



REDUCING  
HOUSING  
INEQUALITIES

# THE GREENING HOUSING CONTRADICTION: THE UK CASE

Sonia Arbaci and Phoebe Stirling, UCL

ENHR 2025 Grand Paris CONFERENCE | Workshop: Policy and Research | Paris, 30 June - 4 July 2025



Co-funded by  
the European Union



UK Research  
and Innovation

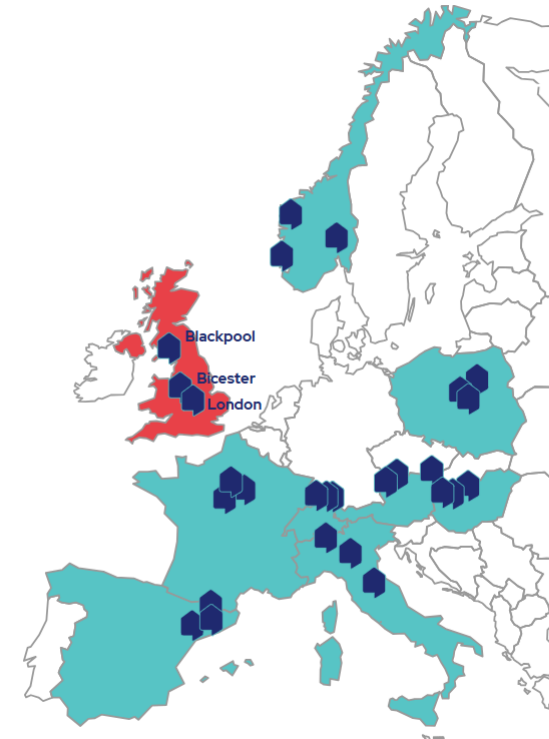


State Secretariat for Education,  
Research and Innovation SERI

The ReHousIn project is co-funded by the European Union. The UCL's work on this project is funded by UK Research and Innovation (UKRI) under the UK government's Horizon Europe funding guarantee. The ETH work on this project is funded by the Swiss State Secretariat for Education, Research and Innovation (SERI) under the Swiss government's Horizon Europe funding guarantee. Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the European Union, European Research Executive Agency (REA) and other granting authorities. Neither the European Union nor the granting authorities can be held responsible for them.

# REDUCING HOUSING INEQUALITIES

The European project **ReHousIn: Reducing Housing Inequalities** aims to spark innovative policy solutions towards inclusionary and quality housing.



**Impact of (EU) Green Agenda = 3 green policy initiatives – Retrofit, NbS, Densification - on housing inequalities**

Green-H Affordability nexus

# Novelty

Linking “welfare regime / housing system”\* studies with “environmental” studies (lacking polit.-ec perspective)



**conceptual / methodological framing** ...and specific look at supply system (overlooked in w-h scholarship)



focus on **role of the state**(-market nexus) in the production of urban inequality via the 3 green policy init.  
focus on **role of land**

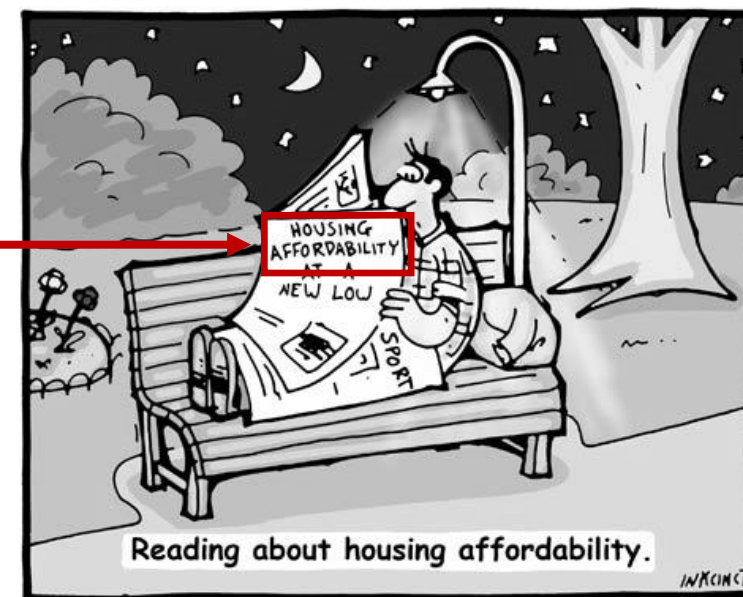
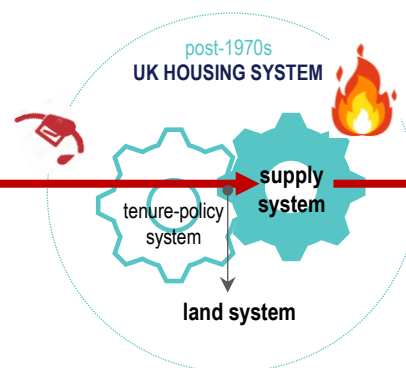


introduce **systemic thinking** in analysing 3 green policies, thus seen as part of a **broader system**,  
by deconstructing the **(re-)commodification of the supply system along 5 dimensions** (focus on the HOW)

# Greening housing contradiction



GREEN policy initiatives Retrofit, NbS, densification



2008-106 © INKCINCT Cartoons www.inkinct.com.au

residential inequalities

green policy initiatives are adding fuel to the fire! .... **ok, but HOW?**

spoiler: at the moment, in the UK it is not because of (green) gentrification, it is because of “how” the housing supply system works

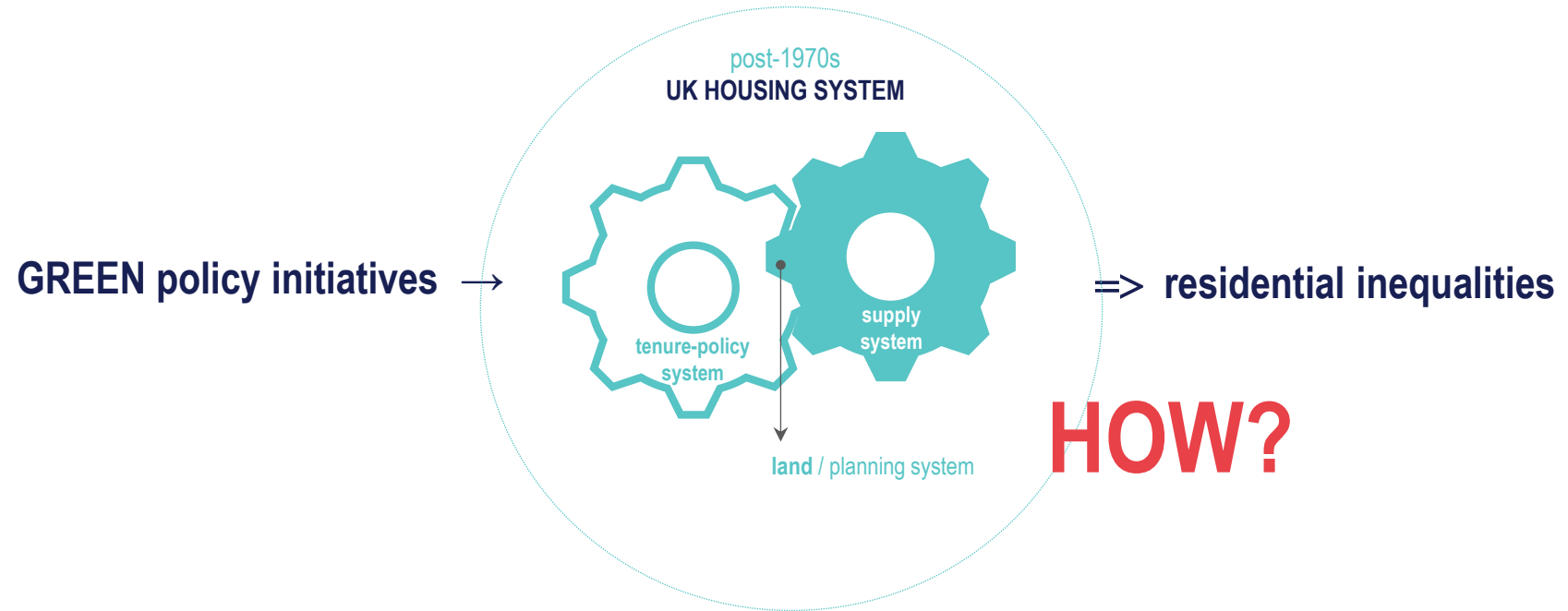
# Key argument



We argue that

In the UK, **three green policy initiatives** manifested through the built environment - **Retrofitting**, **NbS**, and **Densification** - **are reproducing longstanding residential inequalities**,

**since they are replicating those structural mechanisms of the national housing system that have been producing residential inequalities since the late-1970s.**



3 green policy initiatives are reproducing residential inequalities, because the governance structures determining **HOW** these environmental initiatives are rolled out, are underpinned by the **same macroeconomic logic / welfare regime principles** (residualist) that governs the existing UK housing system: a policy preference **to stimulate economic activity by (re-)commodifying the supply of public goods**.

The **re-commodification of land** (privatisation of public land; weakening planning system) is pivotal in this process.



# Broader historical shift / welfare regime path-change

policy interventions intended to lubricate the flow of private (rather than public) investment into housing

= stimulate economic activity by the re-commodification of supply of public goods

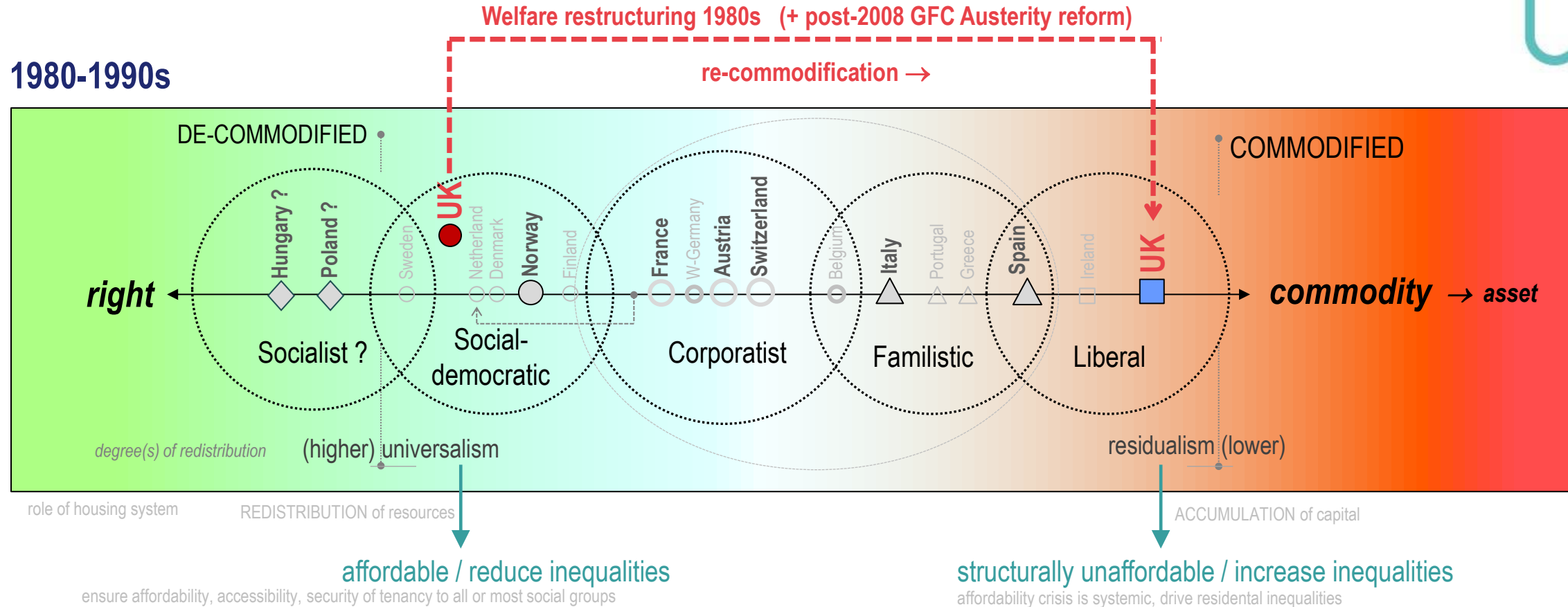
↑ - shift from right, to good...to asset (housing, labour, pension, ...and green!) – residualisation of welfare regime

- shift stimulus from production to consumption

These shifts initiated in the mid-60s  
but were turbo-charged during the Thatcher era (welfare restructuring / liberalization of credit market) and continue today.

the more (re-)commodified a housing system becomes, the greater the residential inequalities

1980-1990s



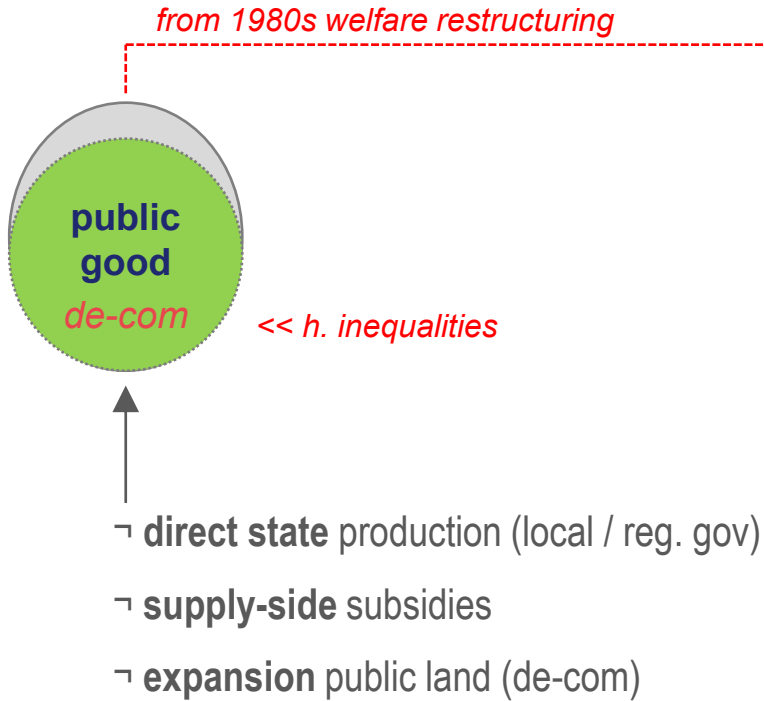
broader historical • **SHIFT** from state-led investments in the supply of public goods to policies that stimulate supply by investing in demand.

• re-commodification of LAND (weakening planning system to allow speculation)



# How public goods (de-com housing & green?) are supplied in the UK

## Social-democratic welfare regime



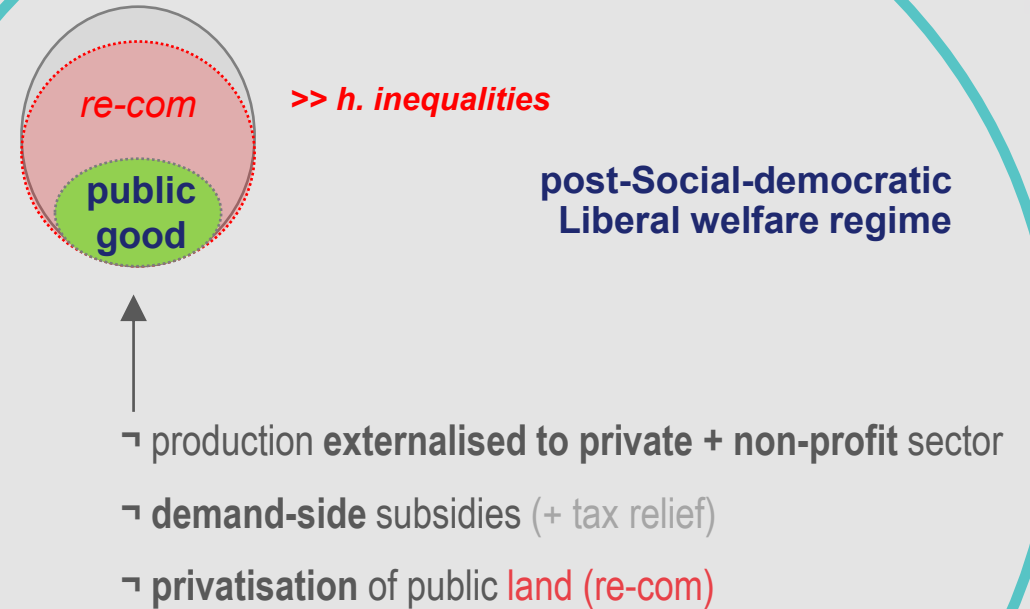
## TO STIMULATE THE SUPPLY OF PUBLIC GOODS (housing, green, edu, health)

### • by investing in supply (production)

- vertical distribution of power & resources (fiscal / finance / regulation)
- strong local state

Fordist regime of accumulation

## post-Social-democratic Liberal welfare regime



### • by investing in demand (consumption)

- centralisation of finance (fiscal / regulatory)  
→ penniless devolution
- weak local state

post-Fordist regime of accumulation

# In other words

As the **macroeconomic machinery drives economic activity by propping up demand, rather than actually investing in the production and provision of housing (and green),** the UK welfare/gov. has simply **driven the extraction of economic rent from the housing system (and green system).**

Since 2008, one of the main policy responses to the dysfunctional housing outcomes across the country (particularly skyrocketing rents and house prices) has been an emphasis on building more homes (and release more public land). This is driven by the (fallacious) belief that increasing the supply of housing will restore a lower equilibrium price.

But far from driving policymakers to invest in the production and provision of housing, these policy efforts have **consisted in removing ‘red tape’ and planning constraints to incentivize the supply-side of an industry that is already well served meeting investment-driven demand.**



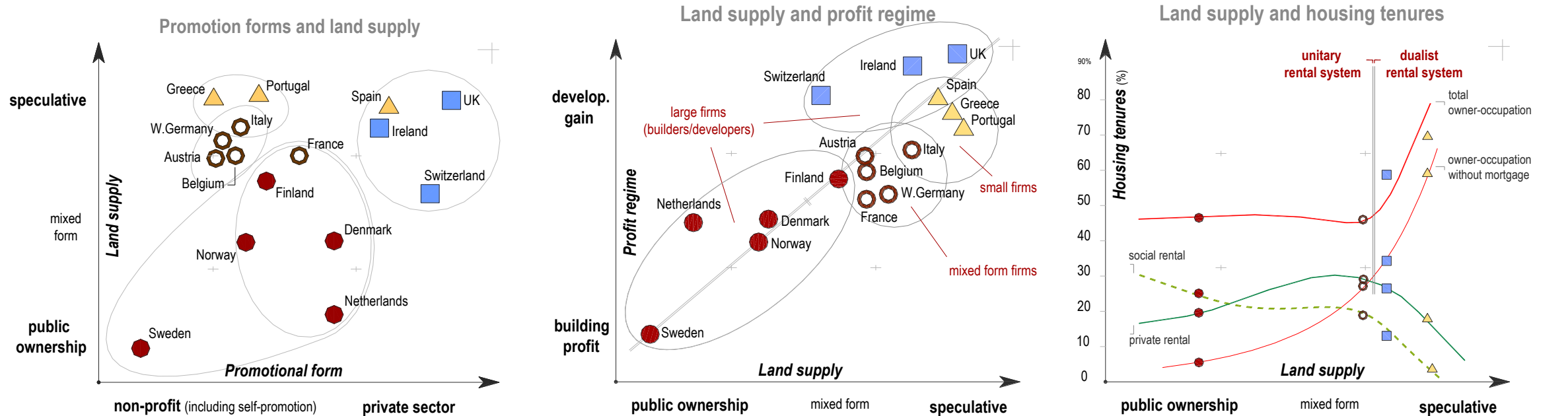
## Conceptual / methodological framework

**HOW do R,NbS,D work? How they are re-producing/exacerbating housing inequalities?**

HOW does the re-commodified housing system manifests in R, NbS, and D?  
in their contemporary policy, governance and industrial structure.

**...we deconstructed the housing supply system**

# revisiting supply system framework (welfare regimes/housing system studies)



Housing provision, land supply and housing tenures: Western European countries, 1985-95. (semiscaled diagram)

Source: compiled by author, data from Barlow and Duncan, 1994: 36, Balchin, 1996.

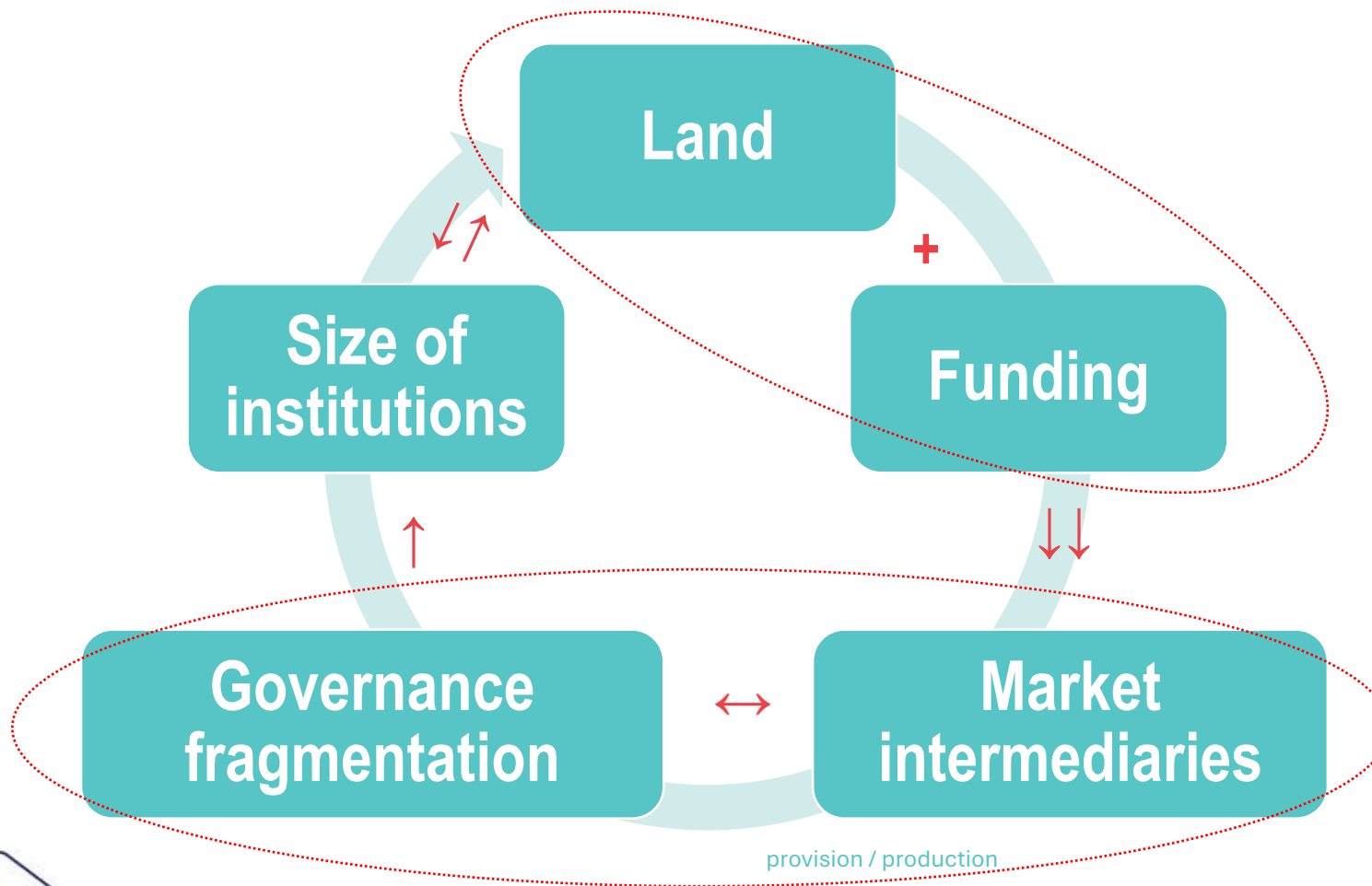
● Social-democratic welfare cluster ● Corporatist welfare cluster ■ Liberal welfare cluster ▲ Familistic welfare cluster

- provision / production (promotion)
- profit regime
- size developers
- land supply (land system / planning system)

considering ... • externalisation of production (outsourcing)  
• penniless devolution (vertical fragmentation)

### 3 green policy initiatives - R,NbS,D - compared along the 5 dimensions of the supply system

Deconstructing the supply system (revisited framework)



- How R,NbS,D work
- How they (re-)produce inequalities

	Retrof	NbS	Densif
Land	n.a	+	+++
Funding	++	+	++
Market intermediaries	++	++	++++
Governance fragmentation	+++	++	++++
Size of institutions	++	+++	++++

# Deconstructing the “how” 3 green sisters works (and (re-)produce inequalities) along 5 dimensions

## 1. Fundamental shift in the (RE-)COMMODIFICATION OF LAND.

We trace the transfer of the value inherent in land from the public to the private sector in NbS and D mostly. This transfer has, as in the housing sector, **lead to rising land prices and rising costs in the production of public goods (green and de-carbonisation production).**

## 2. RESIDUALIST FUNDING structures for the 3 initiatives.

Fewer and marginal green-policy fundings, as in the housing sector, **aim to stimulate the supply of R, NbS, D by investing in demand;** these have similarly done little to reduce the costs of production. This has **led to high costs in the market for public goods like domestic retrofit,** meanwhile the demand-based schemes that dominate public intervention **re-produce housing inequalities as those living in the poorest quality housing are excluded.**

(lost opportunity to redistribute, instead they amplify distance b/w socio-ec groups = inequality)

# Deconstructing the “how”: 5 themes x 3 green sisters

**3.** The lack of funding and the (re-)commodification of land has undermined the ability of public bodies like local authorities to engage in direct provision of these public goods (thus externalisation of production). This has led to a proliferation of **MARKET INTERMEDIARIES** indirectly **contributing to (and raising the cost of) production.**

- in **D** projects: the private and non-profit sector have stepped in to acquire land for the provision homes for those on local authority housing registers, raising revenue requirements and **reducing the number of social homes in production.** Public land cheaply sold to enter PPP.
- in NbS provision: both private and social housing providers are compelled to pay for a range of consultancies for on-site delivery of biodiversity, also raising costs. Where on-site delivery is too costly, an **emerging biodiversity credits market** has created opportunities for the re-packaging and financialization of these assets.

**4.** As the **policy governance and industrial structures** that pertain to R, NbS and D become increasingly **FRAGMENTED**, the **coordination of the supply-side of these industries is weakened.** The national government has outsourced many of its operations in these areas to external consultants. This means **direct connections with local authorities are lost, adding cost and complexity to the work of all providers,** whether these are local authorities, developers, or social housing providers.

- Policy interventions (like funding for the R of social housing) end up poorly designed, as civil servants lack understanding of the supply-side and how stakeholders work. This is exemplified by huge amounts of retrofit funding being returned, after local authorities were unable to deliver on their social housing retrofit programmes or produce match-funding.



## Deconstructing the “how”: 5 themes x 3 green sisters

5. In this fragmented space, the **SIZE OF INSTITUTIONS** involved with provision has become **a significant factor in their success**.

Institutions involved in production and provision **need increasing amounts of capital to acquire land**.

**Smaller institutions** lack the heft to negotiate down their costs or their planning obligations and **find production increasingly unviable**. Mergers and acquisitions have been common in this environment, as institutions start to recognize that **size equals success**.

Revenue requirements are raised, all contributing to **the rising cost of production**.

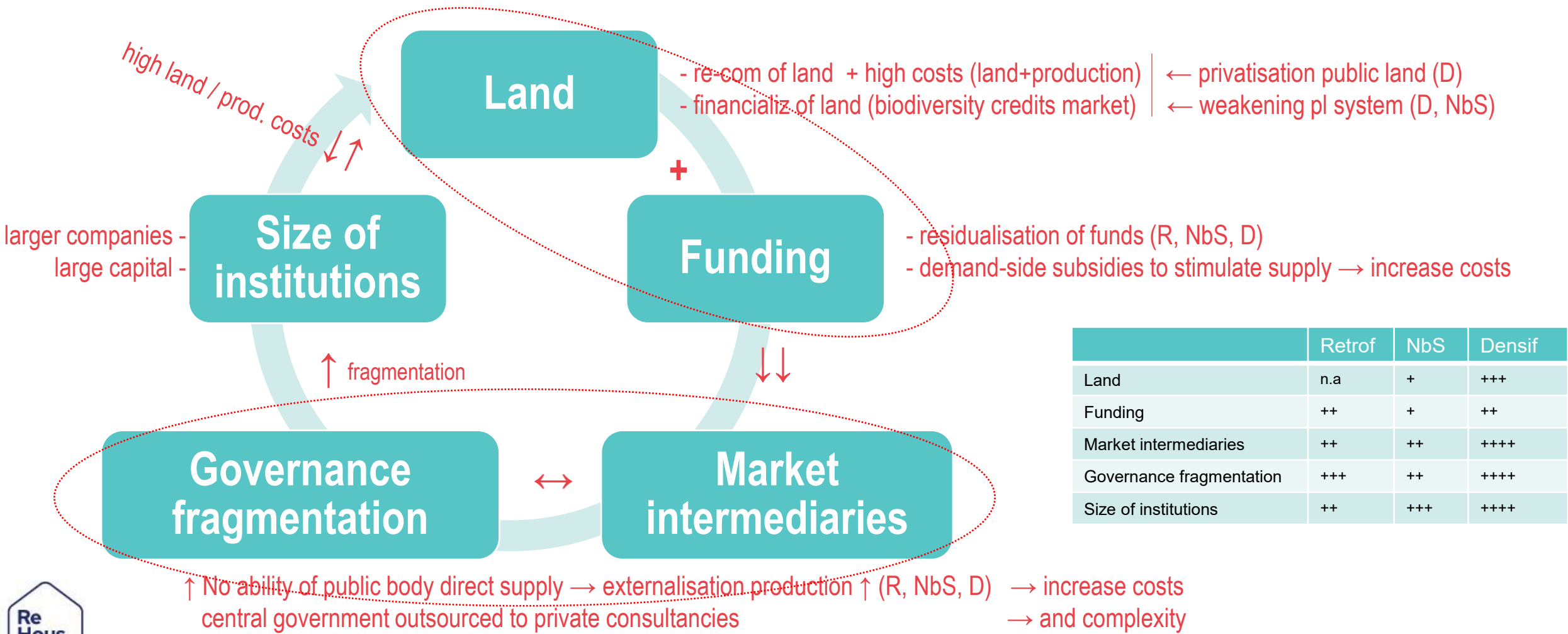
These **costs are all ultimately shunted along to end users, entrenching already existing housing inequalities**.

### Findings and contributions

If **R, NbS, and D** are coordinated along the same principles that govern the UK housing system (residualist / commodified), these initiatives **will not only reproduce existing social and residential inequalities; they will also be ineffective in terms of genuine environmental sustainability**.

### 3 green policy initiatives - R,NbS,D - compared along the 5 dimensions of the supply system

Deconstructing the supply system (revisited framework)



## Methodological Approach

- The empirical research for this paper is underway.
- Methods of data collection are **largely policy analysis and interviews with key stakeholders** (national government, local government, non-profit housing providers, private developers, producers and consultancies, grass-roots organisations).
- The abstract is currently based on several hypotheses, which **have been co-produced through stakeholder engagement events** (Policy Lab).

# Thank you!



image AI gener