

BREXIT AND THE POLITICS OF HOUSING IN BRITAIN

BEN ANSELL

NUFFIELD COLLEGE, UNIVERSITY OF OXFORD

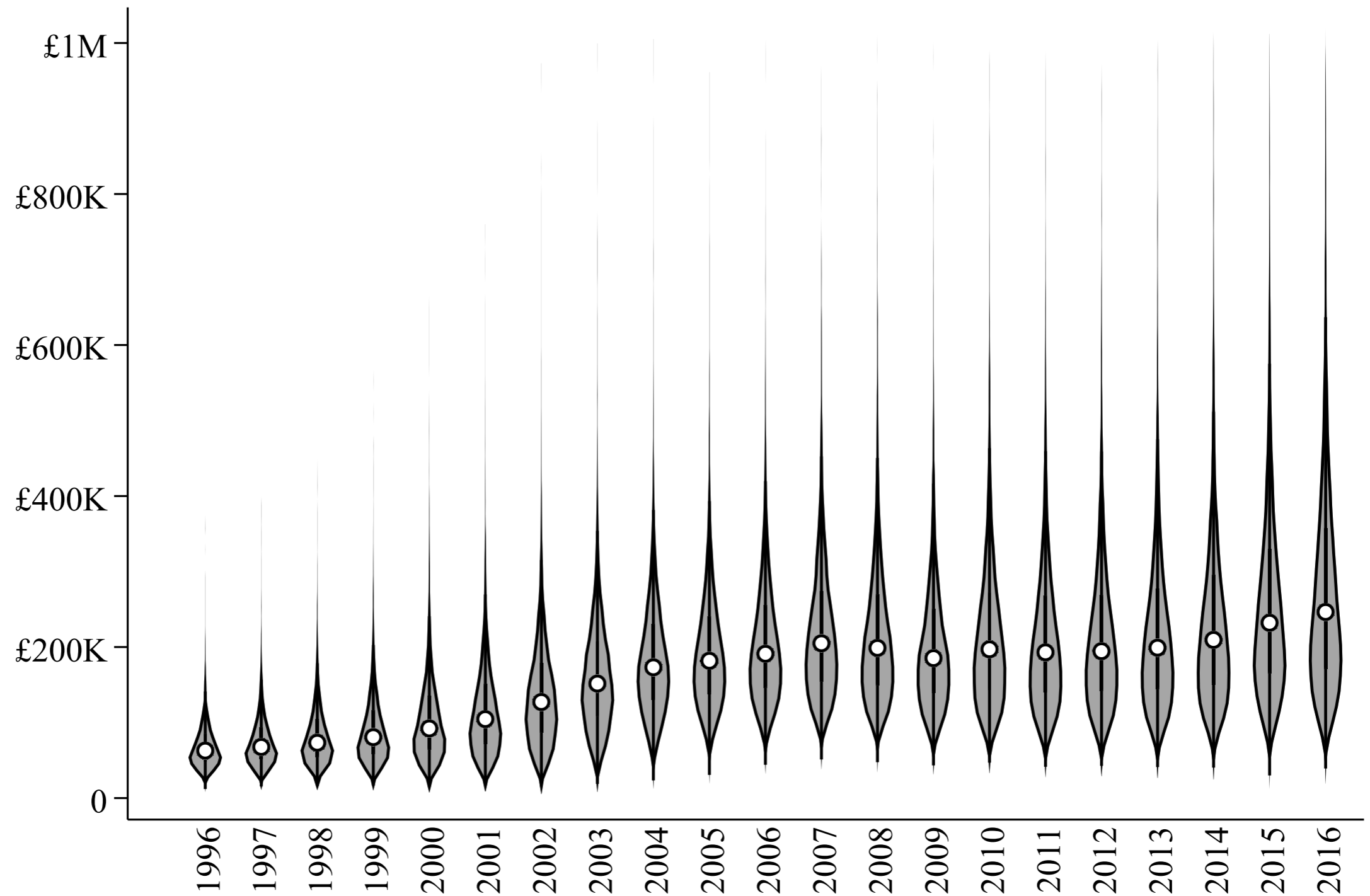
OUTLINE

THE BRITISH DISEASE: HOUSING & BREXIT

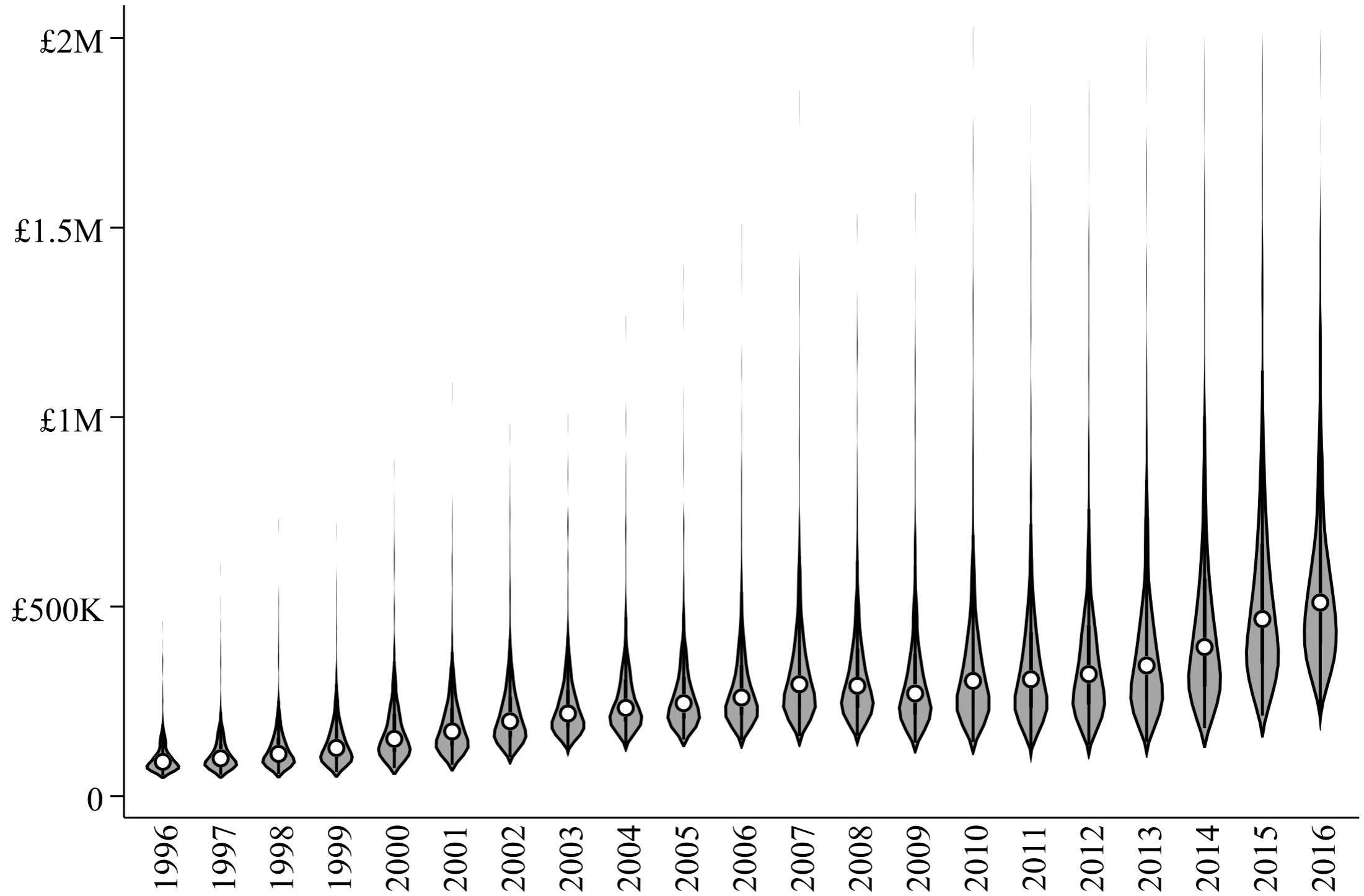
HOUSING AFTER BREXIT: THE 2017
ELECTION

HOUSING AFTER BREXIT: THE POLICY
AGENDA

THE BRITISH DISEASE



LONDON



HOUSING & BREXIT

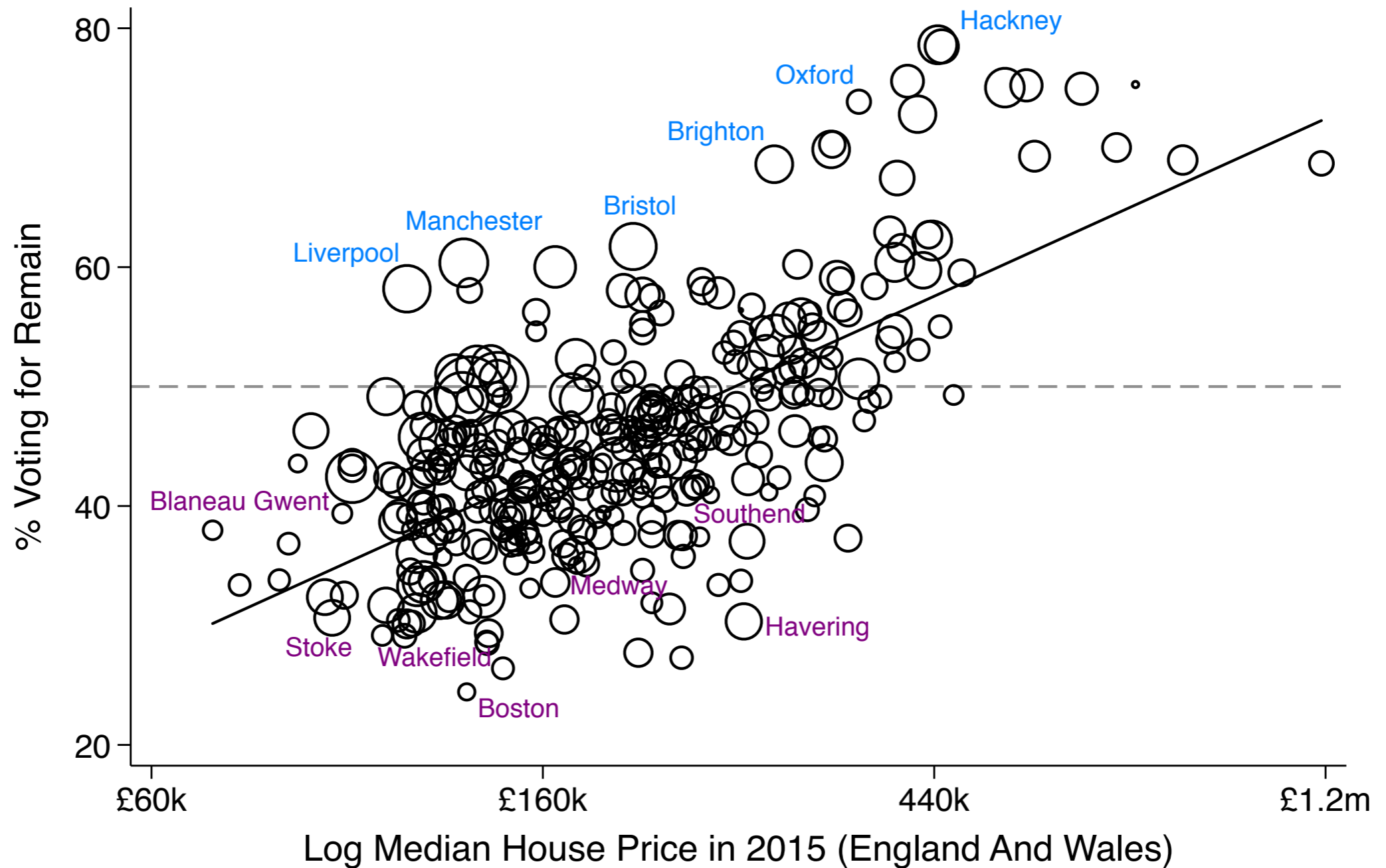
The Brexit vote exposed underlying divides across regions and demographics that cut across party lines.

David Goodhart's 'Somewheres' and 'Anywheres' - highlights importance of *place*.

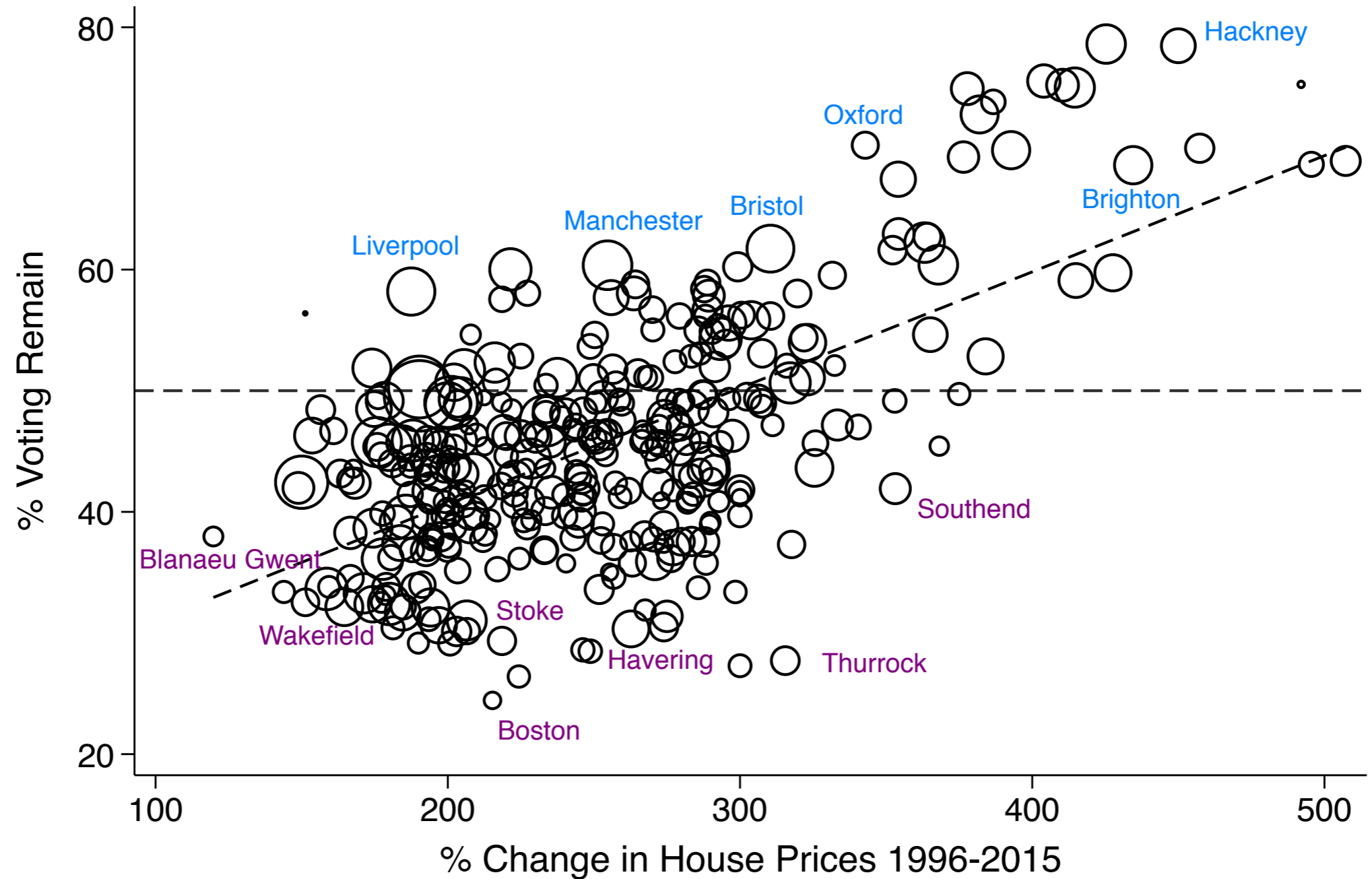
I use Land Registry data on the sales price for *every* real estate transaction in England / Wales since 1996.

Use (logged) median prices at the Local Authority District (50,000-250,000 people). Match to reported Remain vote at LAD.

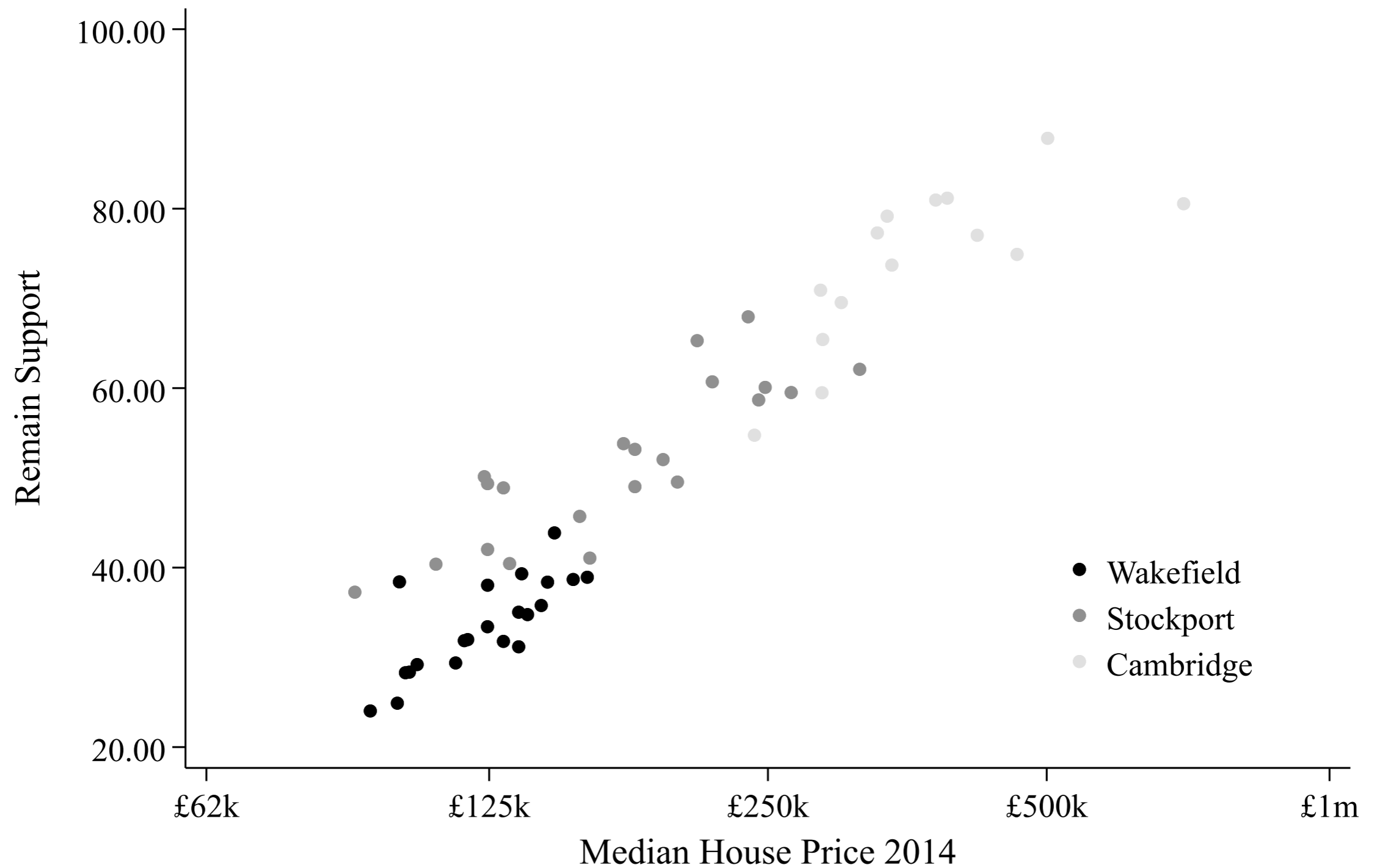
HOUSE PRICES



PRICE CHANGES



WARD LEVEL



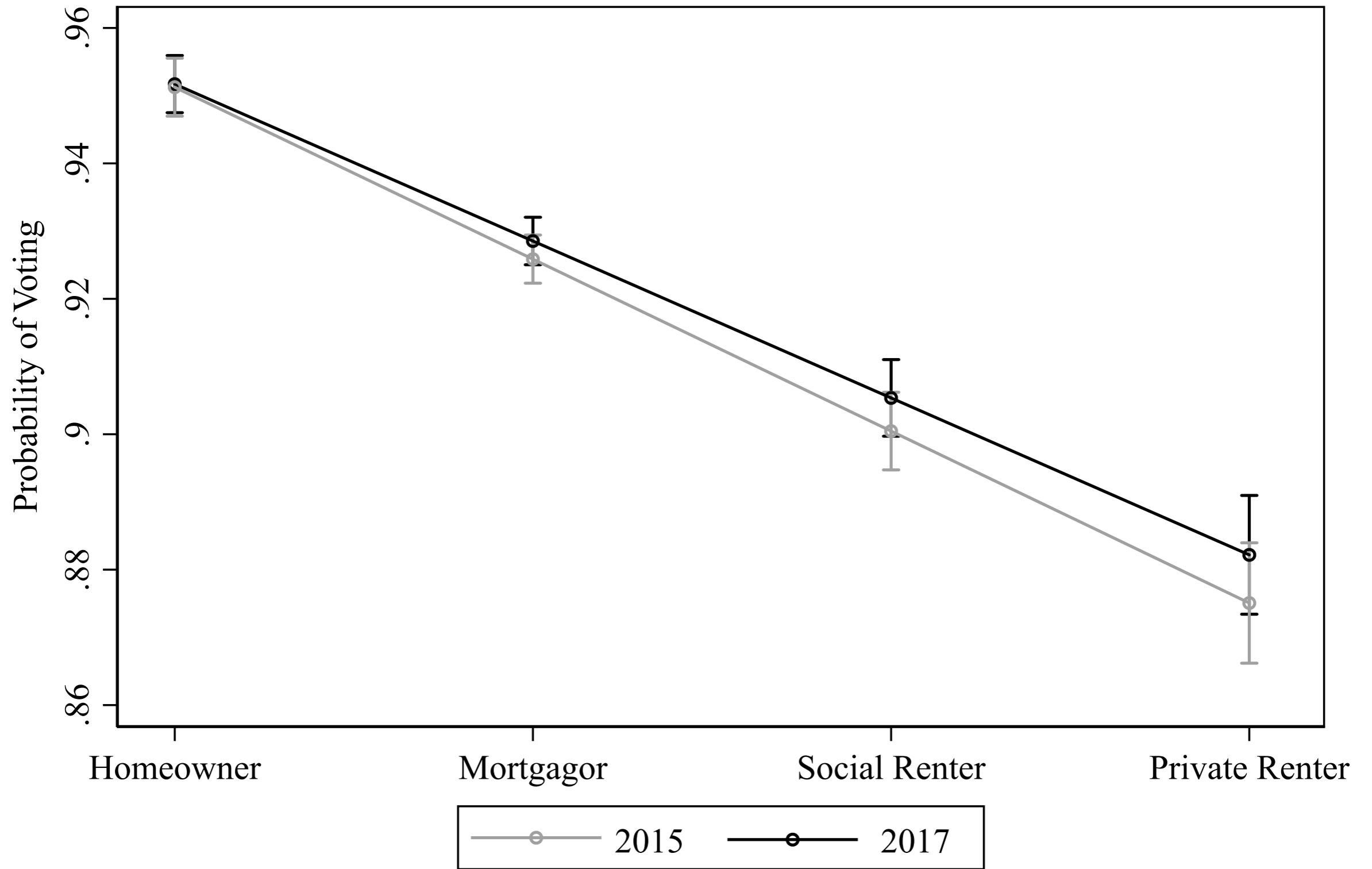
THE 2017 ELECTION

After Corbyn's surprise 'victory' in the 2017 Election commentators raised the possibility of a 'Rentquake'

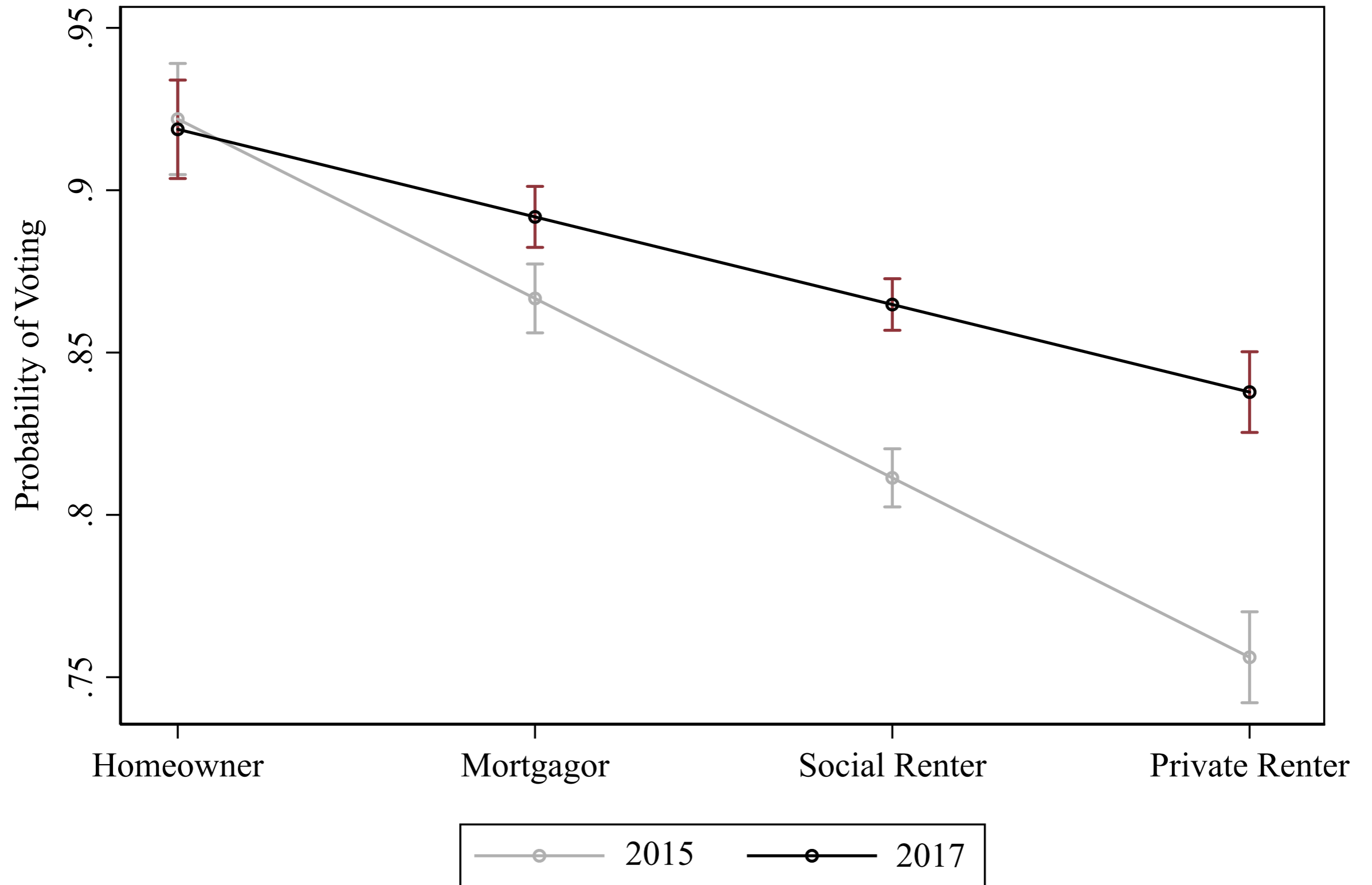
How important were home-ownership and generational divides?

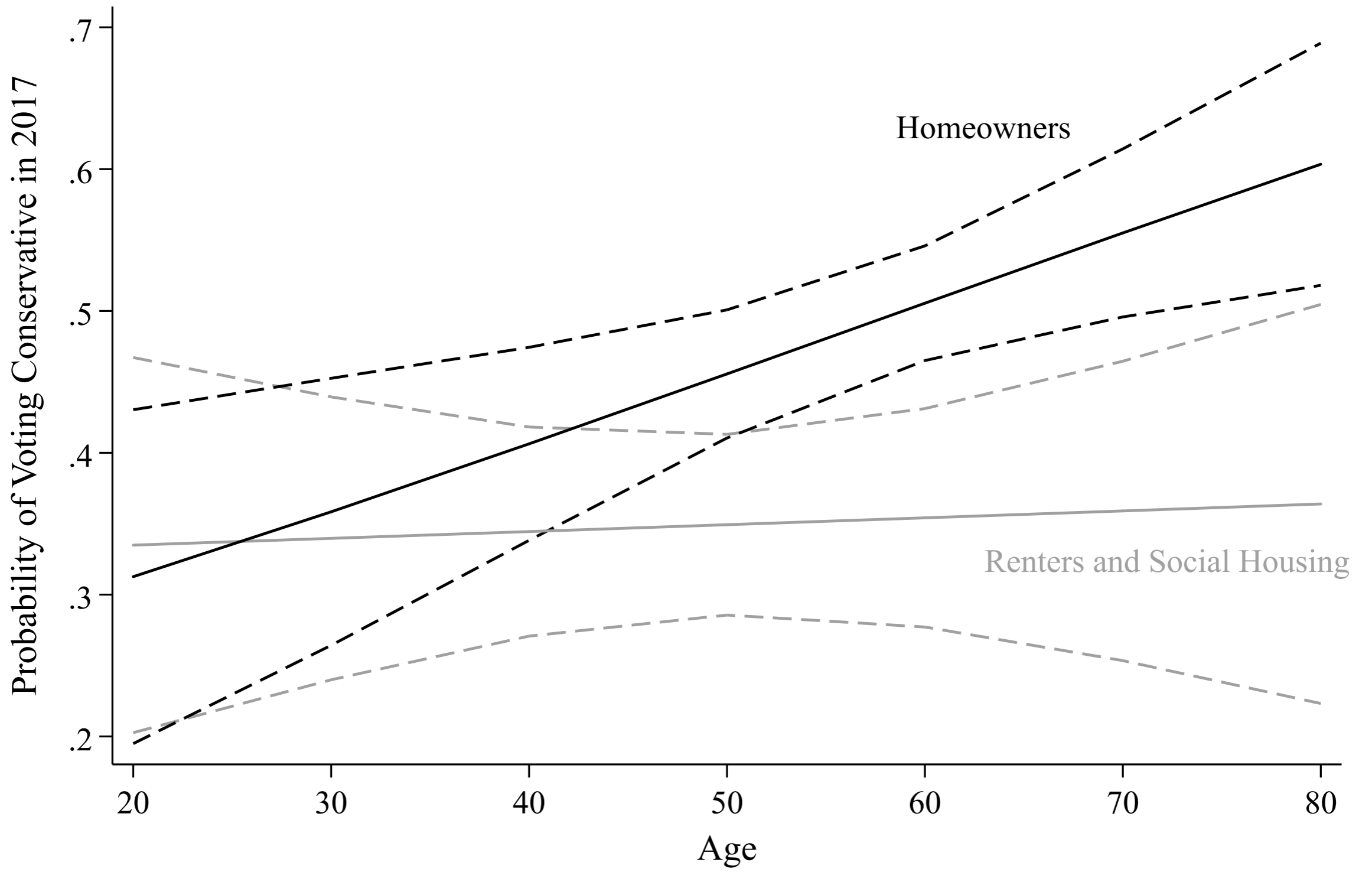
David Adler and I examine the 2017 face to face British Election Study and what predicts voting Conservative or indeed turning out at all.

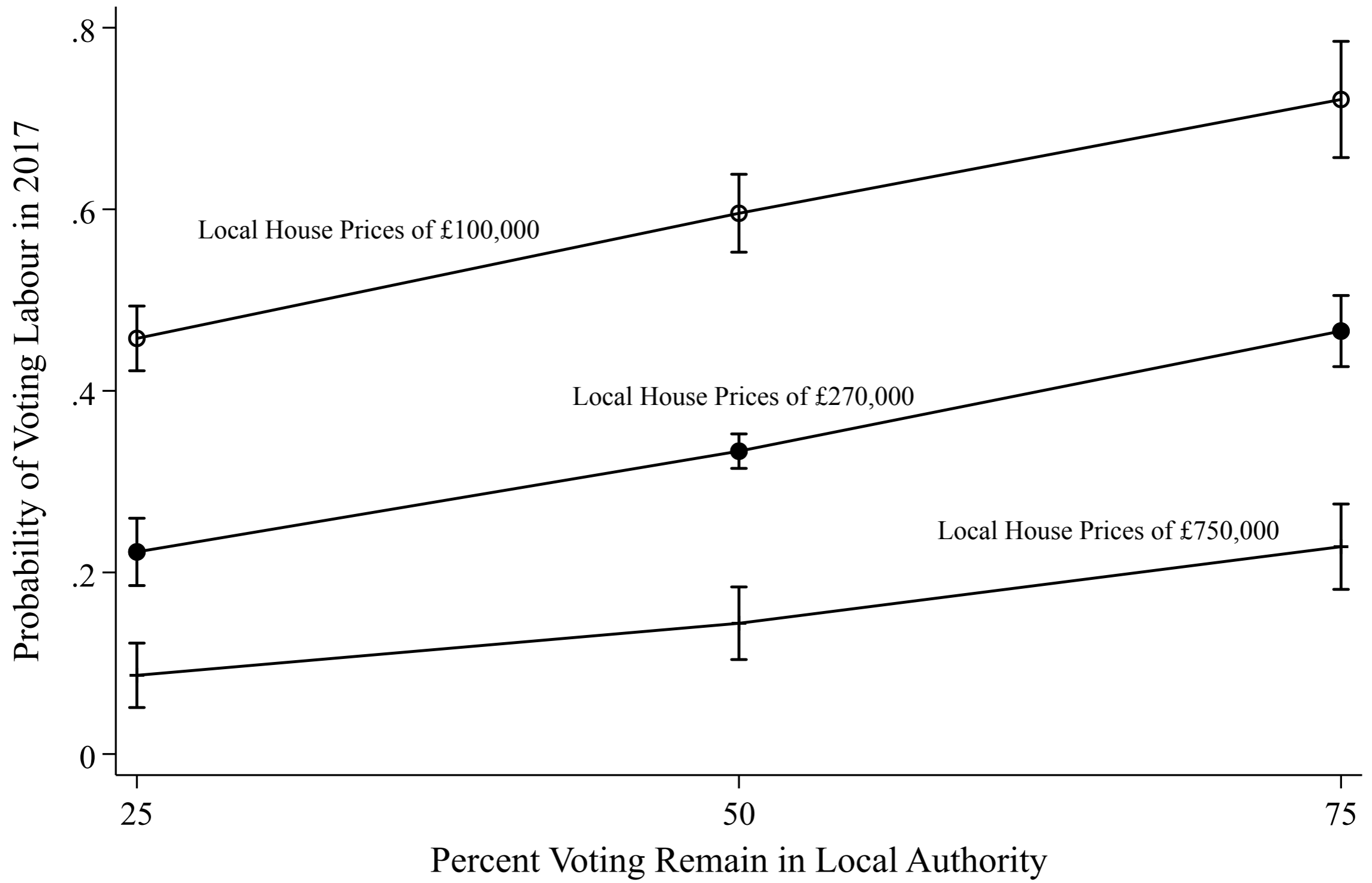
Housing Tenure & Election Turnout — Ages 45+



Housing Tenure & Election Turnout — Ages Under 45







THE POLICY AGENDA

How to tackle wealth inequalities?

1. Through taxation?

2. Through land supply?

3. Through internal migration?

TAXATION

Broadly speaking, the very least popular taxes are those on property or inheritance.

Similar results found in studies of US politics - the 'death tax' (which applied only to estates over \$2m).

Transactions taxes such as stamp duty force young buyers to pay for 'sins' of old owners.

So no obvious answers here.

Tax fairness

% who say each of the following taxes are fair or unfair

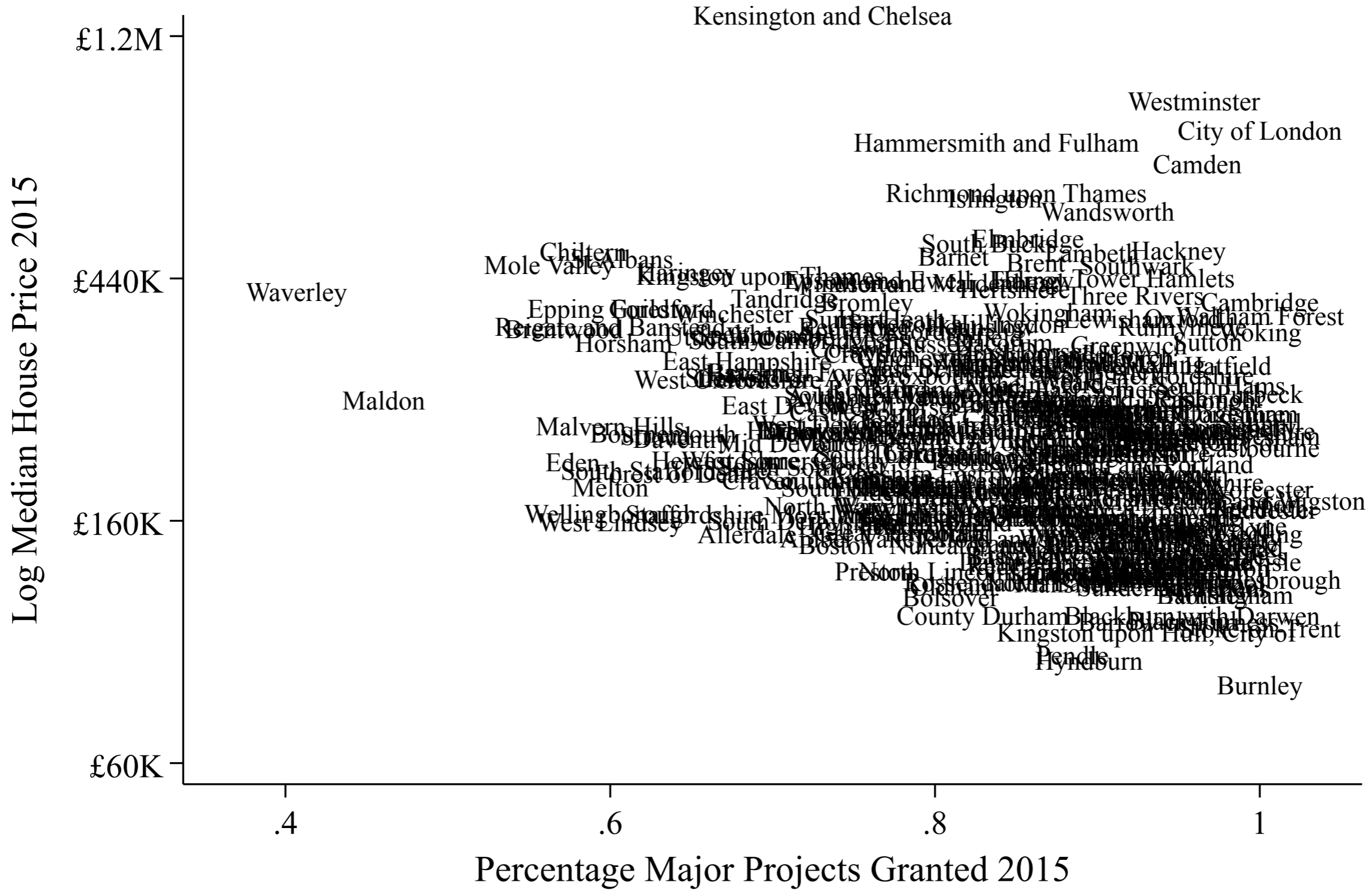
	Fair	Unfair
Tax on cigarettes and tobacco	70	17
Tax on alcohol	63	21
National insurance	56	21
Income tax	55	26
Council tax	42	38
VAT	40	39
Tax on petrol and deisel	31	51
BBC licence fee	30	51
Air passenger duty	24	46
Stamp duty	21	48
Inheritance tax	22	59

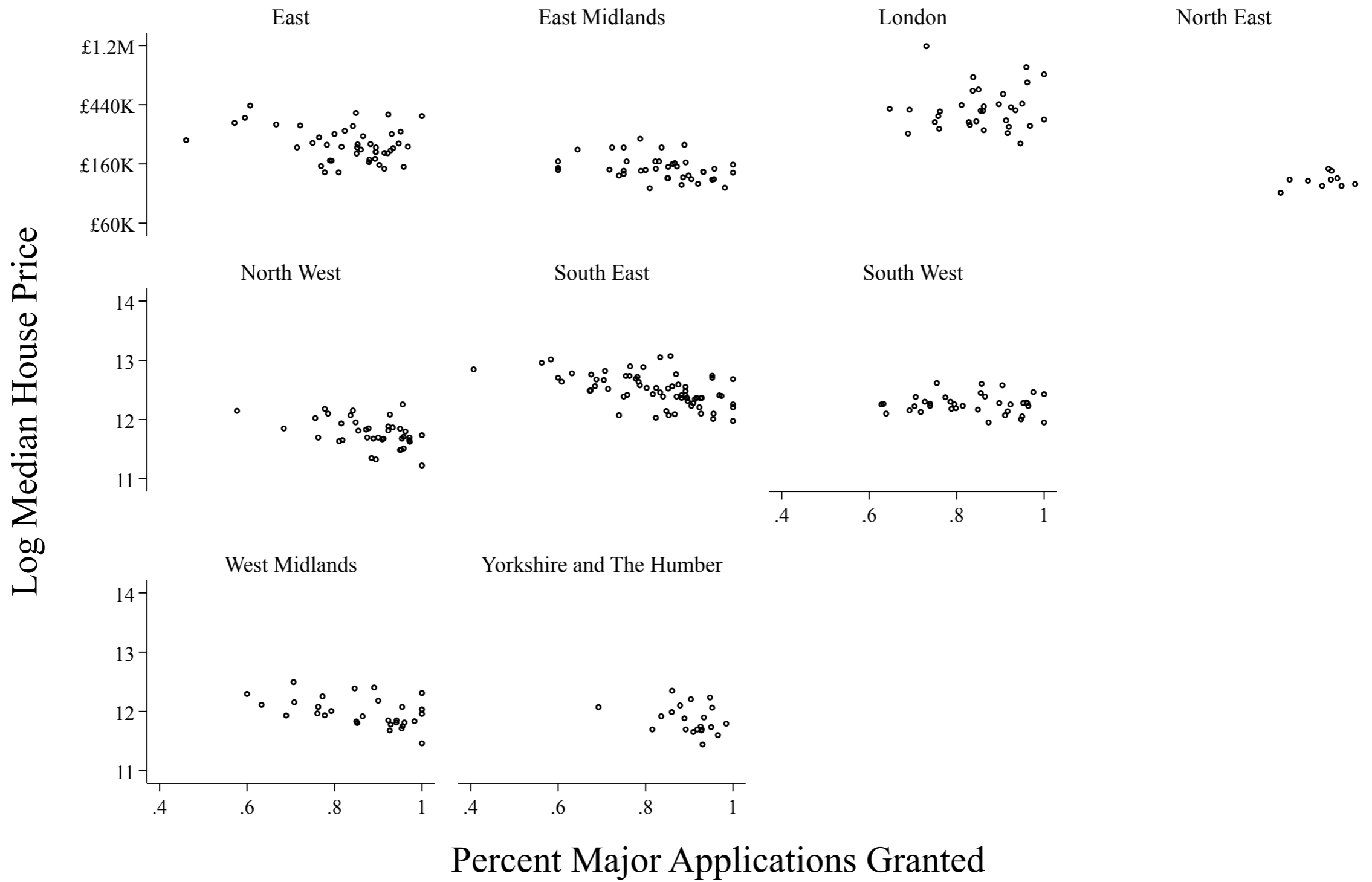
LAND SUPPLY

Strong relationship between house prices and the LAD level and planning applications granted.

But likely this will only matter in those parts of South East and East where success rate is low. Moreover these areas dominated by same group of older, richer citizens who benefit from current situation.

Seems to matter least in London and no consistent relationship to Brexit vote.





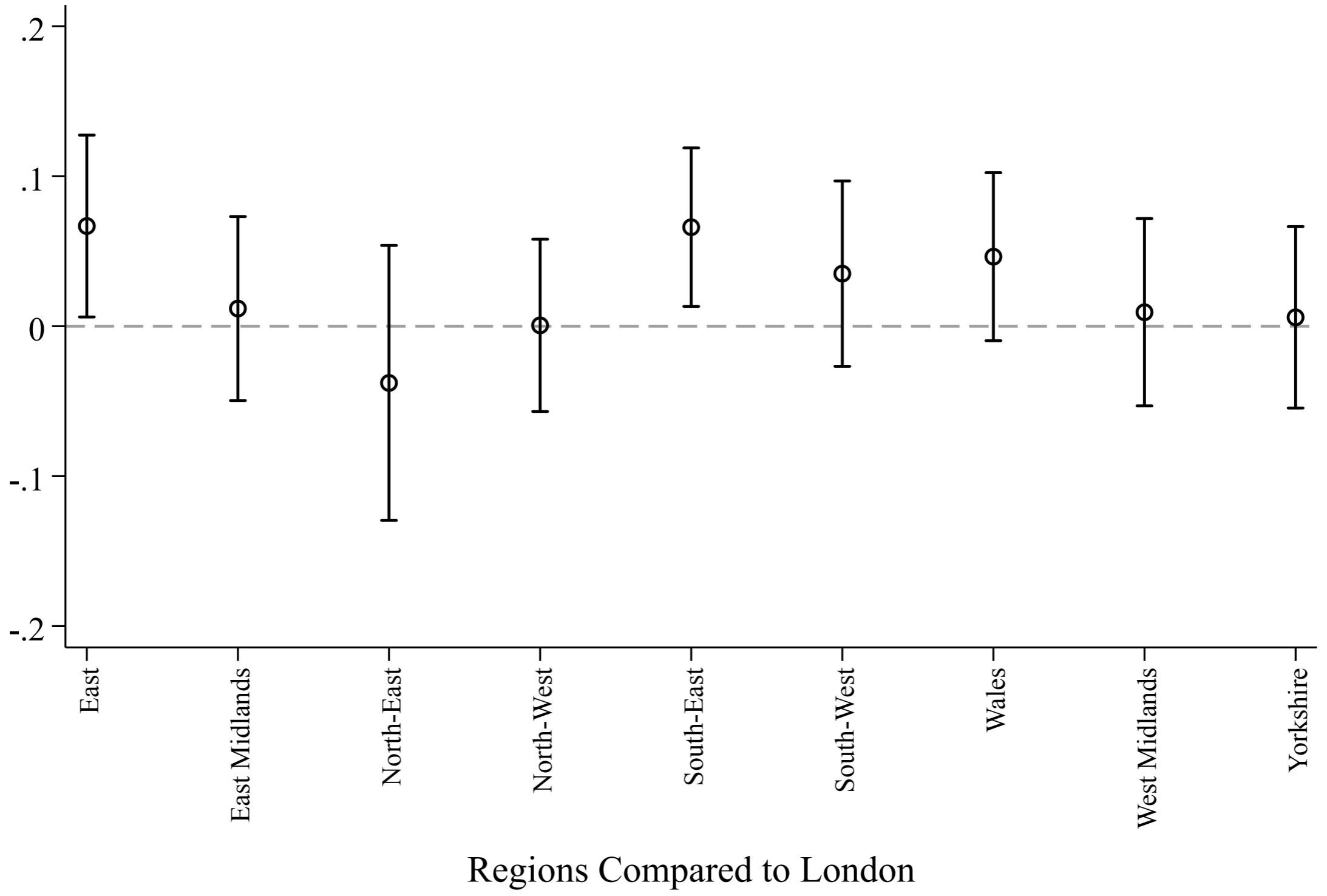
LEAVING LONDON?

A number of commentators have suggested that internal migration and a rebalancing of regional housing demand might be occurring and have political implications.

Boost to Labour appears to have concentrated in Home Counties in East and Southeast.

The housing market itself then could be rebalancing the UK's political balance.

Relative Labour Support 2017 versus 2015



IN SUM

Housing inequality in Britain closely tracks the new dividing line over open / closed (BREXIT).

But Corbyn's support still largely based in areas with lower house prices and among renters.

This creates cleavages within BOTH parties (left-right vs open-closed)

Solutions to housing inequality (tax and planning) are politically very challenging. Market forces on the other hand are reshaping political coalitions.