clustering. That is, excessively large numbers of enumeration districts will score either very highly or very lowly in terms of percentage of households under a certain tenure.

A further example is to be found in variables concerning ethnicity and

the U.S.A. there is evidence of ghetto formation in Great Britain (to a lesser extent). With the overall level of non-indigenous population being low and with these groups tending to cluster, then the distribution in space will produce a skewed distribution with very many enumeration districts scoring very lowly and a few scoring comparatively highly.

Given this (and other) problems we are forced to utilise a technique that does not make such stringent assumptions about the data. There are two principal contenders amongst the distribution free correlation co-efficients - Spearman's Rank Correlation Co-efficient and the Kendall Rank Correlation Co-efficient. Both are distribution free as they are based upon a ranking of the data and both have a power efficiency of approximately 91 per cent or r , although the underlying rationale of each is different. (For a simple exposition of the two techniques see Hammond and McCullagh (1974)).

Since both techniques utilise the same data in the relevant populations and are consequently equally efficient in detecting associations between variables, the choice of which to use is largely a matter of personal preference - with r_s being the most widely used. The occurence of a larger number of tied ranks can influence the choice however, and most simple quantitative methods textbooks recommend the use of Kendall's Correlation Co-efficient (τ) where there are a large number of such occurrences. Seigal (1956) shows however that r_s is perfectly robust in such a situation when a correction factor based upon the number of tied ranks is employed. Given this approximately equal choice then the present analysis used r_s[1] and the resultant correlations are shown in Table 6.2.

1. Given the ability to use either technique the choice of r_s has a practical basis. One end product of the ensuing factor analysis is a set of factor score co-efficients for each enumeration district of Newcastle. This requires the raw data to be input into the computer program that computes the factor analysis. SPSS subprogram FACTOR (See Nie et al, 1975) has the facility to input correlation matrices direct into the program, but if raw data is used only r may be computed within the program. However, by utilising the fact that r and r_s are derived similarly while τ is not, one can input ranked data into the correlation part of the program.

As a further note many text books state that only r should be used for computing factor analyses (see for example (Child(1970)) and this is the basis behind the SPSS subprogram. The use of r_s is justified however, as factor analysis is merely a mathematical technique and cannot differentiate between types of

	PENSN	CHILDR	FERTILE	YOUNGADL	IRISH	COMMNW	FORGN	ONEYRMOV	FIVYRMOV	LOCMOV
PENSN	1.00	0.66	-0.65	-0.12	0.00	0.0[illegible]	-0.0[illegible]	0.16	-0.08	0.11
CHILDR	-0.66	1.00	0.34	-0.11	0.07	0.07	-0.12	0.06	0.00	0.15
FERTIL	-0.65	0.34	1.00	0.46	0.06	0.26	0.24	0.24	0.14	0.00
YOUNGA	-0.12	0.11	0.46	1.00	0.08	0.28	0.29	0.26	0.15	0.00
IRISH	-0.00	0.07	0.06	0.08	1.00	0.26	0.50	0.12	0.13	0.00
COMMNW	0.00	0.07	0.26	0.28	0.26	1.00	0.73	0.20	0.15	0.05
FORGN	-0.00	0.12	0.24	0.29	0.50	0.73	1.00	0.23	0.23	0.01
ONEYRM	-0.16	0.06	0.24	0.26	0.12	0.20	0.23	1.00	0.48	0.29
FIVYRM	-0.08	0.00	0.14	0.15	0.13	0.15	0.23	0.48	1.00	0.74
LOCMOV	-0.11	0.15	0.00	0.00	0.00	0.05	-0.01	0.29	0.74	1.00
ECONAC	-0.02	0.42	-0.03	0.03	0.07	0.23	-0.19	0.08	-0.03	0.04
UNEMP	-0.36	0.45	0.20	0.08	0.06	0.06	-0.14	0.06	0.09	0.20
UNEMPM	-0.37	0.46	0.19	0.06	0.07	0.07	-0.16	0.05	0.09	0.22
PROF	0.13	0.23	0.05	0.05	0.20	0.34	0.35	0.11	0.07	0.17
EMPMAN	0.10	0.19	0.06	-0.01	0.09	0.22	0.26	0.09	-0.02	0.22
FORSKI	-0.15	0.21	0.00	-0.00	0.17	0.24	-0.29	0.08	-0.02	0.17
SEMSKI	-0.06	0.06	0.01	0.00	0.03	0.05	-0.11	0.03	0.07	0.17
UNSKIL	-0.24	0.23	-0.00	-0.07	0.11	0.31	-0.33	0.09	-0.00	0.26
WKGTTL	-0.24	0.35	0.01	-0.08	0.16	0.36	-0.36	0.03	0.08	0.31
CARTW	-0.09	0.14	0.05	-0.06	0.09	0.11	-0.19	0.0[illegible]	0.05	0.15
NOCAR	-0.11	0.24	-0.07	-0.04	0.13	0.[illegible]	-0.[illegible]	0.0[illegible]	0.00	0.32
TWOCAR	0.12	0.[illegible]	-0.10	0.03	0.17	0.2[illegible]	0.[illegible]	0.01	-0.02	0.26
OWNOC	0.27	0.24	0.01	0.07	0.15	0.36	0.[illegible]	0.01	-0.13	0.34
COUN	-0.31	0.33	-0.11	-0.34	0.14	0.40	-0.42	0.08	0.02	0.31
PRUNF	0.18	0.11	0.17	0.58	0.02	0.25	0.20	0.08	0.00	0.07
PRPUB	0.11	0.26	0.27	0.49	0.25	0.56	0.56	0.23	0.13	0.11
PRENT	0.14	0.17	0.26	0.64	0.10	0.34	0.31	0.14	0.[illegible]	0.10
ONEHHC	0.45	0.40	-0.11	0.28	0.11	0.20	0.26	0.16	0.[illegible]	0.07
NOINWC	0.[illegible]	0.09	0.20	0.47	0.00	0.18	0.11	0.07	0.[illegible]	0.02
SHLBOT	-0.06	0.08	0.30	0.51	0.08	0.30	0.26	0.15	0.14	0.04
SHLBAT	-0.05	0.07	0.29	0.52	0.05	0.29	0.25	0.15	0.[illegible]	0.02
SHLNW	-0.06	0.16	0.28	0.34	0.26	0.44	0.43	0.23	0.18	0.00
HIDENS	-0.45	0.52	0.25	0.06	0.08	0.04	-0.12	0.06	-0.03	0.09
HIMEDE	-0.51	0.65	0.17	-0.05	0.15	0.23	-0.29	0.01	-0.06	0.20
LODENS	0.47	0.38	-0.15	0.07	0.11	0.26	0.28	0.00	-0.04	0.22
ALEVEL	0.09	0.27	0.10	0.12	0.15	0.31	0.33	0.19	0.15	0.11
DEGREE	0.10	0.24	0.14	0.11	0.17	0.34	0.36	0.21	0.10	0.16

	ECONACT	UNEMP	UNEMPMA	PROF	EMPMAN	FORSKIL	SEMSKIL	UNSKIL	WKOUTLA	CARTW
PENSN	-0.02	0.36	-0.37	0.13	0.10	0.15	-0.06	0.24	-0.24	0.09
CHILDR	-0.42	0.45	0.46	-0.23	0.19	0.21	0.06	0.33	0.36	0.14
FERTIL	-0.03	0.20	0.19	0.05	0.06	0.04	0.01	0.06	0.01	0.05
YOUNGA	0.03	0.08	0.06	0.05	0.01	0.00	0.00	0.07	-0.08	0.06
IRISH	-0-07	0.06	-0.07	0.20	0.09	0.17	-0.03	0.11	-0.16	0.09
COMMNW	-0.23	0.06	-0.07	0.34	0.22	0.24	-0.05	0.31	-0.34	0.11
FORGN	-0.19	0.14	-0.16	0.35	0.26	0.29	-0.11	0.32	-0.36	0.18
ONEYRM	-0.08	0.06	0.05	0.11	0.09	0.08	0.03	0.00	-0.03	0.00
FIVYRM	-0.03	0.09	0.09	0.07	0.02	0.02	0.07	0.09	0.08	0.05
LOCMOV	-0.04	0.20	0.22	-0.17	0.22	0.17	0.17	0.26	0.31	0.15
ECONAC	1.00	0.20	-0.18	-0.09	0.00	0.05	0.07	0.02	0.04	0.06
UNEMP	-0.20	1.00	0.95	-0.31	0.40	0.24	0.06	0.53	0.43	0.05
UNEMPM	-0.18	0.95	1.00	-0.34	0.41	0.24	0.09	0.55	0.44	0.04
PROF	-0.09	0.31	-0.34	1.00	0.37	0.43	-0.16	0.38	-0.48	0.22
EMPMAN	0.00	0.40	-0.41	0.37	1.00	0.35	-0.12	0.41	-0.49	0.01
FORSKI	0.05	0.24	0.24	-0.43	0.35	1.00	0.06	0.18	0.58	0.60
SEMSKI	0.07	0.06	0.09	-0.16	0.12	0.06	1.00	0.03	0.11	0.07
UNSKIL	-0.02	0.53	0.55	-0.38	0.41	0.18	0.03	1.00	0.48	0.00
WKOUTL	0.04	0.43	0.44	-0.48	0.49	0.58	0.11	0.48	1.00	0.54
CARTW	0.06	0.05	0.04	-0.22	0.01	0.60	0.07	0.00	0.54	1.00
NOCAR	-0.18	0.70	0.71	-0.51	0.53	0.30	0.16	0.65	0.52	0.07
TWOCAR	0.07	0.55	-0.55	0.51	0.49	0.37	-0.13	0.52	-0.51	0.13
OWNOC	-0.11	0.55	-0.57	0.46	0.49	0.31	-0.19	0.58	-0.48	0.06
COUN	0.12	0.45	0.48	-0.47	0.43	0.33	0.17	0.56	0.53	0.16
PRUNF	-0.02	0.02	-0.00	-0.03	0.02	0.00	0.01	0.07	-0.05	0.03
PRFUR	-0.12	0.10	-0.13	0.32	0.22	0.20	-0.10	0.26	-0.34	0.13
PRENT	-0.05	0.02	-0.00	0.06	0.05	0.06	-0.01	0.12	-0.14	0.04
CNEHIO	-0.07	0.05	0.06	0.04	0.06	0.12	0.01	0.09	-0.12	0.19
NOINWO	-0.14	0.25	0.22	-0.16	-0.14	0.12	0.09	0.11	0.14	0.09
SHLHOT	-0.17	0.31	0.31	-0.02	0.08	0.04	0.02	0.10	0.04	0.02
SELBAT	-0.19	0.30	0.28	-0.04	0.00	0.05	0.01	0.10	0.05	0.02
SHLINW	-0.09	0.00	-0.00	0.30	0.19	0.20	-0.05	0.17	-0.27	0.15
HIDENS	-0.21	0.63	0.66	-0.28	0.33	0.24	0.04	0.49	0.39	0.07
HIMEDE	-0.16	0.68	0.70	-0.45	0.46	0.35	0.14	0.59	0.56	0.15
LODENS	-0.06	0.57	-0.60	0.43	0.41	0.35	-0.16	0.50	-0.48	0.12
ALEVEL	0.02	0.36	-0.38	0.56	0.40	0.37	-0.16	0.48	-0.44	0.12
DEGREE	-0.03	0.40	-0.41	0.66	0.45	0.42	-0.15	0.43	-0.48	0.16

	NOCAR	TWOCAR	OWNOC	COUN	PRUNF	PRFUR	PRENT	ONEHHOLD	NOINWC	SHLHOTW
PENSN	-0.11	0.12	0.27	-0.31	0.18	0.11	0.14	0.45	0.05	0.06
CHILDR	0.34	0.35	-0.24	0.33	0.11	0.26	-0.17	0.40	0.09	0.08
FERTIL	-0.07	0.10	0.01	-0.11	0.17	0.27	0.26	0.11	0.20	0.30
YOUNGA	-0.04	0.03	0.07	-0.34	0.58	0.49	0.64	0.28	0.47	0.51
IRISH	-0.13	0.17	0.15	-0.14	0.02	0.25	0.10	0.11	0.00	0.08
COMMNW	-0.25	0.27	0.36	-0.40	0.25	0.56	0.34	0.20	0.18	0.30
FORGN	-0.31	0.30	0.35	-0.42	0.20	0.56	0.31	0.26	0.11	0.26
ONEYRM	0.00	0.01	0.01	-0.08	0.08	0.23	0.14	0.16	0.07	0.16
FIVYRM	0.07	0.02	-0.13	0.02	0.00	0.13	0.05	0.20	0.04	0.14
LOCMOV	0.32	0.26	-0.34	0.31	0.07	0.11	-0.10	0.07	0.01	0.04
RCONAC	-0.18	0.07	-0.11	0.12	0.02	0.12	-0.05	0.07	-0.14	0.17
UNEMT	0.70	0.55	-0.55	0.45	0.02	0.10	0.02	0.05	0.25	0.31
UNEMPM	0.71	0.55	-0.57	0.48	0.00	0.13	-0.00	0.06	0.2	0.31
PROF	-0.51	0.51	0.46	-0.47	0.03	0.32	0.06	0.04	-0.1	0.02
EMPMAN	-0.53	0.49	0.49	-0.43	0.02	0.22	0.05	0.06	-0.14	0.08
FORSKI	0.35	0.37	-0.31	0.33	0.00	0.20	-0.06	0.12	0.12	0.04
SEMSKI	0.16	0.13	-0.18	0.17	0.01	0.10	-0.01	0.01	0.08	0.02
UNSKIL	0.65	0.52	-0.58	0.56	0.07	0.26	-0.12	0.00	0.11	0.10
WRKTTL	0.52	0.51	-0.48	0.53	0.05	0.34	-0.14	0.12	0.14	0.04
CARTW	0.07	0.13	-0.06	0.16	0.03	0.13	-0.04	0.13	0.09	0.02
NOCAR	1.00	0.78	-0.74	0.61	0.01	0.25	-0.01	0.26	0.27	0.26
TWOCAR	-0.78	1.00	0.64	-0.50	0.05	0.42	0.11	0.11	-0.23	0.19
OWNOC	-0.74	0.64	1.00	-0.80	0.23	0.43	0.24	0.04	0.24	0.01
COUN	0.61	0.50	-0.80	1.00	0.52	0.58	-0.59	0.18	-0.21	0.21
PRUNF	0.01	0.05	0.23	-0.52	1.00	0.49	0.95	0.35	0.72	0.63
PRFUR	-0.25	0.32	0.43	-0.58	0.49	1.00	0.63	0.40	0.35	0.47
PRENT	-0.01	0.01	0.24	-0.59	0.95	0.63	1.00	0.44	0.60	0.68
ONEHHO	0.26	0.11	-0.04	-0.18	0.35	0.40	0.44	1.00	0.13	0.43
NOINWC	0.27	-0.23	0.04	-0.21	0.72	0.35	0.60	0.33	1.00	0.75
SHLHOT	0.26	0.19	-0.01	-0.21	0.63	0.47	0.68	0.43	0.75	1.00
SHLBAT	0.25	0.18	-0.00	-0.22	0.64	0.47	0.69	0.43	0.78	0.92
SHLINW	-0.13	0.21	0.19	-0.30	0.16	0.61	0.32	0.35	0.11	0.44
HIDENS	0.60	0.46	-0.48	0.44	0.00	0.10	0.00	0.00	0.21	0.30
HIMEDE	0.69	0.59	-0.64	0.64	0.11	0.31	-0.15	0.16	0.15	0.17
LODENS	-0.62	0.54	0.71	-0.66	0.22	0.35	0.22	0.15	0.04	0.04
ALEVEL	-0.57	0.55	0.48	-0.45	0.00	0.33	0.10	0.01	-0.14	0.06
DEGREE	-0.62	0.58	0.54	-0.48	0.01	0.33	0.07	0.01	-0.17	0.06

6.4 Deprivation in Newcastle-upon-Tyne

An examination of the correlation matrix reveals several interesting points. Firstly, there are the relatively self evident correlations between demographic variables, such as -0.96 between % population of pensionable age and % of population aged 14 or under. Likewise, relatively strong positive correlations exist between ethnic minority groups as they are arranged in space - for example the correlation between % of population born overseas and % New Commonwealth born is 0.74. For our present purposes however, it is more enlightening to examine the inter-correlation of those variables that measure some aspect of the poverty cycle and the associated tenure correlations.

Central to the structure of the correlations is the variable NOCAR, % households not owning a car, which, as we have said, is our most reliable available surrogate measure for income. Ten of the 37 variables correlate with NOCAR at a level greater than 0.6. Unemployment, council dwellings and high living densities per dwelling are all strongly associated spatially with non ownership of a car. Conversely, owner occupation, low densities of persons per room and high educational attainment are not found in areas of low car ownership. This suggests that our NOCAR-income link is a valid one and that an income based filtering is in existence, leading to low income groups co-existing in the more deprived areas.

The correlations for those variables that most directly measure the physical standard of dwellings also show very little that is particularly surprising in the light of earlier chapters. Percentage of households without an inside toilet has predictably high correlations with the similar measures of poor housing - percent sharing or lacking hot water and percent sharing or lacking a fixed bath (0.75 and 0.8 respectively). Also, given our previous observations concerning the motives of the various groups in the housing market, the association of these variables

with tenure groups is unsurprising. The correlation of NCINWC and percent households private rented unfurnished (0.73) and private rented in general (0.68) confirms the pattern of poor housing being owned by private landlords. The correlations of PRUNF and PRENT with UNEMT and UNEMA show the same pattern to a greater or lesser extent.

Correlations involving the variables measuring overcrowding are consistent with those discussed so far. HIDENS (percent households living at a density of more than 1½ persons per room) correlates strongly with unemployment variables (0.64 with UNEMT, 0.67 with UNEMA) and with income (0.70 with NCCAR). Conversely, a strong negative correlation exists with owner occupation (-0.65), while a medium strength correlation of 0.59 links HIDENS and percent of population that are unskilled. A similar pattern of areal association exists for the variable HIMLDENS (percent households living at a density of more than 1 person per room), with correlations generally being marginally higher.

Overall then, variables measuring some aspect of deprivation tend to be areally associated, while they are spatially distinct from variables that relate to affluence in a general way such as owner occupation and households living at a density of less than 1 person per 2 rooms. It is also worth re-emphasising the pattern of correlations associated with the different tenures, owner occupation being associated with a more frequent occurrence of high car ownership, low living densities, higher education levels etc. and few occurrences of low income, high unemployment, unskilled workers. The private rented sector would appear to be less discriminating in its occupants, but exhibits uniformly poor physical conditions.

It will be seen from Table 6.2 that there is in fact a higher degree of inter-correlation than the preceding paragraphs have suggested. Because of the high level of inter-correlation a correlation structure diagram does not really aid our search for a hidden order behind the chaos. Our next step in

therefore;

> "to resolve this correlation matrix into an n x k factor matrix, where the number of factors k is ..... much smaller than n, the number of variables." Cattell (1965a)

The following tables present the results of an analysis utilising SPSS subprogram FACTOR using the PA1 method of factoring (see Nie et al 1975). This method produces inferred factors - based upon the fundamental assumption that the observed correlations are the product of an underlying regularity in the data. In particular, the use of this method of factoring assumes that any particular variable is made up of two constituent parts - a common part and a unique part (Taylor, 19). That is;

> "it is assumed that the observed variance is influenced by various determinants, some of which are shared by other variables in the set, while others are not shared by any other variable" (Kim 197 , p41)

This fundamental assumption means that there must be some residual variance in each variable which the analysis cannot account for. Consequently, the simple substitution of a value of 1 for the communality (the amount of variance accounted for) of each variable cannot be justified. Therefore, a simple principal component analysis, which produces a direct mathematical transformation of the data would, in this case, be inappropriate. The actual amount of unique variance however, is unknown and so some estimate of the communality of each variance must be made. There is no universally accepted convention to guide us in this respect. The program used here provides an initial estimate of the communality by using the squared multiple correlation between a particular variable and the remaining variables in the matrix. An iteration procedure is then employed to improve the estimate of communality until the difference between two successive estimates is negligible. (For a detailed discussion of the procedure, see Kim, 197) Table 6.3 shows the communalities of the variables included in the analysis.

Initially the program provides us with 37 factors - the same number as were

originally input as variables. The first factor, however, extracts the most variance, then the second factor extracts the most remaining and so on until the amount of variance accounted for by the n^{th} factor is negligible. The sensibility of the resulting analysis is dependant upon the number of factors which are considered significant. As Cattell (1965a) states:

> "Obviously it is highly important for the successful use of factor analysis ..... that it be capable of showing the exact number of factors at work in a given area."

Child (1970, p17) notes however, that:

> "There are minor differences of opinion between factorists as to the best grounds for halting extraction."

He goes on to explain the two most common methods. First is Kaiser's criterion, in which only factors having eigen values greater than one are considered to be significant or common factors. Table 6.4 shows the eigen values. Factor analysis aims very simply to:

> "produce a whole set of weights to relate each of the p factors to every variable." Taylor (1977, p258)

These weights are the factor loadings and the sum of the squares of the factor loadings are the eigen values. This method means that factors are accepted if they account for more variance than one original variable. There is no real reason why this criterion should be adopted however, as common variance may well be included in subsequent factors.

The second popular method noted by Child (1970) is the scree test (see Cattell, 1965b), based upon the need to extract the maximum number of factors before unique variance begins to seriously outweigh common variance. To apply this method we plot a graph of eigen value against factor number in the belief that a natural break in the curve will occur, and identify a cut-off point where the curve straightens. This method has more to recommend it than Kaiser's criterion, as it allows for the inclusion of factors that have similar eigen values but lie on different sides of an arbitrary cut-off point.

VARIABLE	COMMUNALITY
PENSN	0.93
CHILDR	0.91
FERTILE	0.66
YOUNGAPM	0.58
IRISH	0.23
COMSW	0.57
FORGN	0.98
ONEYRMOV	0.33
FIVYRMOV	0.88
LOCMOV	0.73
ECONACT	0.57
UNEMP	0.96
UNEMPMA	0.94
PROF	0.56
EMPMAN	0.37
FORSKIL	0.63
SEMSKIL	0.06
UNSKIL	0.51
WKOUTLA	0.69
CARTW	0.75
NOCAR	0.91
TWOCAR	0.65
OWNOC	0.82
COUN	0.88
PRUNF	0.94
PRFUR	0.72
PRENT	0.95
ONEHOLD	0.65
NOINWC	0.78
SHLHOTW	0.93
SHLBATH	0.92
SHLINWC	0.63
HIDENS	0.70
HIMEDENS	0.89
LODENS	0.69
ALEVEL	0.63
DEGREE	0.77

FACTOR	EIGENVALUE	PCT OF VAR	CUM PCT
1	9.94	37.5	37.5
2	6.07	22.9	60.4
3	2.79	10.6	71.0
4	2.00	7.6	78.5
5	1.71	6.5	85.0
6	1.10	4.2	89.1
7	0.89	3.4	92.5
8	0.71	2.7	95.2
9	0.54	2.1	97.3
10	0.36	1.4	98.7
11	0.35	1.3	100.0

Nevertheless, a method that might be preferred to either of the above criteria is described by Cattell (1952, 1965a) and considers the factor structure. Basically, he argues that extracting the minimum number of factors does not alter the fact that the population being studied is influenced by other factors 'outside' of the model.

> "Consequently, the aim of the experimenter should be to take out as many factors as rotheration permits ..... The greatest that the total number of factors can be considered to be, in practice is n, the order of the matrix. We can never tie down the influences beyond this number. Moreover, we may not even be able to deal with n if we wish to obtain convergent unique communalities, as will usually be required, we must stop at $\frac{2}{3}$n. Fortunately in most researches this is usually quite large enough to remove all factors ..... except those of quite trivial variance." Cattell (1965a).

Obviously we do not require n factors describing n variables, but we do wish to account for as much common variance as possible. Consequently, one way of determining the number of factors influencing a situation is to iterate different solutions and adopt that one which contains the most factors that have significant loadings and, hence, can be interpreted sensibly. Such a procedure tends to produce models containing more dimensions than those which adopt alternative methods of determing the number of factors. However, the benefits lie in the fact that the more general initial factors are 'broken down' into their constituent parts and a more specific representation of the data is obtained. (Appendix 1 shows the results of adopting a 9 factor solution which may be compared against that used here to illustrate this point). In the present analysis the twelfth factor is the first that is uninterpretable and, hence, an eleven factor model is used.

Before presenting the analysis however, brief consideration must be given to the effect of different methods of rotating the initial factor solution. Rotation is now accepted as being necessary to produce factor loadings based upon the principal axes being positioned through groups of

variables rather than between them. The ideal result from a factor analysis is one in which the factor loadings produce a simple structure. That is, a solution in which each variable loads strongly onto only one factor. Given that rotation is virtually universally accepted as being desirable (Cattell, 1965a, Child, 1970, Rummell, 1970, Taylor 1977), debate focuses upon the type of rotation to be performed.

Two principal types of rotation are available - orthogonal when the axes are maintained at an angle of 90 degrees to each other (as the name implies) and oblique, when the various axes are rotated through different angles. The majority of geographical studies have used orthogonal rotations, producing factors that are uncorrelated with each other - principally varimax rotations. However, although the use of orthogonal rotations very often improves the factor solutions of the direct method, there is no real reason to suppose that the real world is structured in orthogonal dimensions, Taylor (1977). Consequently, the use of oblique rotation in which the factors may be related to each other is to be preferred, even though interpretation is made more difficult by the fact that this method produces two sets of loadings relating the factors to the variables.

Pattern loadings are similar to the original loadings, while the structure loading is analagous with correlation co-efficients, in that the squares of the structure loadings are the amount of variance that the factor and its interaction with the other factors accounts for. (It may be noted that in the case of an orthogonal relationship between factors both the pattern loadings and the structure loadings take on the same value).

Factor analyses which, using the present data, extract only a few factors produce a first factor that is a general description of poverty. In the present case, however, the grouping is more specific, as can be seen from Table 6.5. Negative loadings appear for the variables NOCAR, COUN,

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7	FACTOR 8	FACTOR 9	FACTOR 10	FACTOR 11
PENSN	0.13	-0.00	-0.89	-0.03	0.00	0.03	-0.03	-0.09	0.08	0.02	0.06
CHILDR	-0.12	0.06	0.54	0.06	0.03	0.56	-0.06	0.03	-0.09	0.22	-0.12
FERTIL	0.09	0.05	0.68	0.05	0.00	-0.03	0.06	0.04	0.22	-0.16	0.04
YOUNGA	-0.02	0.12	0.19	0.07	-0.03	-0.16	0.04	0.03	0.59	-0.17	0.00
IRISH	-0.02	-0.01	-0.01	0.02	-0.01	-0.02	0.51	0.00	-0.05	0.02	-0.01
COMMNW	0.04	0.05	0.04	-0.01	0.01	0.12	0.60	0.03	0.10	-0.07	0.07
FORGN	-0.02	-0.01	0.02	-0.00	0.00	0.02	1.03	-0.01	0.04	0.06	-0.04
ONEYRM	-0.11	-0.05	0.09	0.44	-0.00	0.07	0.03	-0.01	0.15	-0.12	0.18
FIVYRM	0.15	0.02	-0.01	0.93	0.00	-0.00	0.05	0.01	-0.04	-0.02	0.07
LOCMOV	0.01	0.00	-0.05	0.82	0.07	0.04	-0.00	0.03	-0.09	0.07	-0.10
ECONAC	0.00	-0.03	0.07	-0.05	0.03	-0.73	-0.06	-0.03	0.02	0.03	0.02
UNEMP	0.04	0.02	0.03	0.02	0.00	0.01	0.01	1.00	0.01	0.01	0.03
UNEMPM	0.00	0.03	0.04	0.02	-0.01	0.01	-0.00	0.94	-0.01	-0.01	-0.01
PROF	0.03	0.02	-0.04	-0.00	-0.12	0.03	0.07	-0.02	-0.07	-0.04	0.61
EMPMAN	0.22	0.00	0.09	-0.04	-0.07	0.04	0.01	-0.19	-0.04	-0.07	0.25
FORSKI	0.00	-0.02	-0.00	-0.02	0.69	-0.01	-0.04	0.01	0.02	-0.11	-0.23
SEMSKI	-0.05	0.03	0.03	0.12	0.00	-0.06	-0.62	-0.06	-0.00	0.04	-0.15
UNSKIL	-0.35	0.07	-0.01	0.05	-0.07	0.00	-0.13	0.25	-0.06	0.10	-0.12
WKOUTL	-0.19	0.05	-0.01	0.10	0.55	-0.03	-0.06	0.15	-0.02	0.13	-0.07
CARTW	0.05	0.01	-0.00	0.03	0.91	-0.01	0.02	-0.06	-0.00	0.00	0.13
NOCAR	-0.45	0.06	-0.26	0.10	0.02	0.15	-0.11	0.28	0.07	-0.04	-0.27
TWOCAR	0.32	-0.03	0.15	-0.07	-0.06	-0.09	0.08	-0.19	-0.06	-0.09	0.32
OWNOC	0.55	0.04	0.04	-0.13	0.01	0.22	0.07	-0.29	0.10	-0.00	0.17
COUN	-0.49	0.01	0.00	0.06	0.11	-0.19	0.02	0.12	-0.47	0.11	-0.08
PRUNF	0.04	0.23	-0.07	-0.04	0.02	-0.00	0.02	-0.01	0.83	0.18	-0.04
PRFUR	0.11	0.12	-0.02	-0.01	0.00	0.05	0.26	-0.01	0.31	-0.39	0.04
PRENT	0.01	0.19	-0.05	-0.04	-0.02	-0.01	0.05	-0.00	0.81	-0.02	-0.02
ONEHHO	-0.15	0.17	-0.54	0.13	-0.12	-0.01	0.08	0.20	0.18	-0.30	-0.07
NOINWC	0.05	0.67	-0.04	-0.01	0.07	0.04	0.04	0.07	0.30	0.20	-0.05
SHLHOT	-0.00	0.92	0.01	0.01	-0.01	0.00	0.00	0.06	-0.01	-0.09	0.02
SHLBAT	-0.02	0.91	0.00	-0.01	0.00	0.02	-0.01	0.07	0.03	-0.07	0.03
SHLINW	0.00	0.27	0.05	0.03	-0.05	-0.00	0.18	-0.04	-0.12	-0.52	0.04
HIDENS	-0.55	0.11	0.17	-0.14	0.08	0.20	-0.02	0.20	0.01	-0.08	0.02
HIMEDE	-0.61	0.09	0.22	-0.10	0.12	0.18	-0.09	0.15	-0.06	0.05	-0.06
LODENS	0.43	0.07	-0.21	-0.00	-0.07	0.12	0.01	-0.23	0.09	0.05	0.20
ALEVEL	0.02	-0.01	0.00	0.08	-0.01	-0.08	0.04	-0.04	0.03	0.00	0.72
DEGREE	-0.03	0.01	0.01	0.05	-0.04	-0.02	0.02	-0.06	0.00	0.02	0.84

HIDENS and HIMEDENS, while positive loadings exist with the variables OWNOC and LODENS. As such, the factor would appear to represent a modern housing polarisation between the public rented and private owner occupied sectors of the housing market - with no strong link to economic power (the NOCAR loading is only -0.45) or physical conditions. The apparent inequality in living densities between the two sectors leads one to suggest that the polarisation produced here is a measure of some form of institutional inequality, produced by the public sector housing stock management.

Factor two has very high loadings on SHLHOTW and SHLBATH and a high loading on NOINWC (0.68). Consequently, it must be regarded as a 'poor housing' factor (having no strong link with tenure type). Factor three is a 'family' dimension with high negative loadings on PENSN and ONEHHOLD and high positive loadings on CHILDR and FERTILE, while factor four is a mobility dimension, having very high positive loadings on FIVYRMOV and LOCMOV and a moderate loading on ONEYRMOV. Factor five may be seen a a 'commuting' factor with high positive loadings on CARTW and FORSKIL and a medium positive loading with WKOUTLA.

Factor six has positive and negative loadings upon CHILDR and ECONACT respectively and is therefore seen as a 'youth' dimension. Factor seven is clearly an 'ethnic' factor. Factor eight has high loadings only with 'unemployment' variables and factor nine has a high positive loading with 'private rented unfurnished' accommodation, with an additional medium positive loading with young adult makes. Factor ten is a 'private rented furnished/ share or lack an inside toilet' dimension, while factor eleven has high loadings on the 'education' variables and on professional socio-economic groups.

Table 6.6. shows the factor structures which;

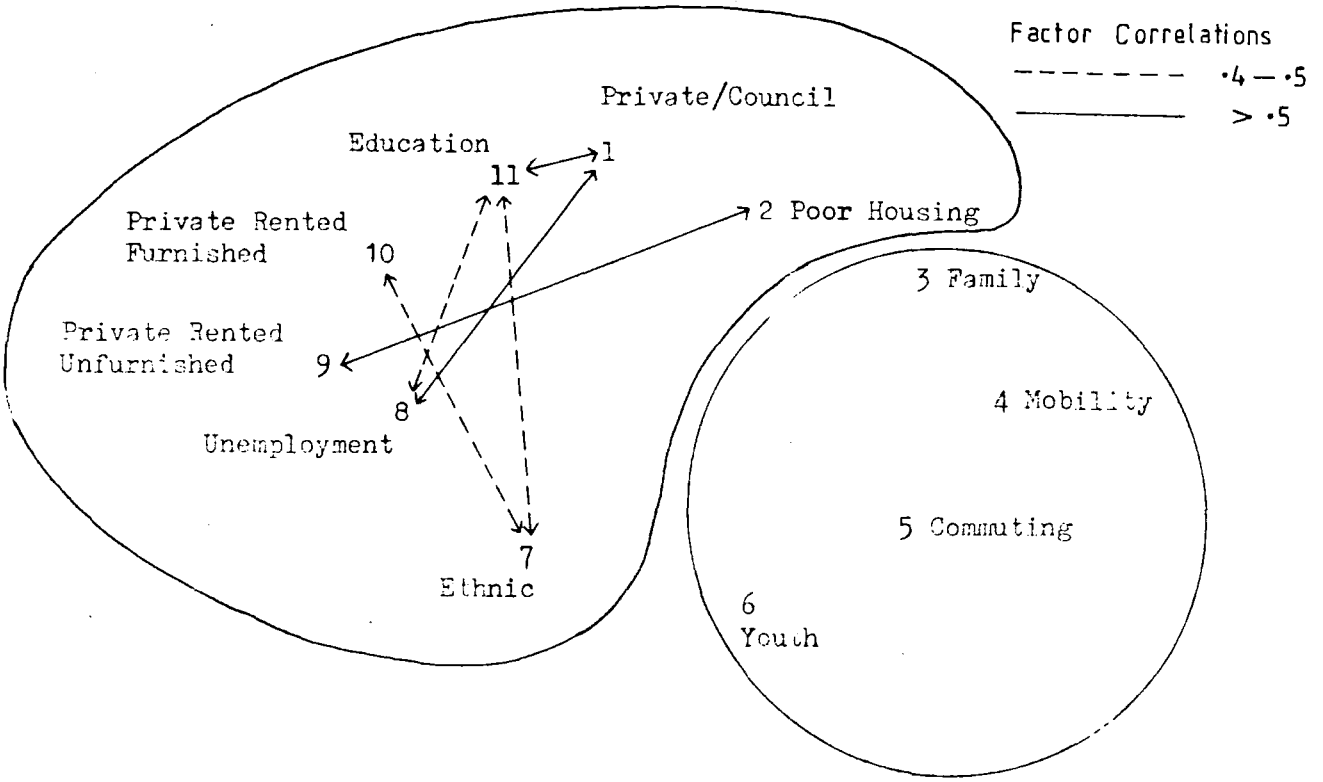
> "measure the correlations of variables with the patterns". Rummel (1967).

and the overall structure described above is reinforced.

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7	FACTOR 8	FACTOR 9	FACTOR 10	FACTOR 11
PENSN	0.39	-0.03	-0.92	-0.14	-0.17	-0.05	0.02	-0.34	0.11	0.07	0.10
CHILDR	-0.40	0.08	0.62	0.08	0.26	0.62	-0.17	0.44	-0.16	0.31	-0.26
FERTIL	-0.09	0.27	0.70	0.14	0.03	0.05	0.23	0.16	0.31	-0.29	0.14
YOUNGA	0.01	0.51	0.18	0.16	-0.07	-0.11	0.28	0.04	0.67	-0.38	0.10
IRISH	0.08	0.06	0.00	0.08	-0.16	0.03	0.47	-0.08	0.05	-0.19	0.17
COMPNW	0.22	0.27	0.07	0.06	-0.23	0.23	0.72	-0.10	0.31	-0.41	0.38
FORGN	0.22	0.23	0.04	0.13	-0.29	0.15	0.38	-0.18	0.26	-0.39	0.37
ONEYRM	-0.07	0.13	0.15	0.47	-0.05	0.06	0.24	0.03	0.18	-0.26	0.20
FIVYRM	-0.05	0.11	0.04	0.92	0.02	-0.03	0.24	0.06	0.06	-0.15	0.09
LOCMOV	-0.27	0.04	0.01	0.82	0.20	-0.01	-0.02	0.20	-0.09	0.08	-0.22
ECONAC	0.04	-0.17	0.00	-0.02	0.06	-0.74	-0.18	-0.18	-0.02	0.05	-0.05
UNEMP	-0.59	0.29	0.20	0.15	0.21	0.24	-0.16	0.97	0.00	0.01	-0.38
UNEMPM	-0.62	0.28	0.20	0.15	0.20	0.22	-0.17	0.96	-0.03	0.00	-0.41
PROF	0.41	-0.07	-0.02	-0.04	-0.39	0.09	0.41	-0.34	0.04	-0.31	0.72
EMPMAN	0.48	-0.11	0.03	-0.12	-0.25	0.02	0.27	-0.44	0.05	-0.19	0.52
FORSKI	-0.25	0.05	0.08	0.05	0.76	-0.04	-0.32	0.26	-0.03	0.13	-0.46
SEMSKI	-0.14	0.04	0.03	0.14	0.08	-0.08	-0.09	0.07	-0.01	0.08	-0.19
UNSKIL	-0.63	0.12	0.07	0.15	0.16	0.05	-0.35	0.57	-0.13	0.21	-0.50
WRCUTL	-0.49	0.08	0.12	0.20	0.71	-0.00	-0.40	0.46	-0.12	0.31	-0.53
CARTW	-0.00	-0.00	0.11	0.08	0.84	-0.01	-0.18	0.04	-0.01	0.14	-0.13
NOCAR	-0.80	0.28	-0.12	0.23	0.26	0.18	-0.34	0.74	-0.05	0.12	-0.69
TWOCAR	0.64	-0.21	0.06	-0.16	-0.31	-0.10	0.36	-0.58	0.02	-0.25	0.67
OWNOC	0.82	-0.00	-0.06	-0.28	-0.23	0.20	0.38	-0.60	0.26	-0.17	0.62
COUN	-0.74	-0.20	0.12	0.18	0.33	-0.15	-0.43	0.50	-0.59	0.32	-0.55
PRUNP	0.15	0.68	-0.10	-0.00	0.00	0.03	0.18	-0.01	0.93	-0.08	-0.01
PRFUR	0.29	0.45	-0.03	0.04	-0.23	0.09	0.61	-0.15	0.58	-0.65	0.38
PRENT	0.14	0.70	-0.07	0.01	-0.09	0.02	0.30	-0.01	0.95	-0.30	0.07
ONEHHO	-0.07	0.43	-0.52	0.20	-0.22	-0.02	0.27	0.06	0.38	-0.42	-0.03
NOINWC	-0.07	0.82	-0.04	0.06	0.13	0.15	0.09	0.21	0.65	-0.01	-0.19
SHLHOT	-0.15	0.95	0.03	0.13	-0.00	0.16	0.26	0.28	0.57	0.35	-0.07
SHLBAT	-0.14	0.95	0.03	0.10	0.00	0.17	0.24	0.27	0.59	-0.32	-0.07
SHLINW	0.07	0.38	0.06	0.12	-0.24	0.05	0.53	-0.03	0.24	-0.73	0.31
HIDENS	-0.71	0.29	0.33	0.03	0.22	0.30	-0.15	0.66	-0.01	-0.05	-0.35
HIMEDE	-0.83	0.18	0.37	0.06	0.35	0.26	-0.33	0.70	-0.16	0.18	-0.53
LODNES	0.74	-0.01	-0.31	-0.16	-0.30	0.07	0.31	-0.61	0.23	-0.11	0.54
ALEVEL	0.44	-0.10	0.03	0.03	-0.30	-0.03	0.38	-0.40	0.11	-0.28	0.78
DEGREE	0.46	-0.10	0.50	0.00	-0.35	0.02	0.40	-0.43	0.09	-0.29	0.87

These then are the factors that we may identify that cause the spatial patterns seen on the ground. Table 6.7 shows the correlations between the factors and it is helpful to examine these, which are graphically portrayed in Figure 6.2.

Figure 6.2. Relationships between factors.



Now we see two distinct groups of factors. Firstly the group containing 'Family', 'Mobility', 'Commuting' and 'Youth', which may be regarded as almost independent, having no significant correlations with the other factors. The remaining seven factors, however, show a significant amount of intercorrelation. Particularly interesting is the correlation of 0.6 between the private rented unfurnished and the poor housing factors - a relationship which appears as one factor in analyses extracting fewer factors. In fact, the degree of inter-correlation between factors suggests that a further degree of generalisation may be possible and the input of the factor correlation matrix facilitates a subsequent 'second'

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7	FACTOR 8	FACTOR 9	FACTOR 10	FACTOR 11
FACTOR 1	1.00	-0.14	-0.17	-0.22	-0.18	-0.03	0.25	-0.63	0.16	-0.07	0.52
FACTOR 2	-0.14	1.00	0.01	0.11	0.02	0.15	0.22	0.26	0.60	-0.26	-0.12
FACTOR 3	-0.17	0.01	1.00	0.06	0.14	0.08	0.02	0.17	-0.02	-0.01	0.06
FACTOR 4	-0.22	0.11	0.06	1.00	0.08	-0.08	0.13	0.13	0.04	-0.08	-0.05
FACTOR 5	-0.18	0.02	0.14	0.08	1.00	-0.00	-0.32	0.21	-0.05	0.22	-0.35
FACTOR 6	-0.03	0.15	0.08	-0.06	-0.07	1.00	0.13	0.22	0.00	0.01	0.08
FACTOR 7	0.25	0.22	0.02	0.13	-0.32	0.13	1.00	-0.20	0.24	-0.45	0.42
FACTOR 8	-0.63	0.26	0.17	0.13	0.21	0.22	-0.20	1.00	-0.04	0.02	-0.43
FACTOR 9	0.16	0.60	-0.02	0.04	-0.05	0.00	0.24	-0.04	1.00	-0.25	0.09
FACTOR 10	-0.07	-0.26	-0.01	-0.08	0.22	0.01	-0.45	0.02	-0.25	1.00	-0.33
FACTOR 11	0.52	-0.12	0.06	-0.05	-0.35	0.08	0.42	-0.43	0.09	-0.33	1.00

Table 6.8. Communalities for 3 Higher Order Factor Model

VARIABLE	COMMUNALITY	FACTOR	EIGENVALUE	PCT OF VAR	CUM PCT
F 1	0.70	1	2.27	49.3	49.3
F 2	0.85	2	1.67	36.3	85.5
F 3	0.66	3	0.68	14.7	100.0
F 4	0.07				
F 5	0.19				
F 6	0.04				
F 7	0.56				
F 8	0.62				
F 9	0.52				
F10	0.36				
F11	0.60				

FIGURE 6.3 : % HOUSEHOLDS FOREIGN BORN

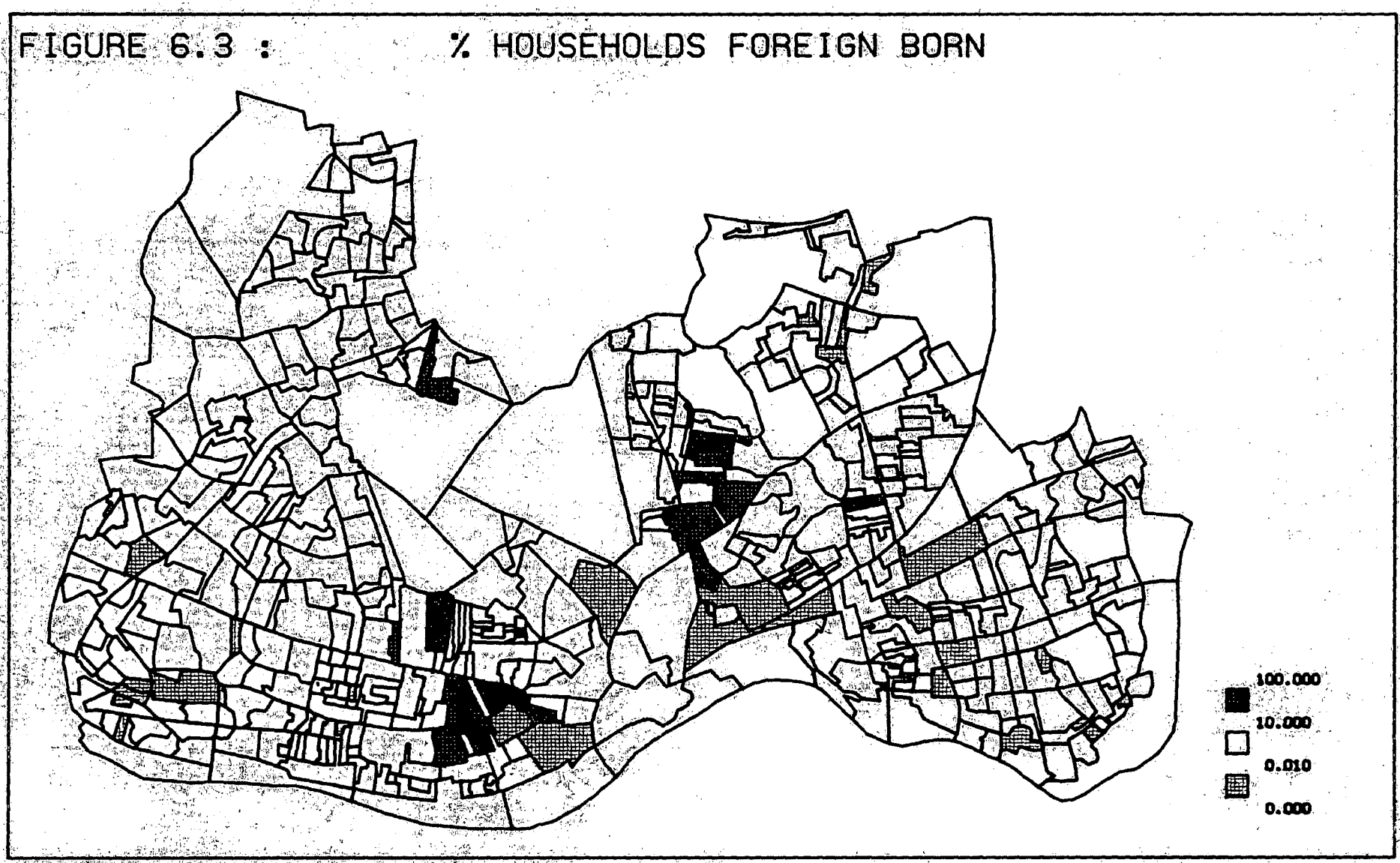


FIGURE 6.4 : % HOUSEHOLDS THAT SHARE/LACK A BATH

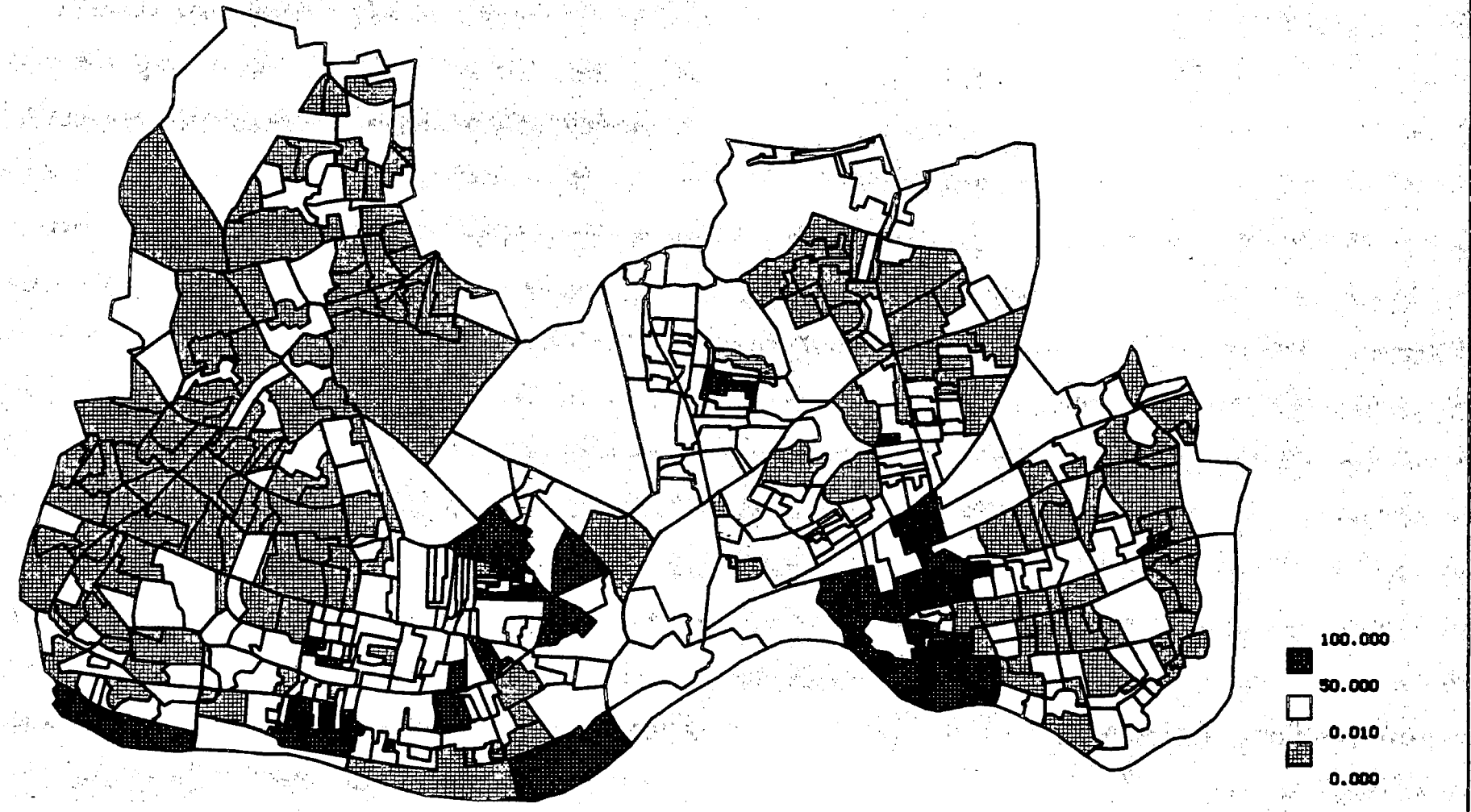


FIGURE 6.5 : % HOUSEHOLDS WITH NO INSIDE TOILET

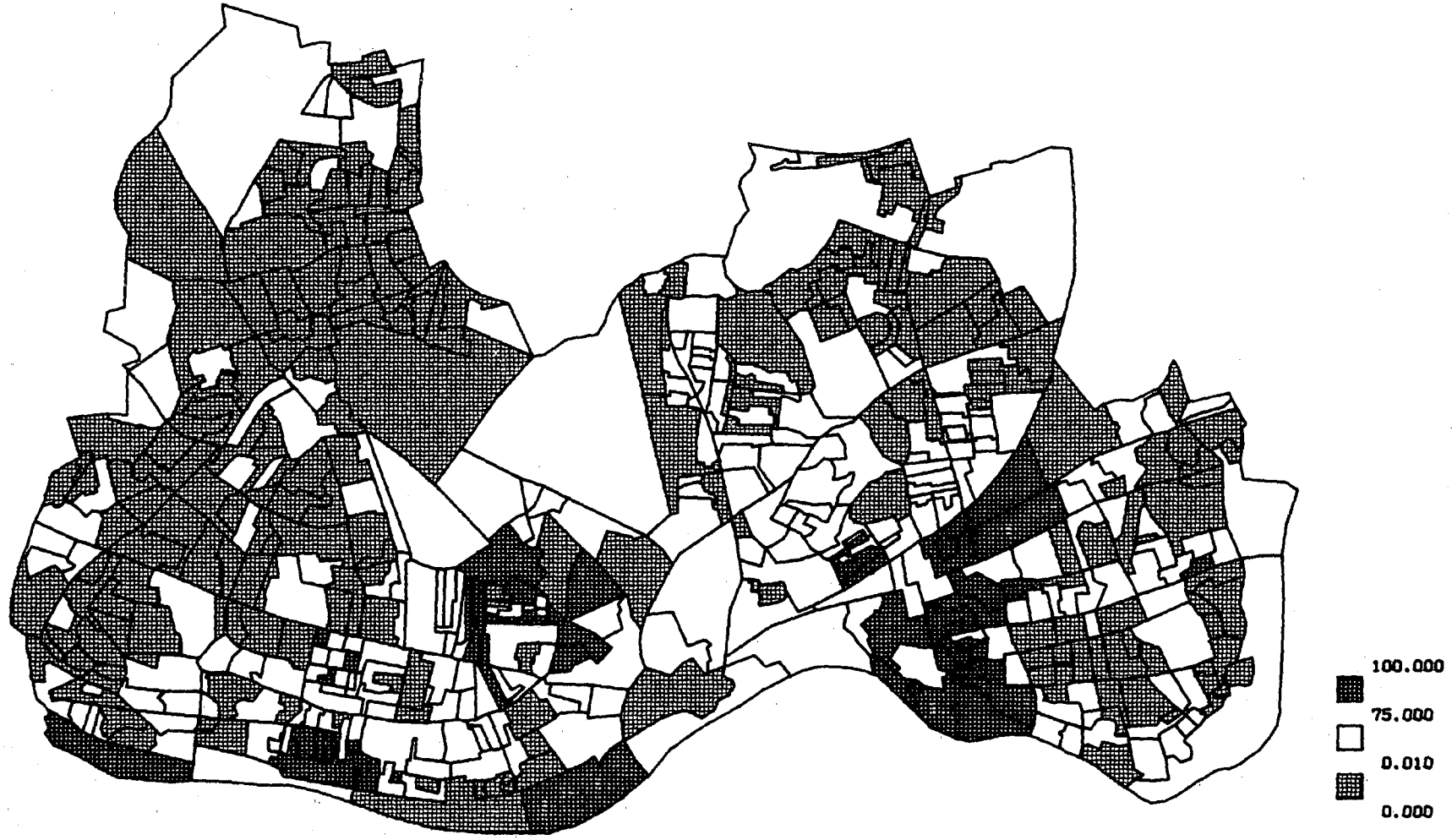


FIGURE 6.6 : % UNEMPLOYED MALES

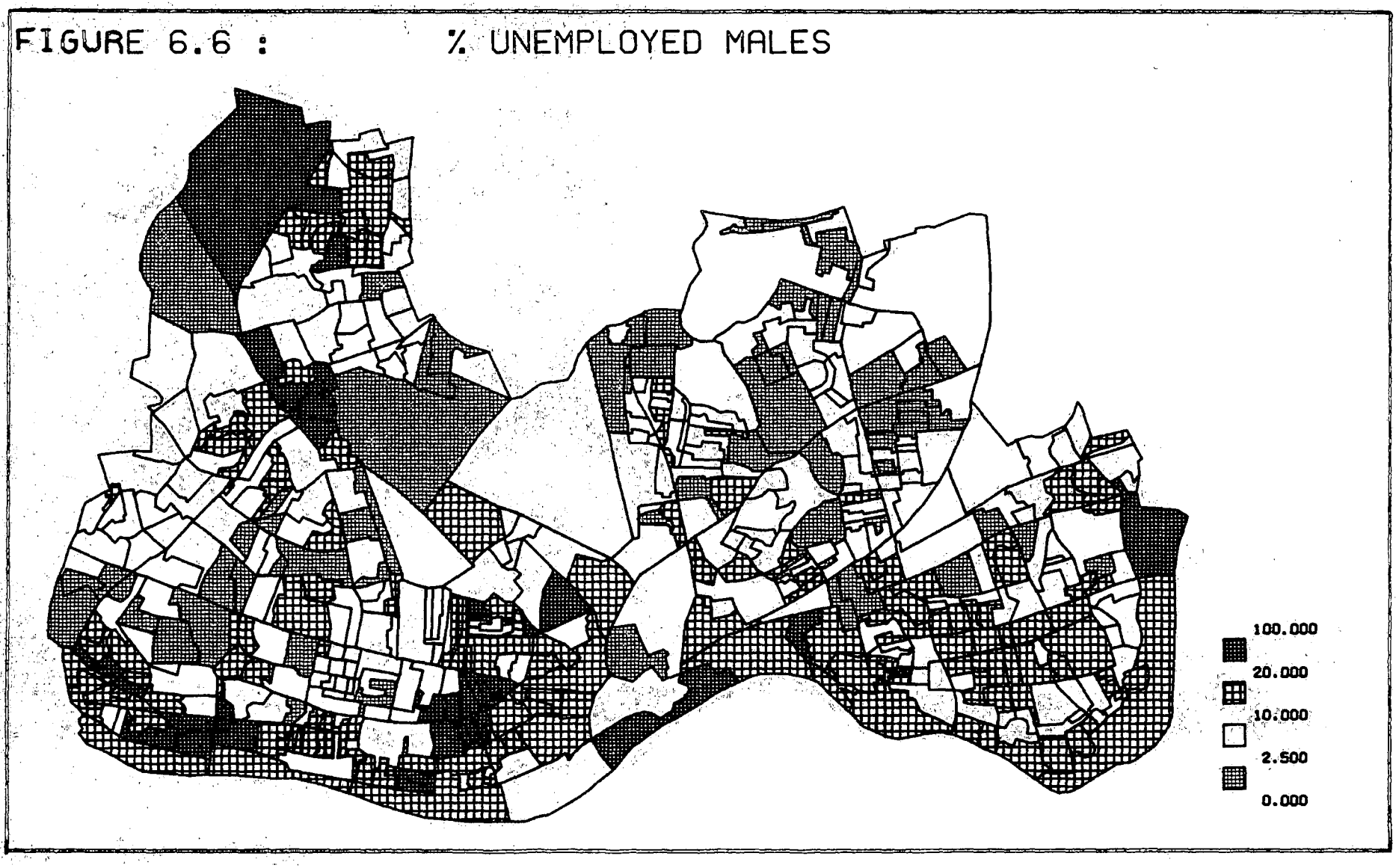


FIGURE 6.7 : % OVERCROWDED HOUSEHOLDS - (>1 PERSON/ROOM)

FIGURE 6.8 : % HOUSEHOLDS NOT OWNING A CAR

FIGURE 6.9 : FACTOR SCORES - HI-OR-FAC 1

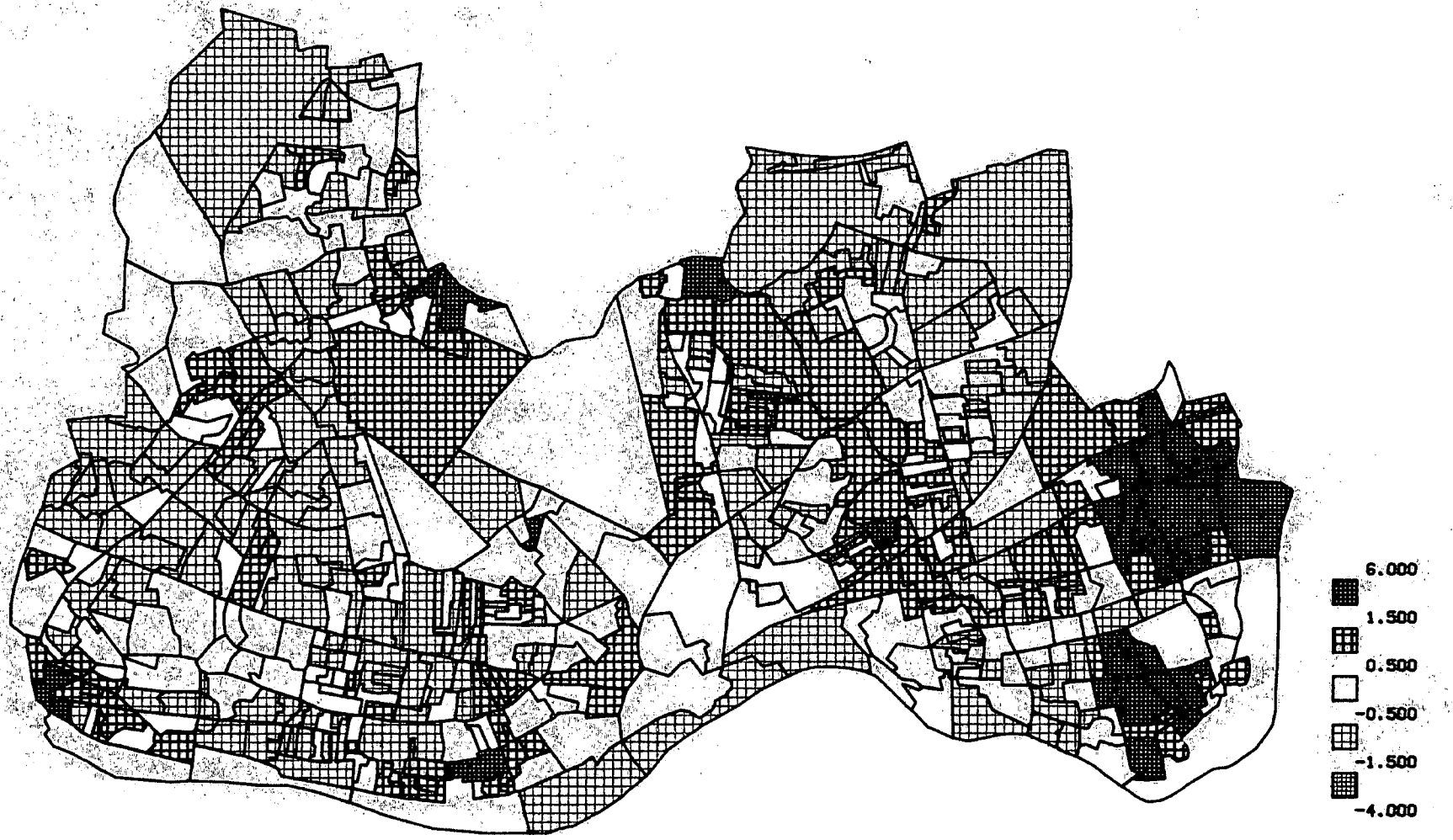


FIGURE 6.10 : FACTOR SCORES - HI-OR-FAC 2

FIGURE 6.11 : PRIVATE RENTED UNFURNISHED HOUSEHOLDS

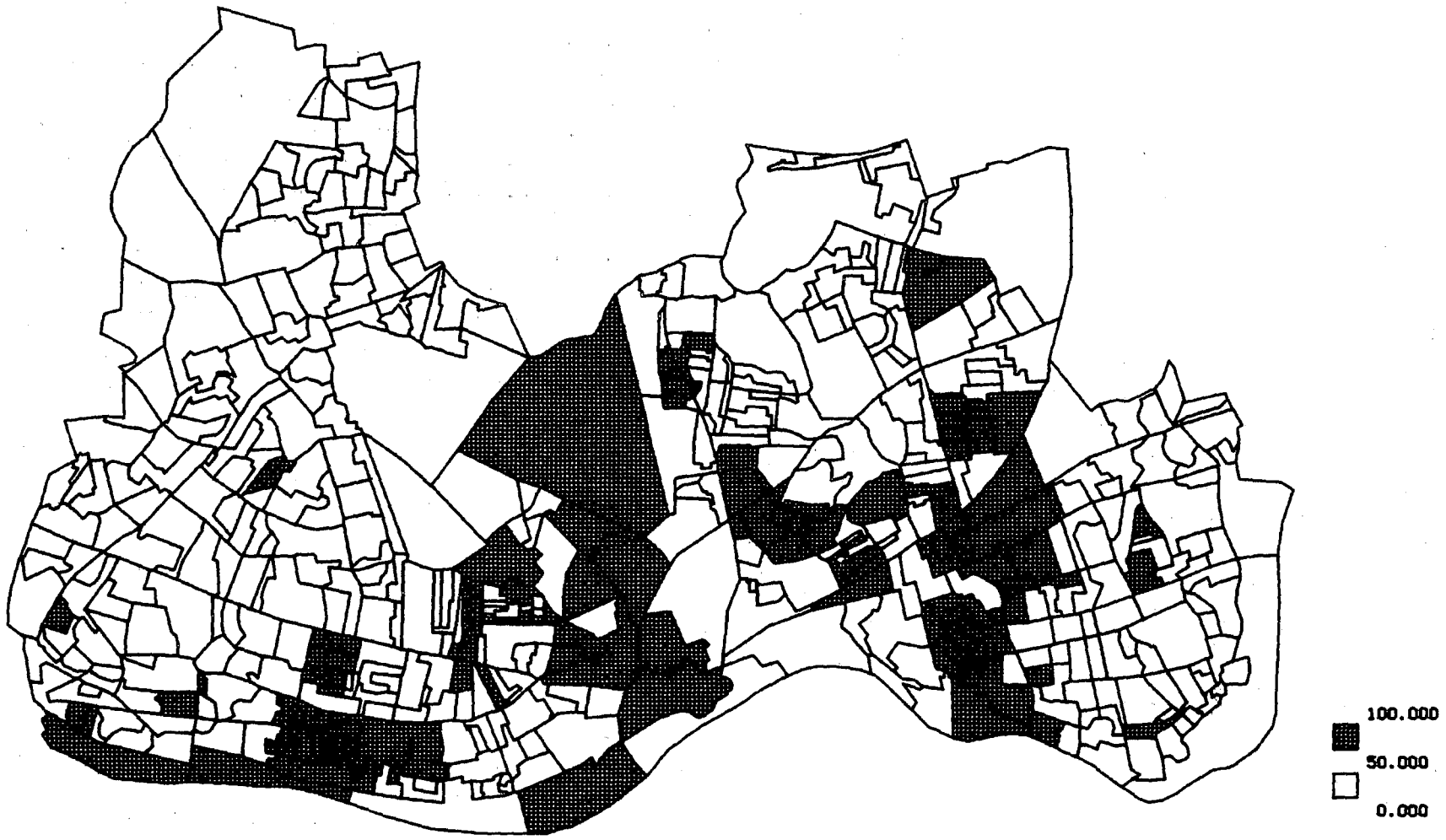
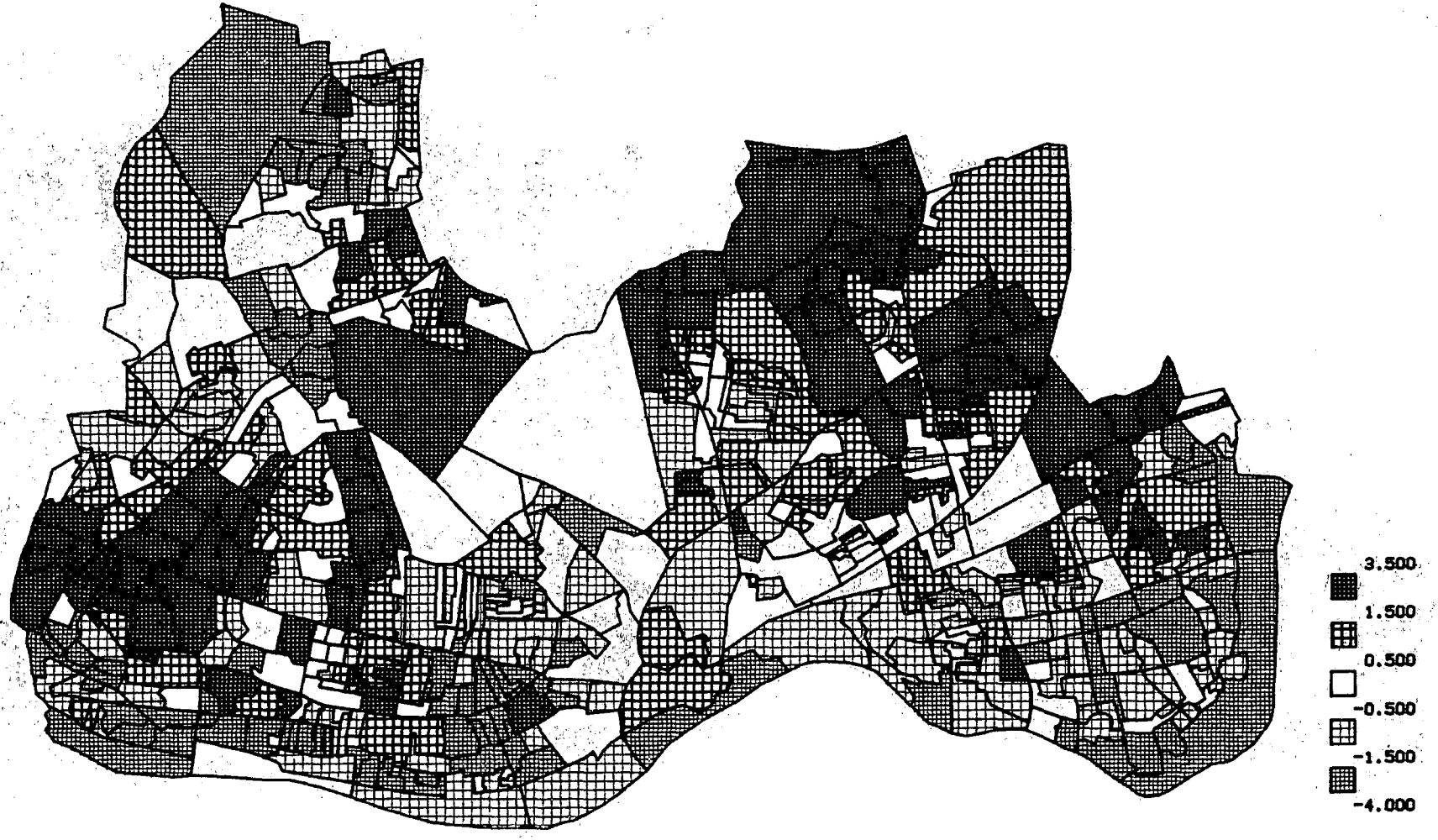


FIGURE 6.12 : FACTOR SCORES - HI-OR-FAC 3



or 'higher' order factor analysis. Tables 6.8 to 6.11 present the results of this analysis.

It is immediately apparent from the communalities (Table 6.8.) that the four factors isolated as [illegible] largely independent do not contribute to the second order amalgamation. Hence, these can be effectively regarded as independent demographic indicators of the socio-spatial structure. Of the remaining first order factors however, the higher order analysis does produce some interesting associations.

Higher order factor one has high positive loadings on factor eleven (education) and seven (ethnicity), with a moderate positive loading on factor one (modern housing polarisation). Negative loadings exist for factors five (commuting) and ten (private rented furnished). This identifies a seemingly paradoxical association of relatively prosperous owner occupation and professional people with ethnic minorities. An explanation of this phenomenon is best undertaken with reference to the particular circumstances in Newcastle upon Tyne.

The immigrant population in Newcastle is predominantly of Asian/Indian origin and forms a thriving, economically viable community. Figure 6.3 shows the enumeration districts in which this population is most heavily concentrated. These areas are in Jesmond, Arthur's Hill and Elswick. Jesmond is a predominantly middle class inner city suburb, (Batley, 1972), while Arthur's Hill and Elswick are working class areas with a high student population. In each of the areas the dominant form of tenure is owner occupation or private renting.

Figures 6.4 and 6.5 show that concentrations of the worst housing conditions are largely absent from these areas. Similarly, other general indicators of deprivation have no major concentrations in those areas as

Figures 6.6. to 6.8. illustrate. What the first order factor appears to be describing, therefore, is the economically viable, or the 'functional inner city' Figure 6.9 shows the spatial pattern of factor scores for higher order factor one[1]. Clearly the functional inner city exists in a broad band around the city centre, with its highest scores occurring in the [illegible] of Fosmoor, Arthur's Hill/ [illegible].

The second higher order factor represents clearly the link between poor quality housing and the private rented (unfurnished) sector of the housing market. Both first order factors two and nine load positively and strongly onto the factor. As such it may be regarded as the economic antithesis of higher order factor one and may be termed the 'disfunctional inner city'. Figure 6.10 shows the spatial distribution of the factor scores. It can be seen that the spatial concentration of the high positive scores occur in Benwell and Westgate to the West of the city centre and in Sandyford, Byker and St Lawrence wards to the East. (Of course, the data refers to 1971 and Byker and Westgate, in particular, have been extensively redeveloped since that time). Clearly however, the pattern represented here is one based very much upon the inner older areas and the pattern of the negative scores is almost exclusively on the edge of the city, totally distinct from the inner city. The link between the disfunctional inner city and areas of private renting is a strong one and is not only shown by the higher order factor loadings. Figure 6.11 illustrates the distribution of private rented dwellings and the general correspondence with Figure 6.10 is an obvious feature.

Finally, the third higher order factor has a loading of approximately 0.7 on the original factor one (the housing polarisation) and a negative loading of -0.65 on factor eight (unemployment). As such, it can be regarded as a further manifestation of the modern housing polarisation, with the unemployed in general excluded from the benefits of owner occupation and low living densities, and can, therefore, be seen as a measure of housing inequality caused through production inequality. Figure 6.12 shows that spatially the pattern of factor scores

1. Obtained by multiplying the first order factor scores for the enumeration districts by the higher order factor score co-efficients.

	FACTOR 1	FACTOR 2	FACTOR 3
F 1	0.42	0.06	0.69
F 2	-0.10	0.89	-0.13
F 3	0.03	-0.02	-0.25
F 4	0.02	0.04	-0.25
F 5	-0.44	0.04	-0.04
F 6	0.07	0.04	-0.18
F 7	0.69	0.15	-0.14
F 8	-0.37	0.08	-0.65
F 9	0.07	0.71	0.16
F10	-0.50	-0.18	0.20
F11	0.76	-0.13	0.14

Table 6.10. Factor Correlations

	FACTOR 1	FACTOR 2	FACTOR 3
FACTOR 1	1.00	0.19	0.08
FACTOR 2	0.19	1.00	-0.20
FACTOR 3	0.08	-0.20	1.00

Table 6.11. Factor Structure

	FACTOR 1	FACTOR 2	FACTOR 3
F 1	0.49	0.00	0.71
F 2	0.05	0.90	-0.33
F 3	-0.00	-0.01	-0.24
F 4	0.00	0.10	-0.26
F 5	-0.44	-0.03	-0.08
F 6	0.06	0.09	-0.18
F 7	0.71	0.31	-0.11
F 8	-0.41	0.14	-0.70
F 9	0.22	0.69	0.02
F10	-0.52	-0.33	0.19
F11	0.74	-0.01	0.24

exhibits a broad north-south division, with positive loadings occurring in a band across the city away from the River Tyne through the wards of Dene, Jesmond, Blakelaw and Fenham into the northern enumeration districts of Scotswood. Negative factor scores provide a band along the river through the predominantly council owned wards of Walker and St. Anthony's, through Byker, Stephenson, Benwell and the southern enumeration districts of Scotswood. Examination of the factor correlation matrix for these three factors reveals no significant correlations and hence we may regard the factors as being, basically, orthagonal and our final solution.

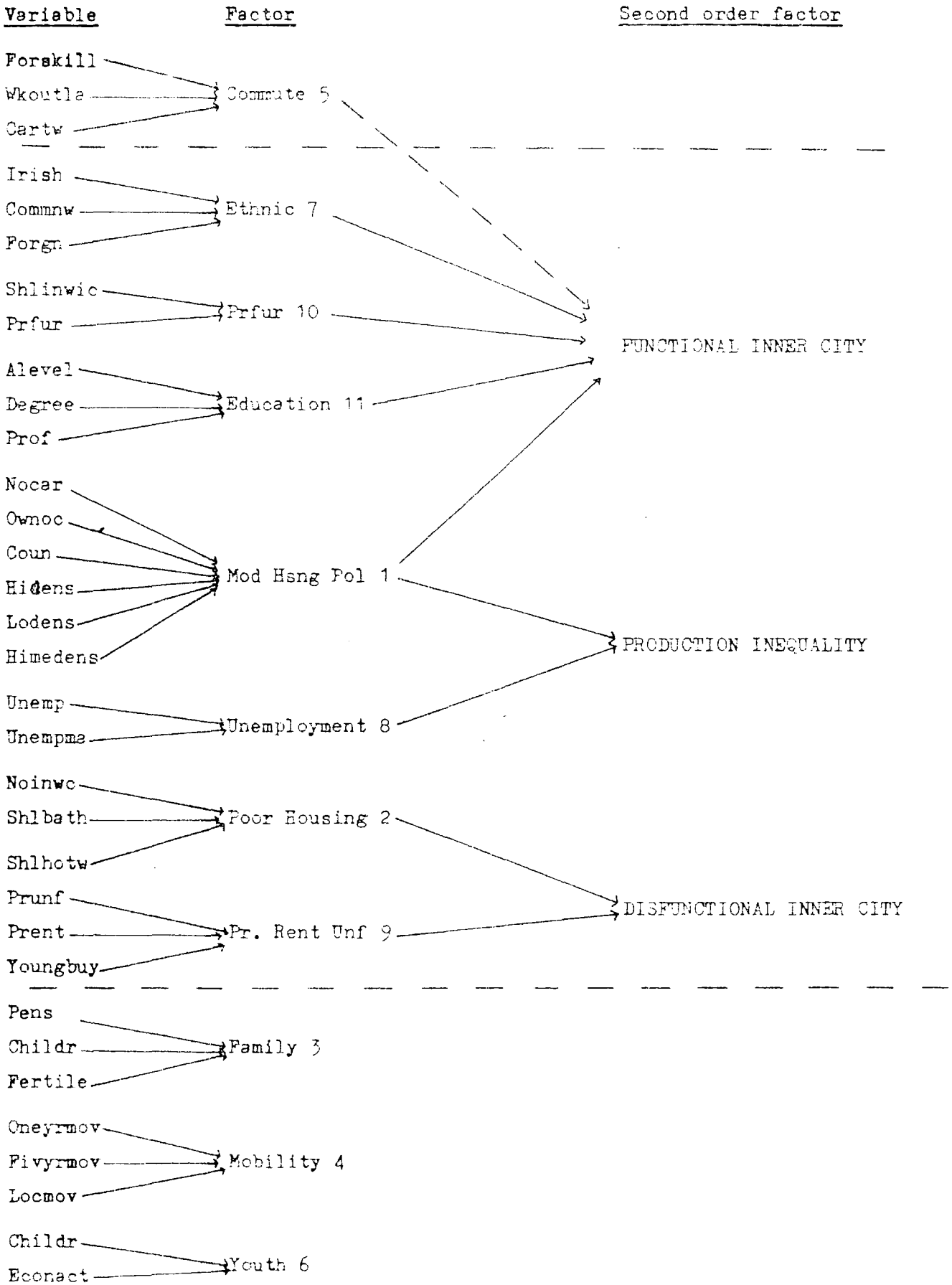
Figure 6.13 shows the complete breakdown of the factors from second order to origonal variables. Clearly, the 'functional inner city' is a complicated phenomenon, consisting of both 'middle' and 'working' class areas which have in common a social and economic stability which gives the area its economic viability. The third higher order factor is also reasonably complex in its make up. Given what has been said in previous chapters however, it must be seen as representing a measure of constraint upon the poorest groups in Newcastle.

6.5. Summary

These findings, it will be noted, are compatible with those for other British cities. Clearly, there is a distinct spatial association between variables measuring some aspect of deprivation. But, most relevant to the present study is the most clearly defined higher order factor representing poor housing in the private rented sector. The factor is interesting as much as for what it does not include as for what it does.

We have seen that housing is but one aspect of the deprivation syndrome. Yet, in Newcastle, there is no evidence that allows us to say that the worst housing is occupied exclusively by low income groups, ethnic minorities, or, say, one person households. The disfunctional inner city is differentiated from other areas solely because of the standard of housing in it. Bad

Figure 6.13 Breakdown of higher order factors into factors and variables.



housing therefore, takes on an importance of its own in Newcastle, whereas the other features that we have discussed are found in the city, largely as one would predict.

That is not to say that anyone lives in the worst housing. Both professional and employers and managers socio-economic groups, for example, tend to be associated with owner occupation and with low living densities. In fact, such a finding takes our discussion of deprivation a stage further as it reinforces the conclusion reached in the preceding chapter, that housing is as much a manifestation of deprivation as it is a cause. Although it is obviously not a coincidence that the worst housing is not occupied by the most affluent groups, the situation is more complicated than a simple income constraint model would suggest. Because no one easily identifiable group is suffering from the housing problem, income is not an explicit differentiating factor. The processes of supply and demand, therefore, assume an even greater significance.

The supply aspect of the supply/demand equation has been examined in Part II and, from this analysis, we are able to explain the existence of substandard housing. In Newcastle-upon-Tyne, however, the principal common characteristic of the households living in substandard housing is that they live in poor housing. This suggests strongly that the allocative mechanisms of the housing market add to the patterns of deprivation that have been explained in the preceding two chapters.

These allocative mechanisms are not, however, random, but arise from the structure of the society in which they exist (see Chapter Three, pp 27-29). In the following chapter, therefore, our attention turns to both the various institutions that regulate the allocation of households to houses and, initially, to the endemic social forces which underly their actions.

CHAPTER SEVEN

THE OPERATION OF ENDEMIC SOCIAL PROCESSES

7.1. Introduction.

We can put the problem highlighted at the end of the previous chapter in another way. Very simply, given that bad housing does exist, then the gross number of households compared to the number of dwellings should tell us whether the worst housing needs to be occupied. Arguably, if the market functions efficiently and the total stock of dwellings is x + y, while there are only x households, then y dwellings will be vacant. These should represent the worst housing stock. Any other combination of circumstances can be envisaged in such simple terms allowing prediction of, say, the number of homeless families, the number of vacant dwellings or the number of substandard dwellings which must be occupied. But such predictions would be inaccurate. We have seen that in a housing surplus situation the worst stock is inhabited. Therefore, by definition, better housing is vacant. This is not the type of situation that a simple perfectly competitive supply-demand model would lead us to expect, as reduced demand would tend to lower the price of the vacant housing, producing a demand for it. It is from consumers of the worst housing that this demand may be expected to come.

Therefore, the processes that lead to indices of deprivation in other spheres and to the poverty cycle must also appear, in some form, in the housing market. Tables 7.1 and 7.2 show the stock of housing by region and by conurbation, relative to the number of households. As stated above, a supply-demand model based upon equilibrium is clearly untenable, given the observed facts. Only in Greater London is there what may be thought of as excessive pressure upon the housing stock in terms of numbers. Consequently, we must assume that

Table 7.1. Regional Stock of Dwellings and Households (1977).

(source: General Household Survey, 1977)

Region	Dwellings 000's	Vacant 000's	%	Households 000's	Housing Surplus 000's	%
North	1,176	61	5.2	1,100	55	4.7
Yorkshire/Humberside	1,785	69	3.9	1,741	44	2.5
East Midlands	1,417	55	3.9	1,371	46	3.2
East Anglia	699	32	4.6	678	21	3.0
South East	6.295	282	4.5	6,203	92	1.5
Greater London	2,669	129	4.8	2,660	8	0.4
Rest of South East	3,626	153	4.2	3.544	83	2.3
South West	1,629	76	4.7	1,583	46	2.8
W. Midlands	1,831	65	3.6	1,792	39	2.1
North West	2,392	88	3.7	2,336	57	2.4
England	17,224	729	4.2	16,824	400	2.3

Table 7.2 Households in Conurbations, 1971.

(source, Smith 1977, p 46).

Conurbation	Excess Dwellings over Households.		Number of Overcrowded Persons. 1.	Number of Homeless Families.	
Tyneside	16,665	5.6%	40,870		2
West Yorkshire	27,975	4.4%	67,700		2
Greater London	-115,815	-4.5%	362,515	3,256	
West Midlands	12,215	1.5%	118,735		2
Merseyside	16,780	3.9%	51,855		2
S.E. Lancashire	32,800	3.8%	78,270		2

1. Overcrowding taken as more than 1.5 persons per room
2. Remaining 2,203 homeless families at 31.12.71 not broken down into conurbations.

demand is somehow manipulated so that it matches the available housing stock, or more particularly the stock that private capital is willing and able to release on to the market. This is the implication of our discussion of deprivation and it is to the processes that allow such a situation to arise that we now look.

7.2. Choice, constraint and co-operation.

We have already referred to cities as gigantic resource systems. That deprivation exists in various guises is evidence that the distribution of these resources is not an equitable one. It is important to make one link here however. If the distribution of resources is not equitable, then a realistic assumption must be that the method of distribution is also inequitable. Chapter Three showed that the housing market is subject to a great variety of influences (by institutions, by laws, by powerful individuals and companies etc.) and in many respects, as we have observed, supply functions independently of the individuals and groups who form the demand - at least in the lower less profitable sector of the private housing market. The population must be housed somewhere, and that they are reflects the fact that the market contains mechanisms which allocate individuals to houses in some way. Each individual household does not, however, have freedom of choice in determining where it locates. Rather, it locates within a set of constraints imposed upon it by the outcome of other spheres of its interaction. Most notable amongst these constraints is income although, as Chapter Five showed, location of employment and other factors also act as constraints. Clearly, the constraints imposed upon many individuals (such as those on low income) are similar and herein lies one of the principal attractions of the Rex and Moore housing class model (see Chapter Two). Given, however, the number of groups involved in the housing market (see Chapter Three), the constraints will also reflect both the interaction between these groups, and the interaction of the demand groups

with the institutions that regulate the market - and with society in general.

Particularly important in this context are the general aims of the total society: is everybody striving towards the same goal (in this case better housing for everyone), or are the goals of different groups different and in many cases constrained by others? That is, do we live in a co-operative or a conflict society? The legitimised actions of the state are based, superficially at least, upon behaviour that is in,and is recognised to be in,everyone's interest. However, intuitively one would expect the underlying processes in society to be based upon the conflict or competition between gro ps for control or use of resources. Yet, although the existence of certain types of conflicts cannot be seriously disputed, many writers have devoted their main energies towards studying what they consider to be the fundamental forces of social cohesion, such as shared ideas and traditions etc. These ingredients of social order lead to the assumption that each group is held together by a consensus - by some tacit agreement concerning basic rules and values.

Certainly there is some validity in the argument. For example:

> "The first necessity for the operation of the housing market is a system which defines rights pertaining to property and establishes a set of procedures for the transfer of these rights. The private housing entrepreneur cannot create these legal institutions. He is dependant upon the community to do so." Smith (1970, p 11)

Broadly speaking, the consensus theories follow the tradition of the French sociologist, Durkheim, while the conflict theories are most prevalent in writings in the spirit of Marx. However;

> "Most sociologists would say that they are sensitive to both consensus and conflict. Only a minority identify with one approach or the other. However, there is a tendency for sociologists to lean towards the consensus model ....." Broom and Selznick (1973, p 8)

If we are to understand the workings of the housing market it is

important that we clarify this position. The consensus model, according to Simmie (1974), finds its basic expression in Parsons' (1951) treatise on the social system and can be traced through structural-functionalism and into systems theory, which has become popular as an approach in town planning. Obviously the perspective held by planners is of significance to the overall workings of the market and the application of systems theory by planners will be more fully discussed below. Crucial to the consensus model of Parsons, however, is the idea of social action (Rocher, 1974) and the belief that human action is characterised by the properties of a system. Order (social) is paramount in the social organisation and the complementarity of the work of Durkheim and Freud is noted. Independently, both illustrated that human action follows rules, norms and patterns, which both structure it and give it a coherent framework (Rocher, 1974).

Although the fact that there is no longer a war of all against all (Rocher, 1974) complements the notion that society is formed or many inter-related groups functioning within the overall system, the dynamic mechanism of the system is open to doubt.

With respect only to the housing market we have noted that the individual does not have complete freedom of choice. That is, he is constrained. Does this constraint mean that the individual is in a conflict situation, or does he form part of the collective system with no conflict of ideals resulting from constraint? The implications of such a question are far reaching. As Simmie (1974, p 48) has noted:

> "If one is able to assume that society is based upon co-operation, then a comparatively limited range of policies will do for one situation. If society is based upon conflict however, then <u>many</u> situations will arise where only mutually inconsistent or self-defeating policies will satisfy all the parties to the conflict."

Obviously, much will depend upon the source of the conflict. If in the present case housing is the sole area of conflict, then some action

appertaining to housing is required. If, however, housing is only a manifestation of a more fundamental conflict then (for example) housing policies may not be relevant as anything other than cosmetic.

Two lines of thought in the formulation of conflict theory are identifiable Simmie (1974). The classical economic formulations of Smith and the demographic speculations of Malthus are based upon the concept of universal competition for resources. The line of thought is also found in the elitist concepts of social Darwinism (for example, Sumner 1963). The second main strand of conflict theory follows on from the early formulations of Hegel, whose social philosophy was based upon the premise that society is composed of antithetical forces which create change by their respective balance. The dynamism for this change is struggle and tensions (Simmie 1974, Sabine 1964, Hegel 1963).

Much of Hegel's analysis was drawn upon and expanded by Marx, who is the classic formulist of conflict theory. For Marx, as we observed earlier, conflict in society revolves around the individual's relationship to the means of production. Each member of society has certain material requirements - 'wants' or 'needs', but it is the individual's position, relative to the mode of production, which determines whether, or how, these requirements are met. In Marx's analysis;

> "The real force which drives society on, however, is ..... the conflict arising from the inadequate social and economic organisation of the available productive forces for the supply of the needs of the whole society." Simmie (1974, p50)

Out of the production relations arise social classes which in time are supposed to polarise into the two opposed groups, bourgeois and proletariat. In modern society the major determinant of the outcome of conflict is economic power, because the dominant distribution system is the market. According to the Marxist line of thought, the conflict over economic power

is a manifestation of the conflict between social classes. Eventually, it is suggested, this conflict will lead to the overthrow of the old order and the institution of new social and economic relationships and new distributive systems.

In Britain, the market, despite the [illegible] changes of the 'welfare state', is still the dominant distributive mechanism. But, there is little overt conflict between social classes. Clearly, (with the possible exception of Glasgow in the 1920's), Britain has, since the seventeenth century, been an unlikely location for a revolution. Simpie (1974) notes however, that of the objectives outlined in the Manifesto of the Communist Party (Marx and Engels, 1932), several have been met by the 'welfare state' in Britain. If however, conflict is the dynamism which has facilitated these accomplishments, it is not in the form of overt class conflict identified by Marx.

Indeed, both theoretical and empirical criticisms of Marx abound and it is true to say that;

> "Marxism has generated loyalties and responses that go beyond the realm of scholarship." Broom and Selznick (1973, p199)

This may well be explicable in view of the fact that much of the Marxist analysis is a political programme as well as an economic analysis. Yet, change <u>does</u> occur in society and readjustment, resulting from conflict, may be seen as the force behind that change.

More recently, the conflict theory has been adopted by several writers, notably Coser (1956), Dahrendorf (1958, 1969) and Rex (1970). Coser's thesis marks an important departure from the work so far considered. Although his work falls broadly into the structural - functionalism paradigm, he draws the distinction between functional and disfunctional conflict. As he says;

> "Internal social conflicts which concern goals, values or interests that do not contradict the basic assumptions upon

> which the relationship is founded tend to be positively functional for the social structure. Such conflicts tend to make possible the readjustment of norms and power relations within groups in accordance with the felt needs of its individual members or subgroups." Coser (1956, p151)

Conversely:

> "Internal conflicts in which the contending parties no longer share the basic values upon which the legitimacy of the social system rests threaten to disrupt the structure." Coser 1956, p151)

It is this second type of conflict which crucially centres in Marx's analysis. Coser, however, with empirical (if not theoretical) justification attaches more importance to the more regular positive conflict. For Coser, conflict is tolerated and even institutionalised in society and helps us to;

> "revitalise existing norms, or it contributes to the emergence of new norms." Coser (1956, p154)

Norms in society are therefore the result of the balance of power.

Theoretically the thesis is criticised by Rex (1970). He says;

> "Coser seems to be going far towards saying that the balance of power is the basic factor in social relationships and that the normative structure is a dependant variable. One might well ask, therefore, whether it would not be better to start at once analysis with the balance of power or the conflict of interests which this balance of power is supposed to settle, rather than beginning by assuming the existence of norms." Rex (1970, p116)

This is the course that Marx adopted. Simmie (1974) considers that this makes Coser's distinction unnecessary. Conceptually however, it is useful to distinguish, at least broadly, between tolerated and disruptive conflict.

A further point of importance is that, for Coser, the emergence of two juxtaposed classes in the Marxian sense is unlikely to occur, because potential members of these classes do not have sufficiently similar interests. Classes are seen more in the Weberian sense of fluid interest groups which form and disband as issues arise and become settled.

Dahrendorf (1969) has also taken up this point, pointing out that neither homogenous classes that Marx predicted have arisen, although Miliband (1969) identifies a distinct ruling class. For Dahrendorf (1969) however, conflict and

change are ubiquitous in society. The endemic cause of conflict in society for him lies in the dominance relationships that exist within it. Yet, as Simmie (1974) notes, if the basis of dominance is economic, as Marx argues, then the treatment of conflict based upon dominance relationships is only aimed at the symptoms and not the cause of conflict. The concept of dominance and power relationships in society is, however, a useful one that can be incorporated into models of society.

A theory of conflict which would appear to be an adequate method of conceptualising the endemic processes in society has, however, been produced by Rex (1970). His starting point is akin to Marx in that;

> "The most basic conflicts will be conflicts over access to the means of life." Rex (1970, p 123)

But, unlike Marx;

> "These may take place within some sort of ordered context where bargaining is the basic form of conflict." Rex (1970, p 123). (My emphasis).

and, realistically;

> "The conflict may, on the other hand, be only indirectly connected with access to the means of life." Rex (1970, p 123)

Rex summarises the nature of conflict in seven points and we present these more or less directly from his work here.

> "1. Instead of being organised around a consensus of values, social systems may be thought of as involving conflict situations at central points. Such conflict situations may be anywhere between the extremes of peaceful bargaining in the market place and open violence." Rex (1970, p 129)

Of course, actual physical violence will seldom result, but this should not be allowed to disguise the fact that negotiated outcomes are the result of conflicts and not mutual co-operation. (Simmie, 1974).

> "2. The existence of such a situation tends to produce not a unitary but a plural society, in which there are two or more classes, each of which provides a relatively self contained social system for its members. The activities of the members take on sociological meaning and must be explained by reference to the groups interest in the conflict situation." Rex (1970, p 129).

Further;

> "3. In most cases the conflict situation will be marked by an unequal balance of power, so that one of the classes emerges as the ruling class. Such a class will continually seek to gain recognition of the legitimacy of its position among the members of the subject class and the leaders of the subject class will seek to deny this claim and to organise activities which demonstrate that it is denied (e.g. passive resistance)". Rex (1970, p 129)

The power balance is not necessarily permanent however;

> "4. The power-situation as between the ruling and subject classes may change as a result of changes in a number of variable factors which increase the possibility of successful resistance or actual revolution by the subject class." Rex (1970, p 129)

From a sudden change in the power structure;

> "5. The subject class may suddenly find itself in a situation in which it cannot merely impose its will on the former ruling class, but can actually destroy the basis of that class's existence." Rex (1970, p 130)

Although new dimensions may then realise themselves they will be based on different sources. Long term interests are based only upon the conflict situation and;

> "6. these tend to be expressed in vague and utopian forms." Rex (1970, p 130)

An interesting example of this is given by Wolpert et al (1972) relating to a conflict over the siting of a college.

Finally, Rex notes that;

> "7. A change in the balance of power might not lead to complete revolution, but to compromise and reform. In this case,new institutions might arise which are not related simply to the prosecution of the conflict, but are recognised as legitimate by both sides." Rex (1970, p 130)

Such a model has certain advantages over both consensus notions and more radical conflict ones. Simmie (1974) discusses the rise of the Welfare State in the context of the model with some success, viewing the rise of the Labour Party as being the main instrument of working class organisation. Empirically, the model is indeed attractive. Trade union activity can be seen in the same light. Flexibility is important and as all conflicts need not be based on the relationship to the means of production, they can be viewed in the light of

Rex's model. Society at large need not be the focus either. Micro-scale studies of conflict over individual decisions can be incorporated within the framework.

Indeed, it is not a large step from the Rex model to a model of urban processes based upon conflict and, consequently, upon the eventual constraint of certain individuals or groups. We must take note, however, that there is potentially a common strand of criticism that can be levelled at each of the more recent formulations of conflict theory. Each of the theses outlined above seem to bear more empirical relevance to the world as we know it than does the more blunt analysis of Marx. This does not alter the fact however, that if conflict is solely over the relationship to the means of production, then all of these modifications of Marx are (partially at least) describing symptoms of conflict and not the fundamental cause of it. If Marx is correct then, no matter how a conflict may be manifested, the source is the same.

We can return at this stage to the argument that we outlined regarding state intervention(Chapter Three). We saw that the endemic crises of capitalist production and continued capital accumulation led to state intervention displacing these to emerge in fresh forms. The simple fact is that what appears to exist on the ground are not the two polarised classes of Marx, but a series of interest groups which compete and conflict with each other. Even labour organisations such as Trade Unions are in competition in some cases. Actions by some members of the working class conflict with the interest of other members of the working class. Similarly, capitalists compete with each other and the actions of one can easily be contrary to the interests of another. This leads us to a situation in which it is the Weberian class structure that emerges in society, with classes based upon relatively flexible coalitions of interest groups differentially placed to any market (or non-market) situation.

This argument does not, however, answer the question of whether the real source of conflict is over the means of production alone or not. But, how important is it that we identify precisely the source of conflict that forms the determinant of social change, or, if the ruling group is established and in possession of the power to enforce it, maintains the status quo? Harvey has argued that it is:

> "for revolutionary theory to chart the path from an urbanism based upon exploitation to an urbanism appropriate to the human species. And, it remains for revolutionary practice to accomplish such a transformation." Harvey (1973, p 314). (My emphasis).

Is this a realistic notion though? Obviously, subjective evaluation is all that we can call upon, but it seems unlikely that revolutionary practice is lying dormant in Britain. Further, what type of revolutionary theory and practice all called for?. It would appear that the observation made by Simmie (1974), that a conflict situation involves policies that are discriminating in favour of one group or another, is important in this respect. As long as we can satisfactorily demonstrate that conflict is the dynamic force in society we can act accordingly. Underneath the observed situation it is probably true that it is relationship to the means of production that is paramount. This does not make the conflict over other matters less important however, and the issues of housing, education and say, health care, are ones in which society competes for scarce and desirable resources. Schools in some areas are better than others. Hospitals also provide better facilities in some area. It is who goes where and who lives where that is the source of conflict in the housing market and, as Rex (1970) observes, this conflict is related to the endemic conflict over the means of production and the social relationship embodied in, say, the tenant-landlord interaction. It is for these reasons that the Rex model is adopted here as the most realistic model of processes in society.

An interesting way of conceptualising the processes of conflict as they occur in cities can be found in game theory and its derivation, coalition

analysis, leading to a weighted decision game (Isard, 1969). In the game, different coalitions form and attempt to gain a sufficient amount of power to pass, what Gamsen (1961) calls, a critical weight. The crucial element here, again, is that the coalitions are not permanent. Overall then, we have a system in which various interest groups or classes, some of which are latent, some transient and some more permanent, are in competition for the resources which society has to offer. The dynamic mechanism for this competition is an endemic conflict between classes for the control of the resources that exist. Different classes have different amounts of power in the conflict and to influence the outcome of a situation may have to enter into coalition with other classes. Housing is one such resource over which classes are in conflict. Although the assertion made by Rex (1968) that everybody's goal is suburban living is open to question, the competition for desirable housing is one that allows the allocation of dwellings via the market mechanism. The conflict over housing is related to conflicts in other spheres of the system. If a household is unsuccessful in the labour market or in the competition for qualifications, then the probability of losing in the conflict over housing resources is increased. Even so, as the previous chapter clearly showed, there are households that lose in the competition in the housing market to a greater extent than they do in other markets.

The reason why such a situation can arise is partially given by the actions of groups and institutions which exist to regulate the conflict between classes in the housing market (although the professional ideology of these institutions would not include such a raison d'etre). These groups have been termed by Pahl to be 'urban gatekeepers' and we consider their actions below.

7.3. Urban Gatekeepers.

Whether we conceptualise society as being at one or at odds is, as we have said, important due to both the political and the policy repercussions that

each view has. Given that we can now assume that conflict does exist and that the urban mosaic is largely composed of the remnants of various conflict resolutions, the perspectives brought to their position by urban gatekeepers is important. First, for equitable resolutions of potential conflicts, it is important that they recognise the dynamism of the situation with which they work. Second, it is important that they do not add to the conflict. Neither is in fact the case. Pahl's concept of managerialism, or urban gatekeepers represented an important advance in the conceptualisation or urban processes. In his initial thesis Pahl's (1970) arguments were based upon four fundamental propositions. Firstly, he believed there to be spatial constraints on access to urban resources, which are generally expressed in time/cost distance. These are the constraints to which we referred in Chapter Five. Secondly, there are social constraints on access to urban resources. Previously we have been discussing these social constraints in relation to some class structure and indeed, for Pahl, these social constraints;

> "reflect the distribution of power in society" Pahl (1970, p 201),

but instead of being played out through the direct confrontation of groups, they;

> "are illustrated by: bureaucratic rules and procedures
> social gatekeepers who help to distribute
> and control urban resources." Pahl (1970, p 201)

Because of the effect of these gatekeepers, location becomes important in relation to the population and the managers. If socio-economic status is held constant, access to resources differs between locations. Population is therefore the dependant variable and the managers of the system the independent variable. Fourthly, for Pahl, conflict is inevitable over scarce resources in an urban system - the more scarce the resource, the greater the conflict.

In the original formulation :

> "the crucial urban types ..... who control or manipulate scarce resources and facilities (are) housing managers, estate agents, local government officers, property developers, representatives of building societies and insurance companies, youth employment officers, social workers, magistrates, councillors and so on." Pahl (1970, p 206)

From the early days there has been a shrinkage of the concept, so that now it is usually only applied to local government officers (Norman, 1975). Clearly however, many of the groups included in Pahl's original formulation do influence the distribution or urban resources. At a low level of abstraction this is important. Conflict between classes (no matter what the bases of the class) is determined largely by the resources available. Housing is but one example of an urban resource. Those who 'manage' the housing stock obviously set the rules by which conflicts are resolved - and even the terms of reference by which they arise. The processes which lead to households occupying certain houses are consequently determined to some extent by these 'gatekeepers'. The mechanisms for relocation are controlled by them, and the available stock is controlled by them.

In the sections that follow we discuss the effects of three types of urban 'manager': planners, building societies and estate agents. It will be seen that such a list lacks the comprehensiveness of Pahl's early formulation, while it exceeds the more limited conceptualisation referred to (by Norman (1975)) above. It would be wrong to argue that the actions of, say, public housing officials do not have some influence upon the private sector, in as much as those households that they exclude from a council tenancy are left to find accommodation in the private sector. Nevertheless, in the context of this work their effect is indirect. We are concerned with the private sector of the housing market and consequently our focus is upon those 'managers' that have the greatest direct effect upon that sector. Of those groups that have been studied, clearly, planners, building societies and estate agents exert the most direct control over the mechanisms which allow for the allocation of households to houses. Our brief examination of these managers begins with those who have the most general influence on an urban system - planners.

1.3.1. Planners.

It has been said that;

> "planning seeks to <u>regulate or control</u> the activity of individuals and groups in such a way as to minimise the bad effects that may arise, and to promote <u>better</u> 'performance' of the physical environment in accordance with a set of broad aims and more specific objectives set out in a plan." McLoughlin (1969, p59) (My emphasis).

Also,

> "Planning is done by human beings for human beings." Chadwick (1971, p25).

Certain points arise from these statements in the light of our previous discussion. Basically, if society is in an endemic state of conflict, which groups of individuals are (or should be) controlled? Who decides what is 'better' performance? If society is in conflict then obviously not all people benefit from a plan. Which human beings are being planned for?

Planners have had a 'bad press' during the last decade. They are not explicity a part of any class conflict (professionally), but their position as urban managers means that, implicitly, they are. Therefore, it is important to discern what lies behind the planning process. Any action in the urban system has externality effects. (An externality effect exists if the actions of one individual affects the situation of another and, as we have said above, externality effects may be positive or negative). That is, the action of one individual may give rise to benefits or costs to other individuals not directly involved in the action - and with no power to control that action.

Jon Gower Davies provides us with a novel (!) insight into the ideology of planners. First, he notes that for the planner criticism is inevitable, and what is inevitable is also irrelevant (Davies, 1972). He amplifies the point thus;

> "The mythology of planning is replete with stories of the far-sighted, imaginative, global thinking, selfless, dedicated chauvinistic, Planner of Vision, pregnant with all the potentialities of the future, and beset by the carping criticisms of narrow minded ratepayers, greedy speculators, parochial councillors, apathetic citizenry..... and twittering academics." Davies (1972, pp 94 - 95)

The planner is, then, up against everybody. Presumably this is because he is 'for' nobody, except perhaps himself. It has also been stated however, that;

> "For too long ..... town planners have been over concerned with the content of plans rather than with the nature of the process of planning." Chadwick (1971, p 24)

A central feature of this process is the need to view things comprehensively, (Davies, 1972) and this has found its manifestation in structural-functionalism and, more recently, in systems theory, which now forms the conventional wisdom of planning (Simmie, 1974). The adoption of systems theory is based upon the premise that all processes in urban life are systematically related (McLoughlin 1967, 1969, Chadwick 1971). McLoughlin (1967) draws an analogy between the urban system and the complete ecology of the American plains, made up of various sub systems like herds of buffalo and even individual buffalo. Each system is related to the others, and the whole functions depending upon the contribution of the sub systems. (quoted in Simmie 1974, p 33)

McLoughlin (1969, p 297) claims that;

> "A systems view of cities and regions ..... (provides) useful links between the various parts of the process. All types of 'client' group may enter into discussions with planners and with each other. A systems view of their city might enable them to see better the extent of certain problems and opportunities and certainly will make for close discussion on the impact of different proposals."

Rather than be drawn into the participation debate (see, for example, Arnstein 1969, Damer and Hague 1971, Skeffington 1969 and, for Newcastle, Batley 1972) it is the use of the systems theory that is open to criticism.

Theoretically, there is no real reason to suppose that the analogy upon which systems theory is based is any more relevant to urbanism than was the organic analogy of the earlier ecologists (Chapter Two). Certainly, given the inherent conflict between groups in the city, the forces which sub-systems generate tend to be, largely, centrifugal. Systems theory, however, is dependant upon an overall uniformity of values and aims in the population.

It is therefore inherently conservative, affecting a maintenance of the status quo. Simmie has made the point that;

> "the most important reason why structural functionalism and systems theory must be regarded as inadequate ways of understanding and making decisions about social interaction is that they lack any explicit and exogenous normative reference points. Their implicit normative stance is, however, that whatever is ought to be." Simmie (1974, p 37)

The basic co-operative value system implicit in systems theory has, as we have said, far reaching repercussions. The identification of sub-systems, even if adequately possible, is basically the identification of classes. As conflict exists between these sub-systems then this must be explicit in the formulation of plans and, one way or another, an objective which benefits one group and penalises others must be arrived at. Of course, the net effect of many plans is precisely this. Pahl (1970), as we have seen, notes that large urban motorways have costs for the poor and benefits for the rich but, being as such net balances are inevitable, they need to be made explicit so that from the beginning we, and the planners, are aware of whom is actually being planned for. Ambrose and Colenutt (1975) show how large property companies can usually overcome planner's objections to their profit making schemes and this is also, almost always, detrimental to the poorest groups. The case of Westminster in the 1960's has been cited, and the controls placed upon new housing developments on the edge of cities, while potentially damaging to developers, is also potentially damaging to those who wish to move to the suburbs. Similarly, 'planning blight' on an area has far reaching effects, making, for example, the sale of property difficult and generally leading to a deterioration of the local environment.

While then, planners do not explicitly aim to add to the general conflict over resources, the actions embodied in structure planning and land use regulation produce situations in which such conflicts are inevitable. By not planning specifically for any one class it is the most powerful groups

or classes that are best placed to profit from planner's actions.

7.3.2. Building Societies.

Owner occupation is the dominant form of house tenure in Britain and, with the widely publicised goal of becoming a 'property owning democracy', many people aspire to become property owners. Certainly owner occupation is financially the most beneficial form of tenure (Simmie 1974, Duclaud-Williams 1979). Building Societies have dominated the provision of house purchase capital and hence exert a great influence upon the overall spatial/socio-economic structure.

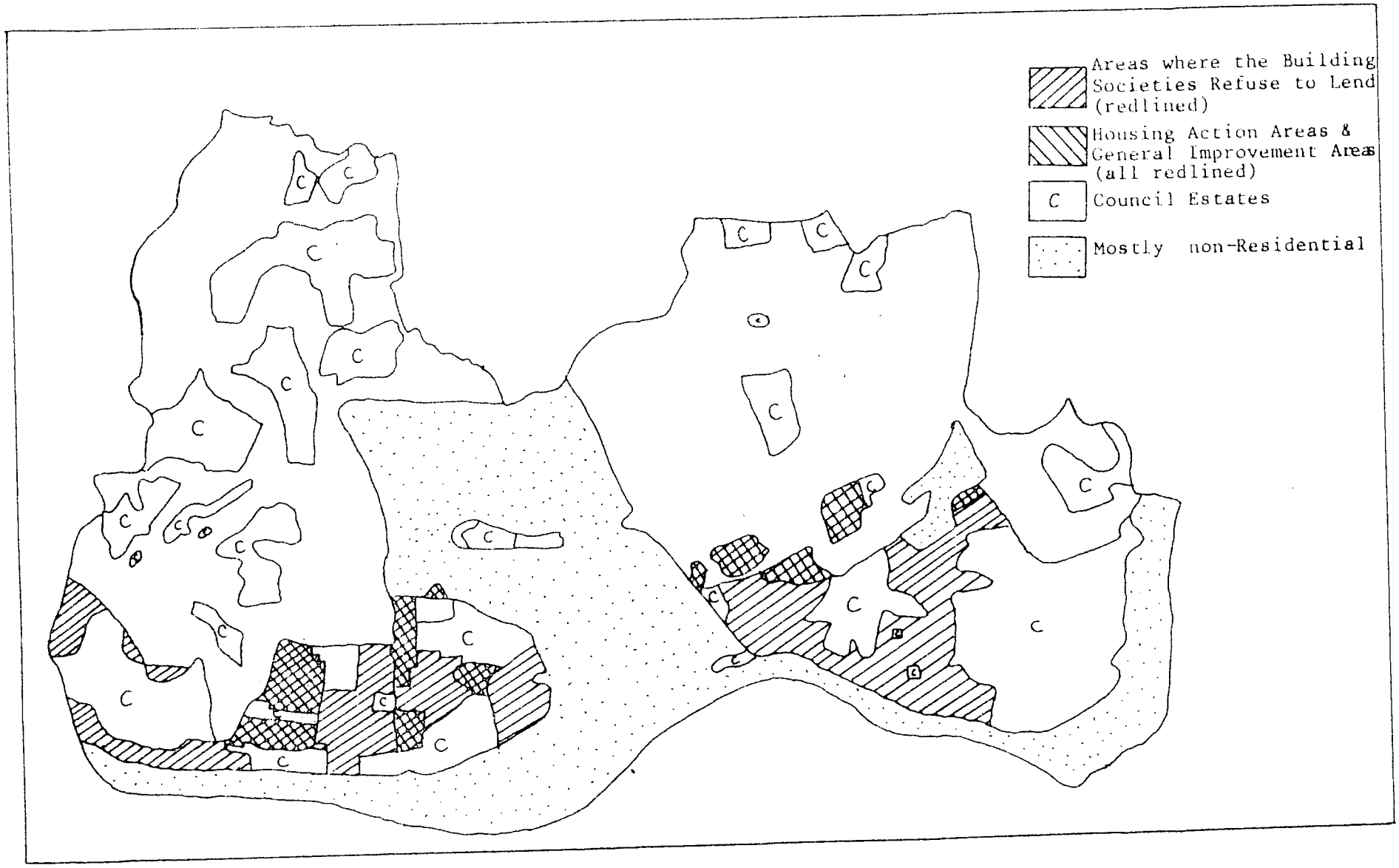
In 1974 there were 416 building societies in Britain. Their assets ranged from £3,767 million (The Halifax) to £3 (Southgate and Palmers Green Permanent) (Hadjimatheou, 1976). Their combined total assets were £20,094 million. However, Building Societies are not, traditionally, like other major financial institutions. Foremost amongst the features that distinguish them is the fact that they are non-profit making. Although, like a bank, they collect savings, this money is then advanced to potential home buyers. One of their principal functions therefore, is to encourage home ownership amongst the population.

Building Societies do not, however, promote home ownership amongst all sectors of the population and, as they (largely) control access to the most desired section of the housing market, the way in which they allocate funds is particularly important. This is because a differential position, relative to the source of house purchase capital, in itself creates a class situation in which latent conflict is endemic. Harloe, Issacheroff and Minns (1973) discuss the lack of building society investment in Lambeth and conclude that:

> "the disinclination of the building societies to stimulate this (inner city) market is a product of ideologies which are institutionalised in the lending rules of the societies."
> Harloe et al (1973, p 330)

They quote the General Manager of the Bristol and West Building Society

Figure 7.1: Areas redlined by Building Societies in Newcastle-upon-Tyne (source CDP, (1976a))



who asserts that they are;

> "run as a commercial enterprise and not as extensions of the Welfare State." (in Harloe et al 1974, p82)

Such attitudes are manifested in the criteria by which purchase capital is loaned. Here, according to Harloe et al, the two concepts of 'security' and 'status' are paramount. Secure properties are new standardised houses. Status is not so clearly defined, but relates not only to the mortgagors ability to pay, but to the type of job he has. As Barnolet (1969) has shown, white collar workers are more beneficially placed in this respect than blue collar workers with equal capital and wage income.

These two concepts, although based upon separate criteria, join together to work against certain groups. The result is commonly expressed as 'redlining' - that is, in some way delineate sections of the city in which mortgages will not be granted. Redlining is normally regarded as an areal phenomenon - and clearly there is a definite spatial dimension to the policy. However, as house types, and therefore prices, are similar in spatial units, redlining takes on a strong economic significance. In 1975, the Housing Policy Review compared the prices of all dwellings sold in that year and the prices of building society funded purchases - and found a distinct discrepancy at the bottom end of the market. Second hand dwellings valued at less than £4,000 represented 7.3 per cent of all sales. They accounted for only 1.1 per cent of second hand dwelling purchases funded by building societies however. In Newcastle the problem of redlining is found extensively in the areas of older housing, Figure 7.1 shows the extent of it (C.D.P., 1976a).

The effects of such policies are several. Owner occupation and council tenancies are, as we have seen, favoured forms of tenure. Admission to both is restricted however. Building society policies are likely to mean that individuals remain in inferior accommodation - not because they cannot afford better, but because they are denied access to it. Alternatively, Williams (1978b)

notes that banks and finance houses have begun to provide finance for house purchase in these areas. To the prospective buyer this means higher interest and shorter term repayment. That is, more and cost. Some individuals [illegible] option, but for others it is simply not possible. [illegible] increased repayments a Giffin Paradox situation may develop (Harris 1974). For those who cannot or do not, renting becomes the only alternative and, given the usual length of council waiting lists, renting from a private landlord is the only alternative to staying in present accomodation.

The implication of this is more severe than it might initially appear. As we have repeatedly said, privately rented accomodation generally bestows the least benefits for set costs. To stay in the present location will also probably not be satisfactory. The question which comes to mind is, why move in the first place? This question is normally answered as being due to some form of housing stress - albeit overcrowding, poor conditions or simply increased aspirations. Either way, the discriminatory policies of building societies mean that, for some groups, stress must continue. Their behaviour in the housing market is institutionally constrained.

Constraint implies conflict and the 'economically sound' policies of building societies should (like planners) take account of this fact. Legislation has been introduced at various times to attempt to stimulate building society activity in the low cost sector of the market (for example, the House Building and House Purchase Act, 1959). Still, however, the problem exists. Hamnett et al (1974) point to building societies being against 100 per cent mortgages, as those who will repay them have demonstrated no ability to save. As they point out, however, this takes no account of the fact that they may have been paying high rents. Basically, it appears that the building societies add to the conflict over housing resources because they are in some way ideologically opposed to certain groups in society. Either that, or their rules are outdated. Again

however, as Harloe et al (1974) point out, there is no shortage of demand for mortgages and the excess of demand over supply offers no incentive for the societies to review their lending rules. Such a situation though, merely [illegible] existing class structure in the housing market.

[illegible] estate agents.

There have been very few studies of estate agents in Great Britain which, in view of the position held by them in the housing market, is surprising. The position is, principally, one of providing information to prospective house buyers on the current vacancies that exist in the market and it makes estate agents an integral part of the exchange process. Quite apart from the function that they fulfil, the position of the estate agent as an 'urban manager' is different from planners, building societies and say, housing department officials however. The most important difference is that estate agents are motivated by profit. They are private enterprises which charge a commission on the sale of houses that they provide the information about.

This position makes it unlikely that they will 'red line' areas (or the equivalent) as profit is profit. Nevertheless, they can directly or indirectly contribute to the conflict over resources. Firstly, they provide the most efficient source of information regarding the housing market that is available to prospective migrants. We shall return to this point in some detail in the ensuing chapters, yet, at this stage we may observe that Short (1977) found that they were used more by high income groups than they were by low income households. This pattern is also found in Newcastle-upon-Tyne, as we shall demonstrate. We can envisage, due to this finding, a further mechanism which reinforces the process described by Harvey drawing his analogy with a theatre filling up. By utilising estate agents more, the higher income households immediately are presented with more choice when they come to relocate.

Estate agents can, however, play more than a passive role in determining urban socio-spatial structure. Bassett and Short (1980, p 86) note that;

> "Where households can live is primarily determined by their income and credit rating, but estate agents play the subsidiary role of directing households' attention towards areas commensurate with their means, and discouraging them from higher - or lower - income areas."

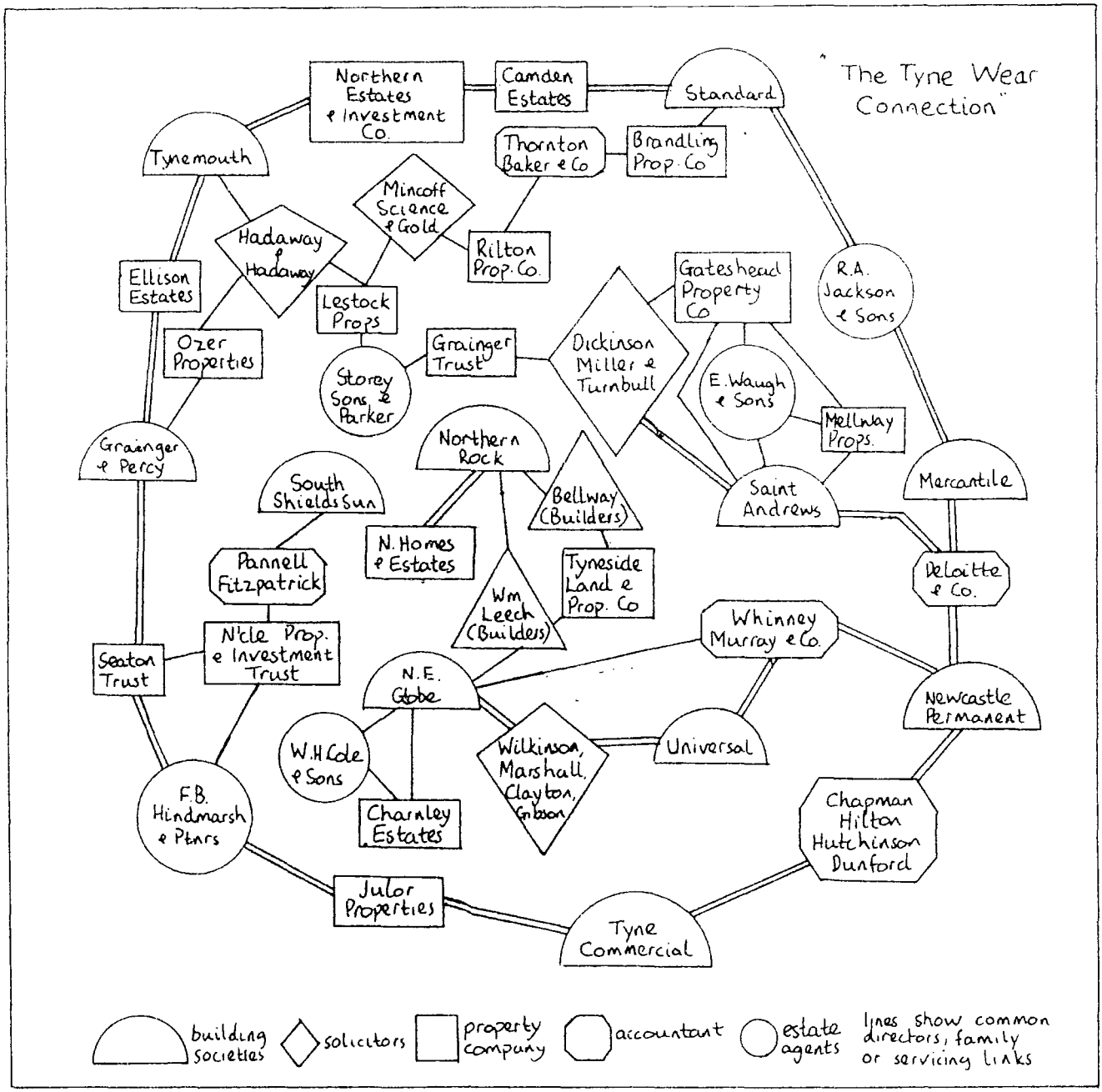
Such the estate agents action tends towards the preservation of the status quo. However, there are situations where their role can be more positive, such as in ethnic sub-markets (Bassett and Short, 1980). Both Burney (1967) and Hatch (1973) have found evidence that estate agents guide black households away from white neighbourhoods. A pilot study at Newcastle University[1] also found evidence of estate agents imposing constraints upon individuals. Several estate agents in York were contacted and asked to provide information for individuals purporting to be from different socio-economic groups - but holding the amount to be spent on a dwelling constant. As a general rule, the higher socio-economic status enquiries were directed to better neighbourhoods.

A further example of the ways in which estate agents can reinforce the constraints upon particular groups occurs in areas which are subject to the process of gentrification (Bassett and Short, 1980). Because their income comes in the form of commission on sales, estate agents have an interest in producing a high turn over of dwellings and an escalation of prices. Both of these occur in areas that gentrify(Bassett and Short, 1980) and the links between estate agents and other institutions, whom the estate agents encourage to invest in these areas, have been noted by Williams (1976) in Islington.

Overall then, despite a need for further study of estate agents, we can point to ways in which they contribute to the conflict over housing resources, acting in such a way as to bar certain groups from certain types of neighbourhood

1. This study was part of a Geography Department field trip held in April 1976. No results were written in publishable form.

Figure 7.2: Interconnections between agencies in the housing market of Newcastle-upon-Tyne
(source CDP (1976a



and, in extreme cases, manipulating the character of a neighbourhood. The net effect of these actions is that some classes have further constraints placed upon their behaviour in the housing market.

7.7. Conclusions: Power in the housing market.

Power, it will be recalled, was defined in terms of the ability of an individual or a group to influence the actions of other groups or individuals. This chapter, especially when added to Chapter Three, shows indisputably that there exist individuals and groups within the housing market that possess power and, therefore, the means to influence the market. It is in this light that the argument regarding the overall goal of society is important. Were society to be guided by cohesive forces then this would not matter as, for some reason, the common good would be served by the actions of these groups. However, as the dynamic force driving society forward is the endemic conflict for the use (and ownership) of resources, then the power possessed by these groups adds to that conflict and produces winners and losers, or a loose Weberian class situation. The actionsof managers work to the benefit of some classes and to the detriment of others.

Although, at the most fundamental level, there are only two juxtaposed classes, many more are manifested on the ground. Clearly, it is the most powerful classes in any given market situation that stand to gain most from the way in which the housing market processes operate, and in the private sector it is the institutions themselves which stand to gain most. These institutions generally act to protect their own interests.

In Tyne and Wear, the C.D.P. has investigated the links between various groups and institutions involved in the local housing market (see Figure 7.2). Here we see the amount of interconnection between the agencies. Clearly, the actions of each will not be directed at producing costs for the others. The

common good of the agencies is, however, at odds with some of the groups who provide the real demand for housing. Therefore, because the demand groups have less power in the conflict for housing resources, they are likely to be the [illegible] in the allocation process.

To summarise [illegible] we have set out several propositions. Firstly, there exist many [illegible] in society that may be thought of as being deprived, because in any particular market situation they acquire few, or the worst, resources. Particularly important markets in which deprivation occurs are the housing market and the labour market. Deprivation in one sphere is likely, though not necessarily certainly, to lead to deprivation in other spheres. Housing is particularly important in this respect because it embodies a specific location and distance is a relative constraint upon less mobile groups. Increased mobility (for example, car ownership) tends to be associated with relative success in the labour market.

The reason why this situation occurs is because conflict is the dynamic force driving society. This conflict is over resources, and those who control resources may exert power in the market. There are also a set of institutions which lubricate the housing market but, as we have seen, the ideological foundations of these groups favour higher income or higher socio-economic groups when it comes to behaviour in the housing market. By so doing, these institutions add to the constraints placed upon those at the bottom of the market and this partly explains why households live under housing stress.

Thus far then, we have explained the existence of substandard housing, seen the general context of the society in which it exists and the ways by which households are allocated to it. One problem remains however. Despite the constraints that exist upon households at the lower end of any market situation, the fact remains that there is a surplus of housing in Britain. Clearly, the concepts that we have outlined so far go a long way towards explaining why the worst housing is occupied. Certainly it explains why

some groups are placed in a deprived situation, relative to other groups. It does not, however, fully explain why better houses stand vacant and the worst are inhabited. To fully understand the housing market and to fully explain the occupation of the worst dwellings we must, therefore, look to the behaviour of individual households in that market. This is because the way in which households experience and perceive constraints is likely to influence their behaviour in the housing market and may, therefore, explain the apparent anomaly of substandard housing representing a significant part of the inhabited stock. As such, it is possible that the behaviour of households can reinforce the existing structure-and may point to potential ways of alleviating the problem. It is to this aspect of the housing problem that we turn our attention in Part IV.

P A R T F O U R

RESULTANT BEHAVIOUR

CHAPTER EIGHT

RESIDENTIAL RELOCATION

8.1. Introduction

The methodology that we have followed in the preceding parts of this work has enabled us to explain the context of housing problems as they exist in Britain. Such an analysis leads to the inevitable supposition that these problems are, in fact, endemic in a society which accords great importance to 'market forces' in the production and allocation of housing. However, as we have previously suggested, the political economy approach, attempting as it does to understand the processes at work in any particular sphere from the social, political and economic structure of the whole urban system, does not fully explain the workings of that sphere.

Although political economy undoubtedly takes us a stage further than merely describing what exists, to an understanding of why it exists, an important aspect of any problem is given scant treatment. As suggested above, that is the way in which individuals perceive or experience the system that exists. For example, given that there exist institutions that provide the means of gaining access to homes and that their actions are not equitable, and given too that bad housing exists, the behaviour of individual households can still assume a great importance in determining the eventual outcome of any situation in the system. Despite the constraints that exist within the housing market, in theory at least, a certain amount of choice is technically possible for each household. Although a low income household may be institutionally constrained so that it cannot enter the owner occupied housing sector, the behavioural patterns that it adopts will profoundly affect the actual dwelling in which it finds itself, whether it seeks a council or a private tenancy.

Consequently, the actions of groups in the housing market forms the final principal subject for our analysis, i.e. the demand side of the supply-demand

equation. We assume throughout, of course, that the system of conflict and constraint as described in the preceding parts exists. Here however, we start by considering the residential relocation process as it is experienced at the decision making unit level of the household.

8.2. Residential relocation.

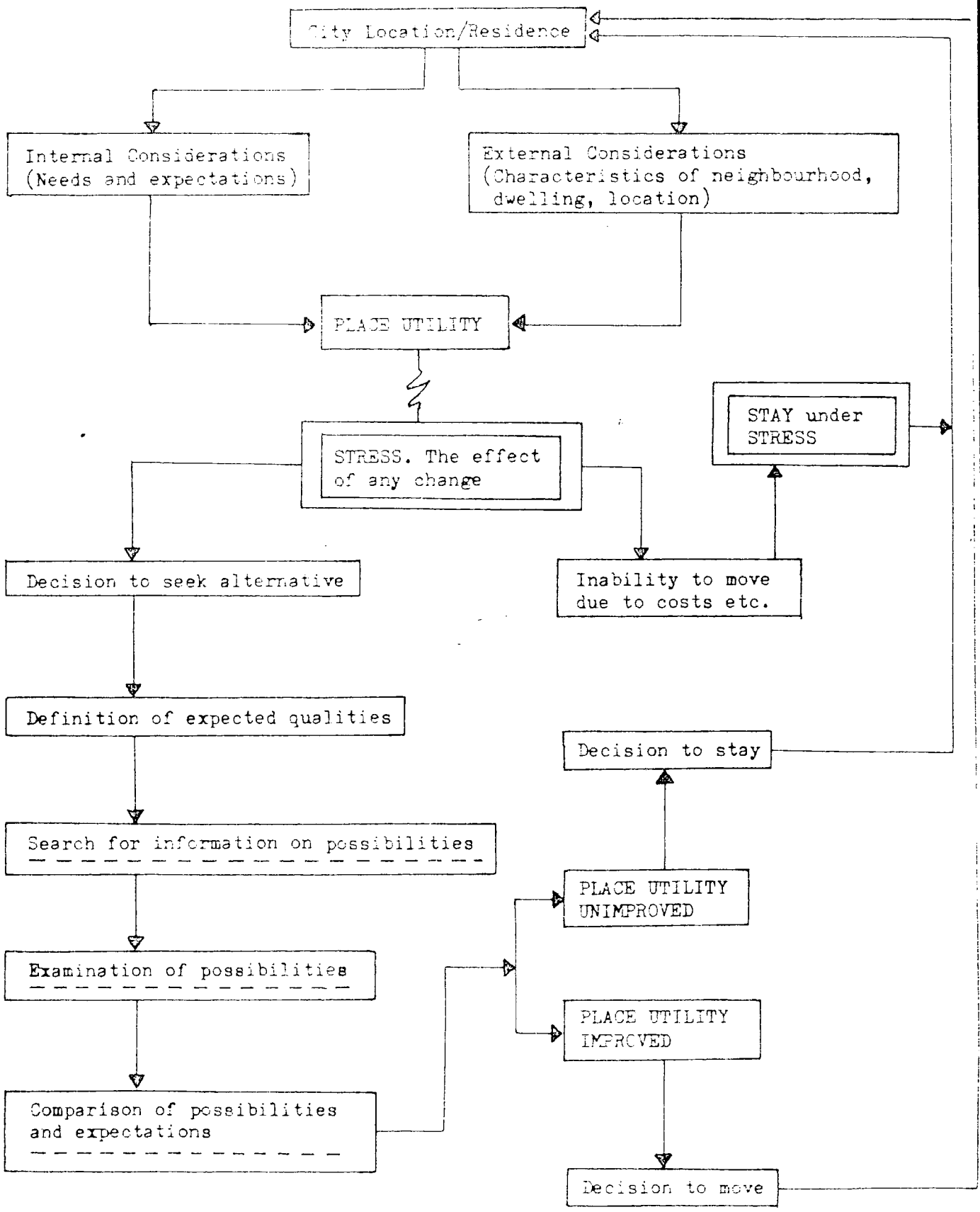
Households are unlikely to move without cause. Instead, the decision to migrate is a positive response to a particular set of circumstances. This set of circumstances can be subsumed under the concept of 'place utility' (Wolpert 1965);

> "which essentially measures an individual's level of satisfaction or dissatisfaction with respect to a given location." Brown and Moore (1970). (See also Leiber, 1978).

Several causes of migration, in which the place utility of a location no longer matches the immediate needs of the household, can be envisaged. Family cycle has long been recognised as a cause of moving (see for example, Rossi (1955)). Families initially increase in size and then shrink. As these changes occur, so do the requirements of the household. Alternatively, the economic or social status of the household may increase (or decrease) causing a reappraisal of requirements. Equally possible is the fact that the present housing situation of a household is just thought to be inadequate, perhaps because of the physical conditions or perhaps because of the tenure type. Changes in the socio-economic status of the immediate neighbourhood may also lead to the decision to migrate.

There are, then, almost as many reasons for moving as there are movers. One element is common to all of them however. No matter how real it might be, the decision to move is prompted by some form of stress. This stress may be related to overcrowding, costs, conditions, or simply a mismatch between actual housing situation and aspirations. Looking from the other end of the migration process, Brown and Moore (1970) list five factors which

Figure 8.1. A residential location decision model. (after Herbert 1972, p247)

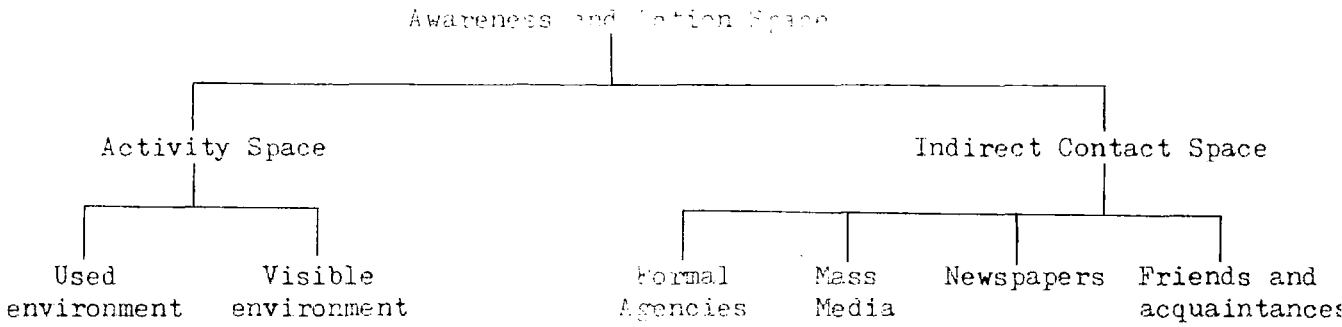


may influence the selection of a new residence. These are: accessibility, physical characteristics of the neighbourhood, services and facilities, social environment and individual site and dwelling characteristics (which [illegible]). Subsequently, [illegible] will be determined by [illegible] locational model [illegible] by Brown (1975). Figure 4.1 shows this model.

Such a model is useful [illegible] stage in identifying residential relocation patterns. However, in the model, some stress is assumed, the subsequent stages are [illegible] form of optimum behaviour pattern being adopted by the migrant household. If plan utility is to be enhanced optimally for all potential [illegible], two assumptions must be met. First, the household must not be constrained from choosing a dwelling that it desires (other than for reasons of cost). Second, the stages actually highlighted in the model must be carried out efficiently by the migrant household. We have already seen that the conditions set by the first assumption are not met and that households are institutionally, as well as financially, constrained. Further, we have already reported Short's (1977) finding that higher income groups show a greater propensity to use estate agents as a source of information (Chapter Seven). This suggests that the 'search for information on possibilities' stage is also constrained, not only by the institutions themselves, as we have shown, but by the experience and behaviour of lower income groups as well.

Indeed, the search for information is a critical stage of the relocation process and deserves more elaboration in such a model. Jilk (1972) has provided a schematic representation of the form that such a search may take (See Figure 4.2.) At this juncture we will solely note that the different components will produce different quantities and quality of information. The concepts concerning space do, however, require some consideration.

Figure 8.2. Search components in the residential location decision. (After Silk, 1972).



The concept of the mental map has received a substantial amount of investigation (particularly significant contributions coming from Lynch, 1960 and Adams, 1969). Complementary to the mental map concept are those of awareness space and search space. Awareness space has been defined as ;

> "those locations within the total urban space about which the intending migrant has knowledge (or knowledge above some threshold) before search begins." Brown and Moore (1970).

The actual search for a new dwelling, however, takes place in search space, which is a subset of awareness space (McCracken, 1975). The composition of awareness space is, therefore, crucial to the outcome of the relocation process and begs several questions concerning the assimulation of spatial knowledge.

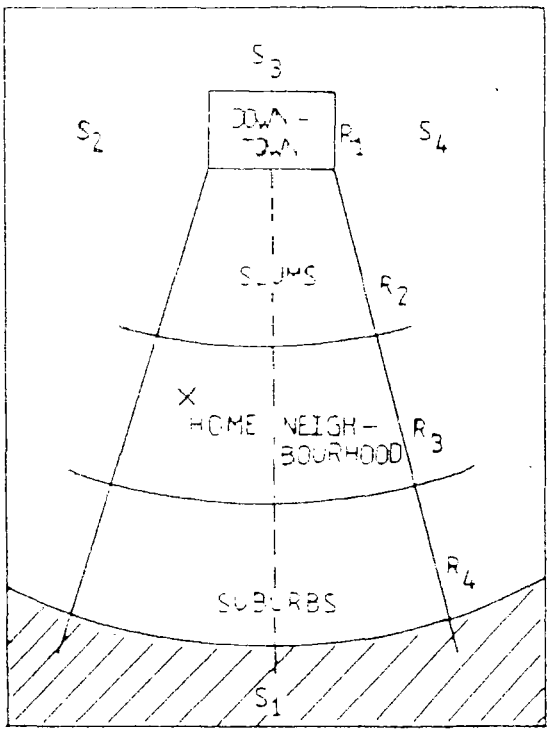
An initial premise is that;

> "it is difficult not to conclude that it is location, location in information space, that emerges as a crucial variable in any consideration of the amount, composition and acquisition of spatial information - and perhaps other forms of knowledge as well." Gould, (1975).

That is, where you live determines what you know, or at least, your perception of the city. Adams (1969) illustrates this with reference to a 'typical' Mid-western city resident, Mr. X. He considers that Mr. X's mental map will

resemble a pie shaped wedge, consisting of four sectors, S_1, S_2, S_3 and S_4 and four rings, R_1 - R_4. (Figure 8.3.).

Figure 8.3. How a Midwestern central city resident perceives his urban area. (from Adams, 1969).



> "Sharp images exist for R_1..... and its location with respect to the residents house, X; for R_2, the gray area encountered moving from X to downtown, ... for R_3 ..... and for R_4." Adams (1969).

These images need not be objectively accurate, but are nonetheless clear in Mr X's mind. Importantly however, for Adams, S_2, S_3 and S_4 are irrelevant to Mr. X, being either 'fuzzy' or absent from his mental map. His awareness space and, therefore, his search space are confined to one spatially distinct sector of the city.

Of course, if we were to formalise such a statement as a 'law' it would not meet the 'universality' criterion (Harvey, 1969), but empirical evidence exists to support such a view of residential relocation, particularly in North

America. In Edmonton for example, McCracken (1975) found that of all dwellings inspected by his sample of movers, 79 per cent were in areas previously known. Adams (1969), as we have said, found a sectoral bias to migration. 76 per cent of the moves in his sample were at an angle of less than 90 degrees with respect to previous location and C.b.D. This is attributed to awareness space. Donaldson (1973) is also unequivocal in his support of the general model of Adams, using data for Christchurch. In the same city, Johnston (1971a) also concludes;

> "that there are some elements of sectoral mental maps in peoples evaluations of the various parts of Christchurch."

Clark and Cadwallader also surveyed area preferences. They state that in Los Angeles ;

> "in a large number of cases, the majority of respondants choosing a particular community were already residents of that community ..... regardless of whether or not the communities were, in objective terms, high valued areas..... In addition many of those who did not choose their own community chose one nearby." Clark and Cadwallader (1973).

Indeed, Cadwallader has suggested that preference surfaces can be described by a gravity model formulation (Cadwallader 1978). The pattern is also found with migrants totally new to an area, Humphreys and Whitelaw (1979) finding, in Melbourne, that initial location is a crucial determinant of subsequent locations.

It is reasonable to conclude therefore, that in terms of their behaviour in the housing market, households are constrained by their awareness space. Given that we can view the city as the outcome of conflicts over scarce and desirable resources, this finding has important implications relating to our earlier discussion of urban gatekeepers. Estate agents in particular are, potentially, a very efficient way of directing people to locations. McCracken (1975) considers the situation where a household receives information concerning a dwelling which suits their requirements, but, which is not in their awareness space. Simply by receiving information concerning

this dwelling their awareness space is increased, (especially as it is likely that the household will extrapolate information about the one house to cover the neighbourhood in which it is located). As McCracken, (1975) states;

> "it would seem reasonable to expect that many households faced with this type of situation would consider a visit to the dwelling to be worth-while."

However, only 31 per cent of the sample investigated by him visited one or more prospective dwellings in areas of which they had no prior knowledge. For the optimum benefit to come from relocation, the spatial extent of awareness space and search space will probably need to be maximised. The different search strategies shown in Figure 8.2 will, as we have said, lead to different effects upon the household's awareness space.

In an early study, Rossi (1955) found a situation akin to that identified later by Silk. In Philadelphia, he observed that the five principal sources of housing market information used by migrants were; newspapers, personal contacts, riding or walking around, (real) estate agents and windfalls - (market information given from any source that was unsolicited). From his investigation, Rossi also produced a model of the stages involved in the residential relocation process (Figure 8.4). Clearly, the model is more simple than that shown in Figure 8.1. However, it does have the merit of incorporating alternative strategies at each stage and, to explain the observed pattern in cities, this is important. Not all households adopt the same strategy and to assume that they do leads one to false conclusions. Given the alternatives at the various stages, it is pertinent to ask which groups adopt different strategies?

Initially, we may expect a division between rich and poor, 'educated' and 'uneducated', as identified by Short, (1977). Awareness space can be expected to rise with increased wealth. Not only is car ownership more likely, giving greater accessibility and consequently greater awareness, but also socio-spatial interaction takes different forms. In working class areas friends are likely to live close by. In suburban areas;

> "people may have many friends and business contacts, yet be acquainted with no more than two or three neighbours." Adams (1969).

Social interaction for the middle classes is, therefore, likely to lead to a greater awareness space and, hence, to a wider search space. That is, non-institutional constraints are less for the affluent.

Figure 8.4. Stages in the Residential Relocation Process. (Rossi, 1955, p174)

I. Decision to leave old home.
   A. Forced; unable to stay or,
   B. Voluntary; unwilling to stay

II Search for new place of residence.
   A. Demand specified in terms of desired attributes
   B. Supply of alternative residences made available through formal and informal information channels.

III. Choice among alternatives.
   A. Satisfying; one option examined and chosen, or
   B. Optimizing; several options investigated and choice based on comparisons.

Rossi (1955), like Short (1977) in Britain, found that more efficient use of estate agents is made by high income movers. Explanations of this may revolve around the (general) higher level of education of these groups, or may be more simply related to the fact that estate agents charge fees.

If we assume that owners of houses are more affluent than renters (obviously not a universal truth, but acceptable as a working hypothesis), then the efficiency of search procedures can be estimated. Rossi (1955) found that the number of dwellings inspected before the final selection was significantly different for owners and renters. Approximately one half of renters viewed more than one potential home, while for owners the proportion was two-thirds. Similarly, McCracken (1975) found that 44 per cent of all owners inspected dwellings in unknown areas, while only 25 per cent of renters did the same. Clearly, the greater the search, the more chance of success.

The studies referred to above have all been undertaken outside of Britain

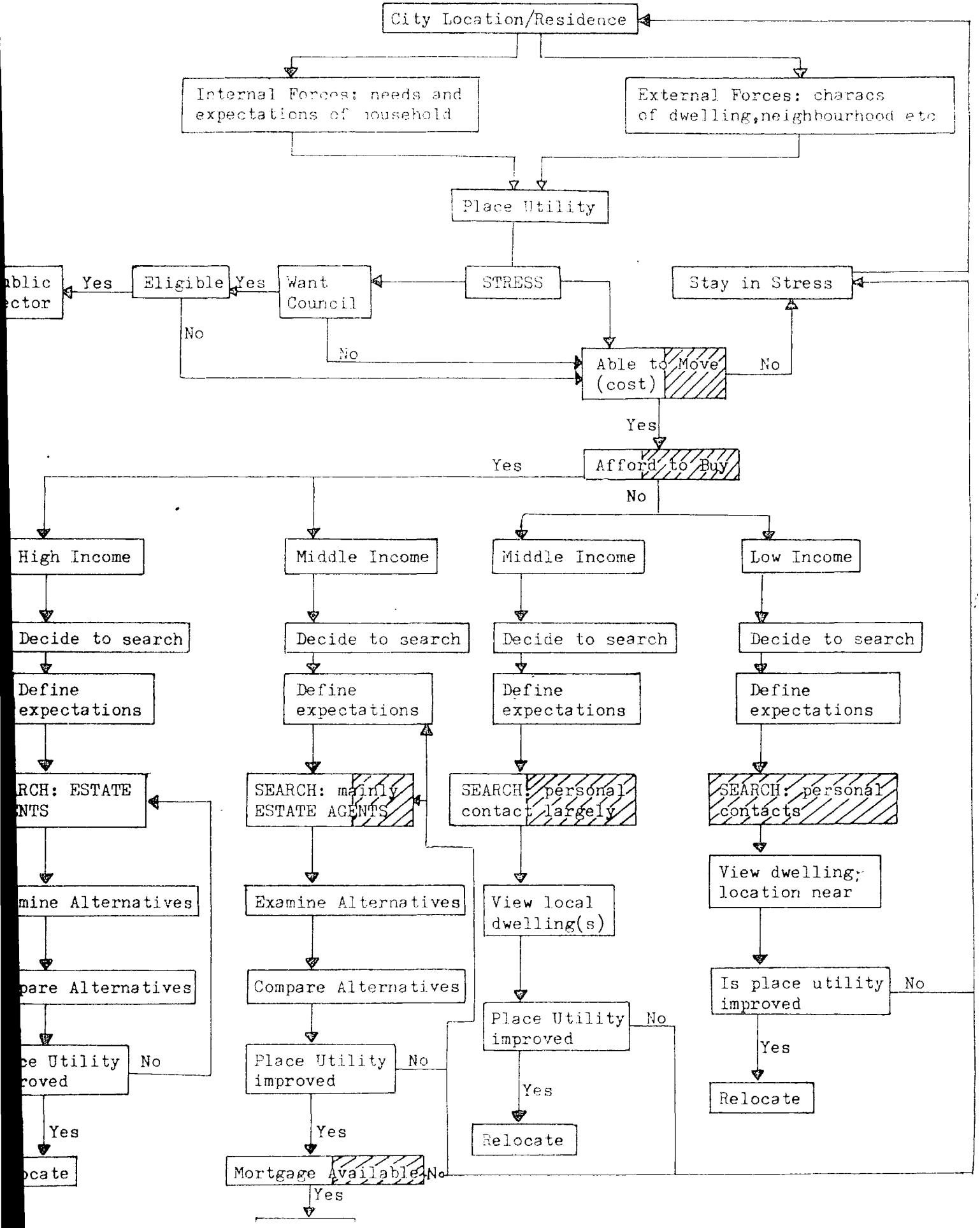
and the emphasis upon choice inherent in them is clearly a North American phenomenon. In Britain, the principal early study was that of Herbert, in Swansea. Of course, we must expect certain fundamental differences in the British case, mainly because council housing represents such a large proportion of the total housing stock. Mobility within this sector is clearly a different phenomenon to the same in the private sector, with bureaucratic allocative procedures being the dominant variable and choice a subordinate one. Nevertheless, the Swansea study showed that;

> "There were clearly broad comparisons with American experience but also differences; general mobility rates were much lower, particularly amongst lower income groups who were much more constrained by the housing market and financial considerations." Herbert (1972, p250).

Clearly, although the basic principles are valid, these constraints are important and must be incorporated into any model of residential relocation in Britain. Figure 8.5 shows the form that such a model might take. We accept the concept of place utility as being a phenomenon that will apply to each household. This consists of both internal forces, coming from the needs and desires of the individual household, and external forces, related to the characteristics of the dwelling itself and other factors such as the local neighbourhood. It must be remembered of course, that the place utility will differ for different households at different locations.

In Britain however, once stress is incurred by the household, then several possibilities are open to it. The simplest to formalise is that the household may wish to move into (or remain in) the public sector. Access to housing is then, largely, a matter of eligibility. If however, the household does not want to, or is not eligible to live in the public sector, the first consideration must be whether they can afford to move or not. If not, then they must remain in their current dwelling and either adjust to the circumstances or remain under stress. If a move is possible then it is not sufficient to model an idealised sequence of actions and decisions, as the various sub-markets work

Figure 8.5. A residential relocation model.



differently and different constraints are incurred by different sections of the population. Consequently, subsequent stages are differentiated by the household's ability to purchase or rent a dwelling.

The remaining stages for each income and tenure group take account of the findings reported above. It is important to note that the shaded boxes are those where constraints occur. For the high income groups there are no constraints in the model. As Rossi (1955) and Short (1977) found, we expect them to use the most efficient search procedures. We also expect them to compare the alternatives available to them more rationally and to repeat the search if their expectations are not matched by the dwellings they have viewed. The use of the most efficient search procedure and the lack of financial constraints means that, in the competition for housing resources, it is this group which is most likely to maximise place utility. This is simply because few, if any, constraints exist. As well as not being subjected to institutional constraints, this group begins the relocation process with the largest awareness space. The method of search adopted also means that this awareness space is likely to be further enhanced during the process. Therefore, we can confidently predict the outcome of the relocation process to be a move to another dwelling and increased place utility.

For middle income groups constraints begin to appear in the model. Notwithstanding the arguments of Section 7.2.2, we can assume that they are not forced to rent. Therefore, having decided whether they can afford to rent or become owner occupiers, the middle income household will also define the qualities it requires from any prospective new dwelling. (Of course, any household may not actually define their expectations formally, but we can assume that they have some idea in mind concerning a potential new residence). Constraints then begin to occur. Because of the evidence concerning estate agent utilisation, we introduce a partial constraint for the middle income potential purchaser in the search stage. Although owner

occupiers of any standard of housing show a greater propensity toward adopting efficient search procedures (see below, Chapter Nine), such a generalisation breaks down as income falls. Some households then, we may expect to use the less efficient search procedures mentioned above which, in turn, we expect to reduce the number of alternatives that they will encounter. That is, we expect their awareness space to be less than for higher income groups and we expect it not to increase commensurately during the search procedure.

A more tangible constraint occurs once a dwelling that improves the place utility has been found, however. In Section 7.2.2 we saw that building societies do discriminate against certain people and areas. The middle income group are most likely to encounter this problem. (We assume here, of course, that for the lowest income groups owner occupation is simply out of the question). The effect of such a constraint is impossible to predict for each family although certain consequences will occur frequently. The model assumes three possible courses of action. First, the household may resume the search to find a property for which mortgage funds will be advanced. This may entail a drop in the price to reduce the size of the loan. Alternatively, if the 'ideal' dwelling was in a red-lined area, it may mean finding an alternative dwelling in a different neighbourhood. Secondly, the household may decide that their expectations have to be redefined, so that they can find a property which will allow them a mortgage. This will invariably involve a drop in expectations. Finally, the household may either give up, or simply be unable to find a suitable alternative. Hence they remain in their present dwelling and remain under stress, or, if the move is considered to be essential, join the middle income group that are further constrained by not being able to buy.

If, however, the initial consideration of whether a household can afford to buy meets a negative response, then irrespective of whether the household can be classified as middle or low income, the similarities in the processes

of relocation are more striking than are the differences. It is crucial to note that the negative response immediately embodies constraint in the market, as the households are now restricted to 13.9 per cent of the housing stock (which contains some 42 per cent of all unfit dwellings in England and Wales).

Given the income constraint however, location becomes a function of the search procedure. We can still expect the household to define its expectations (although this stage will probably be more informal than for most other groups), but the search procedure is more likely to rely upon personal contacts. This has two important implications. First, there is no reason to suppose that personal contact will generate many possible alternatives for the household considering migration. Second, given the structure of personal contacts for low income groups, it is unlikely that awareness space will be expanded to any significant degree. Again this adds to the constraints upon these groups and will tend to reinforce the socio-spatial system described in Chapter Five. Because of this, the links in Figure 8.5 do not allow for a continued search if place utility is unimproved. Having viewed a dwelling, we assume that the household will relocate if place utility is enhanced, or stay in stress if it is not.

The model does not, like all such models, tell us anything that we would not intuitively expect. The poor live in the worst housing while the rich live in the best. However, the emphasis upon the non-institutional constraints that, we assume, will affect the lower income groups (and most particularly the tenants in the private rented sector) does, when added to the constraints discussed in Parts II and III, allow us to explain the apparently paradoxical situation shown in Tables 7.1 and 7.2 of a housing surplus.

8.3 Conclusion.

The fundamental point, illustrated in this chapter, is that when we narrow

our analysis to consider the household as a decision making unit, the constraints embodied in the housing market take on a further dimension. First come those mechanisms, embodied in the urban system, which lead to a constraint on of the activities of certain groups, as explained previously. [illegible], however, we [illegible] the behaviour of decision making units in the housing market - particularly the way in which households react to the [illegible] constraints' that they experience. Whilst we must take some care to avoid presenting an argument that 'blames the victim', it would appear that, ultimately, it is the behavioural patterns and search procedures adopted by households that will, partially at least, determine their eventual location and, consequently, the conditions in which it lives.

That is not to say that the households at the lower end of the housing market would, were they to adopt optimally efficient behavioural patterns, be faced with an unlimited choice of dwellings. The first type of constraint sets parameters <u>within which</u> they may, to an extent, determine their own fate. Indeed, the model presented in Figure 8.5 has both institutional and economic constraints incorporated into it at the outset of the decision making process. Even so, to explain the apparently paradoxical phenomenon of the worst housing being occupied in a net surplus situation we do need to take account of behavioural patterns.

The framework shown in Figure 8.5 makes clear the links between the institutions in the urban system and the resultant behavioural response from different sections of the population. Clearly, given the endemic conflict in society, these behavioural responses are a reaction to constraints. Nevertheless different responses are theoretically possible. Low income groups that, having decided to move, do not find a dwelling with improved place utility are immediately assumed, in Figure 8.5, to stay under stress. Certainly, the available evidence supports such a supposition, yet there are no institutional or endemic constraints that make such 'inefficient' behaviour mandatory.

The problem, therefore, now becomes one of explaining the search procedures

leading to the occupation of the worst housing, given the overall constraints imposed by economic status and urban 'managers' upon the inhabitants of that housing. It is to this that we turn our attention in the ensuing two chapters, with an empirical study of the migration process in Newcastle-upon-Tyne.

CHAPTER NINE

RESIDENTIAL RELOCATION IN NEWCASTLE-UPON-TYNE

9.1. Introduction.

Much of the discussion in the preceding chapter was based upon evidence produced by studies undertaken outside of Great Britain. Nevertheless, the model presented in Figure 8.5 would, on the basis of earlier chapters, seem to be an appropriate representation of the behavioural process involved in residential relocation in the British context. Our explanation thus far has revolved around the imbalance between the supply of dwellings and the demand for those dwellings. Very simply, we have shown how supply is not related to demand at the lowest end of the housing sector, because it is unprofitable for private capital to fulfill such a demand. It has also been seen how the activities of the demand groups are further constrained from two different sources. First, the series of relationships that exist in society in general, and in the housing market in particular, constrain large sectors of the population in their search for satisfactory housing. However, despite these 'societal' or 'institutional' constraints, the evidence presented in Chapter Eight suggests, quite unequivocally, that certain households are further constrained by their own actions in the housing market, irrespective of the more general constraints arising from society's endemic conflict over the use of desirable resources.

Just how real these behavioural constraints are-and the extent of them can, at this stage however, only be guessed at in the British case. We are though, now in a position to examine the effects of the relationships that we have discussed so far and which are embodied in Figure 8.5. In the present chapter therefore, we present the results of an investigation into the demand for and mechanisms leading to the allocation of 'poor' housing in Newcastle upon Tyne. Such an analysis is based upon a questionnaire survey

and leads ultimately to an empirically derived probability model of the outcomes of various stages of the migration process.

9.2. Survey Structure.

There are two fundamental sources of problems in such an investigation. It will be apparent that the data required will only be obtainable through a questionnaire survey of the inhabitants of 'substandard' housing. The problems concern, therefore, what to ask and where to ask it. If we consider the latter problem first, our focus is substandard housing. Data concerning the spatial arrangement of bad housing has not appeared in great detail since the publication of the 1971 Census. In the intervening time, however, whole enumeration districts, with, say, no inside toilets in any dwellings have largely (exclusively in Newcastle) been demolished. Although, even in 1981 there were 3,500 homes within the city of Newcastle that lack basic amenities such as an inside toilet.[1].

The enumeration district is the smallest spatial unit for which data is available. We could consequently adopt some arbitrary definition of 'poor', such as enumeration districts with more than 75 per cent of dwellings not having exclusive use of an inside toilet, a fixed bath or a hot water system etc. However, what of the household living in an enumeration district where only 70 per cent of the houses do not have one of our chosen indicators? For the purpose of any analysis they would not be considered to be living in 'substandard' conditions.

Such arbitrary definitions of 'poor' can also give rise to other problems of comparability. This was illustrated at a Durham University Geography Seminar. Search procedures of the residents of an area due for demolition within three months of the seminar were discussed in the context of poor housing. Having been presented with data regarding the physical conditions of the enumeration

1. City News. April 1981.

district in question, much of the debate revolved around whether the housing could in fact be regarded as poor or substandard. Consequently, any conclusions reached were open to dispute, simply due to disagreements over the definition of 'poor'. Conversely, when data based upon spatial blocks is being used, even if we actually can provide agreement that an area contains poor housing, not all of the dwellings are of the same physical standard and surveys may well include good dwellings. Evidently then, some care is needed in determining the areas to be studied. Equally certain is the fact that universal agreement upon what actually constitutes poor housing is unlikely and that a survey containing only poor housing is, objectively, impossible.

In Chapter Six the strong link between poor physical conditions and the private rented sector was demonstrated. For recent migrants, the necessity for a survey of the physical condition of a dwelling where mortgage finance is available reinforces this link - owner occupied properties tending to be physically sound, at least when purchased. The model presented in Chapter Eight illustrated further that the greatest constraints are to be found for those in the private rented sector of the housing market. These two points, along with the data in Table 1.1, suggest that the private rented sector should be our focus. But, Chapter Six also contains the information that Newcastle can be described in terms of a 'functional' and a 'disfunctional' inner city. As a general tenure form private renting was significant in both, although poor physical conditions, measured in terms of amenities such as inside toilet, fixed bath and hot water systems, were substantively present only in the 'disfunctional' sector (see Figure 6.10). Of course, the indication given by the factor analysis is that this is explained by the separation of furnished and unfurnished tenancies - unfurnished dwellings being associated with the worst physical conditions. In Chapter Six no link was found between these

1. This problem revolved around an enumeration district containing the following physical conditions: no inside toilet 75 per cent, no hot water system 26.8 per cent, no fixed bath 40 per cent, 'extensive dampness' 58 per cent. Several contributors thought the housing to be perfectly reasonable. The residents of the area did not agree with such an assessment however!

areas and social class or income. It is, therefore, an area in which predominant features are bad housing and unfurnished tenancies and it is upon this 'disfunctional inner city' that we focus our attention.

A feature of the morphology of Newcastle-upon-Tyne is the 'Tyneside flat' - a two storeyed dwelling in a terrace, in which both upper and lower flats are self contained. A commonly found tenure pattern is that the owner lives in one flat and lets the other. (Approximately one quarter of households questioned in this research were tenants of a landlord occupying the other flat in this manner). Because of the concentration of poor housing and private renting in the 'disfunctional' inner city, the following investigation was undertaken in all enumeration districts in the area in which unfurnished privately rented tenants constituted 50 per cent or more of the households in 1971.

Areas so deprived in 1971 contained, in February 1980, approximately 10,500 dwellings. A sample size of 500 households was sought and, consequently, a questionnaire was delivered to every seventh dwelling in the areas, based upon an anticipated postal response of around 30 per cent. 1,500 questionnaires were delivered and sensible replies were received from 586 dwellings. These constitute our data base.

Having decided where the research is to be undertaken, we can turn to the problem of what to ask. Appendix 2 contains the questionnaire that was sent to the households. Although it contains many questions, four are of paramount importance. Firstly, tenure is crucial to the investigation and questions 9 and 10a provide this data. Secondly, the search procedure adopted and the intensity of search needs to be known. The responses to questions 4 - 8 elicit this information. Thirdly, the reason for a household choosing a particular dwelling is required. Clearly, given the framework presented above, this is not always likely to generate a rational response, as often constraints will determine location and positive answers will be relevant only in terms of

those constraints. However, within these limits, questions 11 and 12 generate the relevant data. Fourthly, it is useful to know the distance and direction of moves and questions 1 and 3 provide the information from which this can be approximated. Other questions in the final questionnaire will be referred to in the text.

Before undertaking the principal survey a pilot was carried out, in an area immediately prior to its demolition (see page 160). This survey took the form of doorstep interviews and enabled the impact of the questions contained in the questionnaire to be evaluated. Indeed, at one stage in the research, the feasibility of examining residential relocation processes through 'in depth' interviews was considered. This was discounted however, for two related reasons.

Firstly, such a technique is very time consuming. In itself this is not an insurmountable problem. However, the analysis presented in Chapter Six shows that Newcastle-upon-Tyne, in 1971 contained a large area, differentiated solely in terms of the housing conditions. To arbitrarily pick sub areas of the disfunctional inner city for detailed study is, in the context of a relatively homogeneous area, less useful than to examine the more general processes at work throughout the whole area. Clearly, factors such as the existence to local employment opportunities or historical ties to specific areas might bias the results of a more restricted survey, whereas the conclusions derived from a larger survey are likely to illustrate the overall context of residential relocation, at least in Newcastle-upon-Tyne, more accurately.

Such an approach does, of course, entail the sacrifice of some detail and the pilot questionnaire illustrated certain problems that might prejudice the data generated by a more general analysis. A number of questions were asked which respondants were reticent to answer, particularly when they were uncertain of the proposed use of their replies. During interviews such doubts could, largely, be allayed. It was felt, however, that a postal survey might not give

respondents the same confidence to answer accurately. Three questions in particular were excluded from the subsequent postal survey, relating to income, place of employment and age.

During interviews, questions concerning the approximate income of interviewees were met with some hostility and it is unlikely that such questions were answered with complete honesty! It is probably even more unlikely that the data generated by such a question would be reliable with no personal contact. Perhaps more surprisingly, it also proved particularly difficult to determine the exact location of employment of those respondents in work. A question asking directly, 'where do you/your husband/wife work? in many cases met with answers specifying a general area, a company name or an occupation. The question was also treated with some suspicion and hence, in an attempt to maximise the response rate, the more general version (question 16) was used. Asking the less specific question was also prompted, to an extent, by the possibility that some respondents form a part of the 'black economy' and would be more likely to answer the less specific question. The question did in fact, however, meet with the same problems of over generalisation, but is compensated for in the answers given to questions 11 and 12. Proximity to work was mentioned sufficient times in responses to these questions, for us to believe that there is no bias against such a factor in our subsequent analysis.

The question concerning age also met with a hostile (and occassionally blatantly false) response. Although it may be argued that a postal questionnaire is more likely to elicit accurate replies to such a question, it was again felt that the response rate, and hence the amount of information on more important topics, might be higher if the question was omitted. Whether this would in fact be the case or not, the ommission is further justified by reference to Chapter Six. The analysis presented there includes four age related variables (PENSN, CHILDR, FERTILE and YOUNGADM, page 114), none of which is directly related to poor housing per se.

Less fundamental changes were also made to other questions used in the pilot survey. Responses to the question concerning how a household became aware that their dwelling was vacant were dominated by 'personal contact' (see below pp.179-186). It was immediately apparent that such answers might mask the real information source of the person providing this 'windfall' information. A further question was consequently added (question 5), to determine the information source of the informant. The final wording of questions 9 and 10, concerning tenure, were also changed to avoid ambiguity of response, with questions 10b - 10f added to check the accuracy of answers to questions 9 and 10a[1].

A further note is required concerning the response rate from different areas within the disfunctional inner city. An exploratory analysis was made, relating the response rate, along with the factors outlined below, to the different geographical areas of the city in which the survey was undertaken. This analysis showed, particularly in the larger areas of Benwell, Sandyford and Heaton, that response rates did not differ significantly. More importantly, brief examination suggested that there were no significant differences in the behaviour of households in each area.

Of course, this is not particularly surprising in view of the fact that the areas were chosen due to their homogeneity, as identified in Chapter Six. Because of this, and because the overall response rate of 39 per cent provided a large sample, any potential local variations can be discounted. We can suggest therefore, with some confidence, that the sampling framework was sufficiently robust for the precise origin of individual responses not to influence the results unduly[2].

1. It would clearly be useful to present the initial questionnaire for comparison with that finally used. Unfortunately it was destroyed during an internal move within the University of Durham, as were several tables of responses, broken down by the neighbourhood of the respondants.

2. Again, there would be some merit in demonstrating the results of an areal breakdown of responses, but, see above, footnote 1.

9.3. Home occupation processes in Newcastle-upon-Tyne.

Although the areas selected for investigation are predominantly privately rented, it is useful for comparative purposes to obtain similar information for owner occupiers in the area. Even with the owner occupiers being at the lower end of the property owning scale and living in housing of a similar standard, the behavioural patterns of the two groups are likely to be different. The response from the different tenure groups facilitates such comparisons and Table 9.1 shows the forms of tenure of the survey respondants. The presence

Table 9.1. Tenure of survey respondents.

	%	Number
Private Rented	55	321
Owner Occupied	36	212
Council	9	53
	100	586

of the local authority as a landlord in the surveyed areas is exclusively due to the compulsory purchase of dwellings, as none of the dwellings surveyed were built as council houses. Questions 10d and 10e concern the previous landlord of the dwelling and allow us to determine whether, at the date of occupation, the dwelling was in the public or the private sector. In the subsequent analysis, those dwellings that were owned by the local authority when the household moved into them have been discounted, as this is clearly a sector in which different processes apply. Table 9.2 shows the tenure of those respondants remaining in the data set. Both private rented and owner occupied sectors are sufficiently well represented to allow us to draw conclusions concerning the significance of the worst housing.

Table 9.2. Tenure of survey respondents with moves into public sector omitted.

	%	Number	
Private Rented	60	321	
Owner Occupied	39	211	
Council	1	6 *	* See text

As we have been concerned to point out, the term 'substandard', when related

to housing, can only be relative. The areas surveyed contain houses which, while they may have a lifespan of even 30 years left, are at the bottom end of the market in terms of such indicators as price, size of dwelling, density of homes etc.

The areas, in general, comprise back to back flats with no gardens and with little open space. While these characteristics may be the subject of personal preference regarding the definition of substandard, there are certain tangible aspects of such a definition. 38 per cent of the dwellings are in need of some major repair work. In the private rented sector this proportion is higher - 45 per cent. Still, 10 per cent of the houses do not have an inside toilet and 12 per cent of the dwellings require at least three major repairs. Hence, while any definition of substandard is open to question, we are certainly dealing with housing at the lower end of the housing market and, even though we must be aware of the 'ecological fallacy', the principles established here are likely to be those which are relevant to the least attractive areas of most cities.

At the outset of our analysis it is important to note that while this housing represents a significant part of the housing market, simply because it is occupied, this is not a 'passive' significance accounted for by inertia on behalf of the resident population. Indeed, movement into the dwellings continues on a large scale and, as Table 9.3 illustrates, 44 per cent of the dwellings were occupied in the five years before 1980. This total percentage does, however, mask some interesting points. In the private rented sector, the percentage of households who had moved recently was significantly higher than in the owner occupied sector (50 per cent against 33 per cent). This is probably indicative of the fact that the survey areas are all included in the areas shown by the C.D.P. (1976a) to be red-lined by Building Societies (Figure 7.1). Equally interesting is the fact that it is not only into the

Table 9.3. Period moved into present dwellings by characteristics of dwelling.

Tenure and conditions	Year Moved	Numbers				
		Pre 1950	1951 - 1960	1961 - 1970	1971 - 1975	1976 - 1980	Total
Prent + 0 Major Repairs		23	5	12	9	53	176
Prent + 1/2 Major Repairs		27	5	9	9	50	99
Prent + 3/4 Major Repairs		15	4	8	4	70	27
Prent + ⩾5 Major Repairs		42	0	16	37	5	19
Prent + no inside toilet		21	6	13	21	41	39
Ownoc + 0 Major Repairs		13	18	29	12	29	157
Ownoc + 1/2 Major Repairs		10	9	19	12	50	43
Ownoc + 3/4 Major Repairs		Small Sample					3
Ownoc + ⩾5 Major Repairs		Small Sample					8
Ownoc + no inside toilet		Small Sample					10
Total Private Rented		24	5	10	10	50	321
Total Owner Occupied		14	15	26	11	33	221
Survey Total		20	8	16	11	44	538

Prent = private rented
Ownoc = owner occupied

'better' dwellings that movement has occurred recently, as the indicators of the worst conditions, when seen against date of occupation, substantiate the notion that this is still an active sector of the housing market.

Of those households living in private rented accommodation, but not possessing exclusive use of an inside toilet, 41 per cent had moved since 1976 and 62 per cent since 1971. Similarly, of tenants whose dwelling was in need of either three or four major repairs, 70 per cent had moved into their dwelling since 1976. The main exception to this general pattern are private rented tenants in dwellings requiring at least five major repairs. Only 5 per cent of this group had moved in the period 1976 - 1980. 37 per cent, however, located during the 1971 - 1975 period and the sample size (19) makes it dangerous to place too much emphasis upon these figures. It will be seen that the main owner occupied group - those needing no major repairs - show more inertia, but the commitment

to buy is generally an indicator of lower mobility rates.

Overall however, we can see that the areas under consideration are certainly an active part of the housing market for which a demand still exists. It is to the nature of this demand that we can now turn our attention.

9.3.1. The rationale for selecting a dwelling.

Brown and Moore (1970), as we have said, suggest that the principal determinants in the decision of whether to select a particular dwelling are; accessibility, physical neighbourhood, services, social environment and site and dwelling characteristics (see above, p.143). Such a classification of reasons does not, however, adequately cover the residents of the disfunctional inner city of Newcastle. Table 9.4 shows the reasons given by respondents for choosing their present dwellings, broken down by tenure and physical conditions. If we examine the total replies first, then the most striking feature is that the most common single reason for a household choosing a dwelling in the disfunctional inner city, is that they considered it to be the only one available. In fact, 19 per cent of all households had chosen their present home for that reason. Clearly, the situation is not as clear cut as this. Firstly, it is patently obvious that, in a housing surplus situation, nobody does in fact live in a dwelling that is the only available one. More pertinant would be to say that they live in the only dwelling seen as available to them. Indeed, we have spent much time emphasising the constraints that lead to decisions in this general sector of the housing market. Even given these constraints however, it is hard to envisage a situation in which a family considering a move, and able to do so (as shown in Figure 8.5), have only one possible new location in a whole housing market.

The types of constraint that exist are reflected in the other phenomena identified by respondents as being reasons for choosing a dwelling. The second most important factor is proximity to work, which was the main determinant of

Table 9.4. Why chose dwelling by tenure and conditions. (%)

Tenure and Conditions	Why Chose Dwelling: Near Work	Price	Only Available	Knew People In Area	Size	To Own	2 + Reasons	Previous Unsatisfactory	Other	Price + 1 Other Reason	Attribute/ Access/ Area	Near Work + 1 Other Reason	Sample Size
Rent + 0 Major Repairs	11	9	24	9	6	0	5	6	7	12	10	2	176
Rent + 1/2 Major Repairs	13	6	34	5	2	0	3	7	9	12	6	2	99
Rent + 3/4 Major Repairs	4	7	48	4	0	0	0	4	7	19	4	4	27
Rent + ⩾5 Major Repairs	0	5	63	21	5	0	0	0	0	5	0	0	19
Rent + No inside toilet	10	5	56	8	0	0	0	0	10	8	3	0	39
Owner + 0 Major Repairs	16	4	14	10	8	7	5	7	7	7	1	6	157
Owner + 1/2 Major Repairs	9	2	12	12	7	9	0	2	16	9	16	5	43
Total Private Rented	10	6	35	8	4	0	3	6	7	13	6	3	321
Total Owner Occupied	15	5	11	10	8	8	2	6	8	8	11	5	221
Survey Total	12	7	19	9	6	3	4	6	7	11	9	8	538

Table 9.5. Number of alternative dwellings viewed by tenure and conditions. (%)

Tenure and Conditions	Number of Alternatives Viewed: 0	1	2	3	4	5	⩽2	⩽5	⩾1	$\bar{x}$	Sample Size
Rent + 0 Major Repairs	73	9	8	2	3	2	90	97	1	0.74	176
Rent + 1/2 Major Repairs	78	9	4	5	4	1	91	95	0	0.54	99
Rent + 3/4 Major Repairs	81	4	0	4	4	4	85	96	0	0.70	27
Rent + ⩾5 Major Repairs	89	5	0	0	0	5	95	100	0	0.32	19
Rent + No inside toilet	82	5	2	3	3	3	90	100	0	0.49	39
Owner + 0 Major Repairs	43	7	12	9	6	6	62	83	6	2.78	157
Owner + 1/2 Major Repairs	23	12	12	14	16	2	47	79	12	3.72	43
Total Private Rented	76	8	6	2	3	2	90	98	0	0.65	321
Total Owner Occupied	39	8	13	10	8	5	60	82	7	2.93	221
Survey Total	62	8	8	6	5	3	78	92	2	1.55	538

the location of 12 per cent of the households surveyed. However, if we include those who identified proximity to work and one other reason, then the percentage rises to 20 per cent. Clearly, some of the types of constraint referred to in Chapter 5 (pages [illegible]) and noted by Brown and Moore (1970) are in evidence here.

The cost of a dwelling is obviously a major factor in any decision to move. It is not however, as Table 9.4 shows, the only determinant. Only 7 per cent identified it as the only reason for choosing a particular dwelling. A further 11 per cent however, identified price and one other reason as the determining factors in their decision. Nevertheless, the relocation decision would, overall, appear to be exercised by the household accepting implicitly in the decision making process, that price is a constraint.

A further major reason for choice of dwelling is, not surprisingly, what we have described in Table 9.4 as 'Attribute/Access/Area'. Access and Area are self explanatory. 'Attribute' includes all responses in which a particular attribute of the dwelling was cited as the reason for selecting that dwelling. The total percentage of responses covered by this category is 9 per cent. However, we can regard the 'size' category as being similar, if not identical, to the 'attribute' one. Size has been kept separate however, simply because of the number of respondents for whom it was the major reason for choosing a dwelling. Overall, it can be noted that these two reasons account for 15 per cent of the reasons cited for choosing a particular dwelling. Again, this evidence is consistent with the work of Brown and Moore (1970). We might note, however, that the percentage responses to the individual categories are sufficiently small that we have amalgamated characteristics of both the physical and social environment in this class.

The percentages from the full survey mask some significant differences that exist between occupiers of different types of housing within the study

areas. For example, the total of 19 per cent who regarded their dwelling as being the only one available masks a difference between tenure groups. Whereas only 11 per cent of owner occupiers thought this to be true, 25 per cent of those households surveyed in the private rented sector were of such an opinion. Immediately then, we can suggest that such a difference is supportive of the concepts illustrated in Figure 8.5.

Further evidence is found in the startling differences in the percentage who thought of their dwelling as the only option, depending upon the tenure and physical conditions of the household. While only 11 per cent of owner occupied households regarded their present home as their only choice, 34 per cent of private tenants whose dwellings needed one or two major repairs, 48 per cent of tenants in dwellings requiring three or four major repairs and 63 per cent of tenants in accommodation with more than four major repairs needed, regarded their present dwelling as their only alternative. Similarly, of those tenants not having the exclusive use of an inside toilet, 56 per cent regarded their present location in this manner. Clearly then, those in the housing of the worst physical standard are most likely to perceive no alternatives to be open to them. Obviously, the amount of disposable income available to the household is important here, but given first, that bad housing has a significance per se in Newcastle and second, our comments regarding a housing surplus, it would appear that the non-institutional behavioural constraints must be important in producing such opinions.

Such an assertion is substantiated by an examination of the number of alternatives viewed by the households in the survey. Table 9.5 provides this information. It is significant to note the average number of alternative dwellings viewed by the households in each group. Overall, the average number of alternatives examined was 1.55, which is consistent with studies cited in Chapter Eight. In the owner occupied sector however, the mean value was 2.93,

while in the private rented sector it was only 0.65. The difference between these figures is, on the face of it, small. They do, however, take on a significance when we consider exactly what they show. When contemplating a move, even looking at two dwellings increases the chances of finding one better suited to a household's requirements than their existing one. Obviously, as we have said, the more dwellings examined, the greater the probability of a 'successful' resolution to the search. The trends we have suggested are further reflected in the averages for the two tenure groups, when broken down by conditions. For tenants whose accommodation requires more than four major repairs, the average number of alternatives seen was only 0.32, while for owner occupiers with no major repairs needed, 2.78 is the mean. The other means shown in Table 9.5 are consistent with this.

Table 9.5 clearly substantiates these statements and those made concerning Table 9.4. Only 39 per cent of all owner occupiers moved into the first dwelling they saw (i.e. they examined no alternatives), whereas 76 per cent of tenants adopted such a procedure. This figure is increased to 89 per cent in the case of those inhabiting dwellings needing more than four major repairs. Conversely, the percentage of households who did undertake some form of systematic search (in that they did not choose the first dwelling seen) shows an opposite pattern. While 95 per cent of private renters needing more than four major repairs and 90 per cent of all tenants viewed less than three alternatives, only 60 per cent of owner occupiers viewed less than three. Indeed, 18 per cent examined five or more dwellings before deciding upon their move.

It will be seen from Table 9.5 that the category, 'owner occupied needing 1/2 major repairs', does not follow the general trend of the more alternatives that are viewed, then the better the housing conditions that result. Only 23 per cent did not view any alternatives and 53 and 21 per cent viewed more

than two and more than five dwellings respectively. This is probably best explained by referring back to Table 9.4. A relatively small proportion regarded their dwellings as being the only available, while three categories scored particularly high as reasons for choosing a residence. An attribute of the dwelling or area is important, as is ownership per se. Also, the category 'other' scores highly. It is possible, therefore, that these dwellings are being bought in areas of low price housing, with the intention of putting them into good repair. As such it may represent a first stage in owner occupation, being regarded by the household as only a (relatively) temporary measure.

The general concept that we have been developing here, that better physical conditions result from a more rigorous search, is shown in Table 9.6, in which tenure is ignored. Here we see very simply that the percentage of households viewing only the dwelling in which they live increases as do the number of repairs required. Conversely, the number of households examing more than two and more than five alternatives increases with the reduction in number of repairs needed.

We can take our investigation of the actual decision making process a stage further, by examining the perceived advantages of the dwellings finally chosen. Table 9.7 illustrates the advantages of the dwelling selected, as compared to others inspected during the search, broken down by tenure and physical conditions.

From this table it is apparent that, particularly in the private rented sector, the dwelling chosen offered no advantages over others (or as we have seen, no alternatives were examined). This trend is again more pronounced as the physical condition of the dwelling deteriorates. Two other distinct trends are discernable from Table 9.7. First, we can see that every tenure/condition group contains a proportion of households for whom the price of the dwelling was its principal advantage. This is compatible with the observations that we have already made. Perhaps more important a finding is that relating to

Table 9.6. Number of alternatives by conditions and house conditions. (%)

	No. of alternatives viewed								
House Conditions	0	1	2	3	4	5	⩽ 2	⩽ 5	⩾ 10
0 Major Repairs	59	8	10	6	5	4	76	90	3
1/2 Major Repairs	61	10	6	6	8	1	77	93	4
3/4 Major Repairs	80	3	0	7	3	3	83	97	0
⩾ 5 Major Repairs	85	8	8	0	0	0	100	100	0
No inside toilet	71	8	8	8	2	2	87	98	0
Survey Total	62	8	8	6	5	3	78	92	2

Table 9.7. Advantages of chosen dwelling by tenure and conditions. (%)

	Advantages													
Tenure and Conditions	None Viewed/No Advantage	Close To Work	Price	Only Available	Knew People In Area	Size	Ownership	2+ Reasons	Previous Dwelling Unsatisfactory	'Other'	Price + 1 Other Reason	Attribute/ Area/ Access	Near Work + 1 Reason	Sample Size
Rent + 0 Major Repairs	70	1	3	-	1	2	-	3	-	1	3	14	1	176
Rent + 1/2 Major Repairs	69	1	4	1	-	2	-	2	-	1	3	16	-	99
Rent + 3/4 Major Repairs	81	-	7	-	-	-	-	4	-	-	-	4	-	27
Rent + ⩾ 5 Major Repairs	89	-	5	-	5	-	-	-	-	-	-	-	-	19
Rent + No inside toilet	82	-	8	-	3	-	-	-	-	3	-	5	-	39
Owner + 0 Major Repairs	50	-	9	-	-	6	1	4	1	3	7	18	1	157
Owner + 1/2 Major Repairs	28	-	9	-	-	16	-	-	-	2	21	21	2	43
Total Private Rented	72	1	4	-	1	2	-	3	-	1	2	13	-	321
Total Owner Occupied	45	-	9	-	-	9	1	3	-	2	9	19	1	211
Survey Total	62	1	6	-	1	4	-	3	-	1	5	15	1	538

the dominant positive reason for choosing a particular dwelling, rather than any other seen during the search, i.e. attribute/access/area. It would appear that, once certain perceived basic necessities have been fulfilled by a dwelling, specific traits of the dwelling (or its location) become prominent in the decision making process. Such a statement is reinforced by the diminishing importance accredited to this aspect of the decision by those in poorer physical conditions. For example, whereas 16 per cent and 14 per cent respectively of owner occupiers and private renters, with no major repairs needed, considered this to be the principal advantage of their dwelling over others, only 4 per cent of tenants in homes needing three or four major repairs and no households renting dwellings in need of more than four major repairs considered it to be so.

Again, a note concerning the owner occupied group whose dwellings need one or two major repairs is merited. The evidence of Table 9.7 supports our previous suggestion relating to this group. 72 per cent had a definite reason for preferring their dwelling to any other that they had seen. Price is an important reason for preference, but generally in assocation with some other reason. Size is also important, accounting for 16 per cent of replies. Also, the specific trait of a location of a dwelling is accrued its greatest importance by this group, as was the case when the dominant reason for choosing a dwelling was considered. This evidence, again points to the group adopting a more rigorous search procedure and buying at a reasonable price with the intention of improving the property. They therefore take greater account of other aspects of the dwelling.

As we observed above, the classification 'attribute/access/area' combines both social and physical characteristics of a dwelling and its neighbourhood. Therefore, the breakdown of the category is an interesting exercise. Table 9.8 shows that in each of the tenure/condition categories (in which a sufficient number of households considered the overall classification to be the principal

advantage), it is in fact an attribute of the dwelling that is most frequently thought of as being the important determinant of the decision. As can be seen, this is particularly so in the private rented sector, in which dwellings are selected less frequently on account of their [illegible].

Table 9.8. Attribute/Access/Area as advantage of present dwelling against tenure and conditions. (*)

	Attribute/Access/Area Advantage				
Tenure and Conditions.	Attribute	Access	Area	Frequency of Category	Sample Size
Prent + 0 Major Repairs	13	1	1	25	176
Prent + 1/2 Major Repairs	13	2	1	16	99
Prent + 3/4 Major Repairs	0	0	4	1	27
Prent + $\geqslant$ 5 Major Repairs					0
Prent + No inside toilet	3		3	2	39
Ownoc + 0 Major Repairs	8	4	6	29	157
Ownoc + 1/2 Major Repairs	9	5	7	9	43
Private Rented	11	1	1	42	321
Owner Occupied	9	5	6	40	211
Survey Total	10	3	3	82	538

This is again consistent with what we have previously noted concerning the characteristic of the dwelling being important, once certain basic requirements are met. The tenure difference has two possible explanations, however. The first is that the renters do not like their areas, while owner occupiers do. This is unlikely however, as the environment is the same for both tenures. What is, therefore, more likely, is that Table 9.8 is further indicative of the constraints placed upon tenants. As the private rented sector declines there is less choice (in numerical terms) for potential renters and, in Newcastle,

the areas in which renting is the dominant form of tenure are very similar. Consequently, area is unimportant to tenants, because choice does not exist. What is important is obtaining a dwelling, irrespective of location.

The comparative advantages of particular dwellings are, to those who search enough dwellings to be able to evaluate this aspect, obviously an important part of the decision to migrate. We can investigate this component of the decision to move further by reference to Table 9.9, which shows the advantages of a particular dwelling as cited by those who had viewed different numbers of alternative dwellings.

Three points need to be made concerning this information. Firstly, no matter how thorough a search procedure is adopted, price is universally considered to be a major advantage of the dwelling eventually chosen. It can be seen however, that this is generally reflected through the category 'price and one other reason'. Nevertheless, it represents the implicit effect of constraint in the decision making process very clearly.

The second point of note, is that the category 'attribute/access/area' is again the predominant type of advantage cited in relation to the choice of a specific dwelling. Further, Table 9.10 shows that it is, again, the particular dwelling, rather than the location, which is predominant in the decision making process.

One notable feature relating to the importance of the particular dwelling, in Table 9.9, is that its significance is greatest amongst those households which viewed only one or two alternative dwellings. This, again, is probably best regarded in terms of a relatively inefficient search procedure, with households deciding upon the first dwelling that comes close to matching their expectations.

Such a view is reinforced by the percentages of the various groups for whom the dwelling selected had, in their opinion, more than two advantages over

Table 9.9. Advantage of chosen dwelling by number of alternatives. (%)

Number of alternatives viewed	Advantage of dwelling: None Viewed/No Advantage	Near Work	Price	Knew People in Area	Size	Owner-ship	2+ Reasons	Other	Price + 1 Other Reason	Attribute/ Access/ Area	Near Work + 1 Other Reason	Sample Size
0	100											
1	23	5	9	2	2	5	-	2	26	37	2	43
2	9	-	18	2	9	2	7	4	2	44	2	45
3 - 4	16	-	21	2	12	-	5	2	21	21	-	58
5 - 10	15	-	11	2	4	2	13	-	17	46	2	46
> 10	13	-	7	-	7	-	13	7	20	27	7	15
Private Rented	72	1	4	1	3	-	3	1	2	13	-	321
Owner Occupied	45	-	9	-	9	1	-	2	9	23	1	211
Survey Total	62	1	6	1	4	-	3	1	5	17	1	538

Table 9.10. Attribute/Access/Area as advantage of present dwelling against number of alternatives viewed. (%)

Number of alternatives viewed	Advantage of dwelling: Attribute	Access	Area	Frequency of Category	Sample Size
0					
1	33	2	0	15	43
2	22	13	9	20	45
3 - 4	16	5	3	14	58
5 - 10	20	4	7	14	46
> 10	13	0	13	4	15
Private Rented	11	1	1	42	321
Owner Occupied	9	5	6	40	211
Survey Total	10	3	3	82	538

others encompassed by the search. Evaluations which allow such a view are likely to be more thorough and less prone to 'satisficing' behaviour. It is, therefore, pertinent to note that the category 'more than two advantages' takes on its greatest significance amongst households who viewed at least five alternative dwellings. Conversely, price per se, takes on a more limited importance amongst these groups.

Overall then, we can make certain general observations concerning the ways in which households evaluate possible locations when considering a move. Fist, and most important, for a large majority of households the search for a new dwelling, once the decision to move has been made, is a very short one involving only the dwelling which is chosen. Further, the result of such a restricted search is that the optimum dwelling for a household is less likely to be found. As the physical condition of a dwelling deteriorates, it is more probable that the occupant household did not see and evaluate any alternatives. As Table 9.11 shows, the more dwellings that are assessed during the search, the smaller the percentage of households needing more than one major repair. For example, 23 per cent of households choosing the first dwelling seen, but only 7 per cent of households viewing more than ten dwellings, needed more than one major repair.

The results of inefficient search procedures are further illustrated by the fact that the number of households perceiving their dwelling to be the only one available to them increases as physical conditions deteriorate (Table 9.4). The model presented in Chapter Eight suggests that part of the reason for these findings may be found by examining the actual search procedure adopted by prospective migrants. It is to this aspect of relocation that we now turn our attention.

9.3.2. Search procedures.

The way in which an individual or a household comes to a decision is, of

Table 9.11. Households needing more than 1 major repair, by number of alternatives viewed.(%)

Number of alternatives viewed.	Amenity
	>1 Major Repairs
0	25
1	19
2	18
3 - 4	14
5 - 10	13
> 10	7
Survey Total	9

Table 9.12. Source of market information of survey respondents. (%)

Tenure	Source of Information															
	Newspaper	Friend	Knew Landlord/ Previous Occupant	Estate Agent	Relative	Saw Vacant	Accomodation Bureau	Student Accom. Office	Shop Advertisement	Already Used	Ex-tenant	Housing Assoc.	+Search Procedures	Other	%
Private Rented	7	26	16	8	18	7	2	2	1	1	2	2	0	1	96
Owner Occupied	20	10	5	30	12	17	0	0	0	0	1	0	1	2	98
Survey Total	12	19	11	17	15	11	1	4	1	1	2	1	1	1	98

necessity, largely predetermined by the amount of information at its disposal at the time of deciding. As we have seen, there are several sources of information regarding the housing market in general, and about the current state of it in particular. Of these we can, on the basis of established work (see Chapter Eight), suggest that the most efficient means of generating housing market information is the estate agent - who possesses data concerning many potential new residences. Newspapers, by the volume of advertisements that they contain, both by private individuals and by estate agents, are also a potentially efficient source of housing market information. However, it is not to these sources that those in the lower end of the housing market naturally turn in their attempts to glean information concerning the housing market, as Table 9.12 shows. Indeed, of the 538 respondents, only 29 per cent found their current dwelling by these sources. In contrast, 45 per cent of all households became aware that their present dwelling was available because they had been told so by a friend, relative, landlord known to them or previous occupant. This contrast is more clearly seen by comparing the information source of each tenure group. Only 15 per cent of tenants cited a newspaper or estate agent as their source of information, while 60 per cent used the 'personal contact' sources referred to above. Table 9.12 shows that the three main sources of information for tenants are; friend informed (26 per cent), relative informed (18 per cent) and knew landlord or previous occupant (16 per cent). The next most used source (estate agent) accounts for only 8 per cent of households.

Conversely, amongst owner occupiers in the same areas, estate agents and newspapers were the information source of exactly one half of households. The influence of personal contact is reduced and represents the information source of only 27 per cent of households. Here a note of caution is called for, as such a percentage is comparatively low in the context of this study. Nonetheless, even amonst owner occupiers, more than one quarter of the households in the survey area relied upon personal contact for housing market information.

In the context of owner occupation in general this is a surprisingly high figure. It does, however, concur with the observations made in Chapter Eight that there is an income bias in the utilisation of efficient sources of information as, for owner occupiers as well as tenants, the area under consideration is the disfunctional inner city.

As Table 9.12 shows, the first six sources of information are predominant, accounting for 82 per cent of private rented households, 94 per cent of owner occupiers and 85 per cent of the total replies. In the subsequent discussion we only produce data concerning these groups. As was previously the case, in the same way as the total percentage masks important tenure differences, a breakdown of the data into tenure and house condition groups is enlightening. Table 9.13 shows the information source relevant to these subdivisions.

The data appertaining to the owner occupied sector is always consistent with that shown in Table 9.12. In the private rented sector,however, some important variations from the overall trend emerge. The columns showing the combined percentage of friends and relatives as the source of information has a clear break, based upon the physical condition of the rented dwelling. Against a sector average of 38 per cent, personal contact of this type accounts for 41 and 35 per cent of households needing none orone or two major repairs respectively. In households inhabiting dwellings needing three or four, more than four major repairs or with no inside toilet however, these percentages increase to become 59 per cent, 57 per cent and 56 per cent respectively. When 'knew landlord or previous tenant' is added to these condition groups, invariably, at least two thirds of tenants in these worst physical conditions found their dwellings vacant through personal contact. Clearly then, the adoption of a search procedure based upon personal contact increases the likelihood of choosing a dwelling that is of a poor physical standard.

The nature of the data provides one potential interpretative danger. That is,

Table 3.13. Source of information of different tenures and housing conditions. (%)

Tenure/Conditions	Source of Information: Newspaper	Friend	Knew Landlord/ Previous Occupant	Estate Agent	Relative	Saw Vacant	Friends or Relatives	Sample Size
Rent + 3 Major Repairs	7	21	18	9	20	5	41	174
Rent + 1-2 Major Repairs	8	20	14	9	18	11	35	99
Rent + 1-4 Major Repairs	7	17	7	7	22	4	39	27
Rent + ⩾ 6 Major Repairs	0	17	11	5	11	[illegible]	[illegible]	[illegible]
Rent + No Inside Toilet	10	11	12	2	15	[illegible]	[illegible]	[illegible]
Owner + 3 Major Repairs	20	10	6	31	11	[illegible]	31	[illegible]
Owner + 1-2 Major Repairs	21	9	0	28	16	[illegible]	[illegible]	[illegible]
Total Private Rent	7	26	16	8	17	[illegible]	38	[illegible]
Total Owner Occupied	20	8	5	30	9	[illegible]	17	[illegible]
Survey Total	12	16	[illegible]	17	[illegible]	[illegible]	27	[illegible]

Table 3.14. How alternative dwellings found by source of information for chosen location. (%)

Source of Information	How Found Alternative: None Viewed	Newspaper	Friend	Knew Landlord/ Previous Occupant	Estate Agent	Relative	Saw Vacant	No Alternatives Viewed or Same Sources as for Dwelling Chosen	Sample Size
Newspaper	30	52	0	0	10	0	1	62	67
Friend	69	1	9	6	2	0	6	78	85
Knew Landlord	78	0	3	7	3	3	5	65	60
Estate Agent	30	2	1	0	62	0	0	32	91
Relative	68	10	2	2	3	7	7	75	59
Saw Vacant	35	8	2	0	10	2	38	73	60
Private Rented	67	4	4	3	5	2	5		321
Owner Occupied	53	19	1	0	20	0	11		211
Survey Total	54	10	3	2	14	1	[illegible]		[illegible]

is the search procedure adopted which leads to the new dwelling a representative part of each household's relocation process, or are we just examining one particular strategy out of several adopted by each household? In fact, we can say fairly conclusively that the 'source of information' data utilised here is a genuine reflection of the search procedures adopted, as shown by Table 9.14.

Here we can see that only in the 'saw vacant' category did more than one quarter of the households adopt a different search strategy, in viewing alternatives, from that which led them to their present dwelling. Indeed, even in this category the percentage is only 27. Otherwise, as we have said, the search procedures would appear to be,to a large degree, constant amongst individual households.

A basic premise that we have been following is that the more efficient the means of searching, then the more likely that the optimum (or something approaching the optimum) dwelling will be found. The efficiency of the search however, can be measured not only by the source of information, but also by the depth of search - as measured by the number of alternatives viewed by each household. Clearly, from what we have seen, it is reasonable to expect that the more efficient the method of search, then the greater the depth of search.

Table 9.15 shows such a statement to be substantiable, with a clear distinction between the 'efficient' and the 'inefficient' sources of information. First, the percentage of households using the various sources and viewing no alternatives shows a definite polarisation. For searches dependant upon personal contact - that is friend, landlord/previous occupant or relative informed, the relevant proportions are 73 per cent, 87 per cent and 81 per cent. Conversely, for the 'efficient' newspaper and estate agent utilisers, the percentages are 39 and 35 respectively. For those who saw their dwelling vacant, the number who did not know of an alternative is exactly 50 per cent.

Table 9.15. Number of Alternatives Viewed by Source of Information. (%)

Source of Information	Number of Alternatives Viewed									Private Rented	Owner Occupied	Sample Size
	0	1	2	3	4	5	≤2	≤5	>10			
Newspaper	39	6	16	12	15	1	61	88	4	34	64	67
Friend	73	11	6	2	5	1	89	98	1	60	39	45
Knew Landlord	87	3	3	2	0	2	93	97	1	84	13	65
Estate Agent	55	9	16	8	8	9	80	85	7	60	69	41
Relative	81	7	3	2	2	2	92	97	0	46	50	59
Saw Vacant	50	8	7	10	7	3	65	85	1	19	58	70
Survey Total	62	8	8	5	5	3	78	92	1	40	49	398

Table 9.15. Friends and Relatives Sources of Information.

Source of Information	%	
Friend	16.16	
Friend - Friend	27.27	
Friend - Knew Landlord	32.32	79.79
Friend - Relative	4.04	
Friend - Estate Agent	3.03	3.03
Friend - Saw Vacant	17.17	
Relative	34.94	
Relative - Friend	30.48	81.33
Relative - Knew Landlord	36.51	
Relative - Estate Agent	3.41	3.41
Relative - Saw Vacant	15.66	

Table 9.15 clearly shows a similar polarisation for those viewing less than three, less than six or more than nine dwellings. Whereas, for the efficient source users, 61 and 60 per cent respectively viewed less than three dwellings, for the 'inefficient' searchers the respective percentages are 89, 93 and 92.

One further line of investigation is necessary before we can generalise the findings thus far and, subsequently, consider their implications. The general categories of 'friend informed' and 'relative informed' mask the original source of information and, of course, if the person providing the original information learned of the vacancy by utilising an efficient source, our assumptions regarding efficient and inefficient search procedures would be open to serious doubts. However, we can demonstrate that the 'inefficient' categories of search procedure do not mask the use of 'efficient' sources to any significant degree. Table 9.16 shows that, of those who found their dwelling acting upon information supplied by a friend or relative, only 3.03 and 2.41 per cent respectively had an 'efficient' source at the beginning of the chain. Conversely, 80 and 82 per cent respectively had an 'inefficient' source at the beginning of the information chain.

9.3.3 Modelling the relocation process.

There have been numerous attempts at modelling the process of residential relocation within the whole urban system. The social physics models discussed in Chapter Two fall into this pattern, as do some of the behavioural studies. As a general rule, such models rely upon the use of sophisticated techniques to generalise the outcome of behavioural processes in a whole urban area, to facilitate efficient planning and management of that system. This is an obvious benefit of such models if they are successful. Yet, the complexity of the situation, and the relationship between individual's market behaviour and the

phenomena examined in the preceding two parts of this work makes them, at best, approximations. Indeed, any model of human behaviour can at best be an approximation. Arguably therefore, for practical results to emerge from such an analysis, it is more productive to reduce the scale of our objectives. Hence, any model can be directed at one housing class, or one type of dwelling that is the focus of a particular problem. Consequently, an attempt to model the behaviour that leads to the occupation of the worst housing in the disfunctional inner city of Newcastle, can adopt a much simpler approach. Such an approach utilises the concepts relating to search behaviour introduced thus far.

Place utility is most likely to be enhanced by relocation (given the constraints imposed by the available stock and by the individual's position relative to the housing (and other) markets), if an efficient search strategy is adopted. The outcome of the various strategies in Newcastle can be crudely modelled by regarding the data presented in this chapter as experimental probabilities. Each survey respondent may be thought of as a 'trial' in the disfunctional inner city. If we remove the temporal dimensions of the data, then we can say that for all respondants, or trials, the answer to the question 'able to move?'(Figure 8.5) is 'yes'. Therefore, the probability of moving at some point in time is 1.0.

Conceptually, the main problem is how to regard subsequent steps in the model. Probabilities cannot be used to help us in the 'define expectations' stage of the model. Thus, at this stage, we are forced to ignore this part of the representation shown in Figure 8.5. Indeed, any attempt to model this aspect of relocation would lead to many intangible complicating factors. For example, the nuances of human behaviour are such that the expectations defined (informally or formally) by each household will contain such a diversity of characteristics, relating specifically to those households, that the goal of

simplicity would be lost. Yet, bearing this in mind, it would not seem unreasonable to conceptualise the stage as one in which each household expects 'good quality housing', even though such a definition cannot quantitatively be incorporated into the model.

The migrant household therefore, having decided that it can move and whether it can afford to buy, will enter into some form of search procedure, as we have described above. We have, thus far, been loosely referring to inefficient and efficient search procedures, based upon the number of possible alternative dwellings that each method generates for inspection. Newspapers and estate agents generate more possibilities than searches based upon direct personal contact. It is not possible, however, to categorise all trials into one of the two categories. The class 'saw vacant' serves as an illustration of this problem, as it tends to fall between the two general trends of efficient or inefficient.

Table 9.14 showed that for those who saw their dwelling to be vacant, the proportion viewing no alternatives is akin to those finding success through an estate agent or a newspaper. The table also showed that 'saw vacant' is less likely to be the only means of search than was the case in other categories. Indeed, 18 per cent of those adopting such a procedure found alternatives vacant by using estate agents and newspapers. Nevertheless, 'saw vacant' cannot be regarded as an 'efficient' search strategy, simply because it relies on chance. The outcome would appear to be similar to efficient processes, but the procedure is not akin to such processes. As we have seen, only 18 per cent adopted the efficient search strategies in looking for alternatives, whereas 73 per cent either viewed no alternatives or maintained their strategy. Consequently, in Figure 9.1, the division of search procedures into efficient and inefficient does not yield a combined probability of one. Rather than arbitrarily assign procedures into efficient or inefficient

categories, only those which have been demonstrated to be one or the other are included. Such a method leaves us with approximately 75 per cent of all respondents included in the model.

A further problem that must be addressed is that, clearly, the course of action taken at various stages of the model are, largely, predetermined by previous decisions. For example, if the decision is made to buy a dwelling, an efficient search procedure is more likely to be adopted than if the decision is made to rent. For all respondents, the probabilities of an efficient or inefficient search in Newcastle's disfunctional inner city are 0.29 and 0.45 respectively. This, as we have seen however, masks great differences between tenure groups. For owner occupiers these probabilities are 0.5 and 0.27 respectively, but for private tenants 0.15 and 0.58. The difference in the probabilities of either buying or renting and then searching efficiently or inefficiently are shown in Table 9.17.

Table 9.17. Probabilities of tenure and search procedure by overall and conditional probabilities.

	Overall Probabilities	Conditional Probabilities
Owner Occupied & Efficient	.39 x .29 = 0.113	.39 x .5 = 0.195
Owner Occupied & Inefficient	.39 x .45 = 0.176	.39 x .27 = 0.105
Private Rented & Efficient	.6 x .29 = 0.174	.6 x .15 = 0.090
Private Rented & Inefficient	.6 x .45 = 0.270	.6 x .58 = 0.348

Clearly, the probability of an event occurring in subsequent stages of the relocation process will be greatly affected by the differences in probabilities shown above. That is, to an extent, the ability or decision to buy leads to a more efficient search. Due to the overwhelming evidence of different procedures in each sector, the use of conditional probabilities must be favoured and Figure 9.1 is based upon the computation of such probabilities throughout.

Figure 9.1: A probability model of migration processes in the 'disfunctional inner city' of Newcastle-upon-Tyne.

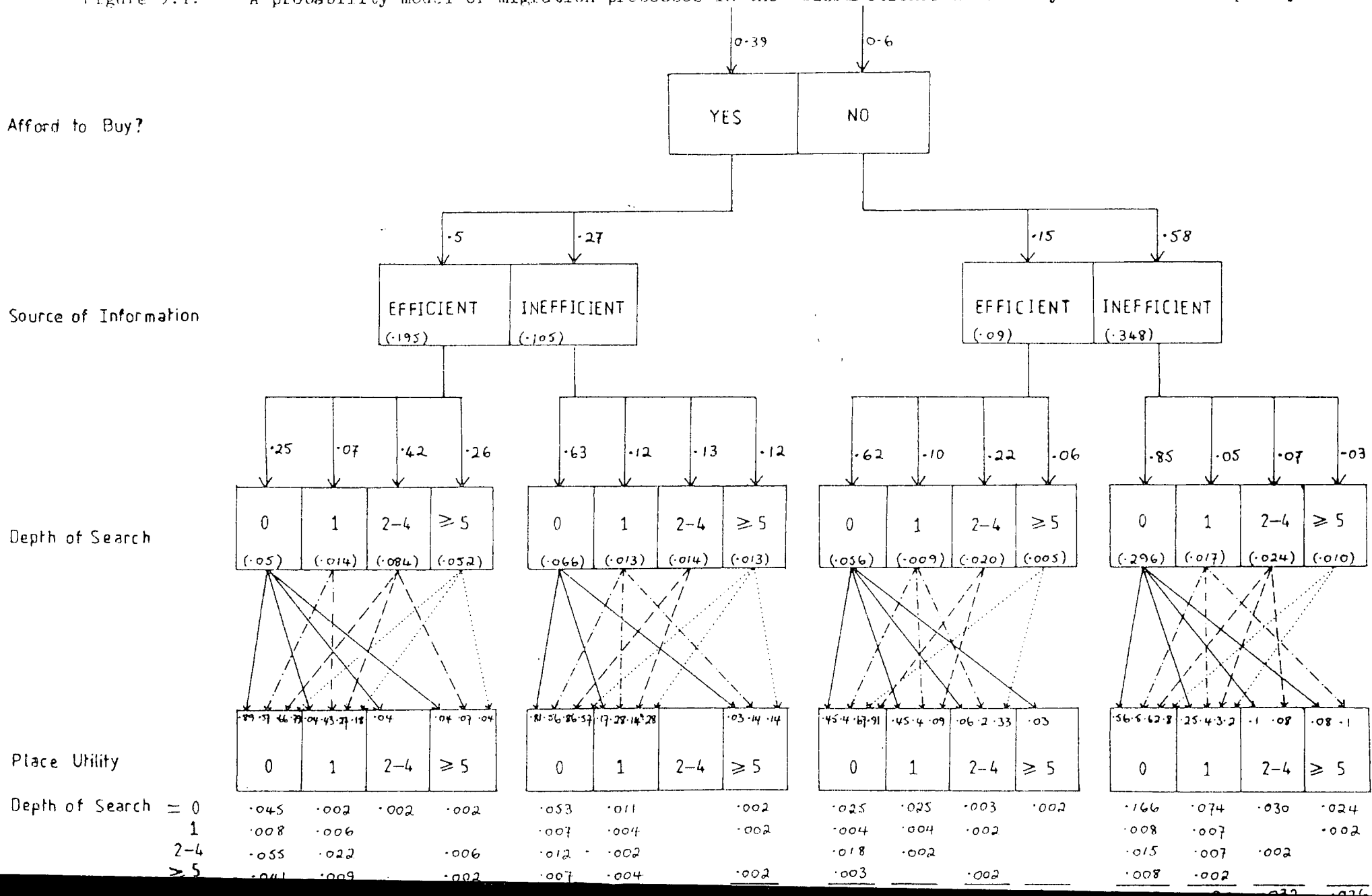


Figure 9.1 shows then, the probability of the various outcomes for households moving into the disfunctional inner city of Newcastle. At the first level, the probability of renting is 0.6 and of buying is 0.39. From here, the probability of adopting different courses of action are great. The most likely course of action is that a household will rent privately and will adopt an inefficient search procedure ($p = 0.34$). Conversely, renting after an efficient search has a probability of only 0.09. Owners are more likely to use an efficient search procedure than an inefficient one.

Having determined a method of searching, the migrant household begins to evaluate possible alternatives. It can be seen that for all groups, apart from owner occupiers using efficient information sources, the greatest probability is that only the eventual new dwelling will be seen. For the latter group, however, it is more probable that between two and four, or more than four alternatives will be evaluated. The probability of a household being in any one of the sixteen possible positions in Figure 9.1 at this stage reflects this difference. In the first three cases, the overall probability of having viewed no alternatives is greater than that of other outcomes. For owners, using an efficient source, the probability of viewing more than one alternative is higher.

These observations can be put into perspective, by examining the proportion of the total probability of viewing a given number of alternative dwellings that is accounted for by households adopting the various procedures outlined so far.

In table 9.18 the probabilities of viewing X number of dwellings are summed and then divided by the probability of seeing X dwellings by each means of search. This allows us to standardise the figures to proportions of 100 per cent and see which means of search dominates the outcome for each situation.

Table 9.18. Per cent of number of alternatives viewed accounted for by various search procedures.

	%			
	0	1	2-4	⩾5
Owner Occupied & Efficient	10.68	26.42	59.15	65.00
Owner Occupied & Inefficient	14.10	24.35	9.86	16.25
Private Rented & Efficient	11.97	16.98	14.08	6.25
Private Rented & Inefficient	63.25	32.08	16.10	12.50
probabilities (=100%)	.468	.053	.142	.080

Clearly, the pattern shown is consistent with our argument and a definite trend emerges. Households that viewed no alternatives are dominated by private tenants adopting an inefficient search procedure (63.25 per cent). Conversely, households that examined between two and four, or more than four alternatives are predominantly owners utilising efficient search procedures (59.15 and 65 per cent respectively). The situation of households examining one alternative is the only category which does not fit into this simple pattern. The most probable means of viewing only one alternative is by inefficient search in the rented sector. The percentage accounted for by each means is, however, broadly comparable. Hence, this may be regarded as a category of transition between efficient and inefficient sources. Indeed, of those in the survey who viewed one alternative, 51 per cent assessed the advantage of the dwelling chosen to be 'attribute, access, area' or 'size' (see above). Therefore, although some form of evaluation does take place, this probably represents households accepting the first dwelling that meets their general, if not specific, requirements.

The general pattern shown in Table 9.18 is reproduced equally clearly if we let the value of no alternatives viewed equal 100. Table 9.19 then shows the relative numbers for each of the other categories of depth of search, against

tenure and source of information. It is immediately obvious that for owners using an efficient source, there is no 'fall off' in the probability of viewing several dwellings. In the rented sector however, the relative proportions of households examining a number of dwellings declines spectacularly. In this sector, for those using inefficient methods, for example, the proportion viewing more than four alternatives is only just over 3 per cent of those viewing no alternatives.

Table 9.19. Standardised depth of search by tenure and search procedure with 'no alternatives viewed' constant.

		Number of Alternatives Viewed			
		0	1	2-4	⩾5
Ownoc & Efficient	(p .05)	100	28.00	168.00	104.00
Ownoc & Inefficient	(.066)	100	19.70	21.21	19.70
Prent & Efficient	(.056)	100	16.07	35.71	8.93
Prent & Inefficient	(.296)	100	5.74	8.11	3.38

Having viewed various dwelling(s), the migrant household evaluates these in terms of 'place utility', as represented in Figure 8.5. The most simple measure of place utility relates to our 'conceptualisation of expectations' definition and is probably the number of major repairs required. This is used as a crude measure in Figure 9.1. In the diagram, the probabilities above the 'number of repairs' are those of having Y number of repairs if X alternatives were viewed, while those underneath the 'number of repairs' box are the conditional probabilities for a household finding itself in any of the given situations. For example, if an owner adopting an efficient search procedure examined more than four alternatives, the probability that he would select a dwelling needing no major repairs is 0.79. The probability that this outcome occurs in the overall range of possibilities accounted for in the model is 0.041. The overall probability of buying a dwelling after an efficient search

and needing no repairs is 0.149.

From Figure 9.1 we can see that, in the owner occupied sector, the probability of viewing no alternatives, but still needing no major repairs, is lower than in the rented sector. Further, in the owner occupied sector, the probability of needing no repairs does not increase as more alternatives are viewed,(although such a statement is broadly true for the private rented sector). What is clear, however, is that the probability of needing more than two major repairs is significantly higher in the rented sector after an inefficient search. Tables 9.20 and 9.21 summarise this section of the model.

Table 9.20 shows the actual probabilities of a household needing various numbers of repairs, depending upon their search procedure and whether they can afford to buy or not. The two most striking features contained within the table, are that the probabilities of three or four, or of five repairs are dominated by the private rented and inefficient search category, with probabilities of 0.032 and 0.026 respectively.

One further point needs mentioning before we elaborate upon this. As Table 9.20 shows, the overall probability of locating in a house requiring no major repairs is 0.475. Of this figure, the dominant constituent comes from households in the private rented sector that used an inefficient search procedure. This is obviously contradictory to the line of argument pursued thus far. There is, however, an explanation of this fact. Of all households surveyed, 62 per cent required no major repairs (Table 9.11) and only 11 per cent were in need of more than two. Consequently, whether a household owns or rents, searches efficiently or inefficiently, deeply or not at all, the most probable outcome is that they will move into a dwelling, which in their estimation, needs no major repairs. That this is the case is clearly illustrated by the fact that, in Table 9.20, the highest probabilities for each means of search and tenure occur for 'no major repairs needed'.

Table 9.20. Probability of needing different numbers of repairs given tenure and search procedure.

P(R = 0) = 0.475	i.e. Ownoc + Efficient	=	0.149
	Ownoc + Inefficient	=	.079
	Prent + Efficient	=	.050
	Prent + Inefficient	=	.197
			0.475
P(R = 1-2) = .181	i.e. Ownoc + Efficient	=	.039
	Ownoc + Inefficient	=	.021
	Prent + Efficient	=	.031
	Prent + Inefficient	=	.09
			0.181
P(R = 3-4) = .041	i.e. Ownoc + Efficient	=	.002
	Ownoc + Inefficient	=	0
	Prent + Efficient	=	.007
	Prent + Inefficient	=	0.032
			0.041
P(R = ⩾ 5) = .044	i.e. Ownoc + Efficient	=	.010
	Ownoc + Inefficient	=	.006
	Prent + Efficient	=	.002
	Prent + Inefficient	=	.026
			0.044

P(R) = probability of needing x major repairs

Esfahan And The Areas To The East And South-East

Key

- CULTIVATED AREA
- TREES AND GARDENS
- SETTLEMENT
- FLOOD AREA
- MOSLEM CEMETERY
- SURFACE WATER CANAL
- RIVER
- QANAT
- HEDGE
- CUTTING
- BRIDGE
- ASPHALTED ROAD
- UNSURFACED ROAD
- MINOR ROAD
- FOOTPATH

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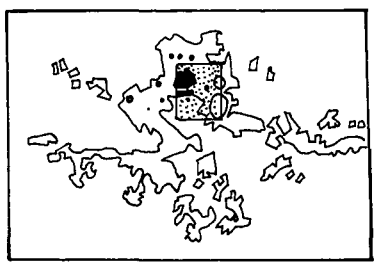

SUDAN
HAFTAN
GIYUN
PARAN
RARAN
MOHAMMADABAD
ABHAR
BUZAN
KAN
GAZ
GAVART
ESFAHAN
Khorasgan
KORDABAD
JULFA
SANJAVAN MARREH
KALAM KHARAN
AIRFIELD
ZOVAN
SITE OF ESFAHAN UNIVERSITY
DENART
PANART
RADDAN
ESHKAVAND
ZARDANJAN
HEYDARABAD
KABJAN
DASHTI
QAL'EH SHUR
KICHI

The important aspect of the probabilities for this study, and the important implications for the 'housing problem', is the likelihood of households relocating in poor housing - and the means by which they come to locate there. Therefore, the most urgent aspect of the data presented in Table 9.20 are the two probabilities referred to initially.

Table 9.21 shows the proportion of each 'place utility' group that are accounted for by each form of tenure and search procedure. The probability of a household needing X number of repairs (R) is fixed as 100 and the resulting figures are the percentage of these outcomes accounted for by various search procedures and tenures. Clearly, tenants using an inefficient search dominate each group which, given the dominance of this group in general, is predictable. What is crucial, however, is the amount of dominance this group has in dwellings needing more than two repairs, relative to the dominance in other categories. Again, the data shows that more of the households in poor conditions are accounted for by these migrants.

Table 9.21. Per cent of number of major repairs needed accounted for by various search procedure groups.

	Ownoc and Efficient	Ownoc and Inefficient	Prent and Efficient	Prent and Inefficient
PR = 0 = .475	31.37	16.63	10.53	41.47
R = 1-2 = .181	21.55	11.60	17.13	49.72
R = 3-4 = .041	4.88	0	17.07	78.05
R = ⩾5 = .044	22.73	13.64	4.55	59.09

Similarly, Figure 9.1 also shows that, of those households that adopt an inefficient search procedure and subsequently live in dwellings requiring more than two major repairs, it is those who viewed no alternatives that account for the overwhelming majority of the two overall probabilities. Probabilities of 0.030 of the 0.032, for those needing three or four repairs and 0.024 of the

0.026 for those needing five or more repairs are accounted for by households that view no alternatives. Further, for all tenures and searches, the probability of viewing no alternatives and moving to a dwelling in need of substantial repairs is dominated by the private rented inefficient search households. Eighty per cent of households viewing no alternatives and needing more than four major repairs and 85.71 per cent of that group needing three or four major repairs are tenants who used inefficient search procedures (from Figure 9.1).

9.4. Conclusion.

From the vast amount of data presented in this chapter, certain common threads consistently appear. First, price, as a reason for choosing a dwelling, is not an explicit consideration in the search for that dwelling. Rather, households only search in sectors of the market that they are able to afford. Price only becomes a positive consideration when a household has adopted a search that gives them a choice of dwelling. Here, the effect of the cost of the dwelling may dominate choice, but in general it is true to say that households do not locate in the only dwelling that they can afford.

In fact, we have seen that, particularly in the private rented sector, households tend to migrate to what they consider to be the only dwelling available. As we have said, this is (objectively) unlikely to be the case in many, if any, cases. Nevertheless, to tenants in the survey it is a real consideration, reinforced by the fact that for a majority of them the dwelling to which they move is not considered to have any advantages over any other dwellings. Only when a search involving a number of possible new residences is undertaken, does a household evaluate actual attributes of the dwelling in relation to others seen.

The context of the search is important in the resolution of the migration process. Six sources of information concerning the availability of potential

dwellings are dominant in the disfunctional inner city of Newcastle; newspaper, estate agents, friends, relatives, previous occupants or landlords of dwellings and actually seeing a dwelling vacant. The first two may be regarded as [illegible] generators of information about the housing market. The last, whilst [illegible] vigorously efficient search procedure, produces results akin to efficient searches. The remaining three sources can safely be regarded as inefficient, having as their bases the same inefficient sources.

The efficiency of the search procedure clearly has implications for the resolution of the migration process. First, the more efficient the procedure adopted, the more alternative dwellings that are likely to be seen and evaluated. It has been shown that the more alternatives that are viewed, the greater the likelihood of 'place utility' being satisfactory in terms of physical conditions. Conversely, the probability of physical conditions being poor is increased when an inefficient search procedure involving few, if any, dwellings is adopted.

Finally, it has been shown that all crude categories of 'place utility' are dominated by tenants adopting an inefficient search. This is because, in the areas surveyed, this group dominates the physical accommodation. It is the amount of dominance in the worst housing that gives rise to generalisations concerning search procedures of the kind made above. It must be remembered, however, that this is not a study of the whole housing market, but only of the disfunctional inner city. 'Inefficient', in the context of this study, is very inefficient in terms of the whole market. For example, of owners using an efficient procedure, one third viewed either no or only one alternative dwelling. As we have said, all comments concerning the housing market are relative, and here the danger is to assume that the various groups enjoy totally different place utilities. All live in the disfunctional inner city. Some enjoy better conditions than others. Some are more objective in their search than others.

The overall pattern, however, is one of relative inefficiency against relatively bad physical conditions. We have focused upon the means by which the worst dwellings are occupied and the search procedure is, clearly, a principal determinant of this. It is unlikely, however, that a similar study undertaken in an area of, say, semi-detached suburban dwellings, would yield similar results.

In general, the data for Newcastle presented in this chapter confirms the national pattern, that private tenants live in the worst housing conditions. However, tenants that impose (or have imposed) upon themselves additional constraints, by adopting inefficient search procedures, are most likely to live in the very worst conditions, irrespective of the general conditions of the housing stock. The concepts illustrated in the model presented in Figure 8.3 therefore, can be seen to be validated - in Newcastle-upon-Tyne at least. In earlier chapters however, we emphasised that the selection of a particular dwelling has wider implications than merely 'providing a roof over one's head' and it is to these further implications that we turn our attention in the following chapter.

CHAPTER TEN

FURTHER CONSIDERATIONS

10.1. Introduction.

To determine a residential relocation model, Smith et al (1979) suggest that three factors must be considered. These are:

> 'the characteristics of the prospective migrant that affect the evaluation and choice of a new residence, the structure of the housing market and the interaction between the migrant and the market'. (Smith, Clark, Hutt and Shapiro, 1979).

In the preceding chapters we have completed our analysis of these three factors, culminating in both a conceptual and an empirical model of the relocation process. However, there remain wider implications of the housing problem that we may expand the focus of our discussion to take account of, thereby relating the findings already presented to the actual source of the problem, both in real and (to the households in the market) perceived terms.

In this chapter, three themes will be followed. First, the concept of 'place utility', which we have said consists of both 'internal' and 'external' characteristics for each individual household, merits some further investigation. In the preceding chapter our treatment of the concept was, essentially, restricted to the internal physical characteristics of a dwelling, through the number of repairs needed. However, with information relating to the individual household's opinion and evaluation of their dwelling and neighbourhood, we can incorporate 'external' characteristics. Such an approach is, arguably, important to any discussion concerning the relative merits of improvement and clearance, as we shall show.

Similarly, much of the evidence presented in Chapter Eight illustrated that the search procedure undertaken by families often has a definite spatial component incorporated in it, being spatially confined to one sector of the city (see for example, Figure 8.3). A difference between efficient

and inefficient searchers might be expected in this respect however. An efficient search, incorporating several dwellings, might well be expected to cover a relatively extensive spatial area. Conversely, an 'inefficient' search, involving the examination of few, or no, potential alternative dwellings, might well be predicted to be spatially restricted. However, empirical verification of these hypotheses is desirable because, if correct, the probability of a household moving into a substandard dwelling is likely to be increased if the range, as well as the means, of search is restricted.

Also, in this chapter we will elaborate briefly on the concept of the private landlord. In Chapter Three we examined the actions and motivations of landlords as if they were applicable to all of them. Very broadly this is a valid assumption. As we explained in Chapter Three, the owner of a dwelling who lets his property to a private tenant enters into an economic and social relationship whereby the tenant pays for the use of a commodity, but the landlord retains the right to realise the exchange value of that property - whilst also receiving rent income for the dwelling. In Newcastle-upon-Tyne, however, we can show that there are three distinct types of landlord; the 'live in' landlord, the 'absentee' landlord and the 'professional' large-scale landlord, normally administering his investment through an agent. If there are significant differences between the conditions and amenities provided by each type of landlord, then it is potentially important to take account of such a threefold distinction in any subsequent discussion of policy. We begin this chapter, however, by examining the level of satisfaction gained by a migrant household and the relationship of this additional concept, involved in 'place utility', to the more general themes of earlier chapters.

10.2. Satisfaction with outcome.

The questionnaire survey asked households to assess their opinion of both their dwelling and their neighbourhood on a five point scale, ranging from

Table 12.1. Opinion of dwelling of various tenure/condition groups. (%)

Tenure and Condition	Opinion: Very Satisfied with Dwelling	Satisfied with Dwelling	Dis-satisfied with Dwelling	Very Dis-satisfied with Dwelling	(V) Satisfied with Dwelling	(V) Dis-satisfied with Dwelling	Sample Size
Rent + [illegible] Major Repairs	19	56	15	1	74	[illegible]	[illegible]
Rent + 1/2 Major Repairs	4	55	24	[illegible]	59	1	[illegible]
Rent + Full Major Repairs	7	[illegible]	33	[illegible]	43	[illegible]	[illegible]
Rent + >Full Major Repairs	0	[illegible]	26	[illegible]	[illegible]	[illegible]	[illegible]
Rent + No inside toilet	5	26	19	[illegible]	[illegible]	0	[illegible]
Rent + No fridge	20	37	17	[illegible]	[illegible]	[illegible]	[illegible]
Rent + No washing machine	12	44	18	[illegible]	56		[illegible]
Owner + 1 Major Repairs	35	52	[illegible]	[illegible]	[illegible]		[illegible]
Owner + 1/2 Major Repairs	33	53	12		[illegible]	[illegible]	[illegible]
Total Private Rented	12	43	19	[illegible]	55	[illegible]	[illegible]
Total Owner Occupied	31	52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Survey Total	19	46	15	[illegible]	66	[illegible]	[illegible]

'very satisfied' through 'satisfied', 'indifferent' to 'dissatisfied' and 'very dissatisfied'. The responses of the various tenure/condition groups referred to in Chapter Nine, are shown in Table 10.1. From the table we can see that, overall, more households are satisfied with their dwelling to some extent, than are dissatisfied.

Again however, the survey total masks important differences between owner occupiers and tenants. Overall, 76 per cent are satisfied or very satisfied ((very) satisfied) with their dwelling. In the rented sector however, this figure is reduced to 54 per cent, while 83 per cent of owner occupiers are (very) satisfied with their residence[1]. Conversely, while 23 per cent of all households are (very) dissatisfied with their dwelling, 31 per cent of tenants, but only 10 per cent of owners fall into such a category. These figures are reflected in the more specific categories of 'very satisfied'and'very dissatisfied'. In the private rented sector, 13 per cent of all respondents (1 in 8 households) are very dissatisfied with where they live. In the owner occupied sector however, the respective figure is as low as 1 per cent (1 in 100 households). For those that are very satisfied the differences are equally startling. In the rented sector 12 per cent (1 in 8) and in the owner occupied sector 31 per cent (1 in 3) fall into such a category.

As we saw in the previous chapter, the breakdown of the data into tenure groups can hide much about the internal structure of each sector. In the private rented sector we find, predictably, that there is a steady increase in the percentage of households that are (very) dissatisfied with their dwellings as more repairs are needed. For those in need of no major repairs the figure is 14 per cent (1 in 6), but for households in need of one or two, three or four, or five or more repairs, the percentages are 40 (1 in 2.5)

1. Again, (very) satisfied or dissatisfied includes both categories, i.e. 'very satisfied' and 'satisfied'.

63 (1 in 1.6) and 79 (1 in 1.3) respectively. This is not intuitively surprising, but the significance of such observations can be gauged by comparing them to data provided by 1978 General Household Survey. The national results, based upon a similar evaluation procedure, are shown in Table 10.2. Overall, the comparison between the disfunctional inner city of Newcastle and England and Wales as a whole, shows that the level of satisfaction (both satisfied and very satisfied together) amongst owner occupiers is commensurate. In the former case however, satisficing behaviour is apparent, as the proportion 'very satisfied' is significantly lower in Newcastle.

Table 10.2. Level of satisfaction with dwelling in England and Wales.
Source: General Household Survey, 1978.

Level of satisfaction	%	
Very satisfied	53	86
Fairly satisfied	33	
Indifferent	3	
Fairly dissatisfied	7	11
Very dissatisfied	4	

The private rented sector of Newcastle, however, shows great discrepancies from the national situation. Clearly, many fewer households are broadly satisfied and many more are dissatisfied. As conditions deteriorate, the discrepancies between the two data sets increase so that, while 55 per cent of all households nationally are very satisfied with their dwelling, only 4[1]. per cent of tenants in the privately rented sector, whose dwelling needs some repair, feel the same way. Conversely of course, a far higher proportion of tenants in the disfunctional inner city are not satisfied with their dwelling.

The level of dissatisfaction found in the disfunctional inner city is obviously indicative of stress (as described in Chapters Five and Eight), and

1. Obtained by combining the percentages of private rented and 'repairs needed'>0 from Table 10.1

the implications of this for the workings of the housing market are important.

A view which holds some popularity, is that people live in poor housing because they are not prepared to do anything about their situation. Such a phenomenon is difficult, if not impossible, to measure. We can point to evidence however, which tends to throw doubt upon such notions. Table 10.3 shows the percentage of households, not satisfied with their dwelling, who have considered moving. There are three basic possible explanations of a household residing in poor housing. As the above thesis suggests, it may be a definite choice due to, say, an unwillingness or inability to expend sufficient income upon housing. Alternatively, it may be a passive acceptance of the situation - one which is perceived to be undesirable, but which is accepted and adapted to.

Table 10.3. Percentage of households dissatisfied with present dwelling, who have considered moving.

	Have Considered Moving	Never Considered Moving
Very Dissatisfied with dwelling	89	11
(Very) Dissatisfied with dwelling	80	20

Thirdly, it may be viewed as a situation which is not desirable and which, if possible, ought to be changed. That is, it is the stressful situation incorporated in Figure 8.5.

The best way to assess which of these notions is most accurate is to examine the number of households, dissatisfied with their conditions, who have and who have not considered moving. Table 10.3 shows that, of the households that are (very) dissatisfied with their dwelling, 80 per cent

have considered moving. For those that are very dissatisfied with their residence the proportion increases to 89 per cent.

Clearly then, we can suggest that those who are most dissatisfied with their conditions - and this group is dominated by tenants in accommodation needing several repairs - are not there purely through choice, or through a passive acceptance of their housing situation. Most are prepared to move and have actively considered doing so. The reasons why they do not move may be suggested after an inspection of Tables 10.4 and 10.5.

The first point to note is that, for many households who have considered moving, the criteria shown in Figure 8.5 will apply. That these households are very dissatisfied with their dwelling indicates stress. As Figure 8.5 shows, the next question to be addressed by each family is, are they 'able to move' through cost? For many the answer will, at this stage, be 'no' and, consequently, the household must stay in stressful conditions. For the households that may answer this question positively however, the search procedure adopted when they moved to their present residence is illuminating.

Allowing for the fact that we have no data concerning which families can and cannot afford to move from stressful conditions, we must treat the data shown in Tables 10.4 and 10.5 as being representative of those who could. Such an assumption is justifiable. This is because the number of households in the various categories that identified price as the main reason for selecting a particular dwelling is consistently low. Predictably, it is highest for households that are very dissatisfied with their dwelling and have considered moving, but even here the level only reaches 13 per cent. Indeed, throughout Table 10.4, households who thought that their dwelling was the only one available predominate.

Such behaviour is very possibly explained in terms of the search procedure adopted by the households, and indeed, the search procedures differ significantly

Source of information

Opinion & Considered Moving.	Newspaper	Friend	Knew Landlord/ Previous Occupant	Estate Agent	Relative	Saw Vacant	'Efficient'	'Inefficient'	Price as reason for choosing dwelling	Only available	
Very dissatisfied and have considered moving	5	23	15	10	18	10	15	56	13	54	
Dissatisfied and have considered moving	10	32	11	10	8	15	20	51	5	40	
(Very) dissatisfied and have considered moving	8	29	13	10	12	13	18	54	8	46	
Very dissatisfied and never considered moving	-	60	20	-	-	20	-	80	0	80	5[a]
Dissatisfied and never considered moving	10	45	15	-	15	10	10	75	10	20	
(Very) dissatisfied and never considered moving	8	48	16	-	12	12	8	76	9	32	

[a] No. of cases

Table 11.5. Number of alternative dwellings viewed by households (very) dissatisfied with present residence.

Opinion & Considered Moving	No. of alternatives viewed. 0	1	2	3-4	≥5	≤2	≤5	x̄
Very dissatisfied and have considered moving	79	3	10	3	5	92	100	0.59
Dissatisfied and have considered moving	69	8	3	15	6	81	99	0.94
(Very) dissatisfied and have considered moving	73	6	6	9	6	85	100	0.832
Very dissatisfied and never considered moving	100	0	0	0	0	100	100	0.0
Dissatisfied and never considered moving	75	10	5	10	0	90	100	0.6
(Very) dissatisfied and never considered moving	80	8	4	8	0	92	100	0.48

from those shown for all households in Table 9.12. The average number of families adopting efficient and inefficient search procedures, in the disfunctional inner city, was seen to be 29 per cent and 47 per cent respectively. For those dissatisfied or very dissatisfied with their dwelling however, the proportion adopting an efficient search procedure is consistently lower, while the percentage adopting an inefficient procedure is always higher.

A similar pattern emerges from Table 10.5 (when compared to Table 9.6), which shows data for the total number of respondents. The mean number of alternatives viewed is consistently lower in Table 10.5. This, of course, is because the proportion of households that are (very) dissatisfied with their dwelling and viewed no alternatives is consistently higher than the average. Only in one instance did a household view more than four alternative dwellings.

Clearly, there is an information assimilation problem for those households living under the most stress, and this reinforces the explanation of why the worst conditions are occupied that was given in the previous chapter. Furthermore, we can show the type of information flow problem that exists. As we have argued, the price is not the main reason for most households living precisely where they do. It might be argued, therefore, that households who have never considered moving live in the worst physical conditions through choice. Such an explanation is unlikely however. In Table 10.6, we see that the proportion adopting inefficient search procedures to find their present dwelling is exceptionally high, and in Table 10.5 it is evident that few alternatives were viewed. Migration for these households would, therefore, appear to be a very difficult process, perhaps even a traumatic one. Having found a dwelling, irrespective of its standard, these households say there. Such behaviour is alien to the 'passive acceptance' explanation suggested above. Importantly, however, it is not a behaviour pattern based upon active and rational choice.

For those households that have considered moving, the situation seems to be

Table 10.6. Opinion of dwelling by search procedure. (%)

Source of information	Opinion					
	Very Satisfied Dwelling	Satisfied Dwelling	Dissatisfied Dwelling	Very Dissatisfied Dwelling	(Very) Satisfied Dwelling	(Very) Dissatisfied Dwelling
Newspaper	9	42	32	5	72	15
Friend	12	56	31	12	68	42
Know Landlord	18	45	37	12	62	28
Estate Agent	24	65	7	4	71	11
Relative	22	49	30	7	71	37
Saw Vacant	20	45	28	8	65	27
Survey Total	19	46	28	8	66	23

slightly different. Once again, the proportion that adopted an inefficient search procedure to find their present dwelling is above average. Similarly, the proportion of households viewing no alternatives during their search is higher than the percentage emerging from the full survey. It is not so high however, as for those who have not considered moving. What is interesting, is the proportion which, when choosing it, regarded their present dwelling as being the only one available. Again, this represents inadequate information (see Chapter Nine) upon which to base any subsequent mobility decision. As such, it is probably the best explanation of why they now find themselves in poor or sub-optimal conditions. Certainly, we can say that for this group, current housing situation is not based upon rational choice, but upon an ineptitude in market behaviour.

The points made concerning households that are dissatisfied with their dwellings are substantiated by a more general consideration of households' opinions of their dwellings. For example, Table 10.6 shows the level of satisfaction of households that adopted different search procedures.

Clearly, the majority of households are either satisfied or very satisfied with their dwelling (66 per cent). However, there are important differences in the proportion of households that are (very) satisfied with their dwelling, depending upon which search procedure they adopt. Compare, for example, the proportion of households that are (very) satisfied and found their dwelling through an estate agent and those, similarly satisfied, finding their residence through information supplied by a friend. In the first case, four out of every five (79 per cent) households are (very) satisfied with their dwelling, while only one in nine (11 per cent) households are (very) dissatisfied. In the latter case however, less than a half (48 per cent) of the households are (very) satisfied with their dwelling and an almost equal proportion (42 per cent) are (very) dissatisfied. Therefore, it is apparent that the search procedure adopted, not only prejudices the physical standard of a dwelling that will be found but, similarly, has a bearing upon the level of satisfaction that a

household may expect to find once relocated. Further, as Table 10.7 shows, owner occupiers derive more satisfaction from their dwelling than do tenants[1]. Here, we see a clear break point in the data for both (very) satisfied and (very) dissatisfied households. Again, it is important to emphasise the significance of this information. Compared to 1 in 16.7 households who have moved using an efficient search procedure, 1 in 2.5 tenants who have used an inefficient search procedure are either dissatisfied or very dissatisfied with their residence. Such a proportion clearly enables us to suggest that tenants are likely to live in stressful conditions, not only physically, but also mentally, as the poverty cycle shown in Figure 5.2 predicts.

Table 10.7. Satisfaction with dwelling of tenure/search procedure groups

	% (Very) Satisfied	% (Very) Dissatisfied
Owner Occupied & efficient	87	6
Owner Occupied & inefficient	78	13
Private Rented & efficient	52	28
Private Rented & inefficient	54	36

10.3. Spatial patterns of migration.

In Chapter Eight we introduced the concepts of 'search space' and 'awareness space' and, given the evidence that we have seen thus far, we expect the outcome of any move to be enhanced as the household's search space increases. We can, however, take this concept further. Adams (1969) states that;

> 'To describe the spatial regularity of intra-urban migration it is necessary to measure the component moves of the migration process.'

He considers the three principal components of migration to be: the actual

1. This difference between tenure and search procedure groups is best demonstrated by the difference between owners using estate agents and tenants using friends. (V) Satisfied = 90% and 43%; (V) Dissatisfied = 2% and 40% respectively.

distance of the move, the distance of the original location from the city centre, and the angle of the move from original to new location (measured with the city centre as the apex of a triangle). Such a form of measurement gives a precise angle through which the migrant household moves from dwelling to dwelling.

Essentially however, migration is not a point to point movement. Certainly this is the outcome, but it is not the context of a decision to move, nor is it a true reflection of the concept of awareness space. A household at location Xp (a point, or dwelling) has a total knowledge of area Xa. The knowledge of Xp is only greater than that of Xa in respect of the internal arrangement of Xp. Therefore, a move from Xp to Xq, when Xq is also a part of Xa, is one which requires no learning, or expansion of awareness space. Such a move should not, therefore, be regarded as a move of Z degrees, but one of 0 degrees, due to the inherent spatial consciousness that every household has.

Of course, it is difficult to measure the extent of Xa for every migrant household. It will not be constant and consequently some approximation is required. One such measure is to treat Xa (arbitrarily) as the spatial extent of a ward. In the ensuing discussion, spatial patterns are measured by considering internal ward moves to be moves of no distance or direction. Inter ward moves are considered to be taken at an angle between the two ward centres and the city centre[1]. That is, the move is considered to be between Xa and Ya, when Ya is the equal of Xa that may be expected for a family living at point Yp.

Clearly, adopting such a method has problems, especially concerning families moving from the edge of a ward. Their Xa will include areas in contiguous wards not covered by our conception of Xa. Generally however, the use of wards in a consideration of the awareness space that is inherent in a household's location can be commended, as it introduces the spatial context

1. Eldon Square was used for measurement purposes

of both original and new locations, rather than simply treating them as isolated fixed points.

As we have said, many researches have suggested that there is a strong [illegible] in the housing market and that, in many respects, this acts as a constraint upon migrant households. The data for Newcastle complements such findings, as Table 10.8 shows. Clearly, we can only consider intra-urban migrants, but the pattern is particularly conclusive. In both the rented and the owner occupied sectors almost one third of all households, moving within the city, moved to a new location within the same ward. In both sectors, just less than one half of the households had moved through an angle of less than 22.5 degrees from zero (in either direction), while in the private rented sector 79 per cent, and in the owner occupied sector 88 per cent, moved through an angle of less than 45 degrees from zero.

Although Newcastle has a distinctive shape, with the River Tyne to the south giving it a semi-circular form, the implications of this are important. The method used for measurement of movement angles is such that, only in those wards that are adjacent to the river, can there be no movement in one half of a circle. For those households, a search space approaching 45 degrees from 0 is spatially more restricted than for households where the 45 degrees from zero, in fact, represents a total search space involving 90 degrees from zero. In both cases however, such a sector represents one quarter of the spatial extent of the city.

Table 10.8. Direction of migration of households.

	% Private rented	Owner Occupiers
0*	32	30
$\leq 22.5^{\circ}$ deviation from 0	47	48
$\leq 45^{\circ}$ deviation from 0	79	88
$> 45^{\circ}$ deviation from 0	21	13

* The use of 0 degrees is explained in the text (p. [illegible])

Clearly, the vast majority of households are moving in a sectoral pattern, with migration tending to occur within one quarter of the spatial extent of the city. Therefore, housing improvement policies etc. need to be sensitive to the directional component of mobility, as [illegible] (1969).

In fact, intuitively, we might expect the proportion of households that move 'across' the city (i.e. further than 45 degrees from zero) to be higher in the owner occupied sector, as it seems to imply a more rigorous search procedure, learning of dwellings in 'unfamiliar' areas. Certainly, if we examine Table 10.9, we see that there are differences in the information sources used for different outcome groups. The general trend that we have found, that owners adopt efficient search procedures more readily than tenants is, of course, replicated. Indeed, in some cases the differences are spectacular. For example, while 65 per cent of owners moving more than 45 degrees from their residence found their new dwelling through an efficient source, only 4 per cent of tenants moving within a ward did so. The percentage of households that viewed no alternatives shows a similar trend. Of those in the private rented sector that viewed no alternatives, 83 per cent moved to a new location within the same ward. For owner occupiers moving to a ward in a sector of the city that was more than 45 degrees away however, only 38 per cent examined no possible alternatives. In general then, significantly higher proportions of households adopt a wider search space if they utilise more efficient sources of information.

One potential discrepancy occurs in Table 10.9 however. When the move was through an angle of more than 45 degrees from zero, a higher proportion of tenants viewed less than three alternatives than when the move was to a ward less than 45 degrees away. There are two possible explanations for this. First, it may be due to the way in which we have defined angles of movement. Secondly, the actual spatial structure of the housing market may be responsible. Private rented housing, in Newcastle, forms a distinct spatial mosaic (see Figure 6.11). Consequently, because it is highly localised and

Table 10.9. Source of information of migrants, separated by tenure and angle of movement. (%)

Tenure and Angle of Movement	Number of alternatives viewed											
	0	1	2	3-4	≥ [illegible]	≤ [illegible]	≤ [illegible]	Efficient	Inefficient	[illegible]		
Prent - 0	33	8	4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	37
Prent - ≤ 22.5	60	5	10	15	17	[illegible]	30	[illegible]	[illegible]	[illegible]	[illegible]	40
Prent - ≤ 45	65	5	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17	124
Prent - > 45	75	9	[illegible]	7	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	55
Ownoc - 0	50	10	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	62
Ownoc - ≤ 22.5	51	3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14	[illegible]	[illegible]	37
Ownoc - ≤ 45	56	6	8	[illegible]	11	[illegible]	[illegible]	[illegible]	42	[illegible]	[illegible]	120
Ownoc - > 45	58	8	15	12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	36

Table 10.10. Direction of migration of tenure and search procedure groups. (%)

* Tenure type and search strategy	Angle of Movement					
	0	0 < x ≤ 22.5	2 < x ≤ 45	> 45	≤ 45	
Prent - Inefficient	[illegible]	17	41	[illegible]	[illegible]	[illegible]
Prent - Efficient	21	15	38	41	[illegible]	4
Ownoc - Inefficient	56	11	29	[illegible]	[illegible]	15
Ownoc - Efficient	[illegible]	13	14	[illegible]	[illegible]	[illegible]

due to its restricted amount, we may infer that some households are forced to move over larger sectors of the city, simply to find accommodation available. Both explanations are likely to have some validity, although the latter will probably account for more of the cross-sectoral movement in the private rented sector.

If we break down the data for tenants and owners into efficient and inefficient searchers, certain other broad trends in keeping with earlier evidence are also discernable. Table 10.10 provides this information and shows, broadly, that for both tenure groups, households adopting inefficient search procedures are more likely to move within a ward than are households adopting efficient searches. Conversely, the percentage of households moving through an angle of greater than 45 degrees from zero is highest for households that adopted efficient search procedures. These two items of data reinforce the suggestion that search procedure is crucial to the outcome of the migration process, and this has important implications regarding the spatial structure of the city.

Adams (1969) notes, for example, that a strong sectoral bias in mobility has implications for planning purposes. The data for Newcastle supports such a notion. Of all intra-urban migrants, 78 per cent moved through an angle of less than 45 degrees from a line drawn from the centre of their original ward to the city centre. That is, 78 per cent move within one quarter of the spatial extent of the housing market. For households adopting inefficient search procedures the proportion is higher. Improving or increasing the housing stock in one spatial sector of the market does not, therefore, add to the acceptable stock for households living in another sector, particularly for those households that do not adopt efficient search procedures. That is to say, planning policies need to explicitly incorporate the sectoral dimensions of the housing market.

10.4. General Considerations.

In Section 10.2. we expanded our conceptualization of behaviour to

include a household's opinion of its dwelling. Even so, it is interesting to note that, in the disfunctional inner city, the popularity of an area need not necessarily be related, directly at least, to the level of satisfaction gained from a particular dwelling. These comparisons Table 10.11, which is concerned with opinions of neighbourhood, and Table 10.1 - which has the same information concerning the dwelling - there are interesting points emerge.

Firstly, the general level of satisfaction with local neighbourhoods shown in Table 10.11 is broadly similar to the overall level of satisfaction with dwellings. Sixty one per cent of all households surveyed were either satisfied or very satisfied with the area in which they lived, while only 23 per cent were dissatisfied. However, differences between household's opinions concerning their dwelling and their neighbourhood appear when we take account of a household's tenure and amenities. With the exception of tenants in dwellings requiring three or four repairs, each group contains a majority of households that are satisfied with their neighbourhood. The opinions of those groups that were generally most dissatisfied with their dwelling, are worth further consideration in respect of their neighbourhood. Tenants in dwellings requiring three or four major repairs include 30 per cent who were very dissatisfied with their accommodation. Only 15 per cent of the same group felt similarly about their neighbourhood, however. The difference is more pronounced for private renters needing five or more repairs. Of these, 53 per cent were very dissatisfied with their dwelling, yet only 16 per cent were equally dissatisfied with their neighbourhood. Conversely, while only 7 and 0 per cent respectively were very satisfied with their dwelling, 22 and 16 per cent respectively were very satisfied with their neighbourhood. The implications of this lack of alienation from the local environment are important for the formulation of housing policy and we shall pick up this point in the following chapter.

As it would appear to be the actual dwelling that is the principal source

Table 10.11. Opinion of neighbourhood by tenure/conditions. (%)

Tenure and Conditions	Opinion of Neighbourhood: Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	(Very) Satisfied	(Very) Dissatisfied
Prent + 0 Major Repairs	19	41	17	5	67	[illegible]
Prent + 1/2 Major Repairs	16	43	13	8	59	[illegible]
Prent + 3/4 Major Repairs	22	15	50	13	37	11
Prent + ≥5 Major Repairs	15	57	11	12	57	[illegible]
Owner + 0 Major Repairs	22	49	17	7	71	[illegible]
Owner + 1/2 Major Repairs	23	35	23	7	58	[illegible]

Table 10.12. Standard of dwelling by landlord type. (%)

Landlord Type	Number of Repairs Needed: 0	1-2	3-4	≥5	No Inside Toilet
Resident	72	22	4	3	-
Absentee	50	33	11	5	15
'Agent'	39	39	10	11	14
Housing Association	67	21	9	12	13
All Private Rented	55	31	8	6	12
Survey Total	62	27	7	7	10

of dissatisfaction, particularly in the private rented sector, then, as we suggested above, the type of landlord may be important in terms of policy options for the resolution of the housing problem. Apart from Housing Associations, which accounted for 7 per cent of the survey in the private rented sector, three particular types of landlord have been identified in Newcastle's disfunctional inner city (see page 200 and also CDI, 1976a). Firstly, there is the 'resident landlord' who lives either in the dwelling or, more generally, in the flat above or below. Both properties will have been bought concurrently and the rent from the tenanted flat initially contributes to the landlord's mortgage repayments. It is unlikely that the resident landlord will own more than one flat for rent. This type accounted for 23 per cent of the rented properties surveyed. Secondly, there is the 'absentee landlord', who may own any number of properties but manages them himself. This type accounted for 48 per cent of the dwellings surveyed in the private rented sector. Finally, there are those dwellings whose direct ownership is not known by the tenant, but which are managed either by property companies or by estate agents. These represented 22 per cent of the private rented stock surveyed. Table 10.12 shows the percentage of dwellings requiring particular numbers of repairs that were owned by different types of landlord.

In terms of conditions, it is fair to assume that the relatively large number of Housing Association properties in need of repairs reflects newly acquired properties which have yet to be modernised. This apart, properties let by 'resident landlords' tend to be in better repair than do those let by absentee landlords and agents. Whereas 62 per cent of all properties surveyed needed, in the occupants' estimation, no major repairs, only 39 per cent of those let by an agent were perceived to be in such a conditon. Likewise, the proportion of dwellings needing more than four repairs is significantly higher in this sub-sector than it is in others. To a lesser extent the same comments apply to dwellings let by absentee landlords, one in six of which,

for example, lack an inside toilet.

This must be seen in terms of the position of the private landlord as described in Chapter Three, whereby investment in the property is less profitable than investment of capital. For the resident landlord however, the main goal from entering the sector is probably not profit per se, but rather mortgage help and, subsequently, a larger income supplement.

The same trend is shown in Table 10.13 which shows tenants level of satisfaction with their dwelling, owned by the different types of landlord. Although the level of satisfaction is above average for Housing Association and resident landlord tenants and below average for 'absentee landlord' and 'agent' tenants, one major trend emerges here. That is, the exceptionally high level of alienation experienced by tenants of properties managed by agents. Hence, we can say with some confidence that, although the private rented sector in general is the principal source of housing problems, it is properties managed by professionals, for large scale landlords, that cause the greatest manifestations of stress.

Table 10.13. Level of satisfaction with dwelling by landlord type. (%)

	Level of Satisfaction					
Landlord type.	Very Satisfied	Satisfied	Dis-satisfied	Very Dis-satisfied	(V) Satisfied	(V) Dis satisfied
Resident	19	43	22	4	62	26
Absentee	7	45	14	16	53	33
Agent	11	34	25	19	45	44
Housing Association	21	42	8	8	62	17
All Private Rented	17	43	19	13	55	31
Survey Total	19	46	15	8	66	23

10.5. Conclusions.

The search procedure adopted by households, as we have shown, goes some way towards explaining the reason for 'substandard' housing being occupied. When this is [illegible] of the housing market itself, [illegible] of the housing problem is considerably enhanced. Eventually however, if we are to arrive at a solution to the housing problem, the opinions and perceptions of those who actually inhabit bad housing must be considered.

In this chapter we have concentrated, to some extent, upon the perceptions of households in the disfunctional inner city of Newcastle, and the findings concur with the observations that have been made in earlier chapters. As we found earlier, the probability of a household moving to a dwelling in need of substantial repair is increased by the use of inefficient search procedures. So too is the probability of a household living in some form of stress, as measured by degree of satisfaction with the dwelling inhabited. Clearly related to these findings, is the fact that intra-urban migration, in the disfunctional inner city, tends to be over short distances and is dominated by intra-ward moves. Again, the implication of this are evident. The successful resolution of the migration process, measured by the level of satisfaction experienced by migrants, is most likely to occur if households search efficiently, utilising an expansive search space. Due to constraints imposed by the functioning of the market - and by the experience of certain households in the market, neither condition is met. These are the groups with the highest propensity to live in the worst housing conditions.

Two other findings of importance emerge from the data examined in this chapter. Firstly, the level of satisfaction experienced by households is not necessarily equal for the dwelling that they inhabit and the neighbourhood in which it exists. The implications of this for the formation of housing policy are important, viz a viz clearance and improvement programmes. We shall return to this point in the next chapter.

Also, although a wealth of data exists to illustrate that the housing problem is manifest most dramatically in the private rented sector, we would be well advised to consider the various types of landlord that exist within the sector. Clearly, the tenant/landlord relationship is based upon social and economic relationships (see above) and, equally clearly, bad conditions do exist throughout the sector. Yet, it is the property companies and the medium and large scale absentee landlords whose tenants appear to be enduring the most stress, in terms of both conditions and the way in which their situation is evaluated.

We have, during this work, examined many aspects of the 'housing problem' and, in particular, illustrated various phenomena which contribute to the worst housing being occupied. In the final chapter we summarise these phenomena and examine potential solutions to various aspects of the 'housing problem'.

P A R T F I V E

CONCLUSION

CHAPTER ELEVEN

DOES SUBSTANDARD HOUSING HAVE TO REPRESENT A SIGNIFICANT PART OF THE HOUSING MARKET?

In the opening pages of this work we observed that housing cannot be regarded as a distinct entity, to be investigated in isolation from the social and economic context of the society in which it exists. Because of this, we have structured the work so that the three major aspects of the 'housing problem' have been examined. The first of these is the existence of bad housing per se. The second relates to the way in which the market functions, allowing households to be allocated to bad housing. Thirdly, there is the problem stemming from the way in which individual households react to their experience of the first two aspects, and compound it through their actions in the housing market.

Because of this threefold nature of the housing problem, it has many manifestations. At one level it is a problem of public health. Some dwellings are potentially, physically or physiologically, dangerous to their inhabitants. Housing legislation, on the face of it, derives its origins from concern over this particular aspect of the problem. The workings of the housing market and its relationship with other markets, however, also makes the housing problem a part of the more general deprivation syndrome. The concepts discussed in relation to the poverty cycle (Chapter Five) can be very real for individual households and, as we observed at the time, once into the cycle, the link from poor housing of one generation to another is a difficult one to break.

This aspect of the housing problem is also, of course, economic. The total stock is not homogenous and, because desirable housing is more scarce than housing per se, the price mechanism operates in the market. At the simplest level, notwithstanding the institutional constraints discussed in Chapter Seven, households gain homes based upon their disposable income and their credit rating. (Bassett and Short, 1980). Clearly therefore, the housing market (like any other market) produces winners and losers based upon the

position of the individual household, relative to the labour market.

To these simple manifestations of the problem there are reasonably obvious cures. With regard to the existence of bad housing, we can aim to replace it with new suitable dwellings. The latter two aspects are also, in theory, solvable by either imposing house price constraints, or by providing income support upon a massive scale to those experiencing deprivation. Therefore, we engineer a situation in which each consumer brings equal resources to the housing market.

Such draconian measures are however, both in real and in conceptual terms, 'non-solutions' to the problem. The idea of replacing or improving the existing substandard stock has been the basis of government thinking since 1890 (Chapter Four), yet it has not solved the problem. The reason for this is that the amount of capital required would be prohibitive - and outside the realm of the state's activities as these were defined in Chapter Three. To engineer a market situation in which all consumers are equal is, furthermore, at variance with the imperatives upon the state to maintain both the position of the dominant class and the conditions necessary for continued capital accumulation.

There is also evidence to suggest that the practical effect of such draconian measures would only represent a partial solution to the housing problem. To produce a housing market that functions in a manner that is procedurally fair, is not to produce one in which the outcomes of that procedure are fair. We can note for example, that the 'procedural impartiality' (towards those admitted to council housing) of the public sector does not stop some households from being allocated homes in 'hard to let' estates. Thus, whether market forces or bureaucratically 'fair' allocation procedures are adopted for assigning households to houses, an equitable distribution of each is not easily arrived at.

This line of argument brings us to a particularly intractible problem,

The simple fact is that the structure of society makes a housing problem endemic. The provision of low cost good quality housing is not sufficiently profitable for private capital. The maintenance of the existing stock in the ownership of private landlords, motivated by profit, is less apt to produce a sufficient return on capital expended. With the production relationships and the property relationships legitimised in British society, therefore, private capital will not contribute to the resolution of deprivation and housing problems. Hence, the only real solution lies in a massive extension of state activity - in both the spheres of production and allocation. This extension would, however, take the state beyond its role in late capitalism to the communist state, controlling production and allocation in the housing sphere and, due to the nature of such a change, in all other spheres as well.

Whether such a solution is thought desirable or not is largely immaterial here, as the challenge that it presents to the existing economic, social and political order is such that it will not happen. We are left then, with a situation in which changes on a massive scale are difficult, if not impossible, to implement. The focus of our conclusion will therefore be kept within the context of the housing market as it <u>is</u>, rather than as it <u>might be</u> or, as some might believe it <u>ought to be</u>. That is, the context of a mixed economy in which both capital accumulation and state intervention (to ameliorate the most blatant inequalities of that process) are seen as legitimate.

Having said this, we must initially qualify our discussion by emphasising that it is based upon a restricted empirical study. As we have noted, the housing situation in any given city is a response to the economic, social and political forces that have existed in that city. Hence, the Tyneside flat is not normally found outside of the Tyneside area. While we may believe that the processes that have existed in Newcastle-upon-Tyne make it a reasonably representative case study, there is clearly a need for further research in

other British cities to substantiate the main points found in this work. Our conclusions are then, tentative and, hopefully, the preliminary stage for further studies along similar lines.

However, the first premise of any discussion of potential solutions to the housing problem must revolve around the fact that, by some means, the overall condition of the housing stock must be improved. It is impossible to justify the existence of substandard housing by the simple fact that it is in demand and represents a significant part of the housing market. Several points can be made here.

Most importantly, in the context of a commodity that may legitimately be thought of as a need, the dynamism of society must be recognised. Conflict over resources is endemic in a capitalist society. Therefore, any policies must take account of the fact that not all sectors of the society will be equally well served by the mode of distribution. Here, we are explicitly discussing means by which the position of those at the bottom of the housing market, and in deprived circumstances in general, can best be helped.

Because of the unprofitability of building genuinely lost cost housing that the poor can afford, in the British economy the overall improvement of the total housing stock must be carried out by local authorities. Much government action thus far has, as we have seen, been aimed at increasing the amount of housing available (by both private and public building), in the belief that some form of 'filtering up' occurs. That is, as more decent quality homes are built, households move into them, leaving their previous residences vacant. Households from a slightly lower standard of housing move into these newly vacant homes, leaving their own vacant and so on, until those in the worst housing move out of theirs and it remains vacant. As we have seen, however, this simply does not happen. The worst housing remains occupied while developers sell the new houses at a profit. Movement at the bottom end of the housing market

tends to occur within strata rather than across them. Building must, therefore, be explicitly for those at the bottom of the market.

As we have said, private building firms and developers do not build direct replacements for the substandard houses of today in the speculative way that they build 'middle class' estates. They are involved, however, in the building of local authority estates and in the modernisation process through the tendering system (Chapter Three). In the case of small building firms, involvement also comes through being employed by private landlords to carry out improvements. It has been explained that building firms have an ultimate requirement to make a profit and not to provide a social service. Hence, the cost of new building or improvement includes a proportion that goes to the builder and this amount is reflected in the selling price of the dwelling or in the subsequent rent.

One method of reducing these costs is to utilise an <u>efficient</u> Direct Labour Organisation. This need not involve excluding private builders from speculative house building (although only 40 per cent of all building work is on housing). However, the problems caused by faulty workmanship, defective materials and short cuts to maintain the rate of profit, means that their work in the low cost housing sector needs curtailing. (For a discussion of this problem in Newcastle, see Private Builders Conference, 1980).

Direct Labour Organisations are local authority bodies whose fuctions include maintaining, improving and building new council homes (see T.U.S.I.U. 1980). This is a function which could be extended to the private rented sector. They have, however, been the subject of party political pressures, with successive Labour governments supporting them and Conservative administrations curtailing their activities in favour of private builders. Yet, if standards are to be improved for low income groups, the need for a non-profit making construction organisation is apparent. Such an emphasis would constrain middle and upper

income groups, for whom building land would probably otherwise be used as their demand is more profitable to the capitalist.

Building (or improving) housing for the lower income groups is unlikely to release a great demand for owner occupation. Thus, local authority housing for this sector must continue to be, largely, for rent. This, of course, would further increase the significance of the public sector. However, to improve the quality of the total housing stock, massive building programmes are not necessarily required. There is, as we have been at pains to point out, a surplus of houses over households in Great Britain and, given this, the findings presented in Chapter Ten are pertinent for resolving the relative merits of building and improvement. It was found that, although the disfunctional inner city of Newcastle contained a high proportion of households that were dissatisfied with their particular dwelling, this was not matched by a commensurate alienation from the local neighbourhood. Moreover, it is probably true that, for many households that are dissatisfied with their neighbourhood, the alienation is related to the changing social structure of the areas, rather than to the physical fabric. The areas have seen an increasing number of student and black households moving into them, and it is towards this that we can look for the source of much of the alienation. The problem of prejudice, no matter what it is directed against, is indeed an intractible one - and one that is beyond the scope of this work. If, however, there is relatively little alienation from the physical environment, that is from the type of dwelling, the amount of open space, the layout of the streets etc., then there would appear to be little point in changing them. Clearly, what is required is a higher physical standard of dwelling <u>within</u> the environmental framework that already exists.

Equally clearly, there will always be the need for demolishing some houses and replacing them with new ones. The evidence of this study however, is that

the emphasis of a policy designed to improve the overall stock should be improvement. The legislative framework for such a programme, as we have seen, (Chapter Four) already exists. It is not, however, reaching all households and dwellings in need. Short and Bassett (1978) have evaluated the impact of Housing Action Areas. They note that:

> 'It has been (conservatively) estimated that 700,000 dwellings are in areas which are suitable for HAA declaration. If we assume that there should be approximately 300 dwellings in each HAA this means that there are roughly 2333 potential HAA's in England and Wales. By mid-1977 only 419 HAA's containing 70,978 dwellings had been declared. In Bristol ..... making the massive assumption that the necessary funds will be forthcoming, then it will take 16 years for the programme to be completed.' (Short and Bassett, 1978) (my insert).

The lack of action over HAA's raises important issues relating to the solution of the housing problem. The use of policies based upon <u>area</u> improvement is explicitly spatial. Certainly, bad housing tends to exist in relatively homogeneous areas, and in Newcastle has a significance of its own in determining the spatial structure (Chapter Six). Nevertheless, housing is still a part of the more general deprivation syndrome. Should policy therefore be aimed at the individual rather than the area?

Throughout this work we have seen that despite government action aimed at the wholesale clearance, or more recently improvement, of spatially defined areas, the housing problem has persisted. Obviously the inhabitants of HAA's and GIA's are not the only households with housing problems. Holtermann (1975), for example, was able to identify 6,862 enumeration districts in Britain that were suitable for designation as HAA's. However, these enumeration districts contained only 45 per cent of the total number of households that lacked or shared a fixed bath and 42 per cent of households that lacked the exclusive use of all amenities. As Short and Bassett (1978) state:

> 'To concentrate resources solely in the worst housing areas is to ignore the more widespread occurrence of poor housing conditions.'

From this it follows that finance should be allocated to households on an individual basis of need, in exactly the same way that, for example, unemployment or supplementary benefits are. The notion that everyone in an area of high unemployment should be eligible to receive benefit, while nobody in an area of low unemployment should be, is patently absurd. But so, therefore, is the basis of HAA's and GIA's - that only housing stock existing within spatially defined limits should be eligible for improvement grants.

The Newcastle data, like that from many other studies, showed that there is a strong distance friction component in migration. Therefore, we suggested that a spatial dimension to housing policy was essential, to take account of sectoral movement. Certainly, acceptance of the thesis of conflict over resources dictates that any new building would have to take account of the location of that new development, in relation to the problems that already exist. But in relation to improvement policies this inertia supports the argument for a non-spatial approach. Clearly, massive improvement programmes in one sector of the city do not add to the available housing for much of the population residing in other sectors. In many respects therefore, the conflict over resources is added to by the declaration of HAA's and GIA's. If, alternatively, housing improvement was based upon individual household need, then any potential sectoral dimension to improvement would be avoided. Improvement would focus upon the worst housing per se and not upon areas, avoiding the influence of local political pressures which may influence the decision to renovate as much as criteria of need (see Dennis, 1978). Hence, the worst housing throughout the city would be attended to. There is, however, a complicating factor in this argument. At present the responsibility for identifying areas of need lies with local authorities. To be workable, a system based explicitly upon the needs of individual households, rather than upon designated areas, would transfer this responsibility to those actually

living in substandard housing. Theoretically this is not a problem, but two principal sources of difficulty can be envisaged. First, one of the fundamental principles that have been developed within these pages is that information levels amongst the inhabitants of the areas under consideration are far from perfect. There is no reason to suppose that, if responsibility for applying for grants was transferred to individual households, the level of information that they would assemble would be higher than that which they assimilate before moving. Hence, many households could easily be missed from the overall raising of standards.

This aspect of the problem need not present an insurmountable barrier however. Local authorities possess much data concerning conditions in their areas. There will also soon be the results of the 1981 census. An intensive and prolonged publicity campaign in areas of high housing stress (and a lesser one elsewhere), explaining that improvement grants were available as a right to any household, subject to certain conditions, should solve this problem.

The second aspect of the problem is perhaps more difficult, relating to the persistent difficulty of the private rented sector. For owner occupiers who apply for improvement, a similar system to that currently existing could easily be adopted and a grant of, say, 75 per cent of the cost of improvement be given. (In HAA's the present level is 75 per cent, rising to 90 per cent in cases of hardship, while in GIA's the level is 60 per cent). One modification could be that the local authority provides a loan for the remaining percentage. In the public sector, of course, the tenant would incur no monetary costs due to improvement (other than rent increases). There have, however, always been difficulties in ensuring that private landlords improve properties that are substandard.

The problem of the private rented sector is more than one of enforcing

improvements and maintenance upon negligent landlords. Rather, it is a moral question which calls up arguments about the nature of housing itself. Since the introduction of the Rent and Mortgage Restriction Act 1915, which brought about rent control, the position of the private landlord has steadily declined, because the sector has ceased to be sufficiently profitable (Chapter Three). We have examined the position of the private landlord in some detail. What is important for future policy is that repair levels have declined as the rate of profit has fallen. With this decline, the amount of investment required to put property into good order increases and, hence, the attractiveness of such investment as a means of increasing capital falls further. A cycle of decline sets in, and the conditions in the private rented sector that have been illustrated throughout bear witness. While a private rented sector exists, such conditions are endemic. Morally, the question to be asked is whether the living standards of tenants should be subjected to an economic cycle which is totally out of their control? As the CDP (1976) observe, in Newcastle;

> 'Most tenants would welcome a transfer to council ownership where it was clear that the councils had the resources to modernise their homes fully and speedily but that situation is not clear.' (Benwell CDP, 1976, p 12).

In fact the situation is clear at present, but is not favourable to the tenant. Improvement, whether by local authority or by private landlord, costs money. Whereas for the landlord this involves a loss of profit, for the local authority it is fulfilling a need. However, when the imperatives from central government are such that public expenditure must be cut on a large scale, this need remains unfulfilled.

In Newcastle, even in 1981, there exist 3,500 dwellings that lack basic amenities such as an inside toilet[1]. During 1981 the city intended to spend £23.8 million upon slum clearance, improvement and new building. Central government, however, imposed a limit of only £14.257 million. This had the

1. City News, April 1981.

effect of cutting the number of houses to be improved by one half, and the number to be built by two thirds.

This situation clearly embodies the elements of conflict that we have seen. Amongst other things, public expenditure cuts in Britain since 1979 have been used to finance income-tax cuts which have benefited higher income groups. Low income groups have suffered due to the consequent cut in service provision. The housing problem clearly requires massive expenditure by the state, and any policy genuinely aimed at solving the problem will be explicitly for the benefit of lower income groups. To finance such a policy however, government will be forced to raise taxes-and this will impose costs upon everyone else (unless designed to offset most of the costs upon specific groups).

What of the private landlord however? The very first observation made in this work was that Britain is, supposedly, a caring society. The evidence here, as we have said, supports the notion that much of the housing problem can be attributed to the operations of private landlords and to the need for some households to turn to this sector. Above (p 222), we suggested radical measures to overcome the inequalities produced by the market. Similarly, we could at this point advocate the municipalisation of the private rented sector. Although this might well appear to be a 'non-solution' in the terms that we used above, it is worth some consideration. At the time of the 1957 Rent Act (Chapter Four) Labour supporters were advocating such a policy. Further, the decline of the sector during the twentieth century suggests that many of the ideological barriers against not having a private rented sector have been eroded. Also, as we have said, the profit motive in the provision of housing for the lowest income groups leads, invariably, to poor conditions. Is such a policy practical therefore?

The amount of money necessary for improvement if local authorities took over the private rented sector, would be great. Yet, to rectify the problem of poor

conditions by a system of grants would be almost as expensive. Financially then, such a policy could be realistic. Adversaries of such a policy point out, however, that the housing choice facing individuals is greatly restricted with only two forms of tenure. Cox (1976) notes that:

> "The decline of the accommodation provided by the private landlord has meant, then, the threat of removal of the chief roof over the heads of many of the people about whom mainstream society, well organised in its public and owner occupied sectors does not want to know". Cox (1976, pp 69 - 70).

There is some truth in this argument and without a reorganisation of local authorities' letting rules, and the removal of constraints imposed by institutions in the private market, losers will be produced in an extended public sector, just as they are at present in the private sector.

Clearly, the priorities of a housing policy have to be decided upon rationally. However, while extending the public sector is one way of improving the overall quality of the national housing stock, current housing policy advocates the sale of dwellings from this sector at discount prices. Such a policy is, arguably, designed to improve the position of the more affluent council tenant (although a recent survey in Newcastle indicated that only 16 per cent of tenants would in fact buy their houses (Newcastle Tenants Federation, 1981)), but it imposes costs on the least well off. Clearly, the nature of the private rented sector (in terms of both the physical conditions and the benefits of tenure) is such that for most households that cannot afford to buy their own house, a council tenancy is the best alternative. In Newcastle this is reflected by the fact that, at the beginning of 1980, the council waiting list contained 13,550 applicants. Given this demand for rented accommodation, the sale of council homes is a clear manifestation of the way in which actions which benefit one group (in this case the relatively affluent council tenant) operate at the expense of others (here, those who cannot either buy or gain access to a council dwelling). Further, the danger that the council housing stock that is sold will be

predominantly the best housing was quickly realised(Newcastle Tenants Federation, 1981).

The interests of all are not being served then, as Chapter Seven demonstrated that they could not be. For the benefit of the least well off, the sale of council homes has to be stopped, allied to either a municipalisation of the private rented sector or stringent controls upon it. Municipalisation, allied to a reorganisation of letting rules and the removal of endemic institutional constraints is the radical answer to the problem. This however, would involve a dramatic extension of state activity in the housing market. The problem, in the context of a capitalist economy, is determining just how much the activities of the state can practically be extended. It is hardly feasible to advocate that institutions such as building societies and estate agents should act in a socially more responsible way. In the former case, efficient management of funds and responsibility to depositors and, in the latter case, private capital accumulation ensures that social need is well down the list of priorities determining the actions of urban managers (Chapter Seven). Therefore, the state must extend the scope of its activities.

The most realistic solution is that strict controls are put upon the private rented sector. Such controls would, however, have to take account of many aspects of the problem. First would be the problem of physical standards. A possible solution would be for all homes to be brought to, say, a ten or fifteen point standard within three years by a landlord, or be compulsorily purchased. (This would also help the national economy by providing employment in the construction industry and, indirectly, stimulate demand for other goods). Second, the amount of return to be gained from renting properties must be controlled. An amount commensurate with the prevailing interest rate would seem reasonable in this respect. Third, a system of sufficient rent and rate rebates,

on a larger scale than existing ones, to support low income households would be required.

It will be noted, however, that such a system of controls will in all probability add to the cycle referred to above (p. 234). Controls on the rate of return will, in all probability, lead to a lack of reinvestment in rented housing as more profitable avenues for capital are found. Hence, the fifteen point standard within three years would often be unmet. These dwellings would then become municipalised.

While a private rented sector does exist however, other problems have to be faced. The principal one that we have not touched upon in our conclusion is the way households behave in the housing market. Part Four of this study clearly showed that, in Newcastle, inefficient behaviour by households that are already constrained in other ways leads to their occupation of the worst housing. The source of most of this inefficiency lay in the search strategy that was adopted. Consequently, the obvious solution to this aspect of the problem is to, by some means, raise the quantity and quality of information gained by these groups.

Once again we come back to the notion that the constraints experienced by these households must be removed. In terms of assimulating information, the whole education system must eventually become involved, with future households being taught how the housing market works and how to obtain information regarding the state of the market at any given time. On a practical level, however, certain immediate steps can be envisaged. Estate agents have been shown to be the most efficient generators of information about the housing market, but they too add to the constraints upon low income and low status households. If the controls upon the private rented sector, described above, also contained legislation making it compulsory to register all properties and their current state (vis a vis occupied or vacant), there is no reason why the state could

not cheaply act as an estate agent whose information was impartial.

Such a system might work thus. Any household moving from an owner occupied house, or any landlord owning vacant parts, size of a dwelling, is legally obliged to inform the local office of the Department of the Environment or the local Housing Department. The information to be supplied would include items such as the selling price or rent, address and, say, number of rooms. Such information could then be stored upon a mini-computer, giving the administrative department a complete picture of the number and location of vacancies within a particular housing market. Any household contemplating a move is then in a position whereby it need only telephone or visit the local office to obtain a listing of all vacant properties, either by price, by area, or by size, within the whole housing market. When a dwelling becomes re-occupied, the new inhabitant is legally obliged to inform the administrative department. The system is, therefore, constantly updated.

The utilisation of such a system has many benefits. First, it would be relatively cheap to manage. Second, and more importantly, it would almost certainly stop households from choosing a dwelling because they regarded it as being the only one available. Therefore, given the evidence presented for Newcastle in Chapter Nine, it would be less likely that the worst quality housing would be occupied. If information levels were improved, the concept of 'filtering up' would also become more realistic.

The adoption of such a policy is one means of confronting the institutional constraints that add to the conflict over resources. However, the general assumption of society, that owner occupation is the most desirable form of tenure, necessitates action to allow access to that sector for those who require it. Building societies and other financial institutions are reluctant to lend money in areas such as the 'disfunctional inner city', because of the imperatives governing their actions (Chapter Seven). To counteract this, local authorities

have at times been encouraged to provide mortgages for potential buyers in these areas. In Newcastle, it is still council policy to advance mortgages to potential owners in the 'disfunctional inner city', but the finance is simply not available to follow such a policy vigorously. Here, two alternative potential policies exist. Firstly, one could take the building societies into public ownership, so that the way in which funds are allocated is directed by government. (This has, again, been advocated by the Labour Party whilst in opposition). Alternatively, the existing framework can be extended, so that local authorities are provided with sufficient capital to advance loans to households wishing to buy in the red-lined area. This second policy is far from radical, but is nonetheless essential if the constraints underlying the actions of those in the worst housing are to be overcome.

This brings us towards the end of our investigation. Certain concepts have consistently been in evidence and are, again, worth re-emphasising. Housing problems are endemic in a society that relies upon the market for the production and allocation of a large proportion of the housing stock. As a distributive system, the market leads to constraints being placed upon individuals and groups, and these groups, or classes, are consigned to the worst housing. Yet, the problem is compounded by the actions of institutions in the market and by the behaviour of the classes themselves (Chapters Nine and Ten).

The question posed in the title of this chapter was; does substandard housing have to represent a significant part of the housing market? The answer to this question must be cautious. Given the nature of society and the relationships embodied in the production process, legitimised through the state, then the answer is quite unequivocally, yes. The market mechanism cannot solve the housing problem. Indeed, the simple fact that there is a problem implies a failure of the market. This in turn implies that the solution to the problem is unprofitable for private capital.

Yet, the real answer to the question is, no. Substandard housing does not have to be a significant part of the housing market. To rid ourselves of the problem however, means that we must interfere with the market mechanism in ways that go beyond simple crisis management. All of the solutions to various parts of the problem that we have discussed in this chapter involve increased state activity in the production and allocation of housing and, therefore, greater state expenditure. Throughout, we have seen solutions that may be thought of as radical and solutions that are more within the present limits of the 'welfare state' ideology. Ultimately, the relationship between the housing problem and other spheres of the economy, particularly the relations of production, means that radical actions are needed. Otherwise, irrespective of the quality of the worst housing stock, it will be inhabited by those that, in relative terms, are deprived.

Nevertheless, an extension of state activity which does not destroy the role of private enterprise in the lower end of the housing market can contribute towards a solution. Such policies come under the more general 'crisis management' definition, for the state is merely taking on, to a greater degree than it does currently, responsibilities that private capital cannot meet. However, if such measures solve the housing problem as it now stands and ensure that substandard dwellings do not represent a significant part of the housing market, then in the short term they are acceptable.

Therefore, substandard housing need not be a significant part of the housing market. But only in a genuinely 'caring society'.

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Variable	Est Communality	Factor	Eigen Value	Pct of Var	Cum Pct
PENSN	0.83	1	10.18	27.5	27.5
CHILDR	0.83	2	6.25	16.9	44.4
FERTILE	0.67	3	3.02	8.2	52.6
YOUNGBUY	0.59	4	2.23	6.0	58.6
IRISH	0.33	5	1.99	5.4	64.0
COMMNW	0.63	6	1.41	3.8	67.8
FORGN	0.71	7	1.20	3.3	71.1
ONEYRMOV	0.35	8	1.05	2.8	73.9
FIVYRMOV	0.75	9	0.90	2.4	76.4
LOCMOV	0.73	10	0.76	2.1	78.4
ECONACT	0.56	11	0.72	2.0	80.4
UNEMP	0.92	12	0.68	1.9	82.2
UNEMPMA	0.92	13	0.63	1.7	84.0
PROF	0.55	14	0.55	1.5	85.5
EMPMAN	0.47	15	0.52	1.4	86.9
FORSKIL	0.58	16	0.46	1.3	88.2
SEMSKIL	0.13	17	0.44	1.2	89.4
UNSKIL	0.59	18	0.42	1.2	90.5
WKOUTLA	0.69	19	0.38	1.0	91.6
CARTW	0.61	20	0.37	1.0	92.6
NOCAR	0.88	21	0.32	0.9	93.5
TWOCAR	0.70	22	0.30	0.8	94.3
OWNOC	0.85	23	0.26	0.7	95.0
COUN	0.88	24	0.25	0.7	95.7
PRUNF	0.96	25	0.22	0.6	96.3
PRFUR	0.74	26	0.21	0.6	96.9
PRENT	0.97	27	0.18	0.5	97.4
ONEHHOLD	0.68	28	0.17	0.5	97.9
NOINWC	0.79	29	0.16	0.5	98.4
SHLHOTW	0.88	30	0.14	0.4	98.7
SHLBATH	0.88	31	0.11	0.3	99.0
SHLINWC	0.60	32	0.09	0.2	99.3
HIDENS	0.76	33	0.08	0.2	99.5
HIMEDENS	0.88	34	0.07	0.2	99.7
LODENS	0.71	35	0.06	0.2	99.9
A LEVEL	0.59	36	0.03	0.1	100.0
DEGREE	0.67	37	0.01	0.0	100.0

Appendix 1 (continued):

Variable	Est Communality	Factor	Eigen Value	Pct of Var	Sum Pct
PENSN	0.80	1	9.83	44.9	44.9
CHILDR	0.58	2	5.94	27.3	72.1
FERTILE	0.56	3	2.48	11.3	84.3
YOUNGBUY	0.47	4	1.90	8.7	92.9
IRISH	0.14	5	1.54	7.1	100.0
COMMNW	0.47				
FORGN	0.54				
ONEYRMOV	0.30				
FIVYRMOV	0.82				
LOCMOV	0.65				
ECONACT	0.11				
UNEMP	0.70				
UNEMPMA	0.73				
PROF	0.49				
EMPMAN	0.36				
FORSKIL	0.46				
SEMSKIL	0.09				
UNSKIL	0.50				
WKOUTLA	0.64				
CARTW	0.38				
NOCAR	0.90				
TWOCAR	0.64				
OWNOC	0.72				
COUN	0.79				
PHONE	0.62				
PHFUR	0.65				
PHENT	0.87				
ONEHHOLD	0.64				
NOINWC	0.71				
SHLHOTW	0.78				
SHLBATH	0.78				
SHLINWC	0.43				
HIDENS	0.66				
HIMEDENS	0.85				
LODENS	0.63				
ALEVEL	0.50				
DEGREE	0.59				

Appendix T. (continued). Factor Matrix Using Principal Factor With Iterations.

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
PENSN	0.39	-0.11	-0.69	0.33	-0.19
CHILDR	-0.53	0.09	0.43	-0.32	0.05
FERTILE	-0.00	0.42	0.52	-0.28	0.21
YOUNGBOY	0.17	0.63	0.01	-0.05	0.16
IRISH	0.23	0.14	0.19	0.14	-0.08
COMMNW	0.45	0.42	0.29	0.04	-0.10
FORGN	0.49	0.39	0.32	0.14	-0.10
ONEYRMOV	0.08	0.27	0.32	0.29	0.16
FIVYRMOV	0.00	0.25	0.32	0.71	0.38
LOCMOV	-0.31	0.10	0.18	0.61	0.35
ECONACT	0.03	0.21	-0.16	0.03	0.19
UNEMP	-0.69	0.37	0.18	0.00	-0.21
UNEMPMA	-0.71	0.36	0.19	0.01	-0.23
PROF	0.62	-0.01	0.28	0.05	-0.15
EMPMAN	0.57	-0.09	0.15	-0.09	0.01
FORSKIL	-0.49	0.01	-0.17	-0.10	0.42
SEMSKIL	-0.17	0.02	-0.03	0.08	0.10
UNSKIL	-0.68	0.09	-0.01	0.07	-0.14
WKOUTLA	-0.70	0.03	-0.08	-0.00	0.37
CARTW	-0.23	-0.03	-0.06	-0.10	0.55
NOCAR	-0.83	0.28	-0.16	0.22	-0.22
TWOCAR	0.74	-0.18	0.20	-0.10	0.06
OWNOC	0.80	0.00	-0.01	-0.25	0.09
COUN	-0.80	-0.29	0.12	0.18	-0.06
PRUNP	0.21	0.73	-0.41	-0.18	0.19
PRPUR	0.52	0.61	0.07	0.03	-0.04
PRENT	0.29	0.81	-0.30	-0.13	0.11
ONEHHOLD	0.14	0.48	-0.33	0.45	-0.25
NOINWC	-0.07	0.75	-0.31	-0.14	0.12
SHLHOTW	-0.03	0.87	-0.09	-0.04	-0.03
SHLBATH	-0.02	0.87	-0.12	-0.07	-0.02
SHLINWC	0.33	0.46	0.25	0.13	-0.14
HIDENS	-0.64	0.33	0.25	-0.17	-0.19
HIMEDENS	-0.85	0.18	0.22	-0.17	-0.11
LODENS	0.77	0.03	-0.18	-0.00	0.03
ALEVEL	0.64	-0.02	0.28	0.06	0.03
DEGREE	0.69	-0.03	0.33	0.03	-0.01

Appendix I. (Continued). Factor Structure.

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
PENCN	0.29	0.06	-0.86	-0.14	-0.07
CHILDR	-0.46	-0.06	0.[illegible]	-0.01	0.14
PENTILE	0.00	0.33	0.68	0.24	-0.13
YOUNGBUY	0.07	0.65	0.16	0.35	-0.15
IRISH	0.17	0.11	0.09	0.21	-0.31
COMMNW	0.32	0.41	0.18	0.28	-0.53
FORGN	0.37	0.37	0.14	0.36	-0.58
ONEYRMOV	0.04	0.38	0.17	0.52	-0.16
FIVYRMOV	-0.02	0.09	0.02	0.89	-0.00
LOCMOV	-0.30	-0.05	-0.00	0.69	0.24
ECONACT	0.09	-0.14	-0.16	-0.04	0.24
UNEMJ	-0.76	0.15	0.34	0.12	0.01
UNEMJMA	-0.79	0.13	0.34	0.11	0.01
PROF	0.57	0.03	0.03	0.11	-0.53
EMPMAN	0.58	0.00	0.02	-0.01	-0.29
FORSKIL	-0.39	0.00	0.10	-0.00	0.62
SEMSKIL	-0.16	-0.00	-0.00	0.08	0.15
UNSKIL	-0.70	-0.06	0.10	0.10	0.20
WKOUTLA	-0.61	-0.05	0.15	0.08	0.64
CARTA	-0.10	-0.00	0.13	0.06	0.56
NOCAR	-0.92	0.08	-0.03	0.08	0.21
TWOCAR	0.78	-0.05	0.02	-0.00	-0.33
OWNOC	0.80	0.20	-0.04	-0.13	-0.29
COUN	-0.73	-0.49	0.11	0.03	0.37
PHONE	0.08	0.86	-0.09	0.03	-0.00
PLMBH	0.57	0.69	0.04	0.27	-0.49
PRENT	0.13	0.91	-0.04	0.10	-0.16
ONEHOLD	-0.06	0.48	-0.45	0.28	-0.32
NOINC	-0.20	0.79	0.02	0.06	0.04
SHLHOM	-0.21	0.84	0.13	0.03	-0.22
SHLBATH	-0.[illegible]	0.85	0.13	0.19	-0.20
SHLLOWC	0.19	0.42	0.14	0.33	-0.52
HIDEN	-0.69	0.13	0.46	0.00	0.00
HIMEDENS	-0.84	-0.03	0.47	-0.03	0.22
LODENS	0.74	0.16	-0.[illegible]	-0.06	-0.27
ALEVEL	0.63	0.04	0.05	0.19	-0.40
DEGREE	0.68	0.07	0.08	0.17	-0.47

APPENDIX 2. Questionnaire delivered to 1500 households in February 1980

1. In which street do you live?

2. In which year did you move to your present dwelling?

3a. If your previous dwelling was in Newcastle: In which street did you live before moving to your present dwelling?

3b. If your previous dwelling was not in Newcastle: In which town did you live before moving to your present dwelling?

4. When you moved into your present dwelling, how did you become aware that it was vacant?

   Newspaper Friend informed Knew Landlord Relative informed

   Knew previous occupant Estate Agent Saw dwelling vacant

   Other (please specify)

5. If your answer to Question 4 was "personal contact" of some type, how did that person become aware that your dwelling was vacant?

6. Did you know if any other flats/houses that were vacant at the time you moved into your present dwelling?

7. If your answer to Question 6 was 'YES': How did you learn that these alternatives were vacant?

8. Did you view any other dwellings before deciding upon your present one? If YES: How many?

9. Do you own or rent your residence?

10. If rented: a) Do you rent from the council?

   If 10a = No b) what is your landlords name?
   c) where (approximately) does he live?
   d) has your landlord changed since 1969? (i.e. the landlord of your present residence)

   If 10d = Yes: e) what was your previous landlords name?
   f) where (approximately) did he live?

11. Why did you move into your present dwelling originally?

12. What advantages did your present dwelling offer, compared with other dwellings mentioned in Question 6?

13. Has your dwelling been extensively modernised since you moved in?

14. If 13 = YES a) who was the improvement paid for by?
   b) did you know of any impending modernisation when you decided to move into your dwelling?

15. Owner occupiers only: How is/was the purchase funded?

16. Where does the head of household work? (Location rather than name of company is sufficient)

17. Have you seriously considered moving into another dwelling since moving to your present residence?

APPENDIX 2. (continued)

18. Please ring which most applies to you:

    a. How satisfied are you with the area that you live in?
    Very satisfied Satisfied Indifferent Dissatisfied Very Dissatisfied

    b. How satisfied are you with the dwelling you live in?
    Very satisfied Satisfied Indifferent Dissatisfied Very Dissatisfied

19. Do you have exclusive use of an inside toilet?

20. Do you have the use of a refrigerator?

21. Please list any major repairs you feel need doing to your dwelling.

THANK YOU VERY MUCH FOR YOUR TIME