

'Proptech' could exploit renters like Uber does workers *by Miranda Hall*

Aidan Rushby, CEO of MoveBubble, wants to make renting a home as easy as "ordering a pizza". UberEats and Deliveroo have certainly made ordering a pizza easier, but they've also made it more exploitative. So far, in the workplace, automation and technology have tipped the balance of power greatly in the favour of capital. The same could happen in the housing market as investors pump money into new real estate technologies or 'proptech', changing the way we buy, sell, manage and rent homes.

Thanks to the systematic dismantling of rent regulation since the 80s, tenants in the UK are already in a really vulnerable position. Council housing is being sold off and not replaced, while NEF's recent report has shown that only one in five homes being built on public land will be affordable. This means more and more people are locked in the private rental sector, paying an average of 40% of their salaries on rent in London. Four out of ten tenants live in 'bad housing' and evictions account for 78% of the rise in homelessness since 2011.

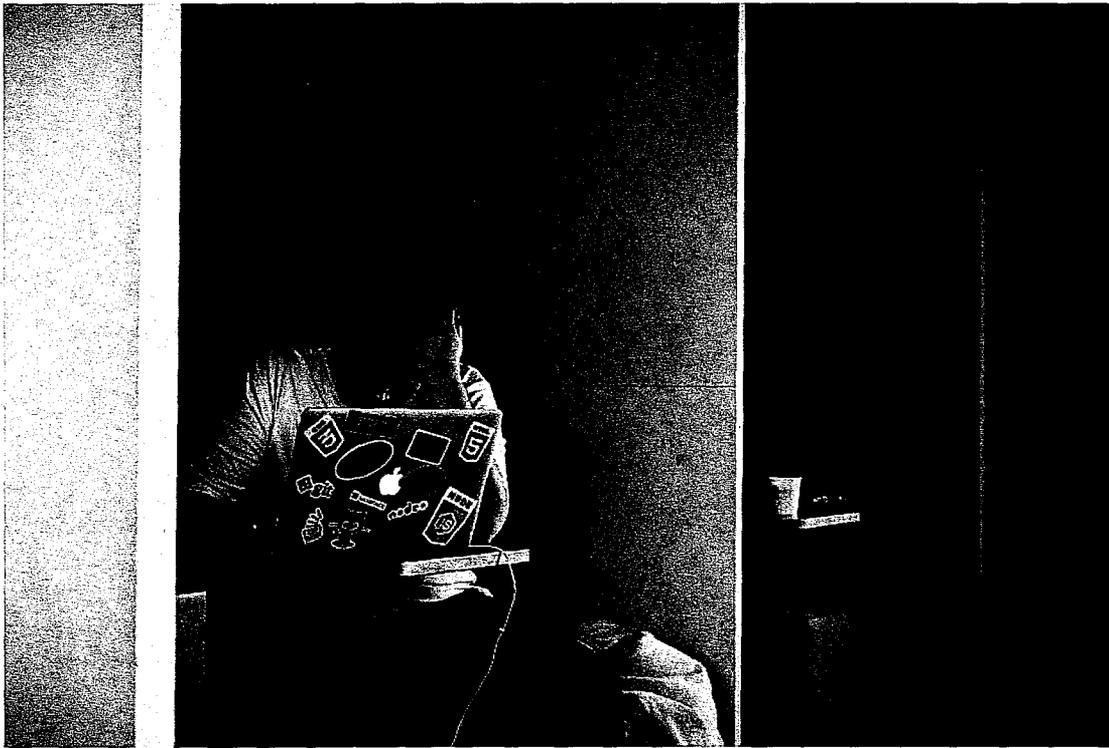
There is a potential place for new systems to help address discrimination and bad practice in the rental market just as drivers hoped that platforms like Uber would overcome the bias of the dispatcher and lead to better work. Features like the ratings system on Movebubble will help identify

rogue landlords and agents and many of these technologies will no doubt save renters time by minimising in-person paperwork. But it seems unlikely that venture capital-backed startups or new software developed by real estate giants will deliver the change renters really need.

Firstly, a number of these digital innovations come hand in hand with the financialisation of the rental sector. Urban geographer Desiree Fields has shown how firms such as Blackstone and Colony Capital are developing new software platforms enabling them to invest in and manage massive portfolios of geographically dispersed homes then use them as an asset base to construct financial products. This is worrying in itself as private equity's high return targets will result in declining living conditions when investor-landlords implement cost-cutting on services, repairs and maintenance.

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On an individual level, these technologies will also transform the experience of renting for families and individuals. A number of the features that



If paying the weekly rent is our number one priority, why doesn't government have affordable housing as its' top priority?

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Most members of Generation Rent know what it's like to have a hostile landlord – but what if your landlord was an algorithm? Now everything from maintenance requests to rent payments can be processed through cloud-based platforms like TaskEasy and FixFlo. Even eviction has a software solution. With 'CaseAct' and 'ThrowOutMyTenant' families can be pushed into a downward spiral of insecurity and poverty in 'just a few clicks'.

The issue is that, as Frank Pasquale highlights, you can't argue with an algorithm. You can't explain why unforeseen factors mean that your rent will be two days late. You can't challenge the loss of your entire deposit for mould that was already there. With a whole series of new technological intermediaries, it is no longer even clear who should be held accountable when something goes wrong.

Another worrying parallel to Uber is the use of scoring systems. Drivers are sent monthly assessments and suspended if their rating falls too low. Similarly, a number of new Apps generate individual 'trust scores' based on your job, credit score and other personal information that landlords can use to screen tenants. In practice, these scoring systems are just a way of rewarding the rich for being rich and studies have repeatedly shown racial, gendered and class bias built into algorithms. In fact, the founder of the GoodLord, one of the apps providing a platform for "digitising the renting transaction", proudly aimed his service exclusively at "young, good-looking, aspirational people."

Your score could determine not just your access to homes but how you are treated within them. The 'Waypoints' system operating in homes owned by Colony Capital gamifies renting by giving tenants points for behaviours aligned with the interests of landlords such as paying rent on time. Points entitle you to new appliances, smart home technologies and general home upgrades.

But in every game with winners there are losers. In this case, the person scoring the most points definitely won't be the single mother working as a cleaner on a zero-hours contract who ends up paying her rent a couple of days late. While her neighbour gets a shiny new bathroom fitting, she's left with the same old shower that only runs boiling hot or freezing cold.

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The 'reward' of smart home technologies under the Waypoints system has the added advantage for the rental company of generating a constant flow of monetizable property-level data. Desiree Fields views this extraction of data as a kind of second rent that tenants are unwittingly paying, not in money but in information. Who owns, governs and benefits from this data for things like loans or insurance is totally opaque.

One of the clearest illustrations of proptech working in the interests of landlords are the max-bid Apps Rentberry and Biddwell that get tenants to bid against each other for desirable properties.

When pitching the service, CEO Alex Lubinsky boasted to landlords that it would raise rents by 5%. When upset residents in San Francisco complained about prices being pushed up, he responded that "equilibrium will happen – all this

does is balance supply and demand".

Ultimately, for inherently political problems like housing, we need political solutions not just technological ones. Lubinsky's faith in 'supply and demand' reflects the neoliberal obsession with the free reign of market forces that has resulted in the dismantling of rent regulation in many countries in recent decades. As homes are treated as assets rather than places of survival, vulnerable families and individuals are left paying more than they can afford for poor quality homes. Currently, in the UK, 1 million families living in the private rental sector will face evictions and are at risk of becoming homeless by 2020.

The only thing that will genuinely make renting easier is radical policy change. This would include scrapping laws that allow 'no-fault' evictions, requirements that landlords offer longer tenancies, Decent Homes Standards and rent controls to stop them rising above inflation. Just as apps like MoveBubble have looked to Uber as an exemplar, in the fight for decent homes we can look to coordinated resistance by gig economy workers for inspiration. Trade Unions like IWGB have organised workers deemed 'impossible to organise', and movements like the London Renters Union and Acorn are doing the same for renters of different demographics scattered all over the UK's cities.

<http://neweconomics.org/2018/04/proptech-exploit-renters-like-uber-workers/>

