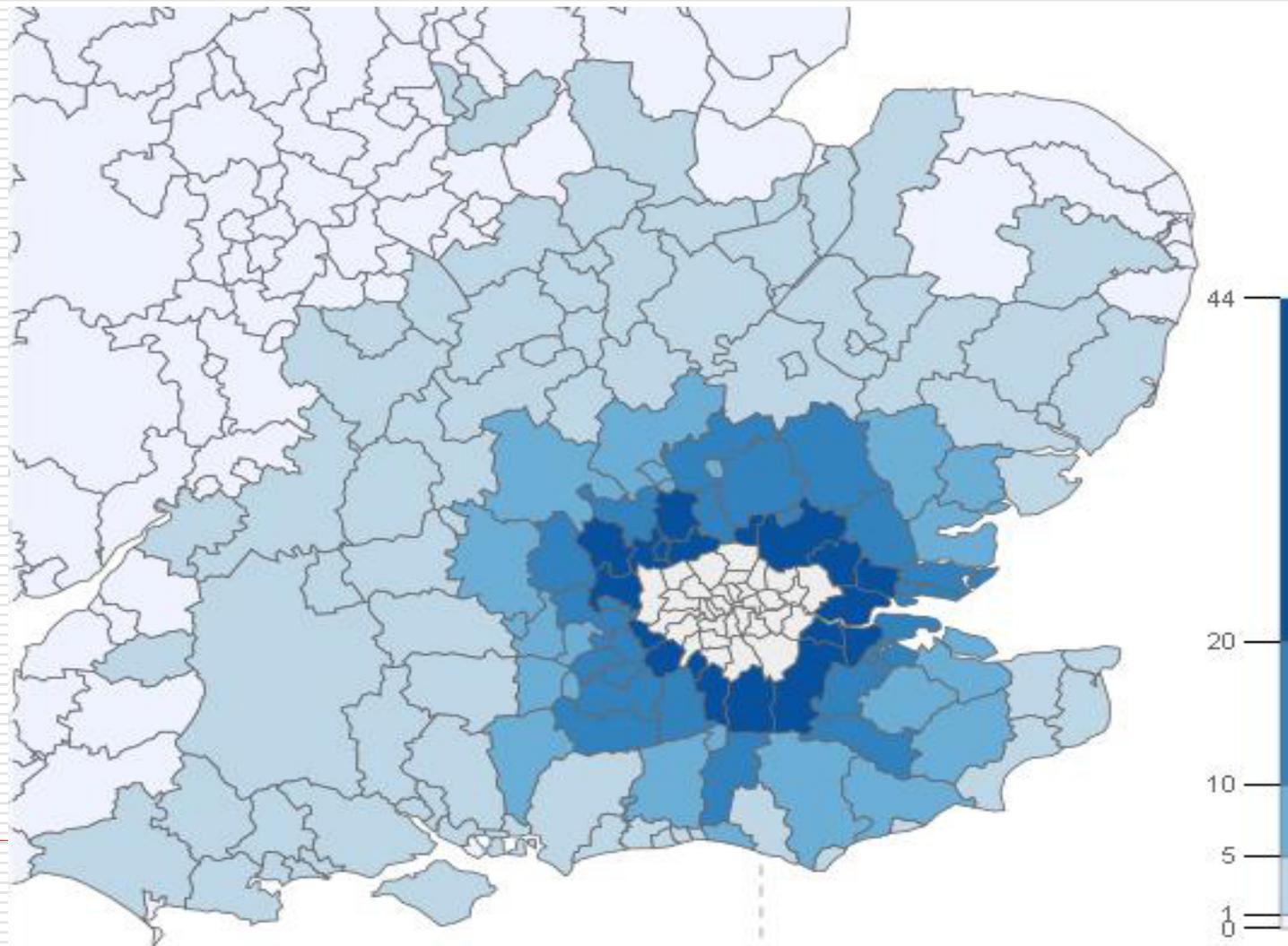


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# Housing in London and the Greater SouthEast

Duncan Bowie  
Just Space  
11 July 2015

# Context: Travel to Work Area



# The compact city assumption

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- ❑ Assumption since 2004 London Plan that London can meet all its future needs within existing London boundary
  - ❑ London needs at least 62,000 more homes a year over next 20 years; South East region needs at least 40,000 homes a year
  - ❑ For next 10 years, London capacity target of 42,000 per annum leaves a deficit of 20,000 homes a year relative to projected demand
  - ❑ Compact City assumption no longer tenable
  - ❑ Resistance to increased housing provision in Greater South East – the metropolitan city region
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# The affordability crisis

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- ❑ House prices now climbing again – average London house-price is £544,000 – above the January 2008 peak
- ❑ Average deposit for first time buyer was £59,221 – with Help to Buy, 5% deposit requirement = £27,200
- ❑ Household income of £146,000 needed to borrow £518,000 or with HtB £116,575 to borrow £408,000

# Where we now are

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- ❑ 28,325 net completions in 2013/4
  - ❑ Affordable housing at 34% of total completions in 2013/4 – 4,456 social rent ; 2879 intermediate homes and 204 'affordable' sub market
  - ❑ Planning consents fallen from 84,700 in 2011/12 to 64,660 in 2013/4.
  - ❑ Backlog of units consented but not started up is 129,136 homes (April 2014) ; New homes under construction - 133,994
  - ❑ 50% approvals in 2013/4 at densities above appropriate density range
  - ❑ Council estates being regenerated with reduction in social rented homes – loss of 8,000 homes in 10 years
  - ❑ 25,790 social rented homes 'converted' to higher rented homes over last three years – now at rents 65%-70% of market rents.
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# The overall record

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- Failure to achieve numerical targets
  - Failure to provide enough affordable homes
  - Failure to provide enough family homes
  - Failure to stabilise housing market
  - Failure to hold down land costs
  - Failure of the Sustainable Residential Quality policy
  - Failure to ensure effective use of existing and new housing stock – increase in overcrowding and increase in under-occupation
  - Failure to stop increased displacement of low and middle income households and social polarisation
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# Spatial Impact of policy changes

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- Abandonment of growth areas with development depending on local consent. Strong resistance to new housing development in most suburban boroughs and Home Counties. Neighbourhood Planning generally not helping. Duty to Cooperate between local authorities not working.
- No central government funding for social rented housing so collapse of social rented housing programme, especially in higher cost/value areas
- Planning policy changes make it very difficult for boroughs to use planning gain agreements to fund social rented homes – though some off site deals in central London.
- Welfare benefit cuts forcing lower income households out of higher value areas and increasing spatial social polarisation – to be cut from £26,000 pa to £23,000 (and to £20,000 pa beyond London ?)

# Alternative development options (not mutually exclusive)

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- Hyperdense development in city centre and city fringes
  - Hyperdense development in Opportunity Areas
  - Higher densities in suburban town centres
  - Suburban intensification
  - Planned Urban extensions
  - A new programme of garden cities within the green belt
  - A new programme of garden cities or garden towns beyond the green belt
  - Residential dispersal to other parts of UK (without employment dispersal)
  - Residential dispersal to other parts of UK supported by a regional economic policy and planned relocation of employment
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# A new sub-regional planning framework ?

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- ❑ Combined authority groupings based on travel to work areas
  - ❑ Statutory requirement to produce a sub-regional plan
  - ❑ Sub-regional SHMA
  - ❑ Sub-regional SHLAA
  - ❑ LPA level housing and employment targets
  - ❑ Sub-regional transport, economic, housing, infrastructure and sustainable development strategy
  - ❑ Where LPAs fail to agree, Inspector can impose LPA level targets based on evidence base
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# My proposals for a new metropolitan regional planning framework

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- ❑ LPAs in metropolitan region need to have regard to relationship with London
  - ❑ Mayor and Greater SouthEast need to agree basis for metropolitan region district level population and household projections
  - ❑ Metropolitan region SHMA and SHLAA
  - ❑ A metropolitan regional planning body;  
Statutory or Advisory  
Comprise representatives of Mayor and Rest of South East sub-regional groups
  - ❑ Serviced by metropolitan region strategic planning team - a reconstituted SERPLAN ?
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