

What factors are driving the housing market?

The main influences on the South East London housing market are natural population growth and migration. Other factors include a diverse housing stock and the pattern of public transport provision across the sub-region. The population is projected to grow strongly through natural growth, but less strongly due to migration.

The population of South East London is projected to rise by 7.5% in the period 2006 - 2016.

The population of South East London rose by 8% between 1981 and 2007, to 1,278,800 people. This compares with a rise of over 9% for England and 11% for London. Based on GLA 2007 estimates, the population of South East London will reach around 1,375,300 by 2016. This would represent a 7.5% rise in 10 years.

Inner and outer London boroughs within the sub-region have different characteristics. The inner SE London boroughs tend to have households that are younger, with a higher black and minority ethnic (BME) population,

more single people and students. There is also a higher proportion of rented housing, both social and private.

High numbers of households move from Southwark and Lewisham into Bexley, Bromley and Greenwich as well as out of the sub-region into Kent. As people move outwards the characteristics of households and the housing stock change. Households include more families and the age profile is older with a much lower BME population. There are far higher levels of owner occupation and under occupation.

The movement of people between boroughs and into and out of the sub-region is influenced, among other things, by the price and the type of housing stock. For instance, Southwark has a high proportion of social rented stock where movement is very limited. Lewisham has a large amount of private rented stock which has a much higher turnover of people moving in and out. The outer London boroughs have a higher proportion of owner occupied housing and houses as opposed to flats.

Future housing requirements within the sub-region

To work out the housing requirements, the survey looked at the housing circumstances of existing households as well as the characteristics of newly forming and in-migrant households. Other data was also considered.

127,800 households (22% of all households) are currently unsuitably housed. 32,500 households need to move to resolve their housing problems and cannot afford market housing.

Twenty two percent of all households [around 127,800] were assessed as living in unsuitable housing. The most common problems were overcrowding and major disrepair, but support needs and the cost of accommodation were also significant. As many as 31% of households in Southwark are unsuitably housed, compared to as little as 14% in Bromley. Only 12% of owner occupiers are unsuitably housed compared to 32% who rent privately and 38% who rent from a social landlord. There was also a high proportion of households with children living in unsuitable housing compared to those without.

The term 'backlog of need' is used to quantify the number of households in unsuitable housing who may need to move to resolve their housing problems. This includes homeless households that cannot afford market housing. The total backlog of need in South East London is around 32,500 households.

Overall it is estimated that 23,100 additional homes are needed across the sub-region over 5 years, or 4,600 dwellings annually. These are needed to sustain recent levels of household formation and migration. This could change if fewer new households form, problems of overcrowding continue or if households leave the area because of a lack of suitable housing.

To keep up with recent household formation and migration trends, 23,100 additional dwellings will be required over the next 5 years.

Tenure and size requirements of these households have been estimated.

Most of those moving into South-East London are buying their own home or renting privately. Over 30% of those moving in, and around a quarter of those moving out are single people (non-pensioners). Households comprised entirely of pensioners tend not to move in or out of the sub-region. Households moving in and out tend to have higher average incomes than average households in South East London.

One of the biggest findings of the SHMA was the increase in the private rented sector which has grown from 12% to 20% since 2001

Around 27% of respondents across South East London said that they wanted to move. Around 10% of all households would like to move because they feel that their current property is too small. Of those who expect to move, around 65% expect to remain within the sub-region, while 28% expect to leave London.

Recent tenure changes have occurred because of changes in prices and what people could afford. The private rented sector has grown from 12% to

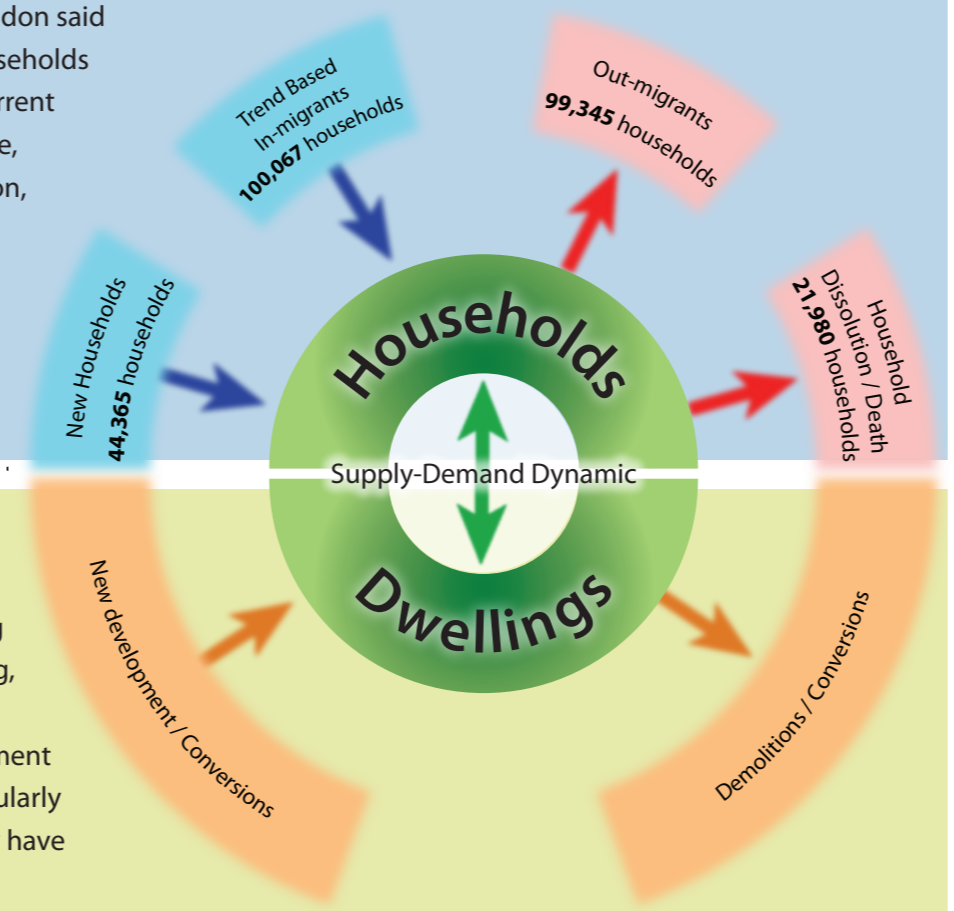
Tenure requirements: At the sub-regional level, based upon 2008 London Plan housing provision annual monitoring targets, the requirement is for 38% market housing, 26% intermediate housing and 36% social rented housing giving a total affordable housing requirement of 62%. These proportions vary by borough particularly for intermediate housing with Bromley and Bexley have relatively lower intermediate requirements.

Dwelling size: Market housing requirements are for similar proportions of 1, 2 and 3 bedroom dwellings, intermediate housing requirement is mostly for 3 bedroom homes. Social housing is required in all sizes, but there is a high requirement for social rented homes with 4 or more bedrooms as large households on low incomes have few options and face a short supply of suitable dwellings.

There is a high requirement for social rented homes with 4 or more bedrooms

20% since 2001, while numbers owning with a mortgage have gone down. The private rented sector accounts for 49% of households that have moved in the last 12 months, but only 17.7% of households in this sector are in receipt of housing benefit.

Overall the evidence supports the view that Lewisham, Bexley, Bromley, Greenwich and Southwark form a coherent London sub-region.



Affordability: A high number of households (43,700) in SE London can afford more than target social rent levels but not enough to afford market housing (owner occupied or private rent). These households are treated as needing 'intermediate housing', such as shared ownership or homes with rents set between those for social and market housing. Half of the households identified as requiring intermediate housing have a household income of between £20,000 and £31,200, while a further 21% have an income of between £15,000 and £20,000.

Household Groups

The results of the household survey were analysed to gather some information about specific groups:

Ethnicity: Forty percent of all SE London households contain at least one person from a BME group. Black ethnic groups have on average lower incomes than other households with over 30% having an income of £10,000 or less. Black African households were over 6 times more likely to be overcrowded than White British ones.

Migrant Workers: Two percent of respondents were from one of the European Union 'A10' recent accession states from Eastern Europe. The A10 migrant worker population is younger than the whole population, with over half being aged 30 years or less. A10 migrant worker households have slightly higher annual incomes than all households.

People with Health, Mobility and Support Needs: Around 27 percent of all households contained at least one member with a health problem. The main problems identified were walking and mobility problems, diabetes, respiratory problems and difficulties due to old age. Of this group 15% said that their care or support needs were left unmet. This comes to around 6,800 households.

Around 4,000 households across the sub-region contain a wheelchair user. Around 45% of these households are in the social rented sector, while nearly 40% own outright. Around a fifth of the households which contain a wheelchair user feel that their home is not adequately adjusted to meet their needs.

In 2007 around 13 percent of the population of South East London was aged 65 years or older. The household survey found that 21,750 pensioner households contain a member requiring regular or daily care or support and 2,800 households require permanent 24 hours a day care. 56% of pensioner households in the social rented sector who have mobility problems feel that their current home could be adapted to meet their needs. This means that a total of 1,800 socially rented homes could be adapted, while another 400 households would need to move to resolve their housing needs.

Families: Forty one percent of all SE London households (232,000)

are families. Around 40% of all families own their property with a mortgage, compared to 29% of all households, and a smaller proportion of family households live in the private rented sector. Single parent households are most likely to live in the social rented sector with 65% of them in this tenure. High proportions of single parents with dependent children and extended families with dependent children live in unsuitable housing, at 45% and 57% respectively.

Students: The survey found that 6,100 dwellings in SE London (just over 1%) contain students. Southwark has the highest proportion of students at 4.1% of total households, while Bromley has the lowest at 0.3% of all households. 85% of students in the sub-region live in private rented accommodation compared with less than 20% of the whole population.

Young Households: Around 5% of all households in South East London contained no-one over the age of 25. Southwark has the highest proportion of young households at 9.2%. Over 40% of young households contain just one person while 27% are lone parents. Nearly 50% of young person households have an annual household income of less than £10,000. 57% of young households live in private rented accommodation. 38.5% of all young households are in receipt of housing benefit which is much higher than the overall population figure.

Private Renters: Since 2001, the private rented sector has grown in importance, while the share of households who own with a mortgage has declined. A high proportion of dwellings in the private rented sector are formed from converted dwellings. Over a third (37.3%) of all households in the private rented sector have moved within the last twelve months. Therefore, the private rented sector is associated with a very high rate of turnover of households.

17.7% of households in the private rented sector claim housing benefit to help with their housing costs. Therefore, the private rented sector is only partially being supported by income from housing benefit. It is possible that private landlords do not wish to accept housing benefit claimants or that rents are too high to be attractive to housing benefit claimants.

Reports

Report of Key Findings

Core Data Report

Sub-group Reports and Consultation Report

Technical Report

Executive Summary

Individual Local Authority Reports

Opinion Research Services (ORS) was commissioned by local authorities in South East London (the sub-region) to undertake Housing Requirements Studies in each borough and a Strategic Housing Market Assessment (SHMA) for the sub-region. The local authorities involved in the project are Bexley, Bromley, Greenwich, Lewisham and Southwark.

A SHMA is a document that councils and regional bodies can use to show how housing markets operate in their area. It provides an assessment of housing need and demand which can inform the development of planning and housing strategies. The Government issued 'Planning Policy Statement 3: Housing' [PPS3] in 2006, plus guidance, to say how this should be done. The purpose of the SHMA is to produce evidence for the development of housing and planning policies. This should be considered alongside

other factors, such as the economic viability of building affordable housing, land availability and local policy priorities. The SHMA should not, therefore, be seen in isolation.

The research was based on 7,250 interviews with households conducted between June 2007 and November 2008, together with statistical data from the UK Census, Homes and Communities Agency [HCA], HM Land Registry, Office for National Statistics [ONS] and a range of other sources, along with a consultation programme with a wide range of relevant organisations.

A number of different reports were produced. This is a summary. The reports can be seen at <http://www.selondonhousing.org/>

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South East London Strategic Housing Market Assessment 2009

Executive Summary of Study Findings

