

Grenfell survivors homeless while local mansions remain empty

By Paul Mitchell
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Most of the survivors of the inferno at Grenfell Tower remain homeless, almost two months after at least 80 people died. Despite promises by the government to find suitable housing, only 12 families have so far been rehoused with the remaining survivors of the 24-storey building living in hotels or other temporary accommodation. Hundreds of families in tower blocks with similar combustible cladding have also been evacuated.

The callous indifference shown to the rehousing of just 158 families in one of the richest cities in the world was underscored by this week's revelations that in the same London borough—Kensington and Chelsea—1,652 often luxury properties are long-term unoccupied. Around 1,000 have been empty for between one and two years, and 600 for more than two years. About 50 have not been lived in for more than 10 years.

The revelations are the result of an email “accidentally” sent by Kensington and Chelsea Council listing the properties along with the names of their 1,197 wealthy owners to a number of news outlets. Details of the minuscule amounts of local council tax they pay were also included. It shows, for example, that someone in a bedsit in the borough has to pay £708 a year in council tax, whereas the owner of a multimillion pound property pays just three times more—£2,124 a year. If they keep it empty for more than two years, they will face sanctions—but this amounts to a 50 percent surcharge, pocket change for such people.

So far, just a handful of owners on the list have been named.

They include former mayor of New York City, Michael Bloomberg, who has an empty seven-bedroom mansion on Cheyne Walk fronting the River Thames. United Arab Emirates ruler Sheikh Mohammed bin

Rashid Al Maktoum owns an undisclosed number of properties through an offshore company, Smech Properties Ltd.

Also named is the Ukrainian billionaire, Dymitro Firtash—out on bail since his arrest in Austria in 2014 on allegations of bribery and corruption. He owns the former Brompton Road tube station building, once used as a top secret command centre for Winston Churchill, which he bought in 2014 for £53 million.

Much of the press has directed its anger at foreign oligarchs and wealthy Arabs for acquiring property for speculative purposes—the “buy to leave” phenomenon. The most extreme example is the One Hyde Park development in Kensington. The most expensive development in the UK, with apartments selling for up to £100 million each, just 19 out of 80 units are lived in.

But British citizens also feature (and probably make up the majority) on the list including luxury property developer, Christian Candy, whose Dukes Lodge London company owns a 26-unit, seven-storey apartment building in Holland Park. He wants to replace it with five mansions.

Then there is the empty £6 million house owned by Peter Fincham, a former controller of BBC1 who has made a fortune out of the outsourcing of programme production by the public broadcaster.

The same pattern is repeated across London, where 19,845 homes, worth some £9.4 billion (\$12 billion) sat idle for over six months in 2016. Across England, there are 200,145 empty homes with an estimated value of £43.5 billion.

Representatives of the Labour Party put on their best outraged expression following the revelations.

Kensington Labour MP Emma Dent Coad declared, “It is a disgrace that people are allowed to buy to leave,

with no intention whatever of living in a property, just to park their money, when we have so many homeless people. ... We must have policies to stop this before even more parts of Kensington become a luxury ghost town.”

Shadow Housing Minister John Healey said, “When the country is already in the grip of a housing crisis, the fact that properties are left empty is simply unacceptable.”

Healey declared, “Labour would allow councils to charge a 300 percent empty homes premium on properties that have been empty for more than a year and ask them to prepare empty-homes strategies to bring homes back into use in each area.

“We would also reverse the Conservatives’ weakening of councils’ powers to introduce empty dwelling management orders (EDMOs) to bring homes back into use.”

Labour Party leader Jeremy Corbyn had earlier called for such homes to be given to survivors. He said the government should bring in emergency legislation to requisition or buy properties using compulsory purchase orders (CPOs) to counter the widespread practice of leaving property empty so it can be sold at a massive profit in the future.

But this demand has now been sidelined by Healey’s toothless proposals.

For small landlords, changes to council tax rules, combined with rising house prices and rents, usually make it uneconomic to keep a property empty. But for the super-rich these concerns don’t even feature on their radars.

According to property expert Henry Pryor, speaking to the BBC in 2015, speculators who leave flats empty are acting in a “highly calculating” manner. He explained, “The costs of letting, including wear and tear and administration, can outweigh any money taken from rent” because buyers want untouched apartments and will pay a premium for them.

“Some buyers don’t want to live somewhere second-hand, just as they would feel if buying a Rolls-Royce or an Aston Martin ... This applies even when they’re buying a place that’s five years old.”

Pryor pointed out, “The number of potential homes affected by buy-to-leave isn’t huge in a city the size of London, with a housing stock of several million ... But as a percentage of new-built properties, the ones

intended to help deal with the housing crisis, they account for quite a significant percentage.”

As for Corbyn’s call for wider use of CPOs, it was partly because of their problems—it can take two years from start to finish and then end up in a public inquiry—that the Labour government under Tony Blair in 2004 accepted an amendment to its Housing Bill bringing in the EDMOs that Healey talks about.

Legitimate outrage over “empty” properties is also used to deflect public anger from the hundreds of thousands of properties that have been allowed to fall into disrepair. This is combined with the refusal of previous Labour governments to build council housing—just 7,870 dwellings during the 1997 to 2010 administration—and the criminal policy of destroying council housing to make way for lucrative private accommodation.

In just one London Labour-controlled council, Haringey, there are plans to privatise 17 housing estates (including thousands of dwellings in the huge Northumberland Park and Broadwater Farm estates.)

The contempt expressed toward the thousands of council residents in Haringey gives the lie to all Labour’s crocodile tears over Grenfell. Of the 1,092 council houses on the Northumberland Park Estate, a maximum of 183 will be replaced. Of the 2,500 or so new homes that will be squeezed into the area, the council claims that 40 percent will be “affordable.” But most of these will be for sale rather than rent and way beyond the financial reach of those to be evicted. An affordable rent can be as much as £1,000 a month for a one-bedroom apartment.

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