

WANDSWORTH COUNCIL
STRATEGIC HOUSING MARKET ASSESSMENT

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INTRODUCTION

1. The National Planning Policy Framework (NPPF) and the Planning Policy for Traveller Sites were published by the DCLG (Department for Communities and Local Government) in March 2012. For housing, the NPPF states that local planning authorities should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs and identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which caters for that demand. The NPPF requires that each local planning authority should produce and keep up to date a Local Plan for its area over an appropriate timescale, preferably 15 years, that is aspirational but realistic and sets out strategic policies to deliver the homes and jobs needed in the area
2. London boroughs' local plans are required to be in general conformity with the London Plan and it is therefore important for local planning authorities in London that the London Plan is consistent with the NPPF. In recognition of this, in June 2012, the Mayor published revised early alterations to the London Plan (which was published in July 2011) for public consultation aimed at ensuring that the London Plan is fully consistent with the NPPF.
3. The NPPF also requires local planning authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and likely economic viability of land to meet the identified need for housing over the plan period. As set out in the Draft Housing Supplementary Planning Guidance published by the Greater London Authority (GLA) in December 2011, the national requirement that SHLAAs should be undertaken by local authorities is addressed by the London SHLAA being a joint GLA / Borough project to address London's distinct circumstances.
4. In preparing this SHMA, officers have had regard to the SHMA Practice Guidance that was published by the CLG in August 2007. The Guidance sets out a framework that local housing authorities can follow to develop an understanding of how housing markets operate and promotes an approach to assessing housing need (defined as the quantity of housing required for households who are unable to access suitable housing without financial assistance) and housing demand (defined as the quantity of housing that households are willing and able to buy and rent) which can inform the development of local development documents and inform decisions about the policies required in housing strategies.
5. It is important to note that, as set out in the SHMA Guidance, housing markets are dynamic and complex and SHMAs cannot therefore provide definitive estimates of housing need, demand and market conditions. However, as also set out in the guidance, they can provide valuable insights into how housing markets operate and should provide a fit and proper basis on which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.

6. The Guidance also recognises that housing delivery and strategy need to be responsive to changes in the level of housing need and demand whilst having regard to the public resources available for housing and other competing areas of investment. Housing need is defined in the Guidance as follows; “As set out in PPS3¹, housing need is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’. Housing demand is defined in the Guidance as follows; “the quantity of housing that households are willing and able to buy or rent”.
7. When preparing an SHMA consideration must be given to broader and accessible housing market areas that can assist in meeting a range of housing demands that may be identified locally. Wandsworth’s position geographically is that of an Inner London borough but strategically sits within the South West London Housing Partnership Group (SWLHP): other members being Croydon, Lambeth, Kingston upon Thames, Merton, Richmond Upon Thames and Sutton. It is affected both by issues affecting central London housing markets and in turn affects and is affected by adjacent and Outer London Boroughs’ housing markets particularly in relation to housing costs both to purchase and to rent.
8. The London wide and SWLHP SHMAs provide the spatial context for the nature and influence of housing markets in respect to the local area and this SHMA draws on the GLA’s 2008 SHMA and the South West London SHMA that was published in January 2012 in seeking to, as required by the NPPF, identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period.
9. Officers have also taken into account the potential effects and implications of the Localism Act 2011, the Welfare Reform Act 2012, changes to the way that affordable housing development is and can be subsidised and considered options that could have the optimal and maximum effect in meeting housing demand.
10. The Council set out its first SHMA in June 2008 (Paper No. 08-457)². The SHMA covered a five year period (2008 to 2013) and provided analysis of the current local and regional housing markets, commentary on demand and supply for all forms of housing, including supported housing and forecasts that identified the estimated annual shortfall in affordable housing. In the interim there have been annual SHMA updates that have included analysis of and revisions to key supply and demand factors and, in turn, minor adjustments to estimates of the current and future demand for supply and shortfall of affordable housing. The SHMA updates have been presented to the Housing Overview and Scrutiny Committee in the June/July cycle of meetings. The Council undertakes an annual review of social housing resources and commitments to meet identified, urgent and essential housing needs which sets out performance against actual and expected supply. It also carries out periodic reviews of housing allocation queues and monitors activity in relation to housing advice matters, homelessness trends and private sector accommodation availability. These reports together with Planning annual monitoring reports, strategic and ad hoc reviews such as that of mental health accommodation and regular liaison with colleagues in other Departments,

¹ PPS3: Planning Policy Statement 3: Housing

² HMA 2008: <http://ww3.wandsworth.gov.uk/moderngov/documents/s5732/Paper%20No.08-482.pdf>

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such as Adult Social Services and Children's Services in relation to particular client needs, and the Council's housing development programme provide an informed context for the current SHMA.

11. In relation to the policy context set out above perhaps the most notable factor to inform the following analysis and the policy and resource considerations set out at the end of the document is the fundamental connectivity and permeability of housing market and supply and demand dynamics in London. In essence whilst households may wish or indeed need to live in particular areas of London there is also the ability to move across borough boundaries to meet particular housing requirements that cannot be met or indeed afforded where that household currently lives. Additionally the demand for housing and particularly affordable housing for London cannot be resolved by or met by any one London borough given that demand is so significant.
12. A local SHMA is only useful if it tries to identify and define local demands that should in some way be considered in terms of development of housing and planning policies. This could be for instance the need to improve and self contain supported accommodation for community care groups and to tackle severe over crowding that is a particular issue in the social rented sector across much of London. In turn councils, as strategic housing authorities, must consider how they balance meeting a range of needs for market, intermediate and low cost rented housing – not least to maintain a viable position in terms of encouraging and securing development. How for instance should a council respond to having very few intermediate housing options (less than two per cent of total housing stock) as opposed to the demand for affordable and social rented housing particularly at a time when first time buyers are struggling to enter homeownership?
13. Likewise it is a reality that the provision of cheaper and affordable housing is easier to achieve in the quantum London requires where markets are weaker and land prices are lower. What implications does this have in public investment terms for boroughs such as Wandsworth where land prices are generally high? Where should Wandsworth Council focus its efforts in the short term to meet immediate housing pressures, which cannot be met by new affordable housing development alone, and in the longer term in relation to its planning and investment policies? As with overall housing demand pressures longer term plans cannot be developed by any one London borough alone and require a pragmatic resolution which optimizes use of available resources to maximize the quantum of new housing delivered to meet London housing needs. These issues are explored further in the 'Policy Issues for Consideration' Section.
14. This SHMA outlines a number of key factors that influence and act as key drivers to the housing market within Wandsworth. The demographic and economical context in Wandsworth is considered along side national and regional economic policies which influence the housing market within the Borough. The affordability of housing, in relation to incomes, property prices and rental levels is also assessed against current and future tenure splits within the Borough. This provides the context on which the demand for housing in Wandsworth over the next ten years is considered and how both existing and newly arising need might be met in the future. The 'Policy Issues for Consideration' section builds on the

SHMA and provides areas for consideration as the Council seeks to meet the current and future housing needs in the Borough.

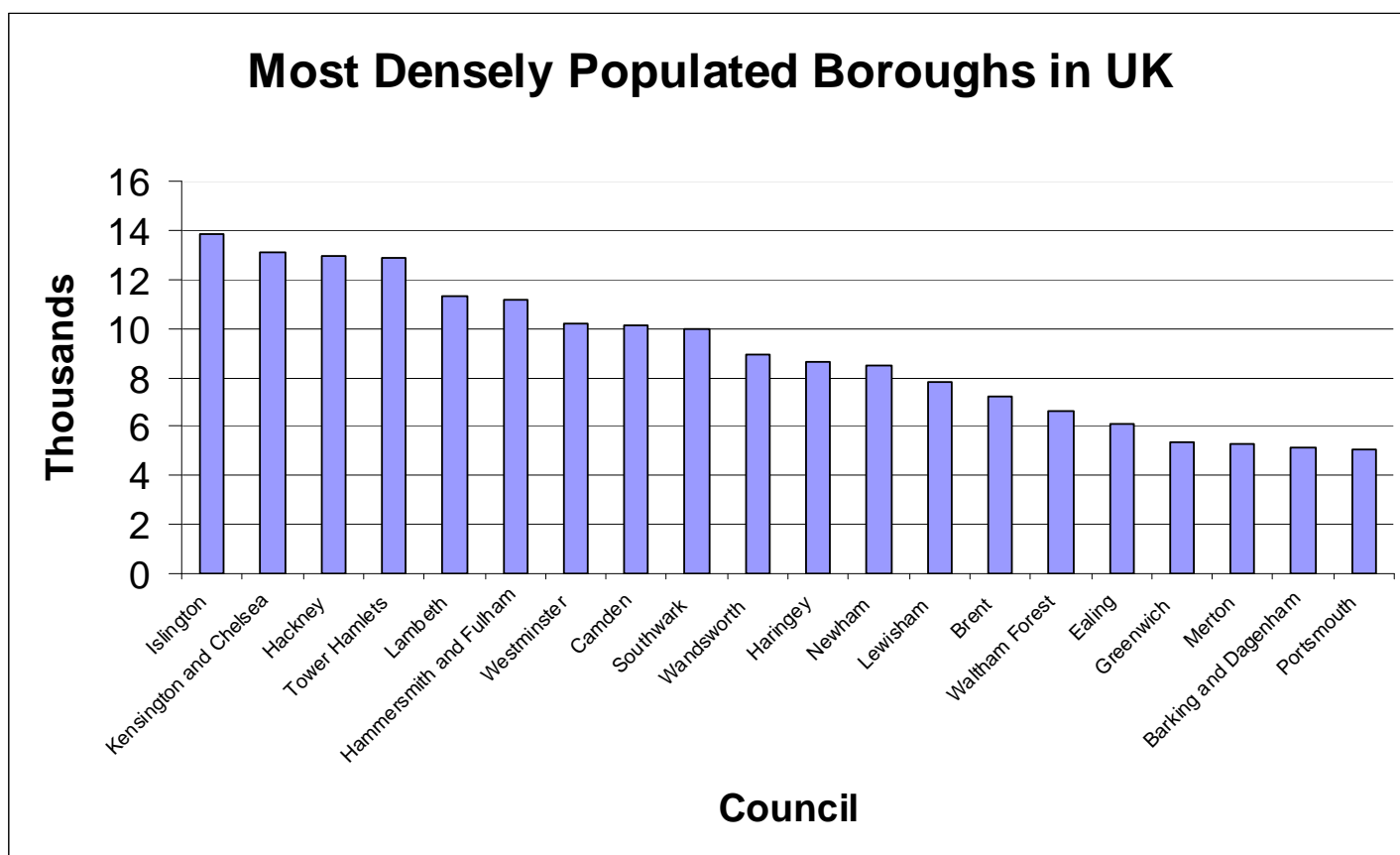
DEMOGRAPHIC AND ECONOMIC CONTEXT

Demography and Household Types

Density

15. Population density has implications for meeting need through the availability of sites for development. Wandsworth’s density is higher than the London³ average with the Borough being the tenth most densely populated area in the country, according to the Census 2011, with 8,959 residents per kilometre square, as shown in Graph 1 which follows.

Graph 1: Population Density



Source: ONS, Census 2011

Population

16. The current population of the Borough is 307,000 (Census 2011). When short term residents identified in the Census 2011(2,800) are taken into account this is in line with that indicated by GLA projections (309,789)

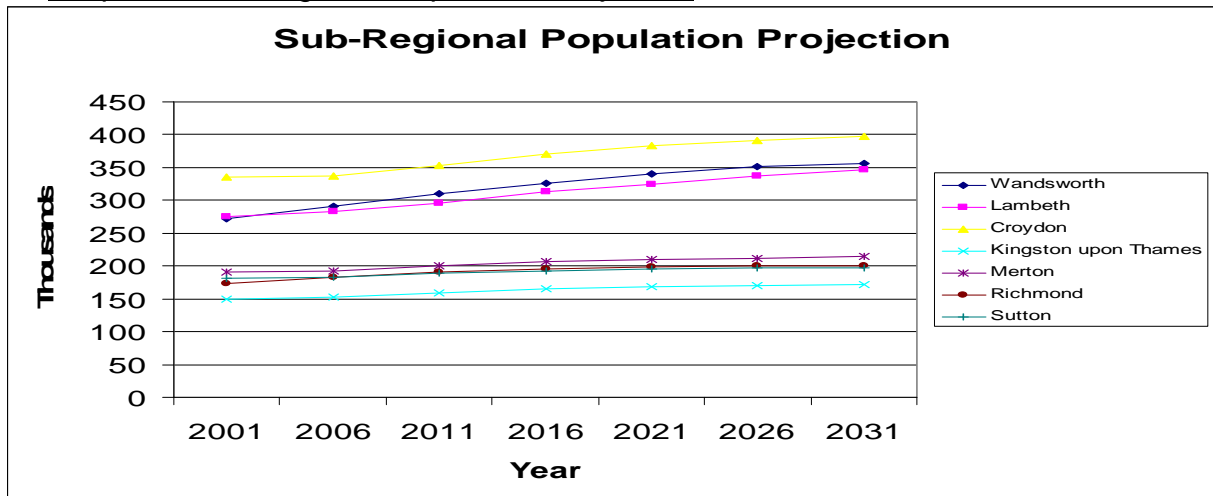
17. Wandsworth, as with Croydon and Lambeth, is projected to have higher levels of population growth than the other boroughs within the sub-region. Wandsworth’s projected population is estimated to reach 355,882 by 2031, based on housing

³ See Data Appendix: Demography and Household Type Figure 1 England and Wales Density Map

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capacity information at 31st March 2012 with constrained delivery timescales (15.9 per cent increase on Census 2011 figures).

Graph 2: Sub Regional Population Projection



Source: GLA 2012 Round Demographic Projections © Greater London Authority 2012

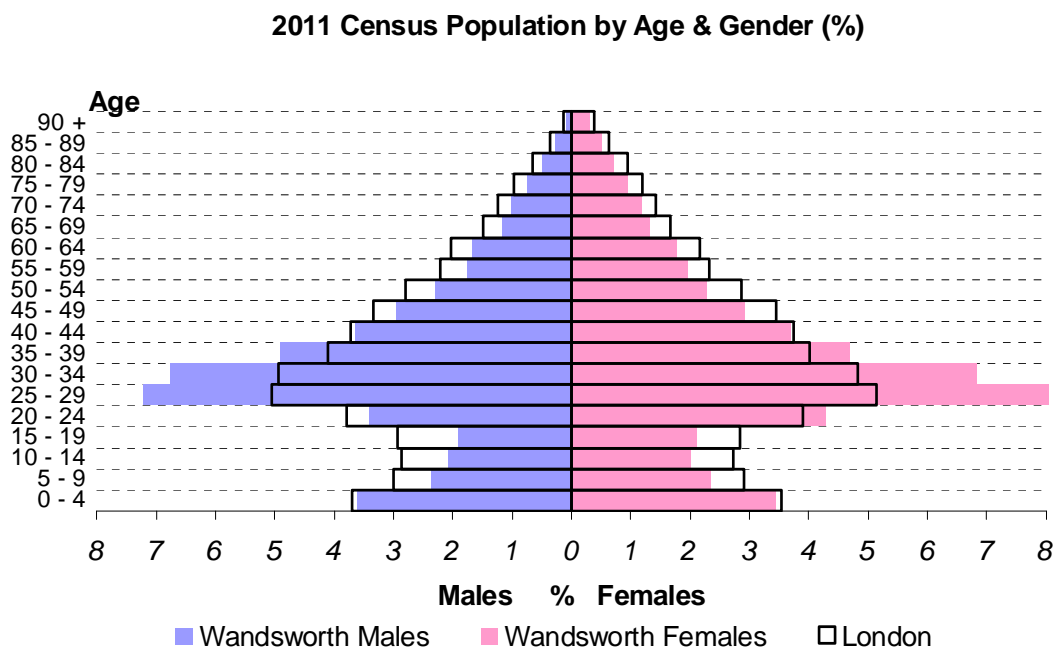
18. Further confirmation of the scale of Wandsworth's projected population is evidenced by the results produced by a toolkit published by the Local Housing Requirement Assessment Working Group⁴. At the time of publication the Group had begun the process of putting together an Implementation Toolkit for Local Authorities to use in their evidence bases. The first Excel tool to be published in draft form 'What Households Where?' was designed to aid practitioners assessing how many homes were needed in their areas. The toolkit pulls together a range of Office for National Statistics (ONS) and DCLG statistics and projections to show how local authorities have changed over the last 20 years and the drivers of change and projected change over 20 years if recent trends were to continue.
19. The Toolkit uses ONS and DCLG data which has known limitations, but nevertheless provides a range of nationally comparable data which can be used alongside local and regional data sources such as the GLA demographic projection series and SHLAA to assess housing need. The Toolkit relies on statistics which are somewhat out of date (DCLG 2008-based household projections), particularly in terms of trend data fed into the models as some of the estimates and projections do not incorporate recent data covering the economic downturn or incorporate population change and trends identified in the 2011 Census. The DCLG projections are trend based and therefore take no account of dwelling completions, either as a constraint to or driver of population change. The Toolkit projects an annual net increase in the number of households of 973 over the 25 years to 2033, broadly comparable with the 2011 GLA Projection (1,196 per annum) and the London Plan housing target (1,145 per annum).

Age and Gender Profile

⁴ The Local Housing Requirement Assessment Working Group⁴ is an informal group of professional and representative bodies with an interest in planning for housing in England and was set up in 2011

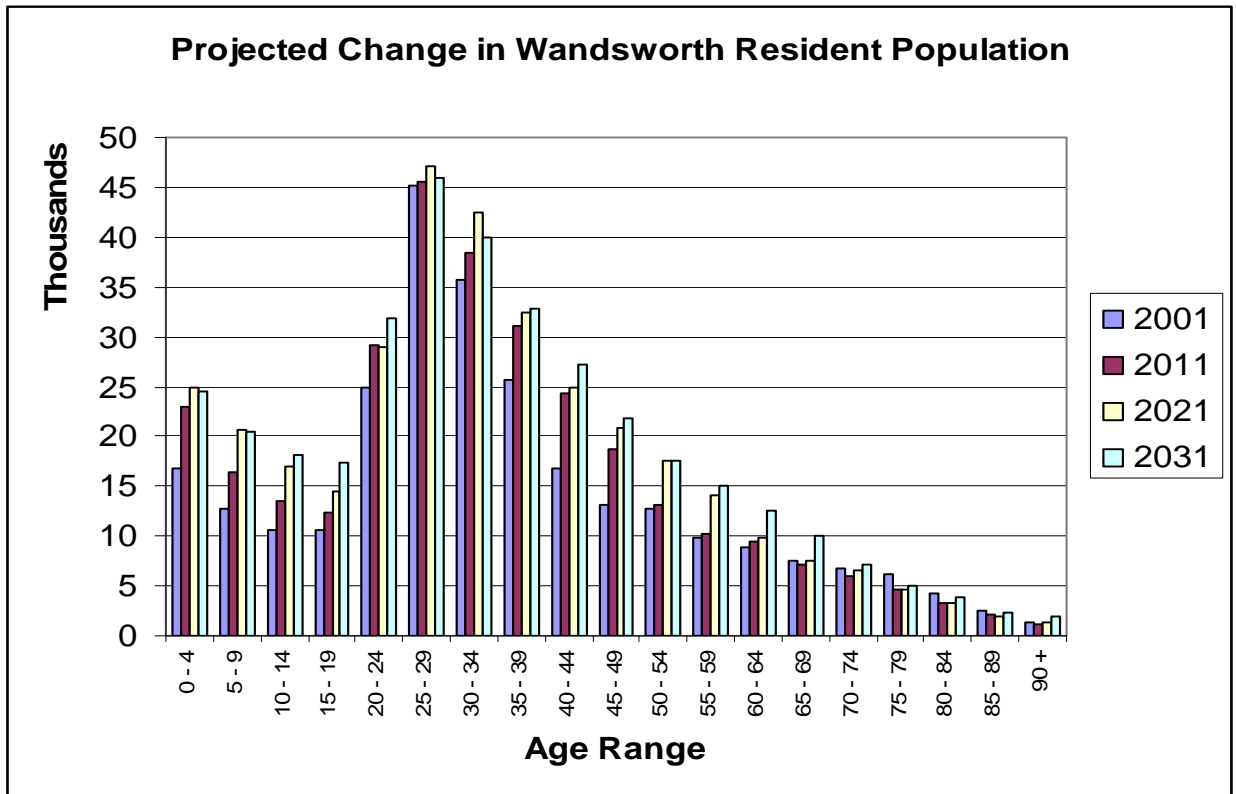
20. The age profile of the borough is skewed with the projections showing 47 per cent of the population within the 20 – 39 year old age groups in 2011, (46.4 per cent for the Census 2011). The Census 2011 data also shows that Wandsworth retains the highest proportion of 25-39 year olds of any local authority nationally, 39 per cent compared with 28 per cent in London and 20 per cent in England and Wales overall.

Graph 3: 2011 Census Population by Age and Gender



Source: ONS, Census 2011

21. In every age group there is an increase in population between 2011 and 2031. There are also significant projected increases in the number of children in the borough. With the pattern of a large number of young adults living in Wandsworth it is projected that these young households will establish families. The percentage of the population falling within the 20 – 39 year old age groups will continue to represent the largest number of people over the next 20 years with the expectation that this group is likely to be made up largely of young professionals. Whilst it is reasonable to assume that some younger households will establish themselves in the Borough this will clearly be dependent on the supply of family and possibly more permanent forms of housing being available to meet this demand. It is just as likely that such households will migrate to other areas of London to meet their housing requirements with the Borough continuing to retain its current demographic profile particularly if there is not significant mobility out of second hand market family housing. Effectively this particular trend may have little impact on the demand for market housing that is particularly focused on meeting the particular needs of single and couple households.

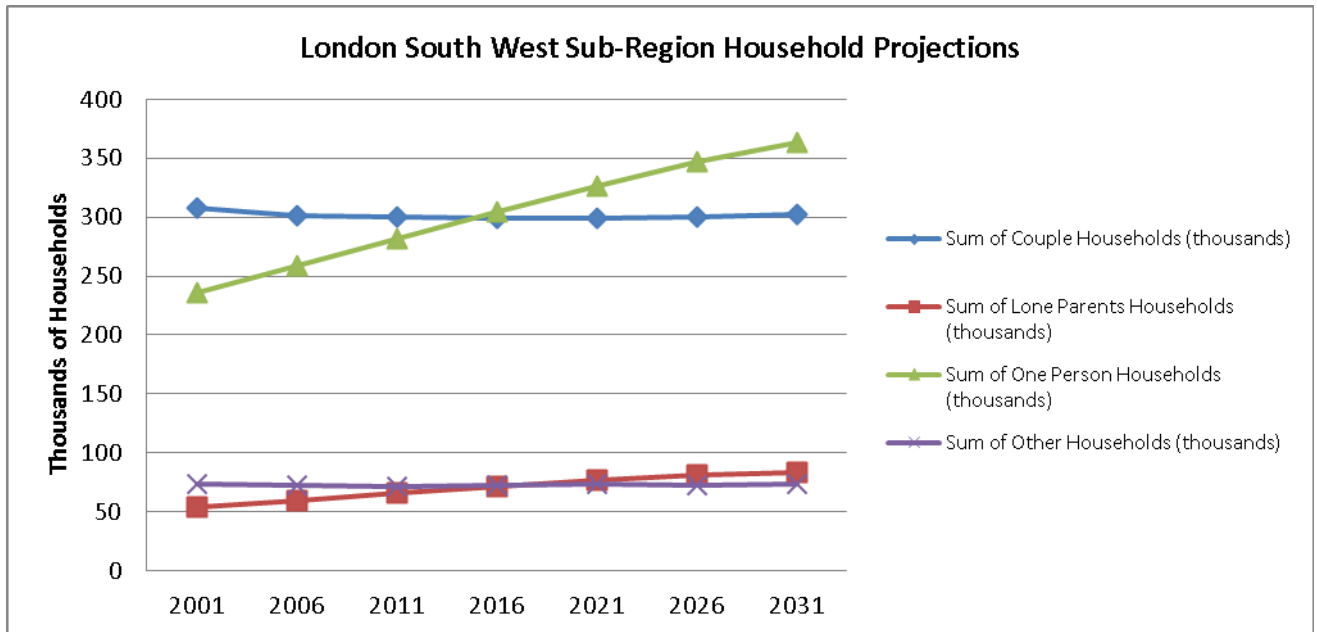


Source: GLA, 2011 Round of Demographic Projections – BPO, © Greater London Authority 2012.

Household Type Projections

22. Overall the London South West Sub-Region is projected to see a large increase in one person households from 235,754 in 2001 to 362,936 in 2031. There is also a slight increase in lone parent households, 54,409 in 2001 and 83,504 in 2031. However, the sub region overall will see reductions in couple households, 307,411 in 2001 to 302,393 in 2031, and other households 73,103 in 2001 and 73,218 in 2031. Total household numbers in the London South West Sub-Region are projected to increase over this period from 670,665 in 2001 to 822,049 in 2031. However, individual boroughs within the sub-region are projected to experience different levels of increase or reduction. For example, Richmond upon Thames is projected to see a reduction in couple and other households while Wandsworth is projected to have an increase in all types of households although at different rates.

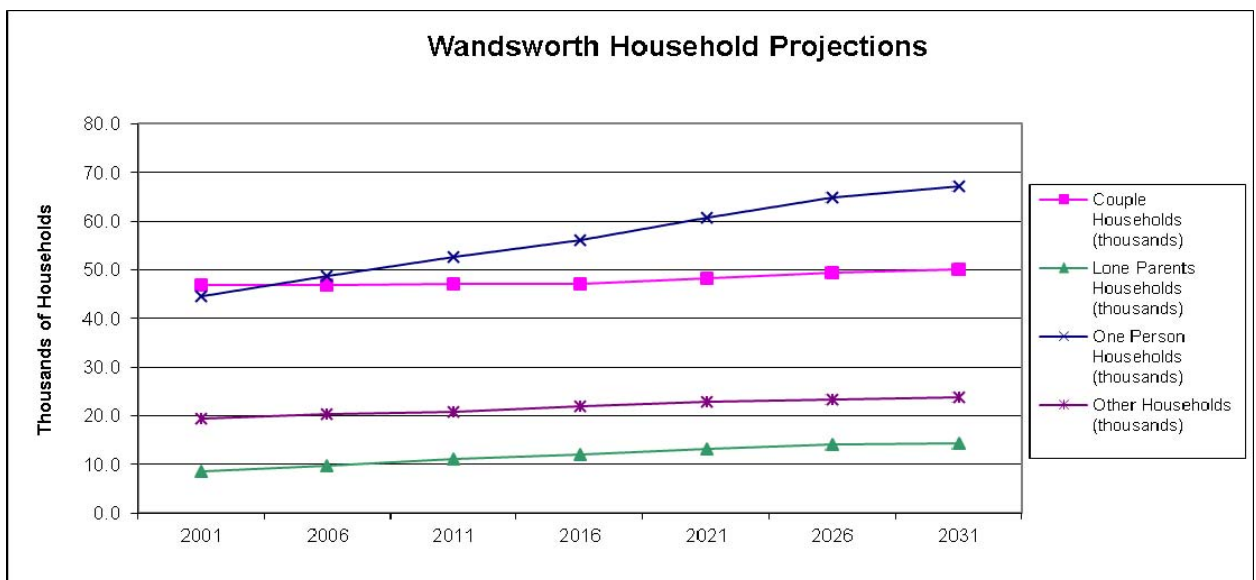
Graph 5: Projected Change in Household Types South West London Region



Source: © GLA 2011 Round Demographic Projections, SHLAA

23. As the following graph shows Wandsworth is projected to experience increases in every type of household between 2001 and 2031. However, as with the London South West Sub-Region one person households are projected to increase by the largest margin over this period from 44,471 in 2001 to 67,059 in 2031. All other household types are projected to increase in numbers but at a much steadier rate with overall household numbers rising from 119,394 in 2001 to 155,496 in 2031. All this demonstrates the need to ensure the right type of housing is built to meet the specific demands for housing within Wandsworth.

Graph 6: Projected Change in Household Types Wandsworth



Source: © GLA 2011 Round Demographic Projections, SHLAA

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Ethnic Group Profile⁵ and Projected Changes⁶

24. In terms of Census 2011 figures the Borough population profile is as follows (change from Census 2001 figures in brackets):

- White; 71.4 per cent (reduction of 6.5 per cent from 78 per cent) which includes 163 (0.07 per cent) Gypsy or Irish Travellers (new category, no previous figures as question not asked in Census 2001). The White population is 59.8 per cent in London and 85.9 per cent nationally⁷.
- Asian/Asian British (now includes Chinese); 10.9 per cent (increase of 3.1 per cent from 7.8 per cent). London average 18.4 per cent; national average, 7.5 per cent.
- Black/ African/Caribbean/Black British 10.6 per cent (increase of one per cent from 9.6 per cent). London average, 13.3 per cent, national average 3.4 per cent.
- Mixed/multiple ethnic group; five per cent (increase of 1.6 per cent from 3.4 per cent). Proportions comparable with London averages of five per cent but more than the national average of 2.2 per cent.
- Other ethnic group 2.1 per cent (increase of 0.8 per cent from 1.3 per cent). London average 3.4 per cent, national average one per cent.

25. The overall proportion of non-white population in Wandsworth is projected to remain constant at 22 per cent between the years 2011 – 2021 and 2021 – 2031. In 2031 it is projected that the non-white population will increase by 11,405. Each ethnic group is set to increase except Black Caribbean whose projected population is set to fall by 913 between 2011 – 2031 with a nine per cent decrease.

Ward Population

26. The projected population growth is not evenly distributed throughout the Borough with some wards within Wandsworth experiencing much higher increases in population over the next 20 years. Between 2011 – 2021 every ward in Wandsworth is projected to experience growth but between 2021 – 2031 some wards will actually experience a decrease in population albeit very small (less than one per cent).

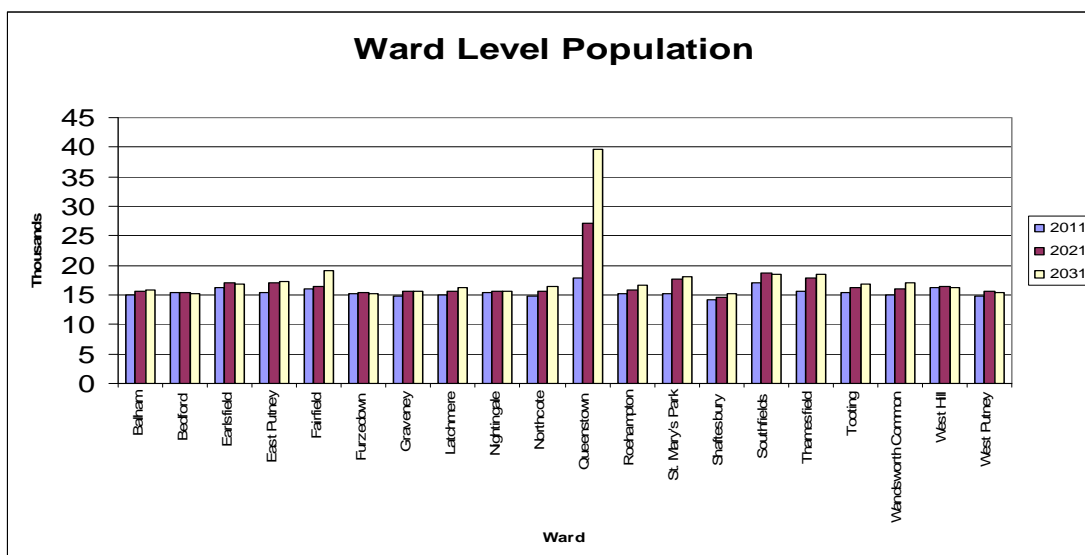
27. Queenstown is projected to experience by far the largest increase in population with 34 per cent increase in population between 2011 – 2021 and a further 32 per cent increase in population between 2021 – 2031 representing a 55 per cent increase during the period 2011 – 2031. St Mary's Park is projected to have a population increase of 17 per cent between 2011 – 2031 with Fairfield experiencing a 16 per cent increase in population during the same period. The significant increase in Queenstown is largely down to the regeneration schemes and the significant levels of residential development anticipated in the Nine Elms Vauxhall Opportunity Area (NEVOA) over the next twenty years.

⁵ Census 2011 comparison with Census 2001 Table KS0006 Ethnic Group

⁶ See Data Appendix: Demography, Ethnic Group Population Graph 1 GLA, 2011 Round of Demographic Projections – BPO, © Greater London Authority 2012.

⁷ Nationally means England and Wales.

Graph 7: Ward Level Population

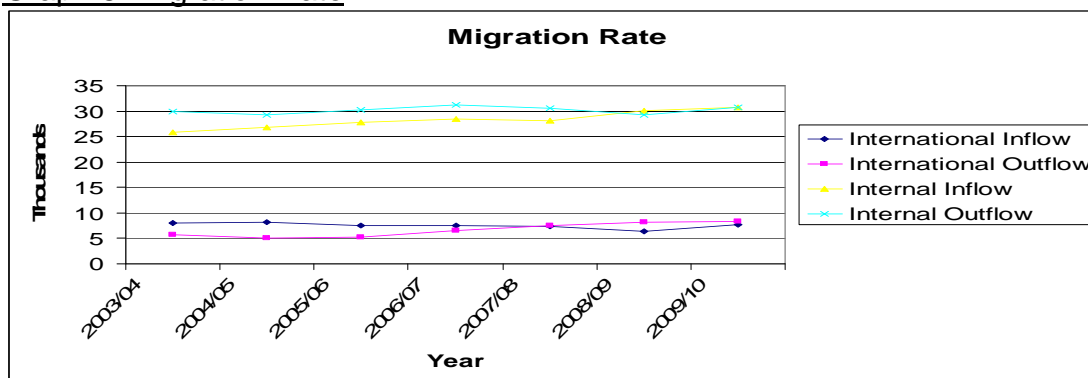


Source: GLA 2011 Round of Demographic Projections © Greater London Authority 2012

Migration

28. The London region has experienced “the largest turnover of internal migrants in England and Wales with 201,600 estimated moves into the region and 242,000 estimated moves out of the region”⁸ for year-end June 2011. At the year-end June 2011 Wandsworth had the fourth largest internal migration inflow for all local authorities in England and Wales and the highest in London at 29,901. However, Wandsworth also had the fourth highest internal outflow migration for the same period and highest in London with 30,161. As the following graph below shows international inflow rates were higher than outflow rates from 2003/04 but the gap has closed and now outflow rates are slightly higher.

Graph 8: Migration Rate



Source: ONS, August 2012, Migration Indicators Tool

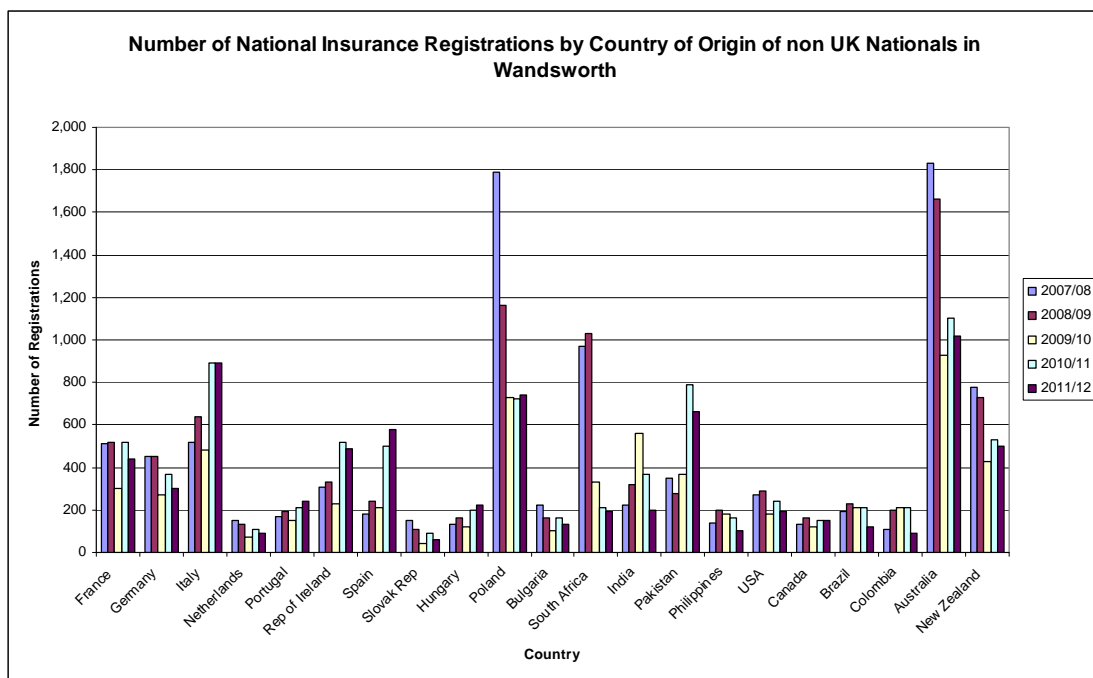
29. Migration does not have a significant impact on the overall population numbers in Wandsworth but the high level of migration, both inflow and outflow, is significant when considered within the context of the age profile and provides a picture of a young and transient population.

⁸ 2012, ONS, Internal Migration by Local Authorities in England and Wales, Year Ending June 2011, p4.

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30. Limited information regarding the make up of the migrant population of Wandsworth available through the Register of Electors⁹ indicates that the Irish were the second largest population group on the Register of Electors, behind British, this was followed by Polish who, until 2012 had shown an increase every year from 2004 until 2012 which suggests some “levelling off” followed by a slight decrease.
31. The Department for Work and Pensions (DWP) National Insurance Recording System captures the most recently recorded address of National Insurance number recipients with the country of birth of non-UK nationals. The graph following shows the country of birth for the highest number of those registered for the last five years.

Graph 9: National Insurance Registrations



Source: DWP, August 2012, National Insurance Recording and Pay As You Earn System

32. The number¹⁰ of Polish and Australians was very high in 2005/06 through to 2007/08 but this decreased dramatically from 2008/09 onwards. In addition, South Africans represented the third highest group between 2005/06 to 2008/09 but dropped to 12th in 2011/12 to 190. Also of significance is the increase of those registered whose country of origin is an EU country experiencing major economic downturn such as Greece, Italy and Spain, all of who have the highest number of residents registered since 2002/03. The changing demographics of migration reflect the economic changes in specific countries and demonstrate the impacts of globalisation, with free movement on peoples, on local economies and housing markets.

⁹ The way the information has been captured on the Register of Electors has changed over the years. In 2010 all nationalities were shown where previously only those from European countries were published. Then in 2011 everyone who had not stated otherwise was recorded as British. See Data Appendix: Demography Migration Graph 2 Electoral Register Country of Origin

¹⁰ See Data Appendix: Demography, Migration Graph 3 DWP, August 2012, National Insurance Recording and Pay As You Earn System

Conclusion

33. The current profile of households and migration patterns would indicate a significant demand for smaller sized accommodation to meet immediate housing needs of what is a fairly transient population. It would follow that more flexible forms of tenure, such as private rented, are likely to be more popular.
34. Whilst this demand is a significant factor and consideration, particularly in the context of helping to meet London's housing demands, the projected increases in the number of children would indicate the need to balance demand for smaller accommodation with the demand for family sized housing. Whether such demands can be met through new development market housing may be challenging, given high land and property prices which tend towards the development of smaller units. Such housing pressures are more than likely being met in large part through the second hand market or indeed through households moving to cheaper areas of London given the permeability of London housing markets. The current profile indicating a largely professional make up of population would also indicate a significant demand for market housing which is positive in terms of maintaining development and can be expected to be a fillip to the local economy. There may also be a demand for larger intermediate forms of housing if the market (new and second hand) does not respond to a predicted growing demand for family housing. For Wandsworth the main policy consideration in this respect is the extent to which its policies respond to this demand particularly in providing affordable housing options for middle-income family households with incomes ranging from £38,000 to £74,000.

NATIONAL AND REGIONAL ECONOMIC POLICY

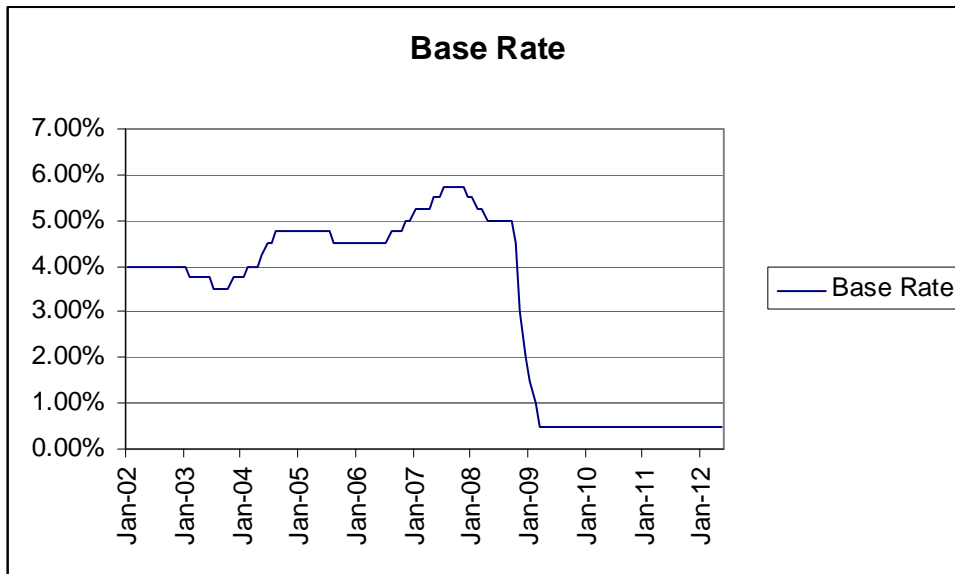
Interest Rates

35. The impact of the base rate on the housing market is significant. If the base rate goes up mortgage rates increase affecting both current homeowners and those seeking to borrow. Since March 2009 the base rate has been at 0.5 per cent and this is predicted to remain at or below this rate until at least April 2014¹¹. The following graph demonstrates the base rate over the last ten years.

¹¹ Thisismoney.com, 2012, Interest rates predictions: MPC minutes spur market to edge forward predictions of a rate rise (accessed November 2012).

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Graph 10: Base Rate

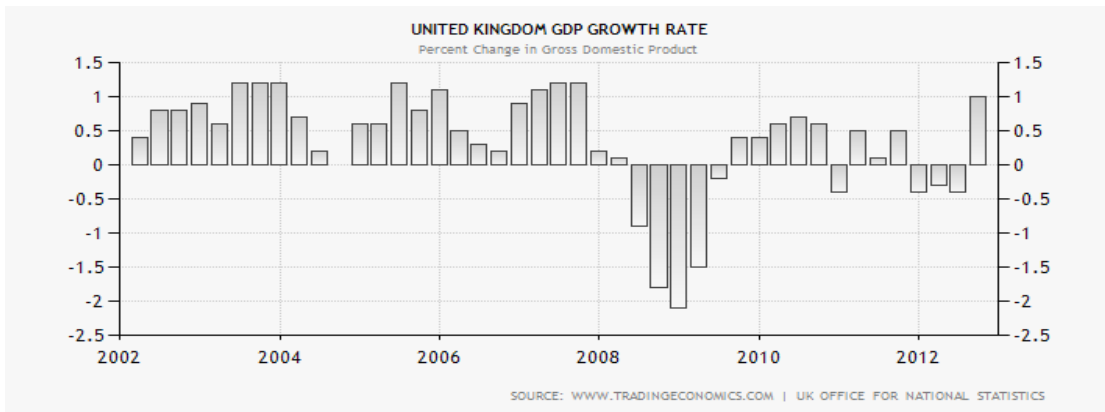


Source; Bank of England, 2012, website accessed November 2012

36. The record low base rate has made mortgage repayments more affordable. In August 2012 mortgage repayments represented just over a quarter of take-home pay for homeowners, the lowest since 1997¹². Despite this mortgage approvals were at a 15 year low which suggests that although owning a home is more affordable than it has been for 15 years, in terms of the monthly repayments, accessing this tenure is proving much harder. In London low interest rates therefore help those who have the ability to access the property owning market with high incomes and/or savings but hit those who do not have a deposit or access to substantial funds. First time buyers are finding it harder to save not only because of the low interest rates but because many incomes are not rising and, in real terms, a decrease in disposable income is being experienced relative to inflation.
37. Economic growth contracted in 2008 through 2009, picked up slightly in 2010 and reduced again in 2012. As the graph following shows the economic crisis in 2008/09 and the credit crunch hit economic growth from which the economy is still recovering.

¹² BBC Business, 2012, Mortgage affordability 'improving for new borrowers', August 2012, accessed November 2012.

Graph 11: UK GDP Growth Rate



38. Since the financial crisis the recovery has seen short bursts of growth and contraction which the Bank of England has called a 'zigzag' path to recovery. It also states that despite the growth during the third quarter of 2012/13 "output growth is likely to fall back sharply in Q4"¹³.
39. The Bank of England predicts "that the economy is likely to see a sustained, but slow, recovery over the next three years"¹⁴. Home ownership makes up over two thirds of the tenure in England and as such house prices, sales, remortgages and overall confidence in the economy are integrated with any growth or decline in the housing market. The Wandsworth housing tenure split and home ownership market are dealt with in paragraphs 78 to 80 and 128 to 171 of this document.
40. Despite the continued increase in property prices in Wandsworth the sale volume is still well below the pre-downturn level in 2008/09 and across the country property prices remain stagnant which continues to affect the economy and growth. However, low sales volumes have not affected sale prices that have continued to rise in Wandsworth partly down to overseas investors buying in the Borough and strong local demand for housing. Local property prices have not then adjusted following the economic downturn with open market home ownership remaining out of the reach of many people on low to middle incomes. This has a knock on effect on the private rented sector where rents remain high because of the increased demand from those not accessing home ownership. Mobility in the housing market and between tenures is therefore reduced creating added pressure on low cost housing. The Wandsworth rental market is dealt with in paragraphs 172 to 190 of this document.

Conclusion

41. In respect to mortgage availability the Government's NewBuy mortgage guarantee scheme is beginning to have a positive effect in terms of stimulating and enabling purchase on terms that for first time buyers are more realisable. However, generally the continued reluctance of the lending sector to lend to first time buyers on more reasonable terms is a significant issue in terms of mobility between sectors and particularly from the private rented sector into homeownership. If mobility between sectors is not sustained or enabled pressures will inevitably build up and as prices rise those on lower incomes or

¹³ Bank of England, 2012, Inflation Report Press Conference, 14th November 2012 Opening Remarks by the Governor, p1.

¹⁴ Bank of England, 2012, Inflation Report, p7.

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reliant on benefits will be priced out of both home ownership and the private rented sector (PRS). This is a significant issue given the continuing importance of the private rented sector in meeting a broad range of housing needs in Wandsworth including those needs where the Council has a responsibility to assist households with their housing.

42. However, positive impacts on meeting housing demand could be achieved by increasing moves out of the PRS into homeownership and/or increasing the sector and in turn seeking to enable a greater range of options to be made available, particularly for those on middle incomes looking for more secure forms of private renting. However, the demand and supply factors involved here are complex given the permeability of housing markets in London.

Employment Levels and Structures

Overview

43. Wandsworth's local economy and development is focused around the designated five town centres (Balham, Clapham Junction, Putney, Tooting, Wandsworth) each of which has a Town Centre Manager, nine local centres, the Roehampton Regeneration Area, the riverside development areas and the Vauxhall Nine Elms Opportunity Area.
44. Changes in the London economy have affected and continue to affect the nature, location and size of employment in Wandsworth, with a decline in traditional industry and growth in logistics, business /professional services and the creative industries. There is a significant concentration of logistic and industrial activity in east Battersea and Nine Elms, the Wandle Valley and in the town centres, though much less than thirty years ago.
45. The local economy is diverse and has a thriving and creative business community. The Council encourages investment and high productivity, world-class investment and sustainable growth. The Borough has relatively high business formation rates, relatively high employment and many well qualified, skilled residents. This has contributed to a resilient economy that continues to out perform other area's post-recession. Vacancy rates are amongst the lowest in London. There is a thriving and creative small business economy. The US Embassy and the Royal College of Art have decided to locate and invest and the Nine Elms area is attracting considerable investment interest. The New Covent Garden Market, on a 57 acre site, has now secured a commercial partner for its redevelopment plans and the purchase of the Battersea Power Station site by a Malaysian consortium will see the development of this site and the Northern Line Extension now being taken forward in 2013 and beyond. This range of economic activity and development makes Wandsworth one of the most prosperous London boroughs and sustaining, encouraging and enabling this growth is a key factor in terms of public finance and economic and social well being.

Business and industry¹⁵

¹⁵ Wandsworth Core Strategy Adopted Version (Oct 2010):
http://www.wandsworth.gov.uk/downloads/file/3674/core_strategy_adopted_version_october_2010

46. The structure of business has changed radically over the last thirty years. Utilities and heavy industry have largely left the Wandsworth Thames riverside. Residential development is leading the regeneration of these brownfield sites and opening up the riverside. In recent years high-rise mixed use developments have become increasingly a feature of the Thames riverside in areas previously occupied by heavy industry and public utilities.
47. Wandsworth is largely a small-firm economy with 90 per cent of firms employing fewer than ten people; it is both thriving and successful with professional and technical service firms a key strength. This activity is associated with the town centres and new developments on the Thames riverside as well as the industrial areas, but there is a shortage of premises suitable for small, growing and start-up businesses in locations well served by public transport. Significant employers include the health (e.g. St George's Hospital) and education (e.g. Roehampton University) sectors.

General Economic Strength

48. In 1997 Wandsworth ranked 30th in the UK in terms of locality competitiveness¹⁶. Since then the Borough has shown a relatively steady improvement and has remained in the top twenty five localities since 2002. The 2010 Index indicates that Wandsworth is the eighth most competitive location in the UK a position unchanged since 2009.

Business and Retail Activity

49. Business start ups^{17 18} in Wandsworth have varied over time with a decline between 2004 (2,630) and 2006 (1,995), followed by a recovery in 2007(2,550) and 2008 (2,570), with a further decline in 2009 (2,000) being followed by steady increase in 2010 and 2011(2,530). Business closures showed a steady reduction until 2007 (1,590), peaked in 2009 (2,270) but have again reduced in the intervening years (2011: 1,585). Business activity has shown a steady increase (16.6 per cent) over the same time period (2004: 13,255; 2011: 15,455).
50. The total number of retail units in all the Borough's Town Centres is 1,463¹⁹, an increase of 23 units on the previous year 1,440 (2010) with the majority of this increase attributed to an increase in the take up of market stalls at Tooting Market and Broadway Market. The Local Plan performance targets state that the overall vacancy rate for premises in town centres should not exceed ten per cent. The overall vacancy level was eight per cent in 2012. The vacancy rate in Wandsworth Town Centre was by far the highest and reflects the on-going refurbishment of Southside shopping centre. Current and planned private sector investment in Wandsworth Town and Nine Elms represent good prospects for the future but trading conditions in the short term are likely to be challenging for many of the Borough's traders.

¹⁶Huggins Index: <http://www3.uwic.ac.uk/English/News/Documents/UK-Competitiveness-Index-UWIC-2010.pdf>

¹⁷ See Data Appendix: Wandsworth Economy, Business Appendix: Table 1 Enterprise Births, Deaths and Survivals 2004-2011

¹⁸ See Data Appendix: Wandsworth Economy, Business and Retail Activity; Graph 4 Business Start Ups and Closures

¹⁹ See Data Appendix: Wandsworth Economy, Business and Retail Activity, Table 2 Town Centre Vacancy Rates

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51. Despite the evidence of resilience of the local Borough economy prospects for growth and consumer spending in 2012/13 remain uncertain. In the longer term however the Council's Retail and Town Centre Needs Assessment (RTCNA) (update 2012)²⁰ identifies significant capacity for retail growth in the town centres and the NEVOA which is reflected in the major development schemes either approved or in the pipeline. The smaller and more peripheral parades may experience difficulties but the RTCNA identifies these as having capacity to absorb some of the projected growth.

Employment

Working Age Population²¹

52. Wandsworth's proportion of working age population (74.4 per cent) is in line with that of 2001. It is the fourth highest of the London boroughs (was third in 2001) and is higher than that of London (69.0 per cent) and England (64.7 per cent).

Employment Rate²²

53. Wandsworth has the highest overall employment rate in Inner London with 75.7 per cent of the working age population aged 16-64 in employment; this is higher than that of London (68.1 per cent) as a whole and England (70.4 per cent).

Employment by Sector and Occupation

54. In terms of the Census 2011²³ the four largest employment sectors in the Borough were Property, Professional Scientific and Technical activities and Admin and Support service activities (25 per cent) (London: 18.8 per cent); Transport and Storage and information and communication (12.1 per cent) (London: 11.9 per cent) and Financial and Insurance activities (10.8 per cent) (London: 7.7 per cent) and Wholesale and Retail trade, repair of motor vehicles and motor cycles (10.2 per cent) (London: 13.1 per cent).

55. Census 2011 results²⁴ indicate an increase in the proportion of residents employed in professional occupations (from 19.3 per cent (2001) to 29 per cent) with smaller increases in skilled trades occupations (4.7 per cent to 5.2 per cent), caring leisure and other service occupations (4.9 per cent to 6.1 per cent) and sales and customers service occupations (4.8 per cent to 5.1 per cent). Almost two thirds of those in employment are employed at levels 1 (managers, directors and senior officials), 2 (professional occupations) and 3 (associate professional and technical occupations) (65.3 per cent); a proportion which is higher than that of London (50.4 per cent) and England (41.2 per cent).

²⁰ Retail and Town Centre Needs Assessment (update 2012):

http://www.wandsworth.gov.uk/info/1022/planning_service_and_performance/730/retail_needs_assessment

²¹ See Data Appendix Employment : Tables 3A Working Age Population 2001 and 3B Working Age Population 2011

²² See Data Appendix Employment Table 4 Employment Rates

²³ See Data Appendix: Table 5 Total Employees by Broad Industrial Grouping: Wandsworth and London (Census 2001 and 2011))

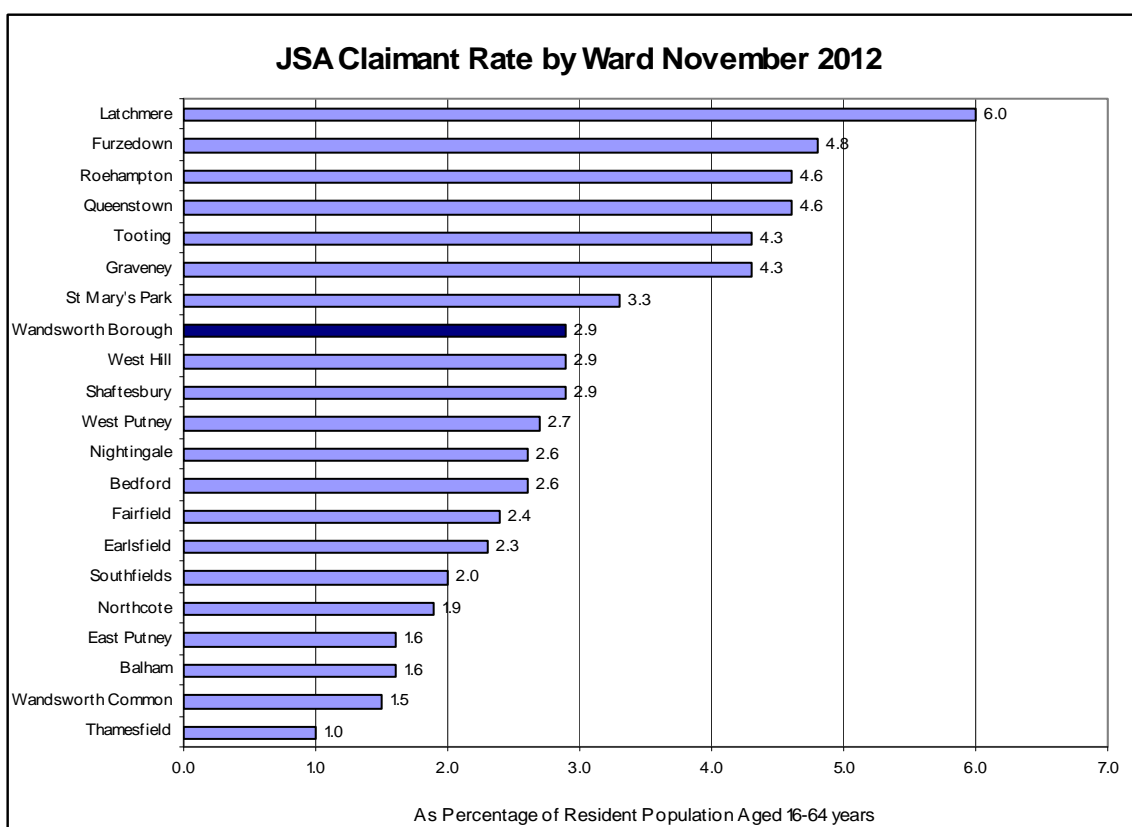
²⁴ See Data Appendix :Table 6A Occupation: Wandsworth, London and England and Table 6B Socio Economic Position based on Occupation

Unemployment Levels

56. Wandsworth’s unemployment levels showed a steady decrease between 2002 to 2008 to below both London and England levels. In June 2008 JSA claimant numbers were 3,747 (1.8 per cent) but rose to 6,373 (3.0 per cent) by June 2009. Latest figures as at November 2012 indicate a level of 6,326 (2.9 per cent). Despite showing an increase in 2009 Wandsworth’s claimant rate (2.9 per cent, on the latest available figures) is the seventh lowest in London²⁵, is below that of both London (4.1 per cent) and England (3.7 per cent) and has remained steady over the last three years.

57. Latest ward based information (November 2012) indicates that those wards with a JSA rate higher than the Borough wide figure are concentrated in the north east of the Borough where there are also higher levels of social housing (Latchmere (47.0 per cent²⁶ social housing), Queenstown (30.7 per cent social housing) and St Mary’s Park (21.8 per cent social housing)); the south of the Borough (Tooting (18.0 per cent), Graveney (17.8 per cent) and Furzedown (16.8 per cent social housing)); and in the west/south west of the Borough (Roehampton (46.0 per cent social housing)). The highest rate (Latchmere) is around six times greater than the lowest rate (Thamesfield (7.5 per cent social housing)).

Graph 12: JSA Rate by Ward



Source: Nomis

Skills and Education

²⁵ See Data Appendix: Employment Table 7: JSA Claimant Rate

²⁶ Figures in brackets refer to proportion of social housing based on Census 2011

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58. Wandsworth has a well educated resident population (aged between 16 years and 74 years). It has the second highest proportion of population with level four qualifications²⁷ (53.6 per cent) after the City of London, is well above the London average (37.7 per cent) and has almost twice the proportion of the England average (27.4 per cent). It also has the fourth lowest proportion of the population with no qualifications (11.6per cent); well below the London average (17.6per cent) and almost half of that of the England average (22.5 per cent).
59. Wandsworth Census 2011 figures have shown an improvement on the Census 2001 figures with an increase in the proportion of the population with level four qualifications (up from 47.3per cent in Census 2001) and a decrease in the proportion of the population with no qualifications (down from 16.3per cent Census 2001)

Travel to Work

60. The Census 2001 data identifies 40,580 (28.7 per cent) people who both live and work in Wandsworth with 66.3 per cent of people living in the Borough travelling to other London boroughs for employment. Of those travelling to work elsewhere in London 26.1 per cent work in Westminster and 14.9 per cent in the City of London. Those travelling into Wandsworth to work are mainly coming into the Borough from Merton (17.8 per cent) and Lambeth (17.0 per cent), Croydon (9.0 per cent) and Sutton (6.8 per cent).

Conclusion

61. A key strategic priority for the Council is to maintain and improve the Borough as a location where businesses wish to remain and relocate to. Regeneration, including in the NEVOA, and identification of business and retail areas in planning policy will help to secure this objective. The provision and retention of business and retail accommodation, including business start up units, will affect the overall quantum of new housing developed due to competition between different uses particularly where protection is in place for business/retail space in buildings within business development districts. This may happen as existing business space is retained albeit reconfigured to meet changing business needs. This in turn may have an impact on the quantum of affordable housing that can be delivered given the impact on financial viabilities of retaining commercial space particularly where business start up units are provided and/or the yields from commercial space are less than for residential uses.
62. In relation to retaining and encouraging business development local housing solutions can help. In simple terms retaining key workers can not only improve and maintain standards of public services but also help retain and encourage relocation of private sector businesses through the availability of local labour and services. The benefit for the Council of securing business growth is direct in that it will increase business rates. There is also an environmental dimension to this in terms of looking to reduce travel time for those commuting to work. The business sector is changing in the Borough as is the profile of those coming to live in the borough and work elsewhere in London and it would be reasonable to expect the housing market to respond to these demands. Impacts from changes to shopping habits (for example on line shopping) and working patterns (such as

²⁷ See Data Appendix: Qualifications Table 8: Census 2011
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flexible working) which includes working from home for part or all of the working week whilst identified are as yet unquantified in terms of the local economy.

63. For the health of the local economy and to sustain economic activity and growth the Council must consider how to respond to the housing demands of this changing population not just for the benefit that this will provide to the Borough but in terms of the general economic health and well being of London. This suggests the consideration of the following in housing policy terms:

- Market and low cost housing (including affordable housing) options that are attractive to and meet the needs of the range of higher skilled and professional occupations that are likely to characterise the local and wider London economy.
- Consideration of public sector key worker needs.
- Provision of low cost rented and homeownership options for those working in service, retail and entertainment.

64. Whilst unemployment levels are low in Wandsworth there are concentrations of higher unemployment in the Borough which broadly relate to higher concentrations of social housing. This suggests the consideration of the following in housing policy terms:

- Consideration of the mix and balance of housing delivered in these areas and opportunities arising in terms of estate and area regenerations (e.g. St John's Hill Estate (Peabody Housing Association), Clapham Junction, Winstanley and York Road Estates, Clapham Junction/Battersea, and the Alton Estate, Roehampton). The emphasis could potentially see preference given to the development of intermediate tenures and market housing whilst maintaining the existing social housing sector.
- Review of allocation policies and consideration of housing into work initiatives.
- The importance of linking new development to apprenticeship and training schemes and local labour initiatives in order to maximise the Borough's investment potential.

INCOME AND EARNINGS

Income and Earnings

65. The Borough's mean, median and lower quartile incomes are higher than London incomes in each geographical group and higher at each level than Great Britain as a whole. Wandsworth has the 3rd highest median²⁸ and lower quartile²⁹ incomes across the London Boroughs.

| <u>Table 1: Mean, Median and Lower Quartile Incomes</u> | | | |
|---------------------------------------------------------|--------------------|----------------------|------------------------------|
| | Mean Income | Median Income | Lower Quartile Income |
| Wandsworth | £47,709 | £39,813 | £21,191 |
| Inner London | £40,546 | £32,949 | £16,670 |
| Outer London | £40,880 | £33,531 | £17,320 |
| London | £40,742 | £33,294 | £17,052 |
| GB | £35,992 | £28,413 | £14,312 |

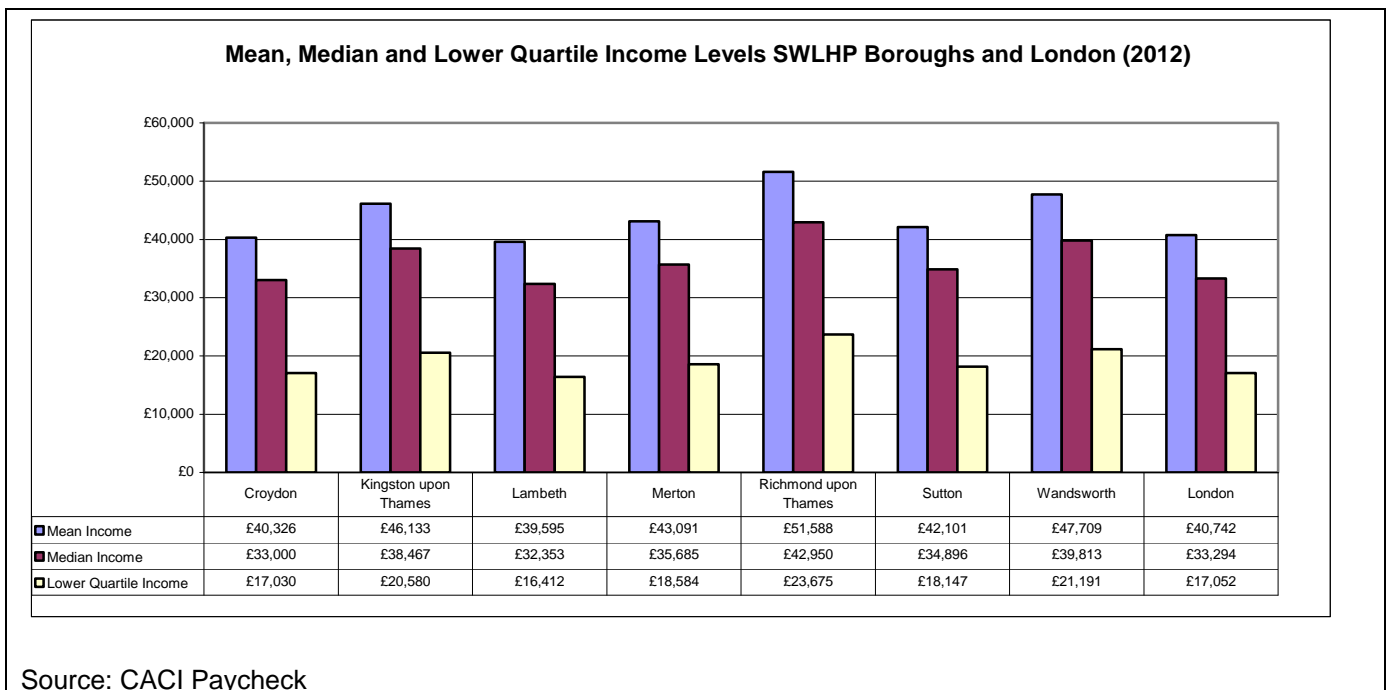
²⁸ See Data Appendix: Income and Earnings, Table 9: Median Incomes London Boroughs

²⁹ See Data Appendix: Income and Earnings, Table 10: Lower Quartile Incomes London Boroughs

66. Compared with other Boroughs in the SWLHP median gross annual earnings of Wandsworth residents in 2011 are the second highest after Richmond upon Thames and the third highest for Wandsworth employees after Croydon and Richmond upon Thames.

67. When Wandsworth household incomes are measured using mean, median or lower quartile levels they are the second highest amongst the SWLHP Boroughs and higher than the London average.

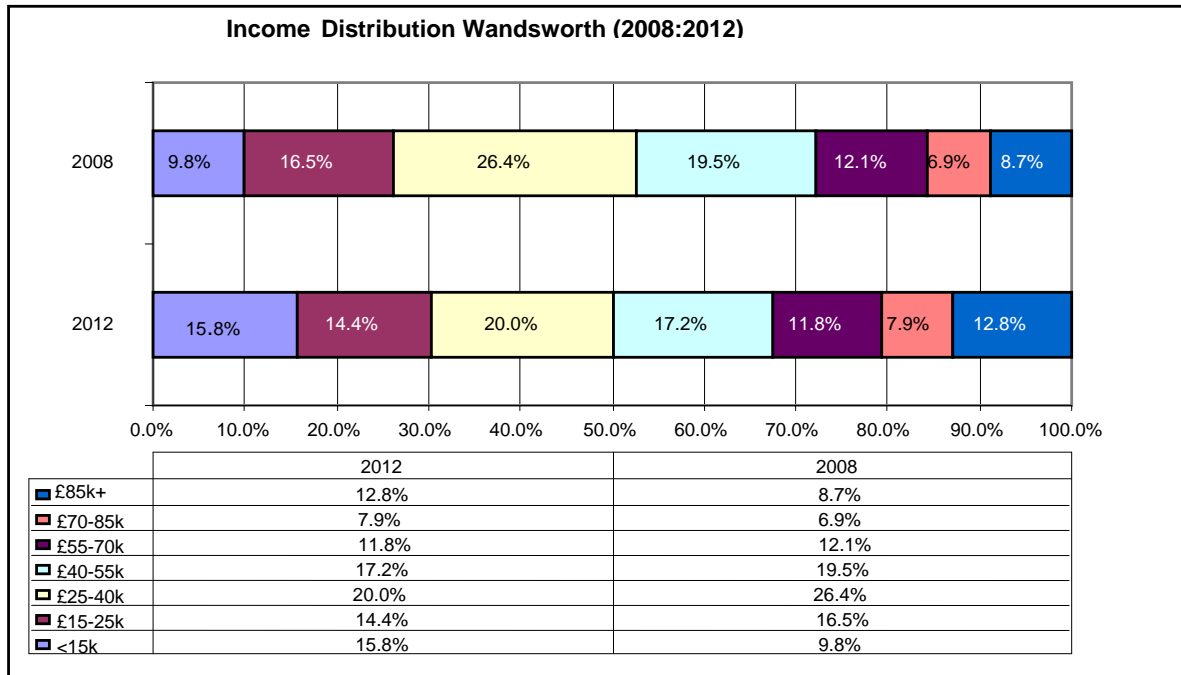
Graph 13: Mean, Median and Lower Quartile Income Wandsworth, SWLHP Boroughs



Income Distribution

68. The income distribution in the Borough has changed between 2008 and 2012 with a greater proportion of households in the under 5,000 income band, a reduction in those in the £25,000-£40,000 band and an increase in the higher income bands £70,000 and above i.e. an increase at either end of the income spectrum.

Graph 14: Income Distribution Wandsworth (2008 and 2012)



Source: CACI Paycheck Data June 2012

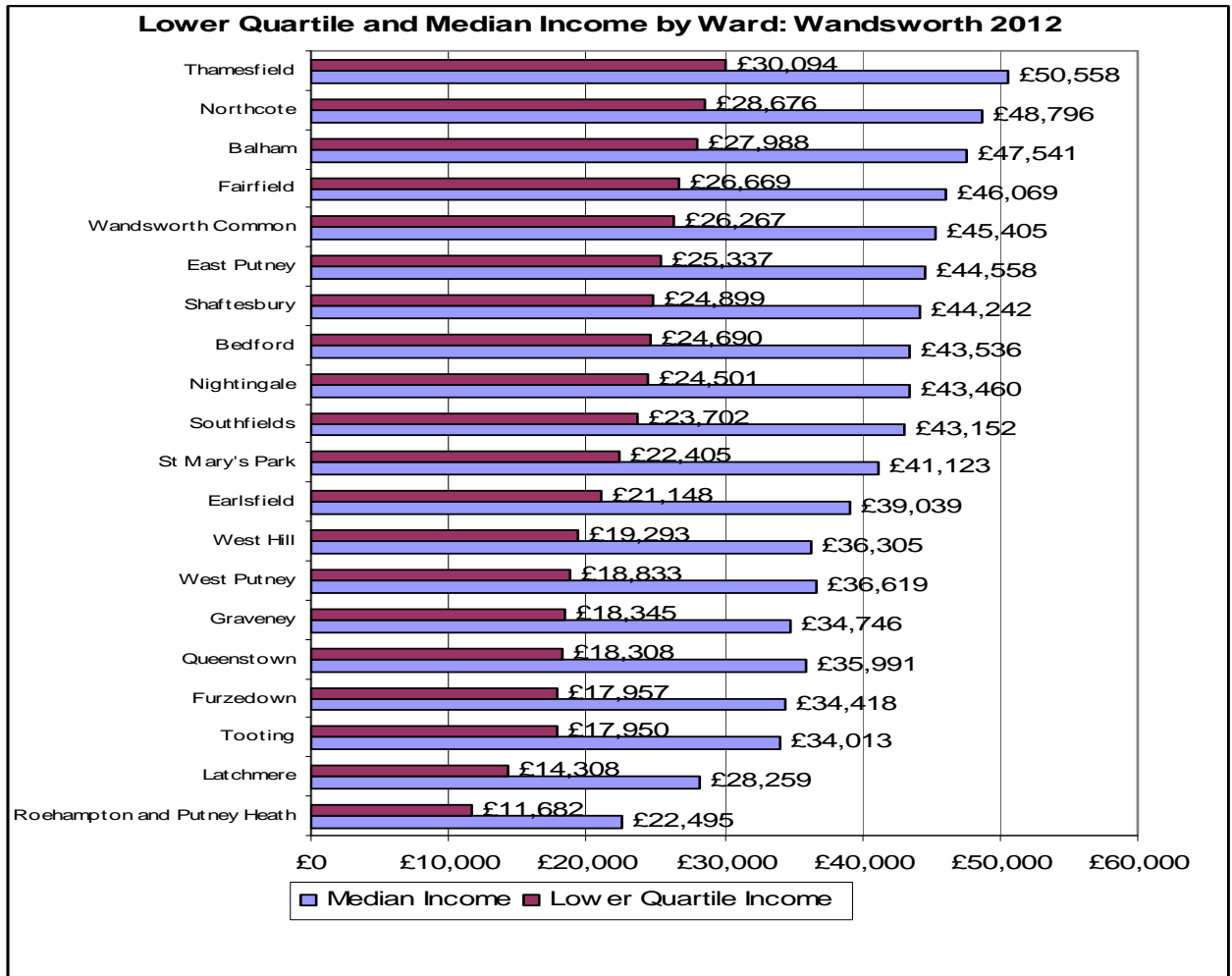
69. The distribution of household incomes varies by ward across the Borough³⁰:

- Lowest Lower Quartile incomes: Roehampton and Putney Heath, Latchmere, Tooting and Furzedown with Roehampton and Putney Heath and Latchmere having 46 per cent and 47 per cent social housing respectively and Tooting having more lower cost private rented housing (38.8 per cent).
- Highest Lower Quartile incomes: Fairfield, Balham, Northcote and Thamesfield (£30,094) with all four wards having less than 16 per cent social housing.
- Lowest Median incomes: Roehampton and Putney Heath, Latchmere, Tooting and Furzedown.
- Highest Median incomes: Fairfield, Balham, Northcote and Thamesfield.

³⁰ See Data Appendix: Income and Earnings, Table 11: Lower Quartile, Median Incomes and Tenure
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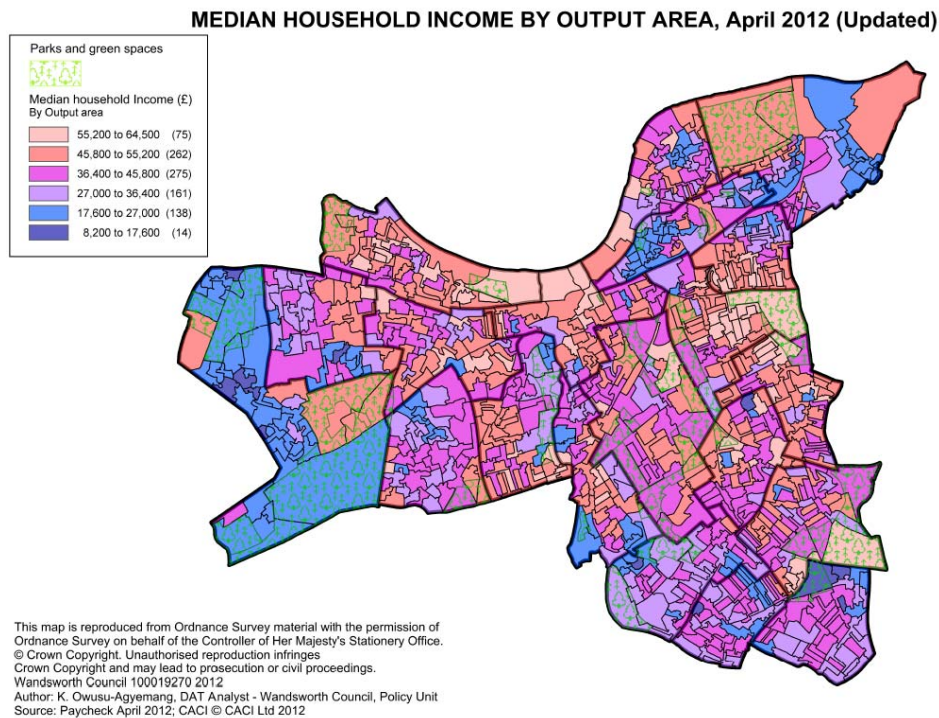
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Graph 15: Lower Quartile and Median Income by Ward: Wandsworth 2012



Source: CACI Paycheck Data June 2012

Figure 1: Median Household Income by Output Area



Conclusion

- 70. In terms of income distribution there is some indication that lower to middle income earners (£25,000-£55,000) may be being priced out of the Borough particularly in relation to accessing market housing given that prices in the market owner occupied and private rent sectors have continued to increase. This would indicate that housing policy development would need to consider housing options for this sector particularly given the limited intermediate housing options available both in and outside the Borough (intermediate housing being under two per cent of total London stock).
- 71. The increase in the proportion of lower income households has other implications for the affordability of entry into both homeownership and private renting. In terms of the latter this may only be possible with recourse to housing benefit to bridge the gap between income and rental costs. The affects of welfare reforms around Housing Benefit and the availability of reasonable cost rental properties have potential consequential implications for the need for subsidies or incentives to enable continued access to the private rented sector. The need for low cost rent housing may also require some form of personal subsidy to make it affordable.
- 72. In relation to lower to middle income earners sub regional income information would indicate, when also related to market prices and rents, that there are boroughs in the sub region that remain affordable and accessible. Whilst mobility out of the Borough, to access cheaper accommodation, is a factor that must be taken into account when considering housing needs, consideration also needs to be given to the benefits to the Borough and its economy and general well being of providing housing options for low to middle income workers.

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73. Along with increasing property prices the distribution and proportion of the populace having higher incomes could be another indicator that Wandsworth for a range of reasons is a popular place to live.
74. The high demand in the housing market are apparent with increasing prices being identified in both the home ownership and private rented sectors. In terms of the PRS this is particularly the case in relation to high specification units available for rental on the riverside sites; these are in no small part the result of properties for sale being made available subsequently for rent. Whilst this secondary rental market enables development to continue, by providing an alternative use of properties originally for sale, it is a market which does not necessarily meet local housing needs at least in the first instance. In turn it is reasonable to anticipate that such changes will have knock on effects with, for instance, middle income earners accessing what may have been affordable private rented or homeownership housing which was formerly being accessed by those on lower incomes. Issues around the affordability of larger properties may have implications for families looking for larger properties resulting in either moves out to more affordable areas or where possible increasing the size of the current family home. Proposals to ease planning regulations with respect to extending existing property may also have some part to play in the development of planning and housing policies particularly given the supply side pressures identified. These knock on market dynamics may be inevitable but do suggest that a significant increase in intermediate offers (which are the cheapest form of affordable housing to provide in terms of cross and public subsidies) and/or private rent options which might relieve pressure on the lower end of the housing market.
75. The success of the Borough in attracting and retaining high income earners clearly benefits the local economy and should be a factor in encouraging the continued development of market housing. Attractive market housing offers are also likely to provide an incentive for business retention and relocation (not only good for the Borough but for London) so is an important factor when considering how to meet the overall demand for housing.

THE HOUSING STOCK

Overview

76. The current dwelling stock is estimated to be around 132,090³¹. The major building legacy is 19th century and early 20th century terraced housing, with a significant number of public housing estates, low and high-rise. In recent years, high-rise mixed use developments have become increasingly a feature of the Thames riverside areas. The profile and distribution of dwelling stock either by location, tenure, type or condition has a bearing on both the physical and the social landscape of the Borough.

Property Type

77. According to Census 2011 figures Wandsworth has the lowest proportion of detached and semi detached property in both the SWLHP boroughs and compared with London but the second highest proportion of flats in either

³¹ HSSA 2011.

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purpose built blocks or in converted/shared houses (Lambeth being highest); some 63.7 per cent of the residential stock is flatted accommodation. In addition the Borough has one Gypsy and Traveller site.

Table 2: Property Type: Wandsworth, SWLHP Boroughs and London (2011)

| | Detached | Semi-detached | Terraced (including end-terrace) | Purpose-Built Block of Flats | Converted or Shared House | Other | Total |
|----------------------|----------|---------------|----------------------------------|------------------------------|---------------------------|-------|--------|
| Croydon | 12.5% | 25.1% | 26.1% | 25.6% | 9.0% | 1.7% | 100.0% |
| Kingston upon Thames | 12.7% | 31.4% | 17.9% | 28.7% | 7.4% | 2.0% | 100.1% |
| Lambeth | 2.4% | 8.2% | 16.3% | 48.5% | 23.2% | 1.5% | 100.1% |
| Merton | 5.8% | 18.1% | 38.3% | 26.5% | 9.5% | 1.6% | 99.8% |
| Richmond upon Thames | 8.4% | 24.1% | 26.9% | 27.9% | 10.2% | 2.7% | 100.2% |
| Sutton | 10.7% | 28.1% | 25.7% | 29.8% | 4.1% | 1.5% | 99.9% |
| Wandsworth | 2.5% | 7.4% | 24.2% | 43.8% | 19.9% | 2.3% | 100.1% |
| London | 6.2% | 18.6% | 22.9% | 37.6% | 12.7% | 2.0% | 100.0% |
| England | 22.3% | 30.7% | 24.5% | 16.7% | 4.3% | 1.5% | 100% |

Note: Other includes commercial buildings, caravans, temporary structures, shared dwellings

Source: ONS Census 2011 Household spaces by type Table KS401 Due to rounding totals will not equal 100%

Tenure

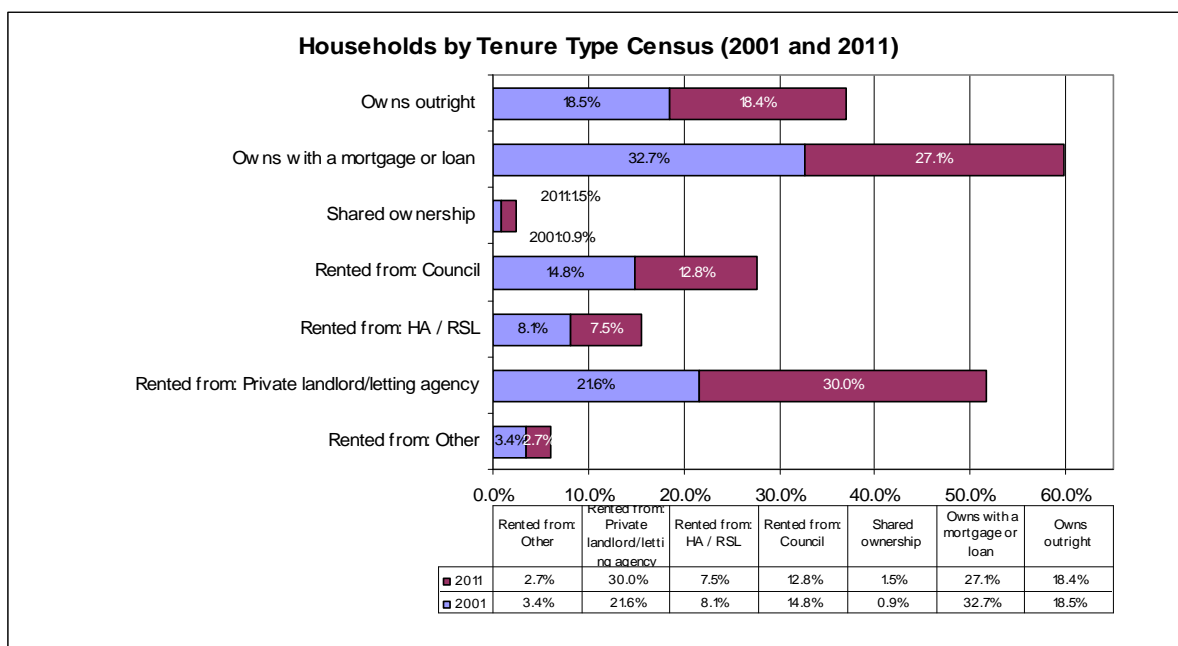
78. The 2001 Census figures³² indicated a spread of tenures over Wandsworth's housing stock of 115,653 properties. Owner occupied stock accounted for just over a half of the stock (51%; 60,203), social housing (both Council and Registered Social Landlord) around 23 per cent (26,551) and the private rented sector (renting from a landlord) 22 per cent (25,008). Shared ownership accounted for just under one per cent of the stock.

79. Census 2011 figures indicate a reduction in the proportion of owner occupier households with a mortgage (down by 5.7 percentage points to 27.1 percentage points), slight reductions in the proportions of households renting from the Council or RSLs (from 22.9 per cent to 20.3 per cent although numbers of units remain fairly stable) but a significant increase in the proportion of households who are renting from private landlords or letting agencies (from 21.6 per cent in 2001 to 30 per cent in 2011). It also indicates a small decrease in other private rented properties (tied accommodation, rented from family/friends from 3.4 per cent to 2.7 per cent). Private sector households account for 77 per cent of households in the Borough.

³² See Data Appendix: Housing Stock, Graph 5 Dwelling Stock Tenure Census 2001

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Graph 16: Dwelling Stock by Tenure: Wandsworth (Census 2001 and 2011)



Source: ONS, Census 2001 and 2011

80. Census 2011 indicates a similar pattern for London as a whole and for England with decreases in home ownership and a significant increase in private renting. The significant rise in the percentage of homes being privately rented in Wandsworth is consistent with the London and national picture.

Tenure by Ward: Wandsworth (2001³³)

81. Census 2011 information indicates that owner occupied properties comprise at least 45 per cent of the tenure types in all but seven wards (Bedford (44.7 per cent), Shaftesbury (44.3 per cent). St Mary's Park (43.9 per cent) Tooting (41.9 per cent), Queenstown (35.2 per cent), Latchmere (30.2 per cent) and Roehampton and Putney (29.8 per cent)) with four of these wards (Latchmere, Queenstown, St Mary's Park and Shaftesbury) grouped together in the north east of the Borough. The highest concentrations of social housing can be found in Latchmere (47.0 per cent), Roehampton and Putney (46.0 per cent) and Queenstown (30.7 per cent) which have significantly higher percentages of social housing relative to other wards in the Borough and for London.

82. Private rented housing accounts for over a third of the property in East Putney (38.9 per cent), Tooting (38.8 per cent), Bedford (38.4 per cent), Graveney (35.8 per cent), Thamesfield (35.3 per cent), Fairfield (35.2 per cent), Balham (34.4 per cent), Nightingale (34.0 per cent) and Queenstown (33.0 per cent): of these Tooting, Bedford, Graveney and Nightingale are in the south east of the Borough.

Residential Stock: Wandsworth, the SWLHP Boroughs and London (2001)

³³ See Data Appendix: Housing Stock Tenure Table 12 Tenure by Ward (2001)

83. Based on Census 2001 figures³⁴ and compared with the SWLPH boroughs Wandsworth had the second lowest proportion of owner occupied accommodation either owned outright or with a mortgage/loan, the second highest proportion of social housing stock and the highest proportion of private rented stock. In terms of London boroughs Wandsworth ranked mid table (18th highest out of 33) in terms of the proportion of social housing. Census 2011 figures³⁵ show little change across the boroughs in terms of broad tenure split with all boroughs showing an increase in the proportion of private sector dwellings and both Merton and Richmond upon Thames showing a shift between social housing tenure types due to stock transfer (from Council to RSL). The SWLHP stock is concentrated in Croydon (20.5 per cent), Wandsworth (18.5 per cent) and Lambeth (18.4 per cent) with Sutton having the largest proportion of owner occupied households, Lambeth the largest proportion of social housing households and Wandsworth the largest proportion of private rented households.

Residential Development: Wandsworth (2001/02-2011/12)³⁶

84. Since 2002/03 11,674 new build properties have been developed in the Borough producing 9,032 properties for open market sale and 2,642 intermediate and affordable/social rent homes. Much of the development has taken place along the length of the riverside from Battersea in the east of the Borough to Putney in the west.

85. Development in Wandsworth has mirrored the London trend with a drop in the number of starts on site from a high of 1,924 in 2006/07 to a low of 462 in 2009/10. However this picked up to 2,160 starts in 2011/12, the highest in the last ten years, with starts in 2011/12 almost 1.4 times more than in 2010/11 (2,160 compared to 1,592). Affordable housing starts in Wandsworth have also increased from 402 in 2010/11 to 432 in 2011/12. In the last seven years or so 21 units of accommodation for people with learning disabilities have been built (18 due for completion in 2012/13) in addition to 27 units for people with mental health issues and 59 units of accommodation for older people (41 extra care units and 18 sheltered units for rent) have also been provided. Net pipeline development is healthy with 3,185 units under construction (March 2012) of which 24 per cent are affordable with an additional 10,287 units with planning permission (March 2012) of which 17 per cent are affordable.

86. Between 1st April 2013 and 31st March 2018 the supply of new build accommodation is expected to be around 6,516 units of which 5,174 are open market sale units and 1,342 are affordable units. This would provide a performance against London Plan target (5,405 units) of 121 per cent. Expected units by bed size and tenure are set out in the following table.

³⁴ See Data Appendix: Housing Stock Table 13: Residential Stock: Wandsworth, SWLHP Boroughs and London (2001)

³⁵ See Data Appendix: Housing Stock Table 14A and B: Dwelling Stock: SWLHP Boroughs, London England (2011)

³⁶ See Data Appendix: Housing Stock; Table 15 Net Completions by Tenure (2001/02-2011/12)

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Table 3: Pipeline Development by Tenure and Bed size 2013/14 to 2017/18

| Ward | Unit Size/Type | | Tenure | | | Total |
|-------|----------------|------------------|--------------|--------------|---------------|--------------|
| | | | Market | Intermediate | Social Rented | |
| TOTAL | Flat | Studio | 177 | 8 | 0 | 185 |
| | | 1 bed | 1,322 | 371 | 157 | 1,850 |
| | | 2 bed | 2,642 | 460 | 166 | 3,267 |
| | | 3 bed | 628 | 50 | 78 | 756 |
| | | 4 bed | 45 | 2 | 10 | 57 |
| | | 5+ bed | 30 | 0 | 1 | 31 |
| | House | Studio | -14 | 0 | 0 | -14 |
| | | 1 bed | -136 | 0 | -1 | -137 |
| | | 2 bed | -369 | 4 | 5 | -360 |
| | | 3 bed | -423 | 0 | 26 | -397 |
| | | 4 bed | 399 | 0 | 8 | 407 |
| | | 5+ bed | 872 | 0 | 0 | 872 |
| | | Net Units | 5,174 | 893 | 449 | 6,516 |

87. As might be expected, given the Borough demographic, property prices and the profile and location of most new build favours higher density flatted development with the significant majority of units particularly in the market and intermediate sectors in the pipeline being for studio, one and two bedroom units. This trend is also reflected in completions data.

The Effects of Buy to Let

88. Research by London Development Research Ltd for the GLA³⁷ found that two-thirds (67 per cent) of new-build private homes in London are bought by investors with the remainder being sold directly to owner-occupiers. The report also indicated that the proportion of new homes bought by investors does not alter significantly across London³⁸. The report estimated that some two thirds of all new market homes developed in London are initially let within the private rented sector - providing homes for those wanting to rent, meeting London's need for a flexible workforce and providing homes for those who are presently unable to afford or do not wish to buy at the current time. Based on the Council's 2007 survey of developments, 26 per cent of dwellings on private developments completed between 1994 to 2003 were privately rented.

89. Taking both figures as a range it would indicate the possibility that of the 9,569 open market units developed since 2001/02 potentially some 6,411 may have been bought by investors with some 2,488 subsequently private rented with activity varying by development.

90. The above figures may be at the upper end of activity as a recent report from the Council of Mortgage Lenders³⁹ indicates that as a proportion of the mortgage market overall, buy-to-let lending remains lower than in 2007 and 2008 and activity remains subdued compared to the pre-credit crunch era with Buy-to-let lending this year likely to total a little over one-third of its peak in 2007.

³⁷ Who buys new market homes in London? London Development Research Ltd for GLA December 2006. See Data Appendix: Housing Stock; Table 16 Buyers of New Build Properties 2006

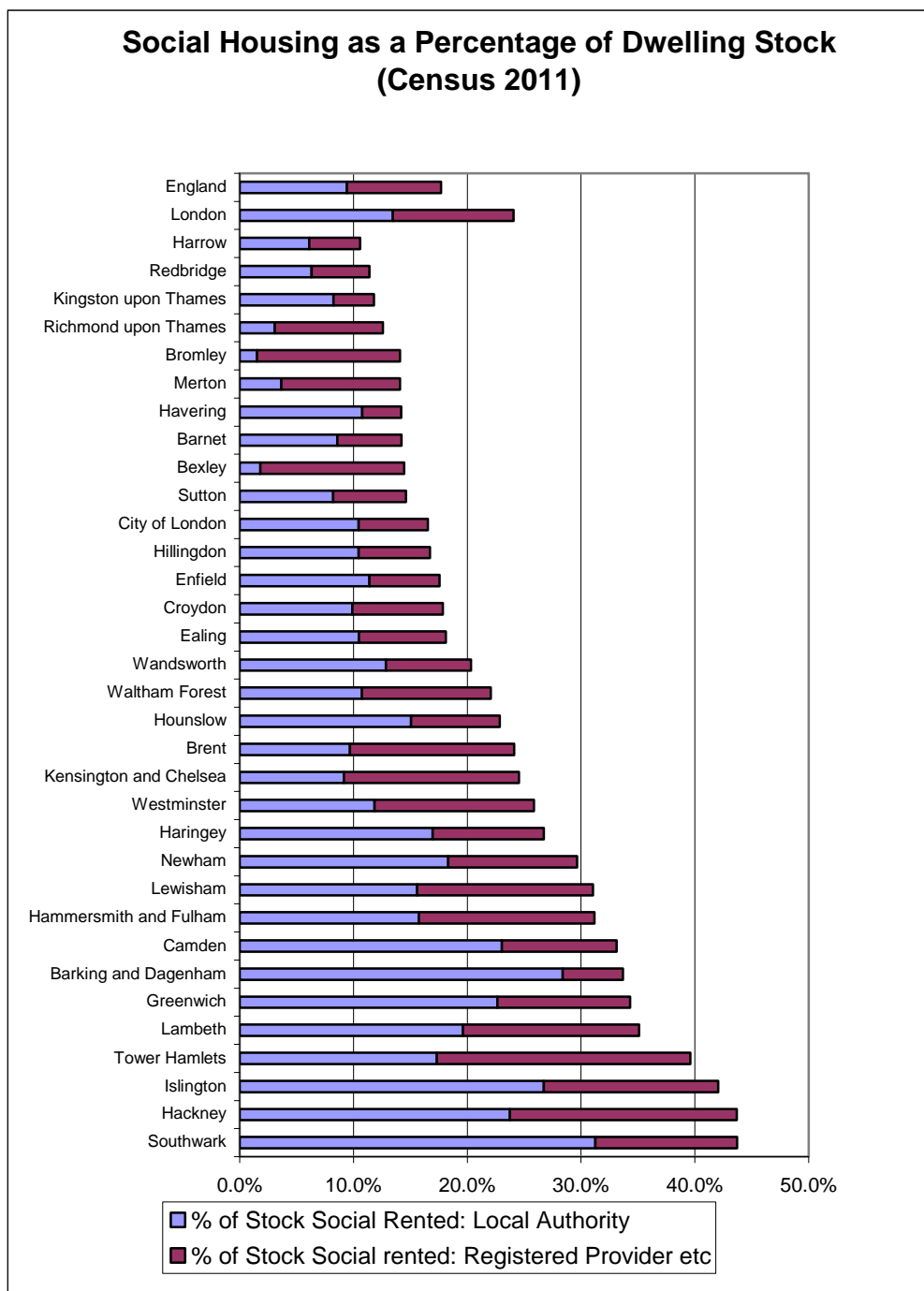
³⁸ Who buys new market homes in London? London Development Research Ltd for GLA December 2006. See Data Appendix: Housing Stock; Table 17 Investment Activity by Sub Region 2006

³⁹ Council of Mortgage Lenders: <http://www.cml.org.uk/cml/media/press/3326>

Social Housing

91. In 2011 Wandsworth sat mid table in terms of other London boroughs (16th out of 33; 20.3 per cent) with a proportion of social housing stock less than that of London (24.1 per cent) but higher than the proportion for England (17.7 per cent).

Graph 17: Social Housing as Percentage of Dwelling Stock: London Boroughs and England (Census 2011)



Source: ONS, Census 2011

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Council Stock

92. The majority of the Council tenanted stock is split between the north east⁴⁰ and the west of the Borough, this being particularly true of the Council's sheltered accommodation. More than two thirds of the general needs stock (67.4 per cent) comprises of studio, one and two bed properties and just over four fifths (84.2 per cent) consists mainly of flats (usually in blocks of five storeys or more) and maisonettes in mainly post war built properties with some pockets of interwar stock. There are some 1,077 units of sheltered accommodation. In terms of age of the stock the majority (14048 (82.6 per cent)) are post war to the late 1980's with 268 (1.6 per cent) having been built since 2000 mainly through the Council's Hidden Homes Initiative⁴¹. All of the Council's housing stock has continued to meet the decent homes standard since 2007. In terms of further impacts the case the Council is considering regeneration options for part of the Alton Estate and for the Winstanley and York Road Estates. This is largely related to the general layout of the estates and the anticipated capital works that need to be carried out on some blocks. It is planned to explore options for both estates through separate master planning exercises that will take place in 2013. It is possible that if regeneration is taken forward there will be an impact in terms of the availability of social rent housing but also opportunities to consider a broader range of housing options for those areas under consideration.

Registered Social Landlord Stock

93. The RSL stock in the Borough (9,953 properties including general needs, sheltered and supported housing) consists of a mixture of street property and purpose built estates. 328 RSL properties lie outside of the Borough boundaries. The Council has nomination rights to RSL properties both within and outside of the Borough boundaries. Just under three quarters (73 per cent) of the general needs stock 8,058 properties consists of flats and maisonettes with just under three quarters comprising one and two bed properties (71.4 per cent). Just over half of the stock is in the southern area of the Borough (52.2 per cent). In addition there are some 963 units of sheltered stock and 932 units of supported housing.

Private Rented Sector

94. The private rented sector plays an important role in meeting the demand for housing in Wandsworth. It is a key asset in meeting a broad range of housing demands for those who are at a stage in their lives when they need the mobility that the private sector offers, increasingly for those middle income households who cannot access loan finance to buy and of late has become a significant form of housing for those on low incomes claiming housing benefit.

95. Evidence from a number of sources including the Census and English House Condition Survey⁴² has indicated a significant increase in the private rented stock. The growth of the sector is as a result of a number of factors which

⁴⁰ See Data Appendix: Table 18 Council Stock by Area and Bedsize. Areas are based on Housing Area Team geographic boundaries.

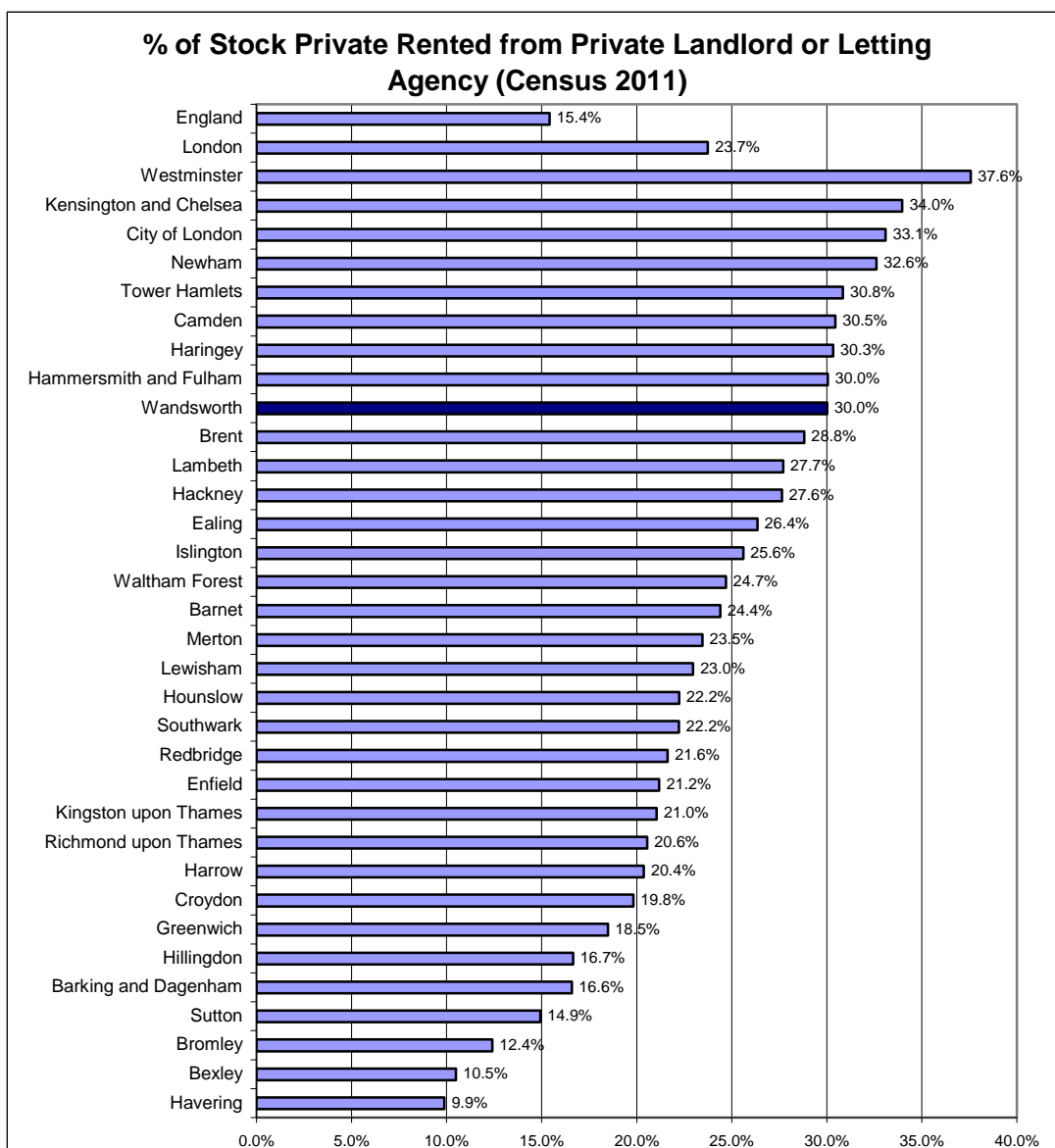
⁴¹ Hidden Homes: http://www.wandsworth.gov.uk/info/200027/council_housing/247/hidden_homes

⁴² English Housing Survey: <http://www.communities.gov.uk/documents/statistics/pdf/2173283.pdf>

include its perceived investment potential both for institutional and buy to let investors; its viability as an option for those who require a tenure flexible enough to meet their needs at a point in time, or for those unable to enter either home ownership due to difficulties in accessing finance or social housing due to qualification requirements.

96. Wandsworth has had a higher level of private renting than the London average (seven percentage points higher) for some time as evidence by both the 2001 and 2011 Census results and has the eighth highest level of private rented stock in London. Given the Wandsworth demographic profile (a very high percentage of younger, single and couple households) and the economic and infrastructure benefits of living in Wandsworth, it would be reasonable to assume that levels of private renting have and are likely to continue to increase with all indications that demand will remain strong. In the last ten years the number of households in the private rented sector claiming Housing Benefit has almost tripled to just over 8,000 demonstrating that the private rented sector is an essential resource for those in housing need.

Graph 18: Private Sector Stock: London Boroughs and England (Census 2011)



Source: ONS, Census 2011

Owner Occupied Sector

97. In 2001 some 52 per cent of the stock was owner occupied (51.2 per cent either owned outright or with a mortgage and 0.86 per cent shared ownership). Since then 11, 611 net units of either open market (9,569) or intermediate housing (2,042) has been developed. In addition some 1,248 units have moved from Council rented to owner occupation through Right to Buy or Social Homebuy Sales. Census 2011 figures indicate owner occupied property accounts for 47 per cent of the stock (45.5 per cent owned outright or with a mortgage and 1.5 per cent shared ownership) reflecting in part the increased share of the stock by the private rented sector.

Condition of the Housing Stock

98. The current stock condition standard for the private and social housing sector is the Decent Homes Standard⁴³. The Standard includes elements such as the extent to which the property meets the statutory minimum standard for housing, the state of repair, facilities and services and thermal comfort.

Social Housing Stock

99. The social housing stock in Wandsworth is in a good state of general repair. All of the Council's housing stock meets the Decent Homes Standards and has done so since 2007. A stock condition survey is currently underway on the Council owned stock to provide updated information on the stock which will enable the Council to determine priorities for its capital programme and to inform its Housing Revenue Account (HRA) Business Plan. The survey is expected to be completed in late 2012. In addition the Council has undertaken improvement works to the sheltered housing stock to improve the quality of units through self containment, improved facilities and the addition of lifts where possible.

100. Information on the RSL stock indicates that the four largest RSLs operating in Wandsworth, which account for 88.5 per cent of the RSL Wandsworth stock (8,638), achieved the Decent Homes Standard in 95.9 per cent of their properties as at September 2010. A number of RSLs have been and are conducting a stock review particularly in relation to the quality and current use of existing stock with a view to its reconfiguration and future use. This is particularly the case for the supported housing stock which is less likely to meet modern requirements in terms of having self contained facilities such as bathrooms and problems around disabled access. Likely outcomes are and have been the replacement of existing supported accommodation with new purpose built self contained accommodation, the upgrading of existing supported housing stock and some stock divestment not least in order to cross subsidise improvement works.

Gypsy and Traveller Site

101. The Borough has one authorised Gypsy and Traveller site consisting of 11 pitches. Site works have included improvements to the layout, amenities, the amenity blocks and the visual appearance of the site in addition to gas safety and

⁴³ Decent Homes Standard: <http://www.communities.gov.uk/documents/housing/pdf/138355.pdf>

electrical checks, improved drainage and road surfaces and general site clearance being undertaken.

Private Sector Stock

102. The situation in the private rented stock is less clear, more problematic and relies on modelled and imputed information. The Council commissioned the Building Research Establishment (BRE) to undertake an assessment of private housing conditions using a new methodology which combined Census 2001 data with that from the English House Condition Survey in order to predict housing conditions.
103. The BRE study⁴⁴ estimated the proportion of vulnerable households living in non decent homes in Wandsworth to be 51 per cent compared to 57 per cent nationally. The main areas of non decency were in relation to thermal comfort (20 per cent), category 1 hazards (19 per cent) and disrepair (12 per cent). The age profile of the Borough's private housing is such that a higher incidence of non-decency is to be expected as 57 per cent of the private stock within Wandsworth was built before 1919 compared with 29 per cent in London as a whole and 23 per cent in England. Whilst improvements have been effected in the private rented sector in respect of a number of elements, (category 1 hazards, disrepair and the proportion of vulnerable people living in homes with a SAP rating of less than 35), either through the provision of grant or enforcement practical difficulties exist in respect of improving thermal comfort due to the solid wall construction of the properties which is linked to the age of the stock. The total number of non-decent private sector dwellings in Wandsworth was estimated at 37,742 (40 per cent of the stock and down from 38,654 for 2007). Between 2008/09-2010/10 1,203^{45, 46} private sector properties were made decent.
104. Whilst these findings may raise particular concerns it should be emphasized again that such imputed information can be misleading and it is not necessarily the case that the extent of unfitness is as pervasive as presented. This is important to consider as there is no indication for instance that there are any parts of the Borough, where accommodation is predominantly private sector stock, where stock clearance should be considered relative to enabling and encouraging improvement – particularly through energy efficiency works. Additionally, no area is blighted by empty properties with Wandsworth Council having a proactive and successful programme of tackling and bringing back individual empty properties into use.

Private Sector Empty Properties

105. The Council has adopted an empty property strategy which incorporates a balanced approach of advice, grant aid and enforcement actions, including Compulsory Purchase Orders (CPO), to try and prevent properties being left unoccupied and/or dilapidated for long periods of time. Since 2004 the Council has worked jointly with six other councils in south west London as part of a

⁴⁴ Annual review of private sector housing conditions:

<http://ww3.wandsworth.gov.uk/moderngov/documents/s8020/Paper%20No%2009-527.pdf> See Data Appendix; Housing Stock, Private Sector Table 19 BRE Study

⁴⁵ HSSA:

<http://www.communities.gov.uk/housing/?view=Gsearch+results&query=hssa&contentType=all&siteS=all+sites&quickSearch=true&resultsPerPage=20>

⁴⁶ Council Performance Statistics:

<http://ww3.wandsworth.gov.uk/moderngov/documents/s14222/Appendix%202.pdf>

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formal Housing Partnership and has made successful bids for external funding in order to address empty properties. Wandsworth Borough Council is the lead borough within the Partnership on empty homes.

106. Since April 2006 (when the current methodology for counting empty properties returned to use was first used) the Council has brought back into use 381 long-term void properties through its whole range of interventions. In the period, April 2004 to September 2012, the Council has agreed CPO action in 11 instances involving a total of 19 dwellings. The majority of void properties within the Borough are vacant because they are being renovated or sold, but a significant minority have been empty for many years and it is these that tend to become the focus of enforcement action. The use of enforcement powers is generally limited to where there has been a failure of informal measures. However CPOs continue to be considered as a last resort where all informal measures have failed and other enforcement action is not appropriate or effective. The majority of successful interventions by the Council continue to be either informal or through the financial assistance it offers in the form of empty property grants and loans. At the 3rd December 2012 there were a total of 362 dwellings recorded by the Council Tax service as having been empty for more than six months. Within the Council's own housing stock, action continues to be taken to minimise the number of vacant properties and to speed up re-letting.
107. There is continuing growth in demand and need for all sizes of property which is one of the main reasons why the Council has a strategy for bringing long-term empty properties back into use. The figures above demonstrate that it is usually able to work successfully with owners of such properties either by providing advice or grant aid, and compulsory purchase action remains very much a last resort which has historically been used on very few occasions.

Communal Establishments and Houses in Multiple Occupation

108. Whilst most of the Wandsworth population lives in standard households a small proportion of the population lives in either communal establishments or houses in multiple occupation.

Communal Establishments

109. The proportion of the Wandsworth population living in communal establishment is a small proportion of the total population amounting to 1.8 per cent which is higher than the London figure (1.2 per cent) but the same as that for England. Results for the Census 2011 show little change in these proportions since 2001⁴⁷. In 2011, 64.8 per cent of the communal establishment population in Wandsworth lived in non-medical and care establishments (e.g. Wandsworth prison, student halls of residence), a greater proportion than the regional (57.6 per cent) and national (57.0 per cent) averages. The proportion of residents in non-Local Authority care homes without nursing (8.7 per cent) was amongst the lowest in the country (England and Wales 21.4 per cent) and significantly below London (17.5 per cent). Although small in terms of the numbers, the proportion of the communal establishment population accommodated in a mental health

⁴⁷ See Data Appendix: Communal Establishments: Table 20A Communal Establishment Population: Wandsworth, London England (Census 2001 and 2011) and 20B Population: All communal establishment residents

hospital was ranked 20th nationally, with Springfield Hospital's location in the Borough contributing to the number of communal establishment residents in this category. Change between 2001 and 2011 was largely proportionate to the overall change in communal establishment residents. However, the small numbers involved result in some large percentage changes for individual categories. In non-medical and care establishments, the population increased by 35 per cent over the decade.

Houses in Multiple Occupation^{48 49}, (HMO)

110. The most recent estimate of HMOs in Wandsworth is around 10,000 (7.5 per cent of the total stock): this is the highest of the SWLHP boroughs, seventh highest in London and higher than both London and England.

| Table 4: HMO Estimate | | | | | |
|------------------------------|------------------------|-------------------|-----------------------|-------------------|--------------------|
| | Verifiable HMOs | | Estimated HMOs | | Total Stock |
| | Number | % of Stock | Number | % of Stock | Number |
| Croydon | 800 | 0.5% | 2,800 | 1.9% | 146,400 |
| Kingston upon Thames | 17 | 0.0% | 1,931 | 3.0% | 64,528 |
| Lambeth | 354 | 0.3% | 6,942 | 5.2% | 133,534 |
| Merton | 123 | 0.2% | 5,062 | 6.3% | 80,890 |
| Richmond upon Thames | 83 | 0.1% | 486 | 0.6% | 81,679 |
| Sutton | 32 | 0.0% | 350 | 0.4% | 79,763 |
| Wandsworth | 1,016 | 0.8% | 10,000 | 7.5% | 134,095 |
| London | 12,683 | 0.4% | 160,226 | 4.7% | 3,373,467 |
| England | 83,332 | 0.4% | 426,834 | 1.9% | 22,971,520 |

Source: CLG Housing Strategy Statistical Appendix 2010/11

111. HMOs play a vital role in ensuring a supply of low cost, affordable accommodation for a particular resident group who are looking for more affordable rented housing often for short periods. The London Plan looks to retain this form of housing so that there continues to be this supply of low cost housing available to those on lower incomes. Given the recent welfare reform proposals regarding the Housing Benefit single room rate that now applies to all those needing to claim Housing Benefit who are under 35 years of age and competing demands from other renters (such as the student market, young professionals) it would be reasonable to assume that there will be a continuing and potentially growing demand for HMO type accommodation from existing and future residents. Between 2008/09 and 2010/2011, 194 HMOs were brought up to standard by the Council with some 321 licensed HMOs as at the end of March 2011.

⁴⁸ A property is an HMO if it is let as a main or only home to at least three tenants, who form more than one household and who share a kitchen, bathroom or toilet. A household consists of either a single person or members of the same family who live together. An HMO must have a licence if they are of three or more storeys high and is occupied by five or more persons who form more than one household. Local authorities must carry out a Housing Health and Safety Rating System (HHSRS) risk assessment on HMOs within five years of receiving a licence application.

⁴⁹ HMO Household Definition: Includes: people who are married or living together, people in same-sex relationships, relatives who are living together - including step-children, grandchildren, uncles, aunts, nephews, nieces, cousins and foster children, certain live-in domestic staff such as au pairs, nannies, nurses or other carers, gardeners, chauffeurs, servants (if certain conditions are met)

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Conclusion

112. The Borough can expect to see a number of high profile developments taking place over the short to medium term (five to ten years) with some 13,472 residential units either on site or with approved planning permission; a further 4,084 residential units are part of applications awaiting a decision. This is a very positive picture and more so given the relative down turn in development being experienced elsewhere in some parts of London and across the country. Whilst there are no signs of a down turn in demand for new build housing in the Borough, given the fragility of the housing markets, there needs to be an increased sensitivity to market dynamics so there is no stall in development momentum particularly in areas such as the NEVOA given the over riding objective of delivering area regeneration to the benefit of existing and future residents.
113. In terms of market housing the most significant trend is for the provision of studio, one and two bedroom accommodation with over 73 per cent of units of this type being in the pipeline. Given the predominant Borough demographic (young, singles and couples) and the main areas of development this is perhaps unsurprising. There would appear to be no particular reason to encourage or require the development of larger family homes in the market sector particularly in the context of existing "second hand" housing options other than in cheaper areas of the Borough.
114. The position in relation to affordable housing delivery and future pipeline is positive but will be constrained by public subsidy available to support development and financial viability particularly given the high cost of land and the nature of some developments which do not necessarily lend themselves to affordable housing being delivered where that housing is not delivered in quantum. This may provide particular management challenges and issues in maintaining affordable service charge levels particularly where affordable housing shares core services/areas (for example lifts, communal areas) with private housing. The Hidden Homes programme is one example of innovative solutions that can assist in meeting the demand for affordable housing and particularly for rented housing. By the end of 2012/2013 the Hidden Homes programme will have delivered some 238 units (56 per cent of which are two beds or larger). Proposals are in place for 26 new Hidden Home units to be delivered by 2015 of which at least ten are two bed units subject to funding confirmation with a number of additional sites identified in the medium to longer term with the potential to realise another 14 units.
115. The continuing tenure imbalances, the relative numbers and concentrations of affordable housing across the sub region and the varying potential to deliver affordable housing (due to land values) provides some potential to meet housing needs outside of the Borough. This could be achieved if the Council can secure nomination rights as it has done through the current sub regional nomination arrangements.
116. Whilst plans have not been finally developed for the York Road and Winstanley estates in Battersea and the Alton Estate in Roehampton there is potential to improve the built environment and to secure a more socio-economically and tenure mixed area. The Peabody Estate regeneration in Clapham Junction will

address issues of sub standard housing on that estate, provide a better size mix of properties and tenures. However overall the social housing sector stock is of a decent standard and beyond the estates mentioned here there is no further major regeneration activity planned.

117. The analysis does show significant concentrations of social housing in certain wards and neighbourhoods that should be a factor in considering the mix and balance of affordable housing being delivered on development sites in those areas to ensure that mixed, balanced and sustainable communities are being achieved. Of course there is often development opportunity available to provide affordable housing in these areas given that land values are likely to be lower and therefore sites more attractive to registered providers and those looking to develop affordable housing. Options that could be considered to take these neighbourhood balances into account include – considering alternative letting or sale options for existing social rent stock (which in turn may provide investment opportunities), favouring the development of forms of intermediate housing and continuing to promote the Right to Buy (RTB) for existing social rent tenants that has previously led to more mixed tenure council estates.
118. In terms of bed size mix a large proportion of the social rent stock, particularly in the RSL sector, is of a smaller size. Whilst there is demand for all sizes of low cost rent accommodation it is notable that the priority need for housing is for family size accommodation. It may not be possible to reconfigure existing stock however the potential asset value of some stock may provide opportunities to look to re-provide a more optimal bed size mix of housing. Additionally whilst there is a relatively large stock of sheltered accommodation there has been no consideration thus far of developing higher quality and specified low cost rented housing for older under occupiers that may further encourage moves.
119. There is still a significant and maintained level of social rented housing in the Borough but the stock of intermediate housing is very small. Whilst individually residents benefit from the provision of intermediate housing at present rates of delivery the provision of intermediate housing is only likely to have a minor impact in relation to the latent and growing demand for affordable homeownership housing. This is clearly a factor not only in terms of future new build delivery but in the options that might be made available locally, regionally and nationally to support middle to low income earners into homeownership in numbers that would have a positive impact on demand and development.
120. In the intermediate sector (including shared ownership and equity products) the provision of larger family homes whilst encouraged by planning policies is limited in delivery terms given the cost of delivering (including cross subsidy to make the units affordable) and purchasing such units (for example the proportion of equity sold is usually based on a current market valuation). Whilst overall intermediate housing targets may seek to achieve larger family units in particular locations in the Borough it would be appropriate to consider what are more realistic development targets for this form of housing and whether other more personal forms of subsidies for some households (such as those wishing to leave social rented sector stock) might be a more appropriate way to meet demands and needs.

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121. Whilst it is difficult to estimate the size of the PRS all indications are that the sector has grown significantly and continues to grow to meet a range of demands.
122. In general the current situation of lower sale prices, increasingly higher rent and lending to home owners at some four per cent lower than last year means an attractive market for buy to letters and a surge in buy to let activity⁵⁰. However some commentators have sounded a few notes of caution⁵¹ given the potentially unsustainable trend for increasingly higher rents which reduces further the opportunity for renters to save to buy, the increase in tenants defaulting on rent payments, and a continuing fall in house prices in some areas which reduces equity levels and therefore makes it more difficult for buy to letters to access the best mortgage deals. Indications are that this trend is less likely to be an issue in London⁵² generally and Wandsworth⁵³ in particular.
123. The current economic conditions have given rise to a tension in terms of access to tenures with difficulties in accessing owner occupation especially for first time buyers resulting in some overheating in the private rented market as would be owner occupiers shift their focus to private renting; at the same time there is evidence to suggest that buy to let intervention in the market is removing properties from the owner occupied sector into the private rented sector. Subsequent fuelling of private sector rents as a result of increased demand coupled with changes to welfare benefits have resulted in a high cost tenure which effectively excludes a proportion of private sector renters looking for affordable accommodation in the Borough⁵⁴. Access to private rented property is key to meeting a range of housing demands, including demand identified on the Council's waiting list, so maintaining access to private renting is a policy priority. However, as identified elsewhere access to suitable private rented housing (for example in terms of maintaining reasonable journey times to work, links with informal support networks) is less constrained in London by borough boundaries so provides scope to meet even urgent demands both within and outside the Borough.
124. Whilst the Council has limited influence in relation to market housing provision there are perhaps two considerations in meeting overall housing demand. Firstly, and related to sustaining and indeed increasing development of housing for local residents, is the potential to provide both sub market intermediate and private rent that prioritises lettings to local residents (particularly where that resident is giving up cheaper rented housing which is then available for reletting). Secondly, is the role that low cost homeownership or some form of personal

⁵⁰ Observer 11.11.2012: <http://www.guardian.co.uk/money/2012/nov/12/buy-to-let-investors-renters>

⁵¹ Independent on Sunday 11.11.2012: <http://www.independent.co.uk/property/house-and-home/property/buytolet-glory-days-may-soon-be-over-8303480.html>
<http://www.themovechannel.com/news/5b3c9dad-f828/>

⁵² Evening Standard: <http://www.standard.co.uk/news/london-house-prices-to-rise-by-20-per-cent-in-five-years-6366748.html>

⁵³ Evening Standard:

http://www.homesandproperty.co.uk/property_news/news/housepricerisesnotlimitedtocentrallondon.html

⁵⁴ Private Sector Rents Commentary: <http://www.thisismoney.co.uk/money/mortgageshome/article-2232438/Rental-prices-London-soar-just-years.html>

<http://www.thefinancepages.co.uk/property/demand-for-property-rentals-rises/02988/>

subsidy can play in increasing the levels of properties sold for occupation by the purchaser.

125. The analysis identifies that there is still demand for and potentially a growing role that could be played by shared housing in meeting the demand for lower cost rented housing. This is particularly the case given the overall Borough demographic and recent welfare changes. Demand would indicate that the HMO sector is supported, protected and maintained overall by the Borough's planning policies. It is also notable that apart from one new development linked to providing housing for health workers of St. Georges Hospital and some new student accommodation provided in the Borough (Clapham Junction student accommodation for Imperial College) that there are no current or future developments proposing to provide shared housing.
126. The Council does have an active programme to bring empty private sector properties back into use and where grant is provided these units are let to priority households nominated by the Council. Given the London Mayor's focus on reducing empties and the relatively small levels of public subsidy required to bring such units back into use there may be merit in reviewing the current programme (taking account of regional funding opportunities) given that this is one particular route to potentially increase access to the private rented sector for those in housing need who are on low incomes.
127. In terms of the supported housing sector there has been a move away from residential care and shared supported housing to more independent living for care groups including older people and those with learning disabilities. Generally the Council has been and will continue to be supportive of this reconfiguration of the supported sector given the significantly improved supported housing that has been provided. This move away from residential care towards more independent living is expected to have some impact on the numbers of individuals currently living in care home establishments and in shared non-self contained accommodation with their replacement to some extent and where reasonable by independent, accessible self contained and higher quality housing units.

THE ACTIVE MARKET

Overview

128. Wandsworth is regarded as an attractive place to live with good quality housing, a variety of local amenities, good local schools, a vibrant night time economy, good town centre shopping hubs and transport links and an abundance of open spaces. Unsurprisingly this is reflected in the cost of housing.

Housing for Sale

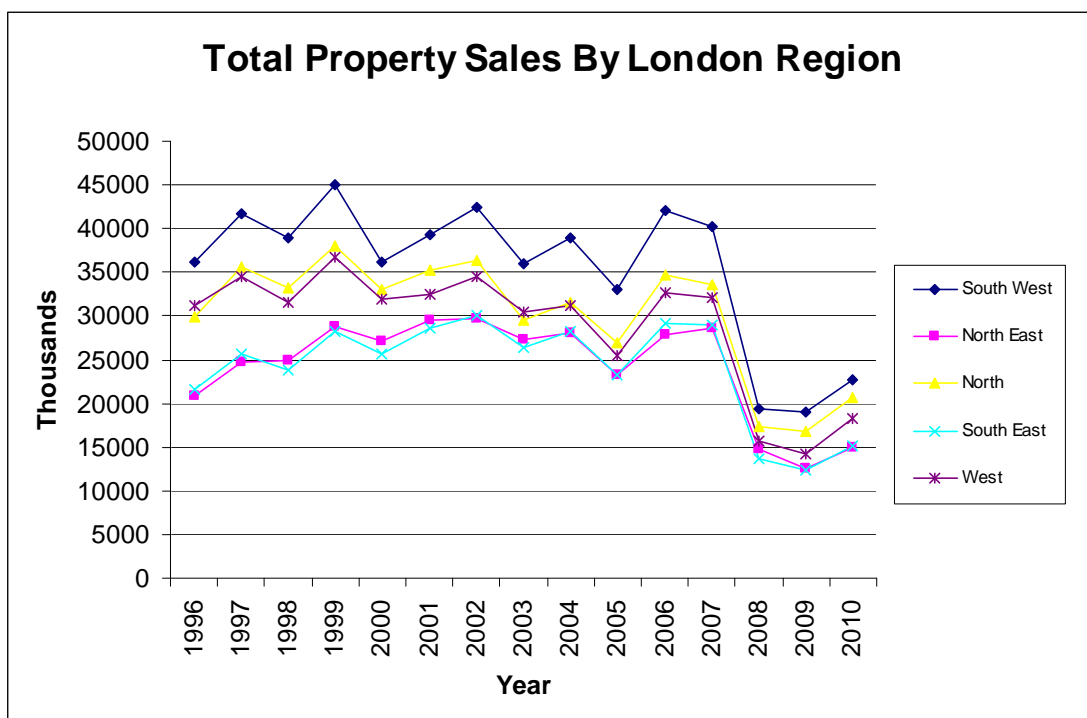
Sales Volumes

129. Over the last decade and beyond the south east and London have consistently had the highest level of property sales apart from 2003 and 2004 when the North West had higher property sales than London.

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130. The continued sales in the south east area are the likely product of the commuter belt with those unable to afford the property prices within London moving further out where prices, although still being high, are more affordable.
131. The interconnection between housing and the British economy meant that the credit crunch and recession of 2008 hit the housing market severely. Although most regions have now seen a slight increase in property sales following the downturn of 2008 they have not reached anywhere like the historic highs of the years leading up to the credit crunch.⁵⁵
132. SWLHP sub-region (of which Wandsworth is part) has consistently had the highest volume of sales in the London region. However, what is also clear is that each sub-region, as with England's regions as a whole, suffered a significant drop in property sales in 2008 from which they have still not recovered.

Graph 19: Total Property Sales By London Region



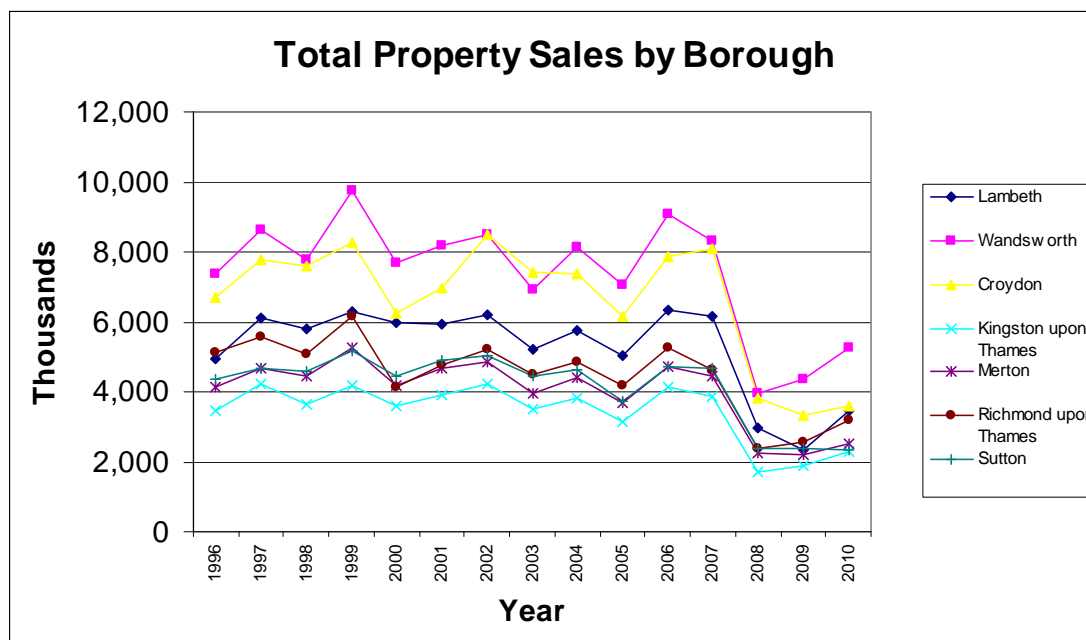
Source: CLG Table 588 Housing Market Property Sales based on Land Registry Data, by District from 1996

133. The SWLHP region's high level of sales is down largely to Wandsworth and Croydon who are consistently in the top boroughs for property sales. Since 1996 Wandsworth has accounted for 21 per cent of total property sales in the South West sub-region with Croydon having the second highest at 19 per cent and Lambeth third at 15 per cent.
134. Land Registry figures show that for the last 15 years Wandsworth has had the largest number of sales of any London borough for every year apart from 2003 when Croydon had the largest number of property sales with 497 more than Wandsworth. From 2004 until 2007 Wandsworth averaged over 8,000 sales per year up to and including 2007. However, and as a reflection of the wider housing

⁵⁵ See Data Appendix: The Active Market, Housing For Sale Graph 6: Total Property Sales by Region Page 46 of 112

market, housing sales in Wandsworth fell below 4,000 in 2008 to 3,944. This represented a 53 per cent decrease in the total number of property sales completed compared to 2007 which was slightly above the London average decrease of 50 per cent and the 49 per cent experienced by the rest of England over the same period. However, Wandsworth continues to have the highest number of sales of any London borough despite its larger than average reduction in sales.

Graph 20: Total Property Sales By Borough



Source: CLG Table 588 Housing Market Property Sales based on Land Registry Data, by District from 1996

135. During the credit crunch and recession of 2008 the contracting housing market was apparent across London. However, Wandsworth continued to lead London and the South West Region for property sales and the following two years, 2009 and 2010, saw some limited recovery with 4,343 and 5,262 properties sold each year respectively. Given the relative instability of housing markets it is not clear whether this recovery will continue or what is being seen is a readjustment in sales volumes. If it is the latter this clearly has significant implications in respect to housing demand and the mobility that is vital to maintaining supply across tenures (for example as households move out of the private or social rent sectors to buy).

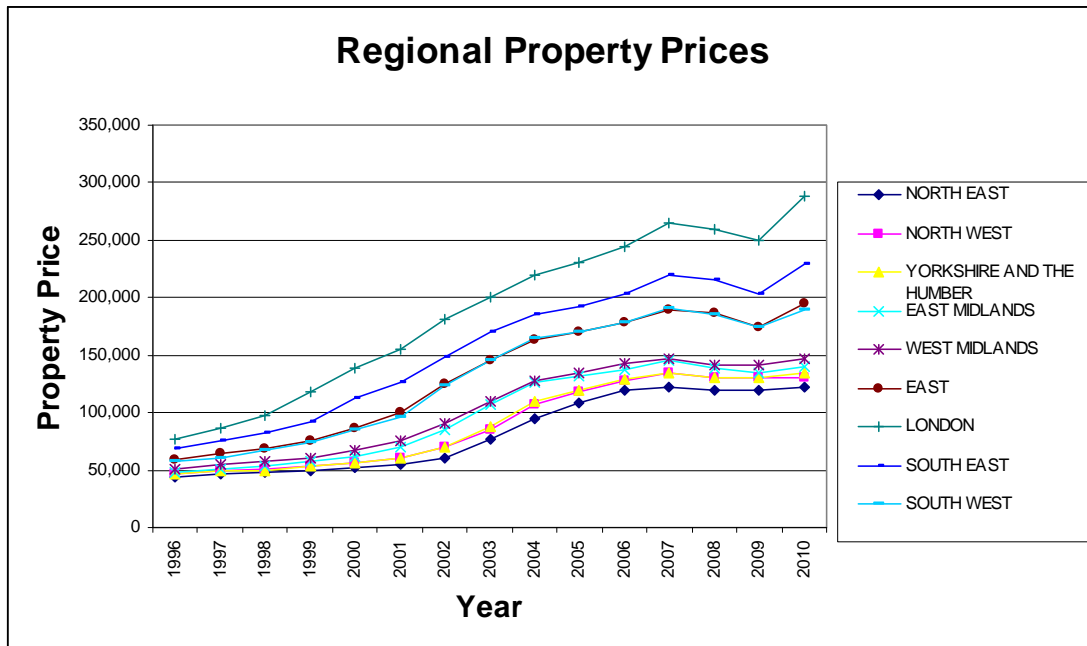
House Prices

136. House prices in England⁵⁶ have risen steadily but this is mainly down to the housing market in London which continues to remain more stable than the rest of the country. Property prices in the English regions further demonstrates the above average property prices in London and the 'north south divide'. It also shows that while London, the South East, South West and East have experienced some recovery in the housing market the north of England has stagnated.

⁵⁶ See Data Appendix: The Active Market: Housing for Sale Graph 7: England House Prices
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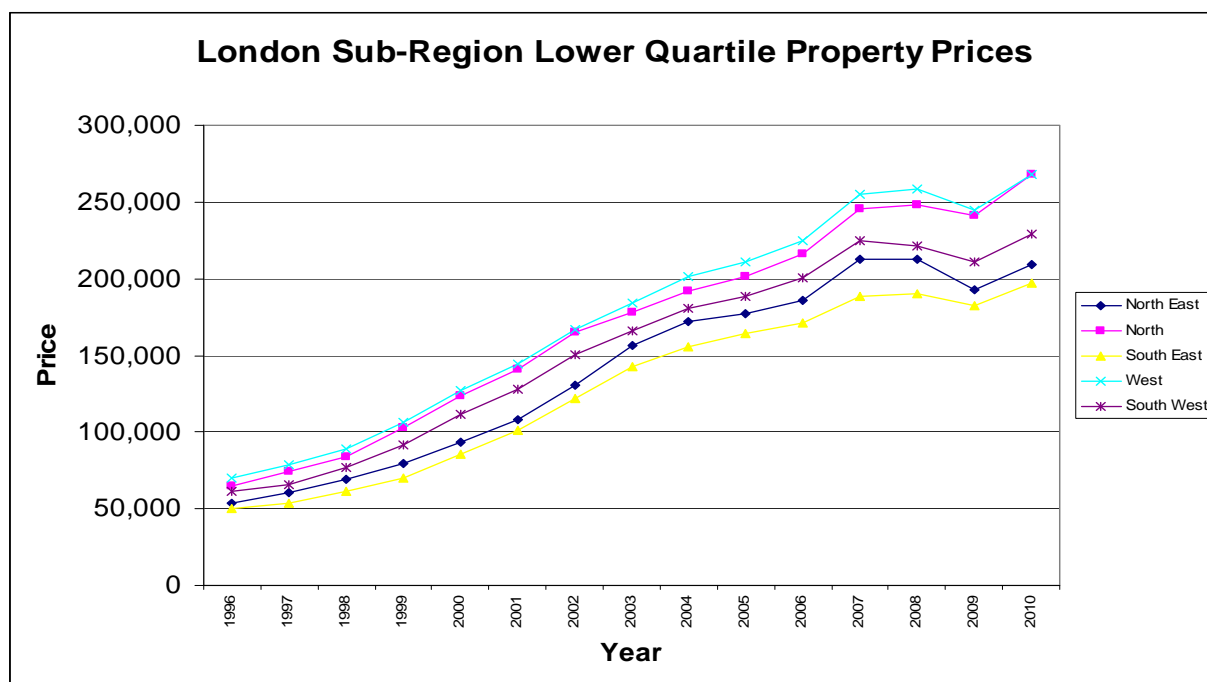
Graph 21: Regional Property Prices



Source: CLG Table 586 Housing Market Median House Prices based on Land Registry Data, by District from 1996

137. While median property prices show how the housing market is performing a more important measure to use when considering affordable housing is the lower quartile price which is taken to indicate the entry level price. When looking at property prices in London the lower quartile provides for better analysis of the affordability of housing in a given area. The graph below shows the lower quartile property prices for the London Sub-Regions and shows that all the sub-regions were closely priced but over the last 15 years the gap between the different sub-regions in terms of lower quartile property prices has widened. The affordability of housing therefore varies between sub-regions.

Graph 22: London Sub Regional Lower Quartile Property Prices



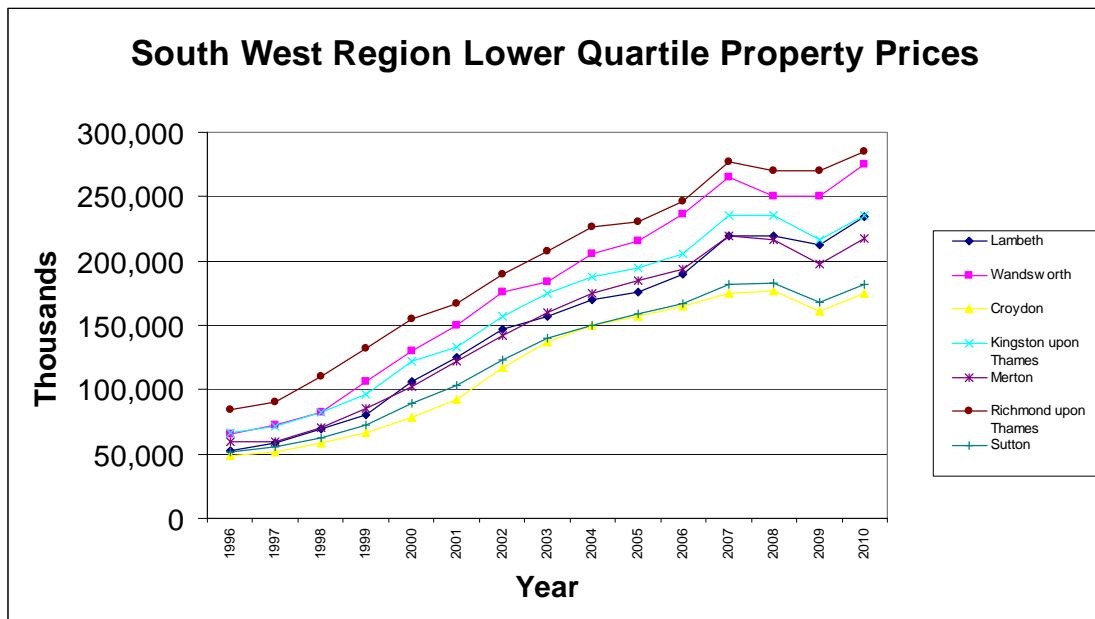
Source: CLG Table 587 Housing Market Lower Quartile House Prices based on Land Registry Data, by District from 1996

138. The SWLHP Sub-Region is placed between the other four sub-regions with the West and North sub-regions being the most expensive areas for entry level housing. However, comparing sub-regions can be misleading. The North sub-region includes Kensington and Chelsea which, in 2010, had its lower quartile property price at £471,995 while Hillingdon, also in the North sub-region, has a lower quartile property price of £205,000. This compares with Wandsworth which had a lower quartile property price of £275,000 in 2010. As would be expected there are considerable differences in lower quartile property prices within the different sub-regions.

139. The graph below shows that Wandsworth has the second highest lower quartile property prices in the South West Region. Despite a slight decrease in 2008 and 2009, during the credit crunch, prices have continued to rise and are now above 2008 levels. This demonstrates the strength of the housing market in Wandsworth and that although sales volumes have decreased the price of property continues to rise.

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Graph 23: South West Region Lower Quartile Property Prices



Source: CLG Table 587 Housing Market Lower Quartile House Prices based on Land Registry Data, by District from 1996

140. This has implications for affordability if incomes do not match ever increasing property prices. The amount that can be borrowed also has implications for the affordability of home ownership as does the rates that can be achieved by those trying to access the market at the lower quartile level which is often first time buyers.
141. However the gap between the mean, median and lower quartile house prices has slowly widened indicating that the affordability gap has also widened. This has an impact on those wanting to move to a larger property, possibly out of the lower quartile price bracket, which in turn has a knock on effect on first time buyers (FTB) who may be forced to remain in private sector rented property. This, accompanied with the increasing ratio between median income and lower quartile house prices further increases the affordability gap.

Home Ownership Affordability

142. When assessing the affordability of home ownership the SHMA Practice guidance (published by the CLG in 2007) suggests that households can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner or 2.9 times the gross household income for dual-income households and that, where possible, allowance should be made for access to capital that could be used towards the cost of home ownership. However, it also highlights that a higher proportion may be affordable for those on higher incomes and that local circumstances could justify using different proportional figures than those stated above. In addition, many mortgage lenders will provide mortgages of four times the gross household income for a single earner with some mortgage lenders agreeing up to five times the gross income depending on deposit, financial situation and credit checks. There are potential problems however if repayment rates rise and subsequently become unaffordable notwithstanding other ongoing costs of purchasing a property which can affect the affordability of home ownership such as repairs and maintenance.

143. As the table below shows a purchaser wanting to buy a lower quartile priced property in Wandsworth in 2010 would need to earn £74,809 gross per annum. This is based on someone with a five per cent deposit achieving 3.5 times their salary. The total income required reduces if a ten per cent deposit is available and a higher multiple is used. Therefore, a single earner with a ten per cent deposit would need an income of £62,012 to be able to afford the lower quartile property price of £275,611 (using an income multiple of four). For a dual income with a ten per cent deposit and a multiple of three times gross income a joint income of £82,683 would be required.

| Table 5: Property Prices and Income | | | |
|------------------------------------------------------|-------------------------------|----------------------|--------------------|
| Property Price Range | Lowest Quartile (2010) | Medium (2010) | Mean (2010) |
| Property Price | £275,611 | £379,950 | £493,416 |
| 5% deposit of property price | £13,781 | £18,998 | £24,671 |
| 10% deposit of property price | £27,561 | £37,995 | £49,342 |
| Loan amount required at 5% deposit | £261,830 | £360,953 | £468,745 |
| Loan amount required at 10% deposit | £248,050 | £341,955 | £444,075 |
| Gross Annual Income Required with 5% deposit | | | |
| 3.5 times Gross single earner | £74,809 | £103,129 | £133,927 |
| 2.9 times Gross dual income | £90,286 | £124,466 | £161,636 |
| 4 times Gross single earner | £65,458 | £90,238 | £117,186 |
| 3 times Gross dual income | £87,277 | £120,318 | £156,248 |
| Gross Annual Income Required with 10% deposit | | | |
| 3.5 times Gross single earner | £70,871 | £97,701 | £126,878 |
| 2.9 times Gross dual income | £85,534 | £117,916 | £153,129 |
| 4 times Gross single earner | £62,012 | £85,489 | £111,019 |
| 3 times Gross dual income | £82,683 | £113,985 | £148,025 |

144. In Wandsworth the average income is £47,709 (mean) and £39,813 (median) which demonstrates the potential problems for people trying to access market home ownership in the Borough if they do not have a substantial deposit to help cover the cost of purchase. Using the median income in Wandsworth of £39,813 and a multiple of four times this the average resident would need to make up £116,359 in deposit (42 per cent of the full purchase price). If the mean income in Wandsworth is used there is still a shortfall of £84,775. This demonstrates the scale of the challenge in Wandsworth regarding the affordability of entrance level market properties which first time buyers are often trying to access.

145. There are other considerations and each individual/s will be assessed on their own financial situation by a mortgage lender and as such there are a number of variables which will affect the amount that can be borrowed and the property that can be purchased. Even if the income level is achieved the level of deposit required at ten per cent is substantial at almost £30,000. This, combined with the associated costs when purchasing a property, such as stamp duty of three per cent on properties at £250,000 or more (an additional £8,268 on the above lower

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quartile property), make entry into the home ownership market in Wandsworth particularly difficult for first time buyers.

146. This does not take account of any additional financial commitments faced by young first time buyers such as student loan repayments which are likely to increase given increased student fees. The Government has estimated⁵⁷ that for students starting after 2006/07 the average Student Loan debt on graduation (maintenance and tuition fee loans) will be around £15,000 and take an average of 11 years to repay for men and 16 years for women. The Department for Business, Innovation and Skills has forecast that the average student loan debt on graduation will increase to £17,000 for 2010 graduates, £19,000 for 2012 graduates and £21,500 for 2014 graduates.
147. Equally this analysis does not take account those first time buyers who are able to access funding to assist with deposits, often helped by their family or extended family, and the potential for such funds to make homeownership an option. According to a survey undertaken by the Halifax and published in December 2012 FTBs in London put down the largest average deposit, at £62,356 with the average deposit needed across the UK being £27,984. In turn this demonstrates the difficulties that those who do not have a 'bank of mum and dad' face.
148. This has significant implications for Wandsworth in trying to sustain the housing market in the Borough particularly to the benefit of local residents. FTBs are essential to a property market and help to ensure mobility between tenures and movement throughout the market, for example those property owners wishing to upsize. If market level properties are not affordable those currently in the private rented sector will not be able to move tenures into home ownership. This, combined with the high levels of deposit required to access the home ownership market, results in potential property owners staying within the private rented sector for longer and occupying a tenure that has historically been more affordable than homeownership. All of this has a knock on effect in the housing market by reducing social mobility and creating areas which the majority of residents cannot afford.
149. The distribution of income ranges has changed in the last four years with those in the higher income, £70,000 and above, and those in the lower income bracket, £25,000 and below, both increasing by over five per cent and 3.9 per cent respectively. This contrasts with those within the £25,000 to £70,000 income bracket which decreased by nine per cent. With the affordability of properties within Wandsworth moving out of the reach of those on average incomes, as property prices increase each year, this possibly reflects the reduction of those in the £25,000 to £70,000 income bracket who are forced into buying or rent elsewhere.

Home Ownership Market Commentary

150. A consultation exercise was conducted with over 30 estate and letting Agents in Wandsworth and despite the limited response (four replies) the information received does not contradict the assessment of the current state of the market as set out in this report.

⁵⁷ www.parliament.uk/briefing-papers/SN01079.pdf 29th November 2012

151. The summary of the responses from the estate agents was that property prices continue to be high with the lower range of properties attracting prices between £175,000 - £200,000, for a studio flat, to £325,000 - £400,000 for a two bedroom property. Property prices are expected to continue to rise but only by single figure percentage points. Demand continues to outstrip supply with the highest demand being for terraced or semi-detached properties while those on the market for three million or above are proving harder to sell. Those buying tends to be young professionals and couples but with very few FTB (possibly as little as five per cent). There are more international buyers in the last two/three years although the general profile has not changed significantly in recent years. The overall housing market in Wandsworth appears to be improving with terraced houses priced at one to two million being the most sellable. There are on average 20 viewings per property sale with properties staying on the market for about three months (longer for higher priced properties). No particular locations are harder to sell in as it depends on the price being right.
152. The views of local estate and letting agents are reflected in market commentaries produced by pan London agents. One market commentator⁵⁸ referenced supply and demand, finance (euro crisis), politics (unrest and change in overseas countries) and the attractiveness of London as a safe haven as the drivers of increases in central London house prices in 2012. They have predicted⁵⁹ an eight per cent growth in central and south west London based on a more pronounced lack of supply and continued demand for property from abroad and at home with stronger growth in family markets (for example Southfields in Wandsworth) balancing lower growth in prime central areas. Comment has also been made⁶⁰ in relation to the demand for riverside development with the premium values that can be achieved driving a new wave of development. This is evidenced along the length of Wandsworth's northernmost boundary, the Thames, from Putney to the NEVOA in the north east of the Borough.
153. In addition a number (six) of developers' and property consultants' views were sought with one response. The response received set out a number of broad statements which are in line with the general assessment of the housing market as set out in the SHMA including:
- Wandsworth being perceived as a higher value Borough, with parts of the north of the Borough regarded as 'prime' residential with riverside locations in the VNEB area attracting the highest values and strong developer interest but there is some diversity with areas of much lower value such as Roehampton. Prime markets are being driven largely by overseas investors who see London property as a safe haven for capital during a time of economic instability.
 - Sales values in Wandsworth are likely to increase modestly over the next two to five years, in nominal terms at least. Real growth (growth in excess of general inflation and build cost inflation) may not be significant over this period.
 - Despite high sales in some parts of the Borough, schemes cannot easily meet the Council's affordable housing targets, due to high build costs.

⁵⁸ Douglas and Gordon Market Report September 2012: <http://www.douglasandgordon.com/blog/tag/market-report/>

⁵⁹ Douglas and Gordon London Barometer December 2012: <http://www.douglasandgordon.com/blog/the-london-barometer-december-2012/>

⁶⁰ Hamptons International Waterside in Review June 2012: <http://www.hamptons.co.uk/media/43576/waterside-june12-v2.pdf>

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- Over the long term (five years+) there is still substantial excess demand for housing. People will need to live somewhere, whether they own or rent. If mortgage availability remains constrained, rents will increase and this should encourage new entrants into the rented housing market.
- There are barriers to meeting the demand for family housing – lack of land availability and pressure to build at high density (which prevents sufficient levels of amenity space being provided).
- Not aware of any significant pressure or demand for specialist housing in Wandsworth. There does not appear to have been the same pressure to develop student housing here, as in other boroughs. Not aware of any pressure for retirement housing in Wandsworth.
- Expectation over the next two to five years, that the number of first time buyers will increase, providing that availability or mortgages improves.
- Grant funding has significantly reduced receipts from RSLs to developers. This has reduced the capacity of developments to provide affordable housing at the levels previously provided. Funding is a more critical issue.
- Mayoral CIL equates to a very modest proportion of development costs and should not adversely impact on development viability. Although the LBW CIL is clearly a more significant proportion of costs, developers in the NEV OA are paying a considerably higher level of CIL than elsewhere and this is accepted. It has not adversely impacted on developers' desire to buy sites and develop in the area.

Registered Providers Market Comment

154. A consultation exercise was carried out with nine Registered Providers (RPs) active in Wandsworth with four responses received.

Overall Housing Market

155. In terms of the overall housing market the Registered Providers confirmed the strong and improving housing market in Wandsworth and the high demand for housing of all tenures. There is high demand for shared ownership in the Borough and with high property prices and a strong private rental market Wandsworth is an attractive area for development. A fairly even spread of income up to the £65,000 level suggests plenty of potential to justify investing to meet intermediate market demand. In addition, the significant numbers of £100,000 income levels combined with the central location (which attracts overseas market investors) means that demand for high end development investment is strong which can support the development of affordable tenures. It is anticipated that prices and the market in London will remain stable and strong over the coming years.
156. However, they also commented on the limited land and high land prices, because of the attractiveness of the Borough for development, making the delivery of affordable housing products more difficult for some RPs especially in the current grant constrained environment. Although the high property prices in Wandsworth make development opportunities more viable there are difficulties in ensuring that affordable products meet the needs of local residents. As such cheaper areas of Wandsworth, such as older council estates, are likely to provide more viable affordable housing development sites.

157. Another problem that RProviders have experienced is that despite the high demand for shared ownership properties there is an ongoing challenge in balancing rising property prices with Wandsworth Council's affordability income cap of £38,000 across two thirds of properties for shared ownership.
158. All RPs who responded confirmed that supply across London was low and although Wandsworth has a good supply of shared ownership this is still not meeting the demand. The high demand for low cost home ownership in Wandsworth is evidenced by the huge attendance at the Wandsworth Affordable Housing Show and the interest in RPs schemes in the Borough. Properties are selling within weeks and the First Steps website received over 600 registrations of interest during October 2012 for intermediate homes in Wandsworth and over 100,000 unique visitors for the first time during the same month demonstrating the increasing interest in intermediate housing. The age of those purchasing shared ownership has also increased and is 34 years for some RPs while others suggests a range of ages from late twenties to early forties although this also demonstrates a rising age group.

Market Housing: Future Demand

159. Assessing the future demand for market housing⁶¹ relies on known information such as population projections, including by age and household type, and the level of "churn"⁶² within particular tenure segments, such as the private rented sector and the level of supply. It also relies on more problematic assumptions about future financial markets in terms of lending requirements, financial market stability, the attractiveness of one housing tenure over another (house purchase or private renting or vice versa depending on relative costs) government interventions in market housing (NewBuy) and the role of housing as investment potential or as a safe haven for acquired wealth. All of which are dependent on political, fiscal and economic stability elsewhere and decisions made by global governments which in turn may and for some already has prompted a move of capital to the UK⁶³.
160. The scale and mix of market housing that the local population is likely to need will depend on a complex interaction of various factors as set out above including the current and future economic and demographic profile of the local population, which will itself be influenced by the scale and mix of housing in the area.
161. Even if an area were to have a supply of market housing of the correct scale and mix to meet the needs of the population, this would not result in everybody's needs being met as some households will, where they can afford to do so, choose to obtain or continue to occupy housing that more than meets their needs. For example, some single people or couples may choose to occupy family sized accommodation if they can afford to do so and others may choose to own or rent second homes.
162. In addition to the above there is Wandsworth's geographic location. Its proximity to central London results in it being susceptible to the ripple effects of changes in markets in adjacent boroughs and most importantly central London boroughs

⁶¹ Market housing: private housing for rent or sale for which the price is set on the open market which is clearly be influenced by the relative levels of supply and demand

⁶² Churn: movements within and between sectors

⁶³ <http://www.reuters.com/article/2011/10/31/londonhomes-idUSL5E7LP3PS20111031>

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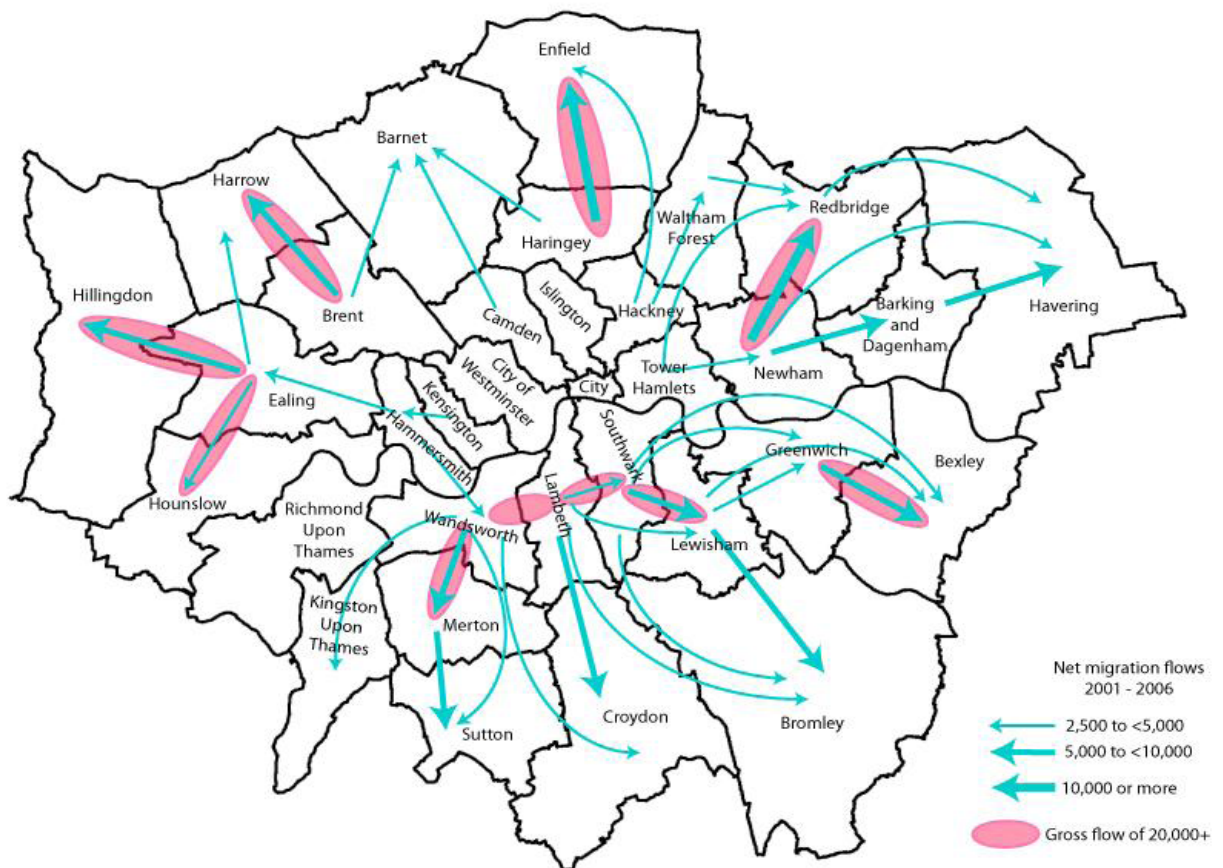
whilst development opportunities within the Borough and elsewhere potentially contribute to a push pull effect on the housing market. This interrelationship of housing markets was recognised in the London Plan Annual Monitoring Report published by the GLA in March 2012, London is for planning purposes a single housing market with significant local variations within it that pay little heed to administrative boundaries and is part of a market area that extends into the wider south east region. It is perhaps therefore more appropriate that the demand for market housing should be assessed on a London-wide basis and that plans to meet that demand should be based primarily on land availability.

163. The ripple effect of household movements from the centre of London (Inner London boroughs) to Outer London boroughs and thereafter to adjacent counties was referenced and recognised in the Greater London Strategic Housing Market Assessment 2008⁶⁴ as illustrated in the figure following and is further evidenced in 2011 ONS migration statistics⁶⁵. Wandsworth largely experiences an outward flow to boroughs adjacent and southward such as Lambeth, Merton, Croydon, Richmond upon Thames, Southwark, Kingston, Sutton and Lewisham which account for just over one third of outflow migration. Other outward flows are mainly to boroughs just north of the Thames (Hammersmith and Fulham, Tower Hamlets and Kensington and Chelsea). These outward flows of households are also representative of house purchase flows; where prospective purchasers are unable to buy “in Borough” they tend to seek properties in adjacent boroughs or those to the south rather than north of the Thames.

⁶⁴ GLA SHMA 2008: <http://www.london.gov.uk/publication/2008-london-strategic-housing-market-assessment>

⁶⁵ ONS Internal Migration by Local Authorities in England and Wales, Mid-2011 Part 1
<http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-269805>

Figure 2: Greater London Strategic Housing Market Assessment 2008 Migration Between London Boroughs 2001-2006 (Source: ONS Migration Statistics Unit)



164. As local authorities cannot control access to market housing and an increase in supply may be accompanied by an increase in demand, it is not necessarily the case that increasing the supply of market housing in their area will meet the housing needs of people / households already living in the area. Potential areas of influence that the Council could explore include;

- The extent to which the Council can encourage private lettings arrangements that give a time limited preference to local residents and/or those living in the Borough.
- Opportunities to provide larger family housing in certain cheaper areas of the Borough.
- Maintaining the quality and liveability of accommodation through planning policies that, for instance, at the current time limit the percentage of smaller one person units that are allowed on developments.

165. Equally, the significant latent demand for smaller accommodation suggests a pragmatic approach be taken in this respect where given location (for example close to transport links, town centre locations) there is the potential to deliver high quality tailored living environments that have a higher density of smaller units or indeed provide the opportunity for sharing (where units are developed to meet the demand for private rented units).

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Conclusion

166. Given continuing demand overall house prices in Wandsworth have held up which is positive in terms of sustaining development but provides challenges in respect to the provision of affordable housing options in the Borough particularly for the significant population of often younger £25,000 to £70,000 earners who might be expected to and indeed wish to buy in Wandsworth. Whilst there are more affordable housing options in the sub region the possible loss of middle income earners from the Borough does have potential implications for services, the local economy and promotion of active citizenship particularly if those households are forced to move further away from the Borough.
167. Whilst it might be reasonable to anticipate that some younger buyers may be assisted by the bank of mum and dad many households will not. At present mobility between tenures is reduced and those home owners who need to staircase to larger properties are more limited in their ability to do so. It is evident that those on average or median incomes will fall between two stools of not being able to afford homeownership housing and not in sufficient need to access social rent housing..
168. The policy response needs to consider the role that intermediate housing can play in providing local low cost homeownership options although as identified elsewhere this does not at the current time necessarily provide the “quantum” response required to meet growing demand. Whilst London and sub regional markets can provide affordable housing options the importance of schemes such as the Government guaranteeing and underwriting loans taken by FTBs is significant. Whilst homeownership will continue to be an aspiration for the majority, affordable homeownership may well be difficult for the many which provides additional focus on how to establish and increase a PRS/Intermediate rent sector that better caters for the longer term housing needs of middle income earners.
169. The overall assessment of the housing market in Wandsworth by RPs shows a very high demand for intermediate housing and a buoyant property market which in itself provides development activity that can support the delivery of affordable housing. However, the RPs also identify that in certain parts of the Borough it is particularly challenging to deliver affordable housing given high land values. As would also be expected the demand for intermediate housing is increasing although there is a risk that if affordability criteria are set too rigidly this will affect the number of units delivered. A fine balance needs to be drawn between affordability, meeting local needs and delivering housing (options) in sufficient quantum to positively affect the overall supply of housing and in turn create the churn between tenures required.
170. In terms of market housing whilst the Council has little influence on this sector the focus must be on sustaining development and exploring ways in which existing local residents and/or those working in the Borough are given the chance and opportunity to access this housing. Encouraging and enabling more structured private renting arrangements may achieve this along with exploring more innovative living options (such as housing developed specifically to cater for sharers, smaller accommodation developed to take advantage of particular locations near to transport links or in busy town centres).

171. The continuing demand for market housing is positive in terms of affordable housing provision. However, the analysis above also suggests that in order to have quantum impacts on meeting local housing needs a wider range of investment and assistance options needs to be considered – not just bricks and mortar investment. A principle consideration in this respect is the optimal use that can be made of developer contributions either in the form of onsite or offsite provision. The main test could be of assisting the maximum number of residents in housing need relative to the identified options available be it through the provision of personal subsidy (for instance through provision of deposits to encourage more moves out of the social rent sector) and new build affordable housing through offsite development (inside or outside of the Borough). However, if this model were unconstrained and focused only on optimising the use of resources other policy goals, including that of delivering mixed and sustainable development through delivery of a mix of tenures on sites, could be adversely effected.

Private Rented Sector (PRS)

Private Rented Sector Affordability

172. The PRS in Wandsworth is an essential part of the housing market which provides affordable housing for a number of people unable to access the home ownership market or social rent housing.
173. The SHMA Practice guidance (published by the CLG in 2007) suggests that households can be considered able to afford private rented housing in cases where the rent payable is up to 25 per cent of their gross household income. However, it also highlights that a higher proportion may be affordable for those on higher incomes and that local circumstances could justify using a higher proportion.
174. The eighth London Annual Monitoring Report (AMR)⁶⁶, which was published in March 2012, states that local authorities should seek to ensure that average housing costs, including service charges, to households for whom intermediate housing is provided are affordable by households on incomes of £42,150 a year. The AMR suggests that, for households on an income of £42,150 a year average housing costs, including service charges, of about £230 a week (just over 28 per cent of gross household income or 40 per cent of net household income with net income assumed to be 70 per cent of gross income) should be considered affordable.
175. Taking account of the guidance outline in the AMR and the local circumstances (Wandsworth being an attractive Borough to live in with low council tax, good transport links which is likely to mean that households are willing to pay more rent to live here) it seems reasonable to consider households being able and willing to afford private rented housing in cases where the rent payable is up to 30 per cent of their gross household income.
176. The table following shows the average weekly rent in Wandsworth for different size properties from shared rooms up to four or more bedrooms. It provides the split between lower quartile, median and upper quartile rent charges and then

⁶⁶ Mayor of London, 2012, London Plan Annual Monitoring Report 8 2010-2011, p124.

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what level of income an individual would need to be on if the rent was 25 per cent or 30 per cent of gross income.

Table 6: Rental Prices and Income

| Property | Shared | Studio | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|----------------------------|--------|--------|-----------|-----------|-----------|-----------|
| Lower Quartile | £81 | £167 | £220 | £277 | £330 | £427 |
| Median | £99 | £185 | £260 | £323 | £393 | £531 |
| Upper Quartile | £122 | £202 | £299 | £375 | £498 | £711 |
| Council | | £74 | £99 | £123 | £161 | £187 |
| Total Properties Available | 335 | 134 | 846 | 1,276 | 506 | 324 |

| 25% of Gross Income | Shared | Studio | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|---------------------|---------|---------|-----------|-----------|-----------|-----------|
| Lower Quartile | £16,848 | £34,736 | £45,760 | £57,616 | £68,640 | £88,816 |
| Median | £20,592 | £38,480 | £54,080 | £67,184 | £81,744 | £110,448 |
| Upper Quartile | £25,376 | £42,016 | £62,192 | £78,000 | £103,584 | £147,888 |
| Council | | £15,445 | £20,550 | £25,547 | £33,500 | £38,856 |

| 30% of Gross Income | Shared | Studio | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|---------------------|---------|---------|-----------|-----------|-----------|-----------|
| Lower Quartile | £14,040 | £28,947 | £38,133 | £48,013 | £57,200 | £74,013 |
| Median | £17,160 | £32,067 | £45,067 | £55,987 | £68,120 | £92,040 |
| Upper Quartile | £21,147 | £35,013 | £51,827 | £65,000 | £86,320 | £123,240 |
| Council | | £12,871 | £17,125 | £21,289 | £27,917 | £32,380 |

GLA, 2012, London Rent Map, Date Accessed August 2012

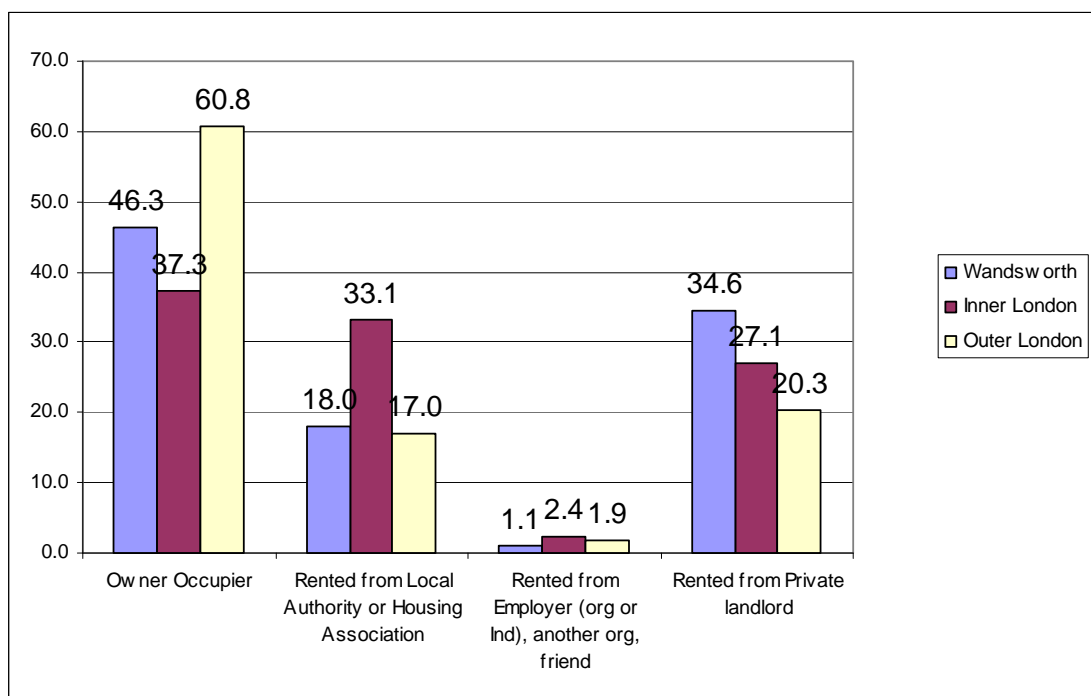
177. Taking into consideration the local housing market in Wandsworth up to 30 per cent of gross income will be used to consider affordability of the private rent sector in the Borough. As the table demonstrates private sector rents in Wandsworth are high. In order to afford a studio property an individual would need to be on an income of £28,947 per year. A one bedroom property would require an annual income of £38,133 which is below the median income for Wandsworth which is £39,813. Therefore, the private rented sector is affordable for those on median income requiring a studio or one bed property in either the lower quartile or median price range. However, this measure of affordability for households on the median income becomes unaffordable for a family needing a two bedroom property or more, if there is only one working adult. For households needing a larger property, with one working adult on a median income, some form of financial assistance would be required. The affordability of the private rent sector in Wandsworth depends on the household requirements but for the lowest rental price a minimum income of £14,040 for a shared property is required. However, for a family requiring just two bedrooms an income of £48,013 is required, which is above both the median and mean average for incomes in the Borough.

178. It is not the case that affordable housing is required for all households who are unable to afford private rented housing. As set out earlier in this document, the SHMA guidance published by the CLG in 2007 suggests that local authorities should focus on gathering evidence about actual household behaviour and choices made and highlights in particular that some households that are eligible

for affordable housing may choose to live in the private rented sector and / or live in housing that might be considered to be unsuitable and / or unaffordable.

179. An additional factor is that the private rented market in Wandsworth, as elsewhere, is highly differentiated in terms of type and particular location of property even within fairly small areas. Individuals will need to compromise in terms of location and distance from, say, a particular transport link and rents can be significantly lower.
180. The graph below demonstrates the importance of the private rented sector to Wandsworth’s housing market. The changing role of the private rented sector in meeting housing need will be further influenced and potentially challenged through the welfare reforms being introduced over the next couple of years.

Graph 24: Housing Tenure of Households (ONS)



Source: ONS, 2012, Housing Tenure of Households, August 2012

The Changing Role of the Private Rented Sector

181. Housing Benefit provides personnel subsidy that means that many more households have been able to access the private rented sector to meet their housing needs in a way that has often provided a greater range of accommodation choices than social rent housing.
182. As highlighted in the London Plan (published July 2011) almost one in four London households now live in privately rented homes⁶⁷ and the sector is playing an increasing role in meeting London’s diverse housing needs and over half of the one in eight households in London who move home each year move into this sector.

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183. When considering the role that the PRS can play in meeting housing need, the important role that Housing Benefit plays in meeting housing need should be examined. The provision of Housing Benefit plays an important role in enabling both working and non working households on low incomes to meet their housing needs in the PRS. The number of working households in receipt of Housing Benefit is, on a current workload of 27,529 households⁶⁸, 7,990 households (29 per cent). Households requiring three or more bedroom properties would still qualify for housing benefit to some extent with a sliding scale applying to larger size households and properties providing income levels were not in breach of the welfare cap of around £26,000 for non working households (where no member of that household is working for 25 hours or more a week) when it is introduced from 1st April 2012.

| Tenure | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| PRP* tenants | 5,788 | 6,168 | 6,737 | 7,532 | 7,387 | 6,971 | 6,647 | 6,721 | 6,799 | 6,790 |
| Council tenants | 11,116 | 10,983 | 11,146 | 11,660 | 11,572 | 11,524 | 11,521 | 11,611 | 11,916 | 12,037 |
| Private tenants | 3,176 | 3,090 | 3,150 | 3,556 | 4,077 | 4,358 | 4,783 | 5,793 | 7,557 | 8,038 |
| Total | 20,080 | 20,241 | 21,033 | 22,748 | 23,036 | 22,853 | 22,951 | 24,125 | 26,272 | 26,865 |

*PRP tenants = Private Registered Provider tenants (i.e. housing association tenants).

184. The upper limit rents for studio to two bedroom accommodation set out in the table below are based on 30th percentile rents meaning that three out of ten properties in Wandsworth should be affordable to those needing to claim housing benefit to cover all or part of the rent. Rents for three bedrooms and above are limited to the Local Housing Allowance (LHA) caps which for three bedroom properties is £340 per week and for four bedroom plus properties is £400 per week. Whilst increased overall demand for private rented housing and welfare benefit reforms may effect access to the PRS in Wandsworth at present numbers of households supported by Housing Benefit to live in the PRS are being sustained albeit that this is an area that needs regular monitoring given recent and future planned welfare benefit changes.

| Household type | Size* | Weekly LHA rate (Inner SW London) | Applicable amount** | Max weekly household income*** | Max annual household income*** |
|---------------------------------|-------|-----------------------------------|---------------------|--------------------------------|--------------------------------|
| Single person | Room | £85.38 | £71.00 | £202.49 | £10,529 |
| Childless couple | | | £111.45 | £242.94 | £12,633 |
| Single person | 1 bed | £229.62 | £71.00 | £424.61 | £22,080 |
| Childless couple | | | £111.45 | £465.06 | £23,715 |
| Couple 1 child under 10 | 2 bed | £288.46 | £193.84 | £638.07 | £33,180 |
| Couple 2 children under 10 | | | £258.83 | £703.06 | £36,559 |
| Lone parent 1 child under 10 | | | £153.39 | £597.62 | £31,076 |
| Lone parent 2 children under 10 | | | £218.38 | £662.61 | £34,456 |

⁶⁸ As at end of November 2012

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| | | | | | |
|-------------------------------------------------|-------|---------|---------|-----------|---------|
| Couple 3 children under 10 | 3 bed | £340.00 | £323.82 | £847.42 | £44,066 |
| Couple 3 children under 10 1 child over 10 | | | | | |
| Lone parent 3 children under 10 | | | | | |
| Lone parent 2 children under 10 1 child over 10 | | | | | |
| Couple 5 children under 10 | 4 bed | £400.00 | £453.80 | £1,069.80 | £55,630 |

Table 9: Maximum household income level for households to qualify for housing benefit as at July 2012 in the OUTER SW London BRMA (Broad Rental Market Area)

| Household type | Size ^{69*} | Weekly LHA rate (Outer SW London) | Applicable amount ^{70*} | Max weekly household income ^{71*} | Max annual household income ^{***} |
|-------------------------------------------------|---------------------|-----------------------------------|----------------------------------|--------------------------------------------|--------------------------------------------|
| Single person | Room | £80.77 | £71.00 | £195.39 | £10,160 |
| Childless couple | | | £111.45 | £235.84 | £12,264 |
| Single person | 1 bed | £201.92 | £71.00 | £381.96 | £19,862 |
| Childless couple | | | £111.45 | £422.41 | £21,965 |
| Couple 1 child under 10 | 2 bed | £253.85 | £193.84 | £584.77 | £30,408 |
| Couple 2 children under 10 | | | £258.83 | £649.76 | £33,788 |
| Lone parent 1 child under 10 | | | £153.39 | £544.32 | £28,305 |
| Lone parent 2 children under 10 | | | £218.38 | £609.31 | £31,684 |
| Couple 3 children under 10 | 3 bed | £311.54 | £323.82 | £803.59 | £41,787 |
| Couple 3 children under 10 1 child over 10 | | | £283.37 | £763.14 | £39,683 |
| Lone parent 3 children under 10 | | | | | |
| Lone parent 2 children under 10 1 child over 10 | | | | | |
| Couple 5 children under 10 | 4 bed | £400.00 | £453.80 | £1,069.80 | £55,630 |

Private Rented Sector Market Commentary

185. A consultation exercise was conducted with over 30 estate and letting agents in Wandsworth and despite the limited response (four replies) the information received confirms the current state of the private rented market outlined. Rents have increased by over 20 per cent in the last two to three years and with

⁶⁹ * Size = Size of property household qualifies for under benefit rules

⁷⁰ ** The 'applicable amount' is made up of a personal allowance, personal allowances for any children in the family and any premiums added (e.g. disability premium, carer premium). The applicable amount shown here assumes that the claimant and the partner are of working age and that no disability premiums apply. The applicable amount is the amount that the Government says that a claimant and their family need to live on each week. It is made up of either personal allowances only or a combination of personal allowances and premiums. Which of these apply to the claim will depend on the age of the claimant, their circumstances and who is in the household. When the applicable amount has been calculated it is then compared with the household income to work out the benefit entitlement.

⁷¹ *** Household income = Net level of eligible income for benefit purposes i.e. income of applicant (and partner if applicable) after any appropriate disregards have been taken into account e.g. earnings disregard, childcare disregard or disregarded incomes such as DLA. Households where the applicable amount is higher (e.g. due to the addition of disability premiums or pensioner premiums) may qualify for housing benefit even if their income exceeds this level.

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demand continuing to outstrip supply it is anticipated that rents will continue to rise as FTB are unable to buy in a property market with increasing prices. Properties are renting within days with few properties remaining on the books for more than two weeks. Young professionals are increasingly making up the client profile with couples looking to rent one or two bedroom properties which has increased demand for these property types. There is also an increase in overseas and mature students and young professionals registering for accommodation and there is a need for more affordable one and two bedroom properties and HMOs to accommodate the increasing number of students and a need for more shared ownership properties for single people with no families.

186. Responses indicate that the Council needs to consider the delays in paying Housing Benefit rent to private sector landlords, 28 days after the contact starts, as this is discouraging private sector landlords. An expressed view was that the Council should look towards more innovative ways of meeting the demand for low cost rented housing given demand and the additional financial cost of housing benefit on the public purse.
187. Market commentaries produced by pan London agents whilst citing a flatter market in the first six months of 2012⁷² point to only a small decrease in the applicants per property ratio (reduced from 10.2 per cent to 9.1 per cent) and note that overall ratios disguise significant variations both by location and type of property (effectively a highly differentiated market even in relatively small geographic areas). Commentators also note that⁷³ rents have fallen in central London due to tenants seeking more affordable property further out. Comment has been made⁷⁴ in relation to tenants seeking better value in Zone 2 locations (which includes a large portion of Wandsworth) and that while rents are likely to remain flat at the national level it is expected that London should retain top spot regionally as the demand from young professionals who are unable to access owner occupation continues.

Conclusion

188. What is evident is that the private rented sector has grown to meet demand but that supply is not keeping up with demand with one consequence being that rent levels overall have increased. The other notable observation is that the private rented sector is diverse, highly differentiated (location and quality are key factors in terms of defining demand and price) and has the potential to cater for a range of needs and requirements. There has been a significant and substantial increase in the numbers of private renters claiming Housing Benefit in Wandsworth. Housing Benefit continues to cover rents up to the 30th percentile for one and two bed properties and lower quartile rents for three bedroom properties remain below the LHA cap of £340 per week, with the numbers of claimants having reduced. This possibly presents a threat that the low end private market may become more unaffordable as demand increases and welfare benefit changes, for some, begin to have an impact.

⁷² Douglas and Gordon Market Report September 2012:

<http://www.douglasandgordon.com/blog/tag/market-report/>

⁷³ Douglas and Gordon London Barometer December 2012: dong

<http://www.douglasandgordon.com/blog/the-london-barometer-december-2012/>

⁷⁴ Hamptons International 2013 Forecasts November 2012:

<http://www.hamptons.co.uk/media/74912/2013forecast.pdf>

189. Maintaining access to the private rented sector, in this Borough and further afield, for those on lower incomes and in housing need must be a policy priority if the Council is to address housing demand and meet its housing responsibilities. A highly differentiated sector continues to provide opportunities to do this if the right incentives are made available.
190. Currently there is no overall policy position in encouraging the development of housing for private rent. However the overwhelming demand for intermediate and private rent housing suggests that this is an area that the Council should encourage particularly if in doing so this form of housing can be developed in quantum and can take pressure off the 30th percentile/lower quartile private rent sector. Encouraging, enabling and regularising supply may also provide opportunities to influence how private rent housing is offered in terms of length of tenure and priority given to local residents and those working in the Borough.

OVERCROWDING AND UNDEROCCUPATION

Overview

191. Living in overcrowded conditions has the potential to cause problems for both family relationships and health. The Council's ability to meet the needs of overcrowded households is constrained by both the availability of and turn over of large sized family dwellings in the social rented sector. At the same time there are households who are underoccupying family size properties. Where possible the Council has put in place a number of initiatives to address this issue including financial incentives to move, help with moving and priority being given for new build social rented accommodation.

Overcrowding

192. There were 2,254 households registered as overcrowded on the Council's housing queues for social rented housing as at 31st March 2012.

| <u>Table 10: Overcrowded households on the Council's housing queues for social rented housing because they needed a larger general needs property at 31st March .2012</u> | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------|------------|------------|-----------|-----------|----------|--------------|
| | Size of property required | | | | | | | Total |
| | 1 bed | 2 bed | 3 bed | 4 bed | 5 bed | 6 bed | 7 bed | |
| Wandsworth Tenants Total | 13 | 247 | 446 | 152 | 38 | 5 | 0 | 901 |
| Other Social Housing Tenants Total | 28 | 72 | 62 | 20 | 2 | 1 | 1 | 186 |
| Private Rented Sector Tenants Total | 388 | 449 | 217 | 69 | 36 | 8 | 0 | 1,167 |
| Total | 429 | 768 | 725 | 241 | 76 | 14 | 1 | 2,254 |

Severe Overcrowding

193. The statutory definition of overcrowding is widely considered to be outdated and in need of revision and overcrowding is more generally assessed under the bedroom standard (DCLG). Under this standard severe overcrowding is defined as being two or more bedrooms below the bedroom standard

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194. The Mayor of London's Housing Strategy⁷⁵ sets out a target to halve severe overcrowding in London's social housing sector by 2016 and to reduce the number of tenants under-occupying social housing by two-thirds within the same period. Severe overcrowding is defined by the Mayor of London using the DCLG bedroom standard.
195. As at 31st March 2012 there were 288 households registered with the Council as severely overcrowded as set out in the Table 11 following with an additional 1.966 overcrowded i.e. lacking one bedroom (Table 12 following).

| Table 11: Severely overcrowded households (i.e. households lacking two or more bedrooms) were on either the Council's housing queues for general needs social rented housing, the Council's House Sales Register or both because they needed a larger general needs property at 31st March 2012 | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------|-------|-------|-------|-------|-------|-------|
| Severely overcrowded* | Size of property required | | | | | | | Total |
| | 1 bed | 2 bed | 3 bed | 4 bed | 5 bed | 6 bed | 7 bed | |
| WBC tenants | 0 | 19 | 14 | 62 | 7 | 5 | 0 | 107 |
| Other social housing tenants | 0 | 8 | 11 | 12 | 1 | 1 | 1 | 34 |
| Private sector tenants | 0 | 75 | 37 | 10 | 17 | 8 | 0 | 147 |
| Total | 0 | 102 | 62 | 84 | 25 | 14 | 1 | 288 |

| Table 12: Households who are overcrowded but not severely overcrowded (i.e. households lacking one bedroom): | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------|---------------------------|-------------|------------|------------|-------|-------|-------|---------------|
| | Size of property required | | | | | | | Total |
| | 1 bed | 2 bed | 3 bed | 4 bed | 5 bed | 6 bed | 7 bed | |
| WBC tenants | 13 | 228 | 432 | 90 | 31 | 0 | 0 | 794 |
| Other social housing tenants | 28 | 64 (1) | 51 (2) | 8 | 1 | 0 | 0 | 152 (3) |
| Private sector tenants | 388 | 374 (44) | 180 (6) | 59 (1) | 19 | 0 | 0 | 1,020 (51) |
| Total | 429 | 666 (45) | 663 (8) | 157 (1) | 51 | 0 | 0 | 1,966 (54) |

196. The Council has responded to overcrowding in a number of ways: by encouraging underoccupying households to move, by building family size accommodation where possible through the Hidden Homes programme (238⁷⁶ new build properties) and more recently through the introduction of a "Housing into Work" initiative. This links moving into employment with the offer of accommodation and which is in part aimed at those overcrowded households with an adult aged 18-24 who would be offered separate accommodation as part of an agreement to becoming work prepared.
197. In the years 2010/11 to 2011/12 the Council rehoused 297 overcrowded households to 'right sized' accommodation of which 104 were severely overcrowded.

Underoccupation

⁷⁵ Mayor of London's draft Housing Strategy: <http://www.london.gov.uk/consultation/revised-london-housing-strategy>

⁷⁶ Of which eight are bedsits, 92 are one beds, 81 are two beds and 57 are three beds or more.

198. There were 259 households registered as under occupying on the Council's general needs housing queue at 31st March 2012.

| <u>Table 13: Under occupying households were on either the Council's housing queues for general needs social rented housing, the Council's House Sales Register or both because they needed a smaller general needs property at 31st March 2012</u> | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------|-----------|----------|----------|----------|----------|------------|
| | Size of property required | | | | | | | Total |
| | 1 bed | 2 bed | 3 bed | 4 bed | 5 bed | 6 bed | 7 bed | |
| Wandsworth Tenants Total | 117 | 89 | 17 | 0 | 0 | 0 | 0 | 223 |
| Other Social Housing Tenants Total | 22 | 8 | 1 | 0 | 0 | 0 | 0 | 31 |
| Private Rented Sector Tenants Total | 2 | 2 | 0 | 1 | 0 | 0 | 0 | 5 |
| Total | 141 | 99 | 18 | 1 | 0 | 0 | 0 | 259 |

199. Whilst substantially more households are registered as being overcrowded it is notable that there is less incentive for underoccupying households to move and therefore register with the Council to do so. A study was undertaken in 2008⁷⁷ of 638 households occupying four bedroom or larger properties in Council stock. Of the 211 respondents to the survey 89 per cent were identified as underoccupying their property by one bedroom or more; 71 per cent by two bedrooms or more (figures excluded those already registered for a transfer). Census data has also generally shown that there are fairly equal numbers of overcrowded and underoccupying households which suggests that if there was some way of reallocating units much of the evidenced overcrowding could be addressed.

The Council's Limited Ability to Tackle Underoccupation

200. The Council's ability to tackle underoccupation of social rented and affordable rented housing is limited. Through the new flexibilities introduced in the Localism Act 2011 and the publication of a new regulatory framework for social housing in England from April 2012, the Government has granted local authorities and registered providers of social housing the freedom to use fixed term tenancies and this means that, in the future, the Council will have a much greater ability to tackle the underoccupation of social rented housing.

201. However, the Council has no power to require existing tenants who are underoccupying their home to move. In addition, current regulatory requirements mean that tenants who were already social housing tenants as at 1st April 2012 and have remained so since that date must always, when granted a transfer to another social rented property, be granted a tenancy with no less security of tenure than they currently have. The introduction of the Social Sector Size Criteria (SSSC) benefit reduction for working age social housing tenants who are underoccupying ('bedroom tax') from April 2013 may provide sufficient incentive for some tenants to move to a smaller home.

Conclusion

⁷⁷ Underoccupation: <http://ww3.wandsworth.gov.uk/moderngov/documents/s5152/Paper%20No.08-227.pdf>

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202. The main focus in housing policy terms is to tackle severe overcrowding and particularly that arising in the social rent sector. Across London overcrowding remains a particular challenge for most boroughs with targets set by the London Mayor to halve the level of severe overcrowding in the social rent sector by 2016. The London Mayor and in turn the Council has made the development of larger family sized accommodation a priority with a target of 40 per cent of all new low cost rent housing being three bedrooms plus.
203. Whilst 212 moves have been facilitated through the Council's underoccupation initiatives over the last three years this still remains a small number of moves relative to the extent of under occupation. What is evident is that if there were more levers to encourage underoccupiers to move much of the overcrowding certainly in the social rent sector could potentially be addressed and the introduction of the SSSC is likely to assist here. However, in housing policy terms, a greater overall focus on increasing mobility across the social rent sector has the potential to reap significant benefits for current and future low cost rent tenants at a significantly lower cost than developing a larger family unit.
204. The impact of welfare benefit changes does need to be monitored to assess whether there is any potential unintended consequence of households overcrowding in order to address particular issues arising as a result for instance of the LHA caps and/or the introduction of total welfare benefit caps that will effect households with no working members.

HOUSING NEED ASSESSMENT FOR LOW COST OR SUBSIDISED HOUSING

Affordable Housing: Assessing The Gap Between Need And Supply

205. In any area it will always be the case that some households, on either a temporary or permanent basis, cannot meet their housing needs by buying or renting housing on the open market without some sort of financial assistance in the form of:
- a) A 'personal subsidy', such as welfare benefits and / or the provision of a deposit; or
 - b) A 'bricks and mortar subsidy' i.e. the provision of affordable housing (as defined in the NPPF); or
 - c) Both.
206. Additionally as highlighted in the SHMA Practice Guidance that was published by the CLG in August 2007 it is also reasonable, particularly in an area such as London, to assume that some households should be able to buy or rent in another area albeit with the assistance of some form of subsidy, such as housing benefit, if this is required.

Identifying the Need for Affordable Housing In Wandsworth

207. The Wandsworth SHMA seeks to identify and estimate the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (identified here as ten years to align with the Council's housing

delivery targets). This includes the need for affordable housing⁷⁸ and supported housing for older people and disabled people (including people with physical disabilities, people with learning disabilities and people with mental health problems)) and the needs of different groups in the community (such as, families with children, service families and people wishing to develop their own home).

208. The Wandsworth SHMA seeks to identify and define affordable housing demand in respect to an assessment of those households where there is some form of priority to assist with housing need and to also balance housing demands recognising the various demographic and other factors which in particular make the provision of intermediate housing a priority. A rigorous approach has therefore been taken which considers identified need and demand provided through the Council's social housing register and homeownership list and intermediate purchase information. In respect to social housing consideration is focused on identifying those households that would expect to be prioritised for social or affordable rent housing.
209. The NPPF defines affordable housing as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market, with eligibility being determined with regard to local incomes and local house prices.

The Need for Affordable Housing

210. The need for affordable housing is made up of two component parts; the identified backlog of need and the identified newly arising need and is based on trend data resulting from previous letting and sales activity either by the Council or RSLs operating in the Borough.
211. In considering the overall demand for affordable housing any households with no identified housing need have been excluded as have out of Borough applicants on the General Needs Queue. Physical Disability and Older Persons Housing Queue applicants are considered elsewhere in this assessment. The assessment in Table 14 below has focused on considering the housing needs of those households whom the Council would have some responsibility to assist with their housing given their housing circumstances. Such households would include homeless households (the majority of the households requiring rehousing), those who are severely overcrowded and those with disabilities or who are inadequately housed. The following table provides a summary of this analysis. Table 14 excludes a cohort of households who could arguably be considered to be suitably housed (single people and childless couples) and a group of private sector tenants who are, given their current circumstances, unlikely to be eligible for social housing and would need to consider other

⁷⁸ Annex 2 of the NPPF: **Affordable housing:** Social rented, affordable rented. (Affordable Rent is subject to rent controls that require a rent of no more than 80per cent of the local market rent (including service charges, where applicable)).and intermediate housing (homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above). These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing (See also Housing Need and Supply Methodology Appendix of this document).
provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision

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housing options including alternative accommodation in the PRS to meet their housing requirements. The Homeownership List has also been reviewed to identify only households meeting the income criteria in order to qualify for intermediate forms of housing.

| Table 14: Affordable Housing (excluding supported housing): Number of properties needed annually to meet estimate of need and forecast supply | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------|-----------|-----------|-----------|----------|----------|--------------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Social rented and affordable rented housing: | | | | | | | | |
| Forecast Annual need* | 827 | 752 | 308 | 85 | 20 | 4 | 0 | 1,996 |
| Forecast Annual supply** | 329 | 408 | 249 | 66 | 1 | 1 | 0 | 1,054 |
| Forecast Annual shortfall | 498 | 344 | 59 | 19 | 19 | 3 | 0 | 942 |
| Intermediate housing: | | | | | | | | |
| Forecast Annual need* | 534 | 137 | 29 | 5 | 1 | 0 | 0 | 706 |
| Forecast Annual supply** | 12 | 7 | 1 | 0 | 0 | 0 | 0 | 20 |
| Forecast Annual shortfall | 522 | 130 | 28 | 5 | 1 | 0 | 0 | 686 |
| Total: | | | | | | | | |
| Forecast Annual need* | 1,361 | 889 | 337 | 90 | 21 | 4 | 0 | 2,702 |
| Forecast Annual supply** | 341 | 415 | 250 | 66 | 1 | 1 | 0 | 1,074 |
| Forecast Annual shortfall | 1,020 | 474 | 87 | 24 | 20 | 3 | 0 | 1,628 |

* Forecast Annual need = Estimated number of lets / re-lets / sales / re-sales required annually to fully meet both the estimated backlog and estimated newly arising need over the next ten years.

** Forecast Annual supply = Total number of re-lets / re-sales forecast.

212. The analysis shows an overall shortfall of just over 1,600 units of which 942 (58 per cent) is for social/affordable rent and 686 (42 per cent) for intermediate housing. So even though identified housing need has been limited to those households who could expect some priority for social housing at the current time and only those qualifying households on the intermediate queue (Homeownership list) there remains a significant shortfall that is still greater than the Borough's capacity to deliver the units required to meet the demand identified.
213. In addition some consideration has been given to the supply of housing required to meet assessed demand over a 15 year period which is the period over which the housing trajectory set out in the Site Specific Allocation Document runs. Whilst there is a marginal reduction in estimated demand of around 200 units per annum the forecast affordable housing tenure balance remains the same.
214. Whilst the analysis identifies a significant shortfall in smaller social/affordable rent units the actual pressing demand for social/affordable rent housing is generally for larger family units as identified through the Council's transfer lists. It is also notable that the Council and RSL stock mainly comprises properties of two beds and fewer. Whilst such demands favour development of a higher number of larger social/affordable rent family units this needs to be balanced, with consideration as to the opportunities available to relocate under occupiers already living in the social rent sector.
215. It should be noted that the actual need may be lower than this given that some households on the housing register may have sufficient resources to meet their housing needs through accessing market housing without the need for financial

assistance even though they have not done so (for example, some households may be living with friends or relatives even though their income is such that they could rent a suitable property in the private sector). As robust income data is not currently collected for all applicants it is not possible to apply affordability tests to applicants' incomes to establish the number of applicants who may in fact be in a position to access suitable accommodation in the private sector indeed either in this or another borough.

216. Additionally, changes to the main homelessness duty which allows councils to discharge that rehousing duty by also offering accommodation in the private rented sector is likely to affect the nature and/or level of demand for social and affordable rent housing. The extent to which this ability to discharge duty into the private rented sector will affect overall demand is difficult to predict given that it is dependent on maintaining access to suitable private rented sector accommodation.

HOUSING NEED FOR SPECIFIC HOUSEHOLDS

Identifying the Housing Needs of Service Personnel and Service Families

Identifying the Needs of Service Families for Affordable Housing

217. In order to provide rehousing opportunities to applicants who are serving or have served in HM Regular Armed Forces and have a local connection to Wandsworth, the Council amended its Housing Allocation Scheme in July 2011 to allow for a small number of offers for such applicants.
218. During 2011/12, four applicants who met this criterion were added to the General Needs Queue (including two out of Borough applicants). Of these four applicants:
- Two required one bedroom properties and were allocated properties in 2011/12;
 - One required a one bedroom property and was registered on the General Needs Queue awaiting an offer as at 31st March 2012; and
 - One required a two bedroom property and was registered on the General Needs Queue awaiting an offer as at 31st March 2012.
219. It is difficult to predict the number and profile of service personnel and service families in housing need as information was not sought from applicants prior to July 2011 but it is likely that a number of such applicants, both in borough and out of borough applicants including those with no local connection to Wandsworth, in housing need will approach the Council for assistance and will increase as awareness is raised about this rehousing option.
220. Although information is not currently available regarding this aspect of demand provision is already being made through the annual Resources and Commitments Report for a small number of units to be made available to Armed Forces Personnel to meet potential demand. Armed Forces Personnel have also been identified as a priority group for low cost homeownership opportunities that become available in the Borough.

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221. Steps will be taken to identify as far as possible local demand by working more closely with Armed Forces Personnel responsible for the discharge of Forces personnel. The London Strategic Housing Market Assessment will consider this issue on a pan London basis and as such further work in relation to Armed Forces Personnel will involve partnership working across London boroughs once direction is provided by the Mayor of London.

Conclusion

222. Policies are already in place to prioritise and make provision for Armed Forces Personnel through existing allocation arrangements for rent and intermediate housing options. Work is in progress to publicise rehousing options and to better identify and understand levels of demand; numbers coming forward are likely to increase but to remain relatively small. Given the likely overall low impact of this group on overall demand for rent and low cost homeownership housing and existing arrangements to make provision for that demand there are no proposals put forward as part of the SHMA to identify particular or tailored housing options.

Identifying the Requirements for Student Housing

223. There are five major sites of higher education either within the Borough or in adjacent boroughs.

| | Full Time Students | Halls of Residence Places | % Accommodation Needs Met by University |
|-------------------------------------------------------------------------------------|--------------------|---------------------------|-----------------------------------------|
| Roehampton University | 5,400 | 1,503 | 27.8% |
| Kingston University | 20,745 | 2,437 | 11.7% |
| Southbank University | 14,333 | 1,400 | 9.8% |
| Royal College of Art Battersea Site | 238 | 0 | 0% |
| University of the Arts: Wimbledon College of Art (formerly Wimbledon School of Art) | N/A | N/A | N/A |
| Total | 40,716 | 5,340 | 13.1% |

224. Figures from council tax records are set out below. The Class M and N exemptions are properties where the inhabitants are all qualifying Students. Student disregards are properties where all but one resident is a qualifying Student. This means they effectively get a 25 per cent discount off the total council tax charge. Student households have increased by around 25 per cent over the last five years. Class N exemptions (expected to be shared student flats) have increased by around nine per cent.

| Year | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|------|---------|---------|---------|---------|---------|
|------|---------|---------|---------|---------|---------|

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| | | | | | |
|--------------------------------------------|--------------|--------------|--------------|--------------|-------------------|
| Class M (student halls) Exemption | 50 | 86 | 88 | 87 | 528 ⁷⁹ |
| Class N (households) Exemption | 1303 | 1384 | 1500 | 1444 | 1421 |
| Student Disregards | 1105 | 1128 | 1192 | 1167 | 1124 |
| Total | 2,458 | 2,598 | 2,780 | 2,698 | 3,073 |

225. Savill's Student Housing Report (Summer 2012) reported a surge in student acceptances throughout 2009/10 and 2010/11 that led to an increase in demand for student bed spaces with delivery falling short of student housing requirements. This is set against a backdrop of a London full time student population of close to 290,000 which has increased by an average of 9,000 additional students per annum over the past five years.
226. The Housing Land Report 2010 /11 ⁸⁰ provides information on the number of Hostels and Homes completions over the 2010/11 financial year, and provides comparisons with previous financial years back to 2001/02. In terms of student and staff accommodation which includes St George's student accommodation there was a net decrease of 716 rooms over the nine year period since 2001; this includes a loss of 571 units of accommodation in 2009/2010. However a significant amount of student accommodation is either in the pipeline or has been developed with 555 units of student accommodation at St George's Hospital being replaced by key worker units in a development which consists of 557 keyworker flats for rent (studio, one, two, three and four bedroom flats) with a further 78 shared ownership flats. In addition there are a further 154 units of student accommodation under construction as at 31st March 2012.
227. Recent reports by King Sturge⁸¹, Knight Frank⁸² and Savills⁸³ confirm the continued demand for this type of accommodation. Despite the downward demographic trend in 18-20 year olds across all regions the overall demand is likely to be boosted by demand from post graduates and overseas students where the global demographic and global student mobility is changing. Insufficient provision for these students places puts additional pressure on the lower end of the private rented sector which is already likely to come under pressure due to overall increased demand and welfare reforms which now apply a Housing Benefit 'room rate' to those under 35 years of age (previously under 25 years of age).

Conclusion

228. There is a clear risk in allowing speculative development of student housing particularly given that such provision negates the need for a developer to provide

⁷⁹ Increase due to the completion of student accommodation at Clapham Junction by Berkeley Homes for Imperial College, London (452 units) <http://www.berkeleygroup.co.uk/property-developers/berkeley-first/student-accommodation/griffon-studios>

⁸⁰ Housing Land Report 2010/11: http://www.wandsworth.gov.uk/downloads/file/4828/housing_land_report-march_2011/1022

⁸¹ Autumn 2010 Newsletter: www.kingsturge.co.uk/en-gb/.../UK%20Student%20Accommodation.

⁸² Annual Student Property Index: <http://my.knightfrank.com/research/?regionid=2>.

⁸³ Savills Spotlight on Student Housing 2012: <http://pdf.euro.savills.co.uk/landp-b2b/spotlight-on-student-housing-2012.pdf>

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affordable housing. However when linked to an educational institution with an evidenced need and an appropriate site due consideration would need to be given to the proposal particularly given evidenced demand across London. There is also a potential benefit to the provision of such accommodation in relieving pressure on the private rented sector. This may be a particular factor and consideration in encouraging such development where it is in close proximity to educational establishments (for instance where provision relieves pressure on the local private sector housing market).

Identifying the Housing Requirements of People Wishing to Build Their Own Homes

229. The 'London Plan Revised Early Minor Alterations' document (published June 2012) states that, due to the suggestion in the NPPF that planning policies should identify and seek to meet the needs of people wishing to build their own homes the needs of this group will be assessed as part of the preparation of the next London Strategic Housing Market Assessment, that any additional strategic policies required will be brought forward through a future alteration to the London Plan; and the Mayor may provide guidance on this aspect of housing need in the meantime.

Conclusion

230. Wandsworth Council is awaiting guidance from the Mayor on self build. However it is likely in a high demand and value Borough such as Wandsworth that self build will be on a relatively small scale given the paucity of such development opportunities and the relatively high density development that is usually undertaken (e.g. blocks of flats rather than houses in most instances).

Identifying the Need / Demand for Sheltered Housing and Extra Care Housing for Older People in Wandsworth

231. In Wandsworth, the Housing Department maintains a separate queue (the Older Persons' Housing Queue) for older people who apply for, and are assessed as being eligible for, sheltered housing or extra care housing. Applicants must be registered on the queue to be offered sheltered housing or extra care housing that is either owned and managed by Wandsworth Council or owned and managed by other registered providers of social housing and made available to the Council in line with nomination agreements
232. The data from the Older Persons' Housing Queue has been assessed and analysed to help produce estimates of the backlog of need / demand for sheltered housing and extra care housing (for example the current level of unmet need); and the need / demand for sheltered housing and extra care housing that is likely to arise on an annual basis over the next ten years.

Need / Demand for Sheltered Housing for Older People

Backlog of Unmet Need / Demand

233. Information is provided in table 17 following about the number of Wandsworth residents with applications for sheltered housing registered on the Older Persons' Housing Queue as at 31st March 2012.

| <u>Table 17: Wandsworth residents with applications for sheltered housing registered on the Older Persons' Housing Queue as at 31st March 2012:</u> | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------|-------|
| | Size of property required | | |
| | Bedsit or 1 bed | 2 bed | Total |
| Total applications for sheltered housing only: | 399 | 6 | 405 |

Need / Demand for Sheltered Housing That is Likely to Arise on an Annual Basis over the Next Ten Years

234. A forecast of future demand⁸⁴ is set out in the table following based on :
- the number of applicants for sheltered housing who were, in the three year period 1st April 2009 to 31st March 2012, added to the Council's Older Persons' Housing Queue; and
 - a prediction made, on the basis of this data and other relevant factors including tenure reform and welfare reform, about the average number of such households that are likely to be added to the Older Persons' Housing Queue each year over the next ten years – this is also shown in table 18 following below.

| <u>Table 18: Forecast number of applicants for sheltered housing to be added to the Council's Older Persons Housing Queue each year over the next ten years</u> | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|------------|
| | Size of property required | | |
| | 1 bed | 2 bed | Total |
| Total | 250 | 3 | 253 |

Forecasting the Number of Sheltered Housing Properties That will be Available for the Council to Re-Let Each Year

235. There is no intermediate (for example shared ownership) sheltered housing in Wandsworth although there are proposals from one RP to convert a small number of units to this tenure. Social rented properties are provided through the Council or other registered providers of social housing that are made available to the Council voluntarily or in line with nomination agreements:
236. Vacancy trend data has been used to estimate the average number of Wandsworth Council owned sheltered housing properties that will be available for the Council to re-let each year over the next ten years. This is also shown in table 19 following.

| <u>Table 19: Estimated number of Wandsworth Council owned sheltered housing properties that will be available for relet by the Council in each year over the next ten years</u> | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|----------|------------|
| | Size of Property | | | |
| | Bedsit | 1 | 2 | Total |
| Total | 36 | 66 | 1 | 103 |

⁸⁴ More detail is available in the Housing Need and Supply Methodology Appendix

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237. The Council has nomination rights to a significant proportion of the social rented sheltered housing in Wandsworth that is owned by other RPs of social housing. RPs often make a greater proportion of vacancies available to the Council than required by the nomination agreements.
238. Table 20 following shows the estimated number of social rented sheltered housing properties in Wandsworth that are owned by other RPs of social housing and will become available each year for re-letting to applicants nominated by the Council's Housing Department over the next ten years. Table 21 sets out the overall supply required over the next ten years.

| <u>Table 20: Estimated number of social rented sheltered housing properties in Wandsworth that are owned by other RPs of social housing and will become available each year for re-letting to applicants nominated by the Council's Housing Department over the next ten years</u> | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|----------|-----------|
| | Size of Property | | | |
| | Bedsit | 1 | 2 | Total |
| Total forecast | 2 | 47 | 1 | 50 |

Sheltered Housing: Assessing the Gap between Need and Supply

| <u>Table 21: Sheltered housing – Estimated number of lettings required annually to fully meet the estimated backlog and newly arising need over the next ten years</u> | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------|------------|
| | Size of property | | |
| | Bedsit or 1 bed | 2 | Total |
| Need: | | | |
| Total estimated backlog of current unmet need | 399 | 6 | 405 |
| A) Total estimated backlog divided by 10 | 40 | 1 | 41 |
| B) Total estimated need that is likely to arise on an annual basis over the next 10 years | 250 | 3 | 253 |
| Total annual need (A+B) i.e. Total number of lets / re-lets required annually to fully meet both the estimated backlog and newly arising need over the next 10 years | 290 | 4 | 294 |
| Supply (Estimated number of social rented sheltered housing properties that will be available for the Council to re-let each year over the next ten years) : | | | |
| Total | 151 | 2 | 153 |
| Shortfall | 139 | 2 | 141 |

239. Whilst a shortfall of sheltered housing may be identified through this modelling the overall supply of just over 2,000 units is significant with there being no plans to reduce this stock either by the Council or registered social landlords. Indeed Peabody Housing Association has plans to provide an additional 45 units of older people's accommodation as part of the third phase of their St John's Hill Estate Clapham Junction Estate regeneration.
240. Many of those seeking sheltered housing are doing so by choice rather than urgent housing need as, for instance, they wish to downsize from accommodation that is likely to be meeting their housing needs adequately in terms of facilities available. As there are no restrictions on registering for sheltered housing, other than age, people often register years in advance of accepting an offer of sheltered accommodation as they want a specific scheme and / or to get their name down 'just in case'.

Conclusion

241. There is no evidence that there is a shortfall of sheltered social rented housing with those on the list having a reasonable expectation that they will be rehoused albeit that it may take some time if they wish to move to a particular scheme. In effect whilst it might not be correct to say that there is the perfect balance between supply and demand equally there is no significant shortfall to suggest additional rented housing is required or that there needs to be a reduction in the level of sheltered housing.
242. As identified elsewhere in this assessment there is potentially a need to consider whether there should be provision made for high quality older people's designated accommodation (for those aged 55 years and above) sited in particular neighbourhoods where there is a high level of under occupation of social rent accommodation.
243. There is no intermediate housing designated for older people. Whilst it is hard to quantify the demand for such accommodation without undertaking specific surveys it would follow that there is likely to be some demand given the Borough demographic which identifies (in 2011) an older population of 19,679 between 55 and 64 years of age, 13,163 between the ages of 65 and 74 years of age, 11,2063 aged 75 years and over. It would follow that support for mixed tenure schemes, that include intermediate housing, should be supported if these are brought forward by private or registered provider developers.
244. There are currently some 45 units of market accommodation for older people in the Borough comprising of private leasehold sheltered accommodation located in the west and south of the Borough. A new build development of private leasehold retirement accommodation providing 24 hour assistance and nursing care if required is under construction in the north east of the Borough which will provide a retirement village of 109 units in a mixture of one, two and three bed flatted accommodation. This is a high specification development with apartments in the price range of £415,000 to £2.5 million and is expected to be completed in early 2015.

Need / Demand for Extra Care Housing for Older People

245. There were, as at 31st March 2012, 11 residents with applications for extra care housing registered on the Council's Older Persons Housing Queue, all of whom were seeking one bedroom properties.
246. Extra care is needed by those who are eligible more or less immediately given their care and support requirements therefore any list should not as such be an indicator for demand. The need / demand for extra care housing is assessed in this document as the need that is likely to arise on an annual basis without regard to any backlog. Extra care housing is an alternative to care home placements and high-cost intensive home care packages that provides onsite care and support within a context of independent living with residents holding tenancies and occupying fully self contained flatted accommodation. A key factor of the success and attractiveness of Extra Care Housing is that it is of a high quality both in terms of the accommodation offered and the care and support provided on site.

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247. There are, following the closure of a number of care homes for older people in recent years, only four care homes for older people (with 140 registered beds) left in the Borough (excluding 'care home with nursing' beds). On average, it is anticipated that there will be 69 vacancies a year in these schemes.
248. The Director of Adult Social Services anticipates that the Council will need to arrange appropriate accommodation (either a placement in a care home (as opposed to a care home with nursing) or allocation of extra care housing) for approximately 100 older people a year for the foreseeable future. As it is anticipated that there will be only 69 vacancies a year in care homes, sufficient extra care housing is needed to allocate 31 properties a year as an alternative to residential care.
249. In addition, the Director of Adult Social Services has also advised that sufficient extra care housing is required to allocate at least 20 apartments a year as an alternative to high-cost intensive home care packages. Therefore, the Director of Adult Social Services anticipates that sufficient extra care housing is needed to allocate 51 (31 + 20) extra care housing properties a year.

Forecasting the Number of Extra Care Housing Properties that will be Available for the Council to Re-Let Each Year

250. Chestnut House is the only purpose-built social rented extra care housing scheme in the Borough. There are two other schemes Mary Court, which has been converted into extra care housing, and Joan Bartlett, which is being converted from sheltered housing into extra care so when a flat becomes void it is being allocated for extra care. Therefore, over the coming years there will be three fully operational extra care schemes in the Borough. The table following shows the total number of extra care properties for each scheme.

| | One Bed | Two Beds | Total |
|---------------------|------------|----------|------------|
| Chestnut House | 34 | 7 (-1*) | 41 (-1*) |
| Mary Court | 35 | | 35 |
| Joan Bartlett House | 31 | 1 | 32 |
| Total | 100 | 7 | 107 |

*1 flat is a reablement flat

251. An average of 20 properties became available for let between 2010/11 (first full year of available accommodation following the first let of Chestnut House) and 2011/12.

Identifying the Additional Need for Extra Care Housing in Wandsworth

252. To calculate the required additional extra care units for the forthcoming years Chestnut House allocations data is used as it is the only purpose built extra care scheme and as such provides for a more accurate turnover rate of extra care housing. The turnover rate for Chestnut House in 2010/11 was 25 per cent and 23 per cent in 2011/12 which is a 24 per cent average over the two years. The total extra care housing stock, once Joan Bartlett is fully occupied as extra care housing, will be 107. At a 24 per cent turnover rate 25 extra care properties will

be made available through existing stock each year. This leaves a further 26 properties required per year which equates to a further 104 extra care properties required to meet year on year demand.

Conclusion

253. It would be reasonable to estimate and plan to deliver an additional 100-120 units of Extra Care Housing (ECH) over the next 5 years. There are two potential schemes that will provide 90 units over this term which should go some way to meeting demand. However it is difficult to accurately predict future demand particularly given that supply is reliant on a number of factors such as continued access to suitable residential care accommodation and those residents who elect to take home care packages. Close working will continue between the Housing Department and Adult Social Services to track and forecast demand with options and opportunities being explored as required. In this respect the Council, working with Peabody Housing Association, has identified the potential to utilise some of the older persons units to be delivered in their third phase of their Clapham Estate regeneration, for ECH if a need is identified nearer the time of delivery. It should also be noted that in order for such schemes to be economically viable a certain quantum of units needs to be delivered which it is estimated to be a minimum of 40 units. The potential schemes in the pipeline and that could be explored if demand is identified would provide this or a slightly higher number of units.

General Needs Affordable Housing for People who are Physically Disabled

254. The Council maintains a separate queue (the Physical Disability Queue) for people seeking a specially designed or adapted general needs property (not supported housing) suitable for those who are physically disabled, including wheelchair users. All applications to the Physical Disability Queue are subject to an assessment by, and recommendation from, an Occupational Therapist. An Occupational Therapist should only recommend rehousing if no alternative solution to the applicant’s housing needs (for example adapting their current accommodation) can be found which is satisfactory to the applicant.

255. The tables following set out the number of allocations made to applicants via the Physical Disabilities Queue between 2009/10 and 2011/12 and those on the queue as at 31st March 2012.

| <u>Table 23: Applicants allocated housing via the Physical Disability Queue in 2009/10, 2010/11 and 2011/12</u> | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------|---------------------------|----|----|----|---|---|---|-------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Total | 16 | 18 | 20 | 14 | 1 | 0 | 0 | 69 |

| <u>Table 24: Applicants on the Physical Disability Queue as at 31st March 2012</u> | | | | | | | | |
|-----------------------------------------------------------------------------------------------|---------------------------|----|----|---|---|---|---|-------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Total (including out of borough applicants) | 24 | 10 | 23 | 4 | 1 | 1 | 0 | 63 |
| Total (excluding out of borough applicants) | 23 | 10 | 23 | 3 | 1 | 1 | 0 | 61 |

| <u>Table 25: Applicants added to the Physical Disability Queue in 2009/10, 2011/12</u> |
|----------------------------------------------------------------------------------------|
|----------------------------------------------------------------------------------------|

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| <u>and 2012/13 (excluding applicants owed the full homelessness duty, out of borough applicants and applications that were subsequently cancelled)</u> | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---|----|---|---|---|---|-------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Applicants added in 2009/10: Total | 4 | 6 | 5 | 2 | 0 | 0 | 0 | 17 |
| Applicants added in 2010/11: Total | 8 | 8 | 13 | 0 | 0 | 1 | 0 | 30 |
| Applicants added in 2011/12: Total | 15 | 8 | 9 | 3 | 0 | 0 | 0 | 35 |

256. Current regional and local planning policies require that 10 per cent of new build housing provided should be wheelchair adaptable with affordable housing provided that is built to a range of quality standards including accommodation meeting the lifetime homes standard. Given the continuing demand for low cost rent housing for those on the Physical Disability queue there is no reason to review this planning requirement. What needs to be assured is that at a point prior to full fit out of units more detailed discussions take place as to any adaptations that are required to make units accessible and usable for wheelchair users. Whilst fit outs for particular individual residents may be a risk (for instances if that client then does not wish to take the unit some months on) a more in depth review of demand will allow requirements from those on the disability queue to be taken into account (so units are adapted that might meet the needs of a number of residents on the queue).
257. The Director of Adult Social Services has also identified a relatively small level of need for units for those with very severe physical disabilities who are currently accommodated in residential care. The approach to considering and meeting these needs is for between ten to twenty units to be developed over the next five years; of these a number of particular bespoke schemes are likely to be developed (consisting of around five to ten units).

General Needs Affordable Housing for People with Mental Health Problems or Learning Disabilities

258. The Council maintains a separate queue (the Supported Queue) for applicants with support needs who are nominated to the housing department for general needs social rented housing by either Adult Social Services or other approved organisations such as the Mental Health Trust in line with inter-agency agreements. These applicants include people with learning disabilities and people with mental health problems. In addition some people with mental health problems and/or learning disabilities are appropriately housed in generic supported housing, sheltered and/or extra care housing.

People with Mental Health Issues: Housing Needs

259. The tables following below set out general needs reletting and applicant activity for those with mental health problems.

| <u>Table 26: Applicants with mental health problems allocated general needs social rented housing via the Supported Queue in 2009/10, 2010/11 and 2011/12</u> | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---|---|---|---|---|---|-------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Total | 94 | 5 | 0 | 0 | 0 | 0 | 0 | 99 |

| <u>Table 27: Applicants with mental health problems registered on the Supported Queue</u> |
|-------------------------------------------------------------------------------------------|
|-------------------------------------------------------------------------------------------|

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| as at 31st March 2012 | | | | | | | | |
|-----------------------|---------------------------|---|---|---|---|---|---|-------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Total | 18 | 2 | 0 | 0 | 0 | 0 | 0 | 20 |

Table 28: Applicants with mental health problems added to the Supported Queue in 2009/10, 2011/12 and 2012/13 (excluding applicants owed the full homelessness duty and applications that were subsequently cancelled)

| | Size of property required | | | | | | | Total |
|------------------------------------|---------------------------|---|---|---|---|---|---|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Applicants added in 2009/10: Total | 33 | 1 | 0 | 0 | 0 | 0 | 0 | 34 |
| Applicants added in 2010/11: Total | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 19 |
| Applicants added in 2011/12: Total | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 20 |

260. In addition the following supported housing units form part of the current development programme.

| Table 29: Development Programme Units for People with Mental Health Problems | | | | | | | | |
|------------------------------------------------------------------------------|-------------|-----------|--------|------|------|-------|-------|---------|
| Scheme type | Gross Total | Net Total | studio | 1bed | 2bed | 3 bed | 4 bed | PCD* |
| MH rent - refurb (mental health) 2013/14 pre app | 6 | 5 | 1 | 3 | 2 | | | 2013-14 |
| MH rent - refurb (mental health) 2013/14 has planning | 5 | 4 | | 5 | | | | Mar-13 |
| | 11 | 9 | 1 | 8 | 2 | 0 | 0 | |

*Practical completion date

261. Projected population figures for adults aged 18-64 in Wandsworth with mental health issues⁸⁵ are set out below and indicate a projected increase in this population of 8.8 per cent by 2020 in total including all categories (from 53,943 to 58,697). The projections are generally much higher than for England (2.9 per cent) and just below those for London (9 per cent).
262. The Joint Strategic Needs Assessment 2010⁸⁶ indicates that the rate for outpatient attendances and admissions for mental health conditions in Wandsworth is higher than for London and England, suggesting that mental well being remains a key issue for Wandsworth. In addition Wandsworth has a greater mental health need than the four other PCTs in SW London as measured by the Mental Illness Needs Index 2000(MINI 2K)⁸⁷. The six most deprived wards in Wandsworth by Index of Multiple Deprivation (IMD) score also have the highest MINI 2K scores, Job Seekers Allowance claimant rates and lone parent claimant rates in Wandsworth.
263. Wandsworth has the highest estimated annual prevalence rates of all types of common mental disorder and of people experiencing symptoms of severe mental

⁸⁵ See Data Appendix: Table 21 Mental Health Projecting Adult Needs and Service Information System (PANSI):

⁸⁶ Joint Strategic Needs Assessment 2010 <http://www.wandsworth.gov.uk/observatory>

⁸⁷ (MINI 2K) – Wandsworth's score is 1.45, compared to an English average of 1.00 and scores of 0.82 in Sutton, 0.79 in Croydon, 0.70 in Kingston and Richmond and Twickenham

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illness in South West London⁸⁸. The mental health register held at GP level during 2008/09 indicates a prevalence of serious mental illness for all adults of between 7.4 per 1000 in West Wandsworth and 9.8 per 1000 in Balham Tooting and Furzedown. The number of NHS Wandsworth registered patients admitted to acute adult wards reduced by 18 per cent from 800 in 2006/07 to 654 in 2007/8 and remained stable between 2007/8 and 2008/9.

264. Information from the South West London and St George's NHS Mental Health Trust shows that their Wandsworth managed services care for 3,952 patients (December 2012). The Trust delivers services locally and recorded 84 per cent of its service users as living in settled accommodation⁸⁹ which relates to the 1,340 service users who are subject to the Care Programme Approach (CPA)⁹⁰. Comparative figures for 2010/11 indicate a Wandsworth figure of 83.7 per cent compared with 72.6 per cent for London and 66.8 per cent for England. Whilst Wandsworth is performing comparatively well, a higher proportion is achievable and the aim is to increase this to 90 per cent over the next five years. Currently the Trust provides 99 places in its own Rehabilitation and Recovery accommodation, which provides a range of support to service users including peripatetic support (30 places) 24 hour non nursing staffed accommodation (33 places) to "wards" in the community, in-patient facilities staffed by specialist psychiatric nurses (36 places). In addition to the Trust accommodation Adult Social Services finances in the region of 90 residential places, 40 registered nursing care places and 45 supported accommodation places (part funded by Wandsworth Adult Social Services Department and Supporting People funding).
265. The Council does not manage residential care homes or supported schemes for adults with mental health problems. There is a wide range of provision in the Borough provided by a number of independent organisations. Consequently, all development has to be achieved in negotiation with independent partners and through use of contracts to provide support.
266. Wandsworth Adult Social Services and the Trust have a clear set of principles underlying their provision in that the accommodation should whenever possible be self contained and the support is provided within the accommodation and should be aimed to maximise the person's independence. The Trust and Wandsworth Adult Social Services utilise three major sources of long term housing in addition to spot purchased residential or nursing care. These are tenancies provided by the Council under the Supported Queue⁹¹, sheltered accommodation as appropriate (the age profile of the mental health population would indicate that this aspect of the provision will remain stable and no specific allocation is required) and tenancies provided in accommodation part funded by

⁸⁸ The rate for neurotic disorders is 200 per 1,000 population in Wandsworth compared to 182 in London. For phobias the rate is 24 per 1,000 population in Wandsworth (22 in London), depressive episodes 38 per 1,000 (35 in London), generalised anxiety disorder 57 per 1,000 population (53 in London), mixed anxiety depression 94 per 1,000 (84 in London) obsessive compulsive disorder 17 per 1,000 (15 in London) and panic disorder 9 per 1,000 (8 in London).

⁸⁹ June 2012. Settled accommodation does not include registered residential or nursing accommodation

⁹⁰ http://www.ic.nhs.uk/webfiles/publications/009_Social_Care/SOCMHI_2010-11/Social_Care_and_Mental_Health_Provisional_Indicators_from_the_National_Indicator_Set_201011.xls

⁹¹ In the financial year 2011/2012, 29 tenancies were provided under this scheme. In the financial year 2011/2012 36 tenancies have been forecast – 46 of which are one bedroom or bedsit and two of which are a two bedroom property.

Wandsworth Adult Social Services and supporting people funding. Further partnership working is being pursued.

267. The key developments affecting the provision of accommodation for the adult mentally ill in the Borough are:
- To ensure that vulnerable people with long term mental health problems have timely access to settled accommodation.
 - To ensure that there is sufficient, suitable transitional accommodation with flexible personal support services to prepare people through active rehabilitation to maximise their independent living skills.
 - To ensure that there are sufficient schemes for settled housing to enable vulnerable people to live safely free from exploitation for example through the establishment of a KeyRing scheme similar to the existing scheme for people with learning disabilities with the necessary floating support and personal budgets adaptable to their changing needs.
 - Partnership working to address and meet the impact of the proposed closure in 2012/13 of 23 rehabilitation beds in community based wards and of general psychiatric beds within the overall provision of mental health accommodation.
 - There are only 81 units with self contained accommodation but there are 193 units of supported accommodation with shared facilities. Whilst the number of units need to be maintained to meet demand this proportion of shared accommodation needs to reduce over the next five years in order to provide greater privacy and improved standards and also given that voids in shared homes are hard to fill.
268. The Council has undertaken a major investment programme in the last five years to modernise the mental health community houses, resulting in the re-provision of 41 high quality self contained units designed to move people from residential care both within and outside the Borough. These schemes, providing 41 places, are designed to develop independent living skills and to facilitate move on, within two years, to independent homes, either via the supported housing queue or to supported living where full independence is unsuitable or high risk. The success of these resettlement schemes depends upon the availability of the 35-40 units of supported queue accommodation each year and an additional estimated 38-45 units in total of accommodation suitable for long term supported living for people too disabled to live fully independently.
269. Two RSs landlords have their portfolio of accommodation under review and are proposing to reconfigure and modernise their stock, based on current facilities offered and /or under usage (void levels, accommodation standards and accessibility). Possible decommissioning of some properties for sale or redevelopment to create self contained units within a large property, while positive to improve quality, will create supported living demands elsewhere. Estimates of need and accommodation requirements are set out in paragraph 266. Additional 'KeyRing' type schemes are needed to enable people to be 'clustered' in their own accommodation, in a geographical area or wider housing development, thus creating a virtual community to enhance peer support and other floating support provision.
270. The changes to the NHS means that purchasing of services passes to Clinical Commissioning Groups which are likely to wish to review existing services. In ongoing discussions with RP landlords regarding the provision of supported

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housing it has been agreed with the Director of Adult Social Services that the current supply of general needs accommodation likely to be required in the short to medium term is expected to be in line with allocations made through the Council's Supported Queue as set out below. This will amount to between 35 and 40 units of one bedroom or studio accommodation for each of the next five years plus the 11 units of refurbished accommodation. This demand will be met within existing resources with yearly requirements for accommodation being identified and recommended by the Director of Housing and Director of Adult Social Services

271. Further work is required to determine how a 'KeyRing' scheme would operate which could be for both people with mental health problems or learning disability. Given that such arrangements rely on units being in close proximity utilising general needs stock (either new build or existing stock) any appropriate options or combinations of existing and new build stock will be considered.
272. Adult Social Care and Health Overview and Scrutiny Committee report (Paper No. 12-699)⁹² that reviewed Supporting People Services identified that no changes were proposed to the current volume of 306 units of mental health supported accommodation. Whilst it was considered that this stock was sufficient to meet demand particularly for short term accommodation the report also identified that the number of hours of support provided would be reviewed to ensure that the level of support reflected the actual needs of the residents.
273. Whilst the position in stock numbers of specialist provision needs to be maintained there are four matters of relevance here that will need to be considered. Firstly, there is a general trend of upgrading existing accommodation including an increase in self contained housing. This should be encouraged and supported in housing and planning policy terms but may mean a reduction in total units that need to be provided elsewhere. Also it should be noted that in order to fund such upgrades there is likely to be a need for registered providers to review their portfolio of existing supported housing to utilise assets (for example those that are no longer fit for purpose) to cross subsidise improvement. Secondly, registered providers need assurance that if the accommodation is no longer required for a supported housing use that it can convert to, for instance, some other affordable housing use. Again planning and housing policies need to be flexible enough to allow this to happen. Thirdly, an evaluation of the implications of the review of the Rehabilitation Service and consequent closure of community beds is required to determine what, if any, specialist supported housing is required. Fourthly, the successful mental health accommodation strategy depends on the wide range of models of accommodation (general needs, 'KeyRing', long term supported housing, drop down provision and high support or therapeutic support). It is expected that any future changes in provision, particularly in relation to that provided to those with high support and care needs, may need to be factored into affordable housing delivery programmes. In considering any future needs of this kind both revenue and capital funding requirements will need to be determined in partnership with the Mental Health Trust.

⁹² <http://ww3.wandsworth.gov.uk/moderngov/documents/s25513/Paper%20No.12-699.pdf>

274. Although further work is needed to confirm detailed targets, the broad indication is that over the next five years, the following will be required:

- Continuation of supported queue targets: 35 – 40 each year.
- One or two Key Ring Schemes: target 9 units plus 1 support unit .
- Refurbishment of four or five small supported schemes to provide self contained accommodation with floating support and concierge if necessary. This would include consideration of any new provision required given the potential overall reduction in unit numbers.
- One or two supported schemes with self contained flats and accommodation based high support: target eight to eleven flats each.

275. Further work is required to determine how a ‘KeyRing’ scheme would operate which could be for both people with mental health problems or learning disability. Given that such arrangements rely on units being in close proximity utilising general needs stock (either new build or existing stock) it is not anticipated that this will require provision of new build stock for this purpose.

People with Learning Disabilities: Housing Needs

276. The Council maintains a separate queue (the Supported Queue) for applicants with support needs who are nominated to the Housing Department for general needs social rented housing. These applicants include people with learning disabilities and people with mental health problems. In addition, some older people with learning disabilities are appropriately housed in sheltered or extra care housing.

277. The tables below set out general needs reletting and applicant activity for those with mental health or learning disabilities.

| <u>Table 30: Applicants with learning disabilities allocated general needs social rented housing via the Supported Queue in 2009/10, 2010/11 and 2011/12</u> | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|----------|----------|----------|----------|----------|-----------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Total | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |

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| | Size of property required | | | | | | | Total |
|--------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Total | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |

| | Size of property required | | | | | | | Total |
|------------------------------------|---------------------------|---|---|---|---|---|---|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Applicants added in 2009/10: Total | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Applicants added in 2010/11: Total | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Applicants added in 2011/12: Total | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |

278. In addition the following supported housing units form part of the current development programme.

| | Gross Total | Net Total | studio | 1bed | 2bed | WC units | PCD* |
|------------------------------------------------------------------|-------------|-----------|--------|-----------|----------|----------|--------------|
| 2012/13 subtotal PLD Rent - new build | 8 | 8 | | 7 | 1 | 3 | Dec 2012 |
| 2012/13 subtotal PLD Rent - new build | 9 | 9 | | 9 | | 1 | Jan/Feb 2012 |
| | 17 | 17 | | 16 | 1 | 4 | |
| 2013/14 subtotal PLD Rent - new build has planning permission | 10 | 10 | | 10 | | 4 | Aug 2013 |
| 2013/14 subtotal PLD Rent - new build pre app | 10 | 10 | | 10 | | 10 | 2013/14 |
| *Practical completion date | | | | | | | |

279. The estimated population of 5,392 people with learning disabilities in Wandsworth is projected to increase by 8.5 per cent (London: four per cent; England: 5.8 per cent) by 2020 with a particular increase in those aged 45-54 years (25.6 per cent) and 55-64 years (18.1 per cent)⁹³; this wider definition encompasses people with mild, moderate and severe learning disabilities and encompasses people who do not require specialist learning disability services. The Joint Strategic Needs Assessment 2010⁹⁴ indicated just over a thousand people recorded as having a learning disability and registered with a GP practice in Wandsworth (September 2010). The number of individuals with learning disabilities identified on GP registers does not match the Council's

⁹³ See Data Appendix: Table 22 People with Learning Disabilities Housing Need Projecting Adult Needs and Service Information System (PANSI). The figures include those people with mild, moderate or severe learning disability.

⁹⁴ Joint Strategic Needs Assessment: <http://www.wandsworth.gov.uk/jsna>

records held by the Community Learning Disability Team and the Disabled Children's Team. Some people with learning disabilities live independently, often with support from family and friends and are not eligible for support from Adult Social Services. About 1,000 adults with learning disability are supported. The wards of Latchmere, Graveney and Roehampton have the highest proportion of people with learning disabilities living in them (GP registered population).

280. As at January 2012 there were 95 adults placed in registered care homes in the 136 places available in the Borough, and a further 150 placed in care homes in other areas. There were also 36 adults placed by other authorities in Wandsworth registered care homes. There are 172 adults in the 179 places in the range of supported living which includes both accommodation based and community/outreach type support, with three people currently the responsibility of other placing authorities.
281. From Adult Social Services information systems, 46.2 per cent of adults with learning disabilities in Wandsworth were recorded as in settled accommodation in 2009/10 (NI145), compared to 61.5 per cent reported in similar authorities; rising in 2010/11 to 57.3 per cent and positively to 68 per cent in 2011/12 (provisional). This indicator measures the proportion of people with learning disabilities aged 18-65 living in settled accommodation that have received an assessment or a service in the financial year.
282. Currently, the majority of care homes and supported schemes in Wandsworth require people with learning disabilities to live in a group setting sharing dining, kitchen, and living space. This is increasingly unpopular, is less flexible when filling vacancies, does not easily promote independence and raises issues of accessibility given the types of building utilised (often Edwardian/Victorian houses). Whilst some shared schemes will be needed for the foreseeable future for reasons of safety and of choice, the intention is to change the balance of provision over the next ten years so that only about half of capacity is provided in shared schemes. At the moment only 74 self contained flats with support are available out of a total of 319 places. Of these 74, only 20 provide accommodation based support.
283. The Council does not manage residential care homes or supported schemes for adults with learning disability. There is a wide range of provision in the Borough provided by a number of independent organisations. This means that all development has to be achieved in negotiation with independent partners and through use of contracts for support.
284. Joint working with care home providers has led to the 'de-registration' of 11 care homes providing 64 places. These now provide supported housing and tenants have personal budgets as well as more security of tenure. In addition a number of new supported schemes have been developed and the Housing Department has also set annual targets for priority nominations for people with learning disabilities that meet certain criteria. Since 2012 some 41 units of care home accommodation and five units of shared supported living have been closed (46 units in total) and replaced by nine care home units and 48 self contained units with a range of support (57 units in total). There will be consideration of some further de-registration (estimate five to ten places), but about 100 -120 places in care homes will remain. In addition a programme to create more independent

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living accommodation is in place which will become available in the next few years.

285. However, changes are needed to achieve the following mainly through development:

- A greater proportion of accessible and wheel chair accessible bed places and self contained flats with support (current planning policy requires 10 per cent of all new build homes to be built to wheelchair standards).
- Refurbishment and development leading to a greater proportion of self contained flats rather than shared homes.
- A second 'KeyRing' scheme, possibly for people with mental health problems and learning disability as indicated at paragraph 268.
- A reduction in support costs associated with small high support homes. Ten-Year Target: High support provision (waking night support) in homes smaller than five places to be provided only when individually commissioned. This is a reconfiguration of care levels in existing accommodation which do not imply a need for additional units.

286. It has been agreed with the Director of Adult Social Services that the following accommodation is likely to be required over the short to medium term. The overall shortfall of units to meet demand estimated by Adult Social Services is in the order of 86 units of which the majority should be accessible or wheelchair accessible and be able to provide mainly accommodation based support on site. In addition the Director of Adult Social Services and the Director of Housing will work together to set annual targets for the Supported Queue in the Council's Allocations Scheme.

| Table 34: Supply Required | | | | | |
|----------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|-------------------------------------|-----------|--------------------------------------------|
| Requirement | Current Spaces | Target | Current spaces meeting the standard | Shortfall | Requirement for each of the next ten years |
| A greater proportion of accessible and wheel chair accessible bed places and self contained flats with support: target 80% | 253 | 80% or 202 spaces | 122 | 80 | 8 |
| A greater proportion of self contained flats rather than shared homes: target 50% | 319 | 50% or 160 spaces | 74 | 86 | 9 |
| Note that the above figures are not mutually exclusive. | | | | | |

287. There is a general trend to upgrading existing supported accommodation including creating self contained units. This should be encouraged and supported in housing and planning policy terms. It should be noted that in order to fund such upgrades there is likely to be a need for registered providers to review their portfolio of existing supported housing to utilise assets (which in some cases are deemed no longer fit for purpose) to cross subsidise improvement. Registered providers also need assurance that if the accommodation is no longer required for a supported housing use that it can convert to, for instance, some other affordable housing use to protect their investment and to ensure that the stock is utilised to the benefit of local residents.

Again planning and housing policies need to be flexible enough to allow this to happen.

Single Homeless, Young People and Other Supported Accommodation

288. The Adult Care and Health Overview and Scrutiny Committee report on the review of Supporting People Services (Paper No. 12-699) considered the use of and demand for a range of temporary housing for a number of vulnerable groups that included: single homeless and rough sleepers, those with drug and alcohol problems, ex offenders, young people's schemes including for care leavers and young mothers and those escaping domestic violence.
289. The review identified that in some areas there was significant over provision, particularly in respect of support schemes for homeless young people and for single homeless schemes taking referrals from Wandsworth services, some need for reconfiguration of services (such as ex offender services) and the need to maintain other service capacity to meet both local and London wide needs (for instance support services for those with drug problems and those escaping domestic violence).
290. There was no need identified for additional supported accommodation for these client groups but there are three matters of consideration that are relevant. Firstly, the report highlights that although accommodation may no longer be classified as 'supported' this did not mean that the accommodation would be necessarily lost to the overall stock of temporary housing available in the Borough. The accommodation could still be let on this basis with support provided by the generic support services available that work across tenures and landlords. Given that much of the accommodation is non self contained and it is recognised in this analysis that there will continue to be a demand for bedsit accommodation there should be a focus on maintaining this form of accommodation for temporary use as long as the accommodation itself is fit for purpose. Secondly, as elsewhere there should be support given to providers to upgrade accommodation where possible particularly in respect to accessibility and self containment as appropriate. Thirdly, if there are scheme closures this may provide opportunities to reprovide for alternative supported accommodation uses although this would be subject to discussions with providers in relation to their asset management plans for their supported accommodation stock.

Gypsies and Travellers: Housing Needs

291. The requirement to consider the accommodation needs of Gypsies and Travellers is clearly set out in the NPPF and the Planning Policy for Travellers sites 2012. London borough's local plans are required to be consistent with the Mayor's London Plan which is itself required to be consistent with the NPPF. It is the responsibility of the local authority to ensure that the accommodation needs of Gypsies and Travellers are properly considered as part of the SHMA. In drawing up local plans local planning authorities also need to demonstrate that they have considered their duty to co-operate with neighbouring boroughs on policy matters that may have an impact beyond the borough boundary. In this respect planning officers from a number of south London councils have met to discuss current planning policy requirements for travellers and travelling show people, discuss current needs, existing sites, and any further evidence work that may be required.

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292. The Pan London Gypsy and Traveller Accommodation Needs Assessment (GTANA) was published in March 2008. The report provided an assessment of overall units of accommodation which might be required for Gypsies and Travellers in the Borough in terms of both pitches and bricks and mortar accommodation and used as its start point an estimate of the Gypsy and Traveller population in the Borough. The identified need set out in the survey indicated a need for residential pitches of somewhere between one pitch (minimum need) and seven pitches (maximum need) between 2007 and 2012. with a further two (minimum need) to three (maximum need) pitches between 2012 and 2017

| <u>Table 35: GTANA Report – Estimate of need</u> | | | | | |
|--------------------------------------------------|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Summary: Pitches Required 2007-2017 | | | | | |
| | | Minimum Need | | Maximum Need | |
| | Base Numbers 2007 | Additional Need 2007-2012 | Additional Need 2012-2017 | Additional Need 2007-2012 | Additional Need 2012-2017 |
| Unauthorised Pitches | 0 | | | | |
| Residential Pitches | 11 | 1 | 2 | 7 | 3 |
| Housing (all) | 30 | 3 | 3 | -4 | 2 |
| Housing (not Roma) | 30 | 3 | 3 | -4 | 2 |
| Housing (Roma) | 0 | 0 | 0 | 0 | 0 |

293. A mini survey was undertaken of Gypsy and Travellers living on the authorised Council site (contact was made with seven out of 11 households). Attempts were also made to contact those living in Wandsworth who were on waiting lists for the site and living in the Borough (two out of seven households), the small number of Gypsies and Travellers known to the Council and living in bricks and mortar in the Borough (four households), the two households who have applied to the Borough for bricks and mortar housing and any Travelling Show People who could be identified as living in the Borough. In addition views were sought from the London Gypsy and Traveller's Unit (LGTU) and the Showman's Guild. Survey forms were completed with seven households on the Council site.
294. All of the households currently living on the site indicated that they wanted to live in Wandsworth with six indicating they were living in their current accommodation through choice. There were no issues of emerging households in the next five years but two households indicated that their current pitch was too small. Four households indicated an issue with disability or serious illness but no household indicated a need for adaptation. No household indicated any intention of moving off of the site in the next five years. In terms of the waiting list for the site seven households have registered an interest of which two households are living in the Borough. There has been no contact from the four households who were identified as living in bricks and mortar. LGTU provided a general response to the questionnaire indicating that the 2008 Gypsy and Traveller Accommodation Needs Analysis should provide the base line for any assessment and that site waiting lists are a good source of primary evidence.

295. In the last twelve years (from 2000/01) ten new licences have been granted on the site (equivalent to a let to a new household) of which seven have been granted in the last five years.
296. Taking account of the past turnover of pitches but also taking into account the relatively settled nature of the site the 'known' need for pitches would seem to amount zero on the basis that even a lower level of turnover would meet the demand for pitches from the two in Borough households who have been identified as waiting for pitches to become available. It should be noted that there are five other households on the Council's waiting list who have not been included in this analysis given that they reside outside of the Borough.
297. As identified in paragraph 291 this information will be used to inform discussions with other neighbouring authorities to determine the best approach to meet collective needs.

POLICY ISSUES FOR CONSIDERATION

Introduction

298. The following section summarises the findings of this assessment and identifies a range of considerations and needs intended to inform housing and planning policy development. This section also sets out various approaches that could be taken to meet these needs.
299. Perhaps unsurprisingly, and in line with most London boroughs, the analysis identifies significant demand for all forms of housing tenure from market to affordable/social rented housing. The assessment also identifies that Wandsworth sits in a complex of local, sub regional and regional housing markets and economies that need to be taken into account when considering how such needs are and might be met.
300. The analysis identifies an overall affordable housing shortfall of 1,628 properties per annum over the next 10 years with a shortfall of 58 per cent affordable rent to meet more urgent housing needs and 42 per cent to meet the demand for intermediate housing. Given that the overall development programme is 1,145 additional units per annum it can be seen that Wandsworth alone cannot meet this demand certainly through the provision of new build housing. Achieving this balance of tenures will be dependent on financial viability.
301. In effect conclusions from any such assessment need to consider how to prioritise and balance demands and how to best meet needs. There are also other related factors that must be taken into account. These include maintaining levels of development to stimulate economic growth, the financial viability of delivering affordable housing on individual sites (including taking into account exceptional costs and the availability of public subsidy to support development) and the role that housing can play in helping to meet local labour force demands thus making the Borough an attractive place for businesses to stay and locate to. Additionally, there is also the need to respond to the local demographic (a predominantly young economically active populace) and to the particular needs of more vulnerable groups. In respect to the former there are recommendations in relation to providing intermediate and affordable market options to meet the

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significant demand for housing from this group including looking to expand the intermediate sector which only makes up one to two per cent of housing stock. For the latter a detailed analysis of future demand and identification of supply requirements has been included in the report at paragraphs 231 to 290.

302. Perhaps one of the most important results of this assessment is the role that the private rented sector plays in meeting a range of demands and the priority that needs to be given to considering how to increase and stimulate supply and to retain access particularly for those who need to claim housing benefit to cover their housing costs. Also identified is the importance of stimulating mobility between tenures and the risks involved in not doing so. Without chains of moves (for example out of the social rented sector, moving from cheaper forms of private rent accommodation, moving from smaller owner occupied to larger family housing) there is the risk of over heating in certain sectors (see the private rented sector) and of households being priced out of housing options (particularly those on incomes between £25,000 to £70,000 and low income households priced out of the lower quartile PRS).
303. In terms of delivery it is recognised that any response to meeting the housing needs identified must have the maximum effect in meeting these needs given the extent of demand for more affordable housing options. Equally the overall level of demand for housing in London cannot be solved or resolved by any one London council, particularly given the permeability of housing markets that do not (generally) recognise administrative borders.
304. A local SHMA is only useful if it tries to identify and define local demands that must in some way be met over the short, medium and longer term. This SHMA has therefore sought to determine particular housing needs and priorities taking account of statutory and regulatory requirements including the provision of supported accommodation, meeting the needs of those with a priority for social and affordable rent housing. It has also sought to balance these against other demands and factors be they economic or social, for example to retain particular key workers, to encourage moves into homeownership for those living in social rented housing to release those units for reuse. In turn it is clear, in the London context, that no one housing solution (such as the provision of more bricks and mortar housing) can meet the demand for affordable housing and that varied solutions are required that optimise use of available resources in order to have a significant effect on that demand; for example support can be given to significantly increase levels of intermediate housing however this will not meet the demand from aspirant first time buyers).
305. Optimising use of available resources suggests compromise and housing policies and plans that are flexible but focused on delivering key outcomes. Whilst, for instance, delivery of affordable 'on site' may be preferable it could be that an off site payment is utilised to assist many more households either through, for example, supporting hidden homes development (where land is also provided at a sub market cost or donated) or through providing deposits (to buy or to rent). Retaining access to lower quartile and/or 30th percentile private rented sector properties may require a review of incentives provided to landlords to let to particular households and to seek housing options both in cheaper areas in and outside the Borough. The main underlying objective identified essentially is to deliver a qualitative effect that has an overall positive impact rather than solely

being driven by headline affordable housing targets that may be established locally over a particular period of time.

306. Finally, it is a reality that the provision of cheaper and affordable housing is easier to achieve in the volume London requires where markets are weaker and land prices are lower. This clearly has implications for higher land value boroughs such as Wandsworth and may also affect how Wandsworth Council invests in housing solutions and options. As with overall housing demand pressures longer term plans cannot be developed by any one London borough alone and require a pragmatic resolution which optimizes use of available resources to maximize the quantum of new housing delivered to meet London housing needs.

Population and Households

307. The current profile of households and migration patterns would indicate a significant demand for smaller sized accommodation to meet immediate housing needs. It would follow that more flexible forms of tenure, such as private rented, are likely to be popular. Whilst this demand is a significant factor and consideration, particularly in the context of helping to meet London's housing demands and in turn stimulating economic growth, the projected increases in the number of children would indicate the need to balance demand for smaller accommodation with the demand for family sized housing. The current profile indicating a largely professional make up of population would also indicate a significant demand for market housing and, potentially, intermediate forms of housing.

Policy Consideration 1

308. How the Council can support the development of private and intermediate forms of rented housing including a mix of property sizes given the borough demographic and migratory patterns. How the Council can find the policy balance that needs to be made with regard to meeting the immediate demand for smaller size accommodation and the future and growing need for family housing. How far the demand for family housing should be left to the second hand housing market to meet and the extent to which this demand should either be supported through intermediate housing development and/or personal subsidies or support (for example through underwriting of loans). The role that sub regional and regional housing markets play and will play in meeting these housing needs (for instance family households migrating to cheaper areas of London to purchase larger accommodation).

The Local Economy

309. A key strategic priority for the Council is to maintain and improve the Borough as a location where businesses wish to remain and relocate to. The provision and retention of business and retail accommodation, including business start up units, is likely to affect the overall quantum of new housing developed. This may happen as existing business space is retained but needs to be considered in relation to the impact that this may have on the quantum of affordable housing that can be delivered given the impact on financial viabilities of retaining commercial space.

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310. In relation to retaining and encouraging business development local housing solutions can help. In simple terms retaining key workers can improve and maintain standards of public services and retain and encourage relocation of private sector businesses. The benefit for the Council of securing business growth is direct in that it will increase business rates and benefit the local and in turn the regional economy. There is also an environmental dimension to this in terms of looking to reduce travel time for those commuting to work.
311. For the health of the local and London economy the Council must consider how to respond to the housing demands of the economically active population. This suggests in housing policy terms:
- Market and low cost housing (including affordable housing) options that are attractive to and meet the needs of the range of higher skilled and professional occupations that are likely to characterise the local and wider London economy.
 - Consideration of public sector key worker where there is evidenced demand for local housing.
 - Low cost rented (social, affordable, intermediate and lower cost market housing) and homeownership options for those working in servicing, retail and entertainment.
312. Whilst unemployment levels are low there are concentrations of higher unemployment which broadly relate to higher concentrations of social housing. This suggests in housing policy terms:
- Consideration of the mix and balance of housing delivered in these areas and opportunities arising in terms of estate and area regenerations (see St John's Hill Estate, Winstanley and York Road Estates and the Alton Estate).
 - Review of allocation policies and consideration given to providing additional preference for social rent housing to lower income working households in housing need.
 - The importance of linking new development to apprenticeship and training schemes and local labour and housing initiatives (see Housing into Work Pilot (Paper No. 12-355⁹⁵)).

Policy Consideration 2

313. Ensuring that planning and housing policies promote and enable the provision of a range of housing offers for key workers in the public and private sectors. This may include seeking to secure nomination arrangements to some market housing for local residents/workers.

Policy Consideration 3

314. Understanding whether there is any interest or contribution that emerging or existing businesses can play in enabling the delivery of affordable/accessible housing for their workers.

Policy Consideration 4

⁹⁵Housing Into Work Pilot HOSC Committee Report June 2012:
<http://ww3.wandsworth.gov.uk/moderngov/documents/s23984/12-355%20Housing%20into%20Work%20report.pdf>

315. Continuing to have regard to the existing mix and balance of tenures in neighbourhoods and the opportunities presented by development to improve that mix and balance through regeneration, infill development or local letting policies (e.g. of newly developed social or intermediate rented housing).

Income and Earnings

316. There is some indication that lower to middle income earners (£25,000-£70,000) may be being priced out of the Borough particularly when market prices are taken into account. This would indicate that housing policy development would need to consider housing options for this group particularly given the limited intermediate affordable housing options available both in and across London.
317. The increase in low income households has implications for the affordability of entry into both homeownership and private renting. In terms of the latter this is likely to only be possible with recourse to housing benefit and in the future Universal Credit to bridge the gap between available income and rental costs. Whilst Broad Rental Market Area rates indicate that 30th Percentile rent levels will still be covered for studio to two bed homes, lower quartile rents for three bed property remain below the LHA capped rent of £340 per week and there has been no reduction in the numbers of LHA claimants thus far the impact of welfare reforms and a strong local market need to be closely monitored in terms of the housing pressures that this is likely to cause the Council certainly in the short to medium term (next one to five years).
318. In relation to both homeowners and private renters sub regional income information indicates, when also related to market prices and rents, that there are boroughs in the sub region that remain affordable and accessible.
319. Along with increasing property prices the shift in income distribution toward a higher percentage of the populace having higher incomes may be another indicator that Wandsworth is a popular place to live. The success of the Borough in attracting and retaining high income earners benefits the local economy and should be a factor in encouraging the continued development of market housing.
320. Impacts on the housing market are apparent with increasing prices being identified. In turn it is reasonable to anticipate that such changes will have knock on effects with, for instance, middle income earners accessing what may have been affordable private rented or homeownership housing which was formerly being accessed by those on lower incomes. These market dynamics may be inevitable but would suggest that a significant increase in intermediate offers (the cheapest form of affordable housing to provide) and/or private rent options might relieve pressure on the lower end of the housing market, particularly in the PRS.

Policy Consideration 5

321. Identifying and where necessary securing low cost and subsidised rented options both in and outside the Borough for low to middle income households with some thought being given to what incentives and personnel subsidies are required to maintain access to the private rented sector for those with a priority for assistance from the Council.

Policy Consideration 6

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322. The range of housing options and offers that can be developed for middle income households (£25,000 - £55,000) to provide in borough housing options and to relieve pressure on the lower end private rented sector. These could include: first time buyer purchase options (such as linking local residents with Government underwriting initiatives) and (more) attractive private rent options (e.g. longer tenancy terms).

Policy Consideration 7

323. The success of the Borough in attracting and retaining high income earners benefits the local economy and should be a factor in encouraging the continued development of market housing. Attractive market housing offers are also likely to provide an incentive for business retention and relocation (not only good for the Borough but for London) so is an important factor when considering how to meet the overall demand for housing.

The Housing Stock and New Development

324. The SHMA identifies that the social housing sector in large part meets the decent homes standard with only Peabody looking to replace a significant level poor quality social housing stock as part of its regeneration of their St John's Hill Estate. There is also a relatively low level of stock divestment by registered social landlords of poor quality stock. Whilst plans have not been developed for York Road/ Winstanley estates in Battersea and the Alton Estate in Roehampton there is potential to improve the built environment and to secure a more socio-economically and tenure mixed area. The analysis also identifies no particular issues in terms of empty properties in the social rent with relatively low levels of voids at any one time.
325. In the private sector whilst there is a high percentage of properties identified as having particular hazards (with a cautionary note being given in terms of the reliability of the analysis) however, there are no areas or large groupings of properties that are so blighted as to require intervention by the Council (other than on a dwelling by dwelling basis).
326. The SHMA does show significant concentrations of social housing in certain wards and neighbourhoods that should be a factor in considering the mix and balance of affordable housing being delivered on development sites in these areas. Of course there is often development opportunity available to provide affordable housing in these areas given that land values are likely to be lower.
327. In terms of bed size mix it is notable that a large proportion of the social rent stock, particularly in the RSL sector, is of a smaller size. Whilst there is demand for all sizes of social/affordable/intermediate accommodation the priority need for social/affordable rent housing is for family size accommodation. It may not be possible to reconfigure existing stock (e.g. by extending existing properties) however the potential asset value of some stock may provide opportunities to look to reprovide a more optimal bed size mix of housing.
328. Whilst there is still a significant and maintained level of social rented housing in the Borough the stock of intermediate housing is very small. Whereas

individually residents benefit from the provision of intermediate housing at present rates of delivery the provision of intermediate housing is only likely to have a small impact in relation to the latent and growing demand for affordable homeownership housing.

329. The most recent Census results from 2011 identify that the private rented sector has increased by just over eight percentage points over the last ten years reflecting the trend across London with the sector continuing to meet a range of demands.
330. In general the current situation of lower sale prices, increasingly higher rent and lending to home owners at some four per cent lower than last year means an attractive market for buy to let investors and a surge in buy to let activity⁹⁶.
331. In terms of market housing the most significant trend is for the provision of studio, one and two bedroom accommodation with over 73 per cent of units of this type being in the pipeline. Given the predominant Borough demographic (young, singles and couples) and the main areas of development this is perhaps unsurprising.
332. The continuing tenure imbalances across the sub region and the varying potential to deliver affordable housing (e.g. where land values are lower registered providers are more able to purchase land to develop affordable housing) does provide some potential to meet housing needs outside of the Borough if the Council can secure nomination rights as it has done to a limited extent, through the current sub regional nomination arrangements.
333. The current economic conditions have given rise to a tension in terms of access to tenures with difficulties in accessing owner occupation especially for first time buyers resulting in some overheating in the private rented market as would be owner occupiers shift their focus to private renting. At the same time buy to let and investment intervention in the market is removing properties from the owner occupied sector into the private rented sector. Subsequent fuelling of private sector rents as a result of increased demand effectively excludes a proportion of private sector renters looking for affordable accommodation in the Borough⁹⁷. Access to private rent is key to meeting a range of housing demands, including demand identified on the Council's waiting list, so maintaining access to private renting is a policy priority.
334. The SHMA identifies that there is still demand for and potentially a growing role that could be played by shared housing (i.e. HMOs) in meeting the demand for lower cost rented housing. This is particularly the case given the overall Borough demographic and recent welfare changes. It is also notable that apart from one new development linked to providing housing for health workers of St. George's Hospital and some new student accommodation provided in the Borough that there are no current or future developments proposing to provide shared housing.

⁹⁶ Observer 11.11.2012: <http://www.guardian.co.uk/money/2012/nov/12/buy-to-let-investors-renters>

⁹⁷ Private Sector Rents Commentary: <http://www.thisismoney.co.uk/money/mortgageshome/article-2232438/Rental-prices-London-soar-just-years.html>
<http://www.thefinancepages.co.uk/property/demand-for-property-rentals-rises/02988/>

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335. The position in terms of housing development is a positive one with some 13,472 residential units either on site or with approved planning permission and a further 4,084 residential units are part of applications awaiting a decision. Whilst there are no signs of a down turn in demand for new build housing in the Borough given the fragility of the housing markets there needs to be an increased sensitivity to market dynamics so there is no stall in development momentum particularly in areas such as the NEV OA given the over riding objective on delivering area regeneration. Additionally, there is anecdotal evidence to suggest that some development activity is being fuelled by over seas investment activity. Whilst it should be anticipated that such housing will meet overall demand for housing in London it is more difficult to define how such purchases will help meet local demand pressures.
336. Affordable housing delivery and future pipeline is positive but will be constrained by public subsidy available to support development. Financial viability is particularly important given the high cost of land and the nature of some developments which do not necessarily lend themselves to affordable housing being delivered where that housing is not delivered in quantum (e.g. where affordable housing shares core services/areas – lifts, common parts - with private housing). Where there is high density development there can be issues in maintaining affordable service charge levels which must be set at standard rates regardless of tenure. The operation of the Community Infrastructure Levy (CIL) may have an effect on some developments although the Affordable Housing Economic Viability Assessment Update⁹⁸, prepared by BNP Paribas Real Estate for the Council, indicates that this charge can be absorbed alongside 15 per cent affordable housing in the NEVOA and 33 per cent in the rest of the Borough.

Policy Consideration 8

337. Maintain a positive dialogue with registered social landlords in relation to their asset management of existing stock to optimise use to meet identified local housing need. This may include looking to improve existing stock and divestment where there is a clear benefit in aiding that improvement or providing affordable housing that better meets need (for example through the provision of family housing).

Policy Consideration 9

338. Through housing and planning policies maintain the existing supply of HMO to meet demand and to positively consider development of shared housing options to meet identified needs where proposals are brought forward (for instance key worker housing).

Policy Consideration 10

339. An overriding national and regional policy objective is to increase housing supply to stimulate economic growth and create jobs. There is a need to work closely with developers to ensure that there continues to be an active pipeline of

⁹⁸

http://www.wandsworth.gov.uk/info/1022/planning_service_and_performance/726/affordable_housing_economic_viability_assessment_aheva

development with review mechanisms in place where development has stalled. Any review of affordable housing should aim to continue to maximise delivery of housing to meet local demand (this could be a switch to provision of smaller social/affordable rent units for under occupiers, a switch from social/affordable rent to intermediate or a switch to private rent where there is a local nomination agreement and to offsite payments where investment options are available).

Policy Consideration 11

340. Maximise regional and sub regional housing opportunities for households where the Council has some responsibility to assist. This would include continuing to be an active member of the SWLHP and take part in sub regional affordable housing nomination arrangements and looking for investment opportunities to support acquisition and development of rented housing to meet identified needs.

Policy Consideration 12

341. Optimising use of available resources to achieve the maximum outcomes both for those needing assistance to secure rented accommodation and those who qualify for intermediate housing (for instance through their income and status – working in the Borough and/or resident in the Borough). This may involve: considering housing options outside the Borough including development and purchase, offering deposits to facilitate access to rented and homeownership opportunities, maintaining the hidden homes programme and, if plans are in place to use resources where additionality is identified, taking offsite payments in lieu of onsite affordable housing provision in exceptional circumstances as set out in current planning policy.

Policy Consideration 13

342. In areas with a high concentration of social housing, where hidden homes or social housing development is approved, consideration should be given to alternative letting or sale options for existing social rent stock (which in turn may provide resources to support investment opportunities) and/or the favouring of the development of forms of intermediate housing. Any such arrangements will need to be balanced against overall demand for social rent housing.

Policy Consideration 14

343. In terms of market housing the current pipeline which is mainly delivering one and two bedroom units is unsurprisingly tailoring itself to what might be anticipated demand. Whilst the second hand market and intermediate housing options (particularly in cheaper areas of the Borough) may meet some of the demand for family housing there is potentially less or indeed little benefit in encouraging the provision of such housing in higher value developments given the affordability issues that are likely to arise. The main objective, from a Council perspective, arguably is to maximise value to improve affordable housing delivery and positive housing outcomes.

Policy Consideration 15

344. In the intermediate sector the provision of larger family homes whilst encouraged by planning policies is limited given the cost of delivering (in cross subsidy terms)

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and purchasing such units. Whilst overall intermediate housing targets may seek to achieve larger family units in particular locations in the Borough it would be appropriate to consider what are more realistic development targets for this form of housing and whether other more personal subsidies for some households (such as those wishing to leave social rented sector stock) might be a more appropriate way to meet demands and needs.

Policy Consideration 16

345. The Council does have an active programme to bring empty private sector properties back into use and where grant is provided these units are let to priority households nominated by the Council. Given the London Mayor's focus on reducing empty properties and the relatively small levels of public subsidy required to bring such units back into use there may be merit in reviewing the current programme (taking account of regional funding opportunities). This is one particular route to potentially increase access to the PRS for those in housing need who are on low incomes.

Active Market Including The Private Rent Market

346. Given the diverse and permeable housing markets, that do not have regard to Borough boundaries, the overall conclusions drawn from the analysis is that the Council has little influence over housing markets with this analysis being supported by the London Mayor. A key factor identified is Wandsworth's proximity to central London which results in it being susceptible to the ripple effects of changes in markets in adjacent boroughs and most importantly central London boroughs. Potentially such effects reduce the impact of market housing meeting locally identified demand.
347. Given continuing demand overall house prices in Wandsworth have held up which is positive in terms of sustaining development but provides challenges in respect to providing affordable housing options in the Borough, particularly for the significant population of often younger £25,000 to £70,000 earners who might be expected to and indeed want to buy. However, the continued reluctance of the lending sector to lend to FTBs on more reasonable terms is a significant issue in terms of mobility between sectors and particularly from the PRS into homeownership, although the Government's NewBuy mortgage guarantee scheme is beginning to have a positive affect.
348. Whilst it might be reasonable to anticipate that some younger prospective buyers may be assisted by the 'bank of mum and dad' many households will not be. Meanwhile mobility between tenures is reduced and those homeowners who need to staircase to larger properties are more limited in their ability to do so.
349. The policy response will need to consider the role that intermediate housing can play in providing local low cost homeownership options, although as identified elsewhere this does not at the current time necessarily provide the 'quantum' response required to meet growing demand. Whilst homeownership will continue to be an aspiration for the majority affordable homeownership may well be difficult for the many which provides additional focus on how to establish and increase a PRS/Intermediate rent sector that better caters for the longer term housing needs of middle income earners. Albeit that the demand and supply

factors involved here are complex given the permeability of housing markets in London.

350. There has been a significant and substantial increase in the numbers of private renters claiming Housing Benefit. Housing Benefit continues to cover rents up to the 30th percentile for studio to two bed properties and 25th percentile rents for three bedroom properties are below the LHA cap (this is not the case for four bedroom units). However, numbers of claimants have not reduced over the last 12 months and there is a threat that the low end private market may become more unaffordable as demand increases and welfare benefit changes, for some, begin to have an impact. Maintaining access to the PRS, in this Borough and further afield, for those on lower incomes and in housing need must be a policy priority if the Council is to address and meet particular housing demand.
351. Currently there is no overall policy position in encouraging the development of housing for private rent. However the overwhelming demand for intermediate and private rent housing suggests that this is an area that the Council should encourage particularly if in doing so this form of housing can be developed in quantum and can take pressure off the lower quartile private rent sector.
352. The overall assessment of the housing market in Wandsworth by RPs shows a very high demand for intermediate housing and a buoyant property market which in itself provides development activity that can support the delivery of affordable housing. However, the RPs also identify that in certain parts of the Borough it is particularly challenging to deliver affordable housing given high land values. As would also be expected the demand for intermediate housing is increasing although there is a risk that if affordability criteria are set too rigidly this will affect delivery.

Policy Consideration 17

353. In terms of market housing a focus must be on sustaining development and exploring ways in which existing local residents and/or those working in the Borough are given more of a chance and opportunity to access market housing. Encouraging and enabling more structured private renting arrangements may achieve this along with exploring more innovative living options. These could include housing developed specifically to cater for sharers, support given to the development of smaller accommodation built to take advantage of particular locations near to transport links or in busy town centres and innovative forms of modular housing supported where this reduces overall costs.

Policy Consideration 18

354. A key driver is to maintain mobility between tenures including moves out of the social and private rent sectors. Without a significant number of moves being achieved there is a danger that the demand and supply situation will worsen particularly in terms of access to the lower end of the private rented sector.

Policy Consideration 19

355. Continued focus on flexible housing delivery policies that utilise available resources to maximum effect. Whilst affordable housing targets need to be established to meet the London Mayor's housing strategy and planning

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requirements there is a need to focus on the quantum of outcomes that can be achieved. These matters will need to be explored further in the update to the Council's affordable housing Borough Investment Plan.

Policy Consideration 20

356. Development site financial appraisals should provide for a number of affordable housing options which identify the opportunities to increase and/or secure sites for such affordable housing development. Whilst planning policies need to provide certainty, as to what is sought, affordable housing development opportunities should not be lost on the basis that such policies have been set too restrictively.

Policy Consideration 21

357. There is limited development of larger family intermediate housing and affordability issues with such housing in certain (higher value) areas of the Borough. Flexible responses once again suggest themselves to maximise delivery of such housing options.

Housing Demand and Supply

358. The SHMA has identified a significant demand for all forms of housing tenure. The demand for market housing is high as is reflected in market prices being sustained and in some areas of the Borough (for example along the riverside) significantly increasing. A key issue identified is owner occupier ability to staircase up from what is smaller accommodation to family size accommodation which is likely to be in part due to FTB reluctance or ability to borrow on what may be more unfavourable terms particularly if there is only a small deposit available.
359. As identified there is also a significant potential demand from households on a broad range of incomes for private rented accommodation. It is a key tenure in meeting the demand for housing for those on low incomes, who have some form of priority for assistance from the Council (e.g. households on the Council's housing register with some priority for housing but who may not be homeless), and for middle income younger households, who make up a significant part of the population of the Borough.
360. The analysis showed that the intermediate sector remains very small at an estimated one to two per cent of total stock. There is mismatch between the potential demand for such forms of housing (evidenced by Borough demographic data and a reduction in FTB activity) and a very limited supply. It is also early days to understand the overall impact of Government initiatives to support FTBs through guarantee schemes. However, these more person focused initiatives have benefits in relation to increasing choice, potentially being more cost effective (than bricks and mortar subsidy) and therefore assisting a greater number of households that in turn has the potential to relieve pressure on other housing sectors (for example private and social rent sectors).

Policy Consideration 22

361. How the Council might be able to stimulate the delivery of increased levels of private and intermediate rented housing through its housing and planning powers to meet demand and to release pressure on the lower end of the private rented market so that access is maintained for those on lower incomes, who are likely to be claiming housing benefit to assist with housing costs.

Policy Consideration 23

362. The extent to which the Council is able and should provide assistance to enable entry into the housing market for low and middle income households and the effect this will have on relieving pressures on other forms of housing tenure.

363. Across London overcrowding remains a particular challenge with the London Mayor setting a target to halve the level of severe overcrowding in the social housing sector by 2016. Whilst 212 moves have been facilitated through the Council's underoccupation initiatives over the last three years this still remains a small number of moves relative to the extent of under occupation in this sector as evidenced by local surveys and Census data. Introduction of the SSSC welfare benefit changes is likely to stimulate moves. It is also the case that relative to development of new larger family rented accommodation under occupation incentive schemes are more cost effective in providing units. As has been demonstrated by financial viabilities for new developments, a greater number of smaller units can be delivered than larger family units which is a potential policy consideration if that smaller accommodation is targeted at rehousing under occupiers.

Policy Consideration 24

364. Across the social housing sector investigate ways to increase the number of moves out of larger family accommodation that is under occupied both as a response to the introduction of the SSSC and to maintain and if possible increase under occupier moves through incentive schemes. This could include promoting neighbourhood level mutual exchanges with assistance given to move and local housing options that provide an attractive alternative for under occupiers (including designated housing for older tenants).

Policy Consideration 25

365. The opportunity to develop one and two bedroom smaller sized rented accommodation to meet the needs of under occupiers needs to be a consideration when negotiating affordable housing provision on new developments. The key factors in determining whether a higher mix than target should be considered are the number of additional units achieved and the (local) demand for such accommodation. Whilst the Council will need to have regard to targets set by the London Mayor for specific affordable housing bed sizes in reviewing local targets consideration needs to be given as to the extent to which the provision of good quality smaller units (targeted at current social rent tenants) may assist in releasing larger social rent stock. There is also likely to be the additional benefit of creating chains of lettings and in turn more units for letting in the social housing sector.

366. The London Mayor requires London boroughs to identify the range of housing needs likely to arise within their areas and to set an overall target in planning

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policies for the amount of affordable housing provision needed setting separate numerical or percentage targets for social/affordable rent and intermediate housing. In setting targets a range of issues should be considered including the priority accorded to family housing, the need to promote mixed and balanced communities, capacity to accommodate development, viability and future availability of resources.

367. A key factor in terms of setting and achieving the overall target for the mix, balance and quantity of affordable housing delivered will be identified through the SHLAA. In this respect a certain level of need may be identified but what can actually be delivered is down to the level of cross subsidy from market housing that can assist with development on Section 106 sites, grant or other forms of public investment and the ability of RPs to purchase sites in a borough.
368. An analysis has been undertaken in this report of the demand for affordable housing using housing and homeownership registered data and completions data available from the Homeownership Team.
369. In undertaking the analysis consideration has been given as to the level of housing required to meet the need for social/affordable rented housing. Need in this respect is taken to be those households who would be prioritised for housing in the Council's Allocation Plan. This has meant that the Council has not included households with no points, which includes those registering living outside the Borough, or households with such low points that they have no reasonable prospect of being offered social/affordable rented housing.
370. This analysis has identified an annual shortfall of affordable housing of 1,628 units over each of the next ten years with a shortfall of 942 (58 per cent) identified in respect to low cost rented housing and a shortfall of 686 (42 per cent) in respect to intermediate housing. This position more or less aligns in terms of tenure balance with that identified by the London Mayor. The shortfall by bed size is summarised in table 14 below (as previously referenced in the SHMA).

| <u>Table 14: Affordable Housing (excluding supported housing): Number of properties needed annually to meet estimate of need and forecast supply</u> | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------|-------------|-------------|-------------|-------------|----------|------------|
| | Size of property required | | | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Social rented and affordable rented housing: | | | | | | | | |
| Forecast Annual need* | 827 | 752 | 308 | 85 | 20 | 4 | 0 | 1,996 |
| Forecast Annual supply** | 329 | 408 | 249 | 66 | 1 | 1 | 0 | 1,054 |
| Forecast Annual shortfall | 498 | 344 | 59 | 19 | 19 | 3 | 0 | 942 |
| Balance of units by size of property required (rounded to one decimal place) | 52.9% | 36.5% | 6.3% | 2% | 2% | 0.2% | - | - |
| Intermediate housing: | | | | | | | | |
| Forecast Annual need* | 534 | 137 | 29 | 5 | 1 | 0 | 0 | 706 |
| Forecast Annual supply** | 12 | 7 | 1 | 0 | 0 | 0 | 0 | 20 |
| Forecast Annual shortfall | 522 | 130 | 28 | 5 | 1 | 0 | 0 | 686 |
| Balance of units by size | 76.1% | 19% | 4.1% | 0.7% | 0.1% | - | - | - |

| | | | | | | | | |
|--------------------------------------------------------------------|--------------|------------|-----------|-----------|-----------|----------|----------|--------------|
| of property required (rounded to one decimal place) | | | | | | | | |
| Total: | | | | | | | | |
| Forecast Annual need* | 1,361 | 889 | 337 | 90 | 21 | 4 | 0 | 2,702 |
| Forecast Annual supply** | 341 | 415 | 250 | 66 | 1 | 1 | 0 | 1,074 |
| Forecast Annual shortfall | 1,020 | 474 | 87 | 24 | 20 | 3 | 0 | 1,628 |

* Forecast Annual need = Estimated number of lets / re-lets / sales / re-sales required annually to fully meet both the estimated backlog and estimated newly arising need over the next ten years.

** Forecast Annual supply = Total number of re-lets / re-sales forecast.

371. The London Plan housing development target, which is based on land availability, has identified that 1,145 units of accommodation should be supplied in Wandsworth each year across all tenures. Whilst it will be acceptable to seek the maximum reasonable level of affordable housing on new development sites it is evidently not possible to meet this shortfall in affordable housing through new development in Wandsworth alone.

372. This leads to a number of policy considerations that are linked to others made in this summary.

Policy Consideration 26

373. The analysis and significant overall shortfall in affordable housing would support a continued policy position which seeks the maximum reasonable level of affordable housing subject to financial viability. In this respect the findings from the AHEV, completed in December 2012, identifies that the delivery of 33 per cent affordable housing remains viable with the potential to deliver 40 per cent affordable housing in some parts of the Borough.

Policy Consideration 27

374. The balance of bed sizes by affordable tenure as set out in Table 14 identifies a baseline demand with the majority of units needed being one and two bedroom. Whilst this may be the case further consideration needs to be given as to the quantum of new build affordable housing that is likely to be developed and the more urgent housing needs and requirements identified on an annual basis through the Council's Resources and Commitments Report.

375. For social and affordable rented housing this is much more likely to see the development of larger family units being required with a bed size balance seeing 40 per cent of units being delivered as three bedroom plus units as is the target currently. Whilst this may be the case the current balance of units could be revisited if there was identified benefit in providing smaller size units (such as one and two bedroom units) to facilitate moves from larger units in the existing social rent sector and to meet particular pinch points of demand (for instance the significant demand from homeless households for two bedroom accommodation).

376. For intermediate housing, and given that this form of housing is often one of choice (albeit a pragmatic one) rather than necessity, consideration could be given to readjusting bed size balance to favour the development of smaller size

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units which reflected the demand set out in the table 14 above. However, if this were considered other housing policy and plan responses would be needed to meet what is an identified demand for larger family (intermediate) homes (for example through the provision of personal subsidies).

Policy Consideration 28

377. The analysis of known demand for affordable housing indicates a base shortfall position of 58 per cent social/affordable rent housing and 42 per cent intermediate housing which aligns with mayoral planning targets which aim for 60/40 tenure split.
378. Arguably a programme seeking 50 per cent intermediate and 50 per cent social/affordable rent housing may be appropriate given:
- The historic shortfall of intermediate housing in the Borough which makes up only one to two per cent of the total housing stock;
 - The latent demand for such accommodation which can be imputed from the Borough's demography;
 - Such an approach would support the Mayor's current development plans where he has identified that the development of 55,000 affordable homes will be supported through the 2011-15 Affordable Homes Programme with 33,000 being for affordable rent and 22,000 for intermediate housing and his Mayoral Covenant Commitment to deliver an additional 10,000 intermediate homes to support working Londoners.
379. Whilst such a position may not be tenable in itself, in respect to conformity with the London Plan, what does suggest itself is the financial appraisal of different affordable tenure options on developments to consider the benefit (for example in numerical terms) of tenure mixes ranging from 60/40 rent to intermediate housing to 50/50 rent to intermediate housing to 40/60 rent to intermediate housing.

Policy Consideration 29:

380. The impact of welfare benefit reforms and the impact on the overall demand for affordable housing and support needed to access the housing required. The impact on demand of the ability to discharge the homelessness duty into the PRS also needs to be considered. As does the need to continue to monitor the impact of these changes so that short to medium term responses can be developed. The priority that needs to be given to maintaining access to the PRS for low income households in order to meet and address housing needs identified by this assessment that cannot be met by development or relet supply should not be understated.

Policy Consideration 30

381. Decisions will also need to be made about who should qualify for affordable housing in Wandsworth. Within certain legal constraints, it is open to the Council to decide who should qualify for social housing in Wandsworth and the relative priority that should be awarded to households that do qualify. The Council will need to consider the extent to which its allocation policy should seek to meet housing need, by for example, reducing overcrowding, preventing homelessness (this could be by assisting those priced out of the PRS) and the extent to which it

should seek to meet other policy objectives such as ensuring that low income households are better off in work than out of work.

382. Additionally housing market dynamics provide challenges in relation to both meeting needs and aspirations particularly of those FTB who can no longer move into homeownership. The Localism Act 2011 and recent consultation on the 'Allocation of accommodation: Guidance for local housing authorities in England', gives local authorities more freedom to determine what classes of people are eligible for social housing and provides an opportunity to consider whether the affordable rent product gives a 'third' affordable tenure option that has the potential to provide a bridge between social renting and forms of low cost homeownership. In this respect, the draft guidance goes on to state that councils are urged to "consider how they can use their allocation policies to support those households who want to work, as well as those who, while unable to engage in paid employment, are contributing to their community in other ways."

Policy Consideration 31

383. Support for mobility initiatives that increase moves out of existing social rent stock and reverse an emerging trend of a reducing number of relets being available across the social housing sector. It is likely that this would be through either expansion of existing purchase initiatives and incentives that would assist households wishing to relocate elsewhere in and out of the Borough.

Affordable Housing Development

384. The SHMA provided a positive picture in terms of overall delivery of housing which in turn allows for the cross subsidy of affordable housing although limits RP development given high land costs. A point which has been confirmed by RPs. Reduced affordable housing grant funding rates and the introduction of affordable rent provide particular challenges for Wandsworth. Much of the development in the Borough is high density which means that service charges are higher which leaves less affordable rent income to support development (unlike social rent affordable rents are inclusive of service charges).
385. The delivery particularly of four and five bedroom affordable rent units is not meeting target, as is the case in respect to the delivery of three bedroom intermediate housing. The reasons for this are purely economic, with it being less financially viable to deliver larger family units on developments. The responses to this, taking account of the public financing of affordable housing development, are not straightforward particularly if an equal focus is to maintain a relatively high quantum of affordable development to meet the range of needs identified.
386. Area and estate regeneration is and will affect the quantum and balance of affordable housing being delivered in certain areas and potentially overall. This has certainly been found to be the case in the NEVOA where a minimum of 15 per cent affordable housing is required with this reduced level of affordable housing being delivered given the cross subsidy required to support infrastructure. Estate regeneration also requires cross subsidy from market housing to support affordable housing provision.

Policy Consideration 32

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387. As identified previously there are certain current targets (for example the provision of large family homes) that are unlikely to be met through the development programme. Alternative approaches will be required to meet such demands (such as incentives to access and secure private rented sector housing, seeking offsite payments to fund development and purchase elsewhere in cheaper areas (for instance through the Council's Hidden Homes Programme).

Policy Consideration 33

388. The continued importance of the Council supporting affordable housing development through its Hidden Homes Programme and potentially through subsidy/grant as RTB one for one replacement receipts are accrued and Section 106 off site payments are received.

Policy Consideration 34

389. Being flexible in relation to the forms of housing which provide affordable housing solutions at below market value. The Mayor's quality and design standards provide a benchmark for affordable housing, supported by grant or other investment. Where such funding is not provided there may be opportunities to consider forms of housing which whilst of good quality do not meet the higher standards now being required (for instances where units may meet London Plan space standards requiring a minimum of 37 square metres per unit but not affordable housing space standards where grant or subsidy is provided which are higher than this). The main criteria used to assess such offers is likely to be the quantum of affordable housing being proposed (such as when significantly above target), quality of overall design and location (for example suitable design for semi industrial area) and also whether it is intended that the accommodation is permanent in nature (which could include forms of modular build that are easily erected, dismantled and moved).

Shared and Supported Accommodation Including Sheltered Accommodation

390. There is evidenced demand across London for student housing however it is difficult to predict future demand in this Borough. Clearly there is a risk in allowing speculative development however when linked to an educational institution with an evidenced need and an appropriate site due consideration would need to be given to the proposal. Such development may be particularly beneficial in relieving pressure on the local PRS – particularly in certain localities.
391. There is no evidence that there is a shortfall of sheltered social rented housing with those on the sheltered list having a reasonable expectation that they will be rehoused albeit that it may take some time if they wish to move to a particular scheme. There is potentially a need to provide high quality older people's designated accommodation sited in particular neighbourhoods where there are high concentrations of existing social rented housing and potentially larger family units being under occupied.
392. There is no intermediate housing designated for older people and little market accommodation for older people planned. Whilst it is hard to quantify the

demand for such accommodation without undertaking specific surveys it would follow that there is likely to be some demand given the Borough demographic.

393. It is estimated that an additional 100-120 units of Extra Care Housing (ECH) will be required over the next five years and there is the potential to meet much of this demand if two developments come forward. Close working will continue between the Housing Department and Adult Social Services to track and forecast demand for ECH with options and opportunities being explored as required to provide additional units.

Policy Consideration 35

394. Where there is evidenced demand the Council should encourage the development of market and low cost homeownership sheltered accommodation given the very limited supply in the Borough.

Policy Consideration 36:

395. Priority should be given to delivering additional ECH as planned with the option to provide additional units over the next ten years being developed if required (see Peabody St John's Hill Estate third phase).
396. Whilst currently there is no requirement for additional mental health supported accommodation reconfiguration in the supported accommodation sector (favouring refurbishment to provide self contained units as opposed to a greater number of non self contained units) and the potential closure of some rehabilitation beds provided in the community by the Mental Health Trust may require provision of replacement and more specialised supported accommodation units. In considering any future needs of this kind both revenue and capital funding requirements will need to be determined with the CMHT.
397. For PLD residents a programme of improvement and development is in place of two schemes and 17 units with a further requirement to deliver 69 units being identified over the next ten years, subject to site identification and revenue funding being available.

Policy Consideration 37

398. For mental health develop one or two 'KeyRing' Schemes utilising general needs stock, (existing and/or new build to deliver nine units per scheme plus one support unit), support a programme of refurbishment of RP schemes to include consideration of any new provision required given the potential reduction in the overall number of units and provide one or two supported schemes based on a high support model (target eight to eleven flats per scheme).

Policy Consideration 38

399. Deliver the planned programme of 17 PLD supported accommodation units and identify sites where a further 69 units can be delivered over the next ten years. In respect to further sites and units the timing of delivery will be important particularly where the accommodation is being provided to coincide with the closure of residential care/supported housing. Consider further the opportunities to deliver bespoke housing solutions for those with significant physical disabilities

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where these particular needs are identified (noting potential demand is for between ten to twenty units).

400. The SHMA also considered the need for what is largely temporary supported housing for a range of client groups including single homeless, those with drug and alcohol problems, young people and ex offenders. The assessment does not identify an additional need for supported accommodation for this client group and references the Adult Social Services and Health OSC report on Review of Supporting People Services where service provision levels are identified.

Policy Consideration 39

401. Where a supported accommodation scheme is no longer required the Council will, where it is appropriate and viable, support the continued use of the accommodation for a social/affordable/intermediate rent use to provide a useful form of accommodation for those local residents. The Council will also consider whether the accommodation may be suitable for another supported accommodation use.

Policy Consideration 40

402. Where a provider has resources available to upgrade supported accommodation the Council should support this particularly in respect to accessibility and where appropriate self containment. It may be that such works do not fully meet planning standards (for example where it is a conversion of an existing property where it is difficult to meet new build standards). In this circumstance there should be some expectation that flexibility will be given where refurbished accommodation is an improvement on existing. The Council will also work positively and proactively with providers where portfolios of properties are being reviewed and through this assets utilised to support improvement programmes.

Policy Consideration 41:

403. Where a scheme is upgraded RPs should be given assurance that if the accommodation is no longer required for a supported housing use that it can convert to, for instance, some other affordable housing use.
404. The SHMA has also included an analysis and a survey of Gypsy and Traveller pitch requirements. The Pan London Gypsy and Traveller Accommodation Needs Assessment (GTANA) published in March 2008 identified a need for residential pitches of somewhere between one pitch (minimum need) and seven pitches (maximum need) between 2007 and 2012. With a further two (minimum need) to three (maximum need) pitches between 2012 and 2017. Taking account of the past turnover of pitches it would seem reasonable to forecast that in Borough demand would be met even taking into account the now relatively settled nature of the site.

Policy Consideration 42

405. In drawing up local plans to meet in this case Gypsy and Traveller pitch requirements local planning authorities need to demonstrate that they have considered their duty to co-operate with neighbouring boroughs on policy matters

that may have an impact beyond the Borough boundary. Given the relatively limited demand identified it would seem appropriate to work with other boroughs to identify the extent of demand across a number of local council areas and the opportunities to access pitches that are developed in the future subject to identified demand.

GLOSSARY OF TERMS

| | |
|--------|--------------------------------------------------------------------------------------|
| AMR | Annual Monitoring Report |
| BRMA | Broad Rental Market Area |
| CIL | Community Infrastructure Levy |
| CMHT | Community Mental Health Team |
| CPA | Care Programme Approach |
| CPO | Compulsory Purchase Order |
| (D)CLG | (Department) for Communities and Local Government |
| DHS | Decent Homes Standard |
| DWP | Department of Work and Pensions |
| ECH | Extra Care Housing |
| EHC | English Housing Condition Survey |
| EU | European Union |
| FTB | First Time Buyer |
| GLA | Greater London Authority |
| GP | General Practitioner |
| GTANA | Gypsy and Traveller Accommodation Needs Assessment |
| HMO(s) | House(s) In Multiple Occupation |
| HRA | Housing Revenue Account |
| IMD | Index of Multiple Deprivation |
| JSA | Job Seekers Allowance |
| JSNA | Joint Strategic Needs Assessment |
| LGTU | London Gypsy and Traveller Unit |
| LHA | Local Housing Allowance |
| MINI | Mental Illness Needs Index |
| MHT | Mental Health Trust |
| NEVOA | Nine Elms Vauxhall Opportunity Area |
| NHS | National Health Service |
| NPPF | National Planning Policy Framework |
| NVQ(s) | National Vocational Qualification(s) |
| ONS | Office for National Statistics |
| OSC | Overview and Scrutiny Committee |
| PCT | Primary Care Trust |
| PLD | People with Learning Disabilities |
| PRS | Private Rented Sector |
| Q | Quarter |
| RP | Registered Provider |
| RSL | Registered Social Landlord |
| RTB | Right to Buy |
| RTCNA | Retail and Town Centre Needs Assessment |
| SAP | SAP is the Government's Standard Assessment Procedure for energy rating of dwellings |
| SHLAA | Strategic Housing Land Availability Assessment |
| SHMA | Strategic Housing Market Assessment |
| SSSC | Social Sector Size Criteria |

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| SWLHP: | South West London Housing Partnership |
| UK | United Kingdom |
| US | United States |
| VNEB | Vauxhall Nine Elms and Battersea |