

## Editorial

# Landlord Neutral 2030

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While the Labour government has, in recent months, announced a set of policies aimed at addressing this country's trenchant housing crisis and rapidly inflating real-estate bubble, the prospects for first-home buyers and renters remain grim. Auckland lays claim to being one of the most unaffordable cities in the world, and Aotearoa New Zealand tops Bloomberg's recent survey of the world's 'bubbliest' housing markets.<sup>1</sup> In the country's main centres, those who do not own a home continue to pay extortionate rents.

In the space of one year, house prices nationwide have increased by 30 percent.<sup>2</sup> And in previously more affordable parts of the country like Gisborne and Otago, prices have skyrocketed 72.5 percent and 58.8 percent, respectively. This catastrophe has created the unheard of situation where 73.4 percent of people in one recent poll, and 64 percent in

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1 'Auckland fourth least affordable city for housing among world cities – 2021 Demographia report,' *Stuff*, 26 February 2021; Enda Curran, 'World's Bubbliest Housing Markets Flash 2008 Style Warning,' *Bloomberg*, 15 June 2021.

2 Bernard Hickey, 'How hope for a generation was lost,' *The Spinoff*, 25 June 2021.

another, have reported that they want house prices to fall.<sup>3</sup>

While a shortfall of supply is at the root of Aotearoa New Zealand's housing problem, this shortage is intensified by the widespread practice of purchasing houses not as homes but as financial assets. Investors, of both the 'mum-and-dad' and professional varieties, scoop up houses that are surplus to their requirements so that they can grow their wealth. These investors are able to outbid others by leveraging existing housing assets, outflanking those who are young or without an asset base. In the process, they drive up house prices, making homes increasingly unaffordable for first-home buyers.

These investors also become landlords, profiting from people's need for shelter. By purchasing this scarce and essential resource, the landlord also secures for themselves an income stream in the form of rent. As Campbell Jones has written in these pages, accommodation rent is 'one of the oldest forms of economic exploitation', which 'only exists because of inequality of access, in which one group is able to claim for itself the right of exclusive possession of property'.<sup>4</sup> The landlord profits by monopolising land, forcing others to pay them a tribute so that they can access a basic human right, the need for shelter. In the rentier paradise that is contemporary Aotearoa New Zealand, landlords are able to extract more and more money from their relatively powerless tenants. If we are to live in a just and equal society, landlordism needs to be abolished.

A first step towards ending landlordism is to emphasise the moral poverty of the practice, which relies on the exclusion and exploitation of others. While the practice of landlordism takes many forms, the two dominant types in this country are the so-called 'mum-and-dad' investor and the professional investor. Mum-and-dad investors are those who own one, two, a handful of extra houses—a little 'nest egg' for their retirement

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3 Jenna Lynch, 'Newshub-Reid Research poll shows Kiwis don't think Government is doing enough to fix housing crisis and want prices to fall,' *Newshub*, 21 May 2021; Ben Leahy, 'Housing pain: Two-thirds of Kiwis say house prices need to fall,' *NZ Herald*, 8 June 2021.

4 Campbell Jones, 'Rent, Interest, Profit,' *Counterfutures* 6 (2018): 75.

and a handy alternative source of income.<sup>5</sup> All up, mum-and-dad investors own around 30 percent of the country's housing stock.<sup>6</sup> When faced with criticism, the mum-and-dad investor tends to emphasise that they have worked hard for their money and are just using it wisely to support their retirement. Not only that, they are providing a vital public service in the form of rental accommodation. People need a place to live, after all, and not everyone is in a position to buy a house. In reality, these people are not only earning money by appropriating a portion of their tenant's income, by purchasing extra properties, they also drive up the price of housing, making it unaffordable for those who do not yet own a home.<sup>7</sup>

The other key figure is that of the professional investor, who owns seven or more homes. While defenders of landlordism like to suggest it is mum-and-dad investors who own the bulk of rental properties, the professional investor is a significant figure in Aotearoa New Zealand, with this type of landlord owning somewhere between 25 and 30 percent of the country's housing stock.<sup>8</sup> This mode of landlordism is unlikely to try and justify itself on moral grounds—as such grounds would be hard to come by—although we might encounter a gesture to the Randian sentiment that 'greed is good' or an invocation of the power of the invisible hand in creating societal wealth.

All forms of landlordism should be abolished. By abolished we mean that they should be made illegal. They should cease to exist. This very way of thinking—extracting rent from a necessity of life—should be neutralised. Since the moment is not ripe for revolution, we suggest a modest course of action for ridding Aotearoa New Zealand of the scourge of landlordism.

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5 The 'nest egg', like other language of the rentier, should be subjected to critical interrogation. If the landlord has a nest and an egg then they are more like the cuckoo, exploiting the egg bearing of others and squatting over that which does not belong to them.

6 Kirsty Johnston, 'Part-time paradise: Mum and dad landlords own more than a third of property,' *NZ Herald*, 6 January 2020.

7 Closely related to the mum-and-dad investor are 'accidental' or transitory forms of landlordism. These are homeowners who did not set out to be landlords, but have perhaps become so through inheritance, or because they have moved elsewhere.

8 Johnston, 'Part-time paradise.'

First, we should make landlords feel as uncomfortable about their means of income as we would those who work for weapons companies or big tobacco. The shaming of landlords should be as natural as the shaming of those who hoard toilet paper in a public emergency. It should be socially unacceptable and embarrassing to be a landlord, not something that people would want to admit to in polite society.

How might landlords react to such a turn of events? Hints are visible in the reaction of property investors to any threatened or real policy action aimed at curbing property speculation and hoarding. These reactions are curious, mirroring Nietzsche's moral categories of the slave and the master. On the one hand, landlords who invoke the morality of the slave like to play the victim. They respond to calls for government intervention by highlighting how difficult it is to turn a profit from a rental or crying that the government is seeking to take away their hard-earned nest egg. On the other hand, those who invoke the morality of the master are harder to shame. For them, landlordism is a natural state of affairs. But while the first group—the landlord as slave—might be easier to shame, they are also the ones who make earnest appeals to the morality of landlordism—'we are providing a vital service!' And so it is the second group who leave themselves more open to moral and political critique and against whom an antagonistic politics can be most productively directed.

Shaming landlords will not, of course, end the practice of landlordism, but it might go some way towards discouraging this morally bankrupt behaviour. More importantly, it might encourage the development of a political consciousness, in which landlordism is seen as archaic and backward, something no just society would encourage or tolerate.

The second site of action is legislative. An obvious barrier here is the substantial overlap between the political class and the landlord class—indeed, over half of MPs are property investors.<sup>9</sup> We hope that the first site of action might help give way to the second, encouraging voters to reject politicians who are landlords. But more immediately, a rent freeze is essential. Rents could be frozen until the median rent corresponded to,

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9 Susan Edmunds, 'Property investors dominate Parliament,' *Stuff*, 18 May 2021.

say, 25 percent of the median wage, and once this has been achieved, could be pegged to consumer-price inflation. Tenancy agreements should also be made more secure, providing prospective tenants with the option for longer-term inhabitation of a property. And efforts to improve the quality of rental housing should be redoubled. These changes are about both making landlordism less economically attractive and also improving the rights of tenants.

Of course, not everyone wants to own their own homes, and there will always be some demand, especially from the young and the mobile, for shorter-term and more flexible forms of housing. To this end, we support calls for universal state housing, which we see as part of a broader progressive movement for housing.<sup>10</sup> Energy should also be put into the cooperative housing sector, where housing is treated as a collective asset rather than an individual one.<sup>11</sup> While already under way, a legislative mandate from government and low-interest loans would help this sector to grow. Importantly, a left housing movement would have decolonisation at its centre. Decolonisation means returning land, resources, and political power to mana whenua. Jade Kake's work on papākainga signals one of the directions that the decolonisation of housing might take.<sup>12</sup>

The third site of action is the linking of work to abolish landlordism to a broader left movement that connects diverse sites of struggle—from housing rights to environmental protection, from decolonisation to gender equality—and opposes all forms of exploitative social relations. Here, much important work has already been done by groups like the Manawatu Tenants Union and Renters United.

Finally, a wider movement also requires a clear strategic goal, and an aspirational rhetoric. To that end, we propose to go landlord neutral by

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10 Vanessa Cole, 'A Case for Universal State Housing in Aotearoa New Zealand,' *Counterfutures* 9 (2020): 19–45.

11 Mark Southcombe, 'Re-socialising Aotearoa New Zealand Housing,' *Counterfutures* 9 (2020): 47–75.

12 Jade Kake, 'Spatial Justice—Decolonising Our Cities and Settlements,' *Counterfutures* 9 (2020): 123–135.

2030. Going landlord neutral is like going carbon neutral. Where the latter is achieved by both attacking polluters and assisting the development of carbon sinks, going landlord neutral also requires a pincer movement. We need to both undermine the incentives to own more than one home, and we need to provide affordable, healthy, and comfortable rental accommodation to those who want or need it, removing the need for private landlords. Landlord Neutral by 2030: it might sound so far-fetched as to be flippant, but the demand springs from the same political fountainhead as that of the Bolsheviks' 'Peace, Land, and Bread'—ending the domination of our everyday lives.

# THROUGH THAT WHICH SEPARATES US



*Through That Which Separates Us* is a collection of writing, artworks, and interviews that form a genealogy of deportation in Australasia and the Pacific. The collection understands the experiences of those people detained under section 501, held in Australian detention centres, and often deported on the basis of a 'character test', as a paradigmatic case illustrating the intersection of xenophobia and settler colonial violence in a world structured by separation.

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