The London Housing Strategy
Draft for consultation with the London Assembly and functional bodies
<table>
<thead>
<tr>
<th>Contents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foreword</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Achieving the vision</strong></td>
<td>9</td>
</tr>
<tr>
<td><strong>1 Raising aspirations, promoting opportunity</strong></td>
<td>15</td>
</tr>
<tr>
<td>1.1 Rethinking London’s housing</td>
<td>15</td>
</tr>
<tr>
<td>1.2 Helping Londoners to become home owners</td>
<td>24</td>
</tr>
<tr>
<td>1.3 Improving the social rented sector</td>
<td>33</td>
</tr>
<tr>
<td>1.4 Improving the private rented sector</td>
<td>42</td>
</tr>
<tr>
<td><strong>2 Improving homes, transforming neighbourhoods</strong></td>
<td>51</td>
</tr>
<tr>
<td>2.1 Designing better homes</td>
<td>51</td>
</tr>
<tr>
<td>2.2 Producing greener homes</td>
<td>58</td>
</tr>
<tr>
<td>2.3 Regenerating areas and estates</td>
<td>68</td>
</tr>
<tr>
<td>2.4 Bringing empty homes back into use</td>
<td>75</td>
</tr>
<tr>
<td><strong>3 Maximising delivery, optimising value for money</strong></td>
<td>81</td>
</tr>
<tr>
<td>3.1 Delivering across London</td>
<td>81</td>
</tr>
<tr>
<td>3.2 Delivering locally</td>
<td>92</td>
</tr>
<tr>
<td>3.3 Investing to deliver</td>
<td>102</td>
</tr>
<tr>
<td><strong>Consulting with London</strong></td>
<td>107</td>
</tr>
<tr>
<td><strong>Appendices</strong></td>
<td>109</td>
</tr>
<tr>
<td>Appendix 1: Gypsy and Traveller accommodation: estimated need for</td>
<td>109</td>
</tr>
<tr>
<td>residential pitches by borough, 2007-17</td>
<td></td>
</tr>
<tr>
<td>Appendix 2: Decent homes funding, 2008-11</td>
<td>110</td>
</tr>
<tr>
<td><strong>References</strong></td>
<td>111</td>
</tr>
</tbody>
</table>
My vision for housing in London is of a city where the homes and communities we live in bring us together and create a platform for success, raising aspirations and improving opportunities and quality of life for all Londoners. It is a vision where we confront not only the new issues that we face in today’s difficult and turbulent times – falling house prices, rising repossessions and struggling developers – but also the endemic problems that have been with us for many years, such as affordability, homelessness and overcrowding.

I believe that we now have an unprecedented chance to address both these fundamental problems and the tough challenges of the current housing market. As the new Mayor, with new powers and a new housing strategy, I will provide the leadership, the vision and the policies to shape London’s housing investment and to provide more opportunities for all Londoners. The new Homes and Communities Agency London Board, which I will chair, will bring together and oversee investment of more than £5 billion over the next three years to deliver my aims. I will make it an immediate priority for the London Board to radically review the investment models for affordable housing. And my new relationship with the boroughs – built on co-operation and partnership – will unquestionably be more fruitful and achieve far more than the rigid top down approach of the past.

Above all, we need to build enough homes to meet the needs and aspirations of Londoners and respond to the capital’s growing and changing population, ensuring that a lack of housing does not choke off the dynamic economy. We must give a helping hand to first time buyers and families wanting to own their own home. And we must ensure that the quality of what we build leaves a legacy of which we can be proud, with our uniquely diverse and vibrant world class city centre and our green and leafy suburbs both preserved and enhanced by the creation of new homes and communities of an excellence to match or even surpass our rich architectural and social heritage.
Home ownership is what the overwhelming majority of Londoners hope and wish for. Yet for far too long too many people have been priced out of the capital’s housing market. Many of our most talented and valuable residents are forced by high house prices to leave London, especially once they start a family – with negative economic and social consequences for our city. My aim is to provide many more low cost ownership homes and, through my new First Steps housing programme, give people on middle incomes who are frozen out of current schemes the chance to own their own home. These new opportunities are even more essential now, when the squeeze on mortgages means that access to home ownership is worsening even though prices are falling.

At the same time, ever-increasing waiting lists and waiting times are causing misery and suffering for many thousands of people who are homeless or overcrowded. It is shameful that in 21st century London there are still rough sleepers on our streets, children in temporary accommodation for years on end and others living in intolerably crowded conditions with no space to study or play. I will ensure that more affordable rented housing is built, to fulfil our duty to meet the needs of those unable to buy their own home and give them a springboard from which to build their lives. But I want to go further than existing policy, by fostering a stronger bond between housing and opportunity – tackling worklessness, giving tenants greater choice over where they live and, for those in a position to do so, significantly improving incentives to enable them to step onto the housing ladder.

Crucially, this is not simply a strategy about ever increasing housing numbers. I want excellent design to be at the heart of each and every new home and will do everything in my power to avoid the mistakes of the past, when quality was often sacrificed in pursuit of numbers. I am determined that this will be the era when building homes that are attractive, individual, spacious and green becomes the norm. This new era will also see safety and security consistently integrated into the design of London’s new estates and neighbourhoods, to reduce the crime and fear of crime that can wreck lives and undermine our communities. And I will ensure that the needs of London’s families are not forgotten, by boosting the number of larger affordable homes.

Nor is this simply a strategy about new build. I am determined to make the best use of London’s existing homes – by retrofitting to improve
environmental and energy performance and by bringing empty homes back into use. I am also determined to transform those pockets of our city characterised by physical, economic and social decline into strong, safe and successful mixed communities. We also need to recognise the essential contribution that private renting makes to London’s housing mix, building and strengthening this sector to make it an attractive option for more Londoners.

This strategy is ambitious but I believe it is achievable. It is a strategy that will successfully navigate us through a difficult period, by making the very most of the new institutional arrangements and the considerable resources at our disposal. I am open to views and ideas about how it can be enhanced and, most importantly, how we ensure it is successfully delivered. I look forward to your comments.

Boris Johnson, Mayor of London
This London Housing Strategy sets out the Mayor’s vision for housing in London. It is a strategy designed for action in these new and different times. In this new era, the capital has a new Mayor, with new housing and planning powers and a new housing strategy. There are also fundamental changes to the structures of, and relationships between, those involved in delivery and investment in London. The Homes and Communities Agency (HCA) and its London Board, chaired by the Mayor, will have a London budget of over £5 billion, and the Mayor and boroughs are committed to a positive new approach to working together. The final defining feature of this new era for housing in the capital is the turbulent, difficult and unpredictable market.

The strategy centres around three priorities. The first of these is to ensure that the additional homes so badly needed in the capital are delivered – through the new opportunities provided by the HCA, through the new relationship between the Mayor and the boroughs, and through the development of new and innovative models for investment, such as

- acquiring unsellable market homes for affordable provision.

The second priority is to improve the quality and design of London’s new homes, regenerate its areas and estates and green both new and existing homes. Finally, underpinning the entire strategy is the aim to promote opportunity – to meet the housing needs and raise the aspirations of all Londoners across the capital, a diversity that includes not only the city’s great cultural and ethnic mix, but also its mix of ages, household types and needs.

The Mayor’s vision

The Mayor’s vision for housing in London and his policies for achieving this vision are:

1 Raising aspirations, promoting opportunity

To promote opportunity and a real choice of homes for all Londoners, in a range of tenures that meets their needs at a price they can afford. To deliver the First Steps housing programme to enable many more Londoners to become home owners. To provide many more affordable rented homes and ensure that social renting provides an opportunity to foster aspirations and gives support to those who need it. And to promote a vibrant and attractive private rented sector to support London’s economic vitality.
This will be achieved by …

**Providing more homes and a better mix of homes, and creating mixed communities**
Individually negotiated borough housing investment targets will help to deliver the ambitious aim of 50,000 affordable homes over the next three years. More family sized homes, particularly affordable family homes, will be provided, as will more homes to meet the access, space and adaptability needs of disabled and older people. London’s new housing developments will help create more diverse communities with a mix of tenures.

**Delivering more and better low cost home ownership, widening eligibility and improving access and information**
Opportunities for low cost home ownership will increase by a third and the new First Steps housing programme will ensure that Londoners earning at the basic rate of income tax, up to a household income limit of £72,000 a year, are eligible for discounted and low cost homes. £130 million will be earmarked to kick-start the programme.

**Producing more social rented homes, providing for all and promoting opportunities**
Of the 50,000 affordable homes to be produced over the next three years, 30,000 will be social rented. Of these, 42 per cent will be for families and 1,250 will be supported homes. The social rented sector will become more economically diverse and social renters will have more control and choice over their housing, with greater incentives for them to become home owners.

**Providing more private rented homes, and improving access to, and support, conditions and management in, the private rented sector**
Institutional investment in the private rented sector will be promoted, intermediate renting will expand, and tenants and prospective tenants will be empowered and protected. Greater use will be made of private renting for homeless and vulnerable households.

2 Improving homes, transforming neighbourhoods
To promote high quality design in 21st century homes that will match London’s rich architectural heritage. To deliver higher environmental standards for all London’s homes and neighbourhoods – in both new and existing homes. To promote successful, strong and mixed communities in which people are proud to live. And to deliver and maintain a reduction in the number of long term empty and derelict buildings – transforming these into homes for Londoners.
This will be achieved by …

**Improving design quality, design standards and the design process**
The Mayor will produce a Housing Design Guide to ensure higher environmental standards, better accessibility and more beautiful design in new homes. Affordable housing providers will play a key role in improving design.

**Greening new and existing homes and greening the city**
London’s carbon emissions should reduce by 60 per cent by 2025. New publicly funded housing developments will meet a minimum of Code for Sustainable Homes level 3. Social rented homes will be improved beyond the Decent Homes standard and private home owners will be helped to improve their homes’ energy efficiency and to adapt them to climate change. Low Carbon Zones will be piloted. Urban greening will be used to improve the quality of neighbourhoods, and the environment and back gardens will be better protected.

**Targeting and delivering regeneration**
Regeneration activity will be more effectively targeted and aligned with complementary social and economic initiatives. Physical improvements will be designed to deter crime and improve accessibility and inclusion.

Regeneration programmes will be designed in partnership with existing communities, and planned and delivered through local partnerships.

**Targeting and reducing empty homes**
Long term empty homes, derelict empty homes and listed buildings at risk will be brought back into residential use, and no more than one per cent of homes should stand empty and unused for over six months. Information to tackle abandoned and derelict empty homes will be improved and financial incentives to leaving homes empty for long periods should be removed. Over the next three years, £60 million will be invested to bring empty homes back into use.

**3 Maximising delivery, optimising value for money**
To develop, through the HCA, new partnerships and approaches to providing homes in successful communities, and to work with London’s boroughs to ensure the effective local delivery of our shared aims.

This will be achieved by …

**Creating a new architecture for delivery, developing new investment models and promoting new delivery mechanisms**
The HCAs London arrangements will be put in place, with more effective
relationships between all partners to improve delivery. New approaches will be developed to tackle the impact of the credit crunch in London, to bring forward more market and affordable homes. Public and private sector land will be brought forward to support the delivery of new homes. Resources will be brought together in the most appropriate mix, with a move from being a subsidiser of affordable housing to a shareholder in housing developments. New mechanisms for delivery that encourage greater local control, such as Community Land Trusts, will be supported.

*Tackling homelessness, improving housing options, support and opportunities, improving management and empowering tenants*

The number of households in temporary accommodation should be halved by 2010 and rough sleeping should end by 2012. Good quality advice and information on housing, including housing options, will be available to all Londoners. Housing management should be of a consistent and high standard, with tenants and residents given opportunities for effective participation.

*Next steps for this strategy*

This strategy is published for statutory consultation with the London Assembly and functional bodies. It will then be revised, with a draft for public consultation early next year and the final statutory strategy published thereafter.

The draft is being published at a time of considerable and fast moving change in London’s housing landscape. The credit crunch has resulted in a downturn in the housing market and significant uncertainty over medium and long term prospects. By the time the public consultation version of the draft is published the situation may have shifted again. In addition, the architecture for delivering the capital’s publicly funded housing is undergoing fundamental change, with the launch of the HCA and its specific London arrangements in December this year. The HCA’s London business plan and this strategy are being drafted at the same time, and the two documents will inform one another as they are developed. The Mayor will also consult on new London Plan Housing Supplementary Planning Guidance over the coming period.

This version of the strategy necessarily focuses on the short to medium term, principally for the purpose of directing the investment programme for 2008-11. The next draft, for public consultation, will also contain the Mayor’s longer term thinking on housing in London, looking beyond the Olympics and considering some new and more fundamental policy
changes that will be needed to achieve his vision for London. It will also contain a plan setting out details of how, when and by whom the actions outlined in each section of the strategy will be delivered.

The Mayor is keen to engage fully with partners on the development of the strategy. This will help to ensure that the public consultation draft reflects the changes that take place between now and when it is published and will also help shape the strategy’s delivery plan.
1 Raising aspirations, promoting opportunity

1.1 Rethinking London’s housing

Vision

To promote opportunity and a real choice of homes for all Londoners in a range of tenures that meets their needs at a price they can afford.

From vision to policy†

1.1a Providing more homes

- The 50 per cent affordable housing target will be scrapped.
- Individual borough-based housing investment targets will be agreed, with the aim of delivering 50,000 affordable homes between 2008 and 2011.

1.1b Providing a better mix of homes

- More family sized homes, particularly affordable homes, will be provided, with 42 per cent of social rented and 16 per cent of intermediate homes having three bedrooms or more.
- More homes will be provided to meet the access, space and adaptability needs of disabled and older people.

1.1c Creating mixed communities

- London’s new housing developments will contain a mix of tenures, encompassing the market, intermediate and social sectors.

From policy to action

The Mayor will work with the HCA, London boroughs and other partners to:

- review the need and capacity for additional homes in London, including the need for supported and specialist housing, through the Strategic Housing Market Assessment, Strategic Housing Land Availability Assessment and London Supported Housing Needs Assessment processes
- oversee an investment programme to produce 50,000 affordable homes over the next three years
- agree housing investment targets with each borough
- achieve targets for 42 per cent of social rented and 16 per cent of new intermediate housing to have three bedrooms or more
- monitor the bedroom size mix of all additional housing
- produce a housing market update, including new supply, property prices and repossessions, alongside the GLA Annual Monitoring Report
- monitor the delivery of accessible housing and ensure enforcement of benchmark access standards, such as the Lifetime Homes and wheelchair accessible housing standards.

† See also sections 1.2 on home ownership, 1.3 on social renting and 3.2 on delivering locally.
Why we need change
Meeting the housing needs and aspirations of all Londoners is a major challenge, in large part because the successful transformation of London into a thriving world city over the past two decades has come with considerable costs to those seeking a home.

Current market conditions
Recent months have seen the rapid onset of problems in credit markets, with severe restrictions to the availability of both mortgages for home purchase and finance for housing developers. New build house prices in particular have fallen; but as mortgages are harder to come by, access to owner occupation is probably more out of reach than ever for many Londoners.¹ There have been falls in the level of sales not seen since the early 1990s, with the volume of first time buyer purchases 55 per cent lower in August 2008 than a year earlier.² House builders have meanwhile not only been hit by the ‘triple whammy’ of lower prices, restricted demand and severe problems accessing credit but are also facing rising construction costs. Thousands of jobs are being lost nationwide from both house builders and the wider construction industry.

These are serious problems, but they reinforce the need for a strategic approach to meeting Londoners’ needs and aspirations for housing. This strategy’s vision – for more affordable homes, more family homes, more beautiful homes and new opportunities for home ownership – and many of its policies to achieve this remain the right ones, regardless of whether the market is rising, stagnant or falling. Whether, and by how much, the downturn will worsen and how long it may last are hard to predict. But while it is with us, it is essential that fundamental changes are made to the way that housing is delivered, to ensure that we stay on course to produce the number of new homes that London needs (see section 3.1 on housing delivery).

London’s population and homes
As well as changes in the housing market, changes in London’s population also mean that a new approach to housing supply and opportunities is needed in the capital. London’s population fell for half a century from its Second World War peak, reflecting the shift of Londoners to the new towns and the decline of inner city manufacturing. As late as the 1980s, some parts of London still faced the problem of large scale blight and abandoned housing. The economic resurgence that began in the 1980s helped arrest the population decline and the number of Londoners is now rapidly growing. The
The population is expected to rise from 7.5 million in 2006 to between 8.3 and 8.6 million by 2026. The number of households will grow faster than the overall population as the average household size is falling, due mainly to later marriage, fewer children, more divorce and longer lives. Of the 570,000 to 710,000 additional households that London will have by 2026, three quarters will be single person households. This population growth is influenced by strong growth in employment: by 2026 the capital is expected to have a total of 5.5 million jobs – almost a million more than in 2004 – and every year almost 700,000 people move into and out of the city.

The growth of London and the success of its economy mean that demand for housing has long outstripped supply – a situation that is likely to be exacerbated by the growth in the city’s population. This has resulted in the longest post war rise in house prices, lasting most of the 1990s and 2000s – a boom that is only now coming to an end, with house prices falling and a slump in the volume of sales. Housing has become increasingly unaffordable over this period and many low and middle income Londoners are now unable to get a foot on the housing ladder. London has the highest house prices in the country: even when higher incomes in the capital are taken into account, it has some of the least affordable housing. Even if the current downturn continues, the price of the average first time buyer property would have to fall by almost two thirds to reach the level of just ten years ago.

To some extent the private rented sector has stepped into the gap and has grown rapidly, with 20 per cent of London’s households now privately renting their home – up from 13 per cent in the early 1990s. Over the last three years, the number of home

---

**Housing by numbers**

Nearly 700,000 people, more than the entire population of Sheffield, move in and out of London each year.

---

**Chart 1.1a**

Index of mix adjusted house prices in London, 1969 to 2007 (at 2007 prices)

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Price index (year 2002 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>40</td>
</tr>
<tr>
<td>1972</td>
<td>50</td>
</tr>
<tr>
<td>1975</td>
<td>60</td>
</tr>
<tr>
<td>1978</td>
<td>70</td>
</tr>
<tr>
<td>1981</td>
<td>80</td>
</tr>
<tr>
<td>1984</td>
<td>90</td>
</tr>
<tr>
<td>1987</td>
<td>100</td>
</tr>
<tr>
<td>1990</td>
<td>110</td>
</tr>
<tr>
<td>1993</td>
<td>120</td>
</tr>
<tr>
<td>1996</td>
<td>130</td>
</tr>
<tr>
<td>1999</td>
<td>140</td>
</tr>
<tr>
<td>2002</td>
<td>150</td>
</tr>
<tr>
<td>2005</td>
<td>160</td>
</tr>
<tr>
<td>2007</td>
<td>170</td>
</tr>
</tbody>
</table>
```

Source: CLG, Housing Live Table 593, 2008
owners in London has shrunk while the number of private renters has increased by 13 per cent. As most Londoners would like to own their own home, the growth in private renting can be viewed partly as a measure of how much the aspiration to home ownership has been frustrated.

The rise in house prices has been exacerbated by the failure of housing supply to respond adequately to demand. New housing supply in London averaged 19,000 homes throughout the 1990s, only rising in recent years to 31,430 units in 2006/07. But that increase has been driven by the shift to smaller one and two bedroom flats, from around 7,500 in 2000/01 to around 22,500 in 2006/07.

**More new homes**

It is clear that London desperately needs more homes. Property prices in the capital are out of reach of those on low and middle incomes, and many Londoners are in acute housing need—demonstrated by high levels of homelessness and overcrowding. Taking existing and future housing market conditions into account, the GLA’s 2004 London Housing Requirements Study concluded that 35,400 new homes, including 20,000 affordable homes, are needed every year. These figures will be updated when the results of the 2008 London Strategic Housing Market Assessment are available and will be reflected in the changes to the London Plan in due course.

It will not be easy to fully meet these requirements. The supply of housing in London is constrained by the availability of suitable land, which is itself rightly limited by the strong protection put in place for the environment and character of areas of housing growth. As part of the overall aim to maximise housing supply without damaging the environment and reducing green space, including back gardens, the London Plan clearly...
limits construction on greenbelt or on protected open space. This leaves house building in London reliant on the supply of previously developed or ‘brownfield’ land. In recent years, brownfield sites have accounted for over 95 per cent of new supply across London as a whole and 100 per cent in the majority of boroughs. London’s housing supply does not comprise only newly built self contained homes. Other sources include the return to use of long term empty private sector homes, non-self contained accommodation such as hostels and student halls, and caravan sites for Gypsies and Travellers.

Informed by the 2004 London Housing Capacity Study, which takes into account constraints imposed by local and regional policies on environmental protection, density and competing land uses, the London Plan sets a target for total additional housing provision across London of 30,500 homes each year from all sources. As with the Housing Requirements Study above, this assessment of capacity is being reviewed in partnership with boroughs, and the new Housing Capacity and Strategic Housing Land Availability Assessment will be published in 2009. This London target should be seen in the context of the government target for 240,000 new homes each year across the country.

East London is the area of the capital with the greatest potential for growth, representing 51 per cent of London’s total capacity. By 2016, 100,000 homes could be provided in the London Thames Gateway, which falls within seven 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. Almost half (47 per cent) of the overall capacity for new homes is in the outer London boroughs.

But building new homes alone is unlikely to have a significant impact in the short to medium term on London’s affordability problem. Analysis from the government’s National Housing and Planning Advice Unit shows that just to keep affordability at current levels over 20 years would require around 34,000 homes to be built annually. In the shorter term, external influences such as the state of the economy, interest rates, pension policy and the
availability of mortgage finance have a greater bearing on affordability than the supply of new homes alone.

More affordable homes
While London needs more homes across all tenures, the most pressing need is for more affordable housing – both intermediate and social rented. More intermediate housing is essential to address the impossibility for many Londoners of affording a home of their own, and more social rented homes are needed to address the needs of London’s homeless and overcrowded households, those with specialist housing needs as well as the many who cannot afford any alternative tenures.

London has by far the greatest number of households in housing need of any part of the country. The number of homeless households in temporary accommodation has recently started to fall but remains very high at around 54,000 (of which three quarters contain children). Following a dramatic rise since the 1990s, around 200,000 of London’s households are now overcrowded. Many of these will, at least initially, require a social rented home. But once they are in social housing, enhanced opportunities and incentives must be available to enable them to access home ownership, if and when they are in a position to do so.

Tough choices have to be made. London has limits on its capacity for new homes. Attempting to provide the majority of London’s new housing provision as affordable homes is unrealistic, would risk the viability of the house building industry and could result in unsustainable communities.

The Mayor is committed to delivering more affordable housing, and has adopted the ambitious aim to deliver 50,000 more affordable homes by 2011 – a target originally set in a very different housing market before the Mayor was elected. This target will clearly be a huge challenge to achieve in the current market. New and radically different approaches are required, of which three are key:

- removing the 50 per cent affordable housing target
- developing new investment models
- setting new priorities for housing investment.

Removing the 50 per cent affordable housing target
London boroughs, and not the GLA, are best placed to decide the overall tenure mix of housing needed in their area. Recent experience shows that rigid affordable housing targets may be counter productive and that local flexibility can achieve more affordable housing overall. Between 2005/06 and 2006/07, for example, three boroughs that produced fewer
affordable units on a percentage basis actually achieved significant increases in total delivery of affordable homes, and in 2006/07 just 34 per cent of the new homes produced in London were affordable. Abolishing the 50 per cent affordable housing target is therefore desirable, especially in the current economic climate, and will be achieved through formal alterations to the London Plan, to be published by the Mayor in due course.

In the meantime, the Mayor will – by the time the public consultation version of this strategy is published – agree individual housing investment targets with boroughs for the three years covered by this strategy and its related investment (ie 2008–11). The proposed ‘baseline’ to be adopted in discussions with each borough is its share of the 50,000 affordable homes in proportion to its share of London’s total London Plan housing provision target (ie 30,500 annually), as this is considered the most recognisable and consistent measure of ability to deliver. Other factors that will be taken into account when agreeing these targets will include the existing planning policies of each borough on affordable housing provision, evidence of the planning pipeline in each borough and evidence of need, eg from housing needs and market assessments, data on homelessness, overcrowding and waiting lists.

Through the Local Area Agreement (LAA) process, two thirds of London boroughs have agreed to report on the number of affordable homes they provide, which underlines the priority that is being given by the boroughs to securing more homes for local people across London. Housing investment targets will be agreed with all boroughs on the same basis as these LAA targets and, to save confusion and duplication for boroughs, these two processes will be brought together.

Affordable housing policies should take into account capacity and local, sub-regional and Londonwide assessments of needs. They should be applied flexibly to individual developments based on the need to provide the maximum reasonable amount of affordable housing while encouraging, rather than restraining, residential development, taking into account the individual circumstances of the site.

Developing new investment models

The Mayor will ask the HCA to urgently evaluate the resilience of existing investment models, together with options for a range of new investment models more suited to the current market. These models are explored in more detail in section 3.1 on delivering across London.
Setting new priorities for housing investment
Through the Mayor’s chairing of the HCA Board and, in turn, the HCA’s ‘single conversations’ with boroughs, investment partners will be encouraged to bring forward creative proposals to deliver the aims of this strategy:

- raised aspirations and greater opportunity
- transformed homes and neighbourhoods
- more effective delivery.

More family homes
As well as housing that is appropriate to the needs of Londoners in terms of income, there is also a significant unmet need for more family homes. The failure to provide enough larger homes over recent years has seen overcrowding grow by a third since 1996/97. The most pressing need is for larger affordable homes, and this strategy sets a target for 42 per cent of social rented and 16 per cent of intermediate homes to have three bedrooms or more, up from 25 per cent and eight per cent respectively in 2006/07.

Evidence suggests that there is not nearly the same level of need for new family sized homes in the private market. The 2004 Housing Requirements Study found very little net requirement for larger market homes, mainly because so many of London’s existing owner occupied or privately rented homes are family sized – almost 60 per cent have three bedrooms or more, compared to just 30 per cent in the social rented sector. As newly built homes typically account for less than five per cent of sales in London, the high proportion of smaller properties in new supply has a very small effect on London’s overall market housing mix. Nevertheless, there are bound to be local variations, so that in some areas there is a real need for new family sized market housing – underlining the point that the mix of provision should be sensitive to the characteristics and requirements of local areas.

More mixed tenure developments
Mixed tenure developments are essential if we are to provide the homes that London needs while creating mixed and balanced communities. There should be no return to the post war monotenure estates that in some cases have left a legacy of deprivation and worklessness. And there should be no return to the segregation of London’s population by the tenure of their homes by concentrating new social housing in the very areas that already have the highest amount of social rented homes and building market homes only in areas with very little social rented housing.
Completed in 1997 on the riverside site of a former hospital, the Sankt Eriks development in Stockholm comprises 771 homes at a density of 148 homes per hectare. The development is a mix of tenures – some privately owned, some social rented, the rest owned by a Stockholm co-operative. The apartments are spacious, with high ceilings, and nearly 40 per cent have three bedrooms or more. Although a number of different architects worked on the site, each adhered to a masterplan set out by the City of Stockholm following extensive consultation with local residents, and a design code that ensured that the final product was in keeping with the traditional architectural style of the surroundings. Greenery is abundant and a park connects the housing to the river. Communal facilities include a laundry, sauna, bicycle parking and basement storage spaces for each flat.
1.2 Helping Londoners to become home owners

Vision

To deliver a First Steps housing programme that will enable many more Londoners to become home owners.

From vision to policy

1.2a Widening eligibility
- The number of low cost home ownership homes will increase by a third.
- Eligibility for First Steps will be assessed in terms of income rather than employment.
- The top of the income range for low cost home ownership should increase to £72,000 in London for people unable to buy on the open market.

1.2b Developing the product range
- New low cost home ownership products will be developed to meet London’s specific needs.

1.2c Improving access and information
- Marketing of and information about low cost home ownership will be improved.

From policy to action

The Mayor will work with the HCA, London boroughs and other partners to:
- develop the First Steps housing programme, including new products for London
- target £130 million from the National Affordable Housing Programme for London to fund new products within the First Steps housing programme
- assess the scope to release GLA and other public land for First Steps
- amend London Plan Housing Supplementary Planning Guidance to increase the upper income threshold for intermediate housing in London to £72,000
- consider the best approach to marketing low cost home ownership schemes, to improve information and access for customers
- raise awareness among lenders of the relatively low risk of providing mortgages to shared owners.
Why we need change

Home ownership is an aspiration shared by most Londoners, but out of reach for too many who just a few years ago could reasonably have expected to buy their own home. London’s affordability crisis is the most severe of any part of the country, with lower quartile prices more than nine times lower quartile incomes.24 Around 45 per cent of Londoners see high housing costs as one of the most significant downsides of life in the capital.25

It is clear that the capital requires an ambitious programme aimed at those young professionals unable to buy on the open market, and frozen out of existing intermediate schemes. This requirement is heightened despite the recent downturn in the market. Although house price growth has reversed in recent months, the affordability problem is far from solved. On the contrary, the current ‘credit crunch’ is compounding the problem by making it more difficult for first time buyers to secure mortgage finance, particularly if they do not have a large deposit. Recent analysis by the Royal Institute of Chartered Surveyors (RICS) concludes that despite falling prices London has seen the largest deterioration in housing market accessibility of any region, as would-be buyers struggle to find deposits or secure affordable mortgages. RICS estimates that the average couple on lower quartile earnings in London would need to save 100 per cent of their take home pay for approximately 16 months in order to amass a deposit on a home.26

Recent months have seen first time buyers shut out of the housing market in increasing numbers. The number of first time buyers entering the market across the UK fell to a record low in the first quarter of 2008, when only 53,200 mortgages were approved for new buyers. A quarter fewer first time buyers are accessing the market now than at the bottom of the housing market crisis in the early 1990s and levels are at their lowest for 30 years.27 In other

Chart 1.2
Number of first time buyers in the UK, 1980 to 2008

![Chart showing the number of first time buyers in the UK, 1980 to 2008.](source: CML, Mortgage lending statistics, 2008)
words, despite a falling market it is increasingly difficult for first time buyers to borrow to buy.

Unsurprisingly, the income level of those who are able to buy is increasing: in London the average income of first time buyers in early 2008 was over 50 per cent higher than the average household income in the capital. Levels of deposits can also be prohibitive for those on low and middle incomes. Those who succeed in buying are increasingly dependent on help from family: the Council of Mortgage Lenders estimates that up to half of first time buyers under 30 receive help with deposits from their parents. That help is often very significant: in London, first time buyers whose family contributed to deposits were able to put down an average of £67,000; without help, that figure falls to £19,000.

First Steps – enhancing opportunities for Londoners
For many low and middle income Londoners, intermediate housing is the solution to building up equity in the housing market and a route into home ownership. However, there is evidence that the range and nature of existing low cost home ownership products do not adequately take into account either London’s unique circumstances, or the challenging economic climate now facing first time buyers and the house building industry. Action is needed to address this and, to this end, the new First Steps housing programme will be developed – not to compete with or supplant existing products, but to fill gaps in the low cost home ownership market in a way that recognises London’s particular needs. First Steps will be an umbrella programme, within which a number of different products could be accommodated, and the eventual shape of the programme will be informed by market circumstances and by extensive consultation.

First Steps will build on new ways of working made possible by the creation of the HCA. This will include the bringing forward of public sector land to support the scheme: the GLA will work with the London Development Agency (LDA), Transport for London (TfL) and the boroughs to assess the scope for making this happen. The HCA will be asked to target an initial £130 million from London’s affordable housing budget to fund the delivery of dedicated products for London under...
the First Steps programme and, if it is popular and successful, the supply of these products could be increased.

In achieving the Mayor’s aim of enabling many more Londoners to access home ownership and increasing low cost opportunities by a third, there will be three pillars to the Mayor’s flagship First Steps housing programme:

- widening eligibility – to reflect the reality of high house prices in the capital
- developing the product range – to address current gaps in the market
- improving access and information – to simplify the experience for buyers.

Widening eligibility
During difficult times, it is crucial that intermediate housing is made more flexible to support London’s economy. Existing low cost home ownership products have too often operated in a way that cherry picks the groups that will be helped – usually ‘key workers’ in certain parts of the public sector. While London certainly needs nurses, teachers and planners, it also needs hoteliers and taxi drivers, IT professionals and retail workers, engineers and plumbers. Housing solutions must underpin London’s diverse economy, not divide it into arbitrary boxes with some eligible for help and some excluded.

In recognition of the importance of London’s diverse mix of sectors and industries to supporting London’s economy, First Steps will ensure that, in future, eligibility for low cost home ownership in the capital is assessed in terms of income rather than employment. Anyone who is contributing to the city’s economy could arguably be seen as a key worker. While publicly funded schemes will always be finite, ways are needed to ensure there is housing that a broad range of people on middle incomes can afford and that London does not become a city only for the very wealthy and the very poor.

For low cost home ownership to succeed it is important that it successfully targets first time buyers. At present, many Londoners unable to buy at market levels are disqualified from government schemes that apply the same income cap (£60,000 a year) to first time buyers no matter where in the UK they live. This limit has not changed since 2004, despite worsening affordability. A household earning £60,000 in the North East has very different prospects for home

Housing by numbers
First time buyers’ average deposits are £19,000 where no contribution is made by parents or relatives, compared with £67,000 for those receiving parental help.
Centre View provides 76 shared ownership and sub-market rented homes. The development, completed in June 2008, comprises 24 one bedroom and 52 two bedroom flats – all with an ‘excellent’ EcoHomes rating. Located very close to the centre of Croydon, its residents benefit from the area’s many shops and good transport links.

Innovative environmental features have been designed into the development. These include a communal high efficiency heat and power unit fuelled by natural gas that supplies heat and hot water to all apartments. There are also wind turbines on the roof that provide electricity for the communal lighting, sedum roofs to help to increase the biodiversity of the area, swift boxes and a ledge to encourage peregrine falcons.
ownership to a household with the same income living in London, yet government eligibility criteria treat them just the same – despite the capital’s higher house prices and wider affordability gap. In recognition of this regional disparity, First Steps will raise the income cap for London so that all basic rate income tax payers are eligible for help, up to a household income limit of £72,000 a year. It is estimated that this change would increase the number of prospective households in London eligible by up to 60,000.

Developing the product range
There is a wide range of intermediate housing products in the market at the moment, with numerous products available through the government, through London boroughs and, increasingly, from private developers. However, the products available to first time buyers do not always meet their needs, as demonstrated by the low take up of the extended Open Market HomeBuy product, and the limited success of Social HomeBuy (only around 120 social homes have been purchased in London so far, and many councils do not offer the scheme). The new My Choice HomeBuy and Ownhome products are proving more popular, suggesting that first time buyer demand is still strong in the current market as long as the right products are available.

However in many boroughs this is simply not the case, particularly in respect of New Build HomeBuy: several boroughs built fewer than 20 new low cost homes last year.

First Steps will provide a range of products that better meets local needs and aspirations – potentially including discounted market sale, shared ownership, shared equity and mutual home ownership. New products delivered under the First Steps programme will address the gaps in the market, including those identified in a review of the current product range undertaken by Tribal Consulting on behalf of the GLA earlier this year. However, it is important to be cautious about launching new products in an already crowded market and this will only be done where value can clearly be added to what is currently available. It is also important, in rapidly changing economic conditions, to ensure that any products developed are robust and relevant, both in the current market and once the downturn ends.

“We must give hope to people who don’t necessarily qualify as key workers but who are indispensable to this city.”
The approach taken will be markedly different to the government’s launch of HomeBuy Direct. Instead of having a ‘one size fits all’ model, the intention is to work in partnership with the industry to bring forward products that fill gaps within the market, and are designed to address specific local requirements. Where new products are made available through First Steps, a number of broad principles will guide their development:

- **added value**: new products will need to demonstrate that they address unmet need or specific characteristics of the London market, adding value to the existing suite of intermediate products. They will need to represent good value for money for the public sector, with value assessed not simply as short term grant per unit costs, but also longer term returns on public investment.

- **responding to market conditions**: products should be well adapted to, and able to deliver in, the prevailing housing market conditions. This will mean both responding to the challenges posed by the current downturn and preparing for market recovery in the medium term. First Steps products should also seek to help sustain a pipeline of new supply through the coming years.

- **innovation**: new products generating greater social mobility, offering incentives for households to enter low cost home ownership, and enabling mixed tenure communities will be supported.

- **quality for the customer**: First Steps will deliver products that work for buyers, with good quality stock and maximum choice and flexibility for customers.

While First Steps is expected, in the medium term, to be primarily a low cost home ownership programme, the Mayor will also explore the extent to which the approach that underpins the First Steps programme can be extended to incorporate intermediate rented products and to promote institutional investment in the private rented sector.

The GLA and HCA will, as part of the consultation process on this strategy, engage with housing associations, private developers and boroughs, to bring forward products for First Steps. The aim is not to launch a single definitive First Steps product. Instead, the intention is to harness the innovation that is already going

---

**Housing by numbers**

A couple on lower quartile incomes in London would need to save more than a whole year’s take home pay to have the deposit needed to buy a home in the capital.
on in the intermediate market, and to ensure that the First Steps programme and any new products launched are properly adapted to market conditions and London’s particular needs.

There is already significant innovation and product development going on in the intermediate market. Many developers and housing associations are well placed, given the right circumstances, to bring forward sites and products that could be suitable for First Steps. In turn, the GLA can, through the HCA London Board, help bring forward public investment and, potentially, public land, as well as Mayoral backing under the First Steps brand. To kick-start this process, the HCA will be asked to earmark £130 million to finance flagship First Steps products.

Improving access and information
For people wanting to access low cost home ownership, the overall picture is one of complexity and confusion, making it difficult for first time buyers to assess the various products on offer and for the intermediate housing market to become properly established as a mainstream product. Surveys of attitudes to home ownership indicate low levels of awareness of intermediate housing as a tenure. Fewer than one per cent of respondents to the British Social Attitudes Survey identify intermediate housing as the tenure they hoped to live in, yet 82 per cent say they would like to own their own home.36 Low cost home ownership should be a vehicle for that aspiration, but the range of products and brand names confronting first time buyers can be bewildering and may partly account for the number of applicants for intermediate housing who abandon their applications. The Council of Mortgage Lenders argued in 2007 that the HomeBuy range was over complicated and should be simplified, yet since that time at least four new products have been introduced.37

Under the current system, low cost home ownership schemes can be accessed through a number of routes, none of them necessarily linked to the wider housing market. New homes in grant-funded schemes are accessible only through the appointed HomeBuy agents for the region. Other, non-grant schemes may be marketed directly by the developers or housing associations involved, or through the relevant local authority. Increasingly, private developers are also offering shared ownership opportunities as part of their wider marketing of new build homes, including through mainstream property websites and newspapers.

There is therefore a need to improve the way low cost home ownership
products are marketed and accessed. There may be a case for introducing a ‘one stop shop’ for First Steps housing, bringing together the various products – both privately and publicly funded – to streamline access and simplify the experience for customers. However, it will be important not to cut across the benefits that are currently provided by the Londonwide HomeBuy agents and local one stop shops, and to balance the different benefits provided by these existing approaches.

The contractual arrangements with the current HomeBuy agents will expire in 2009, providing the ideal opportunity to review how access to low cost home ownership should work in the future. It is important that when the HCA London Board determines successor arrangements, these are well adapted to London’s circumstances and meet the needs of first time buyers as customers.

**Sustainable home ownership**

Home ownership must be supported by sustainable levels of debt and responsible lending by the mortgage industry, to ensure that low cost homes are sold on a responsible basis that does not expose buyers to undue risk. The GLA will investigate the option of the public sector offering mortgage underwriting to ensure First Steps purchasers are able to secure affordable mortgages.

It will also work with traditional lenders to raise their awareness of the relatively low risk of lending to shared owners: at present, repossession and arrears rates are thought to be lower for shared owners than for home owners at large (about 0.15 per cent per year, compared with 0.22 per cent in the wider housing market).

In addition, anyone buying through First Steps will be offered independent financial advice, to ensure they can make informed decisions about the housing products that are suitable for them and understand the risks involved. Mortgages on properties bought under First Steps should be available only from FSA-regulated lenders which operate responsible policies on arrears and possession proceedings.
1.3 Improving the social rented sector

Vision

To provide many more affordable rented homes and ensure that social renting provides an opportunity to foster aspirations and gives support to those who need it.

From vision to policy

1.3a Producing more social rented homes
- Of the 50,000 affordable homes produced over the next three years, 30,000 will be social rented, to reduce homelessness and overcrowding.
- Schemes that convert temporary accommodation into permanent social homes will be supported, where they represent value for money.

1.3b Providing for all
- The increase in overcrowding in the social rented sector should cease by 2012.
- 1,250 new supported homes will be provided over the next three years, to meet the needs of older and vulnerable Londoners.
- The government’s accommodation requirements for Gypsies and Travellers will be provided for.

1.3c Promoting opportunities
- The social rented sector should become a more economically diverse tenure.
- Social home seekers should have more control and choice about where they live, through increased opportunities and incentives for mobility across borough boundaries and into home ownership.
- Disabled people should be able to participate in choice based lettings schemes on an equal basis to other social housing applicants.

From policy to action

The Mayor will work with the HCA, London boroughs and other partners to:
- oversee an investment programme to produce 30,000 social rented homes in 2008-11
- achieve the target of 1,250 supported homes to be provided in 2008-11
- encourage boroughs to protect existing Gypsy and Traveller pitches, refurbish existing sites where needed, and address the identified requirements for the provision of new sites
- direct investment through the Targeted Funding Stream to support conversions and extensions to tackle overcrowding and to support temporary to settled schemes
- improve opportunities for geographical and tenure mobility
- encourage social landlords to implement the London Accessible Housing Register.

† See also sections 1.1 on meeting Londoners’ aspirations and 1.2 on home ownership, and policies 1.1b on providing a better mix of homes.
Why we need change
Increasing the supply of social rented homes

Social rented housing is a vital resource. As part of a range of housing opportunities, social rented homes can provide a springboard for those who aspire to and can afford home ownership and an appropriate tenure for those who may never be able to do so. It provides stability, security and affordability to those for whom buying or renting privately is not an option. Investing to provide more social rented housing is a vital element of the response to London’s housing shortage and is key to accommodating many of the low income workers who are essential to the capital’s economy. It is also a vital component of meeting the needs of local communities – through contributing to a choice of tenures, improved environments and better quality of life.

For most people in London, owner occupation is the preferred tenure. But, for many, the high cost of homes, the limited availability of mortgages and low or insecure incomes put home ownership – even that offered through low cost schemes – out of reach. In the current uncertain housing market, prices are still far beyond the means of many households on low or middle incomes and mortgage availability is becoming ever more limited.

In addition, the private rented sector is all too often not considered as an option by those in housing need. This is sometimes because it is genuinely not appropriate, and sometimes because it is perceived as being unaffordable, insecure and not a long term option. As a consequence, a social rented home is the housing goal for over 330,000 households on London’s borough housing waiting lists – a figure that has almost doubled over the last decade.40

Yet there is a significant shortage of such homes, with only 41,000 social lettings in London in 2006/07 – almost 40 per cent fewer than in 1997/98.41 This shortage is due mainly to the low number of new social rented homes built during the 1990s, but also partly to fewer people moving out of the sector. The spiralling house prices of the last decade have made the transition from social renting to owner occupation much harder. The most extreme symptoms of this shortage are the growth in severe overcrowding, the reliance over recent years on temporary

---

Housing by numbers

London’s housing waiting lists have nearly **doubled** over the last **ten years**.
accommodation and delayed move on from hostels (see section 3.2 on homelessness).

*Increasing specialist provision*

London also needs more supported housing. With an ageing population, the persistence of rough sleeping and people with a diverse range of needs requiring support, demand for specialist supported housing is high. Many people’s support needs can be met within general needs housing, through floating support. But for some, accommodation-based support is more appropriate. In recent years the provision of new supported housing has fallen significantly, and an estimated 587 additional homes with accommodation-based support are now required each year to 2017 across a range of needs groups. In recent years the provision of new supported housing has fallen significantly, and an estimated 587 additional homes with accommodation-based support are now required each year to 2017 across a range of needs groups. Some of these can be provided by remodelling existing provision, but a great many (over 400 each year) will need to be new homes. Though the planning and revenue funding of such provision is the responsibility of the boroughs (see section 3.2 on supporting independence), through his investment powers the Mayor clearly has a key role in enabling these additional homes to be provided.

The health, education and employment prospects of Gypsies and Travellers have historically been very poor in London, due in part to an inadequate supply of suitable accommodation. At the last count, in July 2007, there were 806 Gypsy and Traveller caravans on sites in London. Of these, 80 per cent were on authorised socially rented sites, five per cent were on privately owned sites and the remainder were on unauthorised sites. The 2008 London Gypsy and Traveller Accommodation Needs Assessment, produced by the London boroughs with the co-operation of the GLA, demonstrates the need for a total of 768 new residential pitches over the next ten years, almost doubling the current supply (Appendix 1 includes a borough breakdown).

Much of this need arises from

*Chart 1.3*

**Households on housing registers and social housing lettings in London, 1997/98 to 2006/07**

<table>
<thead>
<tr>
<th>Year</th>
<th>Households on housing registers</th>
<th>Social housing lettings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>350,000</td>
<td>265,000</td>
</tr>
<tr>
<td>1998/99</td>
<td>300,000</td>
<td>230,000</td>
</tr>
<tr>
<td>1999/00</td>
<td>250,000</td>
<td>205,000</td>
</tr>
<tr>
<td>2000/01</td>
<td>200,000</td>
<td>180,000</td>
</tr>
<tr>
<td>2001/02</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>2002/03</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>2003/04</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>2004/05</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>2005/06</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>2006/07</td>
<td>35,000</td>
<td>35,000</td>
</tr>
</tbody>
</table>

Source: CLG, Housing Strategy Statistical Appendix data, 2008
Gypsies and Travellers currently housed in unsuitable or poor quality accommodation.

More larger homes
Families needing larger social rented homes can languish for many years on housing waiting lists as a result of London’s shortage of family sized accommodation. Currently, there are over 61,000 families on London borough housing waiting lists in need of a home with three or more bedrooms – a consequence of the undersupply and lack of turnover in the social sector over the last ten years. In 1997/98, 38 per cent of new social rented homes developed by housing associations had three or more bedrooms, but this had halved to only 19 per cent by 2005/06.

As a consequence, after decades of decline, overcrowding in London has increased in recent years and one in fifty households in London is now severely overcrowded. Between 1996/97 and 2006/07 the number of overcrowded households in London rose by a quarter to over 200,000 households, almost half of which are in the social rented sector. Most recently, the greatest increase in overcrowding has been in the private rented sector, doubling from 28,000 households at the start of the decade to 59,000 in 2006/07. The impact of such increases on communities, families and individuals is huge. Overcrowding tends to be concentrated in particular neighbourhoods, is more likely among minority communities, and is linked to poorer health and educational outcomes.

Investment in more family sized social rented homes can be complemented by investment in conversions or extensions of existing social housing to provide larger homes. It is also essential that best use is made of existing stock through effective policies to incentivise under occupiers to move to smaller homes.

More focus on aspiration and choice
The time is right to look at the changes needed to ensure that the sector better meets the aspirations and improves the life chances of its current and future residents. Key issues include worklessness, access to home ownership, opportunities for mobility, and choice for disabled people.

Worklessness
One consequence of the shortage of social housing has been the creation of concentrations of worklessness and deprivation on some large estates, and lower than average levels of employment and greater poverty across the sector overall. In 1979, social housing tenants made up a fifth of the richest ten per cent
of the population. By 2004/05 this had fallen to just one per cent.\textsuperscript{49} Furthermore, almost two thirds of all workless households in London live in social housing, and almost half of all working age households in social rented homes are not in employment – compared with 19 per cent of private renters and seven per cent of owner occupiers.\textsuperscript{50} Appropriate support to enable prospective and current tenants to access training and jobs is therefore important (see section 3.2 on options, advice and opportunities). But there are also opportunities to promote greater economic activity on existing large estates with high levels of worklessness through regeneration – by ensuring a balanced mix of tenures and economic activity (see section 2.3 on regeneration). Another option for improving economic mix on large estates with high concentrations of worklessness could be to ringfence a proportion of social lettings for people in work or on training schemes.

### Access to home ownership

For some council and housing association tenants, social renting should and could be a step on their housing journey, rather than a final destination. Increased opportunities and support are needed to enable social tenants to take advantage of low cost home ownership, and all residents should have the benefit of regular housing options advice as a matter of course.

Owning a home is traditionally one of the primary ways in which people are able to build up assets for their retirement, or to pass on to future generations. Exclusion from home ownership is a major cause of wealth inequality, affecting both current generations and future ones. As shown in section 1.2, first time buyers’ ability to enter the housing market is much lower if their family is not able to help with a deposit, often accessed from their own housing equity. Helping social housing tenants to become home owners, where they can afford to do so, is one way of breaking this cycle of wealth inequality.

A significant number of people in social rented housing aspire to be home owners in the future. According to the British Social Attitudes Survey, for example, 45 per cent of social housing tenants express a preference for home ownership.\textsuperscript{51} For many

<table>
<thead>
<tr>
<th>Housing by numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost half of all working age households in social rented homes are not in employment – compared with 19 per cent of private renters and seven per cent of owner occupiers.</td>
</tr>
</tbody>
</table>
The London Borough of Wandsworth is using a range of methods to encourage households under occupying larger homes to move to somewhere smaller, so releasing these for families who are overcrowded or have other high levels of need.

In common with most boroughs, Wandsworth offers cash incentives to social tenants willing to trade down to a smaller home. But, on the basis of findings of a survey of underoccupiers it carried out in 2007, which it followed with phone calls and home visits, the Council is now piloting additional initiatives, including:

- prioritising underoccupiers for the allocation of newly built, general needs social rented homes
- making ‘split’ lettings (ie of two smaller properties) to under occupying parents and their adult children
- allowing underoccupiers to move into a new home with one bedroom over and above their assessed need, where they release more than two bedrooms.

For example, in the new Rudyard Court scheme, developed by London and Quadrant and opened in February 2008, 11 of the 19 flats were offered to people who had been living in social rented homes that were too big for their needs. This attractive new development therefore not only provided contemporary new homes for its tenants but also enabled larger homes to be freed up for families in need.
social housing tenants, making the move into home ownership could be a realistic prospect. GLA estimates suggest that around 63,000 existing council and housing association tenants in London earn between £20,000 and £60,000 per year, and are in an age group that could consider taking out a standard 25 year repayment mortgage.\(^52\)

It is also important that the products on offer are genuinely attractive to social housing tenants. For example, the initial and ongoing costs of buying need to be at a level to make home ownership attractive and affordable. There may also be a mismatch between the homes offered through the scheme and tenants’ motivations for entering home ownership. Social HomeBuy is commonly offered as an opportunity to buy the property a tenant is currently renting, whereas tenants becoming home owners are often motivated by the desire to move to a better property or area or a house rather than a flat.\(^53\)

Helping social housing tenants to realise their home ownership ambitions can both benefit these households and provide good value for money for the taxpayer by freeing up much needed homes for social renting. Helping an existing social housing tenant and someone on a housing register into low cost home ownership costs half as much as providing a new social home for rent.\(^54\) In London, social tenants for whom low cost home ownership is a sustainable option will be given priority for support, including through First Steps.

### Opportunities for mobility

For those occupying or seeking social housing, opportunities to move across borough boundaries are currently very limited. Unlike for those seeking market housing, choices for the majority of social home seekers are constrained by borough boundaries which, in many parts of London, cut across neighbourhoods that people consider their local area. This lack of opportunity for mobility also prevents many people in housing need in high demand areas from benefiting from social housing opportunities in those areas with the greatest capacity for new homes. It acts as a barrier to people who need to move to a new area for family reasons and to those who wish to take advantage of employment opportunities across the capital.

---

**Housing by numbers**

In 1979, social housing tenants made up a fifth of the richest ten per cent of the population; by 2004/05 this had fallen to just one per cent.
The London Borough of Camden is piloting a project on some of its estates to help out of work tenants gain the skills and confidence to return to employment. The pilot, called ‘timely conversations’, uses the relationship between locally-based housing staff and tenants, to discuss employment and training and refer them to an employment support service called Camden Housing and Employment Project (CHEP). The project recognises the positive role training and employment can have on individuals, families and neighbourhoods.

Last year CHEP helped more than 50 tenants find a full time job, training course or volunteering opportunity. As well as taking referrals arising from the ‘timely conversations’ approach, the CHEP team’s outreach workers door knock to promote the service. In addition, Information, Advice and Guidance workers based in district housing offices provide client-centred and personalised support to help tenants who are not working undertake relevant training and gain the skills to enter employment. Referrals to services also come from Camden’s new Rents Services Team and Welfare Rights advisors, who supplement the work of CHEP by speaking to tenants about support packages available when moving from benefits to earned income, such as family tax credits.

As one of only 12 government-funded ‘enhanced housing options’ trailblazers, Camden is now building on the success of its ‘timely conversations’ to develop a ‘pathways for all’ approach. This will broaden the remit of their initiatives to include improvements to well-being and tackling underlying issues that may be preventing people from getting back to work, such as low confidence, low self esteem or a lack of skills.
Housing association tenants have many more opportunities for mobility than those in council homes because their landlords operate across a number of boroughs. In the last five years, just 13 per cent of council tenants who moved to another council home moved across borough boundaries — compared with 27 per cent of those moving within the housing association sector (and 52 per cent of those moving within owner occupation).55

Providing access to a proportion of the social housing available — either existing homes that become vacant or new homes — is one way of giving social home seekers in London greater choice and control over where they live. While most people will undoubtedly choose to remain in their local areas, others will want to take up opportunities for homes in new areas, including the chance to move out of the capital through initiatives such as the Seaside and Country Homes Scheme.

Choice for disabled people
Despite the increase in tenant choice through the development of choice based lettings (CBL) schemes over recent years, disabled people often remain excluded or unable to fully participate in decisions about their housing. The London Accessible Housing Register (AHR) gives social landlords the tools to address this by providing standard categories of accessibility for all homes advertised through CBL, to ensure that accessible homes are better matched with the people who need them. Only through such action can this better match be achieved: in 2006/07, only 42 per cent of wheelchair users moving into a housing association home were allocated a wheelchair accessible property, while 70 per cent of lettings to wheelchair accessible homes were to households with no wheelchair user.56 The AHR will also have the potential to improve the advice and support available to disabled people, though further work — on issues such as the transfer of care packages and adaptations, particularly for moves across borough boundaries — is required.
1.4 Improving the private rented sector

Vision

To promote a vibrant and attractive private rented sector to support London’s economic vitality.

From vision to policy†

1.4a Providing more private rented homes
   • More institutional investment in private renting will be promoted, to improve the image, quality and appeal of the sector.
   • The intermediate rented sector will be significantly expanded.

1.4b Improving access and support
   • Better information on rent levels will be available, to empower those seeking a home in the private rented sector.
   • Increased use will be made of statutory schemes to protect rent deposits.
   • The private rented sector will play a key role in housing homeless and vulnerable households, where it provides high quality housing management and reasonable security of tenure and support is available where needed.

1.4c Improving conditions and management
   • The number of accredited landlords will increase significantly, at least doubling by the end of 2011.

From policy to action

The Mayor will work with the HCA, London boroughs and other partners to:
   • direct investment through the Targeted Funding Stream to improve the condition and use of private rented homes occupied by vulnerable households
   • set up the London Rents Map, a web based guide giving details of rents in the capital
   • increase the supply of intermediate rented homes
   • raise awareness among tenants and landlords of Tenancy Deposit Schemes
   • ensure that full use is made of the private sector as a discharge of duty for homeless households, where there is an accredited landlord and a minimum two year tenancy
   • double the number of accredited landlords in London.

† See also sections 2.2 on improving existing homes and 3.1 on housing delivery.
Why we need change

More private rented homes

The private rented sector provides a vital and often relatively affordable housing option for Londoners, and is the first choice for many of the thousands of people who move to the capital every year. It plays a crucial role in sustaining the dynamism of the capital’s economy, responding to the demands of a changing, flexible and mobile labour market. As the recent review of the sector found, it provides homes for a diverse range of people, including young professionals, students, economic migrants and people in housing need.57

London’s private rented sector has seen a resurgence over the last 15 years, and almost one in five London households now privately rents a home.58 This is, in large part, due to the sector’s flexibility compared with owner occupation and social renting. It is also often more affordable than buying a home. In all boroughs, the average cost of private renting is lower than owner occupation, and while London’s house prices have increased in nominal terms by over 100 per cent since 2000, private rents have risen by less than 20 per cent.59 Over half of the one in eight households in London that move home each year move into privately rented accommodation.

Housing by numbers

Each year, around one in eight households in London moves home, over half of them into privately rented accommodation.

The rapid growth of the sector has in no small part been due to the activity of buy to let investors. In 2006 an estimated two thirds of all new build property was bought by investors, most being small scale investors.60 In this respect, this expansion of the buy to let market is welcome, as it has increased the much needed supply of rental homes, most of which are good quality and well managed.

In the current period of housing market uncertainty, demand for private rented homes is strong and strengthening, as falling house prices and limited mortgage availability cause more people to delay buying a home. On the supply side, however, buy to let activity, particularly among small investors, is diminishing as market conditions become less favourable and borrowing costs increase. Rents, which have been remarkably stable over the last ten years, particularly when compared to house prices, are showing clear signs of rising in response to this shifting balance in supply and demand.

Rising rents, falling house prices and a potential glut of unsold new market
homes can provide an improved investment opportunity to larger institutions. Greater institutional investment in the supply of private rented homes should be encouraged, as it can bring more professional and less fragmented management, greater stability, high quality standards and, potentially, longer term rental periods. This in turn is likely to improve the image of the sector and increase its appeal to a broader range of potential tenants. Institutional investment in the private rented sector is discussed in more detail in section 3.1.

**More intermediate rented homes**

Intermediate renting offers homes at rents that are substantially below open market levels and are affordable to households on incomes in the London Plan intermediate income band. The advantages of intermediate renting are that it can provide professionally managed, good quality homes to those not in a position to commit to, or afford, alternatives such as full or low cost home ownership. To date, intermediate renting has generally been targeted at public sector workers – often those working in England for a limited period – but there is a case for it to be more widely available.

One group that could benefit from the flexibility and lower rents offered by the intermediate sector is key workers at the outset of their career, e.g. junior doctors and trainee teachers. For some of these groups, housing options have reduced significantly in recent years. For example, trainee doctors are no longer eligible for halls of residence and the numbers of homes provided directly by employers, e.g. for nurses and police officers, have reduced dramatically. At this stage in their lives these groups are unlikely to aspire to, or be able to afford, owner occupation and in the short term may have incomes and debts at a level that makes private renting prohibitively expensive. While intermediate ownership will be a good option for some at a later stage, others will, within a few years, be able to afford to buy on the open market.

Most intermediate renting has been through housing associations and other Housing Corporation investment partners. Current market conditions offer opportunities to substantially expand this small but growing sector. Developers with unsold new market homes may want to take advantage of housing associations’ expertise to manage these properties in the short to medium term, and ‘build to let’ models could be developed as a form of housing supply that does not rely on outright purchase at the outset. Similarly, there could be advantages for the housing association sector
Case study | Nice Room – Nice Group

The Nice Room scheme, set up in 2004, provides high quality privately rented accommodation for young professionals in several areas of London. The business model, created by the Nice Group, has established an innovative mechanism for both private and institutional investors to invest in private renting, establishing a way to deal in property in greater volumes. This model has flourished, now providing a viable option for major international investment funds.

Nice Room uses a website to offer rooms to rent in shared houses. Tenants are typically professionals in their late twenties in their second job. They pay a monthly fee covering rent, all bills and 24 hour emergency maintenance services, and are not tied into long contracts.

This successful and popular scheme is growing rapidly, with 1,000 rooms currently managed and additional rooms being added each month.
in considering intermediate rent. When mortgage constraints and concerns about falling values impact on the demand for low cost home ownership, housing associations could opt instead to offer properties for intermediate renting, at least in the short to medium term.

**Better standards**

Much of the private sector provides well managed, good quality accommodation. However, substandard properties and inadequate management remain unwelcome features of a small part of the sector, particularly at the lower end. Conditions tend to be worse in the private rented sector than in other tenures: nationally, 41 per cent of all privately rented homes are non-decent, compared with 27 per cent of homes across all tenures. Furthermore, almost half of vulnerable households in the private rented sector live in non-decent housing, compared to a third of vulnerable owner occupiers. It is important to focus public intervention and resources at this lower end, especially given the concentration of vulnerable households it accommodates. The challenge is to ensure uniformly high levels of quality and management across the sector and across the capital.

Poor quality – both in management and property standards – can have serious consequences for both the health and well being and the safety and security of individuals and communities. Poor quality accommodation can endanger tenants, create or worsen health problems and also have a financial impact on tenants, for example in terms of fuel poverty. Poor management, particularly in large flatted developments, can lead to problems such as anti-social behaviour and community fragmentation. These problems are more likely where landlords are inexperienced, under-resourced or negligent.

London’s boroughs lead efforts to tackle poor standards and are responsible for taking action where standards fall below those set out by legislation. Enforcing and implementing legislation (eg HMO licensing and the Housing Health and Safety Rating System), as well as promoting landlord accreditation, is a demanding and resource intensive challenge for the boroughs. Many provide an exemplary service, and it...
is important that the good practice of some boroughs becomes common practice for all, right across the capital. Boroughs led the development of the London Landlord Accreditation Scheme. This focuses on improving the quality of landlords’ management, providing them with information, training and professional development in order that they provide their tenants with a good standard of management, and safe, environmentally sustainable and high quality accommodation. Such schemes are essential. However, it is also important that this work is backed up by capital investment to improve standards and regenerate areas where lower end private rented accommodation is concentrated.

**Improved access**

Though private renting is more affordable than buying, rents are still prohibitively high for many Londoners in some parts of the capital. While the average monthly rent across London as a whole is estimated at £1,265, average rents range from £823 in the cheapest borough to £1,668 in the most expensive.\(^63\) For a city with a highly mobile population, it is essential that those seeking a home in this sector have the information to be able to make informed choices appropriate to their requirements and resources. The Mayor’s forthcoming London Rents Map will ensure that prospective tenants are provided with this information, improving decision making and potentially raising standards and leading to more competitive rents.

Costs such as deposits and rents in advance can require potential tenants to commit significant resources up front. Based on average rents, tenants in London can expect to pay an average deposit and rent in advance of £2,530 – more than Londoners’ average monthly salary of £2,398.\(^64\) For those moving between rented properties, the speedy return of monies paid in advance is vital to ensuring access to and continuation of housing. This is particularly important given the high level of mobility among private renters – with half of privately renting households...

**Chart 1.4**

*Private rented sector, by region and housing benefit claims, 2007*

![Chart showing private rented sector by region and housing benefit claims, 2007](image)

*Source: GLA, analysis of data from CLG and DWP, 2008*
headquartered by someone aged under 35 moving at least once a year. For some tenants, disputes with their landlords over the return of all or part of their deposit cause long delays, and trap much needed (but disputed) funds. The introduction of Tenancy Deposit Schemes, mandatory since April 2007 for all new and renewed tenancies with rents of up to £25,000 a year, offers protection against landlords who may previously have sought to withhold deposits without good reason. The efficient operation and take up of these schemes is essential to maintain an effective private rented sector.

Greater use for vulnerable and homeless people
The private rented sector houses a diverse range of Londoners, including vulnerable people, ex-offenders and those who have been homeless. As part of a range of options the private rented sector can respond to the requirements of these groups, by offering more choice and quicker access than other housing tenures. With the right level of support and safeguards, these features can make private renting a desirable housing option. Because of the chronic shortage, social housing cannot provide for all – and should not therefore be seen as the automatic route to a home for all people in housing need.

People moving on from supported housing and hostels form one such group for which private renting is often appropriate, and more could be done to ensure that better use is made of this option. Over 40 per cent of the capital’s supported housing and hostel residents are estimated to no longer need the support offered in their current accommodation and are ready to move on. Blocking this provision means that valuable support is lost to someone else and that limited financial resources are being spent inappropriately.

Many boroughs and service providers provide access schemes to help homeless people, ex-offenders and other vulnerable people, such as care leavers and adults with learning disabilities or mental ill health, to find and sustain homes in the private rented sector. Such schemes can offer settled housing, through careful assessment of needs and properties and by offering support that is tailored to the individual and is not inextricably linked to tenure. Investing in such schemes meets needs, is an efficient use of resources and plays a vital role in tackling wider social problems, for example reducing re-offending.

The private rented sector can also offer good quality accommodation to statutorily homeless households. Where leasing or other arrangements
provide such homes on a relatively long term basis, eg five or ten years, they offer settled accommodation, providing levels of stability equal to those experienced by those in the social or owner occupied sector. On this basis, there is a good case for reviewing homelessness legislation in order to recognise that these homes are not temporary, but an opportunity for homeless people to build stable lives and for boroughs to discharge their duty.

The use of the private rented sector for vulnerable and homeless people has the potential to lessen the increasingly unrealistic demands made on the social rented sector, but it requires a culture change in terms of housing options and expectations, both for individuals and, in some cases, their advisers and support workers. It also needs investment in support services, and careful attention to avoid the risk that, as in some areas of social housing, parts of the private rented sector become concentrated with economically inactive households or those with the highest needs.
Raising aspirations, promoting opportunity
2 Improving homes, transforming neighbourhoods

2.1 Designing better homes

**Vision**

To promote high quality design in 21st century homes that will match London’s rich architectural heritage.

**From vision to policy**

2.1a Improving design quality
- All homes developed with public funding will deliver higher quality in line with the forthcoming London Housing Design Guide.
- The architectural, environmental and aesthetic quality of homes will be a key consideration in housing investment and planning decisions.

2.1b Improving design standards
- New publicly funded housing developments will embody Secured by Design principles.
- New housing developments will achieve the highest standards of accessibility and inclusion.
- All homes will be built to Lifetime Homes standards and at least ten per cent will be designed to be wheelchair accessible or easily adaptable for residents who are wheelchair users.

2.1c Improving the design process
- Affordable housing providers will play a greater role in the design of affordable housing.
- Design champions will be appointed by public sector agencies, in line with industry best practice.

**From policy to action**

The Mayor will work with the HCA, London boroughs and other partners to:
- use the standards in the London Housing Design Guide to prioritise housing investment decisions
- ensure that public sector partners adopt the standards set out in the London Housing Design Guide to guide their investment decisions
- encourage private developers to adopt the standards set out in the London Housing Design Guide and to involve housing associations at an early stage in the design process
- hold a design competition to promote excellent design in the 21st century, to include greening of both homes and the urban realm and with a particular emphasis on encouraging architectural excellence
- make designing out crime a priority in the London Plan and in planning decisions
- ensure that future housing management and maintenance are considered during the design process
- support industry best practice to appoint design champions
- develop a best practice guide on accessible and inclusive housing.
Why we need change

Increasing the supply of housing in London must not be at the expense of quality. High quality homes and neighbourhoods can make a significant contribution to the preservation of London’s distinctive and diverse character and its unique heritage. 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.

Attention must be paid to the quality of the urban realm. This means preserving green spaces and ensuring high quality landscaping, improving access to open space and play space for children and young people, designing out crime and creating lifetime neighbourhoods accessible to the whole community. Ensuring good provision of local public transport, services and amenities must also be a key component of the creation of new homes and neighbourhoods. The scale of house building over the coming years creates new challenges for housing designers, but it also brings unique opportunities for new housing that will be remembered as attractive, spacious, accessible, safe and green.

Good design

There are many examples of well designed and innovative housing schemes in London, but there are also many that are shamefully poor. A disappointingly small proportion of recently completed housing developments in London has been assessed as being good or very good by CABE, the government’s advisory agency on urban design. This situation clearly needs to be improved.

The forthcoming London Housing Design Guide will consolidate the raft of standards, policies and guidance concerned with the design of new housing in London – at the home, block and neighbourhood level. Covering building design, urban design and environmental performance, it will include guidance on space standards, safety and security, acoustic design, daylighting and natural ventilation, and access to private and public open space. It will reflect the social and demographic changes in society that shape new forms of urban living. This will cover, in particular, the need for flexible space that requires rooms to take on wider functions, such as open plan living, home-working, the use of computers and other technological advances and accessible and adaptable space to accommodate the diverse needs of London’s households over their lifetimes.
The Guide will demonstrate how to meet all the required standards, including London Plan policies and HCA standards. At its core will be the aim to design for the 21st century, while ensuring that new developments are appropriate to their context and respect London’s architectural heritage. Though aimed at improving homes provided through public funding, the standards in the Guide will be expected to influence and promote good practice across all sectors of the house building industry.

**Density**

A key design challenge is the need to build at appropriate densities, in order to house London’s increasing population within what is a constrained land capacity, while protecting open space. The London Plan contains density guidelines that set a strategic framework for appropriate densities in different locations, aiming to reflect and enhance local character by relating the density of new developments to transport accessibility and adequate provision of social infrastructure. London’s new residential developments are necessarily denser than those in the rest of the country. Completions in London from 2005/06 to 2006/07 were at an average density of 132 homes per hectare, compared to between 34 and 50 in other regions.

However, this is still lower than the density of the highly popular Georgian terraces of Islington and Notting Hill, or many successful contemporary European developments – illustrating that higher density housing can be compatible with attractive design and desirable homes. High density does not simply mean high rise, which is appropriate only in a limited number of places in London where it is in keeping with the local area.

**Space standards**

New homes in the UK are some of the smallest in Europe. The average size of a newly built home is only 76m² in the UK – compared with 206m² in Australia, 109m² in Germany and 88 m² in Ireland. Although there are currently space standards for publicly funded new homes, including
Improving homes, transforming neighbourhoods

the Housing Corporation HQI range and English Partnerships standards (which both exceed Parker Morris standards), some new schemes still produce homes that are too small to accommodate different family activities and provide sufficient storage. Good space standards are particularly important in higher density housing and in affordable rented housing, which is generally occupied to maximum capacity.

Smaller homes can provide an affordable step onto the housing ladder, particularly for individuals and couples without children – allowing them to trade space against other factors such as location and the advantages of home ownership over renting. But to continue to build cramped homes for families is indefensible. In the affordable sector, improvements will be made through the establishment of minimum space standards set out in the forthcoming London Housing Design Guide.

Overall, space standards need to improve across all tenures, especially given the increasing number of new homes originally earmarked for the private market that may be bought up for affordable housing in the market downturn. However, it is quite possible that current market conditions will increase the premium on quality.

Crime, anti-social behaviour and the fear of crime affect both the well being of individuals and their ability and willingness to participate fully in London life. Crime leads to neighbourhoods becoming run down, neglected, feared and prone to more serious criminality. It also imposes a huge financial cost on businesses and householders through increased insurance costs, loss of belongings and damaged goods.

Good design, using Secured by Design principles, can avoid the

---

**Housing by numbers**

The average size of a newly built home is only 76m² in the UK – compared with 206m² in Australia, 109m² in Germany and 88m² in Ireland.
Borneo Sporenburg is an innovative and successful housing development on city-owned land in Amsterdam’s former dock area. The brief was set by the city authorities to generate new models of higher density inner city development – at 100 homes per hectare – of predominantly low-rise family housing and flats near the city centre.

While all the homes have a common structure and standard floor to ceiling heights (to reduce construction costs), they have been designed by individual architects to provide variety in style, scale and rhythm, and include a number of self build homes. Each home has a frontage on the dock on one side and the street on the other. The result is a vibrant urban landscape with colourful buildings facing the calm waterfront areas. Safety is enhanced with streets feeling safe and comfortable because of generous windows, and front doors open out onto the public realm. This scheme demonstrates that with careful design family housing can be incorporated into dense urban areas.
Improving homes, transforming neighbourhoods

creation of areas where anti-social behaviour, crime and the fear of crime flourish. Estates that embody Secured by Design principles experience a quarter less crime, and residents’ fear of crime in these areas is also lower.74 Designing out crime should not, however, mean creating gated communities, which can serve to divide rather than unite, damaging the cohesion of neighbourhoods and communities.

A consistent approach needs to be taken when designing new housing developments, using commonsense design principles. These include eliminating blind spots for criminal and anti-social activity, promoting informal surveillance of shared space and ensuring entrances are safer and better controlled – alongside other measures such as improved fire safety.75 But good design alone is not enough to ensure that our neighbourhoods are safe and successful. Equally vital are high quality management and maintenance, both of which need to be planned for early in the design and build process.

The Mayor has a statutory duty to prevent crime, disorder and anti-social behaviour in London and is working together with boroughs, urban designers and planners, safer neighbourhood teams and the police on these issues.76 This collaboration will promote a comprehensive approach to tackling crime prevention in new housing developments, and must be built into decision making on both housing investment and planning.

Designing for older and disabled people

With an expected increase of around 200,000 older people in London by 2025, there is a need to build much more inclusive and flexible housing and to ensure that the housing market responds effectively to the needs and aspirations of older and disabled people.77 The

Housing by numbers

Estates that embody Secured by Design principles experience a quarter less crime.
situation whereby disabled people are more than twice as likely to be living in unsuitable housing as other Londoners needs to be addressed. New affordable and market homes need to be built to be accessible and adaptable to meet changing circumstances over a lifetime, on developments and in communities that are attractive to, and safe for, older and disabled Londoners.

**The design process**

Much of the best designed affordable housing is developed directly by housing associations. However, up to two thirds of affordable housing is delivered with some Section 106 contribution. But in too many of these new developments, where developers are encouraged to work with housing associations to deliver the affordable housing required by the Section 106 agreement, the housing association’s expertise in design and management is not built into the design process at an early enough stage. This is likely to have contributed to the development of poor quality and hard to manage homes in the affordable sector. As a result of the downturn in the housing market, developers are likely to be working more closely with housing associations. This should provide opportunities for housing associations to demand higher standards of design from developers.

---

**Housing by numbers**

Disabled people are **more than twice as likely** as other Londoners to be living in unsuitable housing.

The London Housing Design Guide will provide guidance on embedding good design throughout the development process, from the initial preparation of the brief to procurement and delivery. The design process can also be strengthened by involving housing associations and other affordable housing providers at the earliest possible stage. Taking forward CABE’s proposal for design champions within each borough will also be key to providing vision and leadership on the design agenda.
2.2 Producing greener homes

Vision

To deliver higher environmental standards for all London’s homes and neighbourhoods – in both new and existing homes.

From vision to policy

2.2a Greening new homes
- London’s carbon emissions should reduce by at least 60 per cent by 2025.
- New housing developments will meet the highest standards of sustainable design and construction.
- All new publicly funded homes will meet at least level 3 of the Code for Sustainable Homes, with many schemes reaching higher levels.
- All new publicly funded housing developments will provide low carbon and renewable energy generation, where feasible on-site.

2.2b Greening existing homes
- Social rented homes will be improved so that they are more than ‘decent’.
- By 2016 all occupied homes in London will achieve a SAP rating of at least 40, and should aim for a rating of 65 where the building fabric will allow.
- Private home owners will be helped to improve the condition of their homes, with an emphasis on improving energy efficiency, environmental performance, adapting to the risk of flooding, overheating and water scarcity, and improving accessibility for disabled and older people.
- Green skills within the housing sector will be developed.

2.2c Greening the city
- Urban greening – trees, parks, open space and green roofs – in new housing developments will be used to improve the quality of neighbourhoods and the environment.
- Back gardens will be protected as far as strategically possible from new housing development, subject to any permitted development rights.
The Mayor will work with the HCA, London boroughs and other partners to:

- use the Targeted Funding Stream to fund housing developments that demonstrate an exemplary approach to energy efficiency and tackling climate change, help develop supply chains and new technologies, and share good practice
- ensure green skills training is available for housing organisations
- bring forward alterations to the London Plan to secure the benefits and wider roles of gardens more effectively
- develop the Better Neighbourhoods standard and identify the resources to implement it, as a successor to the Decent Homes standard
- explore ways to enable local authorities to implement the Housing Health and Safety Rating System more effectively
- make resources available from the Targeted Funding Stream for vulnerable households in the private sector to improve their homes to the Decent Homes standard and beyond
- ensure that households across London have access to comprehensive home improvement services and support to help them through the process (eg a loan fund, awareness raising initiatives, financial incentives)
- identify locations where cross-tenure approaches can be taken to retrofitting existing homes, to create Low Carbon Zones
- encourage housing organisations to ingrain environmental sustainability into their businesses and improve the environmental performance of their operations, existing and new homes through the Sustainable Homes Index For Tomorrow
- work with energy suppliers, housing organisations and advice services to ensure that Londoners are encouraged to maximise their income and switch to the lowest cost tariff available, to tackle fuel poverty.
**Why we need change**

The capital’s 3.2 million homes account for 38 per cent of London’s total carbon emissions (excluding aviation) through the energy they consume and, too often, waste. Without intervention this will increase rapidly, driven by the growth in the number of homes and increases in energy consuming household goods. As well as being London’s largest single carbon dioxide emitting sector, our housing stock is also exposed to the impacts from inevitable climate change – increased risk of flooding, water scarcity and overheating. But climate change is not the only challenge requiring physical changes to London’s housing stock. There are currently 740,000 households in London living in fuel poverty (based on a residual income definition) and, if energy prices continue to rise, this number is likely to increase.

Now is the time for action – the economic cost of tackling climate change now has been estimated at one per cent of global GDP; acting later will cost between five and ten times as much. Solutions lie in taking action on how new homes are designed, built and managed, retrofitting existing homes, maximising incomes and promoting a greener city. It will not be possible to rise to the challenges of climate change and address other environmental concerns without tackling the quality and condition of our existing homes. Considerable progress is already being made. Recent and imminent legislation aimed at creating greener homes and neighbourhoods is backed by tough targets – a reduction in national carbon emissions of at least 26 per cent by 2020, then 80 per cent by 2050 against a 1990 baseline.

The Mayor’s new responsibilities to produce a climate change mitigation and energy strategy and a climate change adaptation strategy for London provide the framework for action in the capital. The London Climate Change Action Plan sets an ambitious target of a 60 per cent reduction in carbon emissions by 2025, based on the latest climate science, but recognises that achieving this is dependent on additional action by central government.

Addressing these challenges will require housing organisations to think about their businesses differently, not just by providing greener homes but by becoming greener landlords and leading by example, and all organisations that receive public sector funding should be demonstrating exemplary standards.

**New homes**

New housing can make a significant contribution to tackling climate
change and to improving the environment. New homes also need to be located, designed and constructed for the climate they will experience over their design life and the challenges that the increased risks of floods, water scarcity and overheating (the 2003 heatwave caused 600 deaths in London) will bring. They can also be designed to reduce exposure to air pollution, through better ventilation and layout.

This can be achieved by requiring sustainable design and construction, while also respecting the existing character of neighbourhoods. The London Plan requires all new developments to make the fullest contribution to the mitigation of and adaptation to climate change, to minimise emissions of carbon dioxide and promote better environmental practice. The Mayor’s Supplementary Planning Guidance on sustainable design and construction supports these aims. The Mayor will also work with partners to meet the objectives and policies set out in his strategies on waste management, air quality, energy, biodiversity and ambient noise that will reduce the environmental impact of new homes.

All new publicly funded homes are subject to minimum standards – set out in the government’s Code for Sustainable Homes (CSH) – for overall sustainability performance, including energy and water use. The Code uses a 1 to 6 star rating system, with homes meeting level 6 being zero carbon. It became mandatory on 1 May 2008 for all new homes built to be issued with a CSH rating and by 2016 all new homes will be expected to be zero carbon. As a first step, the Housing Corporation adopted a minimum requirement of level 3 for all

**Housing by numbers**

The economic cost of tackling climate change now has been estimated at **one per cent** of global GDP. If we act later, it will cost between **five and ten times** as much.

---

**Chart 2.2**

Fuel poverty in London by tenure and income definition, 2008

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Residual income</th>
<th>Full income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned mortgage</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Owned outright</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Privately rented</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Rented from a local authority</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Rented from a housing association</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Percentage of households in fuel poverty</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Improving homes, transforming neighbourhoods

affordable homes funded in London during 2008-11. In London, there are opportunities to go further. Priority is already being given to funding homes that exceed level 3; and additional resources, through the Mayor’s Targeted Funding Stream, are supporting exemplary schemes that reach levels 5 or 6. This additional funding, which recognises the barriers that housing developers face in meeting the higher levels of the Code, is intended to encourage the development of the new technologies and supply chains needed to achieve zero carbon residential development in London.

Through economies of scale, larger developments offer increased opportunities for producing low carbon homes, in particular through decentralised energy. At relatively little extra cost, they can offer connections to Combined Cooling Heat and Power or Combined Heat and Power networks – enabling them to reach level 4 of the CSH. Heating and cooling networks can also incorporate the use of renewable sources of energy. A further valuable contribution can be made through the provision of appropriate on-site renewable energy generation. Some boroughs are already setting high standards for renewable and low carbon energy generation in new developments.

Existing homes

The homes that are with us today will represent roughly two thirds of the homes that will still be with us in 2050: new homes account for less than one per cent of the housing stock in any given year. Therefore, the 60 per cent carbon reduction target cannot possibly be met without a major programme of retrofitting this stock. London’s homes, on average, have higher Standard Assessment Procedure (SAP) rating than homes in the rest of the country (53 against 51), indicating that they are more energy efficient. However, this is in large part because London has more flats than elsewhere. These averages therefore

‘We need to concentrate efforts to slash carbon emissions and become more energy efficient in order to prevent dangerous climate change. But we also need to prepare for how our climate is expected to change in the future.’

Housing by numbers

The 2003 heatwave caused the deaths of 600 Londoners.
Built on a previously contaminated brownfield site, the scheme – located in Hammersmith and Fulham – provides 78 affordable homes for families and key workers – 45 for rent and 33 for shared ownership. It is located between a retail development and traditional terraced housing. A competition for developing best practice in the design of affordable housing resulted in the design for this development.

Bourbon Lane contains public mews areas, and every home has a private ground level or roof garden or balcony. All properties are clad in timber from a sustainable source. The scheme is designed to be energy efficient, including a Combined Heat and Power plant to generate electricity on site which provides space heating and hot water for each of the homes.

Bourbon Lane has won numerous awards. These include the prestigious Housing Design Awards, which are sponsored by the government and showcase strong designs that can successfully re-invigorate and regenerate neighbourhoods and provide good quality homes to the highest environmental standards.
Improving homes, transforming neighbourhoods

mask the properties that are still very energy inefficient, and action must be taken to retrofit them accordingly. Retrofitting is equally important for ensuring that homes are able to cope with the challenges brought about by hotter summers, increased water scarcity and more extreme weather events such as flooding. One of the additional benefits of retrofitting is that by improving water efficiency, households can reduce their fuel use and, as a consequence, reduce both carbon emissions and their utility bills. Being serious about conserving and improving our environment means retrofitting existing homes as a priority.

It is encouraging that substantial numbers of Londoners are becoming aware of environmental issues in relation to their homes – and the potential link between lower carbon emissions, better insulated homes and lower fuel bills. For example, a recent GLA survey shows that 31 per cent of Londoners know that they can help protect the environment by insulating their home and 37 per cent recognise that this also saves them money on their energy bills.91

It is anticipated that 95 per cent of local authority homes will have been improved by 2010 when the Decent Homes programme draws to a close. This programme has made much needed improvements to the quality of London’s social rented homes and it is important that the government’s current review of housing finance for the next spending review enables London boroughs to maintain these homes to good standards beyond 2010. However, as welcome as it was, the Decent Homes standard set very low standards for energy efficiency and did not address Londoners’ aspirations to live in homes and neighbourhoods that are not just ‘decent’ but are also safe, accessible, green and better adapted to future climate impacts. In short, they must be Better Neighbourhoods. The GLA is working with boroughs and other partners to develop a new Better Neighbourhoods standard for London – a successor standard to Decent Homes that will deliver these wider aims while providing local flexibility to respond to other concerns, such as noise disturbance.

A significant number of homes in the private sector, many of which are occupied by vulnerable households, are very energy inefficient. A lack

**Housing by numbers**

Nearly a third of Londoners are aware that insulating their home can help protect the environment and 37 per cent recognise that this would also save them money on their energy bills.
of awareness of available measures, and the complexity of and time involved in pursuing these, can act as a disincentive to households taking action. People need appropriate support through the process of arranging for an audit of their home, choosing the right financial product and arranging for works to be done. Local authorities and home improvement agencies can help to facilitate this process.

For many home owners, finance is the main barrier to making adaptive and environmental improvements. Local authorities, sub-regional partnerships and home improvement agencies often help vulnerable households to access the public resources to which they are entitled. These include income-related benefits, Disabled Facilities Grants and free energy efficiency measures through the Carbon Emissions Reductions Target and Warm Front. However, services vary greatly and some households need more assistance than others to access these opportunities. There is also significant wealth locked away within many homes that could be released to fund physical improvements. Maximising the take up of equity-based loans will be crucial to comprehensively improving private homes in the context of shrinking public resources; but despite equity-based loan products being widely available, take up has been uneven. What is needed is a range of products and support services that caters to the varying needs of ‘able to pay’ and vulnerable households, and greater clarity over their costs and implications.92

A variety of mechanisms need to be explored to incentivise green improvements, including the removal of disincentives to green behaviour, such as council tax discounts on empty properties and VAT on refurbishment. Having the correct mechanisms and incentives in place to enable landlords and households to behave in green ways will be crucial to achieving greener neighbourhoods. It is time to move away from isolated, flagship demonstration projects, towards mainstreaming and
Improving homes, transforming neighbourhoods

retrofitting entire neighbourhoods so that they can become green zones. The Mayor’s ten Low Carbon Zones will showcase how entire areas can be retrofitted to minimise carbon emissions and this is an approach that will need to be mainstreamed if London is to meet its environmental targets. Retrofitting existing stock can also help to offset the environmental impacts of new development, working towards the concept of ‘environmental neutrality’.

For the poorest quality homes, local authorities have the key role in ensuring improvements through their duty to ensure that all homes comply with the Housing Health and Safety Ratings System (HHSRS) – the statutory minimum standard for fitness. Fully implementing the HHSRS will remove the most serious health and safety risks within homes, whatever their tenure. It will also fulfil one of the requirements of the Decent Homes standard and help to identify properties where more extensive work is needed in order to increase energy efficiency, accessibility and comfort for occupiers.

A greener city
Urban greening – trees and living roofs and walls – and protecting back gardens improve the quality of the environment and London’s ability to mitigate and adapt to climate change. More green spaces, including areas of land around residential development, will also provide Londoners with refuges from the stresses and strains of high density urban living, improving quality of life, well being and health as well as resilience to the impacts of climate change.

Trees, parks and open spaces are a defining feature of London and are key to the capital’s quality of life. More trees will be planted on new and existing housing estates and the Mayor has pledged to plant 10,000 street trees by the end of his first term in office. He has also made a commitment to invest £6 million to improve the quality and safety of London’s parks.

Where feasible, new housing developments should incorporate living roofs and walls, which can provide more access to open space, reduce building energy demand, promote sustainable urban drainage, reduce surface water flood risk and enhance biodiversity. It is estimated that greening roofs in four areas of central London would give the capacity to store in the region of

Housing by numbers

Greening roofs in just four areas of central London could store enough water to fill 35 Olympic swimming pools.
80,000m$^3$ of rainwater at roof level, roughly equivalent to the volume of water needed for 35 Olympic swimming pools. In recent years, London has lost a significant number of domestic gardens to housing development. In 2006 alone, 1,113 new homes were built on garden land. This situation needs to be addressed through measures to protect domestic gardens from residential development.

There is also a need to promote greener ways of living through environmentally sustainable design and construction, improved facilities for waste collection and recycling, reductions in car use, and design that encourages pedestrians and cyclists. European and government policy and directives require substantial reductions in the use of landfill and increases in recycling and composting, and the London Plan includes a commitment to ensuring that 85 per cent of London’s waste is managed in London by 2020. All new developments must therefore provide adequate space for recycling facilities. Furthermore, reliance on cars can be reduced by supporting cycling, walking and the use of public transport. There is considerable guidance available to support these policies. The London Plan also sets out a parking strategy which seeks to ensure that the on-site car parking on new developments is at the minimum necessary and does not undermine the use of more sustainable forms of travel.
2.3 Regenerating areas and estates

Vision

To promote successful, strong and mixed communities in which people are proud to live.

From vision to policy

2.3a Targeting regeneration

- Funding for physical regeneration will be more effectively targeted at those estates and areas that need it most.
- Housing regeneration will be aligned with complementary social and economic initiatives.
- Physical improvements will be designed to deter criminal opportunism and will be sustainably managed and maintained over the long term.
- Physical improvements will be designed to improve accessibility and inclusion.

2.3b Delivering regeneration

- Regeneration programmes will be designed in partnership with existing communities and will give full consideration to the impact of regeneration activity on equalities target groups.
- Regeneration initiatives will be planned and delivered through local partnerships, with all agencies being clear about their respective roles and responsibilities.

From policy to action

The Mayor will work with the HCA, London boroughs and other partners to:

- build up an evidence base about areas and estates in need of regeneration
- develop common criteria for investment in regeneration and the outcomes to be achieved
- ensure that transport, social infrastructure and housing investment are aligned to achieve desired outcomes
- use the Targeted Funding Stream to fund area and estate renewal
- showcase best practice from regeneration schemes funded through the Targeted Funding Stream that promote social cohesion, tackle anti-social behaviour and reduce crime
- ensure that all regeneration schemes seeking public investment demonstrate resident engagement and support for proposals, consideration of the impact of schemes on equalities target groups and long term sustainability
- encourage the exploration of innovative approaches to ensuring existing and future communities continue to benefit from public investment in affordable housing over the long term.
Why we need change

London is a diverse city, incorporating some of the most affluent and wealthy neighbourhoods in the UK, as well as some of the most deprived, with four of the country’s ten most deprived local authorities. While many Londoners have shared in the capital’s economic success and the opportunities this affords, others have not. This has resulted in areas of deprivation, often characterised by high levels of social rented housing, cheek by jowl with wealthy areas. In 2001, half of London’s social housing was concentrated in one quarter of its council wards while, in contrast, a quarter of its wards contained only five per cent of London’s social housing. The decline in the overall proportion of homes in London that are social rented housing – from 35 per cent in 1981 to 26 per cent in 2001 – has resulted in a concentration of social housing on larger estates, with the homes allocated primarily to the most disadvantaged.

In some cases, the outcome has been to create areas perceived as unattractive to those in work with a choice of where to live, seen as unprofitable by the shops and services that make neighbourhoods attractive, and considered unviable by the businesses that could provide local jobs. Some are blighted by very poor quality and unpopular housing, with convoluted layouts that are inaccessible, particularly for disabled people and children, and threatening as they can provide places for criminal opportunism. Together with high levels of crime and anti-social behaviour, poor educational standards, child poverty and high levels of mental and physical health problems, these factors present a challenge that goes far beyond just improving homes. It is essential that this challenge is met – and that our capital city’s existing homes and neighbourhoods are made fit for purpose and are not overlooked as efforts are made to build a city that can accommodate growth.

Communities where deprivation is entrenched need to be reconnected with opportunities for an improved quality of life. Intervention is required to reverse physical, economic and social decline in areas where market forces will not intervene unaided. In housing terms this means transforming difficult and unattractive residential areas into attractive, well connected, accessible and safe places for Londoners to live. This will improve the quality of life experienced by residents and also attract the mix of households and private investment necessary to revive ailing areas.
A strategic and targeted approach to investing in estate and area renewal is required to ensure that resources are invested where they are needed most and to greatest effect. The causes of area decline can be complex, will be specific to an area, and will often not be reversed by physical regeneration alone. Too often regeneration initiatives have failed to address the interlinked issues of poor quality local housing conditions and environments, a poor economic base and the poor provision of public services. They have thus failed to link physical improvements with wider interventions on jobs, learning and skills, crime prevention and health. This has inevitably resulted in interventions that do not fully address the causes of decline, and are unsustainable over the long term – improving the bricks and mortar but leaving the communities untouched.

Engaging with residents is essential to understanding the aspirations of local communities and designing regeneration schemes that have the support of and benefit from the knowledge of existing communities. This is particularly important in ensuring that plans do not overlook the needs of excluded groups. For example, engaging with local access groups and disabled residents can ensure that barriers to inclusion are identified and removed. The process of consultation and involvement is empowering for residents, and regeneration activity in and of itself can provide opportunities to build capacity among residents that can lead to later employment.

Community empowerment is important in creating strong communities that have the confidence to work with partners to jointly tackle issues that affect residents, from anti-social behaviour to crime. London scores lowest of all English regions on measurements of neighbourliness – 12 per cent of Londoners do not know any of their neighbours at all (double the national rate) and four in ten do not feel that their neighbourhood is a place where ‘people look out for each

---

**Map 2.3**

Deprivation in London, 2007

Source: GLA, Focus on London, 2008
other. Research has shown that communities that score well in levels of social cohesion are more likely to report crime to authorities and that greater community engagement can reduce crime, the fear of crime and anti social behaviour. Clearly, these problems will not be solved by physical and economic revival alone. These measures must be supported by action aimed at bringing broken communities back together again. The Mayor’s Fund will make an important contribution, by supporting voluntary groups to work with London’s most deprived young people.

Efforts must be made to create neighbourhoods where all residents, regardless of their tenure, feel that they belong to a community and where unacceptable behaviour will not go unnoticed. An important part of this will be reconnecting neighbours with each other through joint activities, or an increased and co-operative role in managing their own areas.

Regeneration also offers the opportunity to pass ownership and control of local assets, such as housing estates, to communities. A number of flexible community ownership models can facilitate this. In the conventional Community Land Trust (CLT) model, for example, a third of the board are residents elected to the position by other residents. The result is a directly accountable model of governance that empowers residents. CLTs also offer the means by which communities can share in the growth and uplift in land values that accompany regeneration, tenure diversification and better connection with surrounding areas. These can be used to provide community benefits such as permanently affordable housing (see section 3.1 on housing delivery).

Regeneration often takes place in areas where there is a failure to retain or attract residents with housing choice. This means that by its very nature it is concerned not only with existing residents, but also with the needs and aspirations of new residents that might be attracted to an area. Providing opportunities for low cost home ownership in areas dominated by social rented homes can enable local residents to attain an asset. It can also attract low to middle income employed households to an area, contributing to the creation of a strong community. Together with the

### Housing by numbers

Between 2004 and 2007, 15 times more new social rented homes were built in the ten per cent of London wards with the greatest concentrations of social housing than were built in the ten per cent of wards with the least.
Improving homes, transforming neighbourhoods

provision of new market housing, this mixing of tenures is an essential step in creating more mixed communities across the capital.

In contrast to this aim, evidence shows that in the ten per cent of London wards with the greatest concentrations of social housing, 15 times as many new social rented homes were built over 2004-07 as were built in the ten per cent of wards with the lowest concentrations of social rented housing. Thus, the aim of creating more mixed and sustainable communities requires a more stringent local focus on the location of new social rented homes.

It is essential, at a local level, to understand the scale and nature of housing need and aspiration within existing estates and their surrounding areas, and the potential within an estate or area to meet that need. Where estates have the potential for densification, a mixed tenure approach also provides potential for cross-subsidising improvements to existing homes. However, densification must not be at the expense of the provision of green or play space or of necessary community services and infrastructure. In some circumstances, incorporating adjoining spaces can add value to a regeneration scheme.

Housing estates need to relate to their surrounding area. Estates and areas that are disconnected from surrounding areas, infrastructure and facilities are not conducive to the well being of existing residents and are unattractive to new residents. Identifying additional needs beyond housing plays a key role in recasting struggling areas as attractive neighbourhoods. This can be done through partnership working with key local and regional agencies, including Primary Care Trusts and TfL. Equally, the creative use of the assets available enables the best value to be achieved within a scheme, both in terms of cross-subsidy and also long term outputs.

Regenerating estates and areas provides an opportunity to really improve the lives of residents living in difficult and unattractive locations, creating a sense of belonging, ownership and inclusion. Remodelling of estates and areas must be done in accordance with the design principles that will be set out in the forthcoming London Housing Design Guide, taking account of local surroundings and the scope to design out unpopular

Housing by numbers

12 per cent of Londoners do not know anybody in their neighbourhood, double the national rate.
Located within the Gorbals, an area in Glasgow that has historically suffered from very high levels of deprivation, the regeneration of Crown Street demonstrates best practice in recasting an unpopular area to create a thriving community supported by high quality local services.

Comprising 12 linked deck access tenement blocks, the properties in Crown Street were built in 1968 and suffered from incurable damp. Families were moved out from 1982, with the last block demolished in 1987. The Crown Street Regeneration Project was set up in 1990 to redevelop the resulting site. Key features of the masterplan for the area were to create a high quality mixed tenure, mixed use scheme, based around an updated version of the tenement model. The scheme comprises 1,700 homes, of which around a third are social rented and 80 are student flats. The high quality design helped to attract significant private investment for the area’s regeneration.

The redeveloped housing is supported by a host of community services and amenities, including local shops, a supermarket, a hotel, a library (which is now the most popular library in Glasgow), two parks, a health centre, a police station and office space. All homes have access to green space, meaning that the development is family friendly – around a third of the residents are families – and a fifth of Crown Street residents formerly lived in the area.
and unsuccessful buildings. Ensuring that the built form deters criminal opportunism and provides residents with an increased sense of security should be prioritised in design briefs. The London Housing Design Guide will offer guidance on how this can be achieved without compromising the attractiveness or openness of an area.

Successful regeneration requires a range of different agencies to co-ordinate their efforts. The new HCA, bringing together housing and regeneration funding and responsibilities, and working with the LDA, provides a more effective vehicle for this joined up approach. It will enable regeneration activity to be aligned with wider public investment and facilitate unlocking the potential of sites and connecting them to their surrounding areas. As Chair of the London Board of the HCA, the Mayor will provide strategic oversight to link housing investment with investment in transport, economic development, adult learning and skills and health inequalities.
2.4 Bringing empty homes back into use

**Vision**

To deliver and maintain a reduction in the number of long term empty and derelict buildings – transforming these into homes for Londoners.

**From vision to policy**

2.4a Reducing the number of empty homes
- No more than one per cent of homes should stand empty and unused for over six months.
- Long term empty homes, derelict empty homes and listed buildings at risk should be brought back into residential use.

2.4b Targeting empty homes
- Better information should be available to help target action to tackle abandoned and derelict homes.
- There should be no financial incentives to leaving homes empty.

**From policy to action**

The Mayor will work with the HCA, London boroughs and other partners to:
- use £60 million of the Targeted Funding Stream to bring empty homes back into use
- undertake an audit of derelict abandoned homes
- use the discretion offered by the legislation for boroughs to remove Council Tax discounts on long term empty homes.
Improving homes, transforming neighbourhoods

Why we need change
There are currently 84,000 empty homes in London – 2.7 per cent of the total housing stock. Almost 17,000 of these homes are owned by local authorities, housing associations and other public sector bodies, while 67,000 are in the private sector. While this remains unacceptably high, the number of empty homes in the capital is at its lowest since the 1970s. As a proportion of the housing stock it remains below the national average of 3.1 per cent.

The significant rise in house prices between 1997 and 2007 helped to reduce the number of empty homes during that period. Higher demand drove down the number of empty homes as it made it economically viable to bring them back into use. It will be a significant challenge to maintain the current level of empty homes in a market downturn, and very stretching to reduce it further. During the housing market downturn of the early nineties the number of empty homes soared, increasing by over 30,000.

Properties are empty for a variety of reasons. In the short term, these are mostly related to the natural functioning of the housing market, with properties vacant awaiting sale or under offer, or being refurbished prior to occupation. Such properties are re-occupied relatively quickly, generally without the need for public intervention to bring them back into use. More than half the properties standing empty at any one time are this type of short term empty housing that will be brought back into use within six months.

More problematic are the 35,000 (1.1 per cent) of London’s private and public sector homes that have been empty for more than six months. In the private sector, these are often properties that are caught in protracted legal disputes, abandoned or derelict, or are where the owner does not intend to or has

insufficient incentive or resources to bring the property back into use. Returning such properties to use is challenging and expensive, often requiring enforcement action and/or significant investment to make them habitable. To reduce and maintain the proportion of these most challenging empty homes to just one per cent of all homes will require investment to bring at least 3,000 homes back into use. If, as previous experience demonstrates, a market downturn drives up the number of empty homes, this target becomes even more challenging. However, the gains from such action go beyond providing additional housing: derelict and abandoned properties in particular have a very negative impact on an area. They often attract vandalism and anti-social behaviour, they can spoil the built environment, creating local eyesores, and can seriously affect the value of neighbouring properties. An empty property can devalue neighbouring properties by as much as 18 per cent and a fifth of those living near an empty home believe that the empty home attracts crime. Therefore, targeting housing resources, such as those available through the Targeted Funding Stream (see section 3.3 on housing investment), provides a value beyond just housing supply, by improving neighbourhoods for the wider community.

**Housing by numbers**

An empty property can devalue neighbouring properties by as much as **18 per cent**.

London’s long term empty properties include 140 listed residential buildings at risk of being lost due to neglect or decay. Bringing such properties into use will not only provide more homes, but will also safeguard the capital’s historic buildings. English Heritage’s ‘buildings at risk’ register provides information about these listed buildings, but there is no similar source of information about other (non-listed) derelict empty housing stock. It is essential that a mechanism is developed – along the lines of the Abandoned Buildings Survey conducted in Boston, USA – to identify these other derelict properties, to enable investigation, intervention, investment and monitoring to take place.

Local authorities play the key role in tackling empty properties. Many have dedicated officers offering advice, information, support and, in some circumstances, grants to owners to

**Housing by numbers**

A **fifth** of those living near an empty home believe that the empty home attracts crime.
This scheme has brought a broad range of historic buildings back into beneficial use and converted a number of them into new homes. It demonstrates how a creative approach to the re-use of historic assets can help both to increase housing supply and to act as a catalyst for wider regeneration of the local economy.

When the Royal Arsenal closed in 1967, the future of the site – which at one time provided employment for 80,000 people – was uncertain. Regeneration, led by Berkeley Homes, is bringing back to life over 20 listed buildings and is transforming a range of buildings into novel and attractive homes. Many of these were on the English Heritage ‘buildings at risk’ register, with some dating back to before the Napoleonic era.

The area now has a mixture of converted and new build homes, supported by a range of new local services and cultural infrastructure, including a new museum and heritage centre. Southern Housing Home Ownership’s development at the Royal Arsenal provides 102 affordable flats, which are available for shared ownership. In other parts of the site, historic workshop complexes are proving eminently suitable for conversion to modern industrial uses.

High quality design has ensured that the historic nature and features of the buildings have been retained to preserve the extensive heritage of the site.
bring empty properties into use. Where other measures fail, there are opportunities for enforcement through the use of Compulsory Purchase Orders and Empty Dwelling Management Orders and a range of other legal sanctions and powers.

For those properties empty for a long time, action will often need to be aligned with significant resources. These can come from local authorities or through investment from the Targeted Funding Stream, and will need to align a commitment to and support for enforcement with capital investment.

It is perverse that there are currently financial incentives to leaving a property empty, with a statutory exemption from Council Tax for the first six months a property is empty and a discounted rate of up to 50 per cent thereafter. Local authorities have the discretion to reduce or remove the discount on homes empty for more than six months. Six London boroughs have removed the discount entirely and a further ten give a discount of below the 50 per cent maximum – recognising that high discounts may provide an incentive to owners to keep properties empty, and do not serve to penalise those that do so.

Housing by numbers

16 of London’s 33 councils give owners the maximum 50 per cent council tax discount on long term empty homes.

‘It is an absurdity that so many properties are empty in London when families are languishing on council housing waiting lists”
3 Maximising delivery, optimising value for money

3.1 Delivering across London

Vision

To develop, through the HCA, new partnerships and approaches to providing homes in successful communities.

From vision to policy

3.1a Creating a new architecture for delivery
- The HCAs London arrangements will be put in place to drive delivery.
- HCA London’s relationships with boroughs, national and regional investment agencies and the private sector will be the focus for aligning investment in housing and infrastructure.

3.1b Developing new investment models
- The HCA will lead on bringing land forward to support the provision of new homes.
- Resources will be brought together in the most appropriate mix, moving from grant-based to investment-based models of housing procurement, and developing approaches that derisk development.

3.1c Promoting new delivery mechanisms
- New delivery arrangements will be supported, including Community Land Trusts (CLTs), Local Housing Companies (LHCs) and public/private partnerships.
- Institutional investment in the residential sector will be encouraged.

From policy to action

The Mayor will work with the HCA, London boroughs and other partners to:
- put in place the London HCA arrangements by the end of 2008, with its first business plan setting out a programme to deliver this strategy
- align the investment of the HCA and LDA, along with other infrastructure investment and borough resources, to support the provision of new homes
- build strong relationships between the Mayor, HCA and the housing industry
- develop new approaches to meet the challenges in the housing market, taking long term stakes in developments where appropriate, including
  - releasing land in public ownership for longer term returns or in partnership deals, to minimise upfront costs and risks
  - providing gap funding and investing in affordable provision to maintain the pipeline
  - acquiring market homes for affordable provision, where these provide appropriate supply
- drive innovation, creating opportunities for CLTs/LHCs and joint ventures
- work with stakeholders to overcome the barriers to institutional investment.
Why we need change
The downturn in the housing market is creating major challenges for delivery, with London’s housing supply pipeline slowing significantly. The credit crunch has choked off the ability of both potential buyers to obtain mortgages and developers to raise the capital to fund new development. This has left developers unable to sell the new homes that they have completed or to start on new sites. Over coming years, as the sites currently in construction finish building out, developers will be at best reluctant, at worst unable, to bring forward new sites. This will particularly be the case for the larger and more speculative sites – such as those in the Thames Gateway.

There is a pressing need for co-ordinated, creative and innovative approaches to ensure that London delivers the homes it needs in this turbulent and challenging market. In these circumstances, the creation of the HCA, alongside the new powers devolved to the Mayor, could not have come at a more necessary time.

Creating a new architecture for delivery
In the past, public investment in housing has too often been poorly co-ordinated between national government, its agencies, regional government and local authorities. Although individual programmes may have delivered their core aims, the wide variety of funding streams, running on different lines to different target regimes, led to patchy delivery and sub-optimal use of resources.

The need to improve the co-ordination, planning and delivery of public housing investment was recognised in the creation the HCA. This brings together the investment activities previously carried out by the Housing Corporation and English Partnerships, with most of the former housing delivery functions of Communities and Local Government. In the London arrangements, it also wraps in the land and housing

- Chart 3.1a
Sales of homes by region, second quarter 2007 and 2008

Source: Land Registry, House price index and housing sales data, 2008
roles of the LDA. The specific HCA arrangements in London recognise the capital’s uniqueness – in terms of its governance, its economic position as the cornerstone of the UK economy, and the scale of its housing challenge. These new arrangements see the creation of an HCA London Board, chaired by the Mayor and with strong representation from the boroughs, to direct its activities in the capital.

The HCA will be the primary agency for the delivery of this strategy as, through the Housing and Regeneration Act 2008, it is required to have regard to the strategy when making its investment decisions in London. The HCA is building effective working relationships with local government to develop a ‘single conversation’ with boroughs on housing and regeneration. The HCA and Mayor regard boroughs as the principal partners in housing provision, and will work with them to ensure that the affordable housing London needs is provided.

It is also recognised that HCA London must build strong relationships with public and private developers and house builders, who are essential to overcoming the challenges to housing delivery. As with the boroughs, the HCA will lead the conversation with the wider housing industry to ensure effective alignment of public and private investment in housing in London.

The downturn in the market creates scope for new housing developers to enter the London house building sector, which would increase capacity and diversity in the industry and bring in new investment. The HCA can play the lead role in attracting new entrants from elsewhere in the UK and from abroad – to bring new ideas and examples of international best practice to London. There are also opportunities to work with the construction sector to make more use of modern methods of construction – to reduce costs and increase the speed of development, to improve standards of management and to enhance safety on construction sites. The construction industry also has great potential to provide Londoners with skills and trades, and more needs to be done to support apprenticeships and other training opportunities.

But investment in housing alone can only build homes – it cannot

---

**Housing by numbers**

Over half of London’s housing pipeline is on just over 200 large sites.
create and maintain communities. Ensuring that the right infrastructure is provided at the right time is essential to community building and place making, especially on larger sites where the impact on existing local communities and services can be significant. The HCA combines a very substantial investment programme with widely drawn powers on regeneration and land use, aligned with the Mayor’s new housing and planning powers and his responsibilities for London-wide investment, in particular transport. Taken together, these powers and resources will enable HCA London to take a much more strategic view of its investment decisions to deliver the aims of this strategy. The Mayor wants to ensure that its investment is as much about place making as it is about procuring affordable housing. The HCA London arrangements will bring together the powers and influence of the HCA, the Mayor and the boroughs to ensure the alignment of housing, regeneration and other infrastructure investment – to deliver sustainable communities in these turbulent times.

**Developing new investment models**

It is clear that in the changed housing market, reliance on the models of housing investment that delivered in the buoyant markets of the last ten years will not deliver the homes that London needs. The HCA will need to develop a range of new approaches to how it invests in the capital. These can take many forms, but involve moving to an investment rather than grant model, derisking development and taking a more flexible approach to grant.

**A new approach to land supply**

Much of the land available for residential development in London is in public sector ownership, including two thirds of the capacity for new homes in the Thames Gateway. This needs to come forward in a way that can deliver the housing targets in this strategy. There is also the potential to provide new homes on existing housing estates and other public land, alongside larger regeneration schemes that can deliver densification.

However, while there is significant land in public ownership, most development land is held by developers and other private owners. Where there is fragmented ownership, this can be a barrier to effective delivery. In these cases the public sector can assist with land assembly in order to bring sites together and release trapped potential.

Over half of London’s housing pipeline, nearly 100,000 homes, is on just over 200 large sites (of over 150 units), many of them in east London.
and the Thames Gateway. It is delivery on these large sites that is most at risk in the current market.

HCA investment in land to drive development would represent a very different approach to the developer-led models that have been the norm over recent years. It would require the HCA to pump prime sites, concentrating public investment at the front end of development – but enabling it to take greater control of the mix and design of these developments. In a market where new developer-led schemes may be much fewer, this could be a particularly valuable tool.

The public sector should publish early details of developable land coming forward and – in recognition that developers are unable to secure finance for large sites in the current climate – look to parcel these down as necessary. The HCA can lead on

**Map 3.1b**

**Ownership of sites in the London Thames Gateway**

*Source: LDA, Sites database, 2007*
working with landholders to do this, and work with public and private landowners, local authorities and developers to reduce the financial pressures and risks of development that can restrict delivery.

Derisking development can take many forms, from deferring receipts for public land to reduce upfront costs, to agreeing planning frameworks in advance of applications to provide greater certainty to developers, to using development agreements to foster working relationships between stakeholders. What these have in common is a focus on achieving long term housing outcomes and mitigating the impact of short term fluctuations in the market.

Gap funding and kick-starting development
Given that the driver of this downturn has been a lack of liquidity, the substantial resources of the HCA in London have an even more influential role to play in the current situation than they might have done in a more buoyant market. The HCA could consider providing gap funding for developers experiencing liquidity problems. This would be of most benefit on flagship schemes with proven demand but where lack of development finance could prevent start on site, or on large sites in danger of being mothballed, which would further depress local housing markets. This would be in the form of investment rather than a grant. The HCA could then enter into an overage agreement to ensure that when the market turns and house prices start to rise, the public sector receives a return on its investment, to be recycled into further development. This could also work by investing in the affordable homes to kick-start a development and deferring any cross subsidy from the market homes until prices and the market have picked up.

Although driving delivery on large sites is a key focus for the HCA, relatively small sites of less than ten units are still responsible for a sixth of homes in the pipeline. Many of these smaller sites are 100 per cent

‘I will use my position, as chair of the Homes and Communities Agency London Board, to drive delivery and develop innovative models of delivery in the capital.’
affordable developments and, although not dependent on market sales, they may need more flexible grant arrangements to be brought forward. To ensure all partners are working towards the delivery of the 50,000 affordable homes, all boroughs should make the maximum appropriate use of Social Housing Grant and other HCA resources available to support affordable housing in their areas.

Acquiring market housing for affordable homes
A programme of acquisitions of new build housing intended for the market but to be turned into affordable homes is likely to be a significant part of any response to the market downturn. To prevent some of the errors of the early 1990s market rescue package, these acquisitions must only be undertaken where the quality, mix and location of these homes is appropriate.

However, in addition to the possibility of using some of the homes for social rent or shared ownership, many may be better used in the short term for intermediate renting. These would then be converted into shared ownership or market sale when mortgage availability and the market recover. This would meet the need for more rented units during the current freeze in house buying and would help ensure the continued viability of developments.

Developers are already responding by producing their own, non-publicly funded, shared ownership, discounted market sale and renting options. The HCA could consider supporting some of these schemes, where they are providing affordable homes and underpinning development; but not to shore up values that are unrealistic in the current market, exposing buyers to a risk of negative equity.

Providing mortgage support
In the short term, fiscal measures, mortgage guarantee packages and mortgage rescue schemes could all play a role in supporting new entrants to the housing market and protecting home owners at risk of repossession – particularly those needing to remortgage. In the past, some local authorities and housing associations, including the GLC, offered mortgage schemes and several London boroughs have recently indicated a desire to start doing so again. Should the government decide to develop such schemes, it can work with local

Housing by numbers

Only 11 per cent of London buyers will benefit from raising the stamp duty threshold to £175,000.
authorities through the HCA in London. Although recent government initiatives to assist first time buyers and vulnerable home owners and to support the house building industry are welcome, their impact in London is likely to be limited. For example, at current prices only 11 per cent of London buyers will benefit from the raising of the stamp duty threshold to £175,000, compared to 49 per cent of UK buyers and 72 per cent in the North of England.116

Promoting new delivery mechanisms
Setting up new private/public delivery vehicles or using public land holdings to support non-profit and community organisations has the potential to help sustain housing delivery in the current climate, as these types of delivery bodies can be less exposed to market risks. Delivery models that can also improve overall outcomes by providing communities with permanently affordable homes and opportunities to own and manage local assets should also be supported.

New models being developed in London include:

Local Housing Companies (LHCs)
Under these models local authorities agree to transfer land assets in their ownership to a joint venture company on long term leases as the sites become available for development, at no cash cost but at an agreed book value. Ownership of the company is shared between the local authority and a private sector partner, which matches the local authority’s land investment with an equivalent amount of investment to fund the construction of new homes. In exchange for transferring land into the ownership of the LHC for a reduced or at no cost, the public sector landowner can retain up to half the equity, and can choose to create or have an input on the development brief for the site, while also receiving a proportion of any profits. The London Borough of Barking and Dagenham is one of 14 pilots selected by the government to set up an LHC. It plans to set up an LHC to deliver borough-wide regeneration, with over 7,000 new homes on local authority owned land. The borough is also involved in developing a second LHC on Barking Riverside, a site jointly owned by English Partnerships and Bellways, with the potential to deliver over 4,000 homes.

Community Land Trusts (CLTs)
In these models public land is transferred into the ownership of a trust controlled by members of the local community, who use this control to provide community benefits. The CLT can procure the development of affordable housing
on this land and, as it owns the land in perpetuity, it can ensure that new homes remain affordable for future generations. Any profits can be recycled into the CLT, which can use them to keep homes affordable and to provide other community benefits. A range of affordable housing products developed by CLTs can be provided directly to individuals or through models of mutual home ownership. CLTs can compensate for their current limited capacity and experience by working with housing associations to secure grant and to develop and manage properties. These models could be used to develop new sustainable communities on undeveloped land but can also be applied to existing communities, which can use them as vehicles for regeneration.

CLTs hold the potential to build strong communities based on empowerment, engagement and trust, and to reduce crime and anti-social behaviour. Their long term focus also gives them the potential to de-risk development and deliver through fluctuations in the market while ensuring perpetual affordability. The new Housing and Regeneration Act 2008 established a legal basis for CLTs, defining them as bodies that:

- further the social, economic and environmental interests of a local community
- use any profits to benefit the local community
- enable individuals who live and work in the area to become members of the trust
- are controlled by members of the trust.

‘Instead of creating the problem estates of tomorrow, we should create a network of Community Land Trusts.’

Joint ventures and other partnerships
Boroughs, housing associations and developers could also consider entering into other forms of joint ventures and other partnerships in which the risks and rewards of development are shared between public, private and not-for-profit sectors. These approaches can shift the emphasis of development schemes away from short term returns in favour of long term value creation for both local authorities and private partners. Encouraging more long term partnership models of residential development can improve the quality of homes provided and reduces the risk of short term market changes affecting delivery.

Institutional investment
A further source of resilience in the industry could come from increasing
in institutional investment in residential development, for example, from large pension funds or insurance companies. Institutional investors’ primary concern is securing a steady and reliable income stream over the long term rather than seeking the capital appreciation that has driven the buy to let market. The private rented sector would seem an ideal investment opportunity that is as yet unrealised for institutions, and opportunities for such investment should be promoted. This could include, for example, ‘build to let’ developments which would direct additional long term capital into the industry, incentivise higher quality building and improve ongoing management of the homes provided.

Recent work has explored the policy and practical barriers to institutional investors. Current market conditions have made some of these barriers harder to overcome, but have also lowered others. For example, the decline in homes being purchased means that more people need to rent privately and that there are increased opportunities for investors or housing associations to buy unsold flats for use as private renting. The government’s review of the private rented sector and the forthcoming housing green paper may also provide opportunities to make changes to encourage institutions to become involved. It is notable that across most of the rest of Europe and in North America, it is institutions, not private landlords, that are responsible for the majority of the private rented sector. In these same countries the private rented sector tends to offer greater certainty to both landlord and tenant than in the UK.
The Champlain Housing Trust in Vermont, founded in 1984, is the largest and most developed CLT in the USA. It was the first CLT in the USA to secure municipal funding and has been extremely successful in delivering permanently affordable homes to people on low and medium incomes.

Champlain has over 4,000 members, with a diverse property portfolio that includes over 1,600 rented homes, five co-operatives, and 440 shared equity and resale-restricted family homes and condominiums. In addition to its residential portfolio, Champlain holds several commercial properties that provide office space for a credit union, an emergency food store, a homeless provider, legal aid centre and community centre. In 2006, Burlington CLT merged with another not-for-profit organisation that doubled its size. In 2008, Champlain won a World Habitat Award from the Building and Social Housing Foundation.
3.2 Delivering locally

**Vision**

To work with London’s boroughs to ensure the effective local delivery of our shared aims.

**From vision to policy†**

3.2a Tackling homelessness
- The number of households in temporary accommodation should be halved by 2010.
- Rough sleeping should be ended by 2012 and the number of rough sleepers experiencing the ‘revolving door’ of homelessness should be reduced.
- People in temporary accommodation should have full access to education, health and, where required, social services.

3.2b Improving housing options, support and opportunities
- Good quality advice and information on housing, including housing options, should be available to all Londoners who need it.
- Supported housing services required on a pan-London or sub-regional basis, or for more mobile client groups, should be improved and protected.
- Levels of unemployment among social housing tenants and homeless people should be reduced.

3.2c Improving management and empowering tenants
- Housing management should be of a consistent and high standard, with appropriate approaches adopted in areas where a large number of social landlords operate and in new and mixed tenure developments.
- Tenants and residents should have opportunities for meaningful and effective participation and engagement.

† See also sections 1.3 on social renting and 1.4 on private renting.
The Mayor will work with the HCA, London boroughs and other partners to:

- establish a partnership board of the government, the boroughs and the voluntary sector, led by the Mayor, to tackle rough sleeping
- ensure full participation in and use of NOTIFY – the system for notifying health, education and social services about households in temporary accommodation
- ensure the provision of good quality and comprehensive advice and information on housing and housing options
- assess the number and characteristics of households at risk of repossession, to assist with the development of appropriate policy responses
- promote initiatives to free up social rented homes, by better targeting of housing alternatives, cash incentive schemes and mobility schemes
- make adequate revenue funding available to support Londoners in a variety of housing situations, in line with the anticipated increase in the number of new supported homes
- consider the need to provide cross-borough specialised supported housing services, particularly for more mobile client groups
- take the needs of service users from other boroughs and strategic considerations fully into account before making changes to Supporting People services of sub-regional and pan-London importance
- use the London Supported Housing Needs Assessment Model to help inform boroughs’ plans for new supported housing for different client groups, including London’s older people
- ensure full participation in the Multi Agency Witness Mobility Scheme
- consider cross-borough pilot projects that combine accommodation and support to reduce re-offending
- enable holistic sanctuary schemes to be offered to victims of domestic violence preferring to stay in their homes
- maintain levels of good quality housing management and consider tailored and innovative approaches where appropriate
- provide more personalised and neighbourhood level employment support services to customers accessing housing options or advice services.
Why we need change
Each tier of London government has a specific contribution to make in improving the lives of Londoners. While the Mayor provides leadership and makes strategic decisions in the interests of London as a whole, many areas of policy are the responsibility of boroughs and are best dealt with at a local level. Where this is the case, boroughs and local agencies should be left to do the things that they do best, with intervention from the Mayor only where this is appropriate and the strategic interests of London require it. This approach underpins the Memorandum of Understanding that will form the basis of the City Charter – a set of principles agreed by the Mayor and London’s elected members that is enabling them to work together more effectively in delivering first class services to Londoners.

One of the most critical roles of London boroughs is leading on place making and the promotion of sustainable communities. Their Sustainable Community Strategies set out their long term, strategic vision for their area, with Local Area Agreements underpinning delivery plans for realising that vision. Working with partners, stakeholders and local people, they develop that vision and drive its delivery.

In recent years, boroughs have increasingly worked together, on a sub-regional basis, to tackle cross-borough issues. This way of working enables boroughs to pool their resources and benefit from economies of scale when developing and implementing projects. London’s sub-regional housing partnerships were formalised in 2003 when housing investment in London moved onto a sub-regional basis. There are currently five sub-regions: west, south west, north, east, and south east. Each one has a sub-regional housing co-ordinator and appointed officers, responsible for leading on sub-regional policy priorities and for delivering and managing cross-borough programmes. The planning sub-regions will be reviewed through revision of the London Plan, and the HCA may reconsider the composition of the housing sub-regions to reflect any changes.

This section outlines the Mayor’s approach to the key London housing
issues where boroughs and sub-regions play the lead role and, in many cases, for which boroughs are statutorily responsible. These include tackling homelessness, providing options, advice and opportunities, enabling independence through support and managing homes and neighbourhoods.

**Tackling homelessness**

Homelessness affects many thousands of people in acute housing need in the capital, including rough sleepers and tens of thousands of others living in temporary accommodation, insecure housing or hostels. While the provision of housing is an important part of the response to homelessness, a raft of other measures is needed to tackle this most serious and persistent housing problem. These include specialist supported accommodation for those who require it, help accessing the private rented sector, support to address life skills, access to training and employment opportunities, specialist health services, tenancy sustainment and help to return to and reintegrate with existing support networks.

London is the only region of the country that has failed to meet national targets to reduce rough sleeping by two thirds, with an estimated 250 rough sleepers on any one night in the capital – half of the national total – and over 3,000 in the course of a year.\(^{119}\)\(^{120}\)

It is unacceptable that one of the world’s leading economies has people sleeping on its streets with a lower life expectancy than those living in 189 of the world’s 195 countries.\(^{121}\)

Many long term rough sleepers have complex and multiple needs, which can only be addressed through intensive support and appropriate services. A high proportion of rough sleepers are ex-offenders (39 per cent have been in prison) and there is clear evidence that stable accommodation can reduce re-offending by 20 per cent.\(^{122}\)\(^{123}\) Many people also repeat a cycle of homelessness and rough sleeping over many years – with just under half of people sleeping rough known to services from an earlier spell on the streets, and almost a third having previously lived in hostels.\(^{124}\)

Co-ordinating services for rough sleepers is particularly difficult in London, where local authority and health services cover different geographic areas within a single city. This can result in service inequalities and exclusions from services due to issues of local connection, which
can be particularly problematic for highly mobile groups or those with specialist needs. A specific issue for London, in particular central London, is that it has historically attracted people from throughout England and beyond, some of whom are or have become homeless. The central London boroughs have historical concentrations of services, and as a result experience high inflows of people. Positive outcomes for most homeless people are more likely if they return to their original community and support networks, so it is important that adequate reconnection arrangements and protocols are in place to enable this to happen.

Meeting the 2012 target to end rough sleeping in London requires a new and dynamic response. The government’s forthcoming national rough sleeping strategy combined with a new London partnership board of the government, the boroughs and the voluntary sector, led by the Mayor, will play an important role in ensuring a co-ordinated approach.

The chronic shortage of available social rented homes means that most statutorily homeless households (primarily families with children and vulnerable people) face a period in temporary accommodation. While this can sometimes provide good quality housing, it is frequently used for very long periods, often at very high weekly rents that discourage employment. But effective support for those in temporary accommodation can ensure that lives are not put on hold. In particular, it is essential that people in temporary accommodation, especially children, have access to services, including education, health and social services. Two thirds of the 55,000 households in temporary accommodation are in properties leased from the private rented sector, where much of the Housing Benefit paid (often for very high rents) ends up in landlords’ pockets. Innovative schemes exist (such as those funded by the Settled Homes Initiative) that capture this funding over time and use it to convert temporary homes into the social rented homes London needs. Where such schemes demonstrate that they offer value for money to the public purse and can also provide additional social rented homes, there is a clear case for further investment.

Because of their statutory responsibilities, London’s boroughs in particular shoulder the burden, financial cost and challenges of homelessness. In the face of this ever more challenging problem, they work – often in partnership with other agencies – to reduce and tackle homelessness, meet
housing need and provide stable and settled homes. These approaches are starting to pay dividends. Intensive work on homelessness prevention has resulted in the number of households accepted as homeless falling by over 50 per cent over the last five years. Progress is also now starting to be made towards meeting the 2010 target to halve the numbers in temporary accommodation, with numbers having fallen by ten per cent since the baseline of December 2004.

Providing options, advice and opportunities
Given the myriad of housing problems that Londoners can encounter and the range and complexity of housing options available to them, it is essential that there is open and easy access to good quality housing advice across the capital. Many boroughs successfully achieve this by providing a one stop shop, encompassing their homelessness functions, private sector landlord/tenant advice, the provision of information about different tenure options, including private renting and low cost home ownership, as well as advice and support for people under occupying social rented homes who may wish to move. London also has a rich independent housing advice sector, which complements borough provision and provides a vital range of specialist assistance to people with specific needs.

In the current market, there is a pressing need for comprehensive and effective independent advice and support to people at risk of repossession and for better information to target help at those who are most vulnerable. The consequences of repossession are far reaching, with those who lose their home potentially facing homelessness, adverse social and health consequences and a damaged credit rating. Repossessions in London increased by 12 per cent between the second quarters of 2007 and 2008. Many households

<table>
<thead>
<tr>
<th>Chart 3.2</th>
<th>Homeless households: numbers in temporary accommodation and lettings by region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Social housing lets made to homeless households, 2006/07</td>
</tr>
<tr>
<td></td>
<td>Homeless households in temporary accommodation, March 2008</td>
</tr>
</tbody>
</table>

in the capital are coming to the end of relatively low fixed rate mortgage deals, with many having bought at the top of the market and therefore potentially in negative equity.\textsuperscript{127} The rate of increase is therefore predicted to accelerate greatly over the coming months, with the Council of Mortgage Lenders estimating that repossessions nationally will be 66 per cent higher in 2008 than they were in 2007.\textsuperscript{128}

Although the government’s recently announced measures to assist vulnerable home owners are to be welcomed, further action is needed to prevent homelessness, to develop legitimate and sustainable options to enable those in difficulty to remain in their home and to protect people from the more unscrupulous ‘sell to rent back’ schemes currently on offer. Such interventions make sense not only for those at risk of repossession but also for the public purse: it is estimated that £100–£200 million spent on mortgage rescues to stop up to 6,000 repossessions would generate £195–£390 million in benefits from reduced spending on temporary accommodation and housing benefit and increased rent and staircasing receipts for social landlords.\textsuperscript{129}

With the strong and growing link between worklessness and housing tenure, boroughs and other social landlords are also increasingly looking at how they can play a role in helping people into work and training. Many social landlords are now developing and providing a range of services to broaden their current and prospective tenants’ opportunities, so that they can expand and fulfil their aspirations.\textsuperscript{130} The integration of such services, and the key contribution social landlords can make, is highlighted by the strategy of the London Skills and Employment Board.\textsuperscript{131} Such approaches are also central to the government’s housing reform agenda shaping its forthcoming housing green paper, and are reflected in the recently launched housing options trailblazers which have been designed to offer a greater range of advice to people looking for housing.

‘We must aim to get people off the streets and in to work. I have committed to ending rough sleeping by 2012 and I will explore further how I can best support this aim.’
Supporting independence
Many of London’s most vulnerable households require housing support to promote and maintain independence, better health and improved life chances. For some, this is most appropriately provided in their existing home through floating support, while others require support linked to accommodation (see section 1.3 on supported housing).

To this end, London boroughs, acting as commissioning bodies in partnership with local health, voluntary sector and other agencies, receive Supporting People (SP) revenue funding to provide housing support services to around 130,000 Londoners. From April 2009, this funding will be delivered as part of an area-based grant to help deliver locally identified priorities in Local Area Agreements.

While SP commissioning bodies are best placed to assess and deliver support for people living locally, the development and maintenance of services for some groups has been uneven across London, especially for people who are mobile between boroughs. This includes single homeless people and people at risk of domestic violence, or those for whom demand for services arises across London as a whole, for example ex-offenders. One way of improving this is through better sub-regional and regional planning and commissioning of SP services, to ensure, in particular, a closer connection with the housing growth agenda and with relevant strategies for older people and to tackle health inequalities.

In planning services, specific attention needs to be paid to the issue of our ageing society – especially with traditional sheltered housing not always meeting modern standards or expectations. In this context it is particularly important to consider how new and innovative models of housing support can be developed and tailored to meet both the needs and aspirations of the ageing ‘baby boom’ generation, now, by and large, in its 60s.

Managing homes and neighbourhoods
Residents want neighbourhoods that are peaceful, safe and enjoyable to live in. Housing management plays an important role in contributing to this and since the late 1990s boroughs and housing associations have significantly improved their performance in this area. Good

Housing by numbers
Stable accommodation can reduce re-offending by up to 20 per cent.
The project, led by the charity Off the Streets and into Work (OSW), uses a combination of coaching, support and financial incentives to help homeless people into work and into sustainable private rented sector homes.

As a ‘work first’ model, it takes a radically different approach to working with homeless people to achieve their ambitions. OSW has developed a coaching model, where the emphasis is on providing an individual and responsive service that is highly motivational and progressive.

The project has proved particularly effective in enabling ex-offenders and homeless young people to move into their own homes. Thirty per cent of clients are ex-offenders, of whom almost a quarter have secured full time sustainable jobs and have moved into the private rented sector. For people under 25, the statistics are very similar, although an even higher proportion has moved into the private rented sector.

The project demonstrates the potential of the private rented sector as an appropriate housing option for homeless and vulnerable people, and the significant role employment can play as a route out of homelessness. It also enables valuable hostel and supported accommodation to be freed up for those most in need.
Housing management is about much more than collecting rents and enforcing tenancy conditions. It includes tackling anti-social behaviour, involving local people in decision making and supporting vulnerable people — and can extend to services such as those to tackle worklessness and to provide housing options advice. In many areas, a broader neighbourhood management approach can be beneficial.

Housing developments, both new and old, are often a mix of tenures, with multiple landlords, often including buy to let and social landlords. This can cause problems in neighbourhoods where there is no single standard of management or overall responsible body. Potential approaches to address this include setting up commonhold arrangements or having a single organisation take responsibility for managing entire multi landlord developments.

Section 2.1 highlights the huge impact that crime, the fear of crime and anti-social behaviour can have on people’s lives and neighbourhoods and how good housing design can alleviate these. Housing management and meeting the needs of vulnerable groups have an equally large role to play. The boroughs in particular have responsibilities to prevent domestic violence, to ensure intimidated victims and witnesses are appropriately rehoused and to tackle anti-social behaviour such as littering, vandalism, graffiti, drug dealing and noise.

As the tier of government closest to local people, boroughs have a key role in empowering communities and enabling residents to influence how their areas and homes are managed. Social landlords have well developed participation structures, with boroughs responsible for tenant participation compacts, and housing associations required to follow the Housing Corporation circular on resident involvement.

Mechanisms for the delivery of affordable housing can also act to empower communities. Community Land Trusts, for example, can be used to put public sector land and assets into the permanent ownership and control of communities, which can then use them to provide wider community benefits such as affordable housing (see section 3.1 on housing delivery).
3.3 Investing to deliver

The Mayor is responsible for advising the Secretary of State on the apportionment of the Regional Housing Pot. This is London’s share of national housing resources for producing new and improving existing homes in the capital. In apportioning London’s Regional Housing Pot, resources are directed towards local and regional priorities, within the broad framework of national policy.

In London, the Regional Housing Pot is not the only source of public sector investment available for producing new and improving existing homes. Much public sector investment supports housing delivery, although it does not directly fund the construction of new homes. Agencies use their assets, such as land holdings or investment in transport improvements, or their statutory powers, including planning or compulsory purchase powers, to provide the necessary infrastructure to support the development of new homes.

For 2008-11, all London’s major public sector agencies responsible for housing-related investment agreed a common set of objectives, criteria, and standards for the use of their resources, to ensure consistent decision making on funding priorities. These informed the Housing Corporation’s National Affordable Housing Programme 2008-11 Prospectus and the GLA’s Bidding Prospectus for the Targeted Funding Stream 2008-11.134

London’s Regional Housing Pot for 2008-11 was split into three streams: funding for the Housing Corporation to provide affordable homes, resources to enable London boroughs to achieve the Decent Homes standard and the Targeted Funding Stream, which comprises a number of programmes to address London’s most pressing housing needs. The distribution of the resources between these three streams is set out in Table 3.3a below.

### Table 3.3a
Apportionment of London’s Regional Housing Pot, 2008–11

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>% of programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable homes from previous programmes</td>
<td>510</td>
<td>13</td>
</tr>
<tr>
<td>Affordable homes from 2008–11 programme</td>
<td>2,695</td>
<td>68</td>
</tr>
<tr>
<td>Improving existing homes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decent Homes standard</td>
<td>440</td>
<td>11</td>
</tr>
<tr>
<td>Targeted Funding Stream</td>
<td>331</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>3,976</td>
<td>100</td>
</tr>
</tbody>
</table>

### National Affordable Housing Programme (NAHP)

The NAHP funds social rented and intermediate homes, mainly through new build but with some purchase of existing stock primarily for low cost home ownership. Resources are allocated through a bidding process
to approved investment partners, and will be managed by the HCA from December 2008.

This programme, which receives by far the largest slice of the Regional Housing Pot, is the most important public funding for the provision of the new affordable homes needed in London. In 2008-11 the programme is
- providing 44,000 affordable homes
- increasing the provision of family homes, with targets for 42 per cent of social rented and 16 per cent of intermediate homes to have three or more bedrooms
- widening options for home ownership
- improving the quality of new homes to address climate change by ensuring that all new homes achieve a minimum of level 3 of the CSH, with priority for schemes that go further
- providing at least 1,250 homes for people with housing support needs, in line with the pan-London assessment of need
- earmarking £5 million to boost the supply of homes in the Seaside and Country Homes Scheme – for older Londoners in social rented homes wishing to move out of the capital.

The NAHP also includes £600 million for the Growth Area (Affordable Housing) Programme for 2008-11. This is funding for new homes to be built outside London, but to which London will have at least 30 per cent of the nominations. Bids for this funding will be made directly to the HCA and, should any of the funding not be allocated, it will be returned to the London Regional Housing Pot.

The Decent Homes programme
This programme provides funding to London boroughs to enable them to improve their homes to meet the Decent Homes standard. This amounts to £440 million in 2008-11 (11 per cent of London’s Regional Housing Pot). Funding is available from the Targeted Funding Stream for boroughs that wish to go beyond the Decent Homes standard to make further

Table 3.3b
Targeted Funding Stream – distribution of funding

<table>
<thead>
<tr>
<th>Individual funding programmes</th>
<th>Agreed spend 2008/09 £m</th>
<th>Provisional spend 2009/10 £m</th>
<th>2010/11 £m</th>
<th>2008-11 £m Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gypsy and Traveller Site Grant</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Settled Homes Initiative</td>
<td>0</td>
<td>30</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Improving the Condition and Use of Existing Homes</td>
<td>21</td>
<td>127</td>
<td>72</td>
<td>220</td>
</tr>
<tr>
<td>Innovation and Opportunity Fund</td>
<td>23</td>
<td>29</td>
<td>23</td>
<td>75</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>179</td>
<td>106</td>
<td>331</td>
</tr>
</tbody>
</table>
improvements in the quality of social rented homes. Allocations to each borough are set out in Appendix 2.

**The Targeted Funding Stream**

This programme, amounting to £331 million in 2008-11, funds projects that aim to make better use of London’s existing homes and enable London boroughs and social landlords to address some of the capital’s most pressing local housing needs. The programme is also important in delivering on the wider climate change and environmental agenda, providing additional funding to new build projects to go beyond CSH level 3 and funding initiatives to reduce CO₂ emissions from existing homes.

The bidding prospectus was published in March 2008 and bidding closed on 31 July. Resources for this programme are set out in Table 3.3b. Individual allocations of the TFS will be determined by the Housing Minister shortly, following the Mayor’s recommendations. Details of these will be published in the public consultation version of this strategy.

**Gypsy and Traveller Site Grant**

This funding is available to London boroughs and housing associations wishing to provide new Gypsy and Traveller pitches or sites, or undertake the refurbishment of existing sites, for these communities.

**Settled Homes Initiative**

This funding programme supports the government’s target to halve the number of households living in temporary accommodation by 2010. Its objective is to provide permanent homes let at or below target rents for homeless households currently in temporary accommodation (see sections 1.3 on social renting and 3.2 on homelessness).

**Improving the Condition and Use of Existing Homes**

The aim of this funding programme is to enable London boroughs and investment partners to put in place initiatives to improve the quality of existing homes and to promote the better use of the existing housing stock. It comprises a portfolio of activities, with local authority partners determining the best mix of these according to local needs and opportunities:

- improving local homes and meeting local need by bringing long term dilapidated and listed empty properties back into use
- improving the homes of vulnerable households in the private sector
- extending and converting existing homes to provide much needed family sized housing to meet the needs of overcrowded households
• providing assistance to London boroughs wishing to regenerate their estates or renew areas.

**Innovation and Opportunity Fund**
The aim of this programme is to help organisations to develop innovative approaches to tackling climate change and to bring land forward for development. The 2008-11 Innovation and Opportunity Fund has three priorities:
• delivering on the climate change agenda for new homes, by providing funding to enable developers to improve the quality of affordable homes from CSH levels 3 or 4 to levels 5 or 6
• improving local authority homes beyond the Decent Homes standard by piloting elements of the Better Neighbourhoods standard – the proposed supplementary standard to Decent Homes
• accelerating the delivery of affordable housing, in particular social housing, through innovative approaches to land assembly.

**Affordable housing delivery**
Table 3.3c sets out the predicted total number of affordable housing completions in 2008-11 from London’s public sector investors.

<table>
<thead>
<tr>
<th></th>
<th>Affordable homes</th>
<th>Social rented</th>
<th>Intermediate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCA</td>
<td>44,072</td>
<td>27,163</td>
<td>16,909</td>
</tr>
<tr>
<td>Other</td>
<td>6,015</td>
<td>3,248</td>
<td>2,767</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50,087</strong></td>
<td><strong>30,411</strong></td>
<td><strong>19,676</strong></td>
</tr>
</tbody>
</table>
Consulting with London

Following statutory consultation on this draft of the London Housing Strategy with the London Assembly and functional bodies, a further draft will be produced for statutory consultation with the public. A three month public consultation period will begin in spring 2009, during which the Mayor would like to receive Londoners’ views about the issues raised in the strategy. Any responses received before this, other than those from the London Assembly and functional bodies, will be acknowledged but cannot be considered as part of the statutory process until the public consultation period commences.

The strategy will then be revised again in the light of comments received from the public and, following its submission to the Secretary of State, the statutory London Housing Strategy will be published in late 2009.

All information, including personal information, received by the GLA in responses may be subject to publication or disclosure under freedom of information legislation.

This document can be downloaded from www.london.gov.uk.
Appendix 1: Gypsy and Traveller accommodation: estimated need for residential pitches by borough, 2007-17

<table>
<thead>
<tr>
<th>Borough</th>
<th>‘Minimum’ need</th>
<th>‘Maximum’ need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barking and Dagenham</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Barnet</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Brent</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Bexley</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Bromley</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Camden</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>City of London</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Croydon</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Ealing</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Enfield</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Greenwich</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Hackney</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Haringey</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Harrow</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Havering</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Hillingdon</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Hounslow</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Islington</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kensington and Chelsea</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Kingston upon Thames</td>
<td>-1</td>
<td>4</td>
</tr>
<tr>
<td>Lambeth</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Lewisham</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Merton</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Newham</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Redbridge</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Richmond upon Thames</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Southwark</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Sutton</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>-1</td>
<td>3</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Westminster</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**London total**: 135, 103, 238, 602, 166, 768

Source: London Gypsy and Traveller Accommodation Needs Assessment, May 2008. Note: London total does not match total given in the Gypsy and Traveller Needs Assessment Report due to rounding of borough figures. The ‘maximum’ need figure is most consistent with government guidance as it takes into account need arising from those with a psychological aversion to bricks and mortar housing.
### Appendix 2: Decent homes funding, 2008-11

<table>
<thead>
<tr>
<th></th>
<th>Allocation (in £000s)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008/09</td>
<td>2009/10</td>
<td>2010/11</td>
</tr>
<tr>
<td>Barnet</td>
<td>2,208</td>
<td>2,263</td>
<td>2,319</td>
</tr>
<tr>
<td>Camden</td>
<td>10,643</td>
<td>10,643</td>
<td>10,643</td>
</tr>
<tr>
<td>City of London</td>
<td>40</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td>Croydon</td>
<td>3,256</td>
<td>3,256</td>
<td>3,256</td>
</tr>
<tr>
<td>Ealing</td>
<td>5,900</td>
<td>5,900</td>
<td>5,900</td>
</tr>
<tr>
<td>Enfield</td>
<td>4,797</td>
<td>4,797</td>
<td>4,797</td>
</tr>
<tr>
<td>Greenwich</td>
<td>6,742</td>
<td>6,742</td>
<td>6,742</td>
</tr>
<tr>
<td>Hackney</td>
<td>17,700</td>
<td>17,700</td>
<td>17,700</td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
<td>6,072</td>
<td>6,072</td>
<td>6,072</td>
</tr>
<tr>
<td>Haringey</td>
<td>6,233</td>
<td>6,233</td>
<td>6,233</td>
</tr>
<tr>
<td>Harrow</td>
<td>2,725</td>
<td>2,725</td>
<td>2,725</td>
</tr>
<tr>
<td>Havering</td>
<td>2,114</td>
<td>2,114</td>
<td>2,114</td>
</tr>
<tr>
<td>Islington</td>
<td>9,112</td>
<td>9,153</td>
<td>9,194</td>
</tr>
<tr>
<td>Kensington and Chelsea</td>
<td>5,100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kingston upon Thames</td>
<td>1,439</td>
<td>1,439</td>
<td>1,439</td>
</tr>
<tr>
<td>Lambeth</td>
<td>8,757</td>
<td>8,689</td>
<td>8,689</td>
</tr>
<tr>
<td>Lewisham</td>
<td>2,697</td>
<td>2,600</td>
<td>2,700</td>
</tr>
<tr>
<td>Merton</td>
<td>2,090</td>
<td>2,090</td>
<td>2,090</td>
</tr>
<tr>
<td>Newham</td>
<td>16,410</td>
<td>16,410</td>
<td>16,410</td>
</tr>
<tr>
<td>Sutton</td>
<td>1,244</td>
<td>1,244</td>
<td>1,244</td>
</tr>
<tr>
<td>Southwark</td>
<td>12,526</td>
<td>12,526</td>
<td>12,526</td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>6,680</td>
<td>6,680</td>
<td>6,680</td>
</tr>
<tr>
<td><strong>London total</strong></td>
<td><strong>149,985</strong></td>
<td><strong>144,817</strong></td>
<td><strong>145,015</strong></td>
</tr>
</tbody>
</table>

*Source: Government Office for London, 2008*
References

1. GLA, Housing in London, 2008
2. Council of Mortgage Lenders, Lending declines further in August, 2008
5. GLA, Employment Projections for London by Sector and Borough, 2007
6. GLA, Focus on London, 2008
7. Communities and Local Government, Housing Live Table 508, 2008
8. Communities and Local Government, Housing in England 2006/07 and Housing Live Table 109, 2008
9. Communities and Local Government, Housing Live Table 109, 2008
10. GLA, Housing in London, 2008
13. GLA, The London Plan (consolidated with Alterations since 2004), 2008
14. CLG, Homes for the future, more affordable, more sustainable, 2007
15. GLA, The London Plan (consolidated with Alterations since 2004), 2008, Table 3A.1. ‘East’ here refers to the London Plan’s ‘North East’ and ‘South East’ sub-regions
16. National Housing and Planning Advice Unit, Meeting the housing requirements of an aspiring and growing nation, 2008
20. GLA, Mayor moves to reform delivery of social housing, press release, 23 October 2008
21. GLA, Analysis of figures provided by Communities and Local Government, 2008
23. Communities and Local Government, Housing Live Table 513, 2008
24. Based on lower quartile prices and lower quartile incomes – a commonly used measure of affordability for first time buyers
25. GLA, Annual London Survey, 2007
27. GLA, Housing in London, 2008
28. Communities and Local Government, Housing Live Table 514, 2008
29. GLA, Focus on London, 2008
30. Council of Mortgage Lenders, Response to the Consultation ‘Homes for the future: more affordable, more sustainable’, October 2007
32 GLA, Analysis of Family Resources
Survey, 2008. Prospective households
in this context refer to ‘benefit units’
as not all ‘households’ are likely to
purchase together

33 Communities and Local Government,
direct communication, 2008

34 GLA, London Development Database,
2008

35 GLA, First Steps Housing: A New
Approach to Low Cost Home Ownership
in London, 2008

36 Housing Corporation, Public Attitudes to
Housing, 2006

37 Council of Mortgage Lenders,
Response to the consultation ‘Homes
for the future: more affordable, more
sustainable’, October 2007

38 Tower Homes, direct communication,
2008; Council of Mortgage Lenders,
2007

39 This policy is in line with the
government’s Circular 01/2006,
Planning for Gypsy and Traveller Caravan
Sites, 2006

40 Communities and Local Government,
Housing Strategy Statistical Appendix,
2007

41 Communities and Local Government,
Housing Strategy Statistical Appendix;
Housing Corporation, CORE data, 2008

42 London Housing Federation/GLA/
Housing Corporation, Building For All:
Identifying the Need for Supported
Housing in London, 2007

43 Communities and Local Government,
Gypsy and Traveller Accommodation
Needs Assessments: Guidance, 2007

44 Communities and Local Government,
Housing Strategy Statistical Appendix,
2007

45 GLA, Housing in London, 2007

46 Census, 2001

47 GLA, Analysis of figures provided by
Communities and Local Government,
2008

48 John Hills, Ends and Means: The Future
Roles of Social Housing in England,
CASE report 34, London School of
Economics, 2007

49 John Hills, Ends and Means: The Future
Roles of Social Housing in England,
CASE report 34, London School of
Economics, 2007

50 GLA, Analysis of London and Sub-
regional Strategy Support Studies
database, 2008

51 Housing Corporation Centre for Research
and Market Intelligence, Aspirations to
ownership, Housing association tenants’
attitude to tenure, 2006

52 GLA, Analysis of London and Sub-
regional Strategy Support Studies
database, 2008

53 University of Birmingham for CLG,
Evaluation of Social HomeBuy Pilot
Scheme for Affordable Housing, June
2008

54 National Audit Office, A Foot on the
Ladder: Low Cost Home Ownership
Assistance, 2006

55 GLA, Analysis of London and Sub-
regional Strategy Support Studies
database, 2008

56 GLA, Analysis of CORE 2006/7, 2008
58 Communities and Local Government, Housing Live Table 109, 2008
59 Communities and Local Government, Housing Live Tables 503 and 734, 2008
60 GLA, Who Buys New Market Homes in London, 2006
61 The London Plan intermediate income band will be updated in the forthcoming Housing Supplementary Planning Guidance
63 GLA, unpublished data from Private Sector Rents Bulletin 2007
64 Office of National Statistics, Annual survey of hours and earnings – resident analysis, 2007
66 St Mungo’s, Nowhere to go, 2008
68 CABE/Homebuilders Federation, Building for Life, http://buildingforlife.org/ Building for Life is the national standard for well designed homes and neighbourhoods
71 GLA, Housing Space Standards, HATC Limited, 2006
72 GLA, Housing Space Standards, HATC Limited, 2006
73 Housing Corporation, Design and Quality Standards, 2007
74 Home Office press release, Design Alliance: fighting crime from the drawing board, 14 August 2007
75 London Housing Federation, Higher density housing for families: a design and specification guide, 2004
76 Under Section 17 of the Crime and Disorder Act, the Mayor must do all he reasonably can to prevent crime, disorder, anti-social behaviour and the misuse of drugs and alcohol in London
77 GLA, Analysis of DMAG 2007 round population projections, where ‘older’ refers to people aged 60 or above
79 Communities and Local Government, Department of Health, Department of Work and Pensions, Lifetime Homes, Lifetime Neighbourhoods – A National Strategy for an ageing society, 2008
80 Section 106 is an agreement made between a planning authority and a developer under Section 106 of the Town and Country Planning Act 1990. These agreements require developers to reduce the impacts of development through payments, either in kind or in cash, such as affordable housing or the infrastructure to support new development
81 GLA, Analysis of Housing Strategy Statistical Appendix data

82 CABE, Annual Review 2005/06, 2006

83 Sustainable Homes Index For Tomorrow is an index that benchmarks the environmental sustainability of landlords by auditing new and existing stock across a range of indicators and also by examining the sustainability of their business practice. Organisations signing up to the index are provided with an audit and recommendations as to how to improve environmental performance. It is run by Sustainable Homes

84 GLA, Action Today to Protect Tomorrow – the Mayor’s Climate Change Action Plan, 2007

85 Based on the Mayor’s Energy Strategy 2004 definition of fuel poverty: a fuel poor household is one that needs to spend more than 10% of its residual income (ie income after housing costs) on energy to maintain a satisfactory heating regime. The government definition of fuel poverty is based on full income. R Moore, Fuel Poverty in London, forthcoming

86 HM Treasury, Stern Review on the Economics of Climate Change, 2006

87 The Climate Change Bill, the Code for Sustainable Homes, commitments in the 2007 Housing Green Paper, Homes for the future: more affordable, more sustainable and Department of Energy and Climate Change, Press release: UK leads world with commitment to cut emissions by 80% by 2050, 16 October 2008

88 GLA, London’s Urban Heat Island: A Summary for Decision Makers, 2006

89 GLA, Supplementary Planning Guidance Sustainable Design and Construction, 2006

90 Housing Corporation, Design and quality standards, 2007

91 GLA, Home Insulation Campaign Survey, 2008

92 R Terry and R Gibson, Barriers to changing from grants to loans in London, forthcoming

93 GLA, Connecting Londoners with Trees and Woodland – A Tree and Woodland Framework, 2005

94 GLA, London Plan, 2008

95 GLA/Design for London, Living Roofs and Walls, 2008

96 London Assembly Environment Committee, Garden Grabbing Update, October 2007

97 This will be addressed in forthcoming Housing Supplementary Planning Guidance


99 Communities and Local Government, Index of Multiple Deprivation, 2007

100 GLA, Analysis of Census data 1981 to 2001

101 HM Treasury, DBERR and Communities and Local Government, Review of sub-national economic development and regeneration, 2007

102 ONS, People’s perceptions of their neighbourhood and community involvement, 2000
103 H Goudriaan et al, Neighbourhood characteristics and reporting crime, British Journal of Criminology, 2006

104 Communities and Local Government, Strong and Prosperous Communities, 2006

105 Figures relating to concentrations of social housing sourced from Census 2001, figures relating to new affordable housing completions sourced from the London Development Database 2004/5 – 2006/7

106 Communities and Local Government, Housing Strategy Statistical Appendix, 2007


108 Empty Homes Agency, Campaigning on Empty Homes, 2004


110 English Heritage, Heritage at Risk Register, 2008

111 The City of Boston government conduct an annual Abandoned Buildings Survey to develop strategies for encouraging renovation or reclamation of these properties


113 LDA, Thames Gateway Housing Sites Database, 2007

114 GLA, London Development Database, 2008. Figures refer to schemes under construction or not started as of April 2007

115 We need mortgage providers other than banks, Letter to The Times, 21 August 2008

116 Council of Mortgage Lenders, News and Views, September 2008


119 Communities and Local Government, National Rough Sleepers Statistics, 2007

120 Broadway, Street to Home: Annual report for London, 2008

121 GLA, Analysis of The Times report on life expectancy, 2008

122 Communities and Local Government, Rough Sleeping Ten Years On, 2008

123 Social Exclusion Unit, Reducing Re-offending by Ex-prisoners, 2002


125 Communities and Local Government, Statutory Homelessness, 2008

126 Communities and Local Government, Statutory Homelessness, 2008


130 London Councils, Our vision for homes in London, 2008
132 LAAs are agreed by the Local Strategic Partnership (LSP) and national government. The LSP is made up of the local authority (which is the lead partner) and its key local partners (such as the police, the NHS, the third sector and community groups)
133 Communities and Local Government, Focus on the Future, 2003
134 Housing Corporation, National Affordable Housing Programme 2008-11 Prospectus, 2007; GLA, Bidding Prospectus: Regional Housing Pot Targeted Funding Stream 2008-11, 2008
135 Communities and Local Government, Housing Live Table 1000, 2008