Global crisis of affordable urban housing – where are the progressive responses?

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Just as the World has become used to the wide-reaching and painful implications of the Global Financial Crisis (GFC), we are witnessing the rise of another global crisis: the Global Urban Housing Affordability Crisis (Perry, 2015; Wetzstein, 2017). This term refers to the accelerating trend of housing-related household expenses rising faster than salary and wage increases in many urban centers around the world (Pittini, 2014). While a considerable number of homeowners, investors and speculators are materially benefiting from these conditions, rising numbers of people and households in both developed and developing countries are facing rather bleak options. Many of these people are forced to live in overcrowded or badly maintained accommodation, while for others housing may eat up so much of their income that their food choices, healthcare needs, educational prospects and sustainable commuting options are heavily compromised. The implication for younger people can be the choice between homeownership and deciding to have children. In worst case scenarios, people are being priced out of urban housing markets, face evictions, or are left with no choice but to join the homeless people on the streets. Those who believe in self-correcting markets and 'back-to-normal' futures should think twice because almost half a billion urban households globally are predicted to live in crowded, substandard housing conditions by 2024 (McKinsey Global Institute, 2014). This short essay problematises this serious issue in the context of cities, countries and jurisdictions of the Western world. It centrally argues that our contemporary open, market-based societies are plagued by persistent policy-outcome gaps in respect to the provision of affordable housing for all. Put differently, the imaginaries, discourses, intentions and strategies aiming to deliver universal affordable urban housing largely fail to actually deliver. I contend that this worldwide crisis of affordable urban housing calls for urgent intellectual and political responses from the global progressive community.

What is at stake?
Why should we care? Plainly, housing like food, shelter and security are essential human needs that make or break livelihoods. Moreover, the social and spatial implications of inadequate and unaffordable housing for people, families, households and communities are becoming severe. Rising housing deprivation are now causing widespread financial stress and hardship for households on low-to-middle incomes. The instances of people being evicted grows, the number of homelessness are rising. In fact, even a socially minded nation like Germany will have half a million people living on its streets next year (Personal communication/Community Sector Leader - Germany, 2016). Vulnerable urban residents, mostly private renters, are now being pushed out to under-serviced suburban locations often distant from employment and amenities (Randolph and Tice, 2014), and not seldom cut-off from vital

family support. Forming the backbone of local economies, ordinary but critically important 'key workers' such as police officers, teachers, nurses, carers, cleaners and tradespeople are priced out of urban housing markets. People on the move - often desperately trying to escape escalating local conflict, disaster, political instability or the effects of climate change - compete with locals for scarce housing. Households facing unhealthy housing and energy poverty are on the rise in Europe and elsewhere. In the Anglophone world, the so-called 'generation rent' is increasingly denied access to homeownership and pushed into often insecure private rental. Unsurprisingly, they may opt to live longer with their parents, delay family formation or give up on children altogether.

What are the long term implications? As most western societies have become homeownership societies, reduced access to this tenure undermines the material security and upward social mobility of the middle classes; this strata in society that has underwritten the more equal and socially inclusive 20th century. With the potential death of fundamental western visions such as the American or Australian Dreams of homeownership come serious risks for future social harmony, political participation and economic citizenship. Even more worrisome, unaffordable and inadequate housing add to the list of societal ills such as decaying and neglected neighbourhoods, economic inefficiencies and environmental externalities that - combined - evoke images of not just segregated, but dysfunctional and perhaps even dystopian cities.

Making sense of this crisis
Lately, academics and analysts around the world have been busy trying to make sense of this unfolding crisis (see for example Yates, 2008; Dorling, 2014; Madden and Marcuse, 2016). Across their work little disagreement exists regarding the changing role of housing in western societies. What last century was primarily considered a family's home, source of ontological security and locus of social reproduction has now become foremost an investment option, financial asset and life risk management tool. The 'wall of money' (Aalbers, 2016) that has been flooding the world in tsunami-like style after the GFC is driving this transformation of housing even further towards an ever more financialised, liquid and tradable economic good. These arising crisis-bonanza conditions are facilitated by ongoing processes of urbanisation and re-urbanisation as people seek opportunities or refuge in cities. Together, these patterns fuel the rise of a frantic global urban property-based, or residential, capitalism.

But there is a darker side to it. Because massive footloose global capital on the lookout for safe residential property investment meets increasingly polarising urban labour markets - conditions where the bottom half struggles to make ends meet - we can observe an increasing decoupling of housing from the local economy. Put simply, there is a growing disconnect between local wages/salaries and rents/house prices. Just look at the housing affordability dilemmas in Stockholm, Vancouver, London, Sydney and Auckland. Therefore more and more people are priced out of housing markets, while the state, arguably the key institution that was somewhat able to tame Western capitalism in the 20th century, is constrained by a shrinking public housing stock, austerity policies, post-political governance, captured politicians or Germany's 'Schwarze Null' ideology (Haffert, 2016). Worse, the seemingly unstoppable rise of rentier, land-based capitalism comes with a diminishing role of productive in-

vestment and a new dominance of patrimonial capital (Piketty, 2014; Maclennan and Miao, 2017). Indeed, the prospect of a return to a 19th century Victorian class system where land-based, inherited wealth can exploit a class of servants living in crowded renting accommodation (…those societal conditions Marx and Engels got so angry about) is - at least in the Anglophone world - not an unrealistic future scenario.

Current political and policy responses

If we believe in a fair distribution of resources, a minimum standard of living for all and solidarity between people and groups in society, this dire diagnosis of contemporary housing must be a call for immediate political action. So how have policymakers responded? Granted, politicians and administrators have become active in many cities, countries and regions in the name of solving the housing affordability dilemma. In particular supply-side interventions are in vogue again; an intuitively appealing and now often dominant political rhetoric that prioritises the development and construction of new housing stock (Gallent et al., 2017). The problem is that new houses are expensive, take time to plan and build, and if provided for profit without effective regulation will unlikely to be affordable for those in housing need.

Social housing has widely received a bad name over recent decades, and austerity policies in many contexts further restrict the size of housing stock that can be delivered directly through the state. Alternative, community- and group-based housing is seen as viable answer by some governments, but the scale of operation is often very limited and access to finance difficult. Clearly, in expensive urban property markets, affordable housing for low-to-middle income households is subsidised housing, and non-profit organisations are clearly constrained in this regard and forced to cross-subsidise across their portfolios.

Demand-side interventions promise to be more effective, but governments, not just in migration-dependent nations such as Canada and Australia, are reluctant to introduce policies that curtail population-growth, or reverse tax-advantages to property owners and investors in home-ownership societies. Rent support and rent-control interventions appear plausible, but, as German's Rental Break legislation shows, such policies have done little to tame the excesses, and perhaps pushed prices up further. Finally, spatial policies that aim to redistribute growth and jobs, and thus mitigate against property excesses, are currently losing faith and funding - in Europe and elsewhere.

In the meantime, different sections and layers of governments not seldom blame each other for little tangible progress rather than joining forces and collaborating. Filling these governmental gaps, reserve banks and commercial banks arguably are becoming the real housing regulators. Following a logic of bubble and business risk reduction, they limit household access to housing by enforcing tighter loan-to-value and debt-to-income ratios.

It becomes obvious that growing winner-loser dichotomies around housing make it hard for democratic systems to turn the tide and deliver more affordable housing for the many, except perhaps in Vienna where an almost century old political consensus has put affordable and adequate housing in the center of local politics. Across the West, taming residential cap-

italism hardly goes beyond systemic risk-management in order to avoid another GFC. Policies designed in the name of affordable housing and increased urban housing affordability have become incredibly difficult to implement - despite well-sounding rhetoric by policymakers. As a result, we are faced with persistent and vexed policy-outcome gaps around housing in many urban centers now.

To me, these mismatches are rooted in two major political/policy problems. First, complex sets of constraints around policy implementation in market-centered and globalisation-embracing societies are often little understood. There are complex trajectory collisions (e.g. cumulative effects of housing, welfare, education and industry reforms), contingency of developments (e.g. natural events and unforeseen political events, global influences like the refugee crisis) and marked contentiousness arising from less reconciliation and mitigation mechanisms in unbalanced and more politicised housing regimes. In reply to these barriers, and somewhat paradoxically, policies are framed even more idealistically, goal-heavy, aspirational and imaginary focused - the 'should world' stuff - while implementation remains lacking. Is it surprising then that insufficient policy delivery, or simply not keeping electoral promises, are causing mounting frustrations amongst residents, households and generations that find themselves struggling to pay their housing-related bills? The second problem concerns political will and leadership aiming to redistribute from the winners to the losers; a final topic I want to turn to now.

Rebuilding progressive leadership around universal affordable housing
Combining the above outlined trends and putting it bluntly, when it comes to affordable and adequate urban housing in Western countries, the market increasingly excludes while the state increasingly abandons people, households and communities. So what does this mean for progressively minded people, communities and parties? A strong conviction to reform policies and institutions around housing in the name of affordability one would think. Yet, I wonder whether there is enough political will to take such a strong stance the way progressive reformers and constituents did in the 19th and early 20th century (…just think about the birth of social/state housing in numerous contexts and the accompanying visions, aspirations and leadership). While acknowledging progress in thinking by national progressive leaders in the United Kingdom, Germany and New Zealand, if I look around, I still see rather half-hearted, short-termist or sometimes even naive attempts from center-left and left political forces when it comes to housing. Or plain and painful absence. While daily Anti-Trump rhetoric and smart Brexit commentary seem to make more headlines in our 'short attention span' world, these topics do neither help the rising number of homeless people nor those financially over-stretched families in our cities.

I suggest five steps are necessary to make Progressives truly 'own' the housing dilemma, drive debate and be at the forefront of solutions. First, *raising awareness.* Without being able to relate to the affordable housing crisis, no one will act. Second, *increasing knowledge and understanding.* In times where fact and information seem to be little more than pieces that can be molded into fabricated political narratives, comprehending context-dependent housing issues and developing evidence-based pathways for transformative change is the progressive way to go. Third, *building a guiding vision,* by bringing heart and mind together

to outline desirable, just societal scenarios around housing. Fourth, *mobilising support,* across the electorate, societal institutions, influential individuals and the wider social fabric. Fifth, *reform and transform systems, institutions and attitudes* in order to pursue this vision and take people and society with you.

I would like to facilitate this inevitable soul-searching process by posing some more pro-grammatic housing-related questions. How can social housing, almost forgotten in most countries or never established as intervention tool, be revitalised and adjusted to 21st centu-ry conditions? How can the re-birth of self-governed housing models from smaller group housing arrangements to larger cooperatives be supported? How can those priced out of housing markets and unable to access marginalising state-provided housing enjoy secure, fair and affordable long-term private rental housing? How can long-standing and strong mu-nicipal leadership around affordable housing, like in Vienna, travel elsewhere in order to help reverse the toxic trend of housing commodification and exclusion? To what degree can the crucial policy instrument of public urban land ownership and land management (Christophers, 2016; Ryan-Collins et al., 2017) - just like in Singapore - be utilised to combat housing-related imbalance and excess? If ineffective planning systems (Mekawy, 2014) and non-innovative construction sectors (McKinsey Global Institute, 2017) are really to be blamed for adding to the urban housing affordability conundrum, then where should re-forms lead to, and by which political, legal and administrative mechanisms? As housing-related policy decisions also fall into supra-national policy domains like the EU, what should change look like in regards to, for example, the current EU-competition law and state aid regulation that appear to stifle effective national housing strategies? And finally, if afforda-ble and adequate housing is a human right, and according to the United Nations it is, how can we turn formal right into lived reality?

Some liberals see 'the city' as the 21st century spatial answer to mounting economic, social and environmental problems (Glaeser, 2011). Yet, in many western countries urban centers increasingly ache under the combined effects of market and governance failure around housing. This intervention thus makes a case for intellectually and politically problematising unaffordable housing conditions for a growing number of urban households. This topic should move back to the heart and soul of the global progressive community, and fuel a pas-sionate but evidence-based debate amongst those on the progressive end of the political spectrum. Let us seriously re-think and re-work interventions in order to provide an absolute essential good for human survival and flourishing. Accepting the status quo, taking the poli-cy-outcome gap in relation to affordable urban housing as a given and leaving responses to conservative or neoliberal agendas is, I believe, not an option. It will take much courage, effort and leadership across political systems and civil societies to seriously confront this crisis. But I am fully convinced that Progressives everywhere are collectively called to make leading contributions to the common, urgent and noble task of reimagining, planning and building affordable urban futures for all people.