



South West London Strategic Housing Market Assessment

Final Report



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Executive summary

Background

- This is a Strategic Housing Market Assessment for the seven local authorities that make up the south west sub-region of London (LB Croydon, RB Kingston upon Thames, LB Lambeth, LB Merton, RB Richmond upon Thames, LB Sutton and LB Wandsworth). It was undertaken by ECOTEC (now Ecorys) in 2009 and 2010.
- An SHMA explores current and future housing need, demand, supply and affordability; providing insight into the key drivers behind the housing market. It follows the prescribed CLG Guidance, using secondary data sources, and was informed and underpinned by an extensive programme of consultation with local groups and individuals. It is compatible with the requirements of PPS3.
- Over the last several years, there have been various previous housing need studies carried out at a local authority level in south west London; and there has also been a city-wide assessment commissioned by the Mayor and released in 2009. The various studies were based on different methodologies and at were undertaken at varying times, using varying datasets. As a result, the outcomes of the individual studies are not directly comparable.
- The datasets primarily used in the study were those available at March 2009, and the 'snapshot' of housing need is of this date. Where possible and appropriate, so long as the underlying time-referenced analysis is not undermined, more recent data has been incorporated.

National and London context

- The former government's headline figure was to build 3 million new homes by 2020, 2 million by 2016; this included 70,000 affordable homes, of which 45,000 were to be social rented units, but this has now been overtaken by the policies of the coalition government
- These are driven by the need to eliminate the structural budget deficit over the current parliamentary term. Radical cuts in capital investment imply a reduced production of 150,000 affordable homes over the next four years (compared to 280,000 under the previous administration)
- The previous monitoring target for additional housing provision was a minimum of 305,000 homes between 2007/8 and 2016/17 (based on London Housing Impact Study, 2004); reductions in investment will undermine this target (a 52% reduction in grant-based investment is forecast though this may be mitigated in part by New Homes Bonus)
- The abolition of the Regional Spatial Strategies (though currently under legal challenge) has been estimated to have cost 160,000 units across all tenures, as a result of downward revision on plans by local authorities.
- However, there still remains a requirement under PPS3 for local authorities to retain an evidence-based approach for planned housing numbers. The transfer of the functions of the London HCA Board to the Mayor is likely to make the role of the London Plan and the London Housing Strategy even more central, as does a more locally-driven planning and development agenda
- The London Plan still targets 50% of all new housing to be affordable of which 70% should be affordable rented; this means that 50% should be market, 35% social rented and 15% intermediate. However, the current government's plans to redefine 'affordable' and to change the relationship between market and affordable rents will undoubtedly impact on these figures and the relationship between 'intermediate' and 'affordable' housing will also become more blurred

The economic and labour market context

- The total population of south west London was 1,605,500 in 2006 living in 698,000 households, and is predicted to increase by 18% by 2031

- The sub-region, in common with London as a whole, is a net exporter of population when migration within the UK is considered. South west London as a whole saw a net migration outflow of 11,200 people (in the period of 01/01/07 – 31/12/08) to other parts of London and the UK. This is, however, more than balanced by the impact of international migration to the sub-region.
- The sub-region has a higher level of economic activity and household income than is displayed generally in London and nationally. According to CACI PayCheck data, the average annual gross household income in SW London in June 2009 was £42,649
- Jobs are becoming concentrated in the service sector, whilst the fact that almost a third are in the public sector makes the economy vulnerable to cuts in public sector expenditure; South west London has a lower proportion of unemployed people seeking work than London as a whole (6.1% in 2009) Many of south west London's most deprived neighbourhoods lie in Lambeth (19th most deprived local authority area in England); However, south west London is the least deprived sub-region in London (according to the Index of Multiple Deprivation)

The current housing market context

- There is a strong and growing demand for social housing, as evidenced by the continued high numbers of homelessness acceptances and increasing numbers on housing registers; only 9% of need (as expressed by numbers on registers) was met in 2009
- The supply of Council accommodation available for rent has fallen by over 12,500 properties in the period between 2002 and 2008. In the same period the number of RSL owned properties increased by about 3,500. The private rented sector is becoming more significant as a tenure.
- At the moment, close to 11% of the housing stock in south west London is owned by Councils and 6% by RSLs (though this proportion will have changed following Merton's stock transfer)
- There are a number of schemes that seek to address the issue of overcrowding amongst social rented tenants
- The current active housing market is typified by high costs of accessing private sector housing (both to purchase and to rent) in the sub-region. At the same time the number of social rented properties let each year has fallen by nearly 20% during the past five years
- House prices in London fell by 8% during 2007/8, compared to a UK wide fall of 11% but have recovered through 2009 and 2010; South west London has relatively high property prices; between August 2007 and 2008 there was an 80% reduction of house purchase activity and transactions continue to be sluggish
- The average house price in south west London at June 2009 was £361,742; just over 50,000 transactions took place in the preceding two years; Lowest quartile (i.e. entry level) house prices ranged from £105,000 (studio / 1 bed flats) to £288,000 (4 bed house)
- The average rent in the private sector for a new lettings was £2,300 per month and lowest quartile private sector rents ranged from £495 per month (1 bed) to £2,308 (4 bed)
- A combination of shortage of affordable accommodation, increasing unemployment and increasing rent levels saw housing benefit claims increase by 5,500 between 2008 and 2009

The future housing market

- A 17.8% increase in population is expected in south west London over the next 25 years (2006-2031), primarily among older age groups; Beyond 2015 the over 80 age group is expected to grow at the fastest rate, putting increased pressure on health, social and housing services
- There are issues related to international migration, investment in public services, and the availability of a workforce to support an ageing population that will need addressing

- The number of households in south west London are expected to grow by 26.9% over 25 years (2006-2031); these projections also signal a shift in the types of household living in south west London with an increasing in the proportions of the population living in single person and single parent households and a decrease in the proportion of married couples households living in the sub-region.
- While the principle increase will be among single-person households, because of the demographic profile of population growth (tilted towards the elderly and very elderly), this is unlikely to be a signal for large-scale increase in single person accommodation.
- In this context, the production (and preservation) of larger homes should be prioritised, both through investment and planning policy
- There are policy options around under-occupation, over-occupation, and provision of accommodation with support that need to be addressed in this context, especially as reductions in capital investment make it unlikely that planned higher levels of social housing production will be delivered
- In terms of new private sector supply, new development is also likely to be depressed into the future; price cuts do not appear to have generated additional purchases
- There may be a negative economic effect related to housing markets through a combination of reduction in affordable rents, and capping of housing benefit ceilings making it more difficult for low paid service workers in south west London to access affordable homes.
- The rate of economic recovery is the main factor that will increase access to and affordability of housing; current forecasts do not indicate any rapid improvements for households in need.

Housing need in south west London

- The Royal Institute of Chartered Surveyors Accessibility Index (Dec 2008) showed that first time buyers in London had to pay 51% of household income to gain a foothold on the lower rungs of the home ownership ladder; the norm for south west London households is to spend more than 25% gross household income on housing costs
- Due to the increased level of deposits required by mortgage lenders and other associated costs of buying a property, a substantial number of households will be excluded from the owner-occupied market
- Entry level prices (lower quartile) ranged from £105,400 to £288,000 depending on bedsize in 2009
- Incomes required to afford entry level prices for different property sizes ranged from £14,600 to £50,000
- There is a current backlog of 63,727 households (including 5,465 homeless and 58,262 unsuitably housed households) in housing need in the sub-region
- The proportion of new households forming each year unable to buy or rent in the market (based on modelled income and property cost data) is 33.5% (2,667 per annum)
- There are 4,387 new affordable units planned during the 2 year period 2009/11, but given the current fiscal conditions, it is sensible to take an average figure based on a five year period, giving an annual average of 1,844 new dwellings
- On average there were 5,509 re-lets of existing affordable dwellings per year
- To meet newly-arising need and reduce backlog need over five years would require an additional 9,271 affordable homes every year
- While in numerical terms, the shortfall of affordable one bedroom (when considering the ratio of supply to projected demand) is the most acute, followed by four-bedroom homes, in policy terms prioritising the supply of larger homes is a valid objective. This is similar to the picture found in the London wide study
- In terms of market homes, a mix including 48% houses of 2, 3, 4 and larger bedsizes is recommended; a similar proportion of intermediate dwellings of 2 bed or larger is also recommended.
- We have modelled different levels of the intermediate market component of an overall affordable housing programmes, ranging from 20% to 40%; however, this distinction may become irrelevant if plans to redefine 'affordable rents' as those that could run at 80% of markets rents go through

Local housing market types in south west London

- Five housing market typologies were developed: Entry Level, Town Centre, Commuting, Prime and River Frontage, and the study identified 90 individual housing markets in these five typologies in south west London
- The value of a housing typology approach is that it enables authorities to track economic, social and demographic change in a local area against benchmark standards over time, and prepare appropriate policy responses
- It will be particularly well-suited to informing the new localism agenda, and encouraging fairness and transparency between perhaps competing communities
- The areas and their typologies can be linked back to the main criteria used to assess housing need in the SHMA
- Over half (50.3%) of accepted homelessness applications in the sub-region were from Entry Level typology areas, conversely households in River Frontage typology areas comprised only 0.5% of such applications
- The highest proportion of people who could not afford a lower quartile private sector property in south west London was in the River Frontage typology areas (79.8%) followed by Prime, Commuting, Town Centre and then Entry level (at 25.3%).

Housing needs backgrounds for individual local authorities

- The Lower Quartile house price in Croydon (June 2007-2009) was £175,000 – the lowest amongst all south west London authorities
- Croydon has the highest annual number of new lets of social rented stock (1,356) of any authority in the sub-region
- Croydon also has the second largest Council waiting list
- The Lower Quartile house price in Kingston upon Thames (June 2007-2009) was £235,000 – the third highest amongst all south west London authorities
- Kingston has the equal lowest annual number of new lets of social rented stock amongst south west London authorities
- The Lower Quartile house price in Lambeth (June 2007-2009) was £220,000 – the fourth highest amongst all south west London authorities
- Lambeth has 16,729 households on the council's waiting list (31 March 2009) – the highest in south west London
- The Lower Quartile house price in Merton (June 2007-2009) was £215,000 – the third lowest amongst all south west London authorities
- The Lower Quartile house price in Richmond upon Thames (June 2007-2009) was £275,000 – the highest amongst all south west London authorities
- The Lower Quartile house price in Sutton (June 2007-2009) was £182,500 – the second lowest amongst all south west London authorities
- Sutton has the joint lowest annual number of new lets of social rented stock in south west London
- The Lower Quartile house price in Wandsworth (June 2007-2009) was £260,000 – the second highest amongst all south west London authorities

Characteristics of specific groups

- Older people (aged 65+) in south west London account for 11.5% of the overall population, this figure is projected to increase 9.8% by 2031
- Two-thirds of people in south west London describe themselves as White British, compared to 59.8% for London as a whole and 87% for England
- The number of people from BME groups has increased, with a higher proportion below the age of 45 than for other ethnic groups
- Research suggests that non-white British communities in south west London live in poorer, less secure accommodation

- There is a shortfall of accommodation for people with support needs; the highest being for people with mental health issues (885), followed by people with substance abuse issues (785) and learning disabilities (712)
- In 2000, 85 people were sleeping rough in south west London (according to the government's annual street sleeping count)
- In 2009 there were 142 gypsy caravans in the sub-region (all but 2 on authorised sites)
- Information on student numbers per sub-region is unavailable, however in 2007/8, London had just under 2.4 million students in higher education, There are 6,200 purpose-built student homes in existence or under construction. Their presence has a complex impact on local private rented sector markets
- Home Office figures (2009) indicate that there were 470 asylum seeking households in south west London receiving subsistence support from the Home Office

1.0 Introduction

The South West London Housing Partnership commissioned ECOTEC Research and Consulting (now Ecorys) to carry out a Strategic Housing Market Assessment in August 2009. The assessment was to cover the seven individual local authority areas that together make up the south west sub-region of London.

1.1 The purpose and scope of the Assessment

The purpose of the Assessment is to provide a robust and credible evidence base which will complement and inform Local Development Frameworks (LDF) and borough and sub-regional Housing Strategies as well as to establish current and future requirements for both market and affordable housing across the sub-region within the London context.

This Assessment explores current and future housing need, demand, supply and affordability and provides insight into the key drivers behind the housing market within the sub-region. The Assessment is inclusive, assessing the needs of all residents (both current and future) across all tenures and considering the specific housing needs of people within specified groups.

Specifically, the aims and objectives of this assessment are to:

- Provide credible and robust evidence to determine the current and future housing needs and demands in South west London
- Provide sufficiently credible and robust evidence to inform and support policies to be included in the individual boroughs' LDF documents
- Obtain the views of stakeholders to better understand the characteristics of housing need and demand in South west London
- Determine the nature and influence of the local housing market(s) within the sub-region (including where these cross borough boundaries)
- Assess the nature of the relationships between the sub-region and neighbouring areas in London, Surrey and Sussex
- Inform the targeting of housing resources and spending priorities, together with any bids for resources to address the issues identified.
- In addition, this study had specific requirements established by the sub-regional partnership:
 - Set a reference date where all data to be included within the evidence can be related to. This should be as current as possible to provide as much insight in to the current climate in the housing market as possible.
 - Make use of GIS to present evidence of and analysis on the housing markets operating within the sub-region, both with and without borough boundaries. This should include sub-regional data from the Indices of Multiple Deprivation, the location of council and housing association owned housing estates, house prices, sales volumes, social and private rents, major transport and commercial hubs, migration and travel-to-work patterns.
 - Present the housing needs of south west London in a London-wide context, capable of being broken down by borough and housing market area, setting out borough issues, the sub-regional and London context, as well as making comparisons with national, regional and sub-regional data. In this requirement it is expected that the Sub-regional HMA will identify areas/housing markets which are in accord with the performance of the London market and those which are out of kilter.

- Provide robust evidence to inform policies aimed at providing the right mix of housing across the whole market. This should draw together the bulk of evidence required to help the south west London boroughs to appraise strategic housing options including social housing allocation priorities, the role of intermediate housing products, stock renewal, conservation, demolition and transfer.
 - Provide information over the entire period covered by LDFs (up to 2026), considering the anticipated position at 5 year intervals, and maintaining robustness and accuracy as far as practicable after the first 5 years.
- Key conclusions should be made at sub-regional level and at borough level. In a sub-region that is as diverse as South West London, where inner city markets operate in close proximity to sub-urban markets key sub-regional conclusions are likely to have very different implications at local level. Most relevant is the size and type of housing provision across the borough. In cases where sub-regional requirements are notably different to local requirements, clear and robust qualifiers and descriptions must be made.
 - When dealing with estimates of housing need and making recommendations regarding future requirements for affordable housing the Sub-regional HMA must take account of each borough's statutory duty to re-house certain priority groups such as homeless households or those living in temporary accommodation. The document should contextualise and make reference to the fact that the type and size of affordable housing required to fulfil boroughs statutory duties (i.e. homeless households and those with the most points on the Housing Register) may differ to recommendations based on the HMA (where a broader interpretation of affordability includes those households who cannot afford to rent or buy at market levels, e.g. professional sharers in the private rented sector, who are unlikely to be prioritised/access social rented housing).
 - The study should also consider future demographic trends and identify the accommodation requirements of specific groups such as homeless households, Black and Minority Ethnic groups, first time buyers, disabled people, older people, Gypsies and Travellers (refer to the London GTANA) and occupational groups such as key workers, students and operational defence personnel.

1.2 Approach

This Strategic Housing Market Assessment (SHMA) has been carried out in accordance with official Government Guidance from the Department for Communities and Local Government (CLG) ¹ on undertaking such assessments and the approach meets the requirements of Planning Policy Statement 3: Housing².

Concerning robustness the CLG Guidance states on page 9:

"A robust and credible evidence base is identified by PPS12 as being necessary for a plan to be sound. In line with PPS12, for the purposes of the independent examination into the soundness of a Development Plan Document, a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2. In such circumstances, there is no need for the approach used to be considered at the independent examination. Any discussion at independent examination should focus upon the assessment's findings and its relationship with the proposed spatial policies for housing set out in the draft submission development plan document."

¹ Strategic Housing Market Assessments: Practice Guidance, CLG, August 2007.

² PPS3, CLG, November 2006.

The Core Output requirements listed in figure 1.1 of the CLG Guidance are given here, with the sections where these estimates appear in this report:

Table 1.1 Strategic Housing Market Assessment Core Outputs

Strategic Housing Market Assessment core outputs		Report Section
1	Estimates of current dwellings in terms of size, type, condition, tenure	3.3, 3.4
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	3.3, 3.4
3	Estimate of total future number of households, broken down by age and type where possible	4.1
4	Estimate of current number of households in housing need	5.3
5	Estimate of future households that will require affordable housing	5.4
6	Estimate of future households that will require market housing	5.7
7	Estimate of the size of affordable housing required	5.7
8	Estimate of household groups who have particular housing requirements, e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.	8

The Process Checklist listed in figure 2.2 of the CLG Guidance is given in the following table:

Table 1.2 Strategic Housing Market Assessment process checklist

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

Extensive use of secondary data has been made. This has been augmented by extensive Stakeholder Consultation.

The Assessment has made use of the following secondary data sources:

- ONS 2006-based sub-national population projections
- Greater London Authority, 2007 Round Population Projections
- Greater London Authority, 2007 Round Household Projections
- ONS NHS Registrations
- DWP National Insurance Number Registrations
- CACI PayCheck
- Index of Multiple Deprivation 2007
- Housing Strategy Statistical Appendix (HSSA) 2009
- Single Housing Benefit Extract
- London Development Database
- DCLG Live tables
- HM Land Registry
- CORE data
- NOMIS data

The following national and regional guidance and studies have been reviewed and used to contextualise the results of this study:

- Greater London Strategic Housing Market Assessment 2008 (GLA, April 2009)
- The London Strategic Housing Land Availability Assessment and Housing Capacity Study (GLA, October 2009)
- East Surrey Strategic Housing Market Assessment (Consortium of East Surrey Local Housing Authorities, 2008)
- Delivering Affordable Housing (CLG, November 2006)
- Planning Policy Statement 3 (CLG, November 2006)
- Strategic Housing Market Assessments: Practice Guidance (CLG, August 2007)
- Statutory Code of Practice for Racial Equality in Housing (EHRC, 2006)
- Strategic Housing Markets Assessments in London – a joint statement from Government Office for London and the Greater London Authority (June 2007)
- London Plan (GLA, 2004, Early Alterations to the London Plan, 2006 and Draft Further Alterations to the London Plan adopted in 2008)
- Mayor's Housing Requirement Study (GLA, 2004)
- London Mayor's Housing Strategy (GLA, September 2007 and later versions)

The following local studies and documents were examined and their findings used to inform and contextualise this assessment:

- Croydon Housing Needs Assessment 2002
- Lambeth Housing Needs Survey Update 2008
- Richmond upon Thames Local Housing Market Assessment 2007
- Sutton Local Housing Needs Assessment 2008
- Croydon Draft Local Housing Market Assessment 2009
- Kingston upon Thames Draft Strategic Housing Market Assessment 2009
- Merton Strategic Housing Market Assessment 2009
- Wandsworth Housing Market Assessment Update 2009
- Croydon's Housing Strategy 2006 – 2010
- Kingston upon Thames Housing Strategy Statements 2002/3 and 2003/4

- Lambeth Housing Strategy 2009 – 2013
- Merton Housing Strategy 2008 – 2011
- Richmond upon Thames Housing Strategy 2008 - 2012
- Richmond upon Thames Homelessness Strategy 2008 – 2012
- Sutton Housing Strategy 2008/9 and Beyond
- Wandsworth Housing Strategy 2003

The CLG Practice Guidance condenses and simplifies existing guidance, especially around the use of secondary data, consolidating the key elements of previously separate guidance on housing market and housing needs assessments to provide a clear process for undertaking housing needs assessments. However, the Guidance allows a variety of different approaches to be used, including the use of differing datasets, variations between use of primary and secondary data, differing definitions of types of household 'in need', differing approaches to measuring new supply and a variety of other valid but potentially inconsistent elements.¹

This study has been carried out using the CLG Guidance, as have the London-wide SHMA and local housing market assessments. However, there are a variety of reasons why the results of the various studies will not be completely compatible. As noted above, the Guidance allows inconsistency between studies, so that it is not, for example, possible to aggregate the results from Housing Market Assessments in individual local authorities to reach a figure that completely corresponds to those produced at regional or sub-regional areas. One issue is, obviously, the timing of the studies which can make comparisons between studies more difficult. This is particularly important in a period of marked change in the housing market such as that which has taken place during 2008 and 2009.

The London-wide survey used secondary data sources. Other local housing market assessments undertaken in south west London have used original survey data as their base. Both approaches have validity but will tend towards producing different and alternative insights into the housing market. While it is expected that sub-regional studies such as this one will attempt to correlate findings with the pan-London study, there is no assumption that there need be a complete relationship between single borough studies and the greater London study. It is more appropriate to seek a degree of legibility between the London-wide and the sub-regional studies that are currently taking place.

Strategic Housing Market Assessments often cover much larger areas than are covered by a single local authority area. In such cases it is necessary for a series of local housing markets to be defined and the results of the assessment will reflect and report on the individual areas. For this assessment we have identified a series of housing market typologies and each local market area within the sub-region has been allocated to a typology. These typologies reflect the roles that individual areas play in the overall housing market for the sub-region. For example, some areas have been identified as "market entry" areas whilst others are seen as being "Town Centre" locations with a different dynamic from surrounding areas. The typologies are used in this strategy to examine the nature of housing areas that are not necessarily geographically adjacent but have fundamental characteristics in common in terms of how they operate within the sub-regional market. Separate need assessments have been produced for each typology which demonstrate their accessibility to people in need and could inform future spatial strategies if the authorities in the sub-region wish to address issues around

¹ Pp 16-17 Strategic Housing Market Assessments Practice Guidance Version 2 (DCLG August 2007)

any imbalances in the individual housing market areas. These typologies were developed as part of the Stakeholder consultation processes and have since been refined by the application of local knowledge as well as statistical analyses.

1.3 Research methodology

The research method used to conduct the South West London Strategic Housing Market Assessment was an analysis of secondary data.

In the overwhelming majority of cases the information used has come from published sources. There are, however, five main exceptions to this rule, all of which relate to the capture of raw data:

- A list of all property transactions that took place in the sub-region between 1 June 2007 and 1 June 2009 was obtained from the Land Registry;
- Household income data for the sub-region analysed at full Post Code level was obtained from the CACI PayCheck data base;
- Information on the size of rented properties allocation was provided by the individual authorities as this is not available at the level of detail required from published sources;
- A random sample of properties for sale in the sub-region was carried out to contribute to a calculation of property sale price by number of bedrooms which is not possible using Land Registry data alone. This produced a data base covering approximately 650 properties; and
- A random sample of properties available for rent on the private market was compiled from a web search. This produced a data base covering approximately 700 properties.

An alternative approach to the carrying out of a housing market assessment is to base it, in whole or part, on primary (survey) data. The Guidance allows for either approach. However, it does contain advice that "secondary data (i.e. data from local administrative or national data collection exercises rather than specially commissioned surveys or interviews) should be used where appropriate and feasible." In the case of south west London there is a wealth of secondary data available which allows a Strategic Housing Market Assessment to be completed without the need for a household survey. However, because it is collected for a variety of reasons and from a range of sources, there are constraints on the applicability of some secondary data sources. Where this is the case for specific pieces of data, then these are highlighted in the text.

One major issue that differentiates between housing market assessments that are carried out using primary and secondary data is the treatment of the calculation of housing need. These differences will lead to divergences in the picture of housing need developed by the two methodological approaches.

Survey based studies are designed to capture information given by householders about their current housing and economic circumstances. Using this information an assessment of the number of households who are in some form of housing need (e.g. living in overcrowded circumstances, sharing a home when preferring not to do so) is made. A separate calculation (again primarily based on the survey returns) is then made of the number of those households who could afford to resolve their own housing needs in the local market by accessing owner-occupation or the private rented sector. Those who cannot are then deemed to be in "housing need". The

issue is that no account is made of the fact that some of these households may not wish to be housed in the social rented or intermediate housing sectors but prefer to resolve their housing situation themselves.

Studies such as this one, based on secondary data, start by identifying those households who have approached the local authorities and/or Registered Social Landlords¹ (RSL) seeking access to social rented or intermediate housing property. An assessment is then made of those on the various lists who meet the definitions of need as outlined in the Guidance and that number of households is considered to be in housing need. The issue with this approach is that there may be households who are unaware of the role of the public and housing association sectors in helping to meet need and have not, therefore, approached local agencies for assistance with rehousing or may consider themselves not to be eligible for assistance and do not, therefore, apply for it.

1.4 Stakeholder consultation

One of the key elements of the successful completion of a Strategic Housing Market Assessment is engagement with a range of local stakeholders. The purpose of such consultation is to ensure that the views of local organisations and individuals who have an interest in the local housing situation are taken into account. In the case of this assessment the consultation also acted as a form of "reality check" to ensure that the emerging results of the assessment were not at odds with the local perceptions of the housing situation in the sub-region.

The consultation process took the form of a number of individual contributions garnered via face-to-face discussions, telephone interviews and e-mailed questionnaires. All individual contributions were structured by the use of a standard set of questions focused on a range of issues agreed with the client. In addition to the individual consultations, a number of consultation events were held. These events were held at the outset of the process and at the stage where preliminary findings were available.

The individual consultations involved:

- 14 face-to-face meetings;
- 20 completed telephone interviews; and
- 18 returned questionnaires.

In addition, a further 28 individuals/organisations were contacted but did not make a response.

The Stakeholder Events were held in three different venues, two at the outset of the project and one at the preliminary results stage. In total 539 individuals representing interested organisations were invited and 113 attended one or more of the events. The initial events consisted of presentations on the aims of and approach to the Assessment. There were then group discussions on issues such as the types of local housing markets in south west London, the needs of people from special groups, the role of the intermediate sector and the key housing need issues faced by people living in the sub-region. In addition to contributing through the group

¹ For the purpose of this report RSL is to be interpreted to include Housing Associations and other landlords providing social and affordable housing..

discussions, each attendee was provided with a comments card and a number were completed and the information from them collated.

The third Stakeholder Event was held at the stage where preliminary results of the assessment were available. Information was presented on the processes that had been followed and the preliminary outcomes that emerged. Again participants then worked in small groups to provide feedback on major issues raised.

As well as holding formal stakeholder consultation events, presentations and discussions were held with a meeting of the South West London Tenant and Resident Federation and two meetings of the South West London Housing Partnership Members' Group.

The views of stakeholders' are summarised in Appendix 1.

1.5 Summary of key points in the chapter

- There are seven individual local housing authorities in the south west sub-region of London
- A SHMA explores current and future housing need, demand, supply and affordability; providing insight into the key drivers behind the housing market
- The study followed CLG Guidance, using secondary data sources
- The study was informed and underpinned by an extensive programme of consultation with local groups and individuals
- There had been various previous housing need studies carried out at a local authority level in south west London and there had also been a city-wide assessment commissioned by the Mayor. The various studies were based on different methodologies and at various times. As a result, the outcomes of the individual studies are not directly comparable.

2.0 Context

2.1 The national policy framework

This study was carried out during the period of the Labour administration which held power until the General Election of May 2010. While the new government has begun to bring in a host of policy and resourcing initiatives that will radically change the role and make-up of housing, planning, tenures and the concept of affordability, as it stands there is still a requirement for a strategic framework for local authorities and sub-regions, under the systems developed primarily by the previous government. This includes a requirement to justify planned housing numbers in Local Development Frameworks, and under the terms of PPS3.

Hence, the evidence-providing role of Strategic Housing Market Assessments remains; if anything, they are becoming more relevant and pertinent, in the context of moves towards localism and decentralisation; and in order to provide a strong baseline or springboard for further work that may be required to respond to the shifting policy framework.¹ Below we note some of the main changes in the pipeline; but we return to the broader framework within which this study was undertaken.

2.2 New government policies

The new government's policies are driven by a need to eliminate the structural budget deficit over the current parliamentary term. The Comprehensive Spending Review announcements made by Chancellor Osborne on 20 October 2010 will have far reaching implications on the delivery of affordable housing and the wider housing market in general. These include:

- A 74% reduction in capital spending between now and 2014/15. This includes a reduction of around 52% in the social housing budget, with a reduction in output of at least 130,000 affordable homes as a result.
- Social landlords are to be given the freedom to raise 'affordable' rents towards market levels (up to 80% for new dwellings) and introduce time-limited tenancies.
- An expectation that these raised rents, alongside a New Homes Bonus, would constitute a key criteria for public sector investment for new 'affordable' housing
- Reductions in the availability of and amounts of Housing Benefit, throwing into doubt the affordability of renting in some areas
- The council housing finance system will be reformed to allow local authorities to invest in housing. They will be encouraged to build homes through the New Homes Bonus scheme, scheduled for introduction in April 2011.

This sits alongside a move to smaller government, greater local accountability, and self-determination. Hence the twin pillars of Localism and Big Society. Accordingly, at the local level, elected members and local authority officers will need to be engaged in tackling necessary budget cuts and at the same time responding to reform. The continued dismantling of regional structures and Regional Spatial Strategies (except in London) would also facilitate localism.

¹ DCLG, Guidance for Local Planning Authorities following the revocation of Regional Strategies, 6 July 2010

The former Government's core objective for housing was '...to provide everyone with the opportunity of a decent, affordable home...from increasing the provision of affordable housing in areas of high demand, to addressing the problems of low demand and abandonment' (ODPM, 2005). It was recognised that housing policies themselves are only one factor in shaping wider housing systems. Other important factors include national and local policies around the economy, town planning, social services and health.

The former Government was committed to delivering new homes to meet the needs of expanding household numbers and to address impacts on affordability that constrained supply creates. The former Government's headline figure was to build three million new homes by 2020, two million by 2016. Within this a minimum of 70,000 new homes per annum should be developed for affordable housing and, of these, 45,000 should be for social rent. The planned reductions to capital investment announced in the budget and Spending Review means that it is now expected that only 150,000 affordable homes will be built over the next four years (compared to plans for 280,000 under the previous government). The abolition of the Regional Spatial Strategies (and hence the targets within those strategies) in July 2010 has left the door open for strategic housing authorities to revise their plans at a local level and the National Housing Federation has estimated that plans for at least 160,000 homes in all tenures have been dropped to date, with more following¹. It should be noted that the abolition of the RSS has been challenged in the courts, though it is considered unlikely that they will be reintroduced.

The concept of constraints on supply and the impacts on affordability were outlined within Kate Barker's Review of Housing Supply. This piece of work had been critical in defining the former Government's growth agenda.

However, the economic downturn during 2008 and through to 2009, borrowing constraints imposed within the credit markets, falling house prices and the decline in the volume of private sector housebuilding significantly challenged the former Government's targets. The economic recession has had a significant bearing on plans and policies, not least because there is no consensus about the long term impact on the housing market, and no clarity on its likely timescale. There are, however, statistics that show that the housing market downturn has not had impacted on London as much as it has on the rest of the country. The Nationwide House Price Index for London fell by 8% during 2007/2008. This compares to a UK wide fall of 11%. London was also the only region to see an increase in housing starts in quarter 1 of 2009, a 13% increase on the equivalent quarter in 2008. Since then, through 2009 and 2010, London has continued to see house price increases, quarter on quarter.

2.2.1 Sustainable Communities

The principle mechanism to deliver the former Government's sustainable communities objective was the Sustainable Communities Plan, launched under the title 'Sustainable Communities: Building for the Future' (ODPM, 2003). It set out a long term programme for action aimed at addressing regional imbalances in the housing market. The plan focused on the creation of mixed and sustainable communities, where housing meets the economic, social and environmental needs of the community. It put forward plans to increase the supply of housing in high house price and shortage areas, and to tackle problems of low demand and abandoned housing in parts of the North and Midlands.

¹ National Housing Federation Press Release, Government policies killing off 1,300 planned new homes every day, 4 October 2010

This policy was augmented by the policy documents 'Sustainable Communities: Homes For All' and 'Sustainable Communities: People, Places and Prosperity' (both January 2005), which set out action to revitalise neighbourhoods, strengthen local leadership, and increase regional prosperity to create places in which people want to live and work. Together, these documents formed a £38 billion long-term action programme to create 'sustainable communities - to deliver decent, affordable homes for all, in places in which people want to live and work' (ODPM). Under the current government there have been further cut-backs to the decent homes programme and regeneration funding, much of which is now subsumed in a challenge-based Regional Growth Fund.

2.2.2 Housing supply

In parallel to the Sustainable Communities Plan, the Barker Review of Housing Supply¹ examined the supply and affordability of housing across all types of tenure, community and neighbourhood. In 2004 the final report of the Barker Review was released, setting out a range of policy recommendations for increasing housing supply and improving the functioning of the housing market. These conclusions and appropriate policy responses were considered by the former Government in its 'Response to Kate Barker's review of Housing Supply' (ODPM, Dec. 2005), and were reflected in the development of Planning Policy Statement 3 (November 2006)

The Sustainable Communities Plan recognised the importance of increasing housing supply to keep pace with rising household numbers. To increase new build supply a number of major Growth Areas and smaller New Growth Points were announced under the policy (now mainly subsumed into the Regional Growth Fund challenge pot).

Since the launch of the Sustainable Communities Plan and the release of the Barker Review the ability of many households to afford open market housing has deteriorated further due to steep year on year house price rises which, in spite of slowdown and the impact of the 'credit crunch' since 2007, continue to make market housing unaffordable to substantial numbers.

As a consequence expanding the supply of housing was given a yet more prominent place within the former Government's overall policy agenda. The Housing Green Paper 'Homes for the Future' (July 2007) contained the target of building two million new homes in England by 2016 and 3 million by 2020. To achieve this, national housing completions would need to rise from the 2006 level of 163,000 to around 240,000, an increase of nearly 50%.

2.2.3 Affordable housing

'Homes for the Future' contained the commitment to deliver 70,000 additional affordable homes annually by 2010-11 of which 45,000 were to be social rented units. The former Government also aimed to provide at least 25,000 new intermediate market shared ownership and shared equity homes a year. To fund these ambitions the former Government announced significant increases to the Regional Housing Pot 2008-11 following the completion of the 2007 Comprehensive Spending Review (CSR07). In total £10.28 billion was to be provided over the three financial years to regions across England to fund the work streams of affordable housing, local authority decent homes, private sector decent homes and regeneration. As noted, such investment has been

¹ Barker, K. 2004, *Review of Housing supply. Delivering Stability: Securing our Future Housing Needs*. HM Treasury

reduced, both in terms of the 2008-11 programme and future programmes, as the new Government seeks to reduce the public sector financial deficit.

2.2.4 Planning reform

The Planning White Paper 'Planning for a Sustainable Future'(May 2007) set out the former Government's proposals for reform of the planning system, building on Kate Barker's recommendations for improving the speed, responsiveness and efficiency in land use planning, and taking forward Kate Barker's and Rod Eddington's proposals for reform of the planning system for major infrastructure. The Planning Act 2008 introduced a new system of development consents for infrastructure deemed to be of national significance, designed to simplify and speed up the consents process. It also provides the primary legislation for a new Community Infrastructure Levy, which it is hoped will help to harness the value of an increased range of planning permissions to generate additional infrastructure funding and thereby unlock housing growth. Further changes to planning legislation are due to be announced, via the forthcoming Localism and Decentralisation Bill, which is expected to devolve planning control to local authority and sub-local authority levels

2.2.5 Housing and Regeneration Act 2008

Finally, under the Housing and Regeneration Act, which received Royal Assent in July 2008, the Homes and Communities Agency (HCA) was established. This brought together the functions of English Partnerships, the Housing Corporation, and a range of work and programmes undertaken by the CLG, including delivery in the areas of decent homes, affordable housing, housing market renewal, housing growth and urban regeneration. It also established the Tenant Services Authority (TSA), which took over the functions of the Housing Corporation's Regulation Division. Under the new government, the TSA is to be abolished, and its governance, probity and financial regulation functions brought under the wing of a Regulation Committee within the HCA.

As part of the new institutional arrangements under the Housing and Regeneration Act, a London HCA Board was established as a local sub-committee of the HCA by the Mayor of London and the HCA. It has been responsible for helping to deliver affordable housing in London and the South East. London Boroughs are represented and fully engaged in this process. The Board is responsible for meeting the former Government's and the current Mayor's objectives to:

- deliver a significant increase in the total number of homes in a way that is environmentally sustainable;
 - significantly increase the number of affordable, family-sized homes; and
 - create communities in which people want to live by targeting and regenerating the most deprived areas of London.
- It is now likely that the functions of the London HCA Board (and any resources at its command) will be fully-transferred to the London Mayor

2.2.6 The Single Conversation agenda

Over the last year, an important element of resource allocation for housing development funded via the Homes and Communities Agency has been the Single Conversation approach and the resulting Local and Regional Investment Plans and Local Investment Agreements. The HCA stated that the Single Conversation should be evidence-based and local authorities were encouraged to increase their capacity to participate in an informed manner. Much of the required information should be contained in a thorough SHMA (both in terms of the hard statistics required for the housing needs calculations and the accompanying economic and strategic context).

As noted earlier, in spite of changes to the planning framework, the need for evidence bases to inform housing and planning policy remains. Clearly, the information contained within this SHMA is an important element in building and developing the evidence base for the future.

However, the advent of the Single Conversation approach has added another layer of complexity to an understanding of how housing markets work. A degree of tension already existed between the requirements of individual local authorities to have clear understandings of needs and markets within their boundaries and the requirement to identify Local Housing Market Areas, which may cross local authority and, indeed, sub-regional boundaries. There is the possibility that the spatial level at which the Single Conversation takes place will reflect different geographies again, perhaps determined by Multi-Area Agreements, City Regions, or other sub-regional partnerships. It is therefore important to clearly identify the overlaps and differences in the markets or areas under discussion in south west London to avoid confusion. It is clear that there will be an element of competition between different groups of local authorities and so it will be key for the sub-region to have the most informed and convincing information base to support its Conversation in order to best make the case for the allocation of resources to its Local Investment Plans.

2.2.7 Planning Policy Statement 3

PPS3 sets out the national planning policy framework for delivering the former Government's housing objectives and it reflects the commitment to improving the affordability and supply of housing in all communities. The policies it contains need to be taken into account by Local Planning Authorities in the preparation of their Local Development Documents.

Annex C of PPS3 states that a Strategic Housing Market Assessment should:

- Estimate housing need and demand in terms of affordable and market housing;
- Determine how the distribution of need and demand varies across the plan area, for example, as between the urban and rural areas;
- Consider future demographic trends and identify the accommodation requirements of specific groups such as, homeless households, Black and Minority Ethnic groups, first time buyers, disabled people, older people, Gypsies and Travellers and key workers.
 - A prominent national policy goal put forward in PPS3 is achieving a mix of housing within communities, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people

PPS3 paragraph 22 states that "Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:

- The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing.
- The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%).
- The size and type of affordable housing required."

In planning at site level, Local Planning Authorities are required to ensure that the proposed mix of housing on large strategic sites reflects the proportions of households that require market or affordable housing and achieves a mix of households as well as a mix of tenure and price. The mix of housing on smaller sites should

contribute to the creation of mixed communities having regard to the proportions of households that require market or affordable housing and the existing mix of housing in the locality.

Further to this PPS3 contains policies concerning market housing, affordable housing, making effective use of existing housing stock and assessing an appropriate level of housing. An important role of this Assessment is to provide solid evidence on which to base local housing and development policies directed at meeting these national policies, including the creation of mixed communities in south west London.

At least at the moment there appear not to be any plans to amend or abolish PPS3, in spite of moves toward localism, and it will continue determine much of local authorities approach for planning for affordable housing

2.3 London context

2.3.1 The London policy framework

The key components of the London Policy Framework are the London Plan and the London Housing Strategy. In 2009 and 2010 both have undergone radical amendment, with the impact of the change of Mayor and latterly the change of government causing most areas of the documents to come under review.

Since the establishment of the Greater London Authority in 2000, the Mayor of London has had responsibility for strategic planning in London. The cornerstone of this responsibility is the London Plan, published in 2004, and subsequently subject to a series of 'Alterations' in 2006 and 2007. In addition to his strategic planning responsibilities, under the terms of the 2007 GLA Act, the Mayor took responsibility for strategic housing planning, and strategic housing investment across London, drawing on resources held by the Housing Corporation and the CLG, as well as the London regional housing budget. The Act also brought new responsibilities around climate change, tackling health inequalities, and the power to 'call in' all developments of 150 homes or larger.

2.3.2 The London Plan

The London Plan replaced previous versions of Regional Planning Guidance, and is the Spatial Development Strategy for the Capital. It is predicated on continuing growth for the Capital, with an expectation of an additional 636,000 jobs and 700,000 residents by 2016. The previous version of the Plan, published in February 2008, reflects some of the change in emphasis of the administration of the current Mayor. This was followed up in October 2009 when the Mayor published a Replacement Plan. After public consultation, this has been undergoing Examination in Public during the summer and autumn of 2010, which is due to conclude in December 2010, with publication of the final version in 2011. The draft Replacement Plan envisages growth taking place in a sustainable manner, described in six 'fundamental objectives':

- Objective 1: To accommodate London's growth within its boundaries without encroaching on open spaces;
- Objective 2: To make London a better city for people to live in;
- Objective 3: To make London a more prosperous city with strong and diverse economic growth;
- Objective 4: To promote social inclusion and tackle deprivation and discrimination;
- Objective 5: To improve London's accessibility;
- Objective 6: To make London a more attractive, well-designed and green city.

The draft replacement Plan notes that the immediate implications of this are:

- First, growth can only be accommodated without encroaching on open spaces if development takes place more intensively, leading to higher densities and plot ratios wherever appropriate.
- Second, growth must be accommodated in ways that respect and enhance the environment by being exemplary in mitigating and adapting to climate change, and in being energy and waste efficient.
- Third, the future scale and phasing of development needs to be integrated with the capacity of the existing and proposed public transport system and the accessibility of different locations.
- Fourth a range of supply side issues need to be addressed, including the supply of commercial floor space, housing, relevant skills, adequate transport and a high quality environment.
- Fifth, clear spatial priorities are needed. Areas of London that have not benefited from recent development – notably in parts of East London – need to be prioritised for future development.

Within the overall objectives of the draft replacement London Plan, there are a series of sub-regional strategies. In relation to the South West London sub-region, there is emphasis on:

- strengthening economic linkages throughout the sub-region to the Central Activities Zone (CAZ), especially in terms of the supply chain, and take maximum advantage of the Strategic Opportunity Areas on the southern fringe of the CAZ
- promoting the sub-region's contribution to London's world city role, especially in relation to the Central Activities Zone including the London South Central Opportunity Areas and strengthen linkages between CAZ and the rest of the sub-region
- optimising the development of Opportunity Areas (Croydon, Vauxhall Nine Elms and Waterloo) and Areas for Intensification (South Wimbledon/Colliers Wood)
- further exploiting the strength of the Metropolitan town centres and encourage sensitive restructuring of some town centres to reflect changes in the office market and the need for a range of economic activities and housing
- ensuring that new housing provision is complemented by adequate social and other infrastructure and is integrated into the broader life of the sub-region taking into account their needs for social and community infrastructure and capacity building, access to employment and services, exemplary approaches to waste, energy and water use, management and provision
- managing the reuse of surplus industrial land taking into account waste management requirements
- consolidating the attractiveness of south west London by addressing areas in need of regeneration and by improving the quality of the public realm
- creating a new regional park that integrates and contributes to the regeneration of the Wandle Valley Development Corridor
- developing and supporting the Green Arc concept to improve the landscape quality and access to the open countryside in the urban fringe, working across local and regional boundaries
- promoting improvements in the national rail network, which is of particular importance in south west London, and the benefits to the sub-region of Crossrail 1, Thameslink Programme, Cross River Tram, Tramlink extensions and the East London Line extension and improvements to the Northern, District and Victoria lines
- improving orbital movement by public transport, including Croydon Tramlink extensions, and improve access to Heathrow
- ensuring the sub-region is an attractive business location
- supporting the strategic co-ordination of the development corridor from Croydon to Gatwick and collaborate with SEERA, SEEDA and local authorities in the corridor

The Plan makes clear the linkages between new housing development and economic development, and ensuring that London's communities have access to key public services and local amenities, as well as delivering better balanced communities which minimise social exclusion and polarization. Energy conservation and the maximization of the use of scarce resources – such as land - is a key element. Choice is also an important consideration, and both social renting and intermediate housing are specified as required, as well as market housing.

It sets out the policy framework for distributing housing capacity among the boroughs, including mechanisms for using existing stock more effectively (for example by bringing long-term voids back into use), as well as new development. Based on the London Housing Capacity study of 2004, the previous monitoring target for additional housing provision required to meet London's future needs is a minimum of 305,000 homes between 2007/8 and 2016/17, which equates to a monitoring target 30,500 per annum, to be reviewed every five years. This figure is derived from the original London Plan target, subsequently revised through the 'Alterations' processes. These figures take into account the relationship between London and the rest of the south-east, and need to take into account inter-regional migration from and to the South East and the East of England. However, these figures have in effect been superseded by those in the current Mayor's London Housing Strategy, published in February 2010 (see below). A new Strategic Housing Land Availability Assessment has also been completed to inform revisions to the London Plan.

As regards affordable housing, the London Plan adopted a strategic target that 50% of all new housing should be affordable, which is broadly defined as social rented housing and intermediate housing (sub-market housing which is above affordable rented but substantially below market levels and is affordable to households on incomes of up to £40,000 at 2003/4 prices). This target should be applied on all sites of 10 or more units, and boroughs are encouraged to set a lower threshold where feasible. This was expanded upon in Supplementary Planning Guidance published in 2005.

The affordable housing target is further segmented by a target that 70% of such homes should be social housing (i.e. affordable rented), with 30% being intermediate housing (low cost home-ownership and sub-market renting). Thus the overall targets are 50% market, 35% social rented housing and 15% intermediate housing. However, these figures (and all other discussions of the development of affordable housing) now have to be seen in the context of the current government's policies, which foresees rents on new 'affordable' rented dwelling to be allowed to reach 80% of market rents. This would probably be capped at Local Housing Allowance levels: and for this to be a condition for Affordable Housing Grant investment. In effect, this would be the end of new social housing production in London, as rents would increase sharply in the vast majority of London areas. It also begs the question of how – if at all – affordable and intermediate housing products will be distinguished: in some cases being able to afford an 80% market rent may well be the equivalent of a HomeBuy entry point.

2.3.3 The Mayor's Housing Strategy

There have been a series of draft housing strategies issued by the London Mayor. The central themes of the draft strategies were linked to key strands of the London Plan:

- Strong, diverse long term economic growth; in housing to produce more homes and particularly more affordable homes in successful neighbourhoods.

- Fundamental improvements in London's environment and use of resources; in housing to improve the quality of design and reduce the impact of housing on climate change.
 - Social inclusivity to give all Londoners the opportunity to share in London's future success; in housing to tackle extreme housing need, improve choice and mobility, tackle worklessness, and involve residents in better management of homes and neighbourhoods.

The key objective of the various draft strategies has been to provide more affordable homes for Londoners. The investment plan and other policies in the strategy were aimed at delivering over 50,000 new affordable homes in the three years starting in April 2008. Of these, the aim was for 20,000 new properties to be for low cost home ownership. However, on 2 December 2009 Sir Simon Milton, Deputy Mayor for Policy and Planning, announced that the achievement of the target of delivering 50,000 new affordable homes would be delayed by one year.

Following the election of a new Mayor in 2008, a further draft strategy was published for consultation in May 2009 ("Rethinking London's Housing). Much of it replicated previous drafts, but there was a change of emphasis, both at the strategic and delivery levels. Three key themes are introduced:

- Raising aspirations, promoting opportunity
- Improving homes
- Maximising delivery, optimising value for money

The main aims of the strategy are:

- Providing more homes and a better mix of homes, and creating mixed communities;
- Delivering more and better low cost home ownership, widening eligibility and improving access and information;
- Producing more social rented homes, and
- Providing more private rented homes and improving access, support, conditions and management in the private rented sector.

The main change from previous strategies is the greater emphasis on the role of low cost home ownership and the promotion of the private rented sector. Other proposals include:

- Increasing emphasis on new intermediate housing, changing the split for new social / affordable housing from the existing 70/30 split to 60/40 across the capital;
- An emphasis on family-sized affordable housing, with 42% of new social homes and 16% of intermediate ones to have three bedrooms or more;
- 1,250 new supported housing units;
- Challenging targets to reduce severe overcrowding by half and under-occupation in the tenure by two-thirds in the tenure by 2016, and
- Greater pan-London mobility for those in housing need.

In terms of delivery of affordable housing, rather than set an overall target for the proportion of new homes that should be 'affordable' the Mayor is seeking to establish agreements with individual authorities as to the number of such properties in each borough.

The London Plan also includes annual monitoring targets for new dwellings in individual boroughs for the period 2007 - 2017. However, the GLA has recently published an amended set of monitoring targets based on a

Strategic Housing Land Availability Assessment completed in October 2009. These proposals have not yet been adopted. They have, therefore, no statutory weight. They are, however, shown for information in the following table alongside the targets for south west London authorities for the period to 2016/17:

Table 2.1 Original and revised proposed new dwelling targets by borough

Borough	New dwelling target 2007 - 2017	Proposed revised new dwelling target 2011 - 2021
Croydon	1,100	1,330
Kingston	385	375
Lambeth	1,100	1,255
Merton	370	320
Richmond	270	245
Sutton	345	210
Wandsworth	745	1,280
Total	4,315	5,015

As can be seen, the proposed revised figures represent a 16% increase in the annual new dwelling target for the sub-region, with the increase coming from the figures for only three of the boroughs – Croydon, Lambeth and Wandsworth.

2.3.4 Affordable housing targets

The London Housing Strategy contains a target for the delivery of new affordable homes in the capital of 40,917 in the period 2008 – 2011. Individual boroughs have been allocated a proportion of the overall target dependent upon assessed new housing capacity. The allocations for the authorities in south west London are shown in the following table.

Table 2.2 New affordable housing targets 2008 -2011

Borough	New affordable housing target 2008 - 2011
Croydon	1,803
Kingston	420
Lambeth	1,803
Merton	315
Richmond	398

Sutton	660
Wandsworth	1,221
Total	6,620

These targets have been reflected in the draft Replacement London Plan. However, as noted above, all targets discussed in this section will need revision in the light of the new policies regarding the definition of affordable housing and the reduced levels of investment likely to be made available

2.3.5 Future developments in London

In terms of the relationship between the London Plan, Mayor's Housing Strategy for London, and local strategies, there is an understanding that in preparing their community strategies, local development frameworks and local housing strategies, boroughs should take full account of the London Plan, supplementary planning guidance, and the Mayor's strategies to identify the need for social, community, economic and physical infrastructure to support new house building and regeneration plans.¹ There is an expectation that "every borough council needs to plan for, and deliver, its part of the overall targets for new housing in London, and especially affordable housing for rent and shared ownership. The targets are not one size fits all. They are based on thorough assessments of land availability, detailed consultation with boroughs and housing providers and a lengthy independent Examination in Public. To meet the needs of Londoners this strategy needs every borough to strive to contribute its share"². But, as noted, these are the words of the previous Mayor, not the current one. The revised approach promoted in the London Housing Strategy (published February 2010) will need to be reintegrated in a revised London Plan. And, as noted earlier, as the Major is likely to take on in full the role and resources of the London HCA Board, the importance of the London Strategy and London Plan is likely to become even more significant.

2.4 South west London and cross-authority context

This sub-regional SHMA is one of five which are currently at various stages of development. In this context, it should also be remembered (as noted earlier) that the GLA commissioned a London-wide SHMA which was published in April 2009. It is envisioned that sub-regional SHMAs will as far as possible be consistent with the Greater London study or, if not consistent, transparent in where different assumptions and methods are used. There is no direct 'read across' between the south west London SHMA and the Greater London one, nor is there required to be, with the Greater London study noting the fact that there is considerable local variation in housing need across London.³

It is worth noting that, as part of the review of his Housing Strategy, the Mayor is proposing radical amendments to the make-up of the sub-regional context within London. These proposed revisions have been reflected in the GLA's recently consulted revised Strategic Housing Land Availability Assessment. Under these proposals, the local authorities in the south west sub-region will make up, with the inclusion of the London Borough of Bromley

¹ Draft Mayor's Housing Strategy 2008 p 133

² Draft Mayor's Housing Strategy 2008p 6

³ 2008 London SHMA (Mayor of London 2009)

(currently in the south-east London sub-region), a new South sub-region, with the exception of Lambeth which will become part of a new "Central" sub-region. South west London context

2.4.1 A sub-regional profile

South west London, with 1,605,500 residents in 2006 and 698,000 households ¹ is expecting to its population increase by 18% by 2031, to 1,892,100 residents, and the number of households increase by 188,000 to 886,000 households by 2031 ².

The sub-region covers areas exhibiting a wide range of housing characteristics. It includes two "Inner" London authorities (Lambeth and Wandsworth), with the remaining authorities being "Outer". The sub-region ranges from high density public sector estates, through high value river front developments and commuting areas to low density areas bordering Surrey.

Each of the authorities covered does, however, have areas of (relative) housing deprivation and each exhibits significant unmet demand for affordable housing. The Index of Multiple deprivation (IMD) is a means by which the relative deprivation of small areas (based on Census Lower Super Output Areas) can be measured on a consistent basis. The following table gives the range of IMD scores for the Lower Super Output Areas in each of the south west London authorities, which demonstrates the dichotomies that exist within various parts of the sub-region (the higher the score the more deprived an area).

Table 2.3 Index of Multiple Deprivation scores by borough

	Lowest IMD Score	Highest IMD score	Ratio (Highest/Lowest)
Croydon	2.76	59.59	21.6
Kingston	4.55	43.37	9.53
Lambeth	14.27	58.91	4.13
Merton	1.71	37.56	22.0
Richmond	1.73	33.06	19.1
Sutton	2.44	39.34	16.1
Wandsworth	4.89	44.39	9.1
Sub-Region	1.71	59.59	34.8

It can be seen that the range of deprivation in boroughs is greater in the outer London parts of the sub-region.

A key factor identified by all the studies carried out on parts of the south west London housing market is the relatively high property prices found in the sub-region.

Table 2.4 House sale prices by borough June 2007 – June 2009

	Lowest Sale	Mean Sale	Highest Sale

¹ GLA population projections, 2007 (Low)
² GLA population projections, 2007 (Low) and ECOTEC modelling

	Price	Price	Price
Croydon	£54,000	£251,297	£3,450,000
Kingston	£50,000	£352,416	£4,947,432
Lambeth	£85,500	£343,945	£4,500,000
Merton	£52,000	£368,918	£9,126,501
Richmond	£80,400	£511,614	£9,000,000
Sutton	£51,510	£261,325	£3,000,000
Wandsworth	£85,000	£453,660	£12,200,000

The Housing Strategy for south west London is currently being revised and this Assessment will inform that review. The current Strategy has five key priorities:

- Maximise the supply of housing;
- Meet housing need in the area;
- Improving housing conditions;
- Tackling deprivation and building communities; and
 - Effective partnership working.

To complement the strategy the south west London Housing Partnership has six key strategic objectives:

- Maximise the supply of affordable housing across the sub-region overall, providing the right sort of homes (in terms of size and mix) in the right places (where development makes sense and is possible) without compromising on good design or environmental issues;
- Make best use of existing stock, including:
 - using the private sector to meet housing need
 - improving the condition of existing stock across the sub-region (in all sectors), both to ensure that people are living in decent conditions and also that homes have lower carbon emissions;
- Champion environmental issues;
- Increase housing options/choices for residents in the sub-region (including mobility where residents want it) and work to prevent homelessness;
- Maintain a consumer focus ensuring fair access and equality;
 - Raise standards in practice and services across the sub-region, by identifying, sharing and emulating best practice across SW London.

The Partnership has produced strategies in relation to various specific housing issues in the sub-region:

- Black and ethnic minority housing;
- Intermediate and Key Worker housing; and
- Private sector housing.

Detailed individual profiles for the seven local authorities which comprise the south-west London sub-region are given in Appendix 2.

2.4.2 Local Housing Needs Surveys and assessments

Each authority has had at least one housing needs assessment carried out previously. These have varied in their scope and research methodology used. However, they have all identified significant and on-going unmet need for affordable housing and have highlighted the issue of affordability in the sub-region.

The following table summarises the outcomes of the latest set of housing need/market assessments for each borough in terms of the annual requirement for additional affordable housing. The aggregate of assessed annual need for affordable housing is 18,203. This should be compared to the London-wide requirement as projected in the Strategic Housing Market Assessment carried out for the GLA of 30,500. This latter figure assumes the backlog of existing need should be reduced over a 10 year period as opposed to each of the borough-level assessments that assumed a 5 year reduction period. Regardless of this difference it is clearly not likely that the south west sub-region of London contains up to 60% of the total need for affordable housing in London. It is worthy of note that the borough based assessments have, with one exception, been carried out on the basis of household survey data.

Table 2.5 Local Housing Assessments in south west London

Borough	Date Of Assessment	Type	Annual Affordable Housing Need Estimate
Croydon	2009	Draft Local Housing Market Assessment	671
Kingston Upon Thames	2009	Combined SHMA and Housing Needs Study- Household survey based	1,738
Lambeth	2007 (update)	Housing Needs Study- Household survey based updated using secondary data	4,881
Merton	2004	Housing Needs Study- Household survey based	1,848
	2008	SHMA – secondary data	536
Richmond Upon Thames	2006	Housing Needs Study- Household survey based	2,723
Sutton	2008	Housing Needs Study- Household survey based	1,047
Wandsworth	2009 (update)	SHMA – secondary data	1,757

2.4.3 London-wide Strategic Housing Market Assessment

The London wide Strategic Housing Market Assessment was carried out for the Greater London Authority in 2008. It used secondary data sources and adopted a base date of March 2007. Its results were published in April 2009. Much of the analysis carried out centred on updating the information provided by the Greater

London Housing Requirement Study undertaken in 2004. It identified a number of assumptions made in the 2004 study which had not proven to be borne out by actual events. The main factor identified was a lower than anticipated level of immigration to the capital which resulted in a reduced need for social rented dwellings of 12,500 in the period July 2002 to March 2007. This was balanced, in part, by a worsening of the housing affordability picture which led to a need for a 7,500 increase in the need for social rented units.

The study considered a number of scenarios that would impact upon the need for additional new homes in London. The main factors considered were the impact of differing Housing Benefit regimes, revised levels of in and out migration and changes to the rate of new home delivery.

In terms of estimating the need for new housing, the report assumed that existing need would be addressed over a 10 year period due to the scale of the "backlog". This is a major difference from this Assessment which assumes that backlog need would be addressed over a 5 year period. The DCLG Guidance allows flexibility on the issue of backlog reduction rates but suggests a 5 year period as an appropriate minimum.

The London-wide SHMA estimates a net annual need for 349,400 new homes in the ten year period 2007 – 2017. This figure is broken down by tenure as follows:

- Market - 178,400
- Intermediate - (7,500)
- Social - 178,500

The report also suggests that there will be a net over-supply of larger (4 and 5 bedroom) market dwellings, one and four bedroom intermediate homes and one and three bed social units. Further assumptions are then made which allow for the projected over-supply of certain types of units to be re-allocated to other tenures or remodelled, allowing them to be used by different sized households. This results in a revised net need figure for the same ten year period of 325,700 (143,600 market, 36,500 intermediate and 145,600 social rented homes).

The London-wide study does not contain any sub-regional analysis or context. Where information is provided at a level below that for London as a whole it is on an individual borough basis or for "Inner" and "Outer" London.

2.5 Summary of key points in the chapter

- The former government's headline figure was to build 3 million new homes by 2020, 2 million by 2016; this included 70,000 affordable homes, of which 45,000 were to be social rented units
- The new government's policies are driven by the need to eliminate the structural budget deficit over the current parliamentary term. Radical cuts in capital investment imply a reduced production of 150,000 affordable homes over the next four years (compared to 280,000 under the previous administration)
- The previous monitoring target for additional housing provision was a minimum of 305,000 homes between 2007/8 and 2016/17 (based on London Housing Impact Study, 2004); reductions in investment will undermine this target (a 52% reduction in grant-based investment is forecast though this may be mitigated in part by New Homes Bonus)
- The abolition of the Regional Spatial Strategies (though currently under legal challenge) has been estimated to have cost 160,000 units across all tenures, as a result of downward revision on plans by local authorities.
- There still remains a requirement under PPS3 for local authorities to retain an evidence-based approach for planned housing numbers

- The transfer of the functions of the London HCA Board to the Mayor is likely to make the role of the London Plan and the London Housing Strategy even more central
- The London Plan still targets 50% of all new housing to be affordable of which 70% should be affordable rented; this means that 50% should be market, 35% social rented and 15% intermediate. However, the current government's plans to redefine 'affordable' and to change the relationship between market and affordable rents will undoubtedly impact on these figures.
- The relationship between 'intermediate' and 'affordable' housing will also become more blurred
- The total population of south west London was 1,605,500 in 2006 living in 698,000 households
- The population in SW London is predicted to increase by 18% by 2031
- All local authorities in south west London have pockets of relative deprivation, and all exhibit significant housing need
- House prices in London fell by 8% during 2007/8, compared to a UK wide fall of 11% but have recovered through 2009 and 2010; South west London has relatively high property prices

3.0 The current housing market

3.1 The demographic context

3.1.1 Current population

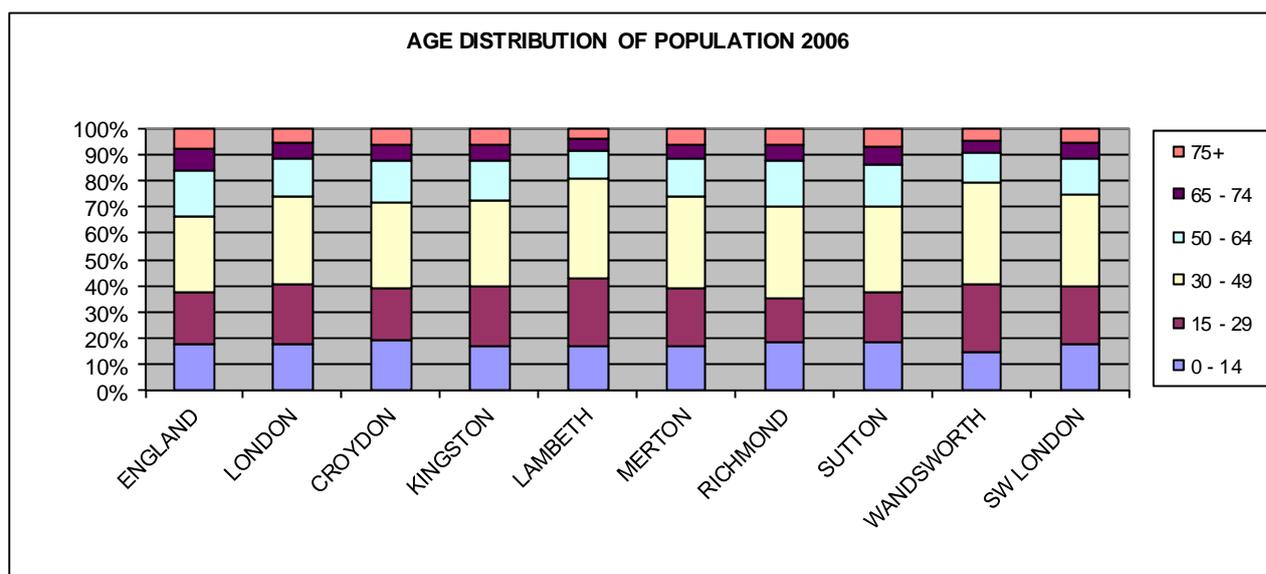
The population of south west London numbered 1,605,500 in 2006. Table 3.1 and Figure 3.1 show that the age distribution of the population in the sub-region is very similar to that for London as a whole. However, compared to England as a whole, the sub-regional population shows a younger profile.

Table 3.1 Population by age band 2006

	0 - 14	15 - 29	30 - 49	50 - 64	65 - 74	75+
England	17.7%	19.6%	28.9%	17.8%	8.2%	7.7%
London	18.1%	22.8%	33.3%	14.0%	6.1%	5.7%
Croydon	19.5%	19.9%	32.0%	15.9%	6.7%	6.1%
Kingston	17.0%	22.9%	32.3%	15.7%	5.8%	6.4%
Lambeth	17.0%	25.5%	37.9%	11.0%	4.6%	4.0%
Merton	17.2%	21.8%	34.7%	14.3%	5.9%	6.1%
Richmond	18.4%	16.9%	34.9%	17.0%	6.1%	6.6%
Sutton	18.7%	18.5%	32.7%	16.1%	6.9%	7.1%
Wandsworth	14.7%	26.1%	38.4%	11.0%	4.8%	4.9%
SW London	17.5%	22.0%	34.9%	14.1%	5.8%	5.7%

ONS 2006-based sub-national population projections

Figure 3.1 Population by age band 2006



ONS 2006-based sub-national population projections

Census data reveals that the population increased from 1,476,600 to 1,576,100 between 1991 and 2001, an average rate of growth of approximately 9,950 inhabitants per annum. Since 2001 the rate of growth has decreased to approximately 5,880 per annum. The number of households increased from 622,000 in 1991 to 670,000 in 2001. This rate of growth was only marginally faster than population growth and as a consequence the average household size in south west London remained relatively constant.

3.1.2 Household composition

Based on Census data, 34.6% of the households in the sub-region contained one person only (230,688). 17.2% of households (114,984) were made up of pensioners (either single or multi person households). Just over a third (33.4%) of the households in south west London (223,780) contained one or more children, of which 10% of households (68,891) were single parent. In terms of comparison with London as a whole the sub-region has a slightly lower proportion of pensioner households and also a lower proportion of households containing dependent children.

3.1.3 Components of recent population change

South west London is a net exporter of households when migration within England is concerned. The majority of the outflow of population is to areas outside of London. However, there is also a net outflow of households (1,980) to the south-east London sub-region. This net outflow to south east London is from Lambeth to the London Boroughs of Southwark, Lewisham and Bromley. For the same year as the one for which this data has been produced (2006), international migration accounted for an additional 39,000 households in the sub-region.

By contrast, net migration between the sub-region and the rest of England in 2001 resulted in a net outflow of households of 6,760 and international migration resulted in an inflow of some 24,000.

3.1.4 Domestic migration

The following tables detail the migration between south west London and other areas of England. In addition there were an estimated 34,720 households which moved from one property to another within south west London. All this data is produced by the Office for National Statistics based on information collated by the National Health Service concerning registrations with GP's. The limitations of this data source are obvious: not every person registers with a new GP on moving home. Some will not be registered with a GP at all whilst others will not change their GP if the move they are making is only over a short distance or for an expected short period of time. There is a particular concern that younger people (including students) are less likely to register with a GP in an area to which they move and would, therefore, be under-represented in the data. It is, however, a consistent data source and is, therefore, a good basis for comparisons between areas and over time.

Table 3.2 Domestic migration

Moved FROM SW London		Moved INTO SW London	
County	Total	County	Total
Surrey	13540	W London	12870
SE London	12550	SE London	10570
W London	8520	N London	8600
N London	6820	Surrey	6430
E London	4670	E London	5060
Kent	3850	Kent	2310
East Sussex	3270	Hampshire	2180
Hampshire	3080	East Sussex	1770
West Sussex	3000	Berkshire	1530
Berkshire	1850	Oxfordshire	1340
Hertfordshire	1680	Essex	1310
Essex	1540	Hertfordshire	1180
Buckinghamshire	1420	West Sussex	1050
Oxfordshire	1420	Buckinghamshire	860
Bedfordshire	450	Bedfordshire	410
Other	20730	Other	18480
Grand Total	123110	Grand Total	110670

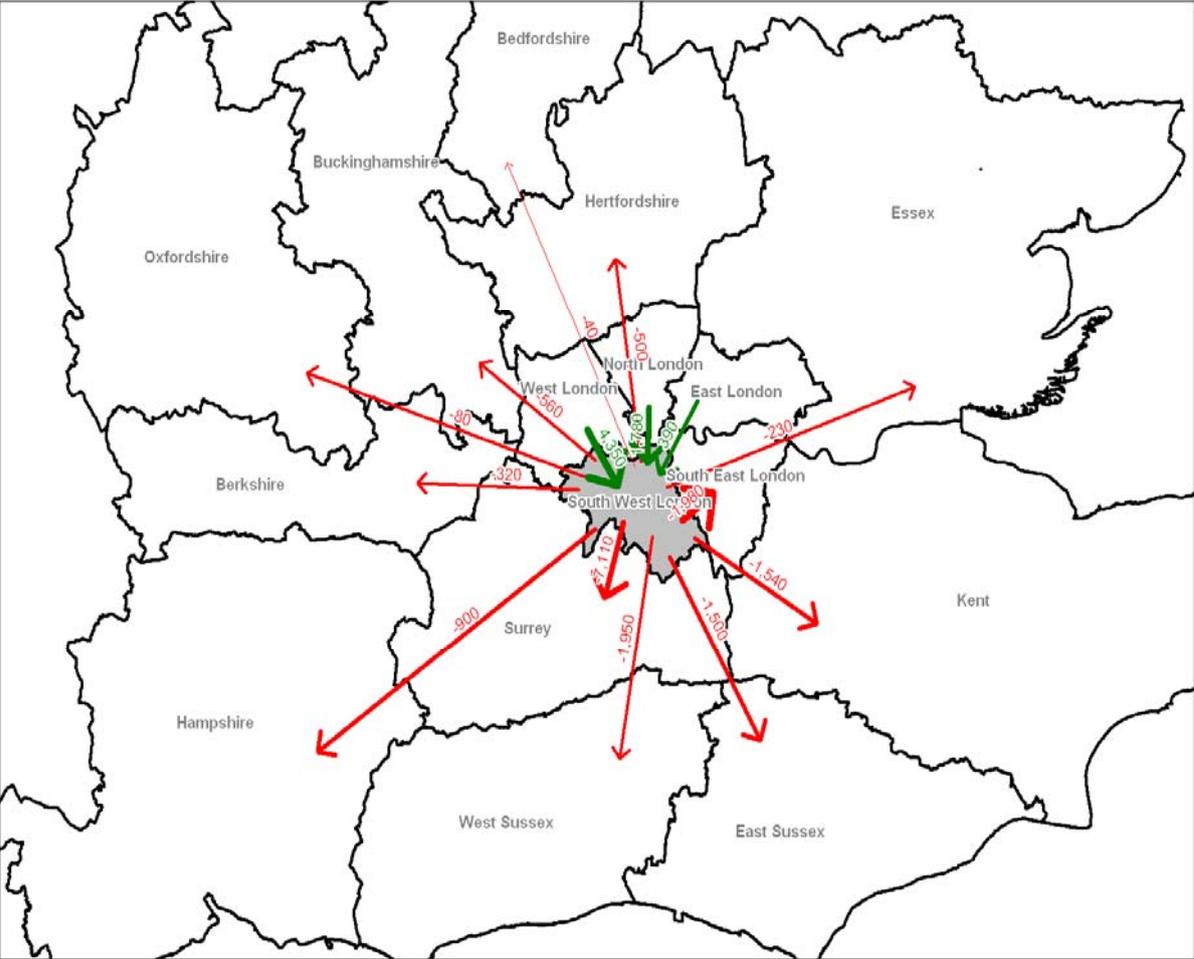
Table 3.2a Net migration

County	Total
W London	4350
N London	1780
E London	390
Bedfordshire	-40
Oxfordshire	-80
Essex	-230
Berkshire	-320
Hertfordshire	-500
Buckinghamshire	-560
Hampshire	-900
East Sussex	-1500
Kent	-1540
West Sussex	-1950
SE London	-1980
Surrey	-7110
Other	-2250
Grand Total	-12440

Source: ONS (NHS Registrations data)

The following map presents this information graphically. The red arrows indicate net moves from south west London, the green arrows net moves to south west London. The wider and bolder the arrow, the greater number of net moves.

Figure 3.2 Migration flows



The information in the following table and chart details the age of domestic migrants into and out of the sub-region in the period between mid-2007 and mid-2008. As can be seen there was net migration from the sub-region for all age groups with the exception of the 16 to 24 age band. Each of the constituent boroughs within south west London saw net out migration with the exception of Sutton which showed a net in-migration of some 800 people

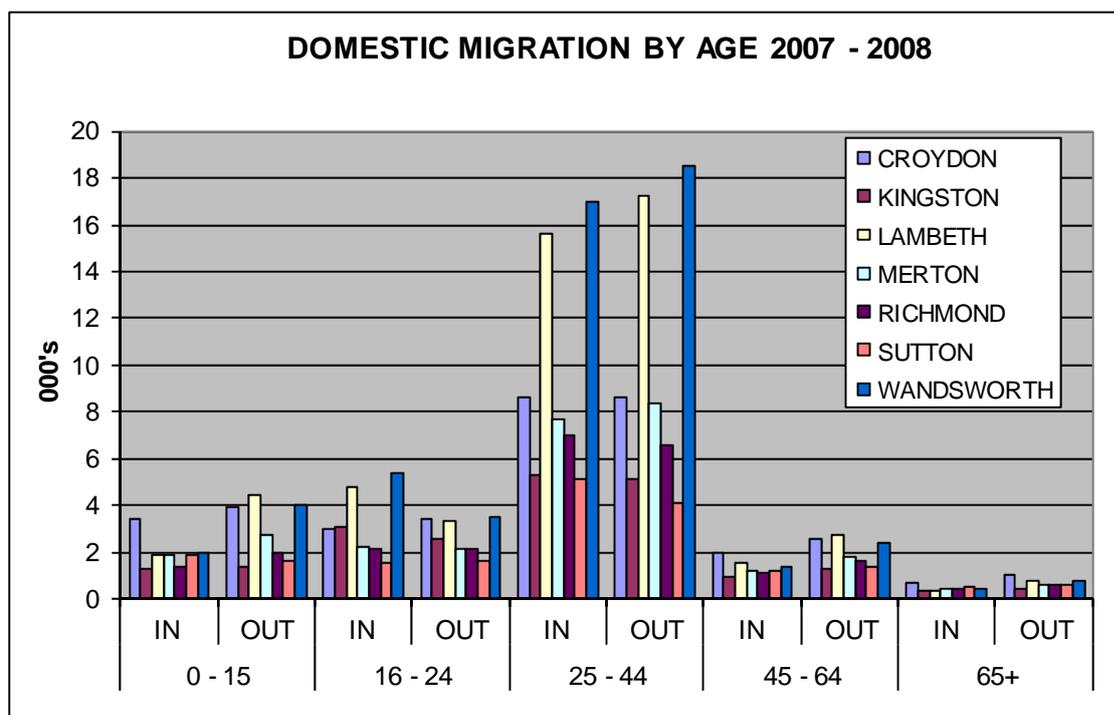
Table 3.3 Migration within UK by Borough 2007 - 2008 (000's)

Age Band	0 - 15			16 - 24			25 - 44			45 - 64			65+			TOTAL		
	IN	OUT	NET	IN	OUT	NET	IN	OUT	NET	IN	OUT	NET	IN	OUT	NET	IN	OUT	NET
Croydon	3.4	3.9	-0.5	3	3.4	-0.3	8.6	8.6	-0.1	2	2.6	-0.6	0.7	1	-0.3	17.7	19.5	-1.8
Kingston	1.3	1.4	-0.2	3.1	2.6	0.5	5.3	5.1	0.2	0.9	1.3	-0.4	0.3	0.4	-0.1	10.9	10.9	-0.1
Lambeth	1.9	4.4	-2.4	4.8	3.3	1.5	15.6	17.2	-1.5	1.5	2.7	-1.1	0.3	0.8	-0.5	24.2	28.2	-4
Merton	1.9	2.7	-0.8	2.2	2.1	0.1	7.7	8.4	-0.7	1.2	1.8	-0.6	0.4	0.6	-0.2	13.4	15.6	-2.2
Richmond	1.4	2	-0.6	2.1	2.1	0	7	6.6	0.4	1.1	1.6	-0.4	0.4	0.6	-0.2	12.1	12.9	-0.8
Sutton	1.9	1.6	0.3	1.5	1.6	-0.1	5.1	4.1	1	1.2	1.4	-0.2	0.5	0.6	-0.2	10.1	9.3	0.8
Wandsworth	2	4	-2	5.4	3.5	1.9	17	18.5	-1.5	1.4	2.4	1	0.4	0.8	-0.3	26.1	29	-3

Source: ONS (NHS Registrations data)

It should be noted that the figures Table 3.2 cannot be summed by column as the data includes moves between boroughs and, therefore, the totals in columns would "double count" such moves.

Figure 3.3 Migration within UK by borough 1 January 2007- 31 December 2008

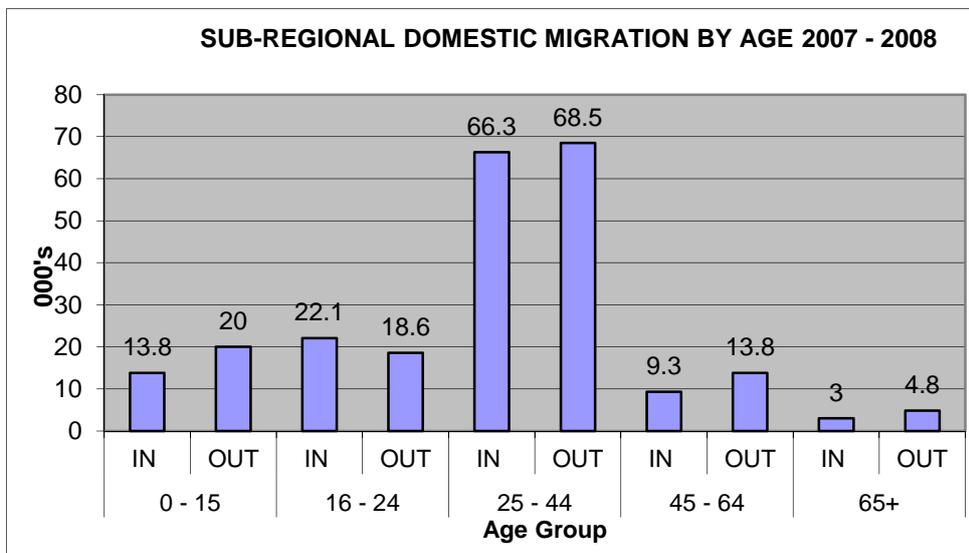


Source: ONS

Source: ONS (NHS Registrations data)

For south west London as a whole the period from 1 January 2007 to 31 December 2008 saw a net migration outflow of 11,200 people. There was a net loss of population from the sub-region due to UK migration for all ages except for the 16 – 24 years of age group

Figure 3.4 Inter UK migration for south west London by age group 1 Jan 2007 to 31 Dec 2008



Source: ONS (NHS Registrations data)

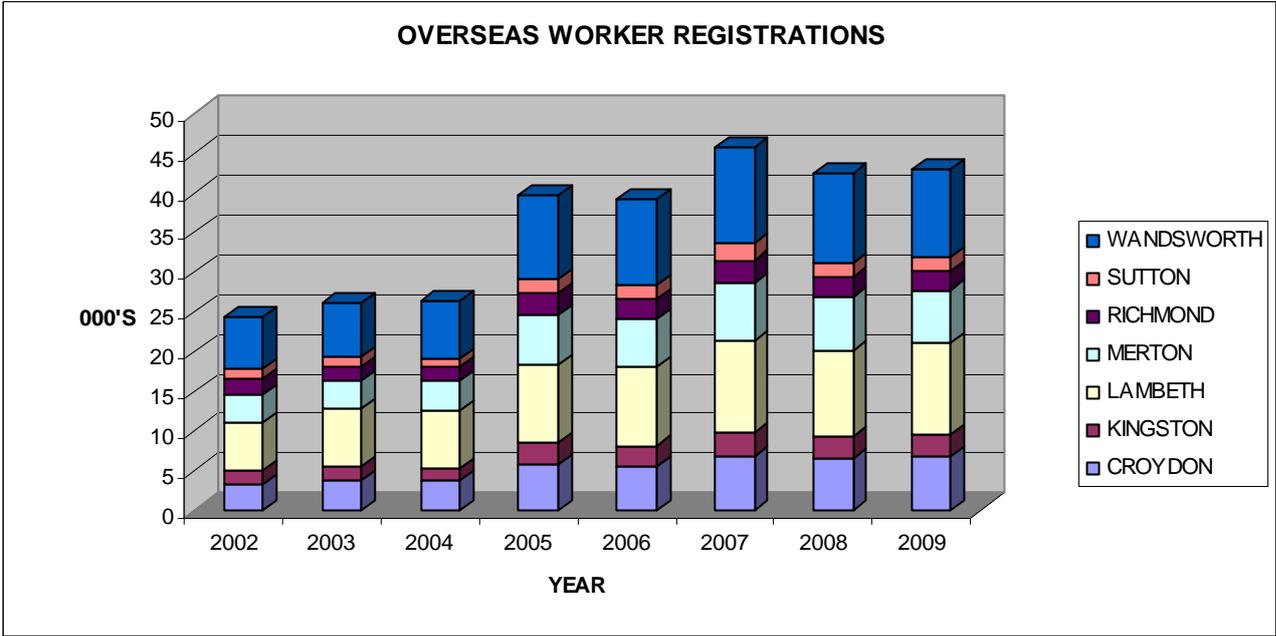
3.1.5 International migration

International migration has been identified as an important driver behind population growth in south west London. National Insurance (NI) Registration data can be used to gain additional insight into the extent and origin of these flows. Although not all migrants will register for NI, a large majority will. However, even if the National Insurance data does not present a full picture of international migration it is useful for comparative purposes between areas and over time. It should be noted, however, that these figures represent an assessment of inward movement only and do not measure the number of foreign workers who have left the individual boroughs, sub-region or the country.

Table 3.4 Foreign workers moving to south west London 2002 – 2009 (000's)

	2002	2003	2004	2005	2006	2007	2008	2009
Croydon	3.42	3.88	3.74	5.72	5.53	6.72	6.48	6.76
Kingston	1.69	1.68	1.59	2.75	2.67	3.06	2.78	2.9
Lambeth	5.97	7.25	7.35	9.87	9.95	11.65	10.88	11.54
Merton	3.53	3.64	3.58	6.28	5.96	7.14	6.64	6.56
Richmond	2.01	1.69	1.8	2.86	2.62	2.95	2.56	2.46
Sutton	1.13	1.15	1.01	1.59	1.7	2.03	1.86	1.74
Wandsworth	6.54	6.89	7.37	10.65	10.74	12.09	11.28	10.86
Sub-Regional Total	24.29	26.18	26.44	39.72	39.17	45.64	42.48	42.82

Figure 3.5 Foreign workers moving to south west London 2002 – 2009



Source: DWP: National Insurance Number Registrations

As can be seen, the annual number of international migrants entering the sub-region has risen from 2,290 in 2002 to a peak of 45,640 in 2007. The largest numbers of the migrant workers moved to Wandsworth and Lambeth. However, the number of international migrants moving into Merton, whilst numerically lower than some other boroughs, represented a 3% increase in the total population.

Projections for future population and household change are considered in Chapter 4, at section 4.1. Allowing for the impact of migration and the formation of new households within the sub-region, south west London is expected to gain an average of 7,520 new households per year until 2031¹, although these estimates will be affected if there is a continued economic downturn which will impact upon both the levels of international migration and also the rate of new homes being built.

3.2 The economic and social context

3.2.1 Income

According to CACI PayCheck data the average annual gross household income in south west London in June 2009 was £42,649. The income distribution of households in the sub-region is shown in the table and graph below. It is clear from this data that the average (median) income in the sub-region is affected by the number of households with average annual incomes of over £100,000. The modal average is in the region of £27,500.

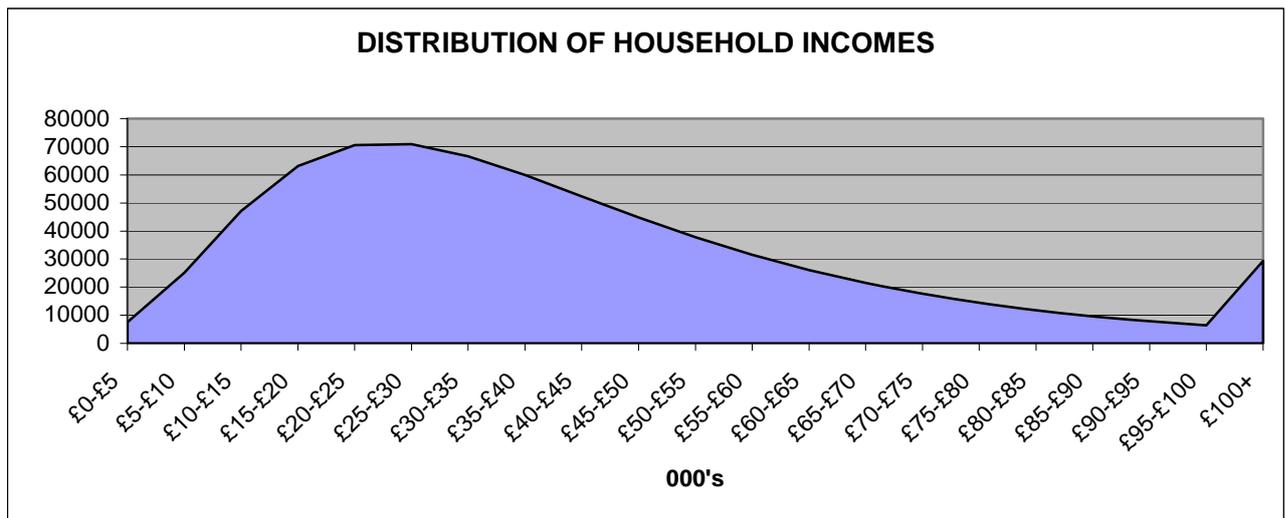
¹ Greater London Authority 2004-based household projections; additional modelling by ECOTEC. See Figure 4.2

Table 3.5 Distribution of household income

Income range	Household numbers	% of households
£0-£5,000	7,566	1.05
£5,001- £10,000	25,183	3.49
£10,001 - £15,000	47,117	6.52
£15,001 - £20,000	63,138	8.74
£20,001 - £25,000	70,540	9.77
£25,001 - £30,000	70,861	9.81
£30,001 - £35,000	66,619	9.22
£35,001 - £40,000	59,963	8.30
£40,001 - £45,000	52,393	7.25
£45,001 - £50,000	44,838	6.21
£50,001 - £55,000	37,805	5.23
£55,001 - £60,000	31,536	4.37
£60,001 - £65,000	26,105	3.61
£65,001 - £70,000	21,489	2.98
£70,001 - £75,000	17,623	2.44
£75,001 - £80,000	14,414	2.00
£80,001 - £85,000	11,770	1.63
£85,001 - £90,000	9,601	1.34
£90,001 - £95,000	7,831	1.08
£95,001 - £100,000	6,387	0.88
£100,001+	29,364	4.07

Source: CACI PayCheck

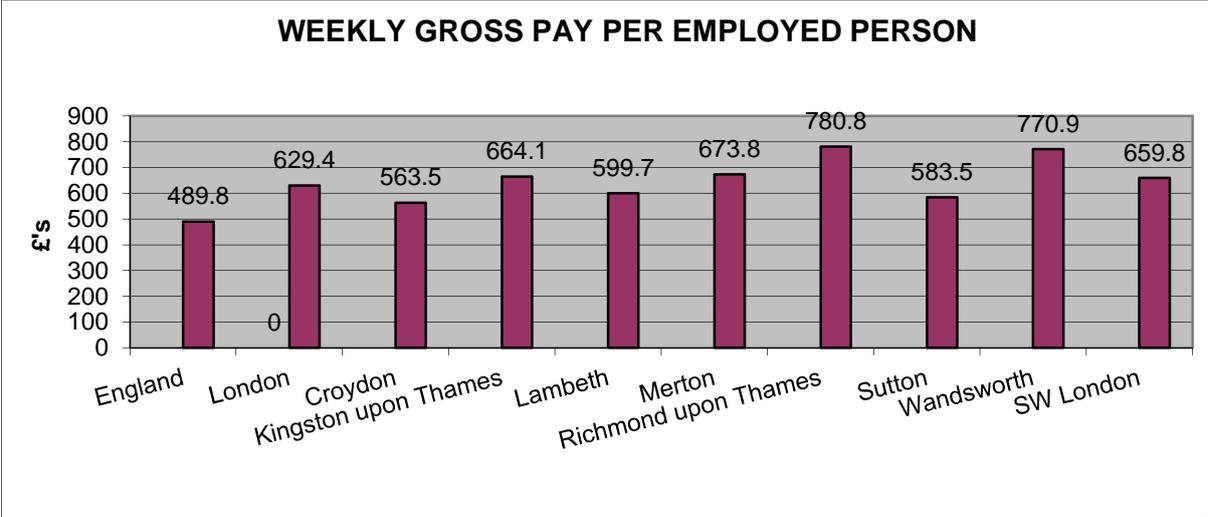
Figure 3.6 Distribution of household income



Source: CACI PayCheck

Another source of income data is the Annual Survey of Hours and Earnings. Unfortunately this survey is not comparable to the data collected by CACI PayCheck as it concerns itself with earnings of those in employment and relates to individuals, not households. The 2009 ASHE survey gives an average annual income figure for a person in south west London in full or part time employment of £34,310 which represents 104.8% of the figure for London overall. The following figure compares the mean weekly income data of the populations of south west London, Greater London and England, based on the ASHE data on gross earnings per person for 2009.

Figure 3.7 Mean income of individuals (2009)



Source: ASHE data 2009 (ONS)

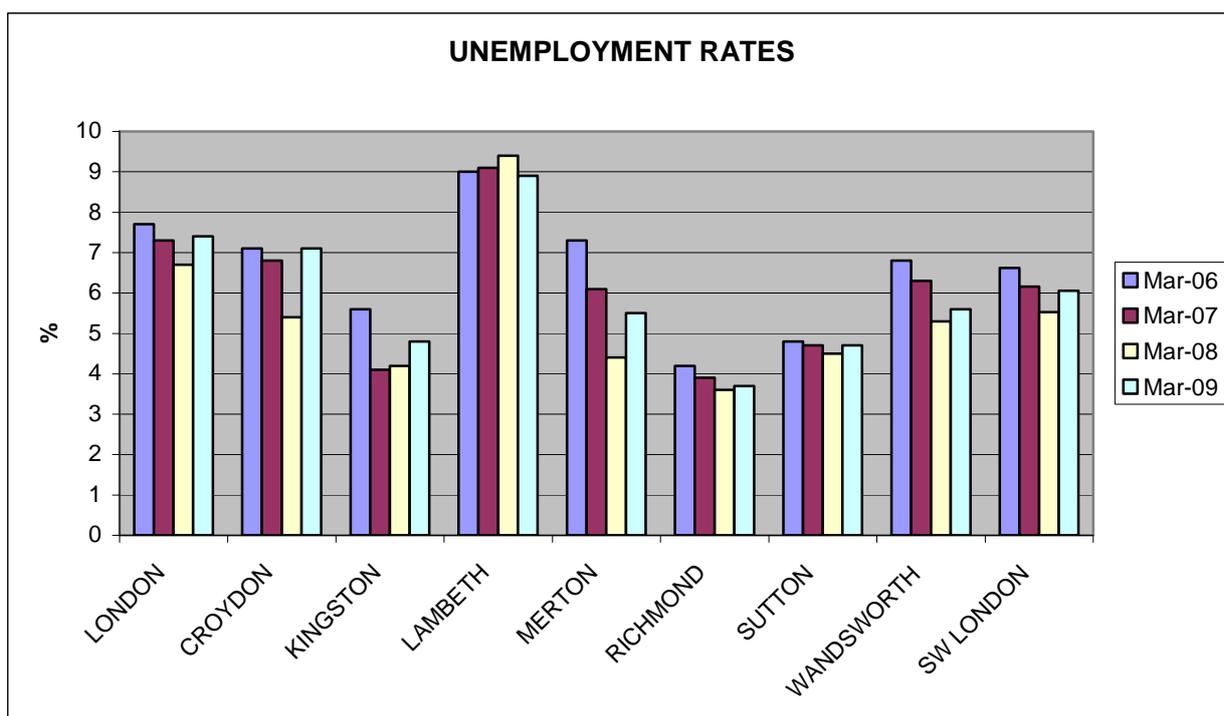
3.2.2 Employment levels and structure of the local economy

The Office of National Statistics calculates that in March 2009 there were 55,500 people in south west London actively looking for work. It can be seen from the following table and graph that the proportion of people unemployed in south west London has been consistently lower than that for London as a whole. However, each of the constituent boroughs in the sub-region (with the exception of Lambeth) has seen an increase in unemployment rates during the twelve months to March 2009. In the longer term, since March 2006, the level of unemployment has fallen in each borough except Croydon it remained unchanged.

Table 3.6 Proportion of population unemployed and seeking work (%)

	March 2006	March 2007	March 2008	March 2009
London	7.7	7.3	6.7	7.4
Croydon	7.1	6.8	5.4	7.1
Kingston	5.6	4.1	4.2	4.8
Lambeth	9	9.1	9.4	8.9
Merton	7.3	6.1	4.4	5.5
Richmond	4.2	3.9	3.6	3.7
Sutton	4.8	4.7	4.5	4.7
Wandsworth	6.8	6.3	5.3	5.6
SW London	6.6	6.2	5.5	6.1

Figure 3.8 Proportion of population unemployed and seeking work (%)



Source: Office of National Statistics

Considering the constitution of the employment market in south west London, Table 3.7 shows that the service industries dominate. Almost a third of all jobs in south west London are in the public administration, education and health category, which is higher proportion than for London as a whole, whilst the proportion of jobs in the sub-region in Finance, IT and other business activities is lower than that for London, whilst still above UK levels. The relatively high proportion in the public sector must give some cause for concern, given cutbacks in public sector expenditure.

Table 3.7 Occupational sectors 2007

	SW London Job Numbers	SW London %	London %	Great Britain %
Manufacturing	26,800	4.3	4.5	10.6
Construction	24,800	4.0	3.0	4.9
<i>Total Services</i>	<i>569,700</i>	<i>91.7</i>	<i>92.2</i>	<i>83.0</i>
Distribution, hotels & restaurants	142,200	22.9	21.0	23.3
Transport & communications	35,900	5.8	7.4	5.9
Finance, IT, other business activities	166,700	26.8	34.3	21.6
Public admin, education & health	179,800	28.9	22.4	26.9
Other services	45,400	7.3	7.1	5.2

Source; NOMIS ONS 2007

When considering the employment sectors in which the population of south west London works, the proportion employed in the higher occupational classifications is higher than that for London and significantly higher than for the UK overall. Consequently, the proportion of the south west London population in the lower occupational groups is lower.

Table 3.8 Occupational classifications 2007/8

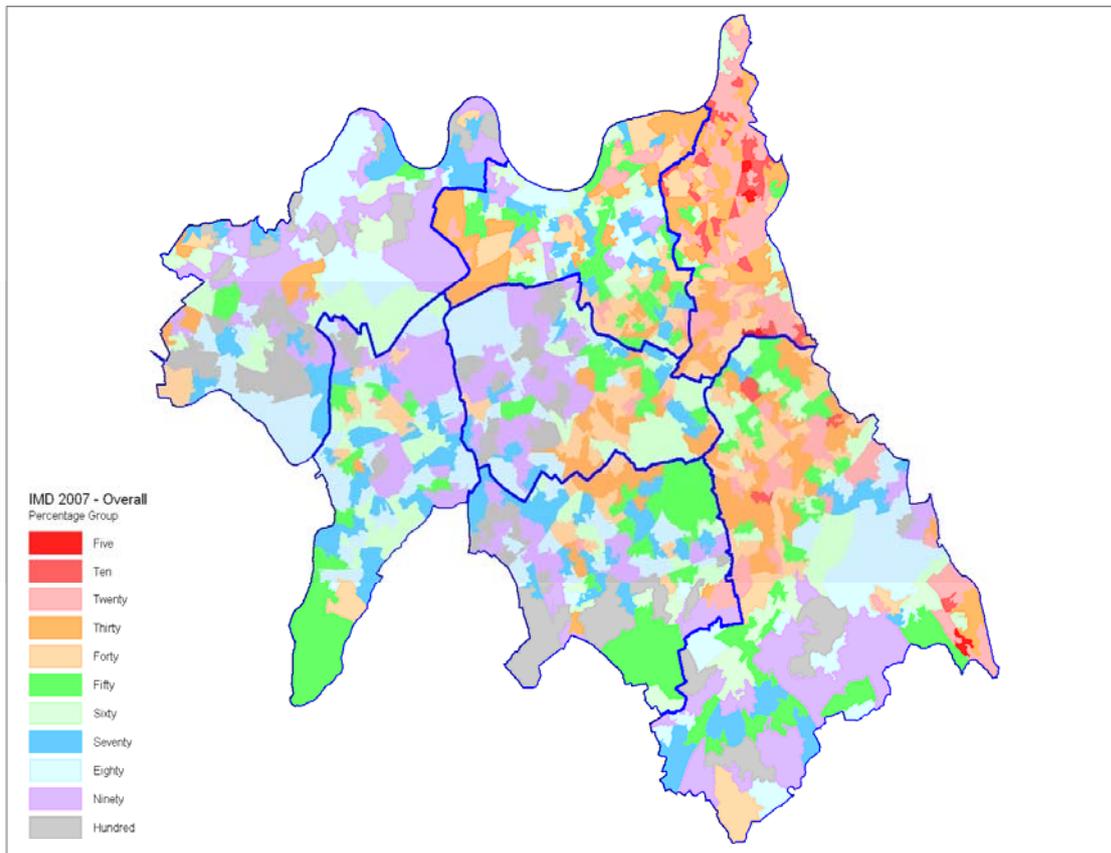
	Number of employees	SW London %	London %	Great Britain %
<i>Standard Occupational Classifications 2000 major group 1-3</i>	483,000	56.6	53.7	43.4
1 Managers and senior officials	160,000	18.8	17.7	15.7
2 Professional occupations	156,300	18.3	16.9	13.0
3 Associate professional & technical	166,700	19.5	18.7	14.5
<i>Total Soc 2000 major group 4-5</i>	153,900	18.0	19.2	22.3
4 Administrative & secretarial	98,200	11.5	11.7	11.4
5 Skilled trades occupations	55,900	6.5	7.4	10.8
<i>Total Standard Occupational Classifications major group 6-7</i>	108,400	12.7	13.5	15.8
6 Personal service occupations	61,100	7.2	7.3	8.2
7 Sales and customer service occupations	47,300	5.5	6.2	7.6
<i>Total Standard Occupational Classifications major group 8-9</i>	107,500	12.6	13.6	18.5
8 Process plant & machine operatives	36,100	4.2	4.2	7.1
9 Elementary occupations	71,300	8.4	9.3	11.4

Source: Nomis ONS 2008

3.2.3 Deprivation

The following map shows the variance in levels of deprivation across south west London in 2007, plotting each area according to its ranking position nationally. "Top twenty" indicates the area belongs to the 20% most deprived areas in England.

Figure 3.9 Index of Multiple Deprivation 2007

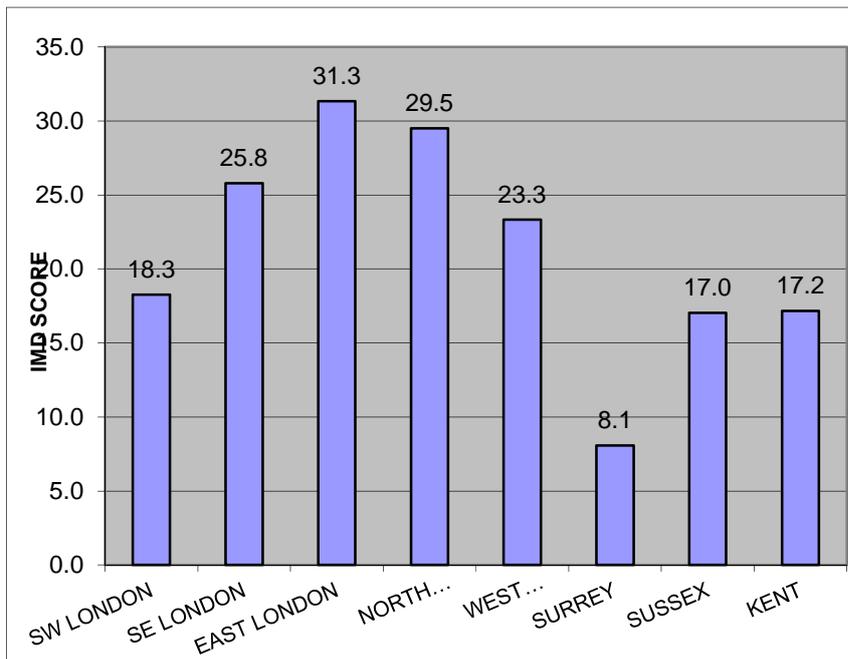


Source: Index of Multiple Deprivation 2007

Many of south west London's most deprived neighbourhoods lie in Lambeth. In fact Lambeth is the 19th most deprived local authority area in England (which makes it the sixth most deprived borough in London). In addition, there are areas with high levels of deprivation in Croydon. At the other end of the scale in London is Richmond upon Thames which is the least deprived borough in London (it ranks 309th nationally out of 354 authorities). Overall, it can also be seen that there are areas of relative deprivation adjacent to less deprived areas in many parts of the sub-region. In fact there are many areas in the sub-region which contain small pockets of relative deprivation or affluence adjacent to one another.

In comparative terms south west London is the least deprived sub-region in London according to the IMD. To place this in context, however, the following table and figure give the average IMD scores for each of the London sub-regions as well as those other areas with which south west London has a strong relationship in terms of migratory patterns.

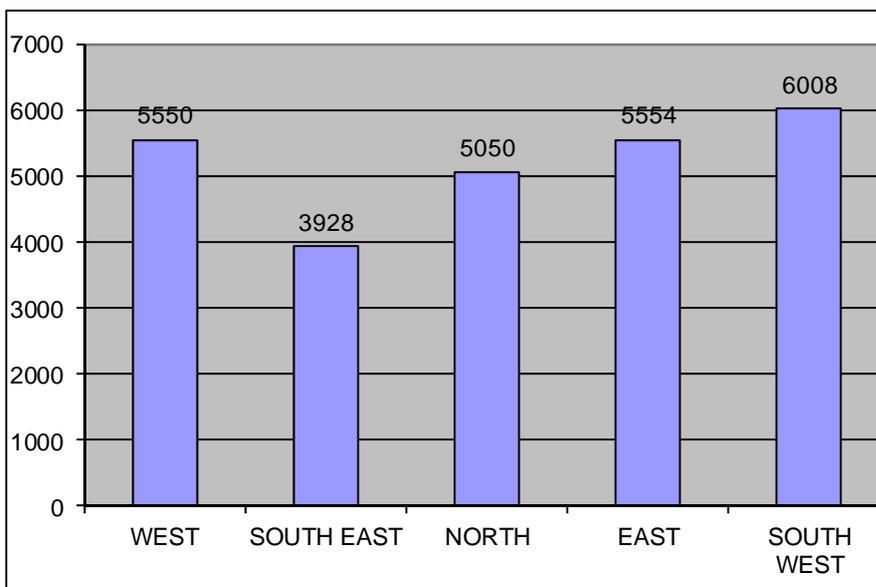
Figure 3.10 Average IMD 2007 score by sub-region



3.2.4 Homelessness

In terms of housing there is no more demonstrable expression of need than being homeless. Here we give information about the number of households who have approached local authorities in London during 2008/09 claiming to be homeless. The data is shown by sub-region and it can be seen that south west London authorities issued the most decisions in response to homeless applications dealt with. However, it should be noted that the data for Tower Hamlets (in the East sub-region) was unavailable.

Figure 3.11 Homeless decisions in 2008/09 for London by Sub-Region

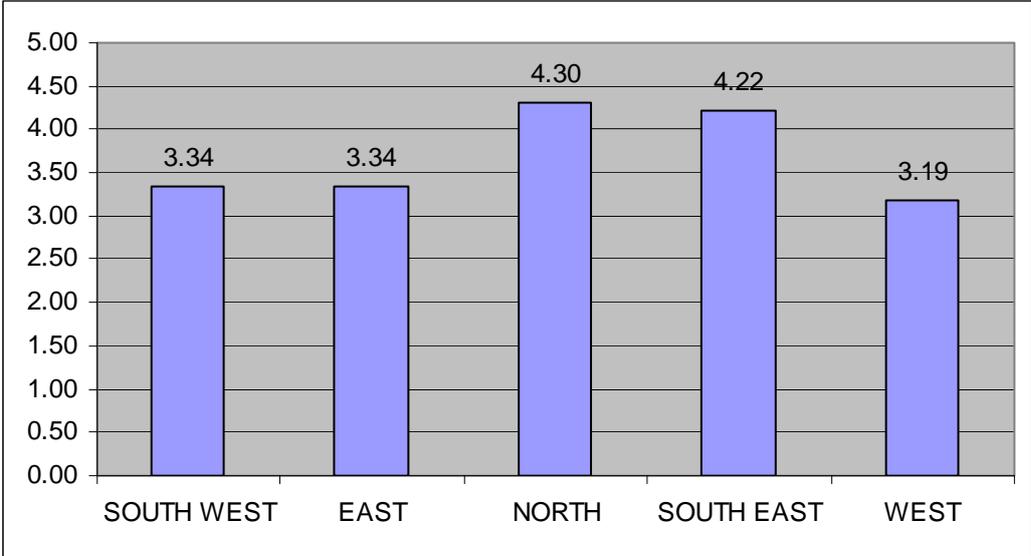


Source: HSSA (nb Data for Tower Hamlets unavailable)

Under the terms of the homelessness legislation, local housing authorities have a range of duties and powers in relation to people claiming to be homeless. The key one is that, where an authority decides that a household claiming to be homeless is, in fact, without a home that can be reasonably occupied, is in "priority need" (i.e. is less able to secure and maintain their own home due to circumstances such as having children living with them or being elderly) and has not made themselves intentionally homeless (homeless), it has to ensure that a reasonable offer of permanent housing is made to the household accepted. There are indications that the current government will be reviewing some aspects of the legislation and associated guidance, including the role of the private rented sector in meeting need and rules around 'local connection' and reasonable preference for others on the housing register.

The number of households accepted by the local authorities in London during 2008/09 as having the right to an offer of rehousing on the grounds of homelessness is given in the following table and figure. This is expressed as a rate per thousand of the population so as to give a consistent measure of the rate of acceptances between authorities of varying sizes. Again the authorities have been combined on a sub-regional basis. It can be seen that there is a narrow range within which the figure for each of the sub-region sit. The figures for the two sub-regions showing the highest rates of homeless acceptances are inflated in each case by the data for one authority within those sub-regions.

Figure 3.12 Homeless acceptances per 1,000 households by London Sub-Region



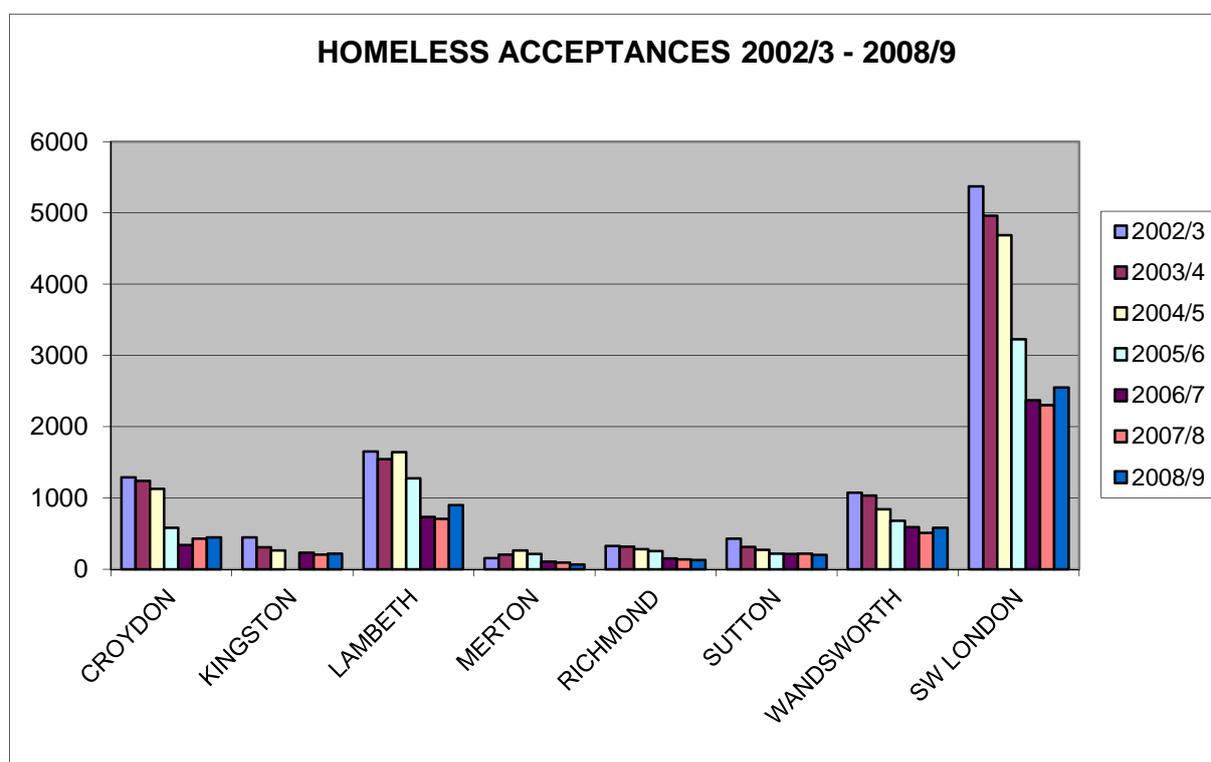
Source: HSSA (NB Data for Tower Hamlets unavailable)

When considering homelessness it is important to place the information in the context of the trends over recent years. The following tables and figures give information about the trends in the number of households accepted by the Councils in the sub-region as being in priority need and unintentionally homeless and the number of households in temporary accommodation provided by the individual authorities annually since 2003. It can be seen that the number of households accepted as homeless and in priority need has fallen from a figure of 5,372 in 2002/03 to a figure 57% lower than that in 2007/08. The number of households in temporary accommodation has followed a similar, if slightly less rapid, pattern falling from a peak of 9,058 in April 2003 to 5,456 as at April 2009. This trend is mirrored both nationally and also for London as a whole.

Table 3.9 Trends in homelessness: households accepted by year

	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9
Croydon	1291	1240	1126	581	340	429	449
Kingston	448	307	262	0	230	207	218
Lambeth	1651	1545	1644	1277	735	706	899
Merton	156	204	261	215	107	95	67
Richmond	325	316	279	254	152	138	130
Sutton	429	312	272	219	215	220	202
Wandsworth	1072	1036	840	680	589	508	583
Sub-region	5372	4960	4684	3226	2368	2303	2548

Figure 3.13 Trends in homelessness: households accepted by year



Source: HSSA for relevant years

Temporary accommodation is provided to households claiming homelessness for two main reasons. The first is to allow the authority time to investigate a claim of homelessness prior to issuing a decision. The second is to provide temporary shelter to households who have been accepted as homeless but are waiting for a reasonable offer of permanent accommodation to be made. Temporary accommodation comes in a variety of forms, the most prevalent being properties leased from private owners, hostels and temporary lettings of properties owned by the authorities. There is still a limited use of bed and breakfast accommodation.

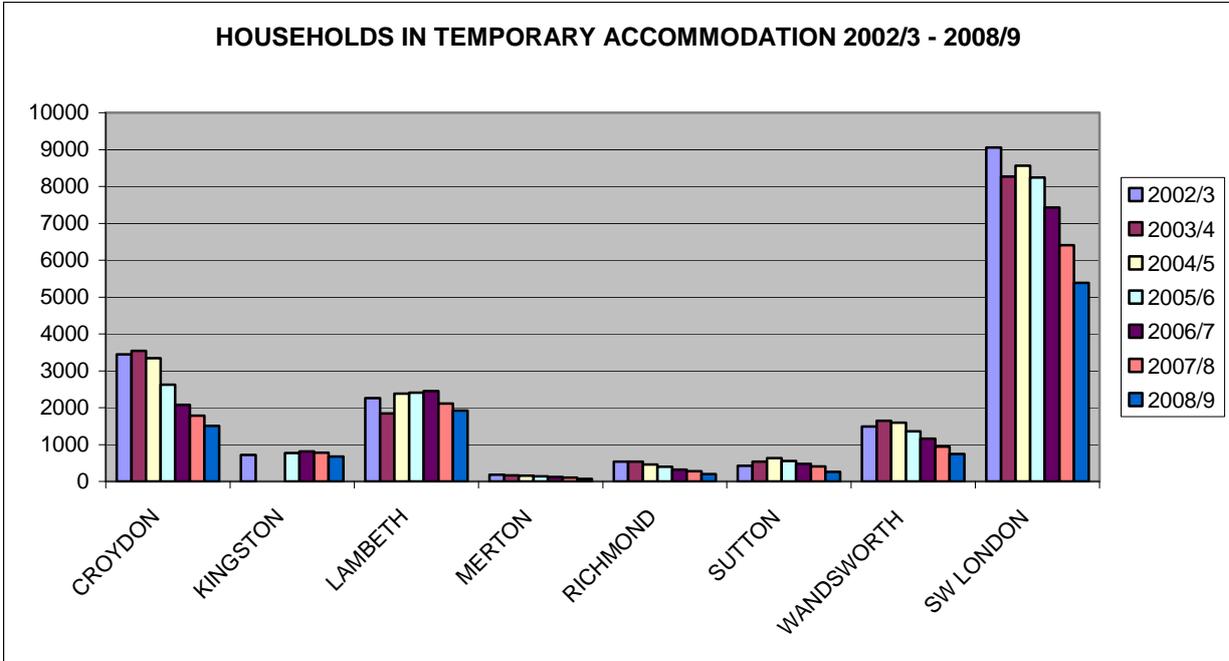
The figures in this report relating to homeless households in temporary accommodation include those who were "homeless at home", that is households towards whom a local authority had accepted a responsibility to make an offer of permanent housing but who were continuing to live in their previous home. The most prevalent household type for which this type of arrangement is made is families with a child or pregnant member who are living with parents or relatives who are not willing to accommodate them in the longer term. As at 31 March 2009 there were 81 such households in south west London.

The following table and figure give details of a series of "snap shots" of the number of homeless households in temporary accommodation as at 31 March each year from 2003 to 2009. Trends in the levels of use of temporary accommodation are a reflection of both the number of households presenting as homeless and also the rate at which permanent rehousing can be offered.

Table 3.10 Trends in homelessness: households in temporary accommodation (at 31 March)

	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9
Croydon	3,450	3,545	3,346	2,623	2,081	1,785	1,503
Kingston	718	0	0	767	812	775	676
Lambeth	2,257	1,845	2,378	2,406	2,451	2,116	1,924
Merton	179	165	156	138	120	105	71
Richmond	538	534	458	396	324	276	203
Sutton	427	538	636	554	476	408	260
Wandsworth	1,489	1,644	1,593	1,355	1,161	940	747
Sub-region	9058	8271	8567	8239	7425	6405	5384

Figure 3.14 Trends in homelessness: households in temporary accommodation (at 31 March)



Source: HSSA for relevant years

3.2.5 Applicants on the Housing Register

The main route into public sector rented housing (local authority and housing association) is via the Housing Register. This includes applicants from both existing social sector tenants (local authority and housing association) wishing to move to alternative properties (the transfer register) and households currently outside of the social rented sector and wishing to access it (the Housing Register or Waiting List). For the purposes of this assessment only the households looking to move to the social rented sector from other tenures are considered. This is line with the government guidance on carrying out SHMAs which states that the needs of existing tenants should be assumed as having a nil effect on the supply of social rented dwellings (i.e. by moving to a new property a tenant is freeing up another property which can be used to meet the needs of another).

As at the 31 March 2009 there were 59,880 households waiting to be rehoused (excluding transfer applicants). The following tables and charts show the number of households registered on local authority housing waiting lists in south west London on 1 April in each year since 2000. It can be seen that there is a trend in each authority of an overall increase in the number of households seeking rehousing from the Council. There are some cases where the figures in one or more year show a decrease. This may well reflect one of the periodic reviews that local authorities carry out to ensure that applications are counted only where the applicant household is still interested in being rehoused.

Table 3.11 Households on Housing Register

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Croydon	6265	6214	6890	6425	8067	8856	9271	9776	10044	9723
Kingston	3113	3723	3971	4137	4465	4903	5726	5616	6127	6812
Lambeth	16220	13115	14228	11140	12847	10648	13611	14495	15479	16729
Merton	3920	4214	4361	4312	4834	5188	3278	5885	6542	6163
Richmond	4992	3383	3763	3861	4868	4898	5726	4576	5549	6858
Sutton	2154	2432	1653	1662	2145	3724	3408	4121	4091	4174
Wandsworth	2441	3120	3923	5072	6672	8668	8952	8695	8924	9421
SW London	39105	36201	38789	36609	43298	46885	49972	53164	56756	59880

Figure 3.15 Households on Housing Register

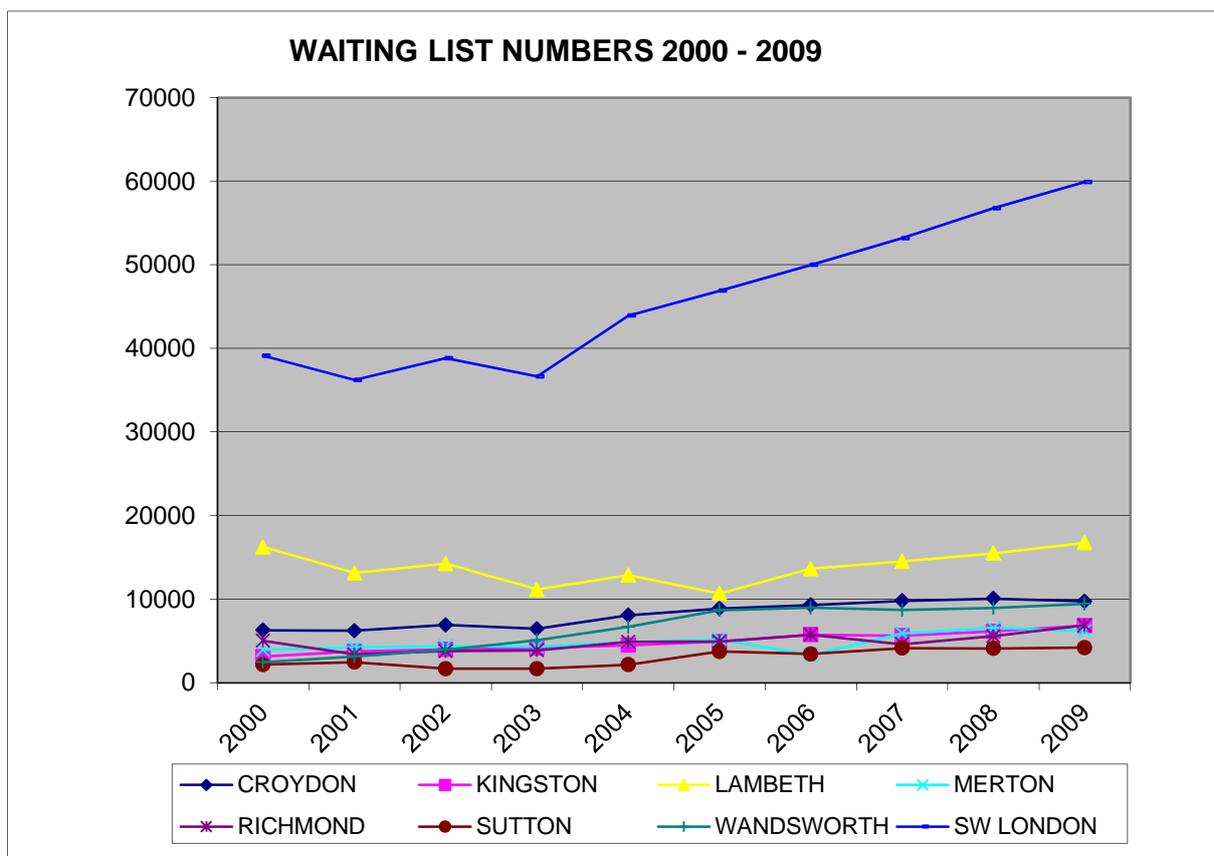


Table 3.12 Households on waiting lists and lettings by bed size

Bedsizes requirement	On Housing Register as at 31 March 2009	Number of rented properties let 1 April 2008 to 31 March 2009 (exc. Transfers)	Proportion of need being met
1 bed	33,567	2,387	7.1%
2 bed	16,215	1,913	11.8%
3 bed	7,478	759	10.1%
4+ bed	2,436	113	4.6%
Not Known	184	0	0
TOTALS	59,882	5,172	8.6%

Source: Local Authority data

It can be seen that the level of demand far outweighs the available supply, and that this is most evident when considering the need for homes with 4 or more bedrooms. The need for social rented properties with four or more bedrooms is such that, if no more households with such a need came forward it would take almost 22 years to clear the backlog of need at current letting rates. There is also a high relative need for one bed properties, reflecting, in part the ageing population profile.

3.2.6 Demand for Intermediate Housing

In addition to those households applying for social rented housing there are separate lists held for people wishing to be allocated intermediate housing in the sub-region. Two authorities (Kingston upon Thames and Wandsworth) maintain separate lists for households wishing to access intermediate housing. In addition there is a combined list held by London and Quadrant Housing Trust which acts as the HomeBuy Agent for initial sales and subsequent resale of shared ownership homes.

In total 8,349 households are on the three intermediate housing waiting lists operating. Although this figure represents a demand figure rather than one based on assessed need it will be added to the overall housing need figure when making the overall assessment of gross housing need. Equally the projected supply of intermediate housing will be taken into account when the calculation of net need is made.

3.2.7 Council Tax and Housing Benefit Claims

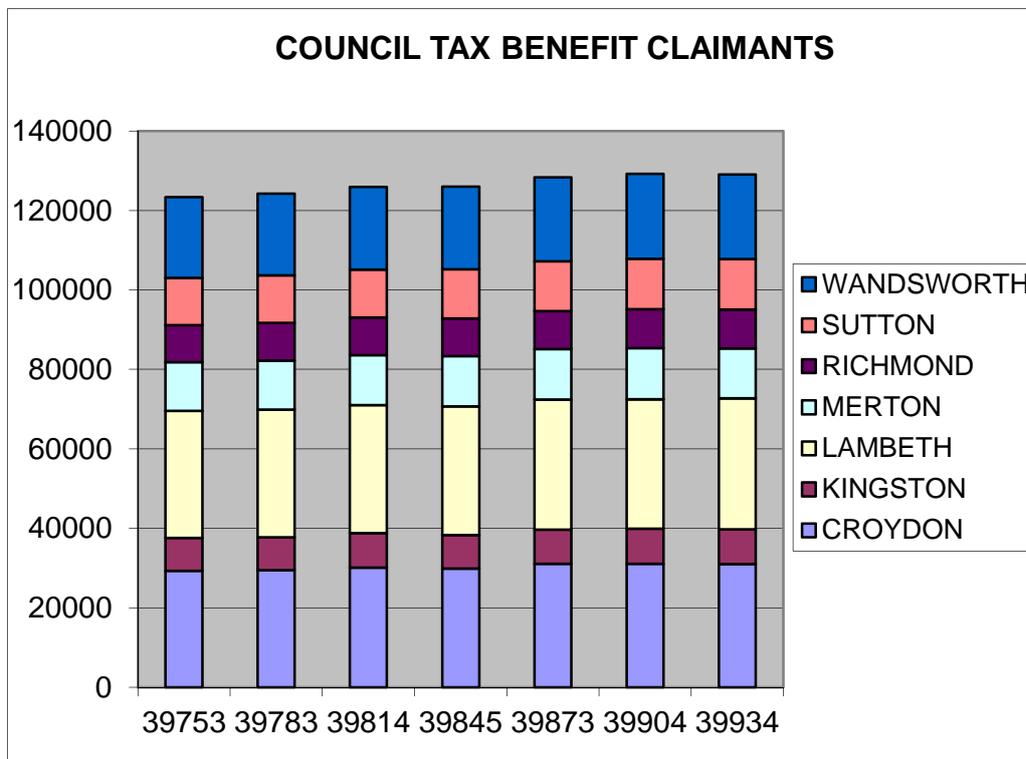
Another indicator of the impact of changing economic circumstances on the housing circumstances of people living in the sub-region is the number of households who are in receipt of financial assistance towards meeting their housing costs. The number of households in then sub-region in receipt of Council Tax Benefit rose in the six months from 123,360 in November 2008 to a peak of 129,210 in April 2009 (the figure fell by 120 in May 2009).

Table 3.13 Council Tax Benefit claimants by borough November 2008 – May 2009

	Nov 2008	Dec 2008	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009
Croydon	29,310	29,480	30,140	29,880	31,070	31,060	30,990
Kingston	8,280	8,300	8,680	8,430	8,640	8,820	8,780
Lambeth	31,950	32,110	32,220	32,410	32,670	32,620	32,940
Merton	12,290	12,340	12,520	12,600	12,680	12,840	12,530
Richmond	9,310	9,450	9,470	9,470	9,610	9,770	9,820
Sutton	11,840	11,940	12,040	12,380	12,520	12,740	12,660
Wandsworth	20,678	20,664	20,704	20,825	21,077	21,240	21,390
Sub-Region	123,360	124,260	125,900	126,030	128,330	129,210	129,090

Source: Single Housing Benefit Extract

Figure 3.16 Council Tax Claimants by borough November 2008 – May 2009



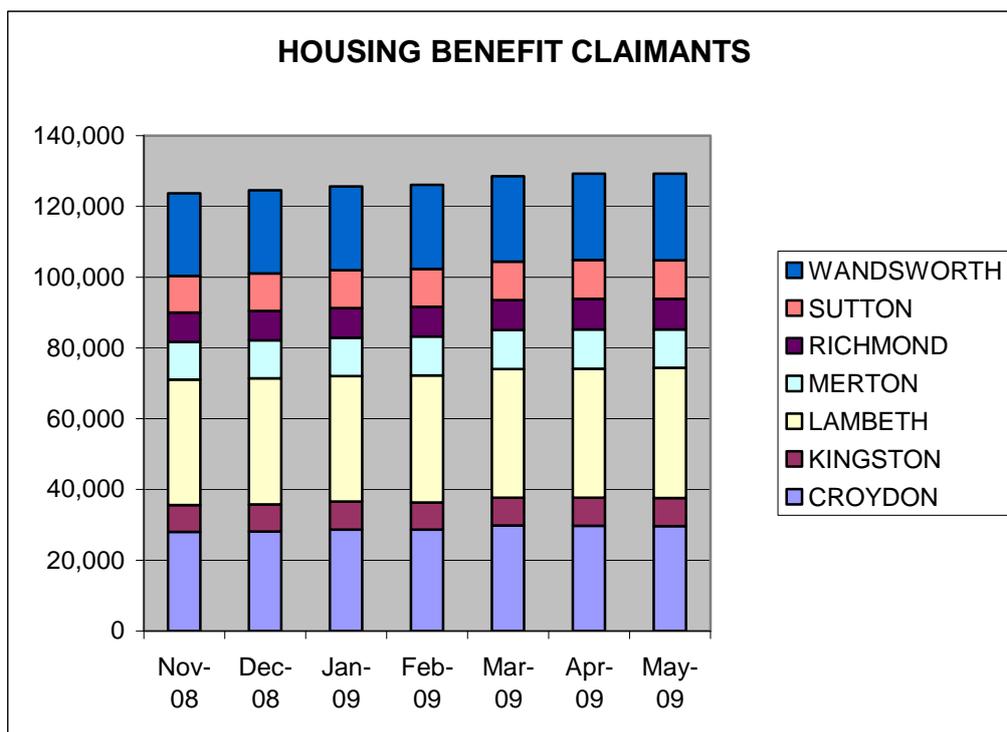
Source: Single Housing Benefit Extract

The number of households claiming Housing Benefit during the period from November 2008 to May 2009 rose by 5,500 from 123,750 to 129,250.

Table 3.14 Housing Benefit Claimants by Borough November 2008 – May 2009

	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009
Croydon	27,980	28,130	28,640	28,620	29,800	29,720	29,600
Kingston	7,600	7,650	7,930	7,730	7,900	8,000	8,010
Lambeth	35,500	35,620	35,500	35,860	36,280	36,370	36,750
Merton	10,660	10,760	10,840	11,040	11,070	11,160	10,860
Richmond	8,250	8,350	8,390	8,360	8,510	8,640	8,700
Sutton	10,370	10,500	10,610	10,660	10,800	10,950	10,870
Wandsworth	23,390	23,490	23,690	23,800	24,150	24,440	24,460
Sub-Region	123,750	124,500	125,600	126,070	128,510	129,280	129,250

Figure 3.17 Housing Benefit claimants by borough November 2008 – May 2009



Source Single Housing Benefit Extract

3.2.8 Summary: key market drivers

The picture that emerges of the economy and social context in south west London and its impact on the housing market is one of relative stability. The proportion of economically inactive households seeking and not seeking work peaked slightly in 2007 and has now returned to a more normal level. Jobs in south west London are increasingly becoming concentrated in the service sector with almost a quarter being in the distribution, hotels and restaurant sector, and this has been a long-term trend. The substantial reliance on the public sector as an employer as well should be a cause of longer term concern. However, the largest single employment group of people who live in south west London is Managers and Senior Officials (about one in five people aged 16+). This tends to portray a picture of an area where those who can commute to better paid jobs outside of the borough whilst a group in lower paid employment can work in the sub-region itself.

In terms of homelessness the picture is again one of a relatively steady trend of slow downward demand. This is in line with what is happening in London and England generally. However, demand as measured by the Councils' Housing Registers show an increasing demand trend.

3.3 Housing Stock

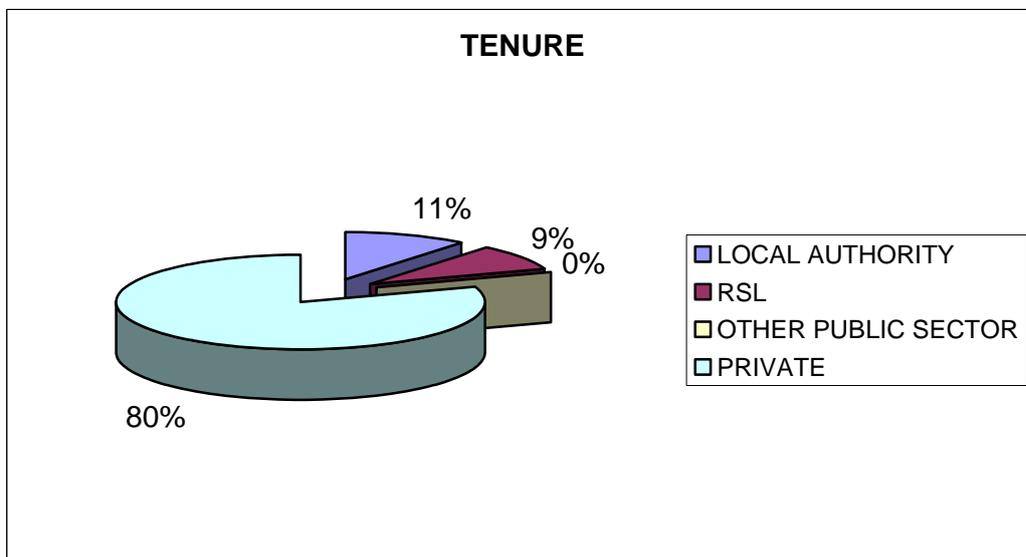
3.3.1 Current stock

According to the Housing Strategy Statistical Appendix (HSSA) there were 709,703 dwellings in south west London on the 1st of April 2009. The following table and figure show the breakdown of the stock by tenure.

Table 3.15 Dwellings by Tenure April 2009

	NUMBER OF DWELLINGS
Local authority	76,978
RSL	62,630
Other Public Sector	726
Private sector	569,369
TOTAL	709,703

Figure 3.18 Dwellings by Tenure April 2009

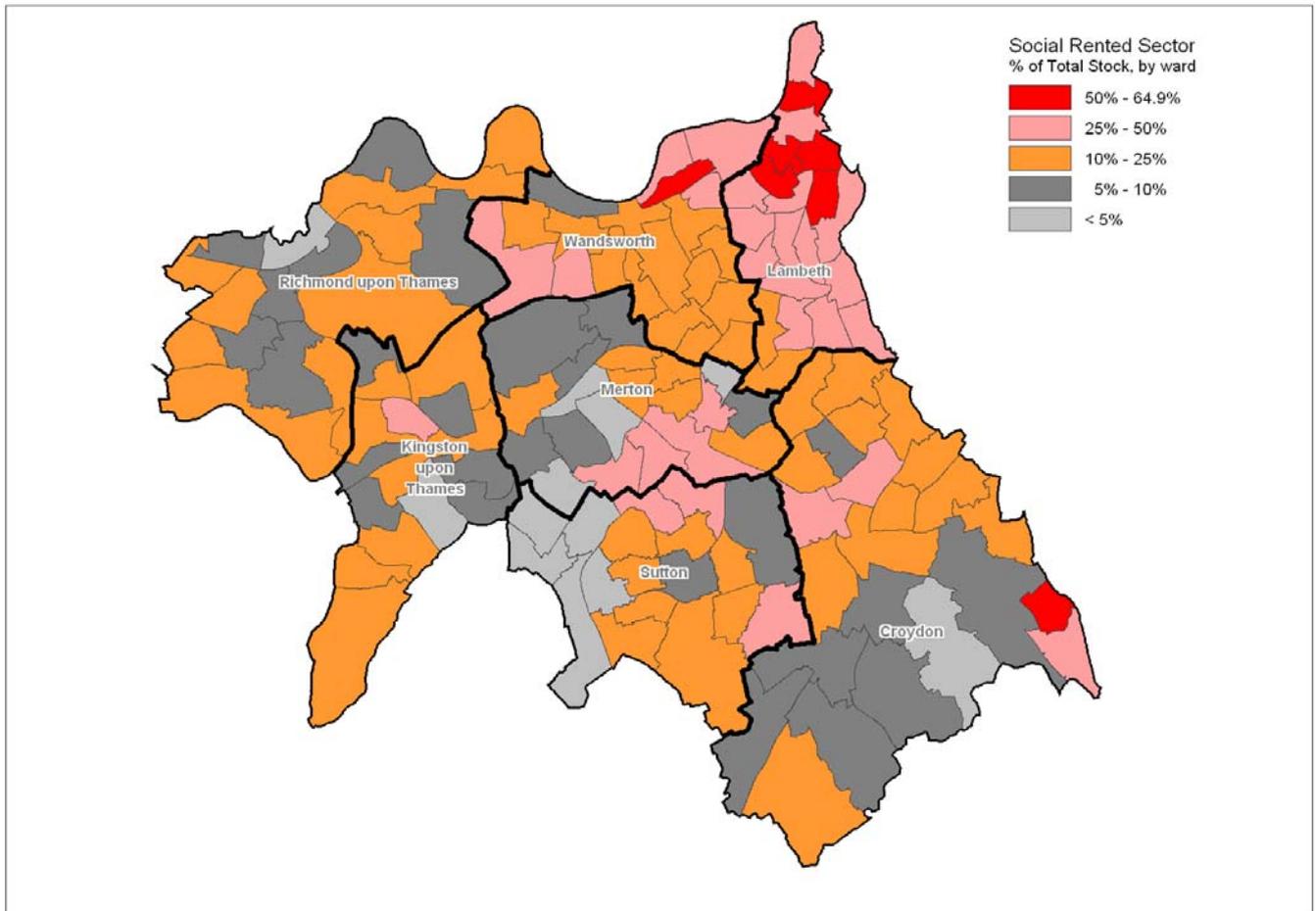


3.3.2 Tenure

Close to 11% of the stock in south west London is owned by the local authorities and 9% by Registered Social Landlords. These figures do not include the impact of Merton's stock transfer to Merton Priory Homes, which took place during the course of this project; this will have changed the balance between the two tenures. The social sector is proportionately smaller than that of London as a whole and larger than that of England. According to HSSA there were an estimated 23,990 Houses in Multiple Occupation (HMOs) in the sub-region on the 1st of April 2009, which is 3% of the stock. Just under half of all the estimated HMOs in the sub-region were in Wandsworth.

The following map shows the proportion of the dwelling stock in each Ward in the sub-region that comprises social rented housing. The information is based on the 2001 Census, which is the last reliable source of such information at a Ward level. Obviously there may have been some changes due to developments that have taken place in the intervening period and the sale of Council and RSL dwellings under the Right to Buy and Right to Acquire schemes.

Figure 3.19 Social Rented Stock as a Proportion of all dwellings by Ward



As would be expected, the Inner London boroughs of Lambeth and Wandsworth show a greater concentration of social rented housing. However, it is worth noting that only Richmond upon Thames has no Ward where social rented properties did not represent at least 25% of the dwelling stock in that area.

Exact figures concerning the number of private rented dwellings are not available. According to the 2001 Census results 16.7% of households in south west London were renting privately. This is a higher proportion than for London as a whole and 60% higher than the figure for England. The proportion of the stock which is privately rented varies by authority from 24.98% in Wandsworth to 10.31% in Sutton. Most commentators consider that the proportion of the private rented sector has expanded significantly over the last few years, exacerbated by the credit crunch, stagnant ownership markets, and the rise of 'reluctant' landlords and tenants, as well as by the Buy to Let boom of the 2000's. A more recent (2009) CLG survey included the following figures for some south west London authorities:

- Lambeth – 25%
- Sutton – 12%
- Merton – 14%
- Wandsworth – 22%
- Croydon – 11%

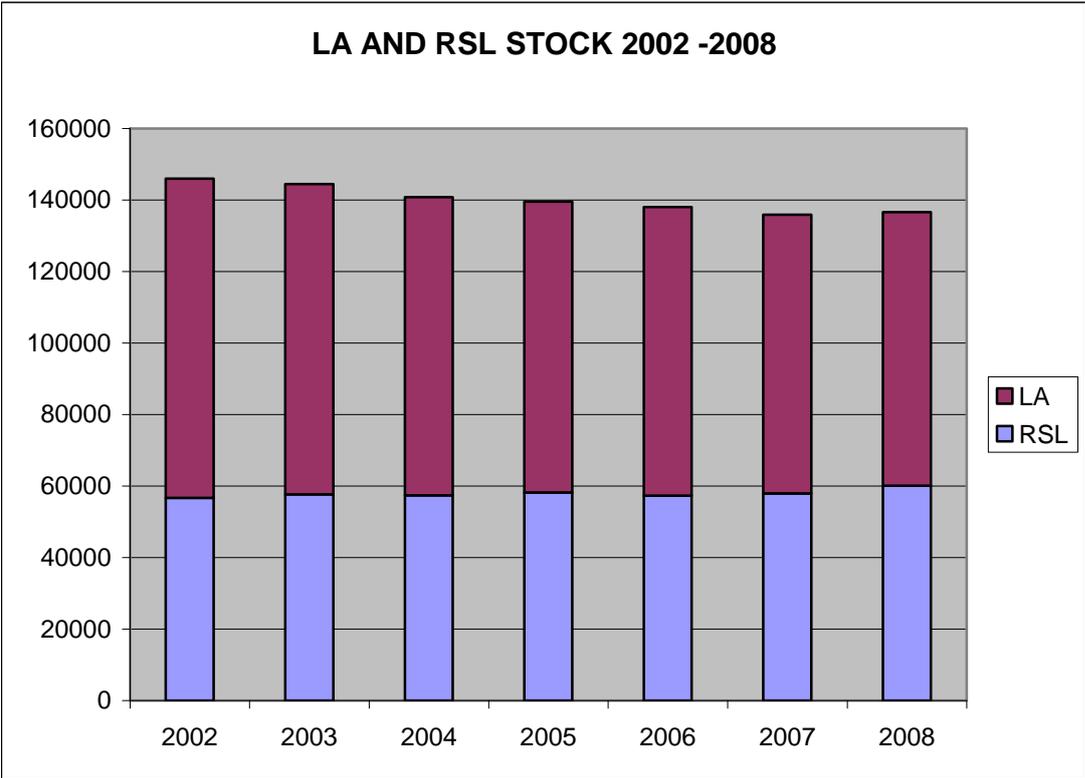
However, it should be noted that this was based on a fairly small sample size and cannot be said to be definitive.

The following table and figure show the annual changes in the number of Council and RSL owned properties in the sub-region since 2002. Overall the number of dwellings in south west London owned by the local authorities and RSLs has fallen by 9,360 during this period. When considering local authority stock only the decrease is more marked, the number of Council dwellings having fallen by 12,747 (over 14%) during the same six year period.

Table 3.16 Trends in stock: Local Authority and RSL owned dwellings 2002 to 2008

	2002	2003	2004	2005	2006	2007	2008
Local Authority	89,277	86,786	83,407	81,330	80,726	77,893	76,530
RSL	56,684	57,679	57,399	58,249	57,330	57,979	60,071
Total	145,961	144,465	140,806	139,579	138,056	135,872	136,601

Figure 3.20 Trends in stock: Local Authority and RSL owned Dwellings 2002 to 2008



Source : HSSA for relevant years

It can be seen that the number of Council-owned dwellings has fallen from some 89,000 to approximately 76,000. Until its peak in the sub-region in 2004/05, the rate of Right to Buy sales to sitting tenants would have

been a major contributor in the reduction in the number of Council owned properties. However, since that time the level of such sales has dwindled. In its place, there have been a number of large transfers of stock from local authorities (in particular Lambeth) to RSLs. Richmond upon Thames transferred the totality of its stock to a RSL in 2001. Merton completed a similar transfer of its housing stock to Merton Priory Homes (part of the Circle Anglia Group of RSLs) on 22 March 2010.

3.3.3 Difficult to let, low demand, unfit and vacant dwellings

As at 31 March 2009 2.7% of the dwellings in the sub-region were empty (average 2.11% among affordable housing stock). This figure is generally considered appropriate, as it is recognised that up to 3% of dwellings are required to be empty to facilitate the healthy functioning of the market (household movements and renovations etc.). However, of the 18,853 vacant dwellings 6,159 had been vacant for more than 6 months – indicating reasons other to do than short-term market functioning. Void levels are low in all of the main market sectors.

117,664 dwellings in the housing stock in the sub-region is estimated to have Category 1 hazards as assessed by the government's HHS rating system and more than 99% of these dwellings are found in the private sector.

Table 3.17 Difficult to let and low demand dwellings

	Difficult to let		Low demand	
	LA	RSL	LA	RSL
SW London	2,192	78	240	173

Source: HSSA: all figures are from the 2007/08 returns. (Note: data for Lambeth is only available for RSL stock)

3.3.4 Overcrowding

The issue of people living in overcrowded housing circumstances is one that has been recognised as key by the government, along with the related issue of under-occupation, with a particular emphasis being placed on the needs of households in the social sector. Data from central government indicates that in 2007/2008, there were 565,000 households living in overcrowded circumstances. Of these 207,000 households were in London. In total it is estimated that 12.7% of all social rented tenants in London were living in overcrowded circumstances.

The South West London Housing Partnership has obtained grant funding from the DCLG to operate a sub-regional overcrowding project. The aims of this project are to raise awareness of the issue of overcrowding, developing additional rehousing options for overcrowded households and raising local authority performance in the area of tackling under-occupation in their stock, thereby freeing up larger units that could be allocated to people living in overcrowded circumstances.

There are a number of individual schemes being operated in the sub-region seeking to address this issue:

- Perfect Fit South West London
- HCR Group moves pilot
- Your Move
- Pilot with Owner Occupier Under Occupants in Sutton
- Extensions and Deconversions

- Croylease Scheme in Croydon
- Breathing Space scheme in Kingston upon Thames

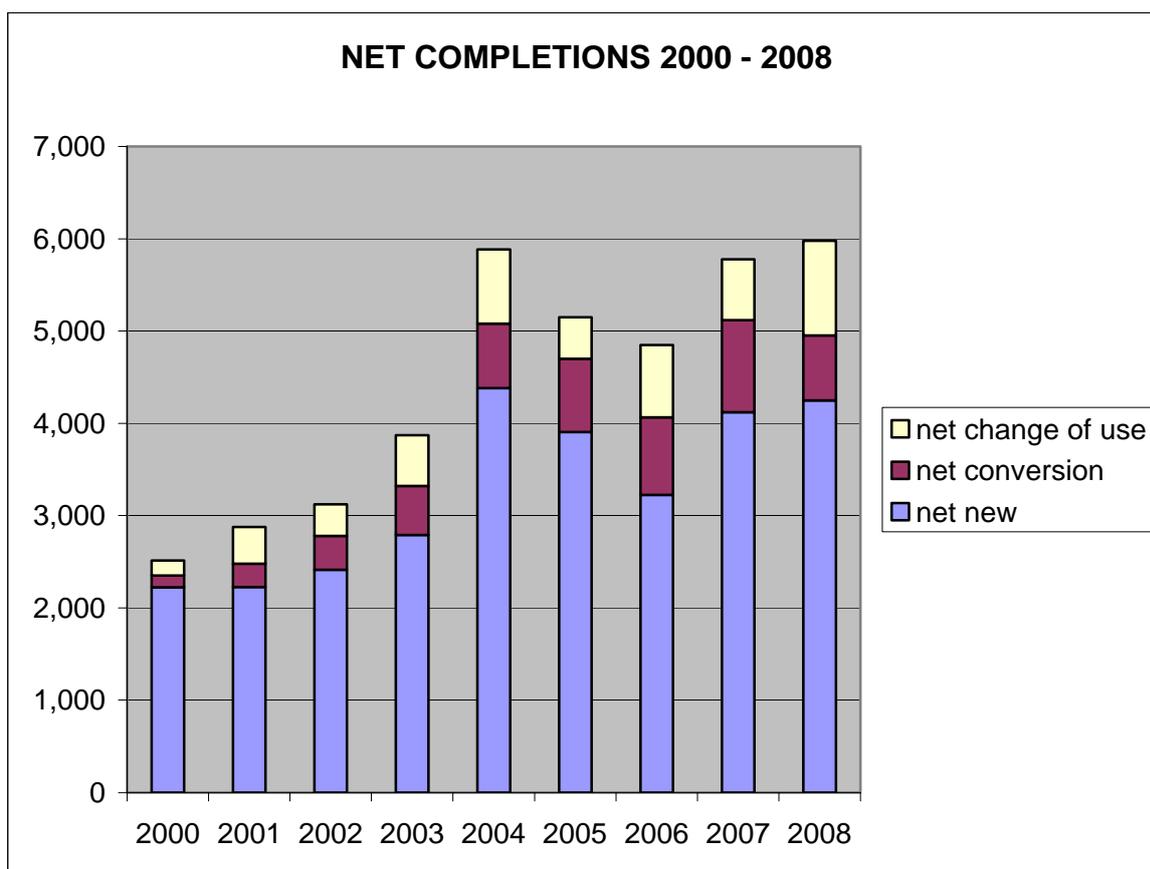
3.3.5 Recent changes to the stock

According to figures from the London Development Database 29,539 new dwellings (net) were built in south west London in the period 2000-2008 of which 18.3% were in the affordable sectors and 81.7% in the market sector. In addition to the new homes completed there were net gains in unit numbers through conversions and change of use. During the period from 2000 there was a net gain of 5,311 units following conversions and a further 5,171 units following a change of use.

Table 3.18 Trends in housing completions 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net new	2,225	2,229	2,414	2,792	4,384	3,905	3,224	4,120	4,246
Net Conversion	127	252	365	530	697	795	842	997	706
Net Change of Use	162	394	344	548	802	450	782	662	1,027

Figure 3.21 Trends in housing completions 2000-2008



Source: London Development Database

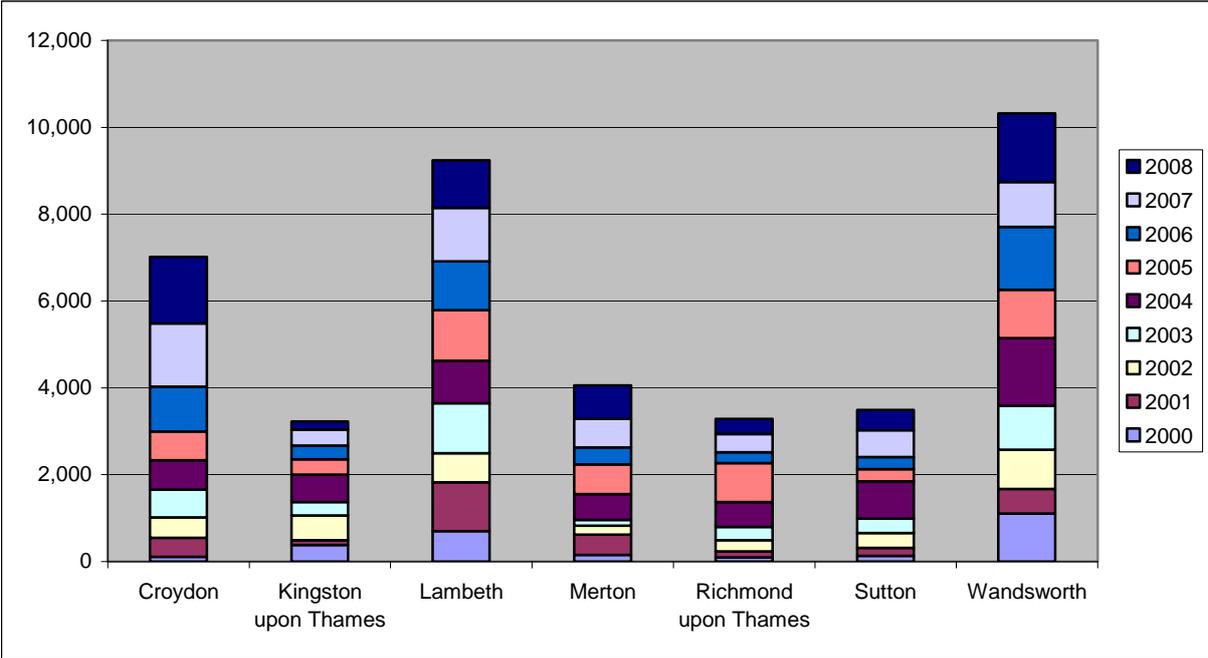
With regard to the number of bedrooms of completed units, the LDD figures suggest that 36% had 1 bedroom, 48% 2 bedrooms, 10% 3 bedrooms and 6% 4 or more bedrooms. Only 4% of intermediate homes had three or more bedrooms compared to 23% of new social sector dwellings and 16% of market dwellings.

Wandsworth is the borough with the highest number of completions during the past 9 years, followed by Lambeth and Croydon.

Table 3.19 Housing completions 2000 - 2008 by borough

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Croydon	107	435	474	641	676	662	1,030	1,461	1,528
Kingston	381	110	572	305	631	355	322	365	184
Lambeth	696	1,133	668	1,149	974	1,163	1,128	1,231	1,095
Merton	153	468	200	134	601	681	391	658	774
Richmond	95	143	253	306	574	896	252	415	350
Sutton	131	185	339	328	864	283	274	621	467
Wandsworth	1,107	567	905	1,007	1,563	1,110	1,451	1,028	1,581
Sub-region	2670	3041	3411	3870	5883	5150	4848	5779	5979

Figure 3.22 Housing completions 2000 - 2008 by borough



Source: London Development Database

As stated above, around 18% of the new build activity during the past 10 years concerned affordable dwellings. During this period an average of 844 RSL homes were built each year.

As noted in 3.3.2, whilst new builds were boosting the number of social sector dwellings on the one hand Right-to-Buy sales were reducing their number on the other. Between 2000/01 and 2008/09 6,384 social sector dwellings were sold to tenants as they exercised their Right-to-Buy (on average 709 per year), although the

level of sales has declined sharply since then, with just 21 units sold in 2008/09, and a similar number in 2009/10

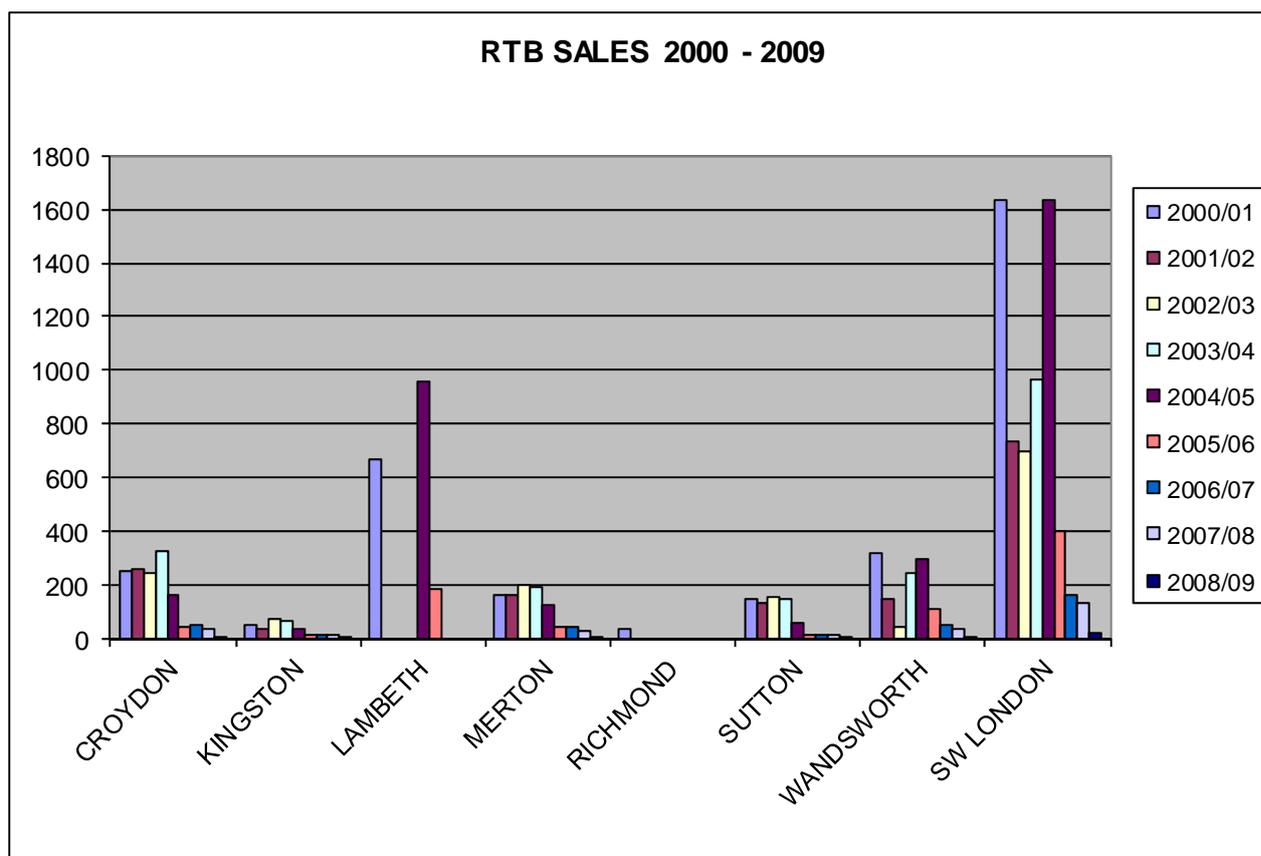
Figure 3.23 Right-To-Buy sales 2000/01-2008/09 by borough

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Croydon	249	259	242	324	164	39	46	38	4
Kingston	51	31	70	64	36	14	15	15	6
Lambeth **	668	.	.	.	959	181	.	.	.
Merton	164	164	195	192	122	45	41	29	6
Richmond *	33
Sutton	146	130	150	145	58	15	9	12	2
Wandsworth	321	148	43	243	296	106	53	38	3
Sub-region	1632	732	700	968	1635	400	164	132	21

* Richmond's figures from 2001/02 onwards are sales completed under the Right to Buy and the Right to Acquire that exists for tenants of the Council's housing stock that has been transferred to a RSL.

** Much of Lambeth's data is incomplete and unavailable

Figure 3.24 Right-To-Buy sales 2000/01-2008/09 by borough



Source: CLG Live tables (Note: Data for Lambeth in incomplete)

3.4 The active market

3.4.1 Sales and prices

The average house price in south west London in 2009 was £361,742. In total 50,031 dwelling sales took place in the sub-region during the two year period to 1 June 2009 comprising:

- 25,860 flats and maisonettes (52%), mean price £ 272,492;
- 14,458 terraced houses (29%), mean price £ 391,084;
- 7,099 semi-detached houses (14%), mean price £ 465,455;
- 2,614 detached houses (5%), mean price £ 800,723.

Among these transactions were 3,077 new builds (6% of the total), 2,833 of which were flats. The mean new build price was £ 319,524 although this is somewhat skewed by 50 sales for more than £ 1,000,000.

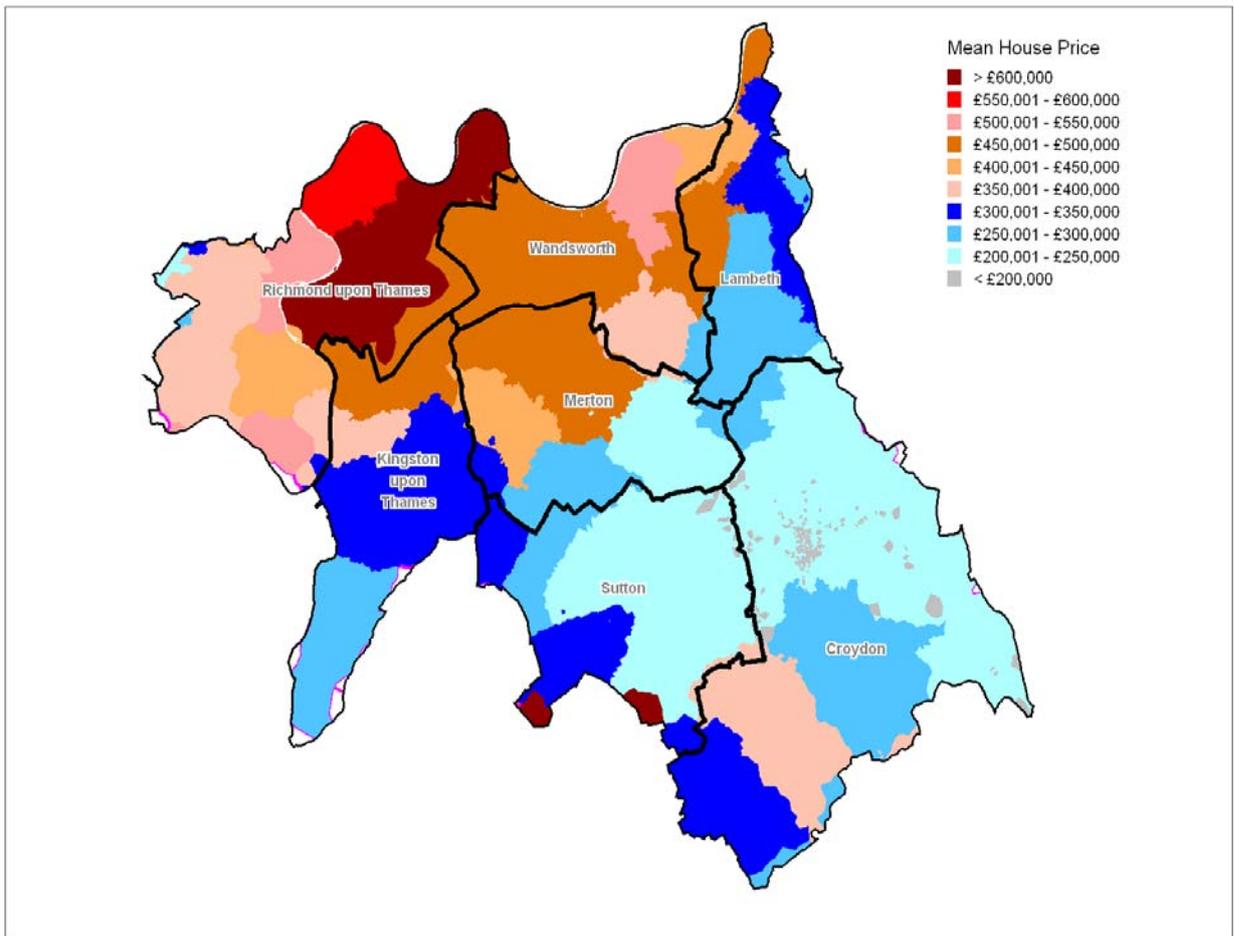
The distribution of June 2007 to June 2009 sales by type and by price band is shown in the next table.

Table 3.20 June 2007 to June 2009 sales by type and price band

	£0 - £150K	£150,001 - £249,999	£250,000 - £499,999	£500,000 - £999,999	£1,000,000+
Flats	2,571	11,719	10,346	1,096	128
Terraced	166	4,481	6,723	2,709	379
Semi – detached	26	1,068	4,306	1,258	441
Detached	3	349	1,108	948	521
Total	2,766	17,617	22,483	6,011	1,469

Source: HM Land Registry

The following map shows the distribution of mean house price by postcode for the sub-region.



This map shows that there was at least one post code area in each borough where the mean price of property sold was under £350,000 with the exception of Wandsworth.

3.4.2 The private rented sector

There is a lack of robust secondary data on the private rented sector. To fill this gap an internet survey of dwellings offered by lettings agents in the sub-region was carried out in August 2009, resulting in a bespoke dataset comprising some 700 dwellings of different types and sizes. Table 3.21 provides an overview of results.

Table 3.21 South west London private rented sector offer

	Number in dataset	Of which				Mean Price (£/month)
		Bedsit/1 bed	2 bed	3 bed	4+ bed	
Flat	292	93	136	45	18	£1,656
Maisonette	24	5	14	4	1	£1,149
House	40	2	6	7	25	£2,754
Town House	5	0	0	1	4	£2,551
Terraced	152	2	12	61	77	£2,306
Semi-detached	84	1	0	31	52	£2,641
Detached	91	0	1	5	85	£4,416
All	688	103	169	154	262	£2,355
Mean Price (£/month)	688	£820	£1,505	£2,139	£3,576	
Mean Price (£/month) (Flats)	310	£825.66	£1,509.49	£2,863.20	£3,347.53	
Mean Price (£/month) (Houses)	378	£719	£1,472.25	£1,810.51	£3,594.05	

Source: ECOTEC internet survey 2009

The mean asking rent for new lettings in the sub-region in August 2009 was over £2,300 per month. 46% of the current offer was flats. 60% of the properties offered to let had three or more bedrooms. The average rental price figure is affected by a number of very high value properties on offer (the highest monthly rental found was £22,000).

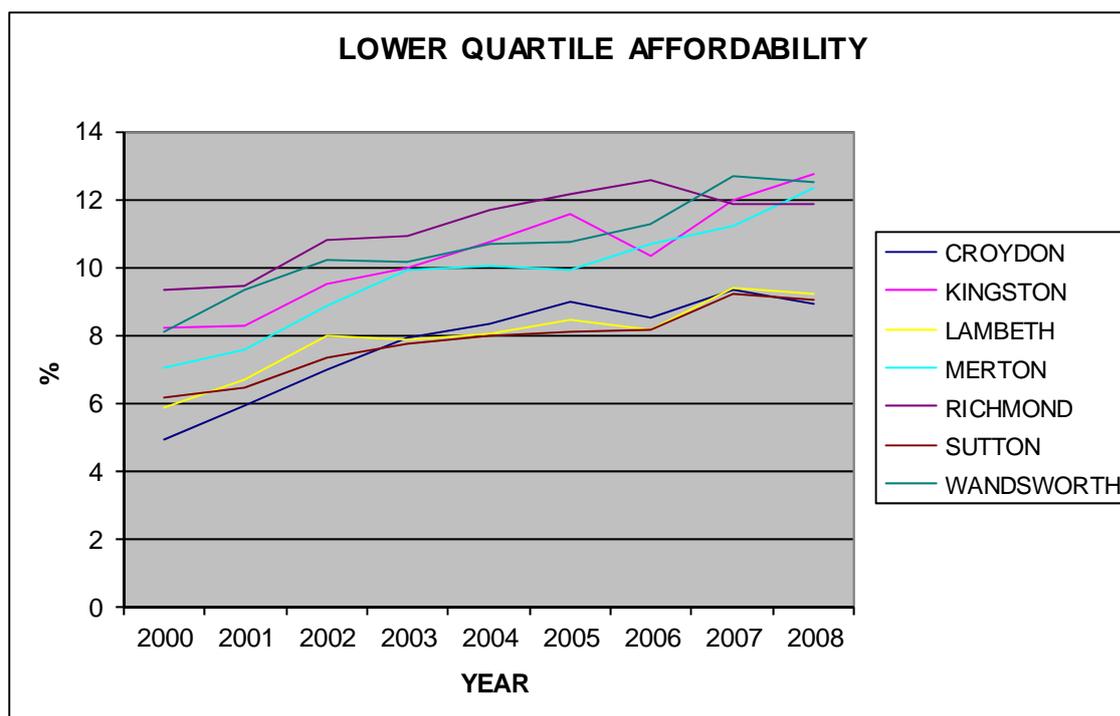
3.4.3 Affordability and market entry prices

The headlong increase in prices since the late 1990s made housing in the open market increasingly unaffordable for many, including people on the lowest incomes and first time buyers. The ratio of low incomes to low prices in south west London – a crude measure of access to basic housing - rose in each authority in the period 2000 to 2008, ranging from a 27% increase in Richmond upon Thames to an 81% increase in Croydon.

Table 3.22 Lower quartile affordability 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Croydon	4.95	5.95	6.99	7.93	8.36	8.97	8.53	9.35	8.96
Kingston	8.23	8.30	9.50	10.02	10.78	11.59	10.37	11.98	12.78
Lambeth	5.85	6.69	7.98	7.89	8.08	8.44	8.15	9.39	9.22
Merton	7.03	7.59	8.86	9.91	10.08	9.94	10.73	11.21	12.35
Richmond	9.32	9.48	10.81	10.95	11.71	12.16	12.57	11.87	11.88
Sutton	6.16	6.46	7.33	7.74	7.99	8.13	8.20	9.22	9.03
Wandsworth	8.10	9.36	10.22	10.16	10.68	10.76	11.30	12.70	12.53

Figure 3.25 Lower quartile affordability 2000-2008



Source:

CLG Live Tables (based on ONS Annual Survey of Hours and Earnings and HM Land Registry)

An important element of this Assessment is to ascertain the minimum price at which home buyers and renters are able to access the housing market in south west London. This needs to be done by dwelling type and bedroom size, to determine market entry price levels for different types of households.

The prices for home buyers are based on 2007/9 Land Registry “Price Paid” data. However, this dataset does not provide information on bedroom numbers. Therefore, we analysed the data for properties available for sale as listed on the Rightmove web-site by bedroom number and price. We then brought the two data sets together to produce a definitive price by property size calculation. The figures for the private rented sector are based the bespoke PRS dataset alluded to above. The resulting 2009 market entry price levels are presented in the table below. These figures have been fed into the affordability calculation later in the Assessment.

Table 3.23 Lower quartile market prices (2009)

Type	Bedrooms	Buying	Renting – per month
Flats	0/1	£105,400	£700
	2	£163,200	£895
	3+	£204,000	£1,350
Houses	1	£147,000	£495
	2	£150,000	£875
	3	£171,000	£1,150
	4+	£288,000	£2,308

Source: HM Land Registry, Rightmove web-site and ECOTEC bespoke PRS dataset

3.4.4 Intermediate housing market

The current limit of household income for households with children eligible for publicly funded shared ownership in London is £74,000. Analysing data from the CORE data base covering new and resales a profile of the typical intermediate market purchaser in south west London has been produced. This is then used to produce the following calculation:

Purchase Element

Lower quartile purchase price for a 1 bed flat	£105,400
35% share	£36,890

Rental Element

Average annual RSL s/o rent (including service charge) for a 1 bed flat	£551
65% share	£358.15

Total

Monthly cost – mortgage	£505
Monthly cost – rent	£358.15
Total monthly cost	£863.15
Required annual income (single person)	£34,525
Required annual income (couple)	£29,594

Entry costs to the shared ownership sector have also to be met. Most mortgage providers will require a minimum 20% deposit from a first-time buyer and a decreasing number have charged higher interest rates as they consider such lending "higher risk". In addition an estimated £3,000 - £4,000 will be required to cover all the fees and costs involved in the purchase element of the transaction.

3.4.5 Social sector lettings

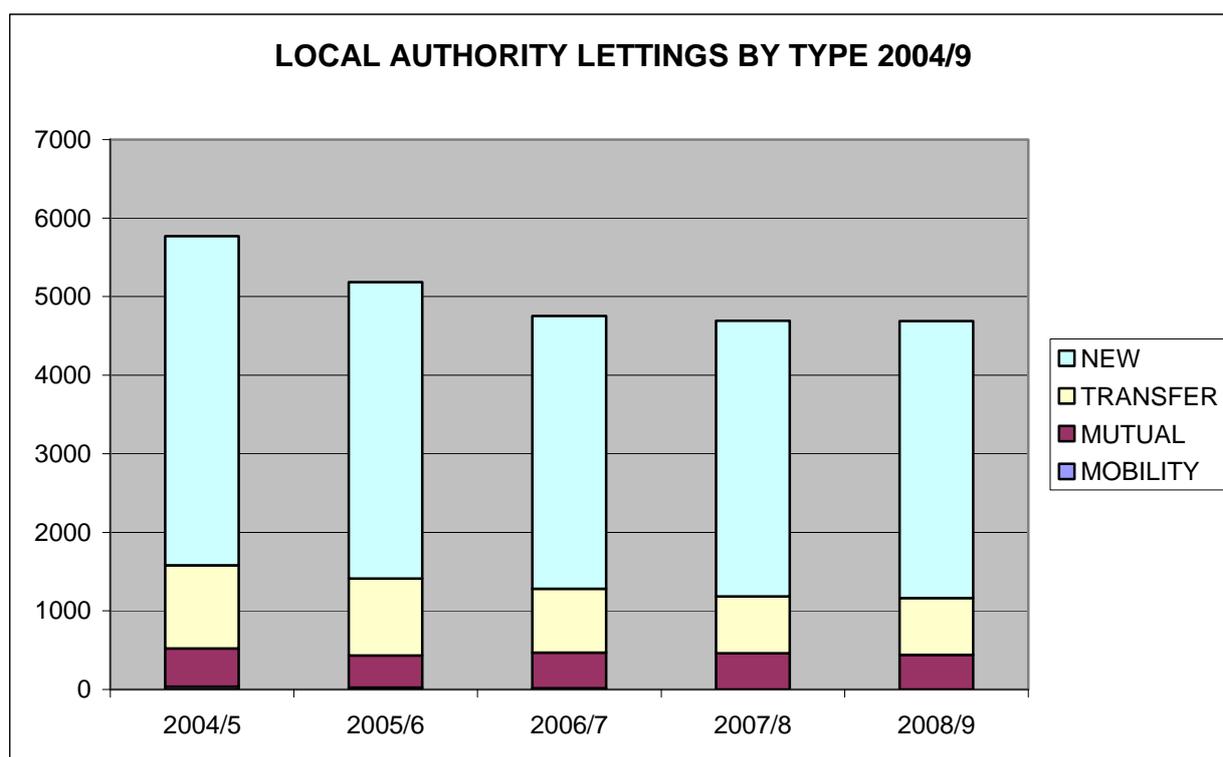
According to a combination of CORE and HSSA data there were 3,524 social sector lettings (excluding transfers) in south west London in the 2008/09 financial year, plus 724 transfers of existing local authority tenants. The number of social sector lettings to new tenants has remained relatively stable over the past five years, ranging between 5,228 and 5,546, with the exception of 2004/5 when 6,531 lettings were made. The main contributors to the higher level of lettings in 2004/5 were unusually high levels of RSL lettings in Wandsworth and Kingston.

The level of 'churn' in the boroughs (the proportion of lettings to stock) averaged under 4% per annum over the same five year period. The 'churn' in social rented properties has been falling in all regions of England consistently over the past ten years and is due to the polarised nature of the housing market as social tenants are less likely to move to other tenures due to a lack of options and affordability constraints.

Table 3.24 General needs new lets and re-lets

	2004/5	2005/6	2006/7	2007/8	2008/9
Mobility	38	26	15	1	0
Mutual	482	405	453	457	441
Transfer	1,061	981	814	728	724
New	4,188	3,773	3,472	3,507	3,524
Total	5,769	5,185	4,754	4,693	4,689

Figure 3.26 General needs new lets and re-lets



Source: HSSA data

74% of local authority lettings between 2004/05 and 2008/09 went to tenants moving into social rented accommodation from other tenures and circumstances, with the remainder going to existing tenants transferring within the sector. This is an important parameter to be used in the housing needs calculation in Section 5 below.

One issue that is often raised when discussing local authority housing allocations is the suspicion amongst the general public that homeless households "jump the queue". Of the lettings to non-existing tenants in 2008/9, 55% were to households who had been accepted by the local authorities as being homeless, in priority need and unintentional. This proportion varied between authorities within a range of 40% and 65%.

Over three-quarters of general needs lettings in south west London were of flats and bedsits while just 17% was of houses. The next table gives the breakdown of the proportions of lettings by dwelling type and bedroom size for 2008/09.

Table 3.25 Social sector lettings by unit type and size

	1 bed	2 bed	3 bed	4+ bed	TOTAL
Flat	38.62%	33.34%	6.24%	0.57%	78.77%
Bedsit	3.90%	0.00%	0.00%	0.00%	0.00%
House	0.64%	5.35%	9.45%	1.62%	17.06%
Shared flat	0.02%	0.02%	0.00%	0.00%	0.05%
Shared house	0.05%	0.02%	0.02%	0.00%	0.10%
Other	0.12%	0.00%	0.00%	0.00%	0.12%
TOTAL	38.62%	33.34%	6.24%	0.57%	78.77%

Source: CORE data; General needs lettings 2008/09

It should be noted that not all of the local authorities in south west London participated in the CORE system in respect of their own lettings during the period in question. However, all RSL lettings were recorded.

Table 3.26 General needs lettings by previous tenure

Previous tenure	% of lettings
Local authority general needs tenancy	21.3%
Housing association general needs tenancy	21.9%
Owner occupation (private)	0.4%
Owner occupation (low cost home ownership)	0.0%
Private sector tenancy	6.7%
Tied housing or renting with job	0.5%
Supported housing	3.2%
Housing for older people	0.1%
Residential care home	0.2%
Living with family	10.9%
Living with friends	1.8%
Women's refuge	0.4%
Hospital	0.1%
Prison	0.1%
Approved probation hostel	0.2%
Direct access hostel	1.3%
Bed and breakfast	0.8%
Short life housing	0.8%
Foyer	0.2%
Mobile home/caravan	0.0%

Previous tenure	% of lettings
Any other temporary accommodation	22.4%
Home Office Asylum Support	0.0%
Children's home/foster care	0.1%
Rough sleeping	0.5%
Other	6.1%
Total:	100%

Source: CORE data; based on lettings in 2008/09

43.2% of general needs lettings went to tenants transferring or exchanging homes within the social sector. The high number of lettings to households with an "any other form of temporary accommodation" previous tenure (22.4% of the total) is a salient feature of social sector lettings in south west London. This figure excludes tenants previously in various forms of temporary accommodation such as direct access hostels, short life housing and bed and breakfast accommodation. 6.7% of general needs lettings went to households who were previously renting privately while the number of lettings to people entering the social sector from owner-occupation was negligible.

3.5 Summary of key points in the chapter

- The sub-region, in common with London as a whole, is a net exporter of population when migration within the UK is considered. This is, however, more than balanced by the impact of international migration to the sub-region.
- South west London as a whole saw a net migration outflow of 11,200 people (in the period of 01/01/07 – 31/12/08)
- The sub-region has a higher level of economic activity and household income than is displayed generally in London and nationally.
- According to CACI PayCheck data, the average annual gross household income in SW London in June 2009 was £42,649
- Jobs are becoming concentrated in the service sector, whilst the factor that almost a third are in the public sector makes the economy vulnerable to cuts in public sector expenditure
- South west London has a lower proportion of unemployed people seeking work than London as a whole (6.1% in 2009)
- There is a strong and growing demand for social housing, as evidenced by the continued high numbers of homelessness acceptances and increasing numbers on housing registers; only 9% of need (as expressed by numbers on registers) was met in 2009
- At least 8000 households have expressed a demand for forms of intermediate housing
- The supply of Council accommodation available for rent has fallen by over 12,500 properties in the period between 2002 and 2008. In the same period the number of RSL owned properties increased by about 3,500. The private rented sector is becoming more significant as a tenure.
- Many of south west London's most deprived neighbourhoods lie in Lambeth (19th most deprived local authority area in England)
- However, south west London is the least deprived sub-region in London (according to the Index of Multiple Deprivation)
- At the moment, close to 11% of the housing stock in south west London is owned by Councils and 6% by RSLs (though this proportion will have changed following Merton's stock transfer)
- The proportion of dwellings in the sub-region that are empty is relatively low at 2.7% (2009)

- There are a number of schemes that seek to address the issue of overcrowding amongst social rented tenants
- The current active housing market is typified by high costs of accessing private sector housing (both to purchase and to rent) in the sub-region. At the same time the number of social rented properties let each year has fallen by nearly 20% during the past five years
- As noted in section 1, London house prices steadily recovered from their lowest point at the end of 2008, through 2009 and 2010
- The average house price in south west London at June 2009 was £361,742; just over 50,000 transactions took place in the preceding two years
- Lowest quartile (i.e. entry level) house prices ranged from £105,000 (studio / 1 bed flats) to £288,000 (4 bed house)
- The average rent in the private sector for a new lettings was £2,300 per month
- Lowest quartile private sector rents ranged from £495 per month (1 bed) to £2,308 (4 bed)
- A combination of shortage of affordable accommodation, increasing unemployment and increasing rent levels saw housing benefit claims increase by 5,500 between 2008 and 2009

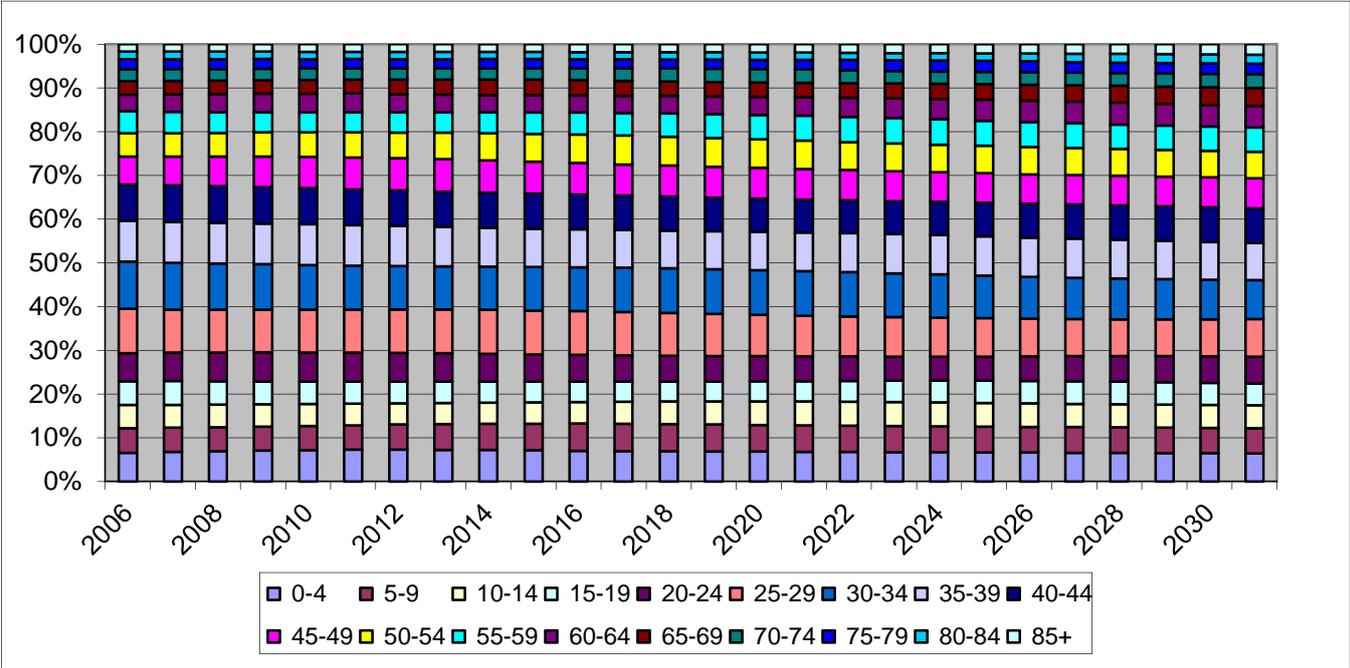
4.0 The future housing market

4.1 Demographic projections

4.1.1 Population change

Population projection figures produced by the Greater London Authority in 2007 estimate that the population of south west London will increase by around 286,600 people between 2006 and 2031, from 1,605,500 to 1,892,100. This would equate to growth of 11,464 per annum. This represents a 17.8% increase in population over the 25 years. The following table and graph display the expected change in south west London's population by age band.

Figure 4.1 South west London population projections 2006-2031 by age band



Source: © Greater London Authority, 2007

Between 2006 and 2016 the population of south west London aged over 64 is forecast to increase by 9.8%; and in the period up to 2031 the number of 45 to 64 year olds in south west London is expected to increase at the greatest rate. The 65-79 and 80+ age groups also see steady growth. There is a projected fall in the number of people in the sub-region aged between 25 and 35 during the period.

In the longer term the number of residents in the older age groups is projected to expand the most as the 'bulge' in the age pyramid moves into the older cohorts. Beyond 2015 the 80+ age group is expected to grow particularly quickly. Clearly, south west London, in common with many other areas, will have to cope with a greater proportion of elderly residents, a lower proportion of working age residents, and concomitant pressures on health, social services and housing provision.

An important point worth bearing in mind is that these projections are based on trends during the past five years. The numbers of immigrants entering England from overseas has increased in recent years, particularly since the accession of eight eastern European countries to the EU in 2004, and this was closely related to the country's strong economic performance and the high value of sterling. Now that this economic performance has waned and sterling has lost value against other currencies, it is reasonable to expect the immigration surge to die down, at least in the short term. If this is the case, the level of population growth in south west London due to net international migration projected above might be overstated. There may well be knock-on effects in relation to issues about support for an aging population as, by and large, Eastern European migration has comprised a younger workforce, perhaps able to take up the labour market slack that the UK-based population cannot meet. When allied to the points about the reliance of the south west London economy on the public sector discussed in the previous chapter, the relationship between support for an aging population, investment in public services, and inward-migration of working age Europeans has an added salience.

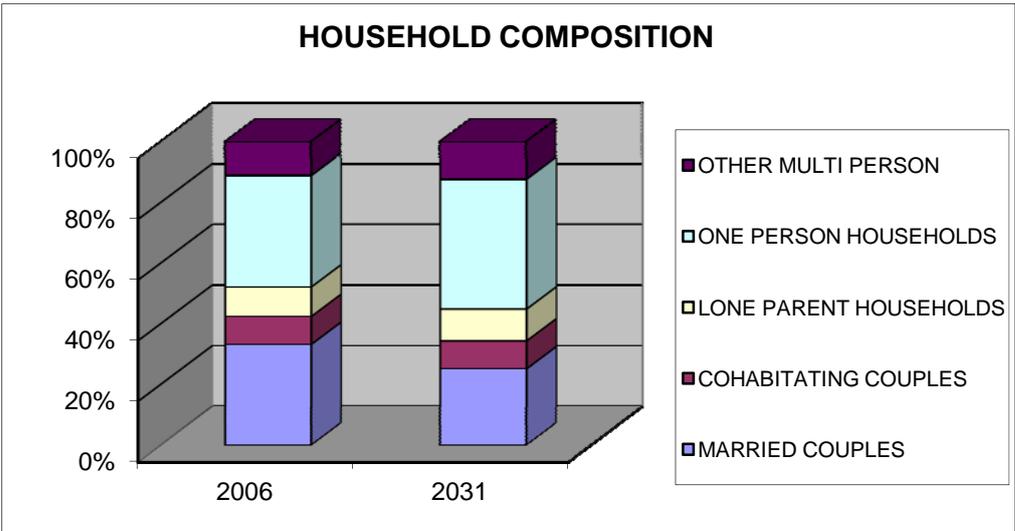
4.1.2 Household projections

Household projections provided by the Greater London Authority in 2007 estimated around 698,000 households in south west London in 2006. This number is projected to rise by 188,000 between 2006 and 2031, to 886,000. This represents an average of around 7,520 additional households per annum, and 26.9% growth over the whole period.

Table 4.1 Household projections by type 2006-2031 (%)

	2006	2031
Married Couples	33.2	25.2
Cohabiting Couples	9.2	9.2
Lone Parent Households	9.7	10.5
One Person Households	36.7	42.8
Other Multi Person	11.1	12.3

Figure 4.2 Household projections by type 2006-2031 (%)



Source: Greater London Authority 2004-based household projections; additional modelling by ECOTEC

The number of one person households is expected to increase to 42% between 2006 and 2031, compared to a 32% increase in the number of single parent households and a c. 35% increase in the number of "other multi-person households". The number of married couples is set to decline by around 7.5%, whilst the number of cohabitating couples is expected to remain constant.

The critical factor here is the rise of one-person households. This should not automatically be equated with a requirement for additional smaller accommodation units. It should be viewed in the context of the ageing population noted above, an increase in proportions of older and very elderly single people (perhaps with care and support requirements) and also in the context of best use of existing stock. While we note problems to do with overcrowding and the impact that this has on housing need (covered in Chapters 3 and 5), it is worth stressing that increasing mismatch between household type and property size occupied is also an issue. Work by the CLG / TSA Homelessness Action Team identified a range of opportunities where existing under-occupiers could be incentivised (not coerced) to take up accommodation more suitable and more comfortable for their circumstances, thus freeing up larger accommodation for overcrowded families¹. However, in view of the very limited supply of larger homes, the evidence suggests that production of these (and preservation of existing family-sized homes should be a priority for new development and planning policy.

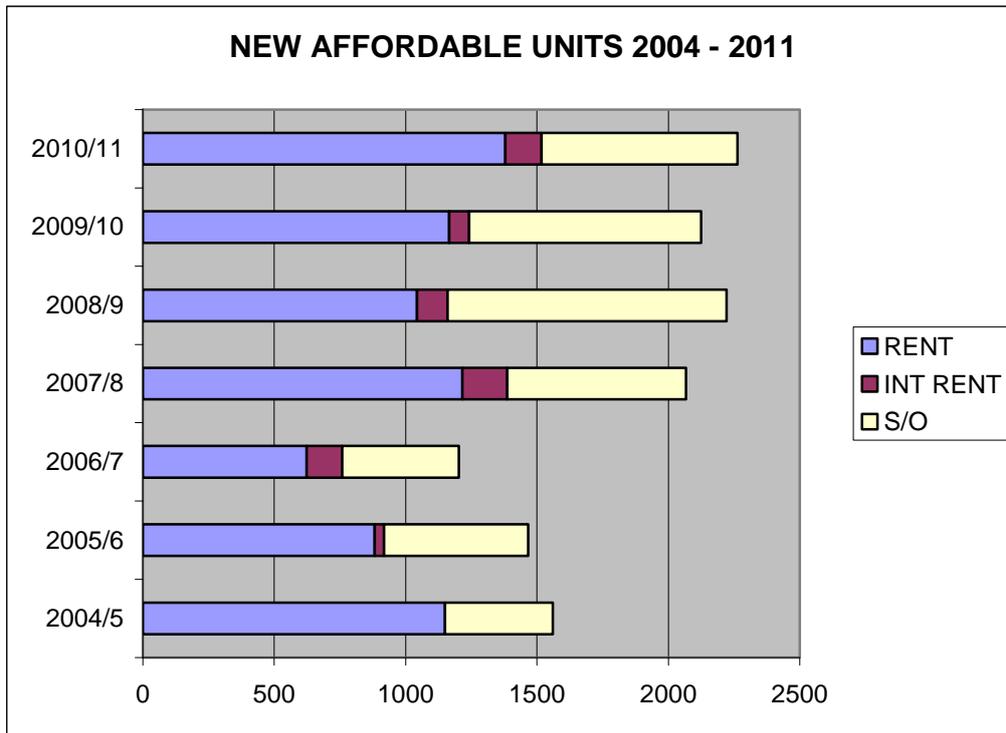
4.2 Future supply

The local authority HSSA returns provide information on the new build affordable housing pipeline in south west London. According to this source planned starts between 2009 and 2011 total 2,371 which is an average of some 790 per year.² However, if one considers the actual new starts of affordable homes in south west London since 2004/5 and the projected supply over the current and next two years, this produces an average of 682 dwellings per annum. The number of affordable homes produced over the recent past has been boosted by various initiatives funded by the government to support the housebuilding industry during the economic downturn. In the longer term, projected reductions in government funding noted in Chapter 2 make it more likely that the number of new social homes provided will not be sustained at this higher level.

¹ *Tackling under-occupation*: discussion paper Homelessness Action Team, TSA / CLG, 2009

² The figures in this table for 2006 and 2007 are actual starts while figures 2008-2011 are projected starts.

Figure 4.3 New affordable housing 2004/05 to 2010/11



2009 Housing Strategy Statistical Appendix

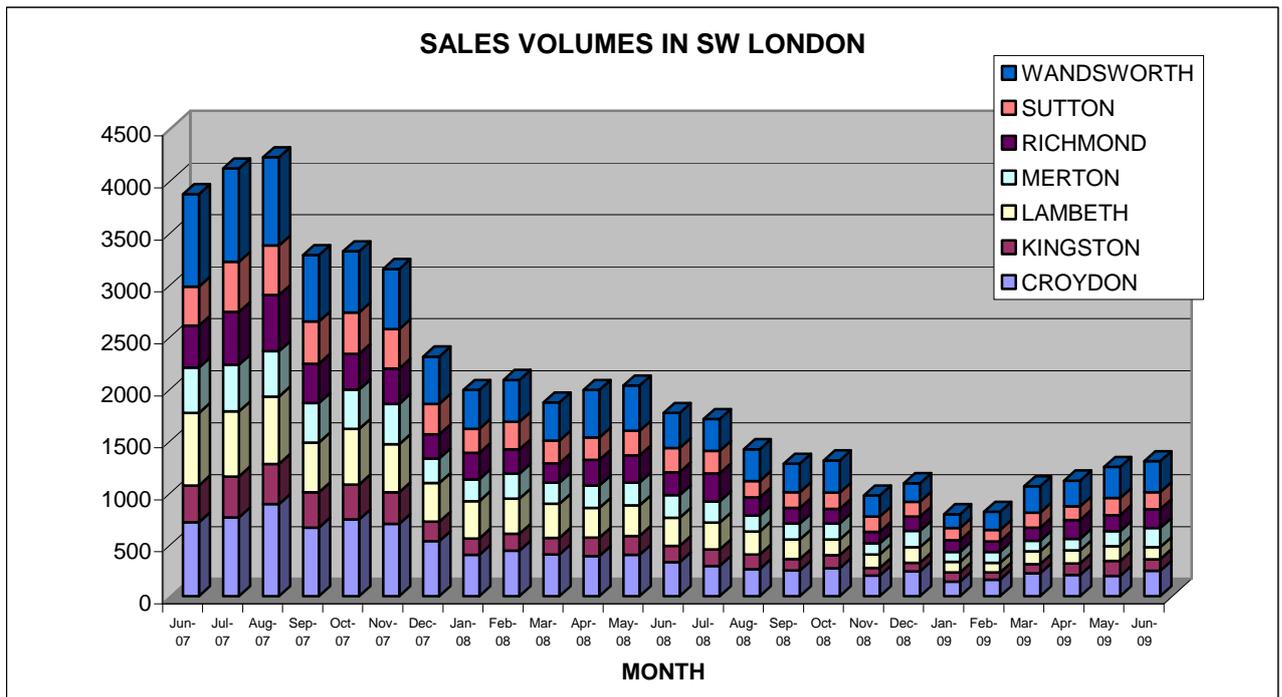
4.2.1 The economic outlook

There are strong links between local housing markets and the regional and national economies. The economic recession of 2008 had a massive impact on private developers' construction programmes and the volume of house sales. This can be seen by the information in the following figures which have:

- analysed the volume of property transaction by month in the period from 1 June 2007 to 1 June 2009; and
- analysed the volume of new property sales by month for the same period.

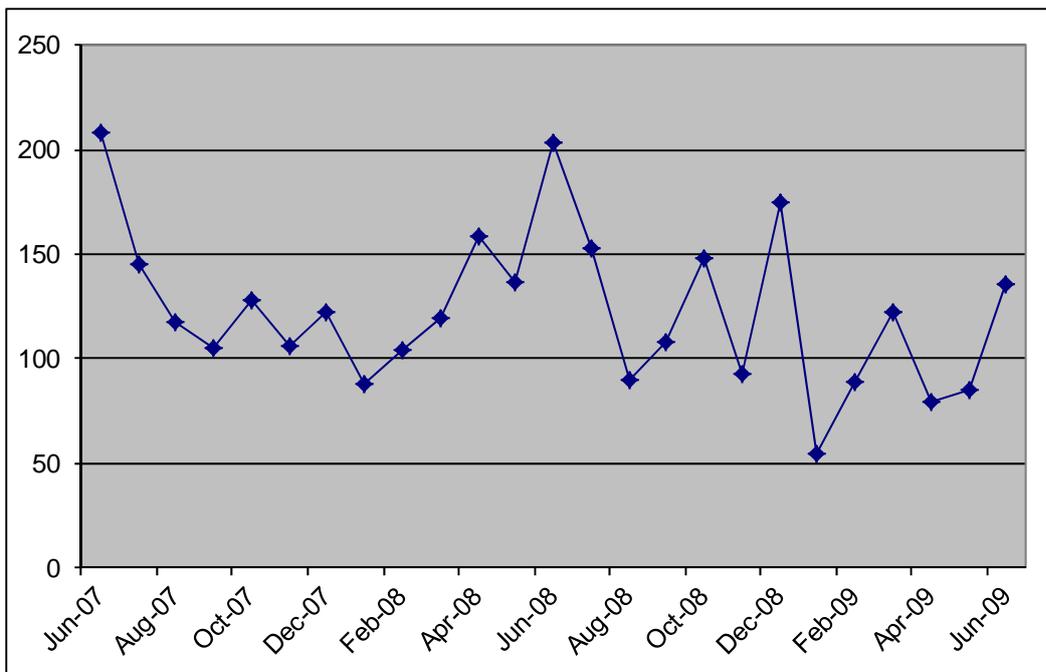
The first figure clearly demonstrates the collapse in the private sale housing market in the period during 2008 and the first half of 2009. In August 2007 there were over 4,200 completed property sales in the sub-region. This level of activity fell to under 800 in January 2009. As well as creating a backlog of demand for housing from potential first time buyers and households seeking to move to properties that more closely meet their size, type and location aspirations, this 80% reduction of house purchase activity has implications for those parts of the local economy that depend on the housing market.

Figure 4.4 Number of property sales by month and borough June 2007 to June 2009



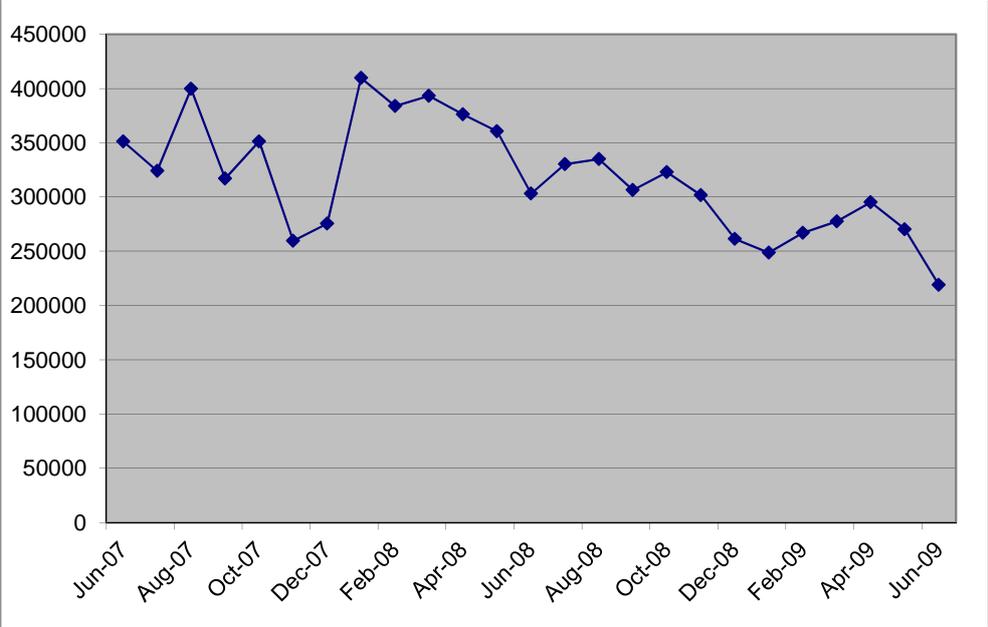
The picture for sales of new property by month is more volatile with peaks around the mid and end year periods, which coincide with the ends of most housebuilders' accounting periods. Obviously the impact on new build activity will take longer to feed through than general re-sales as developments that have been started will tend to be completed unless there are unforeseen circumstances that cause schemes to be aborted in mid-build.

Figure 4.5 Number of new property sales by month June 2007 to June 2009



The changes to average sale price of new build homes in the sub-region were also analysed. The following graph shows a downward trend in prices from a peak in January 2008. Obviously the mix of type and size of units sold will vary month on month. However, the information does indicate that there is likely to have been an element of price cutting by housebuilders to sustain sale volumes.

Figure 4.6 Average new dwelling sale price by month June 2007 to June 2009



Source: Land Registry Price Paid

Looking ahead, it is clear that cutting back public expenditure to tackle the structural budgetary deficit is first priority. This has included both the radical cuts in capital expenditure on social housing, and plans for stringent revenue controls, through Housing Benefit capping and associated measures. While part of the objective is to engage the private and third sectors to ‘step in’ to the gap that the public sector leaves, the broader relatively stagnant economic picture in the UK does not bode well for a private-sector led housing recovery. The collapse of some private sector firms associated with public sector contracting is an indicator of this, as is the government’s withdrawal from wider decent homes programmes for local authorities and Arms’ Length Management Organisations.

In the longer term, the withering away of ‘real’ affordable housing, and the eventual merging of different streams of near-market or sub-market housing products will also have an economic impact. Commentators have already started questioning whether the primarily lower-paid service sector that is a feature of much of London’s labour market (including the south west London market) will be sustainable in the light of escalating housing costs.

Overall it is difficult to see economic factors driving any significant improvements in housing affordability for households on modest incomes in the short term. In the medium term, the rate of economic recovery is likely to be the most important economic factor affecting households’ ability to meet their own housing needs. At the

moment the prospects for this recovery are still uncertain, and we think it safest to take a cautious approach and assume affordability issues are unlikely to ease significantly for households in need.

4.3 Summary of key points in the Chapter

- A 17.8% increase in population is expected in south west London over the next 25 years (2006-2031), primarily among older age groups
- Beyond 2015 the over 80 age group is expected to grow at the fastest rate, putting increased pressure on health, social and housing services
- There are issues related to international migration, investment in public services, and the availability of a workforce to support an ageing population that will need addressing
- The number of households in south west London are expected to grow by 26.9% over 25 years (2006-2031)
- These projections also signal a shift in the types of household living in south west London with an increasing in the proportions of the population living in single person and single parent households and a decrease in the proportion of married couples households living in the sub-region.
- While the principle increase will be among single-person households, because of the demographic profile of population growth (tilted towards the elderly and very elderly), this is unlikely to be a signal for large-scale increase in single person accommodation.
- In this context, the production (and preservation) of larger homes should be prioritised, both through investment and planning policy
- There are policy options around under-occupation, over-occupation, and provision of accommodation with support that need to be addressed in this context.
- Reductions in capital investment make it unlikely that planned higher levels of social housing production will be delivered
- Between August 2007 and 2008 there was an 80% reduction of house purchase activity
- In terms of new private sector supply, new development is also likely to be depressed into the future; price cuts do not appear to have generated additional purchases
- There may be a negative economic effect related to housing markets through a combination of reduction in affordable rents, and capping of housing benefit ceilings making it more difficult for low paid service workers in south west London to access affordable homes.
- The rate of economic recovery is the main factor that will increase access to and affordability of housing; current forecasts do not indicate any rapid improvements for households in need.

5.0 Sub-Regional Housing Need

5.1 Approach

Calculating housing need is the most technical part of any Strategic Housing Market Assessment and is one of its most critical functions. The approach taken here follows the CLG's Strategic Housing Market Assessment Practice Guidance (CLG August 2007) and contains the following 5 stages:

- Stage 1 Current housing need (gross backlog)
- Stage 2 Future housing need (gross annual estimate)
- Stage 3 Affordable housing supply
- Stage 4 Housing requirements of households in need
- Stage 5 Bringing the evidence together

Stage 5 also includes assessment of different property size and type requirements, and splits of potential programmes between different types of affordable homes and market homes.

According to the definition given in PPS3, housing need is 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'. Further to this PPS3 Annex B states that 'Affordable housing includes social rented and intermediate housing provided to specified eligible households whose needs are not met by the market'. Affordable housing should:

- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices; and
- include provisions for the home to be retained for future eligible households; or if these restrictions are lifted, for any subsidy to be recycled for alternative affordable housing provision.
- The SHMA guidance also requires that the need for market housing – that is, housing available on the open market that some households can afford – is also estimated and typologised. This will be calculated using the results of the Assessment, which indicates the proportions of households in need for whom affordability is not a barrier, as well as proportions that cannot meet their needs on the open market.

5.2 Determining affordability

The CLG Practice Guidance sets out how to assess whether a household can afford home ownership or market renting. It does, however, allow discretion to be applied with regard to the local affordability threshold used (expressed as an income to house price multiplier), as what is affordable may vary according to local circumstances. South west London is part of the wider London housing market which is characterised by high demand and households are commonly only successful in accessing the market by spending in excess of 25% of their gross household income. Indeed, the RICS Accessibility Index (December 2008) showed that first time buyers in London had to pay 51% of household income to gain a foothold on the lower rungs of the home ownership ladder¹.

¹ http://www.rics.org/site/scripts/news_article.aspx?newsID=154&categoryID=358

The CLG Guidance suggests using multiples of gross income (2.9 times gross income for ownership, 3.5 times gross income for market renting). We consider that these are more easily comprehensible if expressed in terms of percentages of gross income to be spent on housing costs, rather than multiples relating to house prices or rents. On consideration and in discussion with the client the following entry level thresholds have been selected to reflect market affordability in south west London.

- Households with children: 30% of gross income
- Households without children: 35% of gross income

It should also be noted that this approach will produce lower affordability thresholds than the incomes multiple methodology – that is, households will be deemed to be able to access market housing at lower income levels, thus producing a more conservative estimate of housing need than would otherwise be generated. The following examples (not based on actual south west London figures) in tables 5.1a and 5.1b illustrates the different results of the approaches, in terms of the annual gross income thresholds that would be expected to enable access to open market properties of different sizes and types:

Table 5.1a Percentage income approach

	1 bed	2 bed	3 bed	4+ bed
Market entry level price	£120,000	£164,000	£225,000	£290,000
10% deposit	£12,000	£16,400	£22,500	£29,000
Amount to be funded by mortgage	£108,000	£147,600	£202,500	£261,000
Monthly mortgage payment	£767.43	£1048.43	£1438.93	£1,854.62
Annual gross income required				
Household with children (30%)	£30,697	£41,937	£57,557	£74,185
Household without children (35%)	£26,312	£35,946	£49,335	£63,587

The amount of deposit required by mortgage lenders has varied over the last years due to a desire to reduce the risk attached to such finance. However, increased mortgage requirements of up to 20% have affected first time buyers to a far greater degree than other home owners. As a consequence of this, allied to the possibility that lending policies may return to former patterns in the medium to long term as the longer-term banking caution eases, a 10% deposit requirement has been assumed.

Table 5.1b Incomes multiple approach

	1 bed	2 bed	3 bed	4+ bed
Market entry level price	£120,000	£164,000	£225,000	£290,000
Annual gross income required				

Single earner (3.5%)	£34,286	£46,857	£64,286	£82,587
Dual income (2.9%)	£41,379	£56,552	£77,586	£100,000

Affordability for potential buyers and private renters has been calculated using monthly expenditure as a starting point (Table 5.1a) rather than a multiple of annual income to total purchase price (Table 5.1b). We consider that this is a more realistic approach, reflecting the day-to-day experience of those attempting to access housing

The cost of buying property in south west London is considered first. In line with the Guidance lower quartile property prices have been used to equate to market entry level homes. The price levels that apply in south west London and have been used in the calculation are given in the table below.

Table 5.2 Market entry purchase price levels by bedroom size

Property Size	Lower Quartile Purchase Price
0/1 bed	£105,400
2 bed	£144,000
3 bed	£174,000
4+ bed	£288,000

Land Registry data (2008/9), Rightmove

Monthly mortgage payments have been based on a Nationwide 25 year fixed rate repayment mortgage for a first time buyer paying a 20% deposit and reservation fees up front (in November 2009 this product was available with an interest rate of 4.1%). This product was chosen as the Nationwide is the world's biggest building society and its first-time buyer mortgage product has won 'Best Product' awards from industry commentators.

Table 5.3 Market entry monthly mortgage levels by bedroom size

	1 bed	2 bed	3 bed	4+ bed
Lower quartile price	£105,400	£144,000	£174,000	£288,000
20% deposit	£21,080	£28,800	£34,800	£57,600
Amount to be funded by mortgage	£84,320	£115,200	£139,200	£230,400
Monthly mortgage payment	£454.56	£621.03	£750.41	£1,242.05
Annual gross income required				
Household with children	£18,182	£24,841	£30,016	£49,682
Household without children	£15,585	£21,292	£25,728	£42,585

The cost of privately renting is similarly analysed below, drawing on data from our own rental survey.

Table 5.4 Market entry monthly private rent levels by bedroom size

	1 bed	2 bed	3 bed	4+ bed
Lower quartile monthly rental	£425	£880	£1,150	£2,295

Annual gross income required				
Household with children	£17,000	£35,200	£46,000	£91,800
Household without children	£14,571	£30,171	£39,429	£78,686

Using these figures, it can be seen that renting in the private sector is the lower cost of the two options for a 1 bedroom property. For all other property sizes, the projected mortgage payment is more affordable than the market entry level private rent. However, it has to be borne in mind that the mortgage calculation made has assumed deposits of between £21,000 and £57,000 being paid. In addition potential home owners would have to meet the costs associated with buying a property (legal fees, loan arrangement fees, Stamp Duty) which would add upwards of £3,000 to the amount of money via savings or released equity that a household would need to be able to access to fund a property purchase. This is likely to mean, therefore, that a substantial number of households will be excluded (at least for a significant period of time) from the owner-occupied market because of the lack of funds to meet the required deposit and associated acquisition costs. We have, therefore, assumed a mixture of private renting and owner occupation (using the lower sum per bedsize) as representing the market entry level to be used when assessing housing need, dependent upon property size. This means that to access the private housing market in south west London, households would have to have the following annual income to obtain different sizes of property:

Table 5.5 Annual household income required to access market housing based on combined purchase and private rental costs

	Household with children	Household without children
1 bed	£17,000	£14,571
2 bed	£24,841	£21,292
3 bed	£30,016	£25,728
4+ bed	£49,682	£42,585

A Housing Market Assessment represents a snapshot of the situation in an area at a specific moment in time. Through time the factors that make up the Assessment will change. Some, for example, relating to the physical nature of the area and its population, will change but this will be a relatively gradual processes. Others, particularly house prices and income levels, can be the subject of much more volatile change in relatively short periods. For example, in the period since this assessment was completed and the finalisation of this report, the housing market nationally has undergone a dramatic downwards price re-adjustment brought about by the more constrained availability of mortgage finance. In London it has recovered steadily through 2009 and 2010, but, depending on which commentator is speaking, in the longer term it is still in recovery, has bottomed out, or will be see further decline. As described in section 2.1 previously, house prices in London have not been affected as much as those in other areas of the country. Although London has seen an increase in unemployment it is, again, affected to a lesser degree than experienced elsewhere in the country where the effect of cut backs in financial services has been accompanied by the close down of some manufacturing industries.

To take account of the fluctuations in the factors that are brought together to form the overall Housing Market Assessment, the model used by ECOTEC is fully updateable.

5.3 Stage 1 Current housing need

This part of the calculation measures the number and type of households currently living in south west London who lack their own housing or live in unsuitable housing and cannot afford to meet their needs in the market. This group includes homeless households, concealed and overcrowded households and those living in unsuitable accommodation and do not have the resources to remedy the housing problems they face.

5.3.1 Homeless households

Data on the number of homeless households assisted by local authorities is collected by central government using the P1E Form, which is completed and returned by each local housing authority in England. On the basis of this information, on 31 March 2009 (the most up-to-date data at the date of calculating the housing needs figures) the local authorities in south west London had accepted as homeless and were providing temporary accommodation for 5,465 homeless households.

Of the 5,465 homeless households provided with temporary accommodation:

- 197 were in bed and breakfast
- 910 were in local authority/housing authority stock
- 2,990 were in properties leased by the Council from private sector owners
- 668 were in hostels (including women's refuges)
- 619 were in "other" types of accommodation
- 81 were "homeless at home"

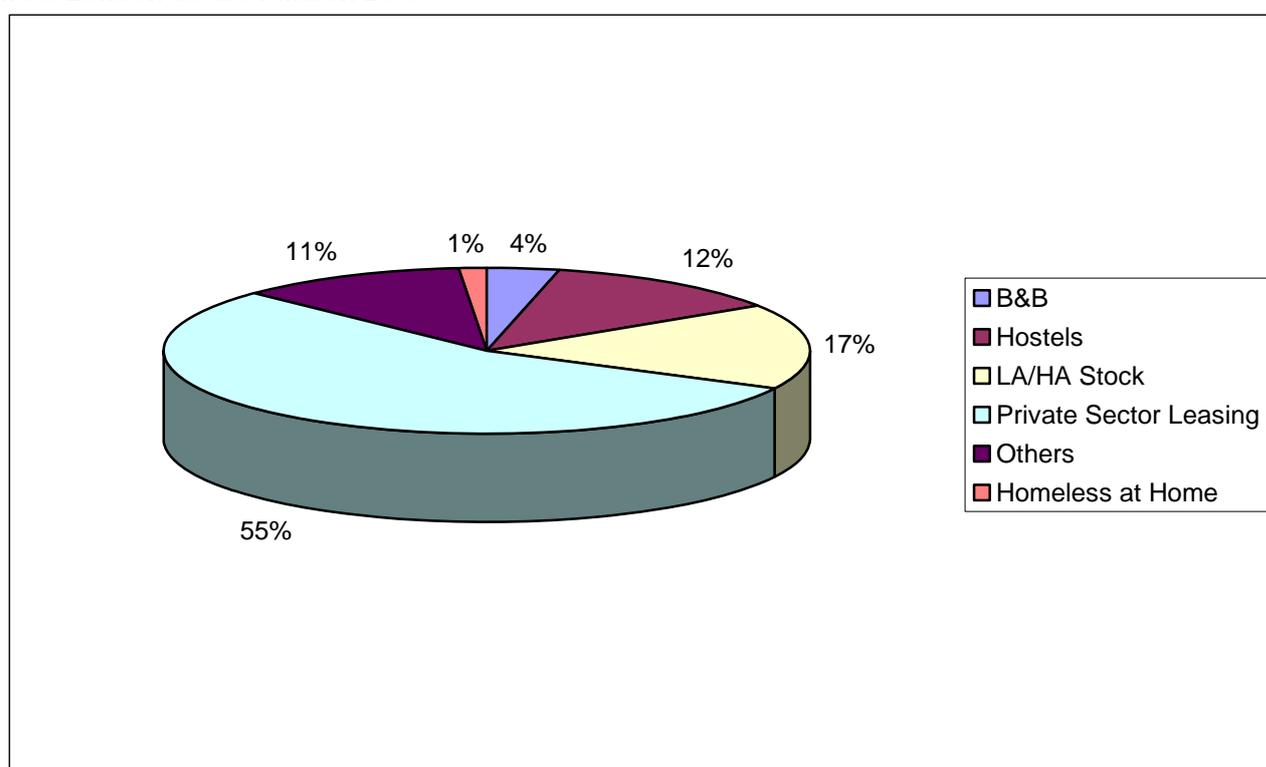
Over half of the homeless households accommodated were in properties leased by the Councils from private owners. Not all of these would have been within the borders of the local authority placing the households.

Table 5.6 Temporary accommodation for homeless families by type by borough 31 March 2009

	B&B	Hostels	LA/HA Stock	Private Sector Leasing	Others	Homeless at Home	Total
Croydon	48	21	687	450	297	0	1503
Kingston	6	54	57	487	72	8	684

	B&B	Hostels	LA/HA Stock	Private Sector Leasing	Others	Homeless at Home	Total
Lambeth	35	282	8	1431	168	61	1985
Merton	0	16	4	0	51	0	71
Richmond	17	46	7	125	8	0	203
Sutton	14	1	102	124	19	0	260
Wandsworth	77	248	45	373	4	12	759
SW London	197	668	910	2990	619	81	5465

Figure 5.1 Temporary accommodation for homeless families by type in south west London as at 31 March 2009



5.3.2 Those in unsuitable housing

The next component of current (backlog) need concerns those in unsuitable housing. This includes households suffering from overcrowding, those unwillingly living with others, insecure tenure, cases where there is a mismatch between the household's requirements and the dwelling they occupy and significantly substandard property in terms of amenities and conditions.

The annual statistical return made by local housing authorities to central government now asks for data on those people on Housing Waiting Lists who are in "reasonable preference" categories. These categories align with those quoted in the SHMA Guidance as being in unsuitable housing. It should, therefore, be possible to take the "reasonable preference" figure and use it as a combined "in unsuitable housing" calculation.

However, the statistical return made as of 31 March 2009 was the first one which used this new classification. As a result, not all of the local authorities in south west London were in a position to provide accurate information on those households in "reasonable preference" categories. The data on the individual local authorities' Waiting List was, therefore, re-analysed to identify those households who were in "housing need". This definition varied from authority to authority depending on the type of allocation system used (points or banding). The figure then generated as "on a Waiting List and in housing need" was used as the base for the calculation of households in current need.

Added to those on the Waiting List for social rented homes and in need, we have included those households on the registers operating in the sub-region for households wanting to access intermediate housing. Although these lists do reflect demand rather than need in its purest sense, the projected supply of intermediate dwellings in the sub-region has been taken into account when assessing net need levels.

5.3.3 Mobility impairment

Those in need because of mobility impairment were identified by data from the Supported Housing Toolkit produced by the London Housing Unit. Only those households living in a private sector property with a person or persons who would need new accommodation to meet their needs were counted in this evaluation.

5.3.4 Disrepair

A figure for the number of properties in disrepair in the sub-region was taken from Building Research establishment modelled data produced in 2009. This information relates to private rented sector dwellings only and is based on previous housing conditions surveys.

Clearly, dealing with disrepair will not always involve the need to relocate the current occupier. In addition, some of the occupiers of the properties in disrepair will already be registered with a local authority for rehousing and, because of the condition of their current home, will be assessed as being in housing need. To reflect this, a figure equivalent to 10% of the total BRE figure has been used in this assessment.

Table 5.7 Unsuitably housed households

On Social Rented Waiting Lists and in need	44,278
On Intermediate Housing Waiting Lists	8,349
Mobility Impaired	480
Current home in disrepair (10% of BRE figure)	5,155
TOTAL	58,262

By adding the total figure of those unsuitably housed (58,262) to homeless households (5,465), we arrive at a final figure for current (backlog) need of 63,727. In the later calculation of net need, an assumption will be made about the period of years over which the needs of these households will be addressed.

5.4 Stage 2 Future housing need

As stated in the CLG Guidance the key research question to be addressed in this second step of the housing need calculation is “how many newly arising households are likely to be in housing need (gross annual estimate)?” Future need has two components: newly forming households in need and existing households falling into need.

5.4.1 Newly-forming households

This process involves applying the affordability criteria discussed above to the projected increase in the number of households in the sub-region using demographic data. As newly forming these households will, by definition, need to access housing. Those unable to afford housing in the private sector will need to rely on either social rented or intermediate housing products.

The assumption made is that these newly emerging households would display the same characteristics in terms of income profile as the existing population, and from this it is possible to calculate the proportion that would be unable to afford to access accommodation on the open market.

5.4.2 Households falling into need

This element assesses the proportion of the population in the sub-region who are currently adequately housed but, for whatever reason, are likely to find themselves in reduced circumstances and in housing need. To produce an estimate of this figure we have analysed data about the causes of homelessness in the sub-region and identified those that would be correctly characterised as existing household falling into need. This number is then expressed as a proportion of all households in the sub-region and this is used to estimate the number of all households likely to fall into need on an annual basis.

Table 5.8 Newly arising need

Newly arising need	
New household formation (gross per year)	7,960
Proportion of new households unable to buy or rent in the market (based on modelled income and property cost data)	33.5%
Number unable to buy or rent in the market	2,667
Existing households falling into need	1,302
Total newly arising housing need (gross per year)	3,969

5.5 Stage 3 Affordable housing supply

The third step in the housing needs calculation concerns the supply side. The Guidance states that this consists of several components including annual affordable re-lets to new tenants entering social housing and new build

supply of affordable dwellings. The rehousing needs of existing social sector tenants are assumed to be met from within the social housing sector, thus having an essentially neutral effect on gross numerical requirements. However, it is true to say that such rehosings will have an impact on the type and size of the affordable housing supply available to meet new housing needs, because, clearly, rehoused existing tenants are likely to move into different sizes of homes than they previously occupied. This is reflected in our modelling of size and type requirements below.

5.5.1 Empty homes

Because only 2.11% of the social housing stock in south west London is empty no additional supply can be expected from this quarter. This void level is considered necessary to facilitate market churn and maintenance work (though as noted in 3.3.3 the level of long-term voids is of concern).

5.5.2 Committed new supply

The committed supply (that is, those units for which grant has been made available through the National Affordable Housing Programme or are subject to confirmed S. 106 agreements) of new affordable housing units is explored in Section 4. According to HSSA there are 4,387 new affordable units planned during the two year period 2009/11 of which 2,545 are for social rent and 1,842 are intermediate market. However, as identified in section 4.2, the recent period has seen an inflated number of affordable dwellings being produced as a result of the government's attempts to underpin the private house building industry by funding programmes of acquisition of vacant, newly completed homes that have not been sold due to the adverse lending conditions that have prevailed. If the number of new affordable dwellings provided in the sub-region over the past 3 years is added to the projected supply over the next two years (that is, a total period of five years) an annual average of 1,844 new dwellings is produced. We consider that this offers a more realistic alternative figure to base future assumptions on than the current policy-driven inflated levels of supply (especially in the context of the cuts in affordable housing investment instituted by the 2010 Comprehensive Spending Review). Both this figure and the one derived by looking at planned activity over the next two years (2,194) are shown as options in the later calculations of housing need. The latter two-year figures are detailed authority by authority in section 7.

5.5.3 Re-let supply

Section 3 provides insight into the number of lettings of affordable dwellings in south west London in recent years. The CLG Practice Guidance recommends that the average number of re-lets over the previous three¹ years be used to predict the annual re-let level. However, because additional data is available as part of this assessment, we have used data from the past five years. On average there were 5,509 re-lets of existing affordable dwellings per year (that is, excluding first lettings of new dwellings).

5.5.4 Intermediate supply

The annual supply of intermediate affordable housing available for re-let or re-sale must also be factored into the equation. An analysis of CORE data on resales indicates that an annual supply of 90 properties become available annually in the sub-region. This figure does seem lower than would be anticipated. However, in the absence of any systematic alternative data this conservative estimate is used.

¹ Strategic Housing Market Assessment v2. August 2007. DCLG. P48.

5.5.5 Units to be taken out of management

As set out in the Practice Guidance the future supply needs to take account of planned demolition or redevelopment that will lead to net losses of stock and potentially generate households in need of rehousing. Any homes due to be taken out of management should be counted in this part of the calculation. Right to Buy sales are excluded as there is no requirement to rehouse these households. The figure is zero as there are no plans in south west London to demolish homes or take them out of management.

5.5.6 Summation of supply

The final figures for affordable housing supply to be entered into the calculation follow.

Table 5.9 Affordable housing supply

Affordable housing supply	
Annual supply of social relets	5,509
Annual supply of committed new affordable dwellings (five year base)	1,844
Annual recycling of intermediate sector dwellings	90
Total annual supply of affordable dwellings	7,443

5.6 Stage 4 Housing requirements of households in need

In stage 4 the CLG Guidance requires partnerships to examine the housing requirements of households in need before completing the calculation. The questions to be posed are:

- What choices do households have within the existing affordable housing stock?
- What are the requirements for different sized properties?
- How is the private rented sector used to accommodate housing need?

These issues are addressed in the next sections of the report.

5.7 Stage 5 Bringing the evidence together

The next table brings together the various supply and demand elements identified above to arrive at the final housing need figures for south west London. The CLG Guidance recommends converting the current backlog into an annual flow using a quota based upon meeting need over a period of 5 years, although longer timescales can be used. We have chosen to adopt the recommended 5 year quota which means that 20% of current unmet need (63,727) should be addressed each year: 12,745. This number is then added to newly arising need to get total need on an annual basis. The annual supply of affordable housing is subtracted to arrive at a figure for annual unmet need.

Table 5.10 Annual unmet need

Gross backlog of need	63,727
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Gross backlog of need	63,727
Rate of backlog reduction	20%
Annual backlog need	12,745
Newly arising need	3,969
TOTAL ANNUAL NEED	16,714
TOTAL ANNUAL SUPPLY (new supply based on five year figures)	7,443
TOTAL NEED NET OF SUPPLY	9,271

5.7.1 Need by household type and bedroom requirement

Following the calculation of net annual housing need the next step is to determine the requirement for affordable dwellings of different sizes. A three-step approach is taken to do this:

- To determine the requirements of households in need in terms of dwelling size;
- To establish the breakdown of affordable supply by dwelling size;
- To measure need against supply in order to determine the level of match/mismatch by dwelling size.

5.7.2 Dwelling size requirement

The first category of household in need are those on the Housing Registers in the sub-region. Information on the numbers and proportion of requirement for different sizes of accommodation has been taken from the Registers held by each of the constituent authorities.

To assess the proportions of different sizes of accommodation required by households accepted as homeless by the sub-region's authorities an analysis of the information supplied to the government in the quarterly P1E returns has been completed. This information gives details of the type of households accepted as homeless and the number of children included within the families involved. To calculate the bedroom need of the households involved the following assumptions are made:

- Single person households - 1 bed
- Household including pregnant member – 2 bed
- Household with 1 child – 2 bed
- Household with 2 children – 50% 2 bed, 50% 3 bed
 - Household with 3 or more children – 75% 3 bed, 25% 4 bed

For other groups in need the following assumptions about dwelling size required have been made:

- Newly emerging households – 80% 1 bed, 15% 2 bed, 5% 3 bed
- Mobility impaired households – 80% 1 bed, 20% 2 bed
- Home in disrepair – 75% 1 bed, 20% 2 bed, 5% 3 bed

These assumptions have been made on the basis of an analysis of past lettings data for the sub-region.

The table below summarises this information.

Table 5.11 Need by dwelling size required

Proportion of need by bedsize				
	1 bed/bedsit	2 bed	3 bed	4+ bed
Housing Register	56%	27%	13%	4%
Homeless	36%	49%	13%	2%
Newly Emerging	80%	15%	5%	0%
Mobility Impaired	80%	20%	0%	0%
Home in Disrepair	75%	20%	5%	0%
TOTAL	59%	26%	11%	4%

5.7.3 Breakdown of supply

The various components of affordable housing supply have also been broken down by dwelling size. Two sources were used to do this. Firstly, the breakdown of committed newbuild supply was derived from an analysis of the London Development Database. Secondly, local authority and CORE data provided the figures for social re-let supply (based on the General Needs Lettings dataset).

The full breakdown is presented here, showing 42% of total supply to be dwellings with two bedrooms, 38% to be dwellings with one bedroom, 16% to be dwellings with three bedrooms and just 5% to be dwellings with 4 or more bedrooms.

Table 5.12 Supply by dwelling size

Proportion of annual supply by bed size				
	1 bed/bedsit	2 bed	3 bed	4+ bed
Relets	43%	39%	16%	2%
New Build	33%	44%	16%	7%
TOTAL	38%	42%	16%	5%

5.7.4 Matching need and supply

In the final step the breakdown figures of annual need and supply (based on the five year supply figure) are compared to each other to identify the magnitude of the shortfall for each size of dwelling.

Table 5.13 Matching need and supply: all affordable housing

Matching need and supply of affordable housing				
	1 bed/bedsit	2 bed	3 bed	4+ bed
Annual Households in Need	9,694	4,512	1,839	669
Annual Supply	2,800	3,095	1,179	369

Shortfall Need/Supply	6,894	1,417	660	300
Need as Ratio of Supply	3.5	1.5	1.6	1.8

In absolute terms the shortfall is greatest for 1 bed dwellings, followed by 2-bedroom dwellings, 3-bedroom dwellings and finally dwellings with 4 or more bedrooms.

A different picture emerges when analysing the relative difference between need and supply, indicated in the table above by the supply to need ratio. Here, although the need for one bedroom dwellings is still greatest, the next most pressing need is for homes with four or more bedrooms. This result is in line with the picture that emerged from the London-wide housing market assessment.

In recognition of the unlikelihood of raising the level of new build completions sufficiently to meet all identified need, prioritising the provision of new dwellings to address need where it is most acute is a sensible policy response. Although at first glance this would indicate a need for additional one-bed units at the expense of other types of unit. However, we would suggest that this should not be taken at face value, for the following reasons:

- There tends to be much greater 'churn' of one-beds than other larger property types. Thus, while there may be more crude demand for them, they are relatively more easily available
- A substantial element of one-bed need will be from an ageing population, and especially a very elderly sub-sector; they are likely to increasingly need two-bedroom accommodation, rather than one, to house carers and helpers.
- It is, in general, more worthwhile for developers to build smaller units rather than larger ones. With the move towards different assumptions about affordability, pressure for the private sector to ignore larger units will become more acute
- Finally, in terms of overall supply, there will be increasing pressure to convert larger family homes into bedsits and HMOs, as (because of the changes to housing benefit rules) it will become more profitable to rent out multiple bedsits or shared houses, rather than flats or family homes

In this section we have so far considered both social rented and intermediate market affordable housing together. In the context of a 70% social rented, 30% intermediate split, we now summarise how this translates into different bedroom requirements. The figures in the 'Total need' line in table 5.14 represent the overall number of approved low cost home ownership applications, as a snapshot at September 2009. There are 198 approved applications that have not been allocated to any property size. These have been allocated amongst the bedroom sizes on a pro rata basis. The figures in the 'Total supply' line are taken from the HSSA returns and committed future supply of intermediate market dwellings from the HSSA/ London Development Database.

Table 5.14 Matching need and supply: intermediate market housing

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,664	2,720	829	136	8,349
Total supply	977	883	56	17	1,933
Shortfall	3,687	1,837	773	119	6,416
Share of need met	21%	32%	6.7%	12.5%	23.1%

It should be emphasised that much of the debate about the 'need' for intermediate market housing is policy driven, and will reflect the different criteria that different local authorities have in approving different types of housing application. There are views that in south west London much of the demand for intermediate housing stems from LB. Wandsworth. However we would add that, firstly, it is unlikely that sufficient resources will be made available to meet intermediate housing need; and secondly, current (2010) government proposals to change the nature of the definition of newly-developed 'affordable rented' housing so that it could reach 80% of the level of market renting will fundamentally change the relationship between 'intermediate' market housing and 'social' housing.

5.7.5 The future requirement for market housing

To forecast the exact make-up of the future population of south west London who will require market housing a range of factors has to be considered including:

- The future economic competitiveness and attractiveness of the sub-region, in the context of the wider London and UK economies
- The opportunities current south west London residents will have of increasing their incomes – through enhanced educational and employment prospects – and entering the owner-occupied market
- The future role of international migration in shaping the economic and housing demand picture in the sub-region
- The role of the private rented sector

Based on an analysis of projected changes to the number and type of households in the sub-region, the following recommendations concerning the target mix of market housing have been generated:

- 1 bed flats: 30%
- 2 bed flats 22%
- 2 bed houses: 30%
- 3 bed houses: 10%
- 4+ bed houses: 8%

These recommendations reflect the general preference amongst the population as a whole for houses as opposed to flats and also the tendency of private owners to buy properties that have a greater number of bedrooms than those they would allocated in the social rented sector.

In terms of how the sub-region plans for the provision of market housing, we note that close to 570,000 households in south west London currently occupy market housing. In the overwhelming majority of cases (as is demonstrated by the data for lettings in the social rented sector) these households will continue to live in the private sector.

In addition to the housing aspirations of existing people in south west London, those of newly arising households (either through migration or household formation) should be considered. On the basis of the data collected and population projections it is estimated that an additional 5,293 households per year will be looking to access housing in south west London and will be able to afford to do so in the private sector without recourse to housing benefit support.

Less apparent are the future likely demands on the market sector, which may be prompted by a variety of socio-economic stimuli. As well as the factors noted in 5.2.27, these could include:

- Area development proposals incorporating new business and employment opportunities
- Future patterns of inter-London, UK and international migration
- The trajectory out of the current economic recession, and the ultimate level of economic activity that stability brings

These factors are discussed elsewhere in this report, including the dynamics of out-migration of larger households, in-migration from inner London boroughs, and changing demographic profiles, with increasing numbers of smaller and older households.

Finally, the role of the private rented sector needs consideration. Traditionally, it has been tenure of first choice for newly-forming households and single people leaving the parental home. It also comprises a number of sub-markets, including those catering to students (important in Kingston and Wandsworth), migrant workers, young professionals who cannot or do not want to purchase, as well as containing poorer quality HMO stock. Indications are that because of the changes to housing benefit (the capping of Local Housing Allowances by bedsize, the re-modelling of LHAs at 30% median rent), and the restrictions on benefit receipt for those getting Job Seekers Allowance, the housing benefit / more affordable end of the PRS will wither away, and landlords will be increasingly seeking a wealthier client group. It should be noted that this is likely to not just be a central London 'problem' as many commentators have assumed – it will impact on most parts of south west London as well.

5.8 Intermediate housing ratios

The proportion of intermediate affordable housing included within the overall affordable housing provision is considered as a possible range between 30% and 40%. The London Plan currently indicates that a preferred target city-wide is for 30% of affordable housing provision to be made as intermediate housing. We have, therefore, calculated the impact that adopting the London Plan standard would have on the future position in south west London. We have also modelled a situation where 40% of affordable housing was provided as intermediate to reflect the Mayor's revised Housing Strategy. As noted earlier, the distinction between 'intermediate' and 'affordable rented' may become irrelevant if plans to redefine 'affordable' as costing up to 80% of market rents are implemented.

The tables below give the impact of amending the proportions of types of new affordable housing on both the intermediate and rented sectors. It should be noted that these figures are based on the calculations for total unmet housing need (to be addressed over five years) summarised in tables 5.15 and 5.17 (households per annum).

Tables 5.15a and b Option 1 – 20% Intermediate Affordable Housing

Table 5.15a Intermediate Need/Supply

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,664	2,720	829	136	8,349
Total supply	753	680	43	13	1,489

Shortfall	3,911	2,040	786	123	6,860
Share of need met	16.1%	25%	5.2%	9.6%	17.8%

Table 5.15b Social Rent Need/Supply

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,935	2,175	920	335	8,365
Total supply	2,262	2,441	953	298	5,954
Shortfall	2,673	-266	-33	37	2,411
Share of need met	45.8%	112.2%	103.6%	88.9%	71.2%

Tables 5.16a and b Option 2 – 30% Intermediate Affordable Housing

Table 5.16a Intermediate Need/Supply

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,664	2,720	829	136	8,349
Total supply	1,128	1,020	65	20	2,233
Shortfall	3,536	1,700	764	116	6,116
Share of need met	24%	37.5%	7.8%	14.7%	26.7%

Table 5.16b Social Rent Need/Supply

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,935	2,175	920	335	8,365
Total supply	1,980	2,136	834	260	5,210
Shortfall	2,955	39	86	75	3,155
Share of need met	40.1%	98.2%	90.6%	77.6%	62.3%

Tables 5.17a and b Option 3 – 40% Intermediate Affordable Housing

Table 5.17a Intermediate Need/Supply

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,664	2,720	829	136	8,349
Total supply	1,504	1,360	86	27	2,977
Shortfall	3,160	1,360	743	109	5,372
Share of need met	32.2%	50%	10.4%	19.8%	35.6%

Table 5.17b Social Rent Need/Supply

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
Total need	4,935	2,175	920	335	8,365
Total supply	1,697	1,831	715	223	4,466
Shortfall	3,238	344	205	112	3,899
Share of need met	34.4%	84.2%	77.8%	66.6%	53.4%

In this modelling we have not considered it necessary to vary the proportionate size split for affordable rented housing in response to different social rented / intermediate market split scenarios.

5.9 Summary of key points in the Chapter

- The Royal Institute of Chartered Surveyors Accessibility Index (Dec 2008) showed that first time buyers in London had to pay 51% of household income to gain a foothold on the lower rungs of the home ownership ladder; the norm for south west London households is to spend more than 25% gross household income on housing costs
- Due to the increased level of deposits required by mortgage lenders and other associated costs of buying a property, a substantial number of households will be excluded from the owner-occupied market
- Entry level prices (lower quartile) ranged from £105,400 to £288,000 depending on bedsize in 2009
- Incomes required to afford entry level prices for different property sizes ranged from £14,600 to £50,000
- There is a current backlog of 63,727 households (including 5,465 homeless and 58,262 unsuitably housed households) in housing need in the sub-region
- The proportion of new households forming each year unable to buy or rent in the market (based on modelled income and property cost data) is 33.5% (2,667 per annum)
- There are 4,387 new affordable units planned during the 2 year period 2009/11, but given the current fiscal conditions, it is sensible to take an average figure based on a five year period, giving an annual average of 1,844 new dwellings
- On average there were 5,509 re-lets of existing affordable dwellings per year
- To meet newly-arising need and reduce backlog need over five years would require an additional 9,271 affordable homes every year
- While in numerical terms, the shortfall of affordable one bedroom (when considering the ratio of supply to projected demand) is the most acute, followed by four-bedroom homes, in policy terms prioritising the supply of larger homes is a valid objective. This is similar to the picture found in the London wide study
- In terms of market homes, a mix including 48% houses of 2, 3, 4 and larger bedsizes is recommended; a similar proportion of intermediate dwellings of 2 bed or larger is also recommended.
- We have modelled different levels of the intermediate market component of an overall affordable housing programmes, ranging from 20% to 40%; however, this distinction may become irrelevant if plans to redefine 'affordable rents' as those that could run at 80% of markets rents go through

6.0 Housing Market Typologies

6.1 Introduction

Government guidance states that a housing market exists if at least 70% of housing moves that take place involve households moving within the area. This approach has limited usefulness as it tends to support the generation of larger housing market areas which, in many cases, will be much wider than the type of area that is legible to the general public. It will also tend to lead to the production of market areas which include a wide range of property types and costs.

To address this issue, the concept of housing market typologies has been developed to support this assessment. The basic concept is that within a sub-regional area such as south west London there will be a number of housing areas which share characteristics regardless of geographical factors. This is not to say that the areas allocated to individual typologies are homogeneous. Indeed many of the areas contain quite divergent housing markets existing cheek by jowl. This is particularly true of some of the more central areas (e.g. Stockwell, Kennington, Battersea) where concentrations of social rented housing contain small pockets of high value private housing. However, the typologies do represent the dominant housing market and, where there are significant sub-markets these are noted.

6.2 Typologies applied

The development of the area typologies has taken place in consultation with stakeholders. An initial Stakeholder Meeting discussed, amongst other issues, the types of housing markets that exist with the sub-region. This was followed up by further extensive contact with stakeholders, comments on draft areas, and amendments based on the experience of staff 'on the ground', This information was used to generate five housing typologies for south west London:

- Market entry areas;
- Town Centre;
- Second move;
- Prime; and
- River Frontage

The river frontage typology was developed specifically to reflect the sub-market that exists in new build properties that have taken place and are planned on the south bank of the Thames.

The "prime" market typology in south west London is more complex than the "leafy suburb" picture that exists in some other areas of the country. Areas such as Clapham Common have a cachet that transcends the usual definition of a prime area. In terms of deprivation indices, house type and access to amenities and transport Clapham is not similar to, for example, Epsom. It does have, however, exhibit similar characteristics in terms of house prices and rent levels.

The following table details the specific attributes that define each of the typologies produced:

Table 6.1 Characteristics of market typologies

Typology	Characteristics
Entry Level	Lower value, proximity to social housing, ex-Right to Buy properties, flats/terraces, younger couples
Town centre	Flats, Large Private Rented Sector, students, night-life, transitory population
Commuting	Family homes, gardens, larger homes, transport links, 2 nd move from inside and outside area
Prime	Detached houses, car-reliant (further from amenities / transport) or local cachet less dependent upon property type
River frontage	Marketable, high value and high rentals, amenities, sports / restaurants

6.3 Allocation of housing markets to typologies

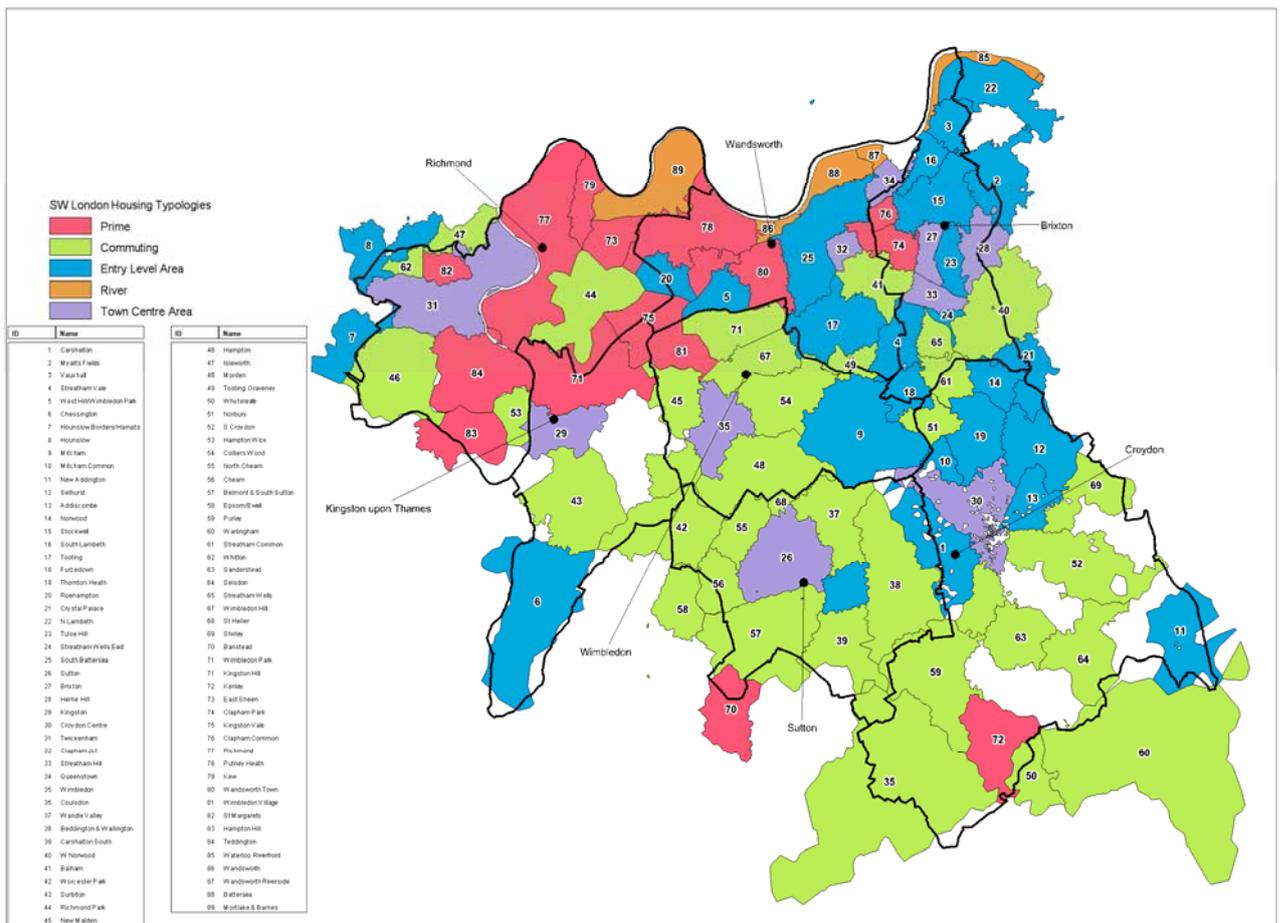
The basis upon which individual housing markets were allocated to typologies was built upon three data sets:

- House Price data;
- Income data;
- Deprivation Indices.

These are expanded upon below

On this basis, and involving extensive discussions with local authority staff, nearly 90 individual housing markets were identified and allocated to one of the five typologies. A map showing the allocation of areas to typologies follows. Individual maps of each borough showing the typologies are shown at annex 2.

Our assumption is that once the types of market and their geographical locations were agreed, they would act as a useful benchmark for relevant local authorities to monitor how the economic, social and housing market characteristics of particular neighbourhoods change over time. For example, it may appear that area X, initially characterised as 'Entry level' began to attract larger families, underwent 'deflating' and gentrification, attracted wealthier incomers, and gradually moved into the 'Commuting category'. Or it may be that area Y saw the reverse occur, with increasing numbers of HMOs, 'studentification', high property turnover, and moved from 'Commuting' into 'Town Centre'. This sort of analysis should help authorities focus their housing, environment and planning policies in a more effective manner, and help give a deeper understanding of the demographic and spatial dynamics of areas. In our view, it is also particularly relevant in the context of the new localism, where smaller scale communities may be competing with one another for limited resources.



6.4 Housing need assessment for typologies

Unless the information is put to analytical use, the development of typologies and the allocation of areas to them is of purely academic interest. Therefore, individual assessments of the housing needs exhibited by the different typologies have been produced. These have been generated, wherever possible, by the use of local data. However, there are some issues, e.g. the number of people with housing support needs in particular areas, where the information has been allocated on a pro rata basis.

The typologies are not themselves self-contained housing markets. Therefore, it is not accurate to assume that the needs as assessed for each typology should be met within the areas that are allocated to that typology. In fact, the operation of local housing markets are often such that the needs of an emerging household currently living in an area that is allocated to one typology will move to an area in a different typology. This assessment, therefore, concerns itself only with the demand side of the need calculation. However, when looking ahead to the new localism agenda, where smaller-scale communities are likely to have a bigger voice in how services and resources are allocated, the typologies approach may well help ensure an element of fairness and transparency.

6.5 Background to needs assessments of typologies

The following tables details some background data in respect of the individual typologies that have been developed. These will be used in the housing need calculations

Table 6.2 Summary of background need factors by typology area

	Entry Level	Town Centre	Commuting	Prime	River Frontage
Average IMD Score	25.16	23.88	14.22	13.92	18.78
Average House Sale Price (£'s)	268,023	311,747	322,168	450,451	543,068
Lowest House Sale Price (£'s)	52,000	51,510	60,882	59,250	80,400
Highest House Sale Price (£'s)	9,126,501	3,350,000	5,700,000	9,000,000	12,200,000
Lower Quartile House Sale Price (£'s)	190,000	195,000	220,000	244,000	295,000

The information in this table shows the importance of taking multiple factors into account when allocating areas to housing market typologies. There are individual factors that would suggest that the allocation of certain areas to typologies may be misleading (for example, the highest house sale price). However, when taking all the factors into account the overall picture obtained is one of appropriate allocation.

6.6 Affordability

Taking the lower quartile house sale price data into account, the proportion of the population which can afford to purchase a property in the individual typology areas is shown in the table below.

Table 6.3 Lower Quartile Affordability by Typology Area

	Proportion of SW London households who could not afford lower quartile purchase
Entry Level	25.3%
Town Centre	27.8%
Commuting	41.8%
Prime	55.9%
River Frontage	79.8%

These figures can be compared to the data for south west London overall where 33.5% of households are assessed as being unable to access market housing without expending an unreasonable proportion of their annual income. On the basis of the sub-regional data, the calculation of the number of emerging households who would not be able to afford market housing produces a figure of 2,667 per annum. If the affordability data for the entry level typology was used, this figure would fall to 2,014 each year. However, if the river frontage

affordability data is used the annual number of emerging households unable to afford market housing in those areas would be 6,352.

This analysis shows the importance of housing development taking place across the range of typologies. Of particular interest is the role of the river frontage and town centre typologies. Whereas the other typologies can be seen as points on a traditional housing "journey" (first home, first move, second move), neither the town centre nor river frontage typologies fit into this progression (though we suggest one way in which a new 'Town Centre' could be created in 6.3). It is outside the scope of this particular piece of research but would be interesting to examine the previous location and property type of households moving to the town centre and river frontage areas to assess the extent to which these areas operate outside of the sub-regional market.

6.7 Current housing need

The data on disrepair and mobility impairment that contributes to the figure for households in current housing need are based on modelled data and are not, therefore, amenable to analysis on the basis of typologies. However, the main components of the current housing need figure can be analysed on a typologies basis.

We allocated the current need figure across the typologies using address data showing the origin of households accepted as homeless by the south west London authorities during the period from 1 April 2008 to 31 March 2009. Those applications accepted from people living outside of the sub-region have been discounted for the purposes of this calculation. An analysis of this data produces the information shown in the following table.

Table 6.4 Proportion of accepted homelessness applications in south west London 2008/2009 by typology

Typology	Proportion of accepted homelessness applications originating from this location typology
Entry Level	50.3%
Town Centre	20.7%
Commuting	20.9%
Prime	7.6%
River Frontage	0.5%

The proportion of accepted applications received from each typology area will, to an extent, reflect the number of households living in each of the areas. This is particularly true of the river frontage areas which are substantially smaller than the others. However, it can still be seen that just over half of all accepted homelessness applications came from households living in areas described as "market entry", whilst under one in ten came from "prime" locations. On the basis of this information it would be possible to allocate the current housing need figure between the typologies as follows:

Table 6.5 Current housing need allocated by typology

Typology	Numbers in housing need originating from this location typology
Entry Level	29,306
Town Centre	12,060
Commuting	12,177
Prime	4,428
River Frontage	291
TOTAL	58,262

6.8 Summary of key points in the Chapter

- Five housing market typologies were developed: Entry Level, Town Centre, Commuting, Prime and River Frontage
- The study identified 90 individual housing markets in these five typologies in south west London
- The value of a housing typology approach is that it enables authorities to track economic, social and demographic change in a local area against benchmark standards over time, and prepare appropriate policy responses
- It will be particularly well-suited to informing the new localism agenda, and encouraging fairness and transparency between perhaps competing communities
- The areas and their typologies can be linked back to the main criteria used to assess housing need in the SHMA
- Over half (50.3%) of accepted homelessness applications in the sub-region were from Entry Level typology areas, conversely households in River Frontage typology areas comprised only 0.5% of such applications
- The highest proportion of people who could not afford a lower quartile private sector property in south west London was in the River Frontage typology areas (79.8%) followed by Prime, Commuting, Town Centre and then Entry level (at 25.3%)

7.0 Housing Needs Background for Individual Boroughs

7.1 Introduction

As has been stated previously, all the local authority areas covered by this sub-regional Strategic Housing Market Assessment have been the subject of previous local housing needs surveys. These have been carried out by a range of organisations using varying methods. It is not within the remit of this assessment to provide detailed calculations relating to the individual levels of housing need present in each borough. However, in this section we summarise the main factors that contribute to the sub-regional assessment by borough, identifying where the situation in an individual authority area is divergent from the picture in the sub-region as a whole.

7.2 Croydon

The Lower Quartile house price in Croydon in the period June 2007 to June 2009 was £175,000, which is lowest amongst the south west London authorities. This is reflected in the Lower Quartile Affordability ratio (8.96 in 2008) for the borough which is also the lowest in south west London.

The number of households in the borough is projected to increase by 33,000 in the period between 2006 and 2031. This represents a 22.9% increase, which is the second lowest amongst south west London authorities.

The borough also has the highest number of new lets of social rented stock (1,356) of any south west London authority. It also has the second highest number of projected new social rented dwellings (916) and new intermediate homes (448) in the sub-region in the two financial year period 2009/10 to 2010/11.

There are 9,732 households on the Council's waiting list as at 31 March 2009, which is the second highest in south west London. Of these 5,386 are in need. As at 31 March 2009, the Council was providing temporary accommodation for 1,503 households which it had accepted as unintentionally homeless and in priority need, which is the second highest figure in south west London. There are also 1,341 approved shared ownership applicants on the waiting list for a property in Croydon.

According to the BRE modelled data, there are 9,785 private properties in the borough which are in disrepair. This is the third highest amongst the south west London authorities and the highest amongst the sub-region's outer London boroughs.

7.3 Kingston upon Thames

The Lower Quartile house price in Kingston in the period June 2007 to June 2009 was £235,000, which is third highest amongst the south west London authorities. The Lower Quartile Affordability ratio (12.78 in 2008) for the borough is the highest in south west London.

The number of households in the borough is projected to increase by 25,000 in the period between 2006 and 2031. This represents a 38.5% increase, which is the highest amongst south west London authorities.

The borough has the equal lowest number of new lets of social rented stock (392) of any south west London authority. It also has the second lowest number of projected new social rented dwellings (90) and the lowest projected number new intermediate homes (0) in the sub-region in the two financial year period 2009/10 to 2010/11.

There are 6,812 households on the Council's waiting list as at 31 March 2009, which is the third lowest in south west London. Of these 2,811 are in need (the second lowest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 676 households which it had accepted as unintentionally homeless and in priority need, which is the fourth highest figure in south west London. There are also 810 approved shared ownership applicants on the waiting list for a property in Kingston upon Thames.

According to the BRE modelled data, there are 4,241 private properties in the borough which are in disrepair. This is the second lowest amongst the south west London authorities.

7.4 Lambeth

The Lower Quartile house price in Lambeth in the period June 2007 to June 2009 was £220,000, which is fourth highest amongst the south west London authorities. The Lower Quartile Affordability ratio (9.22 in 2008) for the borough is the third lowest in south west London.

The number of households in the borough is projected to increase by 23,000 in the period between 2006 and 2031. This represents a 19% increase, which is the lowest amongst south west London authorities.

The borough has the second highest number of new lets of social rented stock (1,242) of any south west London authority. It also has the highest number of projected new social rented dwellings (924) and the third highest projected number new intermediate homes (372) in the sub-region in the two financial year period 2009/10 to 2010/11.

There are 16,729 households on the Council's waiting list as at 31 March 2009, which is the highest in south west London and 72% higher than the next highest. Of these 12,413 are in need (the highest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 1,924 households which it had accepted as unintentionally homeless and in priority need, which is the highest figure in south west London. There are also 1,391 approved shared ownership applicants on the waiting list for a property in Lambeth.

According to the BRE modelled data, there are 10,640 private properties in the borough which are in disrepair. This is the second highest amongst the south west London authorities.

7.5 Merton

The Lower Quartile house price in Merton in the period June 2007 to June 2009 was £215,000, which is third lowest amongst the south west London authorities. The Lower Quartile Affordability ratio (12.35 in 2008) for the borough is the third highest in south west London.

The number of households in the borough is projected to increase by 28,000 in the period between 2006 and 2031. This represents a 33.3% increase, which is the second highest amongst south west London authorities.

The borough has the fourth highest number of new lets of social rented stock (506) of any south west London authority. It also has the third lowest number of projected new social rented dwellings (93) and the fourth highest projected number new intermediate homes (55) in the sub-region in the two financial year period 2009/10 to 2010/11.

There are 6,163 households on the Council's waiting list as at 31 March 2009, which is the second lowest in south west London. Of these 5,265 are in need (the third highest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 71 households which it had accepted as unintentionally homeless and in priority need, which is the lowest figure in south west London. There are also 530 approved shared ownership applicants on the waiting list for a property in Merton.

According to the BRE modelled data, there are 6,358 private properties in the borough which are in disrepair. This is the fourth highest amongst the south west London authorities.

7.6 Richmond upon Thames

The Lower Quartile house price in Richmond upon Thames in the period June 2007 to June 2009 was £275,000, which is the highest amongst the south west London authorities. The Lower Quartile Affordability ratio (11.88 in 2008) for the borough is the fourth highest in south west London.

The number of households in the borough is projected to increase by 24,000 in the period between 2006 and 2031. This represents a 30.4% increase, which is the third highest amongst south west London authorities.

The borough has the third lowest number of new lets of social rented stock (441) of any south west London authority. It also has the fourth highest number of projected new social rented dwellings (220) and the third lowest projected number new intermediate homes (46) in the sub-region in the two financial year period 2009/10 to 2010/11.

There are 6,858 households on the Council's waiting list as at 31 March 2009, which is the fourth highest in south west London. Of these 5,157 are in need (the fourth highest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 203 households which it had accepted as unintentionally homeless and in priority need, which is the second lowest figure in south west London. There are also 333 approved shared ownership applicants on the waiting list for a property in Richmond upon Thames.

According to the BRE modelled data, there are 5,642 private properties in the borough which are in disrepair. This is the third lowest amongst the south west London authorities.

7.7 Sutton

The Lower Quartile house price in Sutton in the period June 2007 to June 2009 was £182,500, which is second lowest amongst the south west London authorities. This is reflected in the Lower Quartile Affordability ratio (9.03 in 2008) for the borough which is the second lowest in south west London.

The number of households in the borough is projected to increase by 22,000 in the period between 2006 and 2031. This represents a 27.5% increase, which is the fourth highest amongst south west London authorities.

The borough has the joint lowest number of new lets of social rented stock (392) of any south west London authority. However, it has the third highest number of projected new social rented dwellings (232), but the second lowest projected number new intermediate homes (38) in the sub-region in the two financial year period 2009/10 to 2010/11.

There are 4,174 households on the Council's waiting list as at 31 March 2009, which is the lowest in south west London. Of these 1,422 are in need (the lowest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 260 households which it had accepted as unintentionally homeless and in priority need, which is the third lowest figure in south west London. There are also 486 approved shared ownership applicants on the waiting list for a property in Sutton.

According to the BRE modelled data, there are 4,109 private properties in the borough which are in disrepair. This is the lowest amongst the south west London authorities.

7.8 Wandsworth

The Lower Quartile house price in Wandsworth in the period June 2007 to June 2009 was £260,000, which is second highest amongst the south west London authorities. This is reflected in the Lower Quartile Affordability ratio (12.53 in 2008) for the borough, which is the second highest in south west London.

The number of households in the borough is projected to increase by 33,000 in the period between 2006 and 2031. This represents a 26.4% increase, which is the third lowest amongst south west London authorities.

The borough has the third highest number of new lets of social rented stock (1,180) of any south west London authority. It has the lowest number of projected new social rented dwellings (70) but the highest projected number new intermediate homes (883) in the sub-region in the two financial year period 2009/10 to 2010/11. In fact the projected number of new intermediate dwellings in the borough represents some 48% of all such provision in the sub-region.

There are 9,421 households on the Council's waiting list as at 31 March 2009, which is the third highest in south west London. Of these 5,125 are in need (the third lowest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 747 households which it had accepted as unintentionally homeless and in priority need, which is the four lowest figure in south west London. There are also 3,458 approved shared ownership applicants on the waiting list for a property in Wandsworth.

7.9 Summary of key points in the Chapter

- The Lower Quartile house price in Croydon (June 2007-2009) was £175,000 – the lowest amongst all south west London authorities
- Croydon has the highest annual number of new lets of social rented stock (1,356) of any authority in the sub-region
- Croydon also has the second largest Council waiting list
- The Lower Quartile house price in Kingston upon Thames (June 2007-2009) was £235,000 – the third highest amongst all south west London authorities
- Kingston has the equal lowest annual number of new lets of social rented stock amongst south west London authorities
- The Lower Quartile house price in Lambeth (June 2007-2009) was £220,000 – the fourth highest amongst all south west London authorities
- Lambeth has 16,729 households on the council's waiting list (31 March 2009) – the highest in south west London
- The Lower Quartile house price in Merton (June 2007-2009) was £215,000 – the third lowest amongst all south west London authorities
- The Lower Quartile house price in Richmond upon Thames (June 2007-2009) was £275,000 – the highest amongst all south west London authorities
- The Lower Quartile house price in Sutton (June 2007-2009) was £182,500 – the second lowest amongst all south west London authorities
- Sutton has the joint lowest annual number of new lets of social rented stock in south west London
- The Lower Quartile house price in Wandsworth (June 2007-2009) was £260,000 – the second highest amongst all south west London authorities

8.0 The Needs of Particular Groups

8.1 Introduction

This section provides information on the needs of a series of specific household groups as required in Chapter six of the CLG's SHMA Practice Guidance. As well as the groups specified in the Guidance a number of locally significant household types are considered.

8.2 Older people

According to the Office of National Statistics projections, in 2006, 185,000 residents in south west London were 65+, 11.5% of the overall population, and this only marginally lower than the London-wide figure of 12%. Of the older population in south west London, 93,100 were aged 65 to 74; and 91,900 were aged 75 or older

ONS Population forecasts suggest that the older population will increase between 2006 and 2016 by 14,500 in the 65-74 band, and by 3,600 in the 74+ band. This represents a 9.8% increase during the period from 2006 to 2016, and shows a similar rate of increase than for London as a whole (9%). By 2031 the number of people aged 65 and over in the sub-region is projected to reach 268,100.

These large increases in the number of people in the older age groups within the population will have serious implications for service provision generally as well as for housing services specifically. The need for support services is likely to grow as is the need for specialist housing provision.

8.3 Black and Minority Ethnic households

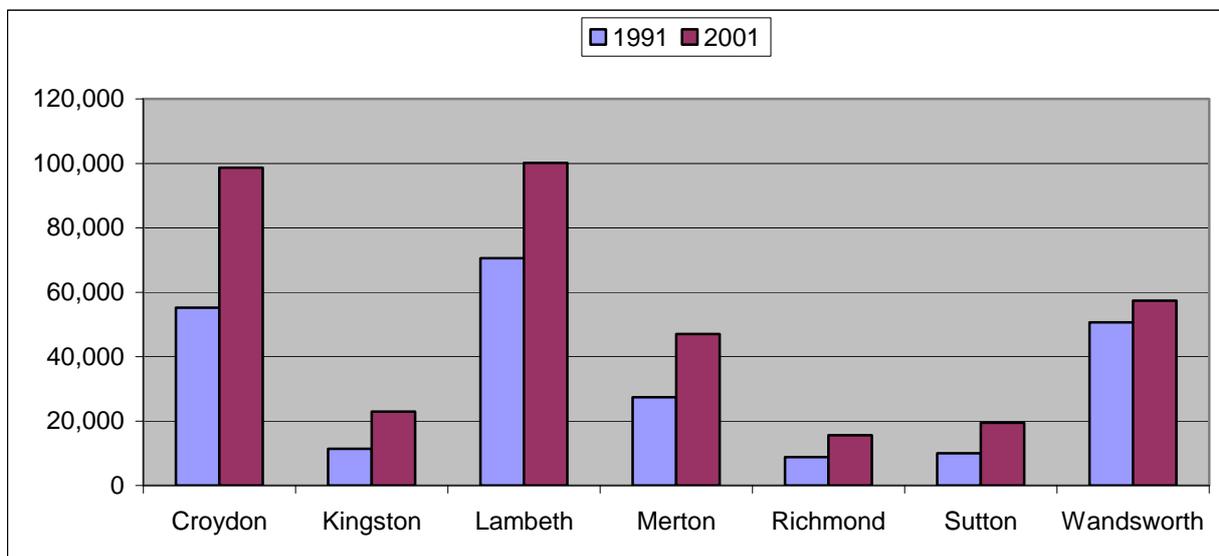
According to the 2001 Census two-thirds of the population of south west London describe themselves as being "White British". This compares to figures of 59.8% for London as a whole and 87% for England. Within the sub-region the proportion of households from non-White British backgrounds varies from 50.5% for Lambeth to 14.9% in Sutton.

The ethnic minority communities in each of constituent boroughs of the sub-region increased both numerically and as a proportion of the total population between the 1991 and 2001 census. This is detailed in the following table and graph.

Table 8.1 Ethnic Minority communities in south west London 1991 - 2001

Borough	1991: Residents from ethnic minority communities (Excluding White Irish and White Other as ethnic minorities)	2001: Residents from ethnic minority communities (Excluding White Irish and White Other as ethnic minorities)
Croydon	55,176 (18%)	98,642 (30%)
Kingston	11,458 (9%)	22,881 (16%)
Lambeth	70,593 (29%)	100,111 (38%)
Merton	27,377 (16%)	47,025 (25%)
Richmond	8,813 (5%)	15,550 (9%)
Sutton	9,978 (6%)	19,417 (11%)
Wandsworth	50,604 (20%)	57,402 (22%)
TOTAL	233,999 (16%)	361,028 (23%)

Figure 8.1 Ethnic minority communities in south west London by borough 1991 - 2001



One key difference between the ethnic minority population and that of the white British residents of the sub-region is its comparative youth. This is a common characteristic of ethnic minority communities throughout the country and is demonstrated for the sub-region by the information in the following table. It is particularly noticeable in the under 30 age group where the 39% of the white population in this group is at least 5% lower than for any group and 31% below that for the mixed race group.

Table 8.2 Proportions of ethnic group by age group (2001)

	0-17	18-29	30-44	45-64	65-84	85+
White	19%	20%	26%	21%	12%	2%
Mixed Race	51%	19%	19%	8%	3%	0%
Asian	26%	21%	26%	21%	6%	0%
Black	30%	17%	32%	15%	6%	0%
Chinese	21%	25%	26%	23%	5%	0%
Others	22%	22%	32%	21%	3%	0%

To augment the more established ethnic minority communities in the sub-region, recent economic immigration has added people from Eastern Europe to an already diverse mix of population in the sub-region.

In general terms, ethnic minority households are less likely to be owner-occupiers than those from white British backgrounds. This is particularly true of Black households who are more likely to be living in social rented housing. They are also more likely to live in overcrowded circumstances and in homes without central heating.

In every authority in the sub-region non-White British households represented a higher proportion of households accepted as being homeless and in priority need during 2008/09 than would be expected if that figure represented the actual number of such households in the population. This would suggest that the non-White British community in south west London is living in poorer, less secure accommodation.

In February 2007 the South West London Housing Partnership published an Ethnic Minorities Housing Strategy for the sub-region. This established four priorities for the Partnership in relation to housing for people from ethnic minority groups:

- To develop and maintain a clear and comprehensive picture of the housing needs of ethnic minority communities across south west London;
- To respond effectively to housing needs and work to prevent homelessness;
- To promote sustainable communities and ensure fair access to housing and housing services; and
- To mainstream ethnic minority housing issues within the work of the Partnership.

To work towards these priorities the Partnership set a number of objectives and actions which are monitored and responsibility for each is allocated to an individual authority or one of the Partnerships; sub-groups.

8.4 People with disabilities

Deriving information from the London Housing Unit's Supported Housing Toolkit, the following projections of the shortfalls in locally available accommodation for households containing people with various disabilities have been produced:

Table 8.3 Shortfall of locally available accommodation for people with support needs

Support need	Shortfall of locally available accommodation
People with mental health issues	885
People with learning disabilities	712
People with physical disabilities	64
People with substance abuse issues	785
Young people leaving care or at risk	324

The type of accommodation needed to meet the requirements of these households will vary from specially designed or adapted homes through supported dwellings to ordinary properties in the open community. Also the individuals' requirements in terms of level of support are quite likely to change through time with some condition being degenerative whilst others are likely to ease.

8.5 Homeless households

The needs of homeless households as defined in legislation have already been considered elsewhere in the main body of this report. As well as this group of homeless households, the needs of groups who do not qualify for assistance in the form of an offer of permanent rehousing should be considered. During 2008/09 the local authorities in south west London issued 591 homelessness decisions stating that the person applying was homeless but was not in priority need. The majority of these people would have been single people or non-elderly couples without children. The obligations of the local housing authority towards these people are limited to giving "advice and assistance" to secure their own housing.

There are also street homeless or rough sleepers. The government carries out an annual count of people sleeping on the streets. In the most recent count only 13 people (all in Lambeth) were counted within the sub-region. The government changed the way in which it carries out these counts in 2001. Prior to that time larger numbers were returned. In 2000, the street sleeping count found 85 people living rough in south west London.

There are four Direct Access hostels in operation in south west London (two in Lambeth and one each in Merton and Kingston upon Thames). These provide accommodation to people with no place to live. Their mere existence would indicate that there are larger numbers of people street sleeping than are assessed by the government's annual count. In addition there are two "winter" shelters (one each in Lambeth and Croydon) providing temporary accommodation for homeless people during the colder months.

8.6 Gypsies and Travellers

The government undertakes a count of gypsy and traveller caravans every six months. This covers authorised and unauthorised local authority and private sites, categorising the unauthorised sites as being either "tolerated" or "not tolerated". The most recent count (July 2009) covered 809 caravans in London. Within the south west London sub-region there were 142 gypsy caravans, all but 2 on authorised sites. The largest number of

caravans found was 38 (including 9 on a private site) in Sutton, whilst Wandsworth had the smallest number (11) amongst the authorities in the sub-region.

The Consultation Draft of the Replacement London Plan contains assessments, on a borough by borough basis, of the need for Gypsy and Traveller Pitches for the period 2007 – 2017. These allocations were based on a Gypsy and Traveller Accommodation Assessment carried out by the London boroughs. Some amended figures were included in draft Minor Amendments issued in March 2010. The information for south west London is:

Table 8.4 Gypsy and Traveller pitches requirement by borough 2007 - 2017

Borough	Pitches
Croydon	22
Kingston	25
Lambeth	10
Merton	9
Richmond	4
Sutton	10
Wandsworth	10
SW London	95

A separate issue is the needs of gypsy and traveller households who are not living in caravans and have taken up occupancy of a "bricks and mortar" property. There is no accurate estimate of the number of such households in the sub-region. There is, however, a growing appreciation of the issues that arise for such households. The Gypsy and Traveller Accommodation Assessment in London previously referred to estimated that 77% of the demand for pitches came from households living in "bricks and mortar" homes.

8.7 Key workers

There have been a plethora of different initiatives and schemes launched by the government over the past ten years in an attempt to produce a housing product that meets the needs of general or specific groups of "key workers". As part of the consultations a with stakeholders to support this assessment, discussions were held with the Homes and Communities Agency during which it became clear that the government is reviewing the various intermediate housing products available in an attempt to produce a more codified and consistent set of schemes.

The Partnership published an Intermediate Housing and Keyworker strategy for the sub-region in February 2007. The strategy estimated that there was a potential demand for an additional 80,000 intermediate housing dwellings in the sub-region.

The basic approach taken by the sub-region is that all people in employment are key workers as they contribute to the local and wider economy. It, therefore, concentrates on the housing needs of households in employment

and on low to middle incomes rather than on people from specific employment groups such as health workers, teachers, police, fire fighters and key local government workers. The strategy defines households on annual incomes of less than £30,000 as being "low income earners" and those earning between £30,000 and £45,000 per annum as being "middle earners".

The strategy established three main objectives:

- Provide greater intermediate housing options for low-middle income households, including measures to a) encourage the development of more family sized accommodation and b) emphasize initiatives which increase the overall supply of housing in SW London;
- Create more opportunities for households in SW London to gain equity; and
- Work to ensure that a lack of appropriate affordable housing is not a barrier to delivering key services.
- 8.7 (v) These are supported by three subsidiary objectives:
- Obtain and maintain a good base of information on intermediate and key worker housing needs;
- Continue to develop and review partnership working between key stakeholders to improve effectiveness; and
- Ensure that the sub-region's approach addresses diversity issues.

8.8 First time buyers

The key issue facing first time buyers in the sub-region has changed following the lending crisis of 2007/8. Before that time there was plentiful loan finance available to support purchases in the private market. The main issues at that time would be the ability of first time buyers to afford mortgage repayments and rampant house price inflation. However, since the collapse of borrowers both in the UK and US, the overwhelming issue is difficulties in accessing finance to fund purchases.

It is now almost unknown for a first time buyer to be offered loan finance unless they can pay a deposit of at least 20% of the purchase price of a home. This is at a time when, according to the Office for National Statistics, the household savings ratio (the proportion of disposable income that is saved) has fallen to its lowest level since 1959. It is likely, therefore, that potential first time buyers will have to spend longer periods either living with their parents or in other tenures (especially private renting) before being able to make their first home purchase. This is a national phenomenon but one which will have the greatest impact in areas of relatively high house prices such as south west London.

8.9 Students

The scale of demand for accommodation from students is difficult to quantify. This is especially the case in London where individuals can choose to live some distance from their place of study due to the availability of public transport. According to statistics produced by the Higher Education Statistics Agency, there were just under 2.4 million students in higher education in London in the academic year 2007/8. There are five main higher education establishments located wholly or partly within south west London (Kingston University, London South Bank University, Roehampton University, St George's Medical School and St Mary's University College Twickenham) which between them had 63,900 students in 2007/8.

The Higher Education Statistics Authority also reports that student numbers in London are rising at a rate 15 times that of the increase in accommodation for them. The government also projects that the number of foreign students in London will increase by 125,000 over the next decade. Specialist private providers such as Unite UK Student Accommodation and Braemar Student Accommodation report occupancy rates of between 95% and 100% for their schemes in London.

In terms of supply of purpose-built student accommodation, there are currently approximately 5,300 units in the south west London boroughs (in Kingston, Wandsworth and Lambeth), with another 900 at the planning or construction stage. However, it is acknowledged that this is a long way from filling the supply gap¹. As the amount of specialist provision cannot keep pace with the growing level of demand for student accommodation the impact that this emerging picture has is increasing pressure on the private rented sector in the sub-region. There is a particular issue in relation to large, family accommodation where owners can gain a greater income by letting individual rooms to students rather than in one letting to a family.

There is an argument that speculates that the number of private rented homes available will, in part, be dictated by the demand created by students. In particular there are landlords who specifically invest in property to be let to students. Therefore, it cannot be said that the fact that students are taking up accommodation in the private rented sector decreases the overall supply. As noted above, even if this argument is correct at an overall level then the impact that student lets can have on a local housing market is to distort the availability of certain sizes of property which may, otherwise, be available for families in need.

8.10 International migrants and asylum seekers

As well as the economic migrants commented on earlier in this report, there has been an emerging issue over recent years concerning the impact that asylum seekers have on local housing markets. This is perceived as being a particular issue in areas where there are established migrant communities and associated support networks that might attract asylum seekers. There is also the issue that central Croydon accommodates Home Office buildings where immigration queries are dealt with and may, therefore, be attractive to asylum seekers because of convenience in being local to those facilities.

The official Home Office figures for the end of June 2009 indicate that there were 470 asylum seeking households in south west London receiving subsistence support from the Home Office. This is part of the total of 3,430 such households in London and 5,120 in the UK.

The three local authorities in south west London with over 100 such households were Croydon (115), Lambeth (125) and Merton (115). In terms of households supported by the Home Office in accommodation in south west London there were 40. This is of a total of 1,205 in London and 25,535 UK wide.

8.11 Summary of key points in the Chapter

- Older people (aged 65+) in south west London account for 11.5% of the overall population, this figure is projected to increase 9.8% by 2031

¹ London Student Housing Crane Survey, Drivers Jonas Deloitte, 2010

- Two-thirds of people in south west London describe themselves as White British, compared to 59.8% for London as a whole and 87% for England
- The number of people from BME groups has increased, with a higher proportion below the age of 45 than for other ethnic groups
- Research suggests that non-white British communities in south west London live in poorer, less secure accommodation
- There is a shortfall of accommodation for people with support needs; the highest being for people with mental health issues (885), followed by people with substance abuse issues (785) and learning disabilities (712)
- In 2000, 85 people were sleeping rough in south west London (according to the government's annual street sleeping count)
- In 2009 there were 142 gypsy caravans in the sub-region (all but 2 on authorised sites)
- Information on student numbers per sub-region is unavailable, however in 2007/8, London had just under 2.4 million students in higher education, There are 6,200 purpose-built student homes in existence or under construction. Their presence has a complex impact on local private rented sector markets
- Home Office figures (2009) indicate that there were 470 asylum seeking households in south west London receiving subsistence support from the Home Office

9.0 Conclusions

9.1 Background to conclusions

The seven local authorities that make up the south-west London sub-region are home to some 1,600,000 people. The individual areas within the sub-region do exhibit a range of socio-economic problems as assessed by the government's Index of Multiple Deprivation. It is, however, an area that is typified by high private sector house costs, both to buy and to rent. The population of the sub-region also has higher than average income levels. However, there is a constant significant demand for social housing.

This assessment was carried out using data that is available from existing public sources. There have been other housing need studies carried out on behalf of the individual south west London local authorities which have used survey data as the basis of their calculation of need. The calculation of affordability of private housing will also vary depending on the geographical area being considered. For these reasons, as well as the time at which the studies were carried out, the results of this study do not necessarily tally with those which were generated by the studies in the individual authorities.

The government Guidance on the carrying out of Housing Needs Assessments requires that "lower quartile" private house prices should be compared to the "lower quartile" income data. The lower quartile is the level at which 25% of data is below that figure. For south west London the lower quartile house price data was:

Table 9.1 South west London Lower Quartile House Price

Property Size	Lower Quartile Purchase Price	Lower Quartile Monthly Rental
0/1 bed	£105,400	£425
2 bed	£144,000	£880
3 bed	£174,000	£1,150
4+ bed	£288,000	£2,295

On the basis of this and projected income data it is estimated that a third of all new households in the sub-region will be unable to afford private sector housing.

9.2 General conclusions

By their nature, all time-based analysis and research projects risk derailment because of, to use Harold Macmillan's often quoted aphorism 'events, dear boy, events'.

This Strategic Housing Market Assessment for southwest London was begun in 2009 with a Labour government that had placed investment in affordable housing as a central theme of its programme; had seen expanded centralised development targets introduced across the country but particularly in London; and saw, magnified by the impact of the global recession and the UK private sector slump, new support for and confidence in public

and third sector housing organisations as a lifeline for individuals caught up in housing crisis or unable to access affordable homes.

As the SHMA is completed, following the election of the coalition government, we now find ourselves in an environment that has seen a 52% cut in affordable housing investment, a renunciation of central controls and targets for regional and more local development, the concept of 'affordable' housing effectively abolished, and stringent controls on revenue-based housing subsidy through the Housing Benefit system being introduced. The prospect of local and community control of housing-related assets and budgets is drawing nearer, and the influence of broader brush planning policy and strategy becoming weaker.

Nevertheless, in this new environment, we would suggest that the role of Strategic Housing Market Assessments such as this one are becoming even more important. In official planning policy terms, strategic housing authorities including the south west London authorities are still obliged to complete Core Strategies and Local Development Frameworks. The demands of PPS3 still remain, and with this goes a continuing requirement for evidence-based recommendation for housing planning numbers.

What is changing is the role that such evidence will play if decision-making and effective governance of new development is devolved to 'sub-local authority' levels. These words are written before the Localism and Decentralisation Bill is published, but what seems clear is that south west London local authorities will not only have to negotiate planning and development policy, practice and challenge with planning inspectors, developers, builders, landowners and housing associations, but also with community interest groups, local lobbyists, tenants and residents groups, at a very fine-grained local scale.

It will therefore be important that authorities are equipped with as much information and evidence as feasible in order to construct localised policy (and response to proposals). This means that the role of SHMAs will continue to be important in informing this evidence base.

In particular, the fact that the south west London SHMA incorporates an innovative approach to typologising local housing markets and neighbourhoods will assist authorities in this role. By using a set of agreed housing market archetypes, the SHMA identifies and characterises ninety separate local areas. This gives the authorities concerned an important tool to plan, assess, monitor and forecast housing market change across and within the sub-region, and respond to localism initiatives.

Bearing in mind this likely future policy trajectory, what are the main conclusions from this SHMA that should be highlighted ?

9.3 The core level of underlying need

First, we need to reiterate and summarise the core figures that have emerged from SHMA process. The key conclusions that can be drawn as a result of this analysis of the current and future housing situation in south west London relate to the number of additional people who will be unable to afford market housing in the sub-region. This total number is made up of people who are currently living in unsuitable circumstances, new households likely to be formed in the future who would be unable to afford market housing and existing

households who are currently suitably housed but are likely to find themselves in need of social housing in the future. The calculation looks like this:

- Current households in need - 63,727
- Newly emerging households unable to afford market housing – 2,667 per year
- Existing households falling into need – 1,302 per year

Recognising that 63,727 households in current housing need cannot be rehoused overnight, it is assumed that this backlog of need could reasonably be eliminated over a five year period. ***This gives an annual gross housing need figure of 16,714 for the sub-region.***

This gross figure will, of course, be reduced by the number of social housing properties that become available during the period. This supply comes from the letting of existing dwellings and new homes, both for social renting and for intermediate (shared ownership) housing. The annual projected figure for these two sources of supply combined is 7,443.

The annual net need for affordable housing, taking into account projected levels of supply, is, therefore, 9,271. When policies and responses to the new capital, revenue and planning environment are assessed this is the figure that needs to be at the heart of any co-ordinated south west London response.

9.4 The economic challenge

Although south west London is relatively affluent and relatively competitive compared to some other parts of London, there are some causes for concern. The reliance on public sector and service sector employment channels is worrying in the context of public sector cutbacks and little sign of private sector revival. There are also issues around adjacency and competitiveness with other parts of London – north, west and east London all have ambitious economic development plans (many predicated around the Olympics or Heathrow / White City development), while there appears to be fewer opportunities available in south and southwest London. Transport links and travel to work are important elements here.

But while much of the sub-region is relatively well-networked, much of the dynamism appears to be focussed on households moving out of south west London, primarily (in net terms) to the Home Counties rather than other parts of London. By their nature many of these will be retirees. South west London is seeing a net loss due to internal UK migration, which is only counterbalanced by significant inwards international migration. And this in itself raises important economic questions: has the international (and predominantly Eastern European) bubble burst as non-sterling and non-Euro economies prosper ? If so will the south west London service and public sector feel the pinch ? Can internal migration fill the knowledge gap and start to shift the south west London economy more towards the knowledge and higher technical sectors, and away from what are starting to look like fragile and service sectors ?

9.5 The tenure challenge

There must be real concerns about the future role of the private rented sector. Up to this year local authorities (including southwest London authorities) had been investing considerable energy in developing and improving

the PRS as a source of meeting housing need, as temporary accommodation and sometimes permanent accommodation for homeless households, and as an option for non-priority homeless applicants and young people; as a resource for vulnerable households. Indeed, the SHMA Guidance specifically singles out the PRS as the sector that can meet many non-priority and single people's housing requirements. A range of statutory and regulatory mechanisms assisted authorities and landlords to develop the sector, such as accreditation schemes, HMO licensing schemes, rent deposit schemes and the like. There are good practice examples available from many south west London authorities.

However current plans to cap Local Housing Allowance (LHA), reduce the LHA determinant to 30% of the mean, impose penalties on Job Seekers Allowance claimants and re-index the rate at which Housing Benefit increases seriously undermines the viability of the private rented sector as a source of accommodation to meet affordable housing need (as oppose to meet open market need). Associated changes to planning regulation also makes it easier to convert family homes to HMOs. While the arguments around landlord and tenant exploitation of the LHA rules are understandable, nonetheless an important source of affordable accommodation to meet non-priority (and priority) housing needs will be lost to south west London. There are also implications for private sector family housing availability that stem from the HB proposals: in many Broad Rental Market Areas including those in south west London, it will make more economic sense for a landlord to convert a property into an HMO and maximise the number of shared rooms, rather than retain flats or family houses.

9.6 The affordability challenge

The key factor that drives housing need in south west London is the high price of accessing market housing. As should be clear from the study, south west London as a sub-region, on average, has both higher than average housing costs and higher than average incomes. However there are substantial contrasts within the sub-region, between luxury end riverside apartments to entry level one-bed flats. But the bottom line is that around a third of newly-forming households – those that are needed to counterbalance the ageing population – cannot afford market housing, It should be emphasised that in spite of the fact that the sub-region comprises a grouping of local authorities with fairly dissimilar demographic and economic profiles, affordability is an issue across the board. Policy options for meeting the affordability challenge will be put to the test as the governments unrolls its new 'affordable' regime, and as the private sector considers options in the intermediate market. There is certainly an opportunity for local authorities to explore new sub-market (and possibly sub 80% market) products with the private and housing association sectors. But it seems impossible (given the levels of homelessness and backlog housing need among low-income households) that this new policy direction will generate availability of truly affordable accommodation to meet the needs evidenced in this SHMA

9.7 The demographic challenge

South west London is not unusual in having to face the challenge of an ageing population, especially the increase in the numbers of very elderly residents. There are a range of issues relating to this beyond housing, including the ability of the sub-region to resource and staff health service and social services facilities. As noted above, this also relates to immigration policy and practice, in that one way to fill the younger persons gap would be to encourage in-migration of working age staff.

In housing terms, part of this demographic change is expressed in a need for increased numbers of one bedroom homes to match the notional 'bulge' in one-bedroom requirements. We would resist the easy assumption that planning policy should therefore incentivise one-bedroom production in either private or public sectors for a range of reasons. These include the higher rates of churn among smaller properties, the increasing need for in-situ support for single older people (necessitating two-bedroom accommodation); the danger of loss of family homes to HMO conversions, and perhaps most importantly the proportionately high levels of need for larger affordable social sector homes, compared to their prevalence and 'churn'.

Annex One: Summary of Consultations

The consultation took place using two main methods; group events and individual consultations. The former events consisted of presentations and then sub-group discussions of individual themes and issues. The latter were conducted in person, by telephone or e-mail depending on the preferences of those consulted and all were structured around a pre-defined series of questions and issues.

Group Events

The first two events took place at the launch of the assessments. They were both half-day events, one held in Twickenham, the other in Wandsworth. Following presentations outlining the purpose of the study and some background data, there were five sub-groups. Each of the sub-groups addressed a specific relevant issue:

- The pattern and types of local housing markets in the sub-region;
- Levels and types of current housing need;
- Future housing markets and population changes;
- Housing requirements of specific groups; and
- The role and scope of Intermediate housing.

The main conclusions drawn by the sub-groups were:

- There was a discernible pattern of housing markets in the sub-region which crossed borough boundaries. These markets were populated by different typologies of households – some had a more transient, younger profile whilst others were more likely to have a majority of families with children living in them. It was accepted though that in a number of areas although there would be a main typology that predominated there could be small pockets of different types of housing and occupant. Examples of this latter type of area would be relatively affluent areas within which there might be a smaller area of social housing.
- Current housing need was considered to be high and was perceived as growing. At one of the events the specific problems caused by an apparent mismatch between the type of housing stock (particularly social rented dwellings) that existed in an area and the needs of the households in need. Examples were given of households having to move away from the sub-region to access social rented property that was of a suitable size and type to meet their housing needs.
- A pattern of migration that generally saw movement from the inner areas of London to the outer and from the sub-region to areas beyond the boundary of the capital was discussed. The implications for the sub-region's housing and economic markets were identified as being around trying to produce a suitably attractive and accessible housing offer to aid the retention of higher-earning and achieving households, rather than them being lost to the "stockbroker belt". The importance of international migration for the sub-region was also identified, particularly in its role of maintaining a younger demographic in the sub-region.
- The housing needs of a number of specific groups were highlighted. There was concern, however, about the lack of a co-ordinated set of indicators that would give a firmer grasp of the number of people in each of these groups and how their housing needs could be identified and met. The issue of people with multiple needs was highlighted. At one of the events the accommodation needs of students was identified as being a specific issue for the sub-region.
- The role of intermediate housing tenures was considered as changing given the downturn in the housing market that had occurred in the months prior to this study. The tenure was seen to have a continuing positive role in meeting the needs of a specific type of household but not as a replacement for social rented homes. The costs of accessing intermediate tenures (deposits and fees) were seen as being a significant barrier to many households in housing need. The need to produce more flexible models of intermediate housing provision was highlighted.

The final group event was held towards the conclusion of the study. It was held in Lambeth and was designed to report on the initial findings of the study and to obtain feedback on the issues identified. Again the event comprised a mixture of presentations and break out group sessions. The break out groups were organised on a borough basis and were designed to give a final consideration to the allocation of housing market typologies to individual areas within each authority area. Issues of boundaries and typology naming were discussed.

Group presentations were also made through the housing market assessment to the South West London Housing Partnership Board and also to a meeting of representatives of tenant and resident associations in the sub-region. The role and extent of migration (and especially international migration) was an issue of particular concern at the tenant and resident groups meeting.

Individual Consultations

The list of individuals and organisations to be consulted was drawn up in consultation with the south west London Housing Partnership staff and was later augmented by the addition of potential consultees who emerged in discussion with the initial agreed list. As has been mentioned these consultations took the form of telephone conversations, face-to-face meetings or e-mailed questionnaire dependent upon the preferences of the individual consultee. However, regardless of the method of consultation, a pre-determined topic guide was used to shape all inputs. The issues covered by the topic guide included:

- Main issues that the consultee believed to be of importance in the consideration of the south west London housing market.
- Their perception of the state of balance/imbalance within the housing market generally in the sub-region
- Views on the need for additional market, social and intermediate housing in the sub-region
- Perceptions about the role and type of immigration to and from south west London
- The impact of the credit crunch and housing market downturn on the economy of the sub-region
- The main strengths and weaknesses of the housing market

The main issues that were identified related to the cost of accessing housing in south west London (particularly in relation to new housing), the type of housing stock available and its suitability to meet the needs of the local population, the link between a successful housing market and a thriving local economy and the lack of investment in the provision of new social rented homes. Specific issues raised included the role that the sub-region plays in London-wide housing market, the role of intermediate housing (including new market products) and the impact of students on the housing market in specific parts of south west London.

In total 52 individuals and organisations were consulted on an individual basis. An additional 28 were contacted but did not want to be involved in the study.

Annex Two: Individual Borough Profiles

Borough	Profile
Croydon	<p>Croydon is home to the largest number of people in London with a population of 339,000 people which is set to grow significantly by 2026. The borough has a growing ethnic minority population also, representing 32% of the population overall and over 50% in some wards.</p> <p>There are 137,000 dwellings, of which 70% are owner-occupied, 14% are privately rented, and 17% are rented from the Council or housing associations. It is a highly diverse borough, with areas of real prosperity but also significant pockets of deprivation, many of which correspond to large council estates. According to deprivation indicators, one ward falls within the bottom 10% and 12 wards are within the bottom third nationally. Life expectancy by ward ranges from 82 to 74 years.</p> <p>Whilst not exhibiting the very high house prices across much of the sub-region, the local housing market is nevertheless buoyant with large price increases in recent years and below average incomes prevailing in the borough. Private sector rents pose a major barrier to low income and benefit-dependent households.</p> <p>The shortfall in affordable housing supply is one of the most pressing issues for the borough, largely because of the small proportion of social housing, with the number of households accepted as homeless and in priority need exceeding the supply of social housing lettings over the last three years. The net affordable housing requirement to meet need is 4,214 homes a year.</p> <p>Other key priorities for the borough are tackling unfitness and poor conditions in private sector housing, and meeting the decent homes standard for council housing. Housing in poor condition tends to be dispersed across larger areas and the focus for renewal and refurbishment therefore often relates to groups of wards or to different property or household types.</p> <p>An attractive part of London in which to live, Croydon offers a range of good public and community services for its residents including excellent leisure facilities and transport links, and well-reputed schools. Croydon is a major employment centre and a centre for economic investment in south-east England and offers diverse employment opportunities. There are also high rates of satisfaction with the home, the wider environment and housing service amongst council tenants. Croydon's housing strategy and HRA business plan have been judged by the Government Office for London to be fit for purpose.</p>
Kingston upon Thames	<p>The Royal Borough of Kingston is located in one of the most prosperous parts of London and the South East. It plays a major role as a commercial and employment centre serving a wide area of south west London and North East Surrey.</p>

Borough	Profile
	<p>Kingston is a major retail centre, rated as the best retail centre in London outside the West End in a recent Experian Retail Survey. The economy of Kingston is dominated by service industries and by small and medium-sized businesses. Over half the borough's firms employ five or fewer people. Around 50% of residents live and work in the borough. Reliance on sectors such as retail, restaurant and leisure has given rise to high levels of part time employment compared to London as a whole.</p> <p>While Kingston is a prosperous area, there are pockets of deprivation and wide disparities between wards. House prices in Kingston are high and the social housing sector is small. Affordability and a shortage of affordable housing has been identified as one of the main concerns for the residents of the borough.</p> <p>There are an estimated 63,000 dwellings in the borough, of which 72% are owner occupied, 15% are privately rented and 12% are rented from the Council or housing associations. The Council's housing stock is the smallest in London (excluding the City). The Council owns 4,798 rented properties and 1,436 leasehold properties. A significant proportion of the rented housing stock is sheltered housing for older people. The majority of general needs properties are flats on estates across the borough.</p>
Lambeth	<p>Lambeth is an inner London borough, covering an area of approximately ten and a half square miles, with a northern boundary on the Thames and situated mainly between the boroughs of Wandsworth and Southwark. The north of the borough has a mix of central London activities, while the south of the borough is predominantly suburban in character. Lambeth is among the most densely populated areas in the country, with over 99 people per hectare compared to nearly 46 per hectare across London as a whole. In common with the rest of inner London, Lambeth's population has grown rapidly in recent years, expanding from a quarter of a million in the 1990s to 272,000 in 2006. Its population is projected to grow to 317,000 (by nearly 17 per cent) by 2026 (according to GLA estimates).</p> <p>Lambeth's population is diverse and highly mobile. Almost two fifths of the borough's population is comprised of people who are from black and ethnic minority communities, and Lambeth is believed to have the largest Portuguese population outside of Portugal. Population turnover, or 'churn', is currently estimated at 20% every year. Lambeth combines areas of affluence with areas of severe poverty and deprivation. The 2007 Index of Multiple Deprivation places Lambeth as the fifth most deprived borough in London. In 2008, some 130,000 households lived in Lambeth. The borough's housing stock is typical of inner London, with a large proportion of flats - nearly 70% - and a correspondingly small proportion of houses (approximately 30%). Lambeth has a lower rate of home ownership than the rest of London (36%) and a relatively high proportion of private and social rented accommodation (22% and 40%</p>

Borough	Profile
	<p>respectively).</p> <p>Tenure mix varies dramatically across the borough. The average dwelling price in Lambeth is in line with the London average. Average gross household income is £31,000 per annum, with a large variance depending on housing tenure, from £13,000 for social renters up to an average of almost £60,000 for owner occupiers with a mortgage.</p> <p>Just under a third of council homes are non-decent and an estimated 11% of private sector dwellings in Lambeth were assessed as 'unfit' by the Council's private sector stock condition survey in 2004. In 2008 there were just under 2,000 households living in temporary accommodation, and a total estimate of 13,439 households in 'housing need' within the borough. Affordable family sized accommodation is in particularly short supply. There are fifteen pitches for gypsies and travellers at the Lonesome Depot site in Streatham Vale.</p> <p>The Lower Quartile house price in Lambeth in the period June 2007 to June 2009 was £220,000, which is fourth highest amongst the south west London authorities. The Lower Quartile Affordability ratio (9.22 in 2008) for the borough is the third lowest in south west London. The number of households in the borough is projected to increase by 23,000 in the period between 2006 and 2031. This represents a 19% increase, which is the lowest amongst south west London authorities.</p> <p>The borough has the second highest number of new lets of social rented stock (1,242) of any south west London authority. It also has the highest annual number of projected new social rented dwellings (924) and the third highest projected number new intermediate homes (372) in the sub-region.</p> <p>There are 16,729 households on the Council's waiting list as at 31 March 2009, which is the highest in south west London and 72% higher than the next highest. Of these 12,413 are in need (the highest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 1,924 households which it had accepted as unintentionally homeless and in priority need, which is the highest figure in south west London. There are also 1,391 approved shared ownership applicants on the waiting list for a property in Lambeth. According to the BRE modelled data, there are 10,640 private properties in the borough which are in disrepair. This is the second highest amongst the south west London authorities.</p>
Merton	<p>Merton's population is set to increase to 200,600 by 2011, with an increasing number of older people aged 85 and over, and more older people from ethnic minority communities entering retirement age.</p> <p>Merton has three main town centres - Wimbledon, Mitcham and Morden; with</p>

Borough	Profile
	<p>high levels of commuter flows in and out of central London. The West of the borough has good public transport, particularly Wimbledon, with easy access to central London and via the Tramlink to Croydon. Most of the East of the borough is less well served. Merton has been consistently one of the top three safest London boroughs.</p> <p>The borough is not amongst the most deprived boroughs in London. Average annual income in Merton in 2007 was £41,170, higher than the Greater London average of £38,781 (PayCheck 2006). Looking at median households income in London, the ward with the highest income level in London is Village ward in Merton at £47,257, compared to a London average of £33,083. And according to the Indices of Deprivation (IMD) 2000 and confirmed by the IMD 2004, Merton ranked 23rd most deprived out of 33 London boroughs.</p> <p>However, this masks the widespread disadvantage and pockets of deprivation within the borough, and the polarisation between the more deprived wards in the East of the borough (Mitcham) and the affluent wards in the West (Wimbledon).</p> <p>Merton has a vibrant housing market with a large private housing sector making up 85% of all housing stock. 68% of all Merton households are owner-occupiers and 14% are renting privately.</p> <p>Research undertaken nationally estimated that 1.3 million households have incomes too high to qualify for housing benefit but too low to buy two and three bedroom homes at the cheaper end of the market. Slower growth in young adult incomes in the 1990s relative to average incomes has driven a reduction in home ownership amongst the under 30s.</p> <p>Merton's Housing Needs Survey (2005) shows that 1,040 existing households in housing need could not afford market housing and the findings suggest that over half of housing need identified in the borough could be met by 'intermediate' housing.</p> <p>Property prices in Merton are almost 50% higher than the average for England and Wales. Prices ranked 11th highest amongst London boroughs, and the 4th highest amongst the seven boroughs in the south west Sub Region in 2006.</p> <p>The average property price in Merton was £377,000 in October 2007, a 28% increase from the previous year, with the average price of a detached property costing £1.65 million, and a maisonette or flat costing £257,000. There is however geographical disparity, with prices in the western part of Merton much higher than in the east. For example, the average house price in the SW19 (Wimbledon) area for 2007 was £484,900, compared to £251,300 in the SM4 (Morden) area and £210,950 in the CR4 (Mitcham) area.</p> <p>Latest data shows that a first-time buyer in Merton would require a household</p>

Borough	Profile
	<p>income of £59,310 to purchase a flat or maisonette in Merton, assuming that they have a mortgage of 3.5 times household income and an average savings of £14,237. However the average household income of £41,170 (PayCheck Data - June 2007) is 31% lower than the amount needed.</p> <p>Renting a home in the private sector is also unaffordable for many households. Average monthly rents for private rented property (Sept - Nov 2006) ranged from £800 for a 1-bed flat to £1,322 for a 3-bed property.</p> <p>Households on low and middle income are more likely to be affected by the recent crisis in the financial market and the resulting 'credit crunch'. There is evidence that this has already led to increased unemployment, home repossessions and homelessness amongst these households.</p>
Richmond upon Thames	<p>Richmond upon Thames is characterised by large open spaces, historic sites, listed buildings, conservation areas and the Thames river landscape. Richmond is the borough's largest town centre with district centres at Twickenham, Whitton, Teddington and East Sheen. The borough is generally affluent with an average income of £47,160 (2008) the third highest in Greater London. The borough also has the lowest unemployment rate in the Capital.</p> <p>The boroughs population stood at 172,335 at the time of the 2001 Census, the fifth lowest in London. According to the mid-year estimates produced by the Office for National Statistics (ONS) in August 2008, this figure had risen to 179,952 by 2007. The borough has a growing ethnic minority population; just over 15,000 have a non-white ethnic background (9% of the population) and 12% of the population have a white non British background. These figures are based on the 2001 Census and since that time the diversity of the Borough is likely to have increased. Recent National Insurance registration data show the largest recent non White British groups are nationals from Poland, Australia, South Africa, United States and France.</p> <p>The stock profile of the borough includes terraced properties (28%), semi-detached (25%) and purpose built flats (25%) as the major property types. Flat conversions make up 11% of stock with detached houses comprising a further 9%. There is wide variation at ward level in the type of housing stock.</p> <p>As a whole, the borough is one of the least deprived in the country but this hides significant variations within it. Four of its eighteen wards exhibit significantly greater levels of deprivation than the others and all coincide with concentrations of housing association stock. The most acute deprivation occurs at the micro-scale and is not evident when considering the situation at ward level. However, the Community Plan 2007 – 2017 identifies five areas of relative disadvantage; Ham, Heathfield, Hampton Nursery Lands, Mortlake and Castelnau and it is in these areas that the borough is focussing its work to tackle disadvantage.</p> <p>The housing market in Richmond upon Thames has a large owner occupied</p>

Borough	Profile
	<p>sector with 69% of households being owner occupiers. A large number of owner occupiers own their property without a mortgage, with our Local Housing Assessment (2007) estimating the largest group comprises pensioner households, although a significant number of non-pensioners also own outright. This reflects both the high number of pensioner households and the relative affluence of the borough.</p> <p>There is a significant private rented sector comprising nearly 17% of the boroughs households. This includes a very expensive 'luxury' market in Richmond, Kew and Barnes, all of which have above average levels of private renting. Parts of the market in these areas include international corporate lets. The private rented sector is also largely dominated by young professionals, with high levels of renting in Twickenham Riverside.</p> <p>Richmond upon Thames has the fourth smallest social rented sector in Greater London amounting for nearly 12% of the boroughs households. The borough went through a Large Scale Voluntary Transfer in 2000 with Richmond Housing Partnership (RHP) now forming the largest housing association in the borough. Richmond upon Thames Churches Housing Trust also has significant stock. Other housing associations include London and Quadrant and Thames Valley</p> <p>House prices are significantly higher than found in England and Wales and the borough is the seventh most expensive London borough to buy in and the most expensive Outer London borough. The Lower Quartile house price in Richmond upon Thames in the period June 2007 to June 2009 was £275,000, which is the highest amongst the south west London authorities. The Lower Quartile Affordability ratio (11.88 in 2008) for the borough is the fourth highest in south west London. The most expensive areas to buy in are South Richmond, Barnes, Mortlake and Barnes Common and Twickenham Riverside. These areas have lower than average levels of owner occupation, although it is still the dominant tenure. The least expensive areas are Hampton, Whitton and Heathfield.</p> <p>Affordability is a key issue for first time buyers with many unable to afford to buy at average house prices in the borough. With affordability also a key issue in the private rented sector and the market largely focused on other higher income groups there are issues around mobility and access for low income households in the private rented sector. Overcrowding and new household formation in the housing association sector also contributed to housing need issues whilst the borough has one of the smallest social housing sectors within Greater London in which to meet this need. As previously highlighted affordability in the owner occupied sector is acute and low income newly forming households face limited housing options.</p> <p>This has led to the large number of households in housing need registered on the borough's housing register with 6,858 households on the Council's waiting list as at 31 March 2009, which is the fourth highest in south west London. Of</p>

Borough	Profile
	<p>these 5,157 are in need (the fourth highest figure in the sub-region). As at 31 March 2009, the Council was providing temporary accommodation for 203 households which it had accepted as unintentionally homeless and in priority need, which is the second lowest figure in south west London. There are also 333 approved shared ownership applicants on the waiting list for a property in Richmond upon Thames.</p> <p>Fordham's Local Housing Assessment (2007) found that the net affordable housing requirement to meet need is 2,723 homes per year. The assessment also found that intermediate housing (shared ownership) was unaffordable for the majority of households in housing need in the borough, with a recommendation that affordable housing should be provided in the form of social rented housing. Evidence from the Housing Strategy Evidence Base included an analysis of households on the housing register supports this, highlighting that 53% were reliant on welfare benefits for income. Research from the Housing Strategy on housing need and Fordham's Local Housing Assessment have therefore been used to underpin the borough's 80/20 affordable housing split in favour of social renting, as outlined in the Local Development Framework. There is also an issue around the affordability of intermediate housing for low to medium income earners, which is particularly true for the development of larger units of intermediate housing.</p> <p>The borough has the third lowest number of new lets of social rented stock (441) of any south west London authority. It also has the fourth highest annual number of projected new social rented dwellings (220) and the third lowest projected number new intermediate homes (46) in the sub-region.</p> <p>According to the BRE modelled data (2009), there are 5,642 private properties in the borough which are in disrepair. This is the third lowest amongst the south west London authorities.</p>
Sutton	<p>The Borough forms an important part of the Wandle Valley, the key regeneration corridor within South London.</p> <p>The quality and historic development of the Borough is reflected in the number of high quality heritage areas designated as Conservation Areas and Areas of Special Local Character. There are extensive areas of low-density housing, mainly in the south of the Borough, which were built in the 1920s and 1930s, characterised by large, detached houses with well-landscaped gardens in tree-lined roads with wide grass verges. These remain largely unchanged in the face of development pressure.</p> <p>In contrast, there are pockets of relative social deprivation, characterised by limited access to employment, social infrastructure and transport services, including areas to the north of the Borough, such as Rosehill, St Helier and the Wrythe, and parts of South Beddington.</p>

Borough	Profile
	<p>According to the latest ONS Mid-Year Estimates released in August 2008, the total resident population of the Borough reached 185,894 during 2007.</p> <p>Based on the GLA Round of Ethnic Group Population Projections 2007 (PLP Low), 85% of Borough residents are white, 8% are Asian/ Asian British, 5% are Black/ Black British, 1% are Chinese and 2.0% are 'other' (including mixed race).</p> <p>The 'LB Sutton 'Housing Strategy 2008-09 and Beyond' (April, 2008) states that approximately 85% of the Borough's housing stock is currently in private ownership and 15% is held in the public sector (local authority, registered social landlord or other)</p> <p>As of 1 April 2008, Sutton Council's housing stock comprised 6,636 rented properties and 1,365 leasehold flats.</p> <p>House price data (Hometrack, June 2007) estimates that the average property price in LB Sutton was £252,800, which was 14% above the England and Wales average (£221,800) but below the average for London (£344,400).</p>
Wandsworth	<p>Some 281,800 people live in Wandsworth making it the largest borough in inner London. It is a popular, residential area with many different types of housing - from the leafy suburbs of Putney to the high-rise housing estates of north Battersea. It enjoys five miles of Thames river frontage, 43 conservation areas and 1,600 acres of parks and common land. The borough is a collection of many different communities, each with its own distinct character. There is a vibrant ethnic and cultural mix, with more than one in five people belonging to a racial minority group.</p> <p>The number of households is expected to rise by 3-4 per cent by 2006-11. Within this there is expected to be a decrease in married couples but an increase in the number of single person and lone parent households. Indeed, single person households make up 36 per cent of all household types.</p> <p>There are around 132,000 dwellings in the borough. The council manages a stock of some 33,300 homes including almost 16,000 owned by leaseholders. Home ownership levels are high at around 52 per cent while there is also a vibrant private rented sector. The pattern of housing supply in the borough is therefore strong and diverse. Housing policies seek to maintain this diversity - enabling all groups to enjoy access to the housing market.</p> <p>Wandsworth has a thriving housing market but accommodation, as in most parts of London, can be expensive. The latest assessment of housing need suggests that current policies are delivering increasing levels of affordable housing but that this is not keeping pace with increasing need, at least in the short term. The council will therefore continue to encourage housing development on suitable</p>

Borough	Profile
	<p>sites. The council agreed with the Mayor to deliver 1,212 affordable housing dwellings from all sources i.e. new build and other during 2008/09 and 2009/11. Generally, the borough's housing stock is in good condition and meeting the decent homes standard for all council owned properties is a key priority The council achieved the decent homes standard for council dwellings in 2008.</p> <p>Wandsworth enjoys good roads and rail links. At its heart is Clapham Junction - the busiest railway station in the UK with mainline services to central London, Gatwick and the south coast. It offers a huge variety of educational choices - especially in the secondary sector- while the business sector is particularly dynamic with more start-ups among small and medium sized enterprises than anywhere else in the capital - many of them serving the fast growing IT and media industries.</p> <p>Local residents also pay the lowest council tax bills in the country and enjoy some of the best services. The council has the highest number of Charter Marks of any authority while it has been rated as "excellent" by the Audit Commission, inspectors describing the council as 'a strong well managed authority with a clear vision of what it wants to achieve'.</p> <p>Wandsworth's housing strategy has been judged by the Government Office for London to be fit for purpose. The preparation of an updated housing strategy has been delayed awaiting the Mayor's London Housing Strategy. The London Housing Strategy was published in February 2010.</p> <p>In the interim a number of client or topic specific housing policy statements, strategies and action plans have been developed covering anti-social behaviour, domestic violence, hate crime, older people, children young people and families, people with physical disabilities, people with learning disabilities and asset management and sustainability. Further policy statements in preparation include people with substance misuse and people with mental health issues.</p>

Annex Three: Typologies Maps

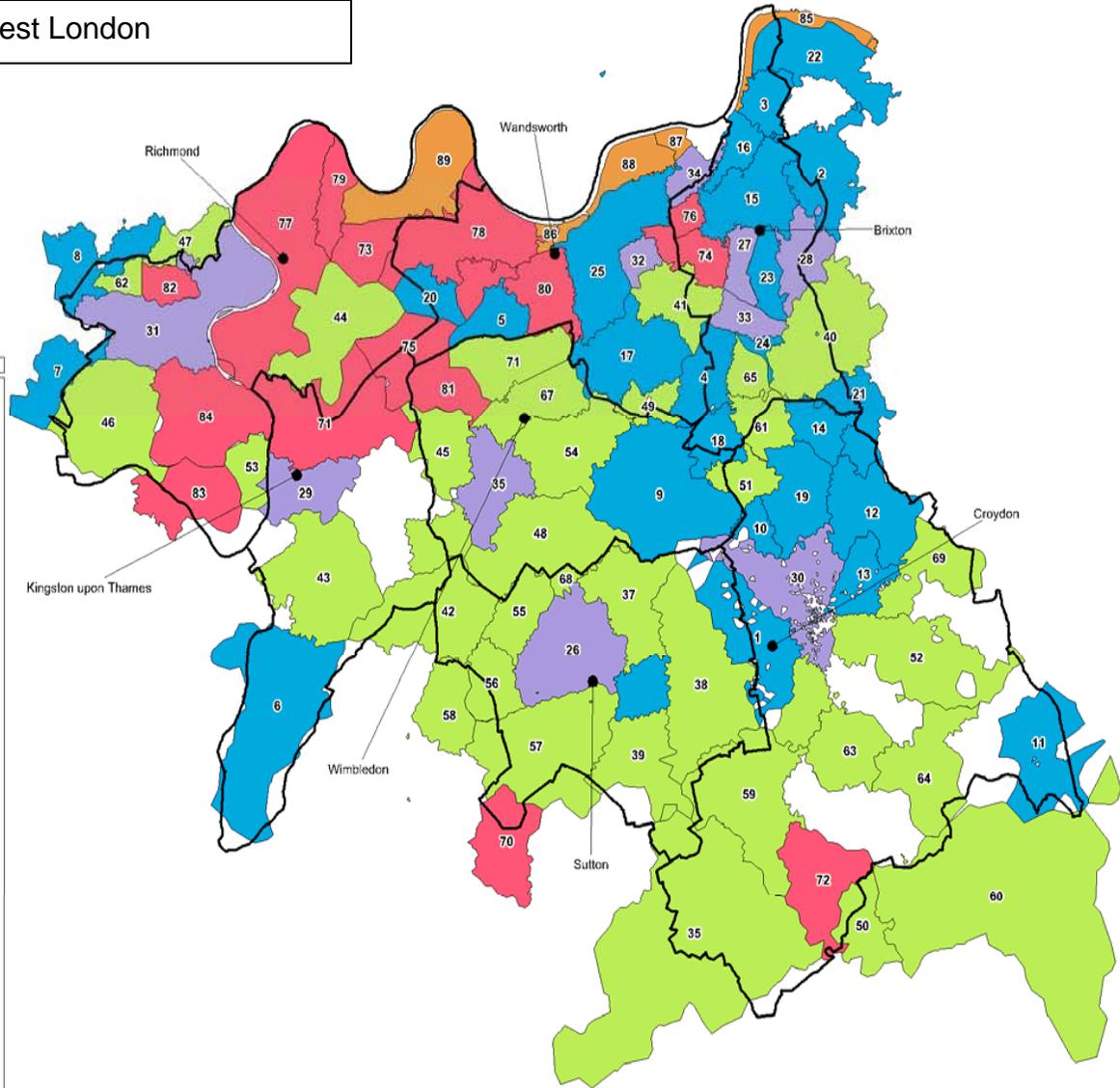
South West London

SW London Housing Typologies

- Prime
- Commuting
- Entry Level Area
- River
- Town Centre Area

ID	Name
1	Carshalton
2	Myatts Fields
3	Vauxhall
4	Streatham Vale
5	West Hill/Wimbledon Park
6	Chessington
7	Hounslow/Borders/Hampts
8	Hounslow
9	Mitcham
10	Mitcham Common
11	New Addington
12	Bethurst
13	Addiscombe
14	Norwood
15	Stockwell
16	South Lambeth
17	Testington
18	Furzedown
19	Thornton Heath
20	Roehampton
21	Crystal Palace
22	N Lambeth
23	Tulse Hill
24	Streatham Wells East
25	South Battersea
26	Sutton
27	Brixton
28	Heme Hill
29	Kingston
30	Croydon Centre
31	Twickenham
32	Clapham Jct
33	Streatham Hill
34	Queenstown
35	Wimbledon
36	Coulsdon
37	Wandle Valley
38	Beddington & Wellington
39	Carshalton South
40	W Norwood
41	Balham
42	Worcester Park
43	Surbiton
44	Richmond Park
45	New Malden

ID	Name
46	Hampton
47	Isleworth
48	Morden
49	Tooting Graveney
50	Whitehall
51	Nately
52	S Croydon
53	Hampton Wick
54	Colliers Wood
55	North Cheam
56	Cheam
57	Belmont & South Sutton
58	Epsom/Ewell
59	Purley
60	Warrington
61	Streatham Common
62	Whitton
63	Sanderstead
64	Salisdon
65	Streatham Wells
66	Wimbledon Hill
67	St Helier
68	Shirley
69	Banstead
70	Wimbledon Park
71	Kingston Hill
72	Kenley
73	East Sheen
74	Clapham Park
75	Kingston Vale
76	Clapham Common
77	Richmond
78	Putney Heath
79	Kew
80	Wandsworth Town
81	Wimbledon Village
82	St Margarets
83	Hampton Hill
84	Teddington
85	Waterloo Riverside
86	Wandsworth
87	Wandsworth Riverside
88	Battersea
89	Mortlake & Barnes



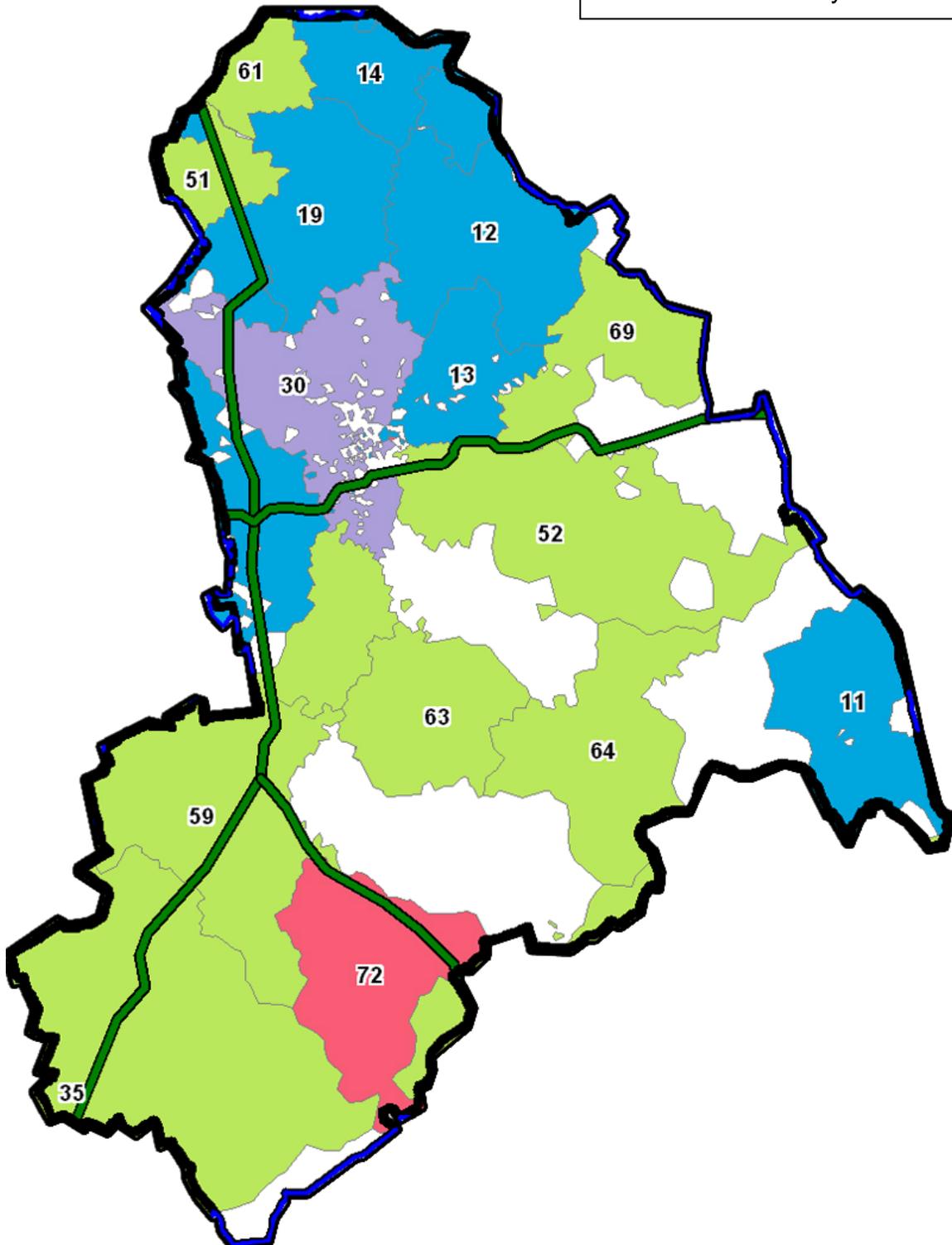
LB Croydon Map

Key:

AREA NUMBER	AREA NAME
1	Carshalton
11	New Addington
12	Selhurst
13	Addiscombe
14	Norwood
18	Figge's Marsh
19	Thornton Heath
21	Crystal Palace
30	Croydon Centre
36	Coulsdon
50	Whyteleafe
51	Norbury
52	South Croydon
60	Warlingham
61	Streatham Common
63	Sanderstead
64	Selsdon
68	St Helier
69	Shirley
72	Kenley

For typology colour codes, please see main map

LB Croydon

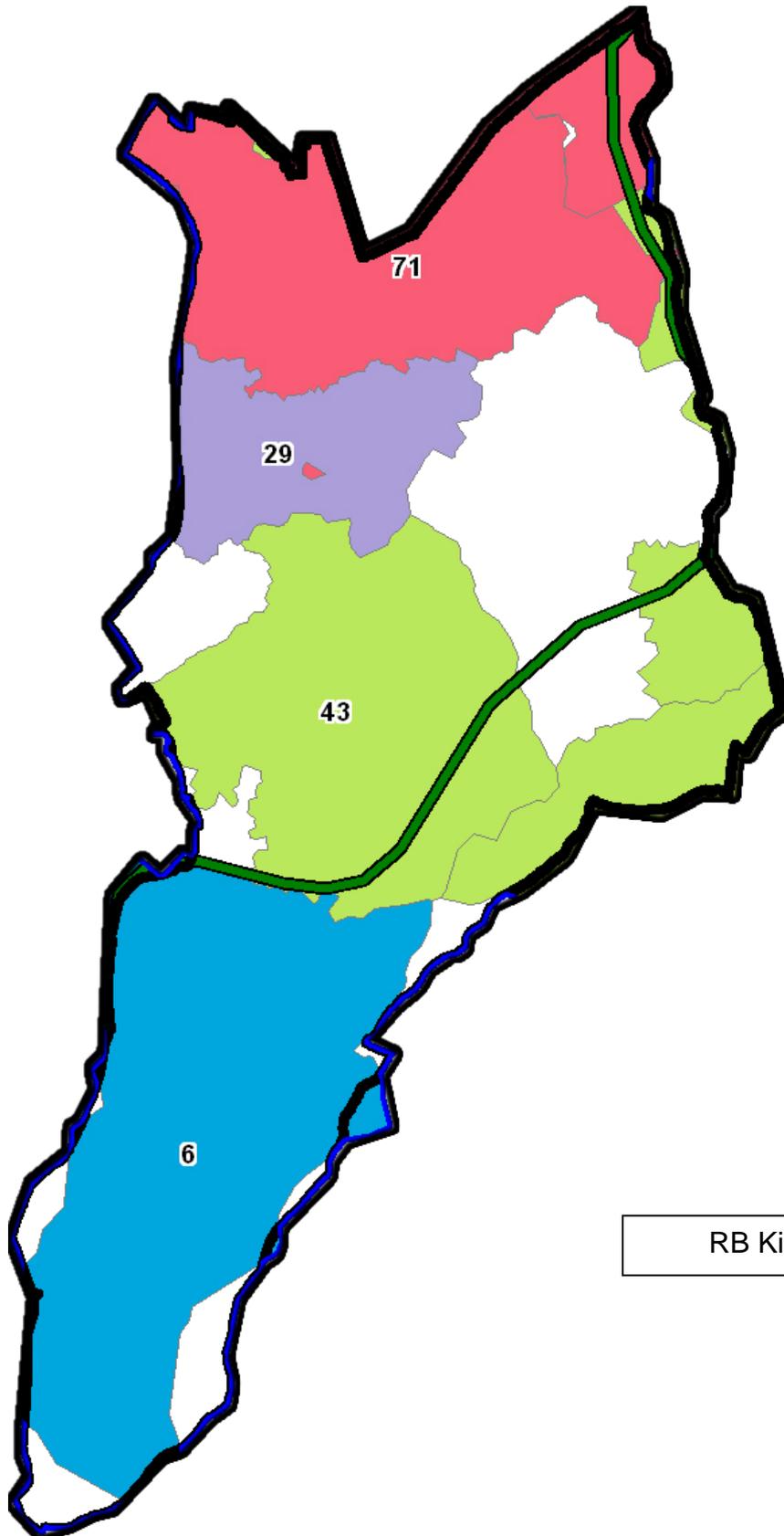


RB Kingston upon Thames Map

Key:

AREA NUMBER	AREA NAME
6	Chessington
29	Kingston
42	Worcester Park
43	Surbiton
44	Richmond Park
45	New Malden
71	Kingston Hill
75	Kingston Vale
79	Kew

For typology colour codes, please see main map



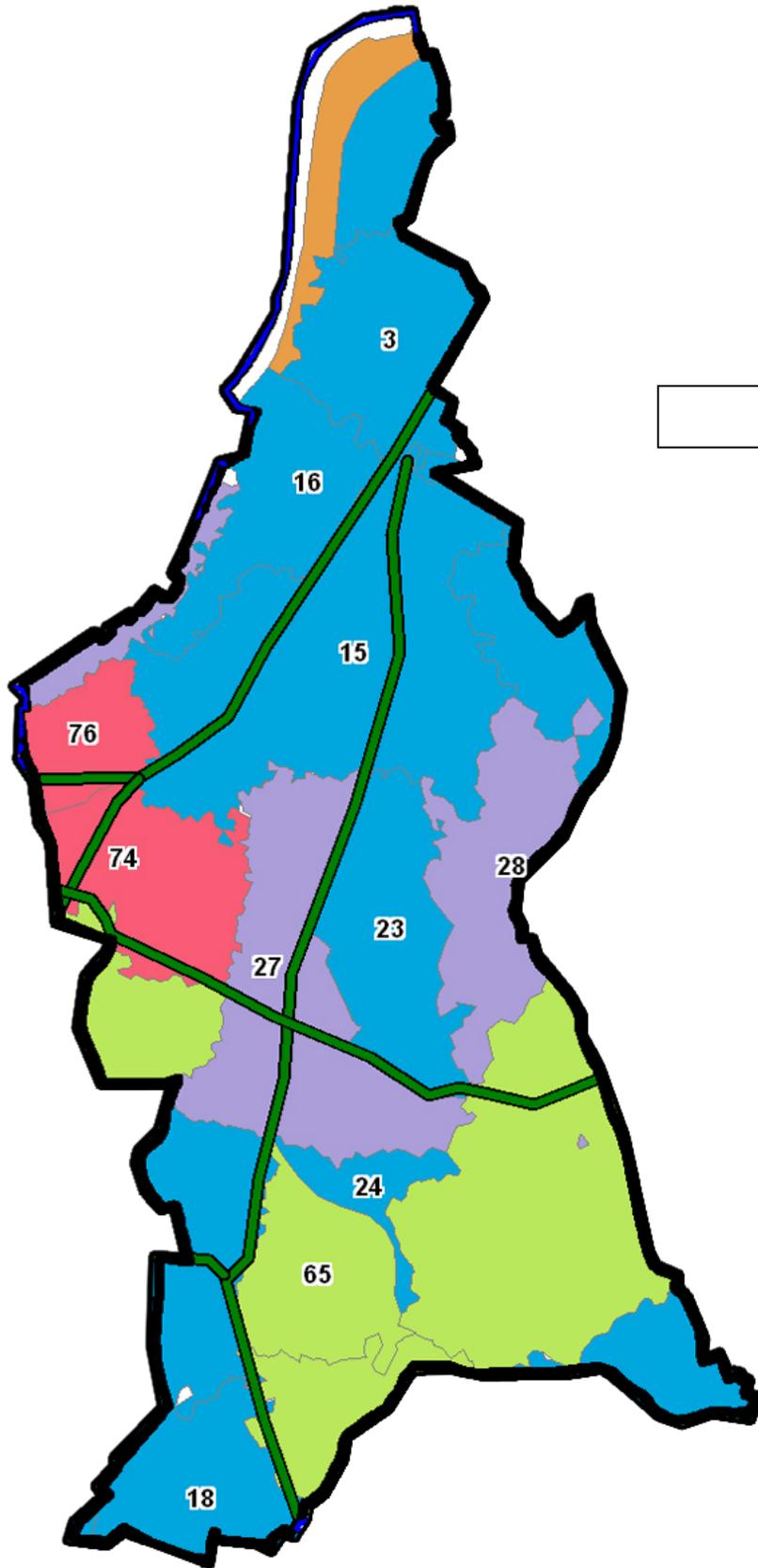
RB Kingston upon Thames

LB Lambeth Map

Key:

AREA NUMBER	AREA NAME
2	Myatt's Field
3	Vauxhall
4	Streatham Vale
9	Mitcham
14	Norwood
15	Stockwell
16	South Lambeth
18	Furzedown
21	Crystal Palace
22	N Lambeth
23	Tulse Hill
24	Streatham Wells End
27	Brixton
28	Herne Hill
34	Wandsworth Town
40	W Norwood
41	Balham
61	Streatham Common
65	Streatham Wells
74	Clapham Park
76	Clapham Common
85	Waterloo Riverfront

For typology colour codes, please see main map



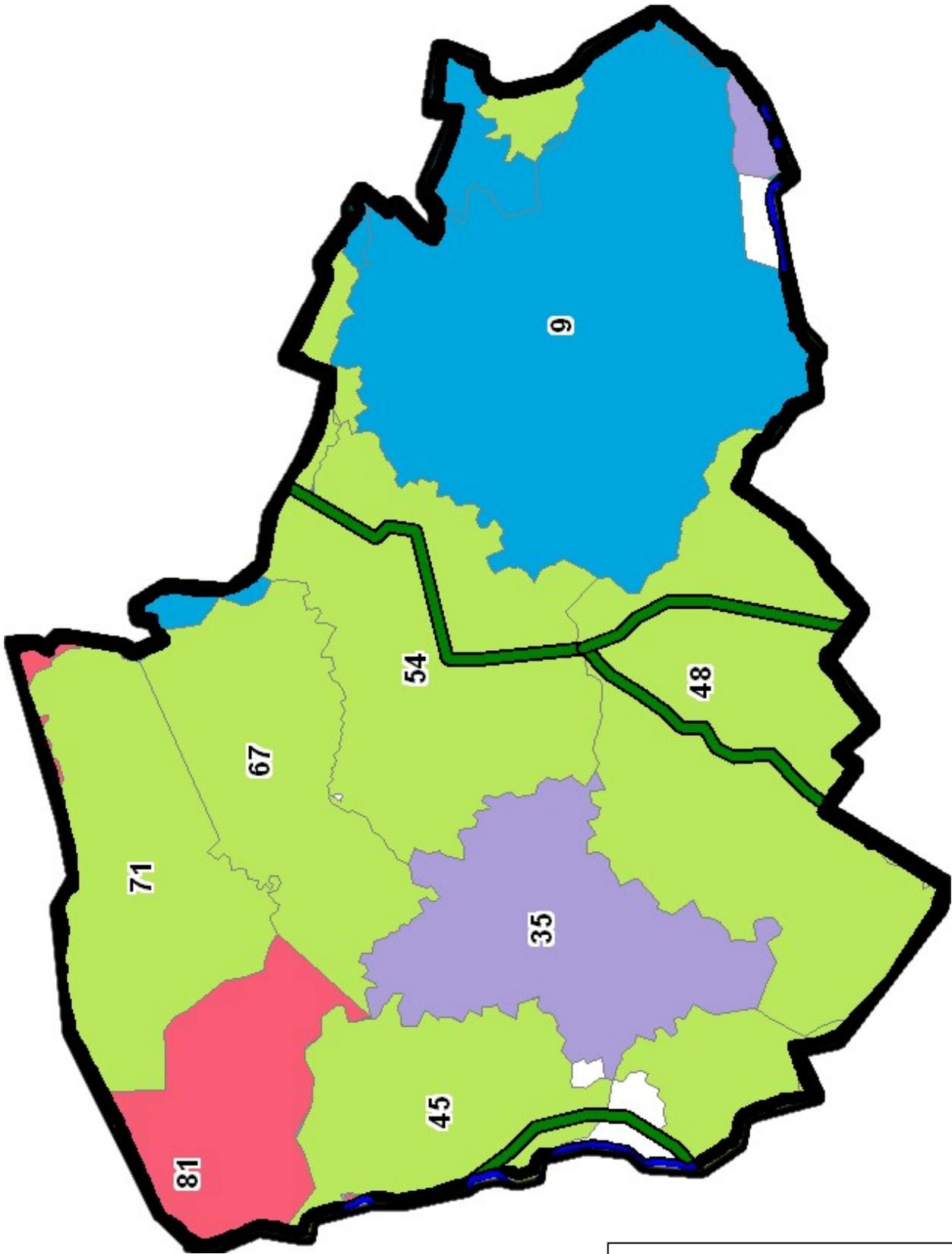
LB Lambeth

LB Merton Map

Key:

AREA NUMBER	AREA NAME
1	Carshalton
4	Streatham Vale
5	West Hill
9	Mitcham
10	Mitcham Common
17	Tooting
30	Croydon Centre
35	Wimbledon
37	Wandle Valley
42	Worcester Park
45	New Malden
48	Hampton
49	Morden
51	Norbury
54	Colliers Wood
55	North Cheam
66	Wimbledon Park
67	Wimbledon Hill
75	Kingston Vale
81	Wimbledon Village

For typology colour codes, please see main map



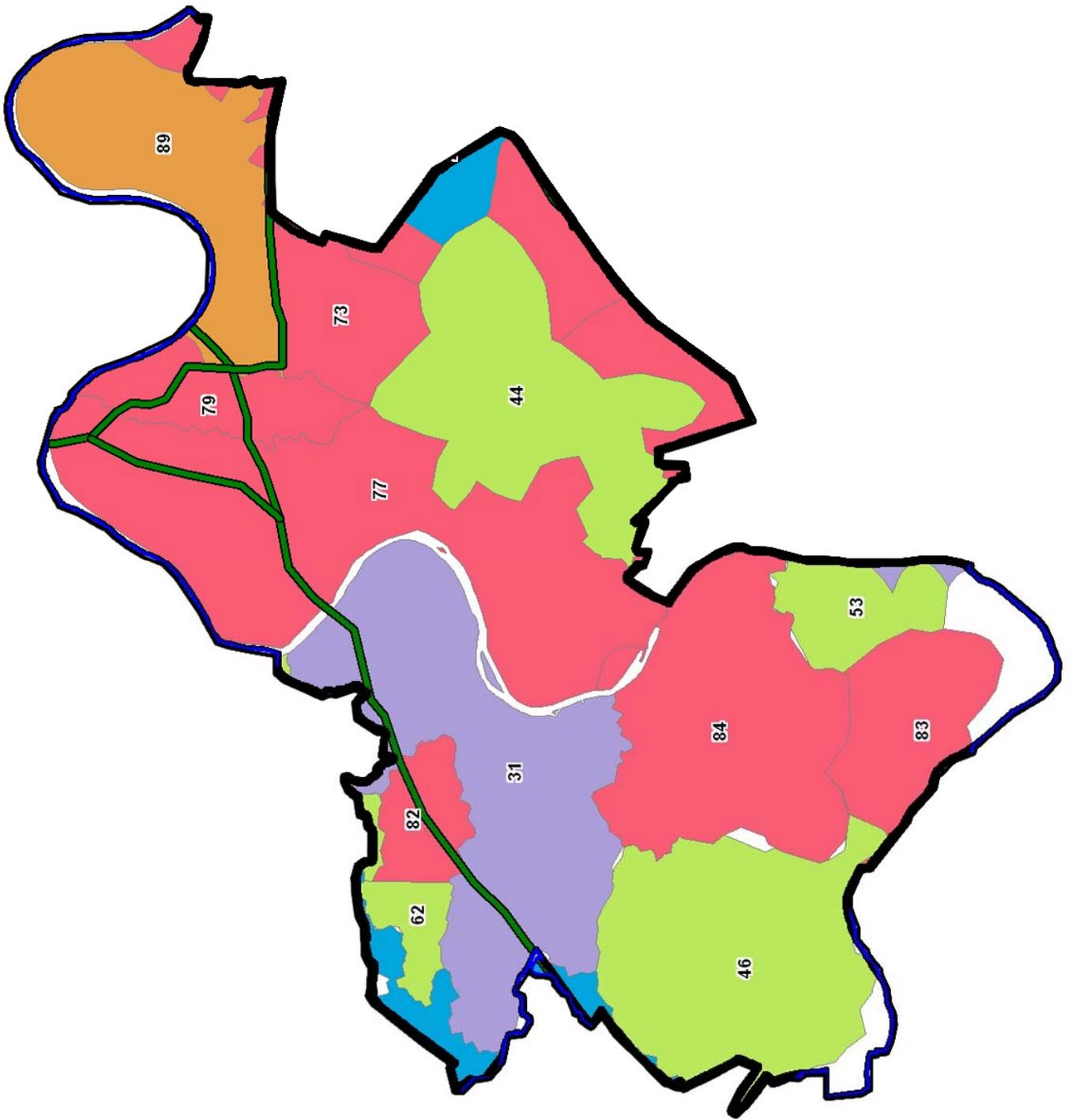
LB Merton

RB Richmond Upon Thames Map

Key:

AREA NUMBER	AREA NAME
7	Hounslow Borders/Hampton North
8	Hounslow
20	Roehampton
29	Kingston
31	Twickenham
44	Richmond Park
46	Hampton
47	Isleworth
53	Hampton Wick
62	Whitton
71	Kingston Hill
73	East Sheen
75	Kingston Vale
77	Richmond
78	Putney Heath
79	Kew
82	St Margarets
83	Hampton Hill
84	Teddington
89	Mortlake and Barnes

For typology colour codes, please see main map



RB Richmond on Thames

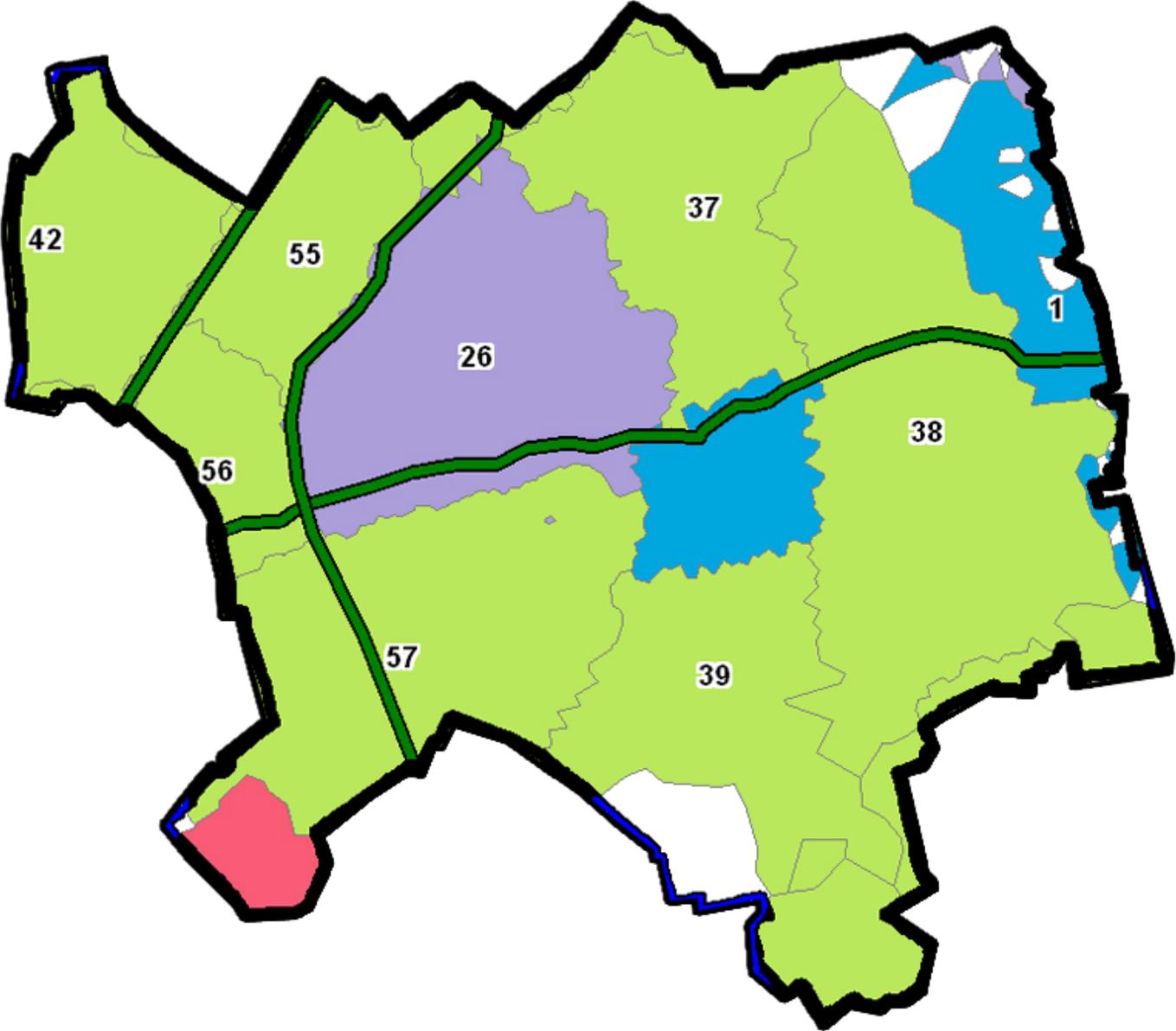
LB Sutton Map

Key:

AREA NUMBER	AREA NAME
1	Carshalton
9	Mitcham
25	South Battersea
30	Croydon Centre
35	Coulsdon
37	Wandle Valle
38	Beddington and Wallington
39	Carshalton South
42	Worcester Park
48	Morden
55	North Cheam
56	Cheam
57	Belmont and South Sutton
58	Epsom/Ewell
59	Purley
70	Banstead

For typology colour codes, please see main map

LB Sutton

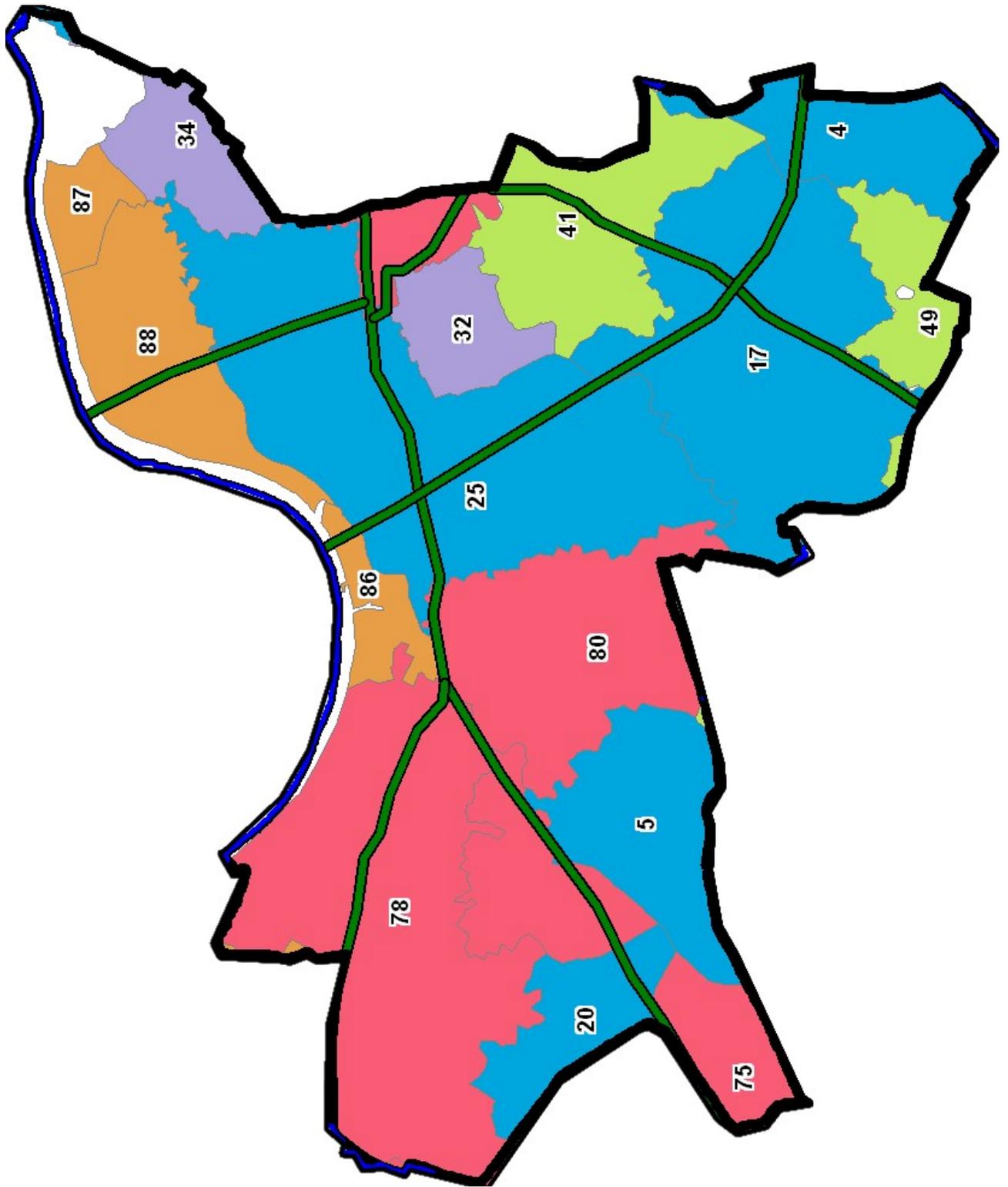


LB Wandsworth Map

Key:

AREA NUMBER	AREA NAME
4	Streatham Vale
5	West Hill
16	South Lambeth
17	Tooting
20	Roehampton
25	South Battersea
32	Clapham Junction
34	Queenstown
41	Balham
49	Tooting Graveney
54	Colliers Wood
74	Clapham Park
75	Kingston Vale
76	Clapham Common
78	Putney Heath
80	Wandsworth Town
86	Wandsworth
87	Wandsworth Riverside
88	Battersea
89	Mortlake/Barnes

For typology colour codes, please see main map



LB Wandsworth