

# East London Strategic Housing Market Assessment 2010

Report of Study Findings  
August 2010





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# Contents

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<b>Section 1: Introducing the Study .....</b>	<b>7</b>
What is a Strategic Housing Market Assessment? .....	7
Satisfying the Process Checklist .....	9
Providing the Core Outputs .....	11
<b>Section 2: The Study Context .....</b>	<b>13</b>
The National Policy Context.....	13
Overview .....	13
The planning policy framework .....	13
Building Britain's future.....	14
The Regional Policy Context .....	14
The London Plan 2004, 2008 and the Mayor's Consultation Draft Replacement Plan October 2009 .....	14
The Mayor's London Housing Strategy .....	18
The London Economic Development Strategy, 2009.....	20
The East London housing sub-region .....	21
Profile of the Boroughs and the City of London within the East London Sub-region .....	22
Barking and Dagenham.....	22
City of London .....	23
Hackney.....	24
Havering .....	25
Newham .....	26
Redbridge .....	27
Tower Hamlets .....	27
Waltham Forest.....	28
The legacy of the Olympic Games 2012 .....	29
The OPLC and Housing.....	29
Triathlon homes .....	30
Legacy Limited? Report dated 16 February 2010 .....	30
PPS3.....	31
Consultation and liaison with stakeholders (to date) .....	33
<b>Section 3: Housing Market Drivers .....</b>	<b>37</b>
National Level Household Changes.....	37

<b>Population Trends in East London .....</b>	<b>37</b>
<b>Household Type.....</b>	<b>39</b>
<b>Migration.....</b>	<b>40</b>
<b>Migration within London.....</b>	<b>40</b>
<b>UK Migration .....</b>	<b>42</b>
<b>International Migration.....</b>	<b>44</b>
<b>Migrant Workers .....</b>	<b>44</b>
<b>Economic Factors.....</b>	<b>47</b>
<b>Economic Activity .....</b>	<b>47</b>
<b>Incomes and Earnings.....</b>	<b>49</b>
<b>Employment .....</b>	<b>50</b>
<b>Skills and Education.....</b>	<b>52</b>
<b>Travel to Work.....</b>	<b>53</b>
<b>Section 4: Existing Housing Stock and the Housing Market .....</b>	<b>57</b>
<b>Dwelling Type .....</b>	<b>60</b>
<b>Housing Tenure .....</b>	<b>62</b>
<b>London's private rented sector.....</b>	<b>65</b>
<b>The niche markets of the private rented sector.....</b>	<b>65</b>
<b>High income, high rent households .....</b>	<b>67</b>
<b>Immigrant groups.....</b>	<b>68</b>
<b>Temporary accommodation .....</b>	<b>68</b>
<b>Growth in the private rented sector in London .....</b>	<b>70</b>
<b>Houses in Multiple Occupation.....</b>	<b>70</b>
<b>People living in communal housing establishments .....</b>	<b>71</b>
<b>Trends in Housing Costs.....</b>	<b>72</b>
<b>Geographic Distribution of London Average House Prices.....</b>	<b>73</b>
<b>Section 5: Existing Households in Housing Need .....</b>	<b>77</b>
<b>Introduction .....</b>	<b>77</b>
<b>Identifying Unsuitably Housed Households .....</b>	<b>77</b>
<b>Assessing Established Households in Unsuitable Housing .....</b>	<b>78</b>
<b>Established Households Living in Unsuitable Housing .....</b>	<b>81</b>
<b>Resolving Housing Unsuitability .....</b>	<b>81</b>
<b>Households in Housing Need .....</b>	<b>82</b>
<b>Section 6: Housing Market Dynamics .....</b>	<b>85</b>
<b>Introduction .....</b>	<b>85</b>
<b>Assessing Affordability .....</b>	<b>86</b>
<b>Assessing Affordability for Owner Occupation .....</b>	<b>86</b>

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Affordability and the ORS Housing Market Model.....	88
Assessing Affordability for Rented Housing.....	88
Modelling the Housing Market.....	88
Introducing Micro-Simulation Models.....	88
The ORS Housing Market Model.....	89
Understanding the Required Housing Tenure Mix.....	92
Understanding the housing requirement and sources of housing supply .....	94
Breakdown of Sub-regional Housing Requirements by Housing Tenure and Size .....	100
Borough Level tenure and size mix estimates.....	107
Borough level requirements by tenure based upon recent household flows and housing needs index.....	108
Borough level requirements by tenure based upon recent household flows and adjusted housing needs index .....	111
Borough level requirements by tenure based upon housing requirements apportioned in line with current household numbers and the housing needs index .....	113
Borough level requirements by tenure based upon based upon housing requirements apportioned to current household numbers and the adjusted housing needs index .....	115
Estimating Borough level housing requirements using the 5 year monitoring target of the draft replacement London Plan and the housing needs index.....	117
Estimating Borough level housing requirements using the 5 year monitoring target of the draft replacement London Plan and the adjusted housing needs index .....	119
The effect of policy change on the scenarios .....	121
Implications of HB cuts on the estimated size mix for Borough level requirements .....	122
Barking and Dagenham.....	124
The City of London.....	125
Hackney.....	126
Harvering .....	127
Newham .....	128
Redbridge .....	129
Tower Hamlets .....	130
Waltham Forest .....	131
<b>Section 7: Understanding Specific Sub-Group Needs .....</b>	<b>133</b>
Understanding the Housing Requirements of Older People .....	134
Understanding the Housing Requirements of Black and Minority Ethnic Groups .....	140
Understanding the housing requirements of people with limiting long-term illness or disability .....	149
Understanding the Housing Requirements of Young People .....	154
Understanding the Housing Requirements of Students.....	159
Future Trajectory.....	163
Understanding the Housing Requirements of Key Workers.....	167

<b>Recent Shared Ownership Movers .....</b>	<b>168</b>
<b>Understanding the Housing Requirements of First Time Buyers .....</b>	<b>171</b>
<b>Homelessness .....</b>	<b>176</b>
 <b>Section 8: Conclusion and Main Policy Issues.....</b>	 <b>179</b>
<b>General conclusion .....</b>	<b>179</b>
<b>Implications of not delivering the housing requirement.....</b>	<b>180</b>
<b>Implications of potential policy change regarding Housing Benefit support for private rented sector tenants.....</b>	<b>182</b>
<b>Intermediate affordable housing issues .....</b>	<b>182</b>
<b>The Olympic Legacy .....</b>	<b>188</b>
<b>Unsuitable housing and overcrowding .....</b>	<b>189</b>
<b>Longer terms challenges to the east London housing market and issues for future SHMAs to monitor .....</b>	<b>189</b>
<b>Findings in relation to groups studied in section 7 .....</b>	<b>191</b>
 <b>Appendix 1: Detailed Local Policy Context .....</b>	 <b>193</b>
<b>Barking and Dagenham .....</b>	<b>193</b>
<b>The City of London Corporation.....</b>	<b>200</b>
<b>Hackney.....</b>	<b>206</b>
<b>Harvering .....</b>	<b>213</b>
<b>Newham .....</b>	<b>221</b>
<b>Redbridge .....</b>	<b>230</b>
<b>Tower Hamlets .....</b>	<b>237</b>
<b>Waltham Forest.....</b>	<b>248</b>

# Section 1: Introducing the Study

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- <sup>1.1</sup> Opinion Research Services (ORS) was commissioned by the East London Housing Partnership to undertake a comprehensive and integrated strategic housing market assessment for the East London sub-region.

## What is a Strategic Housing Market Assessment?

- <sup>1.2</sup> Strategic Housing Market Assessments (SHMAs) are a crucial part of the evidence base informing policy and contributing to shaping strategic thinking in housing and planning. They were introduced as the required evidence base to support policies within the framework introduced by Planning Policy Statement 3 (PPS3) in November 2006.

*Strategic Housing Market Assessments and Strategic Land Availability Assessments are an important part of the policy process. They provide information on the level of need and demand for housing and the opportunities that exist to meet it.*

- <sup>1.3</sup> SHMAs work at three levels of planning:

### Regional

- Developing an evidence base for regional housing policy.
- Informing Regional Housing Strategy reviews.
- Assisting with reviews of Regional Spatial Strategies (Spatial Development Strategy in London).

### Sub regional

- Deepening understanding of housing markets at the strategic (usually sub regional) level.
- Developing an evidence base for sub regional housing strategy.

### Local

- Developing an evidence base for planning expressed in Local Development Documents.
- Assisting with production of Core Strategies at local level.

- <sup>1.4</sup> Alongside PPS3, Practice Guidance for undertaking Strategic Housing Market Assessments was published by the Department for Communities and Local Government (CLG) in March 2007 and subsequently updated with a minor revision in August 2007.

- <sup>1.5</sup> The Guidance gives advice regarding the SHMA process and sets out key process checklist items for SHMA Partnerships to follow. These checklist items are important, especially in the context of supporting the soundness of any Development Plan Document:

*In line with PPS12, for the purposes of the independent examination into the soundness of a Development Plan Document, a **strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2.** (Page 9)*

- <sup>1.6</sup> The core outputs and process checklist required of an SHMA to demonstrate robustness are detailed below.

Figure 1  
CLG SHMA Practice Guidance Figure 1.1 – Core Outputs

Core Outputs	
1	Estimates of current dwellings in terms of size, type, condition, tenure
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market
3	Estimate of total future number of households, broken down by age and type where possible
4	Estimate of current number of households in housing need
5	Estimate of future households that will require affordable housing
6	Estimate of future households requiring market housing
7	Estimate of the size of affordable housing required
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people

Figure 2  
CLG SHMA Practice Guidance Figure 1.2 – Process Checklist

Process Checklist	
1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region
2	Housing market conditions are assessed within the context of the housing market area
3	Involves key stakeholders, including house builders
4	Contains a full technical explanation of the methods employed, with any limitations noted
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner
6	Uses and reports upon effective quality control mechanisms
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken

- <sup>1.7</sup> The following sections describe the process undertaken in delivering the East London study and identify where the required core outputs are provided within the study report.

## Satisfying the Process Checklist

1. Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region.
  - 1.8 Having regard to PPS3 and the CLG advice note on identifying sub-regional housing market areas, the Government Office for London (GOL), the Greater London Authority (GLA) and London Councils agreed in a joint statement in March 2008 that the London region represents an appropriate spatial level of analysis for understanding housing markets as well as enabling a co-ordinated approach to evidence base work and policy-making across the region.
  - 1.9 The Greater London SHMA was commissioned with reference to the administrative boundaries of the region but, through the use of a range of secondary data sources, provided an appropriate context for the region's data in relation to the rest of England. The key focus of the study is to estimate the overall level and mix of housing required, while setting the London housing market in the context of other UK regions.
  - 1.10 It is recognised that the region-wide SHMA is unlikely to provide the necessary focus on local issues that may be required for developing housing policies in individual Boroughs. Therefore, in parallel with the regional work, there is an expectation that the housing sub-regions will each produce their own HMA at a sub-regional level.
2. Housing market conditions are assessed within the context of the housing market area.
  - 1.11 The contextual information about housing market conditions presented in this report focuses on the administrative boundary for the region. However, it is generally considered within the context of the national position and alongside information for the London Boroughs and the London sub-regions.
  - 1.12 Given that it is possible to define the housing market area at different levels, from very localised housing markets that operate within individual Borough administrative boundary ranging up to the Greater London Housing Market (which can be defined as operating within or beyond the region's boundary), it is appropriate for this SHMA to assess the housing market context in this way.
3. Involves key stakeholders, including house builders.
  - 1.13 A clear project management approach was used throughout the lifetime of the Project to oversee the development of the SHMA, as described below:
    - **Project Group** – planning and housing officers representing all 8 of the Boroughs in the sub-region. It oversaw the progress of the work and dealt with the day to day enquiries and issues. It was responsible for seeing that the SHMA was a soundly based and agreed document and has overall responsibility for decision making for the project.
    - **Stakeholder Group** – representatives from a wide range of regional and sub-regional organisations were invited to attend stakeholder meetings. In addition, ORS attended several established working groups to gain information and insight. The group acts as a sounding board for the Project Group. Members commented on the development of the work programme and on the emerging findings. They provide insights on all policy areas that are relevant to housing. A summary of this is provided at the end of section 2.

- **Consultant Team** – Opinion Research Services (ORS) provided the necessary contextual and analytical data to inform a full SHMA for the region using both primary and secondary data, which sets out the information in an accessible form and considers the implications of that information for the region.

4. Contains a full technical explanation of the methods employed, with any limitations noted.
5. Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.

<sup>1.14</sup> Many aspects of the SHMA simply collate the range of available evidence in order for it to be considered within the local context. A detailed technical explanation of such stages is therefore not normally necessary and no assumptions or judgements have been taken. Nevertheless, some of the outputs from the study are dependent on more analytical work that does require a more technical explanation and are based on a series of assumptions.

<sup>1.15</sup> The assessment of household affordability is a critical stage of the analysis that fundamentally underwrites the assessment of housing need, insofar as it determines the financial resources required to be able to access market housing. The methodology employed for this analysis is clearly set out in section 6 under the heading “Assessing Affordability”. Once again, a number of assumptions have been made. The methodology and assumptions are clearly set out as required by the CLG Practice Guidance (2007).

<sup>1.16</sup> Other assumptions relating to the modelling analysis are clearly set out in chapter 6 of the report.

6. Uses and reports upon effective quality control mechanisms.

<sup>1.17</sup> The quality of the SHMA outputs are fundamentally underwritten by the robustness of the analysis methodology employed, coupled with the quality of the data that underwrites that analysis process.

<sup>1.18</sup> The primary source for many of the Core Outputs for the SHMA is the ORS Housing Market Model, which was developed in partnership with a wide range of organisations and has been adopted as the basis of a number of key studies, including the Greater London Housing Requirements Study (2004) and Strategic Housing Market Assessments for Exeter and Torbay sub-region (2007) and Birmingham City (2008). The model has also provided the evidence base for Greater Norwich (2007) and West Cornwall (2008) Strategic Housing Market Assessments.

<sup>1.19</sup> A significant amount of the development time for the model was undertaken during work for English Partnerships and Milton Keynes Council, and was independently scrutinised by Three Dragons (a consultancy specialising in affordable housing policy) throughout the development process.

<sup>1.20</sup> Results from the model have withstood scrutiny by Inspectors at numerous Local Plan Inquiries. To this independent scrutiny provides the necessary quality control in relation to the analysis methodology.

<sup>1.21</sup> In terms of the quality of the adopted data sources, wherever possible information has been triangulated between the available information sources to identify any anomalies and avoid any dependency on erroneous data or erratic results attributable to small sample sizes.

7. Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken.

<sup>1.22</sup> This is the first SHMA of the sub-region.

## Providing the Core Outputs

<sup>1.23</sup> Figure 3 (below) provides the relevant references for each of the Core Outputs required by the SHMA Practice Guidance in the context of this report.

Figure 3  
Referencing the SHMA Core Outputs

Core Outputs	References within the Report
1 Estimates of current dwellings in terms of size, type, condition, tenure	<i>Section 4 profiles the Existing Housing Stock</i> <i>More specifically:</i> <ul style="list-style-type: none"><li>– <i>Figure 37 onward gives a breakdown of property type; and</i></li><li>– <i>Figure 41 onward gives a breakdown of tenure</i></li></ul>
2 Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	<i>The study provides a wide range of information about trends within the housing market, with references throughout chapters 3, 4, 5 and 6.</i> <i>More specifically:</i> <ul style="list-style-type: none"><li>– <i>Figure 7 provides details on the overall population;</i></li><li>– <i>Figure 9 shows the age profile of the area;</i></li><li>– <i>Figure 15 and Figure 16 detail UK migration rates year-on-year;</i></li><li>– <i>Figure 22 shows details on asylum seekers;</i></li><li>– <i>Figure 23 provides information on unemployment rates;</i></li><li>– <i>Figure 26 and Figure 27 and Figure 28 detail earnings for the region;</i></li><li>– <i>Figure 30 shows annual VAT registrations and de-registrations;</i></li><li>– <i>Figure 41 onward shows the change in tenure distribution across the stock;</i></li><li>– <i>Figure 50 and Figure 53, provide detail on the changing cost of housing in the region;</i></li><li>– <i>Figure 52 shows the volume of sales;</i></li></ul>
3 Estimate of total future number of households, broken down by age and type where possible	<i>The GLA 2007 Round Population forecasts provide overall household estimates for the region, and these are referred to throughout the report. The ORS Housing Market Model also identifies the flows of households into and out of the area and Figure 69 shows the projected number of additional households for the next 5 year period</i>
4 Estimate of current number of households in housing need	<i>An estimate of the overall current number of households in housing need is detailed in Figure 59</i>
5 Estimate of future households that will require affordable housing	<i>The gross housing requirement for Social Rented and Intermediate Affordable Housing and for Market Housing, together with the size mix of housing required by all households seeking housing (broken down by housing type) is comprehensively detailed in section 6 of the report, where the outcomes of two particular</i>
6 Estimate of future households requiring market housing	

Core Outputs	References within the Report
7 Estimate of the size of affordable housing required	<p><i>scenarios are detailed</i>  <i>Full technical details on the modelling analysis are detailed in Appendix A and both scenarios described are further sensitivity tested in Appendix C</i></p>
8 Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and <i>minority ethnic groups</i> , disabled people, young people	<p><i>Section 7 of the report considers the needs of various sub-groups of the population, including:</i></p> <ul style="list-style-type: none"> <li>– <i>Older People</i></li> <li>– <i>Black and Minority Ethnic Groups</i></li> <li>– <i>Disabled People</i></li> <li>– <i>Young People</i></li> <li>– <i>First time buyers</i></li> <li>– <i>Students</i></li> <li>– <i>Key Workers</i></li> <li>– <i>Homeless households</i></li> </ul>

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## Section 2: The Study Context

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### The National Policy Context

#### Overview

- 2.1 Up until the general election in May 2010 the government has pursued the aims of achieving the minimum standard of decency for existing housing and a step change in the supply of new house building. This house building was to be delivered within the principles of sustainable development and this is the underlying concept behind the review of the policy context in this chapter.
- 2.2 However, the credit crunch and the global economic crisis that first arose in 2008 made it impossible for the desired rate of private sector new house building to be achieved. Post election public spending cuts are likely to reduce levels of spending on new build social housing and the amount that is available to fund housing benefit. This scenario is analysed in Section 6 of the report and the policy implications are considered in Section 8.
- 2.3 The outgoing government introduced a number of measures to support the lack of demand for new house building during the credit crunch. These measures must be considered alongside the trajectory of market recovery. ORS' partner, Savills, produce regular market updates and in common with other commentators it is a widely held view that London's housing market, especially the premium end of the market is leading the national recovery. Parts of the East sub-region are also thought to be particularly well placed in this regard.
- 2.4 The indications are that sustainability is a policy priority for the post May 2010 government so it is worth briefly reviewing the policy context applicable to the pre election era as, with some notable exceptions, many parts of the national planning framework seems likely to remain. The impact of the Mayor of London's policies concerning housing is considerable and is considered separately below.

#### The planning policy framework

- 2.5 To deliver the communities plan the Government tasked the nine English regions with setting up a regional housing body or board. The emerging London policy is contained within the London Plan (2008) published by the Mayor of London. The incoming government is in the process of reforming the regional arrangements outside London.
- 2.6 Local Authorities must have regard to the aims for sustainable communities and these are reflected in a series of Planning Policy Statements (PPS). PPS1 Delivering Sustainable Development, (2005) sets out the overarching planning policies for the delivery of sustainable development through the planning system. PPS1 also states that to facilitate and promote sustainable and inclusive patterns of urban and rural development, planning should ensure, among other things; that new developments are: of high quality and well designed; make the most efficient use of resources; support existing communities while creating safe, sustainable, liveable and mixed communities with good access to jobs and key services.
- 2.7 The current housing policy document Planning Policy Statement 3 Housing, 2006 (PPS3), replaced a series of policies including Planning Policy Guidance Note 3 (PPG3) and Circular 6/98. The principal

definitions and requirements of PPS3 are summarised at the end of this chapter. They are of fundamental importance to the Housing Market Assessment.

<sup>2.8</sup> PPS3 was developed in response to recommendations in the Barker Review of Housing Supply (March 2004) and reflects the need to improve the affordability and supply of housing in all communities. The Government has set out the following aims in order to achieve this;

- provide a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community;
- widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, to address the requirements of the community;
- improve affordability across the housing market, including by increasing the supply of housing; and
- create sustainable, inclusive and mixed communities in all areas, both urban and rural.

<sup>2.9</sup> Notably, one of the six principles of PPS3 is that an evidence-based policy approach to housing provision is taken:

*Local Development Documents and Regional Spatial Strategies policies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment.*

### **Building Britain's future**

<sup>2.10</sup> The Communities Plan was superseded by Building Britain's Future 2009. This stated the current government's policy and legislative programme for mitigating the impact of the recession. It aimed to ensure that infrastructure, workforce with appropriate skills and housing is in place to help sustain a strong recovery and future economic growth. Regarding housing, it restated the measures taken to support the housing market as a consequence of the credit crunch. It signalled a review of the housing benefit system linking it to a claimants return to work. It also highlighted policies to promote the low carbon economy. A more detailed summary of the paper is not presented here as at the point that the SHMA was published, the new coalition government elected in May 2010 has embarked on radical financial measures. These make the delivery of many housing related programmes uncertain due to the dismantling of quangos (both national and in the English regions), the withdrawal of finance or the introduction of replacement policies. The new government proposes a new system of governance based upon 'Localism'. The reform to housing benefit proposed in Building Britain's Future has been taken forward by the new government.

## **The Regional Policy Context**

### **The London Plan 2004, 2008 and the Mayor's Consultation Draft Replacement Plan October 2009**

#### **Background**

<sup>2.11</sup> The London Plan, the Mayor's Spatial Development Strategy, was first published in February 2004. The Plan's integrated and strategic policies inform delivery in a range of areas including housing, transport and supporting economic growth. The Mayor is legally required to keep the London Plan under review.

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<sup>2.12</sup> An updated plan containing alterations made since 2004 was published in February 2008. The election of a new London Mayor in May 2008 led to proposals for a new London Plan being published in April 2009 leading to formal publication of a replacement plan towards the end of 2011.

<sup>2.13</sup> A Consultation Draft Replacement Plan was published in October 2009. The February 2008 version of the London Plan retains legal precedence until the replacement London Plan is published.

## **Key Themes**

<sup>2.14</sup> The London Plan recognises that London's economic growth depends heavily on an efficient labour market and this in turn requires adequate housing provision to sustain it. Lack of housing, especially affordable housing, is already one of the key issues facing London employers. As a general principle, strategically important employment generating development will be expected to contain other uses, which can include housing.

<sup>2.15</sup> Reflecting the key national policy themes of sustainable communities and social cohesion, the London Plan acknowledges that a strategy for housing is not simply a matter of providing adequate accommodation, but also about ensuring access to key public services and local amenities. It emphasises that new housing should offer a range of choices for new households, including affordable housing with homes for both social renting and intermediate housing.

## **Key Objectives**

<sup>2.16</sup> The London Plan's main objectives are to;

- accommodate London's growth within its boundaries without encroaching on open spaces;
- make London a better city for people to live in;
- make London a more prosperous city with strong and diverse economic growth;
- promote social inclusion and tackle deprivation and discrimination;
- improve London's accessibility; and
- make London a more attractive, well-designed and green city.

## **Future Housing Provision**

<sup>2.17</sup> The Plan has a strong focus on increasing London's supply of housing. It sets out the policy framework for distributing housing capacity among the Boroughs and for realising and monitoring that development. Policy 3A.1 of the London Plan (2008) sets a minimum target for housing provision of 30,500 dwellings per annum. This is slightly below the target of 33,000 new homes per annum identified by the draft Strategic Housing Market Assessment (ORS, November 2008).

<sup>2.18</sup> The Consultation Draft Replacement Plan (October 2009) suggests a slightly higher annual target of 33,380 new dwellings per annum between 2011 and 2021. However, as targets should be over a 15 rather than 10 year period, the Mayor is committed to reviewing targets by 2015/16.

<sup>2.19</sup> The Draft Plan proposes a different view of London's Planning sub-regions to the 2008 Plan and proposes a different spatial framework for policy (map 2.1 below);

- Central London including the Central Activities Zone;
- Inner London; and

- Outer London.
- 2.20 The housing sub-regions are unaltered.
- 2.21 Minimum targets for the London Planning sub-regions are shown below.

Figure 4

**London Housing provisional targets by new planning sub-region** (Source: draft consultation London Plan (October 2009) Table 3.1)

Area	Total Target	Annual Monitoring Target
East London	148,450	14,850
North London	36,350	3,635
South London	43,250	4,325
West London	40,150	4,015
Central	65,600	6,560
<b>Total</b>	<b>333,800</b>	<b>33,380</b>

**Map 2.1 Sub-regions**



Source: GLA 2009 © Crown copyright. All rights reserved. Greater London Authority 100032379 (2009)

- 2.22 The Mayor published 'Planning for a Better London' in July 2008, setting out the key areas he wishes to address in revising the London Plan, other related strategies and guidance. It paved the way for the Mayor's Draft London Plan October 2009. It outlined the key challenges in respect of providing the homes Londoners need and the key policy responses. These include supporting the delivery of affordable homes while removing 'prescriptive and counter-productive targets', enabling a higher proportion of shared ownership and other 'intermediate' housing, providing the planning framework for Mayoral housing initiatives, improving standards for the quality and design of housing and promoting good quality, liveable and sustainable neighbourhoods.

## Affordable Housing

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<sup>2.23</sup> The London Plan (2008) places emphasis on affordable housing. It is seen as being important to meet the needs of households who cannot afford decent and appropriate housing in their Borough and also to promote mixed and balanced communities. It states that a shortage of affordable housing has led to;

- increasing numbers of households in priority need being forced to live for long periods in temporary housing, overcrowded conditions and in bed and breakfast accommodation; and
- residents moving out of London and either travelling long distances to work or leaving the capital altogether.

<sup>2.24</sup> The Plan highlights that those with lower incomes find it very difficult to access the housing they need, with many having no option but to seek social housing. This in turn can lead to social housing and deprivation being closely linked, with people finding it increasingly difficult to move on from social into other forms of housing.

<sup>2.25</sup> The delivery of additional affordable housing has featured significantly in the development of the London Plan. The first London Plan (2004) adopted a strategic target that half of all additional housing should be affordable. However, in 2008, the Mayor decided that this target had proved unachievable and unresponsive to local circumstances. In the Draft Plan he intends to propose a numeric rather than a rigid percentage based regional target, informed by Strategic Housing Land Availability Assessments (SHLAA) and SHMAs.. He also intends to work with Boroughs in the light of their sub-regional and local housing market assessments to ensure their own affordable housing targets fully and realistically contribute to local and strategic need and conform to the London Plan.

<sup>2.26</sup> The Draft Consultation Plan (October 2009) suggests that, an average of 13,200 additional affordable homes per annum is a more appropriate strategic target. This equates to an annual affordable housing target of 40% of all new dwellings. However, the Mayor proposes to engage with Boroughs individually to enable them to set local affordable housing targets which are in general conformity with the London Plan's strategic targets. The new affordable housing target proposed by the Draft Plan is 60% social housing and 40% intermediate affordable housing.

<sup>2.27</sup> Finally, in terms of affordable housing thresholds, the Consultation Draft Replacement Plan (October 2009) suggests that Boroughs should normally require affordable housing provision on a site which has capacity to provide 10 or more homes (compared with the PPS3 threshold of 15 dwellings). It encourages Boroughs to seek a lower threshold through the UDP process where this can be justified. They are encouraged to ensure that the affordable housing requirement applies to any site which has the capacity taking into account other policies of the plan to provide the minimum number of dwellings set in their threshold.

<sup>2.28</sup> Minimum targets for the East London housing sub-region are shown below. Provisional targets to apply from 2011 based upon SHLAAs are also shown.

Figure 5

2008 and 2009 provisional targets for the East London Sub-region (Source: London Plan (2008) table 3A.1 and consultation draft replacement London Plan (2009) table 3.1)

Area	London Plan 2008		Draft London Plan 2009	
	Total Target	Annual Monitoring Target	Total Target	Annual Monitoring Target
<b>Barking and Dagenham</b>	11,900	1,190	15,100	1,510
<b>City</b>	900	90	1,100	110
<b>Hackney</b>	10,850	1,085	11,600	1,160
<b>Havering</b>	5,350	535	12,350	1,235
<b>Newham</b>	35,100	3,510	25,000	2,500
<b>Redbridge</b>	9,050	905	7,600	760
<b>Tower Hamlets</b>	31,500	3,150	28,850	2,885
<b>Waltham Forest</b>	6,650	665	7,600	760
<b>Total</b>	<b>111,300</b>	<b>11,130</b>	<b>109,200</b>	<b>10,920</b>

- <sup>2.29</sup> Policy 3A.2 of the London Plan states that Development Plan Document policies should aim to exceed figures in table 3A.1. This should be done within the context of addressing the suitability of housing development in terms of location, type of development and impact on the locality, identifying new sources of supply as well as a review of existing identified housing sites and monitoring housing approvals and completions against both the targets set out in Policy 3A.1 and respective Borough targets.
- <sup>2.30</sup> The London Plan recognises the importance of working in close collaboration with neighbouring regional authorities in order to maintain a consistent approach to addressing the needs of inter-regional migration and household growth with the South East and the East of England.

### The Mayor's London Housing Strategy

- <sup>2.31</sup> The Mayor's London Housing Strategy currently aims to deliver 50,000 affordable homes between 2008 and 2011, the larger part of which will be through new development (the rest will be coming from existing stock e.g. through Open Market Home Buy and bringing vacant properties back into active use). However, the AMR suggests that during the previous three year period i.e. 2004/05 to 2006/07, only 24,420 affordable homes were constructed throughout London, or around 33% of all new homes. As such, the target of 50,000 affordable homes between 2008/09 and 2010/11 requires the doubling of previous outputs.
- <sup>2.32</sup> The new Mayor of London published his draft Housing Strategy in March 2008. This is a preliminary document providing an indication of how policy may change in the future as a result of the change of administration.
- <sup>2.33</sup> The document is very much concerned with providing opportunities to Londoners for home ownership and as such Low Cost Home Ownership opportunities are set to increase by a third, largely due to the new administration's 'First Step' housing programme. It is believed that this will ensure that Londoners earning at the basic rate of income tax can get a foot on the property ladder and is available up to a household income limit of £74,000 a year, to be reviewed annually. The implications of this are considered in Sections 6 and 8 of this report.

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## The London Housing Strategy 2010

- 2.34 The draft London Housing Strategy was published in May 2009 for public consultation. The final version of the strategy was published in 2010. Embodied in the strategy is the Mayor's vision for housing in London;
- to raise aspirations and promote opportunity: by producing more affordable homes, particularly for families and by increasing opportunities for home ownership through the new First Steps housing programmes;
  - to improve homes and transform neighbourhoods: by improving design quality, by greening homes, by targeting and delivering regeneration and by tackling empty homes; and
  - to maximise delivery and optimise value for money: by creating a new architecture for delivery, by developing new investment models and by promoting new delivery mechanisms.
- 2.35 The strategy states London's uniquely expensive housing market prohibits low and middle income households from accessing the owner occupied sector. In response, it states that the Mayor is making progress towards agreeing targets for providing 50,000 new homes across London by 2011. Up to 20,000 of these new homes will consist of intermediate housing provided with financial support from the Homes and Communities Agency (HCA). Rather than a 'one-size-fits-all' approach to affordable housing, Borough targets for 2008-11 will be based on their capacity to deliver and the circumstances of each local area.
- 2.36 The strategy acknowledges that low income Londoners and some groups are disproportionately affected by the shortage of good quality affordable housing. Others may face discrimination or need protection in the home or a move to alternative accommodation, such as women fleeing violence or those being harassed on the grounds of race or sexual orientation. Therefore, the Mayor is committed to providing more accessible housing to meet the needs of those disabled, deaf and older people living in unsuitable homes that prevent them from living independent lives.
- 2.37 The Mayor seeks to avoid social and economic deprivation associated with the mono-tenure estates that were built during the 1960s and 1970s. Therefore, the Mayor's housing policies focus on improving the social mix of London's communities, by ensuring that new developments are mixed tenure and that other tenures are introduced into mono-tenure estates and by seeking to explore new ways of creating a more balanced tenure mix in the capital's existing neighbourhoods.
- 2.38 The strategy states that East London is the area of the capital with the greatest potential for growth, representing 51% of London's total capacity. By 2016, 100,000 homes could be provided in the London Thames Gateway, which falls within seven East London Boroughs. The Lower Lea Valley alone will provide more than 9,000 new homes as a direct legacy of the 2012 Olympic and Paralympic Games, part of around 40,000 new homes in the area over the longer term. Outer London also has a key role to play, with almost half (47%) of the overall capacity for new homes in the outer London Boroughs.
- 2.39 Finally, the strategy states that increasing the supply of housing in London must go hand in hand with improving the design and quality of the homes that are built. Homes must be well designed, sustainable and attractive. They must provide the accessibility, adaptability and flexibility required for 21st century living, meet the needs of London's diverse population, address the challenges of climate change and help to sustain thriving neighbourhoods.

## The London Economic Development Strategy, 2009

- 2.40 The latest edition of London's Economic Development Strategy was published in October 2009. Similar to the London Plan (2009), the strategy highlights the interdependence of London's economic success with related issues such as housing, transport and the environment. The report suggests that the state of London's transport system and shortage of affordable housing are regularly mentioned by businesses as major impediments to the city's competitiveness.
- 2.41 In particular, it highlights the negative impact that high housing costs can have on the economy. High housing costs can erode gains from employment for lower-paid workers, leaving families in a 'benefit trap', where out-of-work benefits provide a higher income than available employment. Competition for limited numbers of lower paid jobs means wages are low by London standards, further reducing opportunities for those with dependents to support. These problems are compounded by barriers to employment affecting many groups in London, including discrimination, accessibility and lack of affordable childcare.
- 2.42 Similarly, it suggests that concentrations of disadvantage arise in part because of housing market conditions, the location of social housing and other historical patterns. These contribute to worsening the chances for already excluded households in such areas through loss of services, poor school performance, inadequate or very expensive access to credit, poor local employment opportunities and so on. Regeneration policy to date has improved prospects for some residents in these areas. However, it has had far less impact on concentration effects because individual beneficiaries tend to move on and tend to be replaced by people moving into the area who continue to experience disadvantage.
- 2.43 Also, it argues that transport, environmental quality and essential services have all come under increasing pressure, both in terms of delivery and the ability to house key workers. London's high cost base reflects its value to the highly productive firms that are located here. Its success has resulted in rapid population growth and an increase in overall employment over the last two decades, putting more pressure on London's infrastructure, especially its transport systems and housing.
- 2.44 Falling travel speeds, lack of sufficient capacity on public transport and shortages of living and workspace will eat into London's productivity. The failure of housing supply to keep up with demand is both causing and reinforcing patterns of social injustice. High prices are making it increasingly difficult for essential workers in the public and private sectors to live in London and for people who depend on benefits to move into work. This is having a distorting effect on London's economy. Growth has also exacerbated other problems impacting on the city's economic success, for example, inaccessible transport systems and buildings and barriers to economic engagement, such as lack of affordable childcare facilities.
- 2.45 In response, it argues that new jobs and housing need to be supported by sufficient and appropriate, social infrastructure. It is also important to take account of the infrastructural needs of particular groups, such as the Asian community, the Irish community, disabled people or new migrant workers.
- 2.46 Finally, it states that although there will be a tension between particular uses of land, experience shows that other properly located uses, such as housing, are not necessarily the enemy of jobs and economic development. There is a clear link between some places becoming more residential and employment growth, particularly in town centres. It is also important to bear in mind the scope for

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including appropriate employment-generating uses as part of higher-density, mixed use developments.

## The East London housing sub-region

- 2.47 The East London housing sub-region is made up of eight London Boroughs; Barking & Dagenham, City of London, Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest. The eight local authorities differ greatly from one another in their profiles with contrasting levels of size, wealth, housing needs, ethnicity, tenure split, development opportunities and political traditions. Extremes of wealth and deprivation exist in each of the eight Boroughs. The sub-region experiences high levels of homeless demand and increasingly unaffordable housing markets. Out of the eight Boroughs of East London, The London Borough of Newham has the highest proportion of BME residents.
- 2.48 The East London Sub-regional Housing Strategy 2005-2010 highlights the stark differences between the East London Boroughs. The smallest partner, the Corporation of London, is one of the world's great financial centres and whose low level of housing stock is primarily based in surrounding authorities. This contrasts greatly with its nearest sub-regional neighbours, Hackney, Newham and Tower Hamlets who have the highest levels of need, social housing and the most diverse populations. The outer lying Boroughs have relatively less social housing and lower but not insignificant levels of need.
- 2.49 The sub-region contains several different 'housing markets'. Hackney, Newham and Tower Hamlets markets have substantially more social housing than other Boroughs, but also have pockets of expensive owner occupied housing with much new luxury development set in docklands. Havering, Redbridge and Waltham Forest have greater concentrations of owner occupation whilst the City of London is characterised by its office development.
- 2.50 In terms of developing new major sites for housing, the strategy strongly advocates ensuring the necessary infrastructure is put in place to support new housing. Only building at higher densities can ensure enough quality, a critical mass of people and services, environmental protection and sufficient value to generate investment in the infrastructure and develop links into existing communities. It argues that evidence of this approach is emerging in the major developments taking place in the Royal Docks, on the Isle of Dogs and those planned for the Lower Lea Valley, M11 corridor and Stratford Railway Yards. Lessons learnt from these projects will need to be applied to the schemes on Barking Riverside and London Riverside.
- 2.51 According to the strategy, East London's housing market faces considerable difficulties. Levels of overcrowding in East London are higher than for London as a whole (8.4% of all households compared to 6.8%). Hackney, Newham and Tower Hamlets have the highest levels of severe overcrowding (more than 1.5 persons per room). Overcrowding is greatest amongst BME communities,: Bangladeshi (36.5%), Pakistani (29.6%) and Black/Black British African (20.1%).
- 2.52 Homelessness pressure is highest in Hackney, Newham, Redbridge and Tower Hamlets. Use of bed and breakfast is low throughout the sub-region due to the growth in leasing self contained accommodation from the private rented sector. Numbers have risen dramatically over the past 4 years and contribute to meeting the Government's target of halving the numbers of households in temporary accommodation by 2010.

- 2.53 BME households in some Boroughs are disproportionately represented amongst those accepted as homeless e.g. forming around 85% of acceptances in Hackney. This, in part, reflects the fact that family-sized private accommodation is more expensive and BME households are more likely to have dependent children present, a major group protected by the legislation.
- 2.54 BME households are over-represented in households that are overcrowded. Strategies to reduce overcrowding are being implemented in all Boroughs.
- 2.55 Finally, the strategy states that three of East London's Boroughs (Hackney, Newham and Tower Hamlets) will be closely involved in the development of the infrastructure to support the 2012 Olympic Games. It concludes that the impact of hosting the games on local housing markets and development opportunities will need to be assessed and the sub-region will need to be fully involved with partner organisations in the development of plans as they emerge for the delivery of this major project. The impact of the Olympic Games on Newham is discussed in more detail in the section below entitled The Olympic Games 2012 and Regeneration.

## Profile of the Boroughs and the City of London within the East London Sub-region

### Introduction

- 2.56 This section seeks to provide a short profile of the sub-region from a Borough/City of London perspective. The profile is built upon during subsequent chapters such that the different characteristics of each Borough and their role within the sub-region described. This will enable a wider understanding of the housing markets and the future housing requirements of the sub-region to be understood.
- 2.57 A fuller description of the policy context for each Borough/City of London is provided in Appendix A to this report. Although appended, the information is important to the SHMA and the planning policy it will evidence. It provides a summary for each Borough and the City of London of;
- the community strategy;
  - the core strategy;
  - the corporate strategy;
  - the housing strategy; and
  - the supporting people strategy.
- 2.58 This will enable SHMA findings and policy implications to be cross-referenced to the differing current strategies and policies regarding the challenges facing each Borough and the City of London.

### Barking and Dagenham

- 2.59 The London Borough of Barking and Dagenham was created in 1965 by the reorganisation of local government for Greater London. It is situated on the north eastern fringe of London and is at the heart of the Thames Gateway area. It is a relatively small (3,611 hectares) outer London Borough and has a population of 164,572 (population estimates 2004).

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- 2.<sup>60</sup> It is predominately residential in character but also has significant areas of employment land, a major town centre at Barking, district centres at Dagenham Heathway and Chadwell Heath and a network of smaller neighbourhood centres.
- 2.<sup>61</sup> There are significant areas of undeveloped land in two areas. These are the marshes bordering the Thames and the agricultural land to the north east at Marks Gate. The River Roding, River Beam and River Thames form the Borough's westerly, easterly and southern boundaries respectively. Neighbouring London Boroughs are Redbridge to the north, Greenwich and Bexley to the south, Havering to the east and Newham to the west.
- 2.<sup>62</sup> Historically, the Borough has had a relatively stable predominately white population of 85% (Census 2001). However, the population of the Borough is increasing fast with estimates that it could grow by over 60,000 people by the year 2020. Currently there are growing proportions of under 16 year olds and over 85 year olds and a rapid increase in the proportion of ethnic minority residents. The Borough is the 9th most deprived Borough of the 33 in London and the 21st of the 354 nationally.
- 2.<sup>63</sup> East London and the Thames Gateway is described as "the priority area" for development in the London Plan and Barking and Dagenham lies at the heart of this region. The Borough has substantial opportunities for regeneration, including having the potential for up to 25,000 additional homes which will be located mainly in the south of the Borough. This takes into account the Key Housing Regeneration Sites at Barking Riverside (formerly called Barking Reach) where there is capacity for 1,012 new homes over the next 20 years if new transport links are provided, South Dagenham where there is potential for 5,000 homes over the next 20 years and Barking Town Centre where there is potential for an additional 5,000 homes plus other opportunities which may exist in the Borough.

### **City of London**

- 2.<sup>64</sup> The City of London differs from its East London partners, not only socially and economically, but politically. It is managed on a non-party political basis through its Lord Mayor, Aldermen and members of the Court of Common Council, and local government legislation has conferred on the Common Council the functions of a local authority for the City.
- 2.<sup>65</sup> The Lord Mayor plays an important diplomatic role with his overseas visits and functions hosted at the historic Guildhall and Mansion House for visiting Heads of State. The Chairman of the Policy and Resources Committee fulfils an important role in boosting the competitiveness of the City as a British, European and global financial centre engaging with Government and businesses.
- 2.<sup>66</sup> The City has a rich legacy of historic buildings and areas. It is one of the most archaeologically important areas in Britain. The City of London is the world's leading international financial and related business services (Mayor's Consultation Draft London Plan 2009) generating wealth for London and the nation. The business City makes a substantial contribution to the UK economy, contributing over 4% to the UK's GDP and 12% to London's GDP (City of London Draft Core Strategy 2009), while London contributes nearly 19% to the UK's GDP.
- 2.<sup>67</sup> The City is a thriving business community containing nearly 6,000 businesses mainly concentrated in the financial and related services industries. The City's working population is in excess of 340,000. Over time, growth in the City's economy, workforce and residential population will lead to a higher density of building and activity. Accommodating this growth while achieving a high quality of environment and services will be a key challenge in the coming years. This will have a significant impact on planning through the built environment in a sustainable way.

- 2.68 The City has a residential population estimated to be around 8,000, approximately evenly split between male and female which is predicted to rise to 12,300 by 2020. In 2006 there was the highest number of births for years. This growth will place increasing demands on local service provision.
- 2.69 The City's daytime population is in excess of 350,000, with visitors including tourists and an estimated 29,000 City-based students. Prior to the opening of the Millennium Bridge, an estimated 8,000 people visited the City each day for tourist/leisure purposes. Since then, visitor numbers have risen substantially, although no official data is currently available.
- 2.70 The residential community has a lower proportion of older and younger people than the England and Wales average which is indicative of a largely working population. The City's population is predominantly white, but with a Bangladeshi community accounting for 4% of the total, mainly living in the east of the City. Housing is concentrated on the northern fringe of the central City area and has close links with adjacent parts of Islington.
- 2.71 The profile of people working in, living in and visiting the City is very different to anywhere else in the country and has a significant impact on prioritisation and planning. Average weekly household income is £970, some £294 higher than the London average and £480 higher than the average across England.
- 2.72 However, there are large disparities of wealth within the Square Mile with some wards amongst the top 15% least deprived in the country and Portsoken, in the east, within the 25% most deprived. The Corporation recognises that disparities exist between some communities and that this may lead to pressures and misunderstandings. Initiatives need to be developed that address the specific circumstances of the City and which strengthen communities and neighbourhoods.
- 2.73 The Corporation regards the prevention of exclusion and polarisation within and between its communities as important, as is ensuring that the City's communities feel a strong sense of belonging and there are shared goals and aspirations. To build thriving communities, inequalities and disadvantage need to be tackled and there needs to be recognition that this extends beyond the boundaries of the City. The voluntary and community sectors play an important role in helping to build social capital in the City and providing services to the community.

## Hackney

- 2.74 The London Borough of Hackney is situated in the north east of the City of London. The Borough contains 210,000 people and its population is one of the most ethnically diverse in the capital.
- 2.75 Hackney adjoins the Boroughs of Haringey, Islington, Newham, Tower Hamlets and Waltham Forest and the River Lee forms the eastern boundary, providing quite a different environment from the rest of the Borough. Hackney has a dense urban setting, scattered with celebrated parks and open spaces. Traditionally, Hackney provided accommodation for the manufacturing industry and services related to the City. Although many of the service functions remain, the advent of globalisation has seen a reduction in the manufacturing sector within Hackney. In its place, employment in the creative, media, banking, fashion and technology industries have developed locally. The Borough has seen huge change in recent years economically, socially and physically, and this transformation is set to continue for the foreseeable future as regeneration gathers pace.
- 2.76 The Borough has, however, been surprisingly isolated in terms of rail and road connections for an inner London location. This has now changed with the completion of the East London Railway

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(Overground Network) extension of the Tube to Dalston and imminent improvements to the east/west running North London Railway (Overland Network) which connects with Stratford and the Olympic complex.

- 2.77 Hackney has two main town centres, Dalston, and Hackney Central. These were developed in Victorian times and retain much of the physical fabric of that era, some of which has not been well maintained.
- 2.78 In the southernmost part of the Borough, known as South Shoreditch, there is major pressure for change on the City fringe, from large commercial and mixed developments extending the City to the north. These present challenges to the existing local communities and opportunities for high quality regeneration to improve local conditions.
- 2.79 Despite this vitality, and close proximity to the wealth of Central London, Hackney still demonstrates significant levels of deprivation throughout the Borough. Traditionally, crime levels in the Borough have been high and so is the fear of crime, but rates are falling due to effective inter-agency initiatives. Historically, low expectations have been combined with poor health, low skills and lack of qualifications, unemployment and low pay. Focused local interventions are challenging worklessness, promoting prosperity and social equality, and championing community cohesion.
- 2.80 Nearly half the Borough's dwellings are socially rented, including rented from the Council and other social landlords. There are significant levels of homelessness and overcrowding and private housing prices are beyond most people's reach.
- 2.81 But regeneration is gathering pace, transforming the physical and economic vitality of town centres through multi-agency intervention and the decent homes programme which is improving housing estates.

### **Havering**

- 2.82 Havering is the third largest London Borough and is located in North East London. It covers 11,227 hectares. It is adjoined by the London Boroughs of Barking and Dagenham, Bexley and by the Essex Districts of Brentwood, Epping Forest and Thurrock. The River Thames forms the southern boundary to Havering. It is a mainly prosperous Borough with a diverse economy although there are local pockets of social deprivation. More than half of the Borough is in the Green Belt with significant areas of the remainder mainly suburban in character and appearance. The Borough includes Romford which is an important town centre for North East London. There are smaller but significant centres at Hornchurch, Upminster, Rainham, Elm Park, Harold Hill and Collier Row.
- 2.83 Havering enjoys a key strategic location within London, the Thames Gateway and the South East and is in close proximity to the heart of the 2012 Olympic Games. Nearly 60,000 Havering residents commute into other parts of London, in particular, Central London and Canary Wharf. Liverpool Street Station, which is the Gateway to the square mile, is less than 20 minutes away from Romford and Fenchurch Street is less than 30 minutes away from Upminster.
- 2.84 In 2001 Havering's population was 224,000. Although Havering's population fell by 3% between 1991 and 2001 it is forecast to grow by 3% by 2021. More significantly, the number of households is forecast to grow by 7.5% in the same period. This reflects the trend towards households becoming smaller in size. However, it must be seen in the context of Havering, compared to London as a whole, having a low proportion of one person households and a low proportion of households comprising of

married couples with no dependent children. Conversely, Havering has the highest proportion in London of households comprising couples with dependent children.

- 2.85 In 2001 Havering had the highest proportion of older people of any London Borough. The proportion of elderly people 65 + will actually decrease from 17.7% to 15.6% from 2001 to 2021 due to the increase in new households. Within the same period there are forecast increases in the proportion of the very young (under 4). However, there are also increases in the very old (over 85). By 2011 there will be a 13% increase in the number of people aged 80-84 and a 30% increase in those over 85.
- 2.86 Most of Havering's existing 92,000 dwellings are suburban in character. Havering has the second highest number of semi-detached homes in London as a proportion of total stock (42%) and the lowest proportion of flats of any London Borough. It is the only East London Borough with more than 10% of its stock being detached. Havering has the highest proportion of owner-occupied housing in East London, however, there are important local concentrations of local authority/housing association stock in Waterloo Road, the Mardyke Estate and Harold Hill.

## Newham

- 2.1 Newham is situated five miles east of the City of London. It is bounded by Wanstead Flats in the north, the River Thames in the south, the River Roding in the east and the River Lea in the west. Historically, the area now defined as Newham originated as a cluster of villages, growing significantly in the 19th century as the railways and docks expanded. During this period Newham was colonised by numerous noxious industries and public utilities which sought to avoid the controls of the then County of London, which it lay just beyond. Accompanying this came significant levels of cheap workers' housing, such that most of the Borough, with the exception of Beckton Marshes, was intensively developed by the 1920s, when the population peaked.
- 2.2 The post-war period saw further significant development as part of Council reconstruction and redevelopment programmes, when over 30,000 new dwellings were built, replacing large swathes of earlier stock. However, population declined sharply into the 1980s, reflecting changes in the economy which resulted in major industrial decline locally without an equivalent growth in new economic sectors. This has left the area with a significant legacy of vacant, under-utilised, derelict and contaminated land particularly in the south and west of the Borough. This is, however, well located in relation to transport and environmental infrastructure, making it ripe for redevelopment. For this reason it has been termed the 'Arc of Opportunity'.
- 2.3 Nonetheless, the majority of the Borough continues to be covered by 19th and 20th century housing stock, interspersed with municipal parks and recreational land but housing the population at relatively high densities. Such housing is relatively inexpensive and continues to be an attraction for international migrants seeking to establish themselves, who sustain the area's distinctive ethnic diversity, high fertility rate and youthful population structure.
- 2.4 Newham has a long history of immigrants, including Indians, Chinese, Africans, Jews Irish and Italians. It now has one of the most diverse populations in the country. It has the youngest and most diverse population in the UK. More than 40% of the 246,000 people in Newham are under 25 years old and more than 100 languages are spoken locally, from Albanian to Zhuang. The population has increased by 33,100 since the 1991 census to 249,400 at the 2001 census. Almost two-thirds (61%) of the population is made up of people from a non-white ethnic group.

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- 2.5 Approximately 56% of the housing stock is owner occupied, 24% is in the private rented sector and 21% is social rented. As at April 2010, there were 36,113 households on the Council's waiting list and transfer list. In December 2005 the Council transferred ownership of its social housing properties to Newham Homes, an arms length management organisation (ALMO) set up to manage and improve Council housing across Newham.
  - 2.6 The draft Local Development Framework projects an increase in housing to approximately 38,500 new homes in the Borough over the next fifteen years. To meet this aim the Council has embarked on a number of high profile projects, which bring with them substantial housing yields.
  - 2.7 The Borough is at the centre of London's plans for the 2012 Olympics. The Games will see an 80,000 seat stadium built in Stratford which will also be at the heart of a prestigious new development, Stratford City, comprising 4,500 new homes, nearly half a million square metres of office space, hotels, schools and a shopping centre.

### **Redbridge**

- 2.8 Redbridge is located on the edge of the Olympic Boroughs and within the M11 corridor and Thames Gateway. It is a medium sized outer London Borough in the North East of the capital covering 5,652 hectares (13,900 acres). It is home to an array of historic buildings, parks and open spaces, with town centres and business and retail communities. There are 99,402 households (2009) and 5,820 businesses situated in a mix of urban environments and suburban neighbourhoods.
- 2.9 The population of around 250,000 is one of the most diverse in the UK. An increasingly diverse ethnic profile is emerging, with many people from India, Pakistan and Bangladesh. The community is the 9th most diverse in the country, 36.5% of the population being from black and minority ethnic (BME) communities.
- 2.10 There are over 130 places of worship and a large number of residents (77.5%) say they have a faith. Redbridge is an increasingly young Borough. The average age of residents (36.99 years) is slightly lower than in England and Wales as a whole, while the number of children aged 0-15 (21.4%) ranks the Borough as the 59th youngest of 408 in Great Britain. But it also has a growing older population, which has increased by 14% between 2001 and 2004 and is projected to increase further.
- 2.11 Although ranked 163 out of 354 districts in England in terms of deprivation, Redbridge is a mix of both inner city environments (mainly in the south) and relatively affluent areas (in the north). This excludes the Borough from a raft of Government renewal funding schemes.
- 2.12 There are also inequalities in accessing services in some areas. In the most deprived areas, life expectancy is lower and general health is poorer. House prices are lower than the London average, but the gap is narrowing.
- 2.13 The unemployment rate in Redbridge is 3% of the working age population, compared to the national average of 2.6% and the Greater London average of 3.4%. There are significant variances in unemployment levels in different wards.

### **Tower Hamlets**

- 2.14 Tower Hamlets covers over 8 square miles (20.72 square kilometres) and is one of the smallest but most densely populated London Boroughs. It is a Borough of marked contrasts which has

experienced spectacular regeneration and economic growth but still has high levels of deprivation. Canary Wharf is the UK's second largest business district with more than 96,000 employees.

- 2.15 The Borough has one of the strongest economies in the country with 2 jobs for every economically active resident.
- 2.16 The Council continues to implement the priorities set out in its 2012 Olympic Legacy Strategy. As one of the host Boroughs, Tower Hamlets seeks to ensure that all Olympic planning applications and the Legacy Masterplan Framework deliver lasting benefits for local people.
- 2.17 Tower Hamlets continues to have one of the fastest growing populations in London. Population estimates published by the Office for National Statistics (ONS) in August 2008 confirm this trend. The 2007 population was estimated to be 215,300. However, population projections for 2007 published by the GLA estimate the Borough population to be 224,950, increasing to 301,456 by 2016.
- 2.18 GLA Ethnic Group Projections published in 2007, estimate that BME communities are now 49.6% of the Borough's population, the largest of which continues to be the Bangladeshi community. By 2026, the GLA projections indicate Tower Hamlets will be one of 8 London Boroughs where the BME population will represent more than 50% of the total population. Another dynamic of the Borough's population is that a high percentage of the under 16 age group are from BME groups.
- 2.19 The Indices of Multiple Deprivation, published in 2007, ranks Tower Hamlets as the third most deprived local authority area in the country on its 'Extent of Deprivation Scale'. In 2004 Tower Hamlets was ranked second. There are areas in which there are small pockets of more severe deprivation but, whereas most local authorities have just one or two deprived areas, levels of deprivation in Tower Hamlets is found in every ward. Over half (55.4%) of Tower Hamlets super output areas are in the 10% most deprived cluster.
- 2.20 There are more than 101,000 dwellings in the Borough. While the Borough continues to have the largest proportion of social housing in the country, 58% of the Borough housing stock is now in the market sector, compared with 36% in 1995.

### **Waltham Forest**

- 2.21 Waltham Forest is an outer North East London Borough, bordered by Hackney and Newham to the south, Redbridge to the east and Haringey and Enfield to the west. Around 227,000 people (89,800 households) live in Waltham forest and the population is expected to rise to 237,000 by 2012 (GLA 2004).
- 2.22 Waltham Forest is well placed to gain from strategic regeneration initiatives across the East of London. It is part of the Lower Lea Valley, it is located alongside the Olympic Park and the Stratford City Development and it is part of the London-Stansted-Cambridge-Peterborough growth corridor. Together these will all provide a host of employment, leisure and housing opportunities.
- 2.23 Residents are relatively youthful; with 26% under 20 and 35% aged 25-44, which is significantly higher than the UK average. 11% of the population are people aged over 65 years.
- 2.24 Waltham Forest is the tenth most ethnically diverse Borough out of the 33 London Boroughs, with 35.5% of the population being from a minority ethnic background. The largest minority ethnic groups are Black Caribbean 8.2%, Pakistani 7.9% and Black African 5.7%.

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<sup>2.25</sup> Waltham Forest is a Borough of contrasts in terms of wealth and opportunity. The poorest neighbourhoods in the south of the Borough have the shared characteristics of high unemployment, higher incidence of ill health and generally higher levels of deprivation as a whole. The more affluent north of the Borough has lower rates of deprivation.

<sup>2.26</sup> However, the wider picture is that twelve of the Borough's twenty wards are ranked as being in the top 20% of all deprived wards. Overall, Waltham Forest is ranked as the 25th most deprived area out of 354 local authority areas in England (ODPM Indices of Deprivation 2004).

## The legacy of the Olympic Games 2012

<sup>2.27</sup> This event will have a profound effect on East London and will affect all East London Boroughs to a greater or lesser extent. It is appropriate, therefore, to focus on the development and legacy planning with special reference to housing. This project is expected to spearhead the regeneration of Hackney, Newham and Waltham Forest with important implications for the housing market beyond the Olympic village development.

<sup>2.28</sup> The Olympics 2012 has led to the creation of one of the largest new urban parks in Europe for 150 years. World class facilities for sports including athletics, cycling, hockey, swimming and tennis have been established. In addition, there will be homes for a new community and green spaces in and around the Olympic Park.

<sup>2.29</sup> The project can broadly be split into two phases. The first, led by the Olympic Delivery Authority, is focused on the creation of the Park and the development of the venues. The second, led by the London Development Agency (LDA), is focused on what the Park is used for after the Games. The two are closely linked, with venues and parklands being designed with their long-term use in mind. This is designed to transform one of London's most deprived areas through major residential, commercial, infrastructure, community and park development.

<sup>2.30</sup> In October 2009, responsibility for the master planning work for the Olympic Park and Lower Lee Valley was passed to the Olympic Park Legacy Company (OPLC). The OPLC was created to provide a focal point for securing the right expertise, accountability and leadership for the Olympic Park legacy.

### The OPLC and Housing

<sup>2.31</sup> New neighbourhoods will be established around the Park, each with a distinct character and a mix of housing sizes, ownership and rental options. These developments will be part of much bigger change across the Lower Lee Valley, with new homes planned in Bromley-by-Bow, Hackney Wick, Canning Town and Leyton. This is in addition to the several thousand homes already being built in and around Stratford.

### The aims of the housing development

<sup>2.32</sup> The OPLC aims to promote projects that;

- build a diverse range of homes designed for a wide mix of people;
- use efficient energy and green technologies;
- provide different types of outdoor space for families, including private, neighborhood and community play;

- design housing that will meet changing needs over the next 20 to 30 years;
- create high quality, aspirational homes that attract people to the area;
- create family housing that encourages stable and long lasting neighbourhoods;
- include high quality, affordable homes for people excluded from the housing market; and
- provide a choice of housing that attracts and includes established residents.

### Triathlon homes

<sup>2.33</sup> After 2012 the homes will be converted from athletes' accommodation into new homes for East London. There will be a mix of tenures to ensure that there are housing opportunities for a range of residents, particularly for people from the local area and key workers seeking a home in London. This will include affordable rented, intermediate rented, part-buy, part-rent (shared ownership) and shared equity homes with a range of one, two, three and four-bed homes to cater for individuals, couples and families.

<sup>2.34</sup> Triathlon Homes is a joint venture company established by East Thames Group, First Base and Southern Housing Group to purchase, own and manage the affordable homes at Athletes' Village. Its aim is to create affordable, high quality homes for local people, that are intrinsic to the regeneration of the area and to ensure a successful legacy for Stratford and the wider East London community after 2012.

<sup>2.35</sup> Urban development and investment company First Base and housing associations Southern Housing Group and East Thames Group each has an equal stake in Triathlon Homes and together they have created an investment vehicle to facilitate the purchase of the affordable homes from the Olympic Delivery Authority.

<sup>2.36</sup> It is understood that Triathlon Homes is investing £268 million into the Athletes' Village. This includes a £110 million grant from the Homes and Communities Agency, £63 million of lending from Barclays Commercial Bank and £95 million of lending from the European Investment Bank.

<sup>2.37</sup> The project will deliver 2,818 homes, of which 1,379 affordable homes will be purchased, owned and managed by Triathlon Homes.

### Legacy Limited? Report dated 16 February 2010

<sup>2.38</sup> This is a report of the Economic Development, Culture, Sport and Tourism Committee of the London Assembly. It assesses the challenges facing the Olympic Park Legacy Company (OPLC), the organisation due to take ownership of the Stratford site after the Games and responsible for delivering the promised improvements in housing, skills and sporting opportunities. The report expresses concern that much of the legacy may not benefit local people. Instead, the majority of the opportunities may go to wealthy outsiders taking over the Stratford site.

<sup>2.39</sup> Key recommendations of the report are:

- ambitious targets should be set for employing local people on the park after 2012. Currently only 4% of the construction workforce is made up of previously unemployed people from the local area;
- thousands of new homes will be built on the park. These must be suitable for and available to, local people not just wealthy people moving onto the park; and

- 
- East London has lower levels of physical activity. The state-of-the-art sports facilities in the park must be made available for community use.
- <sup>2.40</sup> There are two key passages in the report that are particularly significant to the SHMA and will be considered further in Section 8 of the SHMA report;
- previous residential developments in East London, particularly Canary Wharf, have been criticised for contributing to social polarisation, with affluent people moving into new housing in the area with little benefit for local people in need of affordable homes; and
  - that local people who don't own their own homes are priced out of the housing market because gentrification inflates the cost of living well above the income levels of local people.

## PPS3

- <sup>2.41</sup> At the beginning of this chapter we referred briefly to the planning policy guidance that was developed from the Communities Plan 2003. Planning Policy Statement 3 (PPS3) provides some of the main definitions used by the SHMA. It also describes some of the key outputs that the HMA is expected to produce and evidence. PPS3 also underpins the housing policy content of local authority core strategies. Therefore, opportunity is taken to state these definitions and outputs here as a reference point for the report.
- <sup>2.42</sup> In the following abstract of key definitions we have emphasised certain passages as they are the basis for some of the key assumptions made in the housing market modelling that is described in section 6 of this report.

### PPS 3 Annex B definitions relating to affordable housing

#### Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

**Affordable housing** should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to *remain at an affordable price for future eligible households* or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

**Social rented housing** is:

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency (formerly the Housing Corporation) as a condition of grant.

**Intermediate affordable housing** is:

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.' These definitions replace guidance given in Planning Policy Guidance Note 3: Housing (PPG3) and DETR Circular 6/98 Planning and Affordable Housing.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, *those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.*

#### Affordability

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

#### Abstract of PPS 3 paragraph 29

In Local Development Documents, Local Planning Authorities should:

- Set an overall (i.e. plan-wide) target for the amount of affordable housing to be provided. The target should reflect the new definition of affordable housing in this PPS.
- It should also reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured.

Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, *taking into account information from the Strategic Housing Market Assessment.*

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## Consultation and liaison with stakeholders (to date)

<sup>2.44</sup> Consultation and liaison with stakeholders was undertaken as part of the SHMA process. Consultation with stakeholders was workshop based and initially focussed on the role and purpose of the SHMA together with a summary of key features of the East London housing market. Liaison was also undertaken with the client: the East London Housing Chief Officers Group and the East London Intermediate Housing Group. The project steering group provided input to the SHMA as well as managing the contract.

<sup>2.45</sup> Stakeholders were invited from the GLA, the HCA, RSLs including the HomeBuy agent, developers, consultants, estate and letting agents, representatives of the third sector and officials from the local authorities. The aim of the initial workshop was to;

- understand the main housing related issues and challenges facing stakeholders; and
- obtain information relevant to the SHMA.

<sup>2.46</sup> The stakeholder workshop and meeting with chief officers was preceded with a short presentation describing the SHMA process and information concerning the character of the local housing market. Key challenges to the study area were identified as;

- economic uncertainty;
- poverty and the affordability of housing;
- diversity;
- the scale of change;
- growth and regeneration; and
- the legacy of the Olympic Games.

<sup>2.47</sup> Issues discussed in some detail were;

- migration flows, in particular, the perceived outflow of families from Central London to outer London and beyond, migration of older households to coastal retirement destinations. Discussion regarding the Olympic legacy and who might occupy the housing;
- demographic trends especially the growing proportion of single person households;
- adverse long term trends in the affordability of housing for owner occupation. This was related to a discussion regarding mortgage availability, prudential lending and the possibility that these conditions might prevail in the long term;
- the growing size, diversity and importance of the private rented sector and measures to enable lower income households to occupy it;
- occupancy patterns, especially overcrowding, under-occupation and the impact of family homes being sub-divided or used as 'house shares'. It was noted that some apartments near docklands were being used by businesses to accommodate visiting officials and guests;
- possible long term impact of the recession including the potential problems with the land supply and funding from S106 agreements. It was believed that parts of the London housing market would recover more quickly than markets for comparable housing elsewhere in England; and

- Impact of the Olympics especially housing within the Olympic village and the impact of infrastructure improvements.
- 2.48 It was generally accepted that a future aim for the sub-region should be to retain residents and thought was given to the opportunities that exist in the sub-region to enable this.
- 2.49 There was a wide ranging discussion concerning regeneration and how its success might be improved. Stakeholders questioned what was meant by quality and were concerned about design issues such as density, space standards, architecture and infrastructure. Some stakeholders believed that very high density housing was inappropriate for some sites in the East End and observed that high density schemes might be under-occupied to compensate for side effects. Most agreed that a high proportion of 1 bedroom apartments should be avoided if communities are to be established. Other concerns were the lack of parking spaces in new developments and the challenges of ensuring that mixed tenure schemes are successful.
- 2.50 The quarterly meeting of the Intermediate Housing Group was concerned with reporting, operational and strategic issues. Regarding strategic issues, there was discussion regarding the affordability of intermediate affordable housing to local households and the future role of intermediate rent. Discussion regarding intermediate rent focussed upon the potential for it to supply affordable housing to working families. As a follow up to this meeting the HomeBuy agent provided details of recent sales for further analysis.
- 2.51 In conclusion, the above discussions inform the SHMA in terms of the strategic aims of stakeholders, long term trends in the housing profile of the sub-region, issues of affordability and sustainability. All of these perspectives are considered further in the section of the SHMA relating to policy issues.

## Section 2 Summary

- This section has examined policies at the national, regional and local levels. It is evident that the Communities Plan (2003-9) impacted upon regional and local policies and through planning policy guidance and created many of the definitions and assumptions upon which the SHMA is based. Such policies have emphasised the importance of sustainability and the need to consider housing policy alongside other issues such as the economy, transport and the environment. It also emphasised the important role that housing policy has in improving social cohesion. The communities plan was replaced in 2009 with 'Building Britain's Future' which considered the policy measures needed to deal with the failure of the housing market and the economic recession. The section notes the early policy interventions of the 2010 coalition Government and its plans to introduce policies based upon the concept of localism.
- At regional level, the publication of the London Housing Strategy (February 2010) and the latest draft of the London Plan (April 2009), all have important implications for housing policy. Despite recent falls in house prices, affordability remains a key issue at regional level. The London Plan recognises that London's economic growth depends heavily on an efficient labour market and this in turn requires adequate housing provision to sustain it. It will be some time before the impact of the Mayor's abolition of the 50% affordable housing target can be determined.
- The East London housing submarket is one of contrasts. For example, although many areas within such as Hackney and Tower Hamlets are affluent, they also contain many areas of poor housing and social deprivation. The City of London is unique in terms of its economy and its governance. The key factor connecting all local housing markets remains housing affordability. It is also apparent that, to varying extents, local housing policies reflect the key issues of sustainability and cohesion. Nevertheless, it is essential that future growth is balanced with environmental needs and that housing and planning policy is integrated with relevant policies such as economic, transport, health and education.
- The Legacy of the Olympic Games and, in particular, plans for the Olympic village are noted. Issues raised by the London Assembly are noted and are considered in Section 8 of this report.
- The importance of PPS3 to the policy context and the core assumptions of the SHMA is noted.
- An account is given of the contribution made by stakeholders to the understanding of the policy context and the SHMA.



## Section 3: Housing Market Drivers

- 3.1 This section of the report considers past changes in the population and demographic structure of East London and trends in the economic factors that affect the need and demand for housing. Further information is also provided on the characteristics of households in the region and how employment and economic activity in East London compares to that elsewhere.

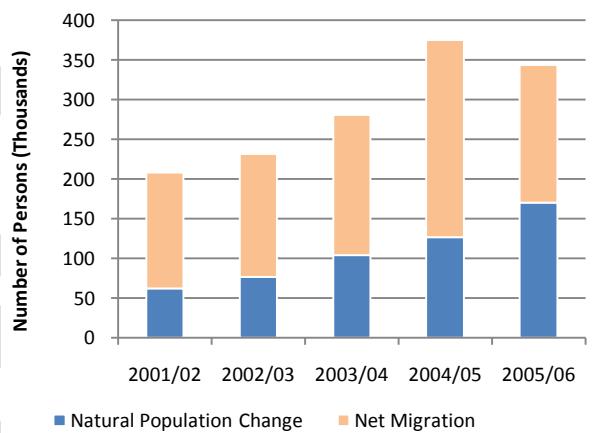
### National Level Household Changes

- 3.2 According to the Office for National Statistics (ONS), until the mid-1990s, natural change was the main driver for population growth in the UK. However, more recent population growth has been predominantly based upon international migration. The rise in migration was mainly due to the rise in the number of citizens coming from the ten accession countries (A10) that joined the EU in May 2004. The figures for 2005/06 indicate that net international migration declined, due to a combination of lower in-migrant and higher out-migrant numbers.
- 3.3 In addition to a growing population, the size of households has been reducing over recent years, hence housing requirements have increased. The average household size in England was 2.67 in 1981 and is predicted to be 2.15 in 2021. The GLA 2007 Round Demographic Projections show the average household size in London is likely to be 2.23 for London in 2021.
- 3.4 This significant reduction in household size has several possible causes. It is a common assumption that decreasing average household size is a result of young adults moving out of the parental home. In reality, it is actually more likely that increases in relationship breakdown and divorce are the key contributors. Another reason is that people are choosing to have fewer children. Finally, due to advances in medical techniques, many older people who outlive their partners are continuing to live alone for significantly longer than older people lived in the past.

### Population Trends in East London

- 3.5 Closely following the pattern for the whole of London, East London saw a slight decline and levelling off of its population in the 1980s. However, since the beginning of the 1990s and particularly between 1998 and 2002, it has seen a fairly rapid growth in its population before levelling off and then continuing to rise from 2006 onwards as illustrated in Figure 7. Taking the 1981 population as a base, it shows that the population of East London rose by 12.8% in the period up to 2008 from 1,390,800 to 1,569,900 people. This compares with a rise in population of 12% for Greater London and 9.9% for the whole of England.

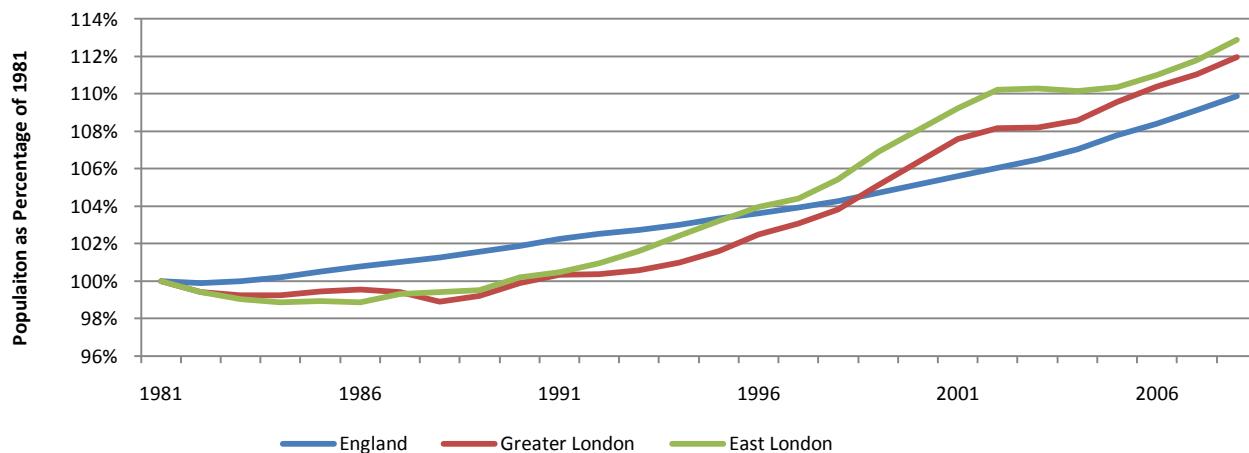
Figure 6  
Population Change in the UK, 2001-2006 (Source: ONS, General Register Office for Scotland, NI Statistics & Research Agency)



- 3.6 International migration into East London has been high in the last five years, although this has been out-balanced by net out-migration to the rest of the UK. However, as the households that move to the region tend to be younger than those that leave, migration has tended to lower the average age in East London and indirectly increase the rate of natural change, that is, births minus deaths.

Figure 7

**Population of East London, Greater London and England: 1981-2007** (Source: ONS Mid-Year Population Estimates)



- 3.7 Figure 8 shows that this rise in population of East London is expected to continue in the future. Based on the 2007 Round Demographic Projections, the GLA estimate that the sub-region's population will increase to between 1,913,200 and 1,985,400 by 2026. This would represent a rise of 23.9-28.6% over the period 2006-2026.

- 3.8 The age structure of the population of East London (Figure 9) shows that there are far more young adults and young families with children aged 0-4 years in the area than in England and Wales as a whole. In particular, there is a higher population share for those aged 20-39 years, while those aged over 45 years are underrepresented in the population.

Figure 8

**Population of East London 1981- 2006 and Population Projections for East London 2011-2026** (Source: ONS Mid-Year Population Estimates, GLA 2007 Round Demographic Projections. Note: Light band shows range from low to high estimates)

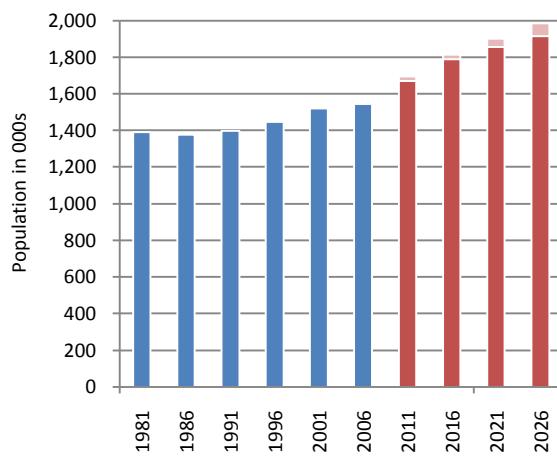
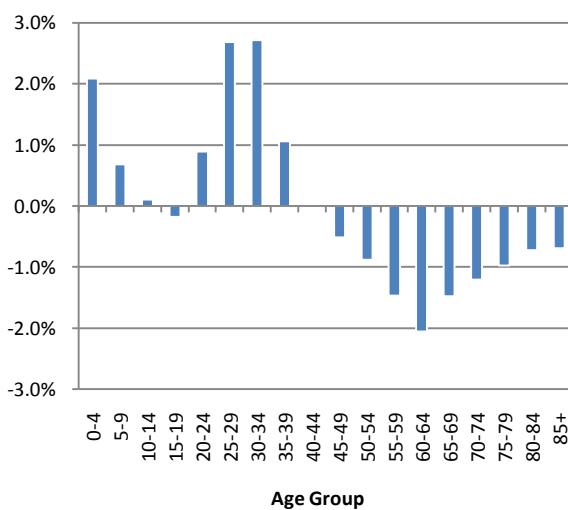


Figure 9

**Age Profile for East London Compared with England: 2007** (Source: ONS Mid-Year Population Estimates)



## Household Type

- 3.9 It is important to consider the structure of households when assessing housing needs. An area with more single people requires more separate accommodation, while an area with large families will require larger houses to accommodate them. The household structure of Greater London follows from a slightly younger than average population. In particular, in 2001, 22% of all households were comprised of a single, non pensioner person, while 8% were lone parents. DMAG (Data Management and Analysis Group) data from 2006 suggests that the proportion of single non-pensioner households has decreased, while the proportion of adult couple households has increased.

Figure 10  
Household Type for Greater London in 2001 (Source: Census 2001)

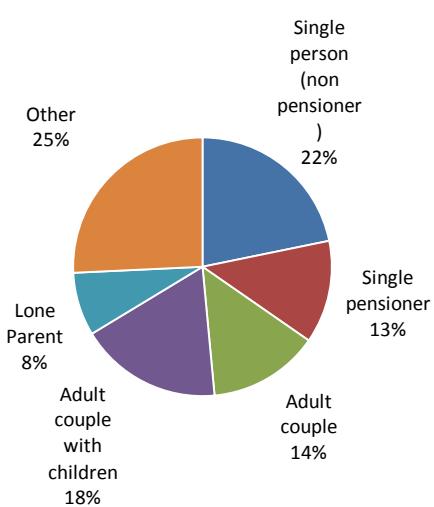
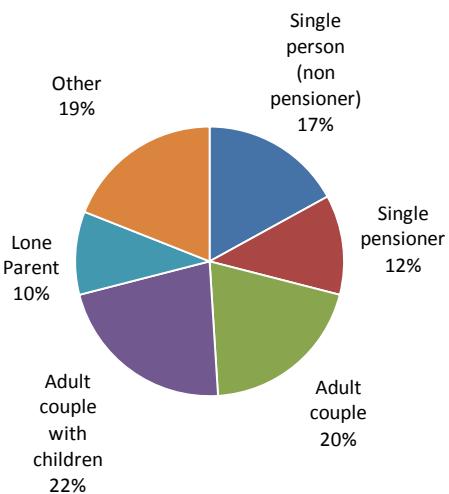
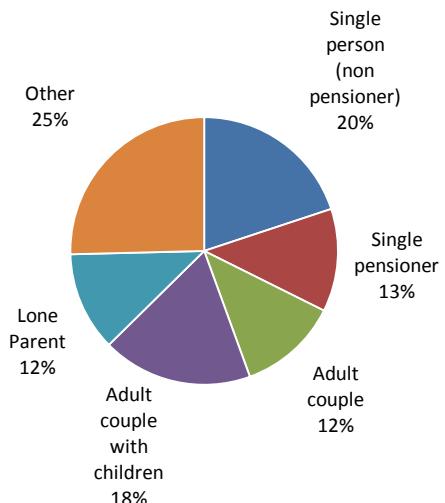


Figure 11  
Household Type for Greater London in 2006 (Source: A Profile of Londoners by Housing Tenure: DMAG Briefing 2007-17)



- 3.10 Figure 12 shows household composition in East London in 2001 where it can be seen that the household profile across the sub-region is very similar to that of the whole of London. Therefore, if it is assumed that there have been similar changes in East London since 2001 as there have been across London, then it is likely that there is now a slightly smaller proportion of single persons and slightly higher proportion of couples.

Household Type for East London in 2001 (Source: Census 2001)

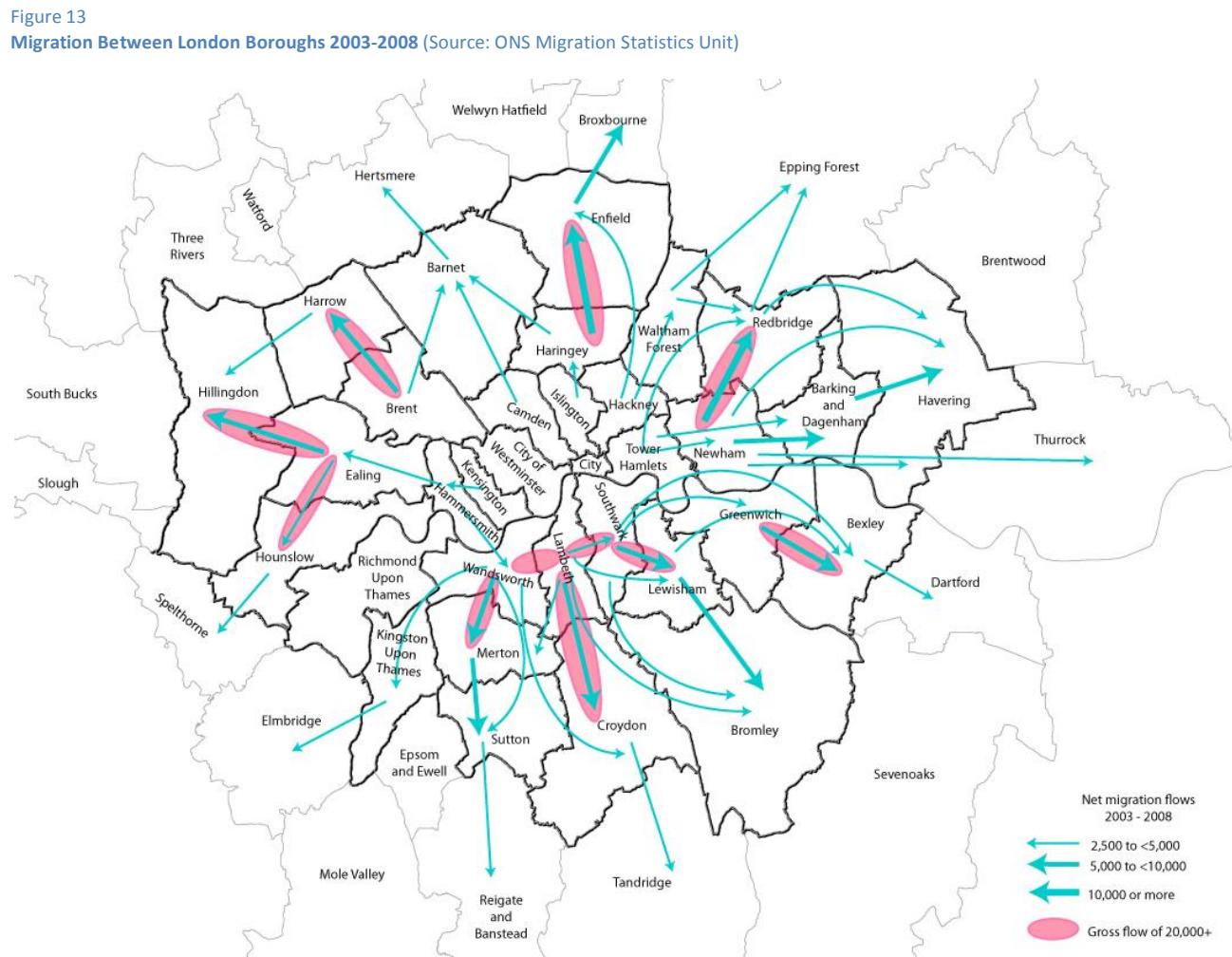


## Migration

- 3.11 Since 1996-97, the ONS has published relatively localised migration data using information from the NHS Central Register (NHSCR) which records the movement of individuals who change GP. The NHSCR data provides an effective way of monitoring changes in migration over time, but it is important to recognise the limitations of the data – for not everyone who moves will register with a doctor, so some migration will not be counted. Nevertheless, as the data provides the best available basis for analysis, the following information details migration patterns for East London over the period 2003-2008.

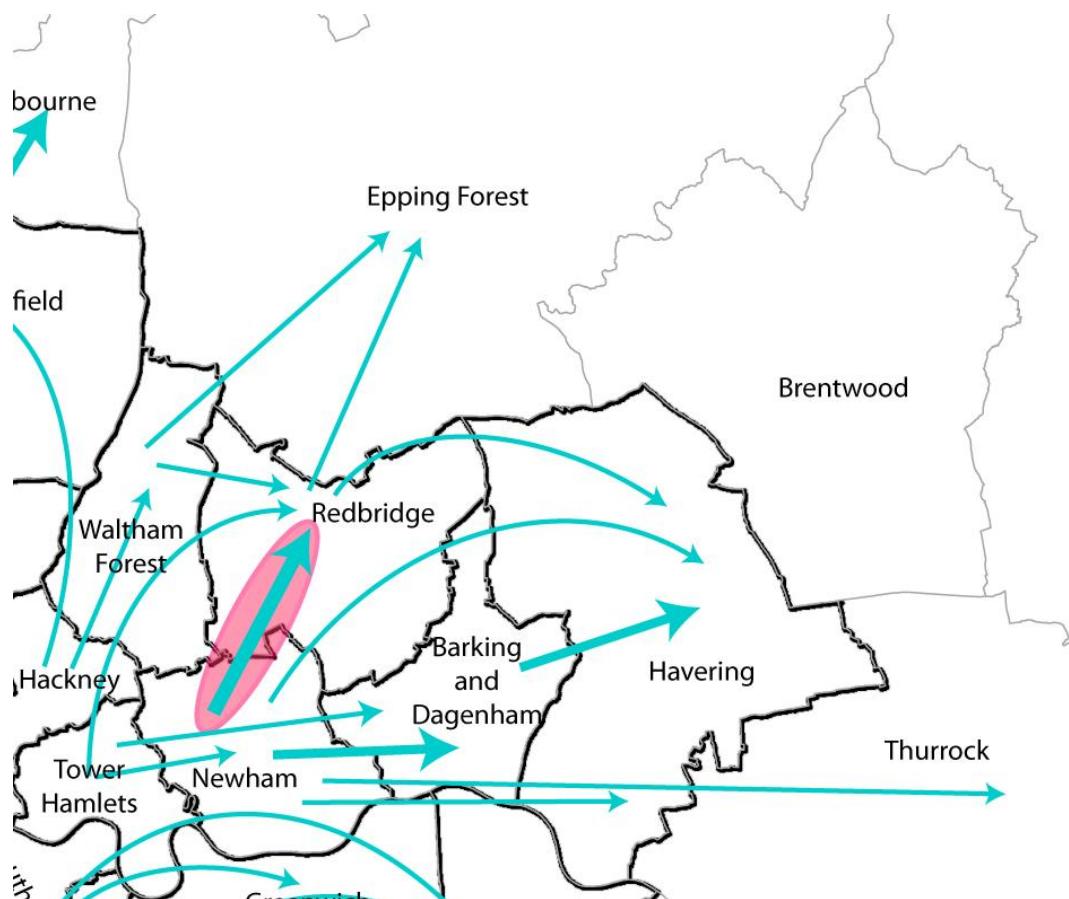
### Migration within London

- 3.12 Figure 13 shows this net migration between the local authorities in London between 2003 and 2008 with thicker lines representing higher levels of net migration. The map only refers to the existing population of London and does not include the impact of migrants arriving from abroad or regions outside London.
- 3.13 This shows a clear split between North and South London, with population leaving the northern central area of London moving to other northern Boroughs and those leaving southern central Boroughs moving to other southern Boroughs. Therefore, the River Thames appears to act as a natural barrier to separate the North and South London housing markets.



<sup>3.14</sup> Figure 14 highlights internal migration flows within East London as well as links to neighbouring Boroughs/districts. It can be seen that in general the population is moving north and east to the outer Boroughs and then into Essex. In particular, there is significant movement from Newham into Redbridge and also from Newham to Barking & Dagenham and from Barking & Dagenham to Havering.

Figure 14  
Migration Between Boroughs in East London 2003-2008 (Source: ONS Migration Statistics Unit)



## UK Migration

3.15 The age structure of the net migrants to East London from the rest of the UK is shown in Figure 15. The area has experienced a net loss of over 110,000 migrants across all age categories. However, it has gained a net 700 people in the 16-24 age category. The biggest losses have occurred in the 0-15 and 25-44 years group which suggests there has been an out-migration of families.

Figure 15

Migration to and from East London by Age Group 2002-2008 by Year (Source: ONS Migration Statistics Unit)

Age Group	2004	2005	2006	2007	2008	Average
<b>In Migrants</b>						
0-15 years	6,590	6,750	6,740	7,200	7,000	6,856
16-24 years	11,040	10,660	11,320	11,500	12,360	11,376
25-44 years	26,250	27,470	29,480	31,160	33,190	29,510
45-64 years	3,800	3,910	4,280	4,400	4,330	4,114
65+ years	1,250	1,080	1,160	1,100	1,110	1,140
<b>Total</b>	<b>48,840</b>	<b>49,870</b>	<b>53,160</b>	<b>55,580</b>	<b>57,890</b>	<b>53,068</b>
<b>Out Migrants</b>						
0-15 years	14,900	13,330	13,150	13,320	13,030	13,546
16-24 years	11,890	11,350	11,090	10,960	10,900	11,238
25-44 years	39,000	37,580	36,870	37,310	37,210	37,594
45-64 years	9,580	8,600	8,840	9,420	8,910	9,070
65+ years	4,270	3,620	3,650	3,880	3,430	3,770
<b>Total</b>	<b>79,570</b>	<b>74,430</b>	<b>73,750</b>	<b>74,960</b>	<b>73,450</b>	<b>75,232</b>
<b>Net Migrants</b>						
0-15 years	(8,310)	(6,580)	(6,410)	(6,120)	(6,030)	(6,690)
16-24 years	(850)	(690)	230	540	1,460	138
25-44 years	(12,750)	(10,110)	(7,390)	(6,150)	(4,020)	(8,084)
45-64 years	(5,780)	(4,690)	(4,560)	(5,020)	(4,580)	(4,926)
65+ years	(3,020)	(2,540)	(2,490)	(2,780)	(2,320)	(2,630)
<b>Total</b>	<b>(30,730)</b>	<b>(24,560)</b>	<b>(20,590)</b>	<b>(19,380)</b>	<b>(15,560)</b>	<b>(22,164)</b>

3.16 Figure 16 overleaf shows the net migration to East London from every region of England and Wales in the past 5 years. Overall, migration accounted for a fall in the region's population of 110,820 people from 2003 to 2008. This represents over 8% of the current population of the area. The major regions that migrants have moved from the East London region to are the Eastern and the South East Regions as well as to other parts of London.

Figure 16

**Net Migration to East London by England and Wales Region 2003-2008** (Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales based on patient register data and patient re-registration recorded in the NHSCR. Note: Figures may not sum due to rounding)

UK Region	2004	2005	2006	2007	2008	Total
North East	(360)	(200)	(60)	(60)	220	(220)
North West	(780)	(820)	(460)	(130)	100	(2,090)
Yorkshire & Humberside	(730)	(560)	(190)	30	360	(1,090)
East Midlands	(1,300)	(910)	(590)	(370)	(330)	(3,500)
West Midlands	(620)	(630)	(360)	(120)	20	(1,710)
Eastern	(19,050)	(15,020)	(14,740)	(15,700)	(14,600)	(79,110)
London	(1,680)	(1,500)	(620)	340	1120	(2,340)
South East	(4,120)	(3,440)	(2,640)	(2,600)	(2,120)	(14,920)
South West	(1,660)	(1,200)	(820)	(770)	(370)	(4,820)
Wales	(430)	(280)	(230)	(120)	40	(1,020)
<b>Total</b>	<b>(30,730)</b>	<b>(24,560)</b>	<b>(20,590)</b>	<b>(19,380)</b>	<b>(15,560)</b>	<b>(110,820)</b>

<sup>3.17</sup> Figure 17 shows the individual local authorities which have had the highest net migration to the sub-region. The highest net in-migration comes from other parts of London, particularly North London Boroughs and other inner London Boroughs. There is a relatively large in-migration from the University cities of Oxford and Cambridge, which is unsurprising as the only age group with a net in-migration into the area is the 16-24 years category.

<sup>3.18</sup> Figure 18 shows the local authorities to which East London lost population through migration. The highest net out-migration from the sub-region is to Epping Forest in Essex, in fact all of the top ten local authorities with the highest net out-migration from East London are in Essex or nearby unitary authorities.

Figure 17

**Top 10 Local Authorities with the Highest Net Migration to East London 2003-2008** (Source: ONS Migration Statistics Unit)

Local Authority	In-migrants	Out-migrants	Net
Islington	16,440	12,180	4,260
Camden	8,970	6,680	2,290
Lambeth	9,420	7,510	1,910
Westminster	7,500	5,800	1,700
Brent	6,700	5,000	1,700
Haringey	15,150	13,670	1,480
Southwark	10,420	9,160	1,260
Oxford	2,160	1,450	710
Cambridge	2,110	1,430	680
Hammersmith and Fulham	3,830	3,270	560

Figure 18

**Top 10 Local Authorities with the Highest Net Migration from East London 2003-2008** (Source: ONS Migration Statistics Unit)

Local Authority	In-migrants	Out-migrants	Net
Epping Forest	5,850	15,220	(9,370)
Thurrock UA	4,930	13,980	(9,050)
Basildon	2,520	9,370	(6,850)
Brentwood	1,640	7,180	(5,540)
Tendring	1,190	6,560	(5,370)
Chelmsford	1,500	6,210	(4,710)
Castle Point	790	4,940	(4,150)
Braintree	960	4,750	(3,790)
Southend-on-Sea UA	1,800	5,390	(3,590)
Rochford	450	3,500	(3,050)

## International Migration

- 3.19 Records for international migration for local authorities have recently begun being published by the Office for National Statistics. The records are drawn from the International Passenger Survey which interviews approximately 1 in 500 people who travel to and from the UK. Figure 19 shows that between 2001 and 2006, a net 78,500 international migrants moved to East London from overseas.

Figure 19  
International Migration for East London 2001-2006 (Source: ONS Migration Statistics)

Area	International in-migration	International out-migration	Net international migration
<b>East London</b>			
2001/02	<b>34,000</b>	<b>11,300</b>	<b>22,700</b>
2002/03	<b>30,200</b>	<b>16,600</b>	<b>13,600</b>
2003/04	<b>29,000</b>	<b>13,800</b>	<b>15,200</b>
2004/05	<b>27,100</b>	<b>13,700</b>	<b>13,400</b>
2005/06	<b>28,400</b>	<b>14,800</b>	<b>13,600</b>
<b>Total</b>	<b>148,700</b>	<b>70,200</b>	<b>78,500</b>

## Migrant Workers

- 3.20 In recent years the UK has experienced a noticeable increase in the number of migrant workers arriving from overseas. Records of the location of these workers are imperfect, but one measure of where they moved to is the number of new National Insurance numbers issued to workers in particular locations.
- 3.21 Figure 20 shows that in 2008 a total of 69,900 new National Insurance numbers to non-UK nationals were issued across the Boroughs of East London. This group of workers represent around 4.4% of all people residing in East London.
- 3.22 The GLA estimates that the gap between these figures and those on longer-term migration from the International Passenger Survey (IPS) imply an average of 60 thousand additional short-term migrants were present in London at any time over the past two years.
- 3.23 Figure 20 shows that over 11.4% of all new National Insurance registrations in East London were issued to Indian nationals and 10.6% were issued to Polish nationals.
- 3.24 To place the results for new National Insurance numbers for non-UK nationals into context, Figure 21 shows the numbers for each London Borough.

Figure 20  
New National Insurance Registrations of Non-UK Nationals in East London 2008 by Country of Origin (Source: DWP)

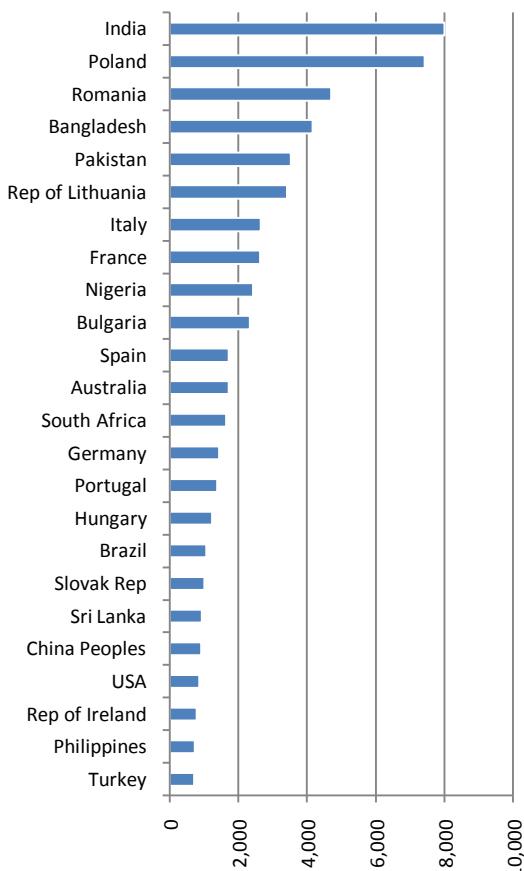
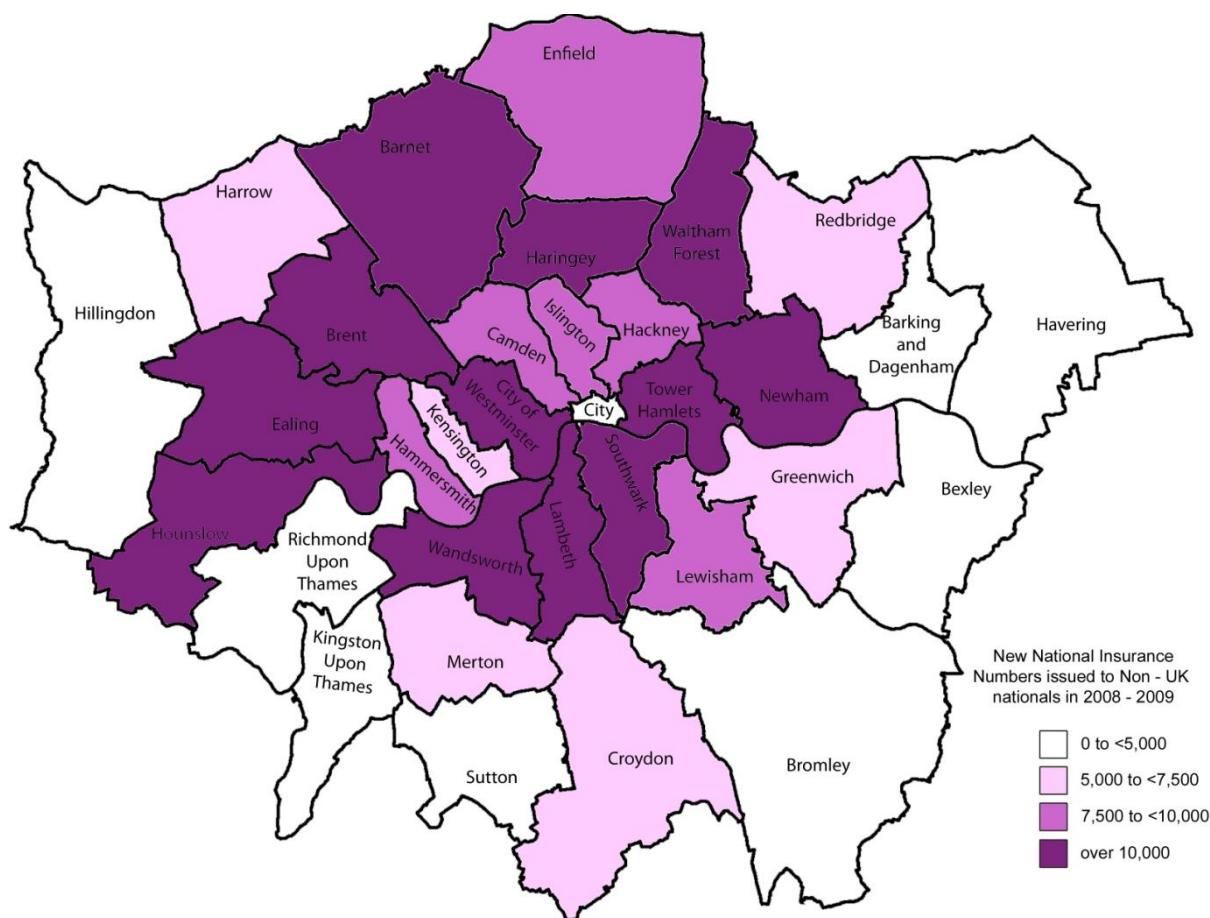


Figure 21

New National Insurance Registrations of Non-UK Nationals by London Borough 2008/09 (Source: DWP)



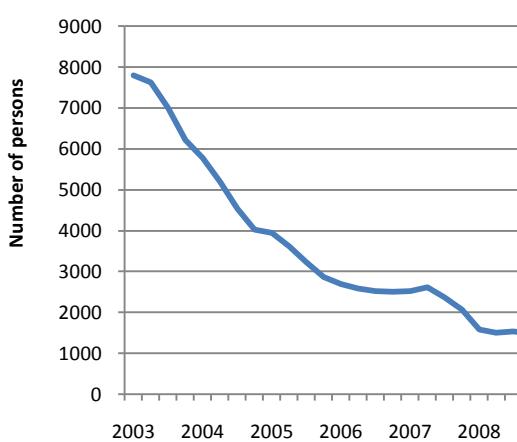
<sup>3.25</sup> A group who are not identified in the 2001 Census are asylum seekers. However, the Home Office publishes separate asylum seeker statistics on a quarterly basis. Since the end of 2002 these have included figures for the number of asylum seekers in each local authority who either claim support from the National Asylum Support Service (NASS) or live in accommodation provided by NASS.

<sup>3.26</sup> Asylum seekers are very important for housing studies such as this one. Asylum seeker populations are likely to become refugee populations and experience elsewhere has shown that refugee populations are prone to struggle to find jobs and adequate housing.

<sup>3.27</sup> Figure 22 shows that the number of asylum seekers in East London who receive either accommodation or financial support from the National Asylum Seeker Service (NASS) is currently around 1,600, but has been as high as 7,800. The drop in numbers is in line with a drop in the number of asylum seekers nationally.

Figure 22

Asylum Seekers in NASS Accommodation or Receiving Subsistence Only Support from NASS in East London 2003-2009 (Source: Home Office)



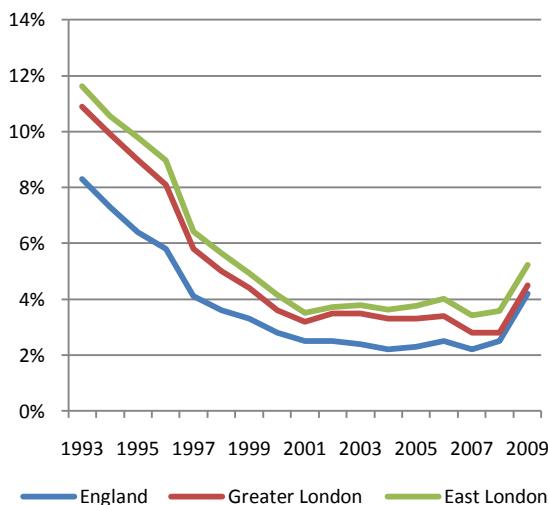
- <sup>3.28</sup> Any children associated with either migrant worker or asylum seeker households moving directly to Lewisham, will not have been previously registered with a doctor. Therefore, they will not be identified as migrants by the ONS NHSCR statistics. The children associated with recent international migrant households may be replacing those children who have moved away from Newham since the time of the Census.

## Economic Factors

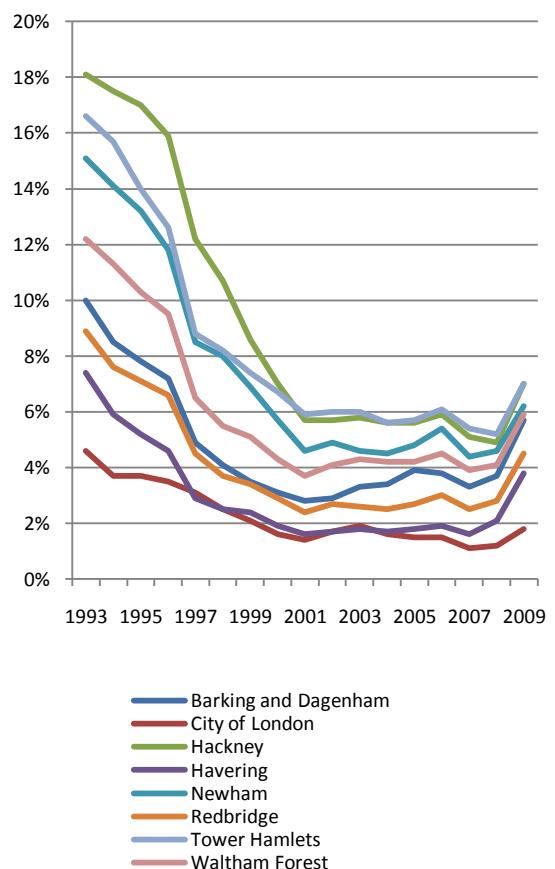
### Economic Activity

- 3.29 Local authorities are also required to conduct an economic analysis of their areas and the following is a summary of the factors most relevant to the SHMA.
- 3.30 Figure 23 shows that unemployment in East London reduced dramatically between 1993 and 2001. It fell again in 2007 to a low of 3.4%, however, it has begun to rise again and by September 2009 stood at 5.2%, levels not experienced since 1998. Nevertheless, the decline in unemployment claimants may not entirely reflect the strength of the local economy as many working age persons not in jobs are not eligible for, or do not claim, unemployment benefit.
- 3.31 Figure 24 shows how unemployment rates vary between Boroughs in East London where it is clear that unemployment rates in Hackney, Newham and Tower Hamlets are much higher than in the City of London and Havering.

**Figure 23**  
**Unemployment Rate for Working Age Population for East London, London and England: 1993-2009** (Source: Claimant Count. Note: Data relates to September each year)

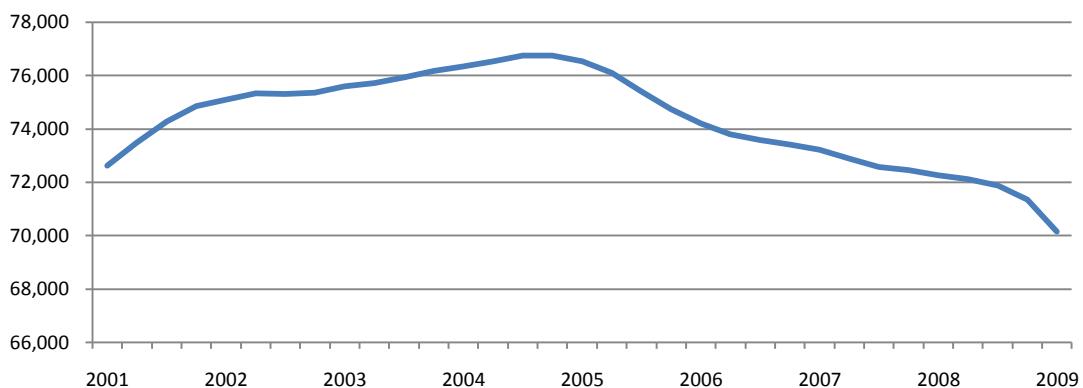


**Figure 24**  
**Unemployment Rate for Working Age Population for East London by Borough** (Source: Claimant Count. Note: Data relates to September each year)



<sup>3.32</sup> Figure 25 shows that the number of working age residents of East London claiming incapacity benefit rose late 2004 but has since begun to fall again. Incapacity benefit is more generous than unemployment benefit and also places less onus on the individual to seek a job. The growth in incapacity benefit claimants may have prevented a rise in unemployment rates between 2001 and 2005.

Figure 25  
Incapacity Benefit Claims by Working Age Persons for East London Q1 2001-Q1 2009 (Source: DWP)



## Incomes and Earnings

- 3.33 Average earnings are another key indicator of the health of the economy. There are two separate ways to analyse average earnings in an area. One is to examine only those who are employed within the area. The other is to examine the earnings of the residents of the area.
- 3.34 Since 2002 the New Earnings Survey (NES) and subsequently the Annual Survey of Hours and Earnings (ASHE) has recorded both measures for all local authorities and higher administrative areas.
- 3.35 Figure 26 show that residents in East London on average earn less than those employed in the sub-region. However, both figures are significantly higher than the English average. Figure 27 compares growth rates in average earnings in East London and England for the period since 2001 which shows continued growth in earnings across East London, particularly in 2003 and 2004.
- 3.36 The above data refers only to those in full-time employment, whereas many employees in East London work part-time. Figure 28 shows the average person resident in the East London sub-region earns around £4,000 less than the average full-time employee.
- 3.37
- 3.38 Figure 29 shows that average salaries increased in all East London Boroughs albeit at different rates. Median gross annual earnings for those employed full time in Havering and Tower Hamlets rose by around over 60% since 1999, whereas earnings in Barking and Dagenham and Hackney only increased by just over 35%. It also shows that median earnings for full-time employed workers in the City of London are higher than the other Boroughs in the sub-region.

Figure 26

**Comparison of Workplace and Residence based Median Gross Annual Earnings in East London and England in 2008 for Full-time Employees** (Source: ASHE 2008)

Local Authority	Employed in Area	Resident in Area
East London	£33,508	£29,602
England	£25,541	£25,520

Figure 27

**Annual Growth in Median Gross Annual Workplace Earnings for East London and England for Full-time Employees 2001-2008** (Source: ASHE 2001-2008)

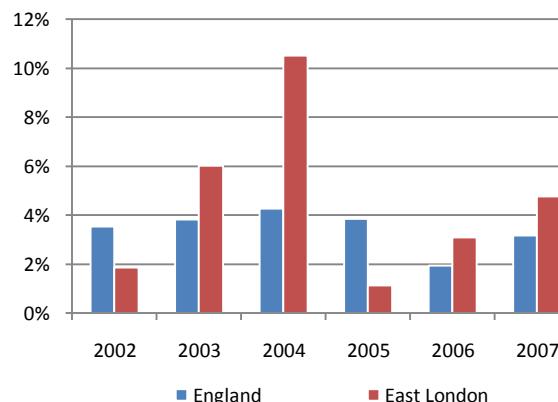


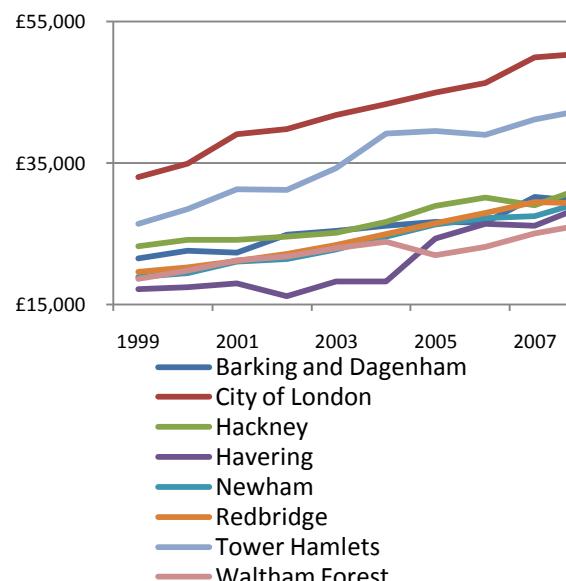
Figure 28

**Median Gross Annual Earnings for Residents of East London and England in 2008** (Source: ASHE 2008)

Local Authority	Median Earnings	
	Overall	Full-time
East London	£25,599	£29,602
England	£21,147	£25,520

Figure 29

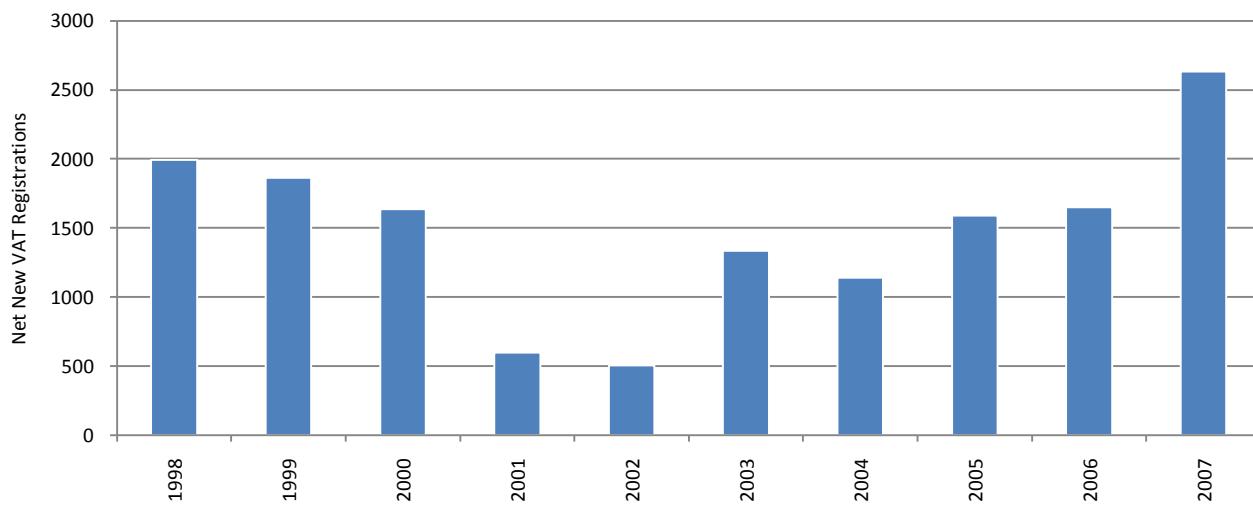
**Median Gross Annual Workplace Earnings for Workers Employed in East London Boroughs 1999-2008 for Full-time Employees** (Source: ASHE 1999-2008)



## Employment

- 3.39 A measure of innovation and entrepreneurship is the number of new VAT registered businesses in a year. A business must register for VAT if its turnover exceeds £64,000 per year. It can de-register if its turnover falls below £62,000. In practice most de-registration is likely to be due to the business being acquired, merged or liquidated. Figure 30 shows the net new VAT registrations in East London per annum. In total, since 1998 the number of VAT registered businesses has grown by 12,930. This represents a 30% growth in the number of VAT registered business since 1998, which is above the average across England as a whole (21.8%).

Figure 30  
Net New VAT Registered Businesses in East London: 1998-2007 (Source: VAT Registrations)



- 3.40 The range of occupations of East London residents (Figure 31) show that a smaller proportion are employed in skilled trades, machine operative or elementary occupations than across England as a whole, while there are more in professional, associate professional and technical and administrative roles. There are, however, slightly fewer managers and senior officials than in England as a whole. Real estate and financial services are particularly important in East London while a relatively small proportion work in manufacturing, retail or construction.
- 3.41 The population of East London contains proportionally more people who are long-term unemployed or who have never worked (8%), as well as more people in intermediate positions, and proportionally less people in routine or technical categories.

Figure 31  
**Occupation, NS-SeC and Industry of Employment for East London Compared to England** (Source: UK Census of Population 2001)



■ England ■ East London

## Skills and Education

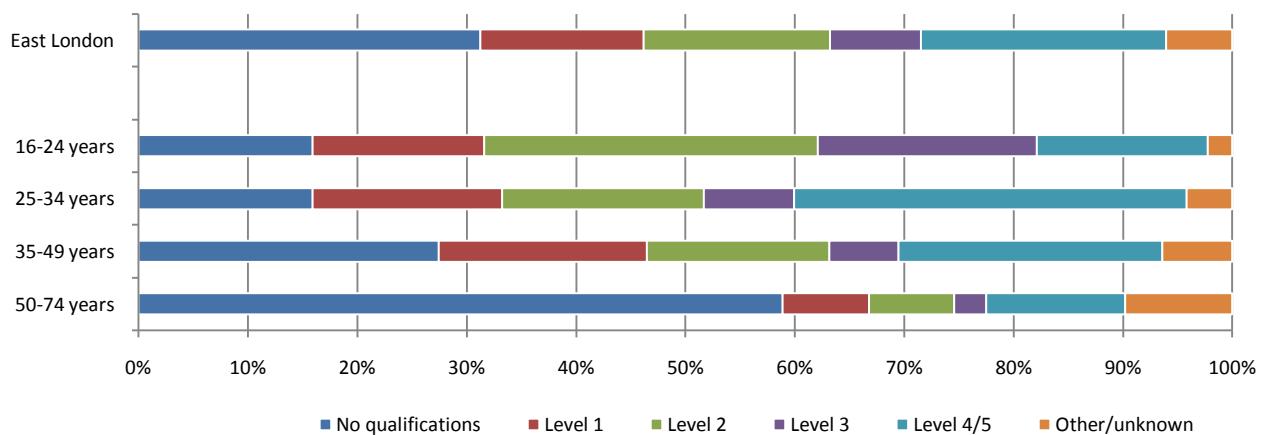
- 3.42 Figure 32 shows the proportion of the population over 16 years who are educated to NVQ4 or higher level, and those with no formal qualifications. NVQ4 is considered to be the equivalent of a university degree.
- 3.43 Compared with England as a whole, East London has more residents with no qualifications but fewer with qualifications at level 1 or 2 and a larger proportion that is highly educated.

**Figure 32**  
**Qualification Levels for East London and England (Source: UK Census of Population 2001)**

Education Level	Barking & Dagenham	City of London	Hackney	Havering	Newham	Redbridge	Tower Hamlets	Waltham Forest	East London	England
<b>Level 0</b>	39.5%	10.0%	29.0%	32.3%	33.6%	25.2%	34.3%	28.5%	31.24%	28.9%
<b>Level 1</b>	19.1%	5.9%	10.5%	20.1%	13.9%	15.9%	10.3%	15.3%	14.91%	16.6%
<b>Level 2</b>	18.1%	10.5%	13.8%	21.1%	16.3%	19.9%	12.3%	17.6%	17.08%	19.4%
<b>Level 3</b>	5.8%	10.9%	8.6%	6.9%	8.9%	9.1%	9.5%	8.5%	8.32%	8.3%
<b>Level 4 / 5</b>	10.2%	60.2%	32.9%	11.6%	21.3%	23.8%	29.6%	24.0%	22.39%	19.9%
<b>Other / unknown</b>	7.3%	2.5%	5.1%	8.0%	6.0%	6.1%	4.0%	6.1%	6.06%	6.9%

- 3.44 Figure 33 shows that almost 60% of the population of the sub-region aged over 50 years possess no formal qualifications, while around 30% of everyone aged 25-49 years have the equivalent to a degree or higher.

**Figure 33**  
**Qualification Levels for East London by Age (Source: UK Census of Population 2001)**



## Travel to Work

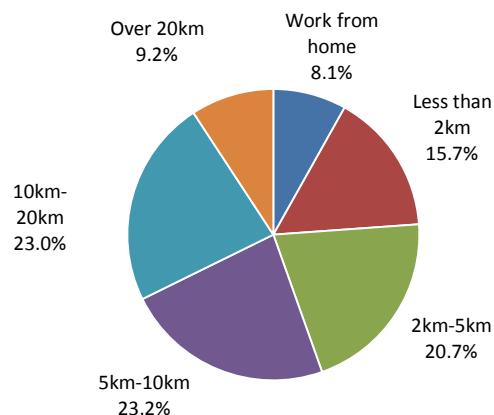
3.45 We can identify travel to work behaviour through analysis of the 2001 Census data.

**Figure 34**  
Travel to Work Patterns for Residents in East London in 2001 (Source: Census 2001)

Local authority/UK Region	Travel to Work				Net
	Travel into East London destinations		Travel from East London to destinations stated		
	N	%	N	%	
<b>Residents Travelling Within East London:</b>					
Barking and Dagenham	50,993	5.9%	40,538	6.6%	10,455
City of London	2,440	0.3%	48,900	7.9%	-46,460
Hackney	38,977	4.5%	39,358	6.4%	-381
Havering	78,642	9.1%	58,669	9.5%	19,973
Newham	56,627	6.5%	51,398	8.3%	5,229
Redbridge	74,244	8.6%	55,912	9.1%	18,332
Tower Hamlets	45,173	5.2%	64,357	10.4%	-19,184
Waltham Forest	58,314	6.7%	46,278	7.5%	12,036
<b>East London sub-total</b>	<b>405,410</b>	<b>46.7%</b>	<b>405,410</b>	<b>65.8%</b>	<b>0</b>
<b>Place of residence or destinations outside East London:</b>					
Westminster	13,501	1.6%	54,827	8.9%	-41,326
Wandsworth	19,495	2.2%	2,478	0.4%	17,017
Camden	13,260	1.5%	28,246	4.6%	-14,986
Bromley	14,929	1.7%	1,010	0.2%	13,919
Lewisham	13,716	1.6%	1,660	0.3%	12,056
Bexley	11,777	1.4%	985	0.2%	10,792
Barnet	13,281	1.5%	3,029	0.5%	10,252
Islington	14,550	1.7%	24,756	4.0%	-10,206
Greenwich	11,934	1.4%	2,417	0.4%	9,517
Lambeth	15,406	1.8%	6,475	1.1%	8,931
Croydon	9,082	1.0%	1,175	0.2%	7,907
Merton	8,513	1.0%	772	0.1%	7,741
Enfield	13,265	1.5%	6,505	1.1%	6,760
Kensington and Chelsea	13,733	1.6%	6,993	1.1%	6,740
Rest of London	79,853	9.2%	33,795	5.5%	46,058
<b>London sub-total</b>	<b>671,705</b>	<b>77.4%</b>	<b>580,533</b>	<b>94.2%</b>	<b>91,172</b>
East	122,324	14.1%	26,236	4.3%	96,088
East Midlands	2,551	0.3%	506	0.1%	2,045
North East	559	0.1%	141	0.0%	418
North West	1,338	0.2%	520	0.1%	818
Northern Ireland	78	0.0%	30	0.0%	48
Scotland	544	0.1%	197	0.0%	347
South East	63,340	7.3%	6,476	1.1%	56,864
South West	2,573	0.3%	583	0.1%	1,990
Wales	654	0.1%	176	0.0%	478
West Midlands	1,537	0.2%	685	0.1%	852
Yorkshire and The Humber	1,026	0.1%	371	0.1%	655
<b>Total</b>	<b>868,229</b>	<b>100.0%</b>	<b>616,454</b>	<b>100.0%</b>	<b>251,775</b>

- 3.46 The data identifies that 405,410 people both live and work in East London. This represents around 66% of all those living in the area who have a job, and around 47% of all those who work in East London. Of the group 47,300 work mainly at or from home, this represents around 8% of all residents of East London who have jobs.
- 3.47 The vast majority of people who travel to work in and out of East London do so to and from other parts of London, with 77% of all workers in East London living somewhere in London and 94% of residents of East London working somewhere in London. Of those who leave East London to work in other parts of London the majority travel into Westminster, Camden or Islington in North London while East London receives net workers from most other London Boroughs, in particular Wandsworth, Bromley and Lewisham.
- 3.48 East London also attracts 14.1% of its workers from the Eastern region and 7.3% from the South East. Very few people leave East London to work outside of London, with the highest out-migration standing at 4.3% to the Eastern region.
- 3.49 Figure 35 shows the travel to work distances for East London residents. This shows that almost half of the working population travel less than 5km to work every day, while only just over 32% travel 10km or more.

Figure 35  
Summary Chart of Travel to Work Patterns for Residents in East London in 2001 (Source: Census 2001)



**Summary of Section 3: Housing Market Drivers**Demographic factors

- Closely following the pattern for the whole of London, East London saw a slight decline and levelling off of its population in the 1980s and early 1990s. However, since the early 1990s and particularly between 1998 and 2001, it has seen a fairly rapid growth in its population. Taking the 1981 population as a base, it shows that the population of East London rose by 12.8% in the period up to 2007 from 1.390m to 1.569m people. This compares with a rise in population of 11% for Greater London and 9.1% for the whole of England.
- International migration into East London has been high in the last five years, although this has been balanced by net out-migration to the rest of the UK. However, as the households that move to the region tend to be younger than those that leave, migration has tended to reduce the average age in East London and indirectly increase the rate of indigenous change, that is, births minus deaths.
- This rise in population of East London is expected to continue in the future. The GLA estimates that the sub-region's population will increase to between 1.913m and 1.985m by 2026. This would represent a rise of between 24% and 29% over the period 2006-2026.
- The age structure of the population of East London shows that there are far more young adults and young families with children aged 0-4 years in the area than in England and Wales as a whole. Those aged over 45 years are underrepresented in the population.
- The profile of households across the sub-region is similar to that of Greater London and reflects its younger population than for England as a whole. In 2001, 20% of all households comprised of a single, non pensioner person, while 12% were lone parents. Data from 2006 suggests that the proportion of single non-pensioner and single parent households has decreased, while the proportion of adult couple households has increased.
- Regarding internal migration flows within East London it can be seen that in general the population is moving north and east to the outer Boroughs. In particular, there is significant movement from Newham into Barking & Dagenham, Havering and into Essex.
- The highest net in-migration comes from other parts of London, particularly the North London Boroughs. However, it can also be seen that there is a significant in-migration from large University cities across England, which is unsurprising as the only age group with a net in-migration into the area is the 16-24 years category, as well as a high level of in-migration from the 25-44 years group.
- The highest net out-migration from the sub-region is to Epping Forest, Thurrock and other destinations in Essex.
- Between 2001 and 2006, a net 78,500 international migrants moved to East London from overseas. In 2008/09 a total of 69,900 new National Insurance numbers to non-UK nationals were issued across the Boroughs of East London. This group of workers represent around 4.4% of all people residing in East London. Over 11.4% of all new National Insurance registrations in East London were issued to Polish nationals.

### **Summary of Section 3: Housing Market Drivers (continued)**

#### Economic Factors

- Unemployment in East London reduced dramatically between 1993 and 2001 and fell again in 2008 to a low of 3.4%. However, it has begun to rise again and by May 2009 stood at 5.2%, levels not experienced since 1999.
- Residents in East London on average earn less than those employed in the sub-region. However, both figures are significantly higher than the English average.
- Since 1999 median gross annual earnings of those in full time employment in Havering and Tower Hamlets have risen by around 60%, whereas earnings for the other Boroughs have risen by 35%. The rise in earnings of those employed in the City of London was considerably higher.
- The range of occupations of East London residents show a similar pattern to England and Wales as a whole but this situation is likely to be different in individual Boroughs. Overall there are more people employed in Financial Services and Real Estate than the national average.
- The vast majority of people who travel to work in and out of East London do so to and from other parts of London, with 77% of all workers in East London living somewhere in London, and 94% of residents of East London working somewhere in London. Of those who leave East London to work in other parts of London the majority travel into Westminster, Camden or Islington in North London while East London receives net workers from most other London Boroughs, in particular Wandsworth, Bromley and Lewisham.
- East London also attracts 14.1% of its workers from the Eastern region and 7.3% from the South East. Very few people leave East London to work outside of London, with the highest out-migration standing at 4.3% to the Eastern region.
- Almost half of the working population travel less than 5km to work every day, while only just over 32% travel 10km or more.

## Section 4: Existing Housing Stock and the Housing Market

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- 4.1 The mix of property sizes and types available will have a bearing on home-owners' choices and the future role of investment properties available to landlords within the private rented sector. Our aim is to evidence key differences between Boroughs to inform some of the dynamics of the housing market we consider later. The amount of housing in all tenures in the City of London is very small compared to the Boroughs.
- 4.2 It should be noted that the total stock by tenure may not sum to property type and number of rooms as they are taken from different Census 2001 tables within which there is some missing data.
- 4.3 Census data is preferred to household survey data for the purposes of this section. There are three main reasons for this, problems associated with household surveys, uncertainty about the size and role of the private rented sector and trends related to tenure since 2001.
- 4.4 Firstly, household survey issues. All surveys were conducted at different times and at best will reflect an approximate position that also cannot be considered up to date. Surveys will also be subject to an element of bias due to some groups of respondents being more likely to respond. In order to correct this bias weightings are used on the data and the census is a reference point for such weighting. Error margins are also present and where findings are based upon small samples the error margin may well exceed any real change in that sector since the census.
- 4.5 Secondly, issues concerning the private rented sector. Findings from the Rugg Report considered later in this section show that this is a complex tenure to study and that its growth is largely through absorption of housing stock originating in other tenures. Furthermore, as most of the private rented sector is considered as market housing, for the purposes of the SHMA analysis in Section 6 of this report, the distinction between owner occupied and private rented sector housing is not of great significance.
- 4.6 Thirdly, trends in tenure since 2001. The rate of transfer from social renting to other tenures has slowed dramatically since 2001 and more recently has declined still further. The net effect of sales and new build means that the overall size of the sector has hardly changed since 2001 although there will be change at the neighbourhood level. Data concerning the number of right to buy sales to sitting tenants and the number of new build homes for social rent is readily available. However, only anecdotal evidence is available to understand the role that former social rented housing is playing in the market currently. Some of it is occupied by the original purchaser, some of it is now part of the private rented sector, some will be occupied by owners as a result of re-sales and some will have been taken off the market due to demolition.
- 4.7 There are other trend issues that should be taken into account when considering the following information. New build housing since 2001 has been heavily influenced by government policy concerning density and the aim of maximising the number of households in home ownership. As a consequence in London, most new construction has taken the form of 1 and 2 bedroom apartments.

However, due to increasing affordability problems discussed later, the actual tenure of new build is uncertain although undoubtedly it should be regarded as market housing.

- 4.8 As a consequence of affordability issues there has been growth in flat sharing and sub-division of existing flats and houses in multiple occupation. This is not measured by household surveys and the next census is awaited to have a more accurate understanding of the extent of this response from landlords and entrepreneurs.
- 4.9 Provided the above issues are trends are noted it is concluded that census information is still the most reliable source of information for the purposes of this section of the SHMA and it is worth repeating our aim here. Our aim is to describe the physical characteristics of the stock in order to understand its capacity to house the groups of households who seek to occupy it. It is also necessary to understand how characteristics of the stock vary throughout the sub-region in order to understand how the housing market operates within the sub-region.
- 4.10 We base our analysis upon the data in the following figure.

Figure 36

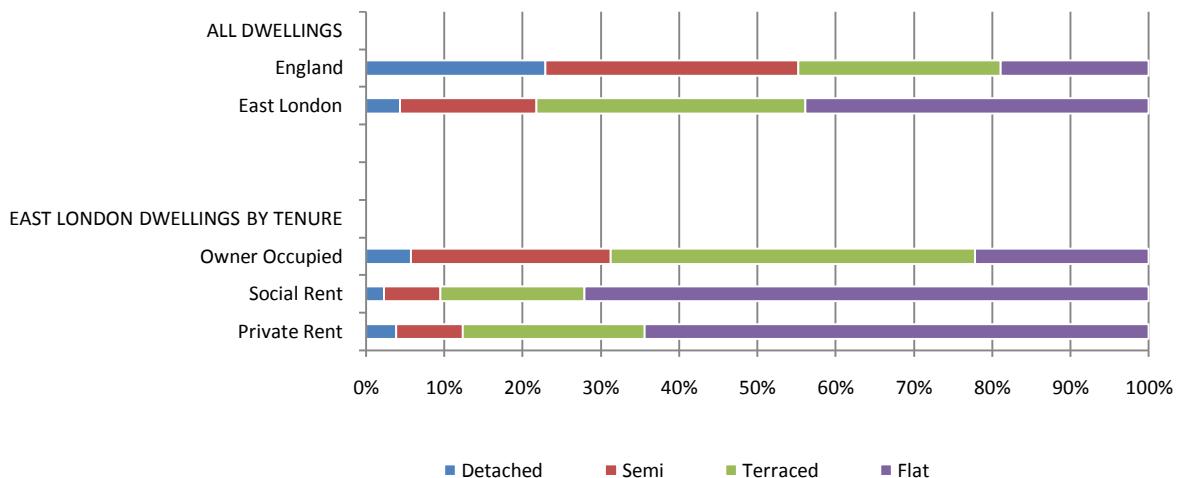
Data Table: Property type and Number of bedrooms by tenure and Borough (Source: Census 2001)

	Barking & Dagenham	City of London	Hackney	Harvering	Newham	Redbridge	Tower Hamlets	Waltham Forest	East London
<b>Owner Occupied</b>									
<b>Property Type</b>									
Detached House	737	3	441	9,557	1,550	4,292	150	1,826	18,556
Semi-detached	8,093	6	1,757	34,788	4,132	22,213	607	11,400	82,996
Terraced	25,315	55	10,429	22,122	27,652	32,195	5,128	28,148	151,044
Flat	3,466	2,088	14,815	5,958	6,630	10,752	16,771	11,484	71,964
<b>Total</b>	<b>37,611</b>	<b>2,152</b>	<b>27,442</b>	<b>72,425</b>	<b>39,964</b>	<b>69,452</b>	<b>22,656</b>	<b>52,858</b>	<b>324,560</b>
<b>Number of rooms</b>									
One/two rooms	504	552	1,609	576	1,467	1,083	1,828	1,104	8,723
Three/four rooms	12,124	1,171	11,301	13,772	13,146	15,880	12,158	15,831	95,383
Five/six rooms	22,635	319	9,694	45,241	21,371	37,367	7,591	27,815	172,033
Seven/eight + rooms	2,365	107	5,008	13,016	4,066	15,159	1,165	8,168	49,054
<b>Total</b>	<b>37,628</b>	<b>2,149</b>	<b>27,612</b>	<b>72,605</b>	<b>40,050</b>	<b>69,489</b>	<b>22,742</b>	<b>52,918</b>	<b>325,193</b>
<b>Private Rent</b>									
<b>Property Type</b>									
Detached House	202	11	267	351	1,203	608	168	568	3,378
Semi-detached	665	8	496	1,427	1,565	1,639	323	1,229	7,352
Terraced	1,545	12	1,907	1,128	6,619	3,293	1,718	3,985	20,207
Flat	2,269	1,216	11,501	3,131	8,637	7,721	12,211	9,390	56,076
<b>Total</b>	<b>4,681</b>	<b>1,247</b>	<b>14,171</b>	<b>6,037</b>	<b>18,024</b>	<b>13,261</b>	<b>14,420</b>	<b>15,172</b>	<b>87,013</b>
<b>Number of rooms</b>									
One/two rooms	467	377	3,146	441	2,987	1,746	2,252	2,302	13,718
Three/four rooms	2,429	699	7,511	2,980	8,543	6,741	8,468	8,053	45,424
Five/six rooms	1,617	111	3,011	2,307	5,603	4,142	3,187	4,176	24,154
Seven/eight + rooms	189	56	1,092	362	1,138	817	644	946	5,244
<b>Total</b>	<b>4,702</b>	<b>1,243</b>	<b>14,760</b>	<b>6,090</b>	<b>18,271</b>	<b>13,446</b>	<b>14,551</b>	<b>15,477</b>	<b>88,540</b>
<b>Social Rent</b>									
<b>Property Type</b>									
Detached House	602	0	635	292	1,189	284	492	711	4,205
Semi-detached	3,229	0	1,122	2,595	2,264	1,123	849	2,231	13,413
Terraced	9,637	4	3,886	2,596	7,372	1,788	3,443	5,259	33,985
Flat	11,356	923	36,939	7,345	22,318	6,050	35,727	12,896	133,554
<b>Total</b>	<b>24,824</b>	<b>927</b>	<b>42,582</b>	<b>12,828</b>	<b>33,143</b>	<b>9,245</b>	<b>40,511</b>	<b>21,097</b>	<b>185,157</b>
<b>Number of rooms</b>									
One/two rooms	1,332	312	6,789	1,002	4,538	1,313	5,806	2,577	23,669
Three/four rooms	14,143	513	25,075	7,830	18,469	5,186	23,943	11,468	106,627
Five/six rooms	8,962	104	10,487	3,942	9,411	2,557	10,271	6,536	52,270
Seven/eight + rooms	493	6	1,318	241	1,092	299	1,220	815	5,484
<b>Total</b>	<b>24,930</b>	<b>935</b>	<b>43,669</b>	<b>13,015</b>	<b>33,510</b>	<b>9,355</b>	<b>41,240</b>	<b>21,396</b>	<b>188,050</b>

## Dwelling Type

- <sup>4.11</sup> A high level summary of Figure 36 appears at Figure 37 for the sub-region. This shows the mix of dwellings in East London compared to all England at the time of the 2001 Census. Nearly 45% of the housing stock is in the form of flats, compared to less than 20% across the whole of England.
- <sup>4.12</sup> Figure 37 also shows the differences that exist between owner-occupied, private rent and social housing in East London. Over 30% of owner occupied housing in East London is either detached or semi-detached dwellings and only just over 20% are flats. In contrast, over 70% socially rented dwellings and 65% of private rented dwellings are in the form of flats.

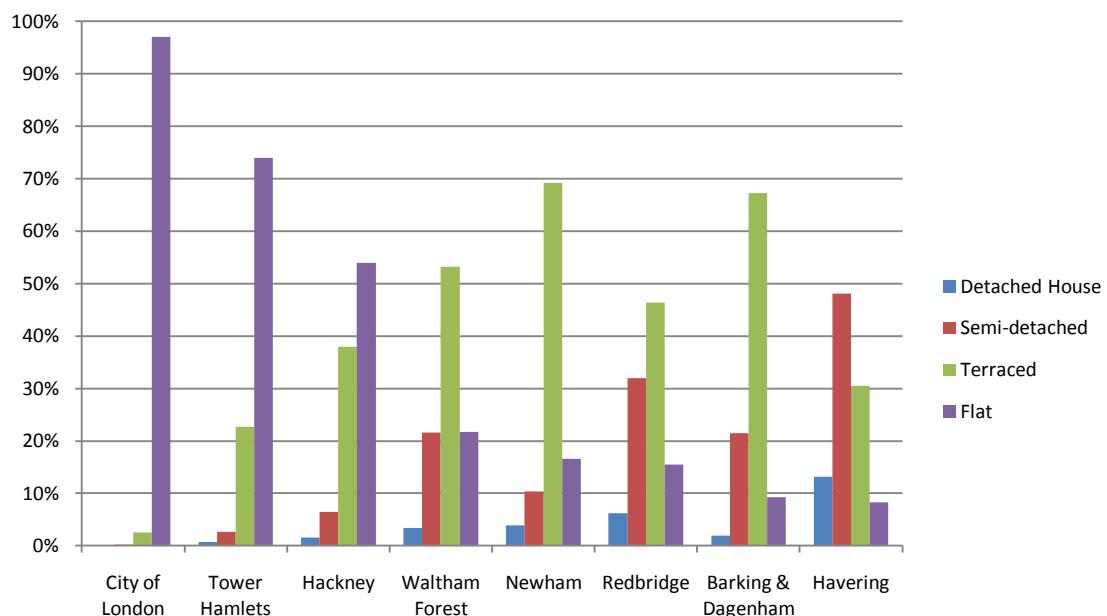
Figure 37  
East London Dwelling Type by Tenure (Source: UK Census of Population 2001)



- <sup>4.13</sup> At the Borough level there is a considerable difference in the distribution of dwelling type by tenure. The figures below show that flats are the principal dwelling type in the private and social rented sectors whereas owner occupied housing shows more diversity.
- <sup>4.14</sup> The following charts have been arranged in terms of Boroughs with the highest proportion of flats in the dwelling stock.

Figure 38

**Proportion of Owner Occupied Dwellings by Type by Borough, in order of highest proportion of flats** (Source: UK Census of Population 2001)



<sup>4.15</sup> Regarding the owner occupied stock, (Figure 38) the outer London Boroughs have a lower proportion of flats and a higher proportion of semi-detached and terraced homes reflecting the suburban nature of the area. Note that only in Havering does the proportion of owner occupied semi detached houses exceed the proportion of terraced houses. It has the highest proportion of detached homes and the lowest proportion of flats in this tenure.

Figure 39

**Proportion of Private Rented Dwellings by Type by Borough in order of highest proportion of flats** (Source: UK Census of Population 2001)

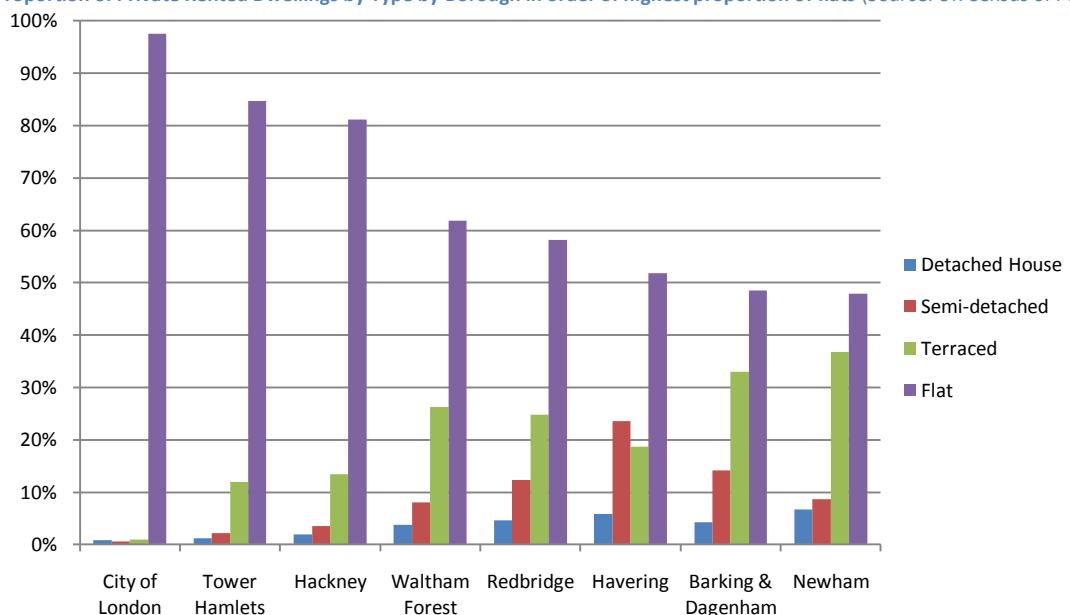
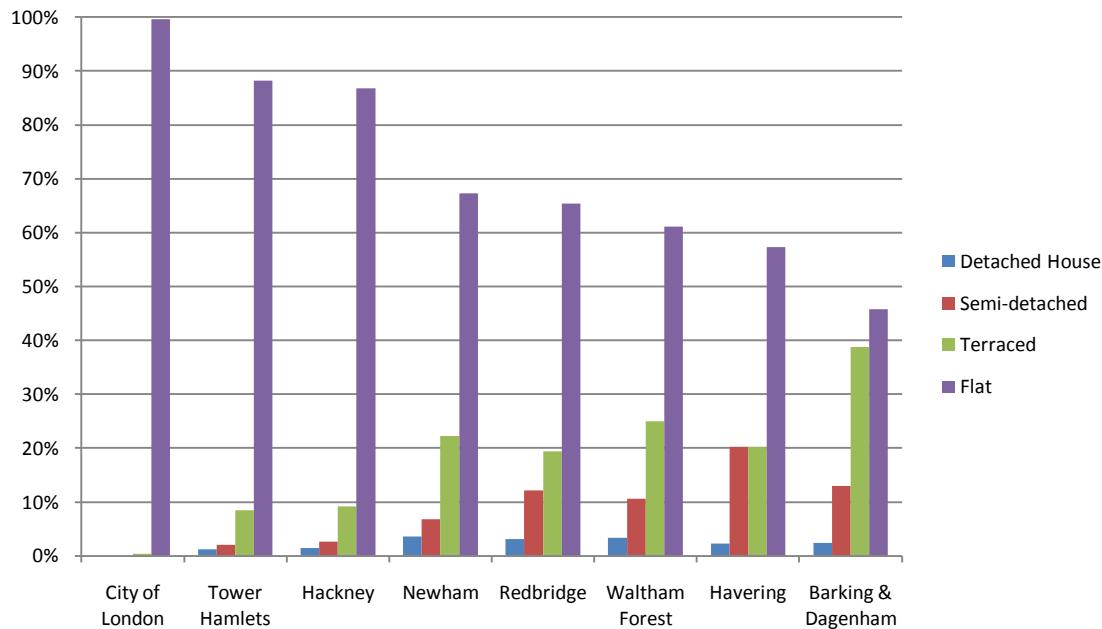


Figure 40

Proportion of Social Rented Dwellings by Type by Borough in order of highest proportion of flats (Source: UK Census of Population 2001)

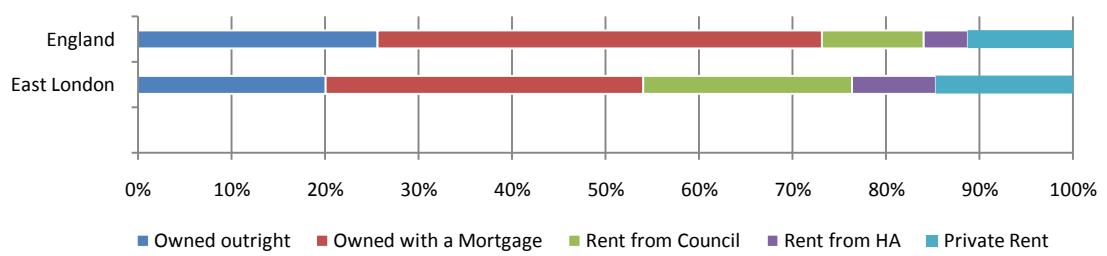


- <sup>4.16</sup> Regarding private rented and social rented housing it is clear that flats are the main dwelling type. At the time of the census, Barking and Dagenham had the smallest proportion of flats in its social dwelling stock and Newham had the smallest proportion of flats in its private rented stock.

### Housing Tenure

- <sup>4.17</sup> Figure 41 shows the differences in the proportion of tenure in East London compared with England as a whole.

Figure 41  
East London Tenure Distribution compared to England (Source: Census 2001)

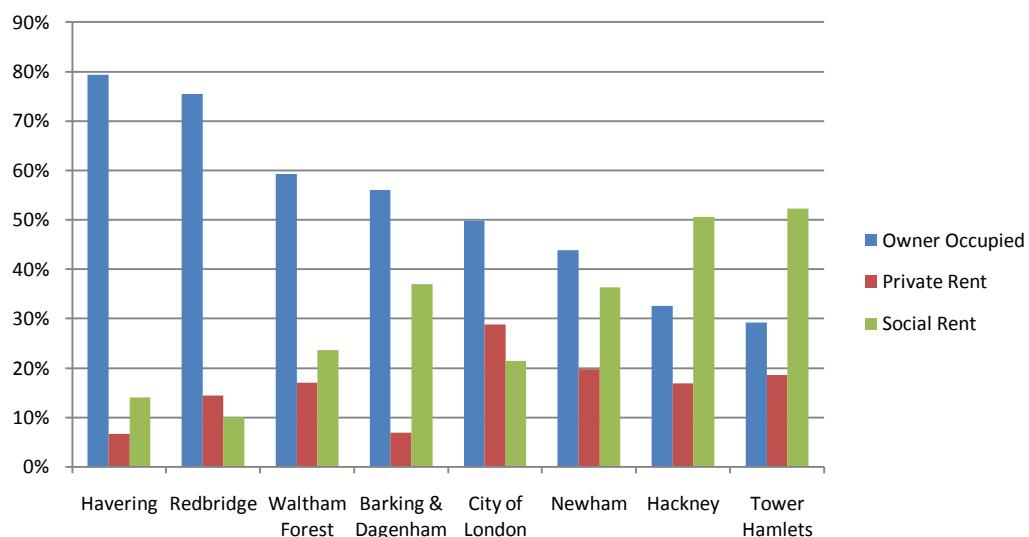


- <sup>4.18</sup> Around 54% of households in East London are owner occupied, with about 15% being private rent and just over 30% social rent, compared to over 70% owner occupation, 11% private rent and around 17% social rent across England as a whole.

- <sup>4.19</sup> Tenure varies significantly between Boroughs in East London demonstrating a difference between the inner and outer Boroughs. If we present data for each Borough in the order of highest proportion of home ownership instead of alphabetical order a distinct pattern emerges across East London.

Figure 42

Proportion of dwelling stock by tenure by Borough ordered by the proportion in owner occupation (Source: Census 2001)

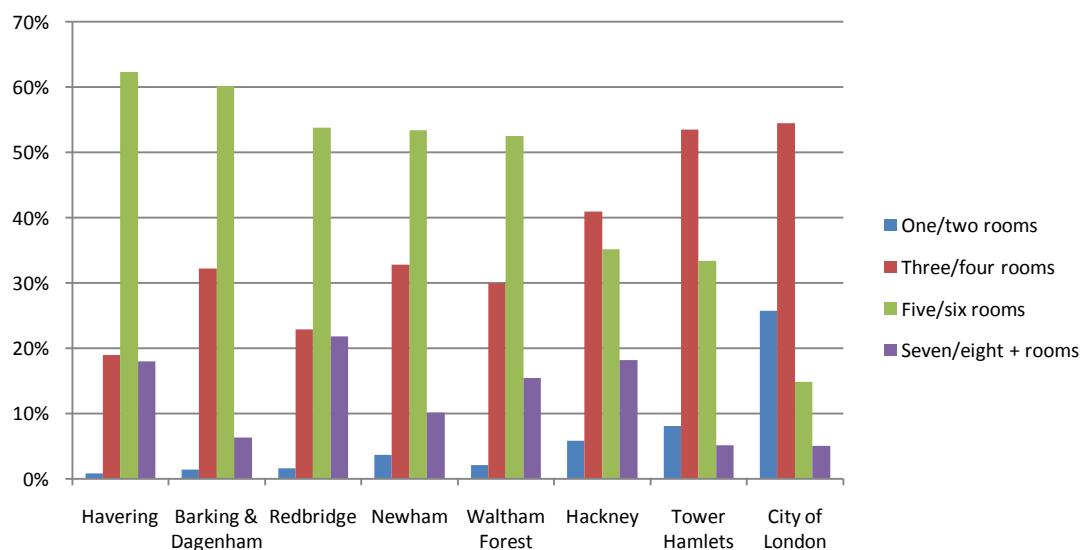


4.20 It is noteworthy (but obvious) that as the proportion of home ownership decreases the proportion of social rented housing increases and the proportion of social rented housing is highest in the inner London Boroughs. The exception to this is the City of London but as is noted above the City has a relatively small stock of housing in all tenures. This overall presents interesting questions about what is an appropriate balance between the tenures. Further information is presented below regarding size, type and affordability to provide further factors to be considered.

4.21 However, there is also a clear pattern between in inner and outer London regarding the distribution of dwellings by number of rooms in each dwelling.

Figure 43

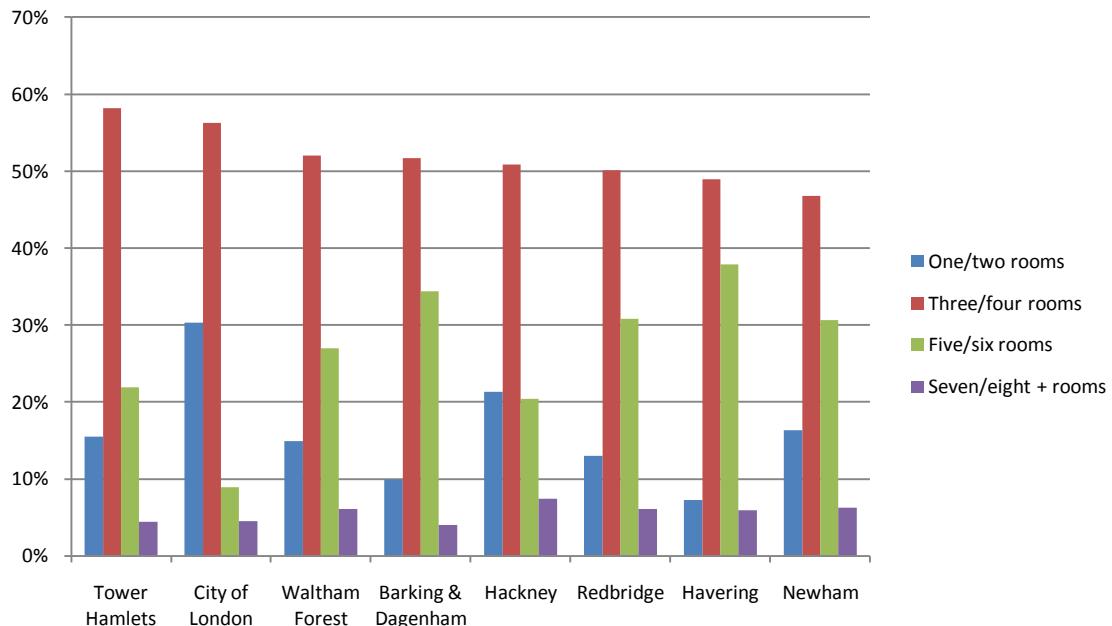
Proportion of the Owner Occupied dwelling stock by number of rooms by Borough (Source: Census 2001)



4.22 In Figure 43 it is clear that the proportion of owner occupied dwellings with 5 or 6 rooms was highest in the outer Boroughs. It will be recalled that Havering had the highest proportion of semi detached and detached dwellings in East London at the time of the Census 2001. The Inner London Boroughs had a higher proportion of owner occupied dwellings with three and 4 rooms.

Figure 44

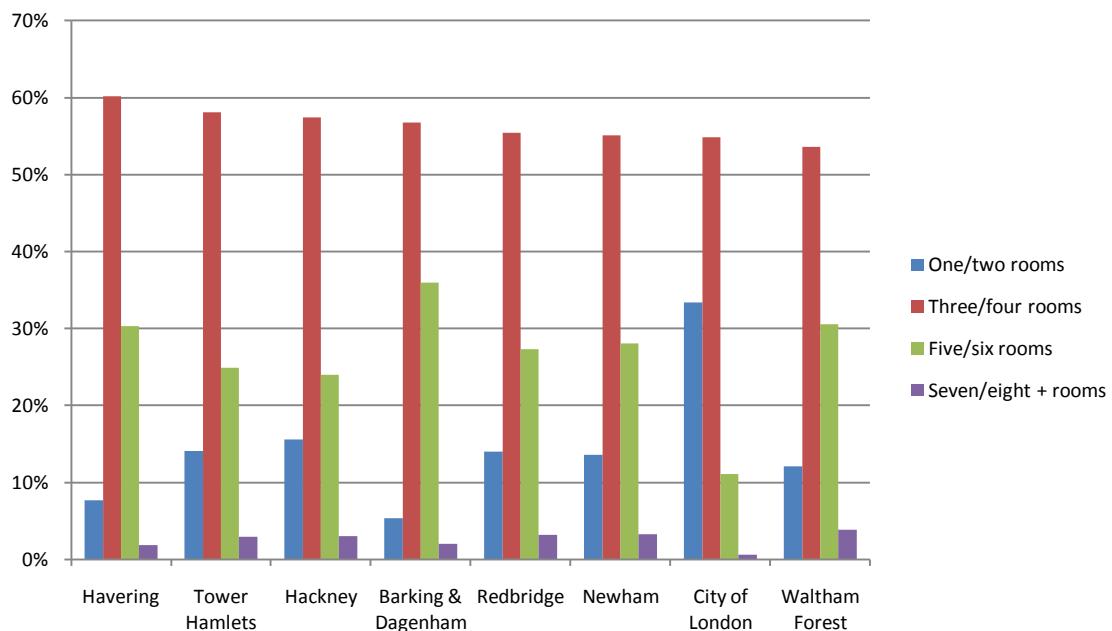
Proportion of the Private Rented dwelling stock by number of rooms by Borough (Source: Census 2001)



- <sup>4.23</sup> In Figure 44 it is clear that the proportion of private rented dwellings with 3 or 4 rooms was highest in all of the Boroughs. With the exception of the City of London, dwellings with 5 and 6 rooms were the next most frequent.

Figure 45

Proportion of the Social Rented dwelling stock by number of rooms by Borough (Source: Census 2001)



- <sup>4.24</sup> In Figure 45 it is apparent that a similar distribution exists to the private rented sector.

## London's private rented sector

- 4.25 The private rented sector is an important enabler for London's economy and the SHMA would be incomplete without a detailed understanding of its role within the whole housing market. However, the extent of data available to describe it is much more limited than the other tenures. This is arguably due to the fact that it is a rapidly changing sector as entrepreneurs/investors seek to supply gaps in the market. As a result, the term 'private rented sector' covers a diverse set of niche markets.
- 4.26 In this section of the report so far we have sought to describe the characteristics of the sector from census data and compare it to the other tenures. However, this does not begin to describe the role that the private rented sector fulfils in current market conditions. It is necessary to understand this role if modelling the housing market in section 6 of the report is to accurately reflect the dynamics of the market.
- 4.27 We base the following remarks upon the findings of the Rugg report; 'The Private Rented Sector: its Contribution and Potential (Julie Rugg and David Rhodes, Centre for Housing Policy, University of York 2008). This is the most comprehensive and up to date analysis of the sector. We have sought to bring out the factors most relevant to London, the sub-region and the housing market modelling in section 6 of the report. Note that the citations in the following remarks are found in the Rugg report.
- 4.28 A gap in all studies we have reviewed is that of the informal part of the private rented sector. ORS is aware of this gap from observing the market place typified by cheap rooms to let advertised in shop windows in a variety of languages and the anecdotal evidence of environmental health officers concerned with enforcing minimum standards. We do not return to the topic except to say that it exists and is likely to house, amongst others, groups of people such as temporary workers, casual itinerant workers and illegal immigrants. This is likely to be particularly prevalent in East London due to the construction on the site of the Olympics 2012 and other major developments in East London.

### The niche markets of the private rented sector

- 4.29 The private rented sector market mainly consists of assured shorthold tenancy lettings that meet demand from diverse groups of households. This is referred to as the Open Market. The market offers a great deal of choice due to its high turnover, enabling tenants to live in the best quality housing that they can afford allowing for the usual constraints over location factors.
- 4.30 However, the private rented sector is complex and perhaps best understood through mapping its constituent niche markets. Distinct sub-markets include;
- young professionals, whose presence in the PRS reflects a complex amalgam of choice and constraint;
  - the housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
  - slum rentals at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;

- temporary accommodation, financed through specific subsidy from the Department for Work and Pensions;
- students, whose needs are increasingly being met by larger, branded, institutional landlords;
- high-income renters, often in corporate lettings;
- immigrants whose most immediate option is private renting;
- asylum seekers, housed through contractual arrangements with government agencies;
- regulated tenancies, which are a dwindling portion of the market; and
- tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations.

- 4.31 The above niche markets have been separated into two groups, the former group including the general assured shorthold market being central to the SHMA housing market modelling. Also central to the understanding of the market modelling is the extent to which the sector has been successful in meeting the housing needs of ‘intermediate’ households, whose income means that they are unable to afford owner occupation, but who are not in a priority group for social housing.
- 4.32 As an example of how the market responds to local circumstances, in the London context we have observed how very basic accommodation has been made available to construction workers working on large projects such as the Olympics and improvements to London’s transport infrastructure.
- 4.33 The private rented sector also has a role in filling the gap left by a shortage of social rented housing especially for families. Since the late 1980s there have been a number of initiatives that aim to prevent homelessness amongst ‘non-statutorily’ homeless households by easing their access to private sector tenancies. Deposit guarantee schemes are perhaps the most notable development.
- 4.34 More recently, local authorities have been seeking properties in the PRS to help deal with their responsibilities to eligible, unintentionally homeless households under homelessness legislation. The private rented sector has a distinctive housing benefit sub-market. However, landlords can be reluctant to deal with households in receipt of housing benefit and, as a consequence, there is a substantial amount of unmet need for accommodation in the housing benefit sub-market of the PRS. A range of incentives has been developed to assist existing housing benefit landlords to expand their portfolios and to induce wider-market operators to enter the sector. Incentives can include leasing arrangements, which tie statutory authorities into arrangements to guarantee rental payments to landlords over three or five years.
- 4.35 Furthermore, increased use of the private rented sector to provide long-term accommodation for eligible, unintentionally homeless households may impact on the supply of property to households for which there is no such responsibility. This group, including, for example, single people or young couples without children, have always relied on the private rented sector as the principal source of accommodation. Statutory agency interest in the private rented sector introduces a further level of competition for property at the bottom of the sector.
- 4.36 In addition, it could be argued that a tenancy in the private rented sector would not be regarded by tenants as a housing ‘offer’ equivalent to a social housing tenancy. Tenant satisfaction with social housing can be low. However, the perceived problems with property quality, security of tenure and affordability all play a part in persuading tenants that the PRS provides, at best, an insecure home.

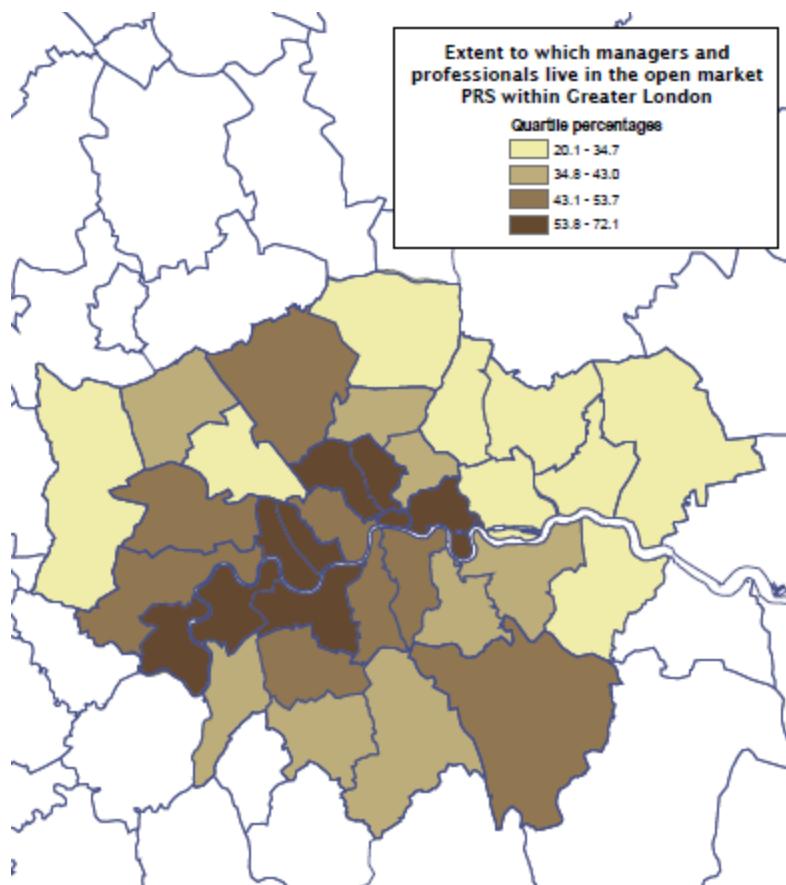
- 4.37 The configuration of sub-markets will vary from area to area. As we have demonstrated above, neighbouring Boroughs may have very dissimilar private rental sectors. For example, the evidence suggests that the Inner London Boroughs have a distinctly different private rented sector to outer London because it largely serves people on high incomes paying high rents

### High income, high rent households

- 4.38 An upper-market, high-income niche exists within the private rented market, most commonly in Central London as well as some other major urban areas. People working in NS-SEC-defined managerial and professional occupations are over-represented amongst private renters within Greater London and are particularly prevalent within the 'London centre' area. (Figure 46).
- 4.39 Private tenants with higher incomes were more likely to have moved a distance of over fifty miles, or from abroad, to their current address. The reason for their move was more likely to be job-related than it was for tenants in lower income quartiles.

Figure 46

Managers and professionals living in Open Market Private Rented Housing in Greater London (Source: Rugg report 2008)



- 4.40 Many high-income renters are in 'corporate lets' in the PRS, although it is not readily possible to identify this group in national data sources. Little is known about corporate lets, which comprise a particular kind of arrangement between landlord and tenant. It is likely that some areas, especially parts of inner London, will have a notable proportion of this type of arrangement (Westminster City Council, 2006).

### Immigrant groups

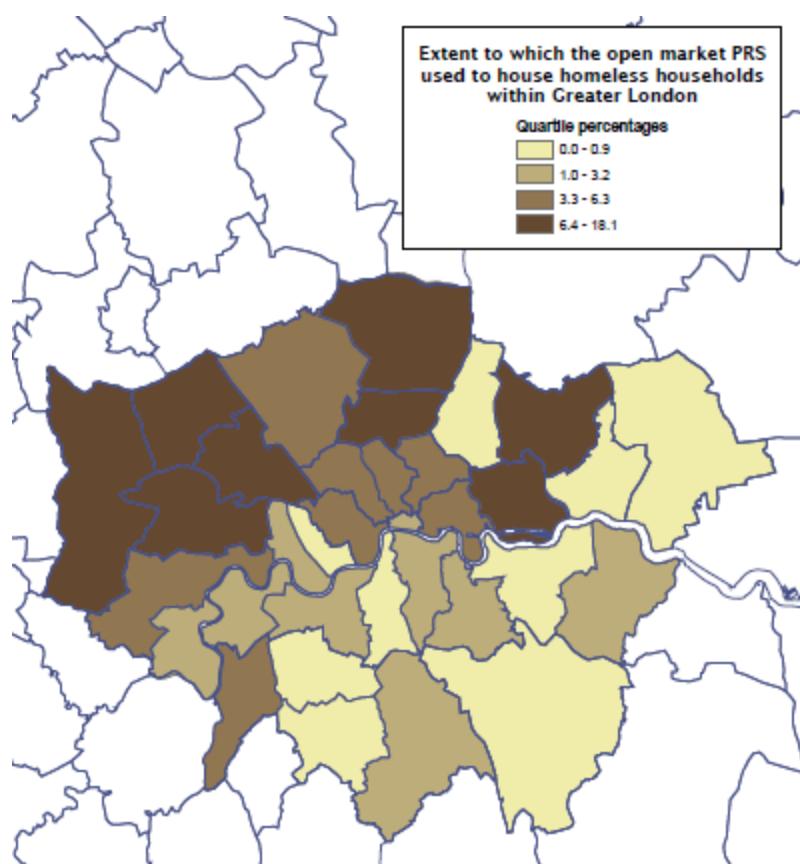
- 4.41 Immigrant populations tend to rely heavily on the private rented sector, which is often more immediately accessible than social housing and owner occupation. The 2001 census indicated that where people had moved into England from outside the UK in the year prior to the census, 53% were in the private rented sector, 26% were in owner occupation and 7% were in social housing. The pattern of settlement across England indicates that London and its environs had high proportions of in-migrants living in the private rented sector.
- 4.42 The housing needs of the very wide variety of immigrant groups will differ substantially, bringing different kinds of pressure to the rental market. Overseas students and higher-paid professional workers are more likely to seek short-term lets in urban areas. Demand for rental property from immigrant households is particularly strong in London, where it has been estimated that over the last eight years, total international migration has averaged 185,000 per annum gross and 87,000 per annum net. A very large proportion of these households had come from 'rich' countries (Gordon et al., 2007).
- 4.43 Many migrant workers seek to live in private rented housing because they are not eligible for social housing and are not seeking to buy a permanent home in the area they are working. According to the Annual Population Survey, 61% of working age individuals in the private rented sector in London were born overseas (DMAG Briefing 2007-17 'A Profile of Londoners by Housing Tenure; September 2007).

### Temporary accommodation

- 4.44 A further distinctive market that has been created directly as a consequence of public policy is the temporary accommodation sub-market. Local authorities that have accepted a statutory duty to house a particular household are obliged to place that household in temporary accommodation and often use properties in the private rented sector.
- 4.45 In January 2006 it was reported that 33,340 placements were in London. Within London, the use of temporary accommodation was variable. Brent had 3,609 households placed in private sector leasing arrangements and Westminster had 2,380 (Greater London Authority, 2006). The arrangements were not necessarily in the local authority's own area. Research on the private rented sector in Westminster indicated that, of the 1744 temporary accommodation placements in the Borough, 21 had been placed by the Royal Borough Kensington and Chelsea and 11 by the London Borough of Hammersmith and Fulham.

Figure 47

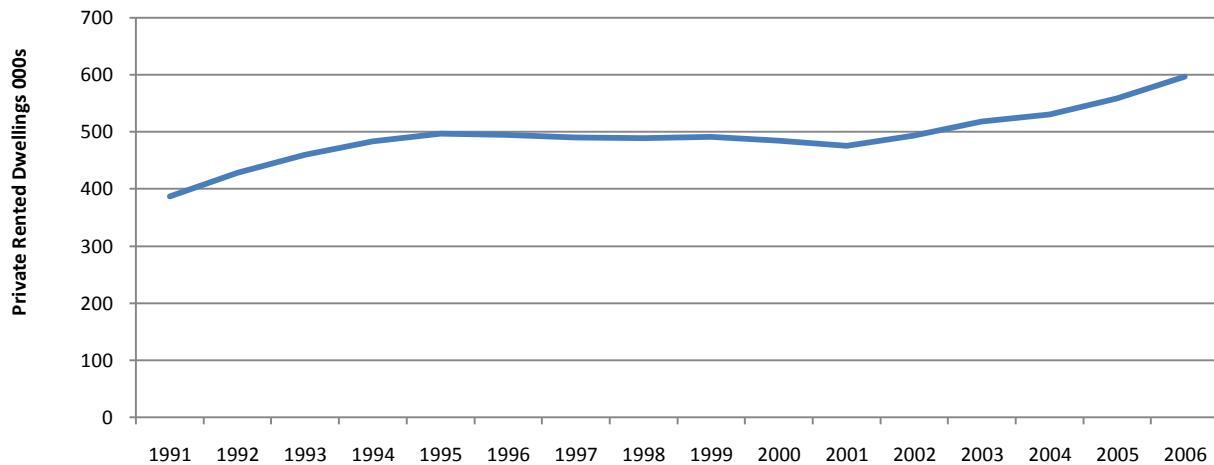
Open Market Private Rented Housing used to house homeless households in Greater London (Source: Rugg report 2008)



- 4.46 Using Greater London Authority data, the report calculated the proportion of the PRS in each Borough absorbed by demand from temporary accommodation. This proportion was highest in Newham at 35%. In Barking and Dagenham, temporary accommodation took up 32% of the PRS and in Enfield the proportion was 23% (Westminster City Council, 2006).
- 4.47 This market is distinctive because of the funding arrangements that attach to temporary accommodation. Specific grants are available from the DWP to support the use of temporary accommodation, which means that higher rents are paid.
- 4.48 Demand for temporary accommodation is more marked in the western Boroughs of London and the housing benefit market is more prevalent in the east of London.

## Growth in the private rented sector in London

Figure 48  
Private Rented Households in Greater London: 1991-2006 (Source: CLG)



<sup>4.49</sup> Figure 48 shows the growth of the private rented sector across London in terms of the number of dwellings in the tenure.

## Houses in Multiple Occupation

<sup>4.50</sup> When looking at housing needs it must be remembered that not all people live in standard households. Many households occupy houses in multiple occupation (HMOs). The precise definition of an HMO is complex, but under the changes in the Housing Act 2004 the following types of property are included;

- an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- a converted house which contains one or more flats which are not wholly self contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; or
- a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

<sup>4.51</sup> In order to be an HMO, the property must be used as the tenants' only or main residence and it should be used solely or mainly to house tenants. Properties let to students and migrant workers are treated as their only or main residence, as are properties which are used as domestic refuges.

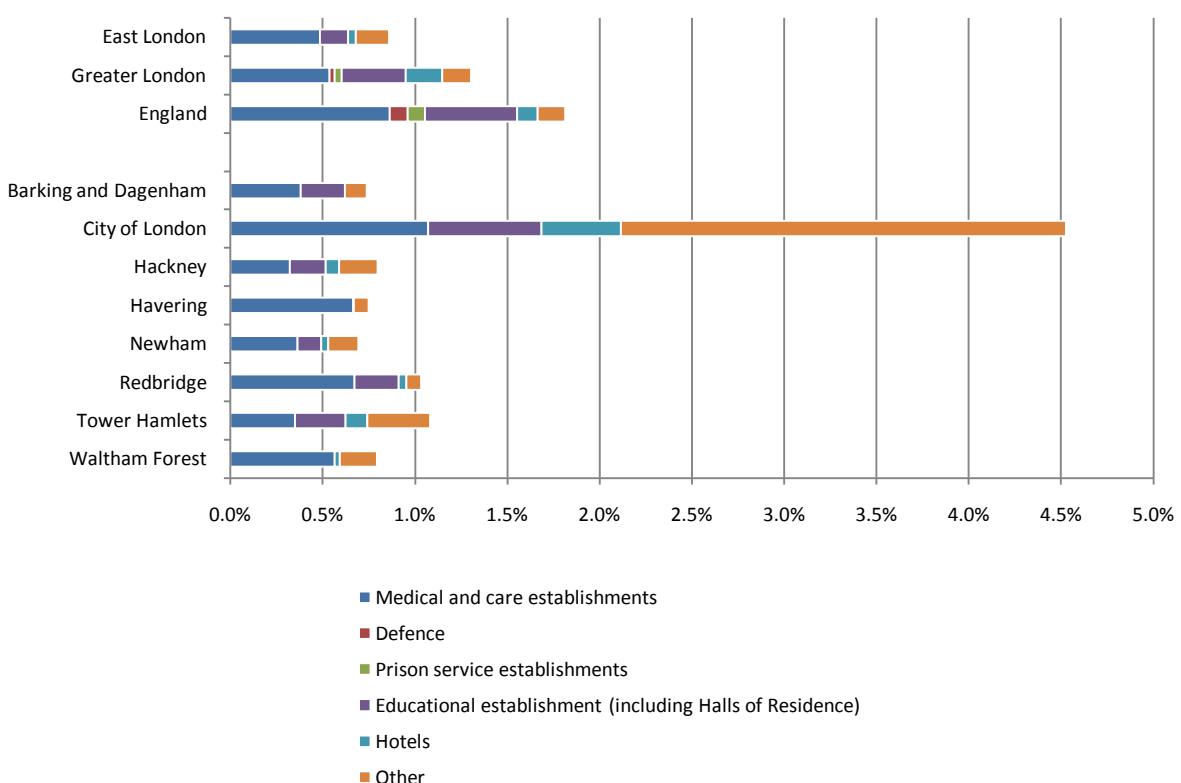
<sup>4.52</sup> Across East London, HMOs form a significant part of the private rented housing stock. The impact of student households and households shared by single workers led to it containing an estimated 22,000 HMOs in 2008 (HSSA 2008). HMOs make an important contribution to the private rented sector by providing housing to meet the needs of specific groups/households and by making a contribution to the overall provision of affordable housing stock. This classification of housing must be considered

alongside and distinguished from accommodation for people who share housing and housing costs in order to afford self contained market housing. This is an important feature of the London Housing Market, the ‘flat share’ market. It is clear from the above definitions that there is likely to be an overlap in that some flat shares can be regarded as HMOs but these may be very different in character and location to HMOs that house low income groups. An attempt to ascertain the cost and affordability of HMO accommodation by desktop research has been unsuccessful. This is because it is impossible to distinguish HMO bedsits from other types of flat share, all of which tend to be classified under the general term ‘rooms’. Only the flat share market is visible from internet based information. Ascertaining the cost of HMO accommodation would require street level research.

### People living in communal housing establishments

<sup>4.53</sup> It is also important to note that not all people live in traditional household units. Figure 49 shows that at the time of the 2001 Census, 0.86% of the population of East London lived in communal residences. In the City of London this is as high as 4.5%, with over 1% in medical and care establishments, 0.6% in educational establishments and 2.4% in other establishments, mainly hostels.

Figure 49  
Proportion of People Living in Communal Housing by Type of Establishment in East London (Source: UK Census of Population 2001)



## Trends in Housing Costs

<sup>4.54</sup> Property prices in London have changed rapidly in recent years. Figure 50, illustrates how the distribution of house prices has changed in East London. In early 2000, around 50% of all completed property sales were priced at less than £100,000. This figure was below 1% of all sales from 2004 onwards. Conversely, the number of properties selling for over £200,000 rose from 10% to almost 80% of the total in 2008. Since 2008 the number of houses selling for less than a particular price band has begun to rise again, however, the vast majority of sales are currently beyond the reach of most first time buyers.

<sup>4.55</sup> Figure 51 illustrates the average incomes of first-time buyers who were granted mortgages in the Greater London region since 2000. This demonstrates that the average income of first-time buyers rose to over £60,000 in 2006 and has remained above that level since that time. Therefore, access to owner occupation for those without existing equity is now restricted to buyers with substantial incomes.

<sup>4.56</sup> Beyond looking at the obvious measure of a housing market, the prices at which properties are sold, it is also worth exploring the volume of sales, for this can tell us more about the dynamics of the housing market.

<sup>4.57</sup> Figure 52 shows the volume of annual house sales since 2001. It is apparent that the number of completions peaked at over 8,000 sales in early 2003 and late 2004 to early 2005, but after this time the number of sales sharply declined to only 6,400 transactions in the year to quarter 3 2005.

<sup>4.58</sup> The number of transactions increased again to a new peak of almost 8,200 in late 2007 but has fallen to below 3,100 (a 62% decrease) for the period Q3 2008 to Q2 2009, and the level of transactions seems likely to continue falling

Figure 50  
Percentage of Houses Sold for Less Than Key Price Bands in East London: Q1 2000-Q2 2009 (Source: HM Land Registry)

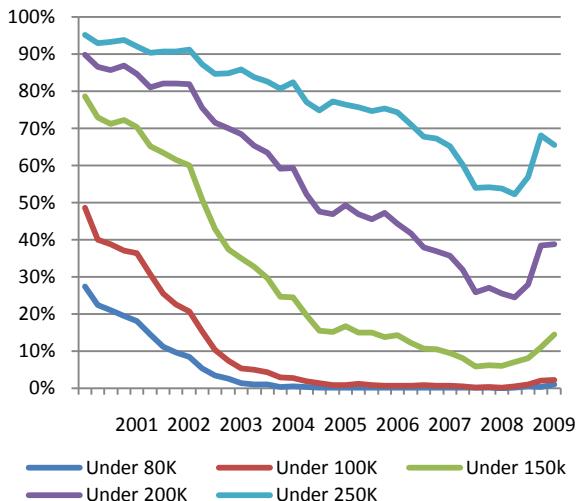


Figure 51  
Average Income of First-time Buyers Granted Mortgages in Greater London: Q1 2000-Q3 2007 (Source: Council of Mortgage Lenders)

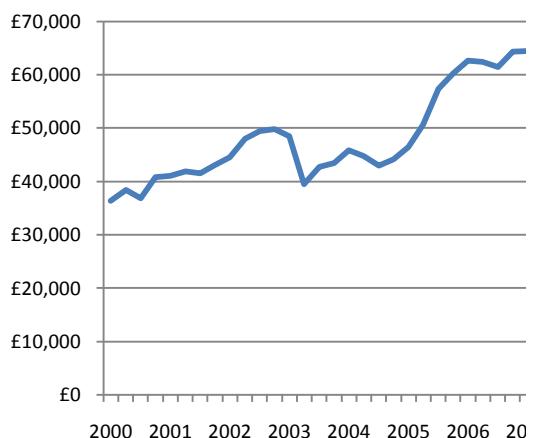
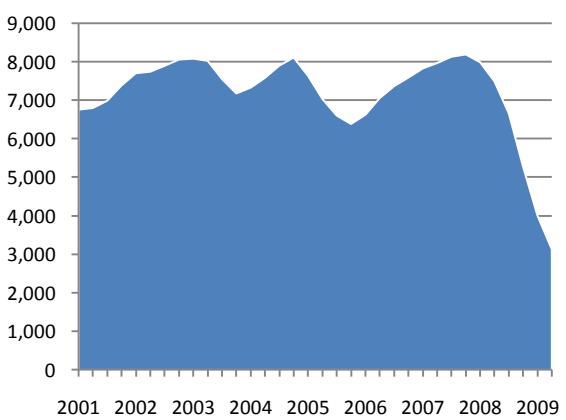
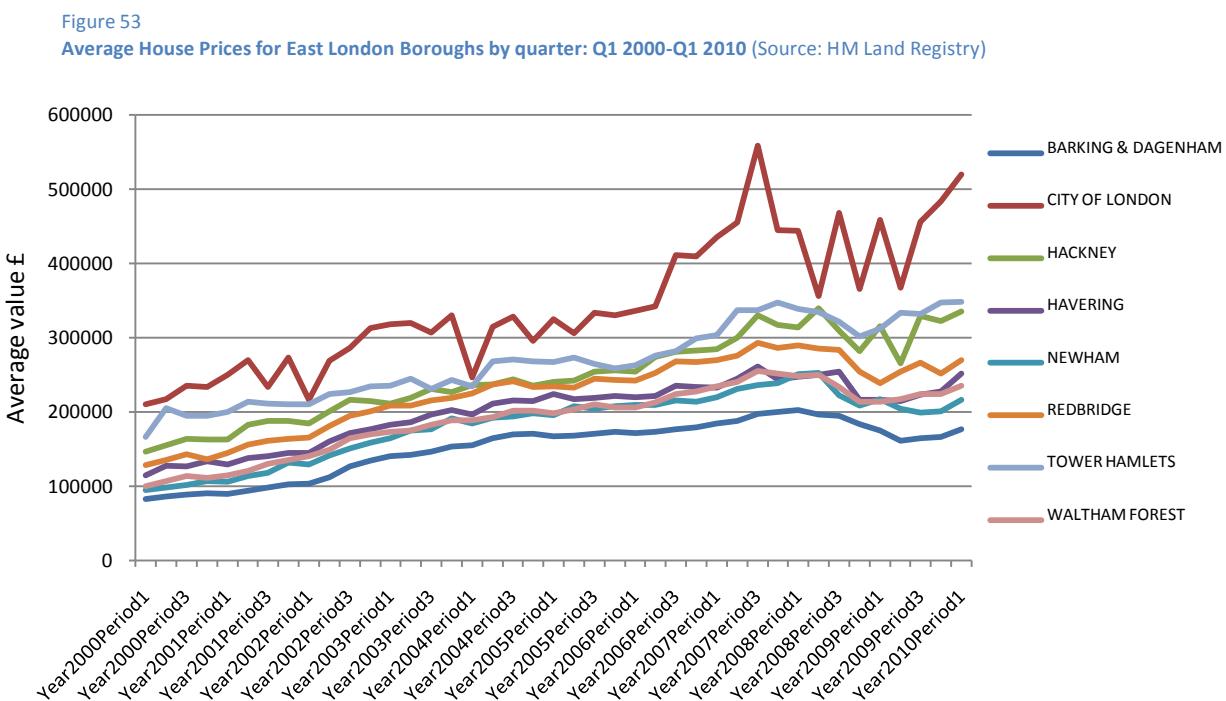


Figure 52  
Volume of Housing Transactions Annually in East London: Q1 2001-Q2 2009 (Source: HM Land Registry. Note: Figures show rolling annual total based on quarterly data)



in future quarters given the current financial climate.

- <sup>4.59</sup> It is apparent that there was both a marked reduction in the number of sales and a levelling of property prices in the sub-region in 2005. The same pattern is being seen in 2008 and 2009. The current slowdown in the number of sales is clearly linked to the availability of mortgage funds, but it may also reflect a lack of demand as potential buyers consider the current market to be over-priced.
- <sup>4.60</sup> Figure 53 further demonstrates how house prices in East London have changed since 2000 where it is again clear that prices rose steadily until 2007 when they began to level off and since the end of 2008 have begun to fall again. However, a dramatic drop in house prices in recent months is not evident in the Boroughs with lower average prices.



- <sup>4.61</sup> Figure 53 shows the difference in house prices between inner London (City of London, Hackney and Tower Hamlets). The outer London Boroughs show less volatility in prices. The recovery from the credit crunch and further growth in prices affecting the inner London Boroughs is apparent and commentators suggest that the Premium London Housing market is the leading edge of recovery in the national housing market. Note that the scale only shows Q1 and Q3, however, the chart is based upon data for 4 quarters.

#### Geographic Distribution of London Average House Prices

- <sup>4.62</sup> Figure 54 on the following page shows the variation in house prices across different areas of the region for 2000 and 2007. It is apparent that in 2000 there were numerous areas with house prices that were less than half the region average, in particular, in the East of the region. By 2007, very few areas remained at prices considerably below the region average.

<sup>4.63</sup> Figure 55 illustrates the change in house prices on a year-by-year basis across the region, showing high increases in the cheapest areas in 2002-03, relative stability across most areas in 2005-06, before high increases in 2007 and large decreases across many areas in 2008.

Figure 54

Distribution of Average House Prices across Greater London: by Middle Super Output Area: 2000 and 2007 (Source: HM Land Registry)

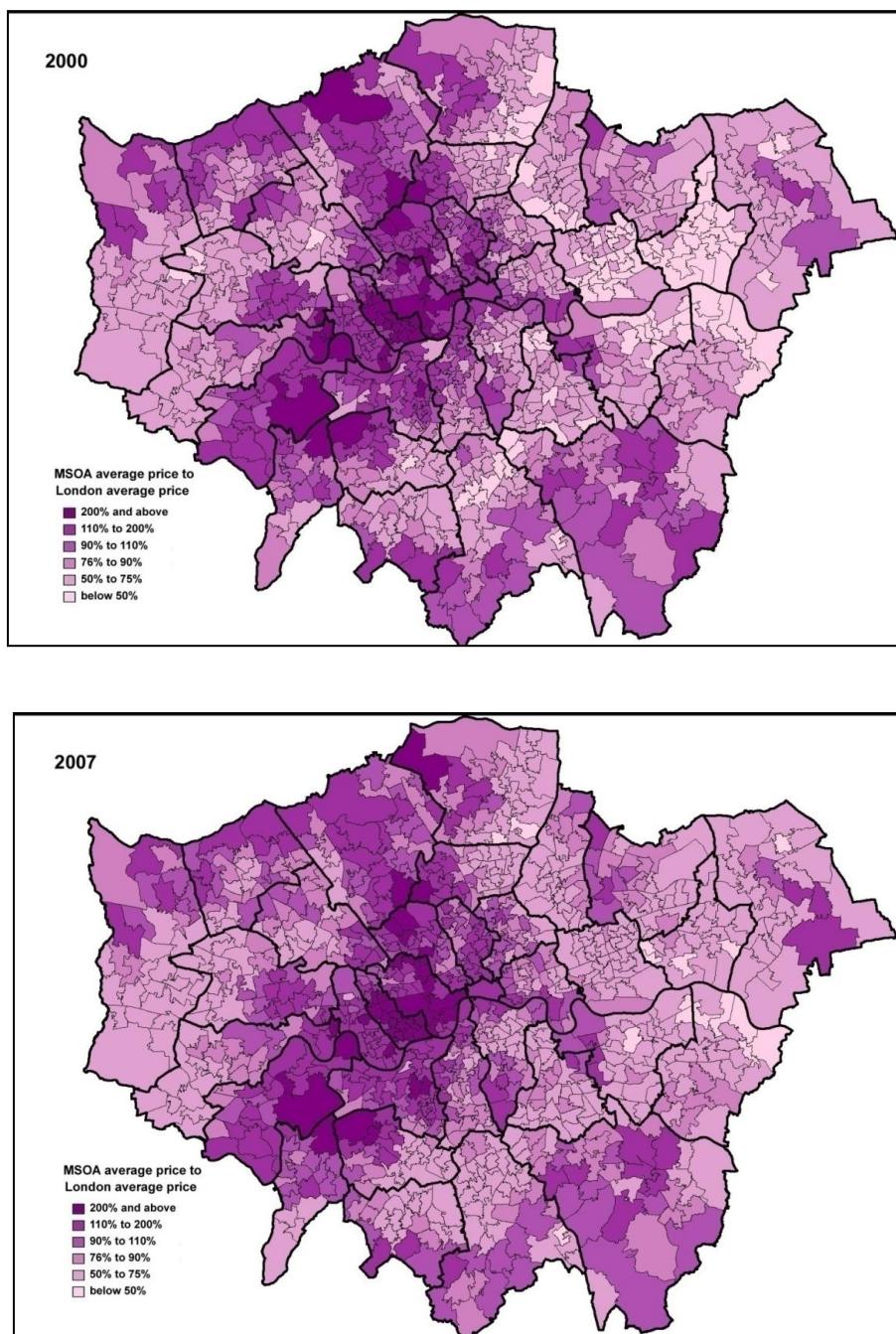
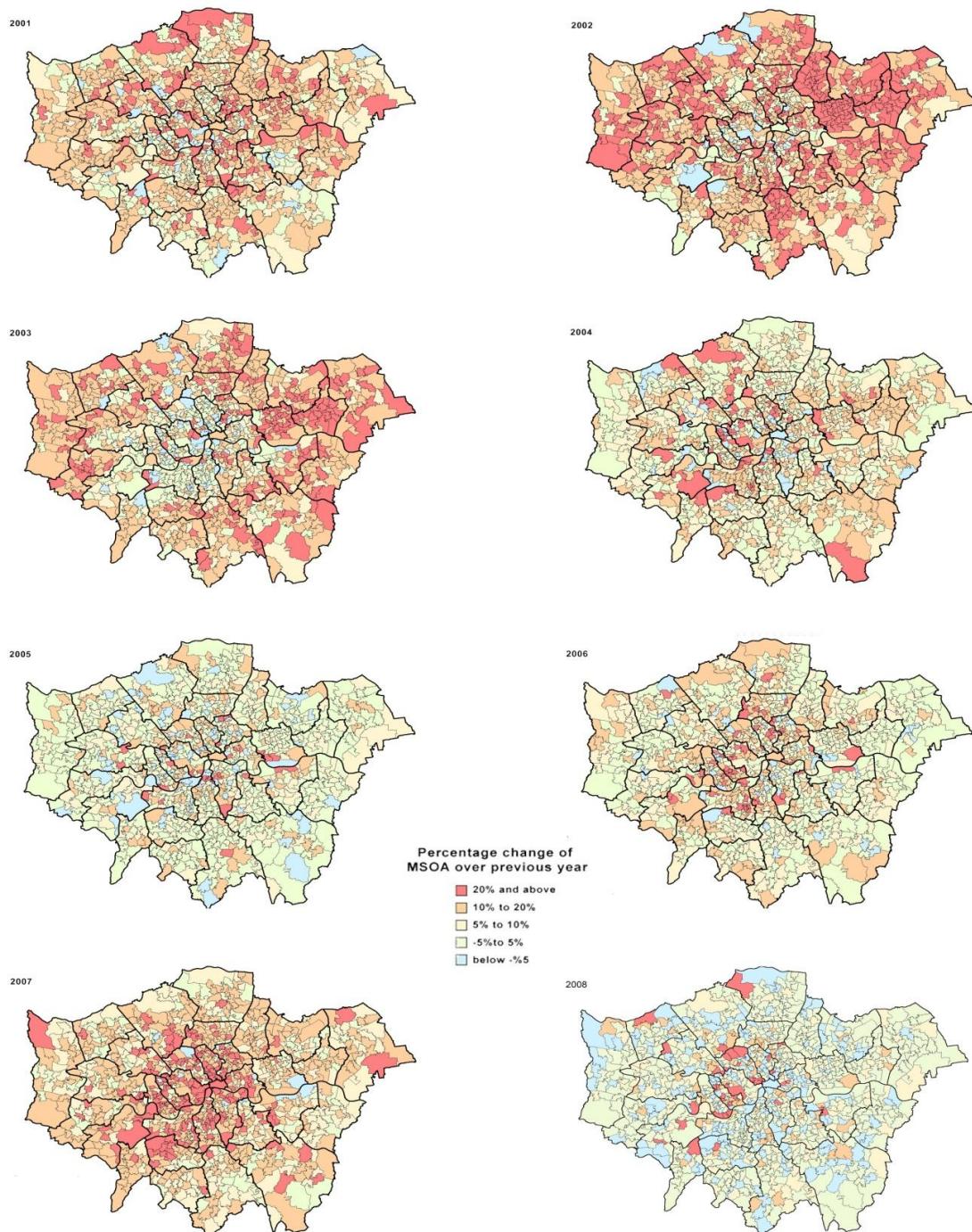


Figure 55

Annual Change in House Prices across Greater London: by Middle Super Output Area: 2000-01 to 2007-08 (Source: HM Land Registry)



### **Summary: Existing housing stock and the housing market**

#### Key characteristics of the stock (Census 2001)

- Across East London nearly 45% of the housing stock is in the form of flats, compared to less than 20% across the whole of England.
- Over 30% of owner occupied housing in East London is in the form of detached or semi-detached houses and less than 22% consists of flats. In contrast, over 65% of both private and social rented housing is in the form of flats.
- The outer Boroughs have the lowest proportion of owner occupied flats and the highest proportion of owner occupied semi-detached homes reflecting their suburban form.
- Tenure varies significantly between Boroughs in East London and there is a difference between the inner and outer Boroughs. Just less than 80% of the housing stock in Havering and Redbridge is owner occupied. In contrast just less than 30% is owner occupied in Hackney and Tower Hamlets with private renting at around 30% and social renting approaching 50% of the stock. Redbridge has the lowest proportion of social rented housing at only 10%.
- Owner occupied dwellings tend to have more rooms than rented dwellings in East London.
- The proportion of one and two roomed dwellings is notable in the private rented sector especially in the City of London and Hackney.
- The distribution of private rented and social rented dwellings by number of rooms is similar across all of the Boroughs except for the City of London. It is notable that there is a higher proportion of dwellings with 3 and 4 rooms than in the owner occupied tenure.

#### Characteristics of the private rented sector in London

- The private rented sector is very important to London's housing market. Remarks in the SHMA report concerning the private rented sector are largely based upon the Rugg report 'The Private Rented Sector: its Contribution and Potential (Julie Rugg and David Rhodes, Centre for Housing Policy, University of York 2008) and the précis of the report focuses on issues most relevant to the sub-region and the SHMA.
- The private rented sector market mainly consists of assured shorthold tenancy lettings that meet demand from a diverse group households. This is referred to as the Open Market. The market offers a great deal of choice due to its high turnover, enabling tenants to live in the best quality housing that they can afford allowing for the usual constraints over location factors.
- However, the private rented sector is complex and perhaps best understood through examining its constituent niche markets. The niche markets include young professionals, the housing benefit market, temporary accommodation, high income renters and students.
- The characteristics of the Open Market and some of the niche markets are described in order to establish the role of the sector in terms of meeting both market and affordable housing requirements. This is then taken forward in various modelling scenarios in Section 6.
- In addition to matters considered in the Rugg report, the SHMA acknowledges the presence and role of the informal market, the flat share market and communal housing.

#### House prices

- There was a marked reduction in the number of sales in the sub-region in 2008. The current slowdown in the number of sales is clearly linked to the availability of mortgage funds. However, it may also reflect a lack of demand if potential buyers consider the market to be over priced.
- There is a difference in average house prices between inner and outer London. All Boroughs show a remarkable similarity in recovery from the credit crunch. Recent growth in prices affecting the City of London is remarkable but should be considered with caution due to the small size and premium nature of the dwelling stock.
- Affordability is considered in sections 5 and 6 of this report.

## Section 5: Existing Households in Housing Need

### Introduction

- 5.1 In this section we distinguish between the terms housing need and demand. We investigate the extent that existing households in East London are living in unsuitable housing and the nature of unsuitability. We consider whether unsuitability can be rectified with or without the household needing to move home.

### Identifying Unsuitably Housed Households

- 5.2 Housing need is defined in the government guidance PPS3 as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’. Housing demand is defined as ‘the quantity of housing that households are willing and able to buy or rent’. Therefore, to identify existing housing need we must first consider the adequacy and suitability of households’ current housing circumstances.
- 5.3 A classification of unsuitable housing is set out below, taken from CLG’s SHMA Practice Guidance Table 5.1.

Figure 56

Classification of Unsuitable Housing (Source: CLG Housing Market Assessments Practice Guidance: Version 2 August 2007)

Main Category	Sub-divisions
<b>Homeless or with insecure tenure</b>	i. Homeless households ii. Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
<b>Mismatch of household and dwelling</b>	iii. Overcrowded according to the ‘bedroom standard’ iv. Too difficult to maintain (e.g. too large) even with equity release v. Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household vi. Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps), which cannot be made suitable in-situ
<b>Dwelling amenities and condition</b>	vii. Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants) viii. Subject to major disrepair and household does not have the resources to make fit (e.g. through equity release or grants)
<b>Social needs</b>	ix. Harassment from others living in the vicinity which cannot be resolved except through a move

- 5.4 Figure 56 establishes four main categories for identifying unsuitable housing, each with a number of sub-divisions. Most of the indicators relate to the circumstances of existing households, although some relate to households currently without their own housing.

- 5.5 Most of the identified issues concern those in established households. Some of the issues around unsuitability will mean households need to move property but others could continue to live in the same property if appropriate changes were made. Even where a move is necessary, facilitating households to relocate from one property to another does not necessarily imply additional homes are needed. The characteristics of the newly occupied dwellings may differ, but the overall number of homes remains the same.
- 5.6 Nevertheless, to satisfy the needs of all households, it may be necessary to provide some additional housing with particular characteristics leaving an equivalent number of dwellings with different characteristics available to meet housing needs and demands from elsewhere in the market. For example, a single older person may leave a larger property suitable for a family and move to a single floor property fitted with handrails or bathroom adaptations.
- 5.7 Whilst the majority of sub-divisions concerning established households may not contribute directly to the additional housing requirement, households who are currently in temporary housing or form part of the social needs category may each require additional housing provision.

### **Assessing Established Households in Unsuitable Housing**

- 5.8 Information on a wide range of housing issues was collated by the Household Surveys and, by drawing on information gathered throughout the questionnaire, we are able to identify whether or not households' current homes are suitable for their needs. While the assessment of housing suitability is based on responses to questions within the survey, many of the indicators are assessed relatively objectively on the basis of answers provided to factual questions. This is a far more sophisticated approach than relying on households identifying themselves with one or more problems selected from a "shopping list" of possibilities and avoids households associating themselves with issues on the basis of interviewer prompts.
- 5.9 The measure of overcrowding and under-occupancy is also calculated objectively. The number of rooms required by a household is assessed through analysing the household profile against an agreed "bedroom and living room standard". This requirement is then set against the number of rooms available in the home. The bedroom standard used for the study is as follows, providing one bedroom for each of the following groups or individuals;
- each adult couple;
  - each remaining adult (aged 21 or over);
  - each pair of children of the same gender;
  - each pair of children aged under 10; and
  - each remaining child that has not been paired.
- 5.10 The number of rooms required is then set against the number of bedrooms in the current home, to determine the level of overcrowding or under-occupation.
- 5.11 Where it is not possible to identify problems in an objective manner, subjective responses from the Survey have been used. Nevertheless, these are largely responses provided in an unprompted manner to more general, open-ended questions. This avoids any bias being introduced by the interviewing process.

<sup>5.12</sup> A summary of the categories used to assess housing suitability from the Household Surveys data is detailed below.

Figure 57  
Assessment of Unsuitably Housed Households

Category	Analysis Method
<b>Homeless or with insecure tenure</b>	
<b>Tenancy under notice, real threat of notice or lease coming to an end</b>	Household wanting/having/need to move because of end of tenancy, eviction, repossession or otherwise forced to move; or Landlord or mortgagor taking action to repossess the property or evict them because of arrears
<b>Accommodation too expensive</b>	Household currently in rent or mortgage arrears; and Household currently finding housing costs extremely difficult to manage
<b>Mismatch of Household and Dwelling</b>	
<b>Overcrowding</b>	Size and composition of household used to assess number of bedrooms required; compared with Number of current bedrooms
<b>Households having to share a kitchen, bathroom, washbasin or WC with another household</b>	Household with children, couples or single adults aged 25 or over; and Living in multiple occupancy dwelling; and Sharing at least one basic facility
<b>Home too difficult to maintain</b>	Someone in household has long-term illness and difficulty maintaining the garden; or Someone in the household has long-term illness and has problems maintaining the home
<b>Children living in high-rise flats</b>	Household with children aged under 16; and Living in a flat above 4th floor
<b>Households with mobility problems</b>	Someone in the household has long-term illness and has problems with general mobility in the home, climbing stairs in/to the home or access to toilet facilities because of the home's layout; o
<b>Households with support needs</b>	Someone in the household has long-term illness and has problems with bathing or showering or preparing food because of the homes layout; or Need a carer to stay permanently or overnight and do not have space for them; or Need to move to supported housing, residential home, nursing home or hospital; or Household wanting/having/need to move to receive care from a friend or relative AND No in-situ solution identified

*Continued..*

Category	Analysis Method
<b>Dwelling amenities and condition</b>	
Major Disrepair	<b>Dwelling lacking basic amenities</b> Household having no bathroom or shower-room; or Household having no inside WC; or Household having no kitchen; or Household having no washbasin with running hot water
	<b>Problems with heating</b> Household having no heating in the home; or Household relying exclusively on portable fires or heaters
	<b>Major disrepair problems</b> Household experiencing serious problems (as opposed to only experiencing problems) with at least one of the following: <ul style="list-style-type: none"> <li>▪ Roof repairs</li> <li>▪ Other exterior structural repairs</li> <li>▪ Interior structural repairs</li> <li>▪ Rising damp</li> </ul>
	<b>General problems with disrepair</b> Household experiencing serious problems (as opposed to only experiencing problems) with two or more of the following: <ul style="list-style-type: none"> <li>▪ Damp penetration or condensation</li> <li>▪ Window repairs</li> <li>▪ Electrical or wiring repairs</li> <li>▪ Gas supply or appliances</li> <li>▪ Heating or plumbing</li> <li>▪ Drainage</li> <li>▪ Repairs to gutters or down pipes</li> </ul>
<b>Social requirements</b>	
	<b>Harassment</b> Household wanting/having/needng to move because of racial or other harassment problems

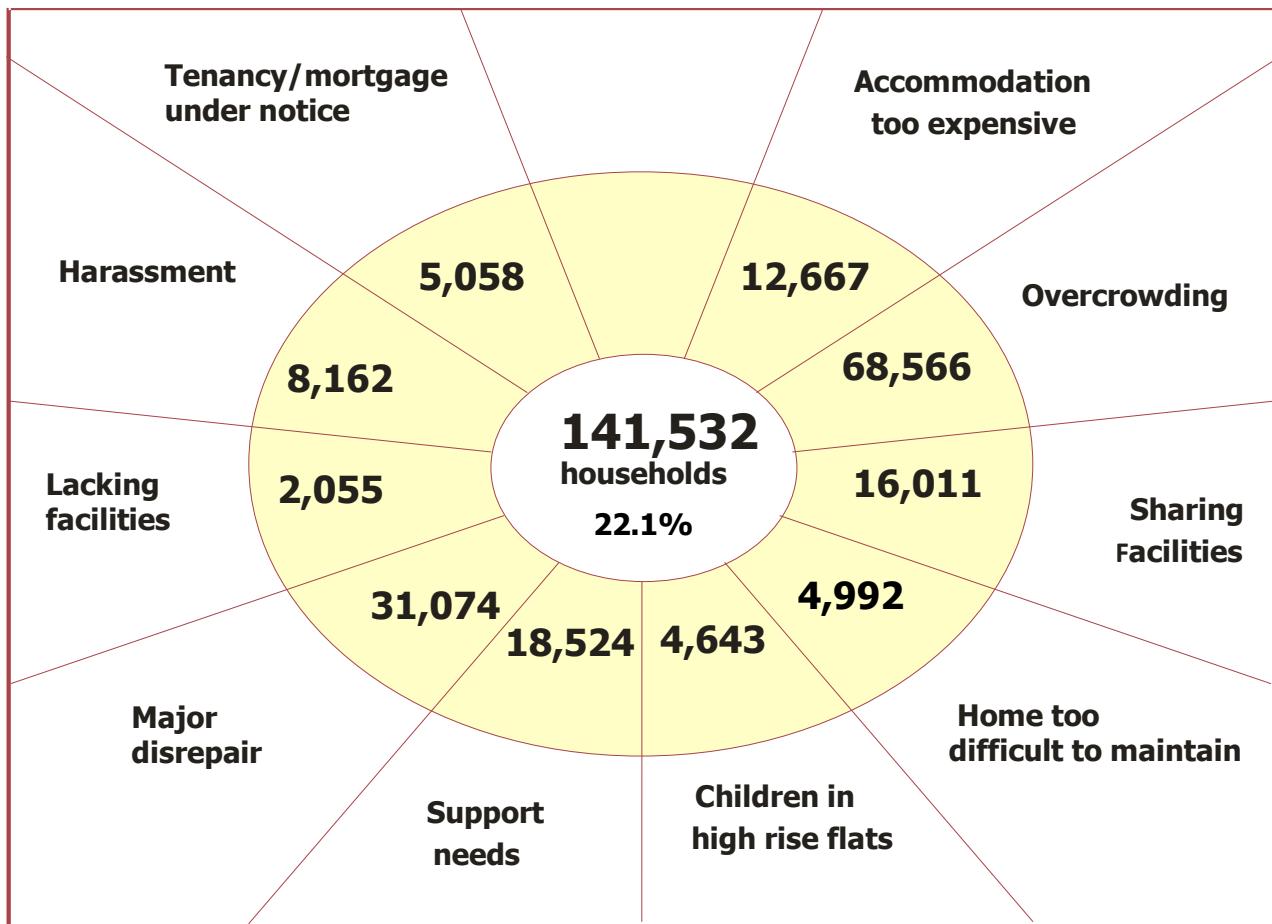
<sup>5.13</sup> Households are classified as being unsuitably housed if one or more of the above factors are found to apply. The households identified are considered to be living in unsuitable housing regardless of the number of problems that are identified. This avoids potential double counting.

<sup>5.14</sup> Although local authorities typically use points or banding systems to prioritise overall needs, our analysis does not use artificial calculations to score the relative unsuitability of housing. After all, to say that some homes are more unsuitable than others does not mean that the households in the latter are not in housing need.

### Established Households Living in Unsuitable Housing

<sup>5.15</sup> Overall, a total of 141,532 households were assessed as living in unsuitable housing due to one or more factors. The unsuitability problems experienced are shown below (Figure 58).

Figure 58  
Established Households Living in Unsuitable Housing (Source: East London Household Surveys)



<sup>5.16</sup> Overall, 22.1% of all established households in the study area live in unsuitable housing, although many of these households may not need to move to resolve the identified problems. This is because in-situ solutions may be more appropriate.

<sup>5.17</sup> As a comparison, the GLA Housing Requirements Study 2004, found that 18.4% of all households across London were living in unsuitable housing. Definitions of the unsuitability conditions vary slightly between the two studies.

### Resolving Housing Unsuitability

<sup>5.18</sup> Not all housing unsuitability problems require the households involved to move from their current home. In-situ solutions may be more appropriate to resolve some of the problems identified. For example, overcrowding could be resolved by one or more member(s) of the household leaving to live elsewhere, or an alternative solution could be to extend the existing property. Similarly, homeowners or landlords may undertake repairs to resolve problems with the condition of the property. In these cases (and many others) the problems identified can be resolved without the need for relocation to alternative accommodation.

- <sup>5.19</sup> Although in practice it is important to resolve the housing needs of individual households, a strategic analysis is primarily concerned with addressing overall housing need. In this context, it is particularly relevant to consider housing suitability issues concerned directly with the dwelling stock, such as major disrepair. Resolving such individual household needs (through enabling a move to alternative housing) will not reduce the overall level of housing need because the vacancy that arises will inevitably (over time) be occupied by another household who will once again be in housing need. In such cases, it is investment in the existing stock (or in some cases, clearance and redevelopment) that is required to reduce the number of people unsuitably housed.
- <sup>5.20</sup> It should be noted that any dwellings that are lost from the stock through demolition programmes would need to be replaced in addition to the number of additional housing units identified by this study as our analysis considers the housing requirement in the context of a net increase in dwelling stock.
- <sup>5.21</sup> Where a move is appropriate and required to resolve a housing problem, some households may need to move to homes outside the area (for example, those moving for care or support) and others will choose to move further afield for other reasons. Where unsuitably accommodated households are likely to leave the area willingly, their needs should not be counted within the estimate of net need. Nevertheless, in discounting the needs of likely out-migrants, any needs of in-migrants to the area will add to the total requirement.
- <sup>5.22</sup> Finally, a proportion of the households remaining will be able to afford to buy or rent an appropriate dwelling at (or above) threshold market prices. Therefore, when considering households who are in housing need, we must also discount from the total those who are able to afford such prices.

### Households in Housing Need

- <sup>5.23</sup> When considering all current housing needs i.e. those established households living in unsuitable homes, homeless households in temporary accommodation and people sleeping rough (See section 7), the study identified a total of 48,102 households in need. This figure includes 38,596 households who were found to be unsuitably housed, requiring alternative housing in East London and who cannot afford market housing.

Figure 59  
**Summary of Existing Households in Housing Need** (Source 1 East London Household Surveys. Source 2: Local Authority P1E Homelessness Data Q3 2009. Source 3: Local Authority Housing Strategy Statistical Appendix (HIP) Data 2008. Note: Figures may not sum due to rounding)

Local Authority	Number of Households
Households currently living in unsuitable housing that need to move and cannot afford to rent or buy market housing <sup>1</sup>	38,596
Households accepted as statutorily homeless currently housed in housing leased temporarily from the private sector (PSL housing) or Households accepted as statutorily homeless temporarily housed in Bed & Breakfast or hostel accommodation <sup>2</sup>	9,430
Single people currently sleeping rough <sup>3</sup>	76
<b>Total</b>	<b>48,102</b>

### **Summary of Key Points**

- Over 141,000 households were assessed as living in unsuitable housing due to one or more factors.
- By far the most commonly cited problems were overcrowding, major disrepair and unmet support needs.
- 20% of all established households in the study area live in unsuitable housing, although many of these households may not need to move to resolve the identified problems as for example, repairs can be made and support needs can be met within the existing home.
- It is estimated that around 38,500 (27%) of the identified 141,000 unsuitably housed households need to move and are in need of affordable housing.
- Existing households that need to move may not have a significant impact on the future housing requirement as when moving they will vacate a dwelling. Households with specialist housing requirements may, however, impact on the net housing requirement.

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## Section 6: Housing Market Dynamics

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### Introduction

- 6.1 This section estimates the requirement for additional housing in East London and the East London local authorities according to a number of scenarios and assumptions.
- 6.2 Net future housing requirements are estimated by analysing households who are likely to require housing over a 5 year period and the likely supply of housing over the same period. However, due to the backlog of need being solved over 10 years, a 10 year projection can be obtained by simply doubling the 5 year projection. In order to arrive at the requirement within each tenure, the affordability of housing is estimated using local rents and prices, PPS3 definitions and CLC affordability benchmarks.
- 6.3 Tenure and size mix of the 5 year housing requirement are estimated using different methodologies and assumptions regarding the supply of affordable and market housing;
- using gross housing requirements and supply from dedicated affordable housing products (social rented and intermediate affordable dwellings). This approach is designed to provide outputs that are comparable to housing needs assessments; and
  - using gross household flows and supply from dedicated social housing products supplemented by housing benefit supported private rented and dedicated intermediate affordable products supplemented by private rented housing at or below lower quartile rents. This is the standard ORS approach which is designed to more closely reflect what is happening in the housing market and estimate the additional housing required to maintain the current balance between housing and households over a 5 year period.
- 6.4 Two future changes to policy that will impact on the housing requirements and the whole housing market are also considered;
- the widening of the maximum income criteria for intermediate housing envisaged by the draft replacement London Plan; and
  - reduction in housing benefit to private rented sector tenants.
- 6.5 In addition, the implications for the housing market of not providing the net housing requirement are considered.
- 6.6 The size mix of the 5 year net housing requirement is estimated for the sub-region based upon the second scenario (paragraph 6.3 above).
- 6.7 Various Local Authority level estimates of overall requirements, tenure and size mix are also provided based upon different methodologies for estimating the proportion of the sub-regional levels of housing need to each Borough and a further estimate based upon the minimum delivery of additional housing envisaged by the consultation draft replacement London Plan.

## Assessing Affordability

- 6.8 Household affordability critically underpins the housing requirement analysis in determining the ability to afford market housing (i.e. effective demand for market housing) and the inability to afford market housing (i.e. demand for affordable housing).
- 6.9 Affordability is a complex issue and can be assessed in a number of different ways, but each method depends on common factors that are crucial to the analysis;
- the cost of appropriate local housing, and
  - the amount that the household is able to afford.
- 6.10 The affordability tests used for this study are outlined below and seek to ensure that households are not committed beyond their means according to the benchmarks suggested by the SHMA Practice Guidance. Neither do the tests regard households as part of requirement for affordable housing if they can afford market housing and vice versa, although this does occur in practice.

### Assessing Affordability for Owner Occupation

- 6.11 Most owner occupiers will normally rely upon a loan or mortgage from a building society or other lender when they purchase a home. Therefore, it is important that the householder is not only able to afford the repayments of such a loan but that also such a loan is accessible to that household. For this reason, a mortgage multiplier is normally applied to determine the amount households are able to afford when considering home purchase.
- 6.12 Affordability ratios inform the average levels of affordability. It is noteworthy that PSA 20 is designed to monitor this to monitor progress toward the aim of stabilising house prices to 2007 levels. The information for East London appears in Figure 60 (2007 levels are highlighted).

Figure 60

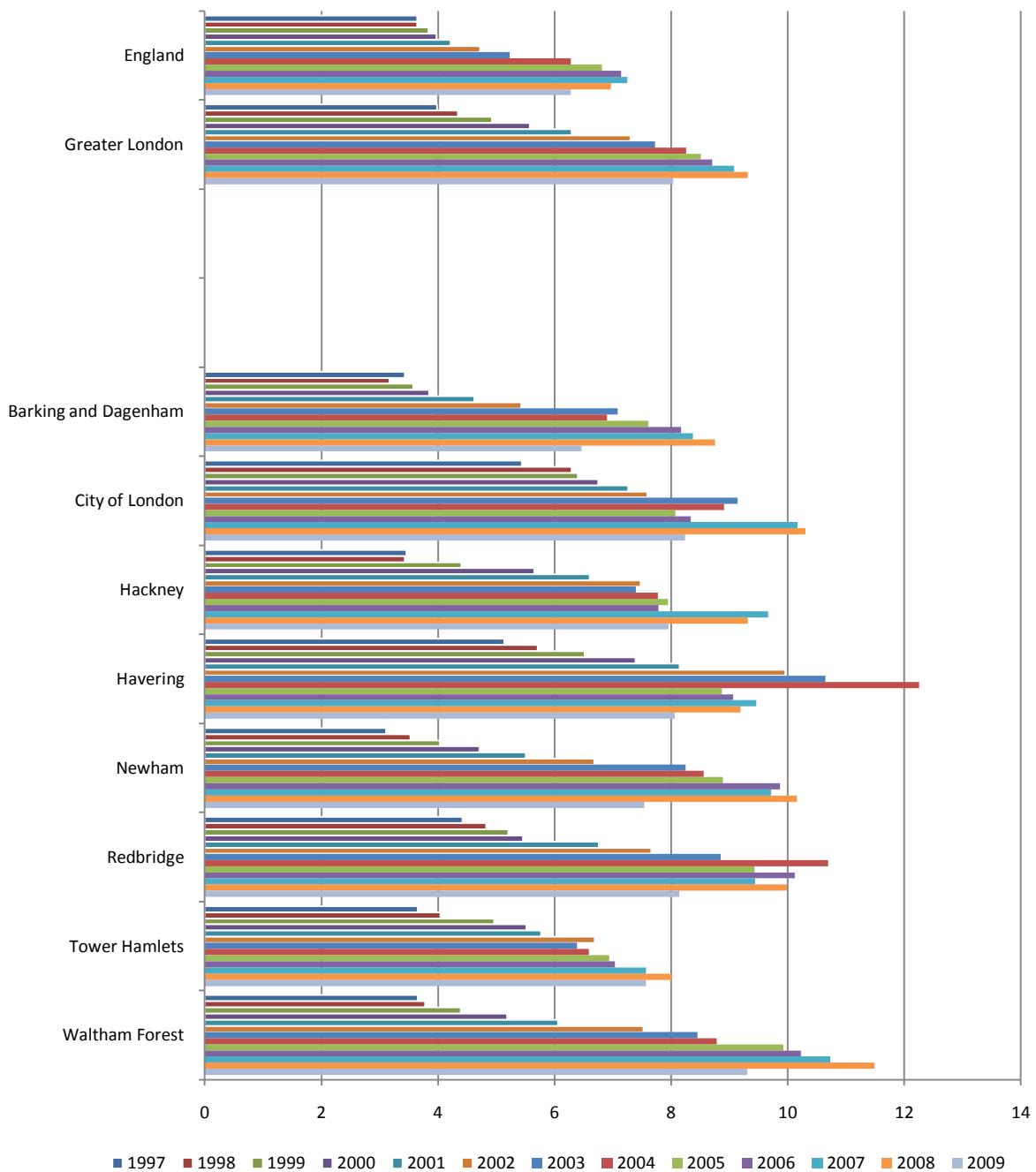
**Data table: ratio of lower quartile house prices to lower quartile earnings by borough in East London 1997-2009** (Source: CLG: table 576, housing research, housing statistics)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>England</b>	3.65	3.65	3.84	3.98	4.22	4.72	5.23	6.27	6.82	7.12	<b>7.25</b>	6.98	6.28
Barking & Dagenham	3.43	3.17	3.58	3.85	4.63	5.43	7.09	6.90	7.61	8.17	<b>8.38</b>	8.76	6.47
City of London	5.44	6.30	6.40	6.75	7.27	7.60	9.15	8.91	8.08	8.34	<b>10.17</b>	10.31	8.24
Hackney	3.46	3.43	4.40	5.66	6.61	7.48	7.40	7.78	7.95	7.79	<b>9.67</b>	9.32	7.96
Havering	5.14	5.71	6.52	7.39	8.15	9.97	10.65	12.26	8.87	9.07	<b>9.47</b>	9.19	8.07
Newham	3.11	3.53	4.03	4.71	5.51	6.68	8.25	8.56	8.89	9.87	<b>9.72</b>	10.16	7.54
Redbridge	4.42	4.83	5.21	5.46	6.76	7.66	8.85	10.70	9.44	10.13	<b>9.45</b>	9.99	8.15
Tower Hamlets	3.66	4.04	4.97	5.52	5.77	6.69	6.39	6.59	6.94	7.04	<b>7.57</b>	8.02	7.57
Waltham Forest	3.66	3.78	4.39	5.19	6.06	7.53	8.46	8.79	9.93	10.23	<b>10.74</b>	11.49	9.31

- 6.13 We have prepared a chart to examine this time series further (Figure 61). Whilst the chart is very busy it allows some important observations to be made.

Figure 61

**Chart: ratio of lower quartile house prices to lower quartile earnings by borough in East London 1997-2009** (Source: CLG: table 576, housing research, housing statistics)



<sup>6.14</sup> Referring to Figure 61, for some Boroughs, peaks in the affordability ratio appeared in the middle of the decade (2004 or 2005). For Barking & Dagenham and Waltham Forest peak ratios occurred in 2008. Changes in ratios during the credit crunch years 2008 and 2009 also differ between Boroughs. The City of London, Hackney, Newham and Tower Hamlets had worsening ratios against the trend for England. It is very difficult to infer more from the data as there are many variables interacting;

- change in earnings;

- change in prices;
- change in new build and market supply and the dwelling types supplied by the market; and
- change in the availability of mortgages.

### Affordability and the ORS Housing Market Model

<sup>6.15</sup> The assessment of mortgage eligibility adopted for this analysis is based upon the method proposed by CLG in the Practice Guidance for Strategic Housing Market Assessments, with lending for single incomes assumed to be 3.5x the income and lending for joint incomes based on a 2.9x multiplier. It is also important that the assessment of affordability for owner occupation considers other household resources, including;

- savings;
- debts;
- equity (positive or negative) from current home (for current owners); and
- the amount that can be borrowed.

<sup>6.16</sup> Perhaps the most important additional resource is any equity that a household may have in their existing home because, whilst the early years of a mortgage may not impact significantly on the amount of capital repaid, increases in house prices can bring significant additional resources.

<sup>6.17</sup> In summary, the amount affordable for owner-occupation is, therefore:

$$\text{Affordable amount} = \text{savings} - \text{debts} +/\text{- positive/negative equity} + \text{borrowable amount}$$

### Assessing Affordability for Rented Housing

<sup>6.18</sup> Once again, the assessment for rent (whether social rent or market rent) has been based upon the Practice Guidance, with 25% of household gross income assumed to be the maximum proportion of income to fund rent.

<sup>6.19</sup> In practice, the use of gross income (as opposed to net income) reduces the assumed payments for lower income households because they are typically liable for fewer deductions (such as income tax and national insurance) from their income. Where households have no deductions from their earnings, they are assumed to pay only 25% of their net income on housing cost. This increases to a maximum contribution of 31.5% of net income for those households earning up to £15,000 gross.

## Modelling the Housing Market

### Introducing Micro-Simulation Models

<sup>6.20</sup> Models can be used to provide forecasts of the future, based on current and past sets of primary and secondary data. These forecasts may vary according to the assumptions that are made during the modelling process. In the case of SHMAs, the figures produced are best estimates of the different needs in the housing market and give a picture of the size of the ‘problem’ and support the understanding of how that picture might change if certain variables change.

<sup>6.21</sup> ORS uses a micro-simulation model with simultaneous equations to interpret demand and supply. Such models are used by academic researchers and by government to understand and make predictions about a wide range of issues. Commonly recognised examples include;

- labour supply and wages;
- unemployment;
- household formation rates;
- education and training choices; and
- macro-economic forecasting.

<sup>6.22</sup> Micro-simulation models are the best way of maximising the value of any dataset by considering the links between demand and supply simultaneously so that all possible information is used to make the best projections possible. The methodology used in the ORS model is consistent with micro-simulation models derived from other large datasets such as the General Household Survey, Labour Force Survey, National Child Development Survey and the British Household Panel Survey.

<sup>6.23</sup> Micro-simulation models are sophisticated tools that produce central point estimates using all the information available. The central point estimate is the most probable result, but this falls at the centre of a range and it is this range (known as the mean forecast error) that determines the accuracy of micro-simulation models.

<sup>6.24</sup> Calculating the mean forecast error depends on comparing modelling estimates with appropriate trend based data (data which shows what has actually happened) but it is clearly difficult to test any estimate of housing need and requirements through unambiguous comparison with 'reality', because there is no single objective, non-model-based account of 'reality' that can be used to measure housing market performance.

<sup>6.25</sup> Although central point estimates produced by micro-simulation models are subject to a mean forecast error this does not disqualify their importance or usefulness when developing public policy and despite it not being possible to determine a mean forecast error for the ORS model (due to the nature of the simulation), the central point estimate still provides the most reliable estimate.

### The ORS Housing Market Model

<sup>6.26</sup> For any housing market assessment, some of the key or core issues are;

- how many additional units are required?;
- how many additional units should be affordable homes?;
- for what type of open-market housing is there demand?; and
- how will 'demand' and 'need' change under different assumptions?

<sup>6.27</sup> The ORS Housing Market Model addresses these issues by analysing the whole housing market. Instead of focusing primarily upon poorer households and social sector need, it interprets the interaction of requirement and supply across all sectors of the housing market. Social sector needs are interpreted within the context of market housing demands. This takes account of the interaction of effective and ineffective demands and needs, plus the likely supply from the range of properties vacated within the existing stock.

- <sup>6.28</sup> The Model interprets the market dynamically by likening the interchange between households and vacancies to “musical chairs”. The “musical chairs” analogy brings out the dynamic relationship between requirement and supply with most households finding suitable vacancies only because others move or suffer dissolution. In this context, the Model is primarily concerned with households likely to (or that otherwise need to) move. Of course, some households likely to stay in their current home may still have housing needs that should be addressed but, by definition, the appropriate solutions for such problems will be provided in-situ and will therefore not have an impact on the mix of additional housing provision.
- <sup>6.29</sup> Whether households want or need to move and what housing is appropriate for them, depends upon their characteristics, requirements and current accommodation. Effective demand is driven primarily by choice, however, even well-off households can only find accommodation if suitable vacancies arise. On the other hand, housing need is considered objectively by evaluating households’ current housing circumstances alongside their ability to afford local housing makes it is possible to establish a realistic assessment of housing need.
- <sup>6.30</sup> Through analysing the creation and take-up of vacancies the Model recognises that it is only because some households wish to and do move that others can find suitable homes. Nevertheless, the lack of suitable existing housing does not constrain the allocation process for the mix of housing required by all households (including those currently without housing and unable to afford it) and it is the shortfalls identified in the existing stock that determine the mix of new housing required.
- <sup>6.31</sup> The key stages of the model and the main modelling assumptions can be summarised as follows:
- **Gross Housing Requirement =** Established Households +  
New Households +  
In-migrant Households
  - **Housing Supply =** Established Households +  
Household Dissolution +  
Out-migrant Households
  - **Net Housing Requirement =** Gross Housing Requirement -  
Housing Supply

## Summary of Core Modelling Assumptions

- The core analysis is based on primary data from the individual Borough studies, which has been re-weighted to take account of changes in the Borough populations since the data was initially gathered.
- Where data required by the model is not available in any individual dataset, information has been imputed using a hot-deck imputation methodology to randomly select information from a donor case with similar characteristics.

## Housing Requirements

- Housing requirements are generated from three sources;
  - existing households moving;
  - newly forming households; and
  - in-migrant households.
- Existing household moves are based upon the expectation of moving in the next 12 months or the need to move from unsuitable housing.
- The number of in-migrant households is constrained to GLA data on net migration, with inward and outward flows informed by ONS migration statistics. Household characteristics are based upon trends from the previous 12 months.
- Newly forming households are based upon trends from the previous 12 months.
- The model projects current and recent trends forward to identify the housing requirements and needs which are likely to be generated in East London. By linking these to the projected supply of housing, gaps in housing provision can be identified

## Housing Supply

- Housing supply is generated from three sources;
  - existing households moving;
  - death and dissolutions; and
  - out-migrant households.
- Existing household moves are based upon the expectation of moving in the 12 months.
- Deaths and dissolutions are based upon ONS mortality rates for deaths and trends over the previous 12 months for households merging for dissolutions.
- The number of out-migrant households is constrained to GLA data on net migration, with inward and outward flows informed by ONS migration statistics. Household characteristics are based upon expectations of moving in the next 12 months.

- <sup>6.32</sup> Figure 62 is a key finding. Much of the following analysis is based upon the totals. It describes the estimated net 5 year requirement for additional housing due to households seeking dwellings the estimated supply of housing in that period. It is apparent that a net 84,570 additional dwellings should be provided over the 5-year period to sustain the existing supply/ demand imbalance. If this number of homes is not provided, one or more flows will have to change. The change in flows could include fewer new households forming, no resolution of overcrowding issues or households leaving the area due to a lack of available housing.

**Figure 62**  
**Summary of the estimated 5 year housing requirements by household flows and supply** (Source: ORS Housing Market Model, East London Strategic Housing Market Assessment 2010. Note: Figures may not sum due to rounding)

Housing Type	Households seeking dwellings	Supply of dwellings	Net Requirement
<b>5-Year Requirement</b>			
Migration – households moving to and from the sub-region	161,895	136,260	25,635
Indigenous change – household formations and dissolutions	85,433	26,498	58,935
Established household moves	152,235	152,235	-
Total	<b>399,563</b>	<b>314,993</b>	<b>84,570</b>

### Understanding the Required Housing Tenure Mix

- <sup>6.33</sup> Affordability tests are used to apportion households to specific housing tenures;
- **Social rented housing** – for those households unable to afford any more than social rents;
  - **Intermediate housing** – for those households able to afford more than social rents, but unable to afford to buy owner-occupied housing or to rent privately at the market rent threshold; and
  - **Market housing** – for those households able to afford to buy owner-occupied housing or able to afford to rent privately at rents at or above the market rent threshold.
- <sup>6.34</sup> The requirement for housing is therefore defined purely on affordability grounds with those who have incomes above market housing thresholds being identified as requiring market housing. It is also the case that those with incomes below market housing thresholds who report no difficulties with their housing costs are also identified as requiring market housing because using the PPS3 definition:
- **Housing need** is households who are lacking their own housing or who are living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their own housing needs in the market without some financial assistance.
- <sup>6.35</sup> On this basis households meeting their own housing requirements in the market are deemed to be suitably housed, do not require financial assistance and are not in housing need.

### Summary of Affordability Assumptions

- Households are allocated to tenures based upon affordability and not preference.
- A household is in the backlog of need if they are unsuitably housed, require alternative housing provision in the Borough and cannot afford market housing. The Model addressed the backlog of need over 10 years.
- For owner occupation lending for single incomes assumed to be 3.5x the gross income and lending for joint incomes based on a 2.9x multiplier. The assessment of affordability for owner occupation also includes;
  - savings;
  - debts; and
  - equity (positive or negative) from the current home (for current owners).
- Households are assumed to spend 25% of their gross income on rent.
- Following PPS3 definitions, households who can afford private rent are assumed to access this, rather than dedicated intermediate affordable housing.
- Following PPS3 definitions households who can afford more than a social rent, but cannot afford a market rent are regarded by the model as requiring intermediate affordable housing.
- Market rents are based on the lowest quartile price for private rent.
- Properties in the private rented sector with rents within the lowest quartile are considered as sub-market housing, as their rents are below market rent. Such housing is allocated by the model to households that can afford intermediate affordable housing as defined by PPS3.

<sup>6.36</sup> Nevertheless, whilst PPS3 defines intermediate housing as being for those households able to afford more than social rents but less than market housing (rent or owner occupation), it should be recognised that it may not be possible to deliver intermediate affordable housing affordable to those households only able to afford fractionally more than a social rent.

<sup>6.37</sup> As an illustration of the importance of this distinction, Figure 63 highlights the level of household income necessary to afford particular tenures. This shows that any household with an income of more than £16,500 per annum requiring a 1-bed dwelling can afford more than a social rent. The figure also shows that the household income necessary to afford lower quartile market rents for a 1 bedroom dwelling is £33,300, so any households who has an income above £33,300 is assessed as requiring market housing. This implies that, following PPS3 definitions, intermediate affordable housing is required for any household requiring a 1-bed dwelling which has a household income of £16,500 to £33,300.

<sup>6.38</sup> For households without equity, typically first time buyers, it is assessed that a household income of £33,300 is necessary to be able to afford a 1 bed market rent dwelling in East London. Therefore, any household who has an income of above £33,300 is assessed as being able to afford market rent. These households may potentially be able to afford some form of shared ownership product, but under PPS3 definition this would be considered by the model as meeting part of the market housing requirement. PPS3 regards private rented housing above market rent thresholds and owner occupied housing as market housing. Similar calculations have been made for dwellings of different sizes.

Figure 63

**Annual household income required for dwellings by tenure for East London** (Source: Homes and Communities Agency Data March 2008, GLA Survey of advertised properties 2008. Note: Social and private rents are an average across all Boroughs)

Housing Type	Social Rented Housing	Lowest Quartile Market Rented Housing
<b>Bedroom Size</b>		
1-Bed	£16,500	£33,300
2-Bed	£19,300	£41,600
3-Bed	£22,300	£49,900
4-Bed	£24,600	£57,200

<sup>6.39</sup> When considering the appropriate housing supply, the following sources of supply are considered within the model;

- **Social rented housing** – social housing provided to rent from local authorities and Registered Social Landlords and housing benefit supported private rented accommodation;
- **Intermediate housing** – dedicated intermediate housing products (such as shared ownership, discount market sale, sub-market rent but not shared equity sales) and a proportion of the housing in the private rented sector with rents below the market rent threshold (i.e. within the lowest quartile); and
- **Market housing** – owner-occupied housing and housing in the private rented sector above market rent thresholds.

<sup>6.40</sup> Using these definitions in relation to the range of housing types, it is possible to develop the earlier analysis by considering the housing market as a matrix of housing ‘origins and destinations’. This balances the gross requirements for market housing, intermediate housing and social housing against the equivalent identified supply.

### Understanding the housing requirement and sources of housing supply

#### The Gross Requirement

<sup>6.41</sup> Figure 64 breaks down the gross requirement for housing over the next five years (399,563 inward flow as in Figure 62) by the source of the housing requirement. 399,563 households are estimated as likely to be seeking housing in East London over the next 5 years. It should be recalled that the market housing requirement covers both households who can afford owner occupation and households who can afford private rents which are set above lower quartile rent levels.

Figure 64

**5-year gross housing requirement by origin and tenure** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Cross boundary moves include both wholly moving households and newly forming households)

Housing Requirement	Source of Housing Requirement					Total
	Established Household moves	Household formation within Borough	In-migrants to sub-region	Cross-boundary in-migrants		
Market	63,651	24,144	76,474	33,001	197,270	
Intermediate affordable	6,213	16,256	50,807	16,548	89,823	
Social rent	30,558	30,777	34,613	16,522	112,470	
<b>Total</b>	<b>100,421</b>	<b>71,176</b>	<b>161,895</b>	<b>66,071</b>	<b>399,563</b>	

### Sources of supply

- 6.42 The supply of housing within each tenure can be measured differently according to different assumptions. As noted in paragraph 6.39, for social housing it is possible to consider the supply to comprise of dedicated supply such as Council and RSL lettings but also housing benefit supported private rented dwellings. The rationale for this is to recall the PPS3 definition of households in housing need and the requirement for some form of financial assistance within the definition.
- 6.43 Housing benefit supported private rent does not have the same tenancy rights as full social rent, but can be considered to contribute to social housing supply in that it is affordable to households who require social housing. In practical terms there is a shortage of social rented housing and households unable to access it will seek housing in the private rented sector with housing benefit support.
- 6.44 Similarly, further supply assumptions can be considered for intermediate affordable housing. The current supply of dedicated low cost home ownership and intermediate rent products in East London as defined by PPS3 is relatively small. However, East London has a large private rented sector. While not enjoying the same tenancy or ownership rights as dedicated intermediate affordable housing products, cheaper (lower quartile) private rented properties can be assumed to be affordable to households within the intermediate affordable housing income band and be counted as part of the supply to this group of households.
- 6.45 The role of the private rented sector in contributing to affordable housing supply (social and intermediate supply) is noted in the Rugg report as discussed in Section 4 of this report. The following quotation from the National Housing and Planning Advice Unit (NHPAU) Evaluating requirements for market and affordable housing, February 2010, is also noteworthy.

#### **Evaluating requirements for market and affordable housing, February 2010 (NHPAU)**

##### **The role of the private rented sector page 38:**

A further consideration is the role of the private rented sector in providing accommodation for lower income households supported by housing benefit. If this is acknowledged as a continuing role, rather than as a 'stop gap' measure due to the shortage of available social sector rented dwellings, then this would logically imply that some account be taken of this in housing market assessments. While typically low income tenants in receipt of housing benefit are likely to have a rent to income ratio that exceeds the 25 per cent ratio in current guidance, it should be recognised that this is also often the case for low income tenants in the social rented sector.

- 6.46 The supply generated from different sources is shown in Figure 65. This highlights the limited supply which is estimated to arise from low cost home ownership and other intermediate affordable housing products and the large supply of lower quartile private rented sector housing.

Figure 65

**5-year gross housing supply by origin and housing Type** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Cross boundary moves include only wholly moving households)

Housing Supply	Source of Housing Supply				Total
	Established Household moves	Household dissolution	Out-migrants from sub-region	Cross-boundary out-migrants	
<b>Market</b>	52,735	12,129	79,496	24,283	168,643
<b>Intermediate affordable</b>					
Shared ownership based intermediate housing	998	14	440	80	<b>1,532</b>
PRS LQ, no HB	19,793	914	26,833	13,556	61,095
Sub-Total	20,791	928	27,273	13,635	62,627
<b>Social rent</b>					
Rent from LA or RSL	20,533	11,935	25,656	8,854	<b>66,979</b>
HB support to rent in PRS	6,363	1,506	3,835	5,041	16,745
Sub-Total	26,896	13,441	29,491	13,896	83,724
<b>Total</b>	<b>100,421</b>	<b>26,498</b>	<b>136,260</b>	<b>51,814</b>	<b>314,993</b>

**Supply Scenario 1: Meeting affordable housing requirements from the gross requirement and supply of dedicated affordable housing (social rent and intermediate affordable housing (as defined by PPS3))**

<sup>6.47</sup> Figure 66 states the gross requirement for affordable housing with the projected supply from dedicated affordable housing products (Figure 65). This highlights a large shortfall of dedicated intermediate affordable and social rented dwellings. This result can be considered to be comparable to the findings of housing needs assessments. These typically compare the gross need for affordable housing with the supply of *dedicated* affordable housing products. The results of this scenario estimate an affordable housing requirement of 133,782 dwellings over 5 years, or around 3,350 dwellings per annum by Borough on average.

Figure 66

**5-year Net affordable housing requirement based on supply from dedicated products** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: only PPS3 definitions of Intermediate affordable, Council or RSL Social Rent is the Supply of Affordable Housing)

Housing Type	Gross Requirements	Gross Supply from Dedicated Products	Net Requirements
<b>Intermediate affordable</b>	89,823	<b>1,532</b>	88,291
<b>Social rent</b>	112,470	<b>66,979</b>	45,491
<b>Affordable housing Total</b>	<b>202,293</b>	<b>68,511</b>	<b>133,782</b>

### Variation of scenario 1: Intermediate Housing Policy contained in the London Plan

- 6.48 This scenario can be developed to reflect the direction of travel for intermediate housing policy in London affecting East London.
- 6.49 As noted in Figure 63, if we apply PPS3 guidance to the ORS Housing Model, the 1 bedroom intermediate affordable housing upper income threshold is £33,300 with anyone with more than this threshold being identified as requiring market housing. The equivalent threshold for 2 bedrooms is £41,600, 3 bedrooms is £49,900 and 4 bedrooms is £57,200.
- 6.50 However, the draft replacement London Plan notes that;
- intermediate housing should meet the criteria outlined in Policy 3.11 and be available at prices and rents above those of social rent, but below market prices or rents. New intermediate homes should be affordable to households whose annual income is in the range £18,100 – £61,400; and
  - for homes with more than two bedrooms, which are particularly suitable for families, the upper end of this range will be extended to £74,000. These figures will be updated annually in the London Plan Annual Monitoring Report (paragraph 3.55).
- 6.51 Therefore, the upper income thresholds for homes set out in the draft replacement London Plan are much higher than those we obtain by applying PPS3 assumptions to East London market rents for 1 and 2 bedroom homes. The reference to 1 and 2 bedroom homes is important as this forms most of the recent supply of Newbuild HomeBuy according to evidence obtained by the HomeBuy agent. If we count all households with incomes between the upper end of the income band defined by PPS3 and the intermediate housing threshold identified in the draft replacement London Plan, 101,139 additional households are estimated to require intermediate housing in East London over the next 5 years (Figure 67).
- 6.52 This means that based upon affordability assumptions in total around 190,962 households over the next 5 years are likely to have income within range required for intermediate housing. These households will be seeking housing in East London, have no equity in their homes and fall within the draft replacement London Plan affordability thresholds. The model does not imply any preference for intermediate housing from this group, only that they qualify for intermediate housing on affordability grounds.

Figure 67

**Net 5-year net affordable housing requirements based on draft replacement London Plan upper income limits and supply from dedicated affordable housing products** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Only Low Cost Home Ownership and Council or RSL Social Rent is counted as the supply of affordable housing)

Housing Type	Gross Requirements up to PPS3 Thresholds	Gross Requirements above PPS3 Thresholds, but below London Plan Thresholds	Gross Supply from Dedicated Products	Net Requirements
Intermediate affordable	89,823	101,139	1,532	189,430
Social rent	112,470		66,979	45,491
<b>Affordable housing Total</b>	<b>202,293</b>	<b>101,139</b>	<b>68,511</b>	<b>234,921</b>

## **Scenario 2: Affordable housing requirements using the standard assumptions for the ORS Housing Market Model**

<sup>6.53</sup> The implication of the scale of the requirements estimated in the first scenario (and Figure 67) is that it is unlikely that the supply of dedicated affordable housing products can be expanded through new build to meet all of the housing needs of households seeking housing in East London. Figure 65 illustrates the actual role which is played by the private rented sector in East London in meeting needs if;

- we use the SHMA defined income bands (and CLG affordability benchmarks) for those seeking affordable housing; and in this scenario;
- the supply of social housing including any housing benefit supported private rent dwellings which are projected to be vacated; and
- the supply of intermediate affordable housing includes lower quartile private rented dwellings.

<sup>6.54</sup> An important assumption in this scenario is that the stock of housing benefit supported private rent will remain at current levels and that lower quartile private rented dwellings help to meet the demand from those who could otherwise afford intermediate affordable housing products.

<sup>6.55</sup> The impact of these assumptions for the affordable housing supply is to significantly reduce the net requirement for affordable housing.

<sup>6.56</sup> It should be noted that the identified net housing requirement for intermediate affordable and social housing is for dedicated products as the model assumes no further increases in supply from either housing benefit supported private rent or private rent let at below lower quartile average prices.

Figure 68

5-year net affordable housing requirements based on supply from all sources (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Supply of intermediate housing includes lower quartile private rent and supply of social rent includes existing housing benefit supported private rent)

Housing Type	Gross Requirements	Gross Supply from All Sources	Net Requirements
Intermediate affordable	89,823	62,627	27,196
Social rent	112,470	83,724	28,747
Affordable housing Total	<b>202,293</b>	<b>146,351</b>	<b>55,943</b>

## Scenario 2 extended to the whole housing market

<sup>6.57</sup> The balance of this net requirement between all of the tenures is stated in Figure 69. This shows the identified gross 5 year housing requirements for market, intermediate and social housing and their expected supply from existing stock. The difference between the gross requirement and supply represents the net requirement within each tenure. It should be noted that the market housing supply comes from owner occupation and also from private rented dwellings which are not in the lower quartile for rented property.

<sup>6.58</sup> It should also be noted that this result includes addressing the backlog of housing need over 10 years. This does not add to net housing requirement because each of these households will vacate an existing dwelling which will be occupied by another household. However, the backlog of need does change the tenure mix because households may be moving from any tenure to either intermediate or social housing.

<sup>6.59</sup> The summary finding from Figure 69 is that the ratio of market, intermediate affordable and social housing to the whole requirement is 34:32:34.

Figure 69

5-year housing requirement by origin and tenure (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Source of Housing Requirement/Supply		Net Total	% 33.9% 32.2% 34.0%
	Gross Requirements	Gross Supply from All Sources		
Market	197,270	168,643	28,627	33.9%
Intermediate affordable	89,823	62,627	27,196	32.2%
Social rent	112,470	83,724	28,747	34.0%
<b>Total</b>	<b>399,563</b>	<b>314,993</b>	<b>84,570</b>	<b>100%</b>

#### Implications of not delivering the affordable housing requirement

<sup>6.60</sup> The key to understanding the results presented above are that they are not a newbuild housing target, but instead represent projected changes to the housing market of East London if current trends continue. The second hand stock of East London is projected to absorb any changes which are not met through newbuild completions.

<sup>6.61</sup> There are significant implications for the whole housing market if the 28,747 units of social rented dwellings are not provided. The households who are identified as requiring these homes will have to find alternative accommodation that they can reasonably afford. The number of households who have been claiming housing benefit support in the private rented sector in London has been rising by around 25,000 per annum over recent years and the current economic crisis may lead to this trend being subject to policy constraint. A detailed consideration of the policy implications of these scenarios and issues relating to intermediate affordable housing are considered in Section 8 of this report.

<sup>6.62</sup> The conclusion reached in section 8 is that if the total housing requirement is not provided it is likely that there will be further sub-division of larger dwellings, households will seek to live in alternative areas or households will fail to form. If the affordable housing requirement is not provided then there is likely to be a complex result in the market housing sector where parts of the current second hand market housing stock become units within the effective affordable housing supply.

#### Housing Requirements using the standard ORS Housing Market Model adapted to the draft replacement London Plan intermediate housing income limits

<sup>6.63</sup> As noted above the affordability thresholds outlined in the draft replacement London Plan are different from those which are identified by using PPS3 and SHMA guidance. Many more households are in the income range for intermediate housing products under the draft replacement London Plan definitions.

<sup>6.64</sup> Figure 70 identifies the market housing requirement split between those who qualify for intermediate housing products under the draft replacement London Plan and those who do not. An additional 101,139 households over the next 5 years are projected to qualify for intermediate housing under the draft replacement London Plan proposals, but under PPS3 affordable guidance require market housing. Another 96,131 households require market housing if draft replacement London Plan income thresholds are used.

Figure 70

**5-year net housing requirement by origin and tenure including estimates of intermediate housing based upon London Plan income limits**  
 (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Sub-category	Gross Requirements	Source of Housing Requirement/Supply Gross Supply from All Sources	Total	%
<b>Market</b>	Existing owner occupiers and those with incomes above draft replacement plan thresholds	96,131			
	Can afford market housing under PPS3 definitions, but below London Plan intermediate thresholds	<b>101,139</b>	168,643	28,627	33.9%
<b>Intermediate affordable</b>	As described in PPS3	89,823	62,627	27,196	32.2%
<b>Social rent</b>	As described in PPS3	112,470	83,724	28,747	34.0%
<b>Total</b>		<b>399,563</b>	<b>314,993</b>	<b>84,570</b>	<b>100%</b>

<sup>6.65</sup> The actual impact of the draft replacement London Plan on the final mix between market, intermediate and social rented housing is dependent upon the preferences of households. Not all of the 101,139 households will want to access intermediate housing products. However, as an example, if only 2% wish to access intermediate housing, this will reduce the market housing requirement by over 2,020 units. We must distinguish that these households will seek to occupy (draft replacement plan intermediate) but not (PPS3) intermediate affordable housing. For example, if only 2% of the 101,139 households form the active demand for intermediate housing the ratio between market, intermediate (PPS3 intermediate affordable and draft replacement London Plan) and social housing would be 31:35:34.

### Breakdown of Sub-regional Housing Requirements by Housing Tenure and Size

<sup>6.66</sup> The housing mix is estimated for each of two sets of assumptions;

- standard assumptions for the ORS Housing Market Model (Figure 69); and
- specific assumptions relating to the anticipated reduction in the availability of housing benefit for private rented sector tenants.

<sup>6.67</sup> The rationale for the latter is the anticipated reduction in housing benefit costs as part of the Government's response to the economic crisis.

### Using standard assumptions for the ORS Housing Market Model

<sup>6.68</sup> Figure 71 (below) details the size mix in terms of both gross requirement and net requirement using two assumptions. Firstly that the proportion of all households in receipt of housing benefit to enable them to live in the private rented sector remains at the current level and secondly that the existing backlog of housing need is addressed over a 10-year period. The market housing requirement comprises all households who are identified as households whose incomes are below draft replacement London Plan thresholds for intermediate housing, but above PPS3 thresholds for intermediate affordable housing.

Figure 71:

**5-year housing requirement by housing tenure and size,** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>Gross Requirement</b>				
1 bedroom	54,660	37,481	34,619	126,760
2 bedrooms	65,789	24,126	40,259	130,174
3 bedrooms	54,633	18,535	25,936	99,104
4+ bedrooms	22,188	9,681	11,656	43,525
<b>Total</b>	<b>197,270</b>	<b>89,823</b>	<b>112,470</b>	<b>399,563</b>
<b>Net Requirement (Surplus)</b>				
1 bedroom	15,068	15,157	7,213	37,438
2 bedrooms	17,102	(402)	4,501	21,201
3 bedrooms	(4,395)	6,017	8,272	9,894
4+ bedrooms	852	6,424	8,701	15,977
<b>Total</b>	<b>28,627</b>	<b>27,196</b>	<b>28,747</b>	<b>84,570</b>

<sup>6.69</sup> Apparent surpluses of certain tenure and sizes need further explanation. With regard to 3 bedroom market housing as noted in section 4, three bedroom dwellings (with 5 or 6 rooms) formed the greater majority of the stock. This is predominately terraced and semi detached housing in the outer London Boroughs. The apparent surplus is due to demographic trends and the affordability of these larger homes relative to the additional households. Such households will follow a trend of being smaller and less likely to have children. The income profile of these households suggests that many would be unable to afford outright home ownership if first time buyers. A large amount of such housing will have transferred from social rented to market housing (whether owner occupied or the private rented sector) over time. This accounts for an imbalance between the household and supply profiles which show a surplus of market and a shortage of social rented 3 bedroom housing. Market forces are working to restore this balance with owners of 3 bedroom market housing in the private rented sector either being sub-divided or multi-occupied. The private rented sector is also housing households who require social housing as it is in short supply. Further implications of the shortage of family housing in the social rented sector are considered further.

<sup>6.70</sup> With regard to 2 bedroom intermediate housing, this imbalance is not considered significant as it is within the limits of statistical error.

#### Using assumptions regarding a reduction in housing benefit claimants in the private rented sector

<sup>6.71</sup> As mentioned above, Figure 71 estimates assume that housing benefit supported private rent remains at the same level, implying that for each households who vacates a property in this sector, another household will occupy a dwelling. This situation is unlikely to be sustained in the light of the Governments proposals for reducing housing benefit and the local housing allowance.

<sup>6.72</sup> If we were to assume that any dwelling vacated in the housing benefit supported private rented sector is returned to the open private rented sector, this will have major consequences for the market, intermediate and social housing requirements. Over the next 5 years it is projected that 16,745 households will move who are currently occupying housing benefit supported private rented dwellings. Of these, 3,394 households occupy dwellings where the rent is above the lower quartile private rent threshold and 13,351 households occupy dwellings below the threshold.

<sup>6.73</sup> Comparing Figure 71 and Figure 72, assuming that vacated housing benefit supported private rented dwellings are returned to the open market, the supply of social rented dwellings fall by 16,745, the supply of market (PPS3 definition) will rise by 3,394 dwellings and the supply of dwellings affordable to those who require intermediate affordable will increase by 13,351.

- <sup>6.74</sup> The consequence of these changes for the modelled results is that if we exclude vacated housing benefit private rented properties from the potential social housing supply;
- the requirement for social housing rises to 45,492 over 5 years; and
  - there would be a fall in the requirement for intermediate affordable housing to 13,845.

Figure 72:

5-year Housing requirement by housing type and size if returning housing benefit supported private rent to market supply, (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>Gross Requirement</b>				
1 bedroom	54,660	37,481	34,619	126,760
2 bedrooms	65,789	24,126	40,259	130,174
3 bedrooms	54,633	18,535	25,936	99,104
4+ bedrooms	22,188	9,681	11,656	43,525
<b>Total</b>	<b>197,270</b>	<b>89,823</b>	<b>112,470</b>	<b>399,563</b>
<b>Net Requirement (Surplus)</b>				
1 bedroom	13,765	11,998	11,675	37,438
2 bedrooms	15,889	(6,710)	12,022	21,201
3 bedrooms	(5,237)	2,301	12,830	9,894
4+ bedrooms	816	6,256	8,905	15,977
<b>Total</b>	<b>25,233</b>	<b>13,845</b>	<b>45,492</b>	<b>84,570</b>

<sup>6.75</sup> It is notable that the apparent surplus of 2 bedroom intermediate housing increases in this scenario. This is likely to be due to the large number of single and two person adult households unable to afford more space than they need as 2 bedroom intermediate will be more expensive than 1 bedroom housing on a like for like basis.

#### Changes to Social Housing Letting Policy and Local Housing Allowance in the June 2010 Budget.

- <sup>6.76</sup> The new coalition Government's emergency budget in June 2010 contained a number of proposed reforms to the local housing allowance. These include;
- from April 2011, local housing allowance rates will be capped at £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for four bedrooms or more;
  - from October 2011, local housing allowance rates will be set at the 30th percentile of local rents (previously the 50th percentile);
  - from 2013-14, local housing allowance rates will be uprated in line with the consumer price index (CPI);
  - deductions for non-dependents will be uprated in April 2011 on the basis of the CPI. This will reverse the freeze in these rates since 2001-02;

- from April 2013, housing entitlements for working age people in the social sector will reflect family size;
  - from April 2013, housing benefit awards will be reduced to 90% of the initial award after 12 months for claimants receiving jobseekers allowance; and
  - from April 2011, housing benefit claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom.
- 6.77 There could be a significant impact for East London from changes to the maximum amount of local allowance payable and the change from using the 50<sup>th</sup> percentile to the 30<sup>th</sup> percentile for calculating local housing allowance rates.
- 6.78 Figure 73 shows the local housing allowance rates for June 2010 and also the impact of applying the 30th percentile. Any figures above the capped rates will be further reduced to the maximum levels for any bedroom size.
- 6.79 Those authorities covered by the Central London and Inner North London Broad Market Rental Areas will also see the amount they will be able to pay as local housing allowance capped further.

**Figure 73:**

Current and projected local housing allowance thresholds for broad market rental areas in East London.(Source: LHA Direct)

Broad Market Rental Area	June 2010 LHA				Indicative October 2011 LHA			
	1 bed	2 bed	3 bed	4 bed	1 bed	2 bed	3 bed	4 bed
<b>Outer North East London (Barking and Dagenham, Havering, Redbridge, Waltham Forest)</b>	£149.59	£189.86	£230.14	£299.18	£143.84	£178.36	£207.12	£276.16
<b>Central London (City of London, Hackney, Tower Hamlets)</b>	£350.00	£480.00	£700.00	£1,000.00	£310.00	£414.63	£600.00	£800.00
<b>Inner East London (Hackney, Tower Hamlets)</b>	235.00	£300.00	£350.00	£430.00	£210.00	£265.00	£315.00	£400.00
<b>Inner North London (Hackney)</b>	£245.00	£330.00	£425.00	£575.00	£215.00	£290.00	£370.00	£478.00
<b>South West Essex (Havering)</b>	£126.58	£159.95	£184.11	£276.16	115.07	£149.59	£172.60	£230.14
<b>Outer East London, (Newham, Redbridge, Waltham Forest)</b>	£165.00	£202.00	£253.15	£295.00	£160.00	£195.00	£230.14	£277.00

6.80 Figure 74 shows the number of households in each Borough who are projected to be directly affected by the capping of the maximum local housing allowance. In East London it is estimated that nearly 3,000 households will be affected, predominately in Hackney and Tower Hamlets.

Figure 74 :  
**Local housing allowance claimants in the private rented sector and the number affected by the capping of the maximum claim (Source: DWP and London Councils)**

Local Authority	Number of LHA Claimants in Private Rented Sector October 2009	Number of claimants affected by capping of maximum claim	Percentage of all claimants affected
Barking and Dagenham	5,440	5	0.1%
City of London	100	19	19.0%
Hackney	8,260	1,688	20.4%
Havering	3,820	0	0.0%
Newham	13,000	133	1.0%
Redbridge	8,510	23	0.3%
Tower Hamlets	4,590	1,068	23.3%
Waltham Forest	8,910	17	0.1%
<b>East London</b>	<b>52,630</b>	<b>2,953</b>	<b>5.6%</b>

6.81 The key issue to consider is how the changes to the local housing allowance will affect the market for affordable housing, particularly in terms of demand and supply. Some considerations and illustrations are set out below.

6.82 In April 2013, housing entitlements for working age people in the social sector will reflect family size. For example, a working age couple with two adult children occupy a 3 bed social rented property and are receive housing benefit. If the adult children move out of the house, the couple will technically only require a 1 bed dwelling. The policy impact is that they will no longer receive housing benefit for a 3 bedroom property but a 1 bed and they will either:

- be required to pay the balance of rent from their own funds; or
- move to a small dwelling and continue to receive housing benefit.

6.83 There are a range of possible implications arising from such a change (and we have not considered the ethical implications of the change);

- more households may downsize from family sized social rented dwellings into smaller units;
- some larger properties may become available for overcrowded households with children;
- there may be or may not be a corresponding ‘balancing effect’, as larger homes and smaller homes are vacated; and
- adult children may subsidise their parents to allow them to remain in the larger family home.

6.84 From April 2013, housing benefit awards will be reduced to 90% of the initial award after 12 months for claimants receiving jobseekers allowance. This change may also deter some non-working children from leaving home and establishing their own household, thereby slowing the rate of household formation. While not freeing any larger social units, this may reduce pressures from adult children who no longer require separate housing.

6.85 The implication is we could, therefore, see the total requirement for affordable housing fall as lower rates of household formation occur.

6.86 Other changes to the policy could also have an impact;

- changes to the local housing allowance may have considerable changes to the supply of dwelling available for households who require financial support; and
- the capping of the maximum amount of local housing allowance which can be claimed may have significant impact on Central London Boroughs. In these areas, few private rented sector dwellings will fall below the new threshold, so it will be extremely difficult to house households in the housing benefit supported private rented sector.

6.87 These changes will not reduce the number of households seeking affordable or subsidised housing. However, it may increase the demand on local authorities to meet these households housing need and this may lead to a 'ripple effect' increasing demand also on Outer London Boroughs.

6.88 It is possible that many households currently housed in housing benefit supported private rented property in Central London will require alternative accommodation. Outer London Boroughs may offer an attractive alternative location for a home. It may be possible to find alternative accommodation outside of Central London for some households, but many may not be able/willing to move further afield.

6.89 The ability of Outer London Boroughs to meet housing need which will originate in Central London is dependent upon many issues. For example, the continued willingness of private landlords to accept households in receipt of housing benefit at the reduced levels from October 2011. Potential scenarios include;

- If market rent levels fall across London as landlords accept lower yields on their investments;
- If the new rent thresholds are too low then landlords may simply not be willing to accept housing benefit dependent households and instead return their stock to the market sector; and
- this in turn may see house prices and rents fall as more housing becomes available to buy or rent resulting in more households being able to meet their housing requirements in the open market. (This seems unlikely given the high demand levels in the overall London market).

6.90 However, if landlords are not prepared to accept households in receipt of housing benefit, where will these households have their housing needs addressed? This is a crucial point as social housing has limited supply and homelessness presentations may increase and overcrowding might rise. The percentage of disposable income paid to rent may rise in households seeking housing in the private sector. This may prove very difficult for large families on low income to sustain.

6.91 In summary;

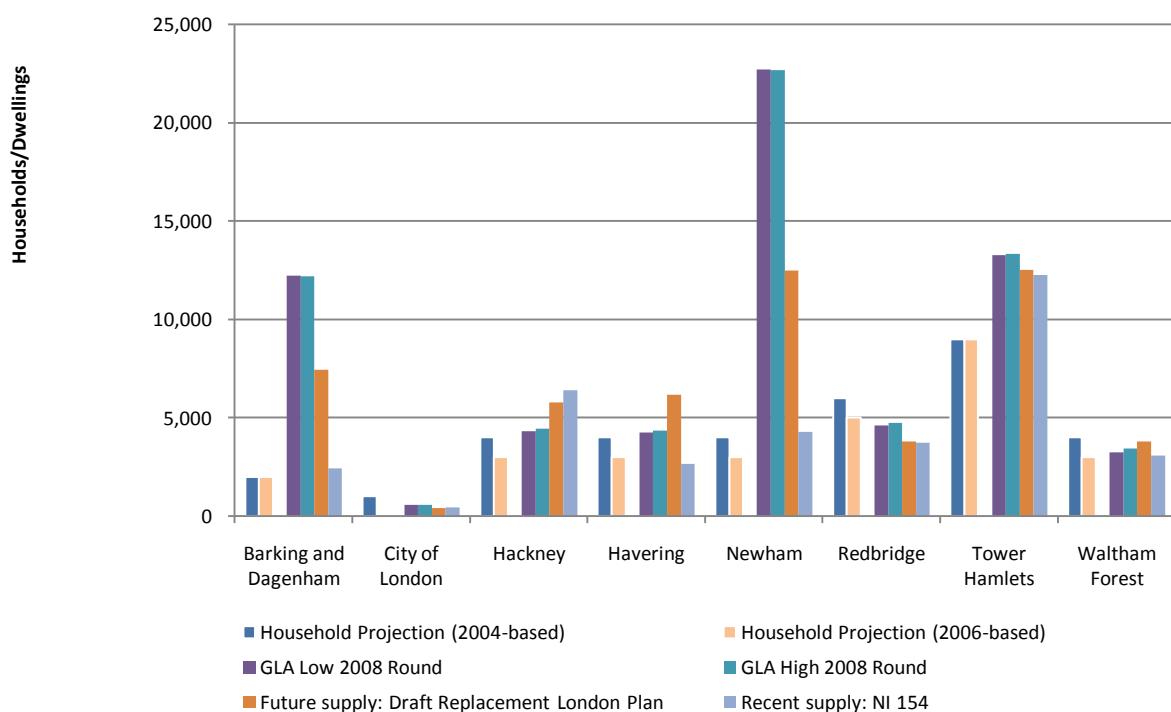
- changes to the local housing allowance outlined in the June 2010 budget may have considerable impact on the social and private rented sectors;
- potentially, there could be reduced household formation rates which may reduce the number of households seeking affordable housing;

- the supply of private rented dwellings may change significantly, especially for households on lower incomes;
- where landlords accept lower rents then many households may leave Central London for outer London;
- the total number of housing benefit claimants in the private rented sector is unlikely to fall, but their locations will change to lower priced areas;
- alternately, where landlords do not reduce rents more properties may return to open market housing;
- an increase in the number of households seeking to address their own housing requirements by buying or renting is likely; and
- local authorities may be pressed to find housing solutions for increasing demand from households who cannot resolve their own needs as homelessness presentations and overcrowding may also rise further.

## Borough Level tenure and size mix estimates

- 6.92 The above estimates reflect the overall position for the sub-region. To identify the requirements for each Borough requires a method to allocate the need for affordable housing to each Borough.
- 6.93 Figure 75 shows a range of different estimates for household growth in each East London Borough. This demonstrates that there is no straightforward answer to estimating household growth at Borough level (demand side). The 2004 and 2006 based CLG household projections are based upon recent trends in household growth extrapolated forward. Data produced by the GLA shows household growth projected for 2011-2016 (GLA Low and High 2008 Rounds).
- 6.94 On the supply side minimum delivery targets contained in the Draft Replacement London Plan are all agreed delivery targets for each Borough based upon land supply rather than being based upon fully meeting housing requirements. On this basis, Boroughs such as Barking and Dagenham, Newham and Tower Hamlets have higher projected completions and household growth. NI 154 is a national indicator which records completions over the previous 5 years.

Figure 75:  
**Projected household growth 2011-2016 and dwelling completions 2004-2009,** (Source: CLG 2004 and 2006 based Household projections, GLA 2008 Round Household projections, Consultation Draft of Replacement London Plan and National Indicator 154)



- 6.95 Four Borough level tenure and size mix estimates are produced below using different assumptions about the distribution of the need for affordable housing. A further two estimates are produced based upon delivery targets rather than the SHMA estimate of the 5 year requirement.

## Borough level requirements by tenure based upon recent household flows and housing needs index

- <sup>6.96</sup> Having explained that the various official Borough level household projections differ, we have based our estimate of Borough level housing requirements upon the overall sub regional 5 year estimate of housing requirements as stated in Figure 62 i.e. 84,570 net additional households.
- <sup>6.97</sup> A detailed explanation of how this has been arrived at using Borough level information is provided in the technical appendix.
- <sup>6.98</sup> To allocate housing needs to each Borough, for the initial model, we have adopted the London Councils' Housing Needs Index (HNI) 2007/08 as a means of allocating the need for affordable housing to a Borough.
- <sup>6.99</sup> The London Councils' HNI combines a range of measures of housing needs and has been accepted by each Borough as a means of allocating affordable housing funding.
- <sup>6.100</sup> The components of the London Councils' HNI include;

- Index of Multiple Deprivation 2007;
- vacant dwellings;
- under-occupation;
- overcrowding;
- concealed households;
- adverse stock condition;
- elderly households;
- households containing a disabled member;
- private sector households receiving housing benefit or income support; and
- households living in temporary accommodation.

<sup>6.101</sup> Figure 76 shows the HNI for each East London Borough. East London accounts for 31.7% of all housing need in London, with very high shares of need in Hackney, Newham and Tower Hamlets.

Figure 76:  
Apportionment of housing need according using the London Councils' HNI (Source: London Council's Housing Needs Index 2007/08)

Housing Requirement	Share of London's Need	Share of East London's Need
Barking and Dagenham	2.25%	6.77%
City of London	0.04%	0.14%
Hackney	6.54%	21.17%
Havering	1.04%	3.17%
Newham	9.35%	29.14%
Redbridge	2.08%	6.00%
Tower Hamlets	5.58%	19.00%
Waltham Forest	4.84%	14.61%
<b>Total</b>	<b>31.71%</b>	<b>100%</b>

<sup>6.102</sup> If we allocate the need for affordable housing to each Borough based upon its HNI we obtain the results shown in Figure 77. On this basis, Newham and Tower Hamlets have seen the highest rates of growth in the sub-region and are therefore assumed to be the areas which will see the most growth in the future.

Figure 77:

5 year housing requirement by tenure and Borough using London Councils' HNI, (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>TOTAL REQUIREMENT</b>				
Barking and Dagenham	(213)	1,939	2,049	3,775
City of London	832	29	29	890
Hackney	(3,801)	5,598	5,918	7,715
Havering	2,443	889	938	4,270
Newham	5,370	8,023	8,483	21,876
Redbridge	8,420	1,775	1,875	12,070
Tower Hamlets	13,559	4,774	5,047	23,380
Waltham Forest	2,056	4,158	4,396	10,610
<b>Total</b>	<b>28,627</b>	<b>27,196</b>	<b>28,747</b>	<b>84,570</b>
<b>PERCENTAGE REQUIREMENT</b>				
Barking and Dagenham	(5.6%)	51.4%	54.3%	100%
City of London	93.5%	3.3%	3.3%	100%
Hackney	(49.3%)	72.6%	76.7%	100%
Havering	57.2%	20.8%	22.0%	100%
Newham	24.5%	36.7%	38.8%	100%
Redbridge	69.8%	14.7%	15.5%	100%
Tower Hamlets	58.0%	20.4%	21.6%	100%
Waltham Forest	19.4%	39.2%	41.4%	100%
<b>Total</b>	<b>33.9%</b>	<b>32.2%</b>	<b>34.0%</b>	<b>100%</b>

<sup>6.103</sup> Note that apparent surpluses of market housing do not imply that additional market housing should not be built because of lack of demand. The model is indicating that the size of the affordable housing requirement based upon the HNI exceeds the growth in all households. Projecting this forward, if for example, Barking and Dagenham were to achieve 3,775 additional affordable dwellings in the next 5 years it would also see a small overall reduction in market housing if the overall requirement for housing was met. The process for this has previously been described as that of investors acquiring dwellings and letting them at rents such that they effectively become part of the intermediate or affordable supply.

<sup>6.104</sup> The ORS housing mix model has produced the following size mix profile by tenure for this scenario.

Figure 78:

**5 year housing requirement by tenure and size by borough using London Councils' HNI,** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>Barking &amp; Dagenham</b>	1 bedroom	608	1,037	372
	2 bedrooms	543	56	373
	3 bedrooms	(1,065)	454	612
	4+ bedrooms	(298)	391	691
<b>Total</b>		<b>(213)</b>	<b>1,939</b>	<b>2,049</b>
				<b>3,775</b>
<b>City of London</b>	1 bedroom	263	19	2
	2 bedrooms	384	(6)	(2)
	3 bedrooms	99	8	16
	4+ bedrooms	87	8	13
<b>Total</b>		<b>832</b>	<b>29</b>	<b>29</b>
				<b>890</b>
<b>Hackney</b>	1 bedroom	(1,671)	3,252	1,483
	2 bedrooms	(2,195)	(490)	633
	3 bedrooms	334	1,353	1,933
	4+ bedrooms	(270)	1,482	1,869
<b>Total</b>		<b>(3,801)</b>	<b>5,598</b>	<b>5,918</b>
				<b>7,715</b>
<b>Harvering</b>	1 bedroom	1,143	492	66
	2 bedrooms	1,289	(67)	289
	3 bedrooms	(236)	273	298
	4+ bedrooms	247	190	284
<b>Total</b>		<b>2,443</b>	<b>889</b>	<b>938</b>
				<b>4,270</b>
<b>Newham</b>	1 bedroom	3,337	4,234	3,146
	2 bedrooms	3,290	628	1,368
	3 bedrooms	(1,134)	1,334	1,670
	4+ bedrooms	(123)	1,827	2,299
<b>Total</b>		<b>5,370</b>	<b>8,023</b>	<b>8,483</b>
				<b>21,876</b>
<b>Redbridge</b>	1 bedroom	351	1,047	408
	2 bedrooms	1,191	(78)	376
	3 bedrooms	5,350	436	551
	4+ bedrooms	1,528	370	541
<b>Total</b>		<b>8,420</b>	<b>1,775</b>	<b>1,875</b>
				<b>12,070</b>
<b>Tower Hamlets</b>	1 bedroom	4,967	2,603	1,567
	2 bedrooms	6,364	(49)	436
	3 bedrooms	1,251	985	1,455
	4+ bedrooms	977	1,235	1,589
<b>Total</b>		<b>13,559</b>	<b>4,774</b>	<b>5,047</b>
				<b>23,380</b>
<b>Waltham Forest</b>	1 bedroom	1,534	2,401	964
	2 bedrooms	1,662	(180)	644
	3 bedrooms	(1,095)	939	1,412
	4+ bedrooms	(46)	997	1,376
<b>Total</b>		<b>2,056</b>	<b>4,158</b>	<b>4,396</b>
				<b>10,610</b>

<sup>6.105</sup> The apparent surplus of 3 bedroom market dwellings is in many Boroughs is noteworthy. Estimates compare future additional housing requirements to likely future supply and trends indicate that fewer households will require or can afford 3 bedroom homes. In reality this housing will be under-occupied by smaller households or subdivided or shared by smaller households. Another factor is the

effect of the right to buy in reducing the supply of 3 bedroom homes in the social rented sector and increasing it in the market sector adding to the estimated shortage in the social rented sector;

<sup>6.106</sup> The high proportion of additional one bedroom dwellings required is due to the large number of older single person households either in housing need and or wishing to downsize together with the demographic trend of growth in the proportion of all single person households and childless couples.

<sup>6.107</sup> The apparent surpluses of most sizes of market housing in Hackney is likely to be due to the affordability of the stock if information from earlier figures is taken into account (Figure 55 and Figure 60).

#### **Borough level requirements by tenure based upon recent household flows and adjusted housing needs index**

<sup>6.108</sup> Whilst many of the measures contained within the London Councils' HNI directly cover housing needs, others are a more general reflection of the relative wealth and wellbeing of an area. In particular, the IMD score from 2007 causes a skewing of housing needs towards less prosperous areas.

<sup>6.109</sup> The Index of Multiple Deprivation 2007 is comprised of the following components;

- income;
- employment;
- health deprivation and disability;
- education, skills and training;
- barriers to housing and services;
- living environment; and
- crime.

<sup>6.110</sup> However the only component which directly relates to housing is the 'Barriers to Housing and Services' which includes overcrowding from the 2001 Census, households in temporary accommodation and affordability for owner occupation. However, it includes distance from a GP, Post Office, general store and primary school. These measures typically identify more deprivation in rural areas and not in urban centres such as those in East London.

<sup>6.111</sup> Therefore, the IMD 2007 does not directly relate to housing needs and instead focuses upon the general wellbeing of the area. This in turn sees areas which are more deprived being identified as having housing needs in the London Councils' HNI. It is, therefore, worthwhile exploring the consequences of removing the IMD 2007 from the London Councils' HNI to leave only the components which directly relate to housing needs.

<sup>6.112</sup> Figure 79 below shows the impact on the modelled results of removing the IMD 2007 from the London Councils' HNI. This change leads to more of the total identified need for affordable housing being allocated to relatively less deprived Boroughs such as Havering and Redbridge with less being allocated to more deprived Boroughs such as Hackney, Newham and Tower Hamlets.

Figure 79:

**5 year housing requirement by tenure and by Borough using adjusted HNI,** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>TOTAL REQUIREMENT</b>				
Barking and Dagenham	(444)	2,051	2,168	3,775
City of London	696	94	100	890
Hackney	(1,454)	4,457	4,712	7,715
Havering	82	2,036	2,152	4,270
Newham	7,803	6,841	7,231	21,876
Redbridge	5,479	3,204	3,387	12,070
Tower Hamlets	15,296	3,930	4,154	23,380
Waltham Forest	1,183	4,583	4,844	10,610
<b>Total</b>	<b>28,627</b>	<b>27,196</b>	<b>28,747</b>	<b>84,570</b>
<b>PERCENTAGE REQUIREMENT</b>				
Barking and Dagenham	(11.8%)	54.3%	57.4%	100%
City of London	78.2%	10.6%	11.2%	100%
Hackney	(18.8%)	57.8%	61.1%	100%
Havering	1.9%	47.7%	50.4%	100%
Newham	35.7%	31.3%	33.1%	100%
Redbridge	45.4%	26.5%	28.1%	100%
Tower Hamlets	65.4%	16.8%	17.8%	100%
Waltham Forest	11.1%	43.2%	45.7%	100%
<b>Total</b>	<b>33.9%</b>	<b>32.2%</b>	<b>34.0%</b>	<b>100%</b>

<sup>6.113</sup> The ORS housing mix model has produced the following size mix profile by tenure for this scenario.

Figure 80:

**5 year housing requirement by tenure and size by Borough using the adjusted London Councils' HNI,** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
Barking & Dagenham 1 bedroom	1,266	1,097	394	2,758
2 bedrooms	1,131	60	395	1,586
3 bedrooms	(2,220)	480	648	(1,092)
4+ bedrooms	(622)	414	731	523
<b>Total</b>	<b>(444)</b>	<b>2,051</b>	<b>2,168</b>	<b>3,775</b>
City of London 1 bedroom	220	61	7	288
2 bedrooms	321	(19)	(7)	295
3 bedrooms	82	25	56	164
4+ bedrooms	72	27	43	143
<b>Total</b>	<b>696</b>	<b>94</b>	<b>100</b>	<b>890</b>
Hackney 1 bedroom	(639)	2,589	1,181	3,131
2 bedrooms	(839)	(390)	504	(725)
3 bedrooms	128	1,077	1,539	2,744
4+ bedrooms	(103)	1,180	1,488	2,565
<b>Total</b>	<b>(1,454)</b>	<b>4,457</b>	<b>4,712</b>	<b>7,715</b>
Havering 1 bedroom	38	1,128	151	1,318
2 bedrooms	43	(153)	664	554
3 bedrooms	(8)	626	685	1,303
4+ bedrooms	8	435	652	1,096

	Total	82	2,036	2,152	4,270
<b>Newham</b>	1 bedroom	4,849	3,610	2,681	11,140
	2 bedrooms	4,781	536	1,166	6,482
	3 bedrooms	(1,648)	1,138	1,424	913
	4+ bedrooms	(178)	1,558	1,960	3,339
	<b>Total</b>	<b>7,803</b>	<b>6,841</b>	<b>7,231</b>	<b>21,875</b>
<b>Redbridge</b>	1 bedroom	228	1,890	737	2,855
	2 bedrooms	775	(141)	679	1,313
	3 bedrooms	3,481	787	994	5,262
	4+ bedrooms	994	668	977	2,640
	<b>Total</b>	<b>5,479</b>	<b>3,204</b>	<b>3,387</b>	<b>12,070</b>
<b>Tower Hamlets</b>	1 bedroom	5,603	2,143	1,289	9,035
	2 bedrooms	7,180	(40)	359	7,498
	3 bedrooms	1,411	811	1,198	3,420
	4+ bedrooms	1,103	1,016	1,308	3,427
	<b>Total</b>	<b>15,296</b>	<b>3,930</b>	<b>4,154</b>	<b>23,380</b>
<b>Waltham Forest</b>	1 bedroom	883	2,647	1,062	4,591
	2 bedrooms	956	(198)	710	1,468
	3 bedrooms	(630)	1,035	1,556	1,961
	4+ bedrooms	(26)	1,099	1,517	2,589
	<b>Total</b>	<b>1,183</b>	<b>4,583</b>	<b>4,844</b>	<b>10,610</b>

<sup>6.114</sup> See remarks relating to Figure 78 regarding apparent surpluses of market housing.

#### Borough level requirements by tenure based upon housing requirements apportioned in line with current household numbers and the housing needs index

<sup>6.115</sup> The scenario presented above acknowledges that in recent years housing requirements have arisen at different rates in each of the Boroughs of East London. However, it cannot be necessarily implied that the rate housing requirements have arisen in one area in the past will continue in the future.

<sup>6.116</sup> The scenario adopted below assumes that in the future housing requirements will arise in each local authority in line with their current share of the total number of households in East London. Therefore, if the Borough currently has 15% of households in East London, the scenario assumes that 15% of housing requirements will arise in the Borough. In practice this is extremely unlikely to occur, but the model does illustrate the impact of attempting to meet housing requirements in an equitable manner for the sub-region.

<sup>6.117</sup> If we were to allocate the housing needs and requirements for each Borough based upon HNI and their share of current household numbers in East London we obtain the results shown in Figure 81.

Figure 81:

5 year housing requirement by tenure and Borough using housing requirements apportioned to current household numbers and the HNI,  
(Source: ORS Housing Market Model, East London Housing Market Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>TOTAL REQUIREMENT</b>				
<b>Barking and Dagenham</b>	5,145	1,939	2,049	<b>9,133</b>
<b>City of London</b>	619	29	29	<b>677</b>
<b>Hackney</b>	408	5,598	5,918	<b>11,924</b>
<b>Havering</b>	10,182	889	938	<b>12,009</b>

<b>Newham</b>	(2,722)	8,023	8,483	<b>13,784</b>
<b>Redbridge</b>	8,612	1,775	1,875	<b>12,262</b>
<b>Tower Hamlets</b>	3,202	4,774	5,047	<b>13,023</b>
<b>Waltham Forest</b>	3,201	4,158	4,396	<b>11,755</b>
<b>Total</b>	<b>28,627</b>	<b>27,196</b>	<b>28,747</b>	<b>84,567</b>
<b>PERCENTAGE REQUIREMENT</b>				
<b>Barking and Dagenham</b>	56.3%	21.2%	22.4%	<b>100%</b>
<b>City of London</b>	91.4%	4.3%	4.3%	<b>100%</b>
<b>Hackney</b>	3.4%	46.9%	49.6%	<b>100%</b>
<b>Havering</b>	84.8%	7.4%	7.8%	<b>100%</b>
<b>Newham</b>	(19.7%)	58.2%	61.5%	<b>100%</b>
<b>Redbridge</b>	70.2%	14.5%	15.3%	<b>100%</b>
<b>Tower Hamlets</b>	24.6%	36.7%	38.8%	<b>100%</b>
<b>Waltham Forest</b>	27.2%	35.4%	37.4%	<b>100%</b>
<b>Total</b>	<b>33.9%</b>	<b>32.2%</b>	<b>34.0%</b>	<b>100%</b>

6.118 The ORS housing mix model has produced the following size mix profile by tenure for this scenario.

Figure 82:

5 year housing requirement by housing tenure and size by borough apportioned to current household numbers and the HNI, (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>Barking &amp; Dagenham</b>	1 bedroom	1,975	1,037	3,384
	2 bedrooms	2,215	56	2,644
	3 bedrooms	601	454	1,667
	4+ bedrooms	355	391	1,437
	<b>Total</b>	<b>5,145</b>	<b>1,939</b>	<b>9,133</b>
<b>City of London</b>	1 bedroom	204	19	225
	2 bedrooms	313	(6)	305
	3 bedrooms	40	8	64
	4+ bedrooms	61	8	82
	<b>Total</b>	<b>619</b>	<b>29</b>	<b>677</b>
<b>Hackney</b>	1 bedroom	152	3,252	4,887
	2 bedrooms	195	(490)	339
	3 bedrooms	25	1,353	3,311
	4+ bedrooms	36	1,482	3,386
	<b>Total</b>	<b>408</b>	<b>5,598</b>	<b>11,924</b>
<b>Havering</b>	1 bedroom	3,235	492	3,794
	2 bedrooms	3,796	(67)	4,019
	3 bedrooms	2,019	273	2,590
	4+ bedrooms	1,132	190	1,606
	<b>Total</b>	<b>10,182</b>	<b>889</b>	<b>12,009</b>
<b>Newham</b>	1 bedroom	1,067	4,234	8,446
	2 bedrooms	558	628	2,553
	3 bedrooms	(3,337)	1,334	(332)
	4+ bedrooms	(1,009)	1,827	3,117
	<b>Total</b>	<b>(2,722)</b>	<b>8,023</b>	<b>13,784</b>
<b>Redbridge</b>	1 bedroom	266	1,047	1,721
	2 bedrooms	1,148	(78)	1,445
	3 bedrooms	5,609	436	6,595

	4+ bedrooms	1,589	370	541	2,500
	<b>Total</b>	<b>8,612</b>	<b>1,775</b>	<b>1,875</b>	<b>12,262</b>
<b>Tower Hamlets</b>	1 bedroom	2,101	2,603	1,567	6,271
	2 bedrooms	2,837	(49)	436	3,224
	3 bedrooms	(1,556)	985	1,455	885
	4+ bedrooms	(181)	1,235	1,589	2,643
	<b>Total</b>	<b>3,202</b>	<b>4,774</b>	<b>5,047</b>	<b>13,023</b>
<b>Waltham Forest</b>	1 bedroom	1,853	2,401	964	5,218
	2 bedrooms	2,042	(180)	644	2,506
	3 bedrooms	(777)	939	1,412	1,574
	4+ bedrooms	84	997	1,376	2,457
	<b>Total</b>	<b>3,201</b>	<b>4,158</b>	<b>4,396</b>	<b>11,755</b>

<sup>6.119</sup> See remarks relating to Figure 78 regarding apparent surpluses of market housing. However it is noteworthy that there are fewer instances in this scenario as the affordable housing requirement is a higher proportion of the total requirement in some boroughs which reduces the size of the market requirement.

#### Borough level requirements by tenure based upon based upon housing requirements apportioned to current household numbers and the adjusted housing needs index

<sup>6.120</sup> Figure 83 below shows the impact on the modelled results of removing the Index of Multiple Deprivation 2007 from the London Councils' HNI.

Figure 83:

5 year housing requirement by tenure and Borough using housing requirements apportioned to current household numbers and the adjusted HNI, (Source: ORS Housing Market Model, East London Housing Market Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>TOTAL REQUIREMENT</b>				
<b>Barking and Dagenham</b>	4,914	2,051	2,168	<b>9,133</b>
<b>City of London</b>	483	94	100	<b>677</b>
<b>Hackney</b>	2,755	4,457	4,712	<b>11,924</b>
<b>Havering</b>	7,821	2,036	2,152	<b>12,009</b>
<b>Newham</b>	(288)	6,841	7,231	<b>13,784</b>
<b>Redbridge</b>	5,671	3,204	3,387	<b>12,262</b>
<b>Tower Hamlets</b>	4,939	3,930	4,154	<b>13,023</b>
<b>Waltham Forest</b>	2,328	4,583	4,844	<b>11,755</b>
<b>Total</b>	<b>28,627</b>	<b>27,196</b>	<b>28,747</b>	<b>84,570</b>
<b>PERCENTAGE REQUIREMENT</b>				
<b>Barking and Dagenham</b>	53.8%	22.5%	23.7%	<b>100%</b>
<b>City of London</b>	71.3%	13.9%	14.8%	<b>100%</b>
<b>Hackney</b>	23.1%	37.4%	39.5%	<b>100%</b>
<b>Havering</b>	65.1%	17.0%	17.9%	<b>100%</b>
<b>Newham</b>	(2.1%)	49.6%	52.5%	<b>100%</b>
<b>Redbridge</b>	46.2%	26.1%	27.6%	<b>100%</b>
<b>Tower Hamlets</b>	37.9%	30.2%	31.9%	<b>100%</b>
<b>Waltham Forest</b>	19.8%	39.0%	41.2%	<b>100%</b>
<b>Total</b>	<b>33.9%</b>	<b>32.2%</b>	<b>34.0%</b>	<b>100%</b>

<sup>6.121</sup> The ORS housing mix model has produced the following size mix profile by tenure for this scenario.

Figure 84:

**5 year housing requirement by tenure and size by Borough using housing requirements apportioned to current household numbers using the adjusted London Councils' HNI** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Housing Requirement		Type of Housing			All Sectors
	Market	Intermediate	Social		
<b>Barking &amp; Dagenham</b>	1 bedroom	1,886	1,097	394	3,377
	2 bedrooms	2,115	60	395	2,570
	3 bedrooms	574	480	648	1,702
	4+ bedrooms	339	414	731	1,484
<b>Total</b>		<b>4,914</b>	<b>2,051</b>	<b>2,168</b>	<b>9,133</b>
<b>City of London</b>	1 bedroom	159	61	7	227
	2 bedrooms	245	(19)	(7)	218
	3 bedrooms	31	25	56	113
	4+ bedrooms	48	27	43	119
<b>Total</b>		<b>483</b>	<b>94</b>	<b>100</b>	<b>677</b>
<b>Hackney</b>	1 bedroom	1,027	2,589	1,181	4,797
	2 bedrooms	1,320	(390)	504	1,434
	3 bedrooms	167	1,077	1,539	2,783
	4+ bedrooms	242	1,180	1,488	2,909
<b>Total</b>		<b>2,755</b>	<b>4,457</b>	<b>4,712</b>	<b>11,924</b>
<b>Harvering</b>	1 bedroom	2,485	1,128	151	3,764
	2 bedrooms	2,916	(153)	664	3,427
	3 bedrooms	1,550	626	685	2,861
	4+ bedrooms	869	435	652	1,957
<b>Total</b>		<b>7,821</b>	<b>2,036</b>	<b>2,152</b>	<b>12,009</b>
<b>Newham</b>	1 bedroom	113	3,610	2,681	6,404
	2 bedrooms	59	536	1,166	1,760
	3 bedrooms	(353)	1,138	1,424	2,208
	4+ bedrooms	(107)	1,558	1,960	3,411
<b>Total</b>		<b>(288)</b>	<b>6,841</b>	<b>7,231</b>	<b>13,784</b>
<b>Redbridge</b>	1 bedroom	175	1,890	737	2,802
	2 bedrooms	756	(141)	679	1,293
	3 bedrooms	3,693	787	994	5,475
	4+ bedrooms	1,046	668	977	2,692
<b>Total</b>		<b>5,671</b>	<b>3,204</b>	<b>3,387</b>	<b>12,262</b>
<b>Tower Hamlets</b>	1 bedroom	3,241	2,143	1,289	6,673
	2 bedrooms	4,376	(40)	359	4,695
	3 bedrooms	(2,399)	811	1,198	(391)
	4+ bedrooms	(279)	1,016	1,308	2,045
<b>Total</b>		<b>4,939</b>	<b>3,930</b>	<b>4,154</b>	<b>13,023</b>
<b>Waltham Forest</b>	1 bedroom	1,348	2,647	1,062	5,056
	2 bedrooms	1,485	(198)	710	1,997
	3 bedrooms	(565)	1,035	1,556	2,026
	4+ bedrooms	61	1,099	1,517	2,677
<b>Total</b>		<b>2,328</b>	<b>4,583</b>	<b>4,844</b>	<b>11,755</b>

<sup>6.122</sup> See remarks relating to Figure 78 regarding apparent surpluses of market housing. However it is noteworthy that there are fewer instances in this scenario as the affordable housing requirement is a higher proportion of the total requirement in some boroughs which reduces the size of the market requirement.

### Estimating Borough level housing requirements using the 5 year monitoring target of the draft replacement London Plan and the housing needs index

<sup>6.123</sup> The rationale for this scenario is that in practice, housing requirements within the sub-region will mostly be met where delivery of new housing occurs. The sub-division of existing properties into smaller units will also help to meet part of these housing requirements.

<sup>6.124</sup> Therefore, as an alternative scenario to using recent household flow trends, we have instead used the monitoring targets set out in the draft replacement London Plan to allocate housing requirements to each Borough. These are set out in Figure 85.

Figure 85  
Future supply of dwellings by Borough (Source: GLA London Plan Consultation Draft 2009)

	Annual new build target	Annual vacants returned to use	Net annual addn. dwellings	5 year addn. delivery	% of sub-regional delivery
Barking and Dagenham	1,485	0	1,485	7,425	14.20%
City of London	81	0	81	405	0.80%
Hackney	1,124	31	1,155	5,775	11.00%
Harvering	1,237	0	1,237	6,185	11.80%
Newham	2,499	0	2,499	12,495	23.80%
Redbridge	748	11	759	3,795	7.20%
Tower Hamlets	2,462	43	2,505	12,525	23.90%
Waltham Forest	688	69	757	3,785	7.20%
<b>TOTAL</b>	<b>10,324</b>	<b>154</b>	<b>10,478</b>	<b>52,390</b>	<b>100.00%</b>

<sup>6.125</sup> While the SHMA identifies that 84,570 dwellings are required to meet current and recent trends for housing requirements, the consultation draft of the London Plan identifies a five year monitoring target for the Boroughs in the sub-region of 52,390 dwellings. The remaining 32,180 dwellings required might be met through a combination of local authorities exceeding their minimum monitoring targets, or the sub-division of existing dwellings. Alternately the requirement might reduce due to more households out migrating or fewer households forming due to limited dwelling availability.

<sup>6.126</sup> If we were to allocate the housing needs and requirements for each Borough based upon its HNI and delivery equivalent to the draft replacement London Plan annual monitoring target we obtain the results shown in Figure 86.

<sup>6.127</sup> On this basis, Newham has been allocated the largest number of dwellings in the sub-region and will therefore find itself accepting a higher share of the housing need of the sub-region. The sub-region's highest figure for London Council's HNI is also for Newham, meaning the highest percentage affordable housing requirement is also to be found in Newham.

Figure 86:

**5 year housing requirement by tenure by Borough constrained to planned delivery using the London Councils' HNI,** (Source: ORS Housing Market Model, East London Housing Market Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>TOTAL REQUIREMENT</b>				
Barking and Dagenham	2,663	2,315	2,447	<b>7,425</b>
City of London	351	27	27	<b>405</b>
Hackney	(2,413)	3,980	4,208	<b>5,775</b>
Havering	4,802	673	710	<b>6,185</b>
Newham	(9,467)	10,674	11,288	<b>12,495</b>
Redbridge	2,131	809	855	<b>3,795</b>
Tower Hamlets	(1,350)	6,744	7,131	<b>12,525</b>
Waltham Forest	(270)	1,971	2,084	<b>3,785</b>
<b>Total</b>	<b>(3,533)</b>	<b>27,196</b>	<b>28,747</b>	<b>52,390</b>
<b>PERCENTAGE REQUIREMENT</b>				
Barking and Dagenham	35.9%	31.2%	33.0%	<b>100%</b>
City of London	86.9%	6.7%	6.7%	<b>100%</b>
Hackney	(41.8%)	68.9%	72.9%	<b>100%</b>
Havering	77.7%	10.9%	11.5%	<b>100%</b>
Newham	(75.8%)	85.4%	90.3%	<b>100%</b>
Redbridge	56.2%	21.3%	22.5%	<b>100%</b>
Tower Hamlets	(10.8%)	53.8%	56.9%	<b>100%</b>
Waltham Forest	(7.1%)	52.1%	55.1%	<b>100%</b>
<b>Total</b>	<b>(6.8%)</b>	<b>51.9%</b>	<b>54.9%</b>	<b>100%</b>

6.128 The ORS housing mix model has produced the following size mix profile by tenure for this scenario.

Figure 87:

**5 year housing requirement by tenure and size for minimum Draft Replacement London Plan delivery and London Councils' HNI,** (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>Barking &amp; Dagenham</b>				
1 bedroom	1,179	1,238	445	2,862
2 bedrooms	1,291	67	445	1,804
3 bedrooms	75	542	731	1,348
4+ bedrooms	119	467	826	1,412
<b>Total</b>	<b>2,664</b>	<b>2,315</b>	<b>2,447</b>	<b>7,425</b>
<b>City of London</b>				
1 bedroom	131	17	2	150
2 bedrooms	226	(6)	(2)	218
3 bedrooms	(34)	7	15	(12)
4+ bedrooms	30	8	12	50
<b>Total</b>	<b>352</b>	<b>27</b>	<b>27</b>	<b>405</b>
<b>Hackney</b>				
1 bedroom	(1,251)	2,312	1,054	2,116
2 bedrooms	(1,673)	(348)	450	(1,570)
3 bedrooms	635	962	1,375	2,971
4+ bedrooms	(123)	1,054	1,329	2,260
<b>Total</b>	<b>(2,412)</b>	<b>3,980</b>	<b>4,208</b>	<b>5,775</b>
<b>Havering</b>				
1 bedroom	1,829	373	50	2,252
2 bedrooms	2,104	(51)	219	2,272
3 bedrooms	357	207	226	790
4+ bedrooms	513	144	215	872

	<b>Total</b>	<b>4,803</b>	<b>673</b>	<b>710</b>	<b>6,185</b>
<b>Newham</b>	1 bedroom	1,661	5,633	4,186	11,480
	2 bedrooms	287	836	1,820	2,942
	3 bedrooms	(8,699)	1,775	2,223	(4,701)
	4+ bedrooms	(2,714)	2,430	3,060	2,776
	<b>Total</b>	<b>(9,466)</b>	<b>10,674</b>	<b>11,288</b>	<b>12,495</b>
<b>Redbridge</b>	1 bedroom	419	477	186	1,082
	2 bedrooms	553	(36)	171	689
	3 bedrooms	867	199	251	1,317
	4+ bedrooms	293	169	247	709
	<b>Total</b>	<b>2,132</b>	<b>809</b>	<b>855</b>	<b>3,795</b>
<b>Tower Hamlets</b>	1 bedroom	(980)	3,677	2,214	4,910
	2 bedrooms	(1,332)	(69)	616	(785)
	3 bedrooms	845	1,392	2,056	4,293
	4+ bedrooms	118	1,744	2,245	4,107
	<b>Total</b>	<b>(1,349)</b>	<b>6,744</b>	<b>7,131</b>	<b>12,525</b>
<b>Waltham Forest</b>	1 bedroom	(21)	1,138	457	1,574
	2 bedrooms	(34)	(85)	305	186
	3 bedrooms	(168)	445	669	947
	4+ bedrooms	(46)	473	653	1,080
	<b>Total</b>	<b>(269)</b>	<b>1,971</b>	<b>2,084</b>	<b>3,785</b>

<sup>6.129</sup> See remarks relating to Figure 78 regarding apparent surpluses of market housing.

### Estimating Borough level housing requirements using the 5 year monitoring target of the draft replacement London Plan and the adjusted housing needs index

<sup>6.130</sup> Figure 88 shows the impact of removing the Index of Multiple Deprivation 2007 from the London Councils' HNI. This leads to more of the identified need going to relatively less deprived Boroughs.

Figure 88:

5 year housing requirement by tenure and Borough constrained to planned delivery using the adjusted London Councils' HNI, (Source: ORS Housing Market Model, East London Housing Market Assessment 2010. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			All Sectors
	Market	Intermediate	Social	
<b>TOTAL REQUIREMENT</b>				
<b>Barking and Dagenham</b>	2,127	2,575	2,722	<b>7,425</b>
<b>City of London</b>	240	80	85	<b>405</b>
<b>Hackney</b>	(1,148)	3,366	3,558	<b>5,775</b>
<b>Havering</b>	2,795	1,648	1,742	<b>6,185</b>
<b>Newham</b>	(7,523)	9,732	10,287	<b>12,495</b>
<b>Redbridge</b>	608	1,549	1,638	<b>3,795</b>
<b>Tower Hamlets</b>	349	5,919	6,257	<b>12,525</b>
<b>Waltham Forest</b>	(1,000)	2,326	2,459	<b>3,785</b>
<b>Total</b>	<b>(3,553)</b>	<b>27,196</b>	<b>28,747</b>	<b>52,390</b>
<b>PERCENTAGE REQUIREMENT</b>				
<b>Barking and Dagenham</b>	28.6%	34.7%	36.7%	<b>100%</b>
<b>City of London</b>	59.3%	19.8%	21.0%	<b>100%</b>
<b>Hackney</b>	(19.9%)	58.3%	61.6%	
<b>Havering</b>	45.2%	26.6%	28.2%	<b>100%</b>
<b>Newham</b>	(60.2%)	77.9%	82.3%	<b>100%</b>
<b>Redbridge</b>	16.0%	40.8%	43.2%	<b>100%</b>

<b>Tower Hamlets</b>	2.8%	47.3%	50.0%	<b>100%</b>
<b>Waltham Forest</b>	(26.4%)	61.5%	65.0%	<b>100%</b>
<b>Total</b>	<b>8.3%</b>	<b>16.9%</b>	<b>74.8%</b>	<b>100%</b>

6.131 The ORS housing mix model has produced the following size mix profile by tenure for this scenario.

Figure 89:

5 year housing requirement by tenure and size for minimum draft replacement London plan delivery and adjusted London Councils' HNI, (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

<b>Housing Requirement</b>	<b>Type of Housing</b>			<b>All Sectors</b>
	<b>Market</b>	<b>Intermediate</b>	<b>Social</b>	
<b>Barking &amp; Dagenham</b>	1 bedroom	941	1,378	2,862
	2 bedrooms	1,031	75	1,804
	3 bedrooms	60	603	1,348
	4+ bedrooms	95	520	1,412
<b>Total</b>		<b>2,127</b>	<b>2,575</b>	<b>7,425</b>
<b>City of London</b>	1 bedroom	89	52	147
	2 bedrooms	154	(16)	132
	3 bedrooms	(23)	22	46
	4+ bedrooms	20	23	80
<b>Total</b>		<b>240</b>	<b>80</b>	<b>405</b>
<b>Hackney</b>	1 bedroom	(595)	1,956	2,252
	2 bedrooms	(796)	(294)	(710)
	3 bedrooms	302	814	2,278
	4+ bedrooms	(59)	891	1,956
<b>Total</b>		<b>(1,148)</b>	<b>3,366</b>	<b>5,775</b>
<b>Harvering</b>	1 bedroom	1,064	913	2,100
	2 bedrooms	1,224	(124)	1,638
	3 bedrooms	208	507	1,269
	4+ bedrooms	299	352	1,179
<b>Total</b>		<b>2,795</b>	<b>1,648</b>	<b>6,185</b>
<b>Newham</b>	1 bedroom	1,320	5,136	10,270
	2 bedrooms	228	762	2,648
	3 bedrooms	(6,914)	1,619	(3,270)
	4+ bedrooms	(2,157)	2,216	2,847
<b>Total</b>		<b>(7,523)</b>	<b>9,732</b>	<b>12,495</b>
<b>Redbridge</b>	1 bedroom	120	914	1,389
	2 bedrooms	158	(68)	418
	3 bedrooms	247	380	1,109
	4+ bedrooms	83	323	879
<b>Total</b>		<b>608</b>	<b>1,549</b>	<b>3,795</b>
<b>Tower Hamlets</b>	1 bedroom	254	3,227	5,423
	2 bedrooms	345	(61)	825
	3 bedrooms	(219)	1,222	2,807
	4+ bedrooms	(31)	1,531	3,470
<b>Total</b>		<b>349</b>	<b>5,919</b>	<b>12,525</b>
<b>Waltham Forest</b>	1 bedroom	(78)	1,343	1,804
	2 bedrooms	(128)	(101)	132
	3 bedrooms	(623)	526	692
	4+ bedrooms	(171)	558	1,157
<b>Total</b>		<b>(1,000)</b>	<b>2,326</b>	<b>3,785</b>

<sup>6.132</sup> See remarks relating to Figure 78 regarding apparent surpluses of market housing.

<sup>6.133</sup> The figure identifies a large requirement for affordable housing in all East London Boroughs. The figures do not equate to a newbuild target for housing delivery, but instead represent the changes which will occur across the whole housing market if current trends continued.

### The effect of policy change on the scenarios

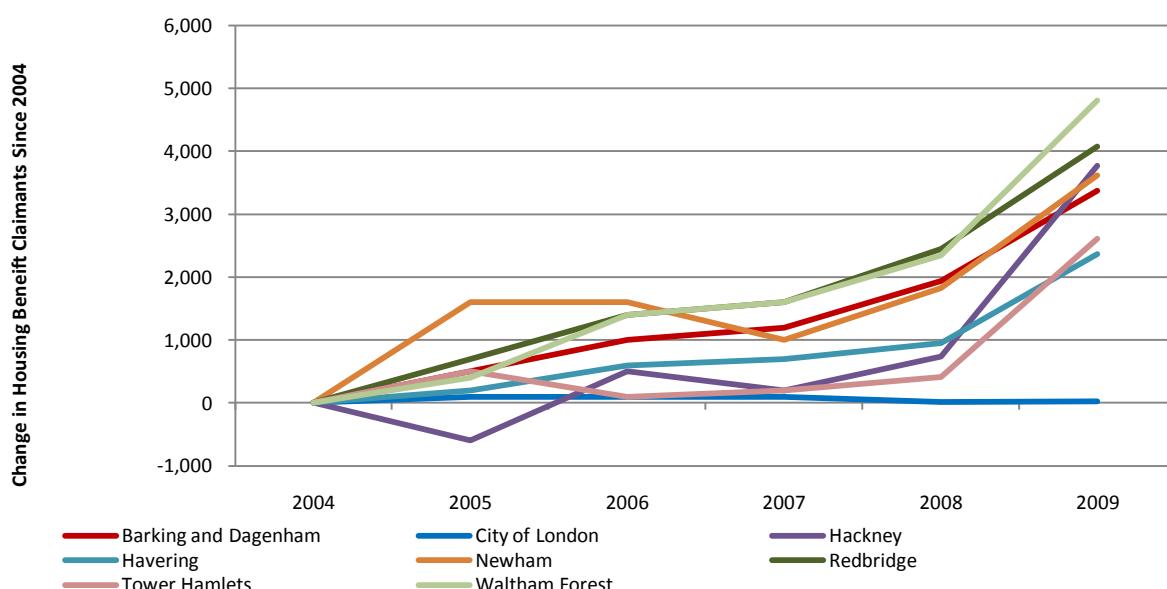
<sup>6.134</sup> As noted earlier in this chapter, the dynamics of the second hand market are more important than newbuild completions to the tenure mix of an area. While Boroughs can clearly not achieve over 100% affordable housing on new dwellings, changes in the second hand market can see market dwellings become part of the affordable housing stock. Therefore, if past trends were to continue, the model is projecting that more market dwellings will need to become part of the effective affordable housing supply.

<sup>6.135</sup> As noted above, the changes of social housing allocation policies and the LHA announced in the June 2010 budget may change trends in the housing market. However, the announcements will have little direct impact on the number of households seeking housing, only on the ability of local authorities to meet these needs. Therefore, we have not adjusted the requirements in light of the June 2010 changes because the impact will be felt on the supply of dwellings, not the requirement for them.

<sup>6.136</sup> It is also the case that, the results are based upon meeting need where it arises, as measured by the London Council's HNI. In practice, and in light of the changes to the LHA announced in the June 2010 budget, it is unlikely that need will be met where it arises, but instead it will be met where dwellings are available that are affordable to the households seeking them.

<sup>6.137</sup> Figure 90 shows the growth which has occurred in housing benefit claimant numbers in each East London Borough since 2004. It is clear that the highest growth has been in outer Boroughs such as Redbridge and Waltham Forest. This does not necessarily mean that Redbridge and Waltham Forest have higher levels of local housing need, but instead may reflect that these areas have more capacity in their private rented stock to house housing benefit claimants.

Figure 90:  
Growth in Housing Benefit Numbers 2004-2009, (Source: Department of Work and Pensions)



<sup>6.138</sup> As discussed earlier in the report, the likelihood is that this trend will continue with the changes to the LHA seeing fewer households being housed in housing benefit supported private rent in Central London, but that this will place additional pressures on outer London Boroughs and possibly authorities outside of London.

### Implications of HB cuts on the estimated size mix for Borough level requirements

<sup>6.139</sup> Figure 91 states the estimated size mix for each Borough on the assumption that the proportion of all private rented sector tenants in receipt of housing benefit remains at the current level. Total provision is equivalent to the draft replacement London Plan minimum delivery target and apportionment to Boroughs is based upon the London Councils' HNI including the Index of Multiple Deprivation 2007.

<sup>6.140</sup> It is notable that there is a substantial need for all bedroom sizes within the social rented requirement.

Figure 91:

Borough Level 5-year Housing Requirement by Housing Type and Size for Minimum Draft Replacement London Plan Delivery and London Councils' HNI, (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Housing Requirement	Type of Housing			All Sectors	
	Market	Intermediate	Social		
<b>Barking &amp; Dagenham</b>	1 bedroom	1,179	1,238	445	2,862
	2 bedrooms	1,291	67	445	1,804
	3 bedrooms	75	542	731	1,348
	4+ bedrooms	119	467	826	1,412
<b>Total</b>		<b>2,664</b>	<b>2,315</b>	<b>2,447</b>	<b>7,425</b>
<b>City of London</b>	1 bedroom	131	17	2	150
	2 bedrooms	226	(6)	(2)	218
	3 bedrooms	(34)	7	15	(12)
	4+ bedrooms	30	8	12	50
<b>Total</b>		<b>352</b>	<b>27</b>	<b>27</b>	<b>405</b>
<b>Hackney</b>	1 bedroom	(1,251)	2,312	1,054	2,116
	2 bedrooms	(1,673)	(348)	450	(1,570)
	3 bedrooms	635	962	1,375	2,971
	4+ bedrooms	(123)	1,054	1,329	2,260
<b>Total</b>		<b>(2,412)</b>	<b>3,980</b>	<b>4,208</b>	<b>5,775</b>
<b>Havering</b>	1 bedroom	1,829	373	50	2,252
	2 bedrooms	2,104	(51)	219	2,272
	3 bedrooms	357	207	226	790
	4+ bedrooms	513	144	215	872
<b>Total</b>		<b>4,803</b>	<b>673</b>	<b>710</b>	<b>6,185</b>
<b>Newham</b>	1 bedroom	1,661	5,633	4,186	11,480
	2 bedrooms	287	836	1,820	2,942
	3 bedrooms	(8,699)	1,775	2,223	(4,701)
	4+ bedrooms	(2,714)	2,430	3,060	2,776
<b>Total</b>		<b>(9,466)</b>	<b>10,674</b>	<b>11,288</b>	<b>12,495</b>
<b>Redbridge</b>	1 bedroom	419	477	186	1,082
	2 bedrooms	553	(36)	171	689
	3 bedrooms	867	199	251	1,317
	4+ bedrooms	293	169	247	709
<b>Total</b>		<b>2,132</b>	<b>809</b>	<b>855</b>	<b>3,795</b>

<b>Tower Hamlets</b>	1 bedroom	(980)	3,677	2,214	4,910
	2 bedrooms	(1,332)	(69)	616	(785)
	3 bedrooms	845	1,392	2,056	4,293
	4+ bedrooms	118	1,744	2,245	4,107
	<b>Total</b>	<b>(1,349)</b>	<b>6,744</b>	<b>7,131</b>	<b>12,525</b>
<b>Waltham Forest</b>	1 bedroom	(21)	1,138	457	1,574
	2 bedrooms	(34)	(85)	305	186
	3 bedrooms	(168)	445	669	947
	4+ bedrooms	(46)	473	653	1,080
	<b>Total</b>	<b>(269)</b>	<b>1,971</b>	<b>2,084</b>	<b>3,785</b>

<sup>6.141</sup> A brief narrative follows summarising results for each Borough.

## Barking and Dagenham

<sup>6.142</sup> Figure 92 summarises the various estimates of the 5 year net housing requirement for Barking and Dagenham, i.e.:

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 3,775 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 9,133 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 7,425 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.143</sup> The unconstrained housing requirement is comparatively small when estimated using the London Councils' HNI and affordable housing forms a high share of the requirement. This indicates that if Barking and Dagenham was to build only to its estimated housing requirement its delivery would be lower than its minimum target in the draft replacement London Plan.

<sup>6.144</sup> If Barking and Dagenham was to meet its dwelling delivery allocation identified in the draft replacement London Plan it will not only meet its own housing requirements, but will also help to meet the wider housing requirements of the East London sub-region.

Figure 92  
Summary of Barking and Dagenham Housing Requirements (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils' HNI</b>			
Market	(213)	5,145 (56.3%)	2,664 (35.9%)
Intermediate	1,939 (48.6%)	1,939 (21.2%)	2,315 (31.2%)
Social	2,049 (51.4%)	2,049 (22.4%)	2,447 (33.0%)
<b>Total</b>	<b>3,775</b>	<b>9,133</b>	<b>7,425</b>
<b>London Councils' HNI without IMD</b>			
Market	(444)	4,914 (53.8%)	2,127 (28.6%)
Intermediate	2,051 (48.6%)	2,051 (22.5%)	2,575 (34.7%)
Social	2,168 (51.4%)	2,168 (23.7%)	2,722 (36.7%)
<b>Total</b>	<b>3,775</b>	<b>9,133</b>	<b>7,425</b>

## The City of London

<sup>6.145</sup> Figure 93 summarises the various estimates of the 5 year net housing requirement for the City of London, i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 832 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 619 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 352 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.146</sup> The unconstrained housing requirement is comparatively large when estimated using the London Councils' HNI and affordable housing forms a small share of the requirement. This indicates that if the City of London only built housing to meet the equivalent of its unconstrained housing requirement, its affordable housing requirements would be low, but its overall dwelling delivery would need to be higher than that identified in the draft replacement London Plan.

<sup>6.147</sup> If the City of London meets its dwelling delivery target identified in the consultation draft replacement London Plan it will not meet its own identified housing requirements, which implies that some of their requirements need to be met in the wider East London sub-region.

Figure 93  
Summary of City of London Housing Requirements (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	832 (93.5%)	619 (91.4%)	352 (86.9%)
Intermediate	29 (3.2%)	29 (4.3%)	27 (6.3%)
Social	29 (3.3%)	29 (4.3%)	27 (6.8%)
<b>Total</b>	<b>890</b>	<b>677</b>	<b>405</b>
<b>London Councils HNI without IMD</b>			
Market	696 (78.2%)	483 (71.3%)	240 (59.3%)
Intermediate	94 (10.6%)	94 (13.9%)	80 (19.6%)
Social	100 (11.2%)	100 (14.8%)	85 (21.0%)
<b>Total</b>	<b>890</b>	<b>677</b>	<b>405</b>

## Hackney

<sup>6.148</sup> Figure 94 summarises the various estimates of the 5 year net housing requirement for the Borough of Hackney, i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 7,715 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 11,924 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 5,775 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.149</sup> The unconstrained housing requirement is high when estimated using the London Councils' HNI and if Hackney was only to meet its unconstrained housing requirement its affordable housing requirements would be more than 100% of its housing delivery. This does not mean that market stock would remain empty in the Borough. Instead, it is projected that parts of the second hand stock will find their way into the effective affordable housing supply through sub-divided properties being rented in the lower quartile or through direct subsidies such as being occupied by housing benefit claimants.

<sup>6.150</sup> If Hackney only meets its dwelling delivery target identified in the consultation draft replacement London Plan it will not meet its own identified housing requirements, which implies that some of its requirement may need to be met in the wider East London sub-region.

Figure 94  
Summary of Hackney's Housing Requirements (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	(3,801)	408 (3.4%)	(2,412)
Intermediate	5,598 (48.6%)	5,598 (46.9%)	3,980 (48.6%)
Social	5,918 (51.4%)	5,918 (49.6%)	4,208 (51.4%)
<b>Total</b>	<b>7,715</b>	<b>11,924</b>	<b>5,775</b>
<b>London Councils HNI without IMD</b>			
Market	(1,454)	2,755 (23.1%)	(1,148)
Intermediate	4,457 (48.6%)	4,457 (37.4%)	3,366 (48.6%)
Social	4,712 (51.4%)	4,712 (39.5%)	3,558 (51.4%)
<b>Total</b>	<b>7,715</b>	<b>11,924</b>	<b>5,775</b>

## Havering

<sup>6.151</sup> Figure 95 summarises the various estimates of the 5 year net housing requirement for the Borough of Havering, i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 4,270 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 12,009 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 6,185 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.152</sup> The estimated level of housing requirements in the Borough is low compared to its dwelling delivery target identified in the consultation draft replacement London Plan or estimates based upon its share of households in East London. If Havering was to deliver the equivalent of its unconstrained housing requirement its dwelling delivery would be relatively low compared to the other estimates. If Havering meets its dwelling delivery allocation identified in the consultation draft replacement London Plan it will not only meet its own housing requirements, but also some of the requirements of the wider East London sub-region.

<sup>6.153</sup> It is notable that Havering has results which are extremely sensitive to whether IMD is included in the London Council's HNI. Havering experiences relatively low levels of deprivation compared with Central London Boroughs, so removing IMD from the HNI leads to far higher levels of need being identified in Havering.

Figure 95  
Summary of Havering Housing Requirements (Source: ORS Housing Market Model, East London Housing Requirement Assessment 2010)

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	2,443 (57.2%)	10,182 (84.4%)	4,803 (77.7%)
Intermediate	889 (20.8%)	889 (7.4%)	673 (10.9%)
Social	938 (22.0%)	938 (7.8%)	710 (11.5%)
<b>Total</b>	<b>4,270</b>	<b>12,009</b>	<b>6,185</b>
<b>London Councils HNI without IMD</b>			
Market	82 (1.9%)	7,821 (65.1%)	2,795 (45.2%)
Intermediate	2,036 (47.7%)	2,036 (17.0%)	1,648 (26.6%)
Social	2,152 (50.4%)	2,152 (17.9%)	1,742 (28.2%)
<b>Total</b>	<b>4,270</b>	<b>12,009</b>	<b>6,185</b>

## Newham

<sup>6.154</sup> Figure 96 summarises the various estimates of the 5 year net housing requirement for the Borough of Newham i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 21,875 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 13,784 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 12,495 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.155</sup> The level of unconstrained housing requirements in the Borough is extremely high. For Newham to meet its own housing requirements it would need dwelling delivery nearly 100% higher than those identified in the consultation draft replacement London Plan.

<sup>6.156</sup> If Newham only meets its dwelling delivery allocation identified in the consultation draft replacement London Plan they it will not meet its own housing requirements, which implies that some of its requirements may need to be met in the wider East London sub-region. Under this scenario its affordable housing requirements would also be more than 100% of its housing delivery. This does not mean that market stock would remain empty in the Borough. Instead, parts of the second hand stock will find their way into the effective affordable housing supply through sub-divided properties being rented in the lower quartile or through direct subsidies such as being occupied by housing benefit claimants.

Figure 96  
Summary of Newham Housing Requirements (Source: ORS Housing Market Model, East London Housing Requirement Assessment)

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	5,370 (24.5%)	(2,722)	(9,466)
Intermediate	8,023 (36.7%)	8,023 (48.6%)	10,674 (48.6%)
Social	8,483 (38.8%)	8,483 (51.4%)	11,288 (51.4%)
<b>Total</b>	<b>21,875</b>	<b>13,784</b>	<b>12,495</b>
<b>London Councils HNI without IMD</b>			
Market	7,803 (35.7%)	(288)	(7,523)
Intermediate	6,841 (31.3%)	6,841 (48.6%)	9,732 (48.6%)
Social	7,231 (33.1%)	7,231 (51.4%)	10,287 (51.4%)
<b>Total</b>	<b>21,875</b>	<b>13,784</b>	<b>12,495</b>

## Redbridge

<sup>6.157</sup> Figure 97 summarises the various estimates of the 5 year net housing requirement for the Borough of Redbridge i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 12,070 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 12,262 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 3,795 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.158</sup> The unconstrained housing requirements in the Borough is high compared to its dwelling delivery target identified in the consultation draft replacement London Plan, but similar its share of households in the East London. For Redbridge to meet its own housing requirements would need dwelling delivery levels nearly 200% higher than those identified in the consultation draft replacement London Plan. This implies that some of its requirements may need to be met in the wider East London sub-region

<sup>6.159</sup> It is notable that Redbridge has results which are extremely sensitive to whether IMD is included in the London Council's HNI. Redbridge experiences relatively low levels of deprivation compared to the Central London Boroughs, so removing IMD from the HNI leads to far higher levels of need being identified in Redbridge.

Figure 97  
Summary of Redbridge Housing Requirements (Source: ORS Housing Market Model, North London Housing Requirement Assessment)

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	8,420 (69.8%)	8,612 (70.2%)	2,132 (56.2%)
Intermediate	1,775 (14.7%)	1,775 (14.5%)	809 (21.3%)
Social	1,875 (15.5%)	1,875 (15.3%)	855 (22.5%)
<b>Total</b>	<b>12,070</b>	<b>12,262</b>	<b>3,795</b>
<b>London Councils HNI without IMD</b>			
Market	5,479 (45.4%)	5,671 (46.2%)	608 (16.0%)
Intermediate	3,204 (26.5%)	3,204 (26.1%)	1,549 (40.8%)
Social	3,387 (28.1%)	3,387 (27.6%)	1,638 (43.2%)
<b>Total</b>	<b>12,070</b>	<b>12,262</b>	<b>3,795</b>

## Tower Hamlets

<sup>6.160</sup> Figure 98 summarises the various estimates of the 5 year net housing requirement for the Borough of Tower Hamlets i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 23,380 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 13,023 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 12,525 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.161</sup> The unconstrained housing requirement in the Borough is extremely high. For Tower Hamlets to meet its own housing requirements it would need dwelling delivery levels nearly 100% higher than those identified in the consultation draft replacement London Plan.

<sup>6.162</sup> If Tower Hamlets only meets its dwelling delivery target identified in the consultation draft replacement London Plan it will not meet its unconstrained housing requirements, which implies that some of its requirement may need to be met in the wider East London sub-region. Under this scenario its affordable housing requirements would also be more than 100% of its housing delivery. This does not mean that market stock would remain empty in the Borough. Instead, it is projected that parts of the second hand stock will find their way into the effective affordable housing supply through sub-divided properties being rented in the lower quartile or through direct subsidies such as being occupied by housing benefit claimants.

Figure 98

**Summary of Tower Hamlets Housing Requirements** (Source: ORS Housing Market Model, East London Housing Requirement Assessment) 2010

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	13,559 (58.0%)	3,202 (24.6%)	(1,349)
Intermediate	4,774 (20.4%)	4,774 (36.7%)	6,744 (48.6%)
Social	5,047 (21.6%)	5,047 (38.8%)	7,131 (51.4%)
<b>Total</b>	<b>23,380</b>	<b>13,023</b>	<b>12,525</b>
<b>London Councils HNI without IMD</b>			
Market	15,296 (65.4%)	4,939 (37.9%)	349 (2.8%)
Intermediate	3,930 (16.8%)	3,930 (30.2%)	5,919 (47.3%)
Social	4,154 (17.8%)	4,154 (31.9%)	6,257 (50.0%)
<b>Total</b>	<b>23,380</b>	<b>13,023</b>	<b>12,525</b>

## Waltham Forest

<sup>6.163</sup> Figure 99 summarises the various estimates of the 5 year net housing requirement for the Borough of Waltham Forest i.e.;

- the tenure split of its 5 year requirement not constrained to delivery, based upon the London Councils' HNI per Figure 77 and Figure 79 (total 10,610 dwellings);
- the tenure split of its 5 year requirement based upon its current share of the total number of households in East London per Figure 81 and Figure 83 (total 11,775 dwellings);
- the tenure split of its 5 year requirement based upon supply constrained to the consultation draft Replacement London Plan 2009 annual monitoring target per Figure 86 and Figure 88 (total 3,785 dwellings); and
- in each case the outputs have estimated using the London Councils' HNI and also the HNI without the IMD component.

<sup>6.164</sup> Based upon recent household flows in Waltham Forest the level of housing requirements in the Borough is high compared to its dwelling delivery target identified in the draft replacement London Plan, but similar its share of households in the East London. For Waltham Forest to meet its own housing requirements would need dwelling delivery levels around 150% higher than those identified in the draft replacement London Plan. This implies that some of their requirements may need to be met in the wider East London sub-region

Figure 99

**Summary of Waltham Forest Housing Requirements** (Source: ORS Housing Market Model, East London Housing Requirement Assessment) 2010

Tenure	Unconstrained Housing Requirements	Arising proportionately across East London	Constrained to Dwelling Delivery
<b>London Councils HNI</b>			
Market	2,056 (19.4%)	3,201 (27.2%)	(269)
Intermediate	4,158 (39.1%)	4,158 (35.4%)	1,971 (48.6%)
Social	4,396 (41.4%)	4,396 (37.4%)	2,084 (51.4%)
<b>Total</b>	<b>10,610</b>	<b>11,755</b>	<b>3,785</b>
<b>London Councils HNI without IMD</b>			
Market	1,183 (11.1%)	2,328 (19.8%)	(1,000))
Intermediate	4,583 (43.2%)	4,583 (39.0%)	2,326 (48.6%)
Social	4,844 (45.7%)	4,844 (41.2%)	2,459 (51.4%)
<b>Total</b>	<b>10,610</b>	<b>11,755</b>	<b>3,785</b>

## Section 6 summary

- An estimated 84,570 additional dwellings should be provided over the 5-year period to sustain the existing supply/demand imbalance. This is the result of a net 58,935 household formations and dissolutions and a net gain of 25,635 households through migration.
- The local income required to afford intermediate affordable housing has been estimated. The range is between £16,500 for 1 bedroom social rented and £57,200 for a 4 bedroom market rented home at the 25<sup>th</sup> percentile of the price range.
- The sub-regional housing requirement and its tenure split has been estimated in scenarios that use different assumptions about the nature of the affordable supply, the intermediate income band and changes to the levels of housing benefit for private rented sector housing.
- By applying affordability tests and ORS standard assumptions regarding supply to the estimated 5 year net requirement of 84,570 dwellings the tenure split can be estimated as;
  - market housing 28,627 dwellings (34%);
  - intermediate affordable housing 27,196 dwellings (32%); and
  - social rented housing 28,747 dwellings (34%).
- This is in excess of the Draft Replacement London Plan 5 year minimum target of 52,390 net additional dwellings. In an alternative scenario the housing requirement has been constrained to this delivery and the tenure mix estimated thereon. The SHMA assumes that the requirement for affordable housing will still be met from this delivery and the report explains the implications of not doing so. Using this assumption the proportion of market housing will be smaller so the tenure split becomes;
  - market housing 3,533 dwellings (-7%);
  - intermediate affordable housing 27,196 dwellings (52%); and
  - social rented housing 28,747 dwellings (55%).
- A negative market requirement is a result of affordable housing requirement being greater than the planned 5 year delivery based upon what the 84,570 additional households are likely to afford. In reality market housing for sale will be purchased by existing households with equity or investors. If rented it may be let to households that are prepared to share housing in order to reduce costs or those claiming housing benefit.
- The implications of the difference between the SHMA estimate of requirements and the anticipated London Plan delivery is considered in Section 8 of the report.
- Other scenarios are explored including raising the intermediate housing income limits stated above to those suggested by the consultation draft replacement London Plan; constraining the 5 year supply of affordable housing to dedicated products (Council/RSL social rent and shared ownership based intermediate affordable housing) and changes to assumptions about private rented sector housing benefit claims. The impact of the Governments proposed reductions in housing benefit (June 2010) is also modelled and the apparent implications considered;
  - potentially, there could be reduced household formation rates which may reduce the number of households seeking affordable housing;
  - the supply of private rented dwellings may change significantly, especially for households on lower incomes;
  - where landlords accept lower rents then many more households may leave inner London for outer London;
  - the total number of housing benefit claimants in the private rented sector is unlikely to fall, but their locations will change to lower priced areas;
  - alternately, where landlords do not reduce rents more properties may return to open market housing;
  - an increase in the number of households seeking to address their own housing requirements by buying or renting is likely; and
  - local authorities may be pressed to find housing solutions for increasing demand from households who cannot resolve their own needs resulting in homelessness presentations and overcrowding rising further.
- The net requirement for each local authority has also been estimated by tenure and size. 6 scenarios are tested;
  - using Borough level unconstrained additional housing requirements with affordable housing apportioned using the London Councils' HNI and an adjusted HNI with the index of multiple deprivation removed;
  - constraining Borough level requirements to target delivery with affordable housing apportioned using the London Councils' HNI and the adjusted HNI;
  - apportioning each Borough's share of the sub-regional requirement in proportion to its population using the London Councils' HNI and the adjusted HNI.

## Section 7: Understanding Specific Sub-Group Needs

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- <sup>7.1</sup> Whilst we have established an understanding of the housing needs and housing requirements of the overall population across the sub-region, PPS3 recognises that it is important to plan for different types of households.
- <sup>7.2</sup> The modelling analysis discussed earlier in the report took proper account of the housing needs and demands from all household groups, so the proposed mix of dwellings should already provide suitable housing for the whole population (including the different sub-groups identified below), but the following section provides further information on how their needs may differ from the needs of the general household population.
- <sup>7.3</sup> Whilst the analysis does not seek to identify additional housing requirements that would need to be provided in addition to the general requirements previously discussed, it helps to identify the housing circumstances of these different groups. The information may therefore help inform strategies that seek to prioritise the allocation of available housing and help understand the nature of households likely to be seeking different types of dwellings that may be delivered.
- <sup>7.4</sup> The sub-groups considered include;
- older people;
  - black and minority ethnic groups;
  - disabled people;
  - young people;
  - students;
  - key workers;
  - first time buyers; and
  - homeless people.
- <sup>7.5</sup> It is important to note that whilst this provides a general context for each of these identified groups, independent studies which profile the requirements in further detail already exist for some sub-groups whereas others may warrant further research to expand on and better understand some of the key issues identified.
- <sup>7.6</sup> It is also important to recognise that because many of these groups only represent small proportions of the overall population, some of the data available may be based on relatively small samples and should therefore be treated with appropriate caution.

## Understanding the Housing Requirements of Older People

- 7.7 There were 211,700 people of retirement age identified in the East London sub-region by the 2001 Census. Of these 85,700 (40%) were aged 75 or over, including 21,252 (10%) who were aged 85+.
- 7.8 The 2008 round population forecasts from the GLA provide high and low growth scenarios for the region for the period to 2026. The low scenario (committed build) is illustrated in Figure 101 and Figure 102 below.
- 7.9 These figures suggest that the number of older people in the sub-region will rise to 250,100 by 2026, which represents an increase of 18% from 2001. This is in the context of an overall projected increase (for people of all ages) of 24%. Therefore, the older population is anticipated to grow slightly less than the population as a whole.
- 7.10 When we consider the age breakdown, it is apparent that the population aged 85+ years is predicted to increase most (32%) whereas the population aged 75-84 is predicted to fall over the period to 2016 and only be marginally larger than the 2001 population by 2026 (4%).

Figure 101  
Number of Older Persons in East London (Source: GLA projections - 2008 round, PLP Low scenario)

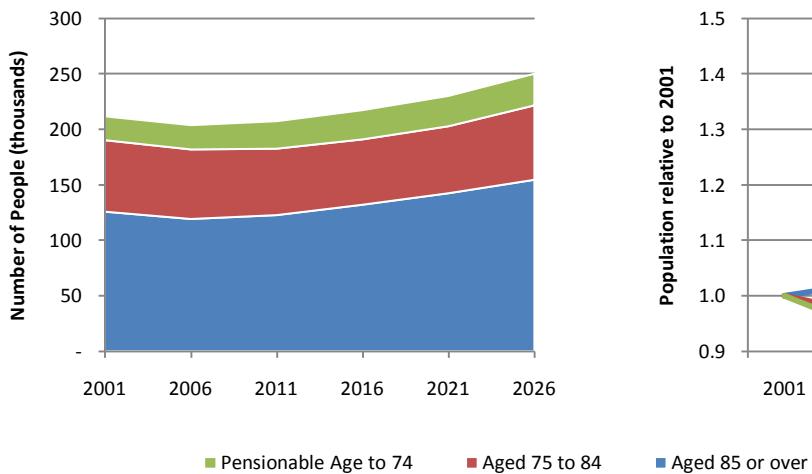


Figure 100  
Age Profile for those of Retirement Age or over in East London 2001 (Source: 2001 Census of Population)

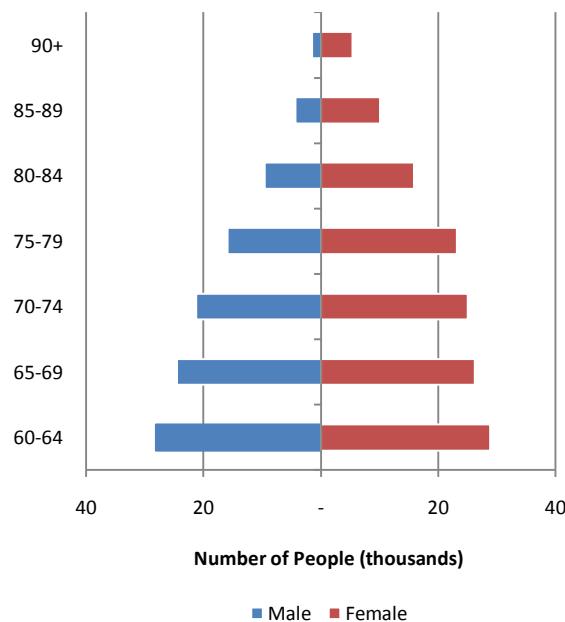
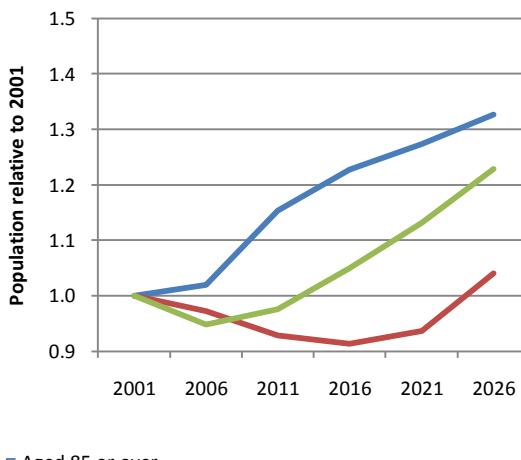


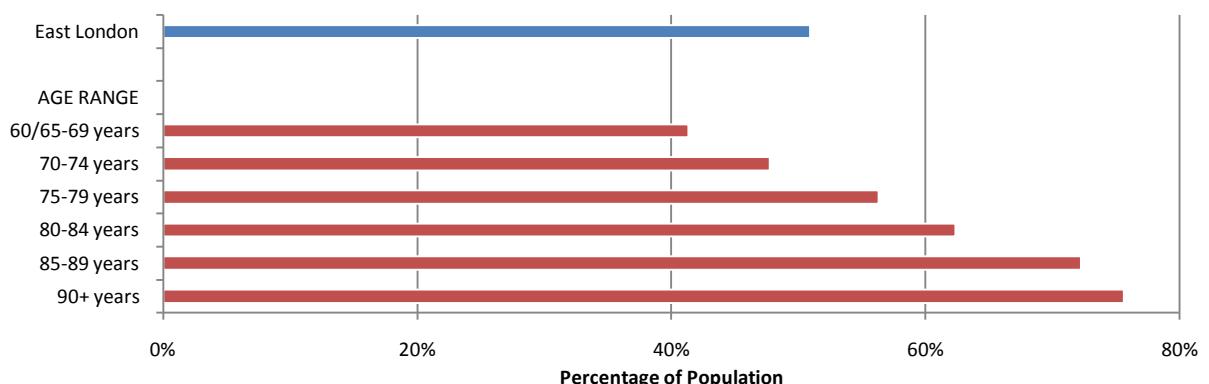
Figure 102  
Change in Proportion of Older Person Population in East London (Source: GLA projections - 2008 round, PLP Low scenario)



- 7.11 This changing age profile is of particular relevance when considered in the context of health and support needs. Figure 103 shows the proportion of East London's residents that reported suffering from limiting long-term illness by age band. Whilst it is important to recognise that one of the main reasons that the population is aging is improved health and, by implication, these propensity rates will tend to get lower over time, the most elderly population will still be the most susceptible to ill-health.

Figure 103

**Limiting Long-term Illness of Older People by Age Group** (Source: UK Census of Population 2001. Note: Data is for females aged 60 years and over and males aged 65 years and over)



7.12 The data indicates that 51% of people of pensionable age suffer from a limiting long-term illness. This figure is 41.4% for those aged up to 70 years, but rises rapidly to over three quarters for those aged 85 years and above. Therefore, the forecasted growth in the older population of East London is likely to see more people with support needs in the future.

7.13 When we consider pensioner households, there were a total of 113,500 recorded in East London by the 2001 Census (19% of all households in the region), of which 77,500 were single persons (68% of all pensioner households identified).

7.14 The 2008 round household projections from the GLA identifies that the number of older single person households will increase to 93,000 by 2026, a growth of 20% from the 2001 base. However, this is lower than the overall projected increase of households, which is projected to increase by 38% over the same period. Furthermore, the overall increase in single person households is projected to be 70% over the period 2001 to 2026, which is considerably higher than the increase of older single person households.

7.15 An analysis of household income shows that for older person households, 62% have an income of less than £10,000 per annum (compared with 31% for all households), many depending exclusively on pension income.

7.16 When considering the tenure of households at the time of the Census, the proportion of all pensioner

Figure 104

**Household Projections 2001-26** (Source: GLA Low projections - 2008 round)

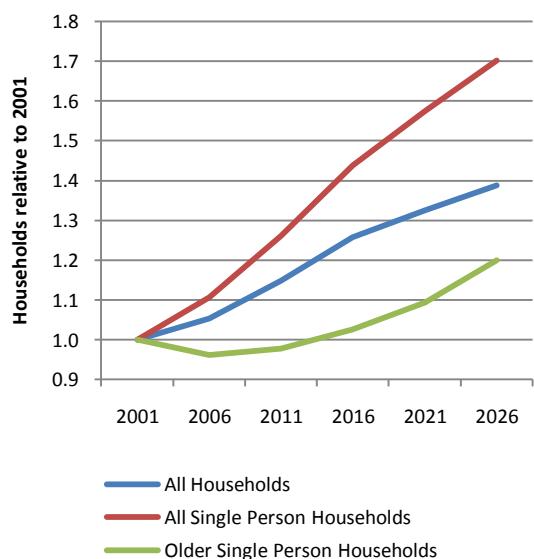
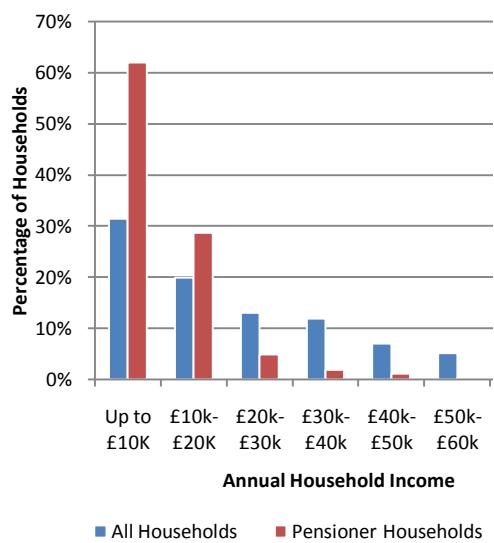


Figure 105

**Household Income by Household Type** (Source: Local Authority Survey Data)

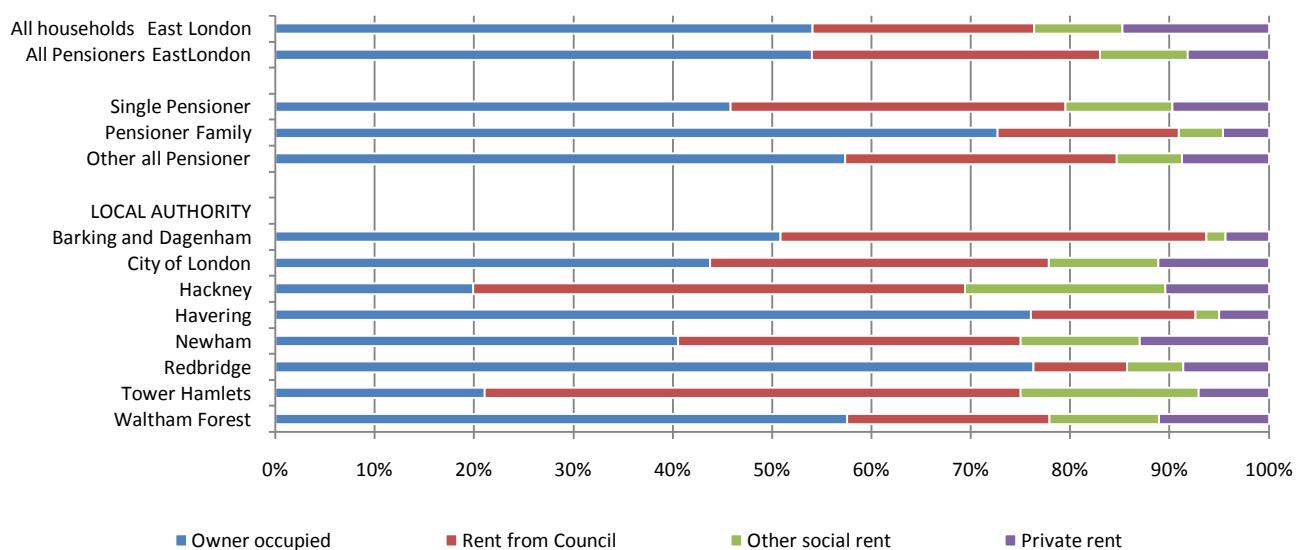


households that owned did not differ significantly from the population as a whole (54%), but a larger proportion of pensioner households rented their home from social landlords with a smaller proportion renting privately.

7.17 Single pensioners were less likely to own their own home (46%) but households consisting of one pensioner family were considerably more likely to own (73%).

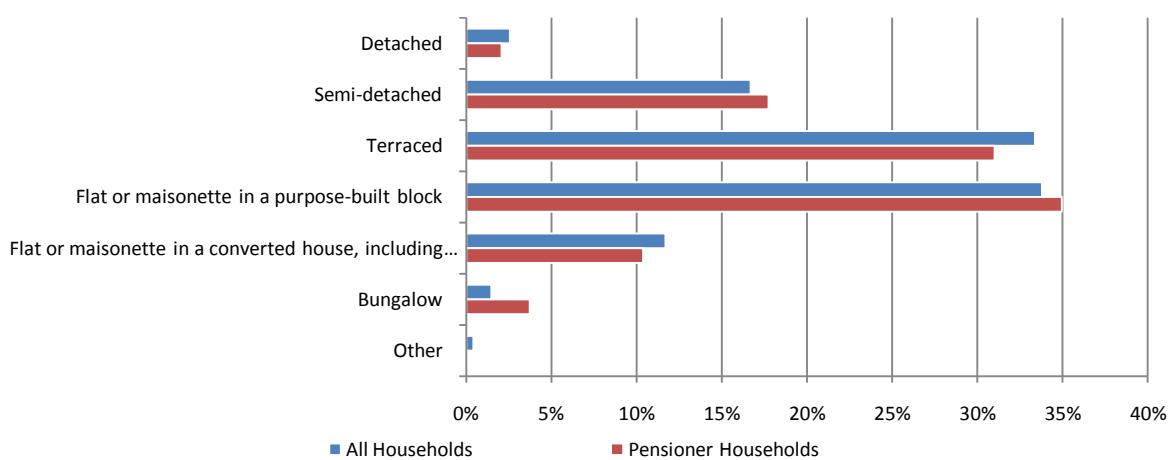
7.18 The tenure of pensioner households varies by local authority, with around 75% owner occupiers in Havering and Redbridge and around 70% social rent in Hackney and Tower Hamlets. There are also relatively high proportions of pensioners in private rented accommodation in Newham while there are relatively low proportions in Havering.

**Figure 106**  
**Tenure of Pensioner Households by Local Authority** (Source: UK Census of Population 2001)



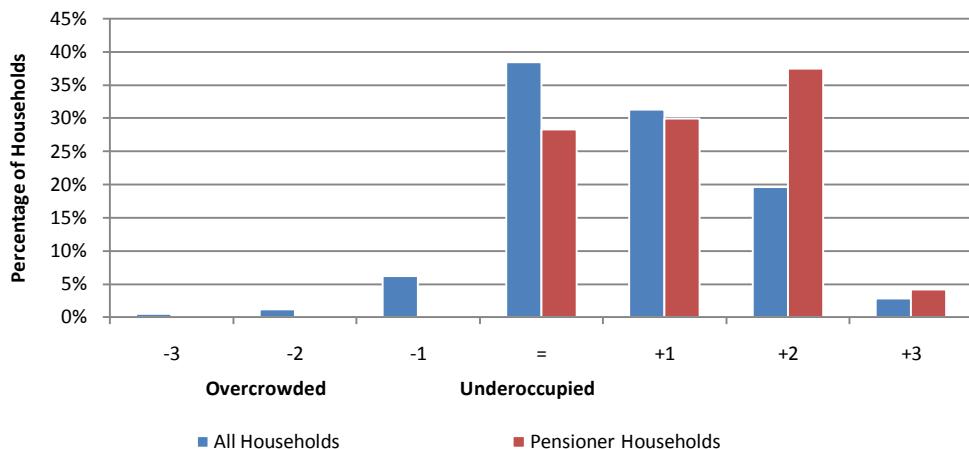
7.19 Pensioner households are more likely to live in semi-detached houses, bungalows and purpose built flats than all households in East London, whilst being less likely to live in terraced housing or converted flats.

**Figure 107**  
**Dwelling Type by Household Type in East London** (Source: Local Authority Survey Data)



<sup>7.20</sup> Virtually no pensioner households are currently living in overcrowded circumstances, although 28% have only the correct number of rooms for their household, without any spare rooms. As many as 37% of pensioner households have two more rooms than they technically need and a further 4% have three or more spare rooms (compared to 19% and 3% of all households respectively).

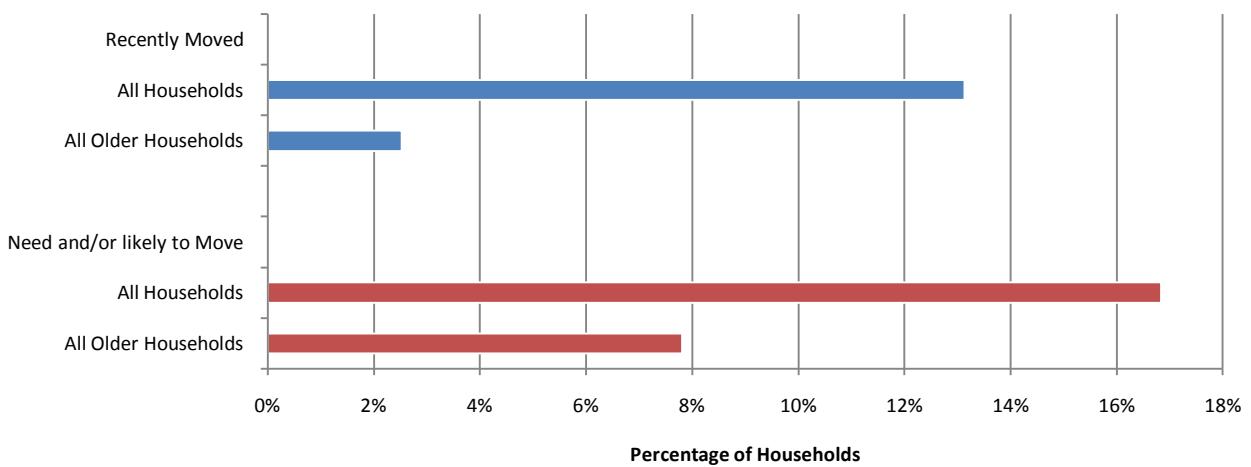
Figure 108  
Overcrowding by Household Type (Source: Local Authority Survey Data)



<sup>7.21</sup> When considering the housing requirements of older person households, it is important to understand the balance between those likely to remain in their current homes and those likely to move.

<sup>7.22</sup> Figure 109 shows that pensioner households are considerably less likely to move home than the population as a whole.

Figure 109  
Household Movement Trends over the last 12-months and Needs/Expectations for the next 12-months (Source: Local Authority Survey Data)



<sup>7.23</sup> Over the last year, 13.1% of all households had moved address compared to only 2.5% of all pensioner households. Therefore, pensioner households are more than five times less likely to move home than the whole population.

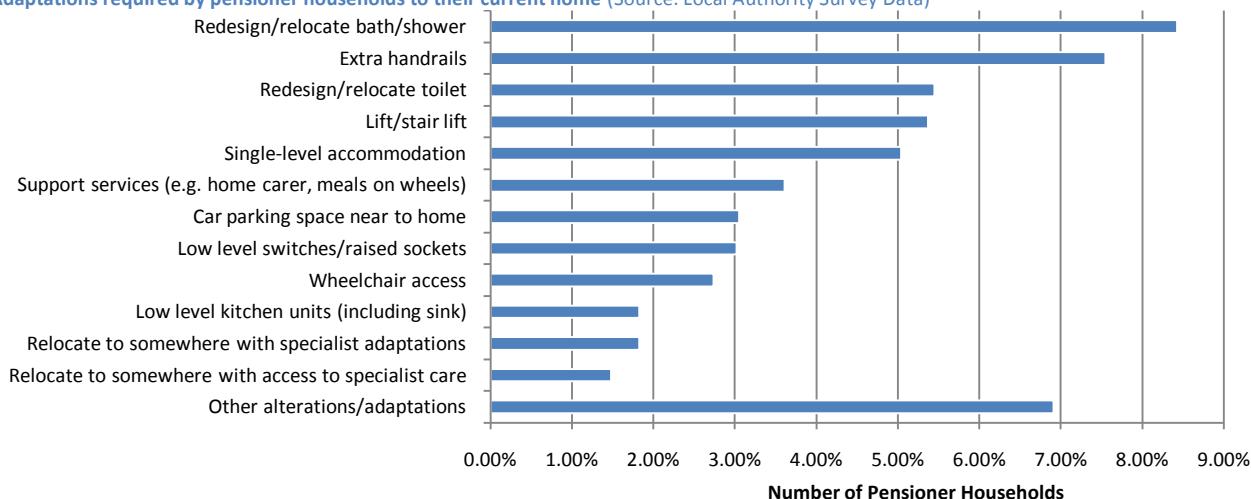
<sup>7.24</sup> When this is compared to future expectations, considerably higher proportions of all pensioner households need and/or consider it likely that they will move in the next 12 months than recent trends would suggest was likely.

7.25 When considering all pensioner households, a total of 3,300 moved into their property in East London over the last 12 months. This compares to 10,100 who need and/or consider it likely that they will move over the next 12 months.

7.26 Figure 110 shows the range of adaptations required by pensioner households to their current homes where it can be seen that bathroom and toilet adaptations (10,900 households), handrails (9,800 households) and lifts/stair lifts (7,100 households) are the most common adaptations required.

Figure 110

**Adaptations required by pensioner households to their current home (Source: Local Authority Survey Data)**

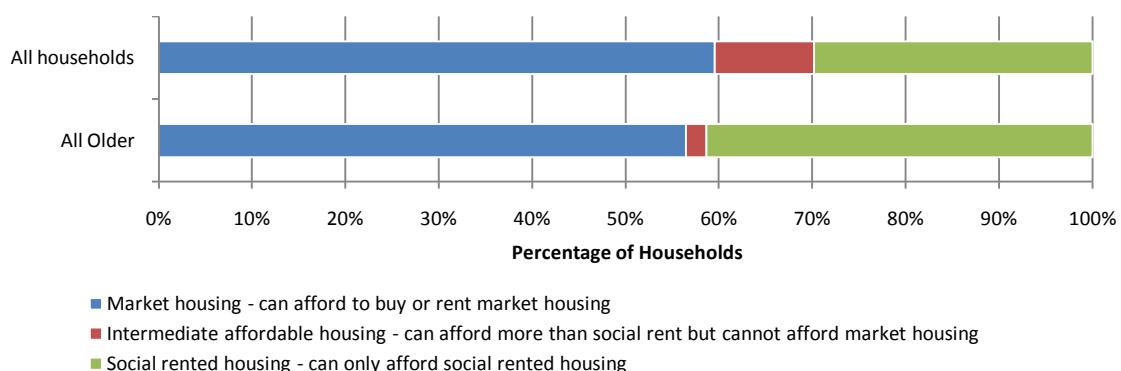


7.27 Finally, Figure 111 compares the affordability of pensioner households with the affordability of all households in the region. This shows that, on the basis of affordability, pensioners are more likely to require social rented housing than all households in the sub-region.

7.28 On the basis of their affordability alone, very few pensioner households require intermediate affordable housing, although there may be a role for intermediate affordable housing for older people where it can enable owner occupiers to release some of the equity in their home.

Figure 111

**Household Affordability (Source: Local Authority Survey Data. Note: Figures based exclusively on affordability and do not take into account any other eligibility criteria. The affordability test is based on analysis comparable to that used within the ORS Housing Market Model)**



**Housing Requirements of Older Persons:****Summary of Key Points**

- In 2001, there were 211,700 people of retirement age living in the East London region.
- This population is projected to increase by 18% by 2026 with the population aged 85+ projected to increase by 32% over the same period.
- Over half (51%) of the retired population reported that they suffered from a limiting long-term illness in the 2001 Census, which ranged from 41% of people aged up to 70 years to over three quarters of people aged 85 years or over.
- Pensioner households are more than five times less likely to move as all households in East London, so many will continue to live in their existing home as they get older.
- Most adaptations to existing homes are required in the owner occupied sector, but proportionately more households require adaptations in the social rented sector.
- More households expect to move in the next year than trends suggest will actually move with this being particularly the case for pensioners, perhaps due to a lack of attractive housing options suitable for their needs.

## Understanding the Housing Requirements of Black and Minority Ethnic Groups

<sup>7.29</sup> The 2001 Census also contains information on the ethnicity of the population. It classified ethnic groups on the basis of sixteen categories which are standardised across all UK government sources (Figure 112). This classification is also used by the Commission for Racial Equality and many other organisations interested in analysing information about Black and Minority Ethnic (BME) communities.

<sup>7.30</sup> These sixteen categories can be grouped together into five aggregate groups – White, Mixed, Black, Asian and Other – and some information sources do not provide any details beyond these broad groupings (though White British and White Non British are sometimes reported independently).

<sup>7.31</sup> Information from the Census is based on individual responses, insofar as each person must decide themselves to which ethnic group they belong and this inherently introduces some degree of inaccuracy into the data. For instance, when we consider those people that were born in the Middle East, there is a clear division between those classifying themselves as “Asian Other” and those choosing “Other Ethnic Group” despite their actual origins being the same.

<sup>7.32</sup> At the time of the 2001 Census the BME population in East London comprised 42.6% of the total population. This included 7.4% of the population who were White, but not White British and a further 35.2% who could be considered as a Non-White population. The proportion of BME residents varied by local authority with BME groups comprising 66% in Newham, 57% in Tower Hamlets and 56% of the total population in Hackney, including between 40% and 60% non-white groups. In contrast only 19% of the population of Barking and Dagenham and 8% of the population of Havering consisted of BME groups.

<sup>7.33</sup> While BME groups comprised 42.6% of the total population, 35.4% of household representatives were from BME groups. This indicates that household sizes for BME households are typically larger than for the White British population.

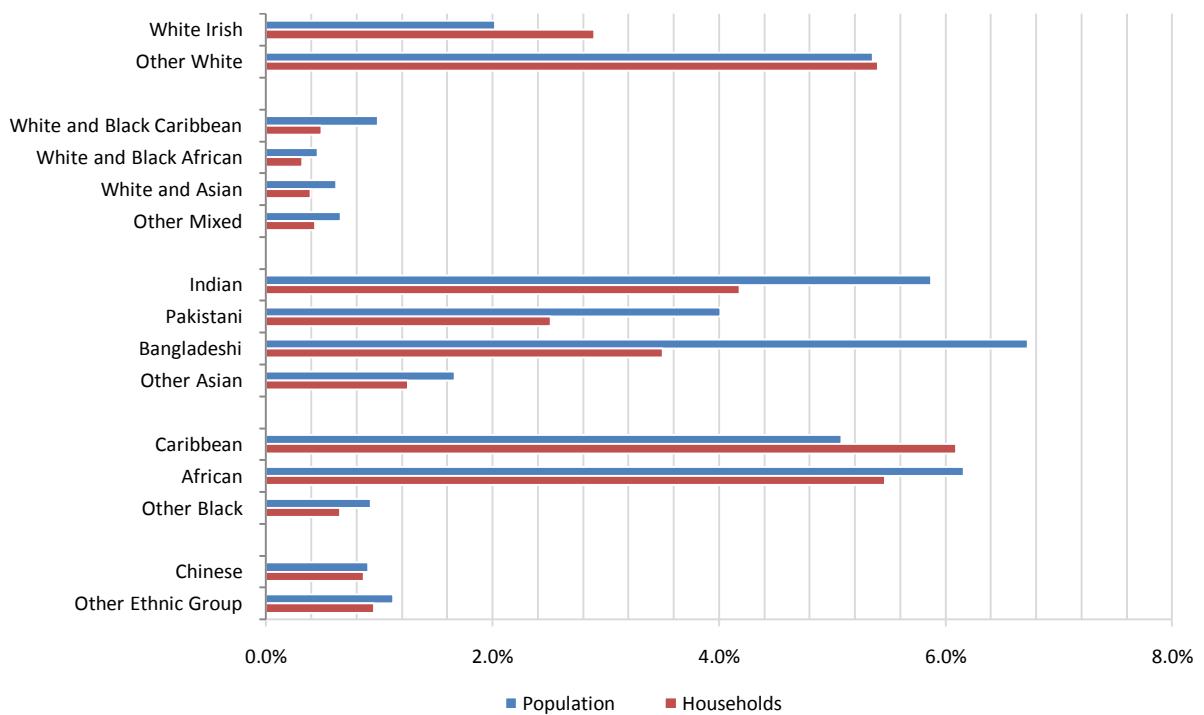
<sup>7.34</sup> Figure 113 overleaf indicates that the ethnic group classifications with the largest populations in East London are Bangladeshi (6.7%), Black African (6.2%) Indian (5.9%), White Other (5.4%) and Black Caribbean (5.1%). Figure 113 overleaf also indicates that for the White Irish and Black Caribbean populations there is a higher share of household representatives than population. This implies that for these two groups their household sizes are typically smaller than the average across East London. Meanwhile, for all other ethnic groups their household sizes are on average larger than the average, particularly in the case of Bangladeshi and Indian households.

Figure 112

Ethnic Group Classification (Source: UK Census of Population 2001)

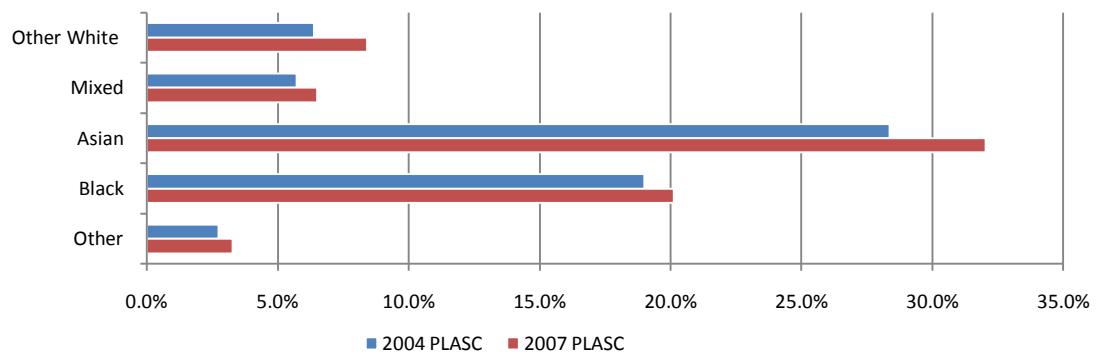
Broad Group	Detailed Classification	
White	White British	
	White Irish	
	Any Other White Background	
Mixed	White and Black Caribbean	
	White and Black African	
	White and Asian	
	Any Other Mixed Background	
Asian or Asian British	Indian	
	Pakistani	
	Bangladeshi	
	Any Other Asian Background	
Black or Black British	Caribbean	
	African	
	Any Other Black Background	
Chinese or Other Ethnic Group	Chinese	
	Any Other Background	

**Figure 113**  
**Black and Ethnic Minority Population and Household Representatives by Ethnic Group in 2001** (Source: UK Census of Population 2001)



<sup>7.35</sup> To highlight how the BME population of East London may have changed recently, Figure 114 compares how large a share, BME group children formed of primary school rolls across East London in 2004 and 2007. The data is drawn from the Pupil Level Annual Schools Census (PLASC) which is conducted every January by every maintained school.

**Figure 114**  
**Primary School Aged Pupils by Ethnic Group 2004 and 2008** (Source: Department for Children, Schools and Families Pupil Level Annual Schools Census)



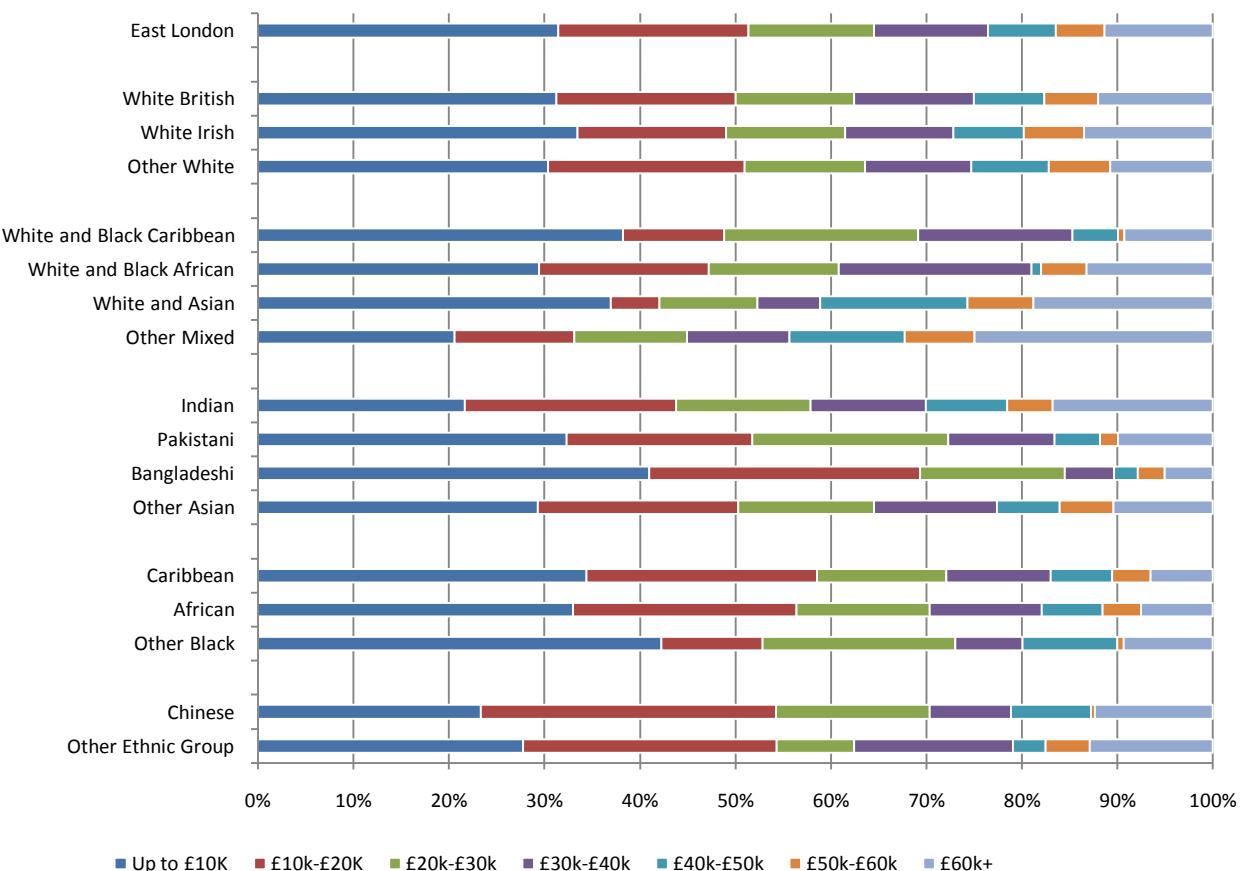
<sup>7.36</sup> In 2004 children from identified BME groups formed 62.2% of all pupils in primary schools in East London. By 2008 this figure had risen to 70.3% of all primary school children. Therefore, there has been a substantial rise in the share of children in East London primary schools who come from BME groups. This is likely to be reflected in adults from BME groups also increasing their share of East London's population in this time.

<sup>7.37</sup> Figure 114 shows that the White Other and Asian ethnic groups in particular have had a large rise in their share of primary school pupils since 2004 having risen by around 2.0 and 3.4 percentage points

respectively in the four years up to 2008. This indicates that these ethnic groups have seen a rise in total population in East London since 2004.

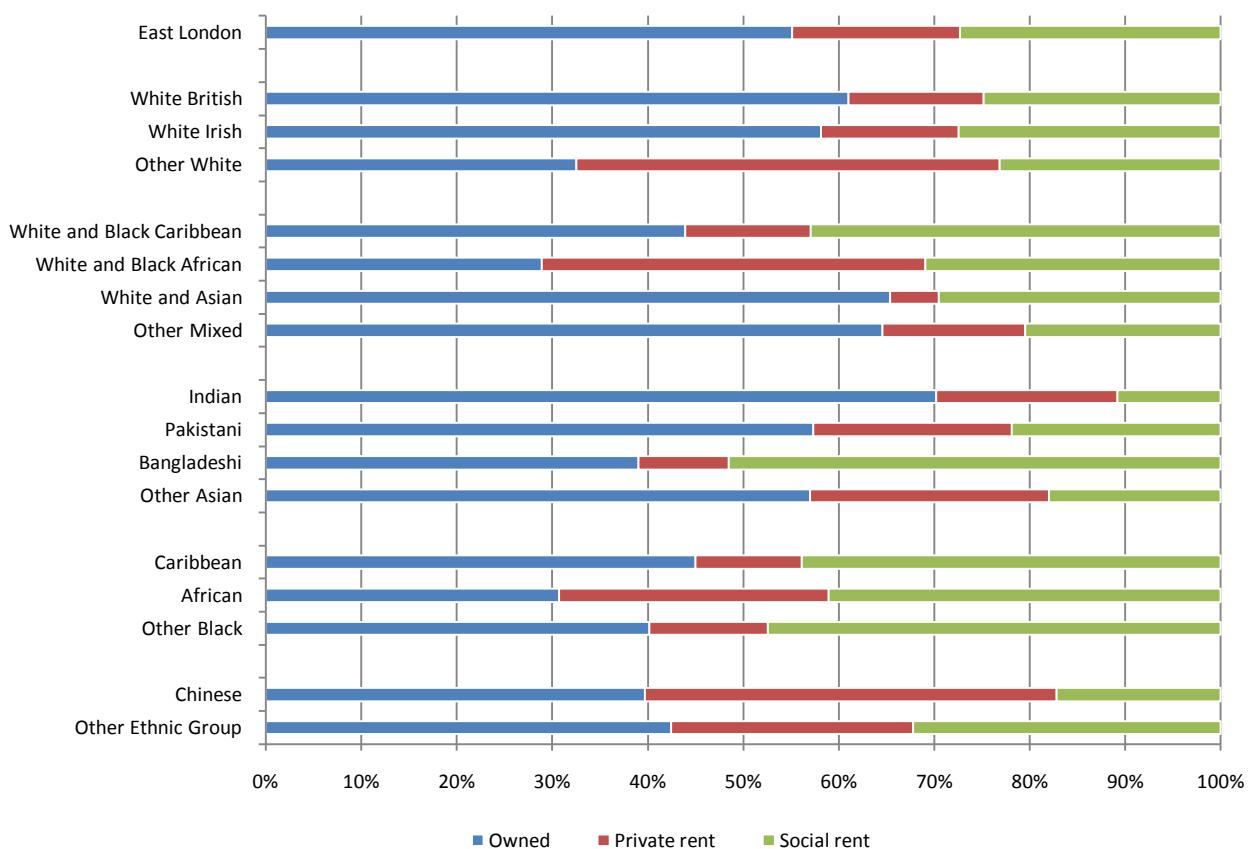
- 7.38 An analysis of household income shows considerable variation across ethnic groups. Households with a Black or Bangladeshi household representative are associated with below average incomes, while for Indian households their household income is higher than average for that of East London.

**Figure 115**  
**Household income by Ethnic Group** (Source: Local Authority Survey Data)



- 7.39 When considering the tenure of households it is apparent that there was considerable variation between different ethnic groups. Black ethnic groups and Bangladeshis were disproportionately likely to be found in social rented dwellings, while the Indian, Pakistani, Mixed White and Asian, White British and White Irish ethnic groups were the most likely to be found in owner occupation.

Figure 116  
Tenure by Ethnic Group (Source: Local Authority Survey Data)



<sup>7.40</sup> Figure 117 overleaf records all tenants living in social rented accommodation. Many of these residents would have lived in their tenancy for a long period of time. Given that the BME population is typically younger it is interesting to explore (in the following paragraphs) the more recent pattern of lettings.

<sup>7.41</sup> Figure 117 overleaf also compares the recent pattern of lets in East London with the data covering the period from April 2006 to March 2009 for lets in the area. It shows the share of households where the respondent came from a particular ethnic group at the time of the 2001 Census with the proportion of those who reside in social housing from each ethnic group and RSL (not Council) lets to that group since 2001.

<sup>7.42</sup> Since 2006, the share of lets to many BME groups has been above their population share, most notably for the Bangladeshi, Black African and Black Caribbean groups. This indicates that housing needs are higher for these ethnic groups. The share coming from these groups has also been higher since 2006 than it was in 2001 suggesting that need is increasing for these groups.

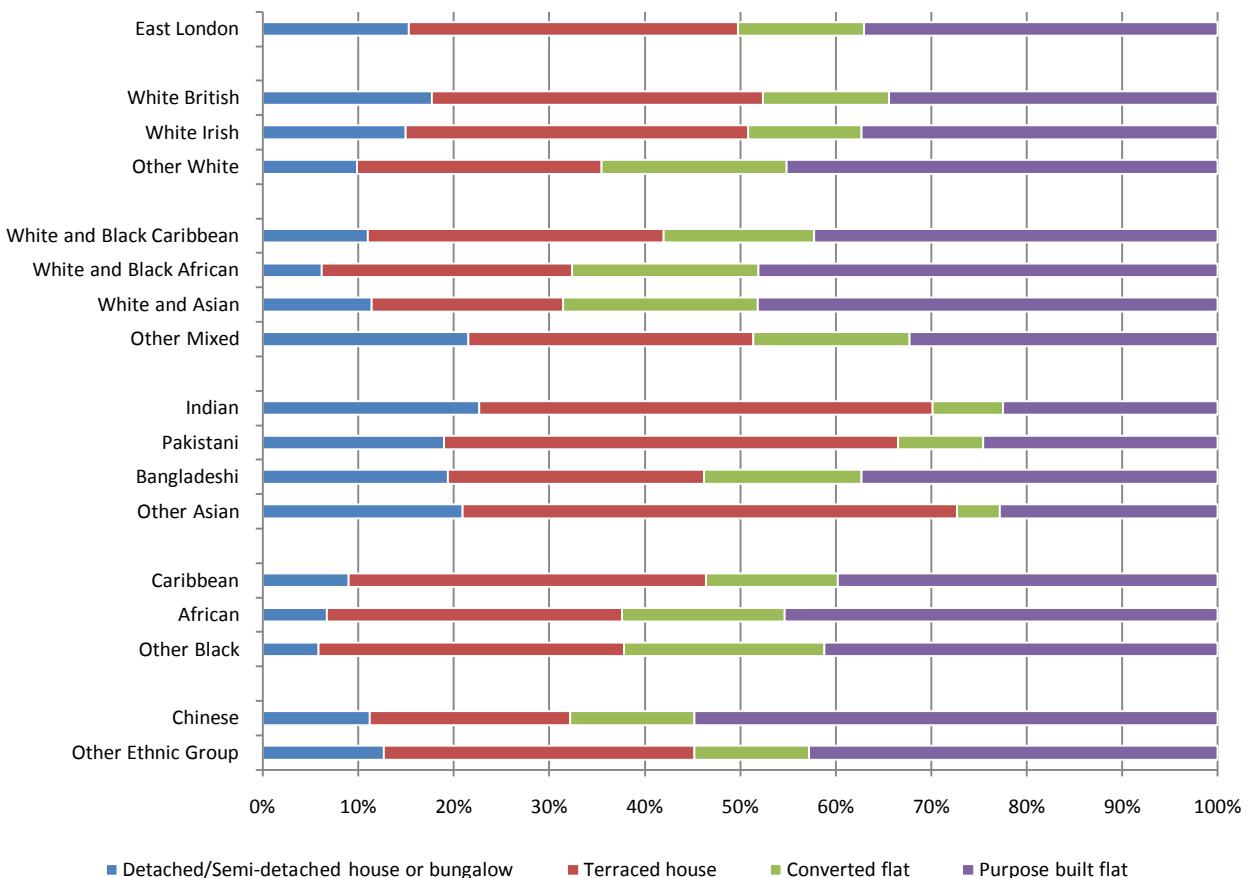
Figure 117

**Share of Households in Social Housing and Social Lets 2006-2009 for Ethnic Groups** (Source: CORE project for the Joint Centre for Scottish Housing Research and UK Census of Population 2001 Note: Figures may not sum to 100% due to rounding)

Ethnic Group	Share of all Households	Share of Households in Social Housing in 2001	Share of RSL Lets 2006-2009
<b>White: British</b>	64.6%	57.5%	34.9%
<b>White: Irish</b>	2.9%	3.0%	1.2%
<b>White: Other</b>	5.4%	4.3%	7.1%
<b>White and Black Caribbean</b>	0.5%	0.8%	2.5%
<b>White and Black African</b>	0.3%	0.5%	1.3%
<b>White and Asian</b>	0.4%	0.4%	0.5%
<b>Other Mixed</b>	0.4%	0.5%	1.3%
<b>Indian</b>	4.2%	1.9%	1.9%
<b>Pakistani</b>	2.5%	1.8%	2.2%
<b>Bangladeshi</b>	3.5%	7.5%	14.8%
<b>Asian Other</b>	1.2%	0.8%	2.7%
<b>Black Caribbean</b>	6.1%	9.0%	10.7%
<b>Black African</b>	5.5%	9.2%	14.0%
<b>Black Other</b>	0.7%	1.2%	2.3%
<b>Chinese</b>	0.9%	0.6%	0.5%
<b>Other Ethnic Group</b>	1.0%	1.0%	1.9%
<b>ALL HOUSEHOLDS</b>	100%	100%	100.0%

<sup>7.43</sup> The White British, White Irish and Other Mixed ethnic groups are slightly more likely than all households in East London to live in a house as opposed to a flat while Indian, Pakistani and other Asian households are significantly more likely to live in houses than all households. Meanwhile between 60% and 70% of households from Mixed White and Black African, Mixed White and Asian, Chinese, Black African and Other Black ethnic groups live in flats.

Figure 118  
Dwelling Type by Ethnic Group (Source: Local Authority Survey Data)

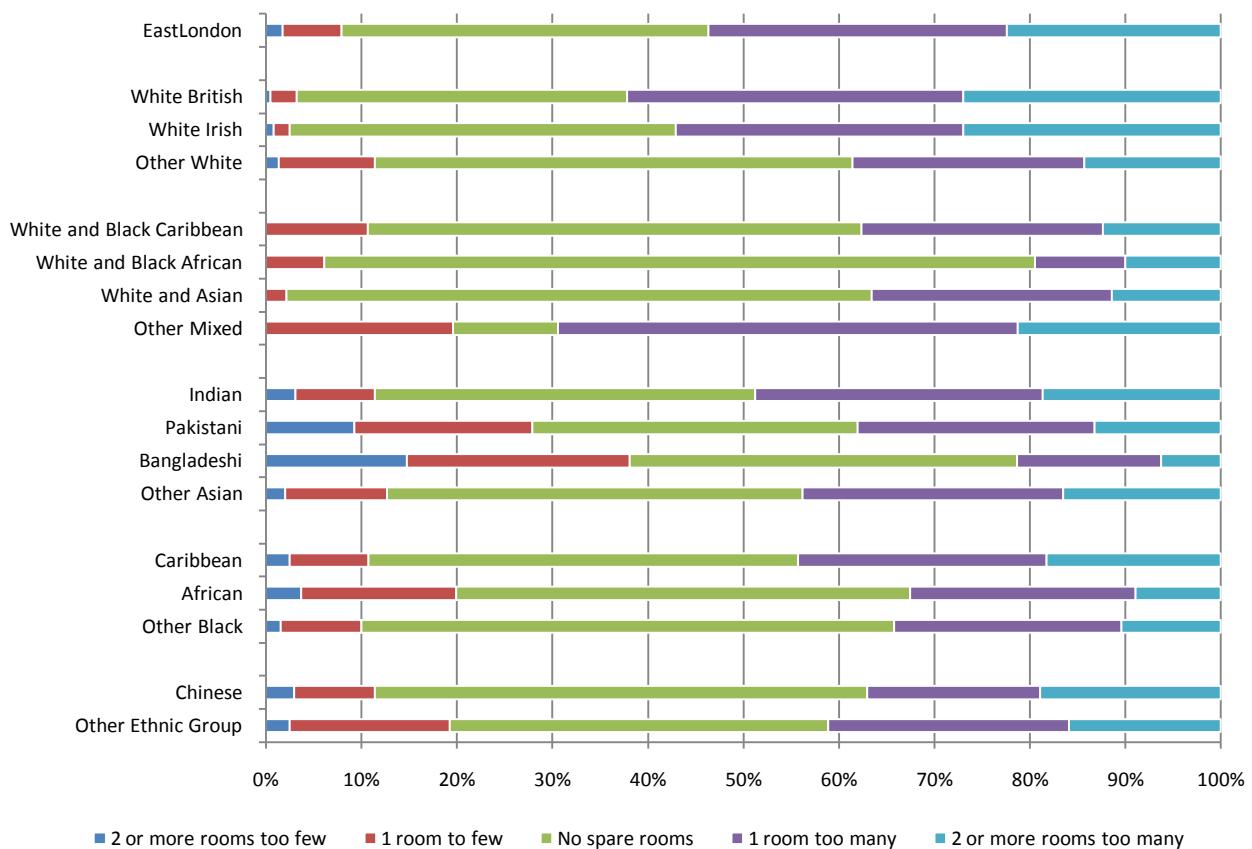


<sup>7.44</sup> When we consider the characteristics of households in terms of overcrowding (Figure 119), it is apparent that over a third (38%) of Bangladeshi households has at least one room too few for the household's needs, with 15% lacking two or more rooms than the household needs. Around 28% of Pakistani, 20% of Other Mixed and 20% of Black African households are overcrowded, with at least one-in-ten of most other minority ethnic groups. This compares to only 8% of all households being overcrowded.

<sup>7.45</sup> When we consider under-occupation, more than half of the White British (62%) and White Irish (57%) groups have at least one more room than is technically required by the household, with over a quarter of households in each group having two or more additional rooms in their home.

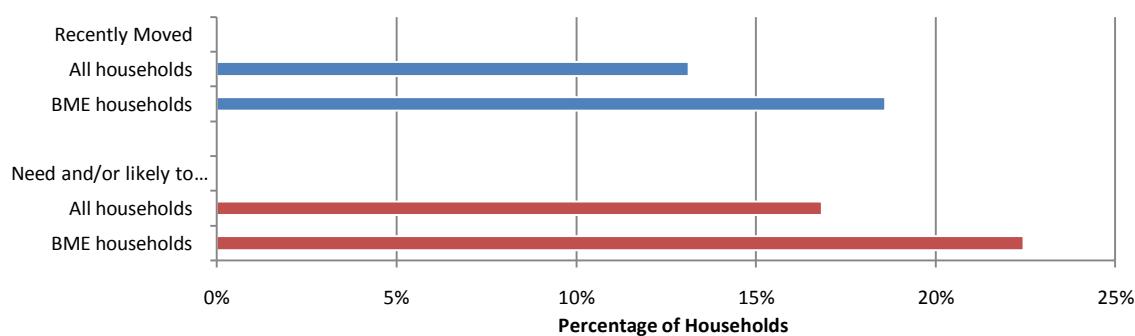
<sup>7.46</sup> It should be noted that the measure of overcrowding and under-occupation is assessed objectively. The number of rooms required by a household is assessed through analysing the household profile against an agreed "bedroom and living room standard". This requirement is then set against the number of rooms available in the home.

Figure 119  
Overcrowding by Ethnic Group (Source: Local Authority Survey Data)



7.47 Over the last year, 13.1% of all households had moved address compared to 18.6% of BME households. Therefore, BME households are more likely to move home than the whole population.

Figure 120  
Household Movement Trends over the last 12-months and Needs/Expectations for the next 12-months (Source: Local Authority Survey Data)



7.48 When this is compared to future expectations, a higher proportion of BME households need and/or consider it likely that they will move in the next 12-months than recent trends would suggest was likely.

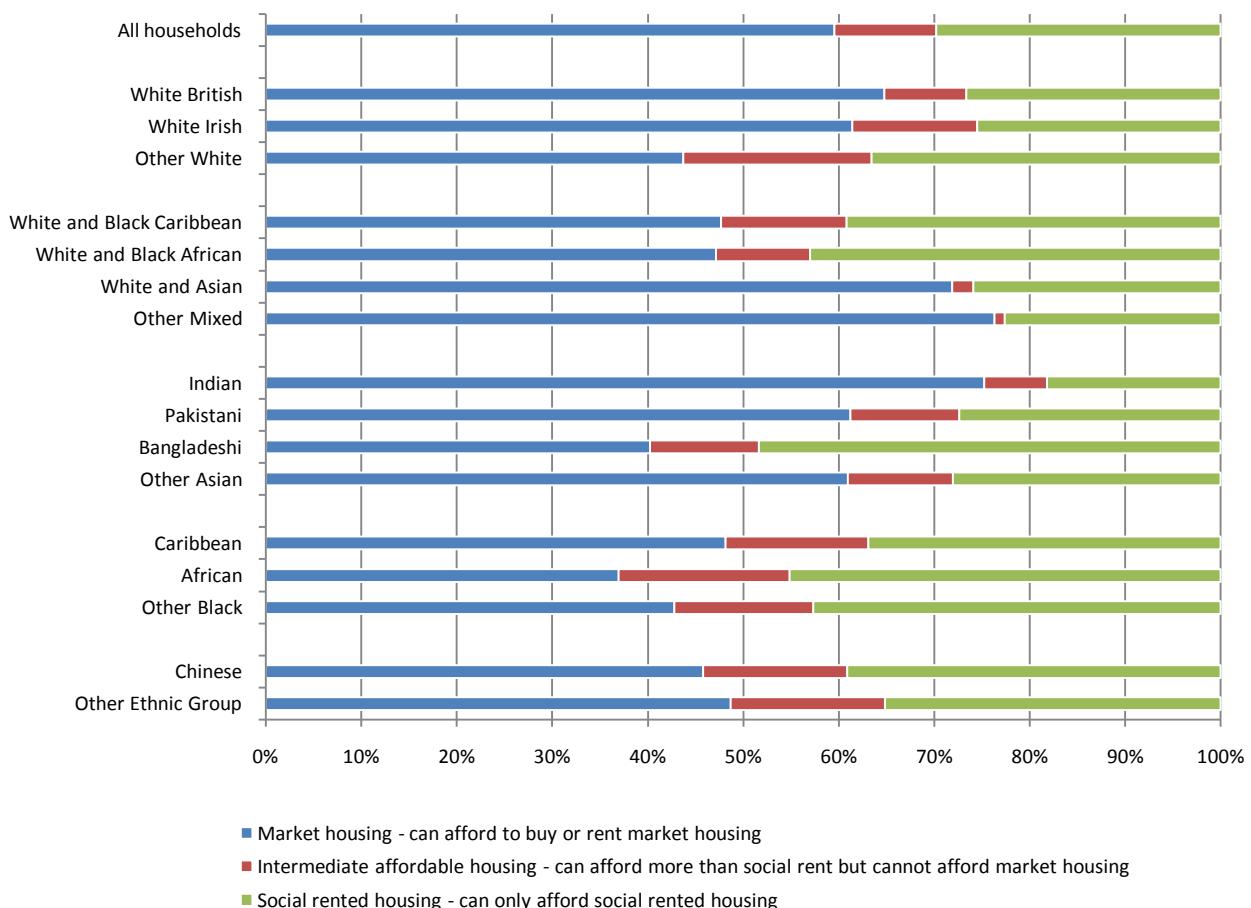
7.49 Figure 121 compares the affordability of households in each BME group with the affordability of all households in the region. This shows that, on the basis of affordability, the White British, White Irish, Mixed White and Asian, Other Mixed, Indian, Pakistani and Other Asian ethnic groups have larger proportions of households able to afford market housing than the overall population.

<sup>7.50</sup> All of the Black ethnic groups show large proportions only able to afford social rented housing, with only 37% of Black African households able to afford market housing. The Bangladeshi, Mixed Black and White, Chinese and Other ethnic groups also have high requirement for social rented housing on the basis of their affordability.

<sup>7.51</sup> There is an ability to afford intermediate affordable housing across all ethnic groups, but the proportion is highest amongst the Other White and Black African households.

Figure 121

**Household Affordability** (Source: Local Authority Survey Data. Note: Figures based exclusively on affordability and do not take into account any other eligibility criteria. The affordability test based on analysis comparable to that used within the ORS Housing Market Model)



### The Housing Requirements of Gypsies and Travellers

<sup>7.52</sup> It is widely recognised that there has been an under-provision of adequate accommodation for gypsies and travellers in London and other regions and that this has contributed to very poor health, educational and economic outcomes for these communities.

<sup>7.53</sup> The London Plan states that Boroughs should assess the accommodation needs of gypsies and travellers, protect existing sites, set out criteria for identifying the suitability of new sites and identify locations for new sites where shortfalls are identified. Similarly, the Housing Act 2004 requires local authorities to assess the accommodation needs of Gypsies and Travellers and to have a strategy in place which sets out how any identified needs will be met as part of their wider housing strategies.

<sup>7.54</sup> National planning policy (Circular 01/2006) requires regional planning bodies (in London, the Mayor) to specify targets for provision in the form of pitch numbers for each local authority, taking into

account the Gypsy and Traveller Accommodation Needs Assessments (GTANAs) carried out in the region and any other relevant evidence.

- 7.55 The 33 London Boroughs in co-operation with the GLA have undertaken and published a London-wide GTANA. Using this as a basis along with a strategic view of needs across the region, as required by Circulars 1/2006 and 4/2007, the Mayor has identified the number of pitches required for each Borough. It identified a need for a provision of 143 pitches across East London, including 42 in Havering, 28 in Tower Hamlets, and 19 in Hackney from 2007-2017 which are the highest figures in the sub-region. 72% of the need identified by the GTAA comes from Gypsies and Travellers who already live in Bricks and Mortar accommodation but as these needs should have been picked up as part of the assessment of overall housing requirements in this study, they are not considered as additional to the requirements identified here.

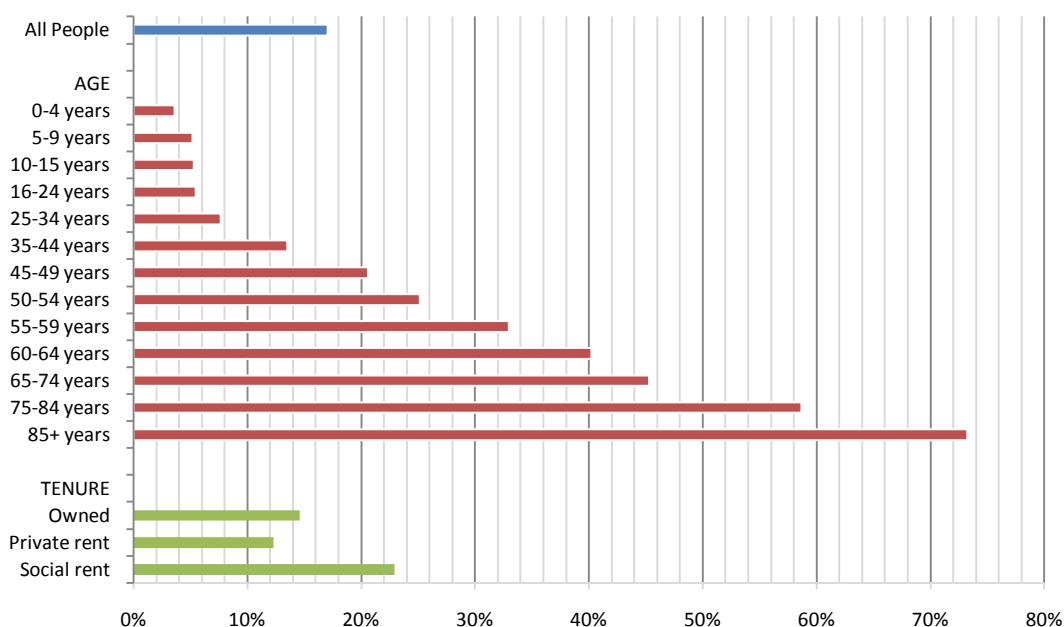
**Housing Requirements of BME Households:  
Summary of Key Points**

- In 2001, 42.6% of the total population and 35.4% of household representatives came from BME groups.
- The largest ethnic groups in East London at the time of the Census were Bangladeshi (6.7%), Black African (6.2%), Indian (5.9%), White Other (5.4%) and Black Caribbean (5.1%).
- Evidence from school rolls indicates that children from BME groups have increased their share of all primary school aged children from 62.2% to 70.3% since 2004, with much of the rise coming from White Other and Asian children.
- Black and Bangladeshi households typically have lower than average household incomes, while Indian households are more likely to have higher than average incomes.
- Tenure varies by ethnic group, with Black and Bangladeshi households being more likely to be found in social rent while Indian, Pakistani, Mixed White and Asian, White British and White Irish households are more likely to be owner occupiers.
- 27.0% of all RSL social lets since April 2006 have been made to households with a Black household representative.

## Understanding the housing requirements of people with limiting long-term illness or disability

<sup>7.56</sup> Information from the 2001 Census indicates that 17.0% of the population of East London had a limiting long-term illness or disability, which amounts to a total of 252,277 people across the region. Figure 122 shows how the proportion of people with limiting long-term illness varies by age and tenure. This highlights that 22.9% of people living in social rent in East London were considered to have a limiting long-term illness. It is also evident that the proportion of those with a limiting long term illness increases significantly with age.

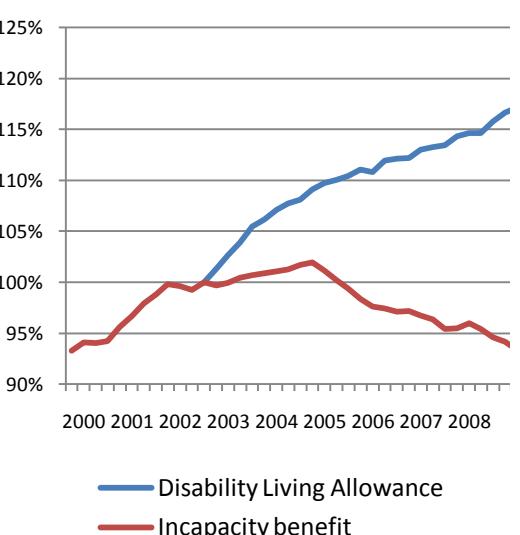
Figure 122  
Limiting Long-term Illness by Age and Tenure 2001 (Source: UK Census of Population 2001)



<sup>7.57</sup> More recent evidence from the Annual Population Survey July 2008 to June 2009 indicates that there are 156,300 working age people in East London who have a disability. This figure is only slightly higher than that obtained from the 2001 Census for the working age population of 142,700.

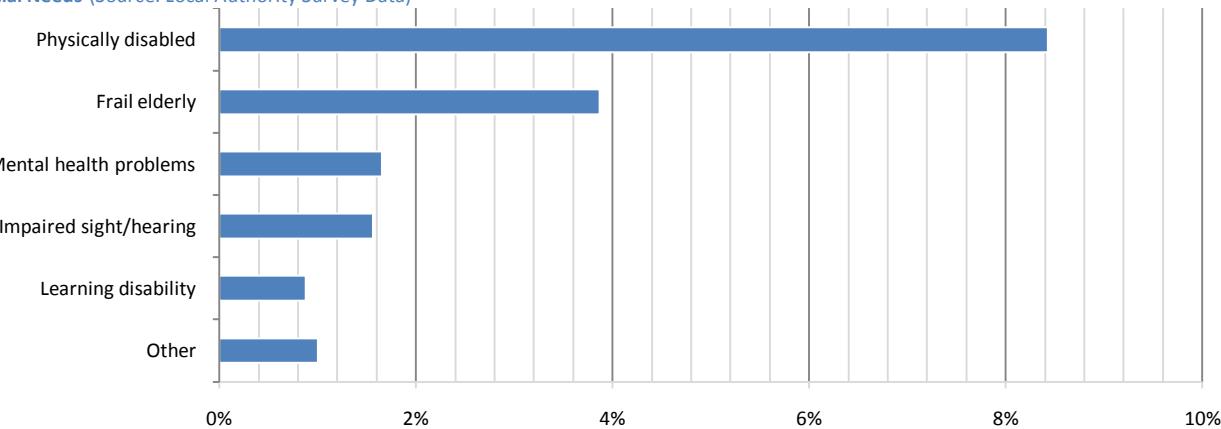
<sup>7.58</sup> Figure 123 shows how benefit receipt related to health problems has varied in East London in recent years with May 2002 being treated as a base for the comparisons. This shows that the number of people claiming incapacity benefit rose from 1999 until late 2004, but has been declining since this time and currently stands at 65,100 recipients in East London. Meanwhile, the number of people claiming disability living allowance has risen steadily since 2002 and now stands at 72,600 claimants in East London.

Figure 123  
Incapacity Benefit and Disability Living Allowance Claimants 1999-2007 (Source: Department of Work and Pensions)



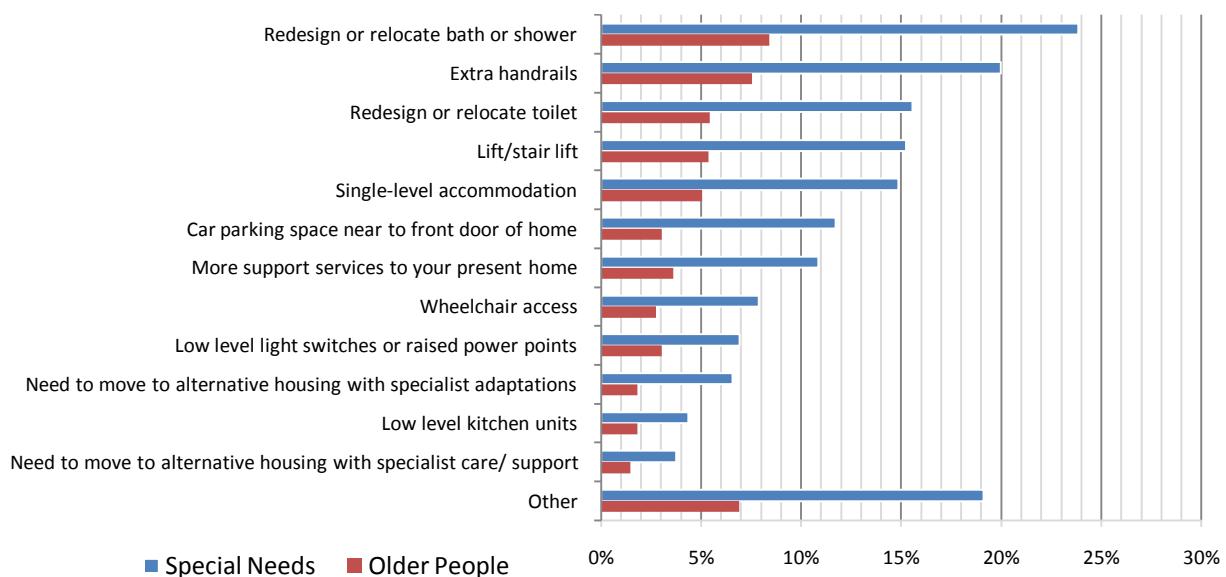
<sup>7.59</sup> Evidence from recent survey data in East London indicates that 13.8% of all households contain someone who has a special need, including 8.4% of households which contained at least one member with a physical disability.

Figure 124  
Special Needs (Source: Local Authority Survey Data)



<sup>7.60</sup> Figure 125 highlights the improvements which are required to the homes of households which contain at least one member with special needs. Most prominent among these are for a redesign of their household's bath or shower or for extra handrails to be fitted to the property. As a comparison, the proportion of older person households who require specific adaptations have been included in this chart where it is clear that a much higher proportion of those with special needs require adaptations, however the adaptations most needed are similar across the two groups.

Figure 125  
Improvement Required by those with Special Needs (Source: Local Authority Survey Data)



7.61 Of those households which contain at least one member with special needs, 56% have an income of less than £10,000 per annum and 79% have an income of less than £20,000. Across all households in East London, 31% have an income of less than £10,000 and 51% have an income of less than £20,000. Therefore, those households which contain at least one member with a disability typically have much lower household incomes compared with all households.

7.62 Almost half of all households with disabilities (49%) currently rent their home from a social landlord, compared to less than 30% of all households. Far fewer households with disabilities rent from a private landlord (7% compared to 18% of all households) with 44% owning their own home (compared to 54% of all households).

Figure 126  
Household income by Household Type (Source: Local Authority Survey Data)

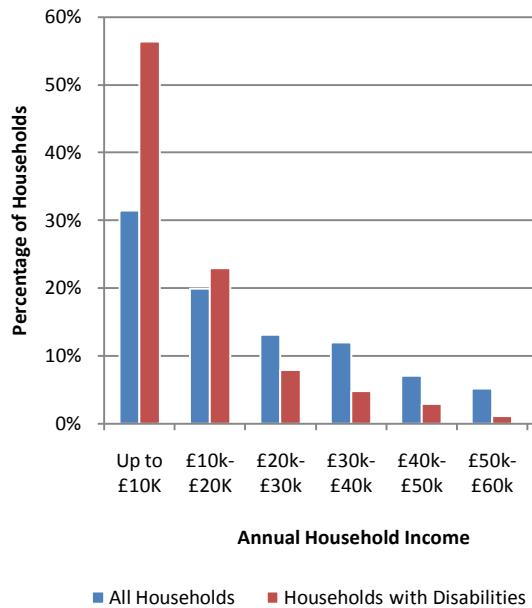
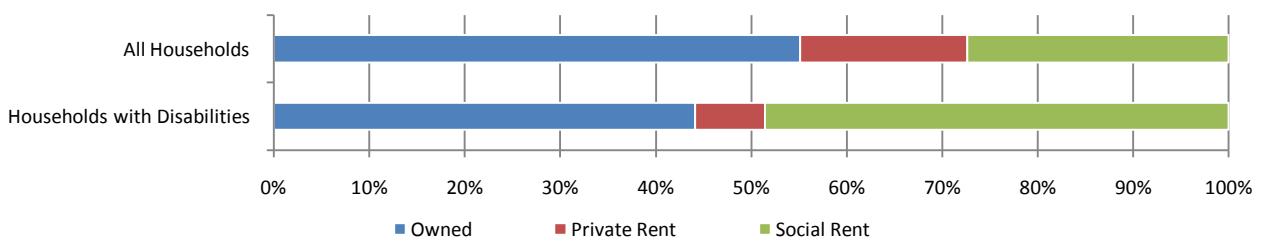
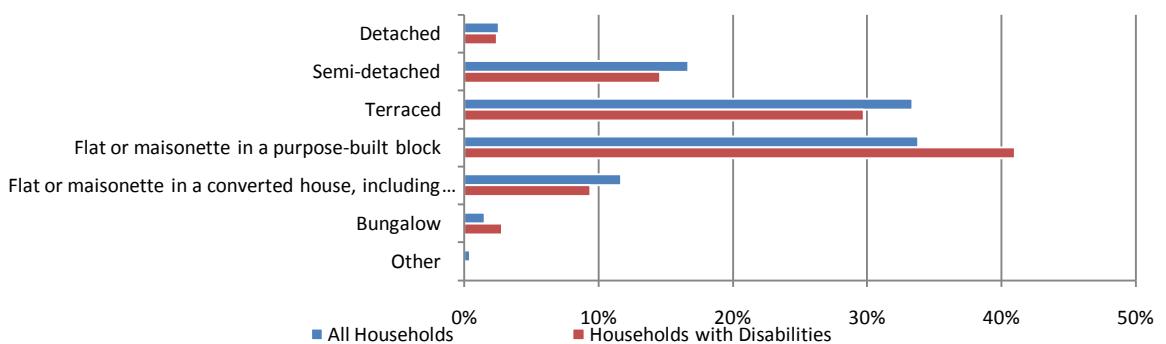


Figure 127  
Tenure by Household Type (Source: Local Authority Survey Data)



7.63 Households with disabilities are less likely to live in houses (including those converted into flats) than all households in East London, but are more likely to live in bungalows and purpose built flats. This is consistent with the large proportion of such households that rent from social landlords.

Figure 128  
Dwelling Type by Household Type (Source: Local Authority Survey Data)



7.64 The proportion of households with disabilities that are overcrowded (6.5%) is slightly less than the average for all households (7.9%) but as many as 43% have only the correct number of rooms for their household, without any spare rooms (implying that there is no room for carers to stay overnight unless they are usually resident in the household).

7.65 Over the year being surveyed, 13% of all households had moved address compared to 6% of physical disability households. Therefore, physical disability households are less likely to move home than the whole population.

Figure 129  
Overcrowding by Household Type (Source: Local Authority Survey Data)

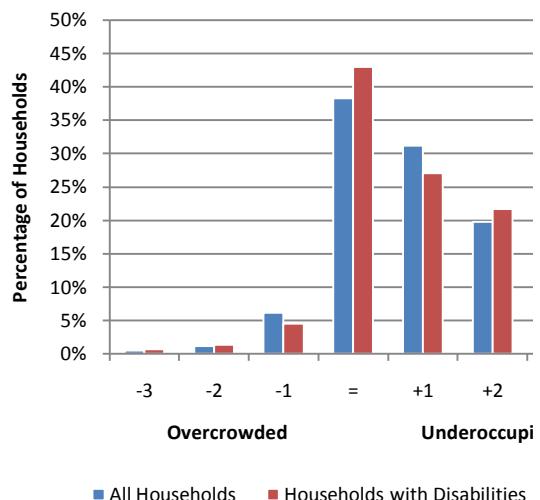
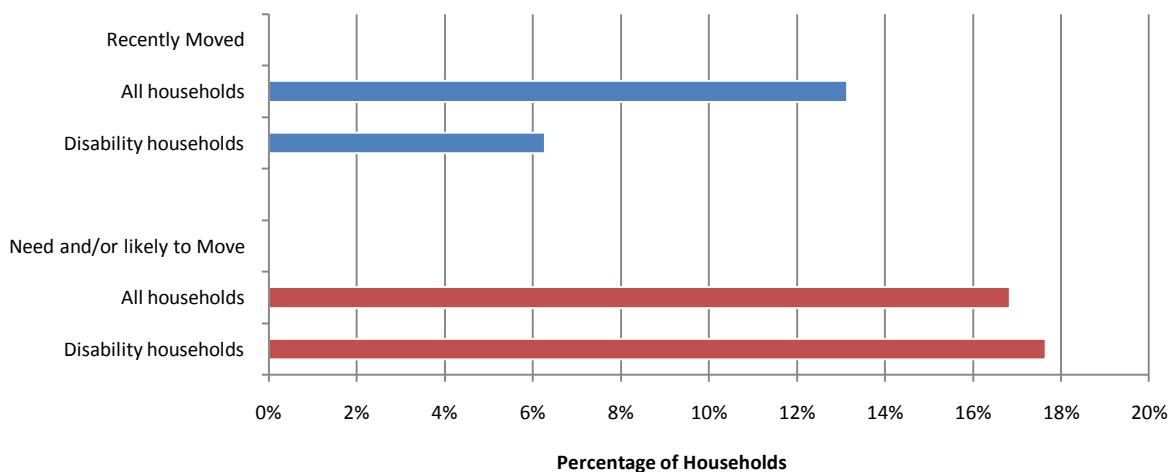


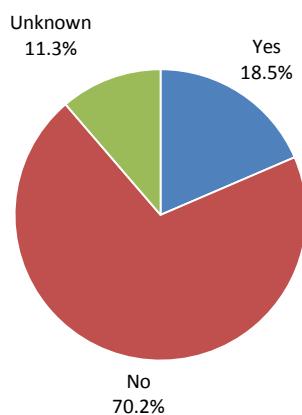
Figure 130  
Household Movement Trends over the last 12-months and Needs/Expectations for the next 12-months (Source: Local Authority Survey Data.)



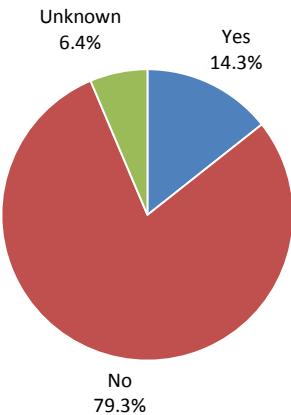
7.66 When this is compared to future expectations, considerably higher proportions of physical disability households need and/or consider it likely that they will move in the next 12-months than recent trends would suggest was likely.

7.67 In relation to housing people with disabilities it is also interesting to note the potential role played by supported housing. Figure 131 overleaf shows the share of RSL lets of supported housing between April 2006 and March 2009 which were made to households with at least one member with a disability. Figure 132 shows the same figure for general needs lets by RSLs. These highlight that a higher share of supported housing lets are made to households with at least one member with a disability than is the case for general needs lets. However, it is still the case that less than 20% of supported housing lets are to households with a disabled member, indicating that supported housing is not only for those with a disability but provides for a range of special needs, particularly older persons.

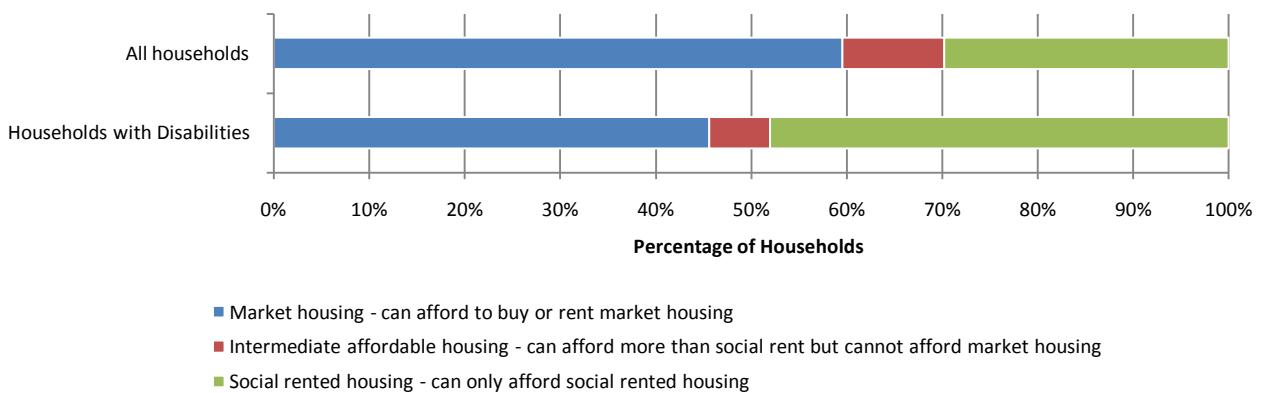
**Figure 131**  
**Presence of a Disabled Household Member for RSL Supported Housing Lets April 2006 to March 2009** (Source: CORE project for the Joint Centre for Scottish Housing Research)



**Figure 132**  
**Presence of a Disabled Household Member for RSL General Needs Housing Lets April 2006 to March 2009** (Source: CORE project for the Joint Centre for Scottish Housing Research)



**Figure 133**  
**Household Affordability** (Source: Local Authority Survey Data. Note: Figures based exclusively on affordability and do not take into account any other eligibility criteria. The affordability test is based on analysis comparable to that used within the ORS Housing Market Model)



#### Housing Requirements of People with Disabilities: Summary of Key Points

- In 2001, 17.0% of the total population were reported as having a limiting long-term illness.
- 22.9% of all social rent tenants had limiting long-term illnesses in 2001.
- Incapacity benefit claimants rose from 1999 until late 2004, but have been falling since this time. Disability Living Allowance claimants numbers have climbed steadily since 2002.
- Households with at least one physically disabled member typically have lower than average household incomes.
- Many households with a physically disabled member require adaptations to their bath or shower or they require extra handrails to be fitted to their homes.
- 18.5% of RSL supported housing lets between April 2006 and March 2009 were confirmed as being to households with at least one member with a disability.

## Understanding the Housing Requirements of Young People

- 7.68 There were 212,500 people aged 15-24 years identified in the East London sub-region by the 2001 Census. Of these, 98,200 were aged 15-19 years and 114,300 were aged 20-24 years.
- 7.69 The 2008 round population forecasts from the GLA provide high and low growth scenarios for the region for the period to 2026; the low scenario (committed build) is illustrated in Figure 134 and Figure 135. These figures suggest that the number of young people in the sub-region will rise from 212,500 in 2001 to 229,600 by 2026 which represents an 8% rise. This is in the context of an overall projected increase (for people of all ages) of 24% showing that the projected rise in the young population is a relatively small in relation to the whole population.

Figure 134

**Number of Young Persons** (Source: GLA projections - 2008 round, PLP Low scenarios)

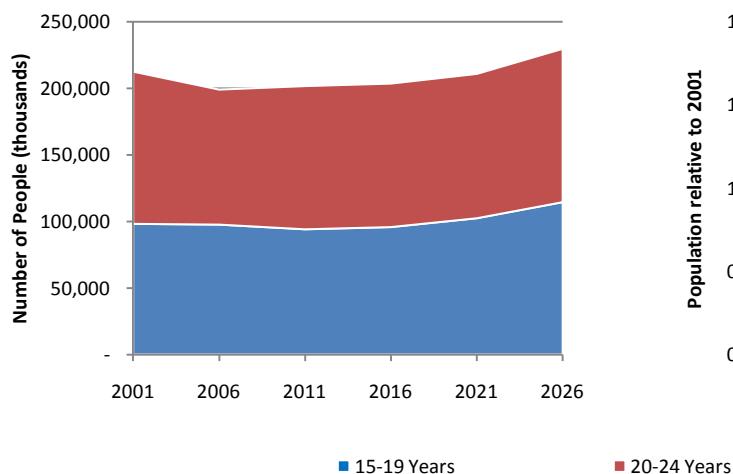
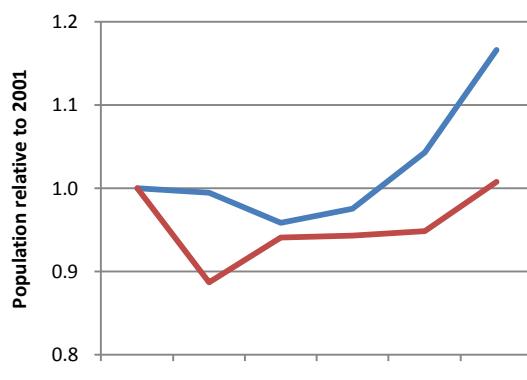


Figure 135

**Change in Proportion of Young Person Population** (Source: GLA projections - 2008 round PLP Low scenarios)



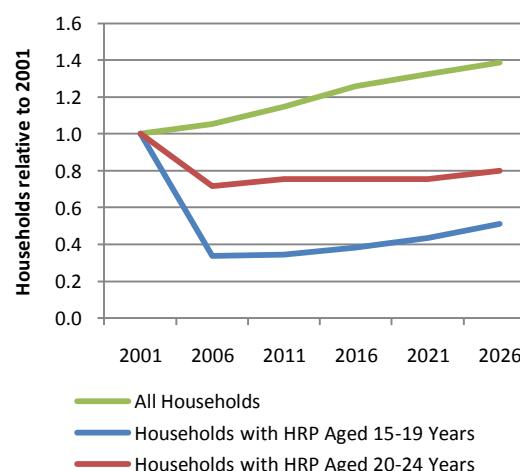
- 7.70 When we consider the age breakdown, it is apparent that the population aged 15-19 years is predicted to increase fairly rapidly in the period 2016-26 (17%) whereas the population aged 20-24 years is estimated to have fallen sharply in the period 2001-06 and is projected to be only marginally higher than its 2001 level by 2026.

- 7.71 There was a total of 35,700 households headed by a young person (aged under 25), recorded in East London by the 2001 Census (5.9% of all households in the sub-region).

- 7.72 The 2008 round household projections from the GLA identify that the total number of young person households will decrease to 26,000 by 2026, a reduction of 27% from the 2001 base. Overall households are projected to increase by 39% over the same period.

Figure 136

**Household projections 2001-26** (Source: GLA projections - 2008 round, Low scenarios)



<sup>7.73</sup> Perhaps not surprisingly, the average income of households headed by young people is considerably less than the overall average household income in East London. 49% have a household income of less than £10,000 per annum and 83% have an income of less than £30,000 per annum.

<sup>7.74</sup> When considering the tenure of households at the time of the Census, it is apparent that the proportion of all young households that owned was significantly lower from the population as a whole (19% cf. 54%), but a larger proportion of young person households rented their home privately or from a social landlord. More recent survey data indicates that the share of young person households in the private rented sector has grown considerably since 2001, at the expense of both the owner occupied sector and social rented sector.

Figure 137  
Household income by Household Type (Source: Local Authority Survey Data)

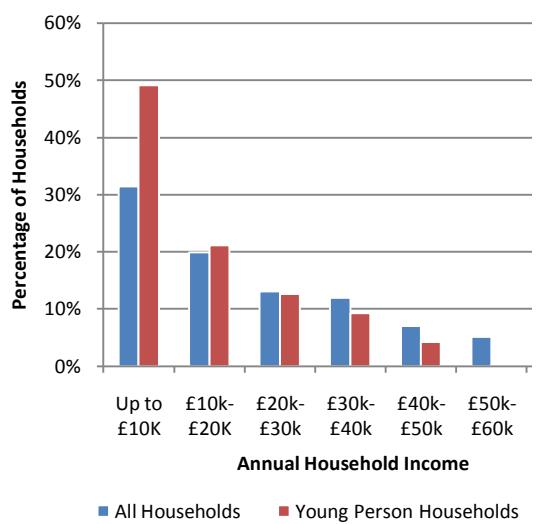
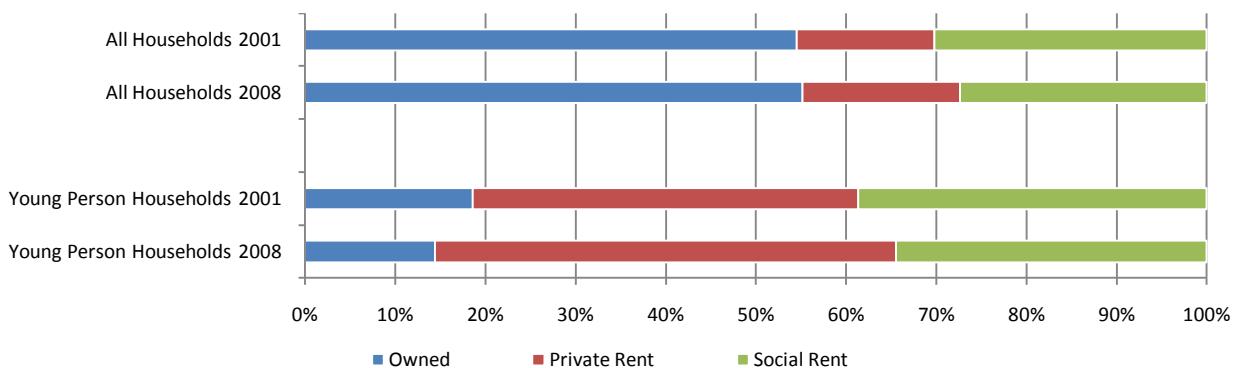
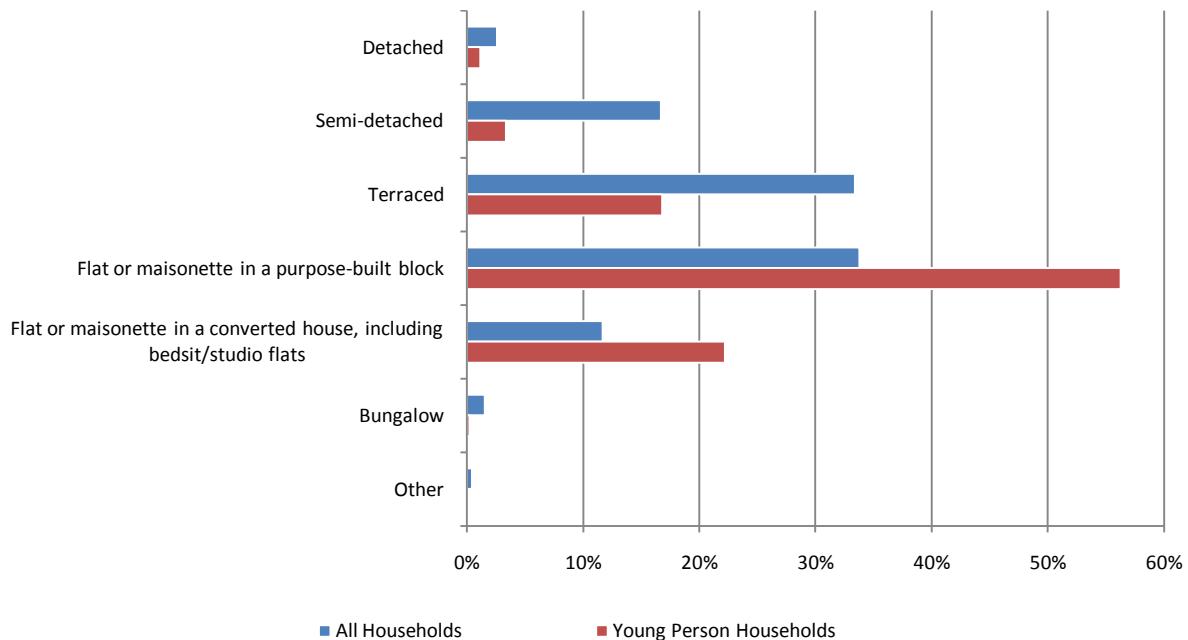


Figure 138  
Tenure by Household Type (Source: UK Census of Population 2001 and Local Authority Survey Data)



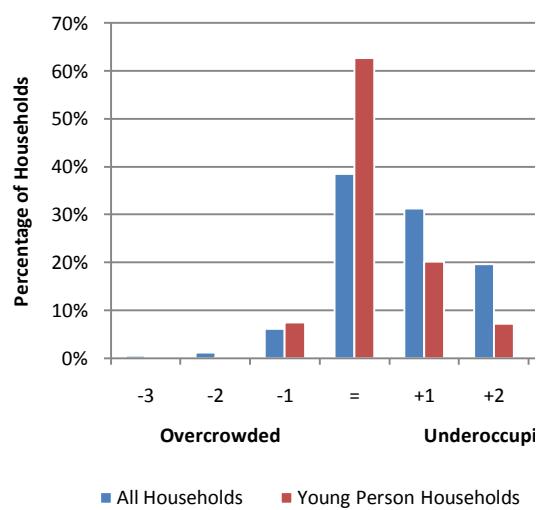
7.75 Young person households are more likely to live in purpose built or converted flats than all households in East London. Including bedsits and studio flats, 79% of all young person households occupy a flat.

Figure 139  
Dwelling Type by Household Type (Source: Local Authority Survey Data)



7.76 A total of 8% of young person households are currently living in overcrowded circumstances, with most (7.4%) having one room fewer than required. A further 63% have only the correct number of rooms for their household, without any spare rooms. Less than 30% of young person households have more rooms than they technically need, compared to 54% of all households.

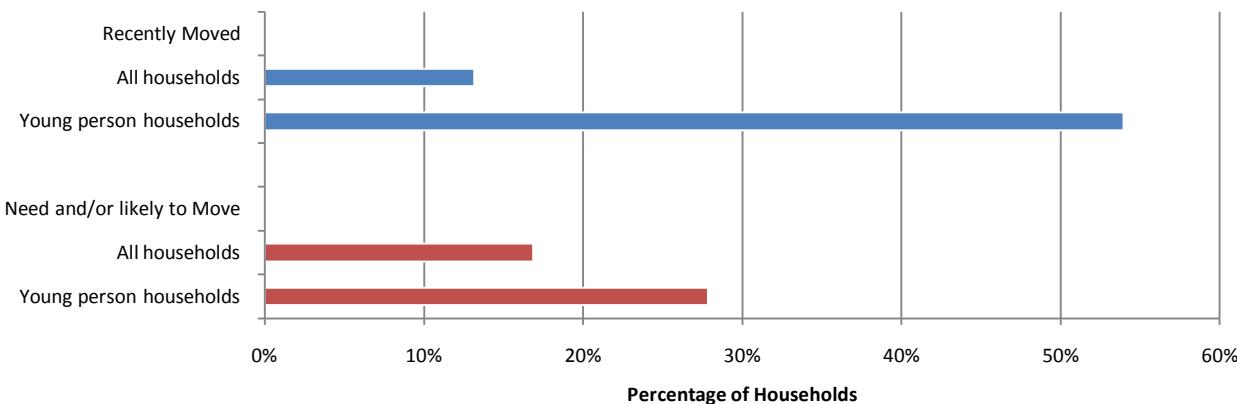
Figure 140  
Overcrowding by Household Type (Source: Local Authority Survey Data)



7.77 Over the last year, 13.1% of all households had moved address compared to 54% of young person households. Therefore, young person households are more than four times more likely to move home than the whole population.

Figure 141

**Household Movement Trends over the last 12-months and Needs/Expectations for the next 12-months** (Source: Local Authority Survey Data.)

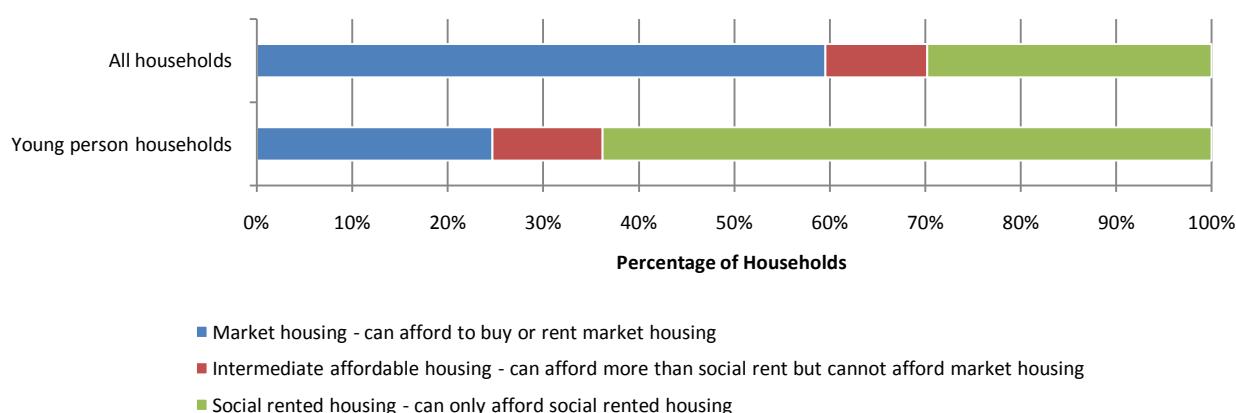


7.78 When this is compared to future expectations, considerably lower proportions of young person households need and/or consider it likely that they will move in the next 12 months than recent trends would suggest was likely, indicating that many young person households will move at relatively short notice.

7.79 Finally, Figure 142 compares the proportion of young person households who can afford different tenures with all households in the sub-region. This shows that young person households are significantly more likely to only be able to afford housing priced at social rent levels than all households in the sub-region. Considerably fewer are able to afford market housing.

Figure 142

**Relative ability to afford housing by tenure** (Source: Local Authority Survey Data. Note: Figures based exclusively on affordability and do not take into account any other eligibility criteria. The affordability test based on analysis comparable to that used within the ORS Housing Market Model)



### Housing Requirements of Young Persons:

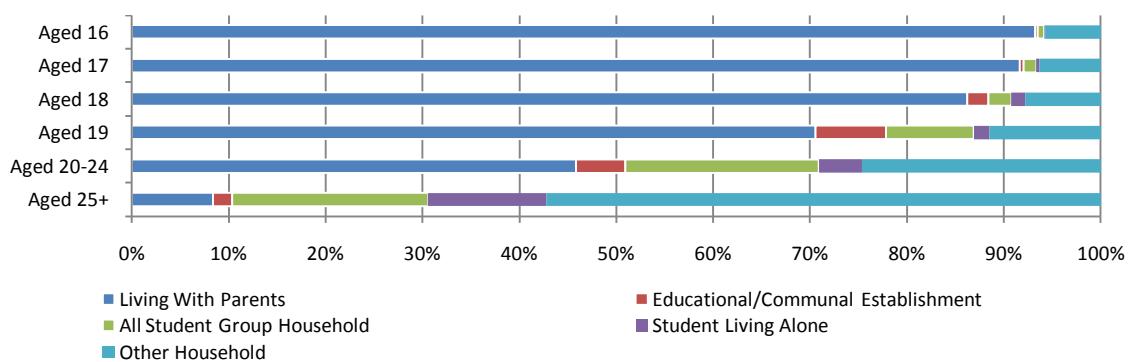
#### Summary of Key Points

- In 2001, there were 212,500 people aged 15-24 years living in the East London region. There were a total of 35,700 young person households.
- This population is projected to rise by 8% to 2026 – with the population aged 15-19 predicted to increase fairly rapidly in the period 2016-2026.
- 49% of young person households have household incomes of less than £10,000 per annum and 83% have household incomes of less than £30,000.
- The proportion of young person households that own is significantly lower than the population as a whole, but a larger proportion rent their home from social or private landlords and the number renting from private landlords has grown considerably since 2001. Young person households are also more likely to live in flats.
- Young person households are more than four times more likely to move than all households in London.
- Fewer young person households are expected to move in the next year than trends suggest will actually move, indicating that young person households are likely to move at short notice.
- A smaller proportion of young person households can afford market housing compared to all households.

## Understanding the Housing Requirements of Students

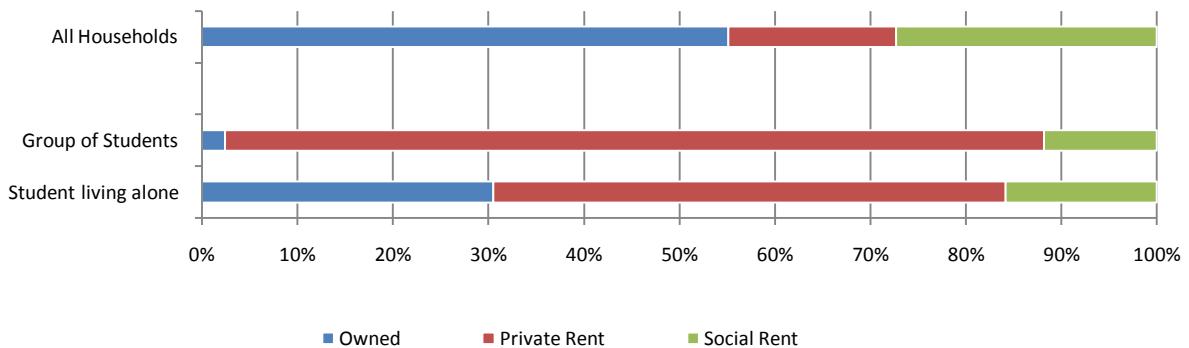
- 7.80 Students are a particular group who can often have specific characteristics and impacts on the communities in which they live. This is recognised in PPS3 where they are considered to be a distinct group who are likely to have their own housing requirements. Many students in East London have travelled from overseas or other parts of the UK specifically to study in the sub-region which gives them distinct characteristics from young people who have grown up in East London.
- 7.81 The 2001 Census identified a total of 100,800 full time students aged 16 or over resident in the East London sub-region. Of those “full-time” students, as many as 33,300 were economically active with the remaining 67,500 being economically inactive.

**Figure 143**  
Student Housing Circumstances by Age (Source: 2001 Census of Population)



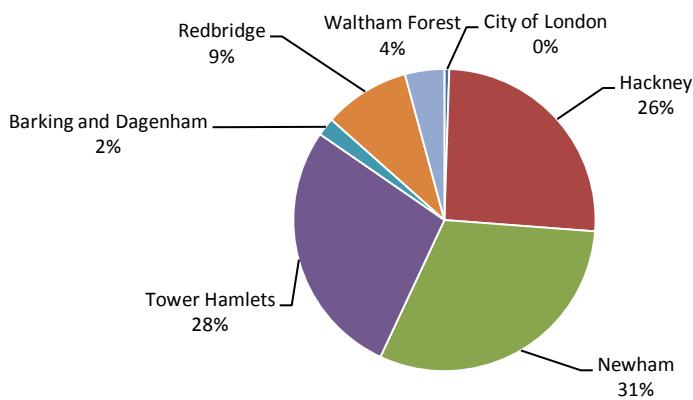
- 7.82 Students are a diverse group and their housing circumstances vary considerably by age. The majority of those aged 16 and 17 were living with their parents (93% and 92% respectively). The highest proportion of those living in communal establishments (either educational establishments or other communal establishments) were aged 19. However, living with parents still formed the majority (71%) for this group, and just under half (46%) of those aged 20-24 remained in the parental home.
- 7.83 When we consider those students registered at Higher Education Institutes (HEIs) in the sub-region, there were a total of 22,300 in the 2000/01 academic year, of which just over 17,200 were full-time students (based on HESA statistics). By 2004/05, the number of full-time students in the sub-region had increased to over 19,600.
- 7.84 Over the same period, HESA data indicates that the number of bedspaces in student accommodation increased from 2,800 to 3,500 and the number of HEI students living with parents increased from 6,900 in 2000/01 to around 9,000 by 2004/05 (including around 45% whose parental home is outside the East London region).
- 7.85 When we consider the number of student households living in East London, the Census identified 6,800 households comprised entirely of students and a further 5,300 students living alone. Survey data about students shows that the vast majority (85%) of multi-student households live in the private rented sector with 53% of single students living alone also renting privately.

Figure 144  
Tenure by Household Type (Source: Local Authority Survey Data)



<sup>7.86</sup> Figure 145 illustrates how the proportion of student households varies across the sub-region, where it is clear that the majority (85%) of student households are in the central Boroughs of Hackney, Newham or Tower Hamlets, each with a share of around 30% of total student households. However, it is interesting to note that while over three quarters (78%) of student households in Newham consist of only one person, 64% of student households in Tower Hamlets and 55% of student households in Hackney are made up of a group of students.

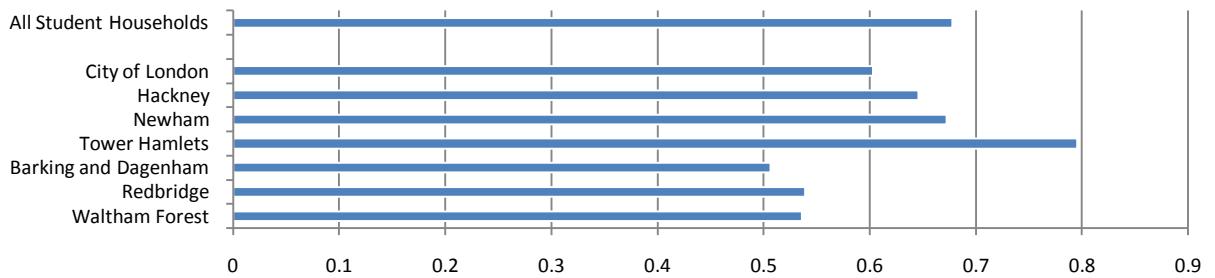
Figure 145  
Distribution of Student Households in East London (Source: Local Authority Survey data)



<sup>7.87</sup> Figure 146 shows that rates of private renting by student households also varies by Borough. Student households in Hackney, Newham and Tower Hamlets (the Boroughs with the highest concentrations of student households) are more likely to be living in the private rented sector. Almost 80% of student households in Tower Hamlets rent privately compares to only 50% in Barking and Dagenham.

Figure 146

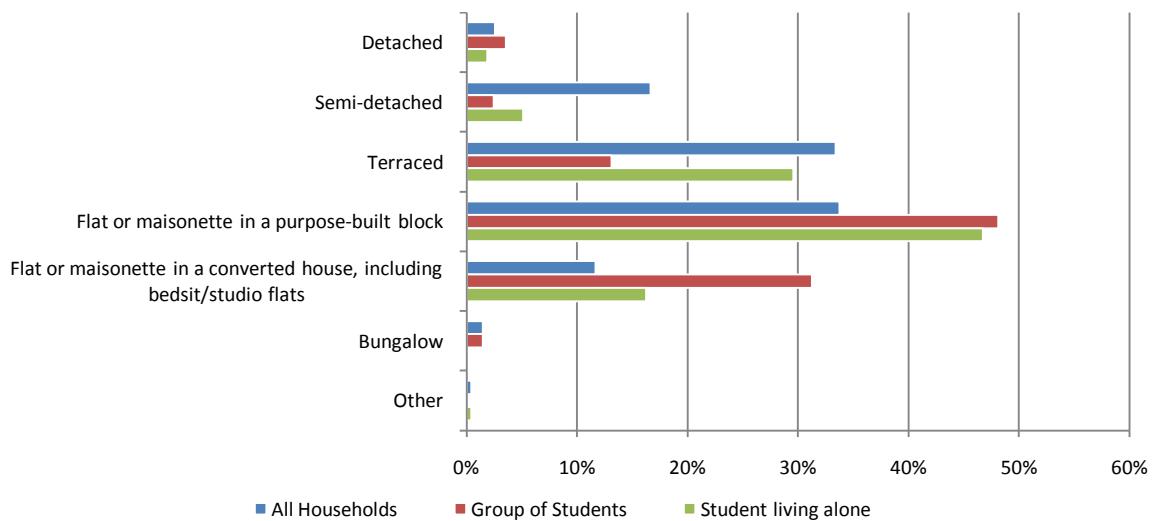
Proportion of Students Households in Private Rent by Borough (Source: Local Authority Survey data)



<sup>7.88</sup> Student households are less likely to live in houses than all households in East London, with the exception of detached properties (although there are very few detached properties overall in East London). Students living alone live mainly in purpose built flats (47%) or terraced properties (29%) while almost half of student groups (48%) live in purpose built flats with around a third (31%) living in converted properties.

Figure 147

Dwelling Type by Household Type (Source: Local Authority Survey Data)



7.89 8% of student households are overcrowded, which is the same as the proportion of all households. Nevertheless, whilst 54% of all households under-occupy their housing, only 35% of student households have more rooms than they technically require.

7.90 Over the last year, 13% of all households had moved address compared to 57% of all student households, meaning that student households are more than four times more likely to move home than the general population.

7.91 When this is compared to future expectations, considerably lower proportions of student person households need and/or consider it likely that they will move in the next 12-months than recent trends would suggest was likely, indicating that many student person households will move at relatively short notice.

Figure 148  
Overcrowding by Household Type (Source: Local Authority Survey Data)

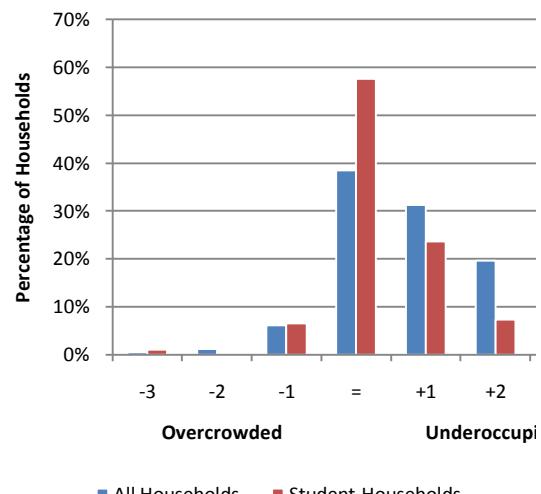
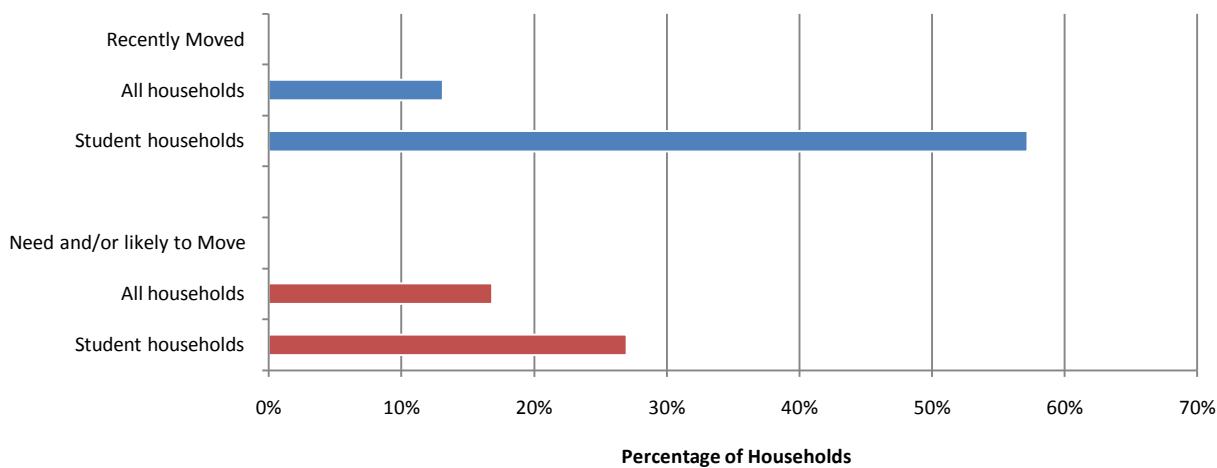


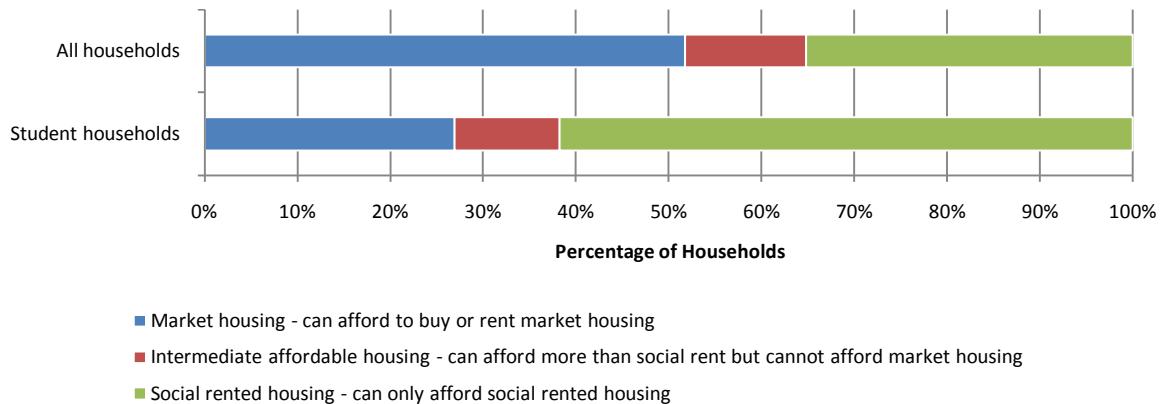
Figure 149  
Household Movement Trends over the last 12-months and Needs/Expectations for the next 12-months (Source: Local Authority Survey Data.)



7.92 Finally, Figure 150 overleaf compares the affordability of housing for student households with the affordability of housing for all households in the region. This shows that the majority of student households (62%) are only able to afford social rented housing. However in reality, many will access housing in the private rented sector by renting individual rooms, possibly spending more than 25% of their income on housing costs and supplementing their weekly or monthly income with lump sum payments from student grants, student loans or financial contributions from their family.

Figure 150

**Affordability of housing** (Source: Local Authority Survey Data. Note: Figures are based exclusively on affordability and do not take into account any other eligibility criteria. The affordability test based on analysis comparable to that used within the ORS Housing Market Model)



### Future Trajectory

- 7.<sup>93</sup> During the last decade there has been a considerable growth in students attending Higher Education Institutions (HEI). According to the HESA website total student numbers have risen from 1.8m in 1997/8 to 2.4m in 2008/9. The private sector has responded to the accommodation needs of additional student numbers through the provision of new purpose built Halls of Residence and the traditional housing in the private rented sector.
- 7.<sup>94</sup> It is very uncertain how these numbers will change. This is due to a range of factors including the current global and UK economic crisis, a debate over the level of student contributions and short term uncertain prospects for the labour market. On the other hand, Government has sought to create additional HEI places to mitigate growing unemployment figures. Growth in student numbers does not necessarily result in growth in accommodation numbers if students elect to attend HEIs closer to their existing accommodation.
- 7.<sup>95</sup> At this time there is considerable growth in the number of international students attending UK HEIs. According to a recent study by Universities UK, there has been a 48% increase in the number of international students between the year 2000 and 2006. In 2007/08, 229,640 students came from outside the European Union, compared with 117,290 in 1998/99. China remained the "most significant" provider of students to the UK. A total of 19,385 Chinese students enrolled on first degree courses in the UK and 21,990 took up places for post-graduate study. Evidence is thin regarding the extent to which this trend has applied to London Institutions and its impact on the housing market but it is likely that much of the increase has focussed on London due to its role as a global city.
- 7.<sup>96</sup> The Rugg report; 'The Private Rented Sector: its Contribution and Potential (Julie Rugg and David Rhodes, Centre for Housing Policy, University of York 2008) provides a thorough analysis of student housing as a niche market within the private rented sector. It also helps to understand the interactions between niche private rented sector markets and overall housing requirements. This is considered in detail in sections 4 and 6 of the SHMA report and is not repeated here. The importance of changes in the amount of student housing in the private rented sector is acknowledged but based upon the following evidence it would appear very difficult to quantify.

7.97 As part of our consultation with stakeholders we have had extended discussions with a consultant specialising in the HEI field. We have also interviewed a number of HEI officials across London. Our aim was to understand the plans for student accommodation in future in the context of their strategic planning. Understanding the future student housing requirement requires an understanding of the future growth in student numbers. This will be influenced by university plans for growth or rationalisation, by government policy and economic circumstances.

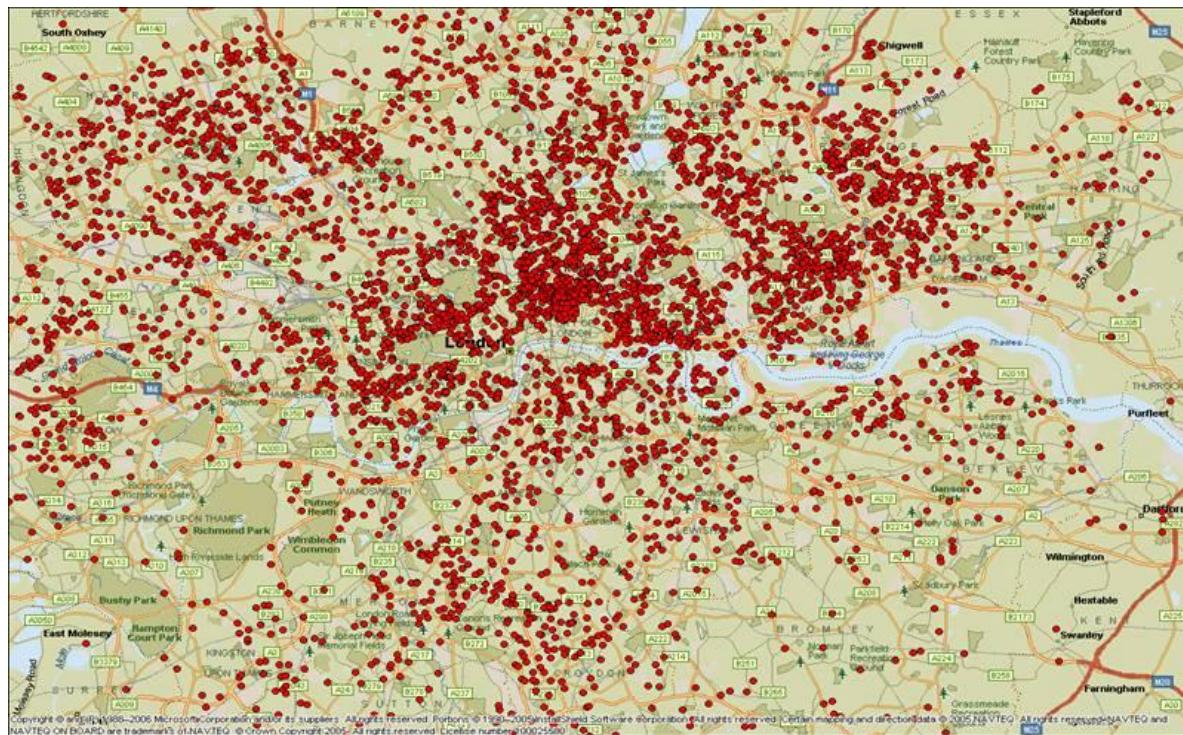
7.98 ORS sought interviews with the following institutions as they are based in East London as part of a programme of seeking in depth interviews to inform other London sub-regional studies;

- University of East London; and
- Queen Mary, University of London.

7.99 Only one interview was achieved after some considerable persistence. This result is consistent with difficulties experienced in engaging with universities across London and beyond. We return to this issue in our concluding remarks.

7.100 Information from a North London university has however evidenced a major conclusion mostly applicable to all sub regions north of the Thames. The conclusion is that students attending any given university do not necessarily live in the locality of the university.

**Figure 151:**  
**Contact Addresses for Undergraduate Students Attending City University (Source: ORS HEI Interviews)**



7.101 Figure 151 is self explanatory but does not distinguish between full and part time students, UK resident and overseas students, those that live at their parental home, those that live in halls of residence, those that live in private rented sector student housing and those that share with non students. ORS has found it impossible to collect data at this level of detail and doubts that the universities could supply it.

7.102 The interview given by an official of Queen Mary University of London is summarised below;

- over the last ten year student numbers have expanded rapidly. This is coming to an abrupt stop in line with proposed government spending cuts. Any growth depends on funded student numbers;
- the university will probably want to increase the number of overseas students by about 1000 by about 2013 – 2014. (There are just over 3000 at the moment who study in London);
- these additional overseas students will have to find their own places to live but there are two student developments underway currently by two different private student accommodation developers. One with 600 spaces across the road from the university and another with 400 spaces also nearby. The university is not taking nominations for rooms within these developments and will expect students to make direct approaches to the managers of these developments;
- these large, private blocks are normally out of the price range of domestic students and there is a shortage of similar cheaper accommodation although the small private rented sector (smaller landlords) is quite easy to come by;
- the overseas market is likely to continue to grow. England remains a popular destination;
- the mix of students may change depending on the fees review. This may result in an increase in the proportion of students coming from London and living at home;
- about a third of students currently commute from areas all over London, as far as an hour distant;
- the university currently manages 3,000 rooms with first years having priority and most taking up the offer, about 90%. This mix is unlikely to change in the future;
- the university is undertaking a corporate management review at the moment. There are two empty sites owned by the university and they will be developed in the longer term. Depending on government impacts on student numbers, these might be part allocated to student accommodation, but these are not likely to be significant number of rooms;
- private rented accommodation for their students is mainly in Barking, Dagenham, Hackney, Newham and Tower Hamlets;
- the likelihood of dramatic government cuts is quite high and changes to the funding formula will have impacts on student numbers and types; and
- the university has a good relationship with Tower Hamlets although it is uncertain whether developers of large private student blocks will find it as easy to get permission as in the recent past. The local authority is concerned to develop affordable housing.

<sup>7.103</sup> Our overall conclusion is that an improved understanding of the impact of changing numbers of students is an important matter to study at the Borough level. This is because the impact is likely to be felt at the neighbourhood level in terms of both the housing market and the micro economy of the neighbourhood. The problem is that a London Boroughs student population may not attend a local university so it is necessary to ask for consistent information from a great many universities. It is very easy to define the numbers and information that is required, however, we believe it would take the support and involvement of the GLA to achieve results.

**Housing Requirements of Students:  
Summary of Key Points**

- The 2001 Census identified a total of 100,800 students aged 16 or over resident in the East London region, with 33,300 being economically active.
- In the 2001 Census the highest proportion of those living in communal establishments (either educational establishments or other communal establishments) were aged 19. However, living with parents still formed the majority (71%) for this group and just under half (46%) of those aged 20-24 remained in the parental home.
- In the 2000/01 academic year there were just over 17,200 full-time students. By 2004/05, the number of full-time students in the region had increased to over 19,600.
- Over the same period, the number of bedspaces in student accommodation increased from 2,800 to 3,500 and the number of HEI students living with parents has increased from 6,900 in 2000/01 to around 9,000 by 2004/05 (including around 45% whose parental home is outside the East London region).
- Survey data about students shows that the vast majority (85%) of groups of students live in the private rented sector, with 53% of single students living alone also renting privately.
- Students living alone live mainly in purpose built flats (47%) or terraced properties (29%) while groups of students live mainly in purpose built flats (48%) with around a third (31%) living in converted properties.
- Student households are more than four times more likely to move home than the general population. When compared to future expectations, considerably lower proportions of student households are expected to move in the next year than trends suggest will actually move indicating that young person households are likely to move at short notice.
- The majority of student households (62%) are only able to afford social rented housing. However, many will access housing in the private rented sector by renting individual rooms, possibly spending more than 25% of their income on housing costs.

## Understanding the Housing Requirements of Key Workers

<sup>7.104</sup> This section focuses upon Key Worker groups. The definition of a Key Worker varies widely depending upon the circumstances it is being used in, but for the purposes of this study we will use those workers who qualify for Key Worker housing schemes.

<sup>7.105</sup> The London Home Ownership Housing Group (LHOG) has identified that over 4,200 Key Workers have had their applications to be on the waiting list for dedicated schemes approved in the period April 2006 – May 2008 in East London. The occupations of these Key Workers are shown in Figure 152 with education and health sector workers forming over three quarters of all approved applications for Key Worker housing schemes.

<sup>7.106</sup> Figure 153 and Figure 154 show that almost half of all Key Worker housing applicants currently live in the private rented sector while another 31% are currently living with families or friends. Applicants for non-key worker homes are less likely to be renting privately and more likely to be living with family or friends.

Figure 153  
Previous Home of Applicants for Key Workers in East London  
(Source: London Home Ownership Group 2006-2008)

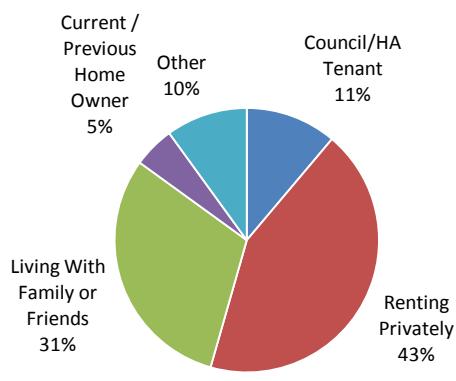


Figure 152  
Occupation of Approved Key Worker Applicants in East London (Source: London Home Ownership Group 2006-2008)

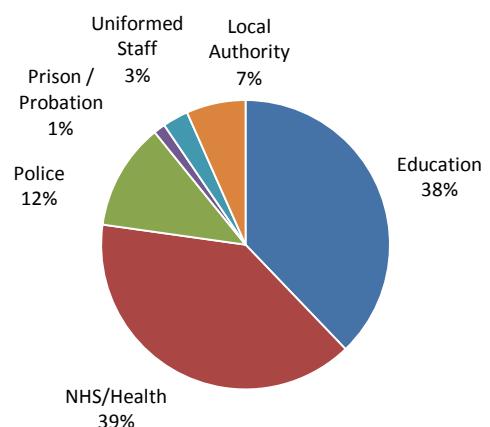
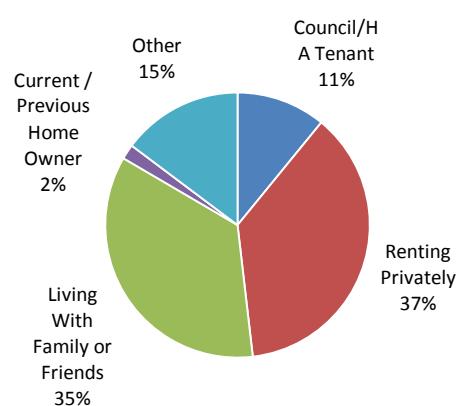
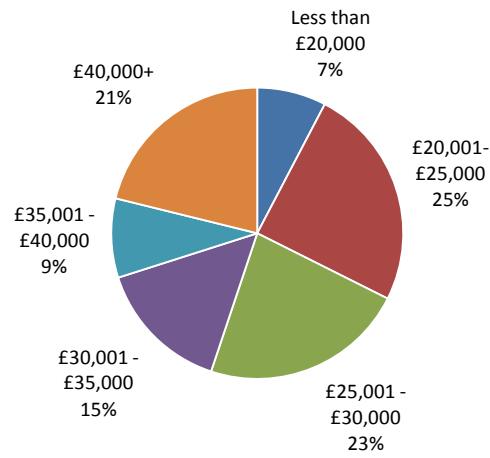


Figure 154  
Previous Home of Applicants for Non Key Workers in East London (Source: London Home Ownership Group 2006-2008)

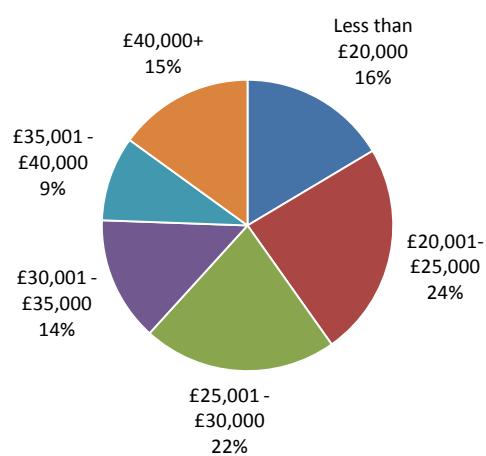


<sup>7.107</sup> Almost half of all Key Worker households seeking low cost housing have household incomes of £20,000-£30,000. It is also the case that 21% have a household income of over £40,000. Non Key Worker households who are seeking low cost housing have on average lower household incomes than the Key Worker households seeking this type of housing.

**Figure 155**  
**Household Income of Applicants for Key Workers in East London**  
 (Source: London Home Ownership Group 2006-2008)



**Figure 156**  
**Household Income of Applicants for Non Key Workers in East London**  
 (Source: London Home Ownership Group 2006-2008)

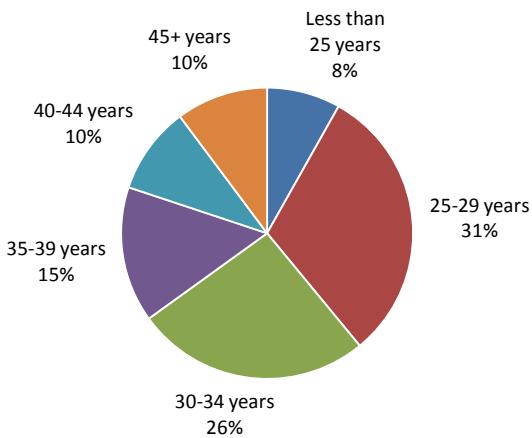


### Recent Shared Ownership Movers

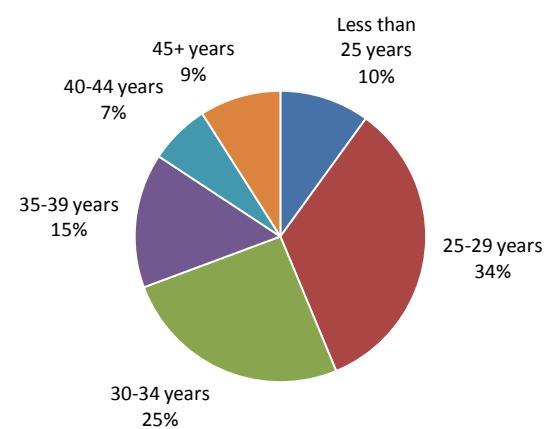
<sup>7.108</sup> Alongside records of applicants for low cost housing schemes, detailed individual records of shared ownership sales in East London are available from the Continuous Recording (CORE) system maintained by the University of St Andrews. All figures relate to sales made between April 2006 and March 2009 and include both new and re-sales of shared ownership properties. The list does not include any household who moved into intermediate or social rent dwellings.

<sup>7.109</sup> In total, around 400 Key Worker households (part of key worker living programmes or other key worker schemes) moved in the shared ownership sector in East London while nearly 1,900 non Key Worker households also moved in this sector. Figure 157 shows that almost a third of all Key Workers who moved into shared ownership were aged 25-29 years with just over a quarter more being aged 30-34 years. When this is compared with non Key Worker households (Figure 158) it can be seen that Key Workers moving into shared ownership are, on average, slightly older.

**Figure 157**  
**Age for Key Workers Moving in Shared Ownership Sector**  
 (Source: University of St Andrews CORE Records 2006-2009)



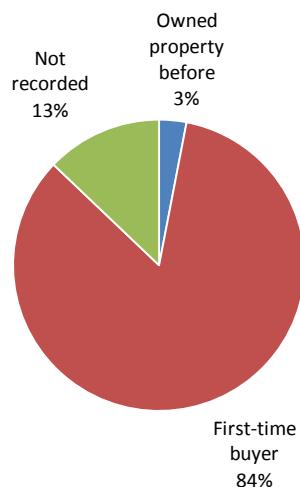
**Figure 158**  
**Age for Non Key Workers Moving in Shared Ownership Sector**  
 (Source: University of St Andrews CORE Records 2006-2009)



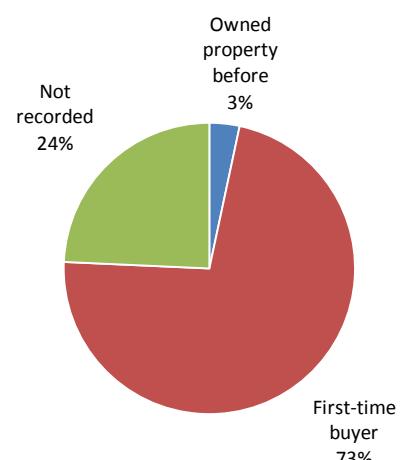
<sup>7.110</sup> Figure 159 shows that 3% of Key Worker households moving in the shared ownership sector had at some stage been owner occupiers previously. This group are likely to include;

- those who retained some equity from an old property following separation from a partner;
- those who were owner occupiers in other parts of the country, but can only afford shared ownership in East London; and
- those who previously bought small flats, but now require family housing which is unaffordable to them.

**Figure 159**  
**First-time Buyer for Key Workers** (Source: University of St Andrews CORE Records 2006-2009)

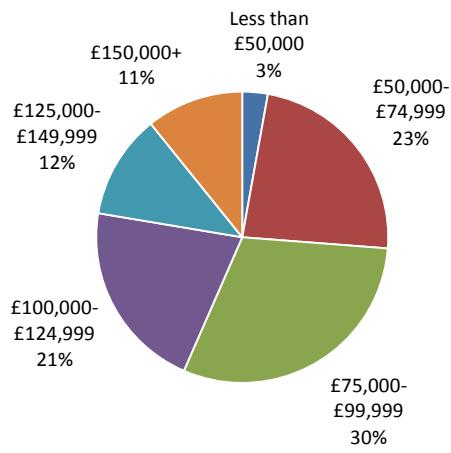


**Figure 160**  
**First-time Buyer for Non Key Workers** (Source: University of St Andrews CORE Records 2006-2009)

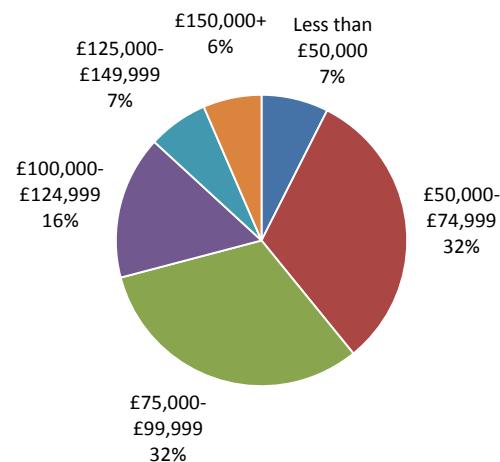


<sup>7.111</sup> It is also noteworthy that the level of mortgages taken out by Key Worker households for shared ownership dwellings were on average higher than those taken out by non Key Worker households. Almost half of all Key Worker households had mortgages in excess of £100,000 for their shared ownership dwellings while this was the case for less than 30% of non Key Worker households.

**Figure 161**  
**Mortgage for Key Workers** (Source: University of St Andrews  
 CORE Records 2006-2009)



**Figure 162**  
**Mortgage for Non Key Workers** (Source: University of St Andrews  
 CORE Records 2006-2009)



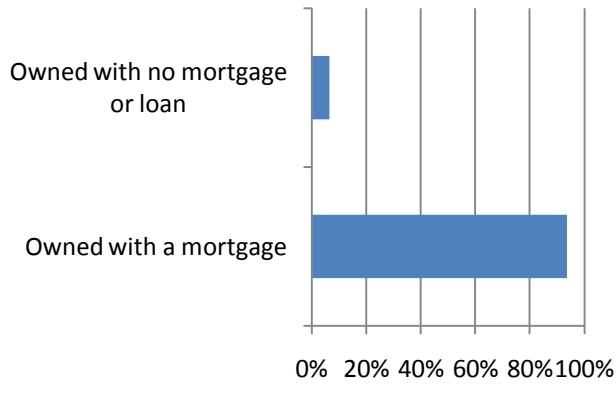
#### Housing Requirements of Key Workers: Summary of Key Points

- Over 4,200 Key Workers have had their applications to be on the waiting list for dedicated schemes approved in the period April 2006 – May 2008.
- Education and health sector workers form over three quarters of all approved applications for Key Workers housing schemes.
- Almost half of all Key Worker housing applicants currently live in the private rent sector while another 31% are currently living with families or friends.
- Almost half of all Key Worker households seeking low cost housing have household incomes of £20,000-£30,000. It is also the case the 21% have household income of over £40,000.
- CORE data shows that, in total, around 400 Key Worker households (part of key worker living programmes or other key worker schemes) moved in the shared ownership sector in East London between April 2005 and March 2008.
- 3% of Key Worker households moving in the shared ownership sector had at some stage been owner occupiers in the past.
- Almost half of all Key Worker households had mortgages in excess of £100,000 for their shared ownership dwellings while this was the case for less than 30% of non Key Worker households.

## Understanding the Housing Requirements of First Time Buyers

<sup>7.112</sup> Local authority survey data identified around 10,400 ‘first time buyers’ in East London who have moved into their property within a year previous to the survey. This figure is calculated by looking at all those who have moved into owner occupation from a different tenure, therefore it may also include people who were previously living in owner occupation, but not immediately prior to moving to their current property. However it gives a good estimate of the number of first time buyers.

Figure 163  
Tenure of First Time Buyers in East London (Source: Local Authority Survey Data)

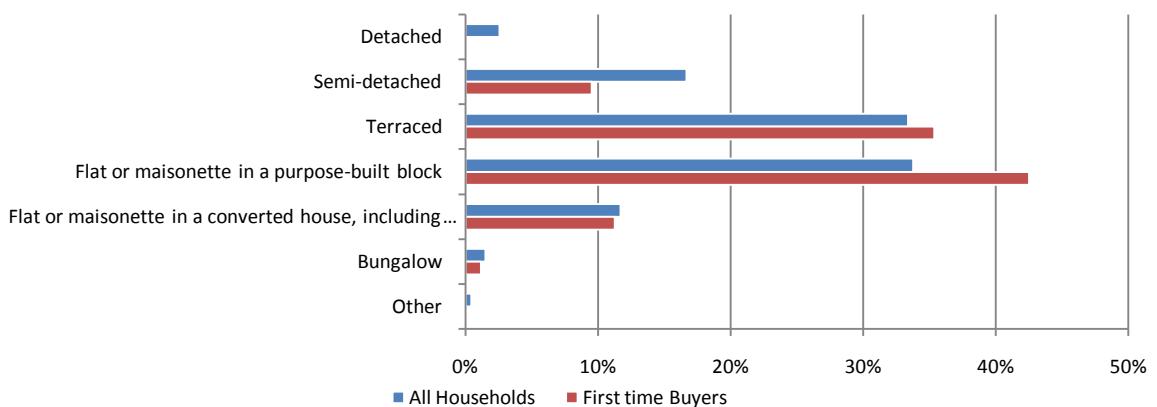


<sup>7.113</sup> Figure 163 shows that the vast majority of first time buyers own their home with the help of a mortgage with only 6% able to buy their home outright.

<sup>7.114</sup> When examining the age of first time buyers, it is clear in that over half are aged between 25 and 34 years with a further 14.7% aged 35 to 39 years. Very few first time buyers are aged 50 years and over, however, 17.3% are aged under 25, which is a substantially higher proportion than in neighbouring North London.

<sup>7.115</sup> Over half of all first time buyers are currently living in flats, with a further 35% having bought a terraced property. In particular, first time buyers, when compared to all households, are significantly more likely to be living in a purpose built flat and slightly more likely to be living in a terraced property.

Figure 164  
Property Type for First Time Buyers (Source: Local Authority Survey Data)



<sup>7.116</sup> Furthermore, no first time buyers have been able to access a detached property and are much less likely to be living in a semi detached property than across all households. This indicates that the affordability for this group is lower than for the population as a whole.

<sup>7.117</sup> Homes occupied by first time buyers are also likely to be smaller than the average, with almost 60% (58.6%) consisting of 1 or 2 bedrooms. Only 3% of first time buyers move directly into a property with four bedrooms or more.

<sup>7.118</sup> The household income of first time buyers varies greatly from that of the overall population as shown in Figure 166. While just over half of the entire population of East London have an income of less than £20,000 a year, this is the case for only 17% of first time buyers. It should also be noted that this group is likely to include people who have access to money from other sources, such as those who are recently separated, have been living temporarily in another tenure but have equity from a previous property, or those who have come into an inheritance.

<sup>7.119</sup> Figure 166 also shows that the distribution of household income for first time buyers in East London is fairly evenly spread across the income bands. However, it is clear that first time buyers are much more likely than the general population to be in a position to afford owner occupation, particularly at the £30,000 level and above.

Figure 165  
Number of Bedrooms in Homes occupied by First Time Buyers (Source: Local Authority Survey Data)

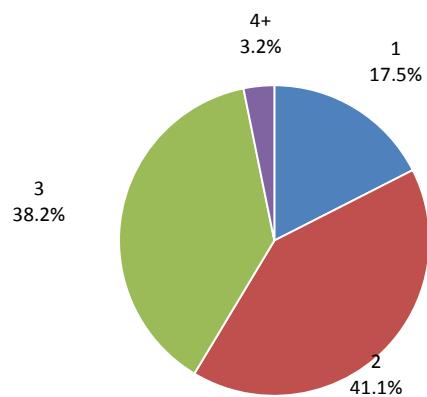
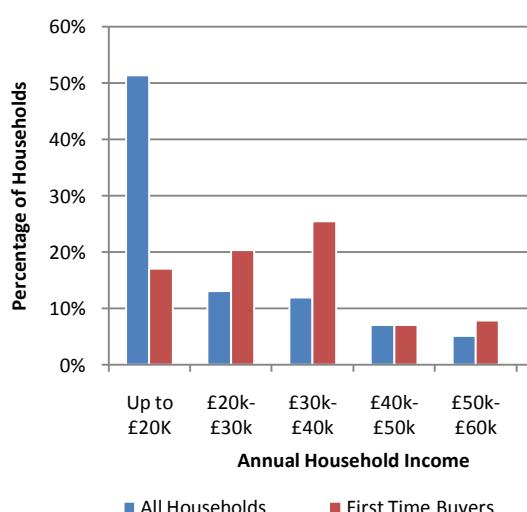


Figure 166  
Household income by First Time Buyer Households for East London (Source: Local Authority Survey Data)



<sup>7.120</sup> Figure 167 indicates that the majority (76%) of first time buyer households contain no children and that there is little difference in the number of children in the household when compared to all households in East London, except first time buyer households are slightly more likely to contain none or only one child. However, it should be noted here that the data for all households also includes pensioner households which are unlikely to contain children.

<sup>7.121</sup> The vast majority (57%) of first time buyer households were renting from a private landlord immediately prior to moving into their current property and a further 30% were living with parents, relatives or friends.

Very few were renting from a social landlord (either from the Council or a housing association) indicating that it is very difficult to move from the social rented sector into owner occupation.

Figure 167  
Number of Children in Household by First Time Buyer Households (Source: Local Authority Survey Data)

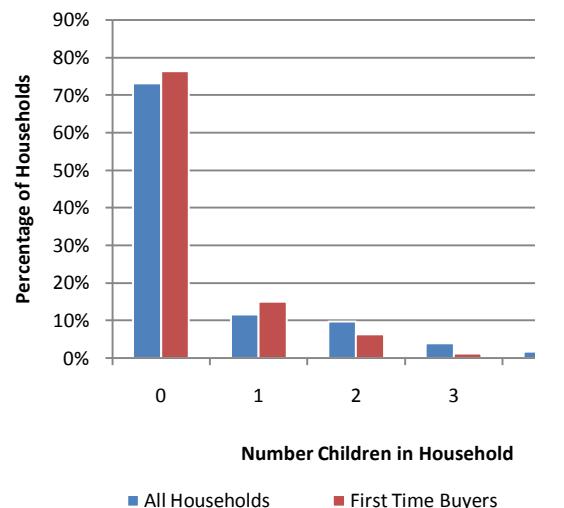
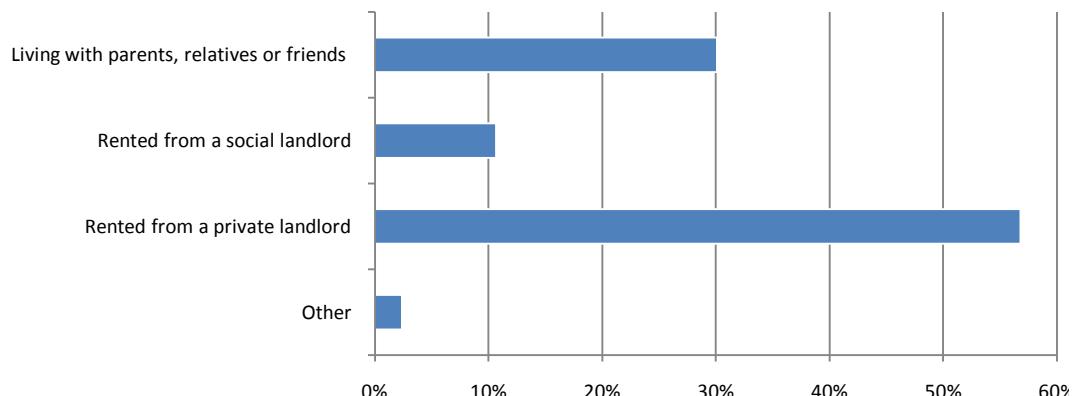
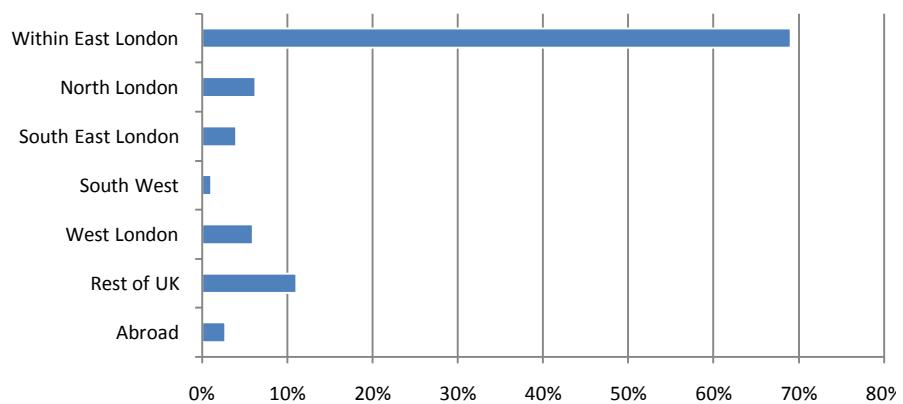


Figure 168  
Previous Tenure for First Time Buyers (Source: Local Authority Survey Data)



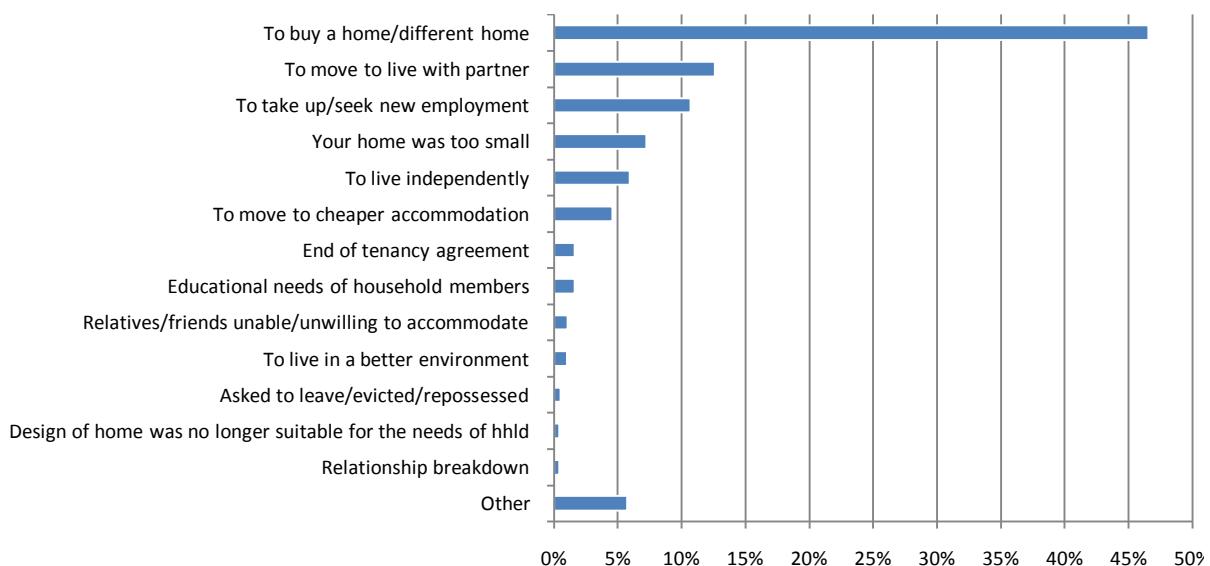
<sup>7.122</sup> It is apparent from Figure 169 (overleaf) that most (69%) first time buyers were already living somewhere in East London with 71% of these remaining within the same Borough. A further 17% of first time buyers were previously living elsewhere in London, mainly in the neighbouring sub-regions of North London and also West London. There appears to have been little movement between areas south and areas north of the Thames, which is a pattern seen when all migration for London is mapped. It is also apparent that very few international migrants are able to immediately access owner occupation.

**Figure 169**  
**Previous Location of First Time Buyers (Source: Local Authority Survey Data)**



<sup>7.123</sup> Figure 170 below details the reasons first time buyers gave for moving into their current property. By far the most common reason was simply to buy a home, with a further 13% moving to live with a partner and 11% to take up new employment. Only 7% stated the reason for moving as their home was too small which is usually one of the top responses when asked of all households who have recently moved.

**Figure 170 Reason for Moving for First Time Buyers (Source: Local Authority Survey Data)**



**Housing Requirements of First Time Buyers:**  
**Summary of Key Points**

- Local authority survey data identified around 10,400 'first time buyers' in East London who have moved into their property within a year previous to the survey.
- When examining the age of first time buyers, over half are aged between 25 and 34 years with a further 14.7% aged 35 to 39 years.
- Over half of all first time buyers are currently living in flats, with a further 35% having bought a terraced property. Homes occupied by first time buyers are also likely to be smaller than the average, with almost 60% consisting of 1 or 2 bedrooms.
- While just over half of the entire population of East London have an income of less than £20,000 a year, this is the case for only 17% of first time buyers. First time buyers are much more likely than the general population to be in a position to afford owner occupation, particularly at the £30,000 level and above.
- The majority (76%) of first time buyer households contain no children and there is little difference in the number of children in the household when compared to all households in East London, except first time buyer households are slightly more likely to contain none or only one child.
- The majority (57%) of first time buyer households were renting from a private landlord immediately prior to moving into their current property with a further 30% were living with parents, relatives or friends.
- Most (69%) first time buyers were already living somewhere in East London with 71% of these remaining within the same Borough. A further 17% of first time buyers were previously living elsewhere in London.
- Of the reasons first time buyers gave for moving into their current property, the most common was simply to buy a home, with a further 13% moving to live with a partner and 11% moving to take up new employment.

## Homelessness

<sup>7.124</sup> A duty of local authorities is to assess, advise and assist households that are homeless or threatened with homelessness. The Housing Act 1996 states that if a local authority, after an assessment of the circumstances, is satisfied that the applicant is homeless and in priority need it shall;

- secure that accommodation is available for his occupation for such period as they consider will give him a reasonable opportunity of securing accommodation for his occupation; and
- provide him with advice and assistance as they consider appropriate in the circumstances in any attempts he may make to secure that accommodation becomes available for his occupation.

### Households Defined as being in Priority Need

The following groups of households were originally defined as being in priority need under the 1996 Housing Act:

- pregnant women;
- persons with whom a pregnant woman resides, or might reasonably be expected to reside;
- persons with dependent children, or with whom dependent children might reasonably be expected to reside;
- persons who are vulnerable – because of old age, mental or physical disability, or other special reason;
- persons who are homeless in emergency.

The following categories were added to this list by the Priority Needs Order 2001:

- 16 to 17-year-olds (not *relevant children* under the Children's Act 1989 and Children Leaving Care Act 2000);
- young persons under 21 who are looked after/accommodated between 16 and 18;
- young persons under the age of 21 who are vulnerable as result of being looked after/accommodated/fostered;
- those who are vulnerable as result of being in HM forces;
- those who are vulnerable as a result of custodial sentence/remand to custody/contempt of court/kindred offence;
- those who are vulnerable as result of leaving accommodation because of threats of violence.

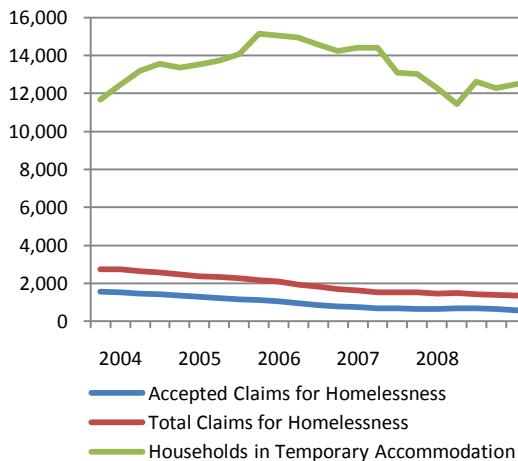
<sup>7.125</sup> Cases can be found to be homeless but not in priority need because they may have made themselves intentionally homeless. Examples of people who have made themselves intentionally homeless might be those who;

- deliberately made themselves homeless by leaving home knowing they could reasonably have stayed; or
- deliberately caused a serious nuisance or withheld rent or mortgage payments; and
- applicants can ask for any decision to be reviewed

<sup>7.126</sup> Figure 171 indicates that the total number of claims for homelessness has gradually fallen since 2004, along with accepted claims. The number of households housed in temporary accommodation rose to a peak of over 15,100 in 2006 but has since fallen to only 11,500 in the third quarter of 2009.

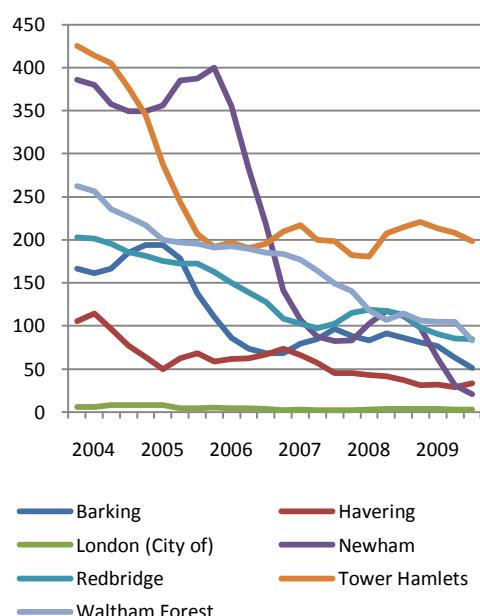
<sup>7.127</sup> The Government has set a target for all local authorities to halve the numbers in temporary accommodation between December 2004 and 2010. By the third quarter of 2009, figures were around 86% of the December 2004 level.

**Figure 171**  
**Unintentionally Homeless and in Priority Need Applications  
 and Households in Temporary Accommodation for East  
 London 2003 Q4-2009 Q3** (Source: Local Authority P1E  
 Homelessness Data. Note: Number of cases based on 12-  
 months to end of quarter)

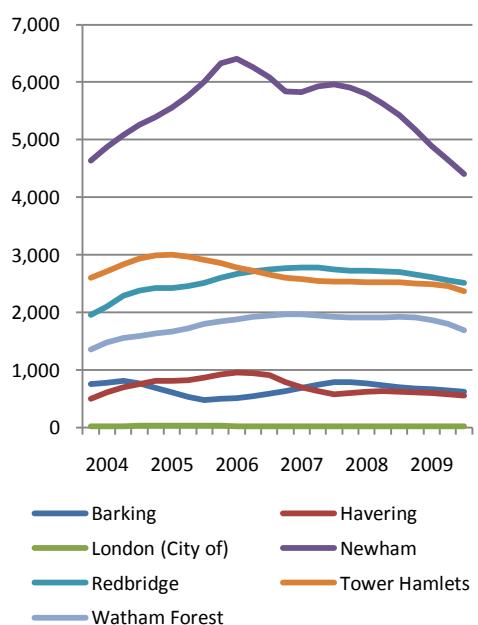


7.<sup>128</sup> Figure 173 indicates that the total number of acceptances for homelessness have been gradually falling since 2004 across all Local Authorities. Newham and Tower Hamlets have experienced the largest decrease. However, since 2006 the number of those homeless and in priority need has remained stable in Tower Hamlets, while the number has continued to fall in Newham. It should be noted that one of the major factors that have influenced these numbers is an increased emphasis from the Councils on preventing homelessness.

**Figure 173**  
**Unintentionally Homeless and in Priority Need  
 Households by Local Authority Q4 2003- Q3 2009**  
 (Source: Local Authority P1E Homelessness Data.  
 Note: Number of cases based on 12-months to end of  
 quarter)



**Figure 172**  
**Households in Temporary Accommodation by Local  
 Authority Q4 2003- Q3 2009** (Source: Local Authority P1E  
 Homelessness Data)



7.<sup>129</sup> From 2004 almost all of the authorities in East London have slightly reduced the number of households held in temporary accommodation (Figure 172). Newham's figure rose until 2006 before

falling rapidly to a current point slightly lower than its 2004 position but still has a higher number than most other Local Authorities.

<sup>7.130</sup> In East London between the 1st quarter of 2003 and the most recently available data from the 3rd quarter of 2009, 25,910 people were considered to be homeless and in priority need. Figure 174 identifies the ethnic minority dimension to homelessness acceptances across East London. Of all households accepted as being homeless and in priority need in the period 2003-09, around 67.3% were from BME groups, which is much higher than their share of the total population.

Figure 174

**Homeless and in Priority Need by Ethnic Group Q1 2003-Q3 2009**  
 (Source: Local Authority P1E Homelessness Data and UK Census of Population 2001)

Local Authority	% of cases from groups	% of population from groups
White	32.7%	65.7%
African/Caribbean	22.1.%	9.5%
Indian/Pakistani/Bangladeshi	22.5%	18.0%
Other Ethnic Group	12.3%	6.8%
Unknown	10.4.%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### Homelessness: Summary of Key Points

- The total number of claims for homelessness has gradually fallen since 2004. The number of households in temporary accommodation rose to a peak of 15,100 in 2006 but has since fallen to only 11,500.
- The number of acceptances for homelessness has been gradually falling since 2004 across all Local Authorities. Newham and Tower Hamlets have had the largest decrease. However, since 2006 this number has remained stable in Tower Hamlets whilst continuing to fall in Newham.
- In East London between the first quarter of 2003 and the third quarter of 2009, 25,910 people were considered homeless and in priority need. Of these, 67.3% were from BME groups, which is much higher than their share of the total population.

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## Section 8: Conclusion and Main Policy Issues

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- 8.1 In this section we further examine the main policy issues that arise from the SHMA at the sub regional level. Remarks are confined to strategic issues relating to the future housing requirement.

### General conclusion

- 8.2 The evidence in the SHMA report supports the ‘story’ of the sub region as, in summary;
- Greater London is the engine of the UK economy and as such it attracts many young people to the inner city for education, work, lifestyle and cultural reasons. East London Boroughs have different roles. Regarding the ‘inner London’ Boroughs, the City of London is unique in terms of its economy and governance and has a very small housing stock. Tower Hamlets also has a major economic role but larger and more diverse housing to offer. Hackney is more of an inner city suburb and is very well connected to the City of London in terms of transport. The outer Boroughs of Newham and Waltham Forest have areas of lower priced housing whereas the housing stock of Havering and Redbridge tend to be occupied by owner occupier households with higher income;
  - four of the East London Boroughs are host Boroughs to the 2012 Olympics. This has lead to improvements in the transport infrastructure and the regeneration of large areas of East London including especially in Stratford and parts of the lower Lea Valley. It has also employed hundreds of construction and attracted many European migrant workers. The legacy is intended to be that of lasting regeneration, world class sporting facilities and housing;
  - like the rest of Greater London, East London relies upon a great many low paid jobs to sustain its retail and service sector many of which are filled by international migrant workers. This has led to pressures on the private rented sector and the ‘informal’ housing market;
  - the housing market stalled recently due to the credit crunch. However, the premium housing market in the City of London and Tower Hamlets has bounced back although recovery in the outer Boroughs is less dramatic.
  - net housing growth is planned for the sub region. There has also been a public policy response of prioritising family housing within new build and regeneration schemes. However, planned delivery over the current 5 year planning period is less than is estimated as needed by the SHMA in all scenarios that have been investigated;
  - there has been a response to recent and current market conditions from entrepreneurs to provide cheaper housing for sale and particularly for rent by subdividing dwellings.

Many single person households choose to flat share in order to make living in higher quality housing and neighbourhoods more affordable. This results in a net loss of family housing;

- due to demographic trends households tend to be small with flows of older households and those who have children to outer London and the commuter belts;
- the general direction of travel of public policy is to ensure that housing development is sustainable and that there is minimum harm to the environment. This means that policy aims are about more than meeting housing requirements identified by the SHMA, for example, achieving mixed tenure developments and incentives such as generous intermediate housing policies to contain 'city flight';
- this in turn means that a serious gap exists in London's housing, housing for lower paid workers vital to the local economy who cannot access social housing and who cannot afford decent market housing. The private rented sector is partially filling this role;
- the SHMA has demonstrated that in whole housing market terms the sub region is mostly cohesive in that there is a great deal of self containment of residents in terms of employment in the context of the London Region;
- an important conclusion of the SHMA is that there may be unintended consequences of both fulfilling the future housing requirements and failing to fulfil them. Failure to meet estimated affordable housing requirements will impact upon market housing. This, coupled with the potential reduction in housing benefit support for private rented sector housing, may free up housing supply for the identified gap of housing for lower paid households in the intermediate housing income band. It remains that the impact on households that can only afford social housing living in the private rented sector may be severe, especially if they are large families on low income. As mentioned above due to much market housing being unaffordable to households there are strong economic forces that result in family housing either being sub-divided or shared; and
- evidence in the SHMA points to the City of London and Tower Hamlets being different to the rest of the sub-region due to marked differences in average house prices, the presence of some residents who are extremely wealthy and a very different housing mix in terms of tenure and size. This supports the direction of travel in the Mayor's consultation draft London Plan where there is increasing focus on the distinction between the inner and outer London Boroughs.

### **Implications of not delivering the housing requirement**

- 8.3 Delivery of additional housing over the 5 year period will be a minimum of 52,390 dwellings which is considerably less than the lowest estimate of requirements estimated by the SHMA (84,570 dwellings);
- in section 6 of the report the size and tenure mix of the 5 year housing requirement was estimated using a number of scenarios and assumptions about future supply. The standard ORS approach to estimating these requirements is arguably the approach that most accurately takes account of the varying role and interactions of tenures across the whole housing market. This is achieved by applying affordability tests and standard ORS

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assumptions regarding supply of affordable and intermediate housing (from dedicated products, private rented sector housing benefit tenancies and lower quartile private rented sector supply); and

- there are significant implications for the whole housing market if the 28,747 units of social rented dwellings are not provided. The households who are identified as requiring these homes will have to find alternative accommodation. The most obvious conclusion from not being able to deliver the requirement for social rented housing is that housing benefit claims in the private rented sector will continue to rise and that some households will be forced to spend very high proportions of their income to find accommodation in the private rented sector.

8.4 The SHMA report emphasises that the market housing requirement does not necessarily represent the requirement for new build housing. It represents the number of units which market housing could potentially increase by in the next 5 years in the sub-region driven by the growth in the number of households that could afford it. The distinction between these two points can be illustrated by a simple example.

8.5 If a newbuild dwelling is bought by a household who is currently occupying an existing owner occupied property in East London, what happens to the dwelling they vacate? If it is bought by another household who occupy the dwelling, the total market housing stock has been increased by one unit (the newbuild dwelling). However, if the dwelling is bought by a landlord who subsequently rents the property to a household receiving housing benefit this effectively becomes part of the affordable housing supply. Therefore, completing one newbuild dwelling can see the market housing supply remain unchanged, but the affordable housing supply rise as part of the second hand stock finds its way into the affordable housing sector.

8.6 This situation has been common in London as newbuild dwellings are occupied as market housing (owner occupied or rented), but parts of the second hand stock have been turned over to housing benefit receipt private rent or sub-divided and let as lower quartile private rent. The implication is that while the market housing requirement is identified as being 16,147 dwellings this does not necessarily equate to the newbuild market requirement. If more of the second hand stock becomes part of the effective affordable supply then potentially more units of newbuild could be required. However, if sufficient genuinely affordable housing can be provided, units of current effective affordable supply can be returned to the market sector, i.e. households could vacate the lower quartile or housing benefit supported private rented and these dwellings could return to being part of the market supply. However, this would require a provision of social and intermediate housing of at least the levels identified in Figure 69.

8.7 A further complication occurs if a total of 84,570 dwellings are not provided in the next 5 years. The households who wish to occupy these dwellings will still need to live somewhere. This will provide further demand for dwellings within East London being sub-divided as households seek to live in smaller units to make them affordable. Another possibility is that some households will seek housing outside the sub-region. However, the most mobile households are those who can afford market housing, so it is these households who are most likely to seek alternative areas to live in. A further possibility is that some households who wish to form

separate households will fail to do so because of lack of options and this may see them continue to live in overcrowded conditions in their current home.

- 8.8 Therefore, if the affordable housing requirement is not provided then there is likely to be a complex result in the housing market sector where parts of the current second hand market housing stock become units within the effective affordable housing supply.

### **Implications of potential policy change regarding Housing Benefit support for private rented sector tenants**

- 8.9 If we were to assume that any dwelling vacated in the housing benefit (HB) supported private rented sector is relet to the open market private rented sector, this will have major consequences for the market, intermediate and social housing requirements. Such a change may be triggered by a combination of events and circumstances;

- local market conditions push rents beyond local housing allowance limits;
- the area becomes attractive to higher income households; and/or
- HB support is reduced as part of the Government's response to the economic crisis.

- 8.10 Using the standard supply assumptions of the ORS housing market model, over the next 5 years it is projected that 16,745 households will move who are currently occupying housing benefit supported private rented dwellings. Of these, 3,394 households occupy dwellings where the rent is above the lower quartile private rent threshold and 13,351 households occupy dwellings below the threshold.

- 8.11 Comparing Figure 71 and Figure 72, assuming that vacated housing benefit supported private rented dwellings are returned to the open market, the supply of social rented dwellings fall by 16,745, the supply of market (PPS3 definition) will rise by 3,394 dwellings and the supply of dwellings affordable to those who require intermediate affordable will increase by 13,351.

- 8.12 The consequence of these changes for the modelled results is that if we exclude vacated housing benefit private rented properties from the potential social housing supply;

- the requirement for social housing rises to 45,492 over 5 years; and
- there would be a fall in the requirement for intermediate affordable housing to 13,845.

- 8.13 The unknown factor is how landlords/entrepreneurs would respond to a changing market;

- the extent to which less generous HB funding would have on cheaper market rents;
- the degree to which landlords will retain their sitting tenants in preference to rent losses and fees associated with re-letting; and
- the extent to which households in the intermediate affordable housing income band would consider the extra supply attractive and affordable.

### **Intermediate affordable housing issues**

- 8.14 The aim of this section is to relate SHMA findings to policy and delivery of intermediate affordable housing. A concern for policy is the extent to which the additional supply of

intermediate affordable housing products are likely to be affordable to local people within the meaning of PPS3 especially those sections in italics in the following abstract;

**Abstract from PPS 3 Annex B definitions relating to affordable housing**

**Affordable housing**

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

**Affordable housing** should:

- Meet the needs of eligible households including availability *at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- Include provision for the home to *remain at an affordable price for future eligible households* or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

**Intermediate affordable housing** is:

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.' These definitions replace guidance given in Planning Policy Guidance Note 3: Housing (PPG3) and DETR Circular 6/98 Planning and Affordable Housing.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, *those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.*

Intermediate affordable housing and the SHMA

<sup>8.15</sup> The SHMA has investigated affordability based upon local market prices and social rents. It has concluded that intermediate affordable housing is affordable to households seeking 1 and 2 bedroom flats with an income in the range of £16,500 to £41,600 gross income p.a. (Figure 63 above). This is based upon the PPS3 definition of intermediate affordable housing and income to loan and rent ratios defined by the CLG (SHMA practice guidance). Information regarding sales Newbuild HomeBuy from the HomeBuy agent analysed below shows that all but 42 of just over 500 sales were to studio, 1 and 2 bedroom flats. Therefore, social rent and private sector rent levels affecting East London have been used to support a local definition in accordance with PPS3 Annex B definitions.

<sup>8.16</sup> The SHMA estimates that based upon this criteria that the 5 year requirement for intermediate affordable housing is for 27,196 dwellings. This is 32% of total requirements or 49% of target delivery.

Intermediate housing and the Replacement London Plan Consultation Draft 2009

<sup>8.17</sup> This policy document describes the vision of how intermediate housing products can be targeted in the future to enable communities to be more mixed and sustainable over time (Replacement Plan paragraph numbers are quoted where appropriate);

- a more diverse range of intermediate housing products providing greater flexibility for movement between tenures (3.38);
- infill schemes in predominantly social housing estates should primarily be targeted for intermediate and market housing(3.53);
- intermediate housing should meet the criteria outlined in Policy 3.11 and be available at prices and rents above those of social rent, but below market prices or rents. New intermediate homes should be affordable to households whose annual income is in the range £18,100 – £61,400;
- for homes with more than two bedrooms, which are particularly suitable for families, the upper end of this range will be extended to £74,000. These figures will be updated annually in the London Plan Annual Monitoring Report (3.55);
- to take more effective account of the PPS 3 requirement to have regard to local incomes and house prices in setting the upper level of the intermediate housing eligibility threshold, it must be recognised that lower quartile house prices in London are 70 per cent higher than in the country as a whole, 31 per cent higher than in the South East region and 50 per cent higher than in the East of England. The general London upper household income threshold of £61,200 is only slightly higher than the national standard threshold of £60,000 used by the Homes and Communities Agency. However, it is necessary to ensure that intermediate housing can be delivered and accessed across the range of demand and need and, in particular, for larger homes, which is where the greatest need arises. The higher income threshold of £74,000 reflects the higher costs to developers and purchasers of this family sized intermediate housing;
- the Mayor will seek an average of at least 13,200 more affordable homes per year in London over the term of this Plan, and within this seek to ensure that 60 per cent is social housing and 40 per cent is intermediate housing. That priority should be accorded to provision of affordable family housing;
- derivation of separate targets for social rented and intermediate housing has been informed by the SHMA and other relevant factors including the role intermediate housing can play in helping Londoners get a first step on the housing ladder, reducing the call on social rented housing, freeing up social rented homes, providing wider housing choices and securing a more balanced social mix on mono-tenure estates. Account has also been taken of the way intermediate housing development can extend the effectiveness of scarce public resources by increasing overall housing output through partnership working with the private sector (3.58); and
- the Mayor proposes that as a long term strategic target 60% of new affordable housing should be for social renting, especially for families. Also that 40% should be for the range of intermediate housing products outlined in the London Housing Strategy to meet different needs, including those arising from groups which hitherto have not been able to afford market housing but have been excluded from intermediate housing. The Mayor recognises that these are challenging targets, particularly in current economic conditions, but to meet Londoners' housing needs all stakeholders must engage to achieve them over the term of the Plan (3.59).

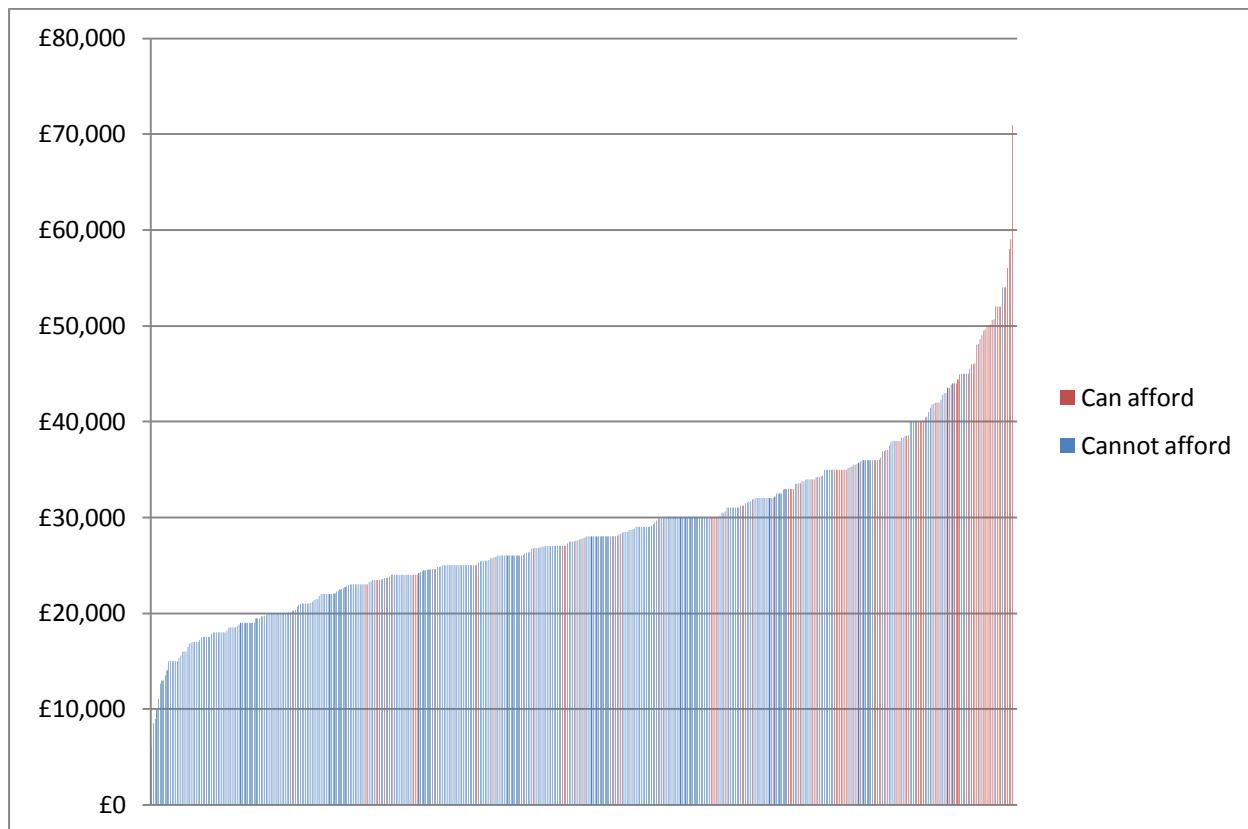
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### Information from the HomeBuy Agent

- 8.18 The object of the analysis was to understand how sales related to the SHMA findings regarding intermediate affordable housing and the Mayors policy position as described above.
- 8.19 The HomeBuy Agent provided a considerable amount of information regarding recent sales of a number of HomeBuy products. Our analysis focuses on Newbuild HomeBuy sales. From April 2008 to March 2009 there were 404 completed sales across the Local authorities in the sub-region to non key worker households and 100 sales to key worker households. Only a small number of sales were achieved for key workers working in the City of London and none were made to residents;
- 16 (4%) of sales to non key worker households occurred where the household had income in excess of the SHMA income range of £19,300 – £41,600 p.a.;
  - 18 (18%) of sales to key worker households occurred where the household had income in excess of the SHMA income range of £19,300 – £41,600 p.a.;
  - 1 sale was to a non key worker household with an income of £71,000. This is in excess of the Mayors Draft Plan upper limit of £61,400 p.a. This household purchased a 50% share of a 2 bedroom flat at market value of £267,000;
  - the highest earning key worker household had an income of £59,000 gross p.a. This household purchased a 25% share of a 2 bedroom flat at market value of £196,000;
  - the average income of households across all sales was £27,550 for non key workers and £33,950 for key workers;
  - using the same practice guidance affordability benchmarks used by the SHMA to assess the requirement for intermediate affordable housing, 333 (82%) of non key worker and 62 (62%) of key worker households had purchased homes at a cost which they could not reasonably afford by this measure. Some households were beyond the benchmark by a considerable margin. We assumed a 15% deposit was required in all cases. If we include the service charge in our calculations the number of households unable to afford by this criteria increases to 368 (91%) and 74 (74%) respectively;
  - using the income distribution of households for all new build HomeBuy sales in the sub-region in the data (key worker and non key worker), households with higher incomes tended to be the households most likely to be within the CLG affordability benchmarks used by the SHMA for assessing the requirement for intermediate affordable housing (Figure 175);

Figure 175

Household Income Distribution of Recent New Build HomeBuy Sales in East London. (Source: HomeBuy Agent sales data 2008-9)



- however, SHMA practice guidance (version 2, page 59) suggest a different approach to assessing affordability of shared ownership products. Here monthly gross income is compared to the combined monthly cost of rent and mortgage. Unfortunately a great deal of data was missing from sales information to allow us to assess the affordability of sales. However, based upon analysis of 250 non key worker sales out of 404 sales (62%) with full information, 220 (88%) sales would not be considered affordable; and
- this method does not take account of service charges which can be a significant additional cost. If we add service charges into the calculation for non key workers 236 (94%) of sales would not be considered affordable.

<sup>8.20</sup> In general terms the affordability of sales to individual households is difficult to assess as there is an additional variable in addition to household income and price. This is the size of the share purchased which can be assumed to be a main factor that enables a sale to be affordable to a household. Analysis of sales suggests that even where a 25% share has been purchased most households have purchased more than they can reasonably afford. A mitigating factor could be if a large deposit has been paid, however, the size of the mortgage for these households would suggest that large deposits have not been paid. That said, clearly lenders have provided the finance to support the sale.

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### Conclusions for Policy Consideration

- 8.21 The Mayor's policy is clearly aimed at a wider group than that measured by the SHMA. The political direction of travel is to enable as many households as possible into home ownership in order to achieve wider policy objectives. The Mayor makes a very powerful argument for the role of intermediate housing and increasing the supply of it.
- 8.22 A cause for some concern is that based upon recent sales, a number of households are clearly paying more than they can reasonably afford. However, the main picture that emerges from the sales data is that a high proportion of sales are being achieved at the higher end of the SHMA intermediate income band and one outside the Draft Replacement London Plan upper earnings limit.
- 8.23 The Mayor's Draft London Plan contains evidence of factors that suppress demand for HomeBuy products and results in a small proportion of enquiries resulting in sales. In addition, we would also point to evidence in the SHMA that many households choose to migrate to areas outside London rather than seek affordable solutions within it.
- 8.24 The SHMA points to a significant requirement for intermediate housing for the sub region and based upon the analysis of sales demand would potentially be greater. This is because the SHMA estimates are based upon affordability considerations in a narrower income range than that envisaged by the Mayor. However, to arrive at a fuller understanding of the demand for intermediate affordable housing, factors such as understanding household aspirations that affect demand, the perceived value of shared ownership and the quality of the private rented sector need further study. Nevertheless, based upon evidence from the HomeBuy agent it is apparent that there is a disconnection between affordability and demand for HomeBuy in that some of the sales have been to households that could afford other options in the housing market.
- 8.25 However, it is also reasonable to consider the policy gap that is created by current delivery models for intermediate affordable housing. In particular, we highlight the large number of households with income at the lower end of the intermediate income band. The evidence from the HomeBuy agent suggests there is no intermediate product affordable to this group. At the same time those without children and in good health will have little opportunity to access social housing. Typically they rent in the cheaper end of the private rented sector/flat share or continue to live in the parental home. Those with large families have few options. They can only realistically afford social rented housing which is in short supply due to right to buy sales.
- 8.26 The overall conclusion is that based upon the evidence of recent sales, intermediate affordable housing;
- is generally sold to households within the income band defined by the SHMA;
  - the income band is a broad measure of affordability;

- few individual sales are considered affordable to households practice guidance affordability benchmarks consistently applied throughout the SHMA;
- a smaller proportion of sales can be considered affordable to households if practice guidance (page 59) benchmarks are followed;
- sales that can be considered affordable to the household tend to be to households with higher income levels; and
- a gap exists in intermediate affordable housing products such that households on low income without children and in good health are unlikely to access social housing and have little choice but to share or occupy housing at the cheaper end of the private rented sector. This is frustrating the policy aim of achieving decent housing affordable to a great many households.

### The Olympic Legacy

- 8.27 The policy context, section 2 of this report, explains the plans for the conversion of the Olympic Village and notes concerns that the legacy may benefit households living outside the sub-region such that the aims for the sub-region are not realised. This issue was also raised by stakeholders.
- 8.28 It is likely that Olympic Village housing for sale will attract a premium price due to its proximity to the world class facilities on its doorstep, the transformation of Stratford and the transport infrastructure serving it. It is intended that the mix of dwellings will cater for families amongst other household types.
- 8.29 The SHMA has demonstrated that homes with more rooms sell for a larger price than smaller homes. The SHMA evidences the extent to which local housing is affordable to existing and future local households and it is affordability that leads to the large requirement for affordable housing throughout East London.
- 8.30 Evidence also suggests that home owners tend to purchase homes with more rooms than are occupied by households in other tenures. Evidence from other studies shows that this is even more likely to be the case with new build housing.
- 8.31 The SHMA has also presented the likelihood that a proportion of the village will be purchased by investors and this housing could be let to a number of niche groups within the private rented sector notably young professionals either on a self contained or a flat shared basis and potentially the corporate sector (as evidenced by Docklands and Canary Wharf).
- 8.32 The combination of affordability factors and trends within London's Housing Market presents the situation that the fears of the London Assembly Committee may be well grounded as far as housing for sale and shared ownership/shared equity sales are concerned.
- 8.33 The allocation of social housing presents a different challenge in that we understand that a system is still to be agreed for allocating the tenancies amongst the host Boroughs one of which is outside the East London housing partnership.

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<sup>8.34</sup> However, there is the perspective of the scale relating to the development and the existing housing stock. The village represents around 10% of the planned 5 year delivery of new housing and around 5% or less of the 5 year requirement depending upon which SHMA requirement scenario is used. Perhaps the focus should be on the benefits of the long term transformation of the image and place that East London will become in the decades following the Olympic Games. This will be monitored by future housing economic and environmental research.

### **Unsuitable housing and overcrowding**

<sup>8.35</sup> A further crosscutting issue at the sub-regional level is overcrowding. This issue is highlighted because;

- this group of unsuitably housed households are often in the most acute housing need;
- some BME groups are disproportionately affected;
- overcrowding has important implications for health and child development;
- large households on low income have few options to secure decent housing that is affordable to them; and
- larger social rented homes are in short supply.

<sup>8.36</sup> SHMA evidence tells us that from household survey information;

- 68,000 households across the sub-region cite overcrowding as a factor in considering they live in unsuitable housing (Figure 58);
- around 8% of all households in the sub region are overcrowded but some BME groups are disproportionately likely to suffer from overcrowding (Figure 119);
- 38% of Bangladeshi households have one room too few for their needs with 15% lacking two rooms; and
- 28% of Pakistani and 20% of Black African and 20% of Other Mixed households lack one or more rooms.

<sup>8.37</sup> The Mayor's policy aspiration is to provide a greater supply of family housing across London but would not want this to conflict with other policy aims of enabling communities to become more mixed and sustainable. This will be a considerable challenge as most large households on low income can only afford social rented housing.

### **Longer terms challenges to the east London housing market and issues for future SHMAs to monitor**

<sup>8.38</sup> There are other structural changes in the Global/National/Local economy not so far considered that may have severe implications for the housing market as they unfold. It is beyond the scope of the SHMA to investigate these fully but there are a number of issues that may have long term impacts that future updates of the SHMA may wish to track. The combined effect of the following factors may have a major impact on the housing market and the socio-economic framework within which it operates.

### The future economic success of the City of London

<sup>8.39</sup> City bonuses often funded the purchase of premium property. This practice may not continue on such a scale. The reputation of the City has been damaged and the long term impact of this is not yet apparent. The low value of the £ makes London an attractive tourist destination.

### Future international migration and the labour market

<sup>8.40</sup> The combined effects of improving national economies and poor exchange rates may mean that the UK has less to offer migrant workers especially those seeking work in routine occupations. This may play out as lower unemployment of the UK labour force, labour shortages, and loss of demand in the informal housing market (small shared flats, rooms etc).

### Further outsourcing of manufacturing to other countries

<sup>8.41</sup> With manufacturing being re-located to Eastern Europe and China the economy will be increasingly knowledge based. This may lend itself to home-working and result in fewer car journeys. It will also mean that the economy of towns with large historic manufacturing sectors will suffer, as will their housing markets.

<sup>8.42</sup> Instead of a job for life, employees may find that employment is more short term. This means that the need to re-locate may be more frequent.

### Pensions, pension and savings performance

<sup>8.43</sup> Private pension yields are currently poor and the average pension pot is around £10,000 (ONS). Few employers outside the public sector are offering final year salary pension schemes. This could result in a resurgence of property based investment as yields from equities have proved disappointing. Many services for older people are means tested and a contribution is required dependent upon circumstances for domiciliary care, adaptations etc.

### The acquisition of capital through housing equity

<sup>8.44</sup> Fewer households will be able to achieve this as more households are unable to get on the property ladder.

### The impact of Government fiscal policy on personal finance

<sup>8.45</sup> Increases in national insurance, taxation, tuition fees etc. all weaken a household's ability to fund their housing costs. This will include saving for a deposit. The impact of cutting housing benefit has been explored earlier. On the other hand this may produce a market response of stabilising rents and purchase prices. It will be important to monitor the affordability of housing as a consequence.

### Public spending on infrastructure and regeneration

<sup>8.46</sup> Given the huge debts incurred by the government to prevent the collapse of the banking sector it is difficult to see how public spending programmes on infrastructure and regeneration can be sustained. As considered above, areas of housing in deprived areas may be increasingly

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under threat if the recovery is slow and it is widely believed this will be the last part of the market to recover from the downturn. This is an important issue because best use of existing developed land and buildings is an important element in reducing pressure on green belt land.

- 8.47 Overall, it is possible that a number of factors combine to reduce the proportion of people buying to live and increase the likelihood that people or companies will invest in housing to rent. There is also the implication that fewer retiring households will be able to look forward to capital wealth through housing equity or good income streams through pension arrangements.

### **Findings in relation to groups studied in section 7**

- 8.48 Within the regional and sub-regional housing market a number of barriers exist to households whose particular circumstances prevent them achieving the housing they either need or aspire to;

- the affordability of housing to individual households;
- insufficient new build housing;
- an existing dwelling stock that was built to serve a different household profile (when households were less mobile); and
- a severe shortage of social housing.

- 8.49 The SHMA housing model has measured the imbalances between the factors described above, essentially the imbalance between existing stock and future trends and the effect of housing costs on the ability of households to find suitable market solutions to their requirements. So what further conclusions can we draw about the individual groups described in Section 7?

#### Families

- 8.50 Families experience different constraints to other households in that the additional cost of supporting children reduces the amount of income potentially available for housing costs.

- 8.51 This group will tend to re-locate from inner London Boroughs to suburban Boroughs and the commuter belts where the supply of family housing is greater and more affordable. Boroughs have bought into the London Mayor's policy aim of seeking to retain family households. However, if recent trends continue this aim will be frustrated by market supply, newbuild being mostly smaller apartments and the sub-division, conversion or multiple occupancy of family homes. The dedicated intermediate housing supply is demonstrated to not be suitable or affordable to families. There is a significant gap in the supply of housing that is suitable and affordable to families and this is reflected in the SHMA modeling which places most of the requirement for 3 bedroom homes into the affordable tenures. Whilst key worker families appear to have marginally higher income it is not enough to enable them to have significantly different choices than non-key worker households.

- 8.52 It is hard to see how newbuild market housing can directly influence this situation as in normal market conditions it will attract a premium price. Therefore, first time buyer families will find more affordable solutions in the secondhand market.

### Young People and Students

8.53 The newbuild market and the private rented sector have responded to meeting the housing requirements of this group. This is provided that it is accepted that self contained housing is not the norm or the expectation of young people on relatively low income. Essentially, the private rented sector has stretched the student housing model to young people who are not students. Estimated housing requirements reflect the lack of affordable self contained homes and this is why the numbers are so large for 1 and 2 bedroom homes in the affordable sector. However, there are groups of small and single person households who will be in severe housing need and these are considered next.

### Vulnerable households (older persons and other households experiencing illness or disability)

8.54 Most older person households live in suitable accommodation and do not have a housing requirement. However, the sub-region will need to plan for supporting a growing number of older people, some of whom will become frail and require increasing levels of support. This is particularly the case if they live alone. Those living in accommodation that is too large that are receiving housing benefit support will come under increasing financial pressure to downsize leading to additional pressure on the supply of suitable social rented housing. This is at odds with the widely accepted policy of supporting people to remain in their existing home. That said, if new build housing of any tenure was designed and built to be particularly suitable for older people there would be a beneficial consequence for the supply of housing for other groups. The dwelling vacated by an older person would become available for another household.

8.55 Other vulnerable household groups tend to have lower income and this severely limits their ability to secure suitable affordable housing. Some will require specially designed or adapted housing. These will occur on a relatively small scale and whilst their housing requirements are very important it is an issue for a local bespoke response for which all local authorities will have mechanisms in place.

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## Appendix 1: Detailed Local Policy Context

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- 1.1 This section builds on the Borough/City of London profiles in Section 2 of the report. It aims to summarise the strategic aims and policy context at this spatial level.
- 1.2 It includes summaries of the following documents;
- the community strategy;
  - the core strategy;
  - the corporate strategy;
  - the housing strategy; and
  - the supporting people strategy.
- 1.3 Together with commentary from stakeholders it will enable SHMA findings to be related to the vision and established direction of travel for the Boroughs and the City of London.

### Barking and Dagenham

#### The Borough

- 1.4 The London Borough of Barking and Dagenham was created in 1965 by the reorganisation of local government for Greater London. It is situated on the north eastern fringe of London and is at the heart of the Thames Gateway area. It is a relatively small (3,611 hectares) outer London Borough and has a population of 164,572 (estimates 2004).
- 1.5 It is predominately residential in character but also has significant areas of employment land, a major town centre at Barking, District Centres at Dagenham Heathway and Chadwell Heath and a network of smaller Neighbourhood Centres.
- 1.6 There are significant areas of undeveloped land in two areas. These are the marshes bordering the Thames and the agricultural land to the north east at Marks Gate. The River Roding, River Beam and River Thames form the Borough's westerly, easterly and southern boundaries respectively. Neighbouring London Boroughs are Redbridge to the north, Greenwich and Bexley to the south, Havering to the east and Newham to the west.
- 1.7 Historically the Borough has had a relatively stable predominately white population of 85% (Census 2001). However, the population of the Borough is increasing fast with estimates that it could grow by over 60,000 people by the year 2020. Currently there are growing proportions of under 16 year olds and over 85 year olds and a rapid increase in the proportion of ethnic minority residents.
- 1.8 The Borough is the 9th most deprived Borough of the 33 in London and the 21st of the 354 nationally. The Index of Multiple Deprivation (2004) shows that 6 of the Borough's 17 wards have areas within them that are amongst the 10% most deprived in England. Over 10% of the Borough's population lives within these areas. This has resulted in the Borough having many

unique characteristics. The Borough has the lowest average house prices in London. The average local house price in 2005 was £173,777 against the London average of £289,247 (Land Registry 2005).

- <sup>1.9</sup> The Borough has substantial opportunities for regeneration, including having the potential for up to 25,000 additional homes which will be located mainly in the south of the Borough. This takes into account the Key Housing Regeneration Sites at Barking Riverside (formerly called Barking Reach) where there is capacity for 1,012 new homes over the next 20 years if new transport links are provided, South Dagenham where there is potential for 5,000 homes over the next 20 years and Barking Town Centre where there is potential for an additional 5,000 homes plus other opportunities which may exist in the Borough.

### **Barking and Dagenham Sustainable Draft Community Strategy (March 2009)**

- <sup>1.10</sup> The vision of the Barking and Dagenham Partnership is: 'Working together for a better Borough'. The aim of this is to improve the quality of life for residents by "building communities and transforming lives". The seven agreed community priorities are;

- promoting equal opportunities and celebrating diversity;
- raising general pride in the Borough;
- developing rights and responsibilities;
- better education and learning for all;
- improving health, housing and social care;
- making Barking and Dagenham cleaner, greener and safer; and
- regenerating the local economy.

- <sup>1.11</sup> A key aim is to build a prosperous community which includes providing sufficient affordable housing and ensuring that existing homes are decent.

### **Core Strategy Pre submission Report 2008**

- <sup>1.12</sup> The Core Strategy sets out the Council's long term vision, spatial strategy and core policies for shaping the future development of Barking and Dagenham up to 2025. This means it identifies broad areas that are suitable for housing, employment, retail, leisure and other strategic development needs.

- <sup>1.13</sup> The Core Strategy, along with the Borough Wide Development Policies and Proposals Map, was submitted to the Secretary of State on Thursday 11 June 2009. The Core Strategy will now be examined by an independent Planning Inspector.

- <sup>1.14</sup> This report represents a major stage in the London Borough of Barking and Dagenham's work to replace the Unitary Development Plan (1995) with a new Local Development Framework or LDF.

- <sup>1.15</sup> Barking and Dagenham's LDF Vision is to make Barking and Dagenham a successful Borough by;

- increasing the prosperity of residents and the business community;

- 
- improving quality of life for everyone and supporting social inclusion;
  - creating an attractive, sustainable and cohesive community that residents can be proud of and which encourages a sense of belonging and celebrates diversity;
  - maintaining high environmental standards; and
  - increasing the supply of family homes, affordable homes and social infrastructure.

1.16 With regard to housing the core strategy identifies that;

- currently 65% of homes in Barking and Dagenham are within the private sector. Housing is fairly uniform and mostly post-1900 terraced housing. The Becontree Estate still accounts for half of Council stock and most right-to-buy sales. 13% of Council homes are in high rise blocks, many of which do not meet the Decent Homes standard and will need to be improved or redeveloped;
- like most of London, the lack of quality affordable housing is a key issue for Barking and Dagenham. The Barking and Dagenham Housing Demand/Needs Survey 2005 gives an updated picture of the need for affordable housing. It indicates that there is a backlog need of 1,050 households and a newly arising need of 2,913 potential households per year; and
- average house prices in the Borough are the lowest in London. However, the same applies to household incomes. The proportion of working aged adults with no qualifications is also the highest in London, though unemployment itself is relatively low. In terms of overall deprivation, Barking and Dagenham is London's 9th most deprived Borough (of 33). Nationally, it is the 21st most deprived local authority area of 354. As such, it is essential that the regeneration of the Borough benefits existing local communities as well as future residents, workers and visitors.

1.17 A period of great change is underway in Barking and Dagenham. The Borough, as previously mentioned, is located within the Thames Gateway, which is the largest regeneration area in Europe. The regeneration of Thames Gateway is a key Government objective and is adjacent to the Lee Valley, where the Olympics will be held. The London Plan and the Government's Sustainable Communities Plan recognise the Thames Gateway as the largest development opportunity for growth in population and employment in London and the South East. The London part of the Thames Gateway has been identified as having the capacity to accommodate over 130,000 homes and 200,000 jobs by 2016 with over 25,000 of these dwellings in Barking and Dagenham, mainly in the south of Borough.

1.18 The aim is that by 2020, the opportunities for growth will have been seized. There will be sustainable new communities home to over 60,000 new residents and there will be at least 12,000 new jobs focused in Barking Riverside, South Dagenham, Dagenham Dock and Barking Town Centre. These new homes will have helped address housing need through the provision of quality, design led, new housing development and a significant proportion of these will be family sized. Many of these new homes will have been provided through the Council's groundbreaking Local Housing Company. These new communities will provide a vital and vibrant mix of employment, leisure and recreation, shopping, culture, health and education uses.

1.19 The key sites for redevelopment in Barking and Dagenham include;

- Barking Riverside - a 200 hectare site, the largest brownfield site in Western Europe. It is a former industrial site, once occupied by three power stations and a refuse tip;
- Dagenham Dock – a 133 hectare site identified by the Council for employment uses and promoted as a location for green industries;
- South Dagenham – an 80 hectare site identified for a mix of commercial and residential development; and
- Barking Town centre – identified by the Council as a key regeneration area with potential to accommodate a significant number of new homes

1.20 Much of what will be achieved within the Borough will be through partnership working. The Council, the community and its partners, through the Barking and Dagenham Partnership, are working towards taking forward the seven community priorities which underpins all the work of the Council and as outlined in the Borough's overarching Community Strategy.

1.21 Finally, the report states that new communities will be integrated with existing communities so that Barking and Dagenham will be a sought after place to live, comprised of a constellation of neighbourhoods each with their own distinct character, inspired by the Borough's rich heritage. These neighbourhoods will be served by a network of bustling town centres, providing a vital mix of shopping and community services in an attractive and welcoming environment which are the focus of community life.

### **Barking and Dagenham Corporate Plan 2007/2008**

1.22 The Council's Corporate Plan 2007/08 outlines its key priorities as set by the community. These are;

- raising general pride in the Borough;
- promoting equal opportunities and celebrating diversity;
- developing rights and responsibilities with the local community;
- improving health, housing and social care;
- making Barking and Dagenham cleaner, greener and safer;
- providing better education and learning for all; and
- regenerating the local economy.

1.23 The Council and partners will work together to achieve the seven community priorities set out in the Leader's vision statement. This is to achieve their shared aim of building communities and transforming lives. Barking and Dagenham's plans for the Borough include;

- the planned Barking Riverside scheme which will create 10,800 new homes in the next 20 years. The development will include community, healthcare and leisure facilities and will create more than 2,500 new jobs;

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- the transformation of Barking Town Centre which will continue with the completion of the Learning Centre in partnership with University of East London and Barking College and the demolition and redevelopment of the Lintons site;
  - improving opportunities for children through the successful programme of Children's Centres and re-modelling or rebuilding secondary schools using £214 million Building Schools for the Future funding;
  - strengthening and involving the community more fully through neighbourhood management projects across the Borough; and
  - delivering the targets in the Local Area Agreement (LAA).

<sup>1.24</sup> To deliver the seven community and three Council priorities, the Council will be guided by five values;

- involve those affected when making decisions and shaping services;
- take responsibility for customer care and service excellence;
- value and develop the diverse talents of our employees;
- demand best value for money from our services and invest in our future; and
- work in partnership with others across departmental, organisational and Borough boundaries to deliver our community priorities.

### **Barking and Dagenham Housing Strategy Statement 2007-10**

<sup>1.25</sup> According to the strategy there are six key housing priorities;

- sustainable communities and community cohesion;
- decent homes and safer communities;
- promoting choice and independence;
- design, energy efficiency and climate change;
- affordable housing; and
- private sector housing.

<sup>1.26</sup> The strategy recognises that a holistic approach is essential for achieving the Borough's aims and developing sustainable communities. It states that this can only be achieved through effective partnership working with stakeholders. The Council wishes to strengthen its partnerships further and develop new ones where appropriate.

<sup>1.27</sup> The Housing Needs Survey 2005 identified the Borough's clear need for new affordable housing. It also explored the wider perspective of housing markets, in terms of balance across tenure and property size. Additionally, the Council jointly commissioned a project with English Partnerships known as the Barking Housing Study. This was concerned with the basis on which decisions are made on the mix and tenure of housing for the future. The study was completed in 2005 and analysed potential structural shifts in the East London economy and housing market and how these might affect the Borough's future housing requirements.

<sup>1.28</sup> The strategy states that the delivery of affordable housing for the future is essential in meeting the housing needs of the community. The availability of housing has wider impacts on the community and is a critical factor in terms of local prosperity and stability. House prices exceed average incomes and consequently the demand for social rented housing outstrips supply. It is also essential to consider new sources of funding for affordable homes to meet housing need. The Council's approach is to target affordable housing at those most in need.

<sup>1.29</sup> In order to address shortfall in the provision of affordable housing, the Council plans to;

- build new affordable homes – the programme of affordable housing development includes new socially rented homes;
- consider other tenure options – increased choice through new intermediate housing options;
- deal with private sector empty homes;
- use land resourcefully through its density policy; and
- work to improve void turnaround of Council stock, and monitor void performance of RSL preferred partners.

#### **Barking and Dagenham Supporting People Five Year Strategy 2005-2010**

<sup>1.30</sup> The strategy sets out how the Commissioning Body will approach the opportunities over the next five years to shape services fit for the 21st century and focus on benefits for vulnerable people. The Barking and Dagenham Supporting People Programme will seek to address local and national priorities by promoting high quality housing related support services for vulnerable people. The Commissioning Body will achieve this by: "Planning, monitoring and reviewing services which encourage independence, reflect the diversity of the community, evidence value for money and engage stakeholders, including service users, in decision making."

<sup>1.31</sup> Over the next five years the Commissioning Body has an ambitious plan to reshape services. By 2010 the Supporting People programme will be providing services to vulnerable people that will be;

- enabling. By providing vulnerable people the support they need but which also enables them to have control over the way their service is provided;
- people centred. By working closely with other agencies and partners to provide a package of support to meet the individual's over all needs;
- preventative. To reduce unwanted repeat behaviour and prevent problems occurring in the first place; and
- value for money and high quality. As well as demonstrating that the service is improving year on year, the programme should also be showing efficiency savings in line with the Gershon agenda.

<sup>1.32</sup> The strategy states that it fits within the overall context of planning within the Borough by linking in to key community strategies that address cohesion, health care, and community

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safety. The role of Supporting People is to support the successful implementation of those strategies by providing accommodation-based support that builds skills, promotes inclusion, relieves homelessness and prevents high cost and high impact problems (such as acute admission to hospital or re-offending).

<sup>1.33</sup> Barking and Dagenham is developing an integrated approach to health and social care. The Accountable Officer reports to both the local NHS Primary Care Trust (PCT) and Social Services and the Director of Housing and Health chairs the Commissioning Body.

<sup>1.34</sup> The Supporting People programme contributes to the objectives of the community plan by ensuring services are appropriate to people's needs, continuing to develop social services that offer people choice and encourage independence and homes that meet people's needs.

<sup>1.35</sup> The strategy outlines its Supporting People ambitions in relation to key groups in need within the Borough as;

- provision by 2010 in relation to older people's services will have been reshaped to reflect the demographic shifts in the population with movement away from sheltered housing towards both higher intensity residential services for the frail elderly and those with complex needs and lower intensity floating support services to help sustain people in their own homes for as long as possible;
- homeless services in 2010 will appear to have reduced in number. This will be as the result of replacement of general homeless services with more focussed provision addressing the more profound reasons for homelessness (drug or alcohol problems, offending behaviour, mental illness or social isolation caused by a history of care);
- mental health services by 2010 will be more tightly integrated with hospital and institutional services, with more rehabilitative, step-down and move on accommodation and support;
- provision of learning disability services by 2010 will be modernised to reflect changing demographics and needs, with more floating support and placements and fewer shared residential places;
- by 2010 domestic violence services will have expanded to include additional refuge places. In addition, Supporting People will fund other types of support, integrating with a wider range of options for women, including floating support and other initiatives to allow women to remain in their own homes. Some services will be jointly commissioned with neighbouring Boroughs through a pooled Supporting People grant for domestic violence services in East London;
- teenage parent's support will have been refined after 2007 based on the performance of the existing service. The levels and type of services will remain roughly the same;
- care leavers will have substantially expanded options for accommodation and support. There will be a range of packages available and expanded services for those with challenging behaviour, risk of offending or drug and alcohol misuse problems;
- physical disability services will have remained fairly constant, with some shifts towards HIV provision for specific BME communities;

- drugs and alcohol services will have substantially expanded, with improved assessments allowing the drugs and alcohol as a root cause of homelessness to be better treated. A range of accommodation and support options will be available, with a spectrum from crisis hostel accommodation through to floating support in general needs housing;
- offenders/ex-offenders will have options for accommodation and support, with services focussed on those with the highest needs and with complex needs;
- traveller/refugees' needs will be met through services that are jointly commissioned across East London; and
- housing improvement agencies will continue in their current form with no significant expansion. The scope of the clients covered by the HIA will have expanded.

### **The City of London Corporation**

<sup>1.36</sup> The City of London Corporation differs from its East London partners, not only socially and economically, but politically. It is operated on a non-party political basis through its Lord Mayor, Aldermen and members of the Court of Common Council, and local government legislation has conferred on the Common Council the functions of a local authority for the City.

<sup>1.37</sup> The Lord Mayor plays an important diplomatic role with his overseas visits and functions hosted at the historic Guildhall and Mansion House for visiting Heads of State. The Chairman of the Policy and Resources Committee fulfils an important role in boosting the competitiveness of the City as a British, European and global financial centre engaging with Government and businesses.

### **The City**

<sup>1.38</sup> According to the City of London Corporation's Community Strategy, the City is the historic core from which London grew and has a rich legacy of historic buildings and areas. It is one of the most archaeologically important areas in Britain. It is the world's leading international financial and related business services generating wealth for London and the nation. It makes a substantial contribution to the UK economy, contributing over 4% to the UK's GDP and 12% to London's GDP, while Greater London contributes nearly 19% to the UK's GDP.

<sup>1.39</sup> The City is a thriving business community containing nearly 6,000 businesses mainly concentrated in the financial and related services industries. The City's working population is in excess of 340,000. Over time, growth in the City's economy, workforce and residential population will lead to a higher density of building and activity. Accommodating this growth while achieving a high quality of environment and services will be a key challenge in the coming years. This will have a significant impact on planning through the built environment in a sustainable way.

<sup>1.40</sup> The City has a residential population estimated to be around 9,000, approximately evenly split between male and female which is predicted to rise to 12,300 by 2020. In 2006 there was the highest number of births for years. This growth will place increasing demands on local service provision.

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- <sup>1.41</sup> The City's daytime population is in excess of 350,000, with visitors including tourists and an estimated 29,000 City-based students. Prior to the opening of the Millennium Bridge, an estimated 8,000 people visited the City each day for tourist/leisure purposes. Since then, visitor numbers have risen substantially, although no official data is currently available.
- <sup>1.42</sup> The residential community has a lower proportion of older and younger people than the England and Wales average which is indicative of a largely working population. The City's population is predominantly white, but with a Bangladeshi community accounting for 4% of the total, mainly living in the east of the City. Housing is concentrated on the northern fringe of the central City area and has close links with adjacent parts of Islington.
- <sup>1.43</sup> The profile of people working in, living in and visiting the City is very different to anywhere else in the country and has a significant impact on prioritisation and planning. Average weekly household income is £970, some £294 higher than the London average and £480 higher than the average across England.
- <sup>1.44</sup> However, there are large disparities of wealth within the Square Mile. Some wards are amongst the top 15% least deprived in the country and Portsoken, in the east, is within the 25% most deprived. The City of London Corporation recognises that disparities exist between some communities and that this may lead to pressures and misunderstandings.
- <sup>1.45</sup> The City of London Corporation regards the prevention of exclusion and polarisation within and between its communities as important, as is ensuring that its communities feel a strong sense of belonging and there are shared goals and aspirations. Its policy recognises that to build thriving communities, inequalities and disadvantage need to be tackled and there needs to be recognition that this extends beyond the boundaries of the City. The voluntary and community sectors play an important role in helping to build social capital in the City and providing services to the community.

#### **The City Together Strategy 2008-14**

- <sup>1.46</sup> This consists of one vision, five themes and 26 goals that will help shape the policy, service delivery and budgets of the partners into the future, closely linked to the planning activities of the public, private and third sectors. The vision is:

*The City Together will work to support the City of London as a leading international financial and business centre in a way that meets the needs of its diverse communities and neighbours.*

- <sup>1.47</sup> This is supported by a five themed approach which, according to the strategy, will enable greater cross working by partners across the range of issues that are faced by the City and enhance further partnership working by developing a greater shared agenda. The five themes will promote a World Class City which;

- is competitive and promotes opportunity;
- supports our communities;
- protects, promotes and enhances our environment;

- is vibrant and culturally rich; and
- is safer and stronger.

<sup>1.48</sup> The Strategy is supported by an Action Plan which details key outcomes against the goals and priorities for the initial period up to 2011. Included in this Action Plan is the 2008 Local Area Agreement (LAA) as well as the stretch targets carried over from the 2007 LAA.

<sup>1.49</sup> One of the key aims of the strategy is to promote appropriate provision of housing and community facilities. The strategy states that the City is acutely aware of the need to balance the relentless pressure for economic growth with the demand for affordable housing that meets high environmental standards.

<sup>1.50</sup> The City of London Corporation has completed a Housing Needs Assessment and an Affordable Housing Strategy and is working with the East London Housing Partnership to establish prospective housing demand and sources of supply.

<sup>1.51</sup> Private development is bringing about an increase in the number of dwellings outside the estates built by the City of London Corporation over the next ten years, particularly in the north and west of the City. This will provide challenges in terms of ensuring adequate service provision in these areas, particularly around transport provision and social care. It will also raise challenges in terms of how to continue to effectively engage these members of the community.

<sup>1.52</sup> According to the strategy, homelessness and rough sleeping remain a concern. The City actively engages with its population of rough sleepers (the second highest in London) to enable them to access accommodation, health services, day centres, emotional support and other services appropriate to their needs.

<sup>1.53</sup> In order to meet affordable housing provision, since 2004, £1.9 million has been raised to fund affordable housing schemes which are environmentally sustainable in terms of construction, location, maintenance and running costs.

<sup>1.54</sup> Finally, the City of London Corporation is working to achieve the Decent Homes Standard in all of its homes by 2010 with 64% meeting the standard by the end of 2007/08 and ensures that refurbishment work enhances the environmental performance of stock, despite the difficulties of doing so in older, multi-occupancy homes.

### **Core Strategy – Preferred Options**

<sup>1.55</sup> The first stage of the City of London Corporation's consultation on the Core Strategy took place during Summer 2006, when they asked the public what they thought were the main planning issues facing the City and their views on alternative options for dealing with these issues.

<sup>1.56</sup> The alternative options were reviewed in the light of the comments made and preferred options selected. The preferred options were published for a second stage of consultation during April - May 2007.

<sup>1.57</sup> The Core Strategy was published for further consultation on the 9 November 2009.

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<sup>1.58</sup> The Core Strategy aims to build on the City's success as the world's leading international financial and business centre. It sets out the City Corporation's planning vision for the future of the City of London and identifies 22 issues which need to be addressed to achieve this vision.

<sup>1.59</sup> According to the strategy, although its residential population is small, housing makes an important contribution to the City's character. Housing is sought by those who need to live near their workplace and by those who wish to live in the City. A thriving residential community adds to the City's vitality and makes it livelier outside working hours. A residential population helps to support a range of shops and services which make the area attractive for residents and can also meet the needs of the workforce and visitors.

<sup>1.60</sup> The recent residential boom has resulted in a considerable increase in "short-let" units which are used mainly by business visitors to the City. In the City's context these units perform a similar function to hotel development.

<sup>1.61</sup> The City of London Corporation's preferred option for housing is;

- to encourage residential development near existing residential clusters. Criteria will be formulated to decide whether additional areas of the City are suitable for clustered residential development; and
- to resist residential development in locations where it would conflict with commercial development or result in poor residential amenity.

### **The Corporate Plan 2009/2012**

<sup>1.62</sup> The City of London Corporation provides dedicated services to the City, from essential infrastructure maintenance to strategic economic development as well as carrying out the functions of a local authority. They also provide a range of services that make a wider contribution to economic, social and environmental well-being. Many of these services directly affect people outside of the City's geographical boundaries and contribute to wider regional and national prosperity. According to the Corporate Plan, there are three main strategic aims;

- to support and promote 'The City' as the world leader in international finance and business services;
- to provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors whilst delivering sustainable outcomes; and
- to provide valued services to London and the nation.

<sup>1.63</sup> These aims are supported by a number of key medium term policy priorities;

- improving efficiency whilst maintaining the quality of services;
- being a good neighbour;
- supporting people and business through the current economic downturn;

- acting as a voice for the City and all its communities; and
- providing cultural opportunities for all.

<sup>1.64</sup> The Corporate Plan outlines how it will achieve its aims and priorities. Importantly, it suggests that the City Corporation supports work which extends beyond the geographical boundary of the City and that their stakeholder base extends far beyond the City's businesses, workers, residents and visitors. They recognise that the City will not prosper in isolation and are acutely aware that although the City is home to some of the richest concentrations of economic business in the world, neighbouring Boroughs include some of the UK's most deprived communities. For this reason they are involved in regeneration partnerships and various other alliances working across 17 of London's Boroughs to bring lasting social, economic and physical regeneration to neighbouring communities.

### **The Housing Strategy 2003/04-2006/07**

<sup>1.65</sup> According to the strategy, the City contains a small residential population in a largely commercial environment. The scope for additional residential development in the City is limited and the City of London Corporation believes that it should focus its housing investment supporting the regeneration of the City fringe. Land values and the need to preserve development opportunities for the financial services industry will preclude the development of significant amounts of additional housing within the Square Mile itself.

<sup>1.66</sup> However, it states that it is not immune from the housing pressures that affect London as a whole. Street homelessness remains a visible reminder of social exclusion at the heart of the capital and the City's employers both in the public and private sector recognise the difficulty their key workers have in finding and keeping affordable housing close to their places of work.

<sup>1.67</sup> The strategy states that the greatest demand on the housing register is for smaller sized units and these will form the majority of the building programme. The strategy is to develop in partnership with housing associations. A need for large (4/5 bedrooms) accommodation has also been identified from families who are overcrowded within the City.

<sup>1.68</sup> An important aspect of the strategy is to promote projects on sites which are in or adjacent to the City, which are close to existing City of London Corporation estates or which have good transport links to the City. Schemes will be supported which meet the needs of the Corporation's housing register, key workers or help to provide move on accommodation from foyers and street homeless projects. In practice, this means that the mix of any scheme should provide a high percentage of one bedroom and two bedroom accommodation. However, as noted above, the Corporation also has a requirement for 4/5 bedroom accommodation in the City or very close to the boundary.

<sup>1.69</sup> The City of London Corporation will not finance schemes outside the City unless they have the support of the host Borough. It is normal practice to grant the host Borough nominations to 25% of any 'out of Borough' scheme.

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## **The City of London Corporation Supporting People Five Year Strategy 2005-2010**

<sup>1.70</sup> The City of London Corporation is the UK's second smallest Supporting People administering local authority, next only to the Isle of Scilly.

<sup>1.71</sup> Its key priorities for 2005-2010 are to;

- minimise and manage the financial risk arising from the dwindling SP Grants, especially from 2007/08;
- address gaps in service provision by setting up a floating (tenancy support) service in partnership with Housing, Social Services and the Drugs Action Team (DAT);
- renegotiate with the Corporation of London Housing Allocations unit, the quota of move-on accommodation for the Salters' City and Middle Street schemes;
- make better use of existing supported schemes, such as the Edward Gibbons House in Tower Hamlets;
- work in partnership with Social Services primarily to develop the community alarm service into a modern Telecare service that is sustainable and that will be enabled for Telemedicine by the summer of 2006, and then explore the possibility of funding community alarm through Supporting People; and
- work closely with the City's rough sleeping agencies to minimise the number of rough sleepers in the City of London.

<sup>1.72</sup> Citing the 2004 Housing Needs Survey, the strategy states that overall there were an estimated 415 households in the City with one or more members in an identified special needs group. This represents 10.5% of all households, which is marginally below the national average (11-13%). 'Physically disabled' is the predominant group. There are 306 households with a physically disabled household member. The next largest group is 'frail elderly', with 105 households having a member in this category. These two categories represent 73.7% and 25.3% of all special needs households respectively.

<sup>1.73</sup> The City of London Corporation has identified street homelessness, key worker housing, resident participation and partnering as its key housing priorities. It will target its resources and those of other agencies into meeting these priorities. The City of London Corporation remains committed to providing for the needs of the frail elderly in the City and supporting innovative schemes that link training and housing for young people. The strategy, therefore, also embraces these needs.

<sup>1.74</sup> The City of London Corporation aims to reduce steadily the necessity for anyone to sleep rough in the City but also recognises that the many problems associated with homelessness cannot be overcome simply by the provision of accommodation. The City of London Corporation intends to continue to play a prominent role in meeting the needs of homeless people in the centre of London but believes preventative work throughout London is needed to stop people gravitating to the central part of the conurbation. It will continue to work closely with the relevant organisations and those agencies awarded funding to tackle street sleeping in the City.

1.75 The Supporting People five-year strategy links into the social services priorities, especially in the area of partnership working – joint commissioning of services and involvement of users, giving priority to those social services clients who are underrepresented in terms of access to Supporting People services.

## Hackney

### The Borough

1.76 The London Borough of Hackney is situated in the north east of the City of London. The Borough contains 210,000 people and its population is one of the most ethnically diverse in the capital.

1.77 Hackney adjoins the Boroughs of Haringey, Islington, Newham, Tower Hamlets, and Waltham Forest and the River Lea forms the eastern boundary, providing quite a different environment from the rest of the Borough. Hackney has a dense urban setting, scattered with celebrated parks and open spaces which provide crucial relief and recreation resources for the local residents and visitors.

1.78 Traditionally, Hackney provided accommodation for the manufacturing industry and services related to the City and although many of the service functions remain, the advent of globalisation has seen a reduction in the manufacturing sector within Hackney. In its place, employment in the creative, media, banking, fashion and technology industries have developed locally. The Borough has seen huge change in recent years economically, socially and physically and this transformation is set to continue for the foreseeable future as regeneration gathers pace.

1.79 The Borough has, however, been surprisingly isolated in terms of rail and road connections for an inner London location. This is now changing fast with the construction of the East London Railway (Overground Network) extension of the Tube to Dalston and imminent improvements to the east/west running North London Railway (Overland Network) which connects with Stratford and the Olympic complex.

1.80 Hackney has two main town centres; Dalston, and Hackney Central. These were developed mainly in Victorian times and retain much of the physical fabric of that era, some of which has not been well maintained. They provide the context for potentially exciting regeneration which will redefine their functions for the 21st century.

1.81 In the southernmost part of the Borough, known as South Shoreditch, there is major pressure for change on the City fringe from large commercial and mixed developments extending the City to the north. These present challenges to the existing local communities and opportunities for high quality regeneration to improve local conditions.

1.82 Despite this vitality, and close proximity to the wealth of Central London, Hackney still demonstrates significant levels of deprivation throughout the Borough. Traditionally, crime levels in the Borough have been high and so is the fear of crime, but rates are falling due to effective inter-agency initiatives. Historically, low expectations have been combined with poor health, low skills and lack of qualifications, unemployment and low pay. Focused local

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interventions are challenging worklessness, promoting prosperity and social equality and championing community cohesion.

- 1.83 Over half the Borough's dwellings are socially rented, including rented from the Council and other social landlords. There are significant levels of homelessness and overcrowding and private housing prices are beyond most people's reach.
- 1.84 However, regeneration is gathering pace, transforming the physical and economic vitality of town centres through multi-agency intervention and a huge Decent Homes programme which is improving housing estates. Significant regeneration funding has been invested in housing, training and education programmes and cultural, community facilities and reducing crime.
- 1.85 The last ten years have seen a burgeoning cultural and leisure scene developing, especially in Hoxton and South Shoreditch in the City Fringe, but also in areas like Stoke Newington and Dalston. Together with the Olympics and Paralympic Games and Legacy and other regeneration programmes such as the City Fringe, Thames Gateway and the London-Stansted-Cambridge growth corridors, they present huge opportunities for Hackney in the years ahead.

### **Hackney Community Strategy 2008-2018**

- 1.86 According to the Community strategy Hackney faces a number of housing related challenges. Hackney's rate of growth is faster than that of the London average. It is one of London's most densely populated Boroughs and demand for housing in Hackney continues to grow. A combination of this growing demand and an improving local area have meant house prices have risen faster than in many other parts of East London and property prices appear to be holding up in the face of a national downturn.
- 1.87 Many of its residents have been priced out of the market and this presents a threat to a sustainable community. The Council's response is to provide a mix of housing including homes to rent and buy for people on middle incomes, more family homes and to support creative financing solutions to help local people get onto the property ladder.
- 1.88 The strategy recognises the interrelationship of factors such as housing, income, education, employment, crime and the quality of the local environment all in relation to sustainability. Interestingly, in terms of employment, the Council are using housing providers' trusted status amongst residents and local networks to disseminate information via housing offices and community centres. They also use housing services to help overcome barriers to employment, such as fast tracking housing benefit claims for residents who lose employment.
- 1.89 The Council also believe that the principle of "designing out crime" should inform new developments and the re-design of housing estates. They include within this improvements in the way streets look, better lighting, CCTV, promoting changes that allow pedestrians and cyclists to feel safe on the roads and providing safe places for children to play.
- 1.90 Finally, in terms of housing, the strategy states that the Council want to promote a mix of tenures, both in new developments and existing estates, because they believe that is preferable to people living in segregated enclaves according to level of income. It states that people choose

to live in Hackney because of the diversity and mix of different types of people and we think we should build on that as a strength.

1.91 The strategy's ambition is to provide more quality, affordable homes for all income groups, with homes that are large enough for those with families and affordable at different life stages, with more housing options for a greater range of people on low and middle incomes and links between tenures. We will continue to develop a range of innovative mechanisms to achieve this.

### **Hackney Core Strategy**

1.92 In preparation for its Core Strategy, in 2006 Hackney Borough Council carried out consultation with its local residents in order to identify the main planning issues for Hackney. In accordance with the Council's Local Development Scheme, and after further consultations and reviews, the final version of the Core Strategy is due to be adopted in December 2009.

### **Aims and objectives**

1.93 The strategy's overall vision is for a sustainable Hackney in 2018 which is;

*an aspirational, working Borough, a vibrant part of this world city, renowned for its innovative and creative economy; a place that values the diversity of its neighbourhoods and makes the most of their links across the globe to enrich the economic and social life of everyone who lives in the Borough; a Borough with greater opportunity and prosperity for everyone, whatever their background, and narrowing economic, environmental and health inequality. We will have secured the benefits arising from hosting the 2012 Olympic and Paralympic Games; a green, cosmopolitan part of London with safe, strong and cohesive communities, and a shared sense of fairness, citizenship, and social responsibility.*

1.94 To achieve this vision, the Council has identified six principal objectives for the Borough;

- a good place to grow up in;
- a dynamic and creative economy;
- thriving, healthy communities;
- better homes;
- a safer, cleaner place to live; and
- a sustainable Borough.

1.95 It identifies four further areas for increased interventions to achieve the corporate vision for Hackney in 2017;

- tackling worklessness;
- address the housing gap;
- enhance the education trajectory; and
- environmental sustainability.

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<sup>1.96</sup> According to the strategy, Hackney's built environment has evolved from its medieval origins characterised by the complex network of routes, through formalised Victorian streets, terraces and spaces, to the present pattern of post-war housing estates, high rise blocks and modern buildings. Its fine grain in varying architectural styles is punctuated by relatively generous open spaces

<sup>1.97</sup> However, it states that within the urban fabric there are significant pockets of unsympathetic development and under-utilised and empty buildings. While the development pressure to develop these sites is welcomed by the Council, there is an unfortunate presumption on the part of some developers that in such areas poor design should be acceptable as it constitutes an improvement to the existing environment.

<sup>1.98</sup> As such, the Core Strategy will follow the 'Compact City' model, as promoted in the London Plan. Successful urban management and regeneration is founded on principles of design excellence, economic prudence, social well-being, environmental responsibility and increased density. Well designed infill and the intensification of uses should seek to integrate living, working and leisure uses into the existing urban grain.

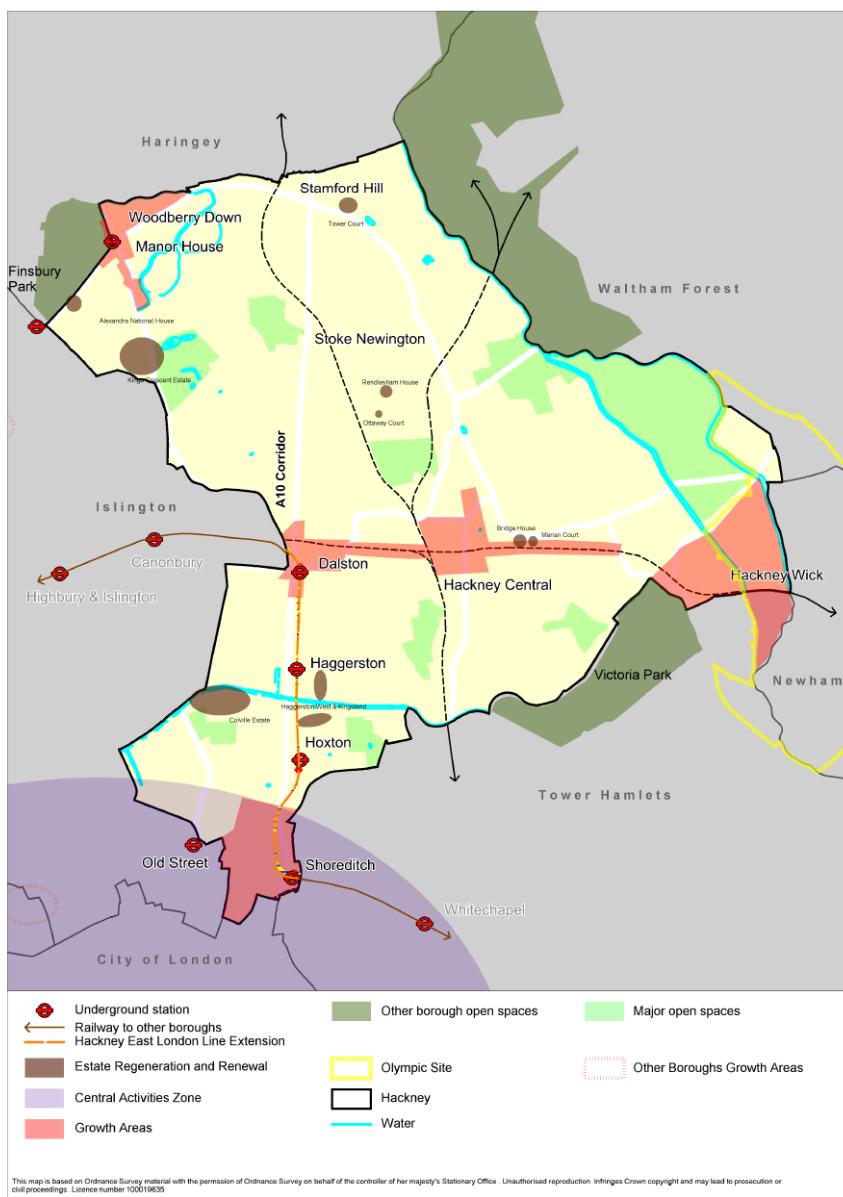
<sup>1.99</sup> Furthermore, it states that in an already urbanised area, opportunity for housing development comes through more intensive use, higher development density, mixed use and the use of 'air space' such as the Dalston deck above the East London Line (Overground Network) station. Such distinctive local factors require front loaded investment to bring forward sites and sustainable and innovative regeneration.

<sup>1.100</sup> In response, its Preferred Policy Option 8 is that residential development should accommodate Hackney's increasing population and provide for families and larger households with a wide range of incomes by;

- regenerating existing housing estates through the coordinated programmes of the Hackney Estate
- renewal programme and other major residential projects;
- enabling one of the largest housing regeneration project in the United Kingdom at Woodberry Down ; and
- promoting high quality mixed tenure private sector housing projects.

1.101 Hackney's spatial plan is set out below.

**Map 4.1 Key Diagram**



1.102 In terms of future housing supply, the Core Strategy incorporates the housing requirements of the London Plan which amounts to 1,085 net additional dwellings per annum in Hackney, updated by the Early Alterations to the London Plan (2006).

1.103 It suggests that Hackney can more than meet its housing supply targets. However, planning interventions are required to bring forward housing sites and provide decent homes. Public consultation underlined the desire for new homes to be well designed, provide good internal space and have a high standard of neighbourhood amenities.

1.104 Despite the importance of providing new housing to meet population growth, an appropriate balance needs to be achieved with other land uses, such as employment, to ensure residents

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have access to job opportunities and other essential services. Suitable types of housing also need to be provided to ensure that the different needs of Hackney's residents are met.

1.105 As such, it argues that specific areas should be identified in the Core Strategy for intensification through the development of opportunity sites that exhibit high public transport accessibility and close proximity to essential services. This approach is consistent with a housing strategy which delivers a flexible land supply for housing and to projected population growth. Resources and associated implementation plans will be delivered as Area Action Plans, Supplementary Planning Documents and initiatives such as Hackney's Estate Renewal programme.

1.106 The strategy also recognises the importance of affordable housing to sustainability. It states that Hackney has the highest proportion of affordable housing in London, accounting for just over 50% of all housing in the Borough. Despite this there is still a severe shortage of affordable housing and the Borough's Community Strategy aims to reduce overcrowding and homelessness and increase the stock by securing additional affordable homes.

1.107 Finally, the Council is working with a wide range of institutional partners to promote bids to the Homes and Communities Agency (formerly the Housing Corporation) for a programme of new, large family sized social rented homes. The Core Strategy should provide a Borough wide target for the provision of affordable housing to ensure that the regional affordable housing target (set out in the London Plan) is achieved.

### **Hackney Corporate Plan 2009/10 – 2012/13**

1.108 Hackney's Corporate Plan shows how the Council will achieve its vision as it sets out its Community Strategy. Specifically in relation to affordable housing, the Corporate Plan states good progress has been made in delivering more affordable homes. The total was 675 in 2007/08, compared to 458 in 06/07, and a forecast for this year of 857.

1.109 The Council is on target with its Decent Homes programme; the year-end target of 33.6% for non-decent homes (from 35.1% in previous year) has already been achieved. Hackney Homes has been awarded two stars and promising prospects for improvement following their re-inspection in November 2008 which will allow Hackney Homes to access additional government funding to spend on the Decent Homes programme.

1.110 In order to achieve its vision Hackney is regenerating both its town centres and housing estates. Dalston Town Centre is a key strategic site. Work is well advanced in completing the East London Line extension from Dalston to Highbury and Islington which will unlock major opportunities for further development over the line.

1.111 The estates renewals programme will see the regeneration of two major and six smaller estates over the next 8 to 10 years with planned investment of £400m with partners in the private and Registered Social Landlord sectors. Clearance of sites in preparation for the re-development is well advanced.

1.112 The regeneration of the huge Woodberry Down estate over the next 20 years will involve demolition of the existing 1,980 homes and their replacement with new homes and a range of community facilities, including an Academy school, starting on site in 2009, and a children's

centre. The new housing will be primarily funded through the sale of new private homes. The first phase (of 5) will see the construction of 1,600 new homes. Approximately 2,700 homes are to be built in Phases 2-5 and we are taking action to ensure the continued viability of the scheme in the current market. Much of the regeneration work to address wider economic and social needs is led by residents.

### **Housing Strategy 2010-15**

<sup>1.113</sup> The following is taken from the executive summary of Hackney's Housing Strategy consultation draft.

<sup>1.114</sup> Key challenges for the development and delivery of the housing strategy include;

- dealing with land use pressures in a high density area that is experiencing growing popularity but which remains the third most deprived Council area in the UK;
- ensuring that housing growth delivers high quality homes in liveable and sustainable environments that are the right homes in the right locations and this growth is fully integrated with plans for the wider regeneration of the Borough;
- maintaining, improving and climate proofing Council (and other social) housing beyond the current Decent Homes standard;
- finding new ways to deliver our estate renewal programmes, given changed housing market conditions have much reduced the cross-subsidy previously available;
- the GLA's ambitions to see major reductions in severe overcrowding and under-occupation in social rented housing by 2016; and
- better integration of housing and non-housing services, both at the Borough and local level, to tackle worklessness and deprivation and improve local areas.

<sup>1.115</sup> As a consequence, 3 Core Objectives are listed together with the proposed key priority areas for policy. The following is particularly relevant to the content of the SHMA;

#### *Mixed and sustainable communities – quality and affordable homes for all income groups;*

- tackling homelessness and overcrowding, including the best use of existing resources and close engagement with those affected;
- managing housing growth so we address the most acute local housing needs and enable mixed and sustainable communities to flourish;
- increasing housing choices and wider mobility by improving housing advice and information on all housing options and ensuring greater "housing literacy";
- promoting the growth of intermediate housing, especially Low Cost Home Ownership (including options to convert to it from other tenures), with a particular focus on assisting sustainable access by those on middle incomes and those in social rented housing;

- 
- supporting the growth of the private rented sector where this is consistent with the aims of our Sustainable Communities Strategy. We will lobby vigorously to ensure no work disincentives are created by the high market rents involved; and
  - ensuring there is enough supported housing to meet changing needs and requirements.

### **Hackney Supporting People Five Year Strategy 2005-2010**

- 1.11<sup>6</sup> The Borough has taken a strategic decision to develop “extra care” provision. The housing based solution will require both supporting people and community care revenue streams. It is seen as a major plank in delivering joined up services in the Borough and a way of better integrating housing based services by enabling older people in the wider community to take advantage of the community based therapy and treatments available in the schemes.
- 1.11<sup>7</sup> The strategy identifies that there is a need for more self contained accommodation to be used as move-on and for people with low level needs who can manage independent living. However, we do not envisage the development of specific “move on” accommodation that traditionally had support attached to it, rather the need to ensure that people with low level but enduring mental health needs are able to access general needs accommodation support through floating support arrangements.
- 1.11<sup>8</sup> It also proposes priority for a supported housing panel which would coordinate referrals to voids and ensure people can move between services. Over time, further robust information on levels of need, unmet need and schemes which are popular and those which are not will be collected. The panel would also promote inter-agency partnership working by including housing providers as panel members.
- 1.11<sup>9</sup> The strategy recognises that more work needs to be done to quantify the need for floating support for people with Learning Difficulties and their families who live in independent housing.
- 1.11<sup>10</sup> It identifies that current housing options do not appear to provide service users with options they would chose and links between providers and statutory agencies require considerable improvement. Currently all funded services are accommodation based and it is essential that floating support services are developed to help people remain in the community as well as moving out of shared living to more independent accommodation.
- 1.11<sup>11</sup> Finally, the strategy states that in relation to offenders or those at risk of offending, a lack of accommodation where service users can move to after a stay in temporary supported housing is a major concern. This is evidenced by the number of users who have been resident for more than two years and who no longer need the level of support on offer. Exit strategies are required to ensure co-ordination between people needing to move into provision and people moving out.

### **Havering**

#### **The Borough**

- 1.12<sup>2</sup> Havering is the third largest London Borough and is located in North East London. It covers 11,227 hectares. It is adjoined by the London Boroughs of Barking and Dagenham, Bexley and

Redbridge and by the Essex Districts of Brentwood, Epping Forest and Thurrock. The River Thames forms the southern boundary to Havering. It is a mainly prosperous Borough with a diverse economy although there are local pockets of social deprivation. More than half of the Borough is in the Green Belt with significant areas of the remainder mainly suburban in character and appearance. The Borough includes Romford which is an important town centre for North East London. There are smaller but significant centres at Hornchurch, Upminster, Rainham, Elm Park, Harold Hill and Collier Row.

- 1.12<sup>3</sup> Havering enjoys a key strategic location within London, the Thames Gateway and the South East and is in close proximity to the heart of the 2012 Olympic Games. Nearly 60,000 Havering residents commute into other parts of London, in particular, Central London and Canary Wharf. Liverpool Street Station, which is the Gateway to the square mile, is less than 20 minutes away from Romford and Fenchurch Street less than 30 minutes from Upminster. Accessibility will be improved to Romford in the future by the proposed Crossrail scheme.
- 1.12<sup>4</sup> In 2001 Havering's population was 224,000. Although Havering's population fell by 3% between 1991 and 2001 it is forecast to grow by 3% by 2021. More significantly, the number of households is forecast to grow by 7.5% in the same period. This reflects the trend towards households becoming smaller in size. However, it must be seen in the context of Havering, compared to London as a whole, having a low proportion of one person households and a low proportion of households comprising of married couples with no dependent children. Conversely, Havering has the highest proportion in London of households comprising couples with dependent children.
- 1.12<sup>5</sup> In 2001 Havering had the highest proportion of older people of any London Borough. The proportion of elderly people 65+ will actually decrease from 17.7% to 15.6% from 2001-2021 due to the increase in new households. Within the same period there are forecast increases in the proportion of the very young (under 4 years). However, there are also increases in the very old (over 85). By 2011 there will be a 13% increase in the number of people aged 80-84 and a 30% increase in those over 85.
- 1.12<sup>6</sup> Havering plays an important role in offering a diversity of and quality of housing stock and a residential environment which is scarce in other parts of East London. This is particularly true of the pockets of executive housing which exist in Emerson Park, Hall Lane and Gidea Park. These housing areas play an important function in the local economy by providing housing for high earners and play an important part in retaining and attracting business into the Borough as well as contributing to the character of the Borough.
- 1.12<sup>7</sup> Most of Havering's existing 92,000 dwellings are suburban in character. Havering has the second highest number of semi detached homes in London as a proportion of total stock (42%) and the lowest proportion of flats of any London Borough. It is the only East London Borough with more than 10% of its stock being detached. Havering has the highest proportion of owner-occupied housing in East London, however, there are important local concentrations of local authority/housing association stock in Waterloo Road, the Mardyke Estate and Harold Hill.

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## **Havering's Sustainable Community Strategy**

<sup>1.128</sup> Havering's Community Strategy 2008-13 is the overarching strategy for the Borough. It has been developed by Havering Strategic Partnership which brings together public, private, voluntary and community sector partners to promote the economic, social and environmental well-being of the area.

<sup>1.129</sup> The vision for Havering is to provide residents with the highest quality of life in London. This is referred to as the 'Living Ambition'.

<sup>1.130</sup> The strategy describes this ambition leading to Havering 'evolving into a place that thrives ever more on its links to the heart of the Capital and yet retains the strong and historic identity that we currently enjoy – a place with the resilience to stand up to the challenges of economic downturn'.

<sup>1.131</sup> The aim of the strategy is to see Havering in 20 years time as a 'new model suburb – a more successful and energised gateway to London, that is still characterised and shaped by its attractive natural environment, unique history and vibrant culture'.

<sup>1.132</sup> The strategy states that a large body of evidence supports the vision and priorities. The main headlines show that people who live in Havering value it because it;

- has good links to the rest of the country;
- is easy to get around;
- has good public transport links;
- has good parks and open spaces;
- has good local health services;
- has good schools;
- is an economically successful area; and
- is seen as a good place to bring up children.

<sup>1.133</sup> According to the strategy, the breadth of community and cultural infrastructure in Havering is generally good. Towns and villages vary in the extent and focus of cultural or community activities. For example, Hornchurch is the centre for arts in Havering, Romford is the centre for evening entertainment, Upminster and Hornchurch have a strong 'eating-out' offer and Rainham is a centre of historical interest.

<sup>1.134</sup> Havering also benefits significantly from its 126 parks and other publicly owned open spaces. Its urban fringe offers informal recreation opportunities and over 50% of the Borough is green belt including the Thames Chase, which has over 400 hectares of tree cover.

<sup>1.135</sup> However, the strategy states that the economic downturn is starting to have a significant impact on Havering. Job Centre Plus has seen a considerable increase in applications and the Citizens' Advice Bureau has already seen a notable rise in debt counselling sessions. The economic forecasting group, Local Futures, has identified that commuter belt areas such as Havering are

likely to see an increase in unemployment of between 5,000 and 10,000 people during 2009. This is due in large part to reductions in jobs of commuters in the city.

<sup>1.136</sup> In addition, the Council has seen a rise in the number of people on the housing register. Whilst this number has risen directly as a result of the economic downturn there has previously been an identified lack of affordable homes for young people. In response, the Council has developed an Action Plan to help mitigate the worst effects of the recession on the Borough and is also researching other measures that might have a positive impact on the local economy.

<sup>1.137</sup> In relation to housing the strategy cites several achievements, notably;

- the establishment of 'Homes in Havering' Arms Length Management Organisation (ALMO). The ALMO is aiming to achieve 100% of Council owned homes accredited with the "decent homes" standard by 2014. This will also create more building sector jobs and apprenticeships, as well as improving the quality of housing in Havering; and
- the Council has also transferred a medium-sized estate in South Hornchurch to the Old Ford Housing Association at negative value. This now qualifies for Government funding for a 5 year regeneration programme which will provide a major contribution to new homes in the south of the Borough.

### **Core Strategy – Issues and Options**

<sup>1.138</sup> The issues in the core strategy are closely linked to the community strategy. Havering's vision for the Borough as stated in the issues and options paper is;

- to create a safe, welcoming, healthier and more prosperous place where people choose to live, work and visit.

<sup>1.139</sup> To realise the vision, the Council has adopted the following mission;

- make Havering an inclusive place in which to live, work and visit;
- create a dynamic, prosperous economy driven by a well-educated and trained workforce;
- create a thriving, successful and healthy community for all; and
- create a good quality of life in Havering for now and the future, through actions that contribute locally, nationally and internationally to sustainable development.

<sup>1.140</sup> The Core Strategy identifies three main trends which for which it will need to plan;

- an aging population and significant forecast increase in the numbers of people over 85 years old;
- an increasing birth rate but falling school rolls; and
- overall population growth with increasing ethnic diversity.

<sup>1.141</sup> The strategy outlines how the Council will achieve its vision. In terms of places, it states that through partnership working with the Development Corporation and other agencies, London Riverside will have become a major mixed urban centre on the River Thames. Sustainable

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expansion of the communities of Rainham and South Hornchurch will have taken place within London Riverside, which will be home to 12,000 more people. Over 3,000 people will be living in Romford Town Centre. Collectively, these developments will help address housing need in the Borough. Elsewhere, mixed use developments will be encouraged within Havering's town centres, promoting linked trips and helping sustain the local economy.

<sup>1.142</sup> Outside the town centres the Borough's suburban character will be maintained and enhanced by sympathetic residential development which respects and makes a positive contribution to the existing context. All groups within the community will have good, affordable access to the housing they need, including those needing larger, family-sized accommodation.

<sup>1.143</sup> According to the strategy, regard also needs to be had to remedying any existing deficiencies in service and facility provision, especially spatial inequalities in the distribution and availability of facilities in different parts of the Borough. Havering is a relatively affluent Borough but this hides localised deprivation. In particular, parts of Harold Hill, Mardyke in Rainham and Waterloo Road in Romford, fall within the 20% most deprived areas in England. These areas tend to suffer from poor educational achievement, poor health and poor housing conditions.

<sup>1.144</sup> A key issue for the Core Strategy is to ensure the right mix of new housing is provided with regard to Havering's changing composition whilst maintaining and enhancing Havering's residential character. As well as ensuring that the types and sizes of new housing meet forecast demand, it is also important that housing 'affordability' is addressed. The plan will need to address the nature of this supply to ensure that local and sub-regional housing need is met.

<sup>1.145</sup> The Havering Housing Needs Survey Update 2006 identifies a need in Havering for 875 additional affordable homes between 2006-2011 years. This survey also evidenced that there was a significant need for family sized accommodation amongst those seeking 'affordable' housing. A key issue for the Core Strategy will be to ensure an appropriate level and type of affordable housing is provided for those on low and intermediate incomes to help address increased incidences of homelessness and ensure everyone has access to a decent home, whilst having regard to the economics of supply.

### **Havering's Corporate Plan 2007-10**

<sup>1.146</sup> According to the Corporate Plan, many improvements have been made in the Borough in recent years. Their continuous service improvements to residents was recognised by the Audit Commission in the Corporate Assessment in December 2006 which recorded improvements in the provision of services including those for children and young people, housing, health outcomes, waste collection and regeneration.

<sup>1.147</sup> The Council will continue to work with its partners to ensure that residents of the Borough benefit from its regeneration potential and live in an environment that is safe and clean, a place where residents are proud to live and where enforcement action is taken against anti-social behaviour. The Council is targeting areas of deprivation including Harold Hill and Mardyke to improve the quality of life of residents.

<sup>1.148</sup> It states that in 2005, 67% of Havering residents reported that they were satisfied with the area as a place to live. Much of Havering's appeal lies in its potential for access to all of London's

opportunities through good transport links, combined with greenery and a more attractive environment. For instance, the Borough is well placed for the M25 and Stansted Airport. Rail and underground services into Central London are excellent, though north-south connectivity is less good. Furthermore, there are over 100 parks and open spaces. The challenge is to ensure transport and parks can be used and enjoyed.

<sup>1.149</sup> London's hosting of the 2012 Olympic and Paralympic Games will also present the Borough with important economic and cultural possibilities, through the Games themselves and the associated cultural festival and legacy planning. Havering is one of the 'Gateway Boroughs' which have produced 'Next Stop 2012' – a plan to work collaboratively in realising the benefit of the Games for the wider East London area. In Havering, preparations for the Olympics are being led by the Olympic Working Party, which has produced an Olympic Strategy and action plan.

<sup>1.150</sup> However, it argues that one challenging policy area is housing. With local salaries low but house prices only marginally lower than in other parts of London, housing can be very unaffordable for those who want to work and live here. The Council wants Havering to be a place where housing is of a high quality with a good mix of tenures to ensure housing is affordable for all.

<sup>1.151</sup> The housing area is made up of two themes which are 'Managing Council homes' and 'Housing the community'. Whereas other elements of the CPA are assessed by inspection (e.g. Corporate Assessment and JAR) or annual report (e.g. Benefits and Adult Social Care), housing is assessed on the basis of both performance indicators and inspections.

<sup>1.152</sup> The strategy highlights key Council achievements during recent years in housing including;

- local authority homes which were non-decent decreased by 34%;
- London Plan targets in the supply of new housing exceeded; and
- Arm's Length Management Organisation (ALMO) has been set up to improve housing standards.

<sup>1.153</sup> The Council's ambitions are to improve services in response to changes in expectations and requirements. For the medium term their improvement focus was on weak performing services including housing and adult services, whilst sustaining performance levels in others.

### **Havering Interim Housing Strategy**

<sup>1.154</sup> Havering recently published its draft Housing Strategy 2009-2012 summary for consultation. According to the draft strategy there are a number of key issues and questions that will impact on its housing policies;

- Havering has the largest proportion of older people in London and the numbers of older people are set to increase;
- many older people are asset-rich and cash-poor, meaning they live in homes with a high value but have limited money available for upkeep;
- Havering's population is becoming more diverse – what are the resulting housing needs?; and

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- there are a number of empty private sector properties in the Borough – how can the Council make sure they are brought back in use?

<sup>1.155</sup> The proposed strategic housing objectives for Havering along with a series of key priorities for the lifetime of the strategy are given below.

### **Objective 1 – Provide more new affordable housing**

- deliver 700 additional affordable homes over the three years of the Housing Strategy using known resources and seek additional funding to maximise this total to 900 homes;
- maximise opportunities for affordable home ownership;
- work with Adult Social Care and other partners to develop an additional extra care housing scheme for older people; and
- ensure new development contributes positively to climate change priorities.

### **Objective 2 – improve existing housing**

- support Homes in Havering to achieve a 2 star Audit Commission rating and access £112m extra resources to bring Council housing up to the Decent Homes Standard by March 2014;
- establish an asset management plan to maximise the number of Council properties for older people that are converted to self-contained accommodation;
- monitor the number of RSL properties that meet the Decent Homes Standard by March 2011;
- through the Council's intervention, bring an average of 250 private sector empty properties back into use a year over the five year period, leaving no more than 1%, 850, private sector homes empty in the Borough in March 2011;
- improve or adapt an average of at least 250 private sector homes a year over the five year period; and
- ensure housing improvement contributes positively to climate change priorities.

### **Objective 3 – regenerate unsustainable/unpopular areas and estates**

- pro-actively monitor Old Ford Housing Association's progress in regenerating the Mardyke estate through large-scale demolition and the building of 546 new homes and refurbishment of 41 properties;
- consult on and support improved housing provision through the Harold Hill Ambitions programme;
- conduct stock options appraisals of Council housing areas or schemes if there are high improvement/maintenance costs and/or low popularity;
- in partnership, use housing investment to support physical, social and economic regeneration through the Romford Town Centre, Hornchurch Town Centre and London Riverside programmes; and

- maximise community safety and sustainability.

#### **Objective 4 – provide high quality housing information, advice and support**

- expand the range of housing for Havering's diverse communities;
- prevent the homelessness of an average of 350 households a year over the five year period;
- ensure there are half the number of homeless households living in temporary accommodation in March 2010 compared with December 2004;
- develop more supported housing options in line with Adult Social Care, Children's Services, Supporting People and Homelessness strategies;
- introduce a tailored, needs-based mobile support service for older people across the Borough;
- develop a web-based means of applying for social housing;
- work with Adult Social Care to maximise the number of people able to remain living independently at home through the use of preventative technology; and
- engage effectively with the Housing Service's customers to maximise customer input to policy development and levels of satisfaction.

#### **Havering Supporting People Five Year Strategy 2005-2010**

<sup>1.156</sup> The strategy outlines the Borough's client base and supply profile. At the time the strategy was published (2005), there were 41 Supporting People funded schemes in the Borough, providing 1,505 units. The supply of Supporting People services in Havering falls far short of the expected profile to meet need. Funding investment from the government to Havering is in the bottom 20 out of 150 Local Authorities in England.

<sup>1.157</sup> The supply profiles for Havering provided by the ODPM in 2002 show that even at the expected minimum supply, Havering has a shortfall of 548 units. The Housing Needs Survey identifies 658 households in need. If mid range figures are applied, this rises to 3,236, with the highest figure standing at 5,274. This is set against the current supply of funded units of 1,505. Excluding sheltered housing, this falls to 426, confirming a large shortfall in supply.

<sup>1.158</sup> Furthermore, it states that this picture has remained virtually unchanged since Supporting People went live in April 2003. Despite being one of the lowest grant levels in the country, Havering's budget has been further cut with the corresponding effect of preventing virtually any development of new services as savings from reviews have had to be reinvested in keeping existing services funded and stabilised. It is estimated that in order to double the existing supply an additional investment of around £1 million grant from the government will be needed. This is in addition to any increase in need through the development of London Riverside (Thames Gateway).

<sup>1.159</sup> According to the strategy, the housing needs survey estimates that 15.8% of all households within the Borough contain special needs members. Special needs households are more likely to

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contain only one person and are more likely to contain older people. The social rented sector is more likely to contain special needs households.

<sup>1.160</sup> Special needs households are also more likely to be in housing need with 4.5% of special needs households in need compared to 2.1% of non-special needs households. However, in numerical terms, the number of special needs households in need is small, at 658 households.

<sup>1.161</sup> A small proportion of special needs households (8.9%) indicated a need for accommodation with wheelchair access and only 14.4% of these indicated a need to move to alternative accommodation. This suggests that an adaptation of the existing stock to accessible standards is the preferred housing option for these households. However, the requirement for future adaptation and support needs is likely to increase given that special needs households are more likely to contain single and elderly people.

<sup>1.162</sup> The strategy outlines in detail how it will meet the housing support needs of its most vulnerable members of the community. In particular, it emphasises the need to increase floating support services within the Borough. For example, in March 2009 the Council initiated a Holistic Outreach, Floating and Prevention of Homelessness Support Service. Provided by Family Mosaic, this service provides floating support for young people, drug and alcohol issues and a generic service. Support is provided for;

- DIP – drug and alcohol with referrals usually coming from First Stop;
- New Direction and/or self-referrals;
- young persons scheme;
- hostels;
- generic – any other;
- mediation;
- homeless advice; and
- debt advice support.

<sup>1.163</sup> An important element of the new service is the introduction of a Rent Deposit Guarantee Scheme, which has been set up to help people to more easily access the private rented sector as an alternative to social housing. The aim is for individuals to be independent after a year and if they move on they will not need to access the rent guarantee scheme again.

## Newham

### The Borough

<sup>1.164</sup> Newham is situated five miles east of the City of London. It is bounded by the River Thames in the south, by the River Lea in the west, the River Roding in the east and Wanstead Flats in the north. Historically, farming was the most important way of making a living until the mid 19th century with industries developing along the river banks.

<sup>1.165</sup> Historically, the area now defined as Newham originated as a cluster of villages, growing significantly in the 19th century as the railways and docks expanded. During this period

Newham was colonised by numerous noxious industries and public utilities which sought to avoid the controls of the then County of London, which it lay just beyond. Accompanying this came significant levels of cheap workers' housing, such that most of the Borough, with the exception of Beckton Marshes, was intensively developed by the 1920s, when the population peaked.

<sup>1.166</sup> The post-war period saw further significant development as part of Council reconstruction and redevelopment programmes, when over 30,000 new dwellings were built, replacing large swathes of earlier stock. However, population declined sharply into the 1980s, reflecting changes in the economy which resulted in major industrial decline locally without an equivalent growth in new economic sectors. This has left the area with a significant legacy of vacant, under-utilised, derelict and contaminated land, particularly in the south and west of the Borough. This is, however, well-located in relation to transport and environmental infrastructure, making it ripe for redevelopment. For this reason it has been termed the 'Arc of Opportunity'.

<sup>1.167</sup> Nonetheless, the majority of the Borough continues to be covered by 19th and 20th century housing stock, interspersed with municipal parks and recreational land but housing the population at relatively high densities. Such housing is relatively inexpensive and, as such, continues to be an attraction for international migrants seeking to establish themselves, who sustain the area's distinctive ethnic diversity, high fertility rate and youthful population structure.

<sup>1.168</sup> Newham has a long history of immigrants, including Indians, Chinese, Africans, Jews, Irish and Italians. It now has one of the most diverse populations in the country. It has the youngest and most diverse population in the UK. More than 40 per cent of the 246,000 people in Newham are under 25 years old and more than 100 languages are spoken locally, from Albanian to Zhuang. The population has increased by 33,100 since the 1991 census to 249,400 at the 2001 census. Almost two-thirds (61%) of the population is made up of people from a non-white ethnic group.

<sup>1.169</sup> In 2006 the social rented sector totalled approximately 18,400 homes, of which 11,500 homes were let by RSLs. The private rented sector consisted of 21,200 homes and the owner-occupied sector 46,800 homes. As at April 2008, there were 28,500 households on the Council's waiting list and transfer list.

<sup>1.170</sup> In December 2005 the Council transferred ownership of its social housing properties to Newham Homes, an Arms Length Management Organisation (ALMO) set up to manage and improve Council housing across Newham. They manage approximately 16,000 properties for the Council and 5,500 leaseholder properties.

<sup>1.171</sup> The Borough is at the centre of London's plans for the 2012 Olympics. The Games will see an 80,000 seat stadium built in Stratford which will also be at the heart of a prestigious new development, Stratford City, comprising 4,500 new homes, nearly half a million square metres of office space, hotels, schools and a shopping centre.

<sup>1.172</sup> The Stratford City development will result in one of the largest mixed-use developments in the UK. Covering seventy-three hectares of largely derelict land, the next fifteen years will see the

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creation of a new £4bn metropolitan centre with more than a hundred shops, three department stores, cafés, schools, hotels, parks and health centres. There will be a new, high quality commercial district with landmark towers and new leisure facilities.

### **Newham Sustainable Community Strategy (January 2008)**

<sup>1.173</sup> Newham's Sustainable Community Strategy further outlines the Council's vision for the Borough. It describes how over recent years significant changes have taken place;

- major new developments such as Stratford City, the national aquarium, expansion of ExCeL (an international conference centre) and the regeneration of Canning Town – all of which offer significant new housing, retail and economic opportunities;
- Newham will be at the heart of the London 2012 Olympic and Paralympic Games;
- national government strategies in relation to public services;
- greater understanding of long term issues such as climate change; and
- local changes that have a large impact on Newham, such as population changes in the Borough and the arrival of new communities.

<sup>1.174</sup> According to the strategy, Newham will continue to focus on the six main priorities that formed the previous strategy. However, they have added an additional priority relating to housing. The strategy states that this is because there is an urgent need to increase the supply of affordable housing. The key priorities are;

- investing in young people;
- improving health and wellbeing;
- making Newham safer;
- building an active and inclusive community;
- shaping sustainable communities;
- meeting people's housing needs; and
- increasing employment and business growth.

<sup>1.175</sup> The strategy suggests that housing policy in Newham should be an engine to drive up aspiration and support people into work and out of poverty and social exclusion. Essential to this is ensuring sustainable communities through mixed tenure, high quality well maintained social housing, low cost Council assisted home ownership and better standards in the private rented sector.

<sup>1.176</sup> The Council has made good progress in recent years to bring homes in the Borough up to the government's 'decent homes' standard. It has set up 'Local Space', a new housing association to make more affordable housing available in the Borough. It will continue to work with developers and registered social landlords to deliver its ambitions for affordable housing, prioritising the needs of local people first.

<sup>1.177</sup> The strategy states that specific housing priorities for the coming years include;

- achieving the objectives of the Decent Homes initiative;
- regenerating housing estates, including Canning Town, to deliver a mix of housing in these areas;
- delivering innovative housing solutions through Local Space and potentially other Council initiatives;
- maximising the delivery of affordable housing for local people from housing developments; and
- seeking the right sort of housing to reduce overcrowding.

### **Core Strategy – Issues and Options**

<sup>1.178</sup> The Council undertook a six week consultation on its Core Strategy Issues and Options between 15 February 2008 and 28 March 2008, during which time exhibitions were held across the Borough. The consultation sought views on what are the most important issues for the Borough and presented three options for Newham with the main aim of achieving the right balance between homes, jobs and open spaces in order to create healthy communities with the best possible quality of life for everyone.

<sup>1.179</sup> In order to achieve this aim, the Issues and Options paper sets out three visions for Newham by 2026;

- Vision One: By 2026, Newham will be London's prime business location with a diverse economic base and a wealth of jobs and opportunities for enterprise;
- Vision Two: By 2026, Newham will be redefined as an exciting, diverse and vibrant Borough, whose strengths lie in strong centres at Stratford, Canning Town and East Ham and its sustainable mixed neighbourhoods; and
- Vision Three: By 2026, Newham will be a great place to live, especially with a young and diverse population within the Thames Gateway.

<sup>1.180</sup> The Issues and Options paper also outlines the three main spatial options for Newham by 2026;

- housing led;
- employment led; and
- a combination of housing and employment objectives.

<sup>1.181</sup> The Council will continue to consult stakeholders on issues and options.

### **Newham Corporate Plan 2009/10**

<sup>1.182</sup> Newham's Corporate Plan sets out its strategic direction and how it will move forward to achieve the visions contained within its Community Strategy. The plan aims to deliver a Borough;

- which is attractive, clean and well maintained;
- which is safe and where people feel safer;

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- where young people are healthy, educated, safe, have high aspirations for employment and good self esteem;
  - where the diversity of its people is celebrated, where people live harmoniously, respect each other and play a full part in the life of their community;
  - which is thriving economically and socially and where all people share in the growing prosperity; and
  - where health and wellbeing and the quality of housing continues to improve, where people are active, have greater independence and where the most vulnerable are supported.

<sup>1.183</sup> The Corporate Plan suggests that these aims reflect concerns expressed by local residents in consultation and research. They act as a key reference point for all of the Council's plans as well as those developed in wider partnerships such as the Community Strategy, which is led by the Local Strategic Partnership. Within the 'Better environment for all' theme in the Local Area Agreement (LAA), meeting the Decent Homes Standard by 2010 is a mandatory floor target. Many of the aims link strongly through from the Housing Strategy/HRA Business Plan to the Council's Corporate Plan and Newham's Community Strategy. For example, improving quality of housing is being approached by;

- developing plans and attracting investment for maximising housing choice and promoting mixed tenure residential areas;
- providing services to support older people and vulnerable people to live independently in their own homes;
- consulting with residents and using their feedback to develop services that meet their aspirations and which compare well with other local authorities; and
- Newham Homes and other managers of Council stock are playing an important role in delivering the aim of making the Borough attractive, clean and well-maintained, as well as working in partnership with others to tackle anti-social behaviour and reduce fear of crime.

<sup>1.184</sup> The Corporate Plan acknowledges the importance of housing to meeting its main aims and objectives. It states that ensuring quality affordable housing is a national issue which is particularly acute in London and that Newham is no exception. The Council is working to deliver better quality housing in the social rented sector and to drive up standards in the private sector. It was one of the first authorities to introduce Choice Based Lettings. In partnership with Newham Homes, the Council has brought 2,165 properties up to the Government's Decent Homes Standard. By 2010 the Council is aiming for over 5,000 homes to be brought up to the Standard.

<sup>1.185</sup> The Council's key priority is to raise the quality of housing in Newham ensuring that residents have access to live in modern and quality homes. It will:

- invest £270m to bring over 5,000 homes up to the Decent Homes Standard by April 2010 and ensure all homes have been brought up to the Standard by 2012;

- ensure that registered Social Landlords raise the quality of their housing stock, intervening where necessary;
- sample check RSL properties to ensure the Decent Homes Standard has been achieved;
- pilot a ‘Neighbourhood Improvement Zone’, which will enable the Council to take concentrated action across several different service areas in a short space of time, to tackle poorly managed private housing;
- invest over £1m in adaptations for disabled residents in Council properties each year; and
- invest over £1.2m each year in Disabled Facilities Grants to adapt private properties for disabled service users.

<sup>1.186</sup> The Council is also keen to ensure that existing properties are used more efficiently. It aims to have fewer vacant properties, with less energy waste and fewer residents in temporary accommodation.

<sup>1.187</sup> Finally, a third key Council priority is to increase the supply of affordable housing within the Borough. The objective is that residents will have better access to housing that is affordable and there will be increased satisfaction with affordable housing. It will;

- support Registered Social Landlords to buy 300 homes on the open market for affordable use by April 2010;
- continue to support the development of low cost home ownership housing for Newham residents; and
- seek to agree an affordable new homes target with the GLA.

### **Newham's Housing Strategy Statement Update 2003/05**

<sup>1.188</sup> The last formal update of the Housing Strategy was in 2005, however, this is now dated as is the subject of an update which is currently in draft. However, the key elements of this are likely to cover the following matters;

- housing is integral to tackling worklessness and to the creation and maintenance of successful communities;
- must be mixed by class, ethnicity and tenure;
- fair and transparent system for allocation of social housing;
- private housing must have high standards, with landlords clear about their responsibilities;
- enforcing housing and environmental standards;
- private housing has a key role in meeting housing need, in addition to social housing;
- Newham plays too big a role as the entry point to the London housing market, emphasising an imbalance between cheap housing and the type of good quality homes which attract people to live and stay;

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- there is a once in a generation opportunity to shift Newham's position for the better;
  - Newham intends to achieve convergence with people's life chances in the rest of London;
  - a housing ladder that allows people to improve their position and stay within Newham; and
  - a range of housing products available for people, not just small flats at high density.

### **The Olympic Games 2012 and Regeneration**

<sup>1.189</sup> Whilst Newham has undertaken a long-term regeneration programme over a number of years, the Council recognises that the London 2012 Games represents a unique once-in-a-lifetime opportunity for it to raise the profile of the Borough, improve transport networks and inspire people to participate in sport and healthy lifestyles. The Council will speed up the regeneration of Newham, East London and the Thames Gateway, providing hundreds of jobs and business opportunities before, during and after 2012.

<sup>1.190</sup> According to Newham, the Olympic developments will provide world class sport facilities for athletics, swimming, hockey, tennis, cycling and a range of indoor sports as well as radically improving the image of East London. The 2012 Games will see an 80,000 seat stadium and other sports venues in a 500-acre landscaped park, the largest urban park built in Europe for 150 years. The Olympic and Paralympic village will provide affordable, accessible, environmentally-friendly housing, ensuring that natural resources are preserved for future generations.

<sup>1.191</sup> Newham proposes to continue using a number of the sporting facilities after 2012. It plans to adjust them and make them available to local residents at affordable prices. It proposes to see venues that are;

- converted to reflect the widest range of uses, from beginners lessons to international sports championships;
- affordable, with time allocated for residents' use;
- easy to access;
- contribute to local priorities including health, education, community cohesion and youth participation; and
- part of local community life.

<sup>1.192</sup> Newham will continue to use the Olympic Park area as parkland for the residents, offering further green space area. The aquatics centre will be for community use and competitive swimming facilities, consisting of a 50m competition pool, 25m diving pool and another 50m community pool. However, 12 areas of land are still to be allocated for future planning.

<sup>1.193</sup> In addition to the Olympics, Newham's regeneration activity forms a central part of a much wider project called The Thames Gateway, Europe's biggest regeneration project, which extends from the Isle of Dogs in London to Southend in Essex and the Isle of Sheppey in Kent. Public funding is expected to reach £9 billion from 2008-11.

1.194 A new £4bn metropolitan centre will be created in East London, housing most of the Olympic athletes and available for Newham residents after the Games. Stratford City's retail element alone will be similar in size to Bluewater including over 100 shops, three big department stores, cafés, schools, hotels, parks and health centres in addition to the homes.

1.195 Other projects within the Borough include the regeneration of Canning Town and Custom House, areas of Newham where local people endure poor health, poor educational achievement and poverty.

1.196 This regeneration project is part of the Government's mixed communities initiative, which aims to create neighbourhoods with a balanced mix of owned and rented accommodation. Canning Town and Custom House is a highly accessible location in London and this £3.8billion project aims to transform the area physically, socially and economically with 9,500 new homes and a revitalised town centre.

1.197 A second substantial regeneration project within the Borough is Silvertown Quays. Situated adjacent to the Royal Victoria Dock, the area will be transformed into a major mixed-use waterfront scheme. The 24 hectares (60 acre) site will include 5,000 residential units and a world-class aquarium and outdoor surfing area.

### **Newham Supporting People Five Year Strategy 2005-2010**

1.198 According to the Strategy, the Supporting People Programme's main vision is that vulnerable people will be able to improve their quality of life in a stable environment which enables greater independence. This will involve work by partner agencies that provide housing and care services and organisations that support independent living.

1.199 It states that Newham's Local Strategic Partnership (LSP or Civic Partnership) has recognised how Supporting People can help to deliver the Community Strategy priorities. This is translated into the following aims and values;

- to support independent living through high quality housing related support services;
- to promote choice by developing a range of provision, including an expansion in floating support services;
- to meet the diverse needs of Newham's complex social mix, especially its ethnic diversity;
- to drive forward the prevention agenda with the aim of reducing long-term dependency;
- to integrate Supporting People with the strategic plans of other statutory agencies like the NHS and Probation, but also to ensure that Supporting People funding complements and enhances related funding streams such as the Neighbourhood Renewal Fund (NRF) and private sector investment in Newham through section 106 agreements;
- to ensure value for money through efficient and effective services that meet defined quality standards and have a clear focus on measurable outcomes;
- to place service users at the heart of service planning and to continue to use innovative methods of service user engagement;

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- to drive forward an agenda of social inclusion with the aim of creating sustainable communities; and
  - to complement multi-agency working, promoting all aspects of community safety and crime reduction.

<sup>1.200</sup> More specifically, Newham aims to use the Supporting People programme to;

- prevent homelessness;
- help vulnerable people remain in their own home;
- create stable living conditions for people with often chaotic lifestyles; and
- promote community safety and wellbeing.

<sup>1.201</sup> The strategy states that major regeneration programmes such as the Thames Gateway and the proposed 2012 Olympics are bringing in billions of pounds of economic and environmental regeneration that will have a positive impact on the lives of local people.

<sup>1.202</sup> However, it suggests that the Borough remains one of the most deprived local authorities in the country. The rate of infant mortality, teenage pregnancy, tuberculosis, diabetes and hypertension is well above the national average. The history of people suffering from coronary heart diseases and the rate of admission to psychiatric hospital is amongst the worse in the country. Consequently, the Council faces considerable challenges due to the level of need in the Borough and the complexity of its social mix.

<sup>1.203</sup> Furthermore, Newham has a dynamic and growing population;

- 61% of residents are from minority ethnic communities;
- 40% of its population are young people under the age of 25; and
- the elderly population is 9%, a low proportion compared with a typical local authority.

### **Short-term Priorities**

- reshape the programme to be consistent with Newham's priorities;
- ensure value for money and quality services that meet service users needs;
- monitor outcomes for individuals and the community in a systematic way;
- place a greater emphasis on preventative services;
- increase the provision and proportion of floating support in Newham;
- continue to promote accommodation-based schemes for older people, people with mental health support needs and people with learning disabilities, where appropriate.

### **Medium-term Priorities**

- develop the provider market and look for innovative ways to meet service users needs;
- respond to the changing population and economic profile of Newham;
- keep under review the governance arrangements for Supporting People;

- maximise the potential for IT, both to manage the programme and to promote access to Supporting People services.

## Redbridge

### The Borough

<sup>1.204</sup> Redbridge is located on the edge of the Olympic Boroughs and within the M11 corridor and Thames Gateway. It is a medium sized outer London Borough in the north east of the capital covering 5,652 hectares (13,900 acres). It is home to an array of historic buildings, parks and open spaces, with town centres and business and retail communities. There are 99,403 households (2009) and 5,820 businesses situated in a mix of urban environments and suburban neighbourhoods.

<sup>1.205</sup> The population of around 250,000 is one of the most diverse in the UK. An increasingly diverse ethnic profile is emerging, with many people from India, Pakistan and Bangladesh. The community is the 9th most diverse in the country, 36.5% of the population being from black and minority ethnic (BME) communities.

<sup>1.206</sup> There are over 130 places of worship and a large number of residents (77.5%) say they have a faith. The population of Redbridge is on average younger than in England and Wales. The average age of residents (36.99 years) is slightly lower than in England and Wales as a whole, while the number of children aged 0-15 (21.4%) ranks the Borough as the 59th youngest of 408 in Great Britain. However, it also has a growing older population, which has increased by 14% between 2001 and 2004 and is projected to increase further.

<sup>1.207</sup> Although ranked 163 out of 354 districts in England in terms of deprivation, Redbridge is a mix of both inner city environments (mainly in the south) and relatively affluent areas (in the north). This excludes the Borough from a raft of Government renewal funding schemes.

<sup>1.208</sup> There are also inequalities in accessing services in some areas. In the most deprived areas, life expectancy is lower and general health is poorer. House prices are lower than the London average, but the gap is narrowing.

<sup>1.209</sup> The local economy employs around 113,000 people and employment is concentrated in business service industries and small retail businesses with 88% of companies employing fewer than 10 employees. The Council is the Borough's largest employer. Their 8,250 employees represent about 5% of the workforce. The unemployment rate in Redbridge is 3% of the working age population, compared to the national average of 2.6% and the Greater London average of 3.4%. There are significant variances in unemployment levels in different wards.

### Redbridge Community Strategy

<sup>1.210</sup> The Redbridge Community Strategy 'Shaping Our Future Together' was finalised in May 2008. It sets out how the Council and its partners will make Redbridge a better place to live over the next ten years. The Strategy addresses the changes and challenges that the Borough faces. It co-ordinates partnerships to make sure the partnership's work is meaningful, well-timed and efficient.

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<sup>1.211</sup> The strategy's vision for the Borough is that in ten years Redbridge will be a safe and clean place where people are proud to live, work and invest.

<sup>1.212</sup> The overarching priorities of the strategy are to;

- strengthen community cohesion;
- address climate change;
- increase community participation/engagement; and
- harness the value of the 2012 Olympics and Paralympics to raise the levels of aspiration and achievement in all areas of people's lives.

<sup>1.213</sup> The Sustainable Community Strategy has a number of ambitions. These ambitions have priorities to make them achievable. These ambitions are;

- make Redbridge Safer;
- promote a positive attitude to the environment and have a cleaner, greener Redbridge;
- improve people's health, care and well-being;
- give people the skills and opportunities to make the most of their lives; and
- develop and support the Redbridge economy.

<sup>1.214</sup> The strategy cites a considerable amount of evidence in support. Notable features of the evidence about the Borough are as follows.

<sup>1.215</sup> The strategy estimates that by 2016 the Borough's population will have increased by 14% from 2001 levels, to 270,700 people. The number of primary school children in the Borough is expected to continue to grow. Redbridge also has an increasing older population, which is projected to grow by 13.6% between 2001 and 2011. Projections also show that, by 2012, the minority ethnic population will account for 51.4% of the population and that this will increase to 59.2% by 2026.

<sup>1.216</sup> In terms of the economy, the strategy states that Ilford is well positioned to become a major centre of the Thames Gateway. The Crossrail rail link will pass through Ilford. In addition, the Borough is adjacent to the Olympic Boroughs of Newham and Waltham Forest and is well-placed to take advantage of the opportunities that the 2012 Olympic and Paralympic Games will bring. Plans are also in place to redevelop the Gants Hill area to enhance the area's local economy.

<sup>1.217</sup> The opportunities for Redbridge include;

- business and inward investment opportunities;
- job creation;
- improved transport links;
- increased participation in sport and the promotion of healthier lifestyles;
- visitors and tourism; and
- development of a better quality of life and sense of place for local residents.

<sup>1.218</sup> The overarching themes of the Community Strategy are strengthening community cohesion, increasing community involvement and harnessing the value of the 2012 Olympics. It also argues that issues concerning climate change cuts across all themes.

<sup>1.219</sup> According to the strategy, the principle of community cohesion does not only cover race and religion, but takes account of differences in age, gender, disability, sexuality and socio-economic status. The partnership is committed to providing quality services that meet the needs and views of all sections of the local community.

<sup>1.220</sup> In a recent survey, 'A better place for care' was one of the top three priorities for 41% of people. The partnership is committed to promoting healthy lifestyles in Redbridge communities, including helping people to access health care and social services, as well as leisure and educational activities.

<sup>1.221</sup> In term of housing, the strategy states that housing affordability is a key issue within the Borough. The average house price in Redbridge compared to the average salary is a significant barrier to residents hoping to get onto the property ladder. In addition, housing need outstrips current supply in Redbridge. As a result, affordable housing was identified as the seventh highest priority for improvement in the recent residents' survey. The Mayor's London Plan sets targets for affordable housing in London. The housing needs and requirements survey carried out in 2005/06 also indicates high levels of need for affordable housing and supported housing. Meeting the growing need for affordable housing in Redbridge is a priority of the Council's Corporate Strategy.

<sup>1.222</sup> Finally, it states that people's health and well being is closely linked to having a permanent home in a decent condition and one that is suitable for their needs. Key priorities for the Council are to ensure that both Council and privately owned housing is of a decent standard, to reduce the number of people who live in temporary accommodation, to reduce fuel poverty, to reduce the number of people who are street homeless, to tackle overcrowding and to provide access to housing with support.

### **Redbridge Local Development Framework**

<sup>1.223</sup> In March 2008 Redbridge became the first London Borough to adopt a Core Strategy and since then the following Development Plan Documents have also been adopted;

- Borough Wide Primary Policies;
- Development Sites with Housing Capacity;
- Other Development Opportunity Sites;
- Ilford Town Centre Area Action Plan; and
- Gants Hill District Centre Area Action Plan.

<sup>1.224</sup> The Core Strategy Strategic Policy 1 Managed Growth - aims to locate most new housing in the town centres, led by the Metropolitan Centre of Ilford so as to maintain acceptable densities in existing residential areas and remove the need to build on Green Belt land or other open spaces.

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Strategic Policy 7 Housing - establishes an overall target to deliver a minimum of 9,050 new homes from 2007 to 2017, being distributed as follows;

- 30% to 35% in Ilford Town Centre;
- 15% to 25% in the District and Local Centres and;
- 25% to 35% throughout the rest of the Borough.

<sup>1.225</sup> Suitable housing sites are identified in the Development Sites with Housing Capacity DPD and the two Area Action Plans. In addition, the Council is preparing a Cross rail Corridor Area Action Plan. One of its objectives is to identify sites with significant potential for additional housing.

<sup>1.226</sup> Nevertheless, the Council has so far only been unable to identify sites to accommodate 8,533 dwellings which is short of the 9,050 target. On an annualised basis (905 dwellings per annum), it can demonstrate sufficient sites for the first 5 years, but there is a shortfall thereafter. The draft replacement London Plan proposes a lower target for Redbridge of 760 homes per annum from 2012 to 2021. If this figure is ultimately published Redbridge should be able to identify sufficient sites up until at least 2017.

<sup>1.227</sup> Strategic Policy 8 Affordable Housing sets a target for 50% of new housing from all sources to be affordable, with a desired 60/40 social/intermediate housing breakdown. The policy threshold is to require affordable housing to be provided with housing schemes on sites capable of accommodating 10 or more dwellings, or sites over 0.5ha regardless of the number of dwellings.

<sup>1.228</sup> The policy, and its supporting Affordable Housing Supplementary Planning Document (March 2009) also sets out a number of criteria that should govern negotiations over affordable housing delivery through individual development applications. These include an assessment of the impact of affordable housing delivery on the commercial viability of the scheme.

### **Annual Monitoring Reports**

<sup>1.229</sup> Redbridge Annual Monitoring reports for 2007/08 and 2008/09 disclose that the Borough has been rewarded with high levels of Housing and Planning Delivery Grant. Some £1.4 million was awarded in 2007/08 (second highest in London) and another £1.3 million (interim allocation) in 2008/09.

<sup>1.230</sup> Housing delivery has been hit by the recession with only 607 units being delivered in 2007/08 and 617 in 2008/09. Despite this, there are a number of large schemes in the pipeline, each of which will deliver in excess of 100 units and delivery should pick up in the coming years

<sup>1.231</sup> The overall problem of lack of available sites remains. The Strategic Housing Land Availability Assessment conducted in 2008 independently confirmed a shortfall. It identified sites with a total capacity of 8,180 units up to 2017.

<sup>1.232</sup> Redbridge is undertaking a number of measures to address this including an Open Space Needs Assessment and a search for additional sites through the Crossrail Corridor Area Action Plan.

1.23<sup>3</sup> Affordable housing delivery has been well below target, ranging between 10% and 30% in recent years. The picture is improved a little when cash received in lieu of on-site provision is considered, allowing the Council to finance additional affordable housing elsewhere.

1.23<sup>4</sup> The 50% affordable housing policy target was adopted to make the Core Strategy consistent with the London Plan and the new Mayor of London is proposing to remove it from his draft replacement London Plan. Nevertheless, an expectation remains that Boroughs will set ambitious target of their own.

### **Redbridge Corporate Strategy October 2006 - May 2010**

1.23<sup>5</sup> In August 2005, the London Borough of Redbridge adopted its new Corporate Strategy, "Delivering Excellence". The Corporate Strategy is intended to be a working document which exists to help elected Members, staff and partners work together to 'Make Redbridge a better place to live'.

1.23<sup>6</sup> Redbridge aims for the Borough to become a 'better place to learn, better place for care, better place for business and a better place to live together. There is a pressing need for affordable housing in the area. The Council worked with housing associations to provide over 200 new affordable homes during 2005/06. To meet strategic requirements at least 10,680 new homes are needed by 2016, including 400 new affordable homes each year.

### **Redbridge Housing Strategy**

1.23<sup>7</sup> The Council's vision is to;

*Improve the standard and availability of suitable affordable housing and access to primary health services for people with housing needs*

1.23<sup>8</sup> In order to achieve this vision, the Council will;

- improve the availability of affordable housing for the less well off;
- prevent homelessness, improve housing provision and access to health care for homeless people particularly with substance misuse problems and/or mental health needs;
- bring all social housing up to 'decent home standard' by 2010;
- reduce the amount of non-decent housing in the private sector owned or rented by vulnerable households;
- improve housing quality by improving heating and insulation to reduce fuel poverty; and
- improve the housing situation by creating safe environment and improving quality of life.

1.23<sup>9</sup> As at 2009 there were 99,403 households resident in the Borough. Most housing in Redbridge is privately owned (75%), followed by private rent (15%), Council (7%) and RSL (3%) owned properties. (Census 2001). The Council owns 4,808 properties. It states that this is a very limited

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stock compared to other neighbouring Boroughs (there are around 21,000 Council rented properties in Barking & Dagenham).

<sup>1.240</sup> The number of properties owned by the Council is gradually decreasing mainly due to the fact that tenants are buying Council properties under the Right to Buy scheme. Also, the rate of affordable housing development is far slower than the increasing demand. As a result, the demand for social housing outstrips supply.

<sup>1.241</sup> There are a number of factors which impact on the demand for affordable housing within the Borough;

- Redbridge has the second lowest social housing stock in London;
- the demand for affordable housing outstrips supply every year and waiting lists are increasing;
- the waiting list review is expected to reduce the 13,000 households on the waiting list.
- many of these people are living in acutely overcrowded conditions, or have medical conditions that make their housing unsuitable; and
- there are nearly 2800 households living in expensive temporary accommodation, most of whom need family sized affordable housing.

<sup>1.242</sup> In response, the Council is putting £700,000 per year into supporting the affordable housing programme. This delivers approximately five new affordable homes per annum. In order to increase the number of new affordable homes the Council states it will negotiate with developers for a proportion of new affordable homes, work closely with and attract additional funding via partner Housing Associations and generate money through housing assets. All of these activities meant that in 2007/08 the Council provided 222 additional affordable homes. However, they state that they need to be providing at least 400/500 per year and even this will not fully meet the current demand.

<sup>1.243</sup> Furthermore, the Council states that it cannot meet its targets for new affordable homes without a significant injection of additional capital resources. It has been estimated that over the period 2008 to 2011 they will need £152 million to provide around 1,400 new affordable homes. They estimate that they can raise approximately £26 million from;

- the Council's Capital Programme; and
- commuted payments in lieu of on-site provision of affordable housing in new developments.

<sup>1.244</sup> The Council anticipates that HCA investment in the Borough over the next three years could reach £66 million. It is also estimated that they could use land value of up to £15 million to support the capital investment needed. This will leave a shortfall of £45 million over the next three years.

### **Redbridge Supporting People Five-Year Strategy 2006-2011**

<sup>1.245</sup> The Council's Supporting People strategy provides the vision and resources to address the housing related support needs of its most vulnerable residents. Its Supporting People

Programme is needs led with the development and delivery of the programme undertaken by a working partnership of local government, NHS, probation, service-users and their carers and support agencies. It supports the Council's aim to make Redbridge a better place to live.

<sup>1.246</sup> The vision for Supporting People in Redbridge is to;

- enhance the quality of life of vulnerable people in Redbridge;
- enable people to live independently;
- allow people a choice of support, wherever they live;
- offer services that recognises diversity and responds to a range of needs;
- ensure services offer high quality support and value for money;
- listen to the needs of residents and service users and develop services that will meet these;
- ensure services offer support that will prevent homelessness, offending and reoffending behaviour, early and unplanned hospital admissions and other national prevention objectives; and
- deliver the programme through a working partnership of local government, NHS, probation, service users and their carers and support agencies.

<sup>1.247</sup> According to the strategy, during 2006 the Council undertook a survey of the requirement for move-on from supported housing. Housing Providers were asked to complete a move-on questionnaire assessing the demand for move-on from their service except long-term services. The results were received from approximately 90% of the relevant supported housing units. The survey indicated out of 194 service users, 34% of service users were ready to move on, 6% were assessed as ready to move on to lower level support and 28% were ready to move on to independent accommodation, with or without support.

<sup>1.248</sup> Within the Borough, 23 providers support 1,662 people in 76 schemes. In addition 1,147 people use the Lifeline Service and up to 400 people a year use the Home Improvement Agency. Supply analysis shows that Redbridge has a limited range of services that only cover a proportion of the eligible service user groups.

<sup>1.249</sup> It cites the London Housing Strategy 2005-16 which describes how London will respond to national priorities of achieving balanced housing markets, particularly through an increase of new housing and tackling homelessness through prevention. It states that increasing the supply of housing in Redbridge will, in part, be a result of the Thames Gateway, one of four growth areas identified by the Communities Plan. Part of one ward in Redbridge is included in this area. Although the number of additional new homes in Redbridge will not be as significant as in other areas, there are concerns that the impact of this growth is managed, particularly developing the infrastructure to cope with an increased population.

<sup>1.250</sup> The decline of affordable accommodation in London is identified as the most significant factor in the rise in homelessness and the number of people currently living in temporary accommodation. In addition to increasing supply, actions to reduce homelessness include

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housing advice and increased mobility within the social sector. The need for high quality support for people is also identified and Supporting People funds services that provide this.

<sup>1.251</sup> The Strategy also recognises the difficulties faced in developing new supported housing because of the requirement to have certainty of revenue funding. As such, it aims to increase the supply of supported housing. The London Plan supports this by requiring authorities to identify the full range of housing needs including people with a disability and older people and sets targets for lifetime homes standards wheelchair accessibility.

<sup>1.252</sup> The London Supporting People Strategy outlines how London Councils will work with the Boroughs and other partner organisations to ensure any reconfiguration of services is undertaken effectively and to the benefit of London's communities. London Boroughs' are working together to meet the specific needs of vulnerable people.

<sup>1.253</sup> According to the strategy, it is widely recognised that while some people may want to move from their local area, certain service user groups need access to services away from the area in which they live or have no local connection. This includes services where need is not sufficient to require provision in every London authority. To meet these needs London's Boroughs will need to work together in the procurement and commissioning of services and also on service reviews to streamline the programme.

<sup>1.254</sup> Finally, it states that Redbridge is committed to working with other London Boroughs to meet the priorities in the 5-year London Supporting People Strategy for cross authority services. The London Boroughs have agreed the Strategy through London Councils Leaders' Committee, made up of the leaders of the 33 London Councils.

## Tower Hamlets

### The Borough

<sup>1.255</sup> Tower Hamlets covers over 8 square miles (20.72 square kilometres) and is one of the smallest but most densely populated London Boroughs. It is a Borough of marked contrasts which has experienced spectacular regeneration and economic growth but still has high levels of deprivation. Canary Wharf is the UK's second largest business district with more than 96,000 employees.

<sup>1.256</sup> Continued regeneration is transforming the City Fringe and east of the Borough. The Borough has one of the strongest economies in the country with 2 jobs for every economically active resident.

<sup>1.257</sup> The Council continues to implement the priorities set out in its 2012 Olympic Legacy Strategy. As one of the host Boroughs, Tower Hamlets seeks to ensure that all Olympic planning applications and the Legacy Masterplan Framework deliver lasting benefits for local people.

<sup>1.258</sup> Tower Hamlets continues to have one of the fastest growing populations in London. Population estimates published by the Office for National Statistics (ONS) in August 2008 confirm this trend. The 2007 population was estimated to be 215,300. However, population projections for 2007

published by the GLA estimate the Borough population to be 224,950, increasing to 301,456 by 2016.

<sup>1.259</sup> GLA Ethnic Group Projections, published in 2007, confirm that BME communities are now 49.6% of the Borough's population, the largest of which continues to be the Bangladeshi community. By 2026, the GLA projections indicate Tower Hamlets will be one of 8 London Boroughs where the BME population will represent more than 50% of the total population. Another dynamic of the Borough's population is that a high percentage of the under-16 age group are from BME groups.

<sup>1.260</sup> The Indices of Multiple Deprivation, published in 2007, ranks Tower Hamlets as the third most deprived local authority area in the country on its 'Extent of Deprivation Scale'. In 2004 Tower Hamlets was ranked second. There are areas in which there are small pockets of more severe deprivation but, whereas most local authorities have just one or two deprived areas, levels of deprivation in Tower Hamlets are found in every ward. Over half (55.4%) of Tower Hamlets super output areas are in the 10% most deprived cluster.

<sup>1.261</sup> There are more than 101,000 dwellings in the Borough. While the Borough continues to have the largest proportion of social housing in the country, 58% of the Borough housing stock is now in the market sector, compared with 36% in 1995.

### **Tower Hamlets' Community Strategy**

<sup>1.262</sup> The Tower Hamlets Partnership has refreshed its community plan through to 2020. It is based on consultation with local people, businesses, third sector and statutory organisations about their hopes and aspirations for the Borough, as well as research and information about the way the Borough is changing.

<sup>1.263</sup> The community plan keeps the existing vision 'to improve the quality of life for everyone living and working in Tower Hamlets'. It sets out the challenges and priorities for the Borough through to 2020, as well as the specific targets drawn from the Local Area Agreement that they will focus on until 2011.

<sup>1.264</sup> At the heart of the new community plan is the idea of 'One Tower Hamlet's. This is all about trying to reduce the inequalities that exist in the Borough and bringing local communities closer together.

<sup>1.265</sup> To turn this vision into reality, the plan is split into four themes;

- a great place to live – including housing, transport and waste;
- a prosperous community – covering learning, worklessness and enterprise;
- a safe and supportive community – bringing together support for the most vulnerable residents with community safety issues; and
- a healthy community – including public health, access to primary care and mental health.

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<sup>1.266</sup> Underpinning all these themes is a desire to build One Tower Hamlets, a Borough where everyone has an equal stake and status; where people have the same opportunities as their neighbours; where people have a responsibility to contribute; and where families are the cornerstone of success.

<sup>1.267</sup> The new Community Plan recognises that Tower Hamlets is a ‘community of communities’ and argues that a ‘one-size-fits-all’ approach to problem solving will not work.

<sup>1.268</sup> The Community Plan explains how the quality of life will improve in Tower Hamlets over the next decade or so in a whole range of areas, from education for children and young people to support and care for some of the oldest and most vulnerable people.

<sup>1.269</sup> The Community Plan reflects the aspirations and needs of residents and people who work and invest in the Borough. The consultation process brought out many of the positive features of Tower Hamlets including its great diversity, the wealth of opportunities and strong communities. The strategy aims to raise ambitions and increase opportunities, particularly in the most deprived areas and communities.

<sup>1.270</sup> ‘One Tower Hamlets’ is about reducing the inequalities and poverty, strengthening cohesion and making sure communities continue to live well together. Most of all, ‘One Tower Hamlets’ is about recognising that everyone has a part to play in making this a reality.

<sup>1.271</sup> The first of the four themes for the new Community Plan – A Great Place to Live – is of particular interest in relation to housing. It calls for more affordable housing and strong neighbourhoods by increasing the overall supply of housing for local people. This includes a range of affordable, family housing, providing decent homes in well designed streets and neighbourhoods, planning new neighbourhoods with supporting services like primary schools, healthcare facilities and local parks and improving the quality of housing management and related services provided to tenants and leaseholders.

### **Tower Hamlets’ Core Strategy**

<sup>1.272</sup> The Core Strategy has been shaped by ongoing consultation and engagement involving local people, businesses and communities, as well as service providers and key stakeholders. Two previous options papers have been produced, in July 2008 and February 2009. The Council is now seeking comments on the proposed submission version. The consultation period ran for a period of 6 weeks from 14th September until 26th October 2009.

<sup>1.273</sup> The Core Strategy sets out an ambitious and long-term spatial strategy to deliver the aspirations set out in the Community Plan 2020. It sets out broad areas and principles and where, how and when development should be delivered across the Borough until 2025. It is also outcome-based, and does not solely rely on development decisions as previous plans have done.

<sup>1.274</sup> The Core Strategy seeks to provide a robust spatial strategy for Tower Hamlets. It has been developed in line with national and regional planning policy, and while not repeating, it does seek to interpret this guidance locally, to the particular needs and characteristics of Tower Hamlets.

<sup>1.275</sup> The Core Strategy is underpinned by key principles which will guide and steer the Local Development Framework and its long term implementation;

- optimise the use of land;
- integrate movement and land use;
- reinforce a sense of place;
- work in partnership;
- conserve and reuse resources;
- diversify and grow the economy;
- good design from the outset;
- evidence based decisions;
- support community cohesion;
- live within environmental limits;
- support human health and wellbeing; and
- access to nature and open space.

<sup>1.276</sup> According to the strategy, with over 101,000 homes, as of April 2009, housing is the dominant land-use in Tower Hamlets. Housing provision has increased by 45% since 1991 and has been a significant driver for much of the regeneration already undertaken in the Borough.

<sup>1.277</sup> Housing growth is set to continue to meet the Mayor's emerging housing targets of 43,000 additional homes by 2025. Housing growth will be accommodated across the Borough, with the majority of new provision focused around the Opportunity Areas identified in the London Plan.

<sup>1.278</sup> Some new housing will also come forward as a part of strategic housing investment projects, including the regeneration of housing estates and other local housing initiatives. This investment will ensure Decent Homes Standards are achieved across the Borough. Particular areas of housing regeneration include Poplar, Stepney and Blackwall. The location, scale, density and design of new housing developments are principally shaped by the accessibility and urban structure of an area.

<sup>1.279</sup> The strategy states that areas which benefit from higher-accessibility levels can support higher-intensity of land uses (such as town centres) and population density and this is where higher-density housing should be located. In contrast, those areas which are less accessible and have lower population densities are suitable for lower density housing. This ensures that new homes in identified growth areas will assist in creating new communities that follow a sustainable pattern of development.

<sup>1.280</sup> However, the strategy states that Tower Hamlets faces significant housing challenges. There is a current affordable homes shortfall of 2,700 homes per year. Additionally, current rates of over-occupation (over-crowding) are at 16.4%, which is much higher than the national average of 2.7% of all units. The Community Plan identifies the delivery of a range of affordable, family homes for local people as one of its priorities. The Council will also prioritise delivering new

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family homes in the Borough, particularly focusing on larger-family homes in suitable locations. Given the extent of housing need, Tower Hamlets has set an affordable housing target of up to 50%.

<sup>1.281</sup> This will be delivered through negotiations as a part of private residential schemes, as well as through a range of public initiatives and effective use of grant funding. In some instances, exceptional circumstances may arise where the affordable housing requirements need to be varied. In these circumstances detailed and robust financial statements must be provided which demonstrate conclusively why planning policies cannot be met. Even then, there should be no presumption that such circumstances will be accepted, if other benefits do not outweigh the failure of a site to contribute towards affordable housing provision.

<sup>1.282</sup> The strategy states that new homes in Tower Hamlets will need to be designed to a high-standard, taking account of needs for national and regional guidance on design standards. This includes requirements for improved accessibility standards such as “Lifetime Homes” and carbon emissions standards including a stepped-approach to implementing “Code for Sustainable Homes” starting with Level 4. Given the shortfall in open space across the Borough, it will also be critical that new homes provide both housing amenity-space and child play-spaces.

<sup>1.283</sup> Finally, in order to achieve its housing ambitions the Council will undertake the following;

- seek to deliver approximately 43,000 new homes (equating to 2,865 per year) from 2010 to 2025;
- ensure new housing assists in the creation of sustainable places;
- set an overall strategic target for affordable homes of 50% until 2025;
- require an overall tenure split for affordable homes from new development as 70% social rented and 30% intermediate;
- secure a mixture of new small and large housing by requiring an overall target of 30% of all new housing to be of a size suitable for families (three-bed plus), including 45% of new social rented homes to be for families;
- identifying locations where larger family housing sizes (four bed plus) will be sought;
- ensuring all housing is appropriate, high-quality, well-designed and sustainable; and
- provide for the specialist housing needs of the Borough.

### **Tower Hamlets: The Olympic Games 2012 and Regeneration**

<sup>1.284</sup> Tower Hamlets is one of the five London Boroughs (alongside Greenwich, Hackney, Newham, and Waltham Forest) who will host the 2012 Olympic Games. According to Tower Hamlet’s Olympics 2012 Strategy, the London 2012 Olympic and Paralympic Games provide a unique opportunity for the Borough. This opportunity can be expressed in four principles that are fully aligned with the Community Plan. These are;

- creating and sharing prosperity – bringing investment and employment into the Borough and ensuring that all residents and businesses are in a position to benefit from, and contribute to, growing economic prosperity as a result of the Games;

- a socially cohesive community – celebrating the rich cultural diversity of local communities, strengthening community networks and organisations and enabling the community to develop as a whole;
- a transformed environment – ensuring that the alluring physical transformation anticipated in the Olympic Park is matched with the physical transformation within Tower Hamlets; and
- the 2012 Olympics and Paralympics experience – providing every Tower Hamlets resident with an opportunity to have a Games experience, whether participating, volunteering, or being a spectator.

<sup>1.285</sup> The strategy pledges that The Olympic Park will become a hub for East London, bringing communities together and acting as a catalyst for profound social and economic change. It will become a model of social inclusion, opening up opportunities for education, cultural and skills development and jobs for people across the UK and London, but especially in the Lea Valley and surrounding areas.

<sup>1.286</sup> The new facilities in the Olympic Park will be open to the whole community, not just elite athletes. This will lead to more opportunities for everyone to participate in sport and physical activity. This will create a more inclusive, more active community, leading to a fitter society and reducing health inequalities.

<sup>1.287</sup> In terms of housing, the strategy states that approximately 9,000 homes are planned for development in the Olympic Park. In a Joint Statement by the GLA, LDA, the HCA and the Olympic Delivery Authority, it has been agreed that 50% of housing developed in the Olympic Park will be affordable (subject to standard economic viability tests).

<sup>1.288</sup> However, the strategy notes that the existing planning consent for the private sector Stratford City project requires 30% affordable housing. Under the terms of the Joint Statement, affordable housing developed in the Olympic Park is intended to be a London wide legacy, and therefore nominations to affordable housing will be available on a London wide basis. The London Development Agency, with identified partners, is arranging meetings of an Olympics Legacy Housing Forum at least three times a year where matters relating to the relocation process and the legacy will be discussed.

<sup>1.289</sup> Importantly, the strategy recognises that there are significant opportunities for enhancing the place-making and developing new mixed use neighbourhoods both within the Olympic Masterplan area and in other locations just outside. These locations may provide further opportunities for good urban design, appropriately designed family housing (3 and 4 bedroom units), and new models of delivery and management such as Community Land Trusts.

<sup>1.290</sup> The aspiration is for well-designed sustainable communities that integrate well with the existing adjoining neighbourhoods and that make best use of the benefits provided by the Olympic Park for leisure and recreation.

<sup>1.291</sup> Finally, the strategy states that the London 2012 legacy commitment is to ‘regenerate East London communities and their environment’. Consequently, the regeneration opportunity and benefits need to be viewed widely and not simply confined to a narrow band around Olympic

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Park. Tower Hamlets' aspiration is to maximise the opportunities for capturing synergies that can regenerate housing and communities across the whole Borough.

### Tower Hamlets Corporate Plan

<sup>1.292</sup> The new Strategic Plan 2009/10 – 2011/12 describes the Council's overall aims and objectives, the improved outcomes intended for people who live and work in the Borough and the actions to be taken to deliver that improvement in 2009/10.

<sup>1.293</sup> The Council's vision is to improve the quality of life for everyone living and working in Tower Hamlets. It is a vision that is shared by all partners in the Tower Hamlets Partnership, which comprises residents, the Council and other public service providers, businesses, faith communities and the voluntary and community sector.

<sup>1.294</sup> The five major themes contained in the Strategic Plan set out the means by which their vision will be delivered. These themes are;

Themes	Priorities
One Tower Hamlets	<ul style="list-style-type: none"><li>• Reduce inequalities and foster strong community cohesion</li><li>• Work efficiently and effectively as One Council</li></ul>
A Great Place to Live	<ul style="list-style-type: none"><li>• Provide Affordable Housing and Strong Neighbourhoods</li><li>• Strengthen and connect communities</li><li>• Support vibrant town centres and a cleaner, safer public realm</li><li>• Improve the environment and tackle climate change</li></ul>
A Prosperous Community	<ul style="list-style-type: none"><li>• Support excellent learning opportunities for all</li><li>• Reduce worklessness</li><li>• Foster enterprise</li></ul>
A Safe and Supportive Community	<ul style="list-style-type: none"><li>• Empower older and vulnerable people and support families</li><li>• Tackle and prevent crime</li><li>• Focus on early intervention</li></ul>
A Healthy Community	<ul style="list-style-type: none"><li>• Reduce differences in people's health and promote healthy lifestyles</li><li>• Support mental health services to improve mental health</li><li>• Improve access to and experience of local health services</li></ul>

<sup>1.295</sup> The aims of the Corporate Plan reflect the Community Plan aspiration that Tower Hamlets should be a place where people enjoy living and take active pride in belonging. The Council will support this by seeking to provide good quality affordable housing, well designed public spaces and better transport links. A commitment to environmental sustainability is also at the heart of this theme.

<sup>1.296</sup> The Council has adopted a long term strategy to lever in as much funding as possible towards the cost of meeting the Decent Homes Standard. The number of dwellings directly managed by the Council has reduced as a result of ongoing transfer of ownership to Registered Social Landlords. This has significant implications for the Council as a whole, as it has needed to reshape both direct services and support services to reflect lower levels of activity. For the remaining housing stock, management has been transferred to an Arm's Length Management Organisation, Tower Hamlets Homes. For some estates, notably Ocean and Blackwall Reach,

specific redevelopment plans are being shaped to draw in the additional investment funding required.

<sup>1.297</sup> In relation to housing, one of its key aims is to provide affordable housing and develop strong neighbourhoods. In order to achieve this aim the Council will;

- increase the overall supply of housing for local people including a range of affordable, family housing;
- provide decent homes in well designed streets and neighbourhoods;
- plan new neighbourhoods with supportive services like primary schools, healthcare facilities and local parks; and
- improve the quality of housing management and related services provided to tenants and leaseholders.

<sup>1.298</sup> The Council also aims to strengthen its RSL partnership working, to secure private and public investment to deliver a supply of new affordable housing and to improve the standard and quality of housing management.

### ***Tower Hamlets Housing Strategy 2009/12***

<sup>1.299</sup> Tower Hamlets' 2009/12 Housing Strategy sets out how the Council intends to help deliver more and better housing for Tower Hamlets' residents. The strategy focuses on delivering four key priorities that will help deliver this objective.

#### ***Delivering and Managing Decent Homes***

<sup>1.300</sup> Every resident in the Borough has a right to live in a home that meets a decent standard and is managed effectively. The standard of homes and management varies considerably in the Borough and the Council wants to see all social sector housing and private housing occupied by vulnerable sector households raised to decent homes standard levels and wants all social landlords delivering at least a good management service.

#### ***Place making and Sustainable Communities***

<sup>1.301</sup> Housing has a key role to play in delivering better places to live and offering people opportunities to achieve a better quality of life. This involves ensuring that new and regenerated housing environments make a positive contribution to the places that people live in. In addition, new investment has to make a positive contribution to the opportunities available to people through access to services and amenities, helping to improve community well-being.

#### ***Managing Demand, Reducing Overcrowding***

<sup>1.302</sup> Existing and new affordable housing needs to be used as effectively as possible in order to manage existing and future housing demand. Specifically, a fresh approach is needed to reduce overcrowding in the Borough.

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### **New Housing Supply**

- 1.303 The amount of affordable housing, particularly social housing, in Tower Hamlets needs to be maximised. The quality of new housing needs to be higher, reflecting new priorities on climate change, lifetime standards and at the same time delivering housing that helps deliver more employment and training opportunities.
- 1.304 According to the strategy, Tower Hamlets is geographically one of the smallest Boroughs in Greater London. Over the last decade it has undergone significant regeneration and includes one of the largest affordable and market house building programmes in London. Over the next decade housing and employment growth is set to continue with the redevelopment of the Lower Lea Valley, Canary Wharf, the City Fringe and the emerging international centre at Stratford as key generators of economic activity.
- 1.305 New transport investment, principally Crossrail and the East London Line extension, will provide new opportunities for housing development. The Borough has historically led people to closely associate themselves with particular localities, a helpful platform to the concept of 'place-making' and 'sustainable communities'. The agenda is more than physically redeveloping areas, it's about the coordination of local service delivery in areas such as community safety, lifelong learning and street management.
- 1.306 However, it states that the housing challenge in Tower Hamlets is immense, as the Borough continues to witness major new house building and redevelopment. Between 2004 and 2008 up to 9,000 new homes have been built in the Borough, 3,238 of them have been affordable homes. This makes Tower Hamlets one of the largest deliverers of affordable housing in the country. There are 9,446 overcrowded households in socially rented homes and 1,798 of these are severely overcrowded.
- 1.307 In response, Tower Hamlets are committed to delivering decent homes for all and will track annually the number of decent homes across local authority and housing association homes. Housing Choice partner RSLs continue to make good progress in meeting decency standards in stock transfer homes as well as their non-transfer stock. The Council will monitor decent homes progress in line with LAA targets. It will also monitor the wider promises (i.e. the Offer Document and Transfer Agreement) made by stock transfer RSLs and, where it is deemed necessary, use legal powers or TSA powers to ensure promises are delivered.
- 1.308 Tower Hamlets Homes (THH) manages homes on behalf of the Council, their services include major works and bringing Council owned homes up to decency standards. Annually, the Council have made a limited number of Council homes decent using HRA and MRA resources. One of the reasons for setting up THH was to access additional capital investment from the HCA to fund and complete decent homes for all and, where possible, meet the Decent Homes Plus standard.
- 1.309 To release these funds THH must achieve a two-star performance inspection rating from the Tenant Services Authority. Each of the organisations directorates has been working extensively to making positive changes and improvements ahead of the 2010 inspection date.
- 1.310 In consultation with residents, THH derived its objectives based on the increased Decent Home standard (Decent Homes Plus) and aim to deliver homes that are warm and dry with an effective

heating system; secure and free with double glazing where this can be fitted; have modern electrical wiring with enough sockets; have reasonably modern facilities including kitchens and bathrooms and, finally, homes are accessed through clean and safe communal areas.

<sup>1.311</sup> Tower Hamlets will develop a Decent Homes Plus Standard that will set out additional repairs and improvements that would be expected when decent homes works are undertaken. Essentially this will be developed with THH in mind and set out the Council's expectations on what added value it can expect from decent homes investment. Subject to financial viability, additional elements could include the reduction of carbon emissions, increased recycling levels, improved environmental cleanliness and a level of biodiversity measures.

<sup>1.312</sup> Finally, to bring properties in the private sector up to Decent Homes standard, the Council have developed both Private Sector Renewal and Empty Properties frameworks. These reflect national, regional and local priorities, founded on partnership principles strategic/enabling focus in meeting the needs of local residents. The main objectives of the framework will be to improve the living conditions for owner-occupiers and private sector tenants by;

- reducing the number of properties containing Category 1 hazards, (including Houses in Multiple Occupation - HMO) in the private sector and, where possible, bring them up to the Decent Homes Standard;
- increasing the number private sector vulnerable tenants living in decent homes;
- reduce the number of private sector empty properties, bringing certain properties up to Decent Homes Standard and, where possible, for let though the Council's rent deposit guarantee scheme and;
- enable disabled and other vulnerable residents to remain safe and independent in their own homes.

#### **Tower Hamlets Supporting People Strategy 2005 – 2010.**

<sup>1.313</sup> The strategy provides the vision for planning housing related support services according to the needs of people in the Borough and how to link people and services to provide an effective continuum of support and care. It was developed in consultation with, and as a working partnership of, the Council, service users, service providers, health services, probation services, and voluntary and community organisations.

<sup>1.314</sup> The strategy states that Supporting People in Tower Hamlets can have an impact on three levels by bringing positive change to individuals, communities and services.

<sup>1.315</sup> Individuals – Housing related support services have a key role to play in improving the quality of life of vulnerable people by promoting independence, well-being and enabling people to live successfully within their communities. The Council aims to ensure individuals value the services they are receiving because they have a positive impact on their lives and enable them to realise their aspirations through appropriate support.

<sup>1.316</sup> Communities – In providing services that support vulnerable individuals and families, Supporting People can have a positive impact on communities by promoting social inclusion. Supporting People in Tower Hamlets can play a key role in the partnerships and multi-agency work to

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promote neighbourhood renewal, social inclusion, reduce offending and anti-social behaviour and enable people to share in community activities, lifelong learning and increased prosperity.

<sup>1.317</sup> Service level – The Council is working in partnership to ensure services are high quality, accessible, co-ordinated and effective. Supporting People involves the review of all support services. This enables us to drive up the quality and effectiveness of services in financial and service outcome terms and ensures they are contributing to the delivery of other key targets and strategies.

<sup>1.318</sup> The Supporting People Partnership's vision is to: "work to deliver accessible, high quality and needs led services that promote choice, independence and social inclusion and enable vulnerable individuals to live successfully within the community".

<sup>1.319</sup> The strategy places the Supporting People Programme in Tower Hamlets within the wider local and national strategic context. One of its key objectives is to work in partnership to meet shared targets and operate as a delivery tool for other strategic objectives. Supporting People aims to play a fundamental part in making links between social inclusion, neighbourhood renewal, housing, community safety, health and social care.

<sup>1.320</sup> The strategy sets out a number of high level aims by which success in achieving its vision can be assessed over the next five years. The vision is;

- to provide effective services which have a positive impact on the lives of the most vulnerable residents.

<sup>1.321</sup> This will be achieved by;

- developing needs-led service provision that is responsive, driven by clear analysis of need and strategically planned;
- developing a strategic approach to the collection of information and projection of future housing related support needs; and
- ensuring that services meet the need of a diverse community and enable equality of access for all.

<sup>1.322</sup> The Council will promote equality through Supporting People by;

- developing services that are sensitive and accessible to the specific needs of the local BME communities, women, people with disabilities and other minority groups;
- developing a broad range of services to maximise service user choice;
- providing accessible information and advice on support services;
- setting minimum standards for all services in meeting the needs of a diverse population;
- ensuring all new developments meet wheelchair accessibility standards; and
- reviewing and re-targeting existing referral and access routes and providing services across all tenures to ensure equality in access.

<sup>1.323</sup> The strategy details how it will respond to the housing needs of vulnerable people within the Borough. It identifies the need for the development of a number of new services. However, it states that the delivery of many of these services would require a significant additional revenue commitment that cannot be met from the existing budget.

<sup>1.324</sup> To ensure effective long term financial management, new developments or re-provision has been prioritised where there is an existing capital investment and commitment. This is followed by those that contribute to the effective realisation of strategic priorities whilst remaining cost neutral in revenue terms for the Supporting People budget. Examples are;

- the re-provision of existing supported housing for single homeless people with support needs to provision for people with a learning disability or mental health issue, as part of the overall reconfiguration of the Look Ahead Supported Housing contract; and
- the re-provision of existing shared accommodation to self contained and shared units for couples and more effective move on accommodation for single homeless people, as part of the overall reconfiguration of Look Ahead Supported Housing contract.

## **Waltham Forest**

### **The Borough**

<sup>1.325</sup> Waltham Forest is an outer North East London Borough, bordered by Hackney and Newham to the south, Redbridge to the east and Haringey and Enfield to the west. Around 227,000 people (89,800 households) live in Waltham forest and the population is expected to rise to 237,000 by 2012 (GLA 2004).

<sup>1.326</sup> Waltham Forest is well placed to gain from strategic regeneration initiatives across the East of London. It is part of the Lower Lea Valley, it is located alongside the Olympic Park and the Stratford City Development and it is part of the London-Stansted-Cambridge-Peterborough growth corridor. Together these will all provide a host of employment, leisure and housing opportunities.

<sup>1.327</sup> Residents are relatively youthful; with 26% aged under 20, and 35% aged 25-44, which is significantly higher than the UK average. 11% of the population are older people aged over 65 years.

<sup>1.328</sup> Waltham Forest is the tenth most ethnically diverse Borough out of the 33 London Boroughs, with 35.5% of the population being from a minority ethnic background. The largest minority ethnic groups are Black Caribbean 8.2%, Pakistani 7.9% and Black African 5.7%.

<sup>1.329</sup> Around 61,000 people work in Waltham Forest, primarily in the wholesale and health sectors and are managers or professionals. Over half the people working in the Borough are residents, mostly employed in administration or skilled trades. The annual salary level within the Borough is just under £21,000, which is significantly below the level required for purchasing a minimum entry level property.

<sup>1.330</sup> Waltham Forest is a Borough of contrasts in terms of wealth and opportunity. The poorest neighbourhoods in the south of the Borough have the shared characteristics of high

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unemployment, higher incidence of ill health and generally higher levels of deprivation as a whole. The more affluent north of the Borough has lower rates of deprivation.

<sup>1.331</sup> However, the wider picture is that twelve of the Borough's twenty wards are ranked as being in the top 20% of all deprived wards. Overall, Waltham Forest is ranked as the 25th most deprived area out of 354 local authority areas in England (ODPM Indices of deprivation 2004).

### **The Sustainable Community Strategy**

<sup>1.332</sup> The community strategy outlines the Council's vision for the Borough. It states that Waltham Forest has the chance to benefit from a wealth of regeneration opportunities over the next 20 years. The strategy recognises the opportunity to assist the community to take advantage of the thousands of job opportunities at Stratford City, as well as the housing and employment being created along the Lea Valley.

<sup>1.333</sup> The priorities are as follows.

#### **Improve housing quality and choice with the right kind of homes in the right places**

<sup>1.334</sup> It states that housing is a critical element in creating and maintaining sustainable communities and meeting the housing needs of all residents is important. However, the future prosperity of the Borough will in part depend upon whether economically active households can be attracted and retained. The Borough's housing must be able to meet their aspirations. A key challenge is how to deliver more affordable housing and increase housing density while retaining the Borough's character, making better use of the existing housing stock and developing the partnership arrangements to support new developments.

#### **Create a more economically balanced population, to increase local spending power, generate jobs and tackle concentrations of deprivation and low aspirations**

<sup>1.335</sup> Evidence shows that in the poorest parts of the Borough many people move in and out of the area each year. This population churn creates severe pressures on already disadvantaged communities. It also means that it is difficult to calculate how many people are living in these areas each year and to assess the support or services they might need. Consequently it is harder to secure the right level of resources we need to provide the services.

#### **Create an economically balanced population**

<sup>1.336</sup> The strategy states that there is a need to reduce population churn and stabilise neighbourhoods, as well as ensuring that there are opportunities to progress up the housing ladder within the Borough.

#### **Core Strategy: Issues and Options Consultation**

<sup>1.337</sup> In June 2008, the Council published a consultation document setting out the possible issues and options the Core Strategy should address. Public consultation was undertaken from 25th June to 1st September 2008.

1.33<sup>8</sup> According to the issues and options paper, the Borough's opportunities and challenges for now and the future have been shaped by many different factors such as history, residents' backgrounds, the economy, transport and employment. It sets out the Council's ambitions for the Borough;

- vital to London's success, especially relating to the legacy of the Olympics and Stratford City;
- people aspire to live here;
- all our children are happy, resilient and successful;
- none of our residents live in poverty;
- vulnerable people get the support they need; and
- being the greenest Borough in London.

1.33<sup>9</sup> The issues and options paper states that its key strategic objectives are as follows which are recognisably linked to the community strategy priorities.

### **Manage population growth and change**

1.34<sup>0</sup> As the population grows and becomes increasingly diverse, the LDF policies will need to improve housing quality and choice, especially affordable housing. One of the key challenges is to increase the housing density while retaining the Borough's character, making better use of the existing stock and developing partnership arrangements to support new development.

1.34<sup>1</sup> Policies will also need to support the creation of a more economically balanced population and cultivate an environment that is cohesive. Evidence shows that many people move in and out of the poorest parts of the Borough each year. This population churn makes it difficult to assess the housing and service needs in these areas. Therefore, we need to stabilise neighbourhoods and develop policies that will make these areas more sustainable.

1.34<sup>2</sup> As the population grows and becomes more diverse, the LDF policies need to promote equality, cohesion and active citizenship throughout the Borough. The foundations of a strong community and responsive services will provide the supportive mechanisms to enable those most vulnerable in the community to live active, enjoyable lives.

### **Create wealth and opportunity for all residents**

1.34<sup>3</sup> According the strategy, the Council needs to make sure that residents, particularly young people, have the skills and training opportunities to achieve their ambitions and to compete in the global economy. The provision of enough school places in high quality buildings is key to achieving this. The Building Schools for the Future programme supports this and also brings excellent facilities to the wider community. LDF policies need to secure more job opportunities and associated training facilities for residents and contribute to an environment that ensures residents are fit and healthy for work.

1.34<sup>4</sup> Over the next 10 years, the 2012 Olympics and the regeneration of parts of East London will transform the land and development economics of Waltham Forest. New opportunities will

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arise to revitalise parts of the Borough, such as the North Olympic fringe and parts of the Lea Valley. We will need to identify and release development opportunities to draw in private investments. The challenge is to work strategically in the region and sub-region to build relationships with neighbouring Boroughs, development agencies and developers. This will help us maximise the benefit of regeneration schemes and ensure that wealth is enjoyed by everyone in the community.

### **Retain wealth in the Borough**

<sup>1.345</sup> The LDF needs to incorporate measures that will ensure that the design and quality of public places is enhanced and helps create an environment within which people feel proud as well as safe and secure in their daily lives. All development in the Borough needs to be of a high standard if we are to transform the appearance of the Borough. The design of new buildings will need to accommodate “secure by design” principles to increase community safety and help reduce the anti-social behaviour. Developers will be expected to bring forward proposals that will be seen as a real asset to both the environment and community of Waltham Forest.

<sup>1.346</sup> Residents have told the Council that getting around the Borough is more difficult than travelling to Central London and that this was a disincentive to shopping locally. To retain more wealth in the Borough, the Council needs to improve local transport and enable residents to spend more money in Waltham Forest.

<sup>1.347</sup> Waltham Forest’s Sustainable Community Strategy “Our Place in London” gives a greater detail on the Council’s strategic vision and how its ambitions will be achieved and monitored. Through the LDF and the AMR, they will monitor and measure the success of the LDF policies objectives against the agreed criteria for success outlined in “Our Place in London”.

### **Waltham Forest Council Corporate Plan 2008 – 2011**

<sup>1.348</sup> According to the Plan, Waltham Forest Council has been rated as a three star Local Authority which is improving well. The Council has embarked on a wide-ranging programme of work that will support every directorate in delivering excellence. Its work in delivering and managing equality is part of this programme and is one of the keys to the Council becoming an excellent Local Authority.

<sup>1.349</sup> The newly adopted ‘Sustainable Community Strategy - Our Place in London’ recognizes that Waltham Forest is an ethnically diverse Borough with a population likely to grow by between 12,700 and 19,000 people over the coming two decades. It is also expected that the number of households will be growing. The London Plan (2008) requires the Council to build a minimum of 665 additional homes every year to meet London's housing need. In terms of sustainability, these homes need to be located where they would have good access to services, jobs and transport. Doing this will support economic development and should be done in a way that offers a range of choices with good housing quality to meet various housing needs.

<sup>1.350</sup> The Corporate Plan states that one of its main priorities is to Improve housing quality and choice with the right kind of homes in the right place;

- facilitate the development of high quality, affordable 3 and 4 bedroom family homes;

- maintain a distinct housing offer, resisting the conversion of family houses to flats and houses in multi-occupation;
- harness the opportunities for housing renewal and development, presented by area regeneration programmes; and
- raise standards within the private rented sector, and bring empty homes into use, through enforcement and use of compulsory purchase powers if necessary.

<sup>1.351</sup> The Council also wants to make the most of the regeneration of East London by;

- promoting the potential of the large-scale regeneration of the Lea Valley, for housing, leisure, commercial and transport uses;
- harnessing the increasing viability of development in the northern Olympic Fringe, as a result of increasing property values, stimulated by the Olympics; and
- making strategic use of land and property access in the public sector to create the opportunity to lever private sector investment into the Borough.

<sup>1.352</sup> The Corporate Plan suggests that the Council is on track with its housing targets. These are discussed in more detail below.

### **Waltham Forest Housing Strategy 2008-2028**

<sup>1.353</sup> The strategy states that the Borough faces a number of challenges including;

- the growing demand for affordable family sized homes;
- overcrowding and poor quality housing in all sectors;
- a relatively high percentage of private sector rented housing;
- concentration of deprivation in some of our social housing estates; and
- the relatively small amounts of land in Waltham Forest on which to build new homes.

<sup>1.354</sup> It recognises that in the context of the economic downturn, issues become much harder to deal with although the Borough does have strengths;

- a legacy of quality Victorian, Edwardian and inter war homes;
- resources to improve some of our Council housing;
- a strong partnership to lead on achieving our ambitions; and
- the opportunities of being an Olympic Borough surrounded by major regeneration programmes.

<sup>1.355</sup> The strategy has three main priorities;

- building new homes;
- making the most of existing homes; and
- creating successful communities.

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<sup>1.356</sup> According to the strategy, Waltham Forest's residents represent a wide socio-economic profile, characterised in general terms by more prosperous households living in the north of the Borough and the less prosperous households living in areas of the centre and south. Much of the current housing is Victorian or Edwardian, primarily terraces located particularly in the centre and south of the Borough. The north has more 1920s and 1930s detached and semi-detached properties. There are over 96,500 properties in the Borough, of which 78% are privately owned, 11% are managed by RSLs and 11% are owned by the Council and managed by Ascham Homes. Significant regeneration is happening in some of the social housing estates that were transferred to RSLs and there are some relatively new developments of blocks of flats for purchase, many of which are privately rented.

<sup>1.357</sup> Responding to the impact of the economic downturn on the local housing market and households, Waltham Forest will;

- make the best use of assets and work with partners and the Homes and Communities agency to sustain house building and deliver our affordable housing targets;
- promote shared ownership schemes;
- support households at risk of becoming homeless through a mortgage rescue scheme and better debt advice;
- ensure they are prepared for an expected increase in homelessness applications;
- lobby the Government to allow Councils to become lenders in their own right;
- work with developers to find innovative solutions for homes they cannot sell. This may be an opportunity to replenish the Council's own stock;
- not relax design or other quality measures. When faced with a choice on a site between a standard we find unacceptable or waiting, they will wait; and
- keep abreast of any further Government announcements and to make the most of opportunities as and when they arise.

<sup>1.358</sup> In relation to housing affordability, the strategy states that whilst Waltham Forest has low house prices compared to the rest of London, there is poor affordability of both home ownership and renting due to low incomes. Nearly all (92.2%) of the households that formed in 2006/07 did not earn enough money to be able to buy and 73.1% were unable to access the private rented sector.

<sup>1.359</sup> It states that People in Waltham Forest experience the affordability problem first hand and are comfortable with maintaining the 50% affordable homes target. There is a high demand for shared ownership / low cost home ownership, but it needs to be more affordable and generally accessible and not only for key workers.

<sup>1.360</sup> However, aspirations for better design in the Borough are very strong. There is strong agreement that design and construction quality of dwellings needs to be improved. Poor quality, which has led to more repairs and noise/privacy problems, is not seen as a legitimate means of making dwellings more affordable. New buildings need to complement old ones but there is a large appetite for innovation and local distinctiveness in design. Particular positive

features that were mentioned by residents include balconies, traditional construction materials, internal and external space, noise abatement design and sustainability and community safety measures.

1.361 Residents are generally accepting of higher densities of housing development, but are wary of 'high-rise' housing itself. However, faced with a choice of building on green open space, or building high rise, residents would reluctantly choose high rise.

1.362 In order to promote development of new homes and regeneration the Council will;

- facilitate the development of an average 665 additional homes in the Borough each year, of which 50% will be affordable – working closely with our partner delivery agencies;
- create a positive and mature relationship with the new Homes and Communities Agency to maximise housing investment for Waltham Forest;
- maximise the opportunities from regeneration schemes to deliver Housing Strategy objectives;
- develop more housing on land in public ownership; and
- develop solutions to the current difficulties in the financial and housing markets for developers that are unable to sell their homes.

1.363 The Council also aims to make best use of existing homes within the Borough by renewing private housing, improving social rented homes and addressing over-crowding and under-occupation. Working constructively with the East London Partnership, they will maximise the resources available for private sector housing in the Borough. All Council teams working on private housing will be brought together to deliver a more coherent and coordinated service.

1.364 The strategy states that dialogue with the five neighbouring Olympic Boroughs is ongoing to establish a Multi Area Agreement (MAA) to improve the physical fabric of social and private sector housing stock, increase the supply of good quality housing of all tenure types and address unacceptable levels of overcrowding. This will ensure that those areas with the highest visual profile during the Olympics are improved and that the foundations of a legacy are put in place that will benefit the whole of Waltham Forest. Some of the worst problems are in the south of the Borough and this is where resources will be focussed.

### **Waltham Forest Supporting People Strategy 2005-10**

1.365 The Council's vision of Waltham Forest's Supporting People Strategy 2005-10 is working together for high quality support. They aim to ensure Waltham Forest's Supporting People services provide high quality housing-related support to improve quality of life, independence, safety and choice for service users.

1.366 The key principles are to;

- tackle social exclusion from a housing related support perspective;

- 
- promote independence through support, enabling people to live in their own homes with the right level of support;
  - provide alternatives to residential care;
  - provide support to vulnerable homeless households as part of the strategy to prevent homelessness;
  - give users a voice and choice in the planning and delivery of services;
  - reduce crime and the risk of harm;
  - develop and implement Supporting People in partnership with stakeholders, providers, users and carers, health, probation and community services;
  - provide fair, appropriate and accessible quality services to meet the needs of the diverse communities of Waltham Forest, promoting equality of opportunities.

<sup>1.367</sup> The strategy states that the demands for specialised and supported housing – to meet the needs of elderly people, people with disabilities and mental health problems, homeless young people, care leavers, and other vulnerable people – is likely to increase, especially as the number of people in the 65+ (and particularly in the 75+ age group) grows.

<sup>1.368</sup> It estimates that 38.7% of the overall population increase will be amongst the 65+ age group and there are 22,500 households in Waltham Forest that have somebody with a disability or a long term limiting illness. The demand from these groups is predominately for independent accommodation with external support. Extra care provision will therefore need to be expanded to offer opportunities for people to maintain their independence. There are currently two gypsy and traveller sites in the Borough, accommodating a largely settled community. Household formation amongst these communities will need to be accommodated.

<sup>1.369</sup> The strategy identifies the following key needs;

- the need to increase the supply of high support accommodation for people with mental health problems and learning disabilities as an alternatives to residential care;
- increased support for homeless households in temporary accommodation and to provide resettlement. This includes homeless families and single homeless with a focus on care leavers, 16/17 year olds, teenage parents and ex-offenders; and
- the move towards extended care (Extra Care) for older people whilst reducing the total supply of sheltered housing.

<sup>1.370</sup> In response, the strategy's key objectives are;

- increase the supply of high support accommodation for people with mental health problems and learning disabilities as an alternative to residential care and to promote choice and independence;
- increase support for homeless households in temporary accommodation and to provide resettlement and tenancy sustainment services. This includes homeless families, including those homeless through domestic violence and single homeless with a focus on care leavers, 16/17 year olds, teenage parents and ex-offenders;

- increase extra care (Part 2.5) for older people and reduce supply of lower quality sheltered provision;
- within extended care provision for older people, promote healthy living, strengthen links with rehabilitation and intermediate care and expand availability of services to the wider community;
- promote independent living for younger people with severe disabilities;
- increase floating support services across different forms of tenure rather than “bricks and mortar”;
- promote consultation giving users a voice and a choice in meeting housing and support needs;
- manage resources to achieve best value;
- promote equal opportunities by opposing all forms of discrimination and disadvantages and by encouraging culturally sensitive support services; and
- improve outcome measurement in services through the service review process.

<sup>1.371</sup> Finally, Waltham Forest’s commissioning priorities are to;

- increase support for homeless households in temporary provision and through the extension of tenancy sustainment services linked to priority homeless services;
- increase mental health high support by at least 5 new build units per year;
- increase mental health floating support by 5 units per year;
- pilot cross tenure mental health floating support linked to acute service discharge;
- increase learning disabilities high support by at least 8 new build units a year to provide a total of 18 units a year through a combination of new build and re-lets;
- establish step down facility as a move on from substance misuse rehabilitation;
- establish cross tenure floating support for people with substance misuse problems;
- promote the decommissioning lower quality sheltered provision by 100 units by March 2009 and increasing supply of extra care provision for older people by at least 29 units by March 2010;
- pilot cross-tenure floating support services for older people with direct links to falls prevention work;
- re-commission Home Improvement Agency enhancing direct links with discharge from acute services; and
- increase provision for young people with severe physical disabilities.