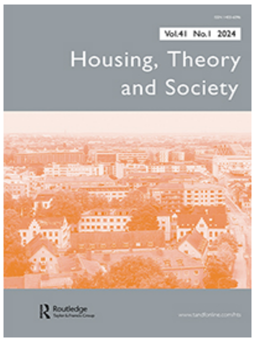

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Residential Accumulation: A Political Economy Framework

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ABSTRACT

Although housing plays a pivotal role in global capitalism, the theoretical links between housing research and political economy remain tenuous. Building on the recent revival of rent theory, this article fleshes out a political economy framework for the analysis of housing provision under capitalism. It opens with an outline of the process of "residential accumulation", explained as a complex interaction between the opposing dynamics of rent extraction and capitalist production. The article then traces this interaction across the different phases of the housing provision process, starting at the point of production, passing through exchange and finance, and finishing with social reproduction. In doing so, the article identifies the conflictual social property relations at work, as well as how these are shaped by different institutional variables. It thus explores the dilemmas that residential accumulation poses for the governance of urban social formations – and, crucially, of capitalism more broadly.

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Introduction

In spite of the centrality of housing to the dynamics of global capitalism, the theoretical links between housing research and political economy remain tenuous. Partly, this is due to the policy orientation of housing studies, a specialist field with a strong empiricist drift, something that its practitioners have long lamented (Kemeny 1992). The closest that housing studies has come to engaging in sustained theoretical inquiry was the literature on "housing regimes" of the 1990s and 2000s, which borrowed insights from sociology to craft typologies of housing-welfare systems (Ball 2020; Blackwell and Kohl 2019; Kemeny and Lowe 1998; Kleinman 1996; Schwartz and Seabrooke 2009). Otherwise, the theoretical contributions of this literature have been scarce. Noting this in a recent article, Sebastian Kohl (2018, 233) has renewed the call to bring housing studies into theoretical dialogue with neighbouring disciplines, highlighting one as especially fruitful: "I see particular potential in yet unexploited imports from political economy".

For their part, political economists have been long interested in residential issues, however their theoretical efforts have displayed two sets of limitations. First, they have tended to be torn between macro-structural approaches, tracing broad systemic

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regularities, and institutionalist approaches, stressing the diversity of national (or even local) institutions (for a discussion, see Aalbers 2022; Haila 1990; Kemeny and Lowe 1998). A connective *middle level of abstraction* has long been neglected. This analytical polarization can be traced to the demise of land rent theory. In the 1970s and 80s, Marxist political economists rediscovered Marx's unfinished writings on land rent and used them to engage in heated disputes over the peculiar role of landed assets (including housing) in the process of capital accumulation (see Haila 1990; Ward and Aalbers 2016). Amid the broader crisis of Marxism around the turn of the 1990s, exasperation grew at the overly scholastic nature of these debates, as well as at a certain tendency to apply unreconstructed versions of Marx's categories of agrarian rent on modern urban contexts (Ball et al. 1985, 4–11). The rent debate declined. As Anne Haila (1990) noted, its participants sought alternatives at different levels of abstraction. Some, with Michael Ball leading the way, jettisoned the heavy theoretical baggage of rent theory (and of Marxism), opting instead for carrying out concrete studies of "structures of provision" (e.g. Ball 1999, 2003, 2006). This turn, however, came at the price of an empiricist drift, with Ball's work eventually blending in with the atheoretical inclinations of much of the housing studies literature. Others, led by Harvey (1978, 1982), preserved Marxism's abstract theoretical lens but refocused it around capital flows, essentially by retheorising land as a financial asset like any other – thus de facto abolishing the need for a theory of land rent. This gave cue to his famous thesis that real estate constitutes a "secondary circuit" of capital accumulation, to which investment "switches" whenever commodity production enters into crisis. Through this prism, Harvey began to treat residential phenomena as a means of interrogating broader spatial questions, such as the role of the built environment in capital's cyclical motions, while leaving the institutions of housing provision underspecified and undertheorized.

The second problem is that political economy perspectives have been limited by a "consumptionist" skew. As Ball (1986, 147) has long noted, housing is "too often seen solely as an item of personal consumption that must be bought or rented on the open market or be allocated through some sort of state-orchestrated institutional framework". Once again, this can be traced back to the decline of the rent debate. Much of its discussion revolved around how to theorize the monopolistic qualities of landed assets, as well as the impact that this has on the construction industry and on the costs of reproduction of the workforce. With the decline of rent theory, these themes largely disappeared from political-economic analysis, leaving housing research with an overemphasis on the sphere of consumption and exchange. This is certainly the case for the housing regimes approach, given its focus on the policy trade-offs between welfare and homeownership (Ball 2020; Blackwell and Kohl 2019; Kemeny and Lowe 1998; Kleinman 1996). However, the problem also extends to the political economy studies that have run with its insights since the Global Financial Crisis. Largely emerging from the field of International Political Economy, these studies have mostly added financial dimensions neglected until then, such as the role of mortgage debt as a privatized substitute for public welfare (Schwartz and Seabrooke 2009; Watson 2009). For all their contributions, the financial outlook of these studies has only reinforced the consumptionist skew of much of the literature. The same charge applies to Harvey's followers in urban geography. There, a series of political economy studies have made strides in reconnecting the "capital-switching" approach with the specifics of housing finance (Aalbers 2019; Aalbers and Christophers 2014; Gotham 2009). These advances notwithstanding, to date surprisingly little work has been carried out on the political economy of housebuilding and property development (Ball 2020), or on the interrelationships between housing provision and the broader dynamics of capitalist production (Soederberg 2020, 16).

In this article, I seek to provide theoretical tools to address these problems. Building on a recent revival of rent theory (Christophers 2020; Ward and Aalbers 2016) – but without relitigating its notorious exegetical disputes – I sketch out a political economy framework for analysing *the different stages of capitalist housing provision*, from the point of production all the way down to the household as a site of consumption and social reproduction. The contributions of this framework are two-fold: (1) Providing an analytical fusing between the different stages of the provision, it shows how every phase of the provision process is united by a distinct logic, termed here *residential accumulation*. This concept condenses how housing provision under capitalism is caught between two forms of profit-making with opposing dynamics: *rent extraction* and *capitalist production* (Moreno Zacarés 2021). The paradoxical, and sometimes contradictory, interplay between these dynamics in the housing industry is explored in the first part of the article. It also examines how the hybridity of residential accumulation leaves housing in an awkward position in the capitalist economy, one that grates against its mandate of continuous growth. (2) To bridge the analytical polarization of the literature, the framework imports the concept of *social property relations* into the realm of housing analysis. Coined by Robert Brenner (2007), this concept denotes all those institutions of property and domination that, with the backing of state power, shape the capacity of social actors to revalidate their position in the social structure. The aim of this concept is to identify the connections between localized *strategies of reproduction* and broader *developmental patterns*, thus providing a middle layer of theoretical abstraction between the two. Redeploying this approach for housing analysis, the second part of the article examines the basic structures of housing provision, segmenting the analysis into its successive phases: production; exchange; finance; and (social) reproduction.

It must be borne in mind that what is being offered here is not a detailed, comparative analysis of housing systems – this I am reserving for a different kind of article. For now, I have opted for keeping my examples abstract, so as to concentrate on theorizing general patterns derived from a synthesis of historical and comparative studies. In any case, the patterns highlighted should not be seen as the rigid strictures of a deterministic theory, but rather as the basic contours of a flexible framework, one for others to stretch and reshape as they examine different social formations across space and time.

Residential Accumulation: Between Rent Extraction and Capitalist Production

Since rent theory has long been exiled from housing analysis, it is worth reintroducing some of the basics. In all capitalist social formations, there are two opposite logics of accumulation at play: *rent extraction* and *capitalist production* (Moreno Zacarés 2021). Rent denotes the passive income "derived from the ownership, possession or control of scarce assets under conditions of limited or no competition" (Christophers 2020:xvi; Ward and Aalbers 2016). It is a tribute levied on a hoarded good that is both finite and valuable, so that the owner can charge others for its use. Land provides the quintessential example: land rent arises from the monopoly that certain persons hold over portions of the globe's surface; it is a tribute that landowners charge "for the very right to live on the earth" (Marx 1993, 908). The income-generating quality of rent-bearing assets means that their worth is calculated on the basis of expected future income streams (Harvey 1982, 330–72). The rentier can lease out the asset temporarily, extracting rent in the form of leasing fees (*literal rents*), or sell the asset to cash out future earnings early, extracting rent in the form of a lump sum (*capital gains*). To maximize rent extraction, the rentier will want to corner the asset in the face of continuous demand, raising the price as much as possible. Rent extraction is thus a form of capital accumulation with an *inflationary logic*.

Rent extraction is hardly unique to capitalist societies. Pre-capitalist societies long organized their reproduction around tributary mechanisms designed to pump surpluses out of direct producers. This ancient form of accumulation lives on and continues to shape modern economies, with contemporary rentiers extracting tribute from a variety of sources, including taxation, loan finance, intellectual property rights, or real estate (Christophers 2020). The key difference between pre-capitalist and capitalist societies is that the latter have their societal reproduction dominated by a more recent form of surplus extraction, one that is historically specific to them: capitalist production.

In sharp contrast to rent, capitalist production involves the income derived from constantly improving the production of a commodity in conditions of competition. Capitalists, unlike rentiers, are economic actors facing fierce competition to allocate their products on the market, something that puts them under a relentless pressure to maximize the cost-efficiency of their operations, typically with labour-saving improvements (Wood 2002). Here, profitability is determined by a capacity to produce a commodity at average productivity levels. Those able to produce at a higher standard gain an edge over their competitors, at least until the latter reach the productivity frontier; at which point, overproduction, fierce price competition, and falling profit rates ensue (see Clarke, 1994). The long-term result of this competitive dynamic is a rising standard of productivity to which producers must constantly respond to, as well as a systematic expansion of output that increases supply and cheapens the price of commodities. The logic of capitalist productivism is most patent in the processes of industrialization that have swept the world over the past two-and-a-half centuries (Benanav and Clegg 2010). Driven by the imperatives of capitalist competition, the intense exploitation of labour with mechanical and digital technologies has accelerated the way in which goods and services are produced, with the by-effect of turning former luxuries into cheap, everyday goods. In the long run, capitalist production thus comes with a *deflationary logic*.

The persisting coexistence of both forms of accumulation means that capitalist societies are torn between the future-driven, speculative price of the rent-bearing asset and the decaying, diminishing value of the capitalist commodity (Adkins, Cooper, and Konings 2020, 12–7, 72). Yet, it must be borne in mind that this distinction between logics of accumulation is only an abstraction, a heuristic device designed to isolate social processes that are normally entangled together. Most "production of goods or services contains rentier elements", and conversely, "few assets generate income automatically; they ordinarily need to be put to work" (Christophers 2020:xxv). Housing assets are no exception in this regard.

The Hybridity of Housing Provision

Once built, housing becomes "like land"; an income-generating asset whose "increase in price over time and its existence as a sphere of investment are results of the exercise of a monopoly" (Folin 1985, 52). When a house becomes fixed to a particular location, it assumes the rent-bearing properties of the ground upon which it sits. The rents yielded by the dwelling, however, will be a combination of two separate, but interrelated income streams: the revenue derived from the desirability of the ground beneath it (*land rent*), plus the revenue afforded specifically by its built infrastructure (*building rent*). The combination of these rent streams forms the substance of *house rent*. Yet, the realization of house rent also depends on the production of goods and services, such as the work involved in marketing an urban location, or in the construction tasks necessary to transform an empty lot into a habitable building.

The hybridity of housing provision can be readily observed in the process of property development. As Michael Ball's detailed studies of the structures of building provision show, in the construction of a house a chain of actors link together different accumulation practices (Ball 1985, 2003). The activities of a *land speculator*, for example, come closest to those of a "pure" rentier. The speculator buys up land cheaply, sits on it until its price soars, and then sells it to a developer, hoping to make a sizable profit while engaging in little (if any) productive tasks. The *developer*, by contrast, is a hybrid figure. A developer purchases urban land and seeks to actively improve its worth by building new structures or by renovating existing ones. In doing so, the developer is speculating that rising demand will push up the worth of the acquired land, and, by extension, of the rents afforded by any buildings on it. Investing in building operations, however, requires developers to engage in the risks of productive investment. This puts them under pressure to ensure that construction takes place in a timely and cost-efficient manner. To do so, developers typically put out contracts to tender, outsourcing construction to competing building contractors. The operations of the *contractor* are closer to those of a "pure" capitalist. Merely taking charge of building-site operations, the contractor neither owns the land nor the finished building, and thus lacks a claim to any future rents. Builders for hire, contractors are locked in fierce competition for contracts. Price competition puts them, like all capitalists, under relentless pressure to cut production costs. The means to do so are familiar: securing cheaper inputs; finding ways of accelerating production; squeezing wages to subsistence levels; substituting labour by technical means[1]; and, perhaps most importantly, ensuring discipline in the workplace.

The paradox is that capitalist housing production pivots around, and is ultimately animated by, the prospect of house-rent extraction. If developers, like capitalists, seek to maximize the efficiency of production, they do not do so to lower the selling price of a house in a competitive market. Their goal is to expand the margin between the costs of construction (*capitalist production*) and their capacity to inflate the final price on a monopolistic basis (*rent extraction*). This markup is purely determined by how badly a consumer wants or needs that residential space. Clarke and Ginsburg (1976, 4) put it succinctly: house rents are "the premium which a consumer is compelled to pay for living in a particular location". The magnitude of rent yielded by a house is determined by two different but interrelated sets of factors: (1) First, there are factors derived from *uneven spatial development*. As geographers have long observed, commercial and employment opportunities tend to agglomerate to benefit from economies of scale. Though this is partly due to the path-dependent effects of past infrastructural decisions, the genealogy of which sometimes precedes capitalism itself, such as with the location of ancient cities and ports (Lipietz 1980, 71), it has largely to do with capitalism's self-reinforcing tendency to concentrate growth in the most economically dynamic areas (Smith 2010). As capitalism advances, house rents tend to increase in those areas offering better employment opportunities, with an ever more urbanized society increasing population density and pushing up residential prices. (2) Second, there are factors determined by *differential advantages of location*. These factors include (but are not limited to): good transport connections; the vicinity of shops, schools, recreational facilities and other social infrastructures; access to green and blue spaces; low levels of noise and pollution; or a particular social identity associated with the area. All of the above are bound to increase demand for a location and bolster the rents afforded by its buildings.

House Rents in the Capitalist Economy

The advance of capitalism tends towards increases in urban rent, though this process does not affect every city and neighbourhood equally, nor is always continuous in time. Rent inflation is like a rising tide coming in waves of demand, with crests and troughs. Real estate investment is about navigating these "rent waves", anticipating and, if possible, actively channelling their movement to maximize rent differentials, by buying property cheap and selling it dear. For example, developers will buy and renovate dilapidated housing in conveniently located neighbourhoods, speculating that growing demand will allow them to pass the costs of renovation, plus a profitable markup, onto consumers. Exploiting such differentials – what Neil Smith (1979) called "rent gaps" – is what motivates processes of gentrification: the regeneration of urban areas to attract residents capable and willing to assume higher markups. Marketing campaigns to re-style areas as "up-and-coming", or efforts to brand a new build as "luxury home", fulfil the same role: to inflate prices. Yet, promises of luxury or vibrancy are not the only ways to widen profit margins. Sometimes exploiting the desperation of the poor can be just as effective at maximizing house rent, as shown by the historical development of urban slums (Davis 2007).

Altogether, there is a profound contradiction between the rent-bearing and residential functions of housing, requiring perpetual political intervention to avoid social unrest.[2] The nature of residential accumulation is such that developers will flock to areas of high agglomeration, where the sheer shortage of space promises high rents, while being careful not to overbuild and actually cover an existing deficit. Otherwise, they might extinguish the conditions of scarcity on which house-rent extraction depends. It is thus not surprising that housing crises are a near-perpetual feature of capitalist societies (Soederberg 2020). An insufficient and inadequate stock of housing is "not the result of the system breaking down, but of the system working as intended" (Marcuse and Madden 2016, 9).

In turn, the contradiction between rent and residence has broader ramifications for the capitalist economy. On the *demand side*, all income dedicated to the immaterial cost of house rent is money not spent on productive outputs, like foodstuffs or clothing. Homeowners can finance their consumption by borrowing against the rising value of their homes, but unless their income increases, they will simply have to withdraw from consumption later, to pay down their debts. On the *supply side*, rising house prices exert upward pressure on wages by increasing the cost of living, making production more expensive for capitalists. All else remaining equal, rising wage costs eat into capitalist profits, with the amount deducted transferred to house rentiers via workers' payments to landlords and mortgage providers. Capitalists may see the problem of rising wage costs as an incentive to invest in labour-saving technology, like automation. In this case, rent inflation may develop a symbiotic relationship with capitalist production. However, this requires two increasingly unlikely conditions to be met:

(1) The rate of productivity gains needs to outpace the rate of house-price growth. This prospect is made difficult by the *consumption-based* nature of house rents. The amount of income a rentier can extort from the resident bears no necessary relation to the resident's productivity, only their consumer power, irrespective of whether this arises from wages or stored wealth. For example, an unemployed worker may still buy an expensive house on account of an inheritance. As a result, there is a functional decoupling of house rents from productivity levels, meaning there is no market mechanism to ensure that house rents grow in synch with capitalist dynamism. Whereas commercial landlords at least have an interest in ensuring that rent costs do not not make production impossible for capitalists, house rentiers are detached from such considerations.[3] They pump up prices as long as demand can meet them, irrespective of the negative effects that this might have on productive activities elsewhere in the economy. It is thus likely that house rents grow out of step with capitalist productivity, particularly in periods of already dwindling productive dynamism, like our current era.
(2) The rate of job creation needs to outpace the rate at which productivity gains make labour redundant. Otherwise, housing costs will rise amid deteriorating employment opportunities, putting a chokehold on demand and undermining capitalist growth in the long run. As capitalist development makes labour-saving technology more prevalent, the scale of growth needed to compensate for the number of jobs destroyed increases exponentially at every stage of its development (Moraitis forthcoming). As such, finding a mutually beneficial arrangement between the logics of house-rent extraction and capitalist production becomes increasingly difficult as capitalism's productive capacities mature.

The difficulties in aligning house-rent extraction and productive dynamism have come to a head since the 1970s, when "secular stagnation" set in on a global scale. Global manufacturing, the main engine of capitalist production, began to show historic signs of exhaustion. Fierce industrial competition gave way to over-development (marked by dwindling opportunities for growth and employment) and to a saturation of world markets with manufacturing exports (resulting in falling rates of profit) (Benanav and Clegg 2010). At the diminishing prospects of capitalist production, investors started fleeing to the relative safety and higher returns of rent-bearing assets (Fernandez and Aalbers 2016). An expression of this dynamic has been a decades-long pattern of over-investment in real estate, prompting steep bouts of house-price inflation. Altogether, house-rent increases have come to outstrip both productivity gains and wage growth, further stifling the dynamism of an already flailing capitalist production, accelerating its decline.

Residential Social Property Relations: Analysing Capitalist Housing Provision

The previous section has outlined, in a necessarily schematic manner, the hybrid nature of residential accumulation and its ramifications for the dynamism of capitalism more generally. Theory in such broad strokes, however, can only provide some basic, preliminary coordinates. Any descent into the realm of concrete analysis quickly reveals that such purely structural analysis is poorly equipped to grapple with the messy realities of urban social formations, through which residential accumulation must necessarily operate. Of course, the hard task of theory is to successfully connect abstract concepts with concrete phenomena. As addressed in the opening, the difficulty of doing so divided the rent debate into two camps: between a focus on big-picture theorizing and on institutional diversity. Political-economic analyses of housing have been torn between these analytical poles ever since.

To bridge this divide, the following section takes the analysis of residential accumulation towards a critical middle layer of abstraction. It does so by introducing into housing research Robert Brenner's (2007) concept of *social property relations*. Broadening class analysis beyond a narrow focus on capital and labour, social property relations denote the "relations among direct producers, relations among exploiters, and relations between exploiters and direct producers that, taken together, make possible/specify the regular access of individuals and families to the means of production (land, labour, tools) and/or the social product" (Brenner, 2007, 58–9). The aim of this approach is, on the one hand, to isolate the *strategies of reproduction* of different social actors in concrete contexts, and, on the other, to connect patterns in these strategies to broader *developmental trajectories*. Redeploying this approach onto residential relations, the next section will outline some basic structural mechanisms and institutional variables shaping the process of housing provision, from the point of production all the way down to the household as a site of social reproduction.

Production

Unless a house is built on squatted land – as is often the case with informal dwellings (Davis 2007, 20–49) – the housebuilding process starts with a developer acquiring a plot from a landowner. In exchange for releasing the grounds for construction, the landowner demands a payment of land rent. The landowner's assessment of the local market determines their negotiating position, as well as whether they decide to continue withholding the land until another developer offers a higher price (Ball 2003, 908–12). In periods of high demand, large urban landowners can use their hoarding power to put a chokehold on residential provision and squeeze the maximum amount of land rent from developers, who in turn pass the cost onto the consumer. Developers, however, often benefit from hoarding as well, as accumulating strategic holdings or "land banks" poses distinct advantages. A developer's negotiating position with a landowner will be strengthened if the developer has the option of using up existing stocks, rather than being forced to accept a landowner's price. Land banking also plays a role in inter-developer competition, as it can be used to block rival developers from entering an area, reducing the risk of residential oversupply that would undermine house rents. In periods of fast urbanization, land hoarding practices can prompt acute housing shortages. The resulting social tensions – high living costs, bouts of urban unrest – have historically forced states to regulate the social property relations of landownership, typically keeping speculation in check with threats of expropriation in the name of public interest (Hall 2002). A state's capacity to act in this manner, however, is contingent on its financial and legal power, itself typically the result of protracted juridico-political struggles over taxation, urban planning, or property rights.

Property development comes with severe liquidity risks. As addressed earlier, the goal of speculative builders is to ride waves of rent increases. However, they typically have to do so within the strict time constraints imposed by their debt repayments, as building operations usually require large amounts of finance. Developers are thus highly vulnerable to the cyclical vicissitudes of the housing market (Ball 2003, 898). In the short term, demand for housing moves largely in tune with the fluctuations of the business cycle, with income or interest rates setting the pace. Superimposed on these movements are longer-term cycles, determined by demographic changes, like baby booms or mass migration; or long-term housing policies, like the subsidization of certain types of housing. Attracted by a cyclical upswing, developers may rush to meet demand and engage in optimistic land purchases and bouts of overbuilding. Problems of liquidity typically follow: even a small excess in inventory can be disastrous for developers' capacity to service debt repayments, forcing them to undersell amid severe losses (Baer 2007, 303–12). Liquidity risks are, in turn, compounded by real estate's fixity. If demand slows, developers are stuck with assets that cannot be shipped around the world to chase potential buyers. Attachment to a particular location also means that developers are forced to operate in highly fragmented social-property contexts. Building codes, construction permits, land-use planning, or the allocation of urban infrastructure remain overwhelmingly local in nature. The timely completion of a project often depends on being able to navigate these institutions as well as the vagaries of local politics. Cultivating good relationships with municipal authorities can be determinant in projects running smoothly, making them a prime target for the lobbying and bribery efforts of developers (Moreno Zacarés 2020).

To mitigate liquidity risk, developers rely on flexible production methods with low overhead, allowing them to retrench easily in the face of overproduction. Hence the highly disintegrated structure of the housebuilding industry. To avoid the risky and capital-intensive procedures required to prepare land sites for construction, housing developers acquire already serviced plots from specialist land developers (Ball 2003, 908–12). Likewise, the management of construction sites is typically put out to tender to general contractors, who in turn subcontract a floating labour force of casualized labourers and local tradesmen (and they are generally men). Outsourcing through subcontracting enables the principal contractors to limit overhead and control production costs, by passing down price constraints along a chain of competing subcontractors. Prefiguring just-in-time production, such "flexible" business practices have long been a staple of capitalist housebuilding (Baer 2007, 303–12). That said, the degree to which developers rely on subcontracting varies. Some developers will keep general contracting functions in-house, or even assume direct charge of certain aspects of construction. Others – usually large, corporate developers – effectively operate as service companies that only sell what they contract others to create, running on a reduced payroll of managers, technicians, and administrators, with virtually no operatives onsite (Byrne and van der Meer 2002).

Housing policy can have a major influence on the social property relations of residential development. To address housing shortages, states have a range of instruments at their disposal to reduce developer risk, encouraging increased residential output. The "liberal" approach "unleash[es] the cranes" by relaxing land-use planning and building regulations (Marcuse and Madden 2016, 46). The aim here is to let developers maximize house rent by expanding freely towards areas where land is cheap, by increasing residential densities (e.g. high-rise blocks), or simply by cutting construction costs (e.g. lower safety standards). When taken to its logical extreme, this approach results in a bleak urban morphology: cities stretching towards remote areas, low-quality buildings with poor amenities, neighbourhoods lacking basic urban infrastructure. More "interventionist" policy alternatives usually involve the use of state budgets to bankroll developers, typically in exchange for them abiding by certain space or price standards (Folin 1985). Measures such as tax breaks, the cheap or even free concession of public lands, outright cash grants per housing unit built, or the state agreeing to absorb speculative risks, logically alter developers' calculations by mitigating the risks of overproduction. Of course, states can go further and bypass for-profit developers altogether, using government agencies or semi-public institutions to build according to pre-determined targets. This strategy, however, presupposes a state with sufficient financial means to deliver on its housing plans. Otherwise, the shortage will simply resurface in the form of long social housing waiting lists.

The historical advance of capitalist production has brought labour-saving improvement to the building industry – reinforced concrete, heavy vehicles, or power tools are all examples of this – however the rate of change has been considerably slower than in other sectors. Construction currently holds "the dubious honour of having the lowest productivity gains of any industry" (The Economist 2017). This is partly because the need for a flexible organization of the building process comes with a pressure to limit overhead. In addition, it is difficult to mechanize construction work. Besides the complexity of decomposing the production of something as large as a building into a sequence of repetitive tasks, the fact that the finished commodity is fixed to the place where it is consumed compounds the problem, as land sites can be highly variable (Potter 2021). Whereas a manufacturing process, once in place, can be repeated over and over, in construction it is the "factory", so to speak, that needs to move around, reproducing the same process in a different way every single time (Price 1980, 22, 126). To manage these difficulties, the housebuilding industry has relied on strategies of "modularization": i.e. breaking up a structure into standardized elements that can be made off-site (Ball 1999, 12). This explain why the building industry has historically seen most productivity gains in the production of building materials, which can be made and stored as per the usual manufacturing process.

The social property relations of capitalist housebuilding have thus resulted in a distinct developmental pattern marked by high labour intensity. In the absence of strict labour regulations or strong trade unions acting as a countervailing force (e.g. by imposing limits on the use of subcontracting), competitive housebuilding thus tends to gravitate around the exploitation of a low-paid workforce willing to work at a fast pace. Housebuilders have historically made use of tyrannical foremen, piece-rate wages, and, of course, extensive subcontracting to push wages to subsistence levels and ensure workplace discipline (Byrne 1993; Price 1980). These dynamics, however, might force workers to breaking point – sometimes quite literally, in the form of building-site accidents – igniting workplace conflicts that can easily disrupt the fragile production chain. The success of industrial action is conditioned by what section of the workforce revolts. If strikes are confined to "unskilled", easily replaceable sections (e.g, casualized bricklayers), the stakes of success will be higher, as workers will have to mobilize in sufficiently large numbers to make their absence felt and prevent their quick replacement. Conversely, the stakes of success will be lower if those striking are tradesmen who possess skills that are scarce in the area. Particularly damaging for the employer is a strike by specialists working the "bottlenecks" of the building process. For example, in the construction of a concrete structure, those in charge of the formwork (the temporary moulds giving shape to poured concrete) control a major chokepoint. A downing of tools on their part can sabotage the laying of foundations and key pillars, grinding an entire project to a halt (Mingo & Lorite, 1993). As such, the success of working-class unrest often hinges on what side the tradesmen take in an industrial conflict, since a small number of "skilled" workers can use their superior leverage to negotiate better terms for their "unskilled" counterparts. Historically-grown ties of solidarity between "skilled" and "unskilled" workers are thus bound to have a major impact on the balance of class forces at the building site.

Exchange

Profiting from a rent wave requires urban rentiers to acquire landed assets and sell them profitably within a given time frame. To this end, they often hire the services of real estate agents (Ball 2006, 90–124; Besbris 2020). Agents are exchange specialists using their superior knowledge of local market conditions to offer a range of services, the most prominent of which are advertising properties and brokering transactions. In exchange, they claim a small portion of the house rent that they secure for the rentier, in the form of a percentage of the selling or renting price. This incentivizes them to encourage owners to raise prices as much as possible, even if this means that the house will take longer to allocate to a consumer (which may not be in the interest of the seller). If the house is a rental, real estate agents can also provide management services, liaising with tenants and administering operating costs, such as maintenance expenditures. Additional services include property valuations and the provision of consultancy services, such as indicating to developers what market segments are most profitable in the area. By shaping the price expectations of owners and consumers, these intermediaries perform a critical market-making role.

The rentier's capacity to extract the desired level of house rent within the right time frame greatly depends on tenurial social property relations. In the case of private rental housing, the landlord extracts house rent in the form of a regular stream of rental fees that can continue long after the investment sunk into the property has paid for itself. The trade-off is a long amortization time, with revenues slowly trickling in. This comes with a protracted exposure to risks, such as the interruption of rent streams by tenants, or difficulties expelling them in the event that the owner wants to sell. By contrast, the realization of house rents via sale accelerates the process of amortization. The rentier gets an immediate return on their investment, cashing out future rents early, in the form of a lump sum of capital gains. The downside is relinquishing an urban location that may increase in worth in the future. As David Harvey notes (Harvey 1982, 330–72), these dilemmas are not unlike those of stock trading – urban rentiers just happen to deal in pieces of the built environment.

As addressed earlier, there is a deep contradiction between the rent-bearing and residential functions of housing. The conflict between the logics of the rentier and of the resident is most evident in the case of private rental housing. In the absence of strict rent regulations, landlords will generally seek to maximize the house rent extracted from their properties by minimizing operating costs (repairs, improvements) and by raising lease prices in line with demand, expelling and replacing tenants accordingly. This threatens residents' quality of life, as it worsens their residential conditions and lowers disposable income. Time and time again, this conflict has prompted activist backlash, with tenants organizing themselves to limit the extractive powers of landlords. In periods of wider social mobilization, tenant activism has proved capable of galvanizing mass movements and forcing legal changes to the social property relations of rent tenure, typically through a combination of lobbying efforts and militant actions, such as rent strikes. Rental market reforms have had a series of recurring features (Harloe 2020, 266–292): (1) The establishment of rent control systems – e.g. the indexation, capping, or outright freezing of rent prices – to restrict the landlord's power to hike up the rent; (2) The introduction of regulations to improve tenants' stability of tenure; measures in this direction have included regulations on the minimum duration of leases, on their automatic extension, or on the right of tenants to pass contracts onto relatives. (3) Regulations forcing landlords to ensure minimum residential conditions for tenants; e.g. living space, amenities, health and safety.

Owner-occupation complicates the dynamics of social-property conflict, as homeowners can simultaneously embody the roles of the resident and the rentier. Insofar as homeowners treat their house as an investment, they will worry about selling their asset profitably down the line (Langley 2009). As if they were their own landlords, they see improvements to the quality of their dwelling as potential liabilities. They will also likely find themselves making calculations familiar to any developer: "which improvements will 'add value' to the property and which ones will not?" "What contractor offers me the most cost-efficient price?" They might find their financial interests aligning with those of rentier elites, perhaps even becoming more inclined to support governments which lower costs relating to the acquisition, maintenance, and transaction of property (such as lower stamp duty and capital gains tax) (Schwartz and Seabrooke 2009). The prospect of "embourgeoisement" is a prominent reason why governments of different political stripe have aimed to promote homeownership since the nineteenth century (Kohl 2018).

Nevertheless, owner-occupiers are only "petty" or partial rentiers. Whether the rationality of the resident or the rentier prevails will depend on several factors. As Matthew Watson (2009) has shown, homeowners need to be actively socialized into becoming developers of their own homes, as well as into the idea that houses are assets that can be used to climb up a "property ladder" by riding successive waves of house-rent increases. Another factor is the homeowner's stay in the property, as her attitude will vary if the house is a "forever home" or if it will need to be sold in the medium term. Finally, debt levels and broader economic prospects also play a role. The homeowner will find it easier to internalize the mindset of the leveraged investor when house prices are booming than if her mortgage-provider is threatening to repossess the house (García Lamarca 2017; García Lamarca and Kaika 2016). At that point, the tension between rent and residence becomes starkly clear once again: the indebted homeowner becomes a de facto tenant in arrears, a resident struggling against the extractive powers of a (financial) rentier.

Finance

Financial institutions intervene at different points of the process of housing provision, providing credit for bulky commercial operations to the different actors involved. Loan finance is a rent-extracting activity, through which financiers lease out scarce capital in exchange for rent payments, in the form of interest and fees (Christophers 2020, 49–95). When in a relative position of strength, financial rentiers will demand higher guarantees from the debtor and higher interest on their loans. Conversely, when in a relative position of weakness – say, if there is abundant capital available and intense competition between credit providers – financiers will come under pressure to attract customers by lowering their rents and assuming higher burdens of risk. This social-property relation is inscribed into every aspect of a mortgage loan: the calculation of the borrower's credit rating; the size of the down payment required; the funds loaned relative to the worth of the property (loan-to-value ratio); the duration of the loan; and of course, the interest rate, and whether it is fixed or variable.[4]

Financial accumulation, however, does not just reflect an extant imbalance in the distribution of capital, it also tends to amplify these imbalances at a (1) *social*, (2) *spatial*, and (3) *sectoral* level. (1) Debt is a social relation mediated through risk, lowering borrowing costs for the already powerful, seemingly less risky to lend to, while raising them for those with low earnings or those who do not own property to use as collateral. This reinforces structural inequalities in access to housing. An evident example of this are "red-lining" practices through which mortgage providers restrict credit in low-income neighbourhoods, thus excluding the poor and racial minorities (Gotham, 2002). A similar asymmetry exists amongst rentiers themselves, as corporate speculators can raise funds on far better terms than small- and medium-sized rentiers by tapping into wholesale capital markets (Fields 2018). (2) The mobility of finance capital amplifies spatial imbalances too, reinforcing the effects of uneven capitalist development (Smith 2010). While private finance provides a channel through which savings can flow into the housing sector, it does so while concentrating on areas offering better returns. Poorer areas are thus likely to see their savings drained in favour of wealthier or gentrifying neighbourhoods (Martens 1988, 163–5). (3) A similar pattern occurs when finance moves across sectors in its search for the most profitable industries. If the housing market is particularly buoyant, finance capital will funnel in and compound its expansion with a generous supply of credit (Fernandez and Aalbers 2016). In the process, rent waves will see their lifespan extended, as property buyers take on debt to afford higher prices and bid them up further, to the benefit of rentiers. Conversely, if the fortunes of the housing market turn (or if a more promising industry emerges) finance capital will withdraw, constraining demand and potentially turning the descent of a rent wave into a violent crash.

From the nineteenth century up until the 1970s, states found it necessary to contain the social property relations of housing finance within "special circuits", to ensure a continuous and stable supply of credit. In particular, mortgage provision was largely limited to specialist financial institutions, such as local savings banks engaged in deposit-based lending, or mortgage banks with monopolistic privileges on bond-based lending (Blackwell and Kohl, 2018a; Kohl 2017, 92; Martens 1988). Within these circuits, mortgage providers enjoyed protective regulatory regimes that subsidized or guaranteed their operations with taxpayer funds; buffered their lending activities from competition; or insulated them from potential shocks in capital markets.

Since the 1970s, however, the general trend has been for states to disarticulate these special circuits, though in a highly uneven and variegated manner (Aalbers, 2019; Fernandez and Aalbers 2016). Specialist institutions have become transformed into general banks or other types of integrated financial institutions, often with the help of mergers and acquisitions. This has come with a geographical upscaling of their operations, as lenders that were previously locally or regionally embedded have become integrated into larger circuits. Financial actors previously excluded from or on the margins of housing finance, such as commercial banks, have entered the market and posed fierce competition for deposits and mortgage loans. Restrictions on bond-based mortgage lending have been lifted, opening this practice up to a wide array of finance providers. Amid intensifying competition for capital flows, states have regulated the spread of ever more sophisticated investment vehicles for amassing and mobilizing capital for house-rent extraction. To name two prominent examples: mortgage securitization – a bond-issuing technique based on the bundling of mortgage streams to offset their individual risk levels – and real estate investment trusts – publicly-traded funds buying up property assets on a massive scale (García Lamarca 2020; Gotham 2009). Alongside, new calculative practices have developed, often with the help of big data, to navigate the local fragmentation of property markets (Fields 2018). The incommensurability of real estate has thus gradually been "brought in line with finance's borderless fiction in a range of many small (and some bigger) steps that [have] made local real estate legible and therefore investable on a global scale" (Aalbers 2019, 380).

Overall, this transformation of financial social property relations – sometimes referred to as "financialization" – has resulted in a particular developmental pattern, marked by an increase in volume, mobility, and volatility of housing finance (Aalbers 2019, Aalbers & Christophers, 2014; Fernandez and Aalbers 2016). Financial diversification and market integration have made funds readily available when the market expands. Intense competition between financiers has prompted lenders to lower their rates and embark on riskier operations, resulting in mortgages with lower requirements and higher debt-to-income ratios. Extra lending, in turn, has allowed buyers to take on more debt to bid up prices, prompting sharp house-rent inflation. Richer households have seen an improvement in their rentier positions, as a greater availability of funds and services has facilitated their access to new property assets and inflated the worth of those already owned. This has stimulated their consumption by increasing their capacity to borrow against their property assets ("equity release"), or simply by giving them the impression that the revalorization of their homes is saving them money (the "wealth effect") (Langley 2009; Watson 2009). For less privileged groups – "ethnic/racial minorities, migrants, elderly women and a range of social groups vulnerable to labour market shocks" – the results have been mixed at best (Aalbers 2019, 377). Though housing loans have become more accessible for lower-income households during housing market booms, “rising house prices and an upward trend in real costs of borrowing reduce access in the long run” (Martens 1988, 163). Over time, access to the property ladder becomes steeper, particularly for those arriving to the home-price spiral at a later stage, such as renters, migrants, or youths without inheritance prospects. For those for whom renting is the only viable option, upward pressure on house prices will eventually push up rents (Adkins, Cooper, and Konings 2020, 73). Governments addressing problems of affordability with home purchase subsidies (e.g. stamp duty “holidays”, public mortgage guarantees) are bound to exacerbate the problem, as prospective homebuyers will simply use their greater financial capacity to further bid up prices (Aalbers 2019, 377).

With capitalist production offering dwindling returns, global financial integration has facilitated the flight of investment towards rentier activities (Clegg & Benanav, 2010; Fernández & Aalbers, 2016). An expression of this developmental pattern has been a recurring formation of speculative bubbles in housing markets. A *bubble* forms when price speculation assumes a *self-referential dynamic*: speculative investment funnels in to take advantage of rising house prices, but prices continue to rise only because speculative investment is funnelling in (Knafo 2009). Bubbles form because of excess demand purely driven by rentier expectations, with house transactions becoming entirely detached from any need for housing as a place to live. Sustaining a bubble requires an exponential amount of investment for a continuous rate of price inflation, making these episodes inherently unsustainable. When housing bubbles “burst”, the result is a sudden, downward adjustment in rent expectations. Overleveraged investors are likely to go bust, perhaps taking their creditors down with them. In the meantime, households are either forced to withdraw from consumption to pay down their debts, or evicted from their homes outright, releasing a population with decreasing prospects of affordable housing – or of any housing at all (Soederberg 2020). In recent years, social movements have formed to combat rising levels of household debt, sometimes blocking evictions and occupying bank-owned properties to house the dispossessed (García Lamarca 2017)

Reproduction

The perpetuation of capitalist society, as feminists have long pointed out, depends on a broad range of reproductive activities happening outside of the workplace (Bhattacharya, 2017). The household and the housing market perform several crucial functions in this regard: (1) First, it is well known that capitalism requires market-mediated access to the means of subsistence, so that people are forced to buy and sell to survive. To sustain this “market dependence” (Wood 2002), the commodification of humanity’s basic needs, such as food, clothing, and, of course, shelter is of particular importance. (2) By extension, “housing is a necessary, and large, component of the cost of reproduction of labour power”, one with determinant ramifications for wage costs and disposable income, as addressed earlier (Clarke and Ginsburg 1976, 2). (3) Furthermore, housing is not only a commodity; it is also necessary for the consumption of other goods (González 2010). Since much of capitalism’s productive outputs are consumer durables for domestic consumption and storage, the continued expansion of capitalism also depends on the residential conditions available to consumers. Limited living space or poor urban infrastructure will necessarily limit demand for key commodities such as electrical appliances or vehicles. (4) Housing also provides the primary platform for vital activities of social reproduction (including cooking, cleaning, caring), the delivery of which can be commodified and outsourced to service workers, or "insourced" within the family – gendered labours usually performed by women either way. (5) Finally, housing is also vital to the reproduction of the species, with patterns of household formation closely associated with family forms, fertility rates, and inter-generational wealth transfers (Adkins, Cooper, and Konings 2020; Forrest and Hirayama 2018).

Housing, in short, performs a vital role in capitalist society. The problem is that, unlike other subsistence commodities under capitalism, housing has a tendency to become more costly over time, on account of the inflationary tendencies of land/house rent. If unchecked, the contradiction between rent and residence results in a deteriorating access to housing, threatening the crucial reproductive functions of the household.

Concerted political action is needed to arbitrate this social-property conflict. One option explored earlier are rental market reforms, through which the state imposes limits on the rent-extractive power of landlords. Alternatively, the state can use public funds to socialize part or all of the cost of house rent. Sometimes this happens under the label "social housing", a highly imprecise term that covers a broad range of mechanisms through which states can intervene at different points of the provision process (Kemeny 1992, 76–9). Social housing most commonly refers to "social rented housing": rental housing, generally provided by public or semi-public bodies, that is not primarily driven by profit, and that is administratively allocated according to some conception of "need" (Harloe 1995). Dwellings for owner-occupation are sometimes considered social housing when they fall under protective regulation designed to mitigate the negative effects of rent-extraction on home buyers. The output of building cooperatives or even of for-profit private developers may come under this term provided they are subsidized to abide by certain spatial and price standards. Social housing policy can also be designed to cover the residential needs of broad swathes of society; alternatively, it can target an impoverished minority only (Kleinman 1996). Nevertheless, an effective social housing policy presupposes a public sector financially capable and politically willing to integrate housing provision into its broader welfare mechanisms to absorb the reproductive costs of the workforce (subsistence, care, education, training).

Since the 1980s, however, the general direction of travel has been for governments to deregulate rental markets and to gradually dismantle social housing, using the growing availability of mortgage finance to promote owner-occupation instead. In the process, states have offloaded the responsibility of negotiating the tension between rent and residence onto family and kinship networks, while encouraging residents to think and act as petty rentiers. This has come amid a broader retrenchment of the welfare state and stagnation in the growth of wages relative to housing costs. Overall, households have come under increasing pressure to design their reproductive strategies around asset-based sources of income.

For the growing mass of homeowners, the most accessible option has been to tap into the rising worth of one's home. Indeed, home property has become central to the planning of "asset-driven lifetimes", ordered by the rentier logic of asset appreciation (Adkins, Cooper, and Konings 2020, 69–79). For older households, a common strategy is to sell their homes to cash out their property wealth and "downsize" to a cheaper property, living from the difference. This, however, is only a realistic option for those owning property in coveted urban locations, where the pressures of land rent can deliver steep house-price increases. Another strategy is to sell and move in with adult children, provided their homes are large enough. For middle-aged households, riding shorter rent waves by buying, re-developing, and selling successive homes at a profit is only a possibility for those affluent enough to keep up with rising house prices, or for those who, despite a modest salary, were lucky enough to break into the market an earlier stage of financialization (Arundel and Ronald, 2021). Either way, the prospect of petty rentierism appears increasingly limited to older generations. Yet, this is not to say that entire generational cohorts are being locked out of rentier reproductive strategies. As Adkins et al. (2020, 75) highlight, the young can still climb the property ladder provided that their salaries grow in pace with house prices (increasingly unlikely), or that they have the good fortune of having wealthy parents. Hence why strategically timed inter-generational wealth transfers, such as “gifting” inheritance early, are becoming increasingly determinant in one’s ability to access homeownership. Even then, partition of these transfers between multiple children necessarily diminishes the viability of this strategy over time. Overall, it is more accurate to speak of a complex residential stratification between three family types (Forrest and Hirayama 2018): (1) *real estate accumulators*, capable of maintaining or increasing their property assets over generations; (2) *housing wealth dissipaters*, experiencing a decline in the property assets accrued by previous generations when the market was more accessible; and (3) *perpetual renters*, with no accumulated property assets and decreasing opportunities for accessing them.

Financialized petty rentierism can temporarily suspend the contradiction between rent and residence, but as wages stagnate and the property ladder becomes steeper, the underlying problem is resurfacing as a distributional conflict with inter-generational features. It is yet another manifestation of the difficult relationship between capitalist production and rent extraction at the heart of housing provision under capitalism.

Conclusion

Since the decline of the rent debate, political-economic housing research has been afflicted by a series of theoretical problems. A major problem has been a recurring overemphasis on housing as an object of consumption and exchange, neglecting other aspects of provision, particularly the housebuilding process. To break past this consumptionist tendency, I have offered an analytical fusing of the different phases of provision, by showing how these are united by the distinct logic of *residential accumulation*. Building on the ongoing revival of rent theory, residential accumulation condenses the complex ways in which the process of housing provision is caught between two forms of capital accumulation with opposing dynamics: rent extraction and capitalist production. *Rent extraction* revolves around the monopolistic hoarding of a scarce asset to increase its price. An expression of this is house-price speculation, which relies on an investor’s capacity to corner residential space in highly demanded locations, charging the maximum possible for its access. *Capitalist production*, by contrast, revolves around the competitive improvement of the productivity of labour, lowering prices in the long run. The cut-throat business of construction contractors provides the clearest example here, with subcontracting and casualization methods regularly employed to lower costs. Residential accumulation involves balancing out both forms of accumulation at once, as seen in the activities of property developers, who regularly combine cost-efficient construction with house-price speculation. This hybrid logic, however, is not limited to these actors. Land dealers buying and servicing grounds for construction; landlords spending the minimum on maintenance; or home buyers weary of which home renovations will "add value" in a future sale, are all trying to balance out capitalist production and rent extraction for profit.

Another problem identified in the literature is an analytical polarization between approaches that are either excessively abstract, paying insufficient attention to housing institutions, or excessively concrete, unable to link empirical observations to system-wide developments. To bridge this divide, I have imported the concept of *social property relations into housing analysis* to explore how context-specific strategies of reproduction link up to broader developmental patterns. Through this conceptual prism, I have explored how the dynamics of residential accumulation have wider ramifications for the functioning of the capitalist economy.

On the one hand, there is a deep contradiction between the rent-bearing and residential functions of housing. A house only generates rent insofar as the amount of residential space in a particular area is scarce. As long as housing provision remains driven by for-profit actors, a chronic housing shortage amid deteriorating residential conditions, which residents are forced to accept, is to be expected. As such, any move to make housing more available or affordable will come as a threat to urban rentiers, like landlords or developers. The outcomes of social-property conflicts, as well as the use of policy to reshape and organize residential social property relations, are bound to play a major role in arbitrating this contradiction. The imposition of rent controls, to protect residents by restricting the extractive capacities of landlords; the establishment of social housing systems, to absorb the impact of house rent on subsistence costs; or the promotion of mass homeownership, to give residents a stake in the broader rentier economy, are all instances of this. Holding a contradictory position in this regard are owner-occupiers treating their property as an asset, as they are simultaneously residents and petty rentiers of their own homes.

On the other hand, the inflationary tendencies of house rent grate against the development of capitalist production. With the historical advance of capitalist production, the competitive drive to improve productivity has forced down commodity prices, even in the face of mass demand. In the process, subsistence goods like food or clothing have become cheaper, lowering the costs of reproduction of the workforce (and by extension, lowering the cost of labour power itself). Housing is a major exception to this rule. Despite the continuous improvement of construction technologies, housing becomes more expensive in the face of mass demand. As house rents increase over time, they exert an upward push on subsistence costs, stifling the disposable income of households and making baseline wage costs more expensive, leading to multiple axes of social-property conflict, including amongst residential generations. This tension can be avoided if wage and productivity growth manage to outpace house-price increases. The prospects of this, however, are increasingly narrow, as fierce industrial competition has by now thinned the profitability of capitalist production on a global scale, prompting a decades-long flight of investment towards real estate that has inflated prices beyond wage and productivity growth. Residential rentierism is thus increasingly a nuisance for productive dynamism – yet, paradoxically, it is also one of the most profitable avenues left to investors as the industrial engine of capitalism peters out.

Notes

1. For reasons addressed below, capitalist housebuilding is less prone to substituting labour by capital than other.

   industries, resulting in a notorious labour intensity. Nevertheless, the productivity-enhancing dynamics of the capitalist mode of production are certainly at play. A quick comparison with pre-capitalist building production illustrates this. In the guild-organized construction industries of medieval Europe, most activities proceeded at a leisurely pace with poorly capitalized means, seeing little change in the manufacturing of building materials or in the organization of labour (Hunt and Murray 1999, 42–4). The polar opposite to the developmental patterns that took hold once capitalist social property relations seized building production from the second third of the nineteenth century: strict workplace discipline, new and increasingly fragmented divisions of labour, increasingly mechanized production of building materials, and, slowly, the introduction of higher levels of capitalization into the building site itself (Byrne 1993; Price 1980).
2. The most obvious example here is the spread of rent controls and social rented housing in response to working-class strife (Harloe, 2020; Harloe 1995). More on this later.
3. When discussing commercial rents, it is important to note that there are two different types of rent extraction. (1) On the one hand, *productivity-based rents*, which are a direct function of a producer's relative productivity (defined as material output per unit of labour): e.g. a factory that is more profitable than others on account of its higher productivity will also be able to afford higher commercial rents. This form of rent extraction is not only perfectly compatible with capitalist dynamism, but it also arguably performs a crucial coordinating function in the capitalist mode of production, as landlords will allocate the best, most expensive locations to the most productive tenants, whilst weeding out those unable to keep up with social productivity standards (Harvey 1982, 361). (2) On the other hand, there are *consumption-based rents*, which are simply a function consumer capacity: e.g. the commercial rents paid by an art gallery, where profits are overwhelmingly determined by taste and speculation, rather than productivity. In this case, the rents pocketed by the commercial landlord are simply an upward redistribution of the rents that the tenant business itself extracts out of consumers. Commercial rents arise from a mixture of both types of rent, with the balance between the two depending on the activities of the tenant business. Insofar the source of rent is productivity-based, landlords will have an immediate interest in not raising the rent so much to make competitive production impossible for any tenant, as this would undermine their rent income. Conversely, the greater the consumption-based component of rent, the less the rentier will need to care about the effect that their rent hikes bear on a tenant's productivity, as their revenues will continue to flow on account of the tenant's own rent extraction. The hybridity of extraction does not apply to house rents, the substance of which is purely consumption-based, as they bear no *necessary* connection with the productivity of the resident. All that matters is whether the resident can pay. At the risk of getting lost in the Marxological disputes around rent theory, I believe that this is what Marx (1993, 751–951) was getting at with his distinction between "differential" (productivity-based) and "monopoly" rent (consumption-based).
4. The credit supply-side is also not neutral in structuring the social property relations of housing finance. The specialist mortgage-lending institutions of the pre-1970s era (see below) established selective financial circuits favouring specific types of borrowers. Bond-based banks privileged lending to wealthier urban rentiers on account of their capital-raising practices, which relied on issuing mortgage-backed bonds sold to risk-averse long-term investors. This allowed them to raise capital quickly and originate larger mortgages, but also made them prefer "collateral that was easier to monitor, was more standardized, and was capable of generating stable rental income" (Blackwell & Kohl, 2018b, 3674). They thus tended to concentrate their lending on larger and seemingly safer real estate projects, such as build-to-rent blocks in central cities. Conversely, deposit-based banks such as savings banks or building societies had a more "popular" borrower profile. Having to pool savings

deposits on a piecemeal basis, their operations tended to be disseminated across a large number of branches. This allowed them to embed themselves in local communities, giving them an edge on peripheral markets, where bond-based banks suffered from information asymmetries (Blackwell & Kohl, 2018b, 54). Due to their greater proximity to the ground, a slower pace of capital raising, and sometimes due to a charitable mission as well, deposit-based banks were thus more prone to lend at a smaller scale (e.g.to prospective owner-occupiers) and with more generous loan-to-value ratios. These differences, however, have become blurred with the disarticulation of special circuits and the rise of universal banking since the 1970s (see Blackwell & Kohl, 2018a; 2018b; Kohl 2017, 92–4; Martens 1988).

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