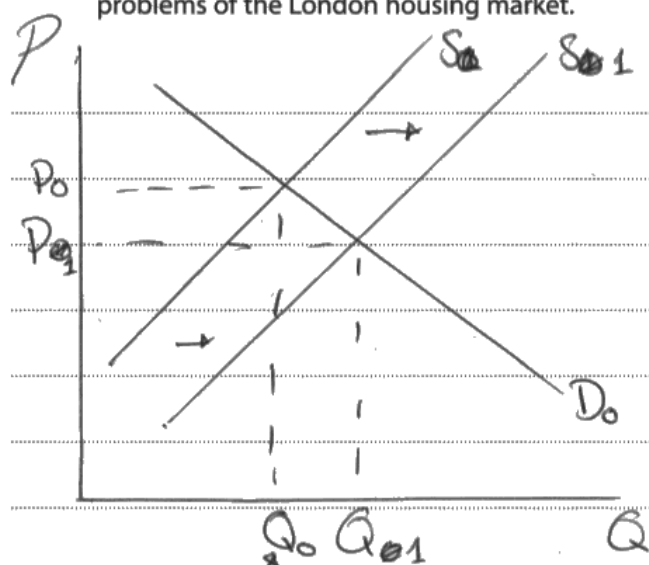


(c) Using a suitable diagram, assess the effectiveness of a rent cap in solving the problems of the London housing market.



(12)
Using a supply and demand graph I have illustrated a shift in supply to the right to show a reduction in cost and to show it is

below the free market level. This graph shows that the cap, or reduction in cost, would help to solve the issue of London having by offering more cheap affordable housing in London and keeping it below the free market level where the issues arise. This cap would stop excessive rent which forces people out of houses in London meaning more people being able to live in London again making it more effective. On the other hand if the cap is too high and renters are still being charged more than they can afford and still having to live outside of London then the policy could be seen as a failure due to not being regulated or enacted correctly.



in the market. Overall the effectiveness of the cap on the issues is all dependent on how strict the cap is and if it allows for people living in London to keep up with it and how effectively it is enforced as if too many houses ignore this cap and slip through then the issues will still persist.



P 5 2 1 4 1 A 0 2 1 2 4