



LEB2

London Legacy Development Corporation Housing Requirements Study

Report of Findings

March 2018





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1. Introducing the Study

Background to the project and wider policy context

The LLDC

- 1.1 The LLDC (London Legacy Development Corporation) was established in 2012. It continues the work of the Olympic Park Legacy Company and other agencies which used to operate in the area, including planning powers previously held by the London Thames Gateway Development Corporation, the Olympic Delivery Authority and the host boroughs.
- 1.2 It was formed as a Mayoral Development Corporation under the powers of the Localism Act 2011, and covers portions of the London boroughs of Newham, Tower Hamlets, Hackney and Waltham Forest. The remit of the LLDC was “to promote and deliver physical, social, economic and environmental regeneration of the Olympic Park and its surrounding area, in particular by maximising the legacy of the 2012 Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence”.
- 1.3 The LLDC serves as the local planning authority for the area, and as such is required to produce a local plan supported by robust evidence. The adopted Local Plan sets out the Legacy Corporation’s strategy for the sustainable development of its area as a whole, including the general amount, type and location of new development it considers could take place and the policies to which applications for planning permission should conform in order to meet these objectives.

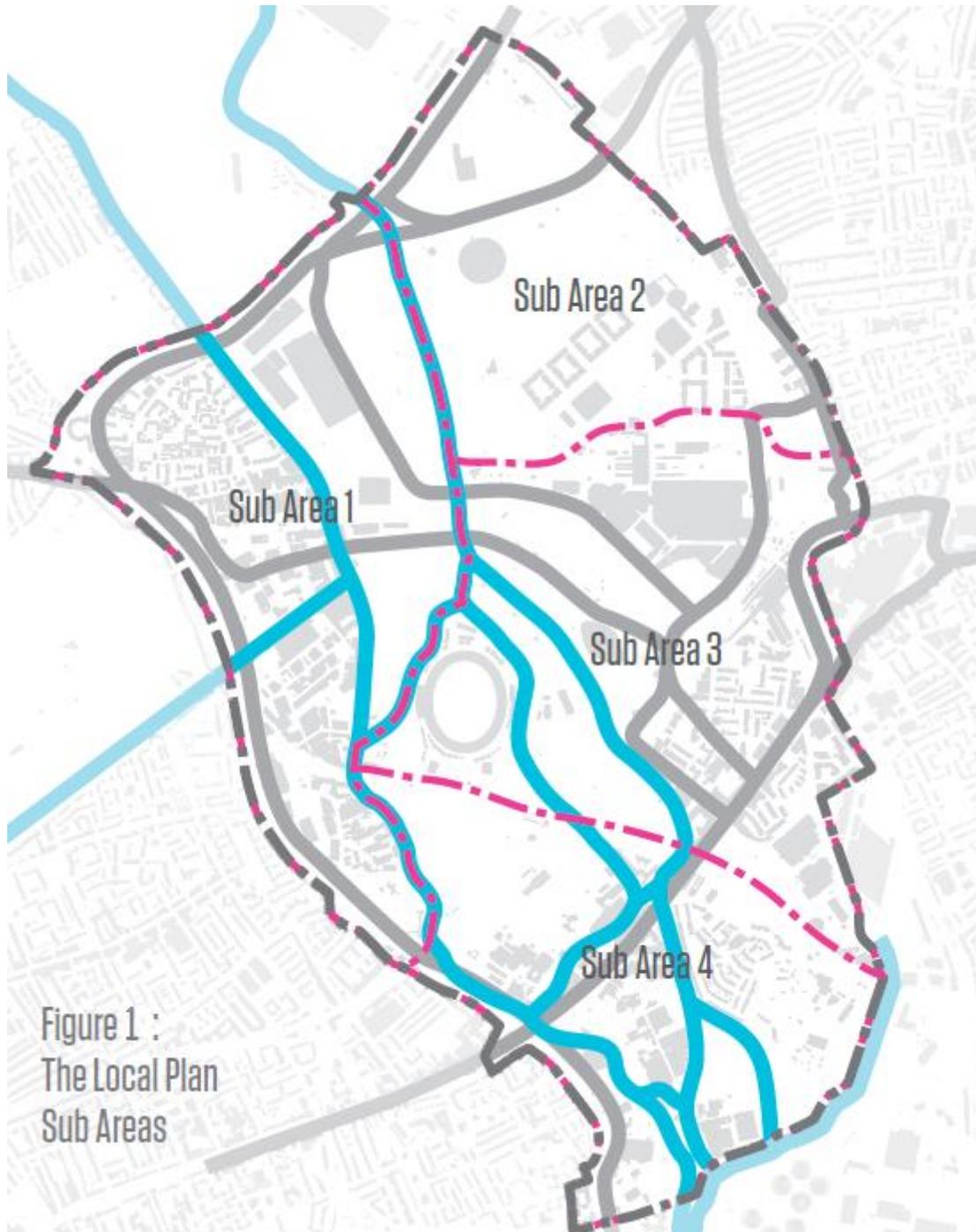
Project Overview

- 1.4 This document represents a new Housing Requirements Study for LLDC which seeks to understand the housing needs of the area in more detail to comply with national planning policy requirements. This includes assessment of the full housing needs of the area, including that of different groups such as gypsies and travellers.

Geography

- ^{1.5} LLDC covers planning authority areas previously part of four boroughs including Newham, Tower Hamlets, Hackney and Waltham Forest. Figure 1 below shows the 4 sub-areas covered by LLDC. The 4 sub-areas do not coincide with the 4 local authority boundaries.

Figure 1: Map of Sub-areas for London Legacy Development Corporation



Study Approach

- 1.6 For this study, ORS have adopted a two-fold approach to assessing the market and affordable needs for LLDC. We have sought to assess the housing needs of LLDC from 2015-31 (the end of the plan period) on the basis of its current population and household figures, and then a further five years into the future up to 2036. Given that the area contains only around 10,000 dwellings at the current time then the existing population is relatively low and therefore needs generated by this population are also low. However, much of the population which does reside in the area has move there recently following the 2012 Olympics and the regeneration of the area allowing a high rate of recent development. The figures for the housing needs for LLDC form part of the evidence base which helps to comply with the requirement of the National Planning Policy Framework and with Planning Practice Guidance.
- 1.7 However, separately, we have also sought to draw on the actual planned level of development in the LLDC to help project the future housing needs of particular sub-groups. ORS undertook a large scale face to face household survey in the LLDC area, which is reported separately to this Housing Requirements Study. The 2017 household survey was used to help develop population and household projections for LLDC based upon its planned future dwelling delivery. The future planned dwelling delivery cannot be considered to be an objective measure of the housing needs of the LLDC area because of circularity issues and in particular the role of LLDC in meeting the wider housing needs of London.
- 1.8 The population and household projections are based upon GLA projections, themselves based on past delivery, therefore the need shown by the population and household projection is directly linked to that delivery. However, they can be used to look at the needs of particular groups in the population on the assumption that the level of planned delivery is met. This report also discusses the role of the Legacy Corporation area in meeting the wider, strategic needs for housing across London.

Government Policy

- 1.9 The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. However, within the context of the London Plan, a responsibility for establishing the level of future housing provision required rests with the local planning authority.
- 1.10 Given this context, Strategic Housing Market Assessments (SHMAs) primarily inform the production of the Local Plan (which sets out the spatial policy for a local area). Their key objective is to provide the robust and strategic evidence base required to establish the full Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed. They do not set a 'housing target' for the planning authority.
- 1.11 Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014 and has been updated in March 2015. The Ministry for Housing, Communities and Local Government (MHCLG) are currently consulting on a new draft NPPF and also on new Planning Practice Guidance. This will have a significant impact on the way in which objectively assessed needs are calculated, but will have minimal impact upon the calculation of housing tenure and size mix. The new Planning Practice Guidance is unlikely to be in place before March 2019, so it is necessary to apply the current PPG until that time.

The London Housing Strategy 2017

1.12 The London Housing Strategy, published as a draft in September 2017¹ defines a set of policies and strategies to address housing issues across London. The draft London Housing Strategy sits alongside significant funding streams to deliver more affordable homes and also polices seeking to release more land for housing development in general with the aim to rapidly increase delivery across London. The draft Housing Strategy can be summarised as:

- » Seeking to build 90,000 new affordable homes in London by 2021 including properties with rents around London Affordable Rent levels (social rented), London Living Rent properties and London Shared Ownership schemes;
- » Releasing more land for housing across London, particularly for affordable housing;
- » Ensuring a better deal for private renters, including promoting build to rent and developing a new London Model focusing on tenancy security and living conditions;
- » Improving the skills, capacity and building methods of the construction industry
- » Supporting new housing providers, including community builders self-build, build to rent private schemes, modular and community led schemes; and
- » Helping tackle homelessness.

The Draft London Plan 2017

1.13 The London Plan 2016 remains the adopted development plan, though “the Draft London Plan” is a material consideration in planning decisions. It gains more weight as it moves through the process to adoption, however the weight given to it is a matter for the decision maker.”²

1.14 Housing is covered in Chapter 4 of the new London Plan³ published in draft November 2017 and subject to consultation until March 2018. The new London Plan references the 2017 London SHMA⁴ and sets a net housing completions target of 64,935 per year between 2019/20 and 2028/29. The targets relating to LLDC are shown below including non self-contained units of approximately 24 per annum.

Figure 2: Draft new London Plan Targets for Housing average net completions per annum 2019/20 - 2028/29

Area	Total	On small sites (<0.25 hectares)
LLDC	2,161	80
Hackney	1,330	660
Newham	3,850	950
Tower Hamlets	3,511	566
Waltham Forest	1,794	889

1.15 The new London Plan sets a minimum threshold for affordable housing in Policy H6: 35% in general; 50% for public sector land; 50% for Strategic Industrial Locations deemed appropriate to release for other uses. The 35% threshold will be reviewed in 2021 and if deemed appropriate increased through Supplementary Planning Guidance.

¹ https://www.london.gov.uk/sites/default/files/2017_london_draft_housing_strategy.pdf

² <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/what-new-london-plan>

³ https://www.london.gov.uk/sites/default/files/draft_london_plan_chapter_4.pdf

⁴ https://www.london.gov.uk/sites/default/files/london_shma_2017.pdf

London Specific SHMAs

- ^{1.16} The GLA have produced a London SHMA (2017) covering the whole of Greater London which has been used to underwrite the evidence base for the new London Plan. The size and tenure mix identified in the study is shown in Figure 3 and shows a very high need for affordable housing, particularly for 1 bedroom dwellings.

Figure 3: Greater London SHMA 2017 Size and Tenure Mix (Source: GLA. Note: All figures presented unrounded for transparency)

Tenure	Number of Bedrooms					
	1	2	3	4	Total	% of total
Market	10,682	2,043	4,101	6,210	23,037	35%
Intermediate	4,334	3,434	2,409	1,693	11,869	18%
Low Cost Rent	21,318	5,311	2,462	1,881	30,972	47%
All Tenure	36,335	10,788	8,971	9,783	65,878	100%

- ^{1.17} The draft new London Plan 2017 states only that boroughs are not required to carry out a separate assessment, but should work to the targets set in the new London Plan:

“For the purposes of the Plan, London is considered as a single housing market area, with a series of complex and interlinked sub-markets. The advantage of strategic planning is that it allows London to focus development in the most sustainable locations, allowing all of London’s land use needs to be planned for with an understanding of how best to deliver them across the capital. Because of London’s ability to plan strategically, boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan. These have been informed by the SHLAA and the SHMA.” (Paragraph 4.1.2)

2. Defining the Housing Market Area

An evidence base to identify functional housing markets

Introduction

^{2.1} A first step to understanding housing needs is to identify the housing market area (HMA) for any study area. Often this involves a detailed analysis of the migration, travel to work and house prices of the study areas. However, in the case of LLDC extensive work has already been undertaken in the surrounding area which has identified the HMAs for North and East London. Therefore, rather than start from first principles, this study draws on the existing work which has already been undertaken.

The Housing Market Area – Conclusion from Previous SHMAs

^{2.2} On the basis of the evidence contained in SHMAs undertaken which cover the LLDC area, we would conclude that:

- » Greater London can be considered as a single large housing market area which contains many smaller overlapping housing market areas within it.
- » Migration and travel to work flows do not identify any distinct housing market areas in London.
- » House price represents a means of identifying separate housing market areas in London. The Valuation Office Agency (VOA) has worked with house price and rent nationally to identify Broad Rental Market Areas (BRMAs) which determined available Local Housing Allowance levels.
- » BRMAs represent the most practical and pragmatic approach to identifying housing market areas in London. The 13 BRMAs in London will allow small groups of London boroughs to plan together.
- » 100% of Tower Hamlets' population falls in the Inner East London BRMA, with 92% of Hackney's population also falling in this BRMA. 100% of Newham's population falls within the Outer East London BRMA.
- » The area covered by LLDC can therefore be considered to fall across two HMAs in London and does not form a distinct HMA of its own.

^{2.3} Both of the HMAs which overlap with the LLDC area have undertaken relatively recent SHMA. Therefore we will proceed by reviewing the outcomes of the SHMA's covering Newham, Waltham Forest, Hackney and Tower Hamlets as a context for the needs of the LLDC area.

Outer North East London SHMA 2015

- 2.4 The Outer North East London Boroughs Strategic Housing Market Assessment 2015 (SHMA) covered the London Boroughs of Barking and Dagenham, Havering, Newham, Redbridge and Waltham Forest, although it should be noted that Waltham Forest were not a direct participant in the study and are currently undertaking their own SHMA.
- 2.5 The SHMA identifies the Full Objective Assessed Need for Housing in the **Outer East London HMA (Newham and Waltham Forest)** to be **96,100 dwellings over the 22-year Plan period 2011-33**, equivalent to an average of 4,370 dwellings per year. This includes the Objectively Assessed Need for Affordable Housing of 37,400 dwellings over the same period, equivalent to an average of 1,700 dwellings per year.
- 2.6 The figures below summarise the housing size and tenure mix for each of the boroughs over a 22 year period.

Figure 4: Full Objectively Assessed Need for Housing; Size and Tenure Mix across Outer East London 2011-33 (Note: Figures may not sum due to rounding)

	Outer East London		
	Newham	Waltham Forest	TOTAL
MARKET HOUSING			
1 bedroom	2,600	2,500	5,200
2 bedrooms	6,400	4,900	11,200
3 bedrooms	20,200	19,400	39,600
4 bedrooms	700	2,400	3,100
5+ bedrooms	-300	0	-300
Total Market Housing	29,600	29,200	58,800
AFFORDABLE HOUSING			
1 bedroom	-500	1,300	800
2 bedrooms	5,300	3,900	9,200
3 bedrooms	13,100	7,500	20,600
4 bedrooms	3,300	2,100	5,400
5+ bedrooms	1,000	400	1,400
Total Affordable Housing	22,200	15,200	37,400
TOTAL	51,800	44,400	96,200

- 2.7 The main need identified was for 3 bedroom market and affordable housing (63% of the total need), with 2-bedroom properties forming a further 21%. The proportionate need for 3-bedroom dwellings was slightly higher in market housing rather than affordable (67% vs. 55%), and the reverse was true for two bedroom properties (19% market vs. 25% affordable).

Hackney SHMA 2014

2.8 The Hackney SHMA 2014, sought to replicate the methodology of the Greater London SHMA 2013. Figure 5 summarises the annual need from each source of need over a 24 year period 2011-35.

Figure 5: Annualised Summary of Household Projections and Backlog of Need for Hackney 2011-2035 (Source: GLA, CLG and ORS)

Source of Housing Need	Annual Figure
Household projection – GLA Central trend	1,528
Concealed households	89
Sharing Households	70
Homeless Households	36
Non-homeless household and those needing to move due to harassment	10
Total without Vacant Dwellings and Second homes	1,733
Additional allowance for vacant and second homes	25
Objectively Assessed Housing Need	1,758

2.9 Therefore, in summary, the OAN for Hackney following the methodology adopted in the GLA SHMA 2013 is 1,758 dwellings per annum.

2.10 The overall size and tenure mix for Hackney is shown in Figure 6 and Figure 7. The overall pattern shows an overwhelming need for social with little projected growth in market housing. Similar to the Outer North East London SHMA, the primary need identified is for 3-bedroom housing, however in contrast it should be noted that in the social tenure there proportionately higher need for smaller properties, primarily 1-bedroom (41% of the total social need).

Figure 6: Overall Housing Tenure Mix for Hackney 2011-2035 (Note: Figures may not sum due to rounding)

Housing Type	Number of dwellings
Market housing	16,600
Intermediate affordable housing	2,500
Social rented housing	22,500
Total Housing Requirement	41,600
Market housing	39.8%
Intermediate affordable housing	6.0%
Social rented housing	54.2%

Figure 7: Overall Size Mix for Hackney 2011-2035 (Note: Figures may not sum due to rounding)

	Market	Intermediate	Social	TOTAL
1 Bedroom	-100	1300	9,300	10,500
2 Bedrooms	3,300	200	6,800	10,300
3 Bedrooms	8,400	400	6,100	14,900
4 Bedrooms	5,000	500	300	5,800
Total	16,600	2,500	22,500	41,600

Tower Hamlets SHMA 2017 Update

- 2.11 In 2014, ORS undertook the London Borough of Tower Hamlets Strategic Housing Market Assessment. And this study was subsequently updated in advance of the publication of the draft Local Plan in 2017.
- 2.12 In 2017, ORS calculated Objectively Assessed Need based on demographic projections and assessed these against Market Signals to determine if a higher rate of housing delivery is necessary to address housing market problems. This takes account of household growth based on CLG 2014-based projections (the starting point); adjusts for long-term migration trends and the GLA household projections; responds to suppressed household formation, responds to market signals; and takes account of vacant and second homes.
- 2.13 Based upon the information set out above, Figure 8 summarises each of the stages for establishing the Full Objectively Assessed Need for Housing (unrounded figures).

Figure 8: Full Objectively Assessed Need for Housing across Tower Hamlets 2016-31

Stage	Tower Hamlets	
	HOUSEHOLDS	DWELLINGS
HOUSEHOLDS		
Demographic starting point CLG household projections 2016-36	50,717	(53,162)
Baseline household projections GLA 2015-interim 'Central Variant' 2016-31	36,934	(38,715)
DWELLINGS		
Allowance for transactional vacancies and second homes Based on dwellings without a usually resident household		1,780
Housing need based on Household projections		38,715
Adjustment for suppressed household formation rates	1,418	1,462
Baseline housing need based on demographic projections		40,177
In response to market signals Dwellings needed (in addition to the adjustment for concealed families and homeless households to deliver the overall 20% uplift proposed)		20% of 38,715 = 7,743 7,743 – 1,462 = 6,281
Full Objectively Assessed Need for Housing 2016-31		46,458
Average Annual Need for housing 2016-31		3,097

- 2.14 Based upon long-term trend migration projections the SHMA therefore identifies the Full Objective Assessed Need for Housing in Tower Hamlets to be 46,500 dwellings over the 15-year Plan period 2016-31, equivalent to an average of 3,100 dwellings per year. This includes the Objectively Assessed Need for Affordable Housing of 21,100 dwellings over the same period, equivalent to an average of 1,407 dwellings per year. More details on the size and tenure mix of dwellings required are provided below in Figure 9:

Figure 9: Full Objectively Assessed Need for Housing; Size and Tenure Mix across Tower Hamlets for 2016-31 (Figures rounded to avoid giving a spurious impression of precision and totals may not sum for that reason)⁵

	MARKET HOUSING	AFFORDABLE HOUSING	INTERMEDIATE HOUSING e.g. LCHO	TOTAL CHANGE 2016-31
TYPE OF HOUSING				
1 bedroom	7,800	4,500	300	12,600
2 bedrooms	12,300	5,800	800	18,900
3 bedrooms	6,000	5,600	700	12,300
4+ bedrooms	-700	3,200	200	2,700
TOTAL	25,400	19,100	2,000	46,500
	MARKET HOUSING	AFFORDABLE HOUSING	INTERMEDIATE HOUSING e.g. LCHO	TOTAL CHANGE 2016-31
TYPE OF HOUSING				
1 bedroom	30.7%	23.6%	15%	27.1%
2 bedrooms	48.4%	30.4%	40%	40.6%
3 bedrooms	23.6%	29.3%	35%	26.5%
4+ bedrooms	-2.8%	16.8%	10%	5.8%
TOTAL	100.0%	100.00%	100.00%	100.0%

^{2.15} The main need identified was for 2-bedroom market and affordable housing, corresponding to two fifths of the total need), with 1 and 2-bedroom properties forming approximately a further a quarter each. The proportionate need for 2-bedroom dwellings was substantially higher in market housing rather than affordable (48% vs. 30%), offset by the higher need for large (4+ bedroom) properties in the affordable sector.

⁵ The size and tenure mix would usually be split between flats and houses to provide a guide, but in reality it is recognised that most future housing developments in Tower Hamlets may necessarily be flats.

3. Market Signals

Considering the balance between housing need and supply

Defining Market Signals

- 3.1 While demographic trends are typically the key to the assessment of OAN, it is also important to consider current Market Signals and how these may affect housing needs. PPG identifies a range of housing market signals that should be considered when determining the future housing number. Key to this is how market signals should be taken into account:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings (Paragraph 019)

A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections. (Paragraph 020)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)

- 3.2 PPG and the PAS OAN technical advice note emphasise the importance of considering indicators in the context of longer-term trends and looking at rates of change as well as absolute levels – for example, house prices in the housing market may be higher or lower than the national average, however the more important consideration is whether or not they are becoming more (or less) expensive at a rate that differs from the national rates or rates in similar areas.

Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally. (Paragraph 020)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)

- 3.3 To identify areas with similar demographic and economic characteristics, we have analysed data from the ONS area classifications together with data from the CLG Index of Multiple Deprivation. The outcome of this was that the Newham & Waltham Forest HMA and the Hackney & Tower Hamlets HMA share similar demographic and economic characteristics with Camden & Islington HMA, Lambeth, Lewisham & Southwark HMA and Barnet, Enfield & Haringey HMA. Therefore, in considering market signals, we have considered these areas as appropriate comparators and compared them against the study HMA.

House Prices and Affordability

- 3.4 House prices in the UK have been relatively volatile in the past 10 years. Prices increased by 5.2% in the 12 months to December 2017⁶; prices rose fastest in the South West (7.6%), East Midlands (6.3%), and West Midlands (6.1%). Prices in London increased by 2.5%.
- 3.5 The average UK house price was £226,750 in December 2017 compared to the peak of the previous high of £190,000 in the three months August to October 2007, which was overtaken in 2014. Average house price trends 2006 - 2017 as demonstrated by the House Price Index (HPI) show the price divergence between London and the rest of the UK.

Figure 10: Annual house percentage price rates of change, UK all dwellings 2006-2017 (Source: Regulated Mortgage Survey. Note: Not seasonally adjusted)

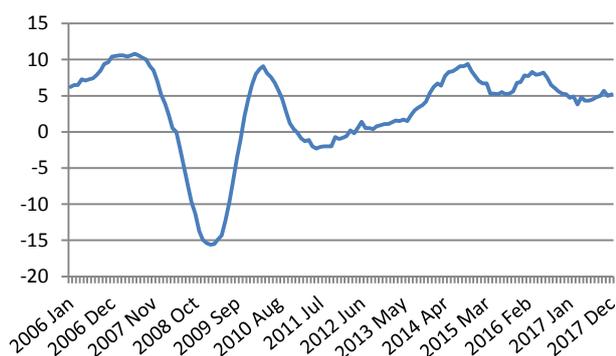
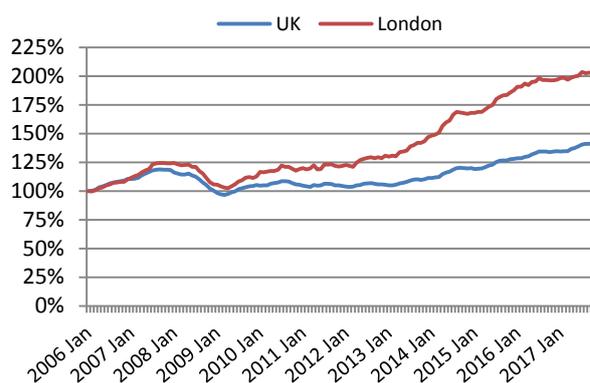


Figure 11: UK and London House Price Index 2006-2017 (Source: Land Registry, ONS)

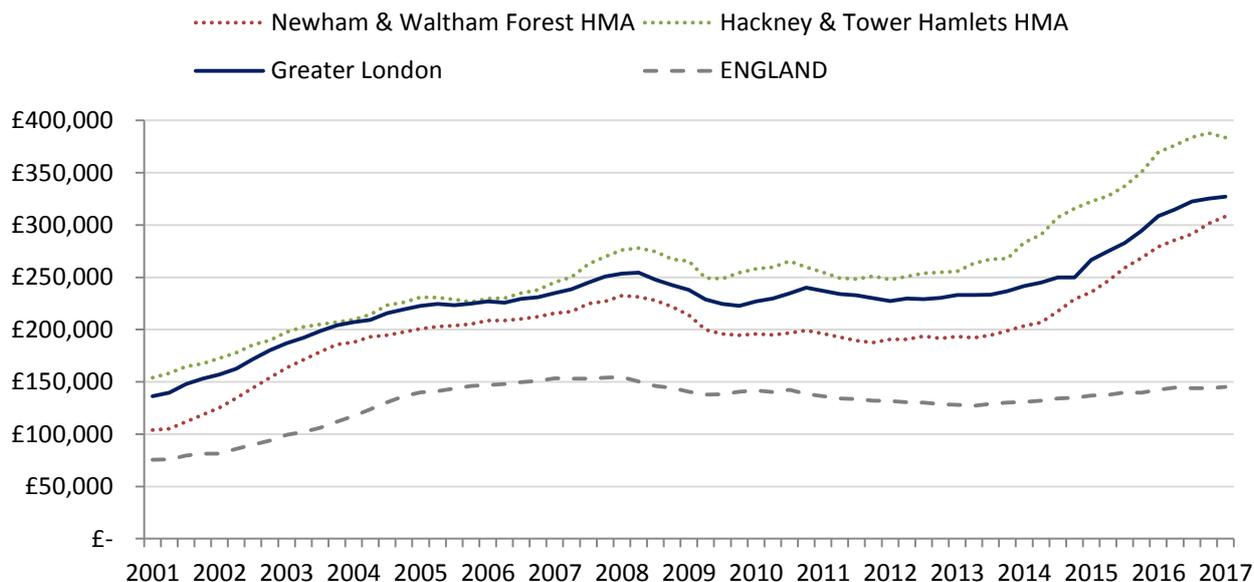


⁶ <http://landregistry.data.gov.uk/app/ukhpi>

House Prices in the Wider HMAs

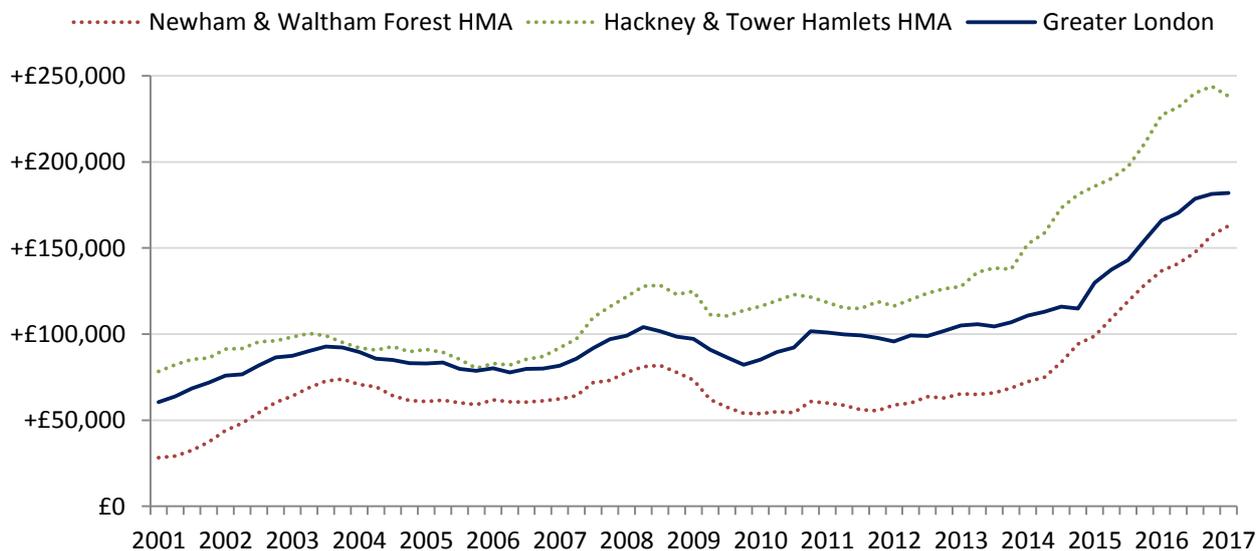
- 3.6 House price trends (2001-2017) are illustrated in Figure 12, which shows lower quartile house prices adjusted for the impact of inflation. Therefore, the prices reflect real changes which have occurred since 2001 when removing the impact of background inflation.
- 3.7 It is clear that real house prices rose sharply in the period 2001-2007 with Tower Hamlets and Hackney in particular seeing house price rises which were higher than the London average.

Figure 12: Real House Price Trends: Lower Quartile Prices adjusted to 2015 values using CPI (Table D7BT Release Date 12th Sept 2017) (Source: ONS; Bank of England. Note: HMA figures derived using population weighted average of Local Authority data)



- 3.8 Figure 13 shows how real house prices in the area have varied when compared with England. This shows that real house prices in the wider area around LLDC are currently above their long-term average trends.

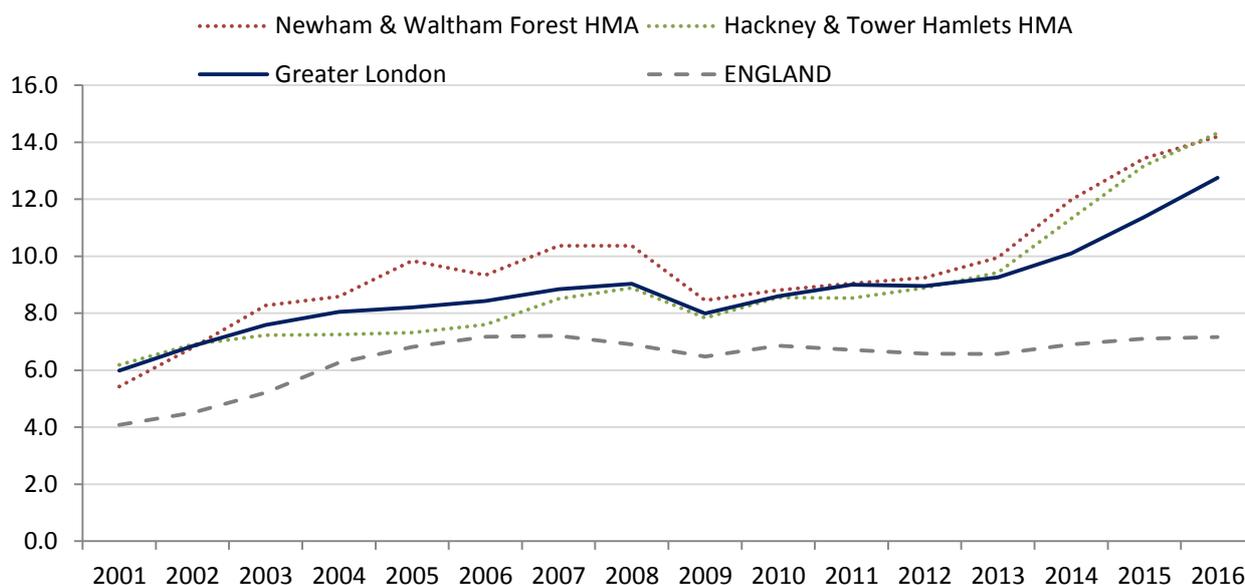
Figure 13: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2015 values using CPI (Table D7BT Release Date 12th Sept 2017) (Source: ONS; Bank of England. Note: HMA figures derived using population weighted average of Local Authority data)



Affordability in the Wider HMAs

3.9 Figure 14 below shows the ratio of lower quartile house price to lower quartile workplace-based earnings in the two HMAs between 2001 and 2016. This long term trend for the area shows that affordability worsened in the period 2001-08 (when there was an increase in real house prices), improved between 2008 and 2009, but has since risen back to peak levels. Of course, it is also important to remember that affordability can be influenced by supply issues (e.g. lower housing delivery levels) and demand side issues (e.g. lower availability of mortgage finance for first time buyers).

Figure 14: Ratio of Lower Quartile House Price to Lower Quartile Workplace-Based Earnings (Source: ONS. Note: HMA figures derived using population weighted average of Local Authority data)



Private Rent

3.10 The English Housing Survey (EHS) 2015-16⁷ identified that 20% (4.5 million) of households were renting from a private landlord, much higher than the rate of 12% a decade earlier in 2005-06. The EHS also shows that households aged 25-34 were more likely to be renting privately (46%) than buying a home, up from 24% in 2005-06. Owner occupation in this age group dropped from 56% to 38% over the same 10 year period. Of all private renters, 21% were in London and 79% in the rest of the Country. The proportion of households in the private rented sector in London grew from 17% in 2005-06 to 28% in 2015-16, larger than the mortgagor sector (26% in 2015-16).

3.11 Importantly, the Government sees the PRS having an important and long term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending. The current consultation on a new draft NPPF includes the addition of build to rent schemes to the list of affordable housing, so some forms of privately provided rented accommodation will now be considered as affordable housing if this is adopted.

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/595785/2015-16_EHS_Headline_Report.pdf

Overcrowding

- 3.12 Overcrowding is considered in detail in the section of this document discussing the need for affordable housing. PPG also identifies a series of other factors to monitor alongside overcrowding, including concealed and sharing households, homelessness and the numbers in temporary housing (paragraph 19):

Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Longer term increase in the number of such households may be a signal to consider increasing planned housing numbers.

Planning Practice Guidance (March 2014), ID 2a-019

- 3.13 These were also considered when establishing the need for affordable housing, and the overall housing number was increased to take account of the needs of homeless households and concealed families with younger family representatives who would not have been counted as part of the household projections. This adjustment has already been incorporated as a response to the identified un-met need for housing, and can be considered as part of the response to market signals.
- 3.14 For clarity, concealed households are defined as; *“family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity⁸”*, whereas overcrowded households are households that do not have enough rooms to accommodate their size (based on a standardised formula – see paragraph 5.18).

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

Summary of Market Signals

3.15 As acknowledged earlier in this section, there is no single formula that can be used to consolidate the implications of this information; and furthermore the housing market signals will have been predominantly influenced by relatively recent housing market trends. Nevertheless, the indicators provide a context for considering the balance between housing need and supply.

3.16 In terms of headline outputs, the market signals when compared to relevant comparator areas show:

Figure 15: Summary of Market Signals (Note: HMA figures derived using population weighted average of Local Authority data)

		Newham & Waltham Forest	Hackney & Tower Hamlets	Camden & Islington	Lambeth, Lewisham & Southwark	Barnet, Enfield & Haringey	Greater London	England
INDICATORS RELATING TO PRICE								
House prices								
Lower quartile house price	2016-17 price	£313,900	£390,800	£486,400	£367,600	£350,500	£333,500	£148,000
	Relative to England	+112%	+164%	+229%	+148%	+137%	+125%	-
	2011-12 price	£181,000	£235,500	£315,200	£219,600	£218,000	£216,000	£125,000
	5-year change	+73%	+66%	+54%	+67%	+61%	+54%	+18%
Rents								
Average monthly rent	2016-17 cost	£1,354	£1,802	£2,003	£1,575	£1,513	£1,748	£852
	Relative to England	+59%	+112%	+135%	+85%	+78%	+105%	-
	2011-12 cost	£921	£1,310	£1,734	£1,185	£1,224	£1,312	£705
	5-year change	+47%	+38%	+16%	+33%	+24%	+33%	+21%
Affordability								
Lower quartile house price to workplace-based earnings	2016 ratio	14.2	14.3	17.3	13.9	15.3	12.8	7.2
	Relative to England	+98%	+100%	+142%	+94%	+114%	+78%	-
	2011 ratio	9.1	8.5	11.9	9.1	10.7	9.0	6.7
	5-year change	+57%	+68%	+45%	+53%	+43%	+42%	+7%
INDICATORS RELATING TO QUANTITY								
Overcrowding								
Overcrowded households	2011 proportion	29.2%	33.5%	30.8%	25.9%	21.1%	21.7%	8.7%
	Relative to England	+234%	+283%	+253%	+196%	+141%	+148%	-
	2001 proportion	21.2%	28.4%	27.5%	21.6%	15.7%	17.3%	7.1%
	10-year change	+37%	+18%	+12%	+20%	+34%	+25%	+23%
Rate of development								
Increase in stock	2001-11 change	8.7%	24.1%	11.5%	10.9%	8.4%	8.7%	8.3%
	Relative to England	+4%	+189%	+38%	+31%	+1%	+4%	-

3.17 On the basis of this data we can conclude:

- » **House Prices:** lower quartile prices are much higher than the national average in both HMAs, with a lower quartile price of £313,900 in Newham & Waltham Forest and a lower quartile price of £390,800 in Hackney & Tower Hamlets, compared to England’s £148,000 (based on 2016-17 values). The current lower quartile price in Camden & Islington is higher again at £486,400, but other comparator areas and Greater London have quartile prices somewhere between those of the two wider HMAs
- » **Rents:** for average private sector rents in 2016-17, both Newham & Waltham Forest and Hackney & Tower Hamlets are above the national average. Rate of change in rents have been greater in these two HMAs than similar comparator areas, across Greater London and the national average;
- » **Affordability:** (in terms of the ratio between lower quartile house prices and lower quartile workplace-based earnings) is currently ‘worse’ in Newham & Waltham Forest (14.2) and Hackney & Tower Hamlets (14.3) than across England as a whole (7.2), but is lower than comparator areas Camden and Islington and Barnet, Enfield & Haringey;
- » **Overcrowding:** (in terms of Census occupancy rates) shows that 29.2% of households in Newham & Waltham Forest are overcrowded and 33.5% of households in Hackney & Tower Hamlets are overcrowded based on an objective measure, which is much higher than England (8.7%). However, the comparator area Camden & Islington has a similar rate of overcrowding and other comparator areas are also much higher than the national average. The proportion of overcrowded households has increased most in Newham & Waltham Forest over the last 10 years (37%), however the increase of overcrowded households in Hackney & Tower Hamlets was lower than the national average (18% cf. 23%);
- » **Rate of development:** (in terms of increase in dwelling stock over the last 10 years) shows that development has increased the stock size by 8.7% in Newham & Waltham Forest, similar to England (8.3%). However, the rate of development in Hackney & Tower Hamlets was much greater than both of these and all comparator areas at 24.1%.

Conclusions on Market Signals

3.18 As previously noted, PPG suggests that “household projections should be adjusted to reflect appropriate market signals” where there is a “worsening trend in any of these indicators” (paragraphs 19-20). The indicators collectively show that circumstances in the area around LLDC are generally similar to those across other areas of London; so any uplift must be determined in this context.

3.19 There is no definitive guidance on what level of uplift is appropriate. Nevertheless, the Inspector examining the Eastleigh Local Plan judged 10% to be reasonable given the market signals identified for that HMA:

“It is very difficult to judge the appropriate scale of such an uplift ... Exploration of an uplift of, say, 10% would be compatible with the “modest” pressure of market signals recognised in the SHMA itself.”

- 3.20 We would also note that impact of market signals adjustments for the Greater London SHMA 2017 was an increase of around 20% above the baseline household projections. It is also the case the London Borough of Camden SHMA contains a market signal uplift of 20% and this was agreed at the Examination in Public of their Local Plan.
- 3.21 Given the relative market signal indicators for Newham & Waltham Forest and Tower Hamlets & Hackney HMAs, together with the views of the Eastleigh and Camden Inspectors and the Greater London SHMA, **it would seem to be reasonable to consider an uplift of 20% as appropriate for LLDC.** The area experiences housing market pressures which are in line with other most highly pressurised markets in London. However, in the next section we also consider a range of wider options to assess the potential objectively assessed needs for LLDC.

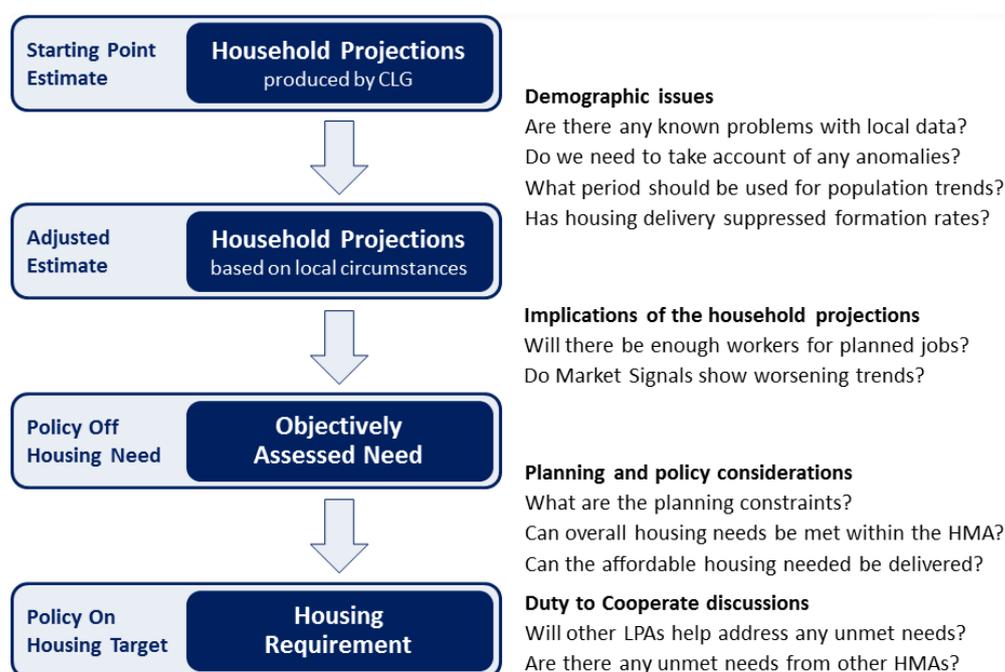
4. Objectively Assessed Need

Analysing the evidence to establish overall housing need

The Process for Assessing OAN

- 4.1 A key objective of this study is to explore the potential calculation of the Objectively Assessed Need for LLDC. The process for developing OAN is now a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied ('Market Signals') in order to embed the need in the real world as shown in Figure 16. The need to balance jobs and workers is a matter for the HMA, not any individual planning authority, so in the case of LLDC this would be the Greater London area.

Figure 16: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



- 4.2 It is important to recognise that the OAN does not take account of any possible constraints to future housing supply, or any development led planned growth. Such factors will be subsequently considered by the planning authority before establishing the final Housing Requirement. Therefore, the OAN for LLDC is not the current Local Plan housing target, or any future planned delivery. These are policy-on figures which not only meet the housing needs of the LLDC area, but also play a role in meeting the wider needs of London.

The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.

Planning Practice Guidance (March 2014), ID 2a-004

Dwellings in LLDC

- 4.3 Through the survey conducted in 2017, the LLDC area was estimated to contain 9,712 households. Allowing a 2.4% vacancy and second home rate, this would give a total of almost exactly 10,000 dwellings (9,950) in the area in 2017. While the aim of this study is to provide the OAN for the periods 2015-31 and 2015-36, we will start with the 2017 figure of 10,000 dwellings in the area as a useful starting point to illustrate potential OAN scenarios.
- 4.4 It is the case that as of 2016 the population of LLDC accounts for 6.5% of the population of Tower Hamlets, 5.4% of the population of Newham and 1.3% of the population of Hackney. While a small area of Waltham Forest also lies within the LLDC area this does not contain residential communities and therefore does not contribute to the population of Waltham Forest or LLDC.
- 4.5 For the remainder of this report we consider the potential level of the OAN for LLDC based both upon existing research and current National Planning Policy Framework and Planning Practice Guidance, but also on potential changes set in a current Government consultation which may come in to effect in March 2018. All the models presented seek to represent alternative policy-off scenarios which can be considered to represent the range for the OAN for LLDC.

GLA Demographic Forecasts October 2017

- 4.6 In July 2017, the GLA published a series of demographic projections for London boroughs. This did not include projections for LLDC, but did include all the local authorities which cover the area. One of the models used to project the demographic needs was based upon dwelling led models for projected delivery and therefore cannot be used to consider OAN because it is constrained to a particular dwelling target already.
- 4.7 However, the GLA demographic data also considered three other possible demographic growth scenarios based upon past migration trends for London. These alone are not the OAN for any area because it is also necessary to consider a market signal response. In the models set out below we have considered a market signal responses or 20% in line with other studies in the area.
- 4.8 The three models we have used in this section are set out in Figure 17:

Model 1: Uses localised 15 year long-term migration flows for London. This generates a need of 329 dwellings per annum when market signals are also considered and needs apportioned to the LLDC area.

Model 2: Uses “central trend” 10 year migration flows for London. This generates a need of 431 dwellings per annum when market signals are also considered and needs apportioned to the LLDC area. The central trend is the projection favoured by the London SHMA.

Model 3: Uses short-term 5 year migration flows for London. This generates a need of 512 dwellings per annum when market signals are also considered and needs apportioned to the LLDC area.

Figure 17: Potential OAN for LLDC Based Upon July 2017 GLA Demographic Data 2015-31 (Source: GLA 2016 Based Demographic Projections)

Model	2015-31 Dwelling Growth	Annual Dwelling Growth	2015-36 Dwelling Growth	Annual Dwelling Growth
Model 1: Long-term trend with 2.4% vacancy and 20% market signals	5,269	329	6,451	307
Model 2: Central trend with 2.4% vacancy and 20% market signals	6,888	431	8,448	402
Model 3: Short-term trend with 2.4% vacancy and 20% market signals	8,198	512	10,062	479

Utilising data from the Population Survey for OAN

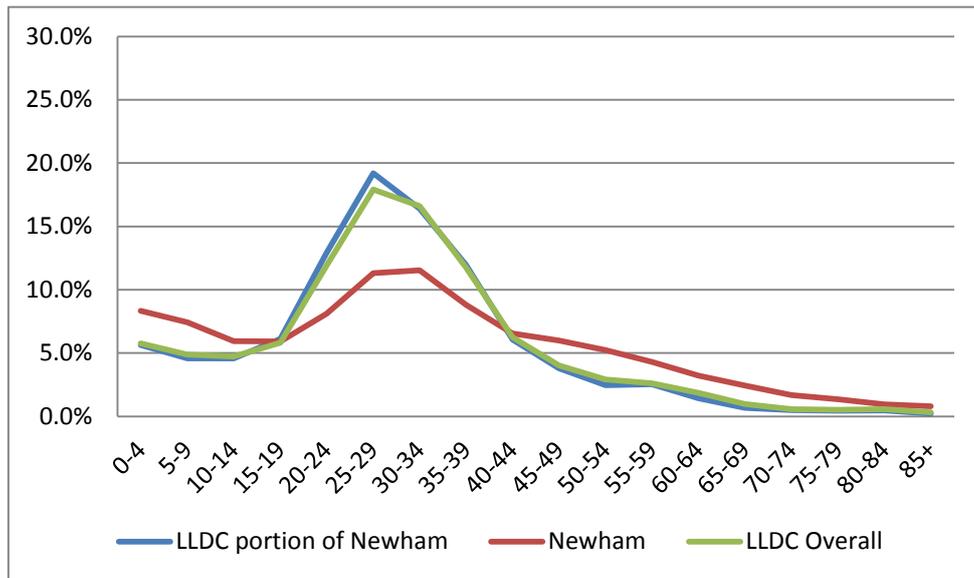
- 4.9 The GLA demographic projections provide a projection of population change in each borough. An approach such as that in Models 1-3 assumes that given (for example) that 1.3% of residents of Hackney are also residents of LLDC, then 1.3% of the projected growth in Hackney over the period 2015-31 will occur within LLDC. However, since the demographic composition of the Hackney portion of LLDC is not the same as the whole of Hackney, this approach would be flawed and therefore the figures should be treated with caution.
- 4.10 The primary data collected through the 2017 survey in LLDC allowed an accurate demographic picture of LLDC to be developed. Figure 18 shows the percentage of residents in each area by age group for the LLDC as a whole and subdivided into boroughs, along with data for each of the three boroughs as a whole. This illustrates the difference in demographic composition:

Figure 18: Demographic breakdown of LLDC by Portion of Borough and Wider area (Source: 2017 Population Survey, GLA)

Age	LLDC Portion of Boroughs				Whole Boroughs		
	Overall	Newham	Tower Hamlets	Hackney	Newham	Tower Hamlets	Hackney
0 to 4	5.8%	5.6%	5.9%	6.5%	8.3%	7.1%	7.5%
5 to 9	4.9%	4.6%	4.0%	7.0%	7.4%	6.6%	6.7%
10 to 14	4.7%	4.6%	2.3%	6.9%	5.9%	5.5%	5.6%
15 to 19	5.8%	6.1%	2.0%	6.3%	5.9%	5.2%	5.0%
20 to 24	11.9%	12.9%	7.5%	9.1%	8.1%	8.9%	6.1%
25 to 29	17.9%	19.2%	17.9%	11.1%	11.3%	14.2%	11.6%
30 to 34	16.6%	16.4%	26.3%	12.0%	11.5%	13.7%	14.1%
35 to 39	11.8%	12.0%	14.9%	8.8%	8.8%	10.1%	10.6%
40 to 44	6.3%	6.1%	8.9%	5.7%	6.6%	7.0%	7.1%
45 to 49	4.0%	3.8%	3.8%	5.4%	6.0%	5.3%	5.9%
50 to 54	2.9%	2.5%	2.3%	5.7%	5.2%	4.3%	5.3%
55 to 59	2.6%	2.5%	1.0%	4.0%	4.3%	3.4%	4.1%
60 to 64	1.9%	1.4%	2.0%	4.1%	3.2%	2.7%	3.1%
65 to 69	1.0%	0.7%	0.3%	3.0%	2.4%	2.0%	2.4%
70 to 74	0.6%	0.5%	0.3%	1.1%	1.7%	1.4%	1.8%
75 to 79	0.5%	0.4%	0.3%	1.1%	1.3%	1.1%	1.3%
80 to 84	0.6%	0.5%	0.1%	1.4%	0.9%	0.8%	1.0%
85+	0.3%	0.2%	0.4%	0.8%	0.8%	0.8%	0.9%

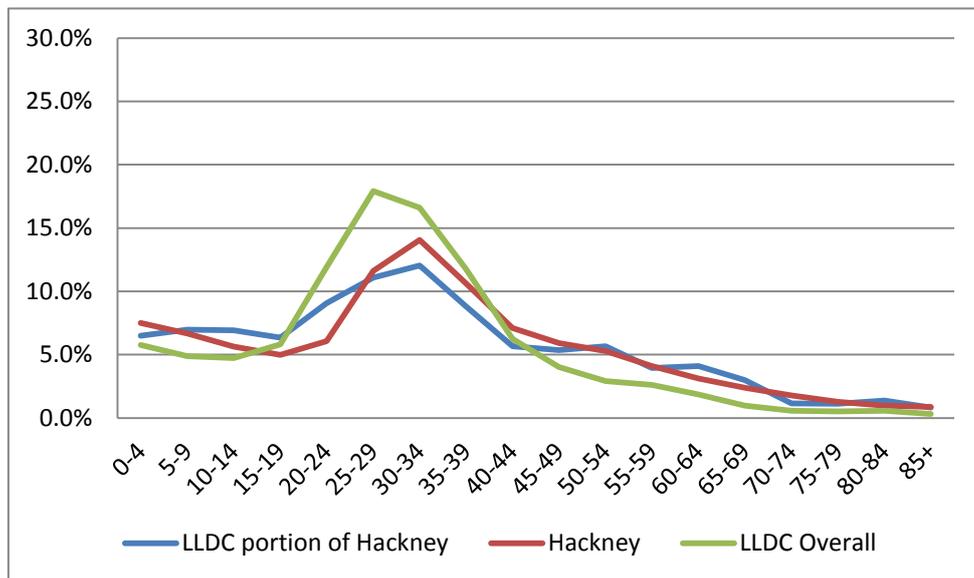
4.11 The key differences in demographic composition can further be illustrated by direct comparison:

Figure 19: Demographic composition of Newham vs LLDC portion of Newham (Source: 2017 Population Survey, GLA)



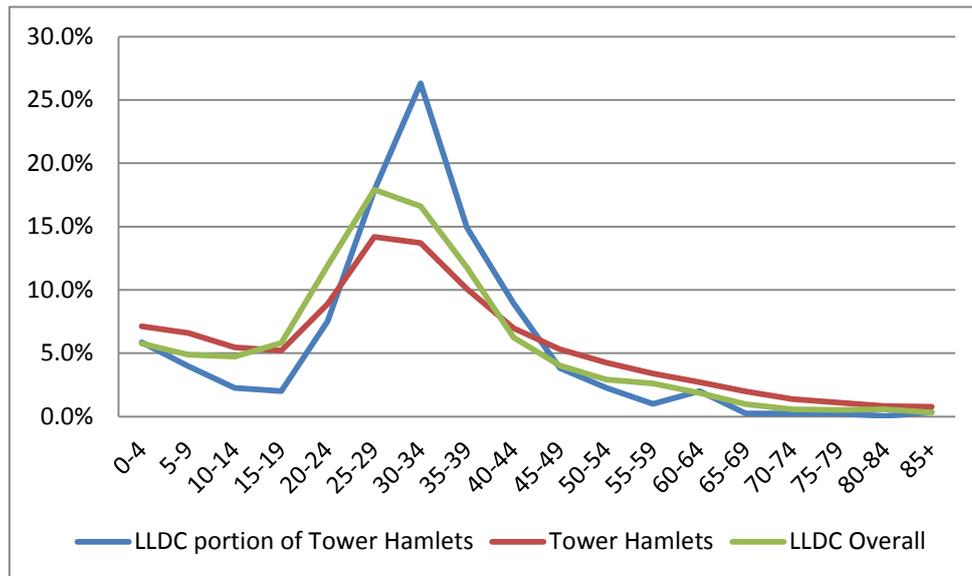
4.12 Currently, 77.2% of LLDC residents live in the borough of Newham, which accounts for the strong correlation between the overall age distribution of the LLDC with the Newham portion. However, it is clear that there are significantly higher proportions of 20-44 year olds in LLDC than in the wider Newham area (Figure 19).

Figure 20: Demographic composition of Hackney vs LLDC portion of Hackney (Source: 2017 Population Survey, GLA)



4.13 Currently, 14.5% of LLDC residents live in the borough of Hackney, and this group have a smaller proportion of 20-44 year olds than the wider LLDC area. However, it is clear that there are higher proportions of 25-44 year olds the LLDC overall than are found either in the wider Hackney area or the portion of Hackney within the LLDC (Figure 20).

Figure 21: Demographic composition of Tower Hamlets vs LLDC portion of Tower Hamlets (Source: 2017 Population Survey, GLA)



4.14 Currently, 8.3% of LLDC residents live in the borough of Tower Hamlets, and this group have a lower proportion of 0-30 year olds than both the wider LLDC area and Tower Hamlets. However, it is clear that there are higher proportions of 30-49 year olds in this portion of the LLDC than the both Tower Hamlets as a whole and the wider LLDC area (Figure 21).

4.15 In conclusion, since none of the London Boroughs that comprise the LLDC adequately reflect the demographic composition of the area, it is inappropriate to assume population trends in the LLDC will reflect these wider areas due to the considerable difference in population mix.

Population and Household Projection in LLDC

4.16 Having established the demographic composition by area in the LLDC through primary data, this population cohort was projected forward for the period 2017-31 and 2017-36. Age specific rates of births and deaths along with rates of out-migration were taken from the GLA data for each borough and were applied to each age band (in line with the London SHMA). The GLA rates of in-migration were weighted to match levels of 2016-17 in-migration (established by the 2017 survey), and these rates were similarly applied to each age group. This resulted in the following population projection for the LLDC:

Figure 22: Demographic for LLDC based upon GLA data weighted to 2017 Population Survey

Age Group	LLDC 2017	LLDC 2031	LLDC 2036
0 to 4	1,386	3,002	3,053
5 to 9	1,170	2,771	2,754
10 to 14	1,136	2,451	2,570
15 to 19	1,395	1,868	2,416
20 to 24	2,859	2,618	2,831
25 to 29	4,299	3,584	3,894
30 to 34	3,983	3,856	3,859
35 to 39	2,822	3,623	3,516
40 to 44	1,502	3,234	3,186
45 to 49	967	2,822	2,919
50 to 54	701	2,162	2,611
55 to 59	627	1,468	2,018
60 to 64	447	1,104	1,364
65 to 69	234	749	1,004
70 to 74	137	576	686
75 to 79	125	359	513
80 to 84	136	211	308
85+	77	195	277
Total Population	24,004	36,657	39,779
Number of Households	9,712	16,946	18,865

4.17 The number of households into which the 2017 population form was also established by the 2017 survey; and the CLG 2014 household formation rates for 2017 for each borough were weighted to accurately reflect this primary data. These weightings were then applied to the CLG rates for 2031 and 2036 to establish the number of households into which the projected 2031/2036 population will likely form. This process projects an increase of 7,234 households between 2017 and 2031 with a further increase of 1,919 by 2036.

4.18 It should be noted that the demographic based calculation is based on changes to the household population only, which excludes those living in communal establishments (e.g. students in dedicated student accommodation, whose needs are assumed to be transient and constant for SHMA purposes) in line with best practice.

- 4.19 At the time of writing, there are approximately 2,270 persons living in communal establishments excluded from the household population enumerated above. This accounts for the difference between the 24,004 household population in Figure 22, and the 26,274 total population for 2017 referred to in the report “LLDC Area Profile and Report of Survey Findings” (ORS, 2018).

Converting to Dwellings

- 4.20 Finally, in converting from households to dwellings we need to allow for a vacancy and second home rate as not all dwellings will be occupied. The London SHMA contains different vacancy rates for both social and market stock, averaging a vacancy of 2.4% overall: we have applied this to future household growth, and on this basis the growth of 7,234 households would require the provision of 7,412 dwellings over the period 2017-31. This is an average of 529 dwellings per annum.
- 4.21 As discussed in the section on Market Signals, we consider it appropriate to uplift this figure by 20%, yielding a demographic need of 8,894 dwellings over the 2017-31 period, an average of 635 dwellings per annum.
- 4.22 This uplift of 20% is proposed as an appropriate response to the market signal indicators, which represents an additional 1,482 dwellings. The overall housing need also should be to accommodate 175 concealed families and homeless households not captured by the household projections (see Affordable Housing chapter). This need translates to 179 extra dwellings through the application of a 2.4% vacancy rate, and this should be considered as part of the response to market signals. An additional increase of 1,303 dwellings is needed to deliver the overall uplift of 1,482 dwellings that has been identified.
- 4.23 In the years 2015-17, 1,742 completions were recorded in LLDC (source: LLDC AMR 2015 and 2016). This is 37% more than the 1,270 suggested by 635 dwellings per year (which itself includes a 20% uplift) therefore it is reasonable to assume that the needs of population growth were comfortably met in the 2015-2017 period by this level of construction.
- 4.24 Therefore, the OAN proposed for LLDC over the period 2015-31 is $8,894 + 1,742 = 10,636$ dwellings over the period 2015-31, which translates to 665 dwellings per annum. We have labelled this subsequently as Model 4. Following a similar procedure, Model 4 also projects an OAN of 12,997 dwellings over the period 2015-36, which translates to 619 dwellings per annum.
- 4.25 This takes account of household growth based on GLA 2016-based projections (the starting point); adjusts for data demographic collected in the 2017 population survey; responds to market signals whilst providing for the growth of concealed families; and takes account of vacant and second homes.

- 4.26 Figure 23 presents a summary of each stage of this calculation, in addition to the same process applied to the period 2015-36 to illustrate how the trajectory would continue beyond the plan period.

Figure 23: Full Population-Based Objectively Assessed Need for Housing across LLDC 2015-31 and 2015-2036 (Model 4)

Stage		TOTAL to 2031	TOTAL to 2036
HOUSEHOLDS			
Demographic starting point Borough proportions of CLG household projections from 2015		6,299	7,828
GLA 2016 Demographics (in line with 2017 London SHMA) Proportions of GLA 10 yr Central Trend Household projections from 2015 (Model 2)		5,602	6,871
GLA 2016 Demographics Adjusted in light of 2017 Population Survey (from 2017)		7,234	9,154
DWELLINGS			
Allowance for transactional vacancies and second homes Based on dwellings without a usually resident household		+178	+225
Housing need based on household projections taking account of local circumstances		7,412	9,379
Adjustment for suppressed household formation rates Concealed families and homeless households		175 + 4 = 179	175 + 4 = 179
Baseline housing need based on demographic projections		7,591	9,558
Further adjustments needed...	In response to balancing jobs and workers Forecast jobs growth yields shortfall of workers based on current commuting rates; uplift needed to the baseline housing need	-	-
	In response to market signals 2,682 dwellings needed (in addition to the 1,917 dwellings for concealed families and homeless households) to deliver the proposed uplift of 10% (a total of 4,599 extra dwellings)	20% x 7,412 = 1,482 1,482 - 179 = +1,303	20% x 9,379 = 1,876 1,876 - 179 = +1,697
	Dwellings constructed meeting needs 2015-17	+1,742	+1,742
Combined impact of the identified adjustments		+3,045	+3,439
Full Objectively Assessed Need for Housing 2015-31 / 2015-36		10,636	12,997

CLG Consultation

- 4.27 On September 14th 2017, Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating objectively assessed housing needs (OAN) at a local authority level. This contained a number of key proposals with the aim to introduce the changes by the end of March 2018:
- 4.28 The standard methodology is based on the CLG 2014-based household projections for the 10-year period 2016 to 2026 with an upward adjustment based on the ONS median workplace-based affordability ratio for 2016. It is proposed that the upward adjustment is capped at a maximum of 40%.
- 4.29 Furthermore, for areas with housing targets in up-to-date local plans (adopted within the last 5 years), the standard methodology proposes that the housing need is no more than 40% higher than the previously adopted housing target. By implication, this applies a constraint to the assessment of housing need in all areas where this adjustment applies.

- 4.30 The consultation does not include a methodology for national parks or development corporation areas, but we have adapted the consultation to consider the potential needs for LLDC. The following table sets out the components of the assessment of need based on the proposed formula for Hackney, Newham and Tower Hamlets local planning authorities.

Figure 24: Potential OAN for Hackney, Newham and Tower Hamlets for September 2017 CLG Consultation

	Standardised Methodology: CLG 2014-based household projection + uplift 2016 to 2026 <i> dwellings per annum</i>
Hackney	3,251
Newham	3,840
Tower Hamlets	4,873

- 4.31 For LLDC, we have considered two models based upon the consultation proposals in addition to the PPG contextual starting point as set out below in Figure 25:

Model 5: Assume that the dwelling growth in LLDC occurs in line with the national growth requirement set of in the consultation to deliver a need of 265,936 dwellings per annum. This represents a growth of 1.12% per annum of the dwelling stock for England as a whole. This has been calculated as an indicative figure to set other figures in the context of anticipated national growth and for LLDC equates to 131 dwellings per annum.

Model 6: Assume that the dwelling growth in LLDC occurs as a proportionate share of the needs of each of the three authorities in the area. Therefore, LLDC provides a share of the identified need for Hackney, Newham and Tower Hamlets based upon its existing share of their dwellings. This generates a need for LLDC of 566 dwellings per annum.

Model 7: For further context, Model 7 is the proportionate share of the needs of each of the three authorities in the area based on the unadjusted 2014 CLG household projections. The PPG (Planning Practice Guidance) states that these figures should be used as a “starting point” in the production of a SHMA (PPG 2a-015).

Figure 25: Potential OAN for LLDC Based Upon the CLG Consultation September 2017

Model	Dwelling Growth 2015-31	Annual Dwelling Growth 2015-31	Dwelling Growth 2015-36	Annual Dwelling Growth 2015-36
CLG Consultation				
Model 5: As a share of national growth at 1.12% growth per annum	2,105	131	2,760	131
Model 6: As a share of Hackney, Newham and Tower Hamlets CLG Standard Methodology Consultation figures	9,062	566	11,886	566
Model 7: Unadjusted CLG household growth figures + 2.4% vacancy	6,454	403	8,020	382

Previous Sub-Regional SHMAs

4.32 As noted in Figure 24, ORS have undertaken SHMAs for all the boroughs that contain part of the LLDC area. Clearly a natural approach to considering the OAN for LLDC would be to consider its proportionate needs from those of the surrounding areas. We have estimated a model which derives from the neighbouring SHMAs as shown in Figure 26.

Model 8: Uses the Hackney, Newham and Tower Hamlets SHMAs and apportions their needs to the LLDC area. This generates a need for 351 dwellings per annum for LLDC.

Figure 26: Potential OAN for LLDC based upon Existing SHMAs in the Wider Area

Model	Dwelling Growth 2015-31	Annual Dwelling Growth 2015-31	Dwelling Growth 2015-36	Annual Dwelling Growth 2015-36
From Existing SHMAs				
Model 8: As a share of Hackney, Newham and Tower Hamlets SHMAs	5,621	351	7,376	351

Conclusions on Population Projection Based OAN

4.33 This study has considered several alternative methods for assess the OAN for LLDC. Based upon current local evidence contained in GLA demographic forecasts, results from primary survey data and a significant market signal uplift, we would conclude that the most appropriate OAN for LLDC is approximately 665 dwellings per annum ($10,636 / 16 = 665$). This represents an overall annual growth rate of 6.7% per annum; a level which is significantly above those needs in England as a whole, or even London as a whole. While alternative models result in lower OANs of up to 566 dwellings per annum (see for example Model 6), the highest of these figures requires the acceptance of the CLG consultation approach for a standardised methodology and do not incorporate the data from the population survey. As such, the higher Model 4 is preferable.

4.34 It should also be reiterated that the OAN is only the starting point to consider a local plan housing target. The key point around all of these figures is that they are all significantly less than the planned housing delivery in the LLDC area which also allows for the role of LLDC in meeting the wider needs of London. The extent of the planned housing delivery and its contribution to London's wider strategic needs is discussed in the report "LLDC Area Profile and Report of Survey Findings" (ORS, 2018). Therefore, the precise OAN for the area is largely immaterial on the basis that it will be exceeded by this delivery level.

Summary of Models

Figure 27: Comparison table of candidate OAN Models for the LLDC

Model	2015-31 Dwelling Growth	Annual Dwelling Growth	2015-36 Dwelling Growth	Annual Dwelling Growth
Model 1: GLA Long-term trend with 2.4% vacancy and 20% market signals	5,269	329	6,451	307
Model 2: GLA Central trend with 2.4% vacancy and 20% market signals	6,888	431	8,448	402
Model 3: GLA Short-term trend with 2.4% vacancy and 20% market signals	8,198	512	10,062	479
Model 4: GLA Central trend with 2.4% vacancy and 20% market signals informed by 2017 survey data	10,636	665	12,997	619
Model 5: As a share of national growth at 1.12% growth per annum	2,105	131	2,760	131
Model 6: As a share of Hackney, Newham and Tower Hamlets CLG Standard Methodology Consultation figures	9,062	566	11,886	566
Model 7: Unadjusted CLG household growth figures + 2.4% vacancy	6,454	403	8,020	382
Model 8: As a share of Hackney, Newham and Tower Hamlets SHMAs	5,621	351	7,376	351

4.35 In light of the use of the GLA Central trend in the London SHMA, and the incorporation of the most up-to-date primary demographic data into the population modelling, we consider Model 4 to represent the appropriate OAN for LLDC with 665 dpa (2015-31). This rate of delivery is substantially lower than the LLDC's proposed annual housing target, the extra delivery contributing toward meeting the strategic requirements of Wider London.

5. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 5.1 This chapter considers the current need for affordable housing, taking into account homeless households, concealed households, overcrowded households and other households living in unsuitable housing that cannot afford their own home. The calculation is based upon the needs of Tower Hamlets, Hackney and Newham apportioned to LLDC based upon the current population of the area. As such, the figures are based upon LLDC taking its share of the current affordable housing needs across the 3 authorities.
- 5.2 PPG notes that affordable housing need is based on households “*who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market*” (paragraph 22) and identifies a number of different types of household which may be included:

What types of households are considered in housing need?

The types of households to be considered in housing need are:

- » *Homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income)*
- » *Households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households)*
- » *Households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
- » *Households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation*
- » *Households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move*

Planning Practice Guidance (March 2014), ID 2a-023

- 5.3 PPG also suggests a number of data sources for assessing past trends and recording current estimates for establishing the need for affordable housing (paragraph 24):
- » Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding.
 - » The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey.
 - » Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.

- 5.4 The following section considers each of these sources in turn, alongside other relevant statistics and available information.
- 5.5 We would note at the outset that at the time of writing the Government are consulting on changing the definition of affordable housing to include a wider range of Low Cost Home Ownership (LCHO) products which they are not subject to ‘in perpetuity’ restrictions or where the subsidy is recycled for alternative affordable housing provision. This would represent a fundamental revision of the definition of affordable housing. It is also likely to require a complete revision of PPG sections relating to affordable housing as changing the definition for the supply of affordable housing will also change the nature of households who qualify for affordable housing and this issue is also being consulted on. Therefore, while affordable housing supply may rise under the new definitions, the number of households who qualify as being in affordable housing need will also rise. Within London, the Mayor’s preferred tenures focus upon London Affordable Rent, London Living Rent and forms of shared ownership and well as build to rent schemes. However, none of these proposed changes impact on the backlog of housing need in the LLDC area.

Past Trends and Current Estimates of the Need for Affordable Housing

Local Authority Data: Homeless Households and Temporary Accommodation

- 5.6 In the LLDC Area, there has been a downward trend in households living in temporary accommodation. There were 364 such households in 2005; this had reduced to 219 in 2015.

Figure 28: Households in temporary accommodation in the LLDC Area (Source: CLG P1E returns for March 2005 and March 2015) (Note: * denotes missing data, Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)

		LLDC Area			England 2015
		2005	2015	Net change 2005-15	
Households in temporary accommodation	Bed and breakfast	15	18	+3	-
	Hostels	7	12	+5	-
	Local Authority or RSL stock	41	10	-31	-
	Private sector leased (by LA or RSL)	289	21	-268	-
	Other (including private landlord)	12	158	+146	-
	TOTAL	364	219	-145	-
	<i>Rate per 1,000 households</i>	52.0	27.4	-24.6	2.9
Households accepted as homeless but without temporary accommodation provided	*	2	*	-	

- 5.7 It is evident that statutory homelessness has not become significantly worse in the LLDC area over the period since 2005, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the councils limit the number of homeless presentations, through helping people threatened with homelessness find housing before they become homeless. Housing allocation policies can also avoid the need for temporary housing if permanent housing is available sooner; however many households facing homelessness are now offered private rented housing.

- 5.8 The Localism Act 2011, which amended the Housing Act 1996, gave Councils the power to discharge the main homelessness duty through offering a private rented sector tenancy. Prior to this change, Local Authorities could offer private sector housing to homeless households (where they have accepted a housing duty under Part 7 of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2011 means refusal is no longer possible providing the offer is suitable. While the change aims to reduce the pressures on the social housing stock, an indirect result is that there are further demands on the private rented sector as Councils seek to house homeless households.

Census Data: Concealed Households and Overcrowding

- 5.9 The Census provides detailed information about households and housing in the local area. This includes information about concealed families (i.e. couples or lone parents) and sharing households. These households lack the sole use of basic facilities (e.g. a bathroom or kitchen) and have to share these with their “host” household (in the case of concealed families) or with other households (for those sharing).

Concealed Families

- 5.10 The number of concealed families living with households in the LLDC Area increased from 144 to 321 over the 10-year period 2001-11, an increase of 177 families (123%).

Figure 29: Concealed families in the LLDC Area by age of family representative (Source: Census 2001 and 2011) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)

	2001	2011	Net change 2001-11
Aged under 25	20	42	+22
Aged 25 to 34	40	130	+90
Aged 35 to 44	24	33	+9
Aged 45 to 54	12	34	+22
Sub-total aged under 55	96	239	+143
Aged 55 to 64	20	33	+13
Aged 65 to 74	24	31	+7
Aged 75 or over	4	18	+14
Sub-total aged 55 or over	48	82	+34
All Concealed Families	144	321	+177

- 5.11 Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections. Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 177 families over the period 2001-11, over 8-in-10 (81%) have family representatives aged under 55, with substantial growth amongst those aged under 35 in particular (in line with national trends).

Sharing Households

- 5.12 The number of sharing households increased from 60 to 70 over the 10-year period 2001-11 (Figure 30), an increase of 10 households (17%).

Figure 30: Shared Dwellings and Sharing Households in the LLDC Area (Source: Census 2001 and 2011) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)

	2001	2011	Net change 2001-11
Number of shared dwellings	22	21	-1
Number of household spaces in shared dwellings	63	73	+10
All Sharing Households	60	70	+10
Household spaces in shared dwellings with no usual residents	3	3	0

- 5.13 Figure 31 shows that the number of multi-adult households living in the area increased from 591 to 1,129 households over the same period, an increase of 538 (91%). These people also have to share basic facilities, but are considered to be a single household as they also share a living room, sitting room or dining area. This includes Houses in Multiple Occupation (HMOs) with shared facilities, where for most purposes, the residents are not defined as forming a single household, as well as single people living together as a group who are defined as a single household for most purposes, and individuals with lodgers.

Figure 31: Multi-adult Households in the LLDC Area (Source: Census 2001 and 2011) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)

	2001	2011	Net change 2001-11
Owned	232	254	+22
Private rented	239	761	+522
Social rented	120	114	-6
All Households	591	1,129	+538

- 5.14 The growth in multi-adult households was focused particularly in the private rented sector, with an increase in single persons choosing to live with friends together with others living in HMOs. This growth accounts for 522 households (an increase from 239 to 761 households over the period).
- 5.15 Nevertheless, shared facilities is a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) allowance to cover all single persons up to 35 years of age has meant that many more young people will only be able to afford shared housing, and this has further increased demand for housing such as HMOs.
- 5.16 There is therefore likely to be a continued (and possibly growing) role for HMOs, with more of the existing housing stock possibly being converted. Given this context, it would not be appropriate to consider households to need affordable housing only on the basis of them currently sharing facilities (although there may be other reasons why they would be considered as an affordable housing need).

Overcrowding

- 5.17 The Census also provides detailed information about occupancy which provides a measure of whether a household's accommodation is overcrowded or under occupied:

“There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.”

- 5.18 When considering the number of rooms required, the ONS use the following approach to calculate the room requirement:

- » A one person household is assumed to require three rooms (two common rooms and a bedroom); and
- » Where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for:
 - each couple (as determined by the relationship question)
 - each lone parent
 - any other person aged 16 or over
 - each pair aged 10 to 15 of the same sex
 - each pair formed from any other person aged 10 to 15 with a child aged under 10 of the same sex
 - each pair of children aged under 10 remaining
 - each remaining person (either aged 10 to 15 or under 10).

- 5.19 For the LLDC area, overcrowding increased from 1,759 to 2,561 households (an increase of 802) over the 10-year period 2001-11 (Figure 32). The percentage of overcrowded households has also increased from 26.8% to 34.4%. When considered by tenure, overcrowding has reduced by 7 households in the social rented sector, increased by 13 households in the owner occupied sector with the largest growth in the private rented sector where the number has increased from 446 to 1,242, a growth of 796 households over the 10-year period. The percentage of overcrowded households in the private rented sector has also had the biggest increase from 35.1% to 48.7%. Percentages for selected comparator areas (Camden & Islington, Lambeth, Lewisham & Southwark and Barnet, Enfield & Haringey) are also shown.

- 5.20 However, in interpreting this data it is important to note that 2011 census data are used for purposes of consistent comparison only, and the LLDC has undergone significant development since the census took place. In 2011, the census estimated approximately 7,400 households resided in the area. The 2017 survey estimated that there were approximately 10,400 households, an increase of 41%. Proportions of overcrowding across all tenures will necessarily have changed as a result.

Figure 32: Proportion of overcrowded households 2011 for the LLDC Area and change 2001-11 by tenure (Note: Overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

	Occupancy rating (rooms)						Occupancy rating (bedrooms) 2011	
	2001		2011		Net change 2001-11			
	N	%	N	%	N	%	N	%
LLDC Area								
Owned	467	17.5%	480	19.7%	+13	+12%	358	14.7%
Private rented	446	35.1%	1,242	48.7%	+796	+39%	797	31.3%
Social rented	846	32.1%	839	34.2%	-7	+7%	533	21.7%
All Households	1,759	26.8%	2,561	34.4%	+802	+29%	1,688	22.7%
All Households								
ENGLAND	-	7.1%	-	8.7%	-	+23%	-	4.6%
Greater London	-	17.3%	-	21.7%	-	+25%	-	11.3%
Camden & Islington	-	27.5%	-	30.8%	-	+12%	-	11.2%
Lambeth, Lewisham & Southwark	-	21.6%	-	25.9%	-	+20%	-	13.6%
Barnet, Enfield & Haringey	-	15.7%	-	21.1%	-	+34%	-	12.1%

English Housing Survey Data

Overcrowding

^{5.21} The English Housing Survey (EHS) does not provide information about individual local authorities, but it does provide a useful context about these indicators in terms of national trends between Census years.

^{5.22} The measure of overcrowding used by the EHS provides a consistent measure over time however the definition differs from both occupancy ratings provided by the Census. The EHS approach⁹ is based on a “bedroom standard” which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

“The ‘bedroom standard’ is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10.

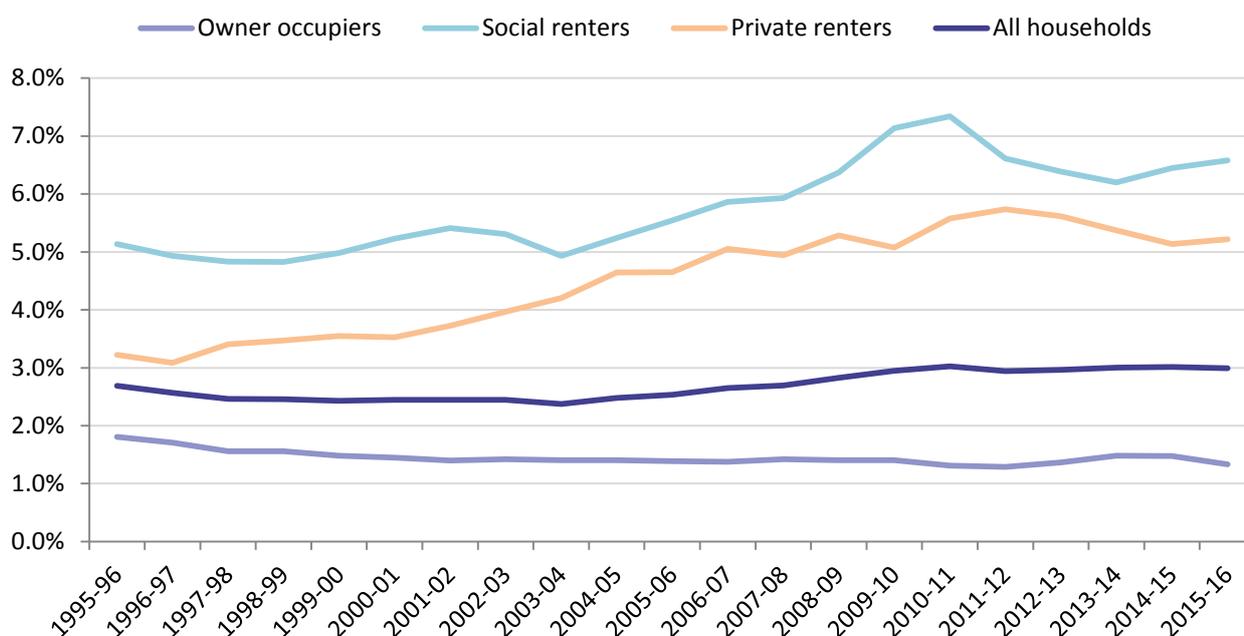
Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/595785/2015-16_EHS_Headline_Report.pdf

“Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed.”

- 5.23 Nationally, overcrowding rates increased for households in both social and private rented housing, although the proportion of overcrowded households has declined in both sectors since 2011. Overcrowding rates for owner occupiers have remained relatively stable since 1995.

Figure 33: Trend in overcrowding rates for England by tenure (Note: Based on three-year moving average, up to and including the labelled date. Source: Survey of English Housing 1995-96 to 2007-08; English Housing Survey 2008-09 onwards)



- 5.24 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance¹⁰ that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended).
- 5.25 This Guidance, *“Allocation of accommodation: Guidance for local housing authorities in England”*, recommends that authorities should use the bedroom standard when assessing whether or not households are overcrowded for the purposes of assessing housing need:

“4.8 The Secretary of State takes the view that the bedroom standard is an appropriate measure of overcrowding for allocation purposes, and recommends that all housing authorities should adopt this as a minimum. The bedroom standard allocates a separate bedroom to each:

- married or cohabiting couple*
- adult aged 21 years or more*
- pair of adolescents aged 10-20 years of the same sex*
- pair of children aged under 10 years regardless of sex”*

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

5.26 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding. By considering the Census and EHS data for England, together with the Census data for the LLDC area, we can estimate overcrowding using the bedroom standard. Figure 34 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms. Based on the bedroom standard, it is estimated that 183 owner occupied, 228 private rented and 324 social rented households were overcrowded in LLDC in 2015. Student households have been excluded from this calculation given that their needs are assumed to be transient.

Figure 34: Estimate of the number of overcrowded households in the LLDC Area by tenure based on the bedroom standard (Source: EHS; UK Census of Population 2011, 2017 survey) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets other than the final row, which is derived from 2017 survey data.)

	Owned		Private Rented		Social Rented	
ENGLAND						
EHS bedroom standard 2011						
Percentage of households overcrowded [A]	1.3%		5.6%		7.3%	
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Percentage of households overcrowded [B]	2.3%	3.3%	8.8%	20.2%	8.9%	16.9%
Proportion of these overcrowded households based on bedroom standard [C = A ÷ B]	57%	40%	64%	28%	83%	43%
LLDC Area						
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Number of overcrowded households [D]	358	480	797	1,242	533	839
Full-time student households [E]	66	82	362	465	49	54
Overcrowded households (excluding students) [F = D - E]	292	398	435	777	484	785
Estimate of overcrowded households based on the bedroom standard [G = C × F]	166	159	278	217	401	337
Estimate of overcrowded households in 2011 based on the bedroom standard (average)	164		248		369	
EHS bedroom standard						
Change in overcrowding from 2011 to 2015	+12%		-8%		-12%	
Estimate of overcrowded households in 2015 based on the bedroom standard	183		228		324	
Estimate of overcrowded households in 2017 based on the bedroom standard (from 2017 survey)	48		226		473	

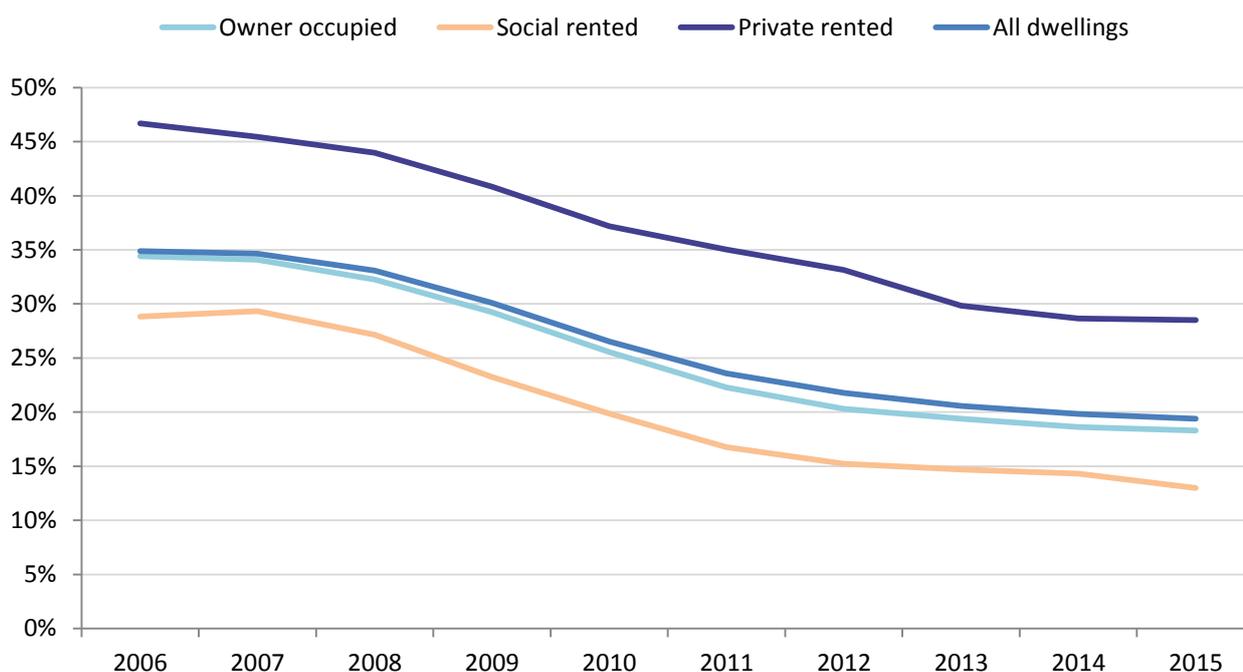
5.27 Figure 34 represents a weighted average of Hackney, Newham and Tower Hamlets with the exception of the final row. The 2017 survey allowed estimation of LLDC area specific data on overcrowding. By establishing overcrowding based on applying the census bedroom standard to the survey data, and then applying the conversion proportions in the table above (57%, 64% and 83%), it was possible to estimate overcrowding based on the EHS bedroom standard in 2017 from the survey in a similar manner.

5.28 The results of this analysis of the survey data estimates that, as of 2017, there were a total of 747 dwellings in 2017 as compared to the 735 dwellings estimated for 2015 in Figure 34. It is notable that, despite the overall total being very similar, there is a difference in the distribution across tenures. In the LLDC 2017 survey estimate, 63% of total overcrowding is in the social sector (with 6% in owned), compared with 44% (25% owned) in the 2015 borough weighted average figures.

Housing Condition and Disrepair

- 5.29 The EHS also provides useful information about housing disrepair. The EHS headline report for 2013-14 identifies that private rented sector dwellings had the highest rate of disrepair: 7% compared with 4% of owner occupied dwellings and 3% of social sector dwellings.
- 5.30 The Decent Homes Standard provides a broad measure of housing condition. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:
- » Be above the legal minimum standard for housing (currently the Housing Health and Safety Rating System, HHSRS); and
 - » Be in a reasonable state of repair; and
 - » Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
 - » Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).
- 5.31 If a dwelling fails any one of these criteria, it is considered to be “non-decent”. A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: “A Decent Home – The definition and guidance for implementation” June 2006.
- 5.32 Figure 35 shows the national trends in non-decent homes by tenure. It is evident that conditions have improved year-on-year (in particular due to energy efficiency initiatives), however whilst social rented properties are more likely to comply with the standard, nearly three-in-ten of the private rented sector (28.5%) remains currently non-decent. This is a trend that tends to be evident at a local level in most areas where there are concentrations of private rented housing, and there remains a need to improve the quality of housing provided for households living in the private rented sector.

Figure 35: Trend in non-decent homes in England by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Housing Register Data

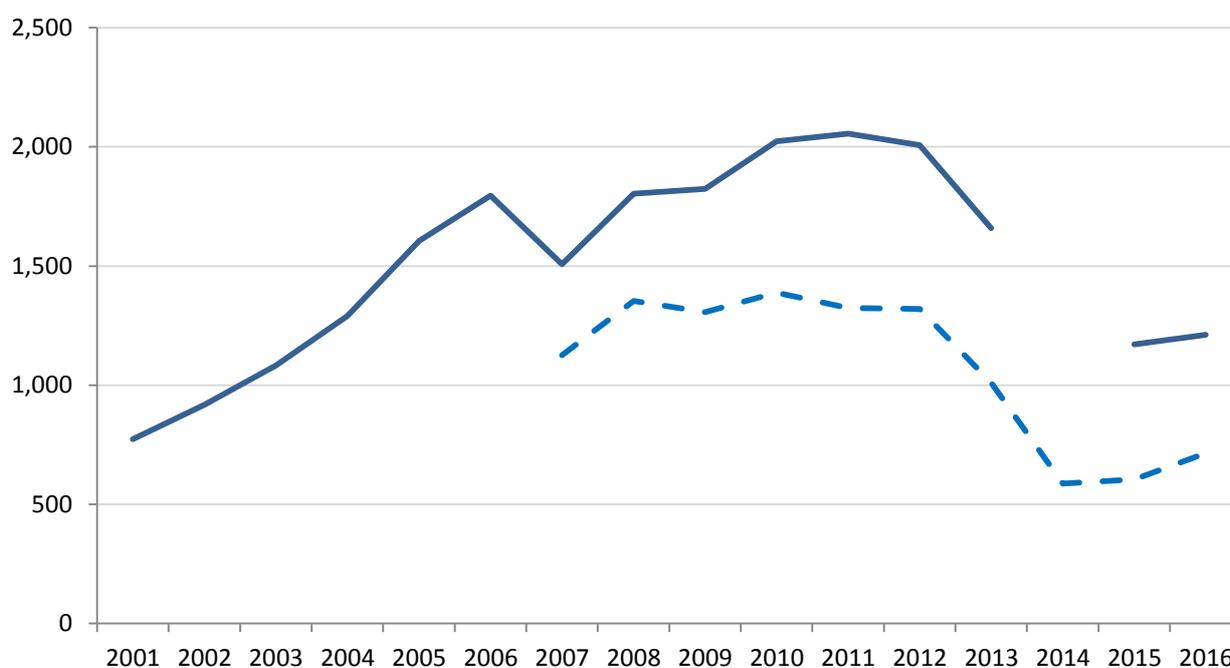
5.33 The local authority housing registers and transfer lists for Hackney, Newham and Tower Hamlets are each managed through a separate Choice based letting system. Households apply for a move via the scheme and ‘bid’ for homes along with applicants from various sources, including homeless households, housing register and transfer applicants.

5.34 Figure 36 shows the trend in households on the housing registers over the period since 2001. Overall, the trends show that the number of households registering for affordable housing between 2001 and 2011 grew, but have fallen sharply since 2012. The criteria for joining the housing registers in all areas have recently changed as a result of policy changes following the Localism Act. Only people with a local connection now qualify for the housing register, and people with adequate financial resources (including owner occupiers) are no longer included – so the trends discussed above have to be understood in this context and numbers on the registers are falling.

5.35 Figure 36 also shows the number recorded in a reasonable preference category since 2007. Reasonable preference categories are defined in the Housing Act 1996, which requires “reasonable preference” for housing to be given to people who are:

- » Legally homeless;
- » Living in unsatisfactory housing (as defined by the Housing Act 2004);
- » Need to move on medical/welfare grounds; or
- » Need to move to a particular area to avoid hardship.

Figure 36: Number of households on the LLDC area housing registers 2001-15 (Note: Solid line shows total number of households (data was unavailable for 2014); dotted line shows number of households in a reasonable preference category. Source: LAHS and HSSA returns to CLG) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)



5.36 Figure 37 provides further detailed information for 2015 and 2016. The number of households in reasonable preference categories has also been subject to variation from year-to-year, although these have not always followed the trends in the overall number of households on the register.

Figure 37: Number of households on the local authority housing register at 1st April 2015 and 2016 (Source: LAHS returns to CLG. Note: Totals may not sum) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)

	LLDC Area	
	2015	2016
Total households on the housing waiting list	1,171	1,212
Total households in a reasonable preference category	605	714
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	*	150
Other people who are homeless within the meaning given in Part VII of the Housing Act (1996), regardless of whether there is a statutory duty to house them	133	148
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	437	491
People who need to move on medical or welfare grounds, including grounds relating to a disability	43	52
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	*	14

5.37 The number of households recorded by the housing register as “occupying insanitary or overcrowded housing or otherwise living in unsatisfactory conditions” increased from 437 in 2015 to 491 in 2016. Nevertheless, we previously estimated that there were 735 overcrowded households in the LLDC area, based on the bedroom standard (Figure 34). Therefore, there are likely to be many households who have not registered for affordable housing despite being overcrowded. This will partly reflect their affordability (for example, most owner occupiers would not qualify for rented affordable housing due to the equity in their current home) whilst others may only be temporarily overcrowded and will have sufficient space available once a concealed family is able to leave and establish an independent household.

5.38 When considering the types of household to be considered in housing need, the PPG also identified “households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ” and “households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move”. It is only through the housing register that we are able to establish current estimates of need for these types of household, and not all would necessarily be counted within a reasonable preference category. Nevertheless, there were 52 people registered “who need to move on medical or welfare grounds, including grounds relating to a disability” and 14 households “who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)”.

Households Unable to Afford their Housing Costs

- 5.39 The PPG emphasises in a number of paragraphs that affordable housing need should only include those households that are unable to afford their housing costs:

Plan makers ... will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (ID 2a-022, emphasis added)

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of ... those that cannot afford their own homes. Care should be taken to avoid double-counting ... and to include only those households who cannot afford to access suitable housing in the market (ID 2a-024, emphasis added)

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area (ID 2a-025, emphasis added)

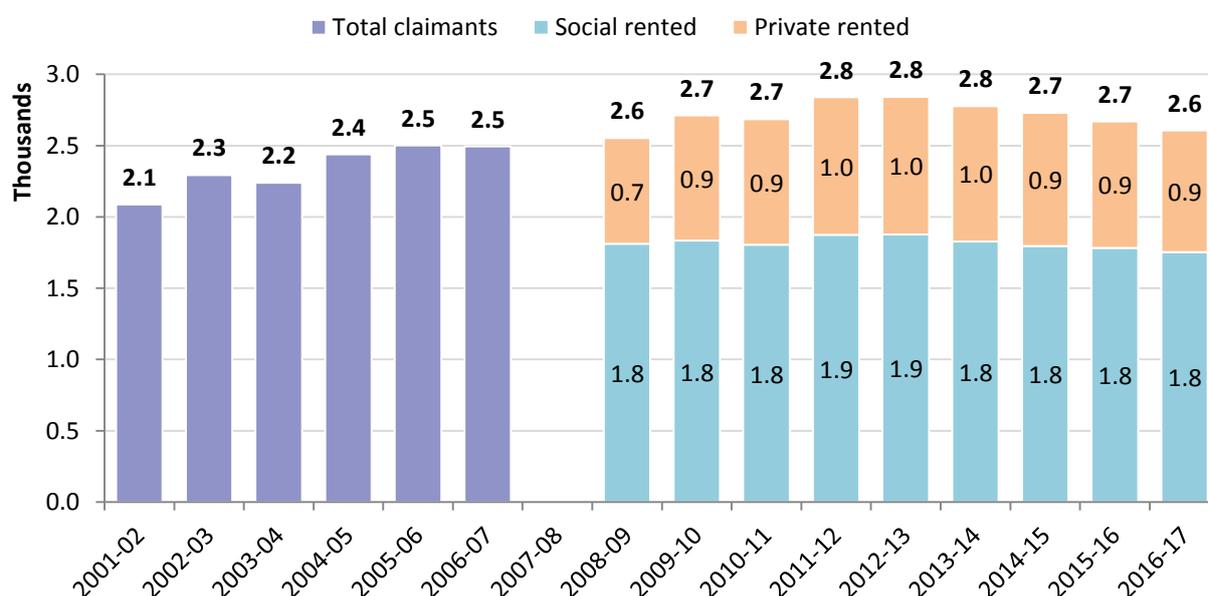
Planning Practice Guidance (March 2014)

- 5.40 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing Benefit Claimants in the LLDC area

- 5.41 Figure 38 shows the trend in the number of housing benefit claimants in the LLDC area based on Department of Work and Pensions data. The 2017 household survey showed that 20% of households in the LLDC claimed housing benefit, which corresponded to 2,024 households, which is consistent with the steady decline since 2011 that can be seen in Figure 8 below:

Figure 38: Number of claimants in receipt of housing benefit in the LLDC area by tenure (Source: DWP) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)



- 5.42 The number of housing benefit claimants in the LLDC area increased from around 2,100 to 2,500 over the period 2001-02 to 2006-07, equivalent to an average annual growth of around 80 families. The number of claimants reached around 2,800 in 2012-13, therefore a slower growth of around 60 families each year on average over the period from 2006-07.
- 5.43 Considering the information on tenure, it is evident that the number of claimants in social rented housing stayed fairly steady at around 1,800 over the period 2008-09 to 2014-15; however over the same period the number of claimants in private rented housing increased from around 700 to 900 families – an increase of 200 families (25%).
- 5.44 The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments are made to take account of these exceptions, the DWP data provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing need.

Establishing Affordable Housing Need

- 5.45 In establishing the Objectively Assessed Need for affordable housing, it is necessary to draw together the full range of information that has already been considered in this report.
- 5.46 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How should affordable housing need be calculated?

This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.

Planning Practice Guidance (March 2014), ID 2a-022

Current Unmet Need for Affordable Housing

- 5.47 In terms of establishing the current unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (March 2014), ID 2a-024

- 5.48 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG (the data presented being the most relevant available for purposes of informing a 2015-31 plan period). Although this evidence does not provide the basis upon which to establish whether or not households can afford to access suitable housing, we believe that it is reasonable to assume that certain households will be unable to afford housing, otherwise they would have found a more suitable home.

Establishing the Current Unmet Need for Affordable Housing

- 5.49 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 5.50 Given this context, our analysis counts the needs of all of these households when establishing the Objectively Assessed Need for affordable housing at a base date of 2015.
- 5.51 Only around 67% of households currently living in overcrowded housing (based on the bedroom standard) are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.
- 5.52 Our analysis counts the needs of all households living in overcrowded rented housing when establishing the OAN for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Unlike other low-income households, students are not eligible for welfare payments (such as housing benefit) and would not be allocated affordable housing; therefore student households are also excluded from the assessment of affordable housing need. Of course, the needs of student households are properly included within the assessment of overall housing needs.
- 5.53 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would not simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.
- 5.54 When considering concealed families, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 5.55 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

5.56 The needs of these households are counted when establishing the OAN for affordable housing and they also add to the OAN for overall housing, as concealed families are not counted by the CLG or GLA household projections. Figure 39 sets out the assessment of current affordable housing need.

Figure 39: Assessing current unmet gross need for affordable housing for the LLDC Area (Source: ORS Housing Model) (Note: Data is a weighted average of the figures for Hackney, Newham and Tower Hamlets)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 28)			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	30	-	30
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	179	-	0
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	10	10	0
Households accepted as homeless but without temporary accommodation provided	2	-	2
Concealed households (see Figure 29)			
Growth in concealed families with family representatives aged under 55	143	-	143
Overcrowding based on the bedroom standard (see Figure 34)			
Households living in overcrowded private rented housing	226	-	0
Households living in overcrowded social rented housing	473	473	0
Other households living in unsuitable housing that cannot afford their own home (see Figure 37)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	52	9	0
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	14	2	0
TOTAL	1,129	494	175

5.57 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that there are 1,129 households currently in affordable housing need in the LLDC area who are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

5.58 Of these households, 494 currently occupy affordable housing that does not meet the households' current needs, mainly due to overcrowding. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. There is, therefore, a net need from 635 households (1,129 less 494 = 635) who currently need affordable housing and do not currently occupy affordable housing in the LLDC area (although a higher number of new homes may be needed to resolve all of the identified overcrowding).

5.59 Providing the net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of 460 households (635 less 175) that are currently in affordable housing need who are unable to afford their own housing.

Conclusions on the Backlog of Need

- 5.60 Based on a proportionate allocation to LLDC of the combined backlog of need in Hackney, Newham and Tower Hamlets, there is currently an estimated backlog of affordable housing need of 635 households who require affordable housing. These households are a combination of concealed families, homeless households and also households in the private sector who require affordable housing. If their needs were to be met then this would release 460 dwellings back in to the private sector.
- 5.61 It should of course be remembered that the household outlined above represent the current need for affordable housing in the LLDC and that future households will also have affordable needs which have not been not counted to date.

Future Housing Need and the Housing Mix

- 5.62 In terms of establishing future projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How should the number of newly arising households likely to be in housing need be calculated?

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing.

Planning Practice Guidance (March 2014), ID 2a-025

- 5.63 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Objectively Assessed Need, as set out in Model 4 of Chapter 4. The ORS Housing Mix Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix. The Model used for LLDC has been adjusted to local circumstances to draw on the work undertaken in Model 4 to generate an estimate for the size and tenure of future dwelling need.
- 5.64 The ORS Housing Mix Model uses a wide range of data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. A range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the Model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.

5.65 The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock. Whilst the Model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

Households Unable to Afford their Housing Costs

5.66 PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-025); **however, the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ between age cohorts.** Therefore, the appropriate proportion is determined separately for each household type and age group.

5.67 The affordability percentages used for LLDC are calculated using the most recent data published in 2017 by DWP about housing benefit claimants alongside detailed information from the 2011 Census. There are several **assumptions** underpinning the Model:

- » Where households are claiming housing benefit, it is assumed that they cannot afford market housing; and the Model also assumes that households occupying affordable housing will continue to do so;
- » Households occupying owner occupied housing and those renting privately who aren’t eligible for housing benefit are assumed to be able to afford market housing; so the Model only allocates affordable housing to those established households that the Government deems eligible for housing support through the welfare system; and
- » The Model separately considers the needs of concealed families and overcrowded households (both in market housing and affordable housing) which can contribute additional affordable housing need.

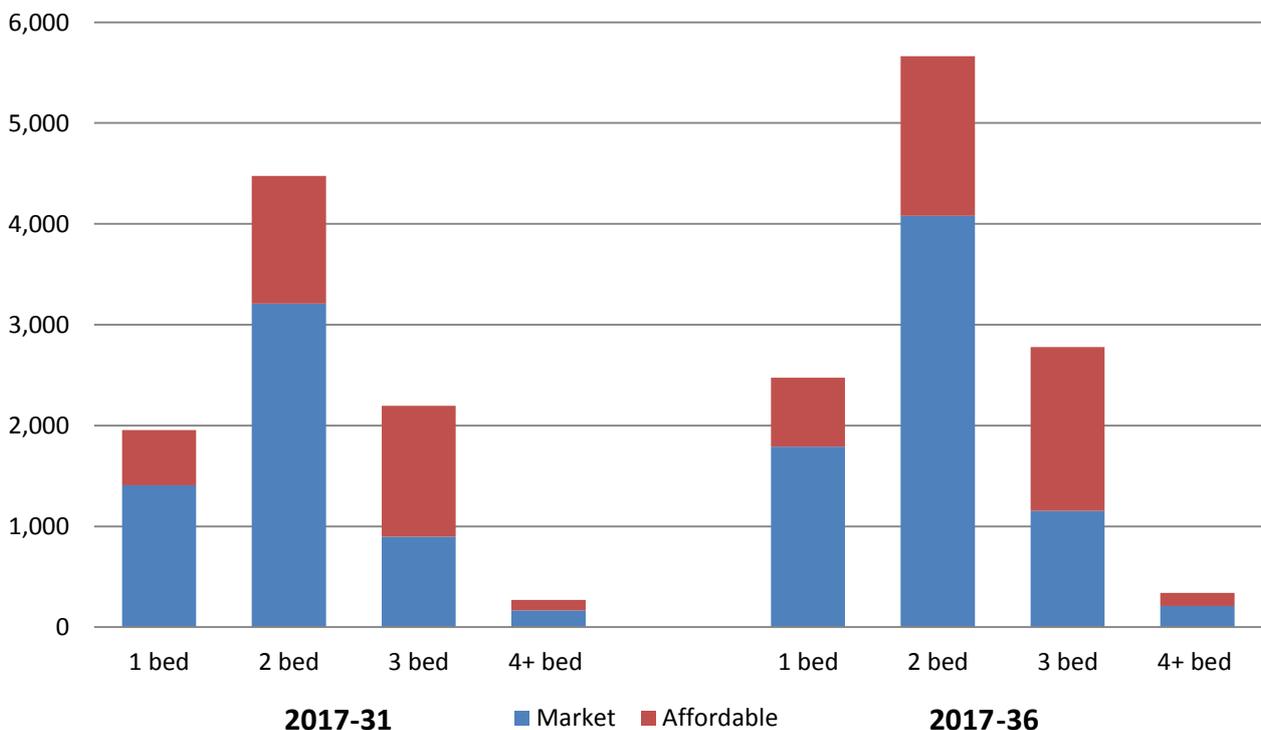
Components of Projected Household Growth

- 5.68 PPG identifies that the CLG household projections “should provide the starting point estimate for overall housing need” (ID 2a-015) and that “the 2012-2037 Household Projections ... are the most up-to-date estimate of future household growth” (ID 2a-016). **However, when considering the number of newly arising households likely to be in affordable housing need**, the PPG recommends a “gross annual estimate” (ID 2a-025) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-029).
- 5.69 The demographic projections developed to inform the overall Objectively Assessed Need as part of Model 4 include annual figures for household growth, and these have been considered as suggested by the Guidance to consider the impact of future household growth.
- 5.70 To establish the **proportion of newly forming households unable to buy or rent** in the market area, it is necessary to consider the characteristics of the new households projected to form in LLDC alongside the detailed information about household affordability.
- 5.71 Having established the need for affordable housing and the dwellings likely to be vacated, the PPG suggests that the total net need can be calculated by subtracting “*total available stock from total gross need*” (ID 2a-029), **but this over-simplifies what is a very complex system and typically results in an overstatement of affordable housing needs**, since it does not account for changes in circumstance.
- 5.72 PPG also identifies that in addition to the needs of new households, it is also important to estimate “the number of existing households falling into need” (ID 2a-025). Whilst established households that continue to live in LLDC will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model as established households falling in to need each year.
- 5.73 Finally, whilst the PPG recognises that established households’ circumstances can deteriorate such that they fall into need, it is also important to recognise that **established households’ circumstances can improve**. For example:
- » Two newly formed single person households may both be unable to afford housing, but together they might create a couple household that can afford suitable housing;
 - » Similarly, not all households that are unable to afford housing are allocated affordable housing, but remain part of the need until their circumstance improve;
 - » Some will choose to move to another housing market area and will therefore no longer require affordable housing.
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 5.74 Given this context, it is clear that we must also recognise these improved circumstances which can reduce the need for affordable housing over time, as households that were previously counted no longer need financial support.
- 5.75 The Model recognises these complexities, and through considering the need for affordable housing as part of a whole market analysis, it maintains consistency with the household projections and avoids any double counting.

Housing Size Mix

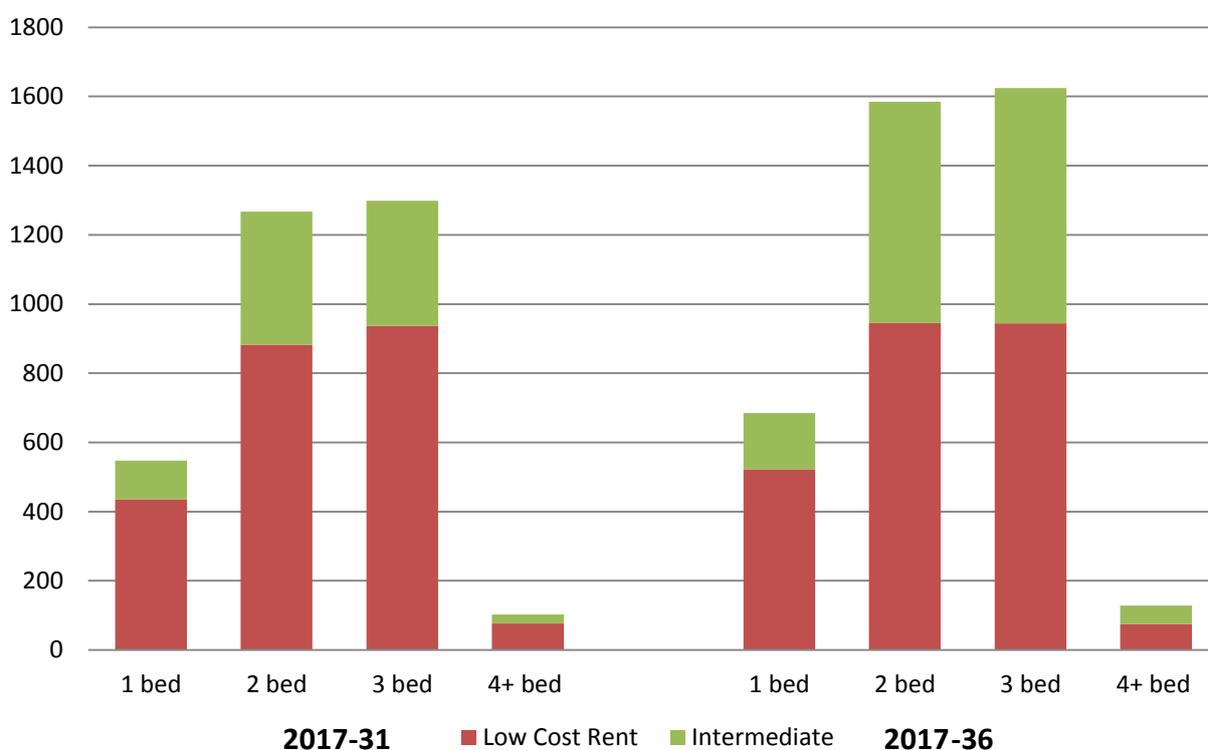
- 5.76 When considering future need for different types of housing, the model assumes that the housing mix needed by households of each household type and age will reflect current patterns. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age. On this basis, where such households continue to live in family housing despite no longer having a family living with them, this need for family housing will still be counted.
- 5.77 Figure 40 identifies the need for market housing and affordable housing of different sizes (in terms of number of bedrooms). By taking the household projections by age of housing representative person and household composition for 2017-31/2017-36 from Model 4, and subsequently applying a census derived rate distribution of the size and tenure of properties into which households are likely to form, an estimate of the desirable housing mix to meet the needs of these households across the two periods can be calculated.
- 5.78 The figure are consistent with the OAN identified in Model 4 of Chapter 4 of this report and with the affordability and projected growth of different household types in the LLDC area. The data underwriting these figures is taken from the Household Survey and reflects the current population of the LLDC area. Therefore, the size and tenure mix identified in Figure 40 is the policy off housing needs for the LLDC area reflecting recent demographic trends and affordability in the area.
- 5.79 We would stress that these figures are distinct from those which may actually be delivered by LLDC in its current and future Local Plans. The figures are based upon the trends for households who have been moving to the area in the recent past. The existing LLDC Local Plan includes a higher requirement for 3 bedroom or larger properties, which are more suitable for family housing.

Figure 40: Estimated housing mix of OAN for market and affordable housing in LLDC 2017-31 and 2017-36 (Source: ORS Housing Model)



- 5.80 The housing mix modelling shows that the overall future needs of the LLDC are for half of all dwellings to be 2-bedroom properties, with a further quarter as 3-bedroom. 1-bedroom properties make up 22% of the total, with larger (4+ bedroom) properties making up the remainder. In terms of market housing, 57% should be 2-bed, a quarter 1-bed and 16% 3-bed. Households in affordable housing are likely to require more 3-bed properties (40%), with a similar proportion of 2-bed required (39%). Only 17% of households in the affordable category are likely to require a single bedroom property. These percentage splits do not significantly vary between the two periods illustrated.
- 5.81 The required affordable properties can be further sub-divided into Low Cost Rent (e.g. London Affordable Rent) and Intermediate tenures (e.g. London Living Rent), using London Living Rent as an appropriate affordability threshold. Figure 41 shows the total affordable housing need identified in Figure 40 split in this manner:

Figure 41: LLDC Low Cost Rent/Intermediate Housing Split based on Model 4 OAN (Source: ORS Housing Model)



- 5.82 Figure 41 shows that a small proportion of 1 and 4-bedroom properties are required by households who can afford intermediate products, whereas a larger proportion of households requiring 2 and 3-bedroom properties have sufficient income to afford an intermediate product. However, the significantly greater need is for Low Cost Rent for every sized property. Comparison of the 2017-31 and 2017-36 data shows a larger proportion of households who will be able to access intermediate products by 2036.
- 5.83 Overall, in both periods the data shows approximately 64% market housing, with 36% affordable. In 2017-31 this 36% splits up into 26% Low Cost Rent and 10% Intermediate, whereas over 2017-36 the 36% is comprised of 22% Low Cost Rent and 14% Intermediate.

- 5.84 As a point of comparison, Figure 42 shows the size and tenure mix identified within the Greater London SHMA 2017. This shows a higher need for affordable housing in general, and 1 bedroom properties in particular than the LLDC figures indicate. The Greater London SHMA 2017 figures for 1 bedroom properties are also higher than the figures indicated for each of the boroughs shown in Figure 4, Figure 7 and Figure 9.

Figure 42: Greater London SHMA 2017 Size and Tenure Mix (Source: GLA. Note: All figures presented unrounded for transparency)

Tenure	Number of Bedrooms					
	1	2	3	4	Total	% of total
Market	10,682	2,043	4,101	6,210	23,037	35%
Intermediate	4,334	3,434	2,409	1,693	11,869	18%
Low Cost Rent	21,318	5,311	2,462	1,881	30,972	47%
All Tenure	36,335	10,788	8,971	9,783	65,878	100%

- 5.85 The key reason for the difference in size and tenure mix between the Greater London SHMA 2017 and other studies is the nature of the households who are counted in the backlog of need. Around 75% of the net backlog of need in the Greater London SHMA 2017 originates with concealed households, who can be any individual, couple or other household type aged 25 years or over. Around 90% of this group are identified as requiring a 1 bedroom property, indicating that they are either a single person or a couple without a child.
- 5.86 Therefore, the Greater London SHMA 2017 identifies the need for self-contained accommodation for many households who currently occupy shared accommodation or who are living at home with their family. If the same assumptions were applied to the LLDC or borough areas then they too would have a larger identified need for 1 bedroom affordable housing.

6. Needs of different groups

Addressing the need for all types of housing

People Wishing to Build their Own Homes

- 6.1 Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

People wishing to build their own homes

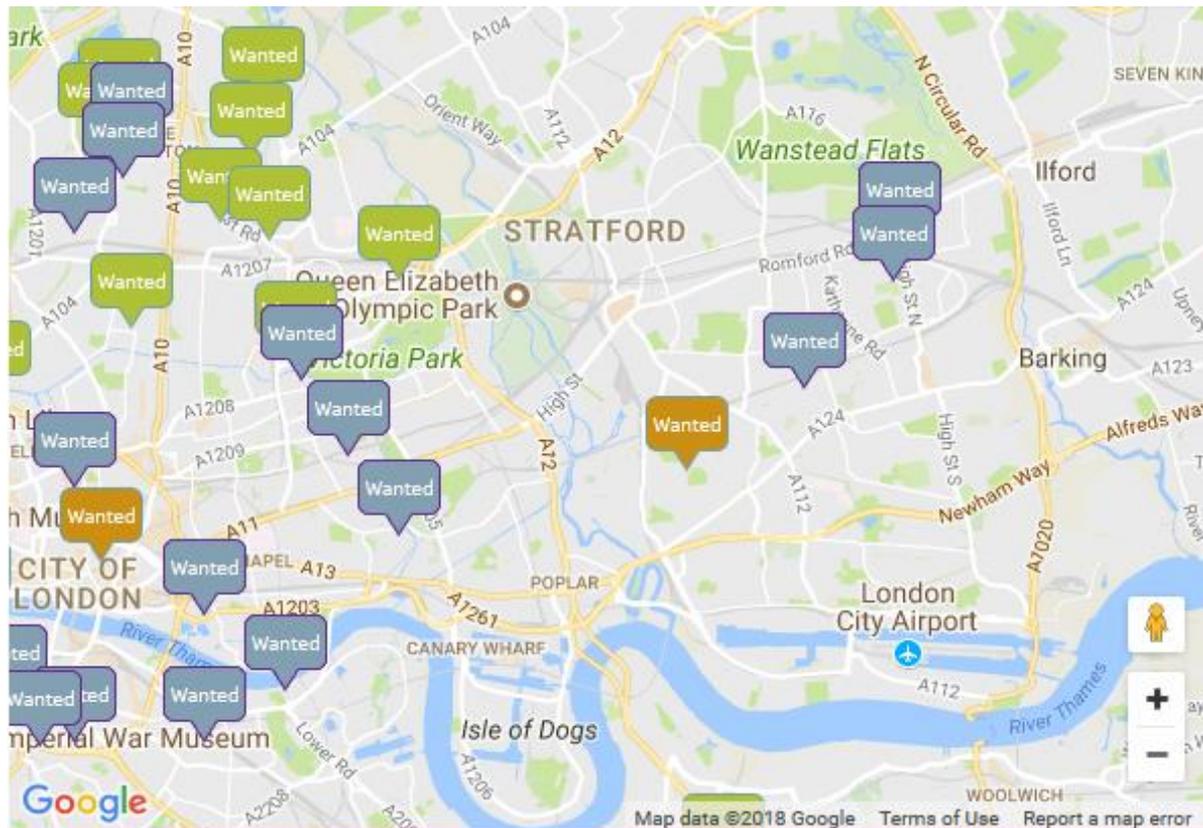
The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing.

Planning Practice Guidance (March 2014), ID 2a-021

- 6.2 The Housing and Planning Act 2016 amends the Self-Build and Custom Housebuilding Act, 2015 and requires local authorities to grant “sufficient suitable development permission” of serviced plots of land to meet the local demand based on the register. However, the key issue here is that this requirement relates to the local authorities, not a planning authority such as LLDC. Therefore, there is no need for LLDC to have a land supply for its own area.
- 6.3 In May 2012 a Self-Build Portal¹¹ run by the National Custom and Self Build Association (NCaSBA) was launched. Figure 43 shows the current registrations from groups and individuals looking for land in and around LLDC on the ‘Need-a-Plot’ section of the portal. Whilst there is clearly some interest in self-build across the area, this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year.

¹¹ <http://www.selfbuildportal.org.uk/>

Figure 43: Group and Individual Registrations currently looking for land in and around LLDC on the ‘Need-a-Plot’ Portal (Source: NCaSBA, January 2018. Note: Green flags represent solo plots wanted, brown flags represent group plots wanted and blue flags represent group or solo plots wanted)



- 6.4 Overall, the evidence supports limited demand for self-build. However, this may under-estimate actual demand. Therefore, LLDC may wish to check with the four local authorities regarding any plans in place to comply with the Self-Build and Custom Housebuilding Act and any possible future survey to ascertain levels of demand for self-build.

Housing for Older People

- 6.5 Britain’s population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 21.6m by 2037¹² for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s. Given this context, PPG recognises the importance of providing housing for older people:

The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over ... Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to move. This could free up houses that are under occupied.

The future need for older persons housing broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care and, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2). But identifying the need for particular types of general housing, such as bungalows, is equally important.

Planning Practice Guidance (March 2014), ID 2a-021

- 6.6 The Older People housing options considered in this section follow the definitions in the 2012 Housing Our Ageing Population report (HAPPI2)¹³. This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes). The specialist housing requirements were modelled using the Housing LIN (Learning and Improving Network) methodology (2012)¹⁴. This forecasts future population and then applies a benchmark need for particular housing types per thousand people aged 75+.

Figure 44: Benchmark Figures for Specialist Accommodation based on Section A of the Strategic Housing for Older People Resource Pack (Housing LIN, ADASS, IPC) 2012

	Demand per 1,000 persons aged 75+		
	Owned	Rented	TOTAL
Traditional sheltered	-	-	60
Extra care	30	15	45
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	10	10	20
Dementia	-	6	6
Leasehold Schemes for the Elderly (LSE)	120	-	120

¹² <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html#tab-Changing-Age-Structure>

¹³ [http://www.housinglin.org.uk/library/Resources/Housing/Support materials/Other reports and guidance/Housing our Ageing Population Plan for Implementation.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support%20materials/Other%20reports%20and%20guidance/Housing%20our%20Ageing%20Population%20Plan%20for%20Implementation.pdf)

¹⁴ www.housinglin.org.uk/housinginlaterlife_planningtool

- 6.7 Based on the growth in population aged 75+ identified across the preferred Model 4 population projection scenario (which incorporates the findings of the 2017 household survey), the table below identifies the potential additional requirement for new specialist housing (using the Housing LIN Older People Resource Pack 2012). As can be seen, on this model there is a significant need for LSE schemes.

Figure 45: Modelled Demand for Older Person Housing (Source: Housing LIN Toolkit)

		LLDC Total	Change from 2017
Population aged 75+			
	2017	339	-
	2031	765	427
	2036	1,097	758
Additional Modelled Demand for Older Person Housing		to 2031	to 2036
Traditional sheltered		46	66
Extra care	Owned	23	33
	Rented	11	16
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	8	11
	Rented	8	11
Dementia		5	7
Leasehold Schemes for the Elderly (LSE)		92	132
TOTAL		192	275

- 6.8 The toolkit identifies future need for 192 specialist older person additional housing units of various types over the period 2017-31 (275 over the period 2017-36); almost half of this need (48%: 92 dwellings to 2031, 132 dwellings to 2036) is for LSE housing¹⁵.
- 6.9 However, the provision within LLDC needs to be consistent with the London Plan. The draft new London Plan (Table 4.4) sets out annual borough benchmarks for specialist older persons housing (C3) 2017-2029. The Legacy Corporation does not have a benchmark of its own:

Figure 46: Borough benchmarks for specialist older persons housing (Source: draft new London Plan)

	Annual benchmark 2017-29
Hackney	40
Newham	85
Tower Hamlets	45
Waltham Forest	110

- 6.10 To constrain the Housing LIN model figures to the London Plan, we took the GLA 2016 based mid population projections increase in people aged 75+ for each of the three boroughs with a significant population of any age already within the LLDC area (Hackney, Newham and Tower Hamlets). The ratio of the total projected increase for the three boroughs compared to the projected increase for the LLDC area to 2029 provides a multiplier which can be used to adjust the figures.

¹⁵ The EAC advise: 'Leasehold Schemes for the Elderly (LSE) are run by a small number housing associations and involve you buying a proportion (e.g. 70%) of the equity of the property, the remaining portion being owned by the RSL'. <http://www.firststopcareadvice.org.uk/jargon-leasehold-schemes-for-the-elderly.aspx>

- 6.11 The final modelled benchmark figures for older persons housing for LLDC (based on the population survey based Model 4) are shown below:

Figure 47: Final modelled benchmark for Older Person Housing constrained to London Plan benchmarks (figures may not sum due to rounding)

	LLDC Total	Change from 2017
Population aged 75+		
2017	339	-
2031	765	427
2036	1,097	758
Additional Modelled Demand for Older Person Housing	to 2031	to 2036
Traditional sheltered	39	47
Extra care		
Owned	19	23
Rented	10	12
Sheltered 'plus' or 'Enhanced' Sheltered		
Owned	6	8
Rented	6	8
Dementia	4	5
Leasehold Schemes for the Elderly (LSE)	77	94
TOTAL	161	196

- 6.12 The benchmark constrained to the London Plan identifies future need for 161 specialist older person additional housing units of various types over the period 2017-31 (196 to 2036), with 77 of these to be LSE housing¹⁶ (94 to 2036).

¹⁶ The EAC advise: 'Leasehold Schemes for the Elderly (LSE) are run by a small number housing associations and involve you buying a proportion (e.g. 70%) of the equity of the property, the remaining portion being owned by the RSL'. <http://www.firststopcareadvice.org.uk/jargon-leasehold-schemes-for-the-elderly.aspx>

- 6.13 However, as explored in the document “LLDC Area Profile and Report of Survey Findings” in the section “Dwelling Led Model”, LLDC are seeking to deliver a dwelling target which is significantly in excess of their OAN figures. Therefore, we have reconsidered their older person needs in light of this and the model below is based upon this dwelling led projected population. Based on the updated growth in population aged 75+ identified across the population projection scenarios, Figure 44 identifies the potential additional requirement for new specialist housing and this clearly identifies a greater need based upon a larger projected population.

Figure 48: Modelled Demand for Older Person Housing Based Upon Dwelling led Population Model (Source: Housing LIN Toolkit)

		LLDC Total	Change from 2017
Population aged 75+			
	2017	339	-
	2031	1,525	1,185
	2036	2,265	1,926
Additional Modelled Demand for Older Person Housing		to 2031	to 2036
Traditional sheltered		91	136
Extra care	Owned	46	68
	Rented	23	34
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	Owned	15	23
	Rented	15	23
Dementia		9	14
Leasehold Schemes for the Elderly (LSE)		183	272
TOTAL		383	568

- 6.14 Again, we constrained the Housing LIN model figures to the London Plan estimates for each borough. The final modelled benchmark figures for older persons housing for LLDC are shown below:

Figure 49: Final modelled benchmark for Older Person Housing constrained to London Plan benchmarks and dwelling led population projection (figures may not sum due to rounding)

		LLDC Total	Change from 2017
Population aged 75+			
	2017	339	-
	2031	1,525	1,185
	2036	2,265	1,926
Additional Modelled Demand for Older Person Housing		to 2031	to 2036
Traditional sheltered		77	97
Extra care	Owned	38	48
	Rented	19	24
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	Owned	13	16
	Rented	13	16
Dementia		8	10
Leasehold Schemes for the Elderly (LSE)		154	193
TOTAL		321	404

- 6.15 The benchmark constrained to the London Plan identifies future need for 321 specialist older person additional housing units of various types over the period 2017-31 (404 over 2017-36), with 154 of these to be LSE housing¹⁷ (193 over 2017-36).
- 6.16 It should be noted that the modelling of older people’s specialist housing need is complex and subject to various other issues and variables, which can lead to differing outputs. These are considered below.
- 6.17 PPG identifies that “*assessments should set out the level of need for residential institutions (Use Class C2)*” (ID 2a-021). Planning Practice Guidance for Housing and Economic Land Availability Assessment also states the following in relation to housing for older people:

How should local planning authorities deal with housing for older people?

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance (March 2015), ID 3-037

- 6.18 It is important to recognise that the identified OAN does not include the projected increase of institutional population. This increase in institutional population is a consequence of the CLG approach to establishing the household population¹⁸, which assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”.
- 6.19 The Corporation will therefore need to consider the most appropriate way to count the supply of potential future bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply. If bedspaces in residential institutions in Use Class C2 are counted within the housing supply, then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN). If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.
- 6.20 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.
- 6.21 In this regard, it should be the LLDC have policies in place to ensure that newer stock is built to high accessibility standards, as discussed in the section on “Households With Specific Needs”. As such the LLDC are actively ensuring that the conditions are created whereby older people are more likely to be able to remain in their own properties for longer.

¹⁷ The EAC advise: ‘Leasehold Schemes for the Elderly (LSE) are run by a small number housing associations and involve you buying a proportion (e.g. 70%) of the equity of the property, the remaining portion being owned by the RSL’.
<http://www.firststopcareadvice.org.uk/jargon-leasehold-schemes-for-the-elderly.aspx>

¹⁸ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

- 6.22 Although the institutional population is expected to increase over the Plan period 2015-31 (based on the CLG assumption that there will be a “greater level of population aged over 75 in residential care homes”), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN.
- 6.23 As a consequence, if fewer older people are expected to live in communal establishments than is currently projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.
- 6.24 More generally, it is important that the need for specialist older person housing is considered in partnership with other agencies, in particular those responsible for older person support needs. It is also important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme;
 - » **Existing supply:** while there is considerable existing specialist supply in each of the boroughs, this may be either inappropriate for future households or may already be approaching the end of its life. Therefore, future need may be understated in some areas. However, given extent of recent development in the LLDC, this is unlikely to be a large factor. For example, the two current extra care facilities in the area are only two and five years old;
 - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly LA Supporting People Teams and the Health Service; and
 - » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision (a strategy with which LLDC local policy is in alignment, as noted above), so future need may, again, be overstated.

Households with Specific Needs

- 6.25 Paragraph 50 of the NPPF identifies that local planning authorities should plan for households with specific needs, and PPG states:

Households with specific needs

There is no one source of information about disabled people who require adaptations in the home, either now or in the future.

The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants. Whilst these data can provide a good 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 will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan makers can engage with partners to better understand their housing requirements.

Planning Practice Guidance (March 2015), ID 2a-021

- 6.26 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings)¹⁹. This introduces three categories of dwellings:
- » Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
 - » Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- 6.27 Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for Category 2 and Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.
- 6.28 According to the 2017 population survey, approximately 223 households in the LLDC contain a wheelchair user (2.3% of households), although it is important to note that this should be considered indicative due to the relatively low number of surveys from which this number is derived (24). It is also important to recognise that these proportions are likely to increase over the period to 2031 in the context of the larger numbers of older people projected to be living in the area. Following the Model 4 population projection, 494 households are projected to contain a wheelchair user by 2031 (2.9% of households). However, it is important to recognise that LLDC plan to build in excess of the population based OAN, which will likely increase the total population by 2031 beyond the projected figure.
- 6.29 Secondly, it is also important to recognise that dwellings meeting Category 3 wheelchair requirements will not necessarily be exclusively occupied by wheelchair using households, therefore authorities should plan for an excess of the projected minimum.

¹⁹ <http://www.planningportal.gov.uk/buildingregulations/approveddocuments/partm/adm/admv01>

- 6.30 The evidence therefore supports the need for up to 10% of housing to meet Category 3 requirements. This recognises the changing demographics of the area and also provides an element of choice for households that need wheelchair user dwellings now as well as those households considering how their needs may change in future.
- 6.31 Overall, in terms of the need for adapted or wheelchair adapted or accessible dwellings for households with specific needs, the evidence supports:
- » **the need for at least 90% of dwellings to meet Category 2 requirements, providing that this does not compromise viability.**
 - » **the need for 10% of housing to meet Category 3 requirements.**
- 6.32 These needs are reflected in LLDC Local Plan Policy BN.5 which states:
- “Residential proposals will be considered acceptable where they respond to the needs of all users, and provide an accessible and inclusive environment by providing 90% of dwellings in accordance with Optional Requirement M4 (2) Category 2 of Part M of the Building Regulations, and 10% of dwellings in accordance with Regulation 4 (3) 2 (b) of Optional Requirement M4 (3) Category 3 of Part M of the Building Regulations.”*
- 6.33 This itself reflects the requirements of the London Plan, which contains within the MALP (Minor Alterations to the London Plan, March 2016) the following (paragraph 3.48):
- More Londoners are living longer and more older people are choosing to remain in their own homes rather than go into residential institutions. To address these and future needs, 90 per cent of London’s new build housing should be built to Building Regulation requirement ‘M4 (2): Accessible and adaptable dwellings’ and the remaining 10 per cent of new build housing should be built to Building Regulation requirement ‘M4 (3): Wheelchair user dwellings’.*
- 6.34 While this is the identified need, the PPG on Housing - Optional Technical Standards (March 2015) states that: “Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling” (Paragraph 09, March 2015).

Boat Dwellers

- 6.35 Draft CLG Guidance provides advice on how to consider the needs of people residing in or resorting to moorings for houseboats. This draft guidance was issued in March 2016 with no consultation attached to it, but has still yet to be issued as official guidance.
- 6.36 As with Gypsies and Travellers who do not meet the planning definition of Travellers, houseboat residents form part of the OAN because they will be included in the population and household projections. The 2017 Population Survey estimated approximately 20 boat dwellers to be resident in the LLDC, based on 8 surveys of this group. It should be noted that this can only be considered an indicative number due to the small number of surveys that inform it.
- 6.37 Data released by the VOA in 201720 shows that there were approximately a total of 30 houseboat based households paying Council Tax to Tower Hamlets, 20 to Newham and 20 to Hackney as their main address as of March 2016. These figures cover the whole of the borough boundaries.
- 6.38 However, there are many more than 70 houseboats occupied at any one time in the boroughs. For example, some households only spend part of the year on their boat and would not pay Council Tax as a main residence, while others are continuous cruisers who move regularly from location to location with stays of no more than 14 days in one location. The Canal and Rivers Trust²¹ report that the total number of continuous cruiser licences rose from 4,400 in 5,400 in 2014, with an 85% increase in over one year in East London alone. Out of those 5,400 boats 16% moved less than 5 kilometres, and 66% moved under 20 kilometres in a year, so a high number of boats are moving around relatively small areas of the canal network. The Canal and River Trust suggest that this is due to affordability as much as preference, with many households moving on to houseboats to find cheaper accommodation.
- 6.39 The current draft Guidance is not particularly relevant or helpful when it comes to assessing need for boat dwellers. The first issue to consider is the definition of a houseboat. The Housing and Planning Act defines a “houseboat” as a boat or similar structure designed or adapted for use as a place to live. However this conflicts with the definition of a houseboat under waterways legislation (for example Section 3 of the British Waterways Act 1971). This suggests that a houseboat is a static vessel and is not used for navigation, as opposed to more mobile boat dwellers who do travel either from permanent moorings or as continual cruisers.
- 6.40 In terms of surveys of boat dwellers, the Canal and Rivers Trust undertook a detailed survey of London’s houseboat dwellers²² between September and October 2016. In total they received responses from 1,323 of 3,675 who had been recorded in London’s waterways in the previous year. In summary the survey found that:
- » 58% of respondents to the survey say they use their boats as their primary home.
 - » 50% of those who responded said that affordability / financial reasons what a motivation for living on a boat.
 - » 50% have been living on boats on London’s waterways for three years or less.
 - » Over 70% of respondents to the survey said that they owned their boats outright, a further 11% said they owned their boat with a loan or mortgage.

²⁰ <https://www.gov.uk/government/publications/number-of-houseboats-in-england-and-wales-as-at-31-march-2016>

²¹ <https://canalrivertrust.org.uk/media/library/2305.pdf>

²² <https://canalrivertrust.org.uk/refresh/media/thumbnail/30901-whos-on-londons-boats-survey-summary-report.pdf>

- » The top three specific improvement people want to see on the London waterways are (1) more mooring places, (2) more mooring rings, (3) water points.
- » 45% responding said they would have some or definite interest in a mooring if permanent / long-term moorings were more readily available in the London

6.41 Overall then, a half of all respondents to the survey reported that they lived on a houseboat because of affordability issues, but that nearly half would be interested in a permanent mooring if one was available and the largest issues raised by household dwellers was a lack of moorings.

6.42 Putting all of this together for LLDC we have a situation which requires a careful consideration of the word 'need'. LLDC already has around 20 houseboat dwellers, and if more moorings were to be made available then there is clearly a demand for them. However, this is not need in the sense of households who wish to live on houseboats through personal preference, but is instead a reflection of wider housing market pressures which have made houseboats a cheaper location to live London than bricks and mortar housing. Therefore, we would consider this type of need to be different to that from, for example, Gypsies and Travellers who are seeking to live in caravans for cultural reasons based upon their family histories. In this context, additional houseboat mooring should be seen in the context of providing for a more diverse set of housing options in LLDC and as part of the wider housing delivery, rather than meeting a cultural need to live on a houseboat.

6.43 We therefore, do not consider that there is a direct need for more moorings in LLDC, but instead that more moorings would help to address the wider housing needs of the area. We would suggest the role of additional mooring in meeting housing needs in LLDC is likely to be small, but even at 0.1% of the total OAN this would amount to 11 more moorings being made available to houseboat dwellers. Alongside the figure for Gypsies and Travellers who do not meet the planning definition for Travelling, this figure would form part of the existing OAN of 10,636 (not an addition to it) and also the needs of these households fall within the wider housing duties of the LLDC. This means that a separate 5 year land supply is not requirement for planning purposes.

Student Housing

6.44 PPG was updated in March 2015 to include specific reference to identifying the needs of students:

Local planning authorities should 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. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.

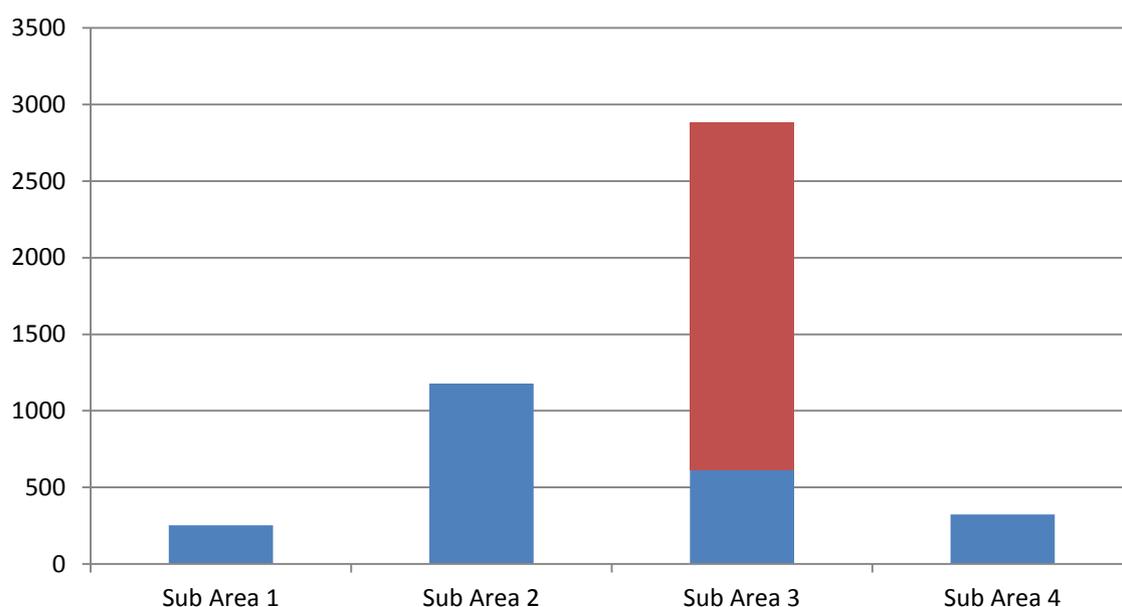
Planning Practice Guidance 2014, paragraph 21

6.45 There are two higher education establishments in the LLDC. UCL have a research centre and Loughborough University have a post graduate campus, both based in the Here East complex (formerly the London Olympics Media Centre). As such, there are significant numbers of students, also in part due to the relative proximity of large higher education establishments in Newham and Tower Hamlets, along with students from further afield.

6.46 The 2017 Population survey estimates that there are approximately 4,638 students in the area (17.7% of the total LLDC population), of which around 2,270 are living in dedicated student accommodation.

6.47 The distribution of these students across the Sub-Areas can be seen in Figure 50 below:

Figure 50: Location of student population by Sub-Area (Red = Students in dedicated student accommodation, Blue = Students in other dwellings) (Source – 2017 Population Survey)



6.48 Most students in non-dedicated accommodation reside in Sub-Area 2, but all students in dedicated student accommodation currently live in Sub-Area 3, making this the Sub-Area with the highest total number of students.

6.49 Given the high levels of student specific provision in Sub Area 3, it is worth noting that the London Plan states:

3.52: “While there is uncertainty over future growth in the London student population and its specialist accommodation needs, including the unmet demand, there could be a requirement for some 20,000 – 31,000 places over the 10 years to 2025. New provision may also tend to reduce pressure on other elements of the housing stock currently occupied by students, especially in the private rented sector.”

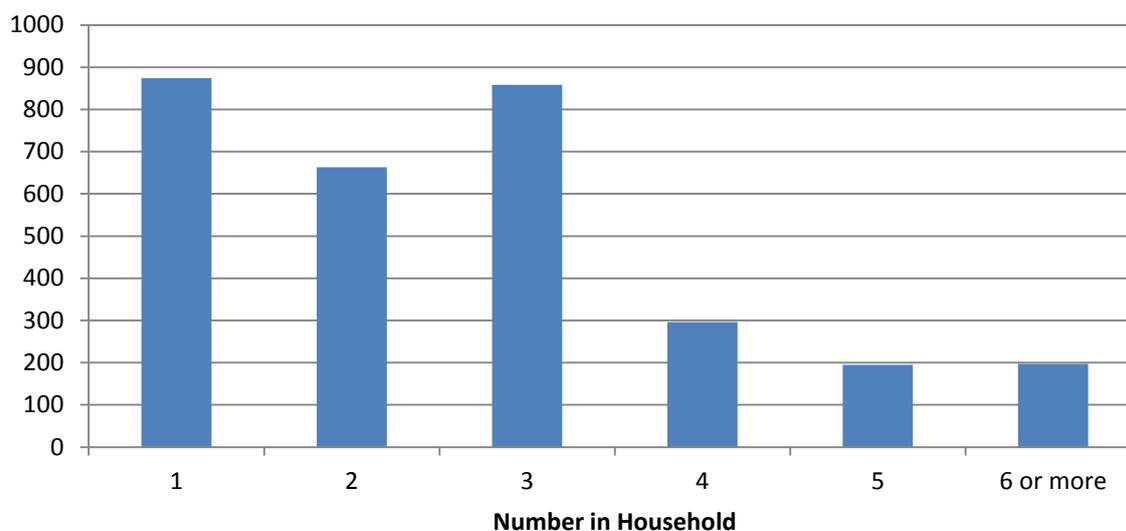
6.50 As a corollary, the LLDC Local Plan 2015 states:

5.20: “The London Plan specifies that there is a strategic need across London for new student bedspaces and provision of new student accommodation should be more dispersed. For this reason, the Legacy Corporation will ensure that student accommodation permitted within the area meets genuine student needs and is appropriate in location and that uses are integrated well into the wider environment through application of this policy.”

6.51 The LLDC contribution to student provision focused in Sub-Area 3 is therefore part of a wider London trend to relieve pressure on the private rented sector, and future policy should consider the implications of this concentration of student specific housing.

6.52 Students are primarily living in households of three or fewer persons, as can be seen in Figure 51:

Figure 51: Size of student households (Source – 2017 Population Survey)



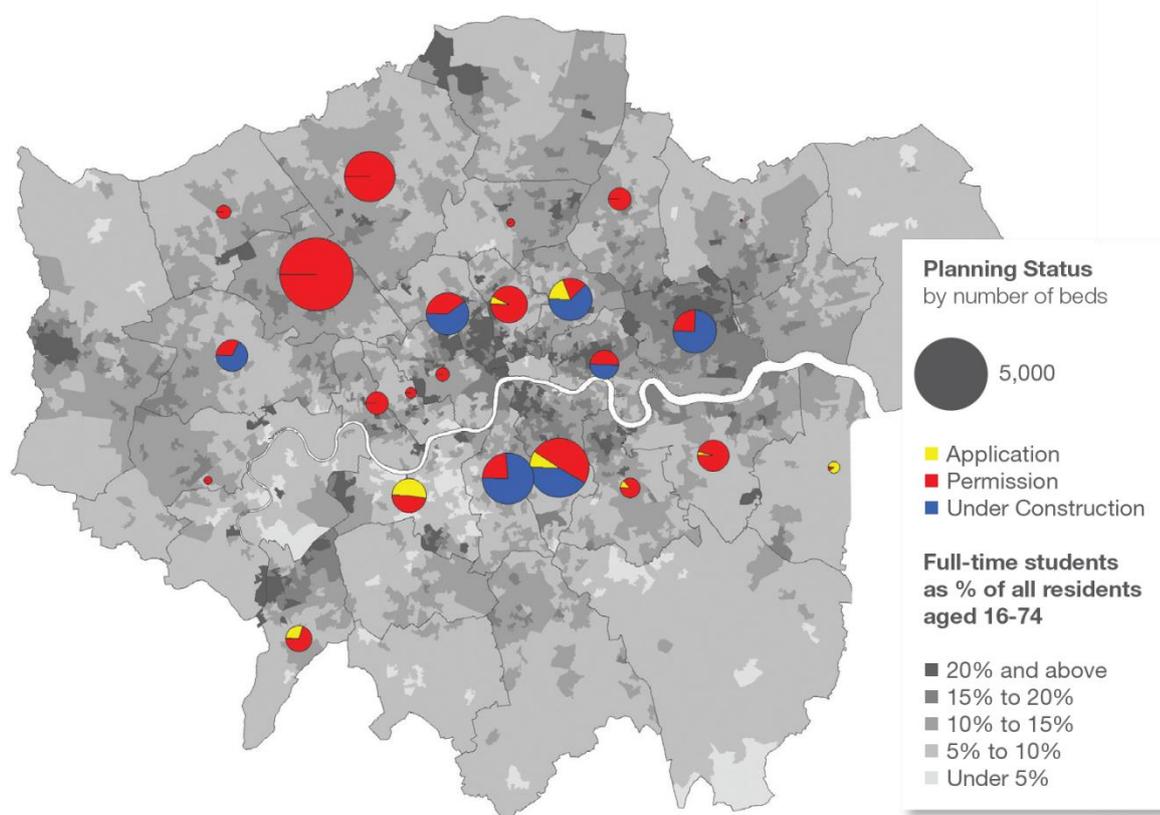
6.53 The survey also estimated the main household income distribution of full time students as follows (Figure 52):

Figure 52: Main household income distribution of student households (Source – 2017 Population Survey)

Main HH Income	£13,499 or less	£13,500 - £29,999	£30,000 - £49,999	£50,000 - £74,999
Full-Time Student	57.5%	26.4%	12.6%	3.5%

- 6.54 In establishing the OAN for LLDC, students were included in the trend-based analysis; therefore the needs of non-communal student households are counted as part of the overall OAN. The household projections assume that the number of any students living in communal establishments (including university halls of residence and student housing provided by private sector providers) remains constant over the Plan period.
- 6.55 However, a net increase in bedspaces provided in specialist accommodation could reduce the demand from student households. PPG highlights how encouraging more dedicated student accommodation may provide low cost housing that takes the pressure off the private rented sector and increases the overall housing stock.
- 6.56 It should also be noted the GLA have assessed separately the need for student households at a London wide level as part of the London plan (Mayor of London, London Plan, GLA, 2015, paragraph 3.52). The city-wide planning status is illustrated in Figure 53:

Figure 53: London student housing supply pipeline (Source: Savills 2014²³)



Meeting other housing requirements

- 6.57 In accordance with national guidance this section has provided an analysis of identified needs of different groups in the community. It has identified older persons, specific needs, boat dwellers, students, and the needs of the gypsy and traveller communities are discussed in Chapter 7. However given the scale of the housing needs across London it is also recognised that there are also other groups sharing key characteristics that may also have their own specific needs and requirements to be met through the planning system. The Legacy Corporation should consider through its planning policies how best to provide for a wider range of different requirements set out within this chapter.

²³ http://www.savills.co.uk/research_articles/141280/176524-0

7. Gypsy and Traveller Accommodation Assessment

Introduction

- ^{7.1} The primary objective of the London Legacy Development Corporation (LLDC) Gypsy and Traveller Accommodation Assessment (GTAA) is to provide a robust assessment of current and future need for Gypsy and Traveller accommodation in LLDC for the period 2017-2031/32 (there is no Travelling Showperson provision in the area). It also provides an evidence base which will underwrite the Gypsy and Traveller Accommodation Policy of the review of the LLDC Local Plan 2015-2036.
- ^{7.2} The primary reason for completing the assessment was the publication of a revised version of Planning Policy for Traveller Sites (PPTS) in August 2015 (after the previous GTAA was published) which included a change to the definition of Travellers for planning purposes. However, to ensure the needs of all communities are assessed within this Housing Requirements Study the PPTS definition has been widened to include households who fell within the previous definition of the PPTS which includes households who have ceased to travel temporarily. This is similar to the definition has been included within the draft London Plan within Policy H16.

Methodology

- ^{7.3} The revised PPTS that was published in August 2015 contains a number of requirements for local authorities which must be addressed in any assessment. This includes the need to pay particular attention to early and effective community engagement with both settled and traveller communities (including discussing travellers' accommodation needs with travellers themselves); identification of permanent and transit site accommodation needs separately; working collaboratively with neighbouring local planning authorities; and establishing whether households fall within the new PPTS definition for Gypsies, Travellers and Travelling Showpeople. A full methodology has been provided to the Legacy Corporation and is available on request.

Survey of Travelling Communities

- ^{7.4} ORS worked closely with LLDC to identify all pitches on sites. This identified a total of 5 pitches on 2 public sites with permanent planning permission, both of which are in the London Borough of Hackney area of LLDC. A full demographic study of all occupied pitches was attempted. Interviews sought to determine current demographic characteristics; any current or likely future accommodation needs; whether there were any concealed households or doubling-up; and travelling characteristics (to meet the requirements in PPTS). Interviewers also sought to identify contacts living in bricks and mortar to interview. Additional work was also undertaken in partnership with London Gypsies and Travellers to identify households to interview who were living in bricks and mortar.

- 7.5 Fieldwork was undertaken between September 2017 and January 2018 and a total of 3 interviews were completed with households living on the 2 public sites that were identified. A drop-in session was also held in November 2017 which was attended by a total of 11 households living in bricks and mortar – 4 of whom live within LLDC and 7 who live elsewhere in Hackney. Information about travelling was collected in all of the completed interviews. The table below sets out details of the sites that were visited, the number of interviews that were completed, and the reasons why interviews were not completed.

Figure 54: Interview summary

	Pitches/B&M	Interviews	Reasons for not completing interviews
Palace Close	4	2	1 x refusal, 1 x no contact possible
St Anthony's Close	1	1	-
Bricks and Mortar (LLDC)	4	4	-
TOTAL	9	7	

Planning Definition of a Traveller

- 7.6 PPTS (2015) requires a GTAA to determine whether households meet the planning definition of a Gypsy or Traveller. Only if households fall within the planning definition will their housing requirements need to be assessed separately from the wider population in the GTAA.
- 7.7 When the household survey was completed the outcomes from the questions on travelling were used to determine the status of each household against the planning definition in PPTS (2015). Through a combination of responses households need to provide sufficient information to demonstrate that **household members travel for work purposes and in doing so stay away from their usual place of residence, or that they have ceased to travel temporarily due to education, ill health or old age, and plan to travel again for work purposes in the future**. This has been determined through case law.
- 7.8 Households that need to be considered in the GTAA fall under one of 3 classifications. Only those households that meet, or may meet, the planning definition will form the components of need to be included in the GTAA:
- » Households that travel under the planning definition.
 - » Households that have ceased to travel temporarily under the planning definition.
 - » Households where an interview was not possible who may fall under the planning definition.
- 7.9 Whilst the needs of those households that do not meet the planning definition do not need to be included in the GTAA, they have been assessed to provide LLDC with information on components of need to be addressed as part of the assessment of wider housing needs within this report for example, and through separate Local Plan policies.

Unknown Households

- 7.10 As well as calculating need for households that meet the planning definition, the needs of the households where an interview was not completed (either due to refusal to be interviewed or households that were not present during the fieldwork period – despite repeated visits) need to be assessed as part of the GTAA elements of the HRS where they are believed to be ethnic Gypsies and Travellers who may meet the planning definition.
- 7.11 Whilst there is no law or guidance that sets out how the needs of these households should be addressed, an approach has been taken that applies an estimate of potential need from these households. This will be a maximum additional need figure over and above the need identified for households that do meet the planning definition.
- 7.12 Data that has been collected from over 2,500 household interviews that have been completed by ORS since the changes to PPTS in 2015 suggests that overall approximately 10% of households who have been interviewed meet the planning definition. This would suggest that it is likely that only a small proportion of the potential need identified from unknown households will need conditioned²⁴ Gypsy and Traveller pitches, and that the needs of the majority from unknown households will need to be addressed through separate Local Plan policies.
- 7.13 LLDC will need to carefully consider how to address the needs associated with unknown Travellers in Local Plan policies as it is unlikely that all of these will have a need that should be addressed through the provision of conditioned Gypsy or Traveller pitches. In terms of Local Plan policies LLDC should continue to include a criteria-based policy (as suggested in PPTS (2015) Paragraph 11) for any unknown households that do provide evidence that they meet the planning definition, and also take into account the NPPF within the Local Plan.
- 7.14 How the ORS methodology addresses need from unknown households was supported by the Planning Inspector for a recent Local Plan Examination in Maldon, Essex. In his Report that was published on 29th June 2017. This confirms that that the approach taken to recommending addressing need from unknown households through the use of a criteria-based policy is appropriate. The Inspector concluded:

150. The Council's stance is that any need arising from 'unknowns' should be a matter left to the planning application process. Modifications to Policy H6 have been put forward by the Council setting out criteria for such a purpose, which I consider further below. To my mind, that is an appropriate approach. While there remains a possibility that up to 10 further pitches may be needed, that cannot be said to represent identified need. It would be unreasonable to demand that the Plan provide for needs that have not been established to exist. That being said, **MM242h** is nonetheless necessary in this regard. It commits the Council to a review of the Plan if future reviews of the GTAA reveal the necessity for land allocations to provide for presently 'unknown' needs. For effectiveness, I have altered this modification from the version put forward by the Council by replacing the word "may" with "will" in relation to undertaking the review committed to. I have also replaced "the Plan" with "Policy H6" – the whole Plan need not be reviewed.

²⁴ Pitches with planning conditions restricting occupation to Gypsies or Travellers.

Households that do not meet the Planning Definition

- 7.15 Households who do not travel for work or have ceased to travel permanently now fall outside the planning definition of a Traveller. However Romany Gypsies and Irish and Scottish Travellers may be able to demonstrate a right to culturally appropriate accommodation under the Equality Act (2010). The implication is therefore that the housing needs of any Gypsy and Traveller households who do not meet the planning definition of a Traveller will need to be assessed as part of the wider housing needs of the area, for example through the SHMA process, and will form a subset of the wider need arising from households residing in caravans.

Draft London Plan

- 7.16 It should also be noted that the new Draft London Plan (December 2017) which is currently out for consultation includes a new policy (H16 – Gypsy and Traveller Accommodation) on assessing accommodation need for Gypsies and Travellers. This policy proposes a different definition of Gypsies and Travellers than is included in the PPTS (2015). This is essentially the housing definition that was repealed by the Housing and Planning Act (2016). This is a far less stringent definition to meet as it includes households with a cultural tradition of nomadism, or living in a caravan; households currently living in a caravan; households with a cultural aversion to bricks and mortar; and households that have ceased to travel temporarily or permanently.
- 7.17 Whilst this policy is currently out for consultation purposes ORS can reassure LLDC that the data collected during the household interviews will allow for the London Plan definition to be applied if the plan is adopted, without the need for any further fieldwork. An estimate of total need under the London Plan definition has also been included in this report for illustrative purposes.

Planning Status of Households

- 7.18 The outcomes from the questions on travelling were used to determine the status of each household, including those currently living in bricks and mortar who were interviewed, against the planning definition of a Traveller. Figure 55 shows that no households living on the public sites and 3 households living in bricks and mortar meet the planning definition of a Traveller. A total of 3 households on the public sites and 1 household in bricks and mortar did not meet the planning definition as they were not able to provide information that they travel away from their usual place of residence for the purpose of work, or that they have ceased to travel temporarily due to children in education, ill health or old age. Some did travel for cultural reasons, or to visit relatives or friends, and others had ceased to travel permanently – these households did not meet the planning definition. In addition the number of households on each site where an interview was not possible are recorded as unknown. The reasons for this included a household that refused to be interviewed and a household that were not present during the fieldwork period – despite up to 3 visits.

Figure 55: Planning status of households interviewed in LLDC

	Meet Planning Definition	Unknown	Do Not Meet Planning Definition
Palace Close	0	2	2
St Anthony's Close	0	0	1
Bricks and Mortar	3	0	1
TOTAL	3	2	4

LLDC Local Plan 2015-31

7.19 The LLDC Local Plan is scheduled to run from 2015 to 2031. Therefore, as this GTAA has a base date of 2017, it does not cover the period 2015-16. During the period 2015-16 there were no new pitches developed. Given that the new GTAA is a full assessment of need it is therefore appropriate to net demand and supply for pitches to zero for the period 2015-16 and for the new assessment, which includes a new household baseline, to cover the period 2017-31. Further to this, formation is projected another 5 years into the future to 2036, to reflect the rest of this report. As such this assessment will cover the following time periods:

- » 2017-22 (first 5 year period required by PPTS)
- » 2022-27 (second 5 year period required by PPTS)
- » 2027-31 (Local Plan period)
- » 2032 (third 5 year period required by PPTS)
- » 2032-36 (to meet project brief requirements)

Waiting Lists

7.20 There are currently no vacant pitches on either of the public sites in the LLDC area of Hackney and approximately 35 households on the waiting list for a pitch in Hackney as a whole – including a concealed adult living on one of the public sites and all of the households that were interviewed who were living in bricks and mortar. As such no further need has been identified from the waiting list.

Previous GTAA Need Scenarios

7.21 As well as estimating need arising from within the LLDC boundary the previous GTAA included modelling current and future need based on 2 other scenarios. These were including additional needs from a proportion of households living in bricks and mortar in Hackney (Scenario 1), and including additional needs from a proportion of households living in bricks and mortar in Hackney as well as relocating the existing site in Newham (Scenario 2).

7.22 This found the following levels of potential need for additional pitches:

- » Baseline assessment = 10 additional pitches 2013-28
- » Scenario 1 = 19 additional pitches 2013-28
- » Scenario 2 = 41 additional pitches 2013-28

7.23 A PPTS (2015) compliant GTAA for Newham was completed in February 2016. This found that none of the residents on the 15 pitches at the public site at Parkway Crescent met the planning definition of a Traveller. If the proposed London Plan definition of a Traveller were to be applied this would result in a need for up to 12 additional pitches. To date a PPTS (2015) compliant GTAA has not been completed in Hackney so it is not possible to identify levels of current and future need for households that meet the current planning definition. As such it has not been possible to apply the scenarios that were looked at in the previous GTAA.

Pitch Needs – Gypsies and Travellers that meet the Planning Definition

- 7.24 The 3 households who meet the planning definition were all living in bricks and mortar. Analysis of the household interviews identify that there is need for 3 additional pitches for the 3 households that were interviewed as all have previously lived on sites and have been on the waiting list for a pitch for up to 16 years, 1 additional pitch for a teenager in one of the households that will need a pitch of their own in the next 5 years, and a need for 3 additional pitches through new household formation – derived from the demographics of the households that were interviewed.
- 7.25 Therefore the overall level of additional need for those households who meet the planning definition of a Gypsy or Traveller is for **7 additional pitches** over the GTAA period to 2032. All of this need is from households currently living in bricks and mortar.

Figure 56: Additional need for households in LLDC that meet the Planning Definition (2017-32)

Gypsies and Travellers - Meeting Planning Definition	Pitches to 2031	Pitches to 2036
Supply of Pitches		
Additional supply from vacant public and private pitches	0	0
Additional supply from pitches on new sites	0	0
Pitches vacated by households moving to bricks and mortar	0	0
Pitches vacated by households moving away from the study area	0	0
Total Supply	0	0
Current Need		
Households on unauthorised developments	0	0
Households on unauthorised encampments	0	0
Concealed households/doubling-up/over-crowding	0	0
Movement from bricks and mortar	3	3
Households on waiting lists for public sites	0	0
Total Current Need	3	3
Future Need		
5 year need from teenage children (in bricks and mortar)	1	1
Households on sites with temporary planning permission	0	0
In-migration	0	0
New household formation	3	5
(Formation from site demographics)		
Total Future Need	4	6
Net Pitch Need = (Current and Future Need – Total Supply)	7	9

Figure 57: Additional need for households in LLDC that meet the Planning Definition by 5 Year Periods

2017-22	2022-27	2027-31	2031-32	2032-36	Total to 2031	Total to 2036
4	2	1	0	2	7	9

Pitch Needs – Unknown Gypsies and Travellers

- 7.26 Whilst it was not possible to determine the planning status of a total of 2 households as they refused to be interviewed or were not on site at the time of the fieldwork, the needs of these households still need to be recognised by the GTAA as they are believed to be Gypsies and Travellers and may meet the planning definition. It should be noted here that should the Draft London Plan definition of a Traveller be adopted there will be a requirement for London Boroughs to meet the need from all unknown households.
- 7.27 Prior to the refusal to be interviewed ORS were able to determine that there was no current or future need arising from household members on one of the pitches.
- 7.28 ORS completed an interview with the household living on the other pitch for the 2014 LLDC GTAA. It was confirmed with staff from Hackney Homes that this household is still a tenant on the pitch and that household circumstances are the same as they were when the interview was completed. However it was not possible to confirm the planning status of this household. As such there is a need for 4 additional pitches and this is made up of 2 pitches for doubled-up households and 2 pitches from new household formation – derived from the household demographics.
- 7.29 Data that has been collected from over 2,500 household interviews that have been completed by ORS since the changes to PPTS in 2015 suggests that nationally approximately 10% of households that have been interviewed meet the planning definition.
- 7.30 This would suggest that it is likely that only a small proportion of the potential need identified from these households will need conditioned Gypsy and Traveller pitches, and that the needs of the majority will need to be addressed through other means. As an illustration, if the ORS national average of 10% were to be applied this could be as few as no additional pitches.
- 7.31 Tables setting out the components of need for unknown households can be found in **Appendix A**.

Pitch Needs - Gypsies and Travellers that do not meet the Planning Definition

- 7.32 It is not now a requirement for a GTAA to include an assessment of need for households that do not meet the planning definition. However this assessment is included for illustrative purposes and to provide the Legacy Corporation with information on levels of need that will have to be addressed through the Housing Requirements Study and through separate Local Plan policies. It should be noted here that should the Draft London Plan definition of a Traveller be adopted there will be a requirement for London Boroughs to meet the need from households that do not meet the current PPTS (2015) planning definition.
- 7.33 On this basis, it is evident that whilst the needs of the 3 households on the public sites and 1 household in bricks and mortar who do not meet the planning definition will represent only a very small proportion of the overall housing need, the Legacy Corporation will still need to ensure that arrangements are in place to properly address these needs – especially as the households identified as Irish Travellers and may claim that the Council should meet their housing needs through culturally appropriate housing. This will need to be considered though the duty to cooperate.

- 7.34 Total need for 11 additional pitches has been identified from households that do not meet the planning definition. This is made up of 1 doubled-up single adult on a public site, 3 teenagers on a public site in need of a pitch of their own in the next 5 years, 1 household living in bricks and mortar who wants to move to a site, 1 concealed adult in bricks and mortar, 2 teenagers in bricks and mortar who will need a pitch of their own in the next 5 years, and 3 from new household formation – derived from the household demographics.
- 7.35 A summary of this need for households that do not meet the planning definition can also be found in **Appendix A**.

Travelling Showpeople Needs

- 7.36 The assessment did not find any Travelling Showpeople yards in LLDC so no current or future need has been identified.

Summary of Need to be Addressed

- 7.37 Taking into consideration all of the elements of need that have been assessed, together with the assumptions on the proportion of unknown households that are likely to meet the planning definition, the table below sets out the likely number of pitches that will need to be addressed either as a result of the GTAA, or through the Housing Requirements Study and through separate Local Plan policies.
- 7.38 Total need from Gypsy and Traveller households that meet the planning definition, from unknown households, and from households that do not meet the planning definition is for 20 additional pitches to 2031 and for 24 pitches to 2036. The table below breaks need down by the GTAA and Housing Requirements Study requirements by taking 10% (the ORS national average for Gypsies and Travellers) of need from unknown households and adding this to the need from households that meet the planning definition, and by adding the remaining 90% of need from unknown households to the need from households that do not meet the planning definition.

Figure 58: Breakdown of need to be addressed for Gypsies and Travellers in LLDC (2017-2031)

Status	GTAA	SHMA	TOTAL
Meet Planning Definition (incl. 10% of unknowns)	7 (7+0)	0	7
Not meeting Planning Definition (incl. 90% of unknowns)	0	13 (10+3)	13
TOTAL	7	13	20

Figure 59: Breakdown of need to be addressed for Gypsies and Travellers in LLDC (2017-2036)

Status	GTAA	SHMA	TOTAL
Meet Planning Definition (incl. 10% of unknowns)	9 (9+0)	0	9
Not meeting Planning Definition (incl. 90% of unknowns)	0	15 (11+4)	15
TOTAL	9	15	24

Transit Requirements

- 7.39 Given that LLDC is not the housing authority it is not responsible for dealing with any unauthorised encampments that may occur. Therefore the recommendations are aimed at the relevant local planning authority with responsibility for unauthorised encampments.
- 7.40 Whilst there is evidence of a very small number of unauthorised encampments in LLDC in recent years²⁵, it is recommended that there is no need to provide any new transit pitches. It is also recommended that the situation relating to levels of unauthorised encampments should be closely monitored whilst any potential changes associated with PPTS (2015) develop.
- 7.41 As well as information on the size and duration of encampments, this monitoring should also seek to gather information from residents on the reasons for their stay in LLDC; whether they have a permanent base or where they have travelled from; whether they have any need or preference to settle permanently in LLDC; and whether their travelling is a result of changes to PPTS (2015). This information could be collected as part of a Welfare Assessment (or equivalent) undertaken by the organisation that is responsible for dealing with unauthorised encampments in LLDC.
- 7.42 The relevant local planning authority should consider the use of management arrangements for dealing with unauthorised encampments and could also consider the use of Negotiated Stopping Agreements, as opposed to taking forward an infrastructure-based approach.

Conclusions

- 7.43 Overall the assessment has identified a need for 20 additional pitches for the Local Plan period to 2031 and a need for 24 additional pitches for the study period to 2036. Of this need for 7 additional pitches to 2031 and for 9 pitches to 2036 are from households that meet the PPTS (2015) planning definition. All of the need from households that meet the planning definition comes from households that are currently living in bricks and mortar.
- 7.44 A failure to identify need from households currently living in bricks and mortar is a regular criticism of GTAAs at both Local Plan Examinations and at planning appeals. In a recent Decision Notice (Refs: APP/W/16/3165526 and 3165528 and C/17/3170046) the Inspector included the following criticism on how the GTAA dealt with identifying need from bricks and mortar households – even though a total of 25 households were identified and interviewed:

“Evidently, effort has been made to make contact with households living in bricks-and-mortar. Nevertheless, a greater level of engagement is required given the potential implication upon the figures. The accommodation needs of those households living in bricks-and-mortar needs to be thoroughly assessed and evaluated. There may well be some unidentified households who require a pitch and satisfy the PPTS definition. I consider that there is a possibility that those residing in housing have not yet been properly identified and interviewed, which is unfortunate and a shortcoming as they make up a large section of the local traveller population.”

²⁵ Mostly on land at Queen Elizabeth Olympic Park that is owned by LLDC.

- 7.45 As such, given that the LLDC assessment has identified need from households living in bricks and mortar, this should be seen as a positive outcome. Recent assessments completed in the surrounding areas of Hackney, Haringey and Newham have also identified large number of Gypsies and Travellers living in bricks and mortar. Whilst the Hackney GTAA was completed before the changes to PPTS in 2015 and did not capture information of travelling characteristics, the assessment completed in Haringey did identify households in bricks and mortar that met the planning definition, whilst the study in Newham did not even though it is a larger area.
- 7.46 As far as levels of need from surrounding areas are concerned and potential implications to consider under the duty to cooperate, the GTTA for Newham that was published in 2016 did not identify any households on the 15 pitches at the public site at Parkway Crescent that met the planning definition and none of the households living in bricks and mortar that were interviewed met the planning definition. It did however identify a need for 12 additional pitches arising from residents on the site.
- 7.47 The GTAA for Greenwich that was published in 2016 also found that none of the residents on the 40 pitches at the public site at Thistlebrook met the planning definition, although there were significant levels of need arising from the households that did not meet the definition.
- 7.48 The GTAA for Tower Hamlets that was published in 2016 only identified a need for 1 additional pitch from the 1 household on the public site that met the planning definition, whilst identifying a need for 13 additional pitches from households that do not meet the planning definition.
- 7.49 The GTAA for Lewisham that was published in 2016 found a need for 6 additional pitches for Gypsies and Travellers that met the planning definition. It also found a need for 11 additional pitches for households that did not meet the planning definition. All were living in bricks and mortar as there are no sites in Lewisham.
- 7.50 Whilst it was completed before the changes to PPTS and the need to assess households against the planning definition, the Hackney GTAA identified an overall need for 78 additional pitches, 21 of which came from households living in bricks and mortar.
- 7.51 Regarding these levels of need and the difficulties faced in identifying suitable land to develop new sites in London Boroughs The Legacy Corporation will work with both neighbouring authorities and the GLA under the duty to cooperate to explore whether any of this need could be met within its area, or whether any of the need identified for LLDC can be met at a strategic level.
- 7.52 Finally should the Draft London Plan definition of a Traveller for planning purposes be adopted it is likely that levels of need could rise sharply. As well as including all Gypsies and Travellers, the Draft London Plan definition would also potentially include large numbers of households living in bricks and mortar as it will only require households to demonstrate a cultural preference to not live in bricks and mortar, as opposed to demonstrate a need to move to a site (through psychological aversion to housing for example).

8. Conclusions

Summary of Key Findings and Conclusions

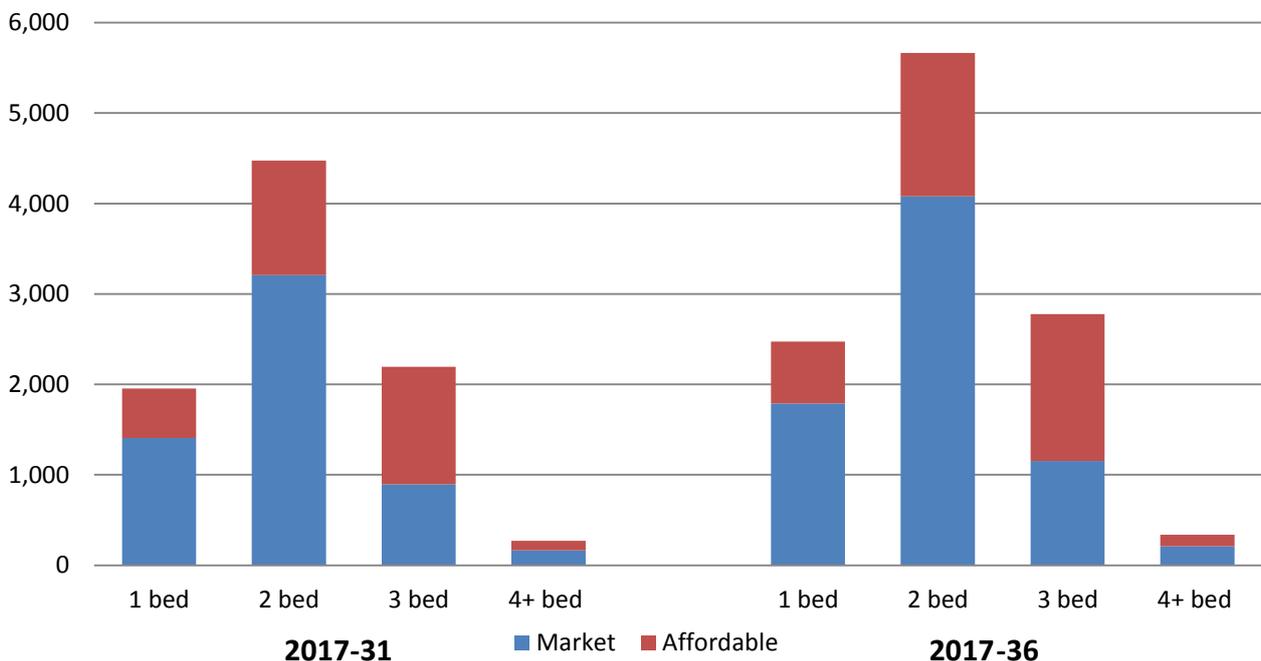
Household Projections and Objectively Assessed Needs

- 8.1 The “starting point” estimate for OAN is the latest household projections published by the Department for Communities and Local Government (CLG). However, this dataset does not include separate projections for the LLDC area.
- 8.2 The London Housing SPG (March 2016) also advises that the GLA projections are more relevant to London boroughs when establishing housing need, and these have been routinely accepted as the basis for establishing overall housing need for London boroughs. In July 2017, the GLA published a series of demographic projections for London boroughs. However, again this did not include projections for LLDC.
- 8.3 Primary data collected through the 2017 survey in LLDC allowed an accurate demographic picture of LLDC to be developed. This data was used to help to developed population projections for the LLDC area based upon the age profile of the area and recent trends in migration.
- 8.4 The number of households into which the 2017 population form was also established by the 2017 survey; and the CLG 2014 household formation rates for 2017 for each borough in to which LLDC falls were weighted to accurately reflect this primary data.
- 8.5 Finally, in converting from households to dwellings we need to allow for a vacancy and second home rate as not all dwellings will be occupied. The London SHMA contains different vacancy rates for both social and market stock, averaging a vacancy of 2.4% overall: we applied this to future household growth.
- 8.6 This study considered market signals for the LDLC area and an uplift of 20% is proposed as an appropriate response to the market signal indicators such as affordability and overcrowding.
- 8.7 Therefore, the OAN proposed for LLDC is **10,636 dwellings over the period 2015-31**, which translates to 665 dwellings per annum. Following a similar procedure, we also project an OAN of 12,997 dwellings over the period 2015-36, which translates to 619 dwellings per annum.
- 8.8 This takes account of household growth based on GLA 2016-based projections (the starting point); adjusts for data demographic collected in the 2017 population survey; responds to market signals whilst providing for the growth of concealed families; and takes account of vacant and second homes.

Housing Mix and Tenure

- 8.9 Figure 60 identifies the need for market housing and affordable housing of different sizes (in terms of number of bedrooms). The figures are consistent with the OAN identified above and with the affordability and projected growth of different household types in the LLDC area. Therefore, the size and tenure mix identified in Figure 60 is the policy off housing needs for the LLDC area reflecting recent demographic trends and affordability in the area.
- 8.10 The housing mix modelling shows that the overall future needs of the LLDC are for half of all dwellings to be 2-bedroom properties, with a further quarter as 3-bedroom. 1-bedroom properties make up 22% of the total, with larger (4+ bedroom) properties making up the remainder. In terms of market housing, 57% should be 2-bed, a quarter 1-bed and 16% 3-bed. Households in affordable housing are likely to require more 3-bed properties (40%), with a similar proportion of 2-bed required (39%). Only 17% of households in the affordable category are likely to require a single bedroom property. These percentage splits do not significantly vary between the two periods illustrated.
- 8.11 We would stress that these figures are distinct from those which may actually be delivered by LLDC in its current and future Local Plans. The figures are based upon the trends for households who have been moving to the area in the recent past. The existing LLDC Local Plan includes a higher requirement for 3 bedroom or larger properties, which are more suitable for family housing.

Figure 60: Estimated housing mix of OAN for market and affordable housing in LLDC 2017-31 and 2017-36 (Source: ORS Housing Model)



Housing for Older People

- 8.12 The provision of dedicated older person housing schemes within LLDC needs to be consistent with the London Plan. The draft new London Plan (Table 4.4) sets out annual borough benchmarks for specialist older persons housing (C3) 2017-2029.
- 8.13 The final modelled benchmark figures for older persons housing for LLDC (based on the population projection used to underwrite the OAN) are shown below:

Figure 61: Final modelled benchmark for Older Person Housing constrained to London Plan benchmarks (figures may not sum due to rounding)

		LLDC Total	Change from 2017
Population aged 75+			
	2017	339	-
	2031	765	427
	2036	1,097	758
Additional Modelled Demand for Older Person Housing		to 2031	to 2036
Traditional sheltered		39	47
Extra care	Owned	19	23
	Rented	10	12
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	6	8
	Rented	6	8
Dementia		4	5
Leasehold Schemes for the Elderly (LSE)		77	94
TOTAL		161	196

- 8.14 However, LLDC are seeking to deliver a dwelling target which is significantly in excess of their OAN figures. Therefore, we have reconsidered their older person needs in light of this and the model below is based upon this dwelling led projected population.

Figure 62: Final modelled benchmark for Older Person Housing constrained to London Plan benchmarks and dwelling led population projection (figures may not sum due to rounding)

		LLDC Total	Change from 2017
Population aged 75+			
	2017	339	-
	2031	1,525	1,185
	2036	2,265	1,926
Additional Modelled Demand for Older Person Housing		to 2031	to 2036
Traditional sheltered		77	97
Extra care	Owned	38	48
	Rented	19	24
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	13	16
	Rented	13	16
Dementia		8	10
Leasehold Schemes for the Elderly (LSE)		154	193
TOTAL		321	404

- 8.15 In both models the majority of housing need for the elderly is projected to be in the form of Leasehold Schemes for the Elderly (LSE).

Households with Specific Needs

- 8.16 The draft new London Plan Policy D.4 states that 100% of new housing should meet Building Regulation requirement M4(2)26 ‘accessible and adaptable dwellings’ and 10% of new housing should meet Building Regulation requirement M4(3) ‘wheelchair user dwellings’. This applies to all tenures.
- 8.17 According to the 2017 population survey, approximately 223 households in the LLDC contain a wheelchair user (2.3% of households). It is also important to recognise that these proportions are likely to increase over the period to 2031 in the context of the larger numbers of older people projected to be living in the area. It is also important to recognise that dwellings meeting Category 3 wheelchair requirements will not necessarily be exclusively occupied by wheelchair using households, therefore authorities should plan for an excess of the projected minimum.
- 8.18 The evidence therefore supports the need for up to 10% of housing to meet Category 3 requirements. This recognises the changing demographics of the area and also provides an element of choice for households that need wheelchair user dwellings now as well as those households considering how their needs may change in future. These needs are already reflected in current LLDC Local Plan Policy BN.5.

Boat Dwellers

- 8.19 LLDC already has around 20 houseboat dwellers, and if more moorings were to be made available then there is clearly a demand for them. However, this is not need in the sense of households who wish to live on houseboats through personal preference, but is instead a reflection of wider housing market pressures which have made houseboats a cheaper location to live London than bricks and mortar housing. We would suggest the role of additional mooring in meeting housing needs in LLDC is likely to be small, but even at 0.1% of the total OAN this would amount to 11 more moorings being made available to houseboat dwellers.

Student Housing

- 8.20 There are two higher education establishments in the LLDC. UCL have a research centre and Loughborough University have a post graduate campus, both based in the Here East complex (formerly the London Olympics Media Centre). As such, there are significant numbers of students, also in part due to the relative proximity of large higher education establishments in Newham and Tower Hamlets, along with students from further afield.
- 8.21 The 2017 Population survey estimates that there are approximately 4,638 students in the area (17.7% of the total LLDC population), of which around 2,270 are living in dedicated student accommodation.
- 8.22 In establishing the OAN for LLDC, students were included in the trend-based analysis; therefore the needs of student households are counted as part of the overall OAN. The household projections assume that the number of any students living in communal establishments (including university halls of residence and student housing provided by private sector providers) remains constant over the Plan period.

²⁶ <https://www.london.gov.uk/sites/default/files/MALP%20HOUSING%20STANDARDS%20-%20CONSULTATION%20DRAFT%20May%202015web.pdf>

Gypsies and Travellers

- 8.23 In summary there is a need for 7 additional pitches in LLDC over the Local Plan period to 2031 and for 9 additional pitches over the overall study period to 2036 for Gypsy and Traveller households that meet the planning definition; a need for up to 3 additional pitches to 2031 and for up to 4 additional pitches to 2036 for Gypsy and Traveller households that may meet the planning definition; and a need for 10 additional pitches to 2031 and for 11 additional pitches to 2036 for Gypsy and Traveller households who do not meet the planning definition.
- 8.24 It is recommended that need for households that meet the planning definition is addressed through new pitch allocations or the expansion or intensification of existing sites. Any need arising from unknown or new households seeking to move to the area and develop a site should be addressed through a criteria-based Local Plan policy. The need for those households who do not meet the planning definition will need to be addressed through other means and through separate Local Plan policies.

Travelling Showpeople

- 8.25 In summary there is a need for no additional plots in LLDC over the study period to 2036 as no Travelling Showpeople were identified living in the area.

Transit Provision

- 8.26 There is evidence to suggest that there have been a very small number of encampments in LLDC in recent years. However it is not recommended that there is a need for any additional transit provision in LLDC at this time.

Summary of Need to be Addressed

- 8.27 Total need from Gypsy and Traveller households that meet the planning definition, from unknown households, and from households that do not meet the planning definition is for 20 additional pitches to 2031 and for 24 pitches to 2036. The table below breaks need down by the GTAA and SHMA by taking 10% (the ORS national average for Gypsies and Travellers) of need from unknown households and adding this to the need from households that meet the planning definition.

Figure 63: Breakdown of need to be addressed for Gypsies and Travellers in LLDC (2017-2031)

Status	GTAA	SHMA	TOTAL
Meet Planning Definition (incl. 10% of unknowns)	7 (7+0)	0	7
Not meeting Planning Definition (incl. 90% of unknowns)	0	13 (10+3)	13
TOTAL	7	13	20

Figure 64: Breakdown of need to be addressed for Gypsies and Travellers in LLDC (2017-2036)

Status	GTAA	SHMA	TOTAL
Meet Planning Definition (incl. 10% of unknowns)	9 (9+0)	0	9
Not meeting Planning Definition (incl. 90% of unknowns)	0	15 (11+4)	15
TOTAL	9	15	24

Appendix A

Additional Need: Unknown Households and Households that do not meet the Planning Definition

Figure 65: Additional need for unknown households in LLDC (2017-31 and 2017-36)

Gypsies and Travellers - Unknown	Pitches to 2031	Pitches to 2036
Supply of Pitches		
Additional supply from vacant public and private pitches	0	0
Additional supply from pitches on new sites	0	0
Pitches vacated by households moving to bricks and mortar	0	0
Pitches vacated by households moving away from the study area	0	0
Total Supply	0	0
Current Need		
Households on unauthorised developments	0	0
Households on unauthorised encampments	0	0
Concealed households/Doubling-up/Over-crowding	2	2
Movement from bricks and mortar	0	0
Households on waiting lists for public sites	0	0
Total Current Need	2	2
Future Need		
5 year need from teenage children	0	0
Households on sites with temporary planning permission	0	0
In-migration	0	0
New household formation	1	2
(Formation from household demographics)		
Total Future Needs	1	2
Net Pitch Need = (Current and Future Need – Total Supply)	3	4

Figure 66: Additional need for unknown households in LLDC by 5 Year Periods

2017-22	2022-27	2027-31	2031-32	2032-36	Total to 2031	Total to 2036
2	0	1	0	1	3	4

Figure 67: Assessment of need for households in LLDC that do not meet the Planning Definition (2017-31 and 2017-36)

Gypsies and Travellers - Not Meeting Planning Definition	Pitches to 2031	Pitches to 2036
Supply of Pitches		
Additional supply from vacant public and private pitches	0	0
Additional supply from pitches on new sites	0	0
Pitches vacated by households moving to bricks and mortar	0	0
Pitches vacated by households moving away from the study area	0	0
Total Supply	0	0
Current Need		
Households on unauthorised developments	0	0
Households on unauthorised encampments	0	0
Concealed households/doubling-up/over-crowding (on sites)	1	1
Concealed households/doubling-up/over-crowding (in B&M)	1	1
Movement from bricks and mortar	1	1
Households on waiting lists for public sites	0	0
Total Current Need	3	3
Future Need		
5 year need from teenage children (on sites)	3	3
5 year need from teenage children (in bricks and mortar)	2	2
Households on sites with temporary planning permission	0	0
In-migration	0	0
New household formation	2	3
(Formation from household demographics)		
Total Future Needs	7	8
Net Pitch Need = (Current and Future Need – Total Supply)	10	11

Figure 68: Additional need for households in LLDC that do not meet the Planning Definition by 5 Year Periods

2017-22	2022-27	2027-31	2031-32	2032-36	Total to 2031	Total to 2036
8	2	0	1	0	10	11

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Appendix C

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; *“family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”*²⁷.

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: *“the proportion of people in each age group and household type who are the ‘head’ of a household”*²⁸

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

²⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

²⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

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

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or Shared ownership is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

ASHE	Annual Survey of Hours and Earnings
BME	Black and Minority Ethnic
BRMA	Broad Rental Market Area
CACI	Private sector company providing modelled data
CORE	The Continuous Recording System (for Housing Association and Local Authority lettings)
DEFRA	Department for Environment, Food and Rural Affairs
DWP	Department of Work and Pensions
GIS	Geographical Information Systems
HBF	Home Builders Federation
HMO	House in Multiple Occupation
IMD	Indices of Multiple Deprivation
LA	Local Authority
LDF	Local Development Framework
LDP	Local Development Plan
LHA	Local Housing Allowance
NHSCR	National Health Service Central Register
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
ORS	Opinion Research Services
POPPI	Projecting Older Person Population Information
REIT	Real Estate Investment Trust
RSL	Registered Social Landlord
SAR	Share Accommodation Rate
SHMA	Strategic Housing Market Assessment
UDP	Unitary Development Plan