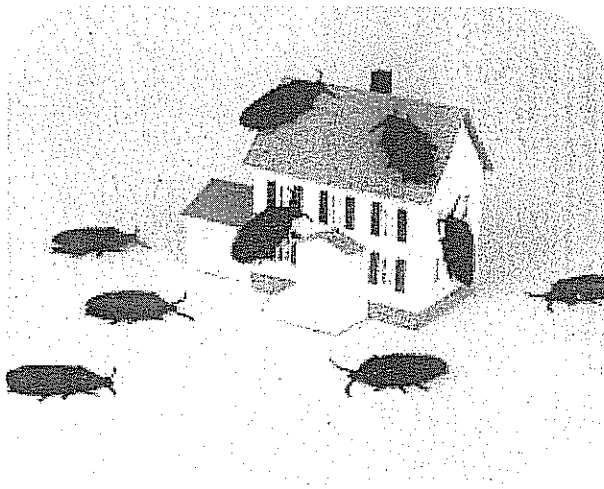


Why Renters Are Vermin...

By Gavin Putland



My wife and I live near the top of a tall residential building on the edge of downtown Melbourne. The view from our balcony is slowly being ruined. To the right, a newer, taller residential building dominates the skyline. Straight ahead, not quite breaking the horizon is another residential building, adorned with signs advertising apartments competing with ours. Behind that, and towering above it, is a crane drawing attention to yet more competing apartments under construction. Behind and below that crane is another. Thirty degrees to the left is yet another. Rumour has it that several more sites in the foreground are earmarked for high-rise residential developments that would compete with our apartment and further encroach on our view.

So you might expect that we're bombarding the City Council and the State Government with objections to these developments, and mobilizing other residents to do the same, arguing that such overdevelopment is inappropriate to the locality and incompatible with the character of the community. But we're not.

Why?

Is it because, unlike most home owners, we understand that when the tax system encourages asset speculation and discourages income generation, the price of a home is determined by what you can borrow against it? — That "supply and demand" affects rents but not prices?

Is it because, unlike most home owners, we understand that if scarcity of housing did raise prices, this would only help people who own more than one property? — That it wouldn't help ordinary home owners, because they always need somewhere to live, so that whatever they gain as prospective sellers, they lose as prospective buyers?

Is it because, unlike most home owners, we understand that a healthy economy requires a plentiful supply

of accommodation, so that employers can pay for business premises out of proceeds of their business, while employees can pay for housing within commuting distance of their jobs, out of wages that employers can pay out of the proceeds of their business?

Is it because, unlike most home owners, we understand that the real gains for home owners are to be had from improved infrastructure, so that home owners should be campaigning, not for scarcity of accommodation, but for better infrastructure, and for a viable method of funding it?

Yes and no — yes, we do understand all that; but no, that's not the full story.

No, the real story is we don't own "our" apartment. We rent it. We don't mind if new residential developments in "our" neighbourhood compete with "our" apartment or spoil "our" view, because these things are automatically compensated by making it harder for "our" landlord to raise the rent.

Consequently, we have no desire to deprive other people of a place to live.

And that, in the eyes of property investors and their home-owning dupes, makes us bad citizens of the local community, bad citizens of the state, and bad citizens of the nation. However well we take care of our landlord's apartment, that cannot compensate for our lack of opposition to the construction of competing apartments.

It is therefore accepted in polite circles that the lifestyles of renters must be made as precarious as possible, so that they will mortgage themselves to the hilt in order to buy into the market — propping up prices in the process — and then do the bidding of those who want housing to be scarce.

But in our case, because we know too much, we still wouldn't do their bidding.