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Part of Capita plc

Wandsworth Local Housing Needs Assessment

Wandsworth Council

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Prepared by

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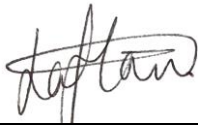
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1 EXECUTIVE SUMMARY

Housing Market Area

- 1.1 The analysis demonstrates that LBW forms part of London's wider housing market area and has strong on-going relationships with the Boroughs that make up the South West Sub-Regional housing market.

Housing Profile

- 1.2 Of the 13,105 dwellings completed in Wandsworth since 2013, around 74% of dwellings have been one and two bedroom homes (c 9,700); this suggests the market is responding to demand from smaller households (singles and couples) and those with a lower or average household income to buy or rent.
- 1.3 The balance of smaller homes is forecast to increase in the future with 81% of dwellings in the development pipeline having 2 bedrooms or fewer.
- 1.4 The pipeline also indicated 16% of new dwellings will be 3-bedrooms.

Local Housing Need Figure

- 1.5 LBW should arrive at a Local Housing Needs Figure based on the Standard Method. The stepped approach set out in PPG results in a figure of 2,537 or 45,666 between 2019 and 2037.
- 1.6 The current draft of the London Plan sets a ten year housing target of 19,500, or 1,950 dwellings per annum.

Demographic Change

- 1.7 The components of change in the population in LBW shows that population growth is driven by natural growth (more births than deaths). However, the positive natural change is offset by the negative levels of internal migration from the Borough.
- 1.8 Based on demographic projections, by 2037 those aged 65-69 are forecast to increase by 5,290 people; those aged 75-79 by 3,341 people, and those aged 85 and over increasing by 2,988 people.
- 1.9 Currently, those aged 20-64 (the age groups most likely to be active in the labour market) number 227,277 people. This group is forecast to expand by 44,872 individuals by 2037, an increase of around 20%.

Affordable Housing Need

- 1.10 The affordable housing model generates a total net need of 3,575 dwellings per annum. This is broken down to 2,327 affordable rented dwellings per annum and 1,248 Affordable Home Ownership (AHO) units per annum between 2019 and 2037.
- 1.11 The overall need for affordable homes exceeds the borough's housing target set out in the draft London Plan. Such circumstances are recognised by the national policy, which requires the Council to set affordable housing targets that are realistic. An important exercise is therefore to identify those in priority need.

Size Mix

- 1.12 Based on demographic trends, the size mix of new market housing provision should be biased towards 1-and 2-bedroom properties. The size mix of new affordable housing should also be focused on smaller properties, reflecting the preferences of households on the Wandsworth's Housing Register.
- 1.13 Based on the evidence gathered, this LHNA results in the following recommended mix of homes:

	Studio	1-Bed	2-Bed	3-Bed	4+ Bed
Market	0-5%	30-40%	30-40%	15-25%	5-10%
Affordable home ownership	0%	35-40%	40-45%	15-20%	5-10%
Affordable housing (rented)	0%	40-45%	30-35%	20-25%	5-10%

- 1.14 It is however important to emphasise that the analysis was undertaken prior to the COVID-19 pandemic, and therefore does not necessarily reflect potential changes in relation to out-migration and how this may affect the type and size of home needed. Therefore, there is a need for the authority to maintain flexibility in its approach to the provision of market housing in order to be able to be responsive to changing circumstances.

Older and disabled persons' housing need

Specialist Accommodation

- 1.15 Demographic forecasts indicate that the number of households aged 75+ across Borough is projected to increase by 58% by 2037 based on 2,537 dwellings per annum.
- 1.16 The report estimates an additional need for 1,453 specialist dwellings for older people by 2037. These dwellings will contribute to the fulfilment of LBW's overall housing needs figure.

- 1.17 LBW has produced an analysis that sets out their assessment of the need for additional affordable housing for older people by 2035. The estimated need for affordable extra-care accommodation is estimated to be between 50 and 150 dwellings, and for nursing care bed-spaces between 190 and 210 spaces.

Pre-Retirement

- 1.18 An estimated 664 people aged 65-74 with more serious disabilities are likely to require extensive adaptations to their homes by 2037 to enable them to remain in their home and enjoy an acceptable standard of living.

16-64

- 1.19 For those aged between 16 and 64, we estimate that 1,689 dwellings should be prioritised for adaptation to meet the needs of people with a serious disability.

Wheelchair users

- 1.20 Across all age groups, a need is identified for 76 wheelchair adapted homes per year, or 1,258 by 2037. This need will form a subset of identified need for specialist homes and home adaptations for the 75+, 65-75 and 16-64 age groups.
- 1.21 Decisions about the appropriate mix of specialist housing for older and disabled people should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons.

PRS

- 1.22 In 2011, the Census recorded that the private rented sector (PRS) accounted for around 30% of all households in Wandsworth (41,317 households), 5% higher than the London average of 25%, and notably higher than national rate (16%). The number of households in this sector has grown substantially (increasing by 65% in the 2001-11 period).
- 1.23 The LHNA does not estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time.
- 1.24 There is a case for Build to Rent (BtR) development in the Borough, as opposed to traditional private rented housing, on the basis of the expansion of households in the PRS, and demographic trends that support affordable market dwellings of 1 and 2 bedrooms.

Custom and Self Build

- 1.25 As of the 1st of December 2019 Wandsworth has 17 entrants on the Council's self-build register in total. Given that the Council has granted planning permission for 64 CIL exempt dwellings since the start of the plan period, no further provision is required to sought in policy.

Short-term Lets

- 1.26 The current level of activity identified in this study does not pose a significant threat to residents seeking properties to rent in Wandsworth.
- 1.27 The sharp upward trend in activity observed during 2019 is a cause for concern however, and this should be monitored moving forward.

Policy recommendations

- 1.28 The Council should consider its objectively assessed need for housing to be 2,537 dwellings per annum and seek to meet this as much as possible, subject to sufficient supply of deliverable sites being identified.
- 1.29 Given the substantial need for affordable housing, LBW should seek to provide as much possible, subject to viability constraints. We note that BtR development is on-going in the Borough and this may prove generate an additional stream of affordable units in addition to those secured on for-sale schemes.
- 1.30 The affordable housing policy should seek to strike a balance between low-cost rented and intermediate tenures. Whilst there is a significant need for low-cost rented housing, the tenure mix should also meet the needs of those working households on low to middle incomes who would neither have priority for social housing nor be able to afford most forms of market housing.
- 1.31 The approach to affordable housing should take into account forecast demographic trends to offer a route to suitable accommodation to a range of households in order to maintain mixed and balanced communities. The analysis indicates that LBW should allocate up to 50 per cent (20 percentage points) of the discretionary affordable housing target to intermediate tenures as long as future policies prioritise London Living Rent over Affordable Rent dwellings at 80% market discount.
- 1.32 The guidance set out in this LHNA regarding size mix provides the basis for a monitoring mechanism to ensure that future market delivery is not unbalanced when compared with the likely requirement as driven by the demographic change in the area.

- 1.33 The Council should give consideration to how best to deliver the identified specialist housing need, including, for instance, the potential to identify sites in accessible locations for specialist housing (transport hubs and near town centres) or to require provision of specialist housing for older people as part of larger strategic development schemes or master-planning sites.
- 1.34 A very substantial proportion of the need for supported housing among older and disabled residents may take the form of adaptation to their current home. Policy to actively support such measures even among those currently with light disabilities will safeguard resources by limiting the provision of specialist accommodation for those in need and reducing demand in future years by delaying the onset of severe illness or disability.

2 INTRODUCTION

- 2.1 The London Borough of Wandsworth (LBW) is currently undertaking a review of its local policies, evidence base and site allocations to ensure they are still relevant and achieving the outcomes desired and that they are in compliance with the National Planning Policy Framework (NPPF).
- 2.2 In order to support this review, the Council have appointed GL Hearn to prepare a Local Housing Needs Assessment (LHNA) to identify the scale and nature of local housing demand by 2037. The LHNA forms the principle evidence base for housing policies to be contained within LBW's emerging Local Plan.
- 2.3 In particular, the LHNA will be used by the Council to:
- inform Wandsworth's housing requirement within the emerging Local Plan;
 - determine the need for affordable housing¹ for Wandsworth;
 - determine the need for specialist forms of housing including sheltered, extra care and supported housing²; and
 - inform wider housing policy in the emerging Local Plan.

¹ See Glossary

² See Glossary

3 POLICY REVIEW

National Planning Policy Framework and Guidance

- 3.1 This LHNA responds to and is compliant with the requirements of the Revised National Planning Policy Framework³ (the NPPF2); in approach and structure it follows the Revised Planning Practice Guidance⁴ (PPG), in particular the paragraphs that address ‘housing and economic needs assessments’⁵.

NPPF

- 3.2 The Ministry of Housing, Communities and Local Government (MHCLG) published a revised National Planning Policy Framework (NPPF) in July 2018 with minor updates in February 2019. This updated and replaced the March 2012 version.
- 3.3 NPPF (2019) states that the minimum number of homes Local Planning Authorities (LPAs) should plan for in the development of their Local Plans should be derived from the standard method.⁶

Planning Practice Guidance

- 3.4 Guidance on ‘housing and economic needs assessments’ deals with how LPAs should arrive at the minimum level of housing need for their area. It provides a framework against which evidence-based studies, such as this, are assessed at local planning examinations and planning appeals, and thus the methodology that needs to be followed.
- 3.5 The PPG methodology was updated in July and September 2018 and again in February 2019 and is available online.⁷ It is framed by the Government’s objective to significantly boost housing supply, underpinning the government’s target of 300,000dpa by the mid-2020s.
- 3.6 Critically, LPAs should set aside the latest (2016-based) household projections produced by the Office for National Statistics (ONS), instead reverting to the 2014-based figures when using the standard method.⁸
- 3.7 It is clear that while the OAN derived from the standard methodology is a minimum, there is ample scope (indeed, it is encouraged) for local authorities to provide housing in excess of this.⁹

³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728643/Revised_NPPF_2018.pdf

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687239/Draft_planning_practice_guidance.pdf

⁵<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁶ NPPF, para 60

⁷<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁸ PPG, Paragraph: 015 Reference ID: 2a-015-20190220

⁹ PPG, Paragraph: 010 Reference ID: 2a-010-20190220

Draft London Plan

- 3.8 Within London, there is a two-tier planning system with housing targets set centrally by the Mayor. The “Intend to Publish” draft of the London Plan sets out a need to deliver 19,500 additional homes (1,950 per annum) between 2019/20 and 2028/29 in LBW and has been informed by the 2017 London SHLAA. The target reflects the potential capacity of large and small housing sites and considers the character and context of the borough. The figure constitutes an approximately 8% increase from the previous LBW target of 1,812 dwellings per annum.

Unconstrained Need

- 3.9 While this LHNA arrives at a minimum number of homes to be delivered over the plan period, it is important to note it is unconstrained.
- 3.10 National Policy (NPPF2 and PPG) and the Draft London Plan provide important inputs into setting targets for housing provision, but plan-making should also take into account factors such as the supply of land for new development, local infrastructure capacity, open spaces and environmental constraints.
- 3.11 These factors may limit the amount of development which can be sustainably accommodated. It should also be noted that the SHMA does not set housing targets. It provides an assessment of the need for housing, making no judgements regarding future policy decisions which the Borough may take. Housing targets will be set through the local plan.

Wider Government Reforms

- 3.12 There are a number of wider current housing policy issues and proposed reforms which will affect demand and supply of housing. Some of these have already come in to force while others are still being proposed. Amongst these are the changes set out in the table overleaf from the Housing Green Paper among others:

Table 1: **Key Government Housing Reforms**

Policy Reform	Details
Scrapping the sale of vacant social housing	This proposal would stop local authorities having to sell off affordable housing stock of a higher value once it becomes vacant.
Councils to be given new flexibilities to spend the money raised from right to buy sales on new homes	The proposals include holding receipts for up to five years or giving them to a housing company owed by the Council. The proposals are also consulting on the removal or increase the cap on spending on replacement units and/or allow them to buy additional stock or to replace the affordable stock with shared ownership.
Scrapping the planned requirement for a fixed tenancy	Local authorities will still be able to use fixed-term tenancies for social and affordable rents at their discretion.
Government to make deals with housing associations to provide certainty of funding	This is intended to address the intermittent nature of the government's current approach to allocating funding for five years at a time.
Lowering the household benefit cap threshold	The Welfare Reform and Work Act 2016 will lower the household benefit cap threshold from £26,000 for a family and £18,200 for a single person, to £23,000 in London (£15,410 for a single person). There will also be a four-year benefits freeze.
Social Housing Rent Reductions	As part of the Summer Budget 2015, the Chancellor announced that rents in social housing would be reduced by 1% a year for four years resulting in a 12% reduction in average rents by 2020-21.
Extension of Right-to-Buy to Housing Association Tenants	<p>As set out above, the Housing & Planning Bill includes proposals for the voluntary extension of Right-to-Buy by Housing Associations to their tenants.</p> <p>While the secondary legislation required to affect this change is not been enacted, this could reduce affordable housing stock and reduce the number of re-lets. Research by Joseph Rowntree Foundation¹⁰ predicts that nationally 8.3% of housing association tenants will be eligible for and could afford the RTB and that 71% of those will purchase their home over the first five years.</p>

¹⁰  Understanding the likely poverty impacts of the extension of Right to Buy on housing association tenants. JRF 21st November 2015.

Policy Reform	Details
Caps on Social Rents	<p>Rents are also to be capped at the Local Housing Allowance level. For some Registered Providers, this will limit their income to a multiple of the Local Housing Allowance. In the long term it is likely to influence the type of homes they build with more smaller family homes being likely.</p> <p>The inclusion of the shared accommodation rate for those aged under 35 may also impact the development of one-bed affordable rental units with tenants reliant on housing benefit having a shortfall of at least £30 per week.</p> <p>The reduction in social rents is also likely to influence the type of stock brought forward through development programmes of Registered Providers – which is likely to be more private sale and shared ownership properties. To subsidise rented units Registered Providers may also increase service charges or change the service offer to tenants including support.</p> <p>The LHA cap will also impact on supported housing¹¹ – there is a one-year exemption but it is expected that Registered Provider developers will put off schemes without surety on income.</p>
Increasing Rents to Market Rates for Social Housing Tenants earning over £40,000	<p>This “pay to stay” initiative will ensure those who can afford to pay market rates will do so. However, it may mean that people are more likely to exercise their right to buy thus reducing the stock level.</p>
Stamp Duty on Second Homes	<p>The government announced a 3-percentage point surcharge on Stamp Duty rates for Buy-to-Let and Second Home Purchases from April 2016. There are wide-spread reports to suggest this has had a dampening effect on the market for buy-to-let properties.</p>
Tax Relief Changes for Landlords	<p>Investors can currently claim tax relief on mortgage interest at the rate at which they pay tax (20%/ 40%/ 45%). Between 2017-20 the system will change – with landlords liable for tax on all of their rental income, and able to claim tax relief only at the basic rate (20%). This will reduce or eradicate rental returns for higher rate taxpayers, and may push some into higher tax bands.</p> <p>While the introduction of the new rules may not result in a flood of sales, it may well reduce the supply of PRS properties.</p>

¹¹ See glossary

4 HOUSING MARKET AREA

- 4.1 In 2014, the Council published its Strategic Housing Market Assessment (SHMA) as an update to 2012 Wandsworth SHMA. The 2014 SHMA references the London Plan statement that ‘though there are differences in the type, quality and cost of housing across London, the complex linkages between them mean that for planning purposes, London should be treated as a single market’¹².
- 4.2 The document outlines that ‘the Council supports this position particularly given the cross-Borough nature of housing markets in London and mobility of households as they seek the housing they require or aspire to’ (Wandsworth SHMA, 2014).
- 4.3 The SHMA (2014) set out evidence (drawing on house prices, migration flows and travel-to-work data) that demonstrated that Wandsworth’s housing market was ‘inextricably linked’ with these Boroughs.

Commuting

- 4.4 As part of undertaking this LHNA, GL Hearn have tested a number of indicators to identify whether Wandsworth’s Housing Market Area, as established in the 2014 SHMA, remains relevant. With reference to Table 2 below, analysis of flow data demonstrates a travel-to-work self-containment rate¹³ of 43% and domestic house-moves self-containment rate of 23%.
- 4.5 Of those commuting to Wandsworth the greatest numbers originated from Merton (9%), Lambeth (5%) and Southwark (4%). Analysis of those commuting out of Wandsworth data illustrates that 20% commute to the City of London, 17% to Westminster and 10% to Southwark.
- 4.6 Focusing on the South West Sub-Region geography as defined in the 2012 Wandsworth SHMA, the data in Table 2 shows that 30% of residents in LBW commute to locations in the South West Sub-Region. A large proportion (65%) of those working in LBW reside somewhere in the South West Sub-Region.

¹² Paragraph 3.15, the London Plan

¹³ See glossary

Table 2: **Commuting patterns in and out of LBW**

Local Authority	Commuting In-flow	Commuting Outflow
Barking and Dagenham	0.7%	-
Barnet	-	-
Bexley	-	-
Brent	0.4%	0.8%
Bromley	0.9%	0.5%
Camden	0.4%	4.7%
City of London	-	20.2%
Croydon	2.2%	1.2%
Ealing	0.5%	-
Greenwich	0.6%	-
Hackney	0.4%	-
Hammersmith and Fulham	3.0%	2.7%
Haringey	0.4%	0.3%
Harrow	1.5%	-
Havering	-	-
Hillingdon	0.8%	0.3%
Hounslow	2.2%	1.4%
Islington	0.3%	0.3%
Royal Borough of Kensington and Chelsea	2.4%	5.8%
Kingston upon Thames	3.5%	0.1%
Lambeth	5.2%	2.0%
Lewisham	1.9%	-
Merton	9.1%	3.6%
Newham	-	-
Redbridge	-	-
Richmond upon Thames	2.3%	1.7%
Southwark	3.9%	9.9%
Sutton	-	-
Tower Hamlets	-	4.0%
Waltham Forest	-	-
Wandsworth	43.1%	23.0%
Westminster	2.6%	17.5%

Source: 2011 Census

Migration

- 4.7 When observing migration patterns, NHS data (2018) on internal UK migration has been used. With reference to Table 3, it is evident that the internal migration patterns of those moving to and from LBW are aligned with patterns at the South-West Sub-Region level.

Table 3: Migration in and out of Wandsworth LBW (2018)

Local Authority	In Migration (2018)	% Growth since 2014	Out Migration (2018)	% Growth since 2014
Barking and Dagenham	67	34%	77	10.0%
Barnet	306	6%	248	12.7%
Bexley	72	20%	89	-11.0%
Brent	415	15%	406	62.4%
Bromley	242	10%	503	2.7%
Camden	626	-2%	474	21.5%
City of London	20	0%	29	190.0%
Croydon	826	38%	1,537	20.1%
Ealing	666	23%	526	31.5%
Greenwich	290	21%	419	35.2%
Hackney	440	42%	551	25.2%
Hammersmith and Fulham	2,075	0%	1,162	30.6%
Haringey	448	18%	405	15.7%
Harrow	197	97%	147	33.6%
Havering	90	125%	83	38.3%
Hillingdon	207	48%	166	10.7%
Hounslow	374	13%	442	30.0%
Islington	673	27%	580	5.5%
Kensington and Chelsea	862	-5%	470	2.2%
Kingston upon Thames	553	26%	1,118	-0.2%
Lambeth	4,151	15%	3,760	6.2%
Lewisham	502	36%	801	16.1%
Merton	1,994	17%	3,355	2.9%
Newham	348	51%	355	69.0%
Redbridge	197	64%	110	-35.3%
Richmond upon Thames	651	-8%	1,128	-6.0%
Southwark	1,196	36%	1,193	14.7%
Sutton	313	4%	907	0.8%
Tower Hamlets	763	34%	658	37.1%
Waltham Forest	229	43%	288	51.6%
Wandsworth	-	-	-	-
Westminster	1,005	0%	529	10.2%

Source: NHS Migration Statistics, 2018

- 4.8 This is evident by observing high in-migration to LBW from Lambeth (20%) and Merton (approximately 10%). In addition, the Boroughs that make up the South-West Sub-Region experienced growth in migration to LBW between 2014 and 2018.
- 4.9 The data also illustrates LBW's relatively strong relationships with Boroughs outside the South-West Sub-Region with high volumes of migration from Hammersmith and Fulham (10%) and Southwark (approximately 6%).

- 4.10 The Boroughs of Havering (125%), Harrow (97%) and Redbridge (64%) experienced increases in the percentage of their residents migrating to the LBW. However, over the 2014-2018 period, the South-West Sub-Region has maintained some of the highest volumes of in-migration to the LBW.
- 4.11 In terms of out migration from Wandsworth, the 2018 patterns remain fairly similar to 2014. It is evident that there remain high volumes of the population migrating out of the LBW to Boroughs that make up the South-West Sub-Region. This includes Lambeth (approximately 17%), Merton (approximately 15%), Croydon (approximately 7%) and Kingston upon-Thames (5%).
- 4.12 The analysis demonstrates that LBW continues to both form part of London's wider housing market area and has a strong on-going relationships with the Boroughs that make up the South West Sub-Regional housing market.

5 HOUSING PROFILE

Introduction

- 5.1 This section of the report profiles the current housing stock in LBW. To contextualize housing need, the analysis looks at the current stock, recent supply by tenure and size, the development pipeline, the capacity of development sites and over-crowding and under-occupancy.

For the purposes of the bedroom standard, a separate bedroom shall be allocated to the following persons:

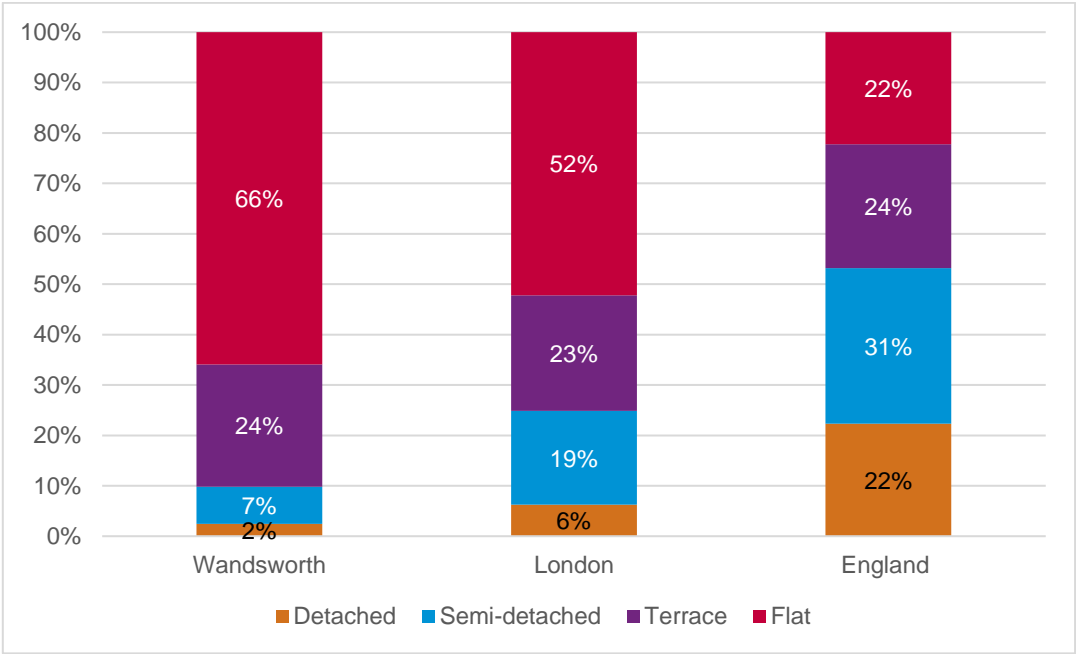
- A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
- A person aged 21 years or more
- Two persons of the same sex aged 10 years to 20 years
- Two persons (whether of the same sex or not) aged less than 10 years
- Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years

Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within, (d) or above.

Current stock

- 5.2 At 2011, there were approximately 135,900 dwellings in LBW, accounting for 4% of all dwellings in London and 0.6% of dwellings nationally. As illustrated in the figure below, flats are the dominant dwelling type in LBW making up 66% of all dwellings. This is followed by terrace dwellings (24%) and semi-detached dwellings (7%). Detached dwellings account for only 2% of dwellings.

Figure 1: Type of dwellings in LBW, London and England (2011)



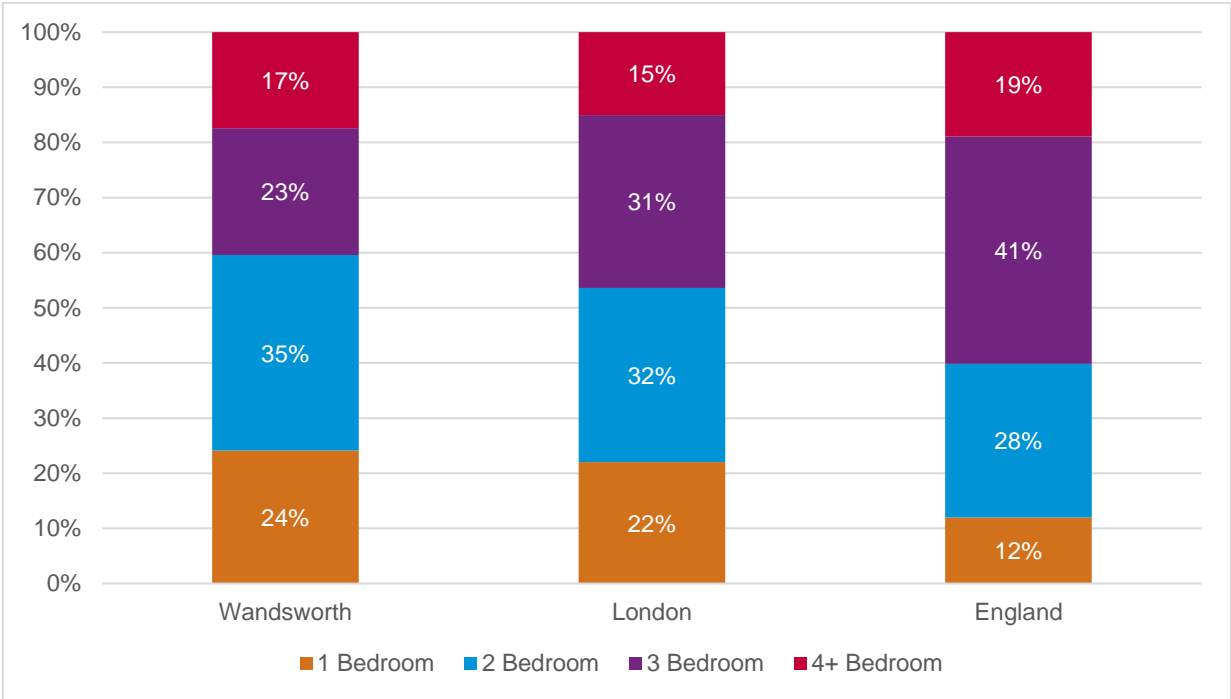
Source: 2011 Census

5.3 Perhaps unsurprisingly, the profile of LBW is more aligned with trends in London than the rest of England. Despite this, it is worth noting the higher proportion of flats in LBW (66%) compared to London (52%). This reflects the Borough’s inner-city location and the resultant higher density development. In addition, both LBW and London have a significantly greater percentage of flats compared to England (22%). Conversely, LBW notably has a smaller proportion of semi-detached dwellings compared to London (19%) and England (31%).

Dwellings by size

- 5.4 As illustrated in the figure below, there is a higher proportion of smaller dwellings in LBW compared to both London and England. Around 24% of dwellings have 1-bedroom and 35% with 2 bedrooms. This reflects the nature of the housing profile of LBW with a greater proportion of flats and terrace dwellings.
- 5.5 In terms of larger dwellings, LBW has the lowest proportion (23%) of 3-bedroom dwellings across all geographies. There is a slightly higher proportion of 4+ bedrooms in LBW (17%) in comparison to London (15%). However, as anticipated, both geographies contain a slightly lower percentage of larger homes than England (19%).

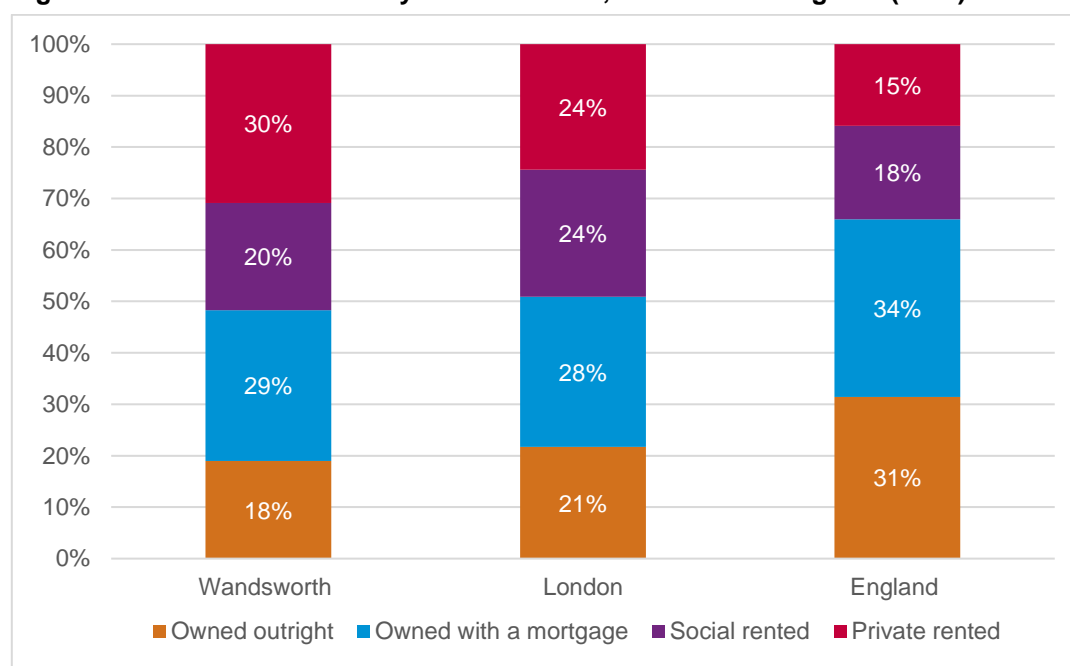
Figure 2: Number of bedrooms in LBW, London and England (2011)



Source: 2011 Census

Households by tenure

- 5.6 With reference to the figure below, the greatest proportion (30%) of households in LBW are in the private rented sector (PRS). This is greater than both the London (24%) and England (15%) equivalents. Households in the social rented sector account for 20% which is lower than the London equivalent (24%), yet slightly higher than England figure (18%).
- 5.7 At 2011, 47% of households in LBW owned their dwelling. Of this proportion, 18% owned outright and 29% owned with a mortgage. This trend is more aligned with London, whereas England upholds much higher volumes of households in ownership (31% and 34% respectively).

Figure 3: Households by tenure in LBW, London and England (2011)

Source: Census 2011

Change in tenure

- 5.8 As Table 4 shows the most significant growth in tenures within LBW occurred in the private rented sector which increasing by 65% between 2001 and 2011. However, both London and England experienced greater rates of growth in the private rented sector, increasing by 79% and 89% respectively.

Table 4: Change in Household tenure in LBW, London and England (2001-2011)

	2001			2011			Growth (%)		
	LBW	London	England	LBW	London	England	LBW	London	England
Owned outright	21,350	665,061	5,969,670	24,067	689,898	6,745,584	13%	4%	13%
Owned with a mortgage	37,863	1,010,629	7,950,759	35,326	928,417	7,403,200	-7%	-8%	-7%
Social rented	26,551	790,371	3,940,728	26,516	785,993	3,903,550	0%	-1%	-1%
Private rented	25,008	432,482	1,798,864	41,317	775,591	3,401,675	65%	79%	89%

Source: Census 2001 and 2011

- 5.9 Over the same period the number of households in dwellings owned outright increased by 13%, which is on par with England (13%) and notably greater than London (4%). The number of households in dwellings owned with a mortgage decreased by 7% in LBW over the Census periods. This decline was also evident

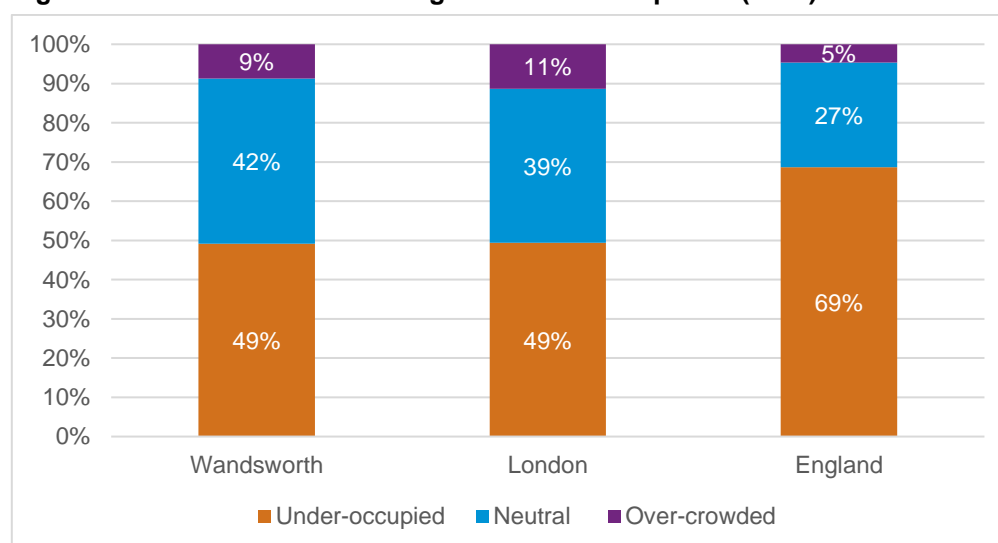
across London (-8%) and England (-7%) and can be linked to restricted access to mortgages and worsening affordability.

- 5.10 Notably, households in the social rented sector in LBW remained static with no change over the Census periods. This is in contrast to the picture in both London and England where the proportion of households in this sector declined.

Over-crowding and under-occupation

- 5.11 In terms of over-crowding and under-occupation, the figure below illustrates that 49% (64,137) of households in LBW are under-occupied¹⁴ which aligns with the trend seen in London. Yet, this trend is much lower than the rate of under-occupation at the national level (69%).
- 5.12 Around 9% (11,440) of households in LBW are over-crowded, meaning there is one fewer bedroom than required. This rate is slightly lower than the London equivalent. However, over-crowding is more prominent in both LBW and London compared to England (5%).

Figure 4: Over-crowding and under-occupation (2011)



Source: Census 2011

- 5.13 A relatively high rate of households in LBW are considered to have the correct number of bedrooms at 42% (54,916). This rate is higher than London (39%) and England (27%).
- 5.14 Over the 2001 and 2011 Census period, under-occupancy in LBW increased by 23% (22,402). This level of growth is greater than the rate experienced in London (16%) and England (11%).

¹⁴ See glossary

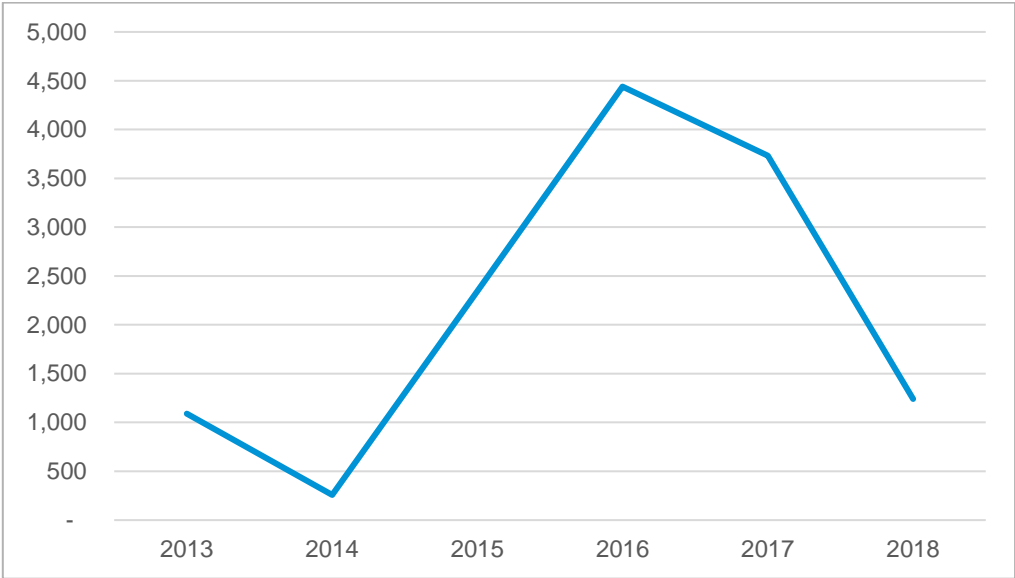
- 5.15 In contrast, over-crowded households decreased in LBW by 40% (-7,562) over the period. London and England also experienced a decline in over-crowded households albeit to a lesser extent, decreasing by 29% in London and 30% across the nation.

Dwelling completions

Market completions

- 5.16 Between 2013 and 2018 there have been over 13,105 net dwellings completed in LBW as per the Authority Monitoring Report. As illustrated in the figure below, net annual completions were relatively low in the earlier years, particularly in 2014 where there was a significant drop from the previous year, however this increased from 2015.

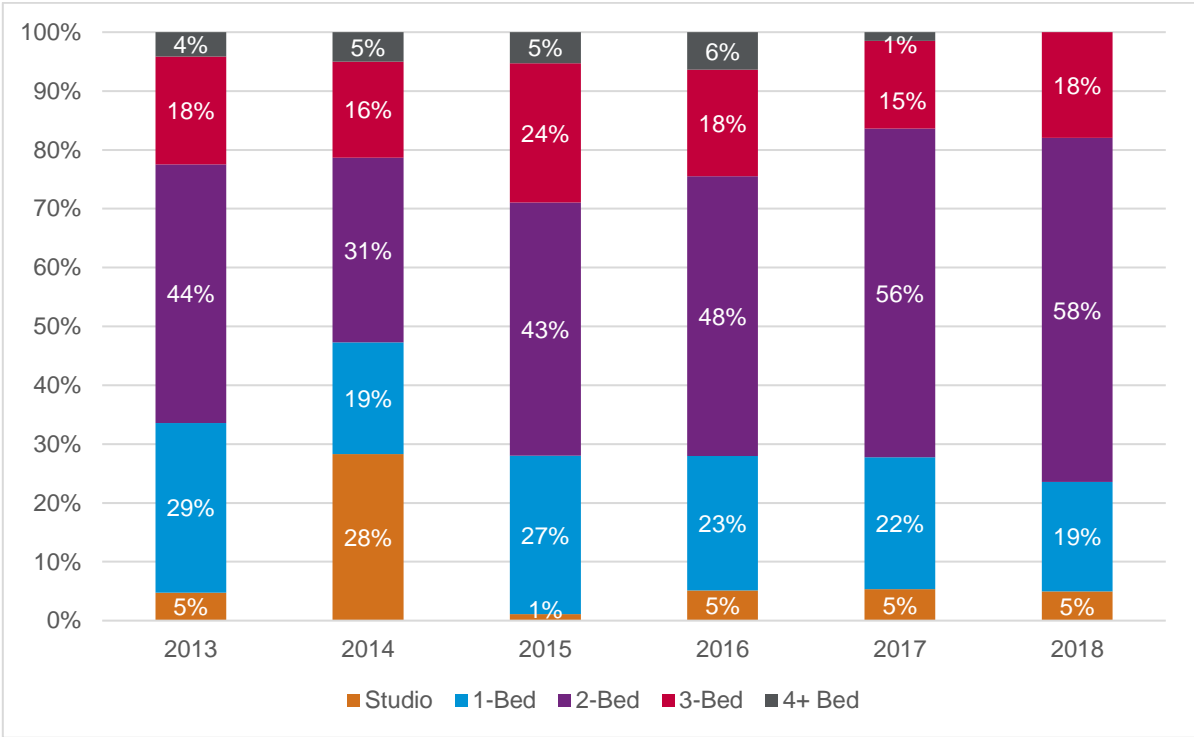
Figure 5: Market dwelling completions (2013 – 2018)



Source: Wandsworth Borough Council AMR, 2013- 2018

- 5.17 The greatest volume in completions occurred in 2016 with around 4,400 net dwellings delivered. Following that the net volume of completions started to decline to around 1,200 dwellings by 2018.
- 5.18 This data can also be disaggregated by number of bedrooms being completed. With reference to the figure below, the types of dwellings being completed in LBW have predominately been smaller dwellings in the form of 1-bedroom and 2-bedrooms.

Figure 6: Completions by dwelling size (2013– 2018)



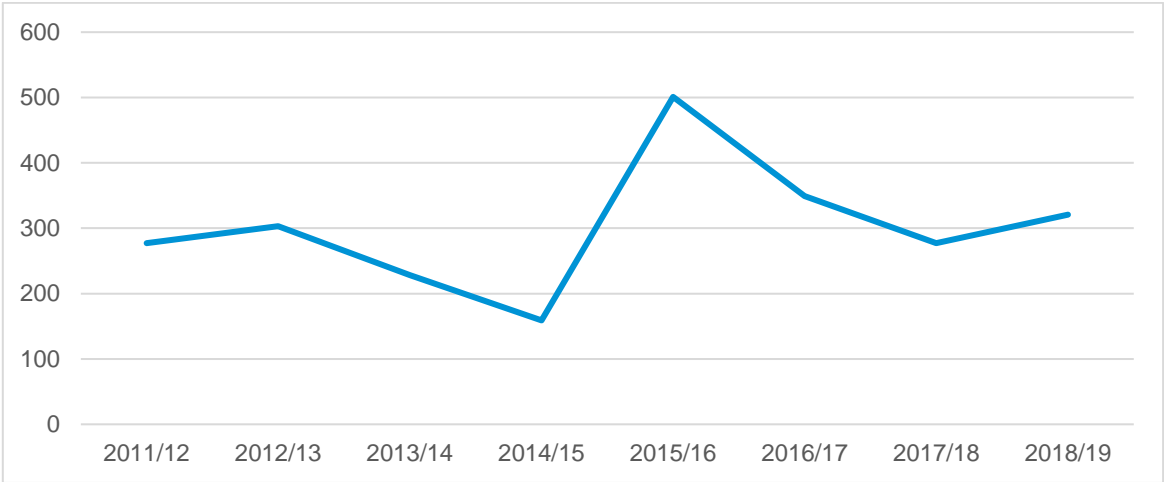
Source: Wandsworth Borough Council AMR, 2013-2018

5.19 Since 2013, an average 8% of dwellings completed were studios, 23% were 1-bedroom, 47% were 2-bedrooms, 18% were 3-bedrooms and 4% 4+ bedrooms. With new supply skewed towards small dwellings (1-bedroom and 2-bedrooms) and very low volumes of larger homes (4+ bedrooms) being completed, the split of completions by number of bedrooms in recent years reflects the demand for smaller dwellings in LBW.

Affordable completions

5.20 Unlike market completions, data on affordable housing completions has been provided from the year 2011/12. Since 2011/12, around 2,415 affordable dwellings have been delivered in LBW. This equates to 18% of total completions. As the figure below illustrates the volume of affordable housing completions over the 2011/12 to 2018/19 period has varied significantly year on year. The year 2015/2016 experienced the greatest volume of affordable completions, achieving a total of 492.

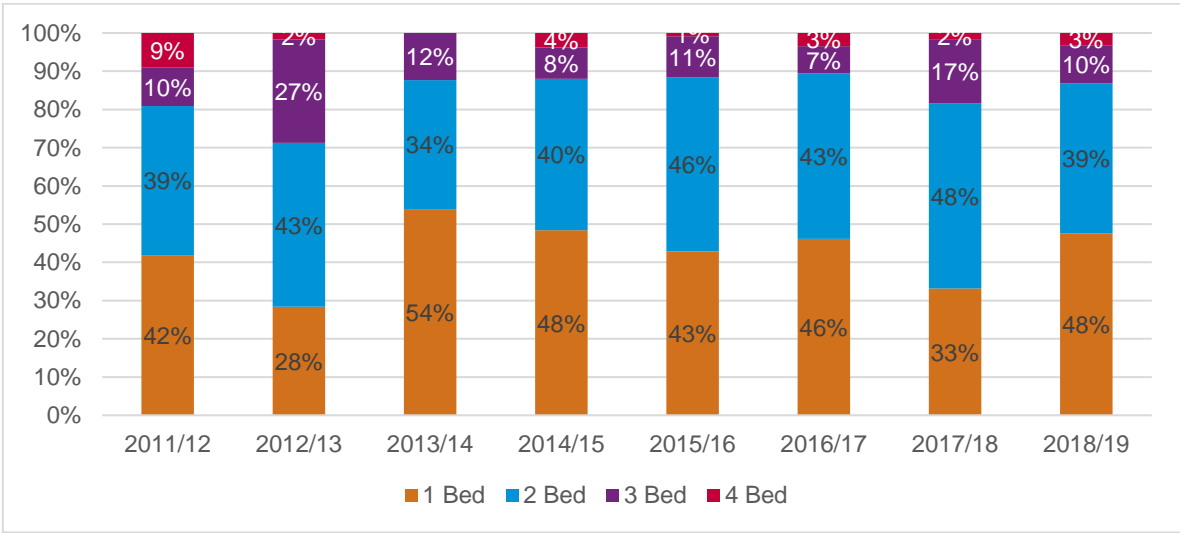
Figure 7: Affordable completions between 2011/12 and 2018/19



Source: Wandsworth Borough Council, 2011 – 2019

5.21 As with market accommodation affordable housing completions have predominately been delivered as smaller dwellings, reflecting the preference of households on the Wandsworth’s Housing Register. Since 2011 there has been an average of 43% of affordable dwellings built have had 1-bedroom and 41% 2-bedrooms completed.

Figure 8: Affordable completions by dwelling size (2011/12-2018/19)



Source: Wandsworth Borough Council AMR, 2011 – 2019

5.22 The delivery of 3-bedrooms has fluctuated from year to year, but since 2011 this size of property has averaged 13%. Larger 4+ bedroom affordable dwellings have only averaged 3% of all affordable housing completions over the same period.

- 5.23 This Council data also identifies which of these net completions fall under the banner of lifetime homes (M4(2)) and wheelchair accessible (M4(3)) homes. Over the same period, there has been 1,765 M4(2) net dwellings completed and 590 M4(3) net dwellings completed.

Development pipeline

- 5.24 LBW Monitoring data indicates that there are approximately 11,350 dwellings in the development pipeline. This figure includes planning proposals that have received permission but are yet to be constructed. Of this total, 6% of dwellings in the pipeline are studios, 28% are 1-bedroom, 47% 2-bedrooms, 16% 3-bedrooms and 4% are 4+ bedrooms. This will further skew the Borough's housing stock towards smaller properties.

Summary of Housing Profile

- The typically smaller flatted stock of housing reflects LBW's inner-city location in terms of both type and size of homes.
- LBW has a significantly higher proportion of homes within the PRS compared with London, and this has grown substantially over the inter-censal period (2001-2011); this is an indicator of the relative unaffordability of for sale dwellings.
- The unaffordability of for-sale homes is also captured in the lower proportion of households in owner-occupation (47%) compared with both London (49%) and England (65%), and the fact that the numbers of households who own their dwelling with a mortgage declined over the period (-7%).
- The increase in the numbers of dwellings owned outright suggests an increase in the older population, (those who have paid off their mortgages) is also likely to point to wealthy cash buyers entering the market as investors.
- Around 74% of dwellings completed since 2013 have been one and two bed homes; this suggests the market is responding to demand from smaller households (singles and couples) and those with a lower or average household income to buy or rent.
- The balance of smaller homes is forecast to increase in the future with 81% of dwellings in the development pipeline having 2 bedrooms or fewer. Around 16% of dwellings in the pipeline are 3-bedrooms.
- The marginally smaller degree of over-crowding compared with London (9% as against 11%) at the time of the last census suggests the housing stock is relatively well aligned with demand. However, this data is drawn from dated Census data and may require corroboration from other sources to be reliable.

6 LOCAL HOUSING NEED

Introduction

- 6.1 This section sets out GL Hearn's initial findings as regards the Local Housing Needs Figure (LHNF) for the London Borough of Wandsworth. We take as a starting point the Standard Method before considering the plausibility of arriving at an alternative figure using demographic evidence and existing local and regional policy.

Housing Need and the Standard Method

- 6.2 The MHCLG three step methodology takes the official household projections as the starting point. This is adjusted on the basis of market signals. However, that adjustment is then capped to 40% above a shifting figure depending on the status of the local authority's local plan and the scale of its housing requirement in relation to the household projections. These steps are set out below.

Step 1: Setting the baseline

- 6.3 The initial revisions to the Planning Practice Guidance made it clear that national household projections should provide the demographic baseline for every local authority. After a period of consultation in February 2019, the MHCLG confirmed that local authorities should revert to the 2014-based household projections (rather than the 2016-based projections) when calculating their LHNF using the standard methodology. This was to ensure the government's stated target of 300,000 per annum could be achieved.
- 6.4 The Standard Method proposes that the demographic baseline should be the annual average household growth over a 10-year period with the current year being the first year. As this document is being published in 2020 then the period examined is 2020 - 2030.
- 6.5 Across the Borough, the 2014-based projections show household growth of 14,062 for the 2020-30 period (143,179 households in 2020 increasing to 157,241 in 2030) or 1,406 households per annum. This equates to a 9.8% increase in households over the same period.

Step 2: Adjustment to take account of affordability

- 6.6 The methodology seeks to adjust the demographic baseline on the basis of local affordability. The adjustment increases the housing need where house prices are high relative to workplace incomes. This uses the median workplace-based affordability ratios published by ONS. That is the ratio between median workplace earnings in a given area and the median house price in the same location.

- 6.7 Specifically, the adjustment increases the housing need derived from the household projections by 0.25% for every percentage point the affordability ratio is above four (4.0). This is justified on the basis that four is the typical multiple used as lending practice by mortgage providers. The equation is as follows:

$$\text{Adjustment factor} = ((\text{Local affordability ratio} - 4)/4) \times 0.25$$

- 6.8 In 2019, the median workplace affordability ratio in Wandsworth was 18.44; i.e. median house prices were 18.44 times the median earnings of those working in the Borough. This means that the adjustment factor for Wandsworth is 0.903 or 90.3%. This is calculated as follows: $((18.44 - 4) / 4) \times 0.25$.
- 6.9 To this point, the housing need in Wandsworth would be 90.3% above the demographic baseline of 1,406 households per annum. This uplift takes the housing need figure to 2,675 dwellings per annum.

Step 3: Capping the level of any increase

- 6.10 The final step in the standard method is to cap the market signals uplift if necessary. In the PPG it is noted that “the market adjustment could lead to a significant increase in the local housing need in some parts of the country. To help ensure the method is deliverable, a cap on the local housing need may be applied”.
- 6.11 The cap is only applied to local authorities where the uplift in stage 2 is greater than 40%. There are two situations where a cap is applied. The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan (including spatial development strategies (such as the London Plan) within the last five years. In this instance, the need may be capped at 40% above the requirement figure set out in the plan.
- 6.12 The second situation is where plans and evidence are more than five years old. In such circumstances, a cap may be applied at 40% of the higher of the projected household growth over the 10 year period identified in step 1 or the housing requirement in the most recent plan (where this exists).
- 6.13 In Wandsworth, given that the most recent plan is the current London Plan¹⁵ which was adopted in March 2015 i.e. more than 5 years ago, the capping means that the housing need would be set at 40% above the Borough target (1,812 dpa) in the London Plan given that this exceeds projected household growth (1,406).
- 6.14 A cap of 40% above the current target (i.e. $1,812 \times 1.4$) would lead to a figure of 2,537 dwellings per annum for the 2020-30 period. The cap applies given the capped figure (2,537 dpa) is less than the figure

¹⁵ The London Plan is used for this calculation on account of the primacy of the London Plan over Wandsworth's Local Plan

arrived at in step 2 (2,675 dwellings). **Therefore 2,537 dpa would be classed as the local housing need figure (LHNF) for the Borough under the Standard Method.**

- 6.15 According to the PPG¹⁶ “The cap reduces the minimum number generated by the standard method but does not reduce housing need itself”. This the total housing need and while it may not be deliverable, it should be planned for through the duty to cooperate if it cannot be delivered locally.

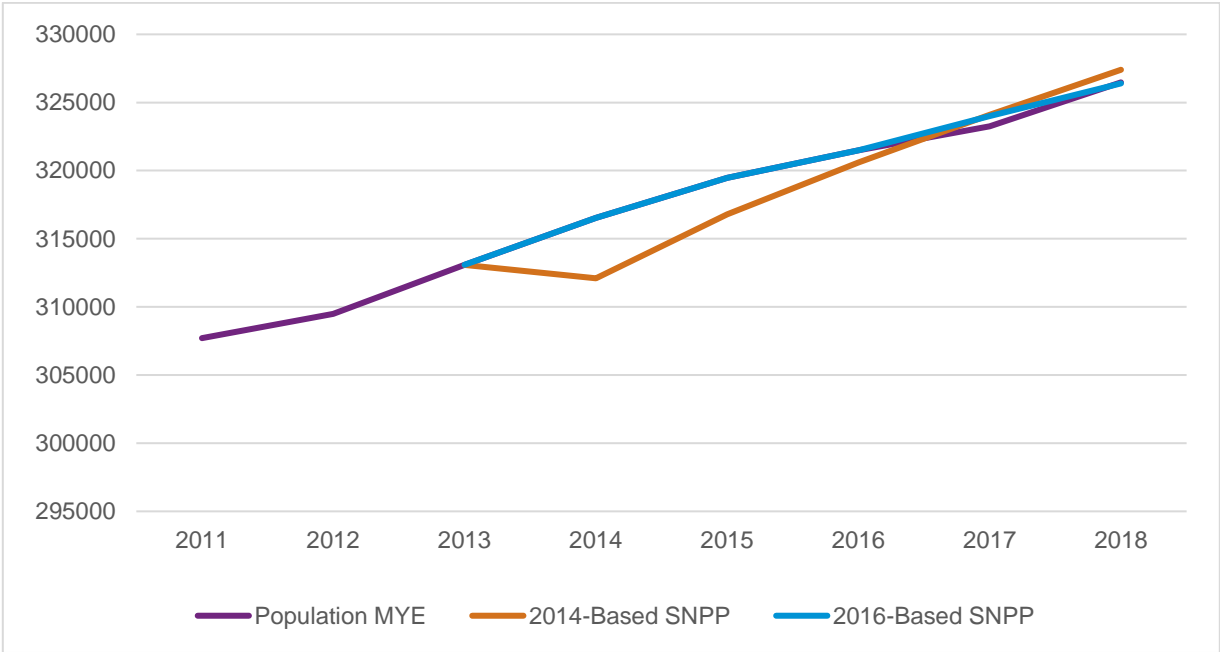
Alternatives to the Standard Method

- 6.16 This section of the report considers the possibility of arriving at an alternative LHNF to the Standard Method. The PPG states that where a plan-making authority seeks to do this, this must be justified “using robust evidence, that the figure is based on realistic assumptions of demographic growth”¹⁷.
- 6.17 In other words, it must be shown that the 2014-based household projections on which the standard method relies are erroneous in the case of the local authority in question, and that the evidence used to make this argument is credible and compelling.
- 6.18 Firstly we consider whether the 2018 Mid-Year Population Estimates produced by ONS in 2019 or the 2016-based population projections, indicate that the 2014-based household projections actually transpired and how far off they actually were. In the figure below, we set out the population from each of these sources for the years 2011 to 2018.

¹⁶ Paragraph: 007 Reference ID: 2a-007-20190220

¹⁷PPG, Paragraph: 015 Reference ID: 2a-015-20190220

Figure 9: LBW Population growth 2011-2018



Source: ONS 2018

- 6.19 It is notable that the 2014-based SNPP started with lower population for 2014. This reflects the previous MYE for 2014 which have since been revised show a higher population as demonstrated by the other two lines.
- 6.20 What is clear is that because of this lower starting point the population growth within the 2014-based population projections over the period to 2018 is greater. Indeed by 2018 the 2014-based population projections are the highest of the three. This would indicate that the 2014-based projections marginally over-estimated the true growth in Wandsworth even over the first 4 years of projections.
- 6.21 Extrapolating this trend would also result in significantly higher rate of population growth. We have therefore examined the population growth projected forward to 2039 from both sets of projections. In the 2014-based SNPP, the population of Wandsworth is expected to increase by 46,000 people; conversely, using the 2016-based projections an increase in 27,400 is forecast, a difference of 40.4%.

Table 5: **Change in population – 2014 and 2016 based SNPP**

	2019	2039	Change (19-39)	% Change
2014 based SNPP	331,000	377,000	46,000	13.9%
2016 based SNPP	328,500	355,900	27,400	8.3%
Difference	2,500	21,100	18,600	40.4%

Source: ONS Population Projections

- 6.22 The observation that the 2016-based SNPP is more closely in line with the MYE provides some evidence that the 2016-based SNPP is a more accurate reflection of demographic growth than the 2014-based SNPP both over the short term and potentially over the longer term.
- 6.23 Were LBW to use the 2016-based SNPP as the basis for their LHNF, this would reduce the final housing requirement substantially. Indeed, the “start point” figure used in the Standard Method would only need to fall by 138 dpa (the difference between the capped figure of 2,537 and 2,675 dpa) for the reduction to make a tangible impact on Wandsworth’s LHNF.
- 6.24 However, it is important to note that the 2016-based SNPP should be used with caution given that PPG specifically states that that an LHNF arrived at on this basis of 2016-based household projections “will not be considered to be following the standard method”¹⁸. It is therefore likely to be treated by the Planning Inspectorate, in principle, as unsound.
- 6.25 While the MYE reinforce the appropriateness of alternatives to the 2014-based projections we do not consider these to be the most robust platform from which to base and defend the Local Plan given what the PPG suggests.
- 6.26 In addition, the London Plan is currently moving through the examination process and has recently produce an intend to publish version¹⁹. As currently drafted Wandsworth has been given a target of 1,950 dpa. This is an approximately 8%increase to the current housing target (1,812 dpa).
- 6.27 If adopted, this would mean that the buffer would be 40% higher than 1,950 ($1.4 \times 1,950 = 2,730$ dpa). However, this would effectively mean that the Wandsworth figure would be uncapped as the Step 2 figure (2,675dpa) is less than 40% above the Draft London Plan figure.

¹⁸ PPG, Paragraph: 015 Reference ID: 2a-015-20190220

¹⁹ https://www.london.gov.uk/sites/default/files/intend_to_publish_-_tracked.pdf

- 6.28 Furthermore, the Greater London Authority is likely to be required by MHCLG and/or the Planning Inspectorate to undertake an immediate review of their housing target to ensure conformity with the Standard Method. This was indicated in 2019 by the former housing minister James Brokenshire.
- 6.29 As noted, the inspectors had previously found that the modelling used to arrive at the forecast contribution made by small sites to be "insufficiently accurate to give a true picture of the likely available capacity".²⁰ In their report put forward an alternative approach based on an annual growth rate of 0.3% that they feel is likely to reflect a more realistic output from small sites. The approach used in the Intend to Publish London Plan to arrive at the proposed housing targets is thus policy-on assessment.
- 6.30 This policy-on position, provides a housing requirement figure consistent with paragraph 65 of the NPPF. The Standard Method figure provides a housing needs figure, an unconstrained number that does not reflect the extent to which the Council can meet need over the plan period.
- 6.31 Crucially, national policy and guidance make it clear that the LHNf identified using the standard method does not in itself establish an area's housing requirement. Rather, it is a starting point for considering the level of housing need to be accommodated through the plan-making process. The Council also needs to take account of the need to ensure that sufficient land is available for other essential land uses. For this reason, the NPPF requires local authorities to inform the housing requirement by identifying a supply of specific deliverable sites available in their area.
- 6.32 Given the purpose of this report is to arrive at a LHNf, rather than the requirement figure, we recommend a figure of 2,537 dpa based on the standard method provides a sound starting point for plan-making in the Borough. This indicates that there is an acute need for conventional homes in LBW.
- 6.33 While we have not found justifiable reason to diverge from the minimum LHNf the PPG²¹ advised that this is minimum need and the local authorities could consider planning for higher numbers on the basis of:
- growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);
 - strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
 - an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;
- 6.34 However, these increases would be at the discretion of the local authority and would not form part of the LHNA.

²⁰ The Planning Inspectorate, Report of the Examination in Public of the London Plan 2019, page 41

²¹ Paragraph: 010 Reference ID: 2a-010-20190220

Summary of Local Housing Need

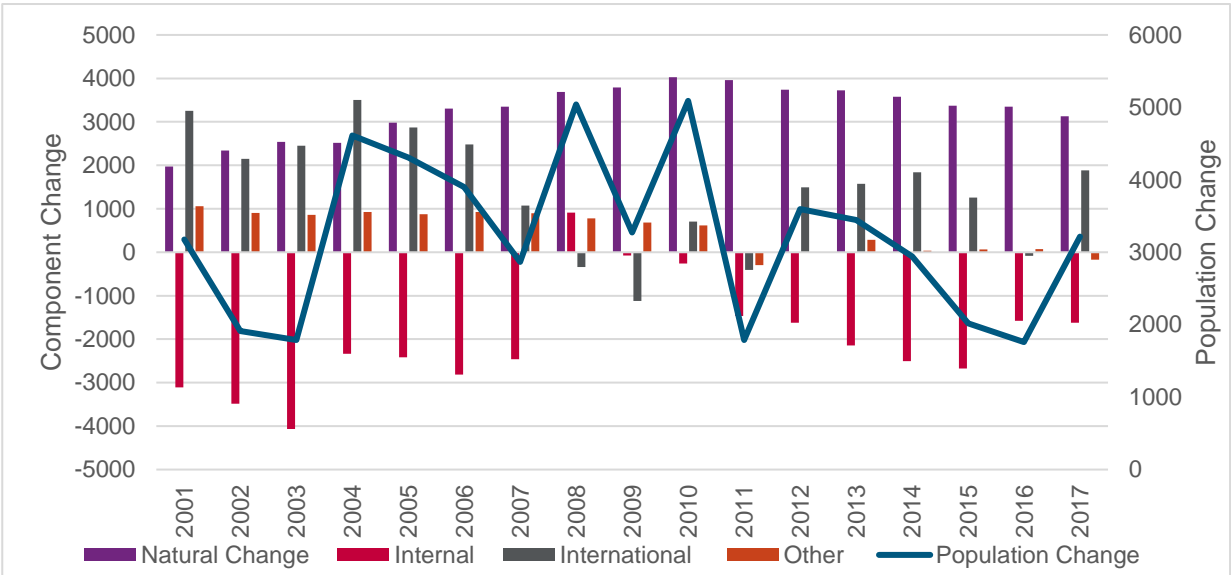
- Step 1 of calculating the standard method establishes the demographic baseline. Across the Borough, the 2014-based projections indicate household growth of 14,062 for the 2020-2030 period or 1,406 per annum.
- Step 2 adjusts the demographic baseline based on the median workplace affordability ratio which in Wandsworth is 18.44 (2019). This means that housing need in Wandsworth would be 90.3% above the demographic baseline of 1,406 households per annum. This uplift takes the housing need figure to 2,675 dwellings per annum.
- Step 3 caps the uplift. For LBW, capping means that housing would be set at 40% above the Borough target (1,812 dpa) in the current Local Plan (2015) which was adopted more than five years ago. Applying the 40% cap results in a housing need for LBW of 2,537 dpa.
- The "intend to publish" version of the London Plan sets 10 year targets for net housing completions for each borough. For Wandsworth, this is 19,500 (1,950dpa).

7 DEMOGRAPHICS

Recent Demographic Trends

7.1 The figure below shows the components of population change in the Borough between 2001-18. This shows that much of the population growth is driven by natural growth (more births than deaths). The positive natural change is offset by the negative levels of internal migration from Wandsworth.

Figure 10: Wandsworth Components of Change, 2001 to 2018



Source: ONS

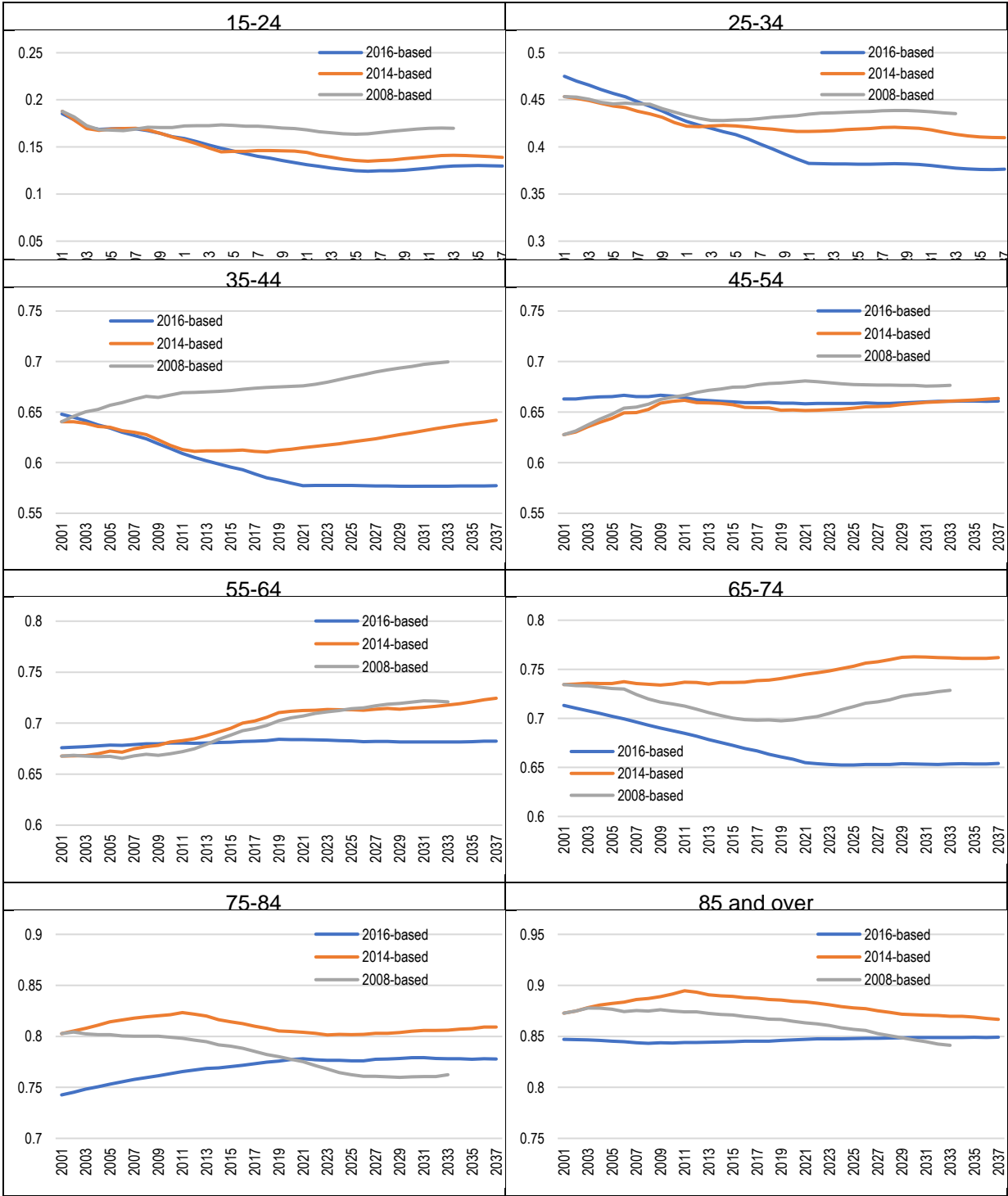
Household Formation Rates

- 7.2 Having studied the population size, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 7.3 The 2016-based SNHP have come under some heavy criticism, this is largely because they are based only on data in the 2001-11 Census period and arguably build in the suppression of household formation experienced in that time. The criticism of the 2016-Based HRR resulted in the standard method required by updated national policy and guidance and employed in this report.
- 7.4 The previous (2014-based) projections used a longer time-series (all Census points back to 1971) and therefore do cover a wider housing market cycle. However, while the 2014- based projections point to a

greater level of need than the 2016-based projections for households headed by people aged 25-34, there remains a deterioration of their ability to form a household, which is reflected in the forward projections.

- 7.5 Were LBW to use of the 2016-based projections as the basis for arriving at their LHNF, it is suggested that some adjustments are made to reduce the apparent suppression (as well as to deal with possible issues within older age groups).

Figure 11: Projected Household Representative Rates by age of head of Household



Source: Derived from ONS and CLG data

- 7.6 If either the 2014-based or 2016-based HRR figures are used it would be clear that the objective of the affordability adjustment would not be met as households in the 25-34 age groups would still not be able to form in the way that they once did and arguably should.
- 7.7 In such circumstances, it would be reasonable to consider a further adjustment to HRR, as otherwise, residents in these younger age groups would not be able to form in the way in which they would perhaps like to or had done so historically.
- 7.8 A sensitivity test has thus been developed to model an increase in the household formation rates of the population aged 15-85 years and over. This links back to the 2014-based SNHP and can be termed a 'part-return-to-trend', where the rate of household formation sits somewhere between figures in the 2014-based projections and those in an older 2008-based version.

Migration

- 7.9 The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2016-based SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 7.10 This changes the overall level of growth away from the 2016-based SNPP but also changes the age structure. The higher population growth typically results in a much stronger growth in what might be considered as 'working-age' groups. This arises because ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children).
- 7.11 The tables below show the age structure of the population projected to be consistent with the housing need associated with the standard method housing need.

Table 6: Projected population change in Wandsworth (2019-2037)

	Population 2019	Population 2037	Change in population	% change
0-4	21,828	27,213	5,384	24.7%
5-9	19,747	22,363	2,616	13.2%
10-14	15,523	18,604	3,081	19.8%
15-19	12,746	16,468	3,721	29.2%
20-24	20,497	25,264	4,767	23.3%
25-29	40,583	48,778	8,195	20.2%
30-34	41,892	46,091	4,199	10.0%
35-39	34,724	36,175	1,451	4.2%
40-44	24,834	31,774	6,940	27.9%
45-49	20,516	24,370	3,854	18.8%
50-54	17,950	22,714	4,764	26.5%
55-59	14,910	20,426	5,516	37.0%
60-64	11,371	16,558	5,186	45.6%
65-69	9,248	14,538	5,290	57.2%
70-74	8,133	12,370	4,237	52.1%
75-79	5,677	9,018	3,341	58.9%
80-84	4,399	6,281	1,883	42.8%
85 & over	3,980	6,968	2,988	75.1%
Total	328,559	405,972	77,413	23.6%

Source: demographic projections

- 7.12 By 2037, older persons age groups are forecast to experience the most significant proportional growth with the ages 65-69 increasing by 57.2%, ages 75-79 increasing by 58.9% and ages 85 and over increasing by 75.1%.
- 7.13 Currently, working professionals make up a large proportion of Wandsworth's population with the 25-29 and the 30-34 age groups the most populous age groups. However, these age groups are forecast to experience relatively small growth over the time period.

Summary of demographics

- The components of population change data shows that much of the population growth is driven by natural growth (more births than deaths). The positive natural change is offset by the negative levels of internal migration from Wandsworth.
- The 2014-based household projections use longer time-series than the 2016-based household projections and in so doing point to a greater level of need than the 2016-based projections for households headed by people aged 25-34.
- In order to fulfill the objective of the affordability adjustment in the standard method to increase the number of homes available, a sensitivity test has been developed to model an increase in the household formation rates of the population aged 15-85 years and over.
- The age structure is changed by adjustments made to migration rates. The higher population growth typically results in a much stronger growth in what might be considered as 'working-age' groups.
- The number of working age people is forecast to show little growth over the plan period compared with older people.

8 AFFORDABLE HOUSING NEED

Introduction

- 8.1 Affordable housing is defined in Annex 2 of the National Planning Policy Framework (NPPF2). The NPPF2 definition is slightly wider than the previous NPPF definition; in particular, a series of 'affordable home ownership' options are now considered to be affordable housing.
- 8.2 The method for arriving at the need for affordable housing is set out in Planning Practice Guidance (PPG). The PPG in this area was updated in February 2019 and now requires plan-makers to identify the number of households requiring some form of subsidized housing (the established definition) but also those households currently in rented accommodation who aspire to own their own home.²²
- 8.3 The analysis below is therefore split between the established definition of affordable need and the additional widened definition, to arrive at an understanding of those households who aspire to home ownership.

Affordable Housing Need (established definition)

- 8.4 The method for studying the need for affordable housing has been enshrined in Strategic Housing Market Assessment (SHMA) guidance for many years. The established approach looks at the number of households who are unable to afford market housing (to either rent or buy). The analysis below follows the methodology and key data sources in guidance and can be summarised as:
- Current need (an estimate of the number of households who have a need now and based on a range of data);
 - Projected newly forming households in need (based on projections developed for this project along with an affordability test to estimate numbers unable to afford the market);
 - Existing households falling into need (based on studying the types of households who have needed to access social/affordable rented housing and based on studying past lettings data);
 - The above three bullet points added together provide an indication of the gross need (the current need is divided by 18 so as to meet the need over the 2019-37 period);
 - Supply of affordable housing (an estimate of the likely number of letting that will become available from the existing social housing stock – drawing on data from CoRe²³ and the LBW); and
 - Subtracting the supply from the gross need provided an estimate of the overall net (annual) need for affordable housing

²²PPG Paragraph: 020 Reference ID: 2a-020-20190220

²³The Continuous recording of lettings and sales in Social Housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent.

- 8.5 Each of these stages is described below in more detail. In addition, much of the analysis requires a view about affordability to be developed. This includes looking at house prices and private rents along with estimates of local household incomes.

Local Prices and Rents

- 8.6 An important part of the affordable needs model is to establish the entry-level cost to buy and rent a home. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'.
- 8.7 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes). The following section expands on this information to present a consideration of the type of affordable housing that might meet local needs. This section focuses on establishing, in numerical terms, the overall need for affordable housing.
- 8.8 The analysis below considers the entry-level costs of housing to both buy and rent across the Borough. The approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the Planning Practice Guidance and reflects the entry-level point into the market.
- 8.9 Data from the Land Registry for the year to March 2019 shows an estimated lower quartile property price in the Borough by dwelling type. As demonstrated entry-level costs to buy in Wandsworth start from about £330,000 for a one bedroom home rising to over £775,000 for a four-bedroom home. Across all dwelling types the analysis shows a lower quartile price of £450,000.

Table 7: Lower quartile cost of housing to buy by size (March 2019)

Dwelling size	Borough-wide
1-bedroom	£330,000
2-bedrooms	£470,000
3-bedrooms	£570,000
4-bedrooms	£775,000
All dwellings	£450,000

Source: Land Registry and internet price search

- 8.10 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used.

- 8.11 Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% gross income. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 8.12 The threshold of income to be spent on housing costs should be set by asking the question 'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?'
- 8.13 That said, the choice of an appropriate threshold will, to some degree, be arbitrary and will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold.
- 8.14 It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively, an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold but are simply being used to assess how many households can or cannot afford market housing.
- 8.15 At £1,400 per calendar month, lower quartile rent levels in LBW are relatively high in comparison to those seen nationally (a lower quartile rent of £520 per month across England). This would suggest that a proportion of income to be spent on housing could be higher than locations with cheaper housing.
- 8.16 Across England, the lowest lower quartile rents are around £400 per month, and if these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month²⁴. With the same residual income applied to LBW as a whole, the income required to afford a £1,400 rent would be £2,600 (£1,200 + £1,400) and so the percentage spent on housing would be 54% (rounded).
- 8.17 However, it needs to be considered that the cost of living in LBW is likely to be higher than in cheaper parts of England and so a pragmatic approach to determining a reasonable proportion of income has should be adopted. We take a midpoint between the bottom (25%) and the equivalent residual income figure (54%). It has therefore been estimated that a threshold of 39.4% would be appropriate, while this is to some degree arbitrary, we considered it to be a reasonable given the range of evidence available.
- 8.18 On the basis of a rent of £1,400 per month, this would leave a residual income of £2,150 (rounded) and a total household income of £42,615 per annum. Therefore, for the purposes of this assessment it is estimated that any household with an income below £42,615 would not be able to afford a lower quartile rent without some degree of subsidy.

²⁴ If 25% equates to £400 then monthly income is £1,600. Once £400 rent is removed the residual income is £1,200

- 8.19 The 39.4% affordability threshold is specific to the analysis of access to private rented housing and to rent levels in the Borough. If rent levels were lower, then a lower threshold would be recommended so as to retain a reasonable balance between housing costs and residual income. Therefore, the same threshold should not be applied in a blanket manner for all types of affordable housing (for example a lower threshold is probably appropriate when looking at Social Rented housing).
- 8.20 Table 8 provides an indication of the affordability thresholds and income levels considered appropriate based on different cost of housing. This shows for example that a housing cost of £800 per month might be expected to take up no more than 32.5% of a household income, and that the income would need to be in excess of around £29,500 per annum for this to be affordable.

Table 8: **Suggested income threshold for different levels of housing cost**

Housing cost (£ per month)	% of income	Income threshold (per annum)
£400	25.00%	£19,200
£600	29.20%	£24,686
£800	32.50%	£29,538
£1,000	35.20%	£34,065
£1,200	37.50%	£38,400
£1,400	39.40%	£42,615
£1,467	40.00%	£44,010
£1,842	42.00%	£52,629
£2,500	50.00%	£60,000

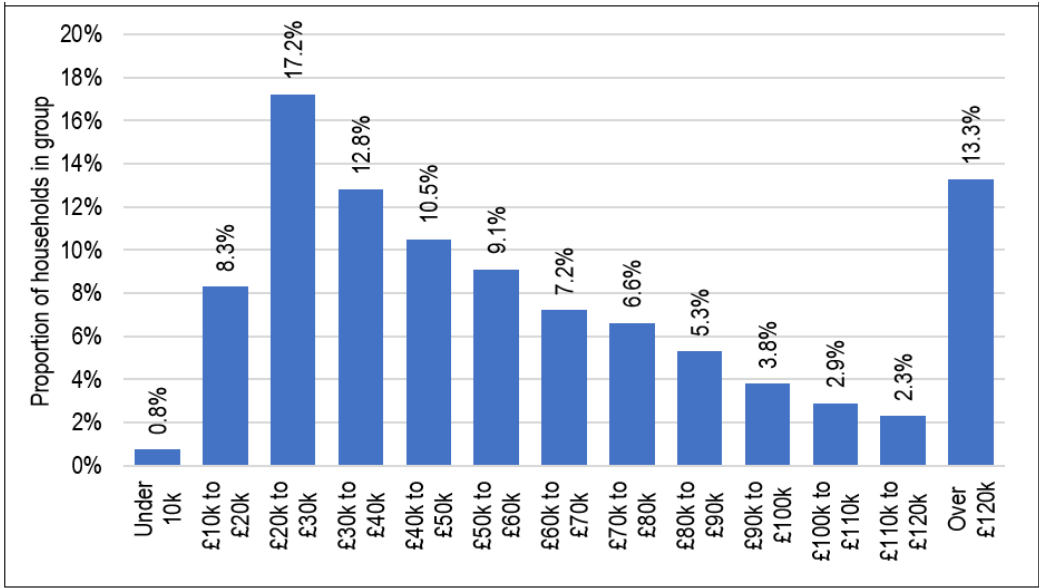
Source: GL Hearn

- 8.21 The table above does not provide information for thresholds above 40% and it is considered that this should be the maximum proportion of income on housing that can be considered affordable. Therefore, any housing cost above £1,467 per month should be judged against 40% (and the equivalent income) when considering affordability.
- 8.22 Generally, the income required to access owner-occupied housing is higher than that required to rent; the analysis to follow is therefore based solely on the ability to afford to access private rented housing. However, the local house prices are important when looking at the extended definition of affordable housing in NPPF2 and are returned to when looking at this new definition.

Income levels and affordability

- 8.23
- Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy).
- 8.24
- Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 8.25
- Drawing all of this data together we have been able to construct an income distribution for LBW for 2018. The figure below shows that around a 10% of households have incomes below £20,000 with a further 30% in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £66,300, with a median income of £50,400; the lower quartile income of all households is estimated to be £29,100.

Figure 12: Distribution of Household Income in LBW (mid-2018 estimated)



Source: Derived from EHS and ONS data

- 8.26
- To assess affordability, the analysis has looked at households' ability to afford private rented housing (£1,400 per month). This is because the required income for such housing is lower than for buying a home. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support.

- 8.27 Different affordability tests are applied to different parts of the analysis depending on the group being studied, e.g. recognising that newly forming households are likely on average to have lower incomes than existing households (this has consistently been shown to be the case in the English Housing Survey and the Survey of English Housing). Assumptions about income levels for specific elements of the modelling are discussed where relevant in the analysis that follows.

Current Affordable Housing Need

- 8.28 Table 9 summarises the sources of data required to understand the current need for affordable housing in Wandsworth, together with the method that has been employed to gather accurate data for each item.

Table 9: **Sources for assessing the current unmet need for affordable housing**

Component	Source	Notes
Homeless households and those in temporary accommodation	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured PLUS the total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: GL Hearn

- 8.29 The outputs from this data are set out in Table 10 below. This demonstrates that there is a current need for 22,695 affordable dwellings in LBW. This is largely driven by people in over-crowded households (60%).

Table 10: **Estimated number of households living in unsuitable housing**

Category of Need	LBW
Households in overcrowded housing	13,724
Homeless/concealed households	3,621
Existing affordable housing tenants in need	597
Households from other tenures in need	4,752
Total	22,695

Source: CLG Live Tables, Census 2011 and Data Modelling

- 8.30 Finally, the analysis considers that some of these households might be able to afford market housing (based on a lower quartile private rent). The analysis here is based on estimates of typical incomes

currently within the social rented sector. Table 11 presents the number to take forward in affordability modelling by tenure type.

Table 11: **Estimated current affordable housing need for LBW**

Unsuitable housing (taken forward for affordability test)	% Unable to afford market housing (without subsidy)	Revised Gross Need (including affordability)
14,698	56.90%	8,367

Source: CLG Live Tables, Census 2011 and Data Modelling

Newly-forming households

- 8.31 The number of newly-forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 8.32 The numbers of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 8.33 In looking at the likely affordability of newly-forming households, data has been drawn from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 8.34 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of newly forming households unable to afford market housing without any form of subsidy (such as LHA/HB).
- 8.35 The assessment suggests that overall around half of newly-forming households (51%) will be unable to afford market housing (to rent) and that a total of 2,068 new households will have a need on average in each year to 2037. These findings are summarised in Table 12 below.

Table 12: **Estimated affordable housing need from newly forming households (per annum)**

Number of new households (Aged Under 45)	% Unable to afford	Annual newly-forming households unable to afford rent
4,054	51.0%	2,068

Source: Projected Modelling/ affordability analysis

Existing households falling into affordable housing need

- 8.36 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. This looked at households who have been housed over the past three years – this group will represent the flow of households onto the Housing Register over this period.
- 8.37 From this newly forming households (e.g. those currently living with their family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.
- 8.38 The numbers over this period or indeed in future could be influenced by changes to government policy or if there is a substantial increase in unemployment resulting from the closure of a major employer, although this is unlikely in Wandsworth.
- 8.39 This method for assessing existing households falling into need is consistent with the 2007 SHMA guidance which on page 46 states
- 'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants).'*
- 8.40 Following this analysis through for Wandsworth suggests a need arising from 560 existing households each year from 2019 to 2037, or a total of 10,076 over the period.

Supply of affordable housing

- 8.41 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. This focuses on the annual supply of social/affordable rent through re-lets.
- 8.42 The Planning Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information

from the CoRe system has been used to establish past patterns of social housing turnover, along with data from the LBW about past lettings within social rented stock.

- 8.43 The figures include general needs and supported lettings²⁵ but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect re-lets from the existing stock.
- 8.44 Table 13 below sets out these calculations. Of the 1,433 lettings in the three years (2015/16-2017/18), 1,281 were lettings from existing stock. Of these, 59.7%, were as a result of tenants quitting their home and not transferring to another Social or Affordable Rented dwelling. This equates to a total supply of affordable housing each year of 765 dwellings.

Table 13: **Past social/affordable rented housing re-let supply (per annum) (2015/16-2017/18)**

	General Needs	Supported Housing	Total
Total Lettings	1,005	429	1,433
% as Non-New Build	89.80%	88.40%	89.40%
Lettings in Existing Stock	902	379	1,281
% Non-Transfers	59.80%	59.60%	59.70%
Lettings to New Tenants	539	226	765

Source: CoRe and LAHS

- 8.45 On the basis we have assumed that 765 units of social/affordable rented housing are likely to become available each year in future.
- 8.46 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report.
- 8.47 Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock) – as of 2018, CLG Council Tax Base data shows 173 long term vacant general needs homes in the Borough.
- 8.48 Secondly, in relation to the pipeline supply, it is not considered appropriate to include this as to net off new housing from the needs analysis would be to fail to show the full extent of the need for this assessment. Although in monitoring it will be important to net off these dwellings as they are completed.

²⁵ Housing targeted at a specific client group with a tangible property features or services associated designed or designated for a particular client group.

- 8.49 Table 14 below shows the overall calculation of affordable housing need, showing a need for 2,327 affordable dwellings per annum – a total of 41,883 over the 18-year period (2019-37). The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 14: **Estimated Need for Affordable Housing in LBW**

	Per annum	2019-2037
Gross Current need	465	8,367
Newly forming households	2,068	37,216
Existing households falling into need	560	10,076
Total Gross Need	3,092	55,659
Re-let Supply	765	13,776
Net Need	2,327	41,883

Source: Census 2011, CoRe, Projection Modelling and Affordability Analysis

- 8.50 We note that it will be extremely challenging for the Council to satisfy this level of need for rented affordable housing. An important exercise in the Local Plan will therefore be to identify those in priority need. This is discussed in more detail in the analysis that follows.
- 8.51 As part of the plan making process, LBW should undertake a Local Plan Viability Assessment and Development Infrastructure Funding Study to ensure that the approach to affordable housing strikes a careful balance between meeting the local need for affordable housing whilst ensuring that the total cumulative costs of Local Plan requirements do not threaten the viability of market housing.
- 8.52 It should be noted that the identified levels of need for affordable housing are not additional homes as some households in unsuitable accommodation will be released if alternative accommodation is provided. Nor are they in addition to the local housing need as some of the need includes new forming households which are including in the LHN.
- 8.53 Finally, it is worth noting that the draft London Plan recommends that a percentage of affordable housing on a scheme should be measured in habitable rooms to ensure that a range of sizes of affordable homes can be delivered, including family-sized homes.²⁶

²⁶ The London Plan (Intend to Publish version), para 4.5.3, page 195

How Much Should Affordable Rented Housing Cost?

- 8.54 Rents for properties let at 'social rent' (which constitute a majority of rented social housing properties) are set centrally based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. An aim of this formula-based approach is to ensure that similar rents are charged for similar social rent properties²⁷.
- 8.55 The analysis above has studied the overall need for affordable housing using a well-established model. This model focusses on households who cannot afford anything in the market (i.e. cannot rent or buy). These households are most likely to have a need for rented housing and below is an analysis that sets out the appropriate Affordable Rent for different sizes of accommodation based on local incomes and housing costs.
- 8.56 It is worth noting that the rent charged for Social Rented dwellings is likely to be substantially less than for Affordable Rent (at 80% of market rents), calculated according to the rent formula²⁸ described above. We have calculated in the approximate rents levels for Social Rented homes of different sizes, and these are set out in Table 15 below.

Table 15: **Rents for Social Rented dwellings**

1-Bedroom	2-Bedroom	3-Bedroom
£566	£626	£679

Source: GL Hearn Calculations

- 8.57 The analysis essentially considers what might be a "Living Rent". These calculations are based on research by JRF/Savills²⁹ and use the following methodology:
- Annual Survey of Hours and Earnings (ASHE) lower quartile earnings;
 - Adjustment for property size by recognised equivalence model;
 - Starting rent set at 28% of net earnings; and
 - Rent set at Local Housing Allowance (LHA) limits where calculations show a higher figure.
- 8.58 The analysis shows rents starting at about £600 for a 1-bedroom home in Wandsworth, rising to £780 for a 2-bedroom dwelling and £959 for homes with 3-bedrooms (the Living Rent method only goes up to 3-bedrooms).

²⁷ MHCLG, Policy statement on rents for social housing, page 4

²⁸ Ibid, page 6

²⁹ <http://pdf.savills.com/documents/Living%20Rents%20Final%20Report%20June%202015%20-%20with%20links%20-%2019%2006%202015.pdf>

Table 16: **Living rents (per month) (2018 base)**

Geography	1-Bedroom	2-Bedroom	3-Bedroom
LBW	£600	£780	£959
Inner south West London	£1,133	£1,390	£1,630
Outer South West London	£964	£1,216	£1,460

Source: ASHE and Living Rents Methodology

- 8.59 These figures represent 48% of the lower quartile private rent for 1-bedroom homes and 52% of the rent for both 2 and 3-bedroom homes. None of these figures have been capped by LHA as the maximum LHA is higher than the Living Rent for all sizes and locations. The needs of households requiring homes at Living Rents can therefore be met by the London Affordable Rent tenure, which is 52% higher than the average 2017/18 council rent and 32% higher than the average 2018 housing association rents, but approximately 50% lower than average market rent in London³⁰. This is discussed in more detail in the analysis that follows (8.102 – 8.133).
- 8.60 It is not recommended that the authority implement policies which restrict rents of all types of affordable rented products to London Affordable Rent given that it would be unrealistic to do so. However, it is not sensible to charge affordable rent above the LHA limits set for the Central London Broad Rental Market Area (see table below). Any rents set in excess of LHA would mean households having to top up their rent from other income sources.
- 8.61 As noted, there is a case for ensuring that rents are capped at the maximum amount of benefit able to be claimed. The issue of LHA limits should be a key consideration when setting rent levels for any new developments as should the BRMA in which any specific scheme sits.

Table 17: **Maximum Local Housing Allowance (Housing Benefit) by location and property size (April 2018)**

	Central London BRMA
Room	£629
1-bedroom	£1,167
2-bedrooms	£1,353
3-bedrooms	£1,586
4-bedrooms	£1,866

Source: Valuation Office Agency

³⁰ <https://www.london.gov.uk/sites/default/files/homesforlondoners-affordablehomesprogrammefundingguidance.pdf>

- 8.62 It is recognised that charging at living rent levels (or London Affordable Rent) will reduce the viability of affordable housing delivery and therefore the number of affordable homes provided. Therefore, LBW should employ an approach that strikes a balance between the viability of development and local housing needs. This might be achieved by the provision of intermediate tenures (such as London Living Rent), which have the potential to meet the needs of lower income households.
- 8.63 In terms of other rented tenures (such as Affordable Rent at 80% of market rents), the LBW should ensure that rents do not exceed the LHA limits within the Broad Rental Market Area that the site falls. In circumstances where this limit would be exceeded, greater discounts than 20% on Open Market Values should be secured to ensure a larger number of households can afford intermediate rent tenures. When intermediate rented tenures are proposed as part of development proposals, LBW should require applicants to demonstrate that the rented products would meet the local housing need on a case by case basis.

Affordable Housing (Expanded NPPF Definition)

- 8.64 As noted earlier, Annex 2 of the 2019 NPPF introduces a new category of household in affordable housing need i.e. “housing that provides a subsidised route to home ownership”. It is considered that households falling into the definition would be suitable for Starter Homes, Discounted Market Sales housing and Other Affordable Routes to Home Ownership (such as shared ownership and rent to buy) might also be appropriate.
- 8.65 This section considers the level of need for these types of dwellings in LBW. The NPPF states “Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”³¹
- 8.66 The Planning Practice Guidance of February 2019 confirms a widening definition of those to be considered as in affordable need; now including “*households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*”³² The accepted understanding of this requirement is that plan-makers now need to quantify need for tenures that offer an affordable route to home-ownership. However, at the time of writing, there is no guidance about how this may be done.

³¹ National Planning Policy Framework, para 64

³² PPG Paragraph: 020 Reference ID: 2a-020-20190220

- 8.67 The methodology used in this report, therefore, draws on the current method for establishing affordable housing and includes an assessment of current needs, projected need (newly forming and existing households) and an estimate of the supply of housing. The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. The calculation as to how many households will require AHO products is therefore derived from the number of households who earn enough to rent privately, but not enough to buy. These income thresholds are £43,100 and £90,000 respectively.
- 8.68 For the supply of affordable home ownership, analysis of Land Registry has been undertaken with the supply figure taken to be half of the volume of lower quartile market sales plus resales of shared ownership. (see below).
- 8.69 The table below shows that, by employing this method, and there is an estimated need for around 1,248 units of affordable home ownership per annum. This figure should be seen as indicating the potential demand for such accommodation, as it should be remembered that all of the households picked up in this analysis would be able to afford market housing in the private rented sector without subsidy.

Table 18: **Estimated level of need for affordable home ownership (per annum)**

	Per annum	2019-2037
Current need	141	2,536
Newly forming households	1,326	23,862
Existing households falling into need	423	7,609
Total Gross Need	1,889	34,008
Supply (50% LQ supply)	605	10,881
Supply (resales of AHO)	37	666
Net need	1,248	22,461

Source: Derived from Census (2011)/Projection Modelling/Land Registry and affordability analysis

- 8.70 Based on this analysis it seems reasonable to suggest that the LBW could consider seeking at least 10% of all housing (on larger sites) to be affordable home ownership. It is however important to be mindful of the main analysis of affordable need also showed a notable level of need, and one involving households who cannot afford anything in the market without subsidy.
- 8.71 Given the substantial interest in home ownership in the Borough, and the need to preserve flexibility in the market for subsidized dwellings, the evidence supports affordable routes to home ownership of 35% (Starter Homes, Discounted Market Sales and Shared Ownership) of overall supply of affordable housing units.

- 8.72 However, bearing in mind the substantial need for affordable rented dwellings, it might not be appropriate to increase the provision of affordable home ownership products (Starter Homes, Discounted Market Sales and Shared Ownership) substantially above the 35% figure as this would impact the delivery of affordable housing for those on lower incomes. The 35% recommended figure, however, does not include the London Living Rent tenure. Although the emerging London Plan classifies it as an intermediate tenure, it provides a route to home ownership, and importantly it has the potential to meet the housing need of households with income of £43,100 or less.

LBW's Affordable Home Ownership register

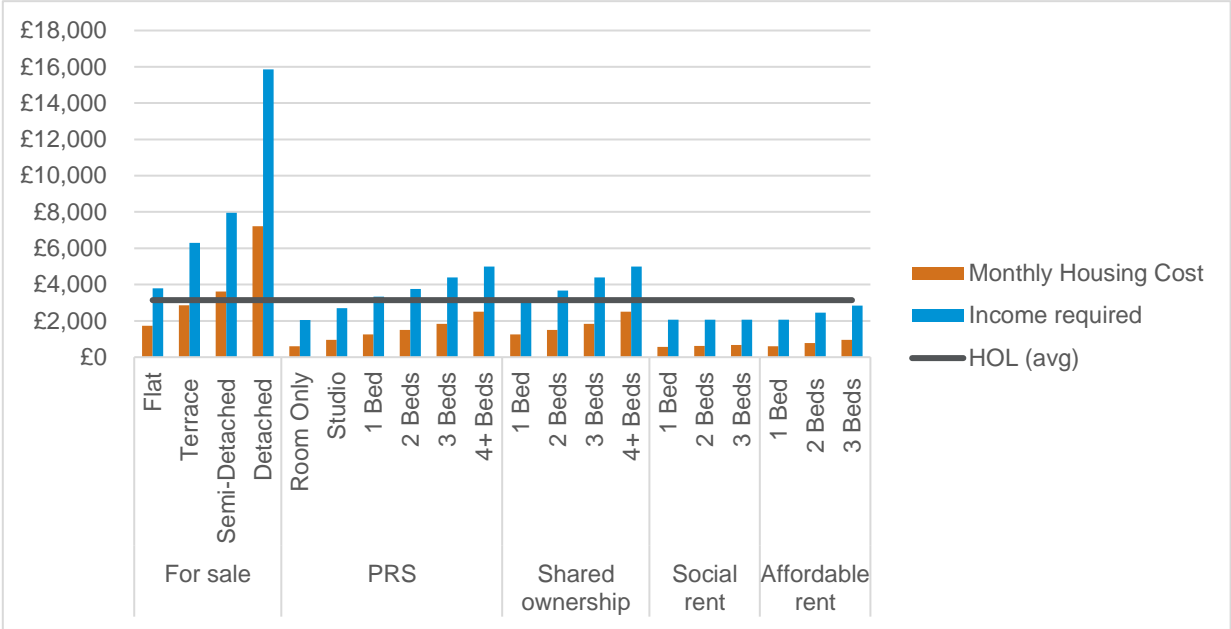
- 8.73 LBW maintains a list that allows residents to notify the Council of their interest in home ownership. This amounts to an alternative means of quantifying need for affordable home ownership (AHO) products. As at 31st March 2019 there were 4,363 residents registered on the LBW's Home Ownership listing interested in acquiring low cost home ownership³³.
- 8.74 Drawing on the data captured on the Council's list, LBW has commented as follows:

*"It should be noted that whilst some households on the home ownership list may have an aspiration to own, they may not at the present be in a position to purchase. The average income for those on the Home Ownership Team list is £37,700 per annum. Analysis of those registered indicates, therefore, that the Council should continue to secure as far as possible the delivery of low-cost homeownership housing affordable to a spread of incomes."*³⁴

³³ Ibid, page 12 (para 38)

³⁴ LBW, Report on the Affordable Housing Development Programme 2018/19, Paper No. 19-167, page 39 (para 39)

Figure 13: Housing affordability by tenure



Source: Various

- 8.75 It is therefore worth considering the affordability of homes for households on the average income of £37,700 on LBW's Home Ownership listing (HOL). The figure above suggests households with this level of income would not be able to buy any size of home with a mortgage.
- 8.76 The tenures and sizes that would be available to them however are rooms, studio and 1 bed flats in the PRS and any size of Social Rent dwelling. Assuming ineligibility for Social Rent dwellings, and in order to avoid PRS, they can afford intermediate affordable housing options in the form of a 1 bed Shared Ownership unit, and any size of London Living Rent unit. These provide a route to home ownership.
- 8.77 Taking into account that the income required to afford London Living Rent dwellings in LBW (£24,000) is lower than the average income of those on the Wandsworth's Home Ownership list, it may be appropriate to increase the provision of affordable home ownership products over the recommended 35% figure. In this case, LBW would need to ensure that the affordable home ownership tenures are focused on London Living Rent dwellings to cater for the needs of lower income households.

Essential Local Workers

- 8.78 The NPPF defines Essential Local Workers (ELW) as “public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police,

firefighters and military personnel, social care and childcare workers.”³⁵ The government, in arriving at a definition of affordable housing, notes that these tenures enable local authorities to support the provision of dwellings for such workers.

- 8.79 They are important economically in providing the social infrastructure which enables business to flourish. Data on key workers can also act as a proxy for others in the private sector (often providing outsourced public services) on lower wages or salaries, who will face the same challenges in managing household finances.
- 8.80 The table below provides a rough guide to the pay for three types of essential local workers, nurses, teachers and police officers. For each profession, two grades have been identified, a junior member with around 3 years' experience and a more senior colleague.
- 8.81 Within this group, the salary range is between £26,970 per annum (pa) and £59,802 pa. The average monthly salary for a junior member is £2,512 and for a senior £4,366. The Affordability Ratio (AR) is also noted for these groups based on the purchase price in Wandsworth of a lower quartile dwelling valued at £404,000.
- 8.82 The AR ranges from 14.98 for a nurse to 6.76 for a teacher who has achieved middling seniority. This indicates that no essential local workers would be able to afford to buy a home in Wandsworth on the strength of their salary alone, although the more senior category of staff would be able to buy a dwelling valued at around £400,000 assuming they were able to raise a deposit worth 10% of the value of the property.

³⁵ National Planning Policy Framework, Glossary, page

Table 19: **Essential local workers, pay and affordability of entry-level properties**

Profession	Type	Assumptions	Annual salary	AR
Nurse	Nurse	Band 5 with 3-4 years' experience	£26,970	14.98
	Advanced nurse	Band 7 with 7-8 years' experience	£44,503	9.08
Teacher	Teacher	3-4 year's experience working in London	£36,000	11.22
	Leading practitioner	Middle seniority	£59,802	6.76
Police officer	Constable	Pay point 4 (3 years' experience)	£27,471	14.71
	Inspector	Pay point 1	£52,863	7.64

Source: Various³⁶

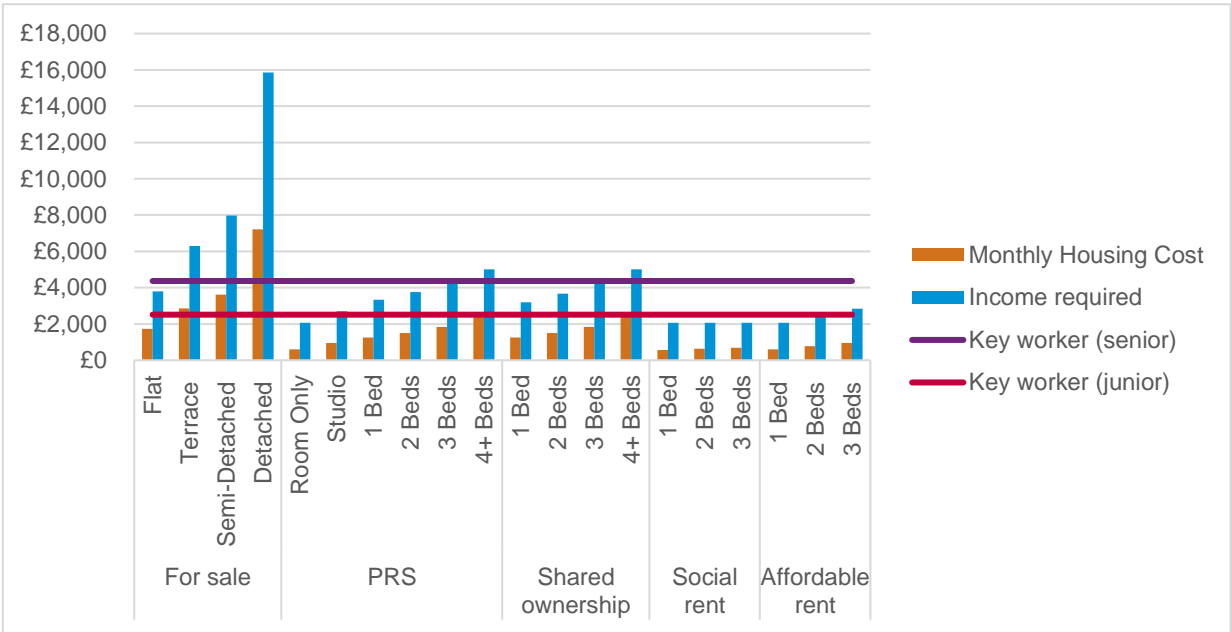
- 8.83 The figure below provides a graphic representation as to the affordability of different homes by size and tenure for essential local workers based on the average income for junior and senior members of the three professions considered above. Where the horizontal lines (income at different points) is above the orange bar (cost of housing) this is an affordable tenure and size for that particular income and vice versa.
- 8.84 This figure shows that junior members will be able to afford Social Rented dwellings (all sizes), Affordable Rent dwellings (1 and 2 bed units) and a “room only” or (at a push) a studio in the PRS.
- 8.85 It is feasible, therefore, for junior colleagues to access London Living Rent as a route to home ownership if they wish given the intention of the GLA that this tenure should be based on sub-market rents to allow savings to go towards a deposit for a home ownership product.).
- 8.86 As noted earlier, relatively senior members of the profession are able to afford entry-level for sale dwellings assuming they are able to raise a deposit. They are also able to afford most other tenures and sizes of home, apart from 4 bedroom dwellings in the PRS and Shared Ownership tenures.
- 8.87 Essential local workers should therefore be able to either buy once they have reached a certain level of seniority (with 7-10 years' experience), although the size of home they may be able to buy with a mortgage

³⁶ <https://www.nurses.co.uk/careers-hub/nursing-pay-guide/#nhs-pay-table-agenda-for-change-2020-21> (visited 02/06/20)
<https://getintoteaching.education.gov.uk/teachers-salary-and-teaching-benefits/teachers-pay-scale-salary#:~:text=Teachers'%20salaries,-When%20you%20choose&text=As%20a%20newly%20qualified%20teacher,a%20headteacher%2C%20in%20inner%20London> (visited 02/06/20)
https://www.policeoracle.com/pay_and_conditions/police_pay_scales.html (visited 02/06/20)

may not be suitable. Alternatively, they have the option of an Affordable Home Ownership product, either Shared Ownership or London Living Rent in order to exit the PRS.

8.88 We have not quantified the need for key workers as there is no information on how many teachers, nurses, policy officers and other essential local workers live in the district nor want to live in the district. We have however examined the cost of housing and the typical earnings of such groups. Where the earnings do not reach that required for housing in the Borough then they would be picked up in the affordable housing need. If the Council wish to prioritise these workers, then they would need to start a register to gauge actual demand.

Figure 14: Essential local workers, housing affordability



Source: Various

8.89 The Council may also wish to introduce criteria for affordable home ownership products which prioritise those with such roles before being offered to the wider market after a period of time. This would require a register of those interested in such products.

The Cost of Affordable Home Ownership Homes

- 8.90 As part of the LHNA, it is important to identify what the cost of affordable home ownership should be. In this section we look at discounted market sales housing and Shared Ownership dwellings.

Discounted market sales housing

- 8.91 The Annex 2 definition suggests that such housing should be made available at a discount of at least 20% from Open Market Value (OMV).
- 8.92 The problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means housing is more expensive than that typically available in the open market. Particularly if that discount is applied to new-build accommodation which itself already attracts a premium.
- 8.93 The principle purpose of AHO products is to provide a pathway to ownership from other tenures, in particular PRS. It is therefore important that AHO products are priced at a level such that they are competitive when compared with the cost of an equivalent product in the PRS.
- 8.94 The preferred approach in this report is therefore to set out a series of affordable purchase costs for different sizes of accommodation. These are based on equivalising the lower quartile private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. Setting higher prices would mean that such housing would not be available to many households for whom the Government is seeking to provide an 'affordable' option.
- 8.95 Table 19 sets out these figures and suggest that numbers are not set at any more than the midpoint of the range. We also note that for 4+ bedroom homes that the income required may well be in excess of the typical £90,000 suggested by the GLA. These figures can be monitored and updated every six months by reference to VOA data³⁷.

Table 20: **Affordable home ownership prices (2018 base)**

	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Lower limit	£190,000	£228,000	£280,000	£380,000
Upper limit	£330,000	£470,000	£570,000	£775,000
Midpoint (maximum)	£260,000	£349,000	£425,000	£577,500

Source: Derived from VOA and Land Registry data

³⁷ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/march2018/relateddata>.

- 8.96 As demonstrated, we do not believe that 1-bedroom affordable home ownership products should exceed £260,000 rising to £577,500 for a 4-bedroom unit.

Shared Ownership

- 8.97 The same can also be done for shared ownership scheme although by their nature this is a slightly more complex approach. For example, the cost would be dependent on the percentage purchased or rent being charged.
- 8.98 The calculations below present the maximum equity share for housing to be affordable (i.e. to achieve a level of outgoings the same as accessing the bottom end of the private rented sector). For the purposes of the modelling, the following have been assumed:
- OMV at LQ price plus 10% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced slightly above a LQ level);
 - 10% deposit;
 - Rent at 2.75% pa on unsold equity;
 - Repayment mortgage over 25-years at 4%; and
 - Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes)
- 8.99 The figures suggest that households will struggle to afford Shared Ownership across all sizes of dwelling where the equity share is greater than 36%.

Table 21: **Estimate affordable equity share by size of dwelling**

	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
OMV	£363,000	£517,000	£627,000	£852,500
Share	36%	17%	26%	26%
Equity bought	£129,228	£87,373	£164,588	£222,076
Mortgage needed	£116,305	£78,636	£148,129	£199,869
Monthly cost of mortgage	£614	£415	£782	£1,055
Retained equity	£233,772	£429,627	£462,413	£630,424
Monthly rent on retained equity	£536	£985	£1,060	£1,445
Service charge	£100	£100	£0	£0
Total cost	£1,250	£1,500	£1,842	£2,500

Source: GLH Modelling

- 8.100 As noted, in order to meet the target market LBW could seek to engage with registered providers to ensure shared ownership products are made available to those households earning more than that to rent privately (>£42,615) but below the maximum shared ownership thresholds set out by the GLA above

(£90,000). In such a way, AHO tenures will be effective in providing an alternative tenure to PRS for those who seek it.

Other forms of affordable tenures

- 8.101 The GLA (including in the draft London Plan) sets out a range of different affordable tenures and the eligibility for different types of home (often based on a maximum household income). Three tenures are a 'Mayor's preferred affordable product' and these are discussed below. The three tenures are:
- London Affordable Rent
 - London Living Rent
 - London Shared Ownership.
- 8.102 London Affordable Rent is a rental product for households on a low income with the rent level effectively being equivalent to a social rent. This is a different definition to the NPPF which defines affordable rent as up to 80 per cent of market rent. The Mayor recognises that to make sure rents in London are 'genuinely affordable' the benchmarks need to be set substantially below this level (at approximately 50%).
- 8.103 The London Living Rent (LLR) is classed in the draft London Plan as an "intermediate" product, and offers households on average incomes a lower rent with the aim of enabling them to save for a deposit as a step towards home-ownership. LLR levels are set at a ward level with figures published by the GLA on an annual basis. Where funded by the GLA, LLR is intended to be a Rent to Buy product, with sub-market rents on time-limited tenancies. LLR is available to households with an income of up to £60,000.
- 8.104 London Shared Ownership, also an intermediate product, allows London households who would struggle to buy on the open market the option to purchase a share in a new home and pay a low rent on the remaining, unsold, share. London Shared Ownership is available to households with an income of up to £90,000.
- 8.105 The emerging London Plan also allows for other affordable housing products as long as they meet a broad definition of affordable housing and are 'genuinely affordable'. For dwellings to be considered as affordable, annual housing costs should be no more than 40% of a household's net income. However, for different areas with different incomes the threshold will be different.
- 8.106 In the context of the needs analysis in this report, it is suggested that both London Affordable Rent and London Living Rent tenures would meet the needs identified in the affordable housing need (standard definition) analysis above; the affordable rent product (due to lower rents) would, however, be potentially available to a greater number of households. The London Shared Ownership tenure is considered to be

within the widened definition of affordable housing and to some extent the LLR overlaps between the two categories of need.

8.107 In terms of developing an affordable housing policy, Policy H6 of the Intend to Publish London Plan says the following:

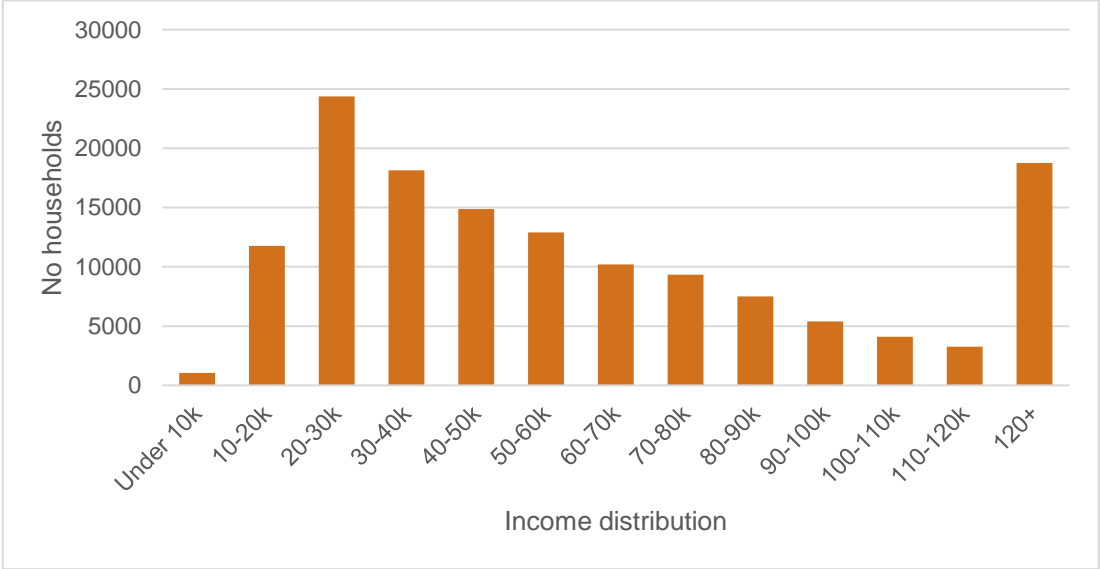
The following split of affordable products should be applied to development:

- 1) a minimum of 30 per cent low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes*
- 2) a minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared ownership*
- 3) the remaining 40 per cent to be determined by the borough as low cost rented homes or intermediate products (defined in Part A1 and Part A2) based on identified need*

8.108 Based on this, it will be necessary for the LBW to consider what form of housing the final 40% should take. As an overarching principle, the Council should have regard to the evidence of need set out in this report. However, the following guidance takes into account the distribution of income to show an appropriate split of affordable tenures within the three types set out in Policy H6.

8.109 The distribution of household income is set out in the figure below. The median income is around £50,000, this suggests that a substantial proportion of households in Wandsworth are eligible for some form of affordable housing based on income criteria alone.

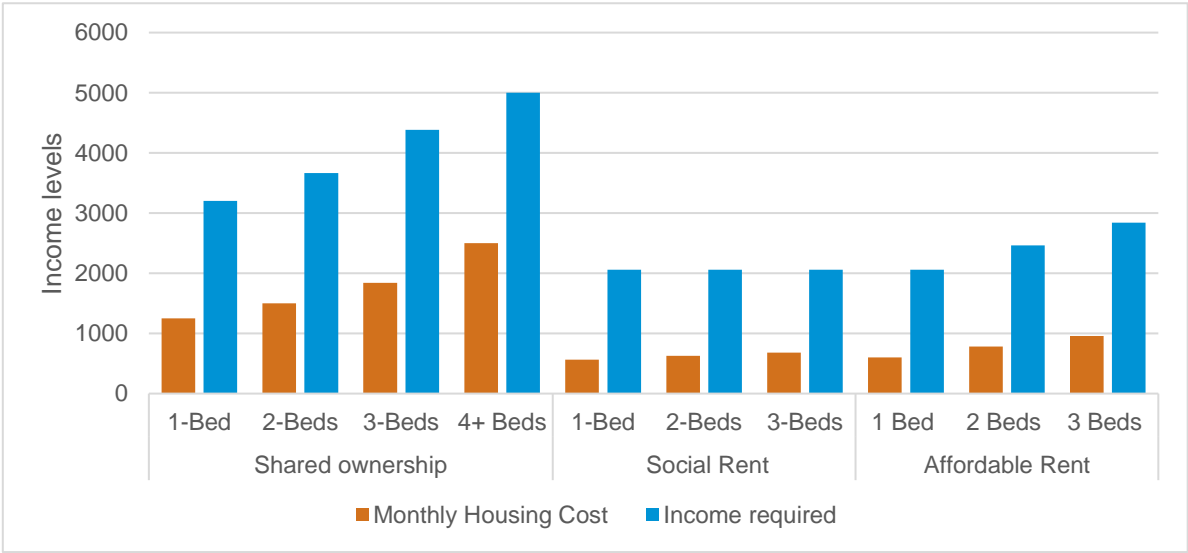
Figure 15: Distribution of Household Income (mid-2018 estimate)



Source: Derived from EHS and ONS data

- 8.110 In the figure below the income required to afford different tenures and sizes of affordable home are set out. This shows that the income required to afford Social Rent dwellings (or London Affordable Rent) is around £2,000 per month, or £24,000 pa.
- 8.111 The income required to afford an Affordable Rented (London Living Rent) home starts at around the same amount for Social Rented dwelling, rising to around £2,800 per month (or £33,600pa) for a 3 bedroom home.
- 8.112 Shared ownership is however more expensive, with a required income of around £3,200 per month (£38,400pa) for smallest type of home, increasing to the GLA income cap of £7,500 per month (or £90,000pa).

Figure 16: Income required for different affordable housing tenures



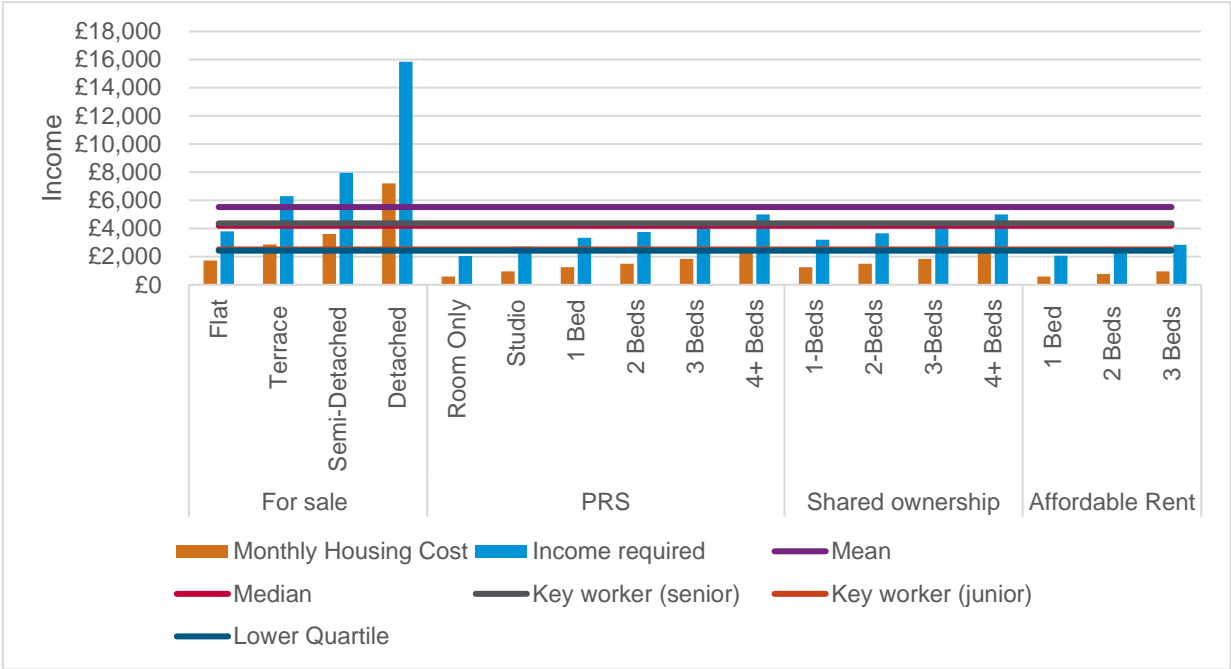
Source: GL Hearn Calculations

- 8.113 In the event viability restricts the preferred balance of tenures, it is suggested that the LBW considers London Living Rent (which can provide a route into home ownership) ahead of London Shared Ownership as a preferred tenure.
- 8.114 Whilst London Shared Ownership is an affordable tenure (in line with both the draft London Plan and the NPPF), it is likely to be the tenure that is available to the fewest number of households with a need (due to having a higher housing cost). Thus, London Living Rent is likely to be the tenure best placed to provide those with a route out of the PRS to those on lower incomes who wish to do so.

- 8.115 The Council does have the opportunity, however, to address the affordability of Shared Ownership dwellings through policy. LWB's current Intermediate Housing Policy has been in place since January 2011 with the aim of ensuring that Shared Ownership dwellings are developed and sold in the Borough are targeted to local residents and those working in the Borough. It also ensures that homes are made available to those on a spread of incomes (one bedroom units are affordable to households with an income of £48,500, two bedroom units to those with an income of £58,500 and three bedroom homes to those with an income of £65,000).³⁸
- 8.116 It has been observed that Housing Associations have been able to sell Shared Ownership dwellings at prices consistent with LBW's target incomes without breaching the GLA policy that housing costs (including mortgage, rent and service charges) are expenditure equates to no more than 40% net income or 70% of gross income.
- 8.117 If implemented in accordance with the existing adopted policy, Shared Ownership would meet the needs of working households on low to middle incomes. These households do not have priority for social housing and are unable to afford most forms of market housing.
- 8.118 The aim of the Council should be to support a broad range of tenures that responds to demographic trends and helps maintain mixed and balanced communities.
- 8.119 The figure below provides a graphic representation of the affordability of different homes by size and tenure. Where the horizontal lines (income at different points) is above the orange bar (cost of housing) this is an affordable tenure and size for that particular income and vice versa.

³⁸ LBW Housing and Regeneration overview and scrutiny committee, 24/06/19, page 12,15

Figure 17: Cost of Housing Versus Incomes



Source: GL Hearn Calculations

- 8.120 The chart indicates that that the PRS requires a much lower income than for sale dwellings. PRS therefore provides access to relatively affordable accommodation for households across the income distribution.
- 8.121 The median income line indicates that around 50% of all households can afford to rent a dwelling of 3 bedrooms or less the PRS, again indicating this is a suitable tenure for households on modest incomes who are not in a position (or who do not wish) to buy.
- 8.122 For households on a median income of £4,200pcm seeking to buy, they are able to afford an entry level for sale dwelling. Affordable Home Ownership dwellings (Shared Ownership and London Living Rent) should also be affordable to households at this income level, providing a route out of PRS.
- 8.123 It is worth re-iterating that the cost of housing in the PRS is very close to the cost of Shared Ownership dwellings. As a result, AHO products provide a realistic route out of PRS for those that wish to do so. In particular, London Living Rent, which should be priced as an intermediate affordable product in line with rents paid on Affordable Rented homes.

- 8.124 As regards households on lower income levels (“junior” key workers and those on Lower Quartile incomes) the role of Affordable Homes is clear, with those households likely to rely on Affordable Rented homes to access dwellings suited to their needs.
- 8.125 We note that dwellings for Social Rent are also likely to be suitable for people on very low incomes and in receipt of housing benefit.
- 8.126 We note that, as part of the process of developing the Local Plan, a Whole Plan Viability Assessment will be undertaken following PPG³⁹ to confirm that affordable housing policies are unlikely to threaten the viability of development in the Borough.

Affordable housing split

- 8.127 The overall need for affordable homes (3,575dpa) exceeds the Borough’s housing target set out in the draft London Plan (1,950dpa). We note that it will be extremely challenging for the Council to satisfy this level of need for affordable housing. An important exercise is therefore to identify those in priority need.
- 8.128 The London Plan requires that a minimum of 30 per cent of affordable housing is provided as low cost rented products, 30 per cent as intermediate products, with the remaining 40 per cent to be determined by the Borough. There is a presumption that the 40 per cent to be decided by the Borough will focus on Social Rent and London Affordable Rent given the level of need for this type of tenure across London.
- 8.129 There is a significant number of households on Wandsworth’s Housing Register (8,800 as of 31st March 2020), This indicates the high levels of need for social housing in the borough. The GLA’s Housing in London (2019) report indicates that households moving into social housing (including Affordable Rent) have by far the lowest incomes, with half of them on less than £13,000 a year and the vast majority (approximately 90%) on less than £25,000 a year⁴⁰. However, the acute need for these tenures and the distribution of income among households moving into social housing also mean that low-cost rented products will only be available to households on a relatively narrow range of incomes.
- 8.130 For this reason, the provision of Social Rent and London Affordable Rent must be balanced against the need to provide intermediate housing for those households on low to middle incomes that do not have priority for social housing and are unable to afford market housing. This generally relates to households with incomes between £25,000 and £90,000 a year.
- 8.131 The analysis indicates that intermediate tenures, such as London Shared Ownership and London Living Rent, are both viable options that can assist in fulfilling this aspiration. Other intermediate housing for rent

³⁹ PPG Paragraph: 059 Reference ID: 61-059-20190315

⁴⁰ https://www.london.gov.uk/sites/default/files/housing_in_london_2019.pdf, page 67

such as Affordable Rent at 80% market discount can also be appropriate in certain circumstances as long as rents do not exceed the LHA limits within the Broad Rental Market Area that the site falls.

- 8.132 Although, the London Plan indicates that the 40 per cent proportion of affordable tenures to be decided by the Borough should focus on Social Rent and London Affordable Rent, the analysis indicates that the intermediate London Living Rent tenure also has the potential to meet the housing need of low-income households in LBW. It might therefore be sensible to allocate up to 50 per cent (20 percentage points) of the discretionary target to intermediate tenures as long as future policies prioritise London Living Rent over Affordable Rent at 80% market discount dwellings, which are less affordable.

Summary of Affordable Housing Need

- Analysis has been undertaken to estimate the need for affordable housing by 2037. The analysis is split between a 'traditional' need (which is mainly for social/affordable rented accommodation) and is based on households unable to buy or rent in the market and the expanded definition of need introduced by the revised NPPF/PPG (which includes housing for those who can afford to rent privately but cannot afford to buy a home).
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, consideration is given to household projections and estimates of the supply of social/affordable rented housing.
- The analysis estimates a net need of 2,327 affordable rented dwellings per annum over the 2019 to 2037 period.
- Living rents provide an indication of the aspiration level of affordable rent might be pitched at on a monthly basis. For LBW, rents at £600 for 1-bedroom, £780 for 2-bedroom and £959 for 3-bedroom is suggested.
- However a more realistic indication of the maximum level for an affordable rented product, is that these should be capped at the lower of 80% market rent or LHA limit. Living rents should also not exceed LHA limits.
- In terms of affordable home ownership, the analysis estimates a net need of 1,248 per annum between 2019 and 2037.
- The analysis has suggested purchase costs for different property sizes. These are based on equivalising the lower quartile private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. The midpoint suggested price for a 1-bedroom is £260,000 rising to £577,500 for 4+ bedrooms.
- If the Council seeks to provide 10% of all housing on site as affordable home ownership, then it is suggested that Shared Ownership is the most appropriate option, rather than discounted market sales housing.
- In terms of other forms of affordable tenures, the GLA set out a range of seven different tenures and the eligibility for different types of homes (based on maximum household income). The Mayors preferred affordable products are London Affordable Rent, London Living Rent and London Shared Ownership.
- It is important to note that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided.

9 PRIVATE RENTED SECTOR

Introduction

- 9.1 In this section, it is important to distinguish between the private rented sector (PRS) and Build to Rent (BtR). The former is a loosely defined umbrella term that covers all dwellings available marketed for rent by private landlords, be they individuals or organisations.
- 9.2 BtR are defined in the NPPF⁴¹ and typically comprise developments of multiple units (often in excess of 100), are institutionally owned and managed and should be subject to longer tenancies designed to offer greater security and stability⁴². Moreover, they can contribute to the delivery of affordable housing in the form of Affordable Private Rent. Because of this, and on account of the non-sale covenants BtR schemes usually carry, the stipulation for 10% of new build dwellings to be AHO does not apply to BtR development.⁴³
- 9.3 In addition, since September 2018, a section of PPG has been provided that sets out the Government's expectations of LPAs in planning for BtR. This should be considered as part of a LHNA taking 'into account the need for a range of housing types and tenures in their area including provisions for those who wish to rent. The assessment will enable an evidence-based planning judgement to be made about the need for build to rent homes in the area, and how it can meet the housing needs of different demographic and social groups'.⁴⁴
- 9.4 This section therefore looks at a range of statistics in relation to the PRS in Wandsworth. Where reasonable, comparisons are made with other tenures (i.e. owner-occupied and social rented) as well as contrasting data with other areas. The aim is to bring together a range of information to inform the need for additional private rented housing in the study area.
- 9.5 This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time.
- 9.6 These factors include: mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing which is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation.

⁴¹ NPPF, page 65

⁴² PPG, Paragraph: 010 Reference ID: 60-010-20180913

⁴³ NPPF, para 64

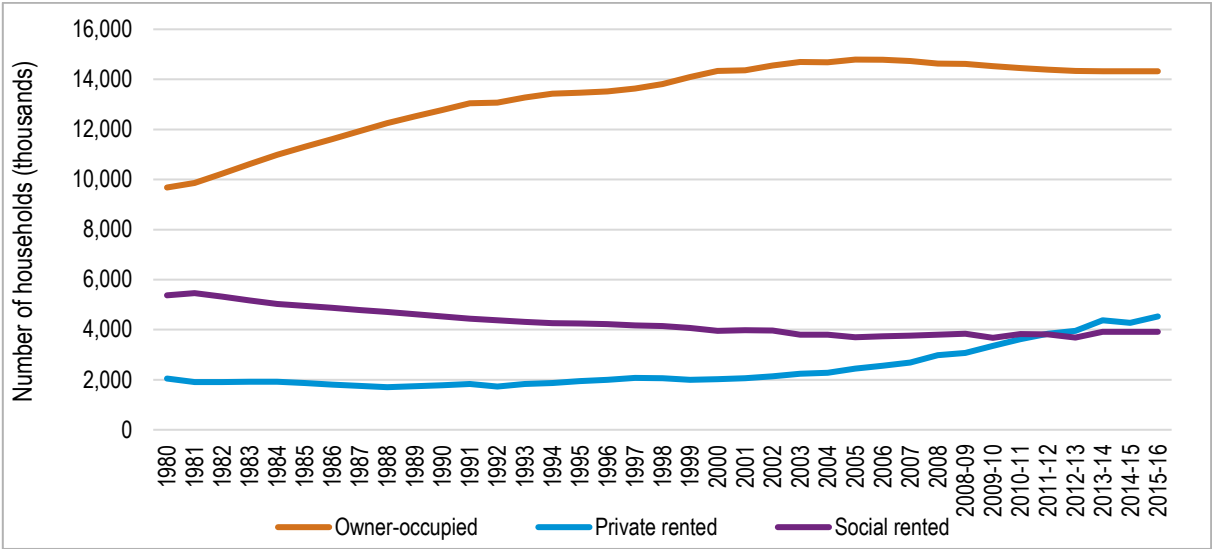
⁴⁴ PPG, Paragraph: 001 Reference ID: 60-001-20180913

- 9.7 If the overall supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting. It is therefore difficult to base anything on past trends when a step change in delivery is expected.

Size of the Private Rented Sector

- 9.8 The analysis in Chapter 2 has identified the tenure split of housing from the 2011 Census for LBW in comparison to London and England. This found a total of 41,317 households living in PRS in LBW – 30% of all households. This proportion is higher than both the national average at 16% and London's average at 25.1%.
- 9.9 The vast majority of households in the PRS are living in housing rented from a private landlord or through a letting agency, with fewer households living rent free (mainly households living in housing owned by a relative or friend).
- 9.10 Between Census periods, the number of households in PRS has increased in LBW by 65%. This proportional increase is less significant in the Borough compared to the trend in London (79%) and England (89%).
- 9.11 In conjunction with the significant growth in the number of households living in PRS, there has been a decline in the number of households living in social rented housing and households that own with a mortgage.
- 9.12 Robust data on PRS trends following 2011 is not available. However, a national perspective can be drawn from the English Housing Survey (EHS) which has data up to 2016.
- 9.13 As illustrated in the figure below, since 2011 there has been a 25% growth in the number of PRS households nationally and a slight decrease in the number of owner occupiers. If this growth rate was applied to Wandsworth, this would result in around 51,646 households now living in the PRS.

Figure 18: Trends in tenure, 1980 to 2015-16 – England

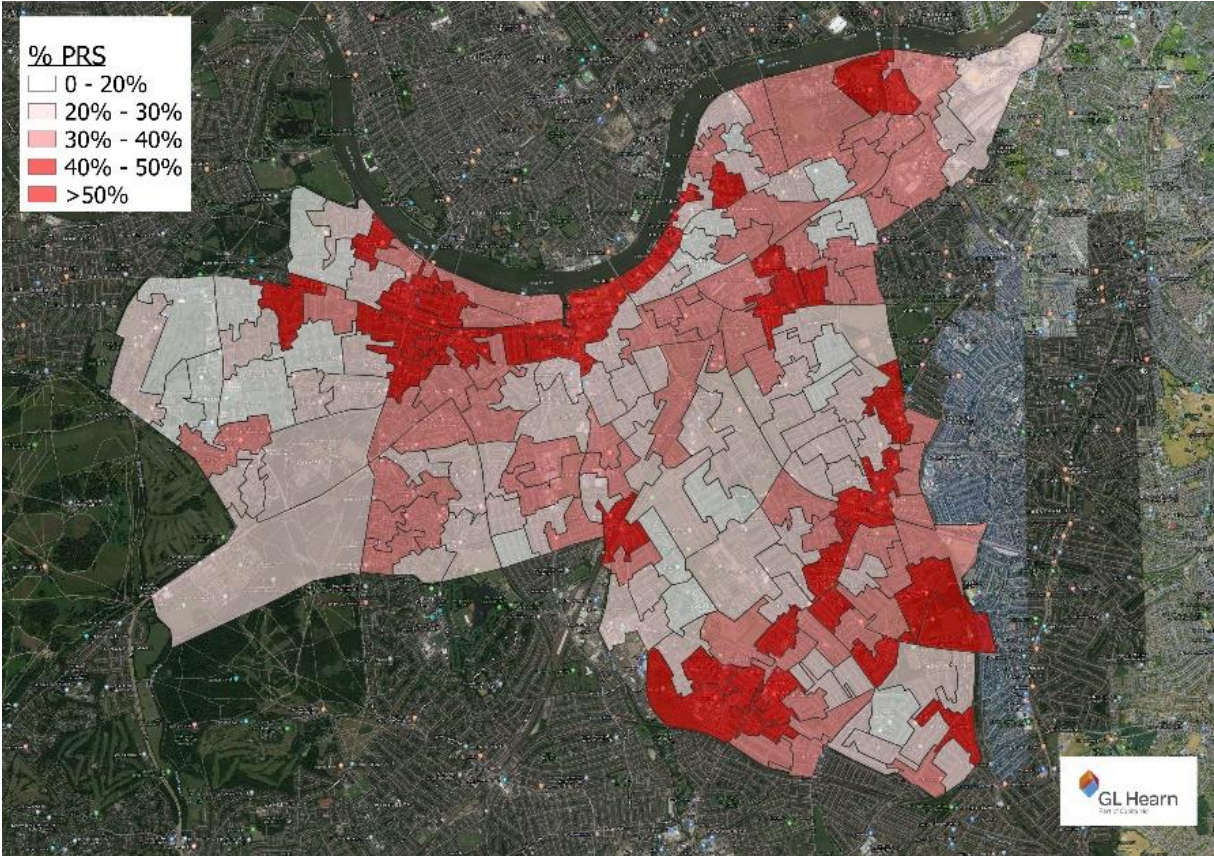


Source: English Housing Survey

Distribution of PRS in Wandsworth

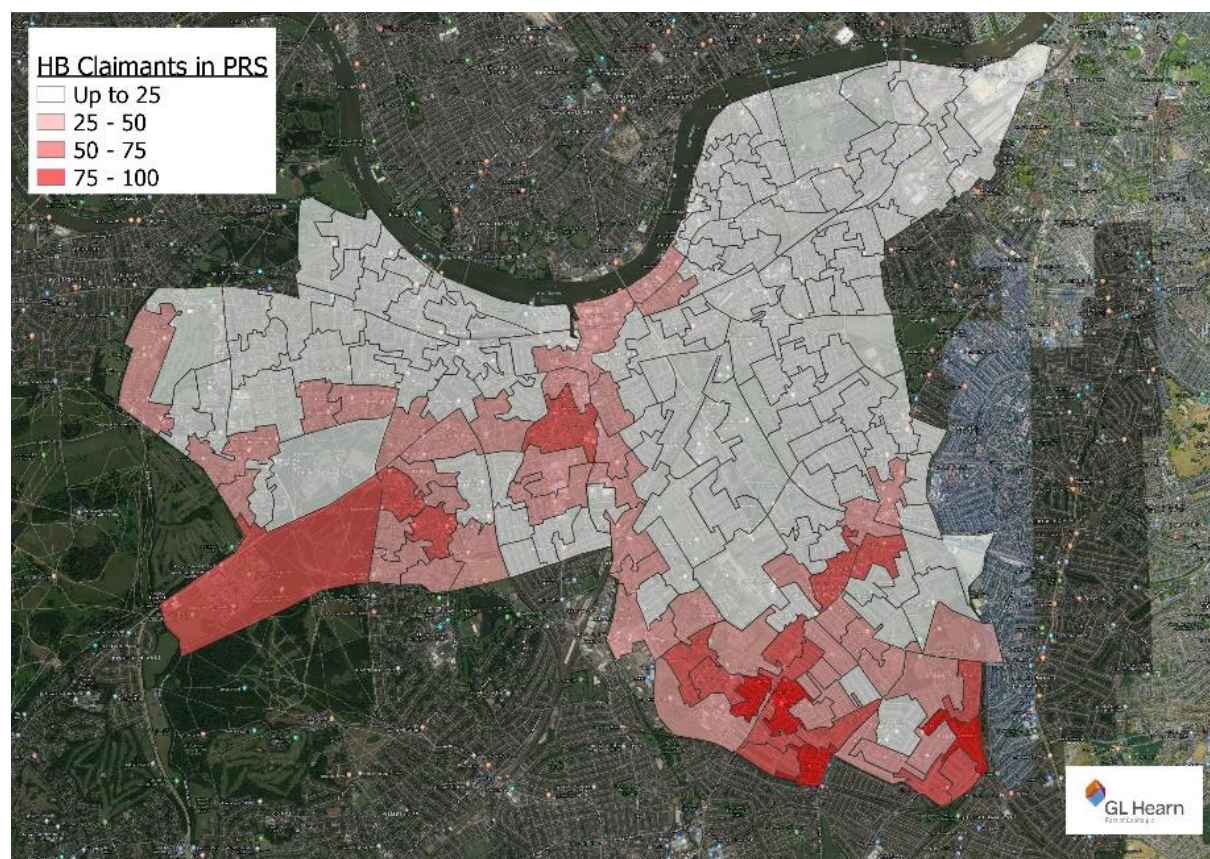
- 9.14 Households which rent privately often live in some of the worst quality, poorly managed accommodation. Furthermore, some private renters face arbitrary evictions and unjustified rent increases, which is particularly damaging for households with children. There is also some evidence that concentrations of PRS dwellings can result in negative socio-economic trends such as falling land values and unbalanced communities in terms of household types and income levels.
- 9.15 This can make the provision of additional housing (particularly affordable housing) challenging with some Housing Associations deciding not to invest on viability grounds. In some neighbourhoods in England these factors have led to pockets of relative deprivation where poor quality PRS becomes the norm.
- 9.16 The LNHA has therefore gathered data that presents the distribution of PRS in the Borough at the Lower Super Output Area (LSOA) level. This is set out in the figure below. This shows areas of relatively high concentration along the river at Battersea Reach, In Putney and in the south eastern parts of Wandsworth around Tooting and Balham. In some LSOAs the proportion of all dwellings that are in the PRS has reached 50%.

Figure 19: Distribution of PRS in Wandsworth (LSOA level)



Source: ONS, Census 2011

9.17 The figure below illustrates Housing Benefit claimants who are living in PRS. The LSOAs that record both high levels of PRS housing and a high count of households claiming housing benefit are in and around Tooting and in Putney Vale. This reflects the difference in property values between river edge development and in the urban core. Much of Wandsworth Riverside was built-out in the 90s and 00s as relatively expensive accommodation and sold to owner occupiers and buy to let investors, leaving a legacy of more expensive PRS dwellings along the river.

Figure 20: Distribution of housing benefit claimants in Wandsworth (LSOA level)

Source: DWP, 2020

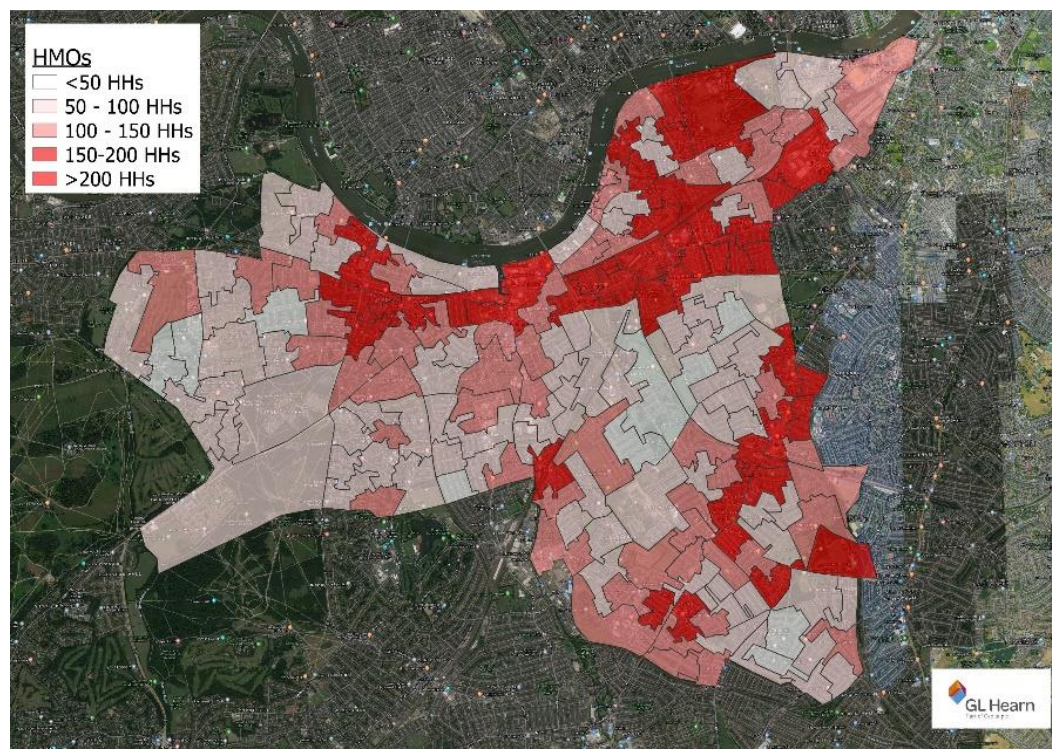
- 9.18 On the basis of the evidence gathered, it is reasonable to recommend that the LBW should monitor the growth of PRS in the south east of the Borough and consider taking steps to ensure a balance of tenures is maintained. It is however important to emphasise that the issue of poor quality private rented housing applies to existing private rented accommodation comprising of mainly older housing stock, and to existing HMOs. Conversely, it does not apply to Build to Rent (BtR) housing, which is a relatively new type of delivery model providing high quality, purpose-built homes which are collectively professionally managed and with longer tenancies for those who want them.
- 9.19 It is also acknowledged that the balance of tenures among existing housing stock might be difficult to control given that it is impossible to prevent homeowners from letting out their properties. The scope to control the concentration of HMOs is also limited as it is permitted to change a Use Class C4 HMO property to a Use Class C3 dwelling house without the need for planning permission, and vice versa. Planning permission is however required for the use of land and buildings for larger HMOs which are

defined as being a 'sui generis' use. Therefore, LBW should explore options to control the concentration of larger HMOs in areas with substantial concentrations of such accommodation.

- 9.20 It may also be appropriate to site high quality affordable accommodation in this area (potentially using commuted sums from developments in more affluent areas of the Borough). This would firstly enable the Council secure more affordable housing than would be possible in areas of higher value, and secondly it offers a means of increasing choice for people on lower incomes in the south east and, finally, support the maintenance of mixed and balanced communities in these areas.

Co-living in Wandsworth

- 9.21 It has been noted that roughly a third of homes in the PRS are HMOs (see para 10.30). This has led to an adjustment to our modelled outputs for the number of new homes that should be affordable home ownership dwellings (slightly increasing the proportion of smaller homes).
- 9.22 An additional policy option could be to support co-living in the Borough. These are purpose built residential blocks of non-self-contained units that offer an alternative to traditional HMO accommodation. The value that co-living can create for the occupier, if properly designed and managed, can be one of convenience, social interaction and a good quality living environment in terms of access to facilities and accommodation.
- 9.23 There is a direct parallel with the way the emerging BTR sector is “disrupting” the traditional PRS offer by offering a higher quality purpose-designed alternative. The figure below shows the distribution of HMOs in Wandsworth, disaggregated to the LSOA level. This suggests a preference for sharers for the North Eastern parts of the Borough around Clapham Junction in Battersea, Putney and Balham.

Figure 21: Distribution of HMOs in Wandsworth (LSOA level)

Source: ONS, Census 2011

- 9.24 Co-living is a development type designed around the needs of single, younger people who cannot afford to rent a self-contained home, and are looking for a more professionally managed, more aspirational alternative to the traditional HMO. As a development type, it is in its infancy in London partly because of its unorthodox character; its status as 'sui generis' (rather than within a residential use class for planning purposes), and that it is seen to contravene national space standards.
- 9.25 Co-living is a sub-set of BTR and, like BTR, is offered at a rent that is more than the equivalent product in an HMO. As noted earlier, the average monthly rent for a room only in Wandsworth is £600; for a studio, it is £950. This is exclusive of other costs such as council and tax utility bills.
- 9.26 In co-living developments, the rent paid on a room is all inclusive of council tax and utility bills. In the table below we set out costs for two developments offering a private space in a multi-unit block. In order to compare with rents charged in traditional HMOs, it is necessary to identify the rent element within the overall monthly costs. To do this, it is assumed these charges come to 10% of monthly charges, and this is deducted to arrive at the "rent" figure.

- 9.27 At this rent, to arrive at an understanding of affordability, it is reasonable to assume housing costs should constitute around 35% of income. This results in a required income of £33,228 pa to rent a room in the Collective scheme in Old Oak and £36,174 in the Gravity development in Finsbury Park. This is a substantially higher cost to a “room only” arrangement in an HMO, but slightly lower cost to a studio flat in the PRS.

Table 22: **Co-living developments in London**

Development	Local Authority	Room	Rent	Monthly income required	Annual income
Collective Old Oak	Hammersmith & Fulham	Room 1 psn + en suite	£975	£2,769	£33,228
Gravity Finsbury Park	Islington	Room 1 psn + en suite	£1,061	£3,014	£36,174

Source: web research

- 9.28 Co-living does not however provide an alternative route to affordable housing to people on lower quartile incomes. Also, it is not a viable alternative to affordable housing firstly, given that it is substantially more expensive, on a sqm basis, than affordable rented accommodation and, secondly, as the private space of most developments consist solely of bedrooms.
- 9.29 Given its unsuitability for use as affordable housing, the new London Plan, under policy H16 (large-scale purpose-built shared living) requires a cash in lieu contribution towards conventional C3 affordable housing.
- 9.30 Whilst it is recognised that shared accommodation can be an increasingly valuable form of accommodation, there is an acute need for self-contained residential dwellings, and in particular for affordable rented and Affordable Home Ownership (AHO) dwellings. In the event housing capacity restricts LBW to meet its objectively assessed housing need or affordable housing need, it is suggested that LBW consider conventional forms of housing ahead of co-living developments.
- 9.31 It is also recognised that the private space provided by co-living schemes consists solely of bedrooms meaning that it does not cater for the needs of residents who wish to continue to live within the borough, but rather for a more transient occupier. Taking into account that LBW already has one of the most mobile populations in England (see Table 23), there is a risk that the provision of co-living accommodation would intensify this issue further. As such, it would not support the creation of mixed and balanced communities in these areas.

Table 23:10 Local Authorities with highest migration flows

Mid-2018 to Mid-2019						
Area Name	Mid-2019 Population	Long-Term International Migration		Internal Migration (within UK)		Total migration inflows and outflows as a percentage of population
		Inflow	Outflow	Inflow	Outflow	
City of London	9,721	1,232	388	1,116	971	38%
Cambridge	124,798	5,354	5,147	16,358	18,070	36%
Oxford	152,457	6,583	5,097	17,372	21,448	33%
Hammersmith and Fulham	185,143	4,995	4,881	21,264	22,943	29%
Lambeth	326,034	5,985	6,518	38,612	40,432	28%
Camden	270,029	16,514	7,265	24,141	27,036	28%
Wandsworth	329,677	5,818	5,395	39,363	39,761	27%
Islington	242,467	9,466	4,472	24,348	27,532	27%
Westminster	261,317	17,752	8,873	19,193	23,466	27%
Southwark	318,830	8,290	7,267	32,846	35,052	26%

Source: ONS, 2020⁴⁵

Profile of Private Renters

- 9.32 Drawing largely on Census data, this section profiles the types of households living in the PRS within Wandsworth. Where possible, comparisons are made with households living in other tenures.

Age Profile of Households

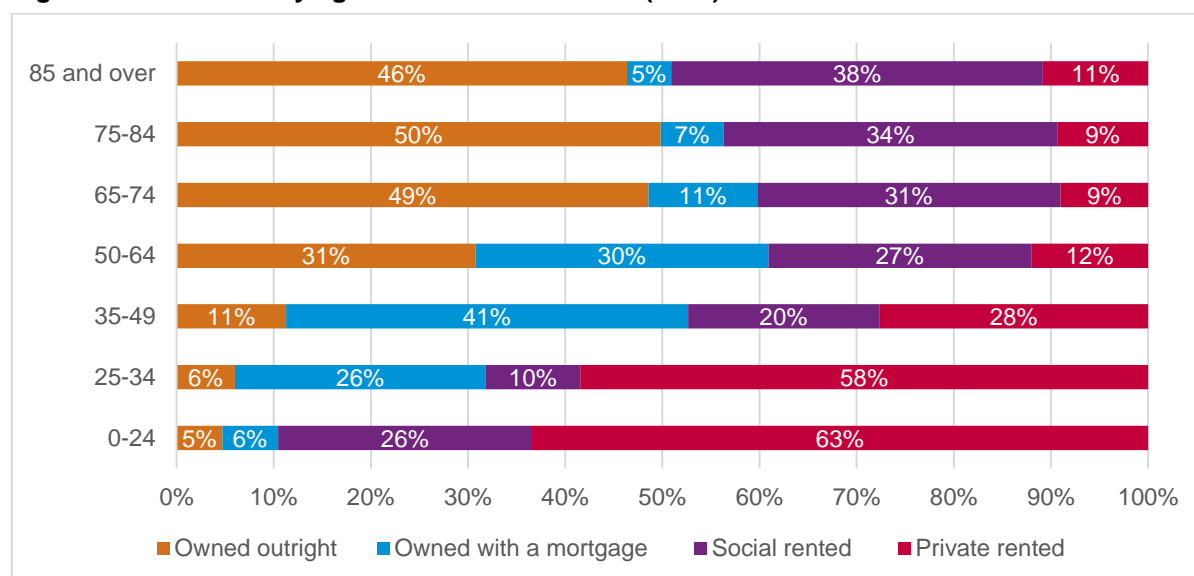
- 9.33 The figure below splits housing tenure by age groups. The 25-34 age group is the second most populous household group (following the 35-49 age group) and has the greatest absolute number of households living in PRS.
- 9.34 Around 58% of households in the 25-34 age group are in PRS accommodation. However, as identified in the figure below, households aged 24 and under in PRS account for the greatest proportion across all ages at 63%, albeit that these are very few in number
- 9.35 The high percentage of these two age groups living in PRS is primarily attributed to the presence of student houses and young working professionals. This reflects the locational context of the Borough in

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<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/localareamigrationindicatorsunitedkingdom>

accommodating households seeking access to jobs across London and the presence of the university of Roehampton and St. George's University of London.

Figure 22: Tenure by age of household in LBW (2011)



Source: Census 2011

- 9.36 As the population ages, the number of households in PRS decreases. For instance, 12% of households aged 50-64 are in PRS and 9% of households aged 65-74 and 75-84 are in PRS. These age groups are more likely to own property outright or live in social rented accommodation. For the older age groups this would include rental sheltered accommodation.

Young Person Households

- 9.37 Observing change in tenure type for a full range of age groups is difficult as the two Census (2001 and 2011) periods use different age bands. It is possible however to provide an indication of the change in tenure by observing trends for households aged under 35 years.
- 9.38 As set out in Table 21 below, since 2001 young person households (under 35 years) have increased by 4% in Wandsworth. Over this same period, London also experienced growth of 4%, however nationally this age group declined (-3%).
- 9.39 In addition, younger households in the social rented sector experienced the greatest proportional growth (138%) over the 2001 to 2011 period. Despite this, households in the PRS still make up the highest proportion (59%) of younger person households in LBW. This is higher than both London (54%) and England (46%) equivalents.

Table 24: **Change in tenure those aged under 35 in LBW (2001-2011)**

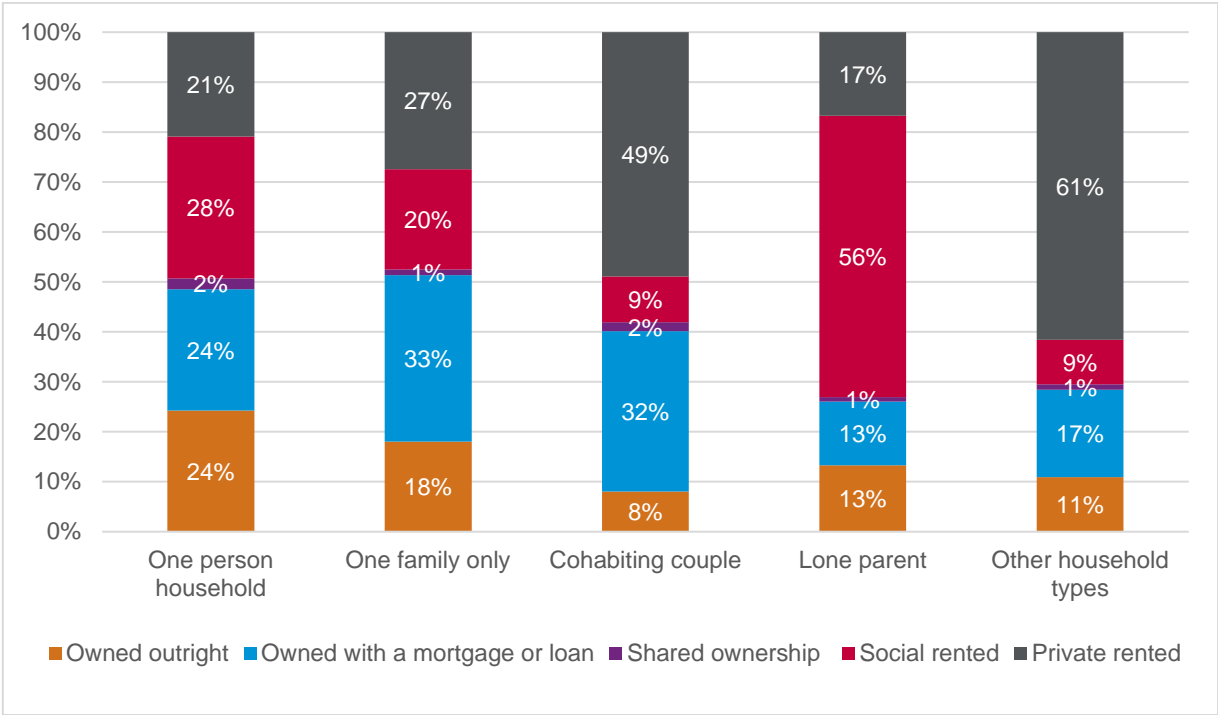
	2001	2011	% Change
Owned	17,712	12,859	-27%
Social rented	2,165	5,144	138%
Private rented	18,727	25,947	39%
Total Young Person Households	42,279	43,950	4%

Source: ONS, Census 2001 and 2011

Household Composition

- 9.40 The figure below illustrates the breakdown of household composition by housing tenure type. In LBW, the PRS houses a disproportionately large number of other household types, cohabiting couples and lone parent families compared to the wider housing stock. Conversely it has a low percentage of family households and one-person households.
- 9.41 One family households predominately own property with a mortgage (33%). The proportion of one family households in the PRS is 27% and this is followed by 20% in social rented accommodation.

Figure 23: Household composition by tenure type in LBW (2011)



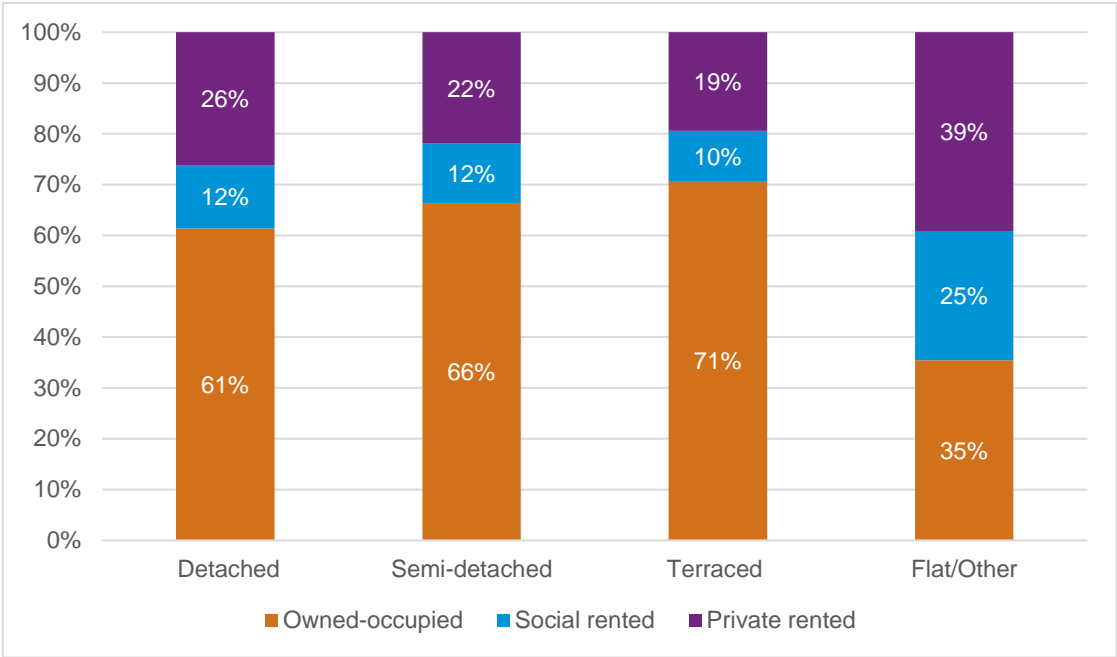
Source: Census (2011)

9.42 In LBW, there is a particularly high proportion of households in the ‘other’ category in the PRS. Many of these households are likely to be multi-adult households living in shared accommodation (i.e. houses in multiple occupation (HMOs)).

Size and type of accommodation

9.43 The figure below illustrates the size and type of accommodation by tenure in LBW. It is evident that the profile of PRS is aligned with the trends of households in the social rented sector across all accommodation types, except for flats where there is a higher proportion of households in the social rented sector (82%) than households in PRS (79%).

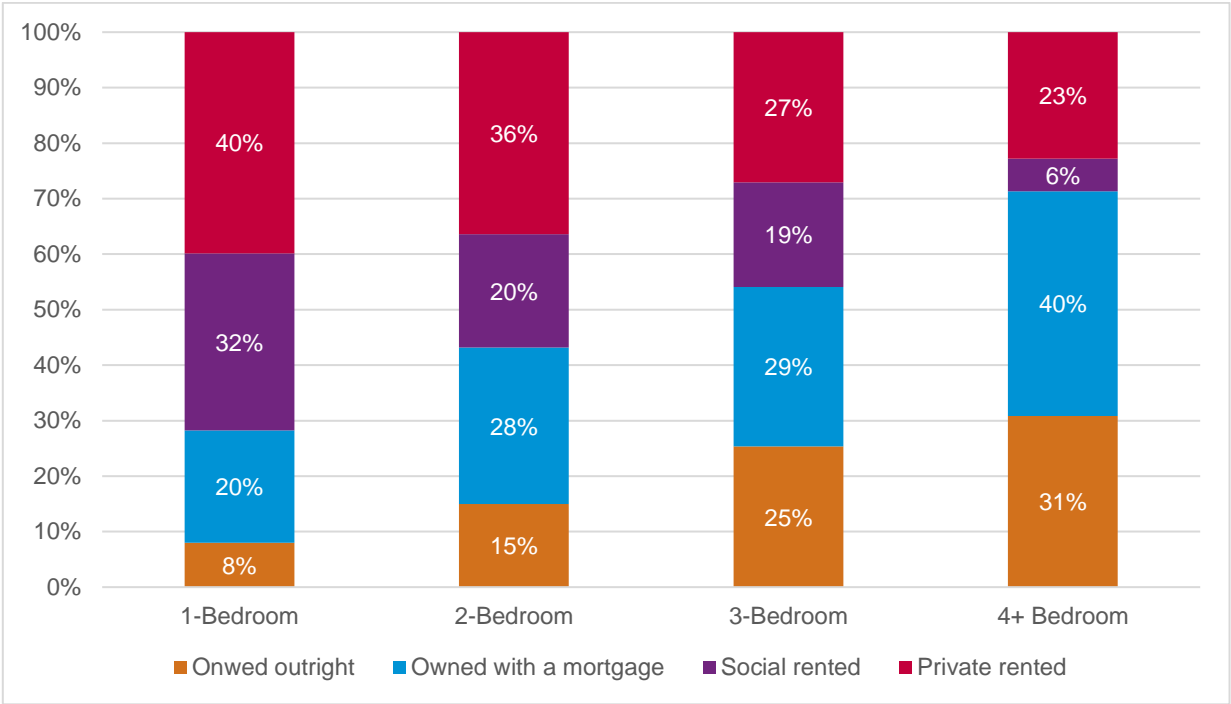
Figure 24: Accommodation type by tenure (households) – LBW (2011)



Source: Census (2011)

- 9.44 Around 39% of households in detached dwellings are in either PRS and social rented accommodation. In comparison, 61% of households in detached dwellings own property outright or in shared ownership.
- 9.45 For semi-detached dwellings, 22% of households are in PRS and 12% are in the social rented sector. The proportion increases for terraced dwellings with 19% of households in this house-type in PRS. This is compared to 71% of households in terraced dwellings that own property outright or in shared ownership.
- 9.46 The data in the figure below illustrates that the PRS is the dominant tenure type for smaller dwellings, with 40% of 1-bedroom households and 36% of 2-bedroom households within the tenure. There is also a high proportion of households living in smaller homes in the social rented tenure with 32% in 1-bedroom and 20% in 2-bedroom dwellings. In contrast, only 27% of 3-bedroom and 23% of 4-bedroom homes are privately rented.

Figure 25: Accommodation size by tenure (households) – LBW (2011)

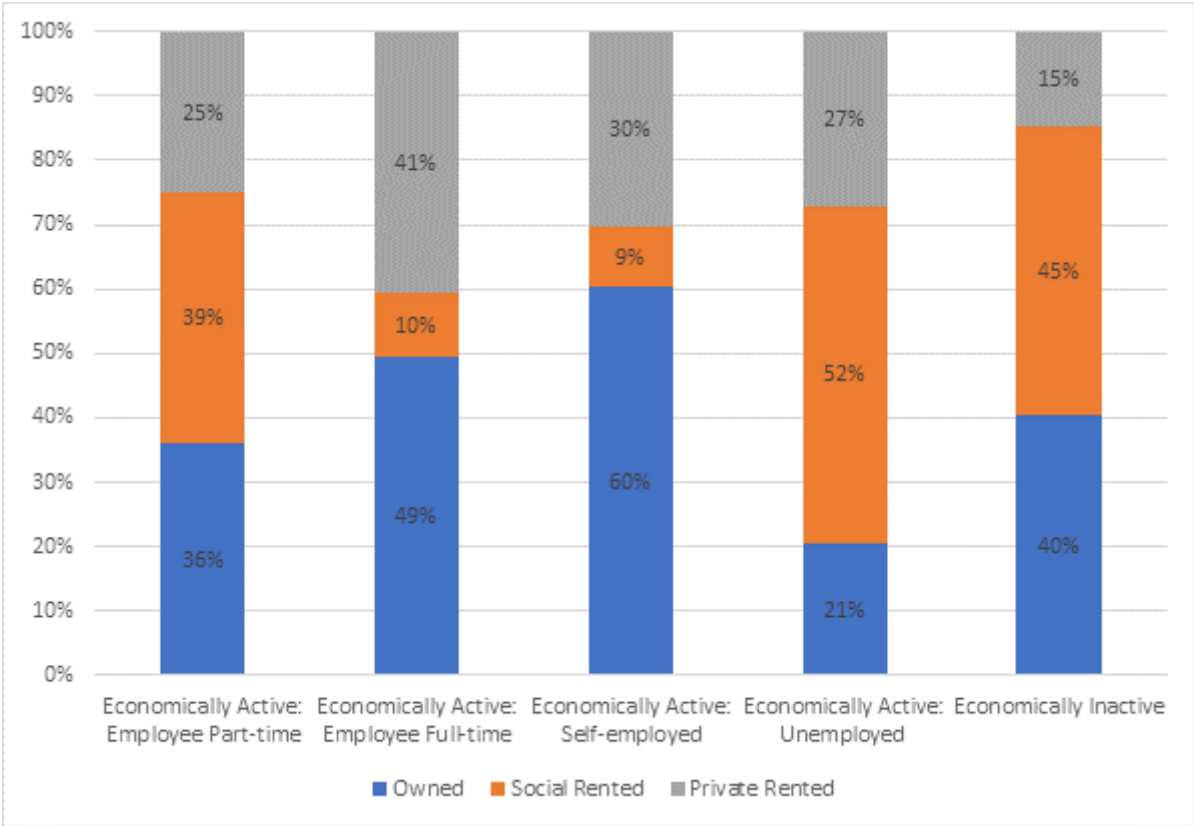


Source: Census (2011)

Economic activity

9.47 As illustrated in the figure below, data drawn from the 2011 Census shows that 41% of households working full-time live in the PRS. In addition, a substantially greater proportion are unemployed than among households that own their own home. At 15%, they also display the smallest proportion of households who are economically in active. This suggests the younger, striving demographic associated with PRS and that they live more precarious lives than those in owner-occupation.

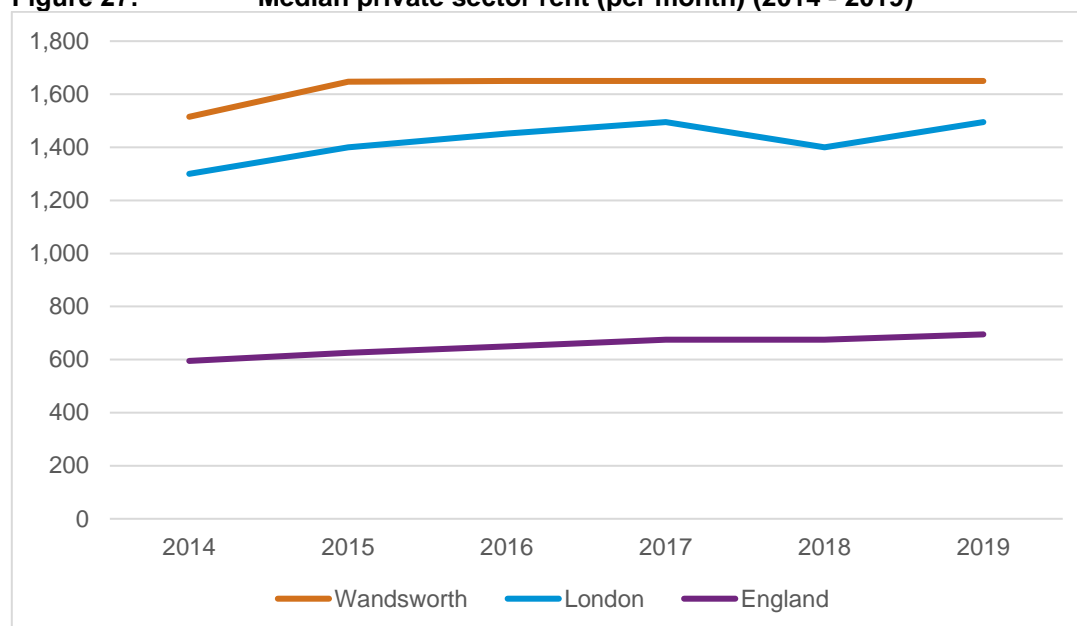
Figure 26: Profile of PRS by Economic Activity



Source: 2011 Census

Rental Value

- 9.48 An analysis has been undertaken reviewing the change of housing costs over time. This analysis draws on data from the Valuation Office Agency (VOA) using a time series from March 2014. As detailed in the figure below, median rents in LBW have remained fairly stable since 2016 at £1,650 per month.
- 9.49 However, median rents in Wandsworth are some £155 per month more than the median rental value for London and £955 more than the national median. This illustrates the difficulty in accessing property in the Borough even through renting.

Figure 27: Median private sector rent (per month) (2014 - 2019)

Source: Valuation Office Agency

- 9.50 Table 22 below reports change in rental value by number of bedrooms. The overall median rent in LBW increased by £135 per month (a 9% increase). The largest percentage increases were seen in smaller homes, again illustrating the difficulty for younger households in accessing accommodation.

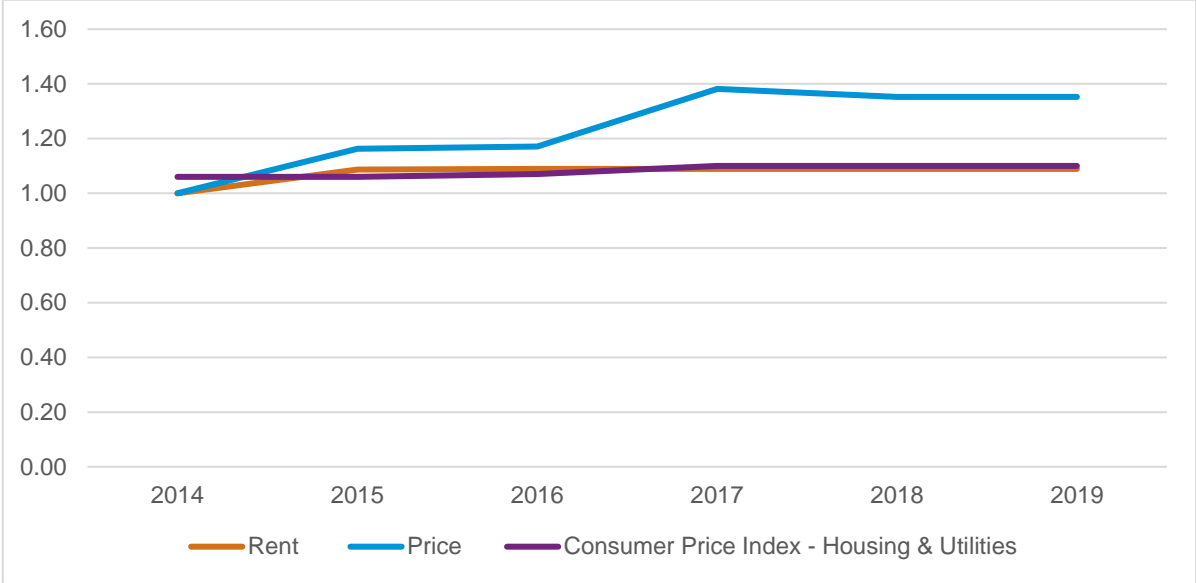
Table 25: Median private sector rent (per month) 2012 and 2019 – LBW

	2014	2019	Change	% Change
1-bedroom	£1,257	£ 1352	£95	8%
2-bedrooms	£1,560	£1,672	£112	7%
3-bedrooms	£ 2,002	£2,150	£148	7%
4+-bedrooms	£ 2,970	£3,000	£30	1%
All dwellings	£ 1,515	£ 1,650	£135	9%

Source: Valuation Office Agency

- 9.51 The figure below indexes the change of private sector rents and average house price over the 2014-2019 period. The data illustrates that house prices have increased by around 35% in LBW, compared with a 9% change in the value of rents. This rate has been fairly consistent with the consumer price index (housing and utilities).

Figure 28: Change in median rental values and house prices (2014-19)



Source: Valuation Office Agency and Land Registry

Build-to-Rent

- 9.52 As noted, the PRS has been the main growth sector in the market at all geographic levels. This is partially linked to an increased (national) interest from developers in “Build to Rent” housing, which is specifically built not for open market sale but for the Private Rented Sector.
- 9.53 The sector provides the opportunity for good quality, well-managed rental accommodation that is purpose-built. Additionally, it provides an opportunity to boost the rate of overall housing delivery, as it does not compete directly with traditional housing development schemes which are built for sale.
- 9.54 The Government has been promoting Build-to-Rent housing and has set up a Private Rented Sector Taskforce and supported delivery through other measures. These measures include a Build to Rent Fund which provides Government-backed loans to support new development. The sector is currently relatively small but is one with growth potential.
- 9.55 As earlier noted, the revised PPG now includes specific advice about affordable housing on Build to Rent schemes.⁴⁶
- 9.56 The British Property Federation (BPF) hosts an online mapping tool⁴⁷ which plots build to rent schemes across the UK aimed at the institutional investment market. This shows that 52% of units in the build to rent pipeline are located in London.

⁴⁶ PPG, Paragraph: 002 Reference ID: 60-002-20180913

⁴⁷ <https://www.bpf.org.uk/what-we-do/bpf-build-rent-map-uk>

- 9.57 The activity in Wandsworth includes sites which are at the pre-application stage to those that have already been completed. As identified in Table 23, four sites in LBW with total capacity of 867 build-to-rent units have been identified. It is notable that many of these sites are former commercial or industrial locations.

Table 26: **Build-to-Rent Activity in LBW**

Site	Developer	Units	Status
Vantage House	Build Vantage	71	Complete
Shell Savoy Filling Station	Angle Property	89	Permission
Coda/ York Place	Avanton Limited	169	Construction
St John's Way	Peabody Estate	538	Construction

Source: British Property Federation (BPF)

- 9.58 This clearly demonstrates that there are local developers and institutions keen to pursue this type of accommodation in LBW. However, the Coda/York Place development is a mixed tenure scheme with 130 units for private sale and 169 providing PRS.
- 9.59 Of the flats for private sale on these schemes the sales price of studio flats (around 425 sq. ft.) start at £510,000, 1-bedroom flats (560 sq. ft.) start at £575,000, 2-bedroom flats (791 sq. ft) start at £750,000 and 3-bedroom flats (1,060 sq. ft) start at £1,375,000.
- 9.60 We would, therefore, suggest that if managed properly Build-to-Rent development will serve a purpose in delivering more conventional homes in LBW.

Summary of Private Rented Sector

- This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time.
- Notably if the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting. It is therefore difficult to draw any conclusions based on past trends.
- The private rented sector (PRS) accounts for around 30% of all households in Wandsworth (as of 2011), 5% higher than the London average, and notably higher than national rate. The number of households in this sector has grown substantially (increasing by 65% in the 2001-11 period).
- The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of multi-adult households (likely in most cases to be Houses in Multiple Occupation (HMOs)) – levels of overcrowding are also relatively high.
- In terms of the size of dwellings in the sector, it can be noted that the PRS is closer to the social rented sector than owner-occupied housing.
- Additional analysis suggest that rent levels have increased over time (by about 9% when looking at the 2014-2019 period) - this would suggest that there may be a lack of supply of private rented homes. However, house prices (to buy) have increased by a far more substantial amount- increasing by 35% over the same period. During this time inflation increased slightly.
- The British Property Foundation (BFF) identifies 35% of units in the build to rent pipeline across the UK are in London. In Wandsworth, there are four sites in LBW with total capacity of 867 build-to-rent units. The increased interest from buy to let investors will increase competition for market housing for sale and may be causing upwards pressure on house prices.
- There has been some evidence of built to let locally and given the current Government push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure) and the quality of the management and stock.

10 HOUSING MIX

Introduction

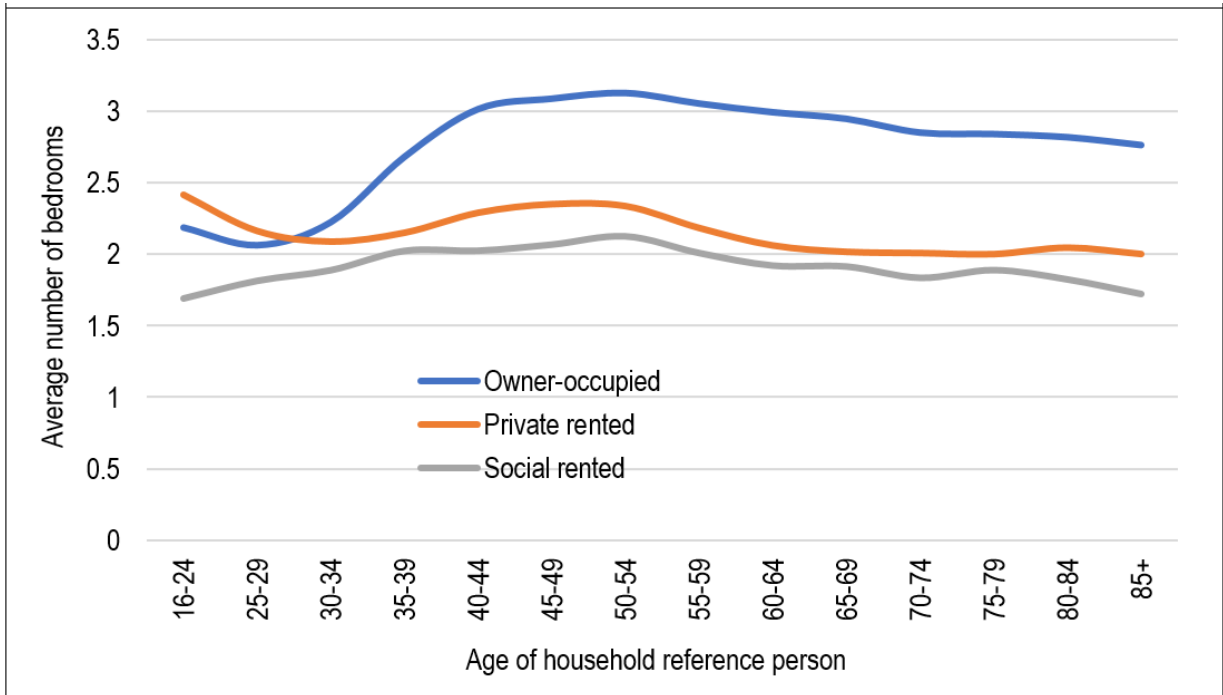
- 10.1 This section assesses the future need for different sizes of homes, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures. The analysis seeks to use the information available about the size and structure of the future population and household composition and consider what impact this may have on the sizes of housing units required in the future.
- 10.2 Essentially the model starts with the current profile of housing in terms of size (bedrooms) and tenure for different age groups. This is then aligned to the demographic projections to see which age groups are expected to change in number, and by how much. On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is possible to work out what the profile of housing should be at a point in time in the future.
- 10.3 The figures provided reflect the change in population associated with delivering 2,537dpa, in line with the Standard Method.

Understanding how households occupy homes

- 10.4 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided.
- 10.5 The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 10.6 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 10.7 That said, issues of supply can also influence occupancy patterns, for example, it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.

- 10.8
- The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households.
- 10.9
- The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 10.10
- The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group. In the owner-occupied sector, the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes) is seen in the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 29: Average bedroom by age and tenure in LBW



Source: Derived from ONS Commissioned Table CT0621

- 10.11
- In terms of the analysis to follow, the outputs have been segmented into three broad categories. These are market housing (which includes Private Rental), which is taken to follow the current occupancy profiles by age in the owner-occupied sector (i.e. excludes Private Rental) but reflecting the changing age structure within the demographic projections; affordable home ownership, which as a proxy is taken to

follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting) and affordable (rented) housing, which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include affordable rented housing.

Current stock of housing by size and tenure

10.12 It should be noted that the current stock of housing (by size) can have a notable impact on the outputs of the modelling and the table below shows a comparison of the size profile of accommodation in a range of areas in three broad tenure groups. This reveals the following findings:

- There are a larger proportion of smaller homes of 1 and 2 bedrooms in Wandsworth than in London (48% as against 36%);
- The distribution of Social Rented dwellings is broadly the same in Wandsworth as it is in London; both geographies show a bias towards smaller dwellings of 1 and 2 bedrooms (72% and 69% respectively);
- Notwithstanding, both Wandsworth and London have a substantial number of Social Rented dwellings that are 3 bedrooms (23% and 26% respectively);
- It is notable that in England there are a smaller proportion of smaller Social Rented homes that are 1 and 2 bedroom (58%) and a larger proportion that are 3 bedrooms (38%);
- Only a small proportion of Social Rented homes are of 4+ bedrooms across all three geographies;
- Larger dwellings of 4 or more dwellings represent a substantial proportion of owner-occupied homes in Wandsworth (28%); this is similar to England (29%) but exceeds London (25%);
- As regards Private Rented Sector (PRS) dwellings, a high proportion are smaller dwellings of 1 and 2 bedrooms in both Wandsworth and London (69% and 71% respectively); dwellings of three bedrooms constitute a fifth of all PRS dwellings in both geographies.
- A different pattern is discernible in England where a smaller proportion of dwellings are of 1 and 2 bedrooms (60%) and a larger proportion are 3 bedrooms (28%); and
- The geographies have a similar proportion of larger PRS dwellings of 4 bedrooms + of between 10% and 12%

Table 27: **Number of bedrooms by tenure (LBW, London and England)**

		Wandsworth	London	England
Owner-occupied	1 bedroom	15%	10%	4%
	2 bedrooms	33%	26%	20%
	3 bedrooms	24%	39%	47%
	4 bedrooms	16%	17%	22%
	5+ bedrooms	12%	8%	7%
	Total	100%	100%	100%
Social rented	1 bedroom	32%	29%	21%
	2 bedrooms	40%	40%	37%
	3 bedrooms	23%	26%	38%
	4 bedrooms	5%	5%	4%
	5+ bedrooms	1%	1%	1%
	Total	100%	100%	100%
Private rented	1 bedroom	29%	32%	21%
	2 bedrooms	40%	38%	39%
	3 bedrooms	19%	20%	28%
	4 bedrooms	9%	7%	8%
	5+ bedrooms	3%	3%	4%
	Total	100%	100%	100%

Source: Census 2011

Tenure assumptions

- 10.13 The housing market model has been used to estimate the future need for different sizes of property over the 18-year period from 2019 to 2037. The model works by looking at the types and sizes of accommodation occupied by different ages of residents and attaching projected changes in the population to the projected need and demand for different sizes of homes. However, the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier).
- 10.14 It is therefore necessary on this basis to make some judgement for modelling purposes on what proportion of net completions might be of market and affordable housing. For modelling purposes, the analysis assumes that 35% of net completions are either affordable housing (rented) or affordable home ownership and therefore that 65% are market housing (designed to be sold for owner-occupation). There is no assumption about private rented housing, although it is possible that some of the market (owner-occupied) housing will end up in this sector.

- 10.15 Within the 35% affordable/affordable home ownership, we recommend compliance with Policy H6 of the draft London Plan. This policy sets a minimum requirement for 30% dwellings to be low-cost rented homes, either London Affordable Rent or Social Rent; a further 30% “intermediate products” and the remaining 40% to be allocated by the Borough to either of these categories. There is also a need to address the expectation in paragraph 64 of the NPPF that 10% of new housing on major development sites should be available affordable home ownership.
- 10.16 **It should be stressed that these figures are not policy targets and have been applied simply for the purposes of providing outputs from the modelling process.** To confirm, it has been assumed that the following proportions of different tenures will be provided moving forward:
- Market housing – 65%;
 - Affordable home ownership – 10%; and
 - Social/affordable rent – 25%

Projected change in age of Household Representative Person

- 10.17 Table 25 sets out the projected change in the age structure of the heads of household in Wandsworth between 2019 and 2037 based on the Standard Method projection of housing need (2,537 dwellings per annum).

Table 28: **Projected change in households by age of Household Reference Person in LBW**

Age group	Households 2019	Households 2037	Change in Households	% Change
16-24	4,593	5,639	1,046	22.80%
25-29	13,161	15,621	2,461	18.70%
30-34	20,793	23,640	2,847	13.70%
35-39	19,966	23,038	3,072	15.40%
40-44	16,211	22,222	6,011	37.10%
45-49	13,039	15,966	2,927	22.50%
50-54	11,875	15,283	3,408	28.70%
55-59	10,516	14,878	4,362	41.50%
60-64	8,035	12,149	4,113	51.20%
65-69	6,609	10,686	4,077	61.70%
70-74	6,060	9,799	3,739	61.70%
75-79	4,275	6,885	2,610	61.10%
80-84	3,514	4,994	1,480	42.10%
85 & over	3,036	5,219	2,184	71.90%
Total	141,682	186,018	44,336	31.30%

Source: Demographic Projections

- 10.18 While there is an increase in numbers of all age groups, the greatest uplift occurs at the older end of the age spectrum. The increase in numbers of those aged 65 and above constitutes 32% of the growth in HRP.
- 10.19 While households headed by people in this age group tend to occupy larger dwellings, there is a policy choice to increase the supply of smaller homes so as to facilitate the opportunity for down-sizing. This in turn will promote transaction rates and enable younger age groups to access dwellings of an appropriate size for families.
- 10.20 In Table 26, we set out estimated changes by broad household group by 2037. It is notable there is a substantial uplift in households of all types, although again it is those age 65 and above (both as couples and one-person house-holds) that are forecast to increase most rapidly.

Table 29: **Change in household types 2019-37 in LBW**

Household	2019	2037	Change in Households	% Change
One-person household (aged 65 and over)	12,663	19,417	6,754	53.3%
One-person household (aged under 65)	31,066	34,785	3,719	12.0%
Couple (aged 65 and over)	4,825	7,426	2,601	53.9%
Couple (aged under 65)	24,602	33,431	8,829	35.9%
A couple and one or more other adults: No dependent children	8,285	11,337	3,053	36.8%
Households with one dependent child	17,573	23,496	5,923	33.7%
Households with two dependent children	12,750	15,623	2,873	22.5%
Households with three dependent children	6,481	7,776	1,295	20.0%
Other households	23,438	32,727	9,289	39.6%
Total	141,682	186,018	44,336	31.3%
Total households with dependent children	36,804	46,895	10,090	27.4%

Source: Demographic Projections

- 10.21 Following this, smaller households will see a substantial uplift, couples without children aged under 65 are forecast to increase by 35.9%, and those with just one child, by 33.7%. This suggests the need for smaller dwellings..

Estimate of Housing need by Size and Tenure

- 10.22 Working from the evidence assembled in this section, it is possible to generate an estimate of the sizes of homes needed to meet need by 2037, and how these should be split into the three principle tenures. This is summarised in the table below.

Table 30: Initial Modelled Mix of Housing by Size and Tenure – Wandsworth

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	12%	29%	30%	28%
Affordable home ownership	30%	38%	20%	12%
Affordable housing (rented)	40%	32%	22%	5%

Source: Housing Market Model

- 10.23 However, the mix analysis set out above should be treated with caution. Because the modelling to a certain extent rolls forward the current profile of homes in an area, there are cases where a high current stock (of a particular size) drives a high need for such stock in the future.
- 10.24 In addition, it is based on trends that do not necessarily reflect people's requirements, but the limited options they are faced with on account of the nature of the housing stock. For example, older people living in larger dwellings on account of a shortage of smaller dwellings or, indeed, specialist housing for the elderly.
- 10.25 For this reason, we have put forward a number of adjustments to underpin possible policy directions designed to bring the housing stock and demand for dwellings into closer alignment. One such consideration is the level of over and under occupation in the Borough.
- 10.26 The table below sets out the relationship between under-occupation and size of dwelling. Unsurprisingly, there is a strong positive correlation between number of bedrooms and the occupancy rating, with those households in homes of 3 bedrooms and above showing a substantial degree of under-occupation. There is also evidence of over-crowding in the Borough, although to a much lesser degree.

Table 31: Occupancy rating and number of bedrooms (owner-occupied sector)

Occupancy rating	Number of bedrooms				
	1-Bed	2-Bed	3-Bed	4+ Bed	Total
+2	0	0	8,451	13,410	21,861
+1	0	14,043	5,164	2,130	21,337
0	8,206	5,208	2,124	526	16,064
-1	611	636	414	112	1,773
-2	66	88	76	39	269
Total	8,883	19,975	16,229	16,217	61,304

Source: Census 2011

- 10.27 The table below shows the prevalence of under-occupation of dwellings by people aged 65+. This shows that a substantial proportion of households have at least 2 spare bedrooms.
- 10.28 We can therefore conclude that there is a good probability that latent demand exists among older households for smaller units. The availability of such units would allow a proportion of those who might otherwise have moved to specialist housing to remain in their own home for longer, reducing the need for SHOP, and larger family homes to be released into the market.

Figure 30: Occupancy rate of older person households

Occupancy rating	Age 65 and over	%
+2 or more	9,404	36%
1	7,781	30%
0	7,327	28%
-1 or less	1,262	5%
Total	25,774	100%

Source: 2011 Census

- 10.29 Overall, this evidence points to a substantial misalignment between the supply of homes and demand. An adjustment is therefore made to the mix that implies the provision of additional smaller homes on the basis that a proportion of those currently occupying larger homes would move to a smaller dwelling. It also allows for a move in the other direction for those who are over-crowded.
- 10.30 Also, it is worth considering whether there is the potential for under-occupied larger dwellings to be converted into two (or more) homes in order to address the need for additional family housing.
- 10.31 The rate of under-occupation in Wandsworth of 49% (Census 2011) indicates two factors: on the one hand, the presence of families that choose to consume more housing than the number of people in the household would suggest (based on the occupancy rating); and on the other, dwellings that are occupied by a household that, if it were practical to do so, would move to a smaller home.
- 10.32 As noted above, the prevalence of homes that score an occupancy rating of +2 or more occupied by people aged over 65 suggests a substantial proportion of households fall into the latter category, given some older people's desire to "right-size" their home following the departure of their grown-up children.
- 10.33 It is however important to ensure that residential conversions do not lead to a loss of family-sized units. Dwellings suitable for family use, at a minimum, should be dwellings of 4 habitable rooms⁴⁸. This is based

⁴⁸ There is no single legal definition of "habitable room", as its use and meaning is subject to context. However, for the purposes of this exercise, we have assumed a definition that is consistent with Part M of the building regulations: a room used, or intended to be used, for dwelling purposes including a kitchen but not a bathroom or utility room.

on the assumption that a dwelling with 4 habitable rooms comprises two bedrooms, a kitchen and living room, suitable for a household consisting of three individuals, allowing some room for growth.

- 10.34 Therefore, for an existing dwelling to have development potential for two dwellings suitable for families, we assume a minimum size of 6 habitable rooms.
- 10.35 The 9,404 dwellings occupied by people aged 65+ who have at least two spare rooms therefore provides a rough estimate of the number of dwellings in Wandsworth that may be amenable to conversion to two family homes, subject to the suitability of the site to development.
- 10.36 In order to protect family-sized dwellings from conversion, LBW has had a long-standing policy approach of protecting houses, family-sized flats and maisonettes. The currently adopted Local Plan protects dwellings below 150sqm from conversion into smaller dwellings. Taking into account that 84% of all new dwellings in Wandsworth completed since 2011 having been 1- and 2-bedroom dwellings, it might be appropriate to retain this policy. This protection contributes to a greater choice of sizes of dwelling at different price points and helps maintain a balanced housing stock.
- 10.37 In the context of the delivery of smaller homes in the Borough (allowing older residents seeking to right-size to move) it is reasonable to assume, given property values in the Borough, and the limited demand for the largest size of home, that a small but steady number of 150sqm properties with 6 habitable rooms or more could be converted to provide an additional supply of smaller or medium family accommodation.
- 10.38 It is, however, difficult to accurately predict the quantum of new homes from this source. As a result, no adjustment has been made to the modelled outputs set out below as regards the distribution of market homes by size required to meet demand.
- 10.39 That said, the recommended mix may be used as a monitoring tool and if many smaller or medium sized homes are delivered then future housing mix can be adjusted as a response.
- 10.40 A further consideration is that figures for Affordable Home Ownership (AHO) have been based on the profile of households in the Private Rented Sector (PRS). In Wandsworth, this is complicated by the fact that a very high proportion of the PRS is HMOs (estimated to be around a third of all PRS) and therefore a direct move from current occupancy to a suggested need is not appropriate (in basic terms because the AHO would be product to help only part of the HMO (e.g. a single or couple) not all residents. Therefore, the AHO size mix might be expected to reduce slightly.

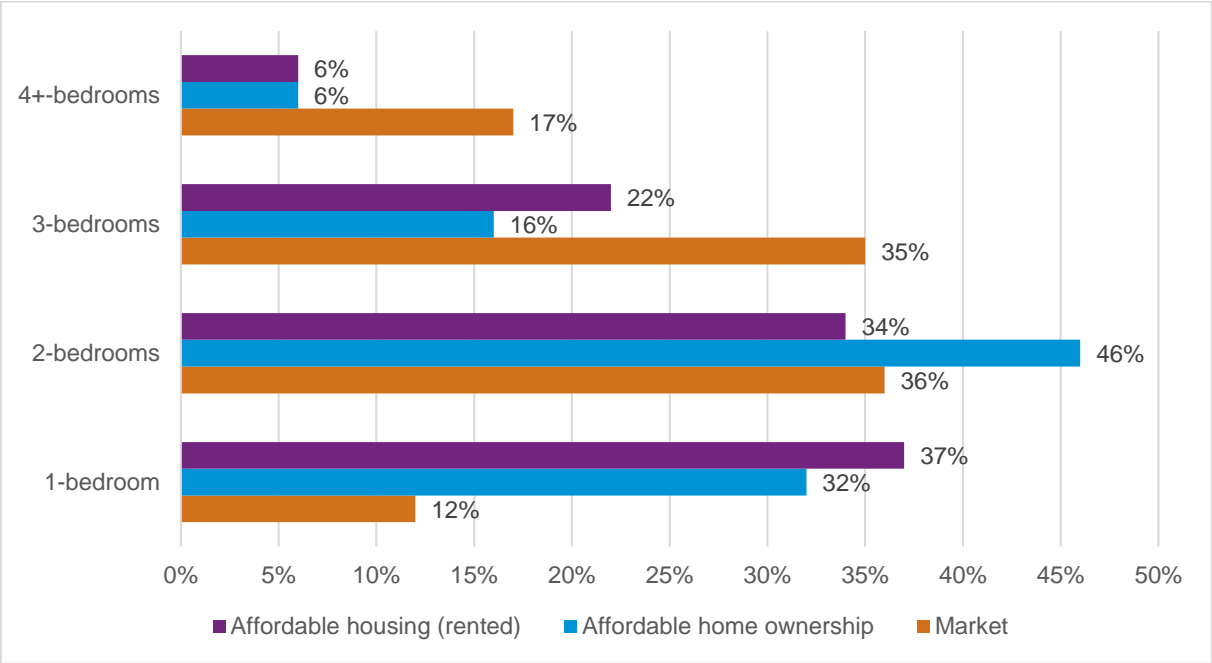
- 10.41 In addition, it is worthwhile considering how the 12% of total additional market dwellings that the model identifies should be 1 bedroom could be broken down to 1 bedroom, studio and “room only” household spaces.
- 10.42 Firstly, it is important to note the effect on the housing market of delivering significant numbers of 1 bedroom units is to enable those in “room only” and studio dwellings to trade up if they are able to afford to do so, releasing their smaller home back into the market for occupation by households with lower household income. In this way, the provision of 1 bedroom flats should release studios and “room only” household spaces into the market for occupation by less affluent households.
- 10.43 “Room only” and studios are household spaces that are not provided as affordable homes. The question of their suitability in the Borough therefore solely relates to the market component of overall housing supply.
- 10.44 Turning to “room only” household spaces, it is not possible to plan or forecast demand for this type of home on account of the difficulty in predicting individual household choices in the marketplace, as with BTR as a whole.
- 10.45 It is however possible to arrive at conclusions as to whether such a home is likely to address the housing needs of a significant number of residents over the plan period on the basis of affordability. This is partly considered in Chapter 9 in the examination of “co-living”, as well as Chapter 8.
- 10.46 The affordability analysis in Chapter 8 identified that the average monthly cost of a studio flat is £950pcm, as against £1,250pcm for a 1 bedroom dwelling. Based on the affordability of products of different prices (See Table 8) this translates into a difference in the income required to afford these homes of £634 per month or £7,614 per year (on the basis of a housing costs of £950 and £1,250pcm should take up no more than 35.2% and 37.5% of household income respectively⁴⁹). This is a significant difference.
- 10.47 On this basis, while the housing market modelling does not allow for a split in demand between studios and 1 bedroom dwellings, policy should support the provision of studio flats. Policy DHM3 currently supports the provision of 1 person/studio accommodation on major developments on condition it does not exceed 5% of all market units.
- 10.48 Crucially, new homes should contribute to supporting the creation of stable local neighbourhoods and cohesive communities. Preference should therefore be given to larger homes, because proposals which provide more than a small proportion of studios are unlikely to achieve this objective. Although the increasing proportion of single person households is forecast to continue, this does not necessarily result

⁴⁹ To meet this condition, monthly household income will be at least £3,333 for households renting a 1 bedroom dwelling and £2,699 for a studio flat. The difference is £634 per month or £7,614 per year.

in a proportionate increase in demand for small studios as many people would like a spare bedroom for visitors or to use as a study/office.

- 10.49
- Therefore, a realistic approach is to allow for a proportion of new developments to contain studios up to a maximum limit.
- 10.50
- The figure below we present the adjusted modelled outputs for housing mix in LBW. The mix is skewed towards 1- and 2-bedroom categories particularly in the affordable sectors. There is still a need for larger homes but these would principally be in the market sector.

Figure 31: Final modelled mix of housing by size and tenure in LBW



Source: GLH Modelling

Indicative targets by tenure

- 10.51
- Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors that should be taken into account in setting policies for provision. Hence it is reasonable to reflect these outputs as a range.
- 10.52
- This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one-bedroom homes (as well as allocations to older person households) – e.g. one bedroom homes provide limited flexibility for households (e.g. a couple household expecting to start a

family) and as a result can see relatively high levels of turnover – therefore, it may not be appropriate to provide as much one-bedroom stock as is suggested by the modelling exercise.

- 10.53 At the other end of the scale, we need to consider that the stock of 4-bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for 4+-bedroom homes is typically quite small, the ability for these needs to be met is even more limited.
- 10.54 The Housing Register data provided by the Council suggested that as of 1st April 2019, there was the following need (this only includes those households highlighted as being in the “general needs queue”: (1-bed: 45%, 2-bed: 28%, 3-bed: 19%, 4+-bed: 8%). This broadly aligns with the output above.
- 10.55 Finally, in order to sense-check these recommendations, it is worth considering the levels of over and under-occupation of housing in the Borough. The most recent, available data is the Census 2011, and this is set out in the table below. For the purposes of comparison, the London average is provided.
- 10.56 While there is a high level of under-occupation among those dwellings in owner-occupation (36% of households in Wandsworth and 35% in London have at least 2 more bedrooms than they “need”), this falls for Social and Private rented homes to 8% and 7% respectively.

Table 32: **Occupancy Rating for key tenures, London and Wandsworth**

Occupancy Rating	Owned/Shared Ownership		Social rented		Private rented	
	LBW	London	LBW	London	LBW	London
2	36%	35%	8%	8%	7%	7%
1	35%	35%	20%	20%	25%	23%
0	26%	24%	56%	56%	56%	52%
-1	3%	5%	15%	17%	12%	18%

Source: Census 2011

- 10.57 Of particular note is the level of over-crowding in the social rental sector which exceeds in the PRS in Wandsworth by 3% points, suggesting the provision of more larger social dwellings may be appropriate, although there is also a level of under-occupied stock which could address this.
- 10.58 The Census does not record occupancy rating by size of dwelling (either habitable rooms or number of bedrooms), it is therefore not possible to ascertain whether additional 3 or 4-bedroom homes are required on this basis. However, in Chapter 5 it was identified that, since 2011/12, the delivery of 3 and 4 bedroom affordable homes has averaged 13% and 3% (totalling 16%) respectively of total new affordable homes.

- 10.59 While there is no evidence to suggest these sizes of dwelling should be individually increased, the data relating to over-crowding set out in the table above suggests the quantum of 3 and 4 bedroom homes should be lifted from 16% of total new affordable homes to around 20%, with 3 bedroom homes continuing to make up the majority.
- 10.60 There are thus a range of factors that are relevant in considering policies for the mix of affordable housing (rented) sought through development schemes. At a Borough-wide level, the analysis would support policies for the mix of social/affordable rented of:
- 1-bed properties: 40-45%
 - 2-bed properties: 35-40%
 - 3-bed properties: 15-20%
 - 4-bed properties: 0-5%
- 10.61 The need for affordable housing of different sizes will vary by area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.
- 10.62 As regards Affordable Home Ownership (AHO), LBW has provided their Home Ownership Listing. This provides evidence of the scale of demand for AHO products in Wandsworth. While this listing has entries going back to 1995, a cut-off of based on only those entries added in the last 5 years (2014+) has been used on the advice of LBW officers in order to arrive at an accurate expression of current demand.
- 10.63 In addition, in line with our recommendations in the affordable housing chapter that LBW should seek to provide AHO dwellings valued at a price that is affordable to the average household income on the Home Ownership Listing of £37,700, the list has been further filtered to exclude those on incomes beneath this figure, as well as those earning above the London income threshold for Shared Ownership dwellings of £90,000.
- 10.64 Having applied these filters, 1,068 entries appear. This group has been used to understand the need for different sizes of AHO products in the Borough. It is important to note as an affordable housing product, the number of bedrooms that appears on the list does not reflect the preference of the household, but rather an appropriate size of dwelling based on occupancy ratings (a suitable size of home for a household bearing in mind the number of individuals, their ages and the nature of their relationship one with another).
- 10.65 These findings reinforce the modelled outputs that dwellings of 1 and 2 bedrooms in size are most appropriate, with 96.6% of households requiring dwellings of this size.

Table 33: **Entries on the home ownership list by number of bedrooms**

	Entries	%
1-Bedroom	899	84.2%
2-Bedroom	132	12.4%
3-Bedroom	32	3.0%
+4-Bedroom	5	0.5%
Total	1,068	100%

Source: London Borough of Wandsworth

- 10.66 As a sensitivity to understand whether demand has changed over time, we have also examined the 197 entries on the Home Ownership list prior to 2014 (who also report an income of between £37,700pa and £90,000pa). The results of this area set in the table below.

Table 34: **Entries on the home ownership list by number of bedrooms (pre 2014)**

	Entries	%
1-Bedroom	154	78.2%
2-Bedroom	28	14.2%
3-Bedroom	9	4.6%
4-Bedroom	6	3.0%
Total	197	100%

Source: London Borough of Wandsworth

- 10.67 It is worth noting the slight shift towards larger dwellings compared with the previous table, with 9% of households requiring dwellings of 3 bedrooms or more, compared with 3.5%. This suggests that the delivery of a small number of larger AHO products should be provided to clear this apparent “backlog”.
- 10.68 On the basis of the evidence above, it is reasonable to put forward the following size distribution of AHO dwellings:
- 1-bed properties: 30-35%
 - 2-bed properties: 40%-45%
 - 3-bed properties: 15%-20%
 - 4-bed properties: 5%-10%
- 10.69 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile. We note market trends suggest strong demand for 1 and 2 bed properties, with 84% of all new dwellings completed since 2011 having been dwellings of this size.

- 10.70 In addition, some consideration of the current stock profile is also relevant, particularly noting that the proportion of 1- and 2-bedroom homes at the time of the last Census is substantially higher than the London average (59% as against 54%). Overall, the following mix of market housing is suggested:
- Studio properties: 0-5%
 - 1-bed properties: 30-40%
 - 2-bed properties: 30-40%
 - 3-bed properties: 15-25%
 - 4-bed properties: 5-10%
- 10.71 Although the analysis has quantified this based on the market modelling and an understanding of the current housing market. The 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply.
- 10.72 Furthermore in heavily urbanised locations such as LBW density requirements will mean that the built form will be skewed towards flatted development which tend to be more suitable for smaller homes. That said when opportunity arrives for more family units this should be encouraged.
- 10.73 Ultimately the plan making process must include appropriate monitoring to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by the demographic change in the area.
- 10.74 Crucially, the analysis was undertaken prior to the COVID-19 pandemic, and therefore does not necessarily reflect potential changes in relation to out-migration and how this may affect the type and size of home needed. Therefore, there is a need for the Council to maintain flexibility in its approach to the provision of market housing in order to be able to be responsive to changing circumstances.
- 10.75 Development proposals should consider the relative propensity of different types of household to move, and the effect a high churn rate has on communities, when considering the type and size of properties to be provided.

Comparison with London SHMA

- 10.76 The analysis in this section follows a similar (but not identical) methodology to that used in the London SHMA of 2017 (see Section 7 of the SHMA). The London SHMA starts out by projecting future requirements based on the current mix and moves on to carry out a similar analysis based on household growth (a similar method as above).

- 10.77 The London SHMA then adjusts these figures based on affordability and the backlog of need for housing that has built-up in earlier years.
- 10.78 Overall, the core conclusions of the London SHMA are that 46% of all additional market homes should have 1-bedroom, along with 37% of intermediate housing and 69% in the low-cost rent sector. It is noted this does not necessarily reflect need in Wandsworth with 45% of the Housing Register (in a reasonable preference category) having a need for a 1-bedroom home.

Ward Level analysis

- 10.79 This section examines ward level data to identify where there may be a case to diverge from the strategic conclusions on housing size mix and specialist forms of housing. Although it should be stressed where it is deemed appropriate to diverge in one area a converse diversion is required elsewhere i.e. a focus on smaller homes in one area should be met with larger homes in another.
- 10.80 With this in mind, where a recommendation has been made for larger family dwellings in St. Mary's Park, West Hill and West Putney on the basis of demographic variations from the Borough average, there is a case for more smaller (low cost) market homes in Northcote and Queenstown to respond to a relatively high Median Affordability Ratio.
- 10.81 We have initially set out in the table below a number of key indicators for each ward in the Borough. This includes the age and stock profile of each wards as well as selected market signals.

Table 35: Ward level indicators

Ward	% Over 65s	% Under 16	% HH with Dependent Children	% Other HHs	% Over-Crowded	% Under-Occupied	% Flats	% Terraced	% Semi	% Detached	% 1 bed	% 2 bed	% 3 bed	% 4+ Bed	% PRS	% Social Rent	% Owner Occupied	Median House Price (2019)	% difference between ward and borough median house price	Median House Price (2013)	Median Household income estimate (2012/13)	Median Affordability Ratio (2013)
Balham	8%	18%	24%	19%	0.3%	2.6%	58%	31%	10%	2%	23%	31%	21%	14%	34%	11%	53%	£765,000	21%	£510,000	£53,420	9.55
Bedford	8%	15%	22%	22%	0.4%	2.2%	72%	20%	6%	2%	29%	36%	16%	8%	38%	16%	44%	£565,500	-10%	£422,000	£46,410	9.09
Earlsfield	7%	17%	21%	21%	0.4%	2.5%	63%	30%	5%	2%	25%	34%	28%	11%	30%	22%	46%	£595,000	-6%	£454,000	£44,360	10.23
East Putney	11%	14%	22%	17%	0.3%	2.8%	76%	12%	8%	4%	24%	41%	17%	10%	39%	11%	48%	£550,000	-13%	£451,400	£49,010	9.21
Fairfield	7%	15%	18%	20%	0.4%	2.4%	72%	21%	6%	1%	26%	40%	20%	8%	35%	15%	47%	£540,000	-14%	£435,000	£48,590	8.95
Furzedown	10%	21%	17%	23%	0.5%	2.4%	51%	34%	13%	3%	21%	27%	32%	14%	27%	17%	54%	£515,000	-18%	£320,000	£38,240	8.37
Graveney	9%	19%	35%	16%	0.5%	2.2%	50%	38%	8%	3%	17%	44%	27%	9%	36%	18%	44%	£525,000	-17%	£356,977	£37,960	9.40
Latchmere	9%	19%	28%	22%	0.8%	1.7%	81%	15%	3%	1%	30%	41%	20%	7%	22%	47%	28%	£460,000	-27%	£397,000	£34,990	11.35
Nightingale	9%	18%	27%	19%	0.4%	2.4%	62%	25%	11%	2%	30%	29%	16%	14%	34%	13%	51%	£632,000	0%	£540,000	£50,790	10.63
Northcote	6%	21%	23%	19%	0.3%	2.7%	58%	34%	7%	2%	21%	29%	20%	18%	32%	14%	53%	£1,057,500	68%	£665,000	£55,810	11.92
Queenstown	7%	15%	27%	20%	0.7%	2.2%	89%	8%	2%	1%	34%	39%	19%	6%	33%	31%	31%	£840,875	33%	£480,000	£39,580	12.13
Roehampton	9%	17%	19%	20%	0.6%	1.9%	81%	11%	4%	5%	24%	34%	26%	11%	23%	46%	29%	£400,000	-36%	£227,000	£30,320	7.49
St. Mary's Park	10%	15%	30%	19%	0.4%	2.4%	86%	9%	4%	1%	22%	38%	23%	12%	33%	22%	42%	£682,500	8%	£591,250	£44,720	13.22
Shaftesbury	8%	15%	19%	24%	0.4%	2.9%	54%	41%	4%	1%	22%	33%	27%	14%	32%	23%	44%	£585,000	-7%	£423,750	£50,410	8.41
Southfields	9%	20%	28%	15%	0.6%	2.7%	56%	37%	6%	1%	26%	41%	24%	7%	29%	15%	53%	£615,200	-2%	£530,000	£48,160	11.00
Thamesfield	10%	17%	19%	20%	0.2%	3.0%	60%	27%	10%	2%	21%	33%	21%	15%	35%	8%	54%	£796,000	26%	£547,500	£55,380	9.89
Tooting	9%	18%	21%	17%	0.7%	2.0%	48%	39%	10%	4%	19%	33%	29%	14%	25%	18%	41%	£552,500	-12%	£340,500	£36,000	9.46
Wandsworth Common	8%	19%	28%	26%	0.2%	2.7%	50%	30%	17%	4%	17%	29%	21%	16%	25%	13%	61%	£841,250	34%	£492,500	£51,420	9.58
West Hill	9%	19%	30%	15%	0.5%	2.6%	74%	12%	9%	4%	18%	39%	28%	10%	30%	24%	44%	£485,000	-23%	£339,475	£40,360	8.41
West Putney	13%	18%	29%	17%	0.3%	2.6%	61%	21%	11%	7%	20%	33%	26%	10%	24%	23%	50%	£595,000	-6%	£450,000	£43,280	10.40
Wandsworth Average	9%	18%	24%	20%	0.4%	2.5%	65%	25%	8%	3%	24%	35%	23%	11%	32%	20%	46%	£629,916		£448,668	£44,961	9.93

Source: GLA data source, Census 2011, GL Hearn calculations

Balham

- 10.82 Around 58% of units in Balham are flats, whereas in the Borough, the figure is 66%. The ward also has a large proportion of terraced dwellings, at 31% compared with 25% in the Borough as a whole. This translates into a smaller proportion of homes of 1 or 2 bedrooms (54%) than the Borough average (59%). There is a substantial difference in the proportion of homes that are social rent, 20% in the Borough, as against 11% in Balham.
- 10.83 In 2019, the median house price in Balham was 21% higher than the Borough average. There was little difference in the MAR however, reflecting above average median incomes in the ward.
- 10.84 According to LBW's monitoring data, between 2011 and 2019, 315 units were completed, of which 67 were affordable (17%). The table below shows the distribution in terms of size of home, with the majority in both market and affordable sectors being 1 or 2 bedroom dwellings.

Table 36: **Net uplift in different sizes of home by tenure (Balham ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	52%	40%	7%	0%	0%
Market	3%	35%	45%	7%	8%	2%

Source: LBW

- 10.85 Based on GLA data from 2015, the demographic profile of Balham is similar to the rest of the Borough. Moreover, the variations detected in the data are not sufficiently extreme to warrant a different balance of tenures and mix of homes from the strategic recommendations put forward in this chapter.

Bedford

- 10.86 A higher proportion of all units are flats (72%) when compared with the Borough (65%), and a smaller proportion of terraced dwellings (20% against 25%). This translates into a higher proportion of 1 and 2 bedroom units (65%) compared with the Borough (59%). In terms of the split of tenure, there are a higher proportion of PRS dwellings, and a smaller proportion of social rented homes.
- 10.87 The median house price in 2019 was 10% lower in Bedford than the Borough median, and dwellings were slightly more affordable to residents.
- 10.88 Since 2011, Bedford has seen around 179 units built, of which 16 (9%) were affordable. The table below sets out the distribution in terms of number of bedrooms, showing the majority of new development at the smaller end of the scale. The majority of homes built over this period were flats.

Table 37: **Net uplift in different sizes of home by tenure (Bedford ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	38%	56%	6%	0%	0%
Market	6%	36%	49%	12%	-4%	2%

Source: LBW

- 10.89 In demographic terms, Bedford is close to the borough average. The variations detected in the data are not sufficient to warrant a different balance of tenures and mix of homes from the recommendations at Borough level.

Earlsfield

- 10.90 Earlsfield displays similar characteristics to the Borough average across all indicators, suggesting the strategic recommendations as regards housing mix are appropriate.
- 10.91 Between 2011 and 2019, 393 units were built, of which 84 (21%) were affordable. The majority of these units (both market and affordable) were 1 and 2 bedroom flats.

Table 38: **Net uplift in different sizes of home by tenure (Earlsfield ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	50%	50%	0%	0%	0%
Market	4%	35%	47%	4%	10%	0%

Source: LBW

Putney East

- 10.92 According to GLA data from 2015, Putney East has an age structure that is slightly different from the rest of the Borough. The population aged 65+ is 2% greater and there are 4% fewer people age under 16.
- 10.93 The evidence gathered suggests there is a significantly higher proportion of dwellings that are flats in the ward (76% as against 65% in the borough), and a lower proportion that are terraced homes (12% as against 25%). In part, this explains the higher overall proportion of 1 and 2 bedrooms in East Putney (65% compared with 59% in the Borough).
- 10.94 There is also a marked variation in the proportion of PRS units in the ward compared with the Borough (39% against 32%) and a lower proportion that are social rent (11% against 20%).

- 10.95 Median house prices are 13% lower in East Putney compared with Wandsworth, and homes are marginally more affordable to residents. Again this can be linked to the smaller stock
- 10.96 Since 2011, the ward has seen a substantial amount of development, with around 867 new homes being built. Of these, 147 (17%) were affordable. the overwhelming majority of these units were flats (98%), and the focus was 1 and 2 bedroom properties. These constituted 93% of affordable units, and 97% of market units.

Table 39: **Net uplift in different sizes of home by tenure (East Putney ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	51%	42%	7%	0%	0%
Market	-6%	27%	70%	8%	1%	1%

Source: LBW

- 10.97 While small demographic variations exist, they are not sufficient to warrant a different balance of tenures and mix of homes from the recommendations at Borough level.

Fairfield

- 10.98 The Fairfield Ward shows significant variations in type of home compared with the Borough average, with 72% flats and 1% detached homes. These compare with the Borough at 65% and 3% respectively. In part, this explains the higher overall proportion that are 1 and 2 bedroom in Fairfield (66% compared with 59% in the Borough).
- 10.99 Median house prices are 14% lower in Fairfield compared with Wandsworth, and homes are marginally more affordable to residents. Again this can be linked to the smaller stock.
- 10.100 The ward saw 519 units delivered between 2011 and 2019, of which 15 (3%) were affordable. A large minority of these units were medium sized (3 or 4 bedroom) homes, 27% of the affordable units, and 23% of the market units. Despite this, 96% were flats.

Table 40: **Net uplift in different sizes of home by tenure (East Putney ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	7%	67%	20%	7%	0%
Market	0%	37%	39%	21%	2%	0%

Source: LBW

- 10.101 Demographically, Fairfield is similar to the rest of the Borough. Therefore, there is no justification for a different balance of tenures and mix of homes from the recommendations at Borough level.

Furzedown

- 10.102 The Furzedown Ward shows significant variations in type of home compared with the Borough average, with 51% flats, 34% terraced and 13% semi-detached homes. The bias towards terraced and semi-detached homes explains the higher overall proportion that are larger homes (45% of units are 3 and 4 bedroom in the ward, compared with 34% in the Borough).
- 10.103 Median house prices are 18% lower in Furzedown compared with Wandsworth, and homes are more affordable to residents, with an MAR of 8.37 compared with 9.93 for the Borough.
- 10.104 The ward saw around 120 units delivered in the period 2011-2019, of which 15 (13%) were affordable. The distribution of these homes by size indicates a significant minority (20%) were 3 bedroom units within both tenures. The majority of the new dwellings were flats (89%).

Table 41: **Net uplift in different sizes of home by tenure (Furzedown ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	7%	67%	20%	7%	0%
Market	10%	34%	45%	20%	-9%	0%

Source: LBW

- 10.105 The preponderance of larger dwellings in the ward suggests a significant difference to the urban form that may support a larger proportion of larger homes suited to families. However, the demographic balance that is close to the Borough average (with the exception of households with dependent children where the ward has a lower proportion) suggests the recommendations for size mix at the Borough level remain sound.

Graveney

- 10.106 The data indicates that a higher proportion of households have dependent children in Graveney than for Wandsworth as a whole (35% as against 24%). Also, there are fewer "other" households (these will typically be HMOs). A substantially smaller proportion of units are flats (50% as against 65% for the Borough as a whole), although the distribution of sizes of homes remain close to the Borough average.
- 10.107 Median house prices are 17% lower in the ward compared with Wandsworth, and homes are slightly more affordable to residents. This is linked to the size of homes in the area.

- 10.108 Between 2011 and 2019, Graveney saw around 370 units completed; of these 127 (34%) were affordable. The new affordable units included 17% of 3 bedrooms in size. The market units were, however, concentrated at the lower end of the size spectrum, with almost all units studios or 1 or 2 bedroom homes. Only 6 units, or 2% of supply, were 3 bedroom market dwellings.

Table 42: **Net uplift in different sizes of home by tenure (Graveney ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	25%	57%	17%	0%	0%
Market	9%	47%	46%	2%	-3%	-2%

Source: LBW

- 10.109 Given the significant demographic variation detected in Graveney, there is an argument to support a slightly higher proportion of market housing suited to families (3 bedroom homes) than for the borough as a whole.

Latchmere

- 10.110 Latchmere ward shows significant variations in type of home compared with the Borough average, with 81% flats, 15% terraced and 3% semi-detached homes, as against 65%, 25% and 8% for these dwelling types in Wandsworth respectively.
- 10.111 This translates into a marked difference in the size of homes, with 71% of dwellings in the ward having 1 or 2 bedrooms, compared with 59% in the Borough. At the other end of the size spectrum, there are 27% are units of 3 and 4 bedrooms, compared with 34% in the Borough.
- 10.112 In terms of tenures of home, there is a significant concentration of social rented homes in the Ward (47% of all dwellings are of this tenure). Conversely, there are substantially fewer market dwellings.
- 10.113 Median house prices are 27% lower in Latchmere compared with Wandsworth. Homes are, however, less affordable to residents, with an MAR of 11.35 compared with 9.93 for the Borough. This may in part explain the proportion of households that are over-crowded in the ward which, at 0.81%, is almost twice that of the Borough, at 44%.
- 10.114 Over the period 2011-2019, the ward saw around 412 new units delivered. Of these, 94 (23%) were affordable. 12% of both new affordable and market homes were 3 bedroom, and the balance accounted for by dwellings of 1 and 2 bedrooms. The overwhelming majority of these homes were flats (96%).

Table 43: **Net uplift in different sizes of home by tenure (Latchmere ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	1%	38%	49%	12%	0%	0%
Market	0%	33%	53%	12%	1%	0%

Source: LBW

- 10.115 The demographic evidence does not indicate a significant variation from Borough averages in Latchmere. It is however worth noting the concentration social rented homes in the ward. This may support policy that seeks to distribute affordable homes more evenly in the Borough in the interests of maintaining balanced communities.

Nightingale

- 10.116 Nightingale ward displays similar characteristics to the Borough average across all indicators, suggesting the strategic recommendations as regards housing mix are appropriate.
- 10.117 The ward saw around 290 units built between 2011 and 2019, of which 34 (12%) were affordable. The majority of the units were 1 and 2 bedrooms in size.

Table 44: **Net uplift in different sizes of home by tenure (Latchmere ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	24%	62%	15%	0%	0%
Market	3%	30%	51%	9%	4%	3%

Source: LBW

Northcote

- 10.118 The Northcote ward is similar to the Borough in indicators, although the ward shows a higher proportion of 4 bedroom dwellings (18% as against 11%) compared with the Borough, and a substantially lower proportion of social rent units (14% as against 20%).
- 10.119 The median house price is also the highest in the Borough, 68% higher than Borough average. Homes are also less affordable to residents, with an MAR of 11.92 compared with 9.93 for the Borough.
- 10.120 The ward saw 189 units delivered between 2011 and 2019, of which 14 (7%) were affordable.

Table 45: **Net uplift in different sizes of home by tenure (Northcote ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	-7%	21%	36%	0%	50%	0%
Market	13%	11%	56%	8%	10%	2%

Source: LBW

- 10.121 Demographically, Northcote is similar to the rest of the Borough. Moreover, the small variations detected are not enough to warrant a different balance of tenures and mix of homes from the recommendations at Borough level. Price signals however suggest additional smaller low cost market homes could be delivered in Northcote to ease house prices, and bring the MAR closer to the Wandsworth average.

Queenstown

- 10.122 Demographically, the ward is similar to the Borough in most respects. There are, however, a higher proportion of homes that are flats compared with the Borough (89% compared with 65%), and a lower proportion of all other dwelling types. This translates into a higher proportion of small units (73% if homes are 1 and 2 bedroom) and fewer larger dwellings. The ward also displays an above average proportion of social rented units (31% as against 20%).
- 10.123 The median house price is also relatively high, 33% higher than the Borough average. Homes are also less affordable to residents, with an MAR of 12.13 compared with 9.93 for the Borough. This is, however, likely to be to do with the presence of high value dwellings in the same ward as a significant number of households living in social rented accommodation.
- 10.124 The ward saw a large number of new units delivered over the period 2011-19 (around 4,000). These were almost all flats (99%) and 15% were affordable.

Table 46: **Net uplift in different sizes of home by tenure (Queenstown ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	37%	46%	14%	2%	0%
Market	0%	27%	58%	13%	1%	1%

Source: LBW

- 10.125 On account of the similarity between Queenstown ward and the Borough in demographic terms the argument for a divergence from the strategic conclusions on housing size mix is weak. Price signals

however suggest additional smaller low cost market homes could be delivered in Queenstown to ease house prices and bring the MAR closer to the Wandsworth average.

Roehampton

- 10.126 As with Queenstown Ward, Roehampton has a similar demographic profile to the Borough, and a large proportion of flats (81% of all dwellings, with a correspondingly low proportion of other types of dwelling compared with Wandsworth. Despite this, the distribution of sizes of home are close to the Borough average. The area does have a substantial concentration of social rented homes (46% of all homes), with a corresponding lower percentage of market dwellings.
- 10.127 Market homes are among the most affordable in the Borough, with prices 36% lower than the Borough average, and a MAR of 7.49, compared with 9.93 for the Borough.
- 10.128 Roehampton saw 112 units delivered between 2011 and 2019, of which 21 (19%) were affordable.

Table 47: **Net uplift in different sizes of home by tenure (Queenstown ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	71%	24%	5%	0%	0%
Market	3%	21%	45%	11%	-2%	22%

Source: LBW

- 10.129 Given the demographic similarity with the Borough, the argument for any divergence from strategic recommendations at the Borough level is weak. It is however worth noting the concentration of social rented homes in the ward. This may support a policy that seeks to distribute affordable homes more evenly in the borough in the interests of maintaining balanced communities.

St. Mary's Park

- 10.130 St Mary's displays a significantly higher proportion of households with dependant children, and has a relative concentration of flats, and fewer other types of property. In other respects it is close to the Brough average.
- 10.131 St. Mary's is one of the least affordable parts of the borough, with an MAR of 13.22.
- 10.132 The ward saw a substantial amount of development between 2011 and 2019, around 1,900 homes, of which 26% were affordable. The distribution of these homes by size focussed on one and two bedroom homes, although 10% of affordable and 13% of market units were 3 bedroom dwellings. Flats constituted 98% of all homes delivered.

Table 48: **Net uplift in different sizes of home by tenure (St. Mary's ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	2%	42%	46%	10%	0%	0%
Market	4%	26%	55%	13%	1%	1%

Source: LBW

- 10.133 The evidence gathered suggests a misalignment between the supply and demand for homes, with a relatively large population of families with children, and a weak stock suited to their needs. There is, therefore, some justification for a seeking a balance of supply towards the upper end of the range for 3 and 4 bedroom market homes in St Mary's.

Shaftesbury

- 10.134 The demographic evidence gathered for Shaftesbury indicates similarity with the Borough average. The area does however have a relative concentration of terraced dwellings.
- 10.135 Between 2011 and 2019, 225 units were delivered in the ward, of which 12 (5%) were affordable.

Table 49: **Net uplift in different sizes of home by tenure (Shaftesbury ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	33%	67%	0%	0%	0%
Market	0%	39%	42%	17%	3%	-1%

Source: LBW

- 10.136 Given the demographic similarity with the Borough, the argument for any divergence from strategic recommendations at the Borough level is weak.

Southfields

- 10.137 Southfields displays similar characteristics to the Borough average across all indicators, suggesting the strategic recommendations as regards housing mix are appropriate.
- 10.138 The ward saw a substantial number of units delivered between 2011 and 2019 (860) of which 20% were affordable and 98% were flats.

Table 50: **Net uplift in different sizes of home by tenure (Southfields ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	65%	26%	9%	0%	0%
Market	1%	46%	42%	10%	2%	0%

Source: LBW

Thamesfield

- 10.139 The Thamesfield ward has a relatively low proportion of social rented homes, and is relatively expensive, with a median house price that is 26% higher than the Wandsworth average.
- 10.140 The ward saw substantial amount of development between 2011 and 2019, with around 1,050 units added to the housing stock. Of these, 23% were affordable. Supply achieved a balance by size, with 18% affordable and 14% of market units of 3 and 4 bedrooms. 95% of these new homes were flats.

Table 51: **Net uplift in different sizes of home by tenure (Thamesfield ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	34%	48%	16%	2%	0%
Market	3%	20%	64%	11%	3%	0%

Source: LBW

- 10.141 On account of is similarly with the Borough in demographic terms, there is insufficient evidence to depart from the strategic recommendations at the Borough level as regards size mix of homes.

Tooting

- 10.142 The distribution of types of home is substantially different in Tooting compared with the Borough average, with a higher proportion of terraced, semi-detached and detached homes, and a lower proportion of flats.
- 10.143 The distribution of homes by size is however broadly comparable, although there is a slightly higher proportion of larger homes.
- 10.144 The area also has a marginally higher proportion of PRS dwellings and fewer in owner occupation than the Borough.
- 10.145 Median house prices in the area are also 12% lower than the Borough average, and dwellings marginally more affordable to residents.

- 10.146 Over the period 2011-2019, Tooting saw around 330 units added to the housing stock. Of these 14% were affordable. Of the affordable and market units, 22% and 14% were 3 bedroom respectively. the majority of the new homes were flats (94%).

Table 52: **Net uplift in different sizes of home by tenure (Tooting ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	44%	33%	22%	0%	0%
Market	10%	29%	51%	14%	-3%	-2%

Source: LBW

- 10.147 While the demographic profile is similar, the area has one of the highest proportions of terraced housing in the Borough. For this reason it may be an appropriate area for housing of a types and size suited to families.

Wandsworth Common

- 10.148 Data for Wandsworth Common shows significant variation with the borough in terms of the distribution of sizes of home, with a lower proportion of flats, and a higher proportion of terraced, semi-detached and detached homes.
- 10.149 This translates into a lower proportion of 1 bed homes (17% as against 24%) and a greater proportion of 4 bedroom homes (16% as against 11%).
- 10.150 Median house prices are 34% higher in Wandsworth Common than the borough average. On account of substantially higher median incomes, however, affordability is similar to the borough average.
- 10.151 The area saw the lowest number of net new homes delivered between 2011 and 2019 (90).

Table 53: **Net uplift in different sizes of home by tenure (Wandsworth Common ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	44%	33%	22%	0%	0%
Market	0%	-7%	-18%	36%	51%	38%

Source: LBW

- 10.152 On account of is similarly with the borough in demographic terms, there is insufficient evidence to depart from the strategic recommendations at the Borough level.

West Hill

- 10.153 The West Hill ward is close to the Borough in respect of demographics, with the exception of families with dependent children where it is higher (30% of households as against 24%). The ward also departs from the Borough average in respect of dwelling type. There are a higher proportion of flats, and a lower proportion of terraced homes; despite this, the distribution of sizes of home is close to the Borough average.
- 10.154 The median house price is 23% lower in the ward than the Borough, and dwellings correspondingly more affordable.
- 10.155 Between 2011 and 2019, the area saw 160 new homes, of which 6 (4%) were affordable. Development in West Hill shows a broader range of sizes of home than elsewhere in the Borough, with 46% of the new stock being houses. This is reflected in the size of dwellings, with 48% of new market homes delivered over the period of 3, 4 and 5+ bedrooms.

Table 54: **Net uplift in different sizes of home by tenure (West Hill ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	50%	17%	33%	0%	0%
Market	0%	16%	36%	17%	29%	2%

Source: LBW

- 10.156 As with St. Mary's ward there may be an under-supply of family housing in West Hill, given the relatively large population of families with dependent children, and a shortage of stock suited to their needs. There is, therefore, some justification for a seeking a balance of supply towards the upper end of the range for 3 and 4 bedroom market homes.

West Putney

- 10.157 The West Putney ward has a slightly different demographic structure to the Borough, with a higher proportion of over 65s (13% as against 9%) and households with dependant children (29% as against 24%). The area is, however, similar to the borough average in terms of the types and sizes of home, as well as house prices and affordability.
- 10.158 Over the 2011-2019 period, the area has seen a net increase of 505 units, of which 27 (5%) were affordable. Market provision includes a substantial share of mid-size and larger homes (45% of this new stock is of 3, 4, 5 bedrooms in size and 39% are houses).

Table 55: **Net uplift in different sizes of home by tenure (West Putney ward) 2011-19**

	Studio Units	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Affordable	0%	48%	44%	7%	0%	0%
Market	0%	8%	47%	8%	30%	7%

Source: LWB

- 10.159 Given the differences identified in the demographic profile, there is some justification for seeking a balance of 3 and 4 bedroom market family homes at the upper end of the strategic size mix recommendations. In addition, given the relative popularity of the neighbourhood with older residents, focussing the provision of homes suited to this group in West Putney.

Size and tenure mix to 2037

- 10.160 The table below set out the distribution of housing stock by size and tenure at 2011, 2019 and 2037. The figures for 2037 assume the annual housing targets associated with the standard method are achieved, and the size mix is in line with the strategic recommendations in this report.
- 10.161 The affordable housing numbers assume 35% of new build dwellings are affordable for sites with a capacity of 10 or more units (major sites), in conformity with London Plan and National Planning Policy Framework. To arrive at the proportion of sites that are small (and therefore will not attract affordable housing), it is assumed 10% of LBW's land supply will fall into this category (this assumes LWB will identify 10% of their land supply from small sites, in line with NPPF paragraph 68 a)).

Table 56: **Size and tenure mix (LBW) 2037**

Tenure	Bedrooms	2011	2019	2037
Market	1	21,433	24,146	27,485
	2	36,808	42,292	52,310
	3	24,341	26,413	35,095
	4	21,395	21,849	26,524
Affordable housing	1	10,042	11,056	16,582
	2	9,471	10,480	15,252
	3	5,668	5,974	8,982
	4	1,335	1,402	2,481
Total		130,493	143,612	184,711

Source: GL Hearn calculations

- 10.162 Our recommendations are based on a certain set of assumptions but that it is ultimately for the Council to make final judgements for their policies based on range of other considerations including viability, affordable housing funding and local objectives such as supporting downsizing or attracting families etc.

Summary of Housing Mix

- There are a range of factors which will influence demand for different sizes of homes, including changes in age structure, household composition together with economic factors such as housing affordability.
- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households and the limited flexibility which 1-bedroom properties offer to changing household circumstances.
- Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bedroom properties. Demand for this type of product is driven by young professionals and older households downsizing, but still having enough space for friends and family to stay. Continued demand for family housing can be expected from newly forming households.
- The analysis linked to the identified housing need and a range of other factors results in the following recommended mix of homes:

	1-Bed	2-Bed	3-Bed	4+ Bed
Market	30-40%	30-40%	15-25%	5-10%
Affordable home ownership	35-40%	40-45%	15-20%	5-10%
Affordable housing (rented)	40-45%	30-35%	20-25%	5-10%

- On the whole, the individual wards do not show demographic trends, or a structure to their housing stock, that would justify departure from the strategic recommendations as regards size. However, in Graveney, St. Mary's Park, West Hill and West Putney wards there is justification for seeking a higher proportion of dwellings suited to families than elsewhere in the Borough. To offset the increased supply of larger dwellings in these wards, it is suggested that in Northcote and Queenstown studios and 1 bedroom low cost market homes could be delivered to improve overall affordability.
- The affordable housing mix should inform future strategic policies. In applying these to individual development sites, regard should be had to the nature of the development site and character of the area, and up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.
- It is also noted that the Council may wish to develop a policy that seeks a provision of affordable housing measured by proportion of total habitable rooms rather than units. This will remove the incentive to deliver smaller dwellings and promote policy objectives to do with the delivery and maintenance of mixed and balanced communities.

11 HOUSING NEEDS OF SPECIFIC GROUPS

Introduction

- 11.1 As part of understanding the local housing need, an analysis has been undertaken on the housing needs of specific groups in LBW. The analysis draws on a range of statistics, including the population projections and those suggested in the PPG. The discussion below begins by looking at the housing needs of older persons' and those with disabilities.

Older persons' and those with disabilities

- 11.2 Planning Practice Guidance relating housing for older and disabled people is spread over two sections of the guidance, "Housing for older and disabled people" and "Housing: optional technical standards", and they should be considered in conjunction to understand the range of topics plan-making authorities should address, together with sources of evidence likely to be relevant and proportionate.
- 11.3 The first establishes the principle that plan-making authorities should address the housing needs of older and disabled people⁵⁰. It puts forward the standards that may be applied to dwellings such they are suitable for occupation by such a person⁵¹ (M4(2): Accessible and adaptable dwellings and M4(3): Wheelchair user dwellings); and identifies suitable sources of evidence to identify need⁵².
- 11.4 The second sets out the topics that should be addressed such that the Local Planning Authority (LPA) responds to need in a meaningful way; these are:
- the **likely future need for housing** for older and disabled people (including wheelchair user dwellings);
 - **size, location, type and quality** of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
 - the **accessibility and adaptability of existing housing stock**;
 - **how needs vary across different housing tenures**; and
 - **the overall impact on viability**.⁵³

Older persons

- 11.5 Across the country as a result of the improvements to life expectancy the population of elderly people is increasing, and, LBW is no exception. For this reason, a priority for the LHNA will be to provide a robust forecast of the needs of older residents.
- 11.6 For the purposes of this study, we divide these into two age cohorts, those aged between 65 and 74 years of age, and those aged 75 and above. This is determined by likely prevalence of different degrees of

⁵⁰ PPG Paragraph: 006 Reference ID: 63-006-20190626

⁵¹ PPG Paragraph: 009 Reference ID: 63-009-20190626

⁵² PPG Paragraph: 005 Reference ID: 63-005-20190626

⁵³ PPG Paragraph: 007 Reference ID: 56-007-20150327

severity of disability, and the existence of authoritative guidance on planning for the housing needs of those aged 75+.

- 11.7 It also allows plan-makers to identify need for specialist housing for older people that maps onto the four types of dwelling identified in PPG:
- age-restricted general market housing,
 - retirement living or sheltered housing,
 - extra care housing or housing-with-care,
 - residential care homes and nursing homes.⁵⁴
- 11.8 In arriving at an understanding of older people's housing need, the PPG provides two important points. Firstly, plan-makers should address the needs those approaching retirement through to the very frail elderly.⁵⁵ The demographic spread is therefore very wide, and a correspondingly wide variety of homes of different types and sizes should be considered. However, it is reasonable to assume the needs of many older people will be met through mainstream housing, particularly where policy actively supports lifetime homes⁵⁶, bungalows and adaptations.
- 11.9 Secondly, they should help people live in their own, or mainstream housing, home for as long as possible⁵⁷ particularly given it may be adapted or designed specifically to meet their needs. Plan-makers will therefore need to identify the role that general housing may play as part of their assessment.⁵⁸ By so doing, they will be able to reduce the assessed need in the area for all forms of specialist housing for the elderly and avoid over-provision.
- 11.10 The purpose of this section of the LHNA is therefore to arrive at an understanding of the number of older persons households that will arise by 2037; what proportion of this group's housing needs made be addressed through mainstream housing (allowing for both lifetime homes and the scope for adaptations); and what the residual need is likely to be for Specialist Housing for the Older People (SHOP).

Older Persons Population Growth

- 11.11 The table below provides baseline population data about older persons in Wandsworth and compares this with the London and England geographies. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards. The data is for 2018 and reflects the latest published data for local authority areas and above.
- 11.12 The data shows, when compared with both the London and national positions that the Borough has a lower proportion of older persons, although in the case of London is it only marginally so (2.4%).

⁵⁴ PPG Paragraph: 010 Reference ID: 63-010-20190626

⁵⁵ NPPF, glossary, page 69

⁵⁶ See glossary

⁵⁷ Planning Practice Guidance (Housing for older and disabled people) Paragraph: 012 Reference ID: 63-012-20190626

⁵⁸ Planning Practice Guidance (Housing for older and disabled people) Paragraph: 012 Reference ID: 63-012-20190626

Table 57: **Older Persons Population (2018)**

Age	Wandsworth		London	England
	Population	% Population	% Population	% Population
Total	326,500			
Under 65	295,400	90.5%	88.1%	81.8%
65-74	17,100	5.2%	6.5%	9.9%
75-84	9,900	3.0%	3.8%	5.8%
Aged 85 and over	4,000	1.2%	1.6%	2.4%
Total 65+	31,000	9.5%	11.9%	18.2%

Source: ONS 2018 population estimates

- 11.13 As well as providing a baseline position for the proportion of older persons in the Borough, population projections can be used to provide an indication of how the numbers might change in the future compared with other areas.
- 11.14 The data presented in the table below shows population change between 2019 and 2036 for LBW, London and England. It is notable that the substantial increase in older age cohorts is a trend shared between all the geographies. This is in contrast with the broadly flat growth in those age under 65.

Table 58: **Projected Change in Population of Older Persons, 2019 to 2036 ('000s)**

Geography	Age	2019	2036	Change	% Change
Wandsworth	Under 65	297	308	10	3%
	65-74	17	26	8	47%
	75-84	10	16	6	57%
	85+	4	7	3	80%
London	Under 65	7,978	8,504	526	7%
	65-74	586	889	303	52%
	75-84	345	583	239	69%
	85+	148	269	121	82%
England	Under 65	45,992	46,731	739	2%
	65-74	5,584	69,29	1,345	24%
	75-84	3,391	5,211	1,819	54%
	85+	1,390	2,665	1,275	92%

Source: ONS subnational population projections (2016-based)

- 11.15 In addition, the pace of growth in the populations of the recently retired (65-74 age group) in Wandsworth and London is forecast to be faster than in England (47.4% and 51.7% as against 24.1% respectively). Indeed, this trend persists for those in the 75-84 age bracket, although to a lesser degree.
- 11.16 It is only in the oldest age group, those aged 85+ where the numbers for England exceed those for the other geographies, (91.7% as against 79.5% and 81.6% for Wandsworth and London respectively). This would reflect the older starting population nationally but also the likelihood that some elderly will move out of London as they retire.
- 11.17 The table below presents the change in the households by age of household reference person. These figures are based on the Standard Method of 2,537dpa. This illustrates household headed by older age groups are forecast to be the fastest growing in the Borough between 2019 and 2037.

Table 59: **Projected change in households by age of household reference person**

	Households 2019	Households 2037	Change in households	% Change
All households	141,682	186,018	44,336	31.30%
65-69	6,609	10,686	4,077	61.70%
70-74	6,060	9,799	3,739	61.70%
75-79	4,275	6,885	2,610	61.10%
80-84	3,514	4,994	1,480	42.10%
85 & over	3,036	5,219	2,184	71.90%

Source: Demographic projections

- 11.18 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.
- 11.19 The data for need is calculated by applying prevalence rates to the population aged 75+ and mapping these onto the projected number of households by 2037. The prevalence rates have been taken from a toolkit developed by Housing LIN, in association with the Elderly Accommodation Council (EAC) and endorsed by the Department of Health. This includes the following categories (discussed in more detail below): sheltered housing, enhanced sheltered housing, extra care, residential care and nursing care (three of the four categories listed in PPG).

Definitions of Different Types of Older Persons' Accommodation

Retirement/sheltered housing/age restricted general market housing:

A group of self-contained flats or bungalows typically reserved for people over the age of 55 or 60; some shared facilities lounge, garden, guest suite, laundry; plus on-site supportive management. A regularly visiting scheme manager as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to retirement/sheltered housing. Developments usually built for either owner occupation or renting on secure tenancies.

Enhanced sheltered housing:

Sheltered housing with additional services to enable older people to retain their independence in their own home possible. Typically, there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided additional shared facilities. Also called assisted living and very sheltered housing.

Extra care housing:

Schemes where a service registered to provide personal or nursing care is available on site 24/7. Typically, at will be provided and there will be additional shared facilities. Some schemes specialise in dementia care.

Care beds:

Care homes: Residential settings where a number of older people live, usually in single rooms, and have access to personal care services (such as help with washing and eating).

Care homes with nursing: These homes are similar to those without nursing care, but they also have to be registered to provide care for more complex health needs.

Source: HOPSR

- 11.20 Additionally, the analysis draws on current supply estimates from HOPSR (Housing for Older People Supply Recommendations) – a database developed by Sheffield Hallam University along with data from the EAC which provides an indication of the current tenure mix of such accommodation.

Future Need

- 11.21 As well as setting out overall prevalence rates for different types of housing, the Housing LIN provides some suggestions for the tenure split between rented and leasehold accommodation, this varies depending on an area's level of deprivation.

- 11.22 Consideration has also been given to overall levels of disability in the older person population; given that these are slightly lower in Wandsworth, a small downward adjustment has been made to the base prevalence rates.
- 11.23 In the table below two categories of accommodation are used (in addition to care beds). These are a) Housing with Support (which covers retirement/sheltered housing) and b) Housing with Care (which includes the enhanced sheltered and extra-care housing). These are also split out by tenure. The table sets out the need for specialist housing for people aged 75 and above in Wandsworth by 2037; this indicates an overall need for 1,453 additional dwellings.

Table 60: **Older Persons' Dwelling and Care Bedspace Requirements to 2037**

		Housing demand per 1,000 75+	Current supply	2019 demand	Current shortfall/ (surplus)	Additional demand to 2037	Shortfall/ (surplus) by 2037
Housing with support	Rented	52	1,953	731	-1,222	427	-795
	Leasehold	71	45	994	949	581	1,530
Housing with care	Rented	22	156	310	154	181	335
	Leasehold	22	109	311	202	182	384
Total (dwellings)		167	2,263	2,346	83	1,370	1,453
Care bed-spaces		108	1,146	1,518	372	887	1,258

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

- 11.24 The changes in provision are expressed in percentage terms in the table below. This makes clear the very substantial uplift in leasehold dwellings within the "housing with support" type that is required over the plan period if the Borough is to meet need.
- 11.25 The provision of rented homes for older people includes both private and affordable rented homes. For the purposes of the LHNA, an assumption should be made however that the majority of these homes will be for affordable housing.

Table 61: **Older Persons' Dwelling and Care Bedspace Requirements to 2037**
(percentage uplift)

Type	Tenure	% change
Housing with support	Rented	-41%
	Leasehold	3400%
Housing with care	Rented	215%
	Leasehold	352%
Total (dwellings)		64%
Care bedspaces		110%

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

- 11.26 It is worth noting that there currently exists an over-provision of housing with support for rent by some 1,222 units. This over-provision will however diminish by 2037 as demand picks up due to the ageing population.
- 11.27 As regards "Housing with Care" an additional 719 dwellings are required by 2037, split roughly evenly between dwellings for rent, and those for lease. Finally, as regards "care bed-spaces" an additional 1,258 spaces are required.
- 11.28 The estimated need for care bed-spaces is based on national prevalence rates. However, it should be noted that in reality the proportion of people (aged 75 and over) in care home accommodation will also be influenced by government policy and the potential promotion of health and social care service interventions to prevent people needing to move into such accommodation.
- 11.29 In addition, it should be noted that the need/demand for housing with care and support is part of the overall housing need (not additional to it). In meeting the need/demand there could be some changes to the mix of housing required across the Borough.

Age group 65-74

- 11.30 As mentioned earlier, plan-makers are also required to address the needs of those reaching retirement age by 2037. However, due to the published prevalence rates used above we have previously only examined the need for those aged 75 and over. This is because the vast majority of those in specialist accommodation are older than 75 with increasing percentages and prevalence rates the older the age group.

- 11.31 Although it should be noted that the Housing LIN prevalence rates are not saying that housing with care and housing with support are only occupied by those aged over 75 but rather they are using this age group as a way of estimating demand.
- 11.32 To understand the needs of those households falling into the 65-74 age bracket, we start with a consideration of the change in older persons population to 2037. As shown in the table below, the number of households headed by someone aged 65 and 74 years is projected to increase by around 7,800 (62% (rounded) to 2037.

Table 62: **Change in households in 65-74 age cohort in LBW 2019-2037**

	Households 2019	Households 2037	Change in households	% Change
All households	141,682	186,018	44,336	31.30%
65-69	6,609	10,686	4,077	61.70%
70-74	6,060	9,799	3,739	61.70%
Total Aged 65-74	12,669	20,485	7,816	61.69%

Source: 2011 Census and demographic projections

- 11.33 We next consider how those in the age bracket occupy their dwellings. In the table below shows the split of tenure by age group illustrating that around 49% of households in this age group in LBW own their house outright and a small proportion are in the Private Rented Sector (PRS) (8%).

Table 63: **Tenure of households with HRR age 65-74**

Tenure	Age 65 to 69	Age 70 to 74	Total Aged 65-74	%
Own outright	2,422	2,216	4,638	49%
Owned with a mortgage or Shared ownership	670	400	1,070	11%
Social rented	1,457	1,523	2,980	31%
Private rented	430	325	755	8%
Living rent free	52	55	107	1%
Total	5,031	4,519	9,550	100%

Source: 2011 Census

- 11.34 We then apply the tenure percentage to the projection of the number of older households in 2037 to get the tenure breakdown for the additional 7,816 households headed by someone aged between 65 and 74 age group in 2037. This is set out in the table below.

Table 64: **Growth those aged 65-74 occupying different tenures to 2037**

Total Household Headed by Someone Aged 65-74	Own outright	Owned with a mortgage or shared ownership	Social rent	Private rent	Living rent free
7,816	3,830	860	2,423	625	78

Source: 2011 Census (numbers may not add up due to rounding)

- 11.35 The judgement as to what level of adaption may be determined by their degree of disability. The table below sets out the prevalence of disability for the 50-64 age and 65+ age groups by different tenure types.

Table 65: **Residents aged 50-64 and 65+ whose activities are limited by disability by tenure**

Tenure	Age 50 to 64					Age 65 and over				
	All	Day-to-day activities limited a lot	%	Day-to-day activities limited a little	%	All	Day-to-day activities limited a lot	%	Day-to-day activities limited a little	%
All categories: Tenure	35,587	3,637	10%	4,277	12%	25,774	6,508	25%	6,468	25%
Owned or shared ownership: Total	22,654	1,114	3%	2,022	6%	15,682	3,132	12%	3,736	14%
Owned outright	11,860	626	2%	1,143	3%	13,069	2,611	10%	3,178	12%
Owned with a mortgage or shared ownership	10,794	488	1%	879	2%	2,613	521	2%	558	2%
Rented or living rent free: Total	12,933	2,523	7%	2,255	6%	10,092	3,376	13%	2,732	11%
Social rented	8,765	2,100	6%	1,735	5%	7,726	2,728	11%	2,121	8%
Private rented or living rent free	4,168	423	1%	520	1%	2,366	648	3%	611	2%

Source: Census 2011

- 11.36 Data on the prevalence of disability within those residents aged between 65 and 74 is not available from Census. Therefore, in order to arrive at percentages for those falling into this age group that belong to the different categories of disability, we take the mean of those for the 50-64 and 65+ age groups. This is set out in the table below.

Table 66: **Residents aged 65-74 whose activities are limited by disability by tenure**

Tenure	Age 65 to 74	
	Day-to-day activities limited a lot	Day-to-day activities limited a little
All categories: Tenure	18%	19%
Owned or shared ownership: Total	8%	10%
Owned outright	6%	8%
Owned with a mortgage or shared ownership	2%	2%
Rented or living rent free: Total	10%	8%
Social rented	8%	7%
Private rented or living rent free	2%	2%

Source: Census 2011

- 11.37 We are now in a position to establish the level of disability within this age group and what solutions are available. This should be based on the assumption that many people of this age will wish to remain in their own home, and that those whose day-to-day activities are only limited a little may need only light or limited adaptations to their home and modest "in-situ" assistance from others (very often provided by friend, family and neighbours) that help them remain in their home without the need for specialist housing.
- 11.38 Nevertheless, the LBW should be mindful about the substantial numbers of people with more serious disabilities for whom more extensive adaptations would be required to enable them to remain in their home and enjoy an acceptable standard of living.
- 11.39 In the table below the estimated number and scale of adaptations likely to be required are arrived at by multiplying the numbers of residents falling into the relevant tenure categories by the percentages of those whose day to day activities are limited a lot and a little.

Table 67: **Degree of adaptations required to general housing to enable those aged 65-74 to remain in their own homes**

Type	Number of Households	Number of Households Per Annum
Adaptations (extensive)	572	32
Adaptations (limited)	637	35
Total	1,209	67

Source: GL Hearn calculations

- 11.40 Taking this as a starting point, an assessment may then be made as to whether the Borough should plan for greater than the current rate of provision or less. This should also take into account other factors such

as resource issues as well as other evidence cited in PPG, such as Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards.

LBW analysis

- 11.41 We also note that LBW has produced an analysis that sets out their assessment of the need for affordable housing for older people, rather than all tenures. This is divided between “residential or extra care” and “nursing care” housing.
- 11.42 The understanding of need for affordable housing is established through a comparison of two projections, each derived from the take up of services from the resident population. These are called “service use” and “population/prevalence”. Based on these sources, the author identifies a need for 50-150 additional affordable residential or extra care spaces and 200 affordable nursing care units by 2035.

Residential and extra-care

- 11.43 At present and for the period up to 2025 there is deemed to be sufficient supply of affordable extra care accommodation. This calculation also takes into account a planned supply of 80 units in the Borough in the interim period.
- 11.44 The projection derived from “service use” predicts a need for an additional 130 affordable extra units by 2035 while the “population / prevalence” derived need is for up to 240 additional affordable units. The author has added these figures to the number of service users in 2018 to arrive at an estimated short-fall in 2035 of between 50 and 150 affordable residential and extra-care dwellings.
- 11.45 As regards nursing care, there is an apparent sufficient supply at present. However, the author notes that “both the two main projection models predict an increase in demand for affordable nursing care spaces of over 50% by 2035.”
- 11.46 The study notes that this is the equivalent of a need for an extra 50 to 70 affordable units by 2025 and 190-210 units needed by 2035.⁵⁹ These ranges again reflect the difference between the two forecasting methods.
- 11.47 The findings depart from those set out (the equivalent figure in this table to the number of additional affordable residential and extra-care dwellings arrived at in the LBW method is 335 units, termed “housing with care for rent”).

⁵⁹ Wandsworth Older People's Housing Care Needs, 5th April 2019, page 7

- 11.48 In arriving at a final number, a range is therefore appropriate with 150 additional dwellings to be provided by 2037 as the lower end of this range, and 335 units as the upper end.
- 11.49 The need for care bed-spaces set out the LBW study, citing a need for between 190 and 210 dwellings, may however be treated as the affordable component of the need for 1,258 care bed-spaces set out in Table 60.

Spatial arrangement of new specialist housing for older people

- 11.50 The table below shows the wards in LBW that have attracted the most development of self-contained (SC) and non self-contained housing for older people between 2011 and 2019. The former corresponds to "housing with support" and "housing with care" and the latter "care bed spaces".
- 11.51 The "guide" column reflects Housing LIN's recommended rates of provision per 1,000 people aged over 75⁶⁰. The "actual" column shows provision at new or redeveloped sites between 2011 and 2019. "Variation" is the difference between the two.
- 11.52 The table also shows the number of people aged 75+ in each ward based on ONS Ward-level population estimates. These are "experimental statistics" and should only be used as an estimate of numbers, but as an indicator of areas of relative concentration between the wards, they are likely to be broadly accurate.

⁶⁰ This conforms with prevalence rates in Table 60, 167 self-contained units per 1000 residents aged 75+ and 108 non-self-contained units per 1000 residents aged 75+.

Table 68: **Specialist housing for older people, provision on new and re-developed sites 2011-19 (LBW)**

Ward	75+	%	Self-contained			Non-self-contained		
			Guide	Actual	Variation	Guide	Actual	Variation
Balham	574	4%	96	94	-2	62	25	-37
Bedford	518	4%	87	0	-87	56	0	-56
Earlsfield	538	4%	90	0	-90	58	37	-21
East Putney	852	6%	142	15	-127	92	0	-92
Fairfield	490	4%	82	0	-82	53	98	45
Furzedown	836	6%	140	0	-140	90	5	-85
Graveney	650	5%	109	0	-109	70	87	17
Latchmere	626	5%	105	0	-105	68	0	-68
Nightingale	833	6%	139	2	-137	90	327	237
Northcote	461	3%	77	54	-23	50	0	-50
Queenstown	640	5%	107	0	-107	69	168	99
Roehampton and Putney Heath	808	6%	135	0	-135	87	25	-62
St Mary's Park	1,024	7%	171	121	-50	111	18	-93
Shaftesbury	592	4%	99	0	-99	64	0	-64
Southfields	654	5%	109	0	-109	71	0	-71
Thamesfield	659	5%	110	0	-110	71	10	-61
Tooting	783	6%	131	0	-131	85	0	-85
Wandsworth Common	557	4%	93	46	-47	60	50	-10
West Hill	745	5%	124	0	-124	80	80	0
West Putney	1,062	8%	177	0	-177	115	14	-101
Total	13,902	100%	2,322	332	-1,990	1,501	944	-557
Average	695		116	17	-99	75	47	-28

Source: LBW

- 11.53 As regards self-contained units, those wards where development has concentrated are Balham, Northcote and St. Mary's Park. It is worth noting that, based on provision at new and re-developed sites between 2011 and 2019, it is only Northcote that is able to meet its own requirements.
- 11.54 Some wards where there is a significantly aged population such as East Putney, Nightingale and Furzedown have not delivered any self-contained dwellings and the Council should therefore encourage development in these areas to meet the identified need if the existing stock hasn't already done so.
- 11.55 The spatial distribution of provision does not bear any relationship with wards that have a relative concentration of residents aged 75 and above. As shown in the table, these are East Putney, Furzedown,

Nightingale, Roehampton, St. Mary's Park, Tooting and West Putney, all of which have a prevalence of people in this age cohort of 6% or above of all residents in this age group.

- 11.56 Of these, only Nightingale has a provision of specialist housing for older people that is significantly above the ward average.
- 11.57 In the case of non-self contained units Fairfield, Graveney, Nightingale, Queenstown, Wandsworth Common and West Hill have seen significant development. In the case of Fairfield, Graveney, Nightingale and Queenstown this provision exceeds their requirements when compared with housing LIN's recommended rates of provision.
- 11.58 It is important to note however that once supply at 2011 is taken into account, this shortfall is eliminated (as shown in Table 60 presenting Older Persons' Dwelling and Care Bedspace Requirements to 2037).

Persons with long-term health problem or disability

- 11.59 Planning Practice Guidance section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards, water efficiency standards and internal space standards).
- 11.60 The PPG sets out that the reason for the approach to setting standards is to 'rationalise the many differing existing standards into a simpler, streamlined system which will reduce burdens and help bring forward much needed new homes'⁶¹ and that 'local planning authorities will need to gather evidence to determine whether there is a need for additional standards in their area' (56-002).
- 11.61 The PPG sets out that local authorities should be using their assessment of housing need (and other sources) to consider the need for M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. It sets out that there are a range of published statistics which can be considered, including:
- the likely future need for housing for older and disabled people (including wheelchair user dwellings);
 - size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
 - the accessibility and adaptability of existing housing stock;
 - how needs vary across different housing tenures; and
 - the overall impact on viability.

⁶¹ PPG, Paragraph: 001 Reference ID: 56-001-20150327

- 11.62 As indicated in the PPG, the starting point to quantifying the “likely future need for housing for disabled people” is Census data on people with a long-term health problem or disability (LTHPD). In contrast with the section on the needs of the elderly, this takes account all age groups.
- 11.63 This provides a “starting point” figure, to which adjustments may be made that produce a more locally specific number. As suggested in PPG, we draw in information from the following sources:
- applications for Disabled Facilities Grant to the Council;
 - data from the Projecting Older People Information System (POPPI) website and the parallel Projecting Adult Needs and Service Information (PANSI) model;
- 11.64 In drawing on the above sources, it is important to note the following advice from PPG:
- “Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.”⁶²*
- 11.65 Using these sources of data we will produce an adjusted “final” figure for the number of dwellings that should be provided to meet the needs of the additional numbers of disabled people who will live in the Borough by 2037.
- 11.66 The 2011 Census defines long-term health problem or disability (LTHPD) as “a long-term health problem or disability that limits a person’s day-to-day activities, and has lasted, or is expected to last, at least 12 months. This includes problems that are related to old age” [in the Census] “People were asked to assess whether their daily activities were limited a lot or a little by such a health problem, or whether their daily activities were not limited at all”.
- 11.67 For the purposes of understanding the needs of the disabled people (as opposed to retirees and the elderly) we have filtered out of this analysis those aged over 65 as these cohorts have been considered in previous sections, and it is important to avoid double-counting. To understand the needs of those households with a long-term disability falling into the 16-64 age bracket, we start with a consideration of how these households occupy their dwellings.

Table 69: **Tenure of households with HRR age 16-64**

Tenure	All 16+	Age 16 to 34	%	Age 35 to 49	%	Age 50 to 64	%
Owned or shared ownership	61,302	12,857	29%	22,922	53%	14,807	61%
Social rented	26,512	5,140	12%	8,570	20%	6,577	27%
Private rented	42,663	25,937	59%	12,047	28%	2,922	12%

Source: Census 2011

⁶² Planning Practice Guidance, Paragraph: 005 Reference ID: 63-005-20190626

- 11.68 The table below sets out the increase in the number of households with a household reference person under the age of 65.

Table 70: **Projected change in households by age of household reference person– LBW (selected age groups)**

	Households 2019	Households 2037	Change in households	% change
16-34	38,547	44,900	6,354	16.48%
35-49	49,216	61,226	12,010	24.40%
50-64	30,426	42,310	11,883	39.06%

Source: Demographic projections

- 11.69 We then apply the tenure percentage to the projection of the number of people to get the tenure breakdown for this age group in 2037. A key assumption here is that, for the purposes of arriving at the proportion of households falling into different tenures the growth in the overall population number and over may be used (rather than households).

Table 71: **Growth in the number of persons in selected age groups occupying different tenures in LBW**

Age	Owned	Social rent	Private rent	Living rent free
Age 16 to 34	1,859	743	3,517	234
Age 35 to 49	6,323	2,364	3,044	279
Age 50 to 64	7,239	3,215	1,204	225

Source: 2011 Census

- 11.70 The judgement as to which type of specialist housing a given household falls into may be determined by whether they suffer from a long-term disability, and the degree of severity, the table below sets this out.

Table 72: **Residents in Wandsworth of selected age groups whose activities are limited by disability**

Age	All categories: Long-term health problem or disability	Day-to-day activities limited a lot	%	Day-to-day activities limited a little	%	Day-to-day activities not limited	%
Age 16 to 34	120,075	1,260	1%	2,513	2%	116,302	97%
Age 35 to 49	69,243	2,557	4%	3,433	5%	63,253	91%
Age 50 to 64	35,587	3,637	10%	4,277	12%	27,673	78%

Source: Census 2011

- 11.71 With reference to the data presented, it is possible to arrive at the number of households in these age groups by 2037 who may need a home to which adaptations and specific design features have been applied in order for them to be accessible and suited to their needs. As with the 65-74 age group, the preference should be for people in this age group to remain in their own home (or that of their parents), rather than move to a form of specialist accommodation. Need is therefore split between extensive and limited adaptations to achieve this. This is presented in the table below.
- 11.72 By 2037, we estimate that 4,528 dwellings may require some form of adaptation to meet the needs of disabled people. The focus of attention should however be the estimated 1,689 dwellings that house someone with serious disabilities. It is important to note this is not additional to the overall housing needs figure, but forms part of it.

Table 73: **The need for specialist housing for disabled people in LBW by tenure 2019-37**

Type	16-34			35-49			50-64			Total dwellings
	Owned	Social rent	Private rent	Owned	Social rent	Private rent	Owned	Social rent	Private rent	
Adaptations (extensive)	20	8	37	233	87	112	740	329	123	1,689
Adaptations (limited)	39	743	74	313	117	151	870	386	145	2,839
Total	58	751	111	547	205	263	1610	715	268	4,528

Source: Census 2011

- 11.73 As a means of qualifying the needs of disabled people of all ages, it is worth considering how the different groups affected by some form of disability are likely to change by 2037. This is set out in the table below. This shows that those forms of disability commonly associated with old age are forecast to grow substantially over the period, for example dementia, mobility problems and Autistic Spectrum Disorders among those aged 65+ are forecast to grow by 60.5%, 58.1% and 61.1% respectively. This should inform an approach to the type of specialist housing for the elderly LBW seeks to provide as well as the adaptations carried out to housing stock in council control.
- 11.74 As noted earlier, the disabilities affecting those aged between 18 and 64 are likely to be addressed “in-situ” by friends and family or visiting health professionals. In addition, of the disabilities identified, some conditions, such as non-severe autism and learning disabilities, may not require specific changes to their physical environment. An appropriate response is therefore adaptations carried out to individual

properties on a case-by-case basis, suited to the needs of the household. They do not of themselves imply a requirement for additional specialist housing.

Table 74: **Projected changes to population with a range of disabilities – Wandsworth**

Disability	Age range	2019	2037	Change	% Change
Dementia	65+	2,124	3,410	1,286	60.50%
Mobility problems	65+	5,677	8,975	3,298	58.10%
Autistic Spectrum Disorders	18-64	2,240	2,662	422	18.80%
	65+	282	454	172	61.10%
Learning Disabilities	15-64	5,913	7,103	1,190	20.10%
	65+	654	1,022	368	56.20%
Challenging behaviour	15-64	108	130	22	20.20%
Impaired mobility	16-64	9,712	12,262	2,549	26.20%

Source: POPPI/PANSI and demographic projections

- 11.75 While this does not directly translate into a need for specific levels of M4(2) properties it does justify the Council seeking to increase the number of accessible homes as much as viably possible. Although we recognise that some developments because of their built form and/topography may not be suitable for this type of development.

Housing for Wheelchair users

- 11.76 Before concluding our consideration of the housing needs of disabled people, it is worth considering the recommendations of an authoritative study, *Mind the Step: An estimation of housing need among wheelchair users in England* produced by Habinteg Housing Association and London South Bank University (Supported by the Homes and Communities Agency).
- 11.77 Information about the need for housing for wheelchair users is difficult to obtain (particularly at a local level) and so some brief analysis has been carried out based on national data within the Habinteg study. This report provides information at a national and regional level although there are some doubts about the validity even of the regional figures, with the result that the study focuses on national data.
- 11.78 The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive.⁶³ Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems

⁶³ Habinteg Housing Association and London South Bank University, *Mind the Step: An estimation of housing need among wheelchair users in England*, page 5

(data from the CLG Guide to available disability (taken from the English Housing Survey)) puts the proportion of 'visitable' properties at a slightly higher 5.3%.

- 11.79 In order to arrive at an estimate of current unmet need for dwellings adapted to a wheelchair user's needs, this report provides a simple method: to take the regional percentage of all households who are wheelchair user households (in this study 2% for London) and multiply this by all households. Using this method, we arrive at 141,725 households in the Borough in 2019, multiplied by 2% equals 2,835 (rounded).
- 11.80 To arrive at "unmet need", we multiple the answer by the percentage of wheelchair users with unmet need at the regional level (in this study 18% of the 2% for London). Using this formula, we arrive at 510 households.
- 11.81 In order to arrive at the number of wheelchair adapted dwellings to be provided by 2037, it is reasonable to assume 2% of the additional households will have this need. If 2% is applied to the annual household growth based on the Standard Method of 2,537 this would result in 76 (rounded) additional wheelchair adapted homes per year, or 1,368 by 2037. This would suggest that the Council should seek to deliver around 5-10% of all new homes as M4(3) properties

Older Persons Housing and Planning Use Classes

- 11.82 As per the recently update PPG (Paragraph: 014 Reference ID: 63-014-20190626 it will for the "Local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided".
- 11.83 The housing with support and housing with care units form part of the standard method figure as these are self-contained units and are those part of the household projections (C3). The care bed spaces (C2) can also contribute towards housing need although as per the housing delivery test rulebook every 1.8 bed spaces contributing towards housing delivery.

Student Housing

- 11.84 Plan-making authorities are required to plan for "sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus". In order to do this they are advised "to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area".⁶⁴

⁶⁴ PPG Paragraph: 004 Reference ID: 67-004-20190722

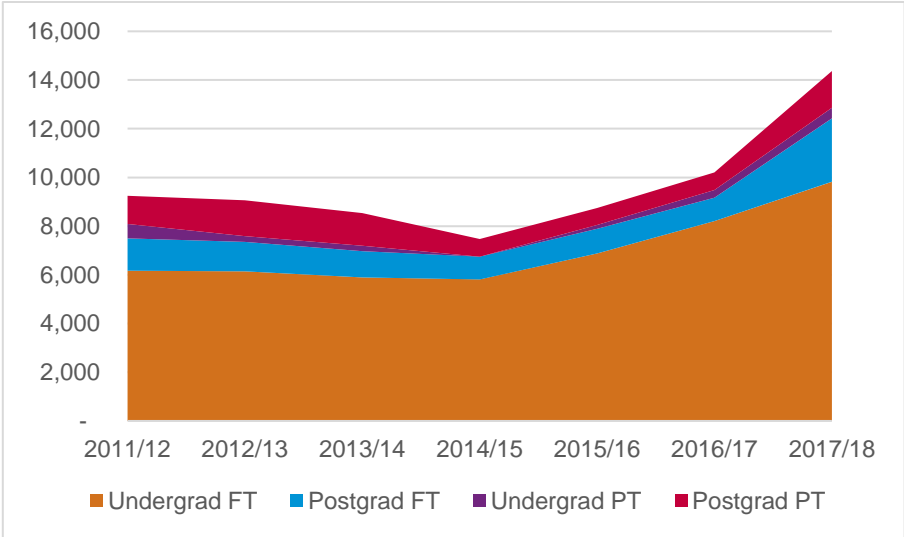
Introduction

- 11.85 There are two Higher Education Institutes (HEI) in Wandsworth, University of Roehampton (UoR) and St. George’s, University of London (SGUoL).
- 11.86 The University of Roehampton is a public university situated on three major sites in Roehampton, in the London Borough of Wandsworth. The University consists of four colleges, around which accommodation is centred: Digby Stuart College, Froebel College, Southlands College and Whitelands College.
- 11.87 St George's (St George's Hospital Medical School, informally St George's or SGUoL) is a medical school located in Tooting in South London and is a constituent college of the University of London.

Baseline

- 11.88 There is no consistent longitudinal data available for student numbers year-on-year for all establishments. However, it is possible to access data regarding trends in student numbers for the Roehampton and St. George’s Universities from the Higher Education Statistics Agency (HESA).
- 11.89 The figure below shows a substantial uplift in student numbers between the financial years 2011/12 and 2017/18, notwithstanding a drop in overall numbers in 2014/15 chiefly due to a drop off in part-time students (both post- and under-graduate). Overall, student numbers at Roehampton University increased by 55% over the period, with the number of full-time students increasing by 66% and part-time by 11%.

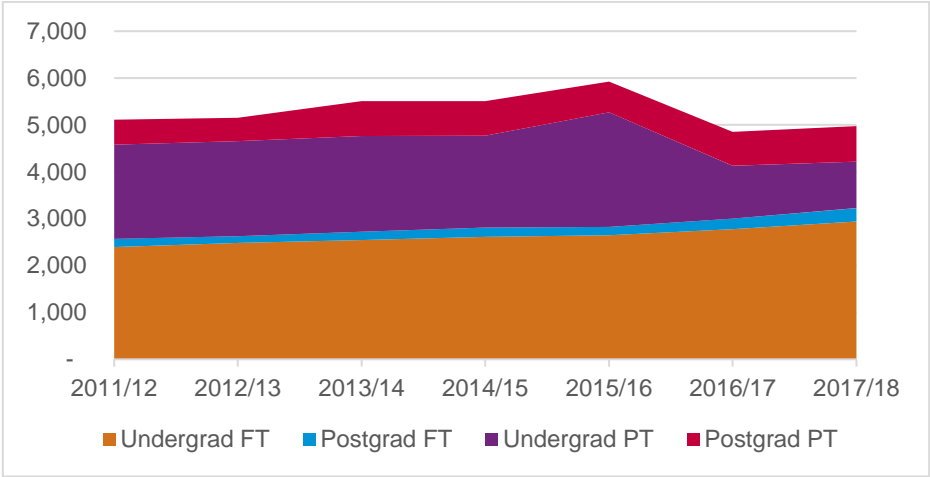
Figure 32: Student numbers by type, 2011/12 – 2017/17, Roehampton University



Source: HESA

11.90 In contrast to the trends for Roehampton University, St. George’s (a school of medicine attached to St. George’s hospital) has seen an overall fall in student numbers in recent years. This is however the result of a drop in part-time students, where, between 2011/12 and 2017/18 a reduction of 790 students was recorded, or 31%. As regards full-time students, the period saw an increase of 25%, of 655 students. As a result, the overall fall in student numbers amounts to 135, of 3%.

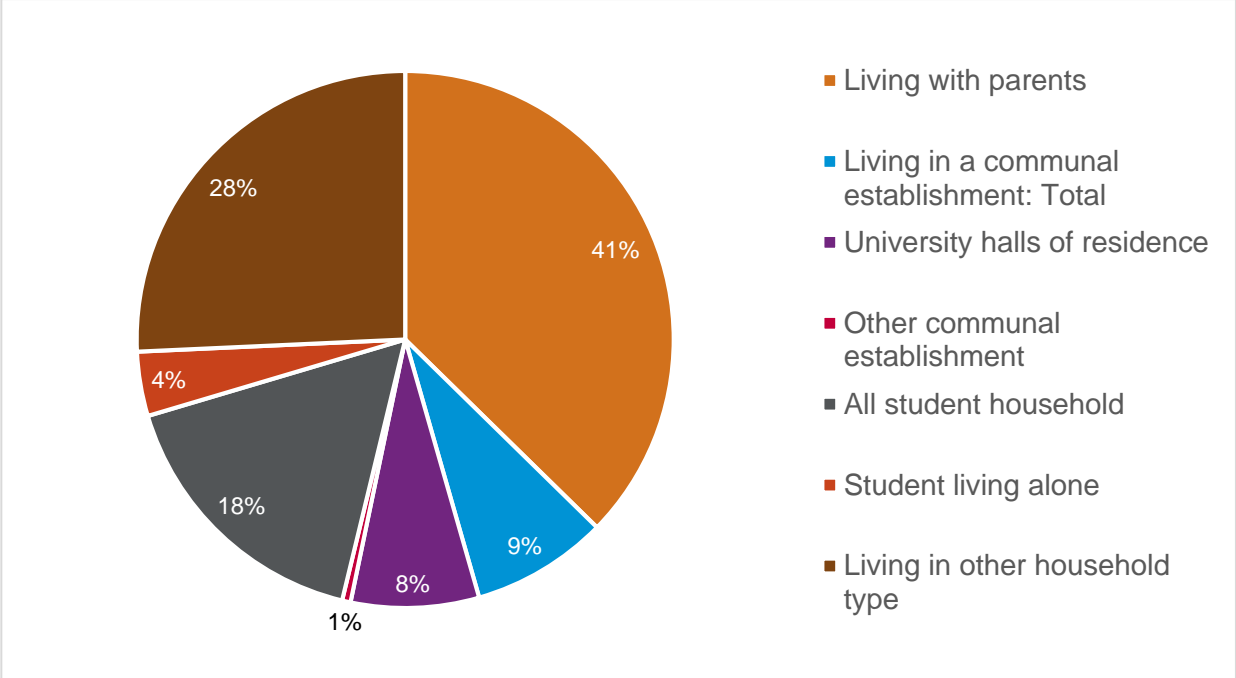
Figure 33: Student numbers by type, 2011/12 – 2017/17, St. George’s University



Source: HESA

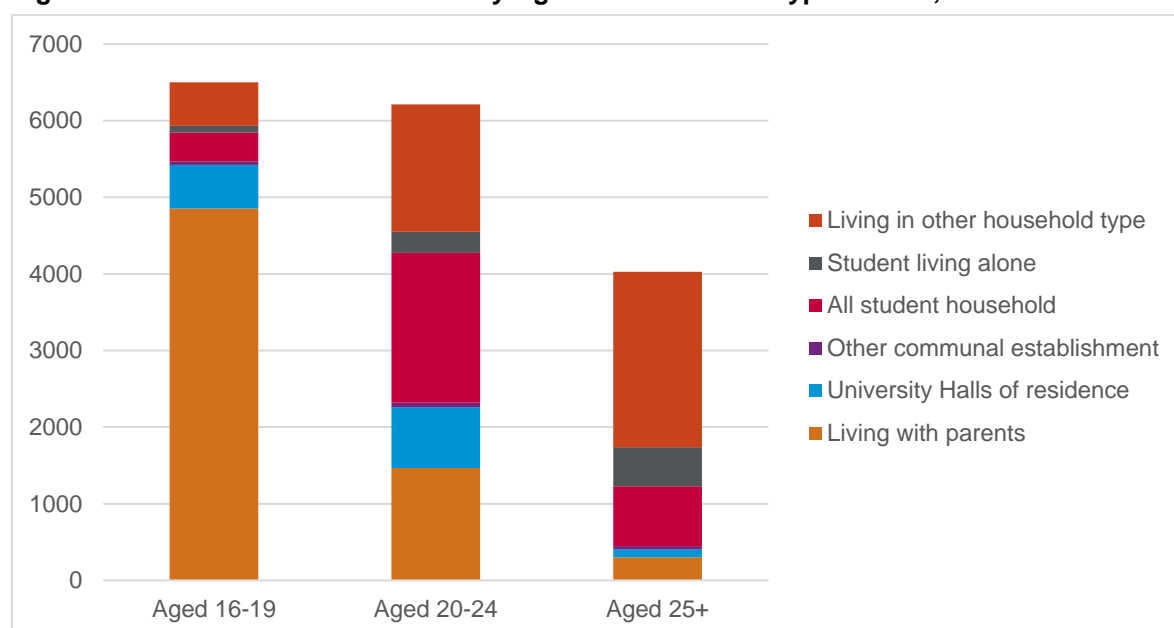
11.91 The figure below sets out data from Census 2011 for student accommodation; this data is helpful in providing a sense of how the 21,752 students were housed in the Borough at the time of the last Census. This shows a large minority (8,849) remained with their parents, while 1,827 lived in University Halls of Residence (8%), and 4,859 (22%) of all students lived either in student-only households or lived alone. It is worth noting, therefore, that only 30% of all students are housed in a way that conforms with the PPG definitions set out at the start of this chapter. The 6,217 students who live in other household types are likely to live in a family household or in a house in multiple occupation (HMO) with non-students.

Figure 34: Profile of Students aged 16 and over in LBW 2011



Source: Census 2011

11.92 In the figure below, this is further broken down by age cohort. It should come as no surprise that for those aged between 16 and 19, the majority live with their parents (4,854 individuals, or 75% of all students of this age). This proportion falls dramatically as they reach their twenties (to 24%, or 1,465 students for those aged 20-25 and 7%, or 301 students for those aged 25 and above). Student Halls of Residence are a small, but important, source of accommodation to those aged 16-24, and those in the age group 20-24, who are able to leave their parents' home, have a strong tendency to move into a house-share with other students of their age. This remains a popular choice for older students (aged 25 and above), with some 19% selecting this option. For this age group however, they increasingly opt to live alone, or live in other household types. This suggests a move to “main-stream” society as they start a family and seek to set up their own independent household.

Figure 35: Profile of Students by Age and Household Type in LBW, 2011

Source: Census 2011

- 11.93 The table below sets this out in tabular format to show how each age group breaks down into the different accommodation types.

Table 75: Profile of Students by Age and Household Type in LBW, 2011

	Aged 16-19	Aged 20-24	Aged 25+
Living with parents	75%	24%	7%
University halls of residence	9%	13%	3%
Other communal establishment	1%	1%	1%
All student household	6%	31%	19%
Student living alone	1%	4%	13%
Living in other household type	9%	27%	57%

Source: Census, 2011

- 11.93 The table below sets out the trends in student accommodation over the period between 2001 and 2011. It is notable that, over the period, students living with parents was an increasingly common feature of the way students are housed in Wandsworth. This figure (34%) exceeds the overall percentage increase in student numbers, indicating students are migrating to this form of accommodation, a phenomenon likely to be linked to deteriorating affordability.

- 11.94 This is also true for those households living “in other household types”, where an increase of 35% was seen over the period. Given the preference for this type of accommodation among students age 25 and over, this is likely to be associated with an aging in the student population.
- 11.95 This was indeed the case over the period where the percentage growth in the student population aged 25 and over exceeded the proportional share for this age group in 2001. This indicates that the overall proportion of the student population in this age group grew between 2001 and 2011. The reverse is the case for the other two age groups, both of whom saw their proportional share fall.
- 11.96 The key groups of relevance to this study, University Halls of residence and all student households, while increasing in absolute numbers with the overall increase in student numbers, saw a small fall in their proportional share. This is also consistent with the phenomenon of the aging student population given that these accommodation types are associated with the 16-19 age cohort for the former, and the 20-24 age cohort for the latter.

Table 76: **Changes in Students by Different Accommodation Types, 2001-11**

Students (16+) by Household Type	2001	2011	2001 %	2011 %	Change	
					No.	%
Living with parents	6620	8,849	40%	41%	2,229	34%
University halls of residence	1472	1,827	9%	8%	355	24%
Other communal establishment	146	121	1%	1%	-25	-17%
All student household	3109	3,941	19%	18%	832	27%
Student living alone	873	918	5%	4%	45	5%
Living in other household type	4525	6,096	27%	28%	1,571	35%
Total	16745	21,752			5,007	30%

Source: Census, 2001-11

Table 77: **Student Age Structure 2001-11, LBW**

% Total student pop 2001	% change 2001-11	% Total student pop 2001	% change 2001-11	% Total student pop 2001	% change 2001-11
Aged 16-19		Aged 20-24		Aged 25+	
39%	28%	37%	23%	24%	43%

Source: Census 2001 and 2011

Growth in student numbers

- 11.97 As noted in the PPG, to arrive at an understanding of the growth in student numbers, it is necessary to engage with HEIs. For this reason, information has been sought from both UoR and SGUoL.

University of Roehampton

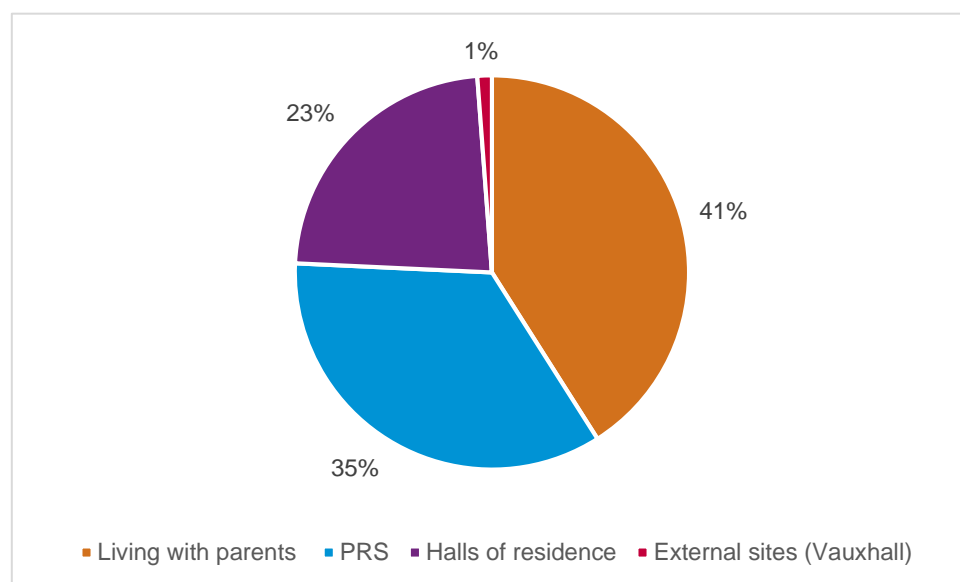
- 11.98 The UoR provided data that describes their future growth plans. They indicated that growing their intake of domestic students would be “very challenging”. As a result their expectation is they will be able to maintain the current numbers of UK students in the coming years.
- 11.99 By contrast they are looking to grow their body of international students (from both EU and non-EU countries) by around 50% in the period upto 2025. While it is envisaged this growth would be split equally between under-graduate and post-graduate students, it is unlikely to divide equally between EU and non-EU students. The changes are summarised in the table below which shows that international students will increase in number by some 588 individuals.

Table 78: **Growth in student numbers, 2019/20 - 2024/5**

	FT/PT	2018/19			Growth			2024/25		
		Non-EU	EU	UK	Non-EU	EU	UK	Non-EU	EU	UK
					50%	50%	0%			
Postgrad	FT	240	100	785	120	50	0	360	150	785
	PT	60	65	690	30	33	0	90	98	690
Undergrad	FT	380	305	5,450	190	153	0	570	458	5,450
	PT	15	10	310	8	5	0	23	15	310
Totals		695	480	7,235	348	240	0	1,043	720	7,235

Source: University of Roehampton

- 11.100 The UoR has indicated that the current student body is adequately housed. Their housing arrangements are split according to the percentages recorded in the pie chart below. It is notable that a substantial proportion of students live in the PRS. According to the UoR around 1,000 students live on the Alton Estate, a housing estate close to UoR. This estate is likely to be redeveloped within the next five years.
- 11.101 The University estimates that it will lose 200 bed spaces as a result of these changes. The University therefore estimates that it will require around 800 (588 + 200) additional bed-spaces to the year 2024/5.

Figure 36: Student housing arrangements

Source: University of Roehampton

- 11.102 The interview conducted with the UoR then sought to understand where this additional capacity will come from. The university explained they are in talks with Urbanest (see uk.urbanest.com/), a specialist

developer of student housing. Urbanest are planning to purchase a site close to Battersea Dogs Homes; once re-developed, they anticipate this site will have a capacity of 700-800 bed spaces. The University have been told this site will be available from 2024/5.

- 11.103 In addition, the University are considering building two new halls of residents with a capacity to house 800 students on University owned land. Currently these are at an early stage of design, but should come available within three years pending planning permission
- 11.104 In conclusion, the UoR has plans to expand over the next five years, adding around 600 additional students, an increase of around 7%, made up of international students. Typically, international students seek places in halls of residence at least in their first year. Given the pipeline of site coming forward, the increased student numbers are unlikely to place a pressure on the residential housing stock in the Borough. Indeed both the private and university development combined could release general housing stock to the open market.

St. George's – University of London

- 11.105 St. Georges intend to increase student numbers by 100 each year to the period 2024/5. This will generate an uplift to current numbers of around 500 students. The growth picture is set out in the table below.

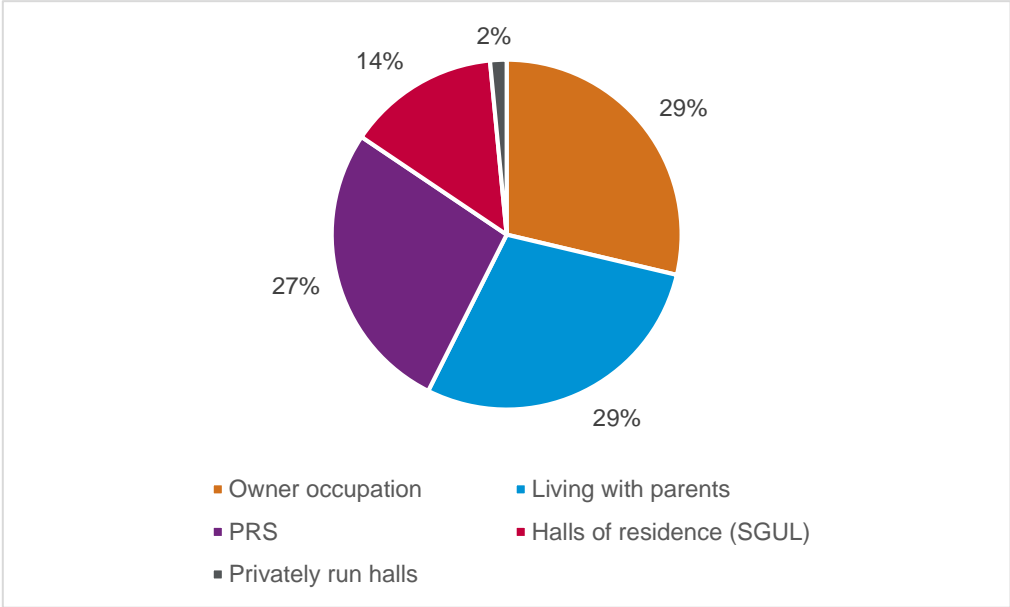
Table 79: **Growth in student numbers, 2019/20 - 2024/5**

	FT/PT	2018/19			Growth			2024/25		
		Non-EU	EU	UK	Non-EU	EU	UK	Non-EU	EU	UK
Growth					11%	11%	11%			
Postgrad	FT	300	60	3,005	32	6	320	332	66	3,325
	PT	15	10	1,300	2	1	139	17	11	1,439
Totals		315	70	4,305	34	7	459	349	77	4,764

Source: SGUoL

- 11.106 The figure below sets out student's housing arrangements. As with UoR, a large minority of students use the PRS for their housing needs. However, reflecting the older average age of postgraduate students, 29% are in owner occupation.

Figure 37: Student housing arrangements



Source: SGUoL

- 11.107 In the first two years, students will be directed to “private providers” of student accommodation, such as Furzedown Student Village located in Wandsworth, or through the website www.finddigs.co.uk. However, they anticipate a “tipping point” at which it will be necessary to make specific provision for growth.
- 11.108 The University recognises the importance of being able to offer first year students a place in halls of residence. There are two proposed routes to accommodating future growth, either building additional halls run by SGUoL or entering into a nomination agreement with a private provider.
- 11.109 The first of these options is, however, problematic as they do not own any land and have to reach an agreement with the NHS Hospital Trust to use a portion of their land for this purpose.
- 11.110 In conclusion, SGUoL have modest plans to grow the student body over the next five years. While their strategy for how to house these additional students was unclear, they do express confidence in be able to reach an agreement with a private provider with whom they have an established relationship (Furzedown). Given the numbers of students involved, we do not see the growth envisaged by SGUoL as likely to have a significant impact on the residential housing stock in the Borough.
- 11.111 There is therefore no requirement to increase the overall housing need on the basis of student growth.

Short-term lets

- 11.112 The brief requires the LHNA to quantify the proportion of all dwellings that are used for short-term letting and form a judgement as to whether this is having a detrimental effect on the ability of Wandsworth residents from accessing the dwellings to suit their needs.
- 11.113 Before considering the proportion of homes in LBW area used either on an occasional basis or for short term letting, it is helpful to understand the background context and key definitions relating to this type of activity.
- 11.114 The following introductory paragraph provides a brief description of emerging models of short let accommodation, focusing on so called “home sharing” via online platforms such as Airbnb, which has seen an exponential growth in recent years. It investigates the impact of this new trend on the housing market using a range of academic sources mainly focused on London itself.

The rise of home sharing

- 11.115 With the advent of the ‘sharing economy’, new online platforms allow residents to supplement their incomes by offering their homes, or part of their homes, as short stay accommodation to visitors. Currently, Airbnb is the biggest of these home sharing platforms in the UK. As such, we treat Airbnb as a proxy for the home sharing market as whole, although there are other home sharing online platforms such as Windu, 9flats and Roomorama.
- 11.116 The speed of Airbnb’s exponential growth has been well documented. For example, a recent report on Home-sharing in London’s Housing Market showed that by 2015, the number of homes booked via Airbnb in London was 42 times higher than it was in 2011.⁶⁵

Legal context

- 11.117 Outside of the traditional B&B, hotels and commercial self-catering industries, there is no specific definition of a short let and no single source of data on the supply of short lets in the context of the emerging informal tourist accommodation sector. Nonetheless, regulations in London seem to have been adjusted to favour home sharing activity.
- 11.118 The Deregulation Act 2015 S44 allows casual lets of up to 90 days in a given year but requires planning permission to be granted for a change of use for those let for more than 90 days per year. Additionally, the Treasury’s Rent a Room Scheme, a tax deduction, lets people earn up to a threshold of £7,500 per year tax free from letting out furnished accommodation in their homes.

⁶⁵ IPPR, Homesharing & London’s Housing Market, page 3

The professionalisation of the sharing economy

- 11.119 Alongside owners renting out a spare room, or letting their flats out while themselves on holiday, research carried out by the Residential Landlords Association (RLA) has documented a shift from more 'casual' to more 'commercial' short term lets, as some individuals and even corporations are increasingly letting several properties other than their primary residence for most of the year via Airbnb.
- 11.120 One indicator for determining the likelihood of a property being a commercial let is the proportion of the year for which it is let, as well as whether it is listed on Airbnb as a whole property (as opposed to a single room).
- 11.121 Alongside the sharp rise in total short lets overall, the RLA found that the number of properties and rooms advertised on Airbnb in London available for more than 90 nights a year increased by 23% between February 2016 and March 2017.
- 11.122 However, it should be noted that in most cases Airbnb still operates on a casual basis, with 53% of entire homes booked between one and 30 nights in 2015. The number of entire home listings above 90 days, which would be deemed commercial, is equivalent to 0.2% of private housing stock in London.⁶⁶
- 11.123 As Airbnb is set to continue growing, and entire homes let for more than 90 days a year growing within that, the issue revolves around enforcement of the 90 days regulation.

Impact on housing supply

- 11.124 There are growing concerns that by removing some homes from the potential supply from the private rented sector in order to offer them for short term lets, home sharing platforms could exacerbate London's housing shortage. The sources we have consulted have identified the two following threats to London's housing shortage:
- 11.125 First of all, the letting of entire homes is more likely to be a direct threat to residential supply as it could divert available homes from long term residential lets to more expensive and less secure short term lets. There has already been a shift away from private rooms towards more entire homes listings being booked.⁶⁷
- 11.126 However, findings from the same report suggest that the impact on housing supply is currently negligible across London. The proportion that Airbnb entire homes represent of London's private housing stocks take up around 0.2% of the stock, although in some high-pressure markets, the risks it poses to housing

⁶⁶ Ibid

⁶⁷ Ibid

supply and the potential contribution to rent inflation are more significant. For example, in Westminster, Airbnb takes up almost 4% of the stock (Airbnb data; MHCLG 2016b).

- 11.127 Secondly, it is conceivable the potential to earn much higher nightly rates via Airbnb could prompt some landlords to make their properties available for home sharing rather than a long term let. However, the commercial home share lets are more likely to be a threat only if landlords are moving away from the PRS in sufficient numbers to have a material impact on the supply of homes.

Short term letting in Wandsworth

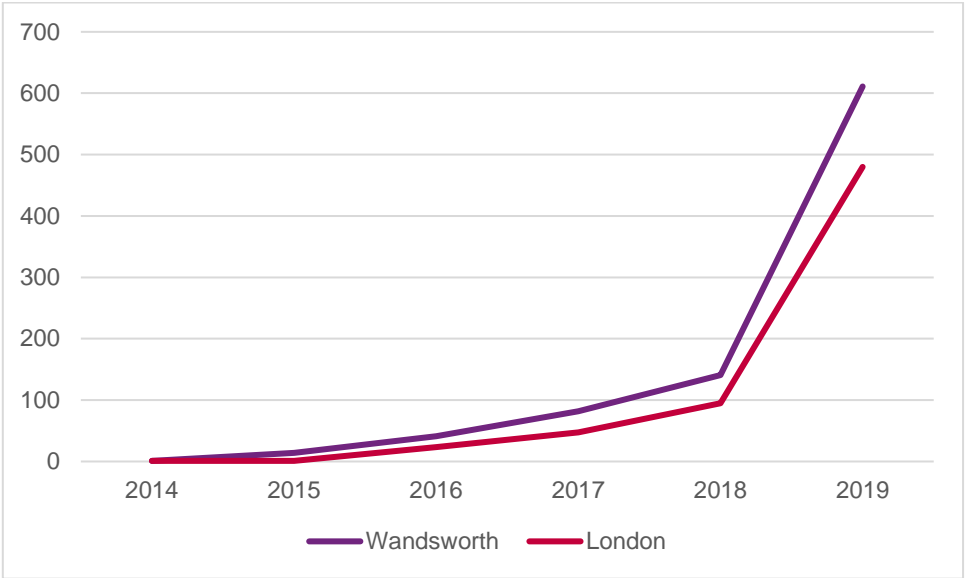
- 11.128 An important source of data relating to short-term letting in Wandsworth is Inside Airbnb, an “independent, non-commercial set of tools and data that allows you to explore how Airbnb is being used in cities around the world”.
- 11.129 For this study listings of properties made available through the Airbnb website dated 14th September 2019 has been downloaded (is drawn from actual data which has been extracted from the Airbnb’s website itself). The “last review” data, while not a wholly accurate record of the number of properties that have been advertised on Airbnb in this year, provides a reliable indicator of activity.
- 11.130 Of the different categories of use, “entire homes” has the potential to have the greatest impact on the market for dwellings in Wandsworth. Nevertheless, it is worth noting that Houses in Multiple Occupation constitute an important way that people access affordable market accommodation. Indeed, for those under the age of 35 housing benefit is restricted to the Shared Accommodation Rate based on an assumption that shared dwellings constitute a common (and therefore acceptable) dwelling type people of that age.
- 11.131 We found 2,243 entries for which a “last review” was recorded in 2019. These divide into “entire home”, “hotel”, “private” and “shared rooms”. The great majority of these are either “entire homes” (1,222) or “private rooms” (973). There are also 16 “shared room” entries. This indicates that around 2,211 dwellings in Wandsworth are to some degree affected by Airbnb, either in whole or in part. This is 1.46% of the current stock of homes in the Borough.⁶⁸

The figure below we present the growth in Airbnb activity based on the “last review” data for the years 2014-2019 in London and Wandsworth relating to “entire homes”. The growth has been indexed to show relative growth from a fixed starting position (2014) for both geographies. The development of Airbnb

⁶⁸ The number of dwellings in Wandsworth can be estimated by taking the number recorded in Census of 135,900, and adding to this the 15,415 completed dwellings that have been built since the Census, as reported in LBW’s Annual Monitoring Reports. This produces a total of 151,315 dwellings.

over the last five years in Wandsworth and London has been substantial. It is also worth noting that overall growth in the Borough has however exceeded that of London.

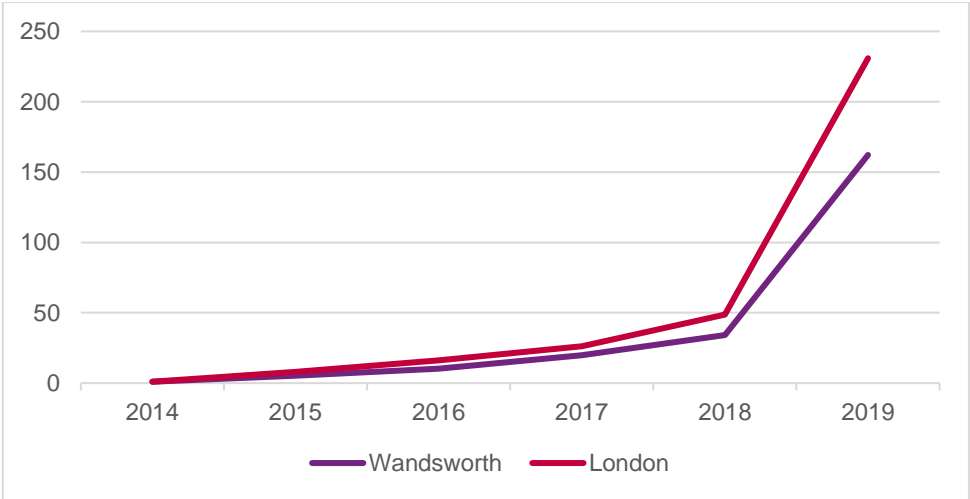
Figure 38: Growth in Airbnb activity, 2014 to 2019 (indexed to 2014)



Source: Inside Airbnb

11.132 It is also worth noting the development of the number of “private rooms” listed with Airbnb has followed a similar trajectory to “entire homes”, with a steady growth between 2014 and 2019, before a rapid increase during 2019.

Figure 39: Number of private rooms listed with Airbnb 2014 to 2019 (indexed to 2014)



Source: Inside Airbnb

- 11.133 The current level of activity does not pose a significant threat to residents seeking properties to rent in Wandsworth. Indeed, a small percentage of dwellings used in this way may promote economic activity, with visitors to the Borough more likely to visit local attractions during the day.
- 11.134 Having said this, the sharp upward trend in activity observed during 2019 is a cause for concern, and this should be monitored moving forward. The fact this is a London-wide phenomenon suggests solutions may best be developed at the regional scale.

Self-build and Custom-build

- 11.135 In accordance with the Self-build and Custom Housebuilding (Register) Regulations (2016), since April 2016, each local authority is required to keep a register of individuals and associations of individuals seeking to acquire serviced plots of land in their area for the construction of self or custom build homes.
- 11.136 The Self-build and Custom Housebuilding Act (2015) (as amended) places a duty on relevant bodies to have regard to the register when carrying out their planning, housing, land disposal and regeneration functions and to give planning permission to enough serviced plots of land to meet demand. An update to PPG in July 2019 expressed this requirement as follows,
- “To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, ‘Need-a-Plot’ information available from the Self Build Portal and enquiries for building plots from local estate agents.”⁶⁹*
- 11.137 Wandsworth had 356 entries on the register during base period one. The Council also had 108 registrations for Base Period two giving a total of 464 entries for the first two base periods.
- 11.138 With this set to increase year on year, the Council decided Regulation 5 (local eligibility conditions) of the Self-build and Custom Housebuilding Regulations (2016), which enables authorities to set additional eligibility criteria for entry on their register. The implementation of additional criteria enabled a re-assessment of individuals and groups who are interested in developing their own home in the Borough.
- 11.139 On the 3rd of July 2017 Wandsworth Council’s Executive adopted a local connections test and one-off charge of £150 to cover administration for entry on the Wandsworth Register, although note that on the 24th of June 2019 the Council’s Executive agreed the discontinuation of the registration fee.
- 11.140 As of the 1st of December 2019 Wandsworth has 17 entrants on the register in total.

⁶⁹ PPG Paragraph: 003 Reference ID: 67-003-20190722

- 11.141 As of the 31st of October (2019) the Council has granted sufficient planning permissions to have met the requirements set out in the Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016).
- 11.142 This is demonstrated by the 64 permissions that have been granted self-build exemption from CIL since the beginning of base period one. It is important to note this is in excess of the total number of entrants on the register (i.e. 17 as of the 1st of December 2019).

12 CONCLUSIONS AND RECOMMENDATIONS

- 12.1 The London Borough of Wandsworth Local Housing Needs Assessment follows the approach to housing need using the standard methodology as set out by the Government in the NPPF, and PPG associated with capturing the need for affordable, specialist and Build to Rent housing as appropriate.
- 12.2 While we have applied the standard method, this should be viewed as the minimum housing need to be planned for with local authorities encouraged to exceed this figure.

Standard Method

- 12.3 The standard method seeks to simplify the approach to housing need and has three components:
- Baseline;
 - Affordability Adjustment; and
 - Capping the increase.
- 12.4 The starting point household projections show over the period 2020-30a household growth of 14,062 (1,406 households per annum). This equates to a 9.8% increase in households over the same period. The methodology also suggests that the calculations should be based on the 10-year period starting with the current year.
- 12.5 The methodology seeks to adjust the demographic baseline on the affordability ratio. The adjustment increases the housing need where house prices are high relative to workplace incomes. Specifically, the adjustment increases the housing need derived from the household projections by 0.25% for every percentage point the workplace based median affordability ratio is above four (4.0).
- 12.6 This is justified on the basis that four is the typical multiple used by mortgage providers to gauge affordability. The equation is as follows:

$$\text{Adjustment factor} = (\text{Local affordability ratio} - 4) / 4 \times 0.25$$

- 12.7 In 2019, the workplace affordability ratio in Wandsworth was 18.44; i.e. median house prices were 18.44 times the median earnings of those working in the Borough. This means that the adjustment factor for Wandsworth is 0.903 or 90.3%. This is calculated as follows: $(18.44 - 4) / 4 \times 0.25$.
- 12.8 To this point, the housing need in Wandsworth would be 90.3% above the demographic baseline of 1,406 households per annum. This uplifted figure would therefore be 2,675 dwellings per annum.
- 12.9 The final step in the standard method is to consider whether a cap is applicable to the market signals uplift.

- 12.10 There are two situations where a cap is applied. The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance, the need may be capped at 40% above the requirement figure set out in the plan.
- 12.11 The second situation is where plans and evidence are more than five years old. In such circumstances, a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan (where this exists).
- 12.12 In Wandsworth, given that the most recent plan is the current London Plan⁷⁰ which was adopted in March 2015 i.e. more than 5 years ago, the capping means that the housing need would be set at 40% above the Borough target (1,812 dpa) in the London Plan given that this exceeds projected household growth (1,406).
- 12.13 A cap of 40% above the current target (i.e. $1,812 \times 1.4$) would lead to a figure of 2,537 dwellings per annum for the 2020-30 period. The cap applies given the capped figure (2,537 dpa) is less than the figure arrived at in step 2 (2,675 dwellings). Therefore 2,537 dpa would be classed as the local housing need figure (LHNF) for the Borough under the Standard Method.
- 12.14 **Recommendation: The Council should consider its objectively assessed need for housing to be 2,537 dwellings per annum and seek to meet this as much as possible.**

Affordable Housing Need

- 12.15 The report has considered the need for affordable housing in accordance with PPG. Using the available information, it identifies a need for 2,327 affordable homes per annum across the Borough for the 2019-37 period based on delivery of 2,537 dpa.
- 12.16 **Recommendation: Given the analysis above, LBW should seek to provide as much affordable housing as viably possible.**
- 12.17 It is also apparent that there many households in Wandsworth who are being excluded from the owner-occupied sector. Our assessment identifies a need for affordable home ownership (AHO) products amounting to 1,248 per annum between 2019 and 2037.

⁷⁰ The London Plan is used for this calculation on account of the primacy of the London Plan over Wandsworth's Local Plan

- 12.18 It seems likely in Wandsworth that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than being due to the actual cost of housing.
- 12.19 It may, therefore, be the case that providing some 'affordable home ownership' properties would assist in getting some households out of the private rented sector.
- 12.20 If this could be achieved then it would be reasonable for up to 10% of new homes to fall into the affordable home-ownership category (10% being the Government expectation moving forward).
- 12.21 **Recommendation: LBW should seek to achieve 10% of housing (or 35% of total affordable housing requirement) within the affordable home-ownership tenures. The recommended figure however does not however include the London Living Rent tenure. Although, the emerging London Plan classifies it as an intermediate tenure, it has the potential to meet the housing need of households on lower incomes.**
- 12.22 It will also be important to set these at a price point where there is a likelihood that a reasonable number of households will be able to afford (subject to issues around access to capital for example).
- 12.23 This study has set out a suggested purchase price for affordable home ownership in LBW. The figures are based on calculating a sales value that equates to the rent paid in the PRS, derived from assumptions as to what proportion of household income should be spent on housing costs. This shows a 1-bedroom home 'affordable' price of £260,000 rising to £577,500 for 4+ bedrooms.

Need for Different Types and Sizes of Homes

- 12.24 The modelling outputs set out in this report provide an estimate of the proportion of homes of different sizes that are needed. The mix of affordable rented housing sought through development at a Borough-wide level should be as follows:
- 1-bed properties: 40-45%
 - 2-bed properties: 30-35%
 - 3-bed properties: 20-25%
 - 4-bed properties: 5-10%
- 12.25 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. They also acknowledge the limited flexibility which one-bed properties offer to changing household circumstances which can feed through into higher turnover and management issues.

- 12.26 The provision of affordable home ownership dwellings should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of low-cost home ownership housing is suggested:
- 1-bed properties: 30-35%
 - 2-bed properties: 40-45%
 - 3-bed properties: 15-20%
 - 4-bed properties: 5%-10%
- 12.27 In the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile. The following mix of market housing is suggested:
- Studio properties: 0-5%
 - 1-bed properties: 30-40%
 - 2-bed properties: 30-40%
 - 3-bed properties: 15-25%
 - 4-bed properties: 5-10%
- 12.28 The figures may be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as indicated by forecast demographic change in the area or linked to macro-economic factors and local supply.
- 12.29 The mix identified above should inform strategic planning and housing policies. In applying recommended housing mix to individual development sites, regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.
- 12.30 **Recommendations: any plan or policy making based upon the above mix at strategic level over the plan period should have regard to the evidence of need set out above, and where possible should include appropriate monitoring mechanism to ensure that future delivery is not unbalanced when compared with the likely requirement as driven by the demographic change in the area.**
- 12.31 Drawing the need and mix analysis in the report together we can provide an indicative mix of housing for LBW, although it should be stressed this is only indicative and other decisions may be taken to move away from this mix e.g. to change the mix of affordable housing.
- 12.32 It is important to emphasise that the analysis was undertaken prior to the COVID-19 pandemic, and therefore does not necessarily reflect potential changes in relation to out-migration and how this may affect the type and size of home needed. Therefore, there is a need for the Council to maintain flexibility

in its approach to the provision of market housing in order to be able to be responsive to changing circumstances.

- 12.33 The analysis linked to the identified housing need and a range of other factors results in the following recommended mix of homes:

	Studio	1-Bed	2-Bed	3-Bed	4+ Bed
Market	5%	30-40%	30-40%	15-25%	5-10%
Affordable home ownership	0%	35-40%	40-45%	15-20%	5-10%
Affordable housing (rented)	0%	40-45%	30-35%	20-25%	5-10%

- 12.34 Within these broad tenures, it is not suggested that the Council has any specific target for market homes, whereas it might be appropriate to set targets for other tenures such as affordable home ownership and rented dwellings.

Older Persons Housing Need

75+

- 12.35 The Housing Needs Assessment indicates that the number of households over 75 across Borough is projected to increase by 58% over the period to 2037 based on 2,537 dwellings per annum.
- 12.36 Based principally on the expected growth in the population of older persons (over 75), the report estimates an additional need for 1,453 specialist dwellings for older people. These dwellings will contribute to the fulfilment of LBW's overall housing needs figure.
- 12.37 In addition, the evidence gathered indicates demand for an additional 1,258 care beds.
- 12.38 LBW's own projections offer an alternative method for arriving at need; this reflects a "policy-on" approach and arrives at a substantially lower figure than that used by GL Hearn.

Pre-Retirement

- 12.39 An estimated 664 people aged 65-74 with more serious disabilities are likely to require extensive adaptations to their homes by 2037 to enable them to remain in their home and enjoy an acceptable standard of living.

16-64

- 12.40 For those aged between 16 and 64, this study estimates that 1,689 dwellings should be prioritised for adaptation to meet the needs of people with a serious disability.

Wheelchair users

- 12.41 Across all age groups, a need is identified for 76 wheel cheer adapted homes per year, or 1,258 by 2037, equivalent to 3.0% of new housing provision based on 2,537 dpa. The forms a subset of the need for specialist housing and adaptations for those older and disabled persons aged 16-75+ set out in earlier paragraphs, but may provide some guidance as to resourcing and design.
- 12.42 Decisions about the appropriate mix of specialist housing should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons.
- 12.43 **Recommendation: The Council should give consideration to how best to deliver the identified specialist housing need, including, for instance, the potential to identify sites in accessible locations for specialist housing (transport hubs and near town centres) or to require provision of specialist housing for older people as part of larger strategic development schemes or master-planning sites.**

Student Housing

- 12.44 There is no requirement to increase the overall housing need on the basis of Student growth.

Custom and Self Build

- 12.45 As of the 1st of December 2019 Wandsworth has 17 entrants on the Council's self-build register in total. Given that the Council has granted planning permission for 64 CIL exempt dwellings since the start of the plan period, no further provision is required to sought in policy.

Short-term Lets

- 12.46 The current level of activity identified in this study does not pose a significant threat to residents seeking properties to rent in Wandsworth.
- 12.47 The sharp upward trend in activity observed during 2019 is a cause for concern however, and this should be monitored moving forward.

APPENDIX A: HOUSING NEEDS ASSESSMENT GLOSSARY

Adoption

The final confirmation of a local plan by a local planning authority

Affordability⁷¹

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

Affordability Ratio

Assessing affordability involves comparing house costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing

The latest definition of affordable housing can be found in Annex 2: Glossary on page 64 of NPPF2. The full text is set out below.

Affordable housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

⁷¹<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

In addition, the Greater London Authority has developed a number of housing products that fall within the NPPF definitions but are tailored to the needs of the city. Definitions of these, drawn from the Homes for Londoners, Affordable Homes Programme 2016-21, are set out below.

London Affordable Rent are low cost rented homes that are similar to "Social Rent" in the NPPF targeted at low-income households who are unable to secure or sustain housing on the open market. Rents are set at levels substantially below that for affordable rent products, such as London Living Rent or the NPPF definition of Affordable Rent (set out in this glossary). The starting point for setting rents for London Affordable Rent are benchmarks that reflect the formula rent cap figures for social rents uprated by the Consumer Price Index (CPI) plus 1%. These benchmarks are updated by the GLA annually.

London Living Rent is an intermediate affordable housing product with locally specified rents. It is a "Rent to Buy" product with sub-market rents on time-limited tenancies. The product is designed to help households on average income levels to save for a deposit to buy their own home. The GLA calculates ward-specific rents based on one third of median gross household income for the local borough. The rent also varies with house prices for the ward and the number of bedrooms in the home.

London Shared Ownership allows a home buyer to purchase a share in a new home, and pay a regulated rent on the remaining, unsold share. London Shared Ownership purchasers should have household incomes that can support an initial purchase of between 25 per cent and 75 per cent of the value of a property, and usually a mortgage deposit of around 10 per cent of the share to be purchased. Initial rents on the unsold equity of London Shared Ownership properties can be no more than 2.75 per cent of the value of the unsold equity at the point of initial sale.

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Bedroom Standard⁷²

A measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence. The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways).

⁷² <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trust

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Concealed Families (Census Definition)⁷³

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing⁷⁴

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very

⁷³ http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

⁷⁴ <http://www.housingcare.org/jargon-extra-care-housing.aspx>

or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one, they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household, including detached, semi-detached, terraced including end of terraced, and flats. Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Income Threshold (income required to rent)

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Life Time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District council, London Borough council, county council, Broads Authority, National Park Authority and the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies,

which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Market Housing (PPG Definition)

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market. It is the opposite of affordable housing.

Mean (Average)

The sum of all values divided by the number of values. The more commonly used “average” measure as it includes all values, unlike the median

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁷⁵, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

⁷⁵ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

Overcrowding

There is no one agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold (Income required to buy)

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

Self-containment

The degree of self-containment refers to the extent to which a given indicator or variable can be said to exist within the boundaries of a given geography. For example, if a housing market area (HMA) is said to have a domestic house-moves self-containment rate of 70% it indicates that 70% of all house-moves take place within the boundaries of the HMA.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level.

Sheltered Housing⁷⁶

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedrooms. Properties in most schemes are designed to make life a little easier for older people -with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Specialist Housing for the Elderly

⁷⁶ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England⁷⁷.

Supported housing

Supported housing brings together a range of dwelling types (and associated services) that enable a range of people to access suitable housing as well as live safely and securely in their own home. While older people are a prominent user group in the form of extra-care and sheltered housing, other groups include victims of domestic violence, the homeless, people with mental health needs and those with people with learning disabilities

⁷⁷ <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

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