

7. Why Housing Policy Changed After World War 1

Rebuilding National Life

Before the First World War, private builders supplied virtually all new housing in towns and cities. Whilst 80% of homes were rented, building societies did a roaring business and in England alone there were 1,723 organisations that lent money. Building activity came to a virtual standstill during the war. By 1918, it was clear the country faced an acute shortage of housing. Building costs were inflated as materials and labour were scarce. This made it impossible for private developers to provide houses for rent within reach of the average working class family. A crisis loomed.

In 1917 a Ministry of Reconstruction was created, headed by Christopher Addison. The term "reconstruction" was not in the context of rebuilding inadequate and slum property alone, but the reconstruction of infrastructure. This included transport, housing, employment & industrial relations and the role of women in society, beyond the ballot box. The Ministry was "charged with overseeing the task of rebuilding the national life on a better and more durable foundation."

Of particular concern was reincorporating demobilised troops into a civilian workforce amidst feelings of unrest, not helped by events in Russia with claims made of Bolshevik extremism operating. In 1919 some 2.4 million workers were involved in strike action, 300,000 more than Germany, regarded as the next likeliest nation to adopt Communism.

In 1918, small-scale mutinies occurred at British army camps in Calais and Folkestone. In London 3,000 soldiers demonstrated. Tensions were exacerbated in ports too. Ugly riots took place in Liverpool and in Cardiff where, in June 1919, lynch mobs terrorised the black community in a week of violence. Three men died and dozens were injured. The Dominions became embroiled as bored soldiers waited for transport home. A few months earlier in Rhyl, a riot was suppressed but only after several Canadian troops had been killed. A few months later rampaging Canadian soldiers stormed a police station in Epsom, killing one policeman, at which point a riot ensued.

Lord Derby proposed that the first men released from service should be those who held key jobs in industry. Invariably, these were men called up in the latter stages of war who could look forward to returning to well-paid jobs, unlike most long serving troops who had to wait and hope jobs existed. Given their loyalty and commitment in serving Britain, this caused great resentment and was regarded as discriminatory, blatantly unfair and uncaring.

One of Churchill's first acts, on appointment as the new War Secretary in January 1919, was to introduce a more equitable demobilisation scheme. It was to be based on age, length of service and the number of times a man had been wounded in battle, considering too the severity of wounds sustained.

Homes Fit for Heroes

From 1915 there had been a succession of Rent Acts that prevented landlords or mortgage lenders from profiteering by increasing rents or interest rates, due to the severe shortage of housing for munitions workers. Rent strikes had a major influence too. In 1915 in Glasgow 30,000 tenants set up committees and mass pickets which led to landlords deducting rents they were owed directly from ship workers' pay packets. As a result, the Government feared

a national dock strike and this quickly led to a Rent Restriction Act. Although some increase was permitted by 1919, the rents that charged were usually well below that needed by a local authority to cover the cost of building new housing.

Close of war brought a new social attitude as the Government had a national responsibility to provide homes, giving rise to Lloyd George's famous promise of 'homes fit for heroes' for returning soldiers. His speech was made the day after the armistice but what Lloyd George actually said was "habitations fit for the heroes who have won the war." The press wanted a much punchier and appealing strapline, hence the phrase we know.

Economic and social factors were much on the mind of the Ministry of Reconstruction. "In the years immediately following the war, prices must be expected to remain at a higher level than that to which they will eventually fall when normal conditions are restored," They warned, "Anyone building in the first years after the war will consequently be faced with a reasonable certainty of a loss in the capital value of their property within a few years."

In 1918 the government appointed architect and MP Sir John Tudor Walters to report on the condition of housing though his Government role was Paymaster General. The result was the *"Report of the Committee Appointed to Consider Questions of Building Construction in Connection With the Provision of Dwellings for the Working Classes."* Containing 22 words and 130 characters, unsurprisingly the title was shorted to 'The Tudor Walters report.'

This influential report made recommendations for house design and housing estates with the expectation to: set minimum building standards and facilities (such as a bath), ensure design would be pleasant to live in, yet economical given the scarcity of building materials, and provide useful guidance on each scheme layout. An example was to build housing in cul-de-sacs. Whilst the number of houses did not change, a saving would be made by not having to provide a through road.

Tudor Walters' recommended designs were known as Types "A", "B", "C", "D" and "E" as a way to indicate the type of house. All had 3 bedrooms and a bath but only larger houses had a purpose-built larder, extremely useful in an era before refrigerators. Authorities were permitted to design their own houses but to standard sizes and a stipulated design format.

The Addison Act 1919

The Housing and Town Planning Act of 1919 (The Addison Act) was seen as a watershed in the provision of corporation (council) housing. Known as the 'Addison Act' after its author, Dr Christopher Addison, Minister of Health, the Act was a highly significant step forward in housing provision. It made housing a national responsibility with local authorities given the task of developing new housing and rented accommodation for working people. Councils were thrust to the forefront as providers and began to plan post-war housing programmes. Housing Committees were set up, operating largely from recommendations from the Tudor Walters Committee.

The Addison Act was passed initially as a temporary measure to meet housing need, at a time when private builders could not meet demand. It was generally assumed the private sector would resume responsibility for working class housing, once the British economy had recovered. The aim was to build 500,000 houses within the first three years.

Responsibility for managing housing and slum clearance came under the umbrella of the new Ministry of Health with housing departments and local commissioners responsible for

action. In 1918, the Ministry of Reconstruction introduced a scheme to subsidise some of the expected excesses in the cost of building housing but most local authorities did not have the reserves and were unable or unwilling to borrow. London County Council (predecessor to the Greater London Council) raised money by selling London housing bonds, promising investors a 6% return. The LCC raised £4 million during the 1920s.

Planners promoted construction of new suburban 'garden' estates, situated on the outskirts of cities. Mainly consisting of three-bed houses for families, the design of the estates aimed to create self-contained communities of low density - often with no more than 12 houses per acre. Facilities, including churches, schools and shops, were provided but public houses were initially excluded from plans. On most estates, houses had a generous size garden to encourage tenants to grow vegetables and plant a privet hedge at the front and an apple tree at the back.

The interiors varied, some having a parlour, but all had a scullery and bath. For most new tenants these new conditions were a huge improvement on their previous slum housing, where they had experienced overcrowding and often lacked basic facilities, such as a bath and even an indoor toilet. The quality of the housing was generally high. Although some slum clearance took place during the 1920s, much of the emphasis of this period was to provide new general needs housing on greenfield sites.

The most ambitious estate built to reward soldiers and their families after the war was the massive Becontree estate in Dagenham which became the largest council housing estate in the world. In 1921 London County Council began the compulsory purchase of farms and other land. By 1932 over 25,000 houses had been built and over 100,000 people had moved to the area. The new houses had gas and electricity, inside toilets, fitted baths and front and back gardens. LCC had strict rules for new tenants on housework, house and garden maintenance, children's behaviour and keeping of pets. The estate expanded over the Essex parishes of Barking, Dagenham and Ilford to nearly 27,000 homes, creating a virtual new town.

Most new council estates, like Becontree, provided good quality housing for the better off working classes but did not provide a solution for the poorest in society. Rents were high and subletting was forbidden which meant preferential selection of tenants with the ability to pay, and on time. Many in unskilled occupations found it hard to qualify, let alone afford these rents.

Further Acts during the 1920s extended the duty of local councils to make housing available as a social service. The Housing Act of 1924 gave substantial grants to local authorities in response to the acute housing shortages of these years. A new Housing Act of 1930 obliged local councils to clear all remaining slum housing, and provided further subsidies to re-house inhabitants.

This Act led to the clearance of more slums than at any time previously. As the economy rapidly weakened from 1921, funding was cut, and only 213,000 homes were completed. Under the inter-war Housing Acts, local councils built 1.1 million homes. Whilst sounding impressive, the annual average was not much more than 50,000 though the private sector greatly augmented provision. Yet the message was clear. The housing shortage had not been eradicated, especially for unskilled working classes, and replacement of inadequate housing continued to be a major priority.

A Brief Study of Leeds

In Leeds, a pressing housing need existed because of the continued insistence on building back-to-back housing until 1920. Raymond Unwin and Edward Carpenter, who took a radical approach to housing, were part of William Morris' Socialist League. This campaigned for fair rents and a new housing system to break away from "monopolistic profiteering" by private landlords.

Ebenezer Howard backed a more "return to nature" approach, linked to the economy. For example, Leeds industrial cooperatives formed around bicycle making and electrical repairs were much more unstructured and community-based. It was from this incentive of social enterprise that his vision of the Garden City movement at Letchworth was fulfilled.

In the late Victorian period, fired by the Socialist League of William Morris, the Tenants Defence League organised pickets and mass protests against private sector landlords and distributed the "Common Wheel" newsletter. This mass movement led eventually to the Housing of the Working Classes Act in 1895.

Professor Robert Finnegan (Bradford University) observed that in 1914, just as soldiers were preparing for war, landlords in Leeds raised the rents in the inner city district of Burley by 6p per week. This led to a city-wide rent strike and a demand for affordable rented housing. This became the clarion call for the City Council to start building council houses. However, it did not prevent all those participating in the rent strike from being blacklisted.

In 1914, there were 78,000 back-to-back properties in Leeds, which represented 70% of the housing stock. The oldest type I properties were built at a density of between 70 and 80 dwellings per acre, type 2 between 50 and 60 dwellings per acre and type 3 back to backs with small front gardens and yards were built at 40 dwellings per acre.

During World War I, 10,000 soldiers from Leeds were killed and 80,000 returned home. It was estimated that between the wars 54,000 homes were required, principally to replace slums of the type I back to backs. Following the rent strikes that took place before the war, the Addison Act gave Councils the powers and impetus to commence major slum clearance programmes and provide the much vaunted "Homes for Heroes."

As a compact city, Leeds provided the majority of houses under the Act on greenfield sites on its periphery. Initially, dwellings were designed around garden city-style development but these were not cost-effective and building and design standards soon slipped. Between the wars, it is estimated that only 3,300, or 16%, of new houses were built on greenfield sites. By 1924 Addison style developments accounted for 62% of new properties built, including Crossgates, Hawkswood, Meanwood, Middleton and Wyther Park.

Tenants faced additional costs associated with travel and increased rent of two shillings a week and increased rates too. The compensation was properties built under the Addison Act were clearly of a higher quality than those they replaced but this was at the expense of community life. Very few developments, if any, included shops banks and social facilities.

Councillors in Leeds obtained advice from Garden City movement pioneers and from the Town Planning Association, before embarking upon the Hawksworth estate. This was to become the pioneer for what became known as the "parlour house dwelling type." They also visited New Earswick in York and other innovative schemes for social housing.

These new communities built under the Addison Act formed the beginning of much larger Council estate developments, created following the Second World War. In spite of seeking good advice, schemes still lacked community facilities. These were evident in the close-knit areas of back-to-back housing adjoining the city centre as author and academic, Richard Hoggart, commented on this in his *The Uses of Literacy*, published in 1956. He recounts growing up in squalor in Hunslet, adjacent to the River Aire and mills. Families were short of brass, but not humanity and possessed an indefatigable community spirit.

A Home of Your Own

With financial support from the Halifax Building Society, Richard Costain began building in Elm Park, in the London Borough of Havering, in 1934. His 'Garden City' scheme was based on the pioneering Ebenezer Howard, placing enormous emphasis on a mixed range of family homes with transport, shopping and leisure facilities.

A £400 house, with a 90% mortgage, could be purchased for 11s 8p a week in a "complete country home town." An enticing advert showed two sets of scales with the heading: "Which Balance Is Yours?" In the first, Paying Rent, "the landlord gets all and you get nothing to call your own." This contrasted with Home Purchase, in which "you get a home and the building society interest only - THE SAME OUTLAY WILL DO EITHER! Costain opened show-houses and salesman whisked prospective buyers around by car, removing any lingering doubts on the merits home ownership.

Repayment was 13 shillings a week, based on a weekly income of £3.15s. At a shade over 17%, a home of your own was affordable with the prospect of increasing in value. Homes had romantic names such as Rosewood, Hawthorne, Villette and Bramblewood. Drives, closes and avenues sounded more appealing than roads and streets, adding to a sense of spacious parkland. The estate of Elm Park comprised 7,000 homes, built on 600 acres at a cost of £3.5 million and included an 'assembly hall' for social recreation.

A move into semi-countryside was alluring, but critics were unimpressed by the attractions of Harrow, Beckenham, Finchley or Hendon. "Live in Ruislip where the air's like wine; it's less than half an hour on the Piccadilly Line." The semi had reached suburbia, satirised by Osbert Lancaster as "Wimbledon Transitional, Stockbroker Tudor and Bypass Variegated." For those setting out in married life it really was utopia – a home of your own and within commuting distance of work - and near schools too.

Assessing Housing Demand

House-building peaked at 350,000 a year in the mid-1930s as a prolonged period of cheap money promoted a private sector building boom. With abundant land and labour, and with interest rates pegged at 2%, this was the era of three-bedroom semis and the expansion of suburbia. New industries, such as car production, aerospace and engineering, accompanied the ribbon development adjacent to major arterial roads, controlled under a 1935 Act.

A 1945 assessment painted a bleak picture of old and decrepit housing stock. In Salford, 70% of houses lacked a bath and hot water. Prefabs were popular but for Aneurin Bevan were 'rabbit hutches.' Disliked too were housing associations, co-ops and self-build in favour of local authorities. With no subsidies for private renting, housing provision had "a distinct monolithic quality," yet 750,000 homes were completed by 1948. In dense areas, blocks of flats dominated. The LCC built very few houses in inner London or the suburbs.

Council house-building peaked under the Conservatives in the 1950s. Helped by a growing economy, 250,000 homes each year were built. Much of the expansion was for new towns, designated by the Atlee government in land beyond a newly created green belt surrounding London, such as Hemel Hempstead, Harlow and Crawley. In the 1960s, house price boom and bust was still in the future. Late decade saw a peak of nearly 400,000 private and council properties each year. With a resurgent economy, by the end of the 1960s Britain had as many owner-occupiers as renters.

In the 1970s, Britain experienced a housing bubble during the 'Barber Boom' of 1972. An easing of credit restrictions by the Bank of England, coupled with the go-for-growth strategy of Conservative chancellor, Tony Barber, resulted in house price inflation reaching 36%. The average price of a home, which had risen from £2,000 to £5,000 between 1950 and 1970, doubled in the next three years. Yom Kippur and the Opec oil embargo ushered in a period of stagflation with high inflation, high unemployment and stagnant demand.

Offering council tenants to purchase their own home was rejected by Jim Callaghan at the end of the 1970s but Margaret Thatcher pounced on the idea. It became a political priority, appealing to aspirational working classes. This led to the Lawson boom and Britain's second big housing bubble when house prices rose by 16% in 1987 and a further 25% in 1988.

The bust following the Lawson boom was long and painful. Interest rates rose to 15% to dampen inflation pressures. Unemployment doubled, to hit three million for the second time in a decade. Those with large mortgages struggled to make repayments. A record number of people had their homes repossessed as house prices fell for four successive years. Not until the end of the 1990s did the private housing market recover.

The Millennium saw a rising population, steady economic growth and ample cheap credit. All three factors conspired to contribute to the third housing bubble of post-Second World War. The average house price more than doubled from £100,000 in the year 2000 to just under £225,000 in 2007, before the financial crash brought the boom to an end. House-building fell to its lowest peacetime level since the early 1930s, but this does not factor in demography. The UK population was then 46 million rather than 60 million, an increase of a third. The relative decline was therefore much greater.

In 2017 about 184,000 homes were completed, more than recent years but below the 2007-2008 pre-recession peak of 200,000. House-building declined steadily after the 1960s peak that was slightly higher than the 1930s high point of 350,000. Comparable figures between governments are tricky because houses completed early under a new government will have been started under the previous one. It also takes time before any change in policy have an impact on building.

One measure of the housing gap is comparing projections for new households with current rates. In 2014 Dr Alan Holmans, a housing expert at the University of Cambridge, stated we need to build circa 170,000 more private sector houses and 75,000 social sector houses each year. This means about 250,000 houses a year, excluding any reductions in existing housing stock. In 2016, a cross-party House of Lords committee stated the UK should be building 300,000 houses a year, 50% more than the government target of 200,000 and blamed burdensome planning regulations along with Nimbyism.

Social housing demand continues to soar. In 1969-1970 some 136,000 homes were built by local authorities. The decline since has been massive with barely any construction since the

Millennium and very little in the two decades prior. In 1991, more 25-34 year-olds owned a house than not. Less than 25 years later, the rate of home ownership in this age group had fallen to 35.8%.

With spiralling house price inflation, prospective buyers have to wait longer, some to the point of no-return, unable ever to get on the housing ladder. Conversely, home ownership has risen steadily for those aged 65 and over. In 1981, half of the 65-74 years old group were home owners. By 2013-2014 this had risen to 78.6%. We may conjecture why.

Talk of 'Generation Rent' is accurate as regards younger people, many of whom are living longer at home with parents. ONS figures stated a fifth of those between 36 and 40 lived in private rented accommodation in 2014, compared with 12.8% in 2008. But this does not tell the full story. Driven by older age groups, the overall share of those who own their home outright has increased from 23.7% in 1986 to 31.2% in 2014. This in part can be explained by a fall in council house tenancies under Right to Buy. Whilst 27% lived in a council home in 1986, this had tumbled to 9% by 2014.

The paradox is that more people own their own home outright but the proportion of private renters in the housing market is increasing. Whether 250,000 or 300,000 new homes a year are required, a huge distortion exists for several reasons: the property owning wealthy, some of whom have more than one home, the massive demand for rented accommodation, that in some areas is leading to huge rent hikes, the associated impact on Housing Benefit, and a divided nation between those with higher incomes or/and cushioned by inheritance assets (property and money), and those who have no choice other than pay rent - mostly to private sector landlords.

In the space of 100 years Britain has gone full circle. Demand and affordability go hand in glove. The issue today is not just about the number of dwellings completed each year but the mix between private and public, location relative to the type of land, such as brown-belt, and infrastructure in the context of transport, leisure facilities, shops, community spirit and much more. A new strapline might be *Homes Fit for the Homeless*.

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