

## BOOK REVIEW

### Finance for Housing: An introduction

Cathy Davis  
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Published in 2013 *Finance for Housing* is a product of Davis' view of the preceding social, economic and political context, a historic narrative of housing finance policies. Its great contribution is to describe, in an accessible style, the neoliberal movement and momentum of housing finance policy across successive governments. Its failure is that it omits key issues (e.g. land values, development finance and gain) and therefore fails to provide a comprehensive theoretical approach for students to analyse the impact of housing finance policies themselves.

Written as a responsive, rather than self-reflective and theoretically explicit critique, this book is frequently provocative and is likely to challenge many of its intended readership's views. A more theoretically nuanced approach may have given the book greater longevity, but would likely have created less debate (a trade-off one assumes Davis is content with).

The book is divided into four parts: an overview; five chapters on tenure; three on issues with housing costs; and a discussion primer to conclude. For an introduction to housing finance a formidable amount of evidence and detail is disseminated.

The opening chapter *Political choices and housing finance* outlines government approaches to housing since the 1940s and introduces the convergence and divergence of housing policy across countries within the UK. This chapter deserves to become a key resource for students looking for a brief overview of housing policy, clearly relating the ability of the state to frame housing decisions for residents and housing providers.

Next, the global financial crisis is considered. The government's role in regulating financial markets is scrutinized as well as the rise of alternative credit vehicles in creating the conditions for the crisis. The UK's response under Brown and Darling and subsequently Cameron and Osborne are given short treatments, primarily to set the context for diminishing public finance support for housing.

Part two is substantial and broadly organised around different tenures. These chapters are a significant resource and could be used independently. This approach would have been further supported by less frequent cross-referencing of later chapters, a more structured approach to the historic timeframe considered, and more consistent examination of significant themes, such as financing the development process across housing tenures.

Chapter three is an excellent overview of the relationship between central and local authority finance. Written in an accessible style, there is a clear progression through key and complex funding arrangements, such as the Revenue Support Grant, the New Homes Bonus and the Supporting People programme, to other funding arrangements such as PFI. This chapter does well to interweave the impact of the current housing finance situation with wider welfare issues, portraying a more holistic picture of the limitations facing local authorities in responding to housing need with diminishing budgets.

The chapter on owner-occupation covers the significant expansion of mortgage finance through deregulation and building society growth. The unscrupulous behavior of mortgage providers, builders and account holders profiteering from deregulation are given their due. The debate then widens to consider the role of owner-occupation as a means of supporting asset-based welfare. It is interesting that there is no treatment of private sector development financing within the text, given the treatment elsewhere (albeit brief) of development in council housing and housing association tenures. There is also no discussion of the impact of any groups of owner-occupier other than those at risk of repossession. Whilst boundaries are necessary, a critical review of the relationships between owner-occupiers, the state and the financing of development would have provided a more holistic review, as would a discussion about the whole life costs of housing tenures for occupiers.

Chapter five considers the *changing fortunes of council housing* and is the most comprehensive chapter in part two. Contemporary financial arrangements are framed in a shorter time period than the other tenure chapters, discarding the historic growth in the sector during the mid twentieth century and focusing on the later changes through right to buy and stock transfer. The political narrative from the 1980s onwards is compelling and Davis highlights the trajectory across successive governments very clearly.

The chapter on Housing Association finance is ambitious given the array of financial models implemented by associations. The example of Leafy Glades (pseudonym) explores the range of income streams and costs incumbent on some associations, and rightly highlights the difficulty in understanding housing associations' financial models. The history of grant assistance and the increasing reliance on private finance is broken down into individual descriptions of the numerous incomes (housing association grants, social housing grant, private loans, derivatives, bonds, building for sale, planning gain and affordable rent), and consequently lacks some of the clarity and cohesion that characterises the rest of the book.

The chapter on the private rented sector covers 80 years of rent control and decontrol, regulation and the introduction of assured tenancies, exploring the financial implications for landlords and the supply side response for each round of reform. The section on 'accidental' and 'buy-to-let' landlords expands the discussion, but focuses too much on the size of the market rather than the financial ramifications for landlords and tenants alike and the financial relationship with development.

Part three covers issues with housing costs, opening with key debates about 'marginal' owner-occupation, including: first time buyers, shared ownership and equity sharing, the right to buy, paying for repairs and improvements, leaving owner-

occupation, sub-prime mortgages, and paying for residential care by selling the home. This chapter is an excellent introductory précis, providing food for thought and challenging some of the more frequently overlooked aspects of owner-occupation.

*A variety of rents* reviews historic conflicts and perceptions of rent's role. It is the most theoretically advanced and compelling chapter in the book, reflecting on the meaning intrinsic in discussions of finance as well as describing policy developments. This approach does differentiate it from the rest of the book, and students should readily be encouraged to read it as a standalone chapter.

Given the importance of Housing Benefit to the UK housing system this chapter is significant. The background to Housing Benefit is described prior to a review of the Coalition's changes. This chapter reflects the general style of the book, situating the policy changes side by side, allowing the cumulative force of these changes to be understood.

In part four Davis explicitly acknowledges the provocative tone used throughout the book. Provocation is the appropriate culmination of this book as readers draw their conclusions from the vast array of material presented. However, the polemic extends back throughout the book, permeating the historical narrative and the overall analysis. This may hinder the debate Davis is trying to stimulate by presenting too one-sided an account. Whilst this reviewer has sympathy with the narrative presented, the absence of serious engagement with arguments from the right (evidenced by the repetitive reading recommendations at the end of each chapter) is a significant limitation.

This book is far from alone in responding to the great financial crisis, yet the wider historical period considered does help frame contemporary arrangements in a broader and longer neoliberal agenda. It is much more accessible than many other accounts, even whilst describing such a broad range of mechanisms and policies. It is limited, though, by an un-self-critical approach; minimal engagement with alternative perspectives; selective consideration of topics; and a historic rather than theoretical reflection on the policies considered.

Housing professionals, students and academics alike will find this a useful introduction to topics in housing finance in the UK, and it will be an important addition for recommended reading in modules on housing policy and finance. Overall, in line with Davis' aims in writing the book, many users will find this an accessible and thought provoking account of finance for housing policies.

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