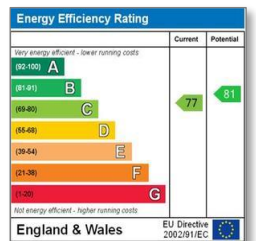




Wandsworth Housing Needs Assessment

Report of Findings
August 2024





Opinion Research Services, The Strand, Swansea SA1 1AF
Jonathan Lee, Belinda Herbert, Trevor Baker, Nigel Moore,
Scott Lawrence, Hugo Marchant, Elliot Muldoon
enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

© Copyright August 2024

The below copyrights acknowledge the open-source data that is provided by the respective bodies and is used throughout this document

Contains Ordnance Survey data © Crown copyright and database right 2024

Contains Royal Mail data © Royal Mail copyright and database right 2024

Contains National Statistics data © Crown copyright and database right 2024

Contains public sector information licensed under the Open Government Licence v3.0

Contents

Executive Summary	5
Introduction.....	5
Government Policy	5
Assessing Housing Needs in London	5
Establishing Current Unmet Need for Affordable Housing	6
Overall Need for Affordable Housing	7
Policy Implications for Affordable and Other Housing Need	8
1. Introducing the Study	11
Introduction.....	11
Government Policy	11
Assessing Housing Needs in London	12
Duty to Co-operate.....	13
Jobs and Housing.....	13
Overview of the HNA.....	14
Summary of the ORS Approach to Modelling Housing Need.....	14
2. Demographic Projections	16
Introduction.....	16
Official Household Projections	16
Projected Household Size.....	17
Population and Household Projections for Affordable Housing Need.....	18
Projected Population Age Profile	18
Household Projections by Age	20
Projected Household Types.....	21
3. Local Housing Market	23
Introduction.....	23
Housing Tenure Trends	23
Housing Property Type Trends	26
Cost of Renting	27
Cost of Home Ownership	31
Identifying the Gap for Intermediate Housing and Affordable Home Ownership.....	33
Summary of Housing Costs.....	37
4. Affordable Housing Need	39
Introduction.....	39
Assessing Affordable Housing Needs	40
Current Unmet Needs of Households Unable to Afford	41
Projected Future Need of Households Unable to Afford	45
Needs of Households Aspiring to Homeownership	49
Identifying the Overall Affordable Housing Need	53
Future Policy on Housing Benefit in the Private Rented Sector.....	57

Affordable Mix.....	58
Size and Tenure Mix based Upon Overall Housing Needs	59
Sensitivity Testing.....	61
Policy Implications for Affordable Housing Need	62
5. Needs of Different Groups.....	64
Introduction.....	64
Housing for Older People	64
Older People in Wandsworth	64
Identifying the Need for Specialist Older Person Housing.....	66
Reviewing the Existing Stock of Specialist Older Person Housing.....	68
Establishing the Future Need for Specialist Older Person Housing	70
Interviews with staff: Older people and people with disabilities	72
Accessible and Adaptable Housing.....	72
Young people leaving care	73
Studio Apartments and Co-Housing.....	75
Student Housing	76
Service Families	78
People Wishing to Build their Own Homes	78
Essential Local Workers.....	79
6. Conclusions	80
Affordable Housing Need	80
Other Needs	81
Appendix A: Glossary	83
Appendix B: Table of Figures.....	87

Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by Wandsworth Council to prepare a Housing Needs Assessment. The study seeks to build upon the evidence base for the Wandsworth Local Plan 2023-2038, which was adopted in July 2023.
2. The Wandsworth Local Plan aims to meet the London Plan-derived housing target which is 20,313 homes between 2023 and 2038. However the Plan identifies a reasonably large buffer beyond this target, identifying a housing supply totalling 26,315 homes over the same 15 year period. As the second figure better reflects likely housing delivery over the plan period, this study uses 26,315 as its starting point and seeks to understand the mix of housing which would be required within this total.
3. This current study represents an update to the evidence base in Wandsworth in relation to housing needs.

Government Policy

4. The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018 and was updated in February 2019, July 2021 and December 2023 to incorporate a number of detailed changes and we would note that there is a current consultation on-going around significant further changes. The Revised NPPF 2018 introduced a new definition for affordable housing. Whilst the Original NPPF identified that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.
5. We would note at the time of writing that there is current Government consultation on the future of the NPPF, with many significant changes proposed. This report was developed and written under the current NPPF 2023 and therefore has not incorporated any of the proposed changes to the NPPF. However, most of the proposed changes to the NPPF have minimal impact upon housing needs assessments in London, but the government are proposing to place an increased emphasis on delivery of social rented housing against affordable home ownership.

Assessing Housing Needs in London

6. The Strategic Planning Authority for London is the Greater London Authority, and the London Plan is the statutory spatial development strategy for London. The London Plan (2021) sets out a need for 66,000 additional homes per year in London from 2016 to 2041.
7. The housing targets for London Boroughs in the London Plan sum to 52,287 dwellings per annum across London, not the nearly 66,000 housing need. The London Plan sets a 10-year housing target for net housing completions (2019/20 -2028/29). In the case of Wandsworth, this is 19,500 dwellings, or 1,950 dwellings

per annum and is the basis for the adopted Wandsworth Plan. We would also note that the 1,950 figure covers both conventional housing supply and also non-conventional accommodation such as purpose built student accommodation, shared housing and dedicated older person schemes.

8. However, the extant Wandsworth Local Plan identifies a supply of 26,315 dwellings from 2023-2038 and it is this figure which forms the starting point for our assessment.

Establishing Current Unmet Need for Affordable Housing

9. To assess the current need for affordable housing, we initially calculated the number of households in Wandsworth who are not suitably housed and who are unable to afford market housing. These include: all households that are currently homeless, those who are currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in the social or private rented sector, and people otherwise not counted who are in a reasonable preference category on the housing register. Given these categories for current need, there is a high correlation between those who are included on the housing register in Wandsworth and those considered to be in current need.
10. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 10,273 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible. Given the components which make up current unmet need, there is a high correlation between those who are included on a housing register in Wandsworth and those who we consider to have current, unmet needs.
11. Of these households, 4,186 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. These households require a move to resolve their needs, predominantly to a larger property, which would also make an existing affordable home available for another household. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
12. There are 1,854 households who are housed outside Wandsworth in temporary accommodation, or are homeless or concealed and thus do not release dwellings. All of these households have current needs and are not housed in dwellings in Wandsworth, so they not only require affordable housing, but also add on a one for one basis to the total housing need of Wandsworth.
13. There is, therefore, a net affordable housing need of 6,087 households (10,273 less 4,186 = 6,087). Providing the net affordable housing need 6,087 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 4,233 households (6,087 less 1,854 households in temporary accommodation or outside of the borough).
14. The 4,233 dwellings are occupied by people living in unsuitable conditions (e.g. too small for their needs) whose needs would be met by new homes of the right size, if provided. While the 2017 London SHMA sought to address the backlog of need over 25 years, for this study we treat this as a backlog of need to be addressed over 15 years at an annual rate of 406 households per annum (6,087/15) to ensure that the needs are addressed within the current plan period. However, ideally their needs should be met earlier if possible.

Overall Need for Affordable Housing

15. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future and also those who can afford market rents but aspire to home ownership. This includes:
 - » New households adding to housing need;
 - » The households no longer present reducing housing need; and
 - » The changes in circumstances impacting existing households.
16. This data can then be combined with the 6,087 backlog of need as of 2023 and the overall capacity based dwelling target of 26,315 dwellings over the period 2023-2038 to estimate the mix of housing required in the area. Each year there are very high flows of households in and out of Wandsworth, but the impact of this is to reduce affordable housing need. The key driver of affordable housing need in Wandsworth is local households falling into need before they often migrate away from the area, alongside a very high number of currently overcrowded households in the affordable housing sector.
17. While numerically, there is a high need for all sizes of property, the highest need is for 2 and 3 bedrooms; approaching 70% of the overall affordable need is for 2- and 3-bedroom properties. We would note that the model assumes that any overcrowded households would require a larger property to address their needs. However, there is no mechanism in place to compel smaller households to downsize, so we do not assume that any under-occupying households will move to a smaller property.
18. It is important to note that the affordable housing figures quoted are for net delivery. Therefore, if any properties are sold under right to buy, or lost through demolition then they require to be added to the figures one for one. Similarly, we have not counted any pipeline supply delivery and any homes brought back into use can be counted against the needs.
19. The NPPF no longer includes the term intermediate housing, but this is still used in the Wandsworth Local Plan, so those who can afford London Living Rents or other affordable properties to own are included as intermediate housing need.
20. The figures allow for all dwellings for households who cannot afford market housing, namely 8,223 who cannot afford London Living Rent. It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed. Unless an alternative is developed, then effectively these 8,223 households will be in need of social housing.
21. In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as First Homes or Shared Ownership.
22. The table also contains an allowance to reconcile population and household estimates which derives from the way in which institutional population is treated within the household projections. The household projections exclude population in institutional settings and assume that the same ratio of over 75 year olds will be in institutional housing in the future as is currently the case. Therefore, not all people are assumed to be in households. However, the table below encompasses the entire population of the local authority, so it is necessary to reconcile the household projections with the total population and the number of dwellings to be provided. It is important to note that we are not assuming that the equivalent of 192 dwellings in

Wandsworth are delivered as Class C2 bedspaces, but instead that the population who are assumed to occupy these dwellings in the population projections are counted at some point in the model.

Figure 1 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford social rents	Unable to afford intermediate	Require intermediate housing	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
1 bedroom	1,059	560	1,302	2,921	649	3,569
2 bedrooms	1,881	1,103	3,315	6,299	4,457	10,756
3 bedrooms	1,608	941	1,105	3,654	5,421	9,075
4+ bedrooms	663	408	657	1,728	995	2,723
C2 Dwellings	-	-	-	-	192	192
TOTAL	5,212	3,011	6,378	14,601	11,714	26,315
1 bedroom	4.0%	2.1%	4.9%	11.1%	2.5%	13.6%
2 bedrooms	7.1%	4.2%	12.6%	23.9%	16.9%	40.9%
3 bedrooms	6.1%	3.6%	4.2%	13.9%	20.6%	34.5%
4+ bedrooms	2.5%	1.5%	2.5%	6.6%	3.8%	10.3%
C2 Dwellings	-	-	-	-	0.7%	0.7%

Policy Implications for Affordable and Other Housing Need

23. This document represents a technical analysis for the housing needs of Wandsworth. We do not consider that it should set firm policies for the Council, but should instead be seen as underwriting the evidence of policies which will be developed.
24. The extant Wandsworth Local Plan sets capacity based housing targets for Wandsworth upon which this study is based. Wandsworth has a crucial role in seeking to meet the wider needs of London, but the situation in Wandsworth is complex due to income limits on existing affordable housing products.
25. The core issue facing Wandsworth is that the ORS model estimates a need for 8,223 affordable to rent dwellings for households unable to afford market housing, from an overall total supply of 26,315 over the period 2023-2038. This represent around 31% of the total supply for Wandsworth and is clearly going to be a challenge to deliver. Therefore, maximising the delivery of social rented housing should be a priority of the council.
26. In turn, the figure of 8,223 affordable to rent dwellings assumes that a net 569 households per annum in need of affordable housing migrate away from Wandsworth. If this was reduced to a net impact of zero, then a further 9,000 affordable to rent units would be required in the area, raising the overall need for affordable to rent dwellings to 17,223 by 2038.
27. Affordable to own housing products in Wandsworth are very difficult to deliver because prices must be set below £420,000 and household income must be below £90,000 per annum, with the exception of London Living Rent where incomes must be below £67,000. In particular this throws up an anomaly for those with income between £67,000 and £90,000 where they cannot afford market housing, but do not qualify for affordable to rent housing. This leaves a very clear potential to either extend London Living Rent thresholds to £90,000 income in Wandsworth, or bring in a new discounted market rent product for those earning £67,000-£90,000.

28. This could have higher rents than London Living Rent, with a figure such as £20,000 a year, or £1,670 a month being a possible figure for a 1 bedroom property and increasing by 10% for each additional bedroom. This would follow the London Living Rent assumption that households spend 33% of the gross income on rent. Access to the new scheme could also be capped at households aged under 40 years old because, as noted earlier, it is these households who are migrating out from Wandsworth to find more affordable housing.
29. Policy LP30 of the Wandsworth Local Plan requires development proposals for Build to Rent housing to follow the policy approach set out in London Plan Policy H11, subject to some additional requirements. The current London Plan policy proposes that 30% of homes should be set at London Living Rent rates and the remainder will need to be at or below LHA rates, to ensure that their costs can be met from housing benefit.
30. The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes. All of these would contribute to the overall delivery of dwellings in Wandsworth and are considered below.
31. The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes. In summary:
 - » As of 2023, there are around 151 units of older person housing for every 1,000 older persons in Wandsworth aged over 75 years. Modelling indicates that there will be a need to provide an additional 1,241 specialist USE Class C2 older person housing units in Wandsworth of which 63% would need to be provided as affordable housing.
 - » The government are now proposing that all homes be delivered to M4(2) accessible and adaptable dwellings standard, which is also consistent with the London Plan.
 - » It is difficult to project a need for Large-scale Purpose-built Shared Living (LSPBSL) schemes aimed at young single person and couples because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit. The scale of the student numbers in Wandsworth would suggest that there may be a market for post-student self-contained units which could run in to hundreds of units and that this is likely in turn to reduce the need for larger market properties to be converted to HMOs, but LSPBSL provides short term rather than permanent housing. LSPBSL is also difficult to deliver alongside any affordable housing contributions.
 - » In the London Plan, Policy H15 considers the need for purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA across London, but does not allocate borough benchmarks or targets. Wandsworth contains are 1% of a PSBA in London and around 2% of all students, so its share based upon its current population would be 35-70 units per annum. For an *additional* PBSA, the Greater London SHMA 2017 assumes that 2.5 additional bedspaces equates to the provision of 1 additional dwelling and there would no reason to diverge from this for Wandsworth.
 - » The current self and custom housebuilding register in Wandsworth contains a total of 33 people and this is being added to at a rate of around 6 persons per annum. The Wandsworth Local Plan 2023, Policy SDS1 C.4, encourages self and custom housebuilding by 'Permitting self/custom-build and community led development, in particular on small sites, provided the scheme is in accordance with all other development plan policies. The supply of self and

custom housebuilding plots between 2019 and 2022 was 25 dwellings. This is sufficient to keep up with on-going demand.

32. **These dwellings are included and not in addition to the overall housing need.** All of these would contribute to the overall delivery of dwellings in Wandsworth.

1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by Wandsworth Council to prepare a Housing Needs Assessment. The study seeks to build upon the evidence base for the Wandsworth Local Plan 2023-2038, which was adopted in July 2023.
- 1.2 The Wandsworth Local Plan aims to meet the London Plan-derived housing target which is 20,313 homes between 2023 and 2038. However the Plan identifies a reasonably large buffer beyond this target, identifying a housing supply totalling 26,315 homes over the same 15 year period. As the second figure better reflects likely housing delivery over the plan period, this study uses 26,315 as its starting point and seeks to understand the mix of housing which would be required within this total.
- 1.3 This current study represents an update to the evidence base in Wandsworth in relation to housing needs.

Government Policy

- 1.4 The Government published the National Planning Policy Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.5 A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018. The Revised NPPF introduced a new definition for affordable housing. Whilst the Original NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- 1.6 Under the Original NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the NPPF 2019 placed specific emphasis on affordable homeownership and this was retained in the NPPF 2021 and 2023 updates. Since the February 2019 update to the present, the PPG states that assessments must now include the needs of *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.
- 1.7 We would note at the time of writing that there is current Government consultation on the future of the NPPF, with many significant changes proposed. This report was developed and written under the current NPPF 2023 and therefore has not incorporated any of the proposed changes to the NPPF. However, most of the proposed changes to the NPPF have minimal impact upon housing needs assessments in London, but the government are proposing to place an increased emphasis on delivery of social rented housing against affordable home ownership.

Assessing Housing Needs in London

- 1.8 Paragraph 61 of the National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in the Planning Practice Guidance for assessing local housing need. PPG on Housing and Economic Needs Assessment (paragraph 013) sets out that local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected Mayors. In such cases, it will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area. Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure. The London Plan is the Spatial Development Strategy for London prepared by the elected Mayor and therefore Wandsworth should use the local housing need figure in the London Plan, **which is 1,950 homes per year for the period 2019 to 2029.**
- 1.9 The Strategic Planning Authority for London is the Greater London Authority and the London Plan is the statutory spatial development strategy for London. The Secretary of State accepted that the London Plan could be published on 29th January 2021, and it was formally published on March 2nd 2021 as the London Plan 2021.
- 1.10 The London Plan sets out a need for 66,000 additional homes per year in London from 2016 to 2041. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). The London Plan sets out ten-year housing targets for individual boroughs using a capacity-based methodology. The Inspectors found that the general approach to devising the housing targets and the contribution that large sites would make was justified. However, they found issue with the contribution expected from small sites and subsequently recommended that the contribution from small sites be reduced with the overall targets for each Borough reduced by a corresponding amount. The Mayor accepted this recommendation of the Inspectors and the housing targets for London Boroughs have subsequently been revised down in the Published London Plan.
- 1.11 Policy H1 of the London Plan sets the ten-year targets for net housing completions that each local planning authority should plan for. It states that boroughs must include these targets in their Development Plan targets. For the purposes of the Plan, London is considered as a single housing market area. The supporting text (para 4.1.2) sets out the advantage of planning strategically in that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to meet them across the capital. Due to London's ability to plan strategically, boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan.
- 1.12 From the point of view of this study, the London Plan sets a 10-year housing target at Table 4.1 for net housing completions (2019/20-2028/29)¹. In the case of Wandsworth, this is 19,500 dwellings, or 1,950 dwellings per annum and is the basis for the adopted Wandsworth Plan. We would also note that the 1,950 figure covers both conventional housing supply and also non-conventional accommodation such as purpose built student accommodation, shared housing and dedicated older person schemes.
- 1.13 The London Plan contains Policy H10 Housing size mix which sets out the following requirements (edited):

¹ After 2029, the Wandsworth Local Plan does not include the 1,950 pa target, but instead follows an approach supported by the London Plan and based on the 2017 SHLAA + Small Sites allowance.

A Schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a scheme, applicants and decision-makers should have regard to:

- 1) Robust local evidence of need where available or, where this is not available, the range of housing need and demand identified by the 2017 London Strategic Housing Market Assessment
- 2) The requirement to deliver mixed and inclusive neighbourhoods
- 3) The need to deliver a range of unit types at different price points across London
- 4) The mix of uses in the scheme
- 5) The range of tenures in the scheme
- 6) The nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity
- 7) The aim to optimise housing potential on sites
- 8) Amalgamation of existing stock
- 9) The role of one and two bed units in freeing up family housing.

Duty to Co-operate

- ^{1.14} The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation. The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *“the homes and jobs needed in the area”*.
- ^{1.15} However, housing is a strategic issue and the London Plan therefore sets borough housing targets to meet London’s strategic need. This in turn implies that in housing need terms Duty to Cooperate is not a major issue provided all boroughs meet their own targets. However, some other boroughs do consider that they will struggle to meet their housing needs as set out in the London Plan.

Jobs and Housing

- ^{1.16} Wandsworth is part of the Greater London Housing Market Area (GLHMA) and it is at this level that there requires to be a balance of jobs and workers. The Greater London Authority prepared the SHMA 2017 and Addendum 2019 for the GLHMA to inform the London Plan, which considers jobs and housing at the London-wide level; and LPAs in London are required to conform to the London Plan.
- ^{1.17} It is not possible to define an HMA that is smaller than Greater London that is self-contained in terms of commuting or migration – so if jobs and workers are to be in balance, the analysis must be undertaken for the whole of Greater London.
- ^{1.18} In determining the number of homes needed at Borough level, the Wandsworth HNA will need to be consistent with the London Plan and the projected population/households consistent with GLA figures. By doing so, Wandsworth will, therefore, contribute to balancing jobs and workers across the GLHMA, consistent with the London Plan.

Overview of the HNA

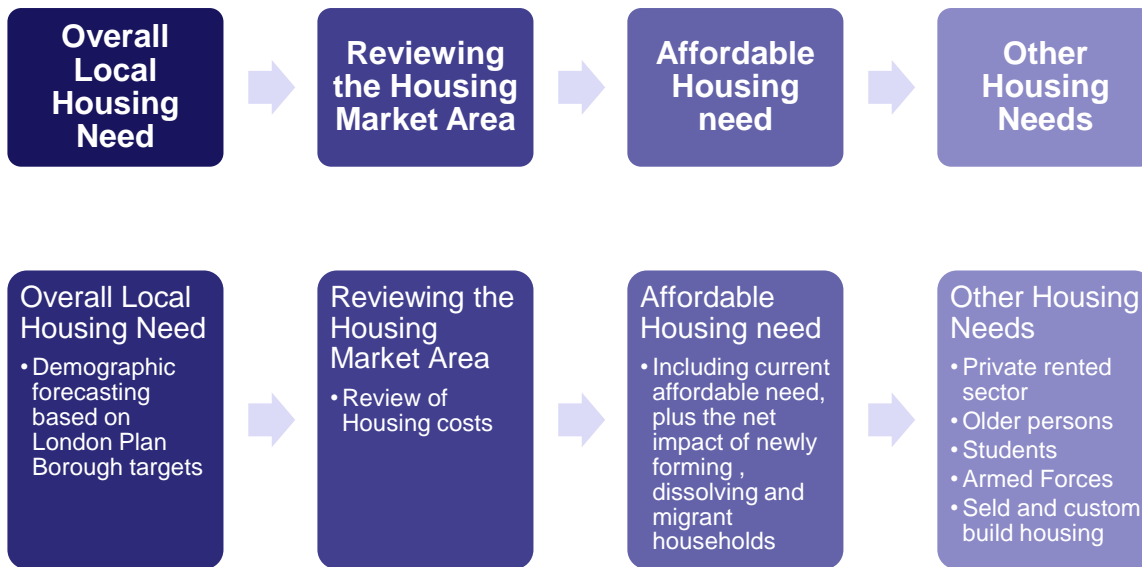
- ^{1.19} The first key objective of this HNA is to establish the need for housing (both market and affordable) in Wandsworth on the assumption that it delivers housing to meet the Wandsworth Plan number of dwellings to be supplied over the period 2023-2038, which is 26,315 dwellings. The final calculation for this task is set out, broken down by affordable and market housing, in Figure 43.
- ^{1.20} This report considers the key outputs from the HNA – namely establishing the overall balance between market and affordable housing over the 15-year period 2023-38. It is important to recognise that the information from the HNA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies and in particular will link strongly to issues around viability. The HNA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

Summary of the ORS Approach to Modelling Housing Need

- ^{1.21} As noted above, this HNA seeks to establish the need for housing (both market and affordable) in Wandsworth on the assumption that it delivers housing to meet the Wandsworth Plan number of dwellings to be supplied over the period 2023-2038, which is 26,315 dwellings.
- ^{1.22} In Chapter 2, we consider the demographic profile of the population and households. The demographic projections for this HNA are based on the GLA dwelling led projections² and cover the 15-year period 2023-2038. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published for Wandsworth which are tied to the dwelling delivery target.
- ^{1.23} The estimates for affordable housing need in Chapter 4 are therefore based upon the most recent 2020 based GLA projections, which represent the most up to date projections for London.
- ^{1.24} Therefore, the figures produced in Chapter 4 are the overall conclusions for housing need in Wandsworth for affordable and market housing.
- ^{1.25} It should also be noted that this study looks at other housing issues such as future need for student housing, older people homes, co-living, built to rent, HMOs, and the number of homes that may need to be specially designed housing for older people and people with disabilities/illnesses. These needs are all inclusive within the figure of 26,315 and not in addition to that number.
- ^{1.26} Figure 2 sets out a flow chart of the study process building from demographic data and housing costs to consider a wide range of housing needs.

² [Housing-led population projections - London Datastore](#)

Figure 2: Flow Chart of the Study



2. Demographic Projections

The baseline for establishing housing need

Introduction

- 2.1 This chapter uses the available population projections for Wandsworth to explain the predicted growth of households during the plan period.

Official Household Projections

- 2.2 Planning Practice Guidance revised in February 2019 identifies that the 2014-based Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

PPG ID 2a-005-20190220

- 2.3 The first step in analysing housing needs must therefore be to identify the household projection for Wandsworth which is used as the basis for this report. We would note that for official ONS projections, the most recent are 2018 based and no future projections will be produced before 2025. The projections which will be produced in 2025 are likely to be based heavily upon the 2021 Census, which was probably a very large underestimate for the true population of Wandsworth because of factors such as the number of students recorded as living in their family homes rather than in their place of study.
- 2.4 Figure 3 sets out a range of the various household projections for Wandsworth from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach. The 2018 based principal projection is based upon migration from only 2016-2018 and therefore is subject to short term fluctuations rather than more stable underlying trends that a longer period would provide.
- 2.5 While PPG proposes that housing needs should be based upon the 2014 based CLG household projections, the GLA 2018 based projections were the bespoke projections developed for the Draft London Plan 2019. The Inspectors for the draft London Plan 2019 noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. They concluded that the approach followed by the GLA was appropriate for London.

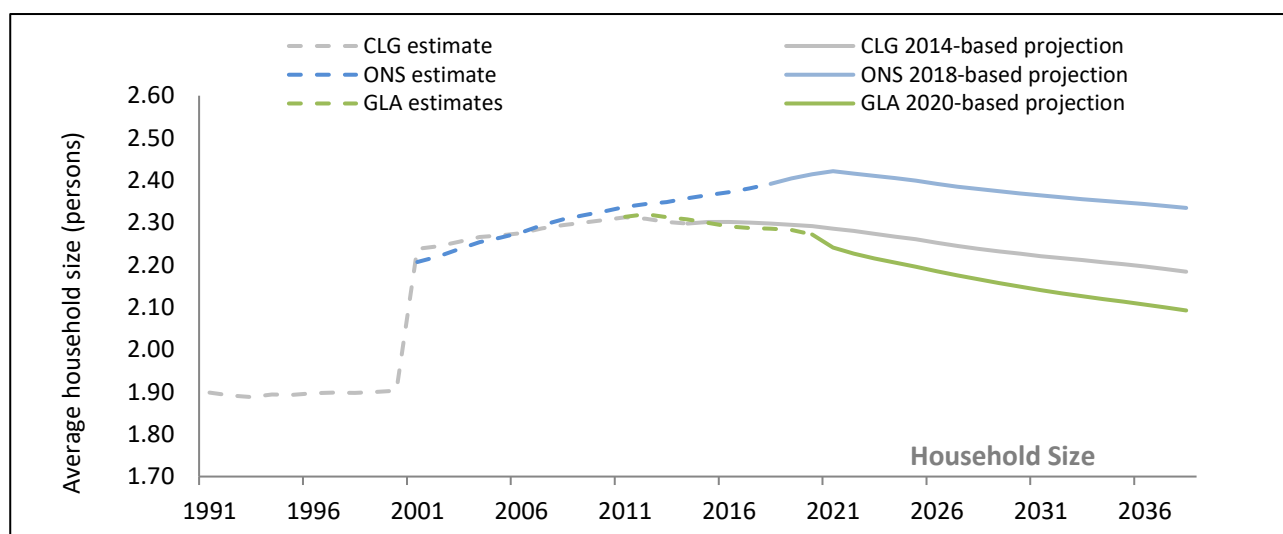
Figure 3: Household projections for Wandsworth 2023-33 (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Change in Households 2023-2033	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+13,749	+1,375
GLA 2020 Based Projections			
2020-based projection: 2020-based population and CLG 2014-based HH formation	2011-2020	+15,930	+1,593
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+7,279	+728
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+11,249	+1,125
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+9,612	+961
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+7,962	+796
Alternative Internal (5-year trend) 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+7,432	+743
10-year trend 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+9,973	+997

Projected Household Size

- 2.6 The projected household size is not a number which is calculated directly as part of the population and household projections. The data calculated for household size (Figure 4) divides the population in the area by the associated household projection. This is a recognised, standard approach.

Figure 4: Average household size estimates and projections for Wandsworth for the period 1991-2038 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)



- 2.7 As the chart shows, average household sizes rose in Wandsworth between 2001 and 2011 on both the ONS and CLG estimates after which the ONS estimate continued to increase while the CLG and GLA estimates decreased. All three projections shows a decrease from 2020 or 2021, though this is dependent upon how many additional households and persons are assumed to live in Wandsworth.

Population and Household Projections for Affordable Housing Need

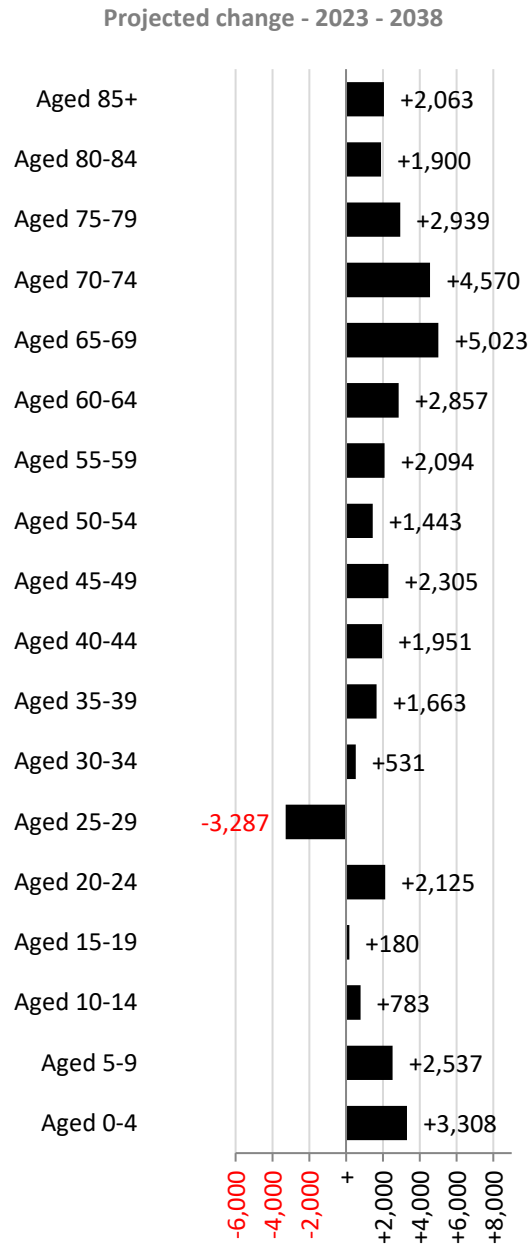
- 2.8 The demographic projections for this HNA are based on the GLA 2020 based capacity target projections and cover the 15-year period 2023-38. This yields a household growth over the period 2023-38 of approximately 23,900 households which, when an implied vacancy rate and impact of communally housed population is added, sums to the total identified housing supply of 26,315 dwellings needed to meet the Wandsworth Plan over the remainder of the plan period, given under-provision to date. **Therefore, the data used in this report is not based upon out-of-date ONS forecasts, but instead is explicitly tied to the projected dwelling delivery of Wandsworth over the next 15 years.**

Projected Population Age Profile

- 2.9 The overall population is projected to grow by 34,984 people by 2038 (Figure 5), from 331,859 in 2023 to 366,843 in 2038. The figures are calculated from assuming the 26,315 additional dwellings will be delivered in Wandsworth over the period 2023-2038. Wandsworth is projected to see a decline in adults aged 25-29 years. This may be considered as a key concern for Wandsworth, as these young adults are projected to leave to find more affordable and available accommodation elsewhere.
- 2.10 However, all other groups are projected to rise. The most significant rise is in the population aged over 65 years, which represents a growth of 16,494 persons, with a growth of 5,023 in those aged 65-69 years or more, which again will represent a key policy concern because the increase in older people will include an increase in the number of dependent older people, while the decrease in younger people will decrease the number of economically active people in the Borough. This outcome is dependent upon the older population remaining in Wandsworth as they age and not moving elsewhere, which has tended to happen in the past. There was little growth in the older population between 2011 and 2021, but this was in the context of the overall population being under-estimated by the 2021 census. There are currently a very high number of

people aged 50 years and above in Wandsworth and if they do not migrate away then the older person population will grow rapidly.

Figure 5: Population projections 2023-38 by 5-year age cohort for Wandsworth (Source: ONS 2018 based Population Projections, GLA 2020 Based Capacity Target Projections and ORS)



Household Projections by Age

- 2.11 An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP)³. Please note that throughout this section figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 6: Total net change in households in Wandsworth for 2023 and 2038 (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2023	4,100	38,100	30,300	24,700	20,000	11,500	7,700	3,200	139,700
2038	5,000	39,500	34,900	27,100	23,300	17,800	11,200	4,700	163,500
TOTAL CHANGE	+900	+1,400	+4,600	+2,400	+3,300	+6,300	+3,400	+1,500	+23,900

- 2.12 Figure 6 shows an overall increase of 23,900 households over the 15-year period 2023-38 with approaching 50% of this increase being households headed by somebody over the age of 65. Many of the households headed by somebody over 65 are already established and members of the household simply age over the 15-year period. Therefore, there will be more older person households⁴ in Wandsworth in 2038. Again, we caution that in the past many households have left Wandsworth as they age, but currently more younger households are projected to leave. Those who are already owner occupiers or in social rent are less likely to leave than those in private rented accommodation, who tend to be younger households.
- 2.13 It is important to consider household growth in relation to age cohorts. Figure 7 shows the projected number of households in each cohort, showing their age in both 2023 and 2038. Clearly, no household representatives are aged under 10 (in 2023), but children aged under 10 in 2023, will be aged 15-24 in 2038, and thus will be potentially heads of a household.
- 2.14 For example, households aged 20-29 in 2023 will be 35-44 in 2038. There are projected to be an extra 13,800 households in this cohort; partly due to new household formations and partly due to net migration. This figure is measuring new households to the area, so it is measuring the impact of existing households ageing and the age profile of new households in Wandsworth.
- 2.15 An alternative way of looking at Figure 7 is to say that there are projected to be 34,900 households aged 35-44 in 2038, as can be seen in both tables. In 2023 there were already 21,200 households aged 20-29 who will age over the 15 years to form part of the 35-44 cohort.

³ A Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household

⁴ For simplicity, the term 'older persons household' refers to households aged 65+. It is understood that the term 'older person' covers a wide range of ages and that the population cohort aged 65 is very different from the age 85 cohort; this distinction is reflected in analysis where it is helpful to do so.

Figure 7: Total projected change in households for 2023 and 2038 by age cohort of household representative (Note: Figures may not sum due to rounding)

Age in 2023	Age of Household Representative								TOTAL
	<10	10-19	20-29	30-39	40-49	50-59	60-69	70+	
Age in 2038	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2023	-	2,100	21,100	34,200	27,500	22,400	15,800	16,600	139,700
2038	5,000	39,500	34,900	27,100	23,300	17,800	11,200	4,700	163,500
TOTAL CHANGE	+5,000	+37,400	+13,800	-7,100	-4,200	-4,600	-4,600	-11,900	+23,900

- 2.16 Based on the cohort analysis, around 53,800 extra households will be formed over the 15-year period 2023-38 by those who will be aged under 45 in 2038. These extra households are offset against a reduction of 32,400 households aged 45 or over. While the number of older person households will increase in Wandsworth, this will be due to existing households ageing and new households moving to the area, while there will be a loss of existing older households, mainly due to smaller numbers moving up from immediately younger cohorts, then household dissolution following death, particularly in the 85+ cohort.
- 2.17 While newly forming households can be in any age cohort, most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form and there are very high numbers of these households in Wandsworth. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. Again, newly forming households moving in to existing properties may be in any age cohort. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

- 2.18 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.
- 2.19 Figure 8 shows the household numbers and net change for Wandsworth from 2023 to 2038 separated out by the age of the household representative person (HRP).

Figure 8: Total projected households for 2023 and 2038 and change by household type and age of household representative (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
Change	Single person	-290	-3,490	+1,710	-20	+860	+1,740	+1,430	+510	+2,500
Change	Couple without children	+140	+2,960	+2,210	+280	+570	+3,170	+1,510	+620	+11,500
Change	Families with child(ren)	-130	-2,170	+1,110	+2,890	+1,730	+690	+250	+10	+4,400
Change	Other households	+1,180	+4,110	-410	-780	+140	+660	+240	+400	+5,500
Change	TOTAL	+900	+1,400	+4,600	+2,400	+3,300	+6,300	+3,400	+1,500	+23,900

- 2.20 In summary over the 15-year period:

- » Single person households are projected to increase by 2,500 but this includes a decrease of 2,090 with a household representative aged under 54;
- » Families with dependent children have a net growth of 4,400, with a drop for those aged 25-34 years projected;
- » Couples without dependent children are projected to rise by 11,500 households;
- » The increase in “Other” households represents 5,500 households.⁵

^{2.21} The final group of ‘Other’ households is very important because it implies that much of the projected household growth in Wandsworth will be unrelated households, students and multi-generation households. This is a point we will return to in Chapter 4.

^{2.22} **Therefore, overall, the largest component of new housing is required for couples without children, with the majority aged over 25-44 years, but also a considerable number above 65 years.**

⁵ Other Households can be defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”

3. Local Housing Market

Housing trends and cost of housing in Wandsworth

Introduction

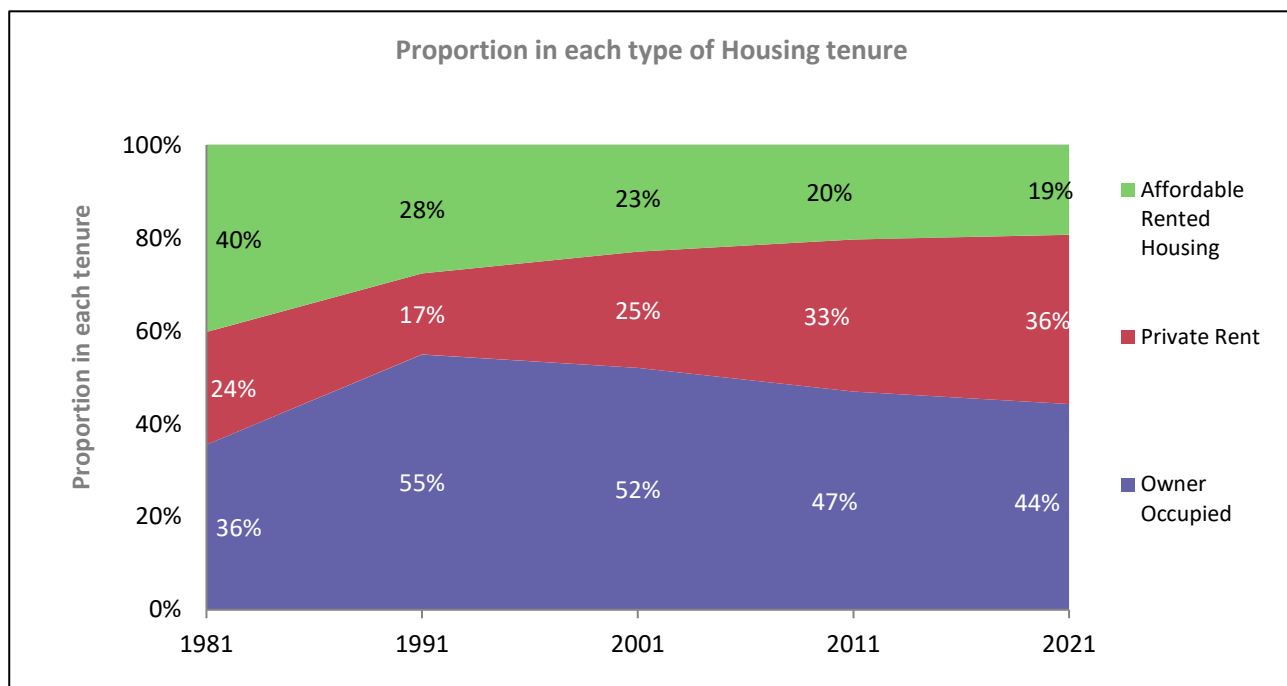
- 3.1 This chapter explores the cost of housing in Wandsworth and the incomes needed to rent or buy at market prices.
- 3.2 It highlights the potential income gaps and identifies where and how people may fall into affordable housing need. This includes consideration of Social Rent, London Living Rent, Shared Ownership and First Homes and access to housing benefit for those in the rental sector as well as the potential impact of Help-to-Buy policies. Our modelling has a focus upon First Homes because it had been the recommended Government scheme, but we do note that the scheme has yet to be adopted by the Mayor in London and the new Government are consulting on proposals to make providing First Homes discretionary. In practice, households who can afford First Homes can also normally afford Shared Ownership, so there is a large overlap between their needs.

Housing Tenure Trends

- 3.3 When considering the local housing market, it is worth noting the changes to tenure over the past forty years. We would note the 2001 Census contained an under-estimate of housing numbers for many London Boroughs and it also appears that the 2021 Census was problematic in Wandsworth, with high numbers of households, most likely private renters and some owner occupiers not being present. On this basis, the Census data for 2021 should be treated with caution⁶.
- 3.4 Figure 9 shows how the most notable change has been the decline in the proportion of people in affordable rented housing (comprising Social Rent and other affordable rented homes), which has fallen during the period (from 40% to 19%). In contrast, numbers for people living in privately rented accommodation have grown. Between 1981 and 1991, there was a strong growth in owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 55% in 1991 but has been falling ever since.

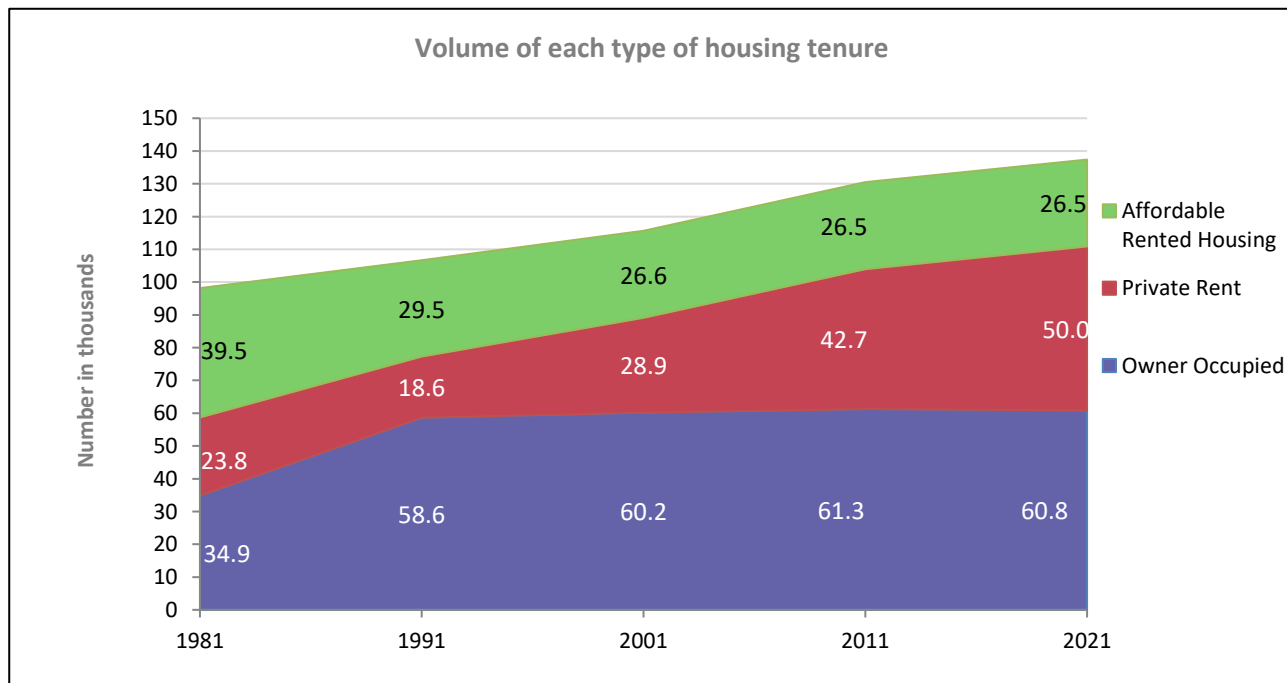
⁶ The Census 2021 was affected by the Corona virus pandemic in a number of ways. One major example is that students were often counted as living at their family home rather than their term time address and this included private renting all student households.

Figure 9: Housing tenure trends for Wandsworth (1981 – 2021). Source: UK Census of Population



3.5 During the period 1981-2021 the actual volume of housing in Wandsworth has risen from 98,200 to 137,400 households.

Figure 10: Housing tenure trends for Wandsworth (1981 - 2021). Source: UK Census of Population



3.6 Figure 11 provides the detailed data for the period, with the 2021 Census clearly being an outlier in the trend of net growth in private rent and owner occupation.

Figure 11: Number of Households in Wandsworth by Tenure 1981-2021 (Source: UK Census of Population)

	Number of Households					Net Change			
	1981	1991	2001	2011	2021	1981-1991	1991-2001	2001-2011	2011-2021
Owner occupied	34,866	58,598	60,203	61,304	60,834	+23,732	+1,605	+1,101	-470
Private rent	23,824	18,636	28,899	42,673	50,015	-5,188	+10,263	+13,774	+7,342
Affordable Rented Housing	39,482	29,477	26,551	26,516	26,544	-10,005	-2,926	-35	+28
TOTAL	98,172	106,711	115,653	130,493	137,393	+8,539	+8,942	+14,840	+6,900

- 3.7 The long-term growth in the private rented sector (PRS) in Wandsworth is consistent with national trends. Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

Planning Practice Guidance, ID 67-002-20190722

- 3.8 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices;
 - » Pensions reform: pension drawdowns invested in Buy-To-Let (BTL) property where the pension funds seek stable long-term returns from investing in the private rented sector.
- 3.9 The growth of the private rented sector has been acknowledged as both a growing and long-term option for meeting the nation’s housing need. If the PRS expands and other sectors contract, it is clear that many households who would previously have met their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the private rented sector.
- 3.10 Conservative Governments since 2008 have seen the PRS as having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending. The labour Government from 2024 is likely to continue to see the PRS as having an important role, albeit with additional safeguards for tenants and combined with an ambition to provide more affordable housing.

- 3.11 Policy by both Government and Local Authorities is focused on improving management and maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁷ (including the Build to Rent investment scheme⁸), though it should be noted that the guidance and policy referenced in the footnotes here has not been updated for some years.
- 3.12 It is important for local authorities to recognise the role of the private rented sector at a local level. National letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1-bedroom Social Rented or Affordable Rented property. Affordability issues such as this contribute to the number of 'other' households. The private rented sector makes an important contribution towards providing affordable housing options.
- 3.13 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.14 Recent Conservative Governments pursued a policy entitled First Homes⁹. The First Homes policy may change under the 2024 Labour Government. Policies on First Homes were formally adopted in July 2021 and guidance on their delivery was published. First Homes prioritise first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. They involve a reduction of at least 30% to be in perpetuity, so the buyer will own the entire property, but when they sell, they will only receive 70% of the value. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. There are restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.15 As discussed later, there are many households residing in the private rented sector in Wandsworth who aspire to home ownership. If affordable First Homes are provided for this group it would, potentially, reduce the size of the private rented sector. This in turn would provide for households that met the previous Government definitions of affordable housing, but it reality have other housing options, and are not in need of genuinely affordable, and providing any such homes would reduce the supply of social housing.
- 3.16 We would note that the Mayor of London is currently not looking to progress First Homes in London and at the time of writing, Wandsworth had had no applications proposing First Homes. The current affordable housing programme in London assumes that the main affordable housing products delivered will be London Affordable Rent, London Living Rent and Shared Ownership.¹⁰ In much of the rest of England, it is anticipated that First Homes will displace funding for Shared Ownership, but this is currently not the case in London for a number of reasons; the model of discount and income cap combine to make First Homes unaffordable in many cases, and London Living Rent is one of the Mayor's preferred affordable housing options.

Housing Property Type Trends

- 3.17 The 2021 Census found fewer detached, semi-detached and terraced occupied properties than the 2011 Census. There were more than 10,500 extra flats, many of which will have come from the sub-division of houses in the Borough. The largest fall is in the number of terraced properties, though this may be related simply to the large number of terraced properties in Wandsworth.

⁷ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

⁸ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

⁹ <https://www.gov.uk/government/consultations/first-homes>

¹⁰ [Affordable Homes Programme 2021-2026 - Funding Guidance \(london.gov.uk\)](https://www.london.gov.uk/affordable-homes-programme-2021-2026-funding-guidance)

Figure 12: Number of Dwellings in Wandsworth by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		2011-2021
	2011	2021	
Detached	3,200	3,031	-169
Semi-detached	9,697	9,640	-57
Terraced	31,886	30,521	-1,365
Flat or maisonette (purpose built or converted house)	81,563	92,089	10,526
Flats in converted commercial buildings	2,563	2,112	-451
TOTAL	128,909	137,393	8,484

Cost of Renting

3.18 When considering renting in Wandsworth, it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in Wandsworth. These include:

- » Median and lower quartile private rent;
- » Local Housing Allowance (LHA) for Inner North London BRMA¹¹;
- » Affordable Rent; based on existing dwellings available for affordable rent; and
- » Social Rents.

3.19 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget.

3.20 Figure 13 sets out the median weekly rents for different property sizes in Wandsworth together with the local housing allowances and the calculated affordable rent rates.

Figure 13: Weekly rent thresholds in Wandsworth (Source: Valuation Office Agency 2022-23; SDR 2023)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Inner South West London BRMA	Affordable Rent	Social Rent
1 bedroom	£362.22	£321.97	£295.49	£197.94	£124.24
2 bedrooms	£442.71	£390.97	£356.71	£219.06	£141.29
3 bedrooms	£574.95	£493.08	£441.86	£228.45	£154.21
4+ bedrooms	£804.93	£643.94	£593.75	£246.91	£164.35

3.21 Across all property sizes, the lower quartile private rent is higher than the maximum LHA in Wandsworth and Social Rents are also always lower. This is unsurprising in a high value area such as Wandsworth. It also highlights (unsurprisingly) that the needs of those on benefits cannot be met in the private rental sector.

¹¹ This represents the maximum amount of housing benefit that can be claimed. Previously based on the 30th percentile private rent, however more recent increases are based on Consumer Price index (CPI) and rates were frozen in the July 2015 Budget.

- 3.22 Figure 14 shows a comparison between weekly rents in Wandsworth in 2018/19 and 2022/23. While most rents have risen, the growth appears to be below the rate of inflation¹². Reports in London currently show very high rates of growth in rents, but these have not come through into official statistics yet. Factors driving the rent rises are likely to include a return to urban living and also the impact of rising interest rates on landlords. We would also note that the number of properties in the rental survey fell sharply between 2018/19 and 2022/23 implying that there are only very small samples for larger property sizes.

Figure 14: Weekly rent thresholds in Wandsworth 2018/19 and 2022/23 (Source: Valuation Office Agency 2018/19 and 2022-23; SDR 2023)

Weekly Rent £	Median Private Rent 2018/19	Lower Quartile Private Rent 2018/19	Median Private Rent 2022/23	Lower Quartile Private Rent 2022/23	Percentage change in Median Private Rent 2018/19- 2022/23	Percentage change in Lower Quartile Private Rent 2018/19- 2022/23
1 bedroom	£321.97	£295.52	£362.22	£321.97	12.5%	8.9%
2 bedrooms	£396.71	£356.24	£442.71	£390.97	11.6%	9.7%
3 bedrooms	£517.45	£436.96	£574.95	£493.08	11.1%	12.8%
4+ bedrooms	£701.44	£597.95	£804.93	£643.94	14.8%	7.7%

Income Needed to Rent Housing

- 3.23 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹³ stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income” (page 42)*

- 3.24 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that *“care should be taken ... to include only those households who cannot afford to access suitable housing in the market”* (ID 2a-024, emphasis added).

- 3.25 The English Housing Survey (EHS) 2015-16¹⁴ provides information about the percentage of gross household income that households currently spend on their housing costs¹⁵:

- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in affordable rented housing; and
- » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in affordable rented housing.

¹² The Bank of England place inflation between 2017 and 2022 at a total of 17.7% [Inflation calculator | Bank of England](#)

¹³ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

¹⁴ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹⁵ “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

- 3.26 The EHS thus demonstrates that many households, in both private and affordable rented properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing costs.¹⁶ Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay. We would also note that Wandsworth's own draft Planning Obligations and Affordable Housing Supplementary Planning Document (POAH SPD) assumes that households spend 40% of net income on affordable housing, which would normally be slightly lower than the 35% gross figure we have assumed.
- 3.27 As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier¹⁷:
- » The median weekly rent recorded was £362.22;
 - » Based on a 35% income multiplier, a weekly income of £1,352 would be needed which equates to a gross annual income of £54,011.
- 3.28 To rent the same property based on a 25% income multiplier would increase the gross income required to £98,446 per year whereas households with an annual income of £54,692 per year could afford the rent if 45% of their income was allocated to housing costs.
- 3.29 To place these figures in context, the GLA¹⁸ produced a study of key worker incomes in London in 2021 and found that only 20% of key workers earned over £60,000 per annum, which the Mayor has established as the household income cap for eligibility for intermediate rented homes. This means, of course, that 80% earned less than £60,000, with the report stating that: "*The median salary for London's nurses is £34,000, and for teaching and education professionals it is £39,000*". Therefore, a very high number of key workers employed in Wandsworth will not be able to afford market rents. Those working in the service industries such as tourism, retail and the restaurant sectors are even less likely to have incomes over £60,000 per annum.
- 3.30 Figure 15 shows the gross household incomes needed to afford median and lower quartile private rent, Affordable Rent and Social Rent if 35% is spent on housing.

Figure 15: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Wandsworth (Source: ORS based on Valuation Office Agency data October 2022 to September 2023)

WANDSWORTH	Private Rent Median	Private Rent Lower Quartile	Affordable Rent (SDR 2023)	Social Rent
1 bedroom	£54,000	£48,000	£29,509	£18,522
2 bedrooms	£66,000	£58,286	£32,658	£21,064
3 bedrooms	£85,714	£73,509	£34,058	£22,990
4+ bedrooms	£120,000	£96,000	£36,810	£24,502

- 3.31 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is "*housing that*

¹⁶ The London Plan uses a figure of up to 40% of gross income on housing costs, while London Living Rents are based upon setting rents at one third of average income in a ward.

¹⁷ $362.22 / (35/100) = 1,035$. Multiplied by the exact number of weeks in a year (52.189) = £54,011

¹⁸ GLA Housing Policy Practice Note - Allocating Intermediate Homes to London's Key Workers

is too expensive compared to disposable income" that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

3.32 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 41.4% of their net income and would leave £189 per week as disposable income to cover their other living expenses.
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income and would leave £241 per week as disposable income to cover their other living expenses.

3.33 We should also consider the differing potential levels of housing benefit:

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.
- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

3.34 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. **It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions. This will take into account the different amounts of disposable income for various types of households, based on the rents for suitable housing.** Therefore, a key consideration in the ORS Model¹⁹ as to whether a household can afford market rents is whether they receive housing benefit or Universal Credit to assist with their housing costs. **If a household is renting privately and does not receive housing benefit, then they are covering their own rents. This shows the household is capable of affording it's rent without Government assistance.** This implies that the discussion in the paragraphs preceding this one around the amount of income required to rent housing was largely for illustrative purposes because the receipt of housing benefit is a stronger indicator that a household cannot afford their rents.

3.35 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed.

3.36 Figure 16 sets out the incomes for housing benefit eligibility for different types of households.

¹⁹ See Summary of the ORS Approach to Modelling Housing Need, paragraph 1.21

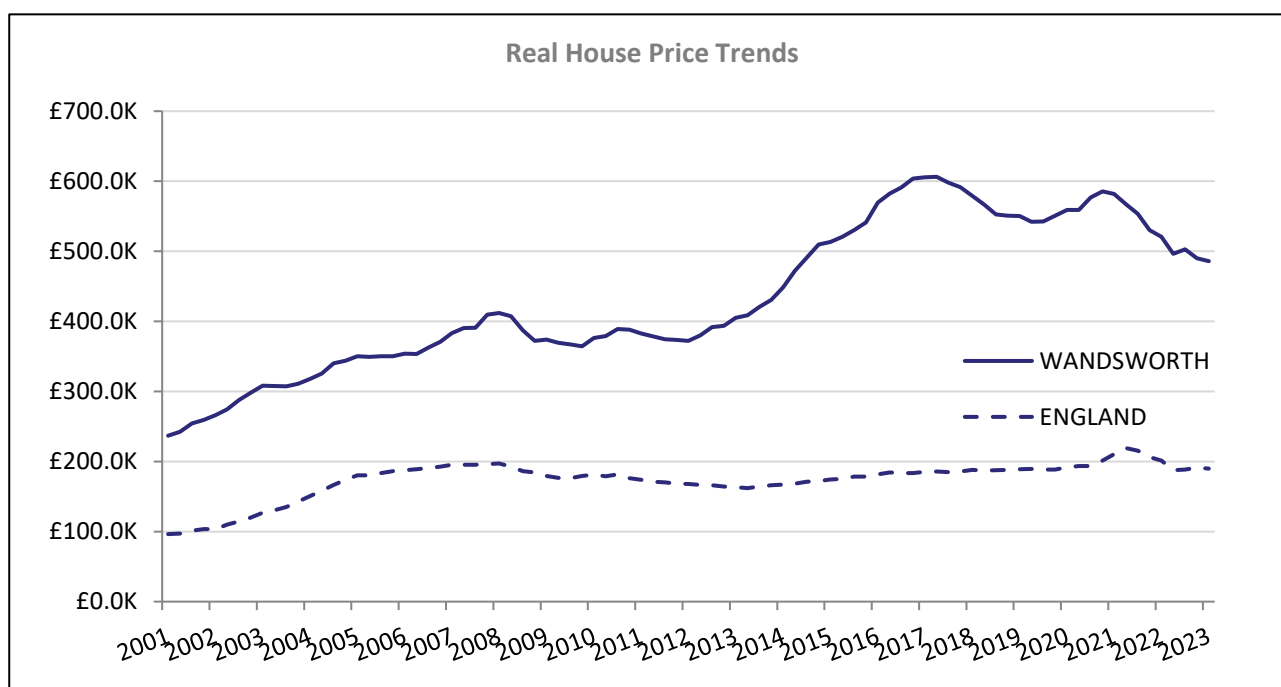
Figure 16: Maximum annual income for households in receipt of housing benefit support by household type
 (Source: ORS based on Department for Work and Pensions data)

Property type	Household type	INNER SOUTH WEST LONDON BRMA
ROOM ONLY	Single person aged 16-24	£12,891
ROOM ONLY	Single person aged 25-34	£13,810
1 BEDROOM PROPERTIES	Single person aged 35+	£28,145
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£29,017
1 BEDROOM PROPERTIES	Couple (one or both aged 18 or over)	£30,676
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£37,119
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 2 children	£41,179
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 1 child	£39,650
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 2 children	£43,709

Cost of Home Ownership

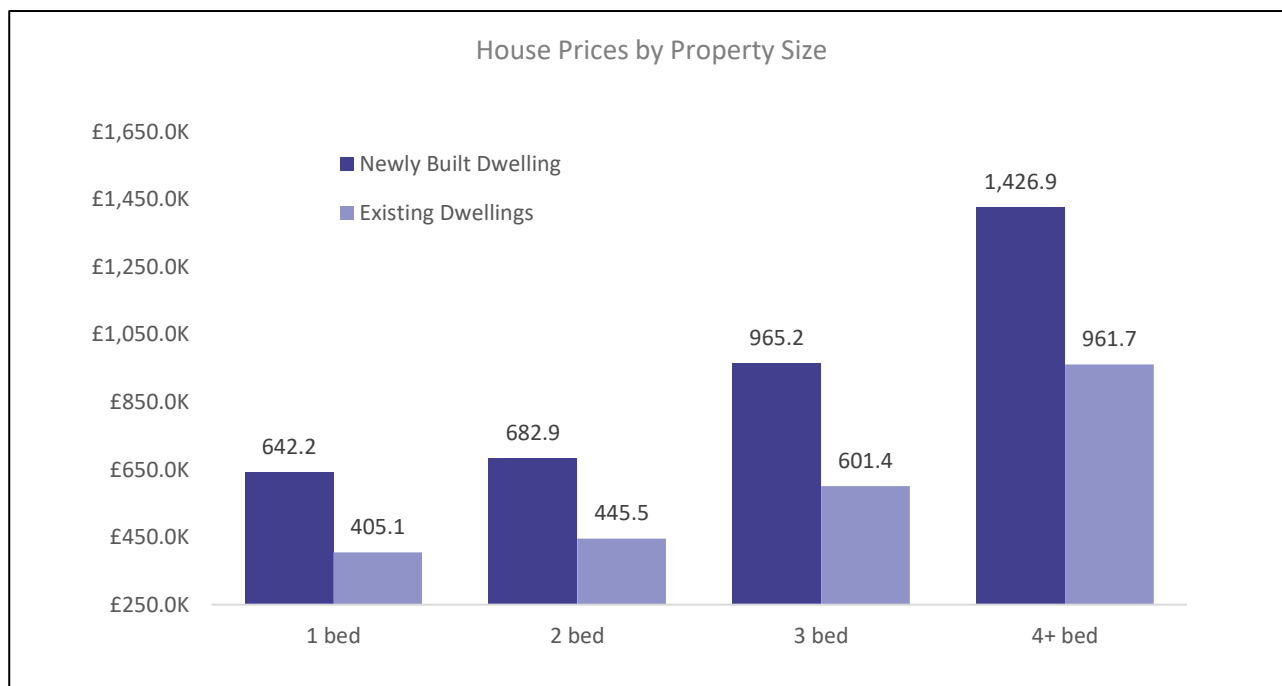
- 3.37 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2022) are shown in Figure 17. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 3.38 Real house prices for different sizes and types of dwellings in Wandsworth are higher than in England as a whole. Overall prices increased substantially in the period 2001-2008 before falling in 2009. Values then grew steadily until 2018 but have been falling in real terms since that time. This is out of step with the majority of England where real house prices only started to fall in 2022 as inflation and interest rates rose. Wandsworth still remains one of the most expensive areas of England, but the height of the market does appear to have passed for now. Of course, there may be discrepancies across London, and it may be that what is underpinning the early fall is the prime market in the most affluent parts.

Figure 17: Real House Price Trends: Lower Quartile Prices for Wandsworth and for England adjusted to 2023 values using CPI
 (Source: ONS; Bank of England)



- 3.39 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 18 shows lower quartile house prices in Wandsworth by bedroom size.
- 3.40 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium, and this is particularly the case in Wandsworth.

Figure 18: Lower quartile prices (adjusted by CPI) (2024) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



- 3.41 The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of new build housing, the relative size of properties, comparative quality and condition of existing stock, and other intangible issues such as character.
- 3.42 More detailed profile data for the wards shows how diverse Wandsworth is. Considering all properties, in West Hill, the median house price is £465,000 while in Northcote the median price is £950,000.
- 3.43 These differences in value are relevant if we are considering the potential location for new build affordable housing for homeownership. Applying the First Homes criteria, the maximum price for affordable newbuild in London is £420,000 with a maximum income of £90,000 per annum with shared ownership being more expensive. However, some areas of Wandsworth will not be able to deliver some types of newbuild affordable homeownership, such as Northcote and Queenstown due to house prices being too high that even a 50% discount in prices will still sit above the £420,000 threshold.

Figure 19: Median property prices by Wandsworth Ward 2023 (Source: ONS - HPSA (House Price Statistics for Small Areas) Dataset 37 (median price paid by ward) for year ending Mar 2023)

Median Property Prices by Ward	Median Price – all properties	Median Price - Flats
Balham	£812,500	£600,000
Bedford	£618,000	£532,500
Earlsfield	£690,000	£482,500
East Putney	£585,000	£515,000
Fairfield	£613,600	£515,000
Furzedown	£583,000	£432,000
Graveney	£576,000	£484,000
Latchmere	£517,500	£441,250
Nightingale	£767,500	£557,500
Northcote	£950,000	£662,500
Queenstown	£848,000	£822,500
Roehampton and Putney Heath	£485,000	£365,000
Shaftesbury	£850,000	£675,000
Southfields	£765,000	£540,000
St Mary's Park	£605,000	£600,000
Thamesfield	£840,000	£619,000
Tooting	£631,250	£473,500
Wandsworth Common	£742,500	£550,000
West Hill	£465,000	£410,000
West Putney	£640,750	£485,000

Identifying the Gap for Intermediate Housing and Affordable Home Ownership

- ^{3.44} The NPPF encourages local authorities to widen opportunities for home ownership. Options include Shared Ownership, First Homes, and London Living Rent.
- ^{3.45} When identifying the need for Affordable Home Ownership (AHO) including potentially First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.
- ^{3.46} Figure 20 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents in Wandsworth which emphasises that owner occupation is much less affordable. This also makes London Living Rent a very attractive option in Wandsworth for households with incomes of less than £67,000 as it is affordable for households with incomes of around £50,000 (Figure 24).

Figure 20: Annual income thresholds for different housing options, single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

Annual Income Needed to Own at Lower Quartile Prices	Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own a newly built dwelling with 10% deposit and 3.5x mortgage	£165,100	£175,600
Minimum income needed to own an existing dwelling with 10% deposit and 3.5x mortgage	£104,200	£114,600
Minimum income needed for median private rent to be less than 35% in Wandsworth	£54,000	£66,000
Minimum income needed for lower quartile private rent to be less than 35% in Wandsworth	£48,000	£58,300
Minimum income needed for affordable rent to be less than 35% in Wandsworth	£29,500	£32,700
Minimum income needed for social rent to be less than 35% in Wandsworth	£18,500	£21,100
Upper end of range of maximum income for Housing Benefit support in Wandsworth	£30,700	£43,700
Lower end of range of maximum income for Housing Benefit support in Wandsworth	£28,100	£37,100

- 3.47 There is large income gap between being able to afford market rent (£48,000) and being able to afford home ownership (£104,200) which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). AHO products could be developed aimed at this income gap. It is probable that some households who could afford market rent would prefer to own their own home. However, households renting who can afford to rent in one of the most expensive parts of London may also just choose to buy in a more affordable area. In London, AHO products have a maximum income of £90,000 per household. This leaves households with a higher income than £90,000 unable to afford to buy in the open market in Wandsworth, but ineligible for AHOs. The only options for these households are to continue renting in Wandsworth or to buy in a more affordable area. **Wandsworth can help households with incomes between £48,000 and £90,000 through developing AHO products, but is unlikely to be able to help households who are unable to afford market home ownership with incomes above £90,000.**
- 3.48 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership, including Shared Ownership, First Homes, and London Living Rent. The costs of each of these three are discussed in turn.

Shared Ownership

- 3.49 Figure 21 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:
- » 40% equity share purchased by the occupier;
 - » 10% of the equity purchased is available as a deposit;
 - » Mortgage costs based on a 30-year repayment mortgage at 6.25% interest;
 - » Rent based on 2.75% of the retained equity paid each year; and
 - » Service charge of £30 per week.

- 3.50 This calculation demonstrates that the weekly costs for shared ownership are higher than the equivalent median private rent for all property sizes (Figure 14). This also implies that shared ownership will not be an effective housing product in Wandsworth because it is too expensive. The minimum income required to be able to afford a 40% shared ownership one bedroom property with a 10% deposit is still £66,000 $[(256,868 - 25,687) / 3.5 = £66,052]$ per annum and the household would have to meet rent and service charges on top of the mortgage.

Figure 21: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)

	Property Value	40% Equity Share	10% Deposit	Weekly Mortgage Costs	Weekly Rent Costs	Weekly Service Charge	TOTAL of weekly costs
1 bedroom	£642,170	£256,868	£25,687	£330.76	£203.21	£30.00	£563.97
2 bedrooms	£682,906	£273,162	£27,316	£351.74	£216.10	£30.00	£597.84
3 bedrooms	£965,166	£386,067	£38,607	£497.12	£305.42	£30.00	£832.54
4+ bedrooms	£1,426,877	£570,751	£57,075	£734.94	£451.52	£30.00	£1,216.45

- 3.51 Figure 22 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents which run from a median rent for a 1-bedroom property of £491 per week to £1,325 per week for a 4 bedroom plus property. This model uses a 6.25% interest rate for modelling purposes, if rates are lower in the future, then shared ownership will be more affordable, conversely higher rates make it less affordable. As can be seen in Figure 22 the cost of shared ownership is always more expensive than the cost of median rent.

Figure 22: Total weekly costs for shared ownership based on different equity shares ((Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £30 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent (though this does not appear in the below), cells in red are above the equivalent median private rent.))

Total Weekly Cost £	Property Value	25% Equity Share	30% Equity Share	35% Equity Share	40% Equity Share	45% Equity Share	50% Equity Share
1 bedroom	£642,170	£490.73	£515.15	£539.56	£563.97	£588.38	£612.79
2 bedrooms	£682,906	£519.96	£545.92	£571.88	£597.84	£623.80	£649.76
3 bedrooms	£965,166	£722.47	£759.16	£795.85	£832.54	£869.23	£905.92
4+ bedrooms	£1,426,877	£1,053.73	£1,107.97	£1,162.21	£1,216.45	£1,270.69	£1,324.94

First Homes

- 3.52 Meanwhile, Figure 23 sets out the weekly costs associated with First Homes properties with 50%, 60% and 70% equity, taking account of the differential full market prices and based on the following assumptions:
- » 70% equity share purchased by the occupier;
 - » 10% of the remaining equity purchased is available as a deposit; and
 - » Mortgage costs base based on a 30-year repayment mortgage at 5.5% interest²⁰.

²⁰ For shared ownership we have assumed a 6.25% mortgage rate and for First Homes we have assumed a 5.5% rate. In general there is a mortgage premium for Shared Ownership when compared to full ownership.

Figure 23: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 5.5% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	First Homes with 50% equity share	First Homes with 60% equity share	First Homes with 70% equity share
1 bedroom	£642,170	£381.32	£457.58	£533.85
2 bedrooms	£682,906	£405.51	£486.61	£567.71
3 bedrooms	£965,166	£573.12	£687.74	£802.36
4+ bedrooms	£1,426,877	£847.28	£1,016.74	£1,186.19

- 3.53 First Homes won't ever be more affordable than private rent. **Households would still require an income over £70,000 per annum and a 10% deposit to be able to access a one bedroom First Home, so it is not an attractive product in Wandsworth, with more households seeking a lower cost intermediate option.**

London Living Rent

- 3.54 We also considered the cost of a London Living Rent property. The estimated cost of London Living Rents in Wandsworth is taken from the GLA data for 2022/23²¹ and is the average across Wandsworth. In terms of required annual income, these equate to a figure between £49,000 and £54,000 depending upon the size of the property.

Figure 24: Average Total weekly costs for London Living Rent (Source: GLA London Living Rents 2024/25. Cells highlighted in green are below the equivalent LQ private rent for 2022/23)

Total Weekly Cost £	London Living Rent
1 bedroom	£314.15
2 bedrooms	£320.63
3 bedrooms	£321.97
4+ bedrooms	£321.97

- 3.55 London Living Rent is a more affordable option than First Homes and Shared Ownership in Wandsworth.

Income Needed for Other Types of Housing

- 3.56 Another housing option that could be made available in Wandsworth, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2023 (Glossary)

- 3.57 Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently

²¹ [London Living Rent | London City Hall](#)

seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.

- 3.58 The National Planning Policy Framework states that affordable housing on Build to Rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given Build to Rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 3.59 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL²² shows that the average Build to Rent option is 9.3% more expensive than the median rent. This therefore tends to lead to the affordable Build to Rent options being more expensive than Affordable Rent and are best considered as a form of Discounted Market Rent.
- 3.60 Policy H11 (c) of the London Plan states:

The Mayor expects at least 30 per cent of DMR homes to be provided at an equivalent rent to London Living Rent with the remaining 70 per cent at a range of genuinely affordable rents.

- 3.61 Policy LP30 of the Wandsworth Local Plan²³, adopted July 2023 requires development proposals for Build to Rent housing to follow the policy approach set out in London Plan Policy H11, subject to some additional requirements.
- 3.62 **Wandsworth cannot influence any market rents that are set through Build to Rent schemes. However, it can influence the rents on the affordable component. The current London Plan policy proposes that 30% of homes should be set at London Living Rent rates and the remainder will need to be at or below LHA rates, to ensure that their costs can be met from housing benefit.**

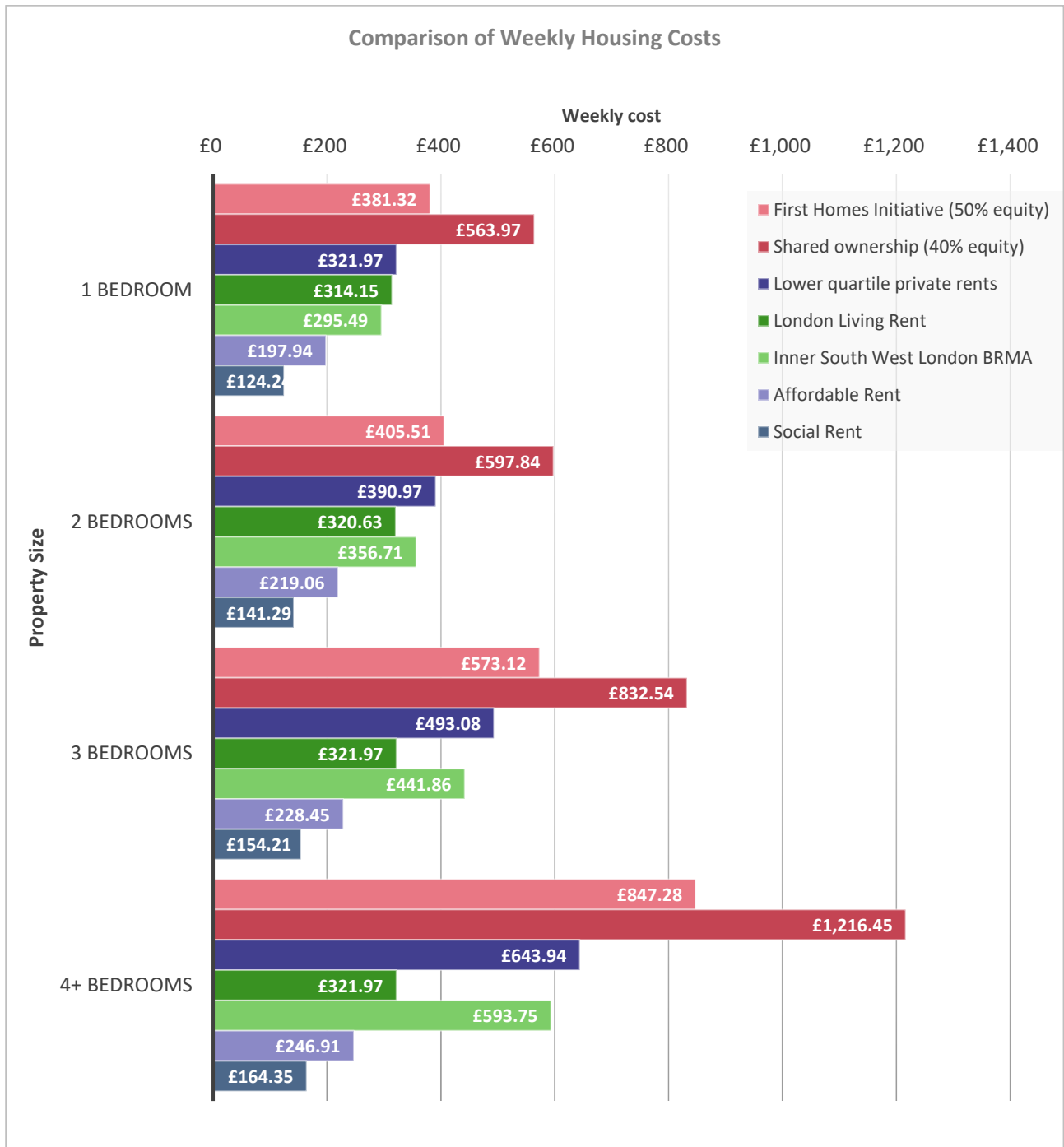
Summary of Housing Costs

- 3.63 This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 25 summarises these costs for each property size with all costs adjusted to 2021 levels using the most recent data available. Social Rent is significantly cheaper than any other tenure. In London, the London Living Rent scheme also provides affordable options which require much lower costs than First Homes or Shared Ownership. Both shared ownership and First Homes have extremely high costs when compared to renting privately: shared ownership with a 40% equity stake is more expensive than a First Homes property with a 50% equity stake, but neither of these fall within £420,000 price and £90,000 income caps in London.

²² <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

²³ [Adopted Local Plan \(wandsworth.gov.uk\)](#)

Figure 25: Comparison of weekly housing costs by property size including any service charges (Source: Valuation Office Agency and Land Registry Price Paid Data)



4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 4.1 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable home ownership. This was retained in the NPPF 2021 and 2023 updates and does not explicitly include First Homes. Annex 2 of the Revised NPPF now defines affordable housing as being:

Affordable housing

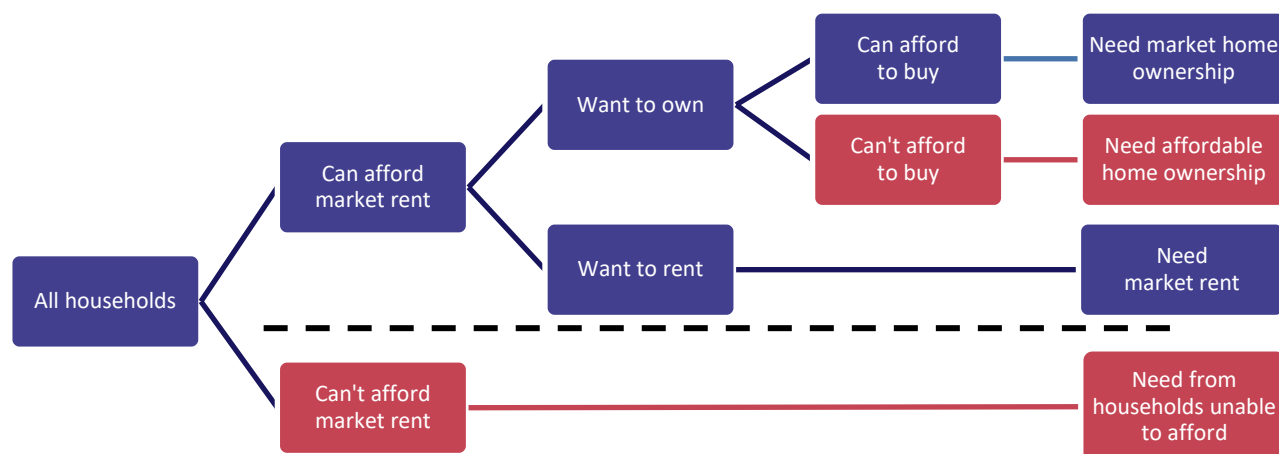
Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

NPPF 2023, Annex 2

- 4.2 To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “*Housing needs of different groups*” published on 22nd July 2019²⁴, which covered:
- » Addressing the need for different types of housing
 - » Affordable housing
 - » Rural Housing.
- 4.3 Further guidance to reflect the need to consider First Homes was then added on May 24th 2021.
- 4.4 Relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include “*those that cannot afford their own homes, either to rent, or to own, where that is their aspiration*” [PPG ID 2a-020-20190220]. The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy. In Figure 26, blue indicates that the household can afford the option while red indicates that the household cannot afford the option.

²⁴ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

Figure 26: Establishing the need for market and affordable housing



- 4.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed. Guidance is also absent for identifying the needs of some other groups such as people that can only afford to rent privately in a house share but may prefer to live independently, and households in the PRS who spend more than 40% or 50% of their income on rent. Therefore, the key household groups who enter into affordable housing to rent calculations are those unsuitably housed in affordable housing, those in temporary accommodation and those in receipt of housing benefit. In other local authorities, many of those who can afford to rent would benefit from affordable to own properties. However, housing costs are so high in Wandsworth that affordable to own products typically are of little assistance, as discussed later in this chapter.

Assessing Affordable Housing Needs

- 4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 4.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 4.9 The affordability percentages in Figure 27 are calculated using detailed information from the 2021 Census alongside data published by the Department of Work and Pensions (DWP) about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable

housing or receive housing benefit to enable them to afford market housing. This shows a high level of affordable need for lone parents and also for some older persons households. There is also a need among single person households aged under 25.

Figure 27: Assessing affordability by household type and age (Source: Census 2021 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	36%	11%	20%	38%	40%	50%
Couple family with no dependent children	4%	1%	3%	13%	15%	19%
Couple family with 1 or more dependent children	39%	22%	17%	21%	20%	27%
Lone parent family with 1 or more dependent children	93%	97%	84%	69%	57%	63%
Other household type ²⁵	9%	5%	24%	50%	39%	37%

Current Unmet Needs of Households Unable to Afford

^{4.10} Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

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

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

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

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

Planning Practice Guidance (February 2019), ID 2a-020-20190220

^{4.11} Households assumed to be unable to afford housing include:

- » All households that are currently **homeless**;
- » All those currently housed in **temporary accommodation**; and
- » People in a **reasonable preference category** on the housing register, where their needs have not already been counted. A reasonable preference is a household who has been accepted by the local housing authority (Wandsworth Council) as having a housing need.

²⁵ Other Households can be defined as: "multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults"

- 4.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2023. The evidence is predominantly derived from data collected by Wandsworth on homelessness or households otherwise unsuitably housed, but we also consider the needs of households who are overcrowded in both the social and private rented sector.
- 4.13 All households placed in temporary accommodation by Wandsworth Council are counted as being in need, irrespective of whether they are housed within Wandsworth's administrative boundary. Like many councils, Wandsworth is currently making extensive use of temporary market housing and also bed and breakfast and hostel accommodation. This has a number of negative consequences in that it fails to provide stability for households, the quality of the accommodation is often poor, and the accommodation can be expensive, especially if used on an emergency basis, so the cost to Wandsworth is high. Therefore, it is appropriate to count all of these households as being in current need.
- 4.14 Overcrowding is assessed against the number of bedrooms the household requires which is calculated according to the Bedroom Standard, where the following should have their own bedroom:
1. Adult couple
 2. Any remaining adult (aged 21 years or over)
 3. Two males (aged 10 to 20 years)
 4. One male (aged 10 to 20 years) and one male (aged 9 years or under), if there are an odd number of males aged 10-20
 5. One male aged 10-20 if there are no males aged 0-9 to pair with him.
 6. Repeat steps 3-5 for females
 7. Two children (aged 9 years or under) regardless of sex
 8. Any remaining child (aged 9 years or under)
- 4.15 An occupancy rating of:
- 1 or less implies that a household's accommodation has fewer bedrooms than required (overcrowded)
 - +1 or more implies that a household's accommodation has more bedrooms than required (under-occupied)
 - 0 suggests that a household's accommodation has an ideal number of bedrooms.
- 4.16 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). We do not count those in owner occupied housing because these households would typically not qualify for affordable housing. Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Wandsworth.
- 4.17 Concealed households are an important part of unmet housing need. Concealed households are identified through Census data and include lone parents or couples with or without children who are sharing with another household. They do not include single persons living at home or individuals who are house sharing in the private rented sector who may wish to occupy affordable housing, but have little chance of doing so. However, not all concealed households want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to

poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

- 4.18 Any concealed households in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed households with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). We have counted the growth in these households between 2001 and 2021 as a backlog which requires to be addressed.
- 4.19 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.
- 4.20 The increase in overall need is shown for information and consists of households in temporary housing situations where release of their current housing will not add to the supply of housing for another household.

4.21 Figure 28 sets out the assessment of current unmet affordable housing need for Wandsworth:

Figure 28: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need	Increase in Overall Need
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	69		69	69
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	3,672		3,672	1,511
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	1,073	1,073	0	
Homeless households in priority need [Source: CLG P1E returns]	Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2021]	Growth in concealed households with family representatives aged under 55	274		274	274
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded private rented housing	1,702		1,702	
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded social rented housing	3,078	3,078	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	394	34	360	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move to a particular locality in Wandsworth, where failure to meet that need would cause hardship	11	1	10	
TOTAL	TOTAL	10,273	4,186	6,087	1,854

4.22 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 10,273 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible. All the households have current needs and therefore require for these to be addressed as soon as possible.

4.23 Of these households, 4,186 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. These households all require to move, predominantly to a larger property, but would also free an affordable home. Providing more suitable housing for these

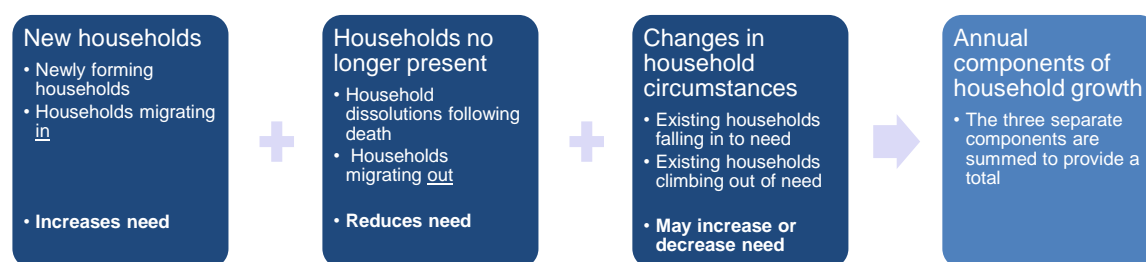
households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

- 4.24 The 1,854 households increase in overall need are households housed outside Wandsworth in temporary accommodation, or are homeless or concealed and thus do not release dwellings. All of these household have current needs and are not housed in dwellings in Wandsworth, so they not only require affordable housing, but also add on a one for one basis to the total housing need of Wandsworth.
- 4.25 There is, therefore, a net affordable housing need of 6,087 households (10,273 less 4,186 = 6,087). Providing the net affordable housing need of 6,087 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 4,233 households (6,087 less the 1,854 households increase in overall need).
- 4.26 The 4,233 dwellings are occupied by people living in unsuitable conditions (e.g. too small for their needs) whose needs would be met by new homes of the right size, if provided. While the 2017 London SHMA sought to address the backlog of need over 25 years, for this study we treat this as a backlog of need to be addressed over 15 years at an annual rate of 406 households per annum (6,087/15) to ensure that the needs are addressed within the current plan period. However, ideally their needs should be met earlier if possible.

Projected Future Need of Households Unable to Afford

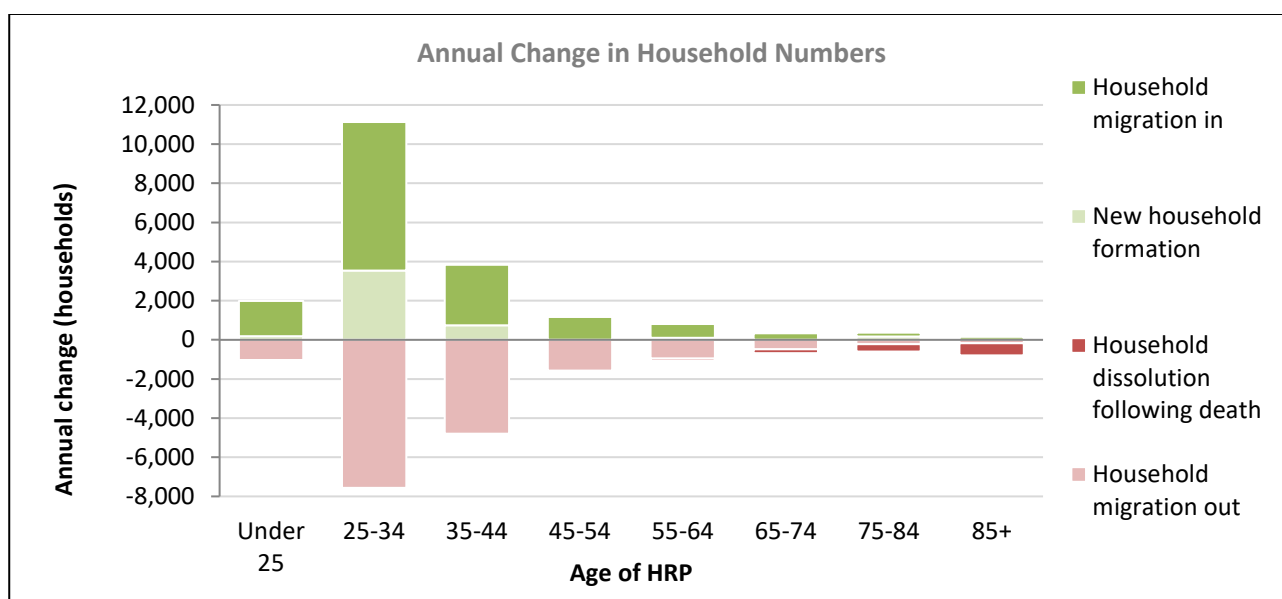
- 4.27 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” (ID 2a-021) suggesting that “*the total need for affordable housing should be converted into annual flows*” (ID 2a-024).
- 4.28 This section analyses and brings together the annual components of household growth as shown in this flowchart:

Figure 29: Flow Chart of annual components of growth analysis



- 4.29 Figure 30 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group. The data shows a high rate of household formation for those aged 25-44 years, but these households also have high in and out migration rates to Wandsworth. For older age groups, formation and migration is much lower, but household dissolution starts to become higher for those aged 65 years and over.

Figure 30: Annual change in household numbers in each age cohort by age of HRP in Wandsworth (Source: ORS Housing Model)



4.30 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of households. The percentage of households unable to afford housing are based upon those in receipt of housing benefit by household type and age and also those allocated to affordable housing in the past (taking account of double counting). The split between newly forming and migrating households is derived from components of the household projections, which take account of new household formation through natural growth in the population alongside growth due to **all** in and out migrating households.

Figure 31: Annual components of Household Growth 2023-38: Newly forming households (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	4,751	4,293	458	10%
Households migrating in to the area	15,045	12,868	2,177	14%
All new households	19,796	17,161	2,635	13%

4.31 The ORS Model identifies 4,750 new households projected to form in Wandsworth each year, of which 10% will be unable to afford their housing costs. This amounts to 458 households each year.

4.32 The model also considers new households migrating to the area. The projection is for 15,045 households per annum of which 14% (2,177 households) will be unable to afford their housing costs. For clarity, these households cannot afford to meet their own housing costs and it is not just the case that they cannot afford to purchase a property. It is completely normal for a London Borough to see more affordable housing need generated by households moving to the area than through local household formation, but the difference in Wandsworth is extremely high. It should be remembered that households in affordable housing need will also leave Wandsworth, thus reducing need.

4.33 This results in a total of 2,635 new households in need of affordable housing per annum (Figure 31).

Figure 32: Annual components of Household Growth 2023-38: Households no longer present (Source: ORS Housing Model.**Note: Figures may not sum due to rounding)**

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,358	852	505	37%
Households migrating <u>out</u> of the area	16,848	14,102	2,746	16%
All households no longer present	18,206	14,955	3,251	18%

- 4.34 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).
- 4.35 The model identifies 1,358 households are likely to dissolve following the death of all household members. This is based upon the age profile of households, with deaths being modelled by locally specific mortality rates, with the death of the final household member creating a dissolution. Many of these households will own their homes outright, however 505 of these are likely to have been unable to afford market housing and will mostly be living in affordable rented housing.
- 4.36 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 16,848 households will migrate out of the area each year, again derived from components of the household projections which measure all households migrating in and out of the borough, including 2,746 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 4.37 Altogether, there are 3,251 households who will vacate affordable dwellings or will no longer be waiting for a home (Figure 32). Therefore, more households dissolve or out-migrate from Wandsworth than those who form or migrate into the area, so these changes reduce the level of projected future affordable housing need. The level for in and out-migration to Wandsworth is exceptionally high, but it is not this factor which is driving the need for affordable housing in the area.
- 4.38 Figure 33 shows the change in the number of households who can afford their housing costs in terms of the number of households falling into need, usually due to their income decreasing and those climbing out of need, usually because of their income increasing. This is explained more fully below the table and is based on incomes and demographic data.

Figure 33: Annual components of Household Growth 2023-38: Households moving into and out of need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-1,502	+1,502	100%
Existing households climbing out of need	-	+583	-583	0%
Change in existing households	-	-920	+920	-

- 4.39 PPG also identifies that it is important to estimate “*the number of existing households falling into need*” (ID 2a-021). Whilst established households that continue to live in Wandsworth will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 1,502 established households will fall into need in Wandsworth each year.
- 4.40 This is the change in the number of established households of each type in each age group identified as being unable to afford market housing. The analysis only considers established households, so households that form or dissolve during the period and migrant households are all excluded. Established households are analysed on a cohort basis, using 5-year bands and periods. That means that the same households are considered at the start and the end of the period; so at the end of the period they will be 5 years older than at the start of the period. For example, the number of established households aged 30-34 unable to afford market housing at the start of the period is compared with the number aged 35-39 at the end of the period 5 years later. The analysis is undertaken based on a matrix of 15 age groups and 5 household types and repeated for 4 five-year periods. Those sub-groups where the number of established households unable to afford has increased are summed to identify the total falling into need. Those sub-groups where the number has reduced are summed to identify the total climbing out of need. For example: If at the start of a 5 year period, 1,000 households aged 30-34 cannot afford market housing, and at the end of the period 1,500 households aged 35-39 cannot afford market housing, then the number of households in that cohort have fallen into need.
- 4.41 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 4.42 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies by again considering household types by age bands by affordability that the circumstances of 583 households will improve such that they become able to afford their housing costs having previously being unable to afford.
- 4.43 Therefore, considering the changing needs of existing households overall, **there is a net increase of 920 existing households needing affordable housing each year.** (Figure 33). We would note that typically the number of households falling into and climbing out of need broadly balances in a local authority. However, the position in Wandsworth is that far more households fall into need, but also far more households in need migrate away from the area. Households appear to be falling into need in Wandsworth, but then leaving the area to resolve their needs. This seems to be a key feature of the Wandsworth housing market where households form, find the area to be too expensive and then move out.
- 4.44 The following table (Figure 34) summarises the overall impact of:
- » New households adding to housing need (Figure 31);
 - » The households no longer present reducing housing need (Figure 32); and
 - » The changes in circumstances impacting existing households (Figure 33).

Figure 34: Annual components of Household Growth 2023-38: Summary (Source: ORS Housing Model)

WANDSWORTH 2023-38	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	19,796	17,161	2,635
All households no longer present	18,206	14,955	3,251
Change in existing households	-	-920	920
Future affordable housing need 2023-38 (Annual average)	+1,590	+1,287	+303
Future affordable housing need 2023-38 (15 Year change)	+23,853	+19,303	+4,549

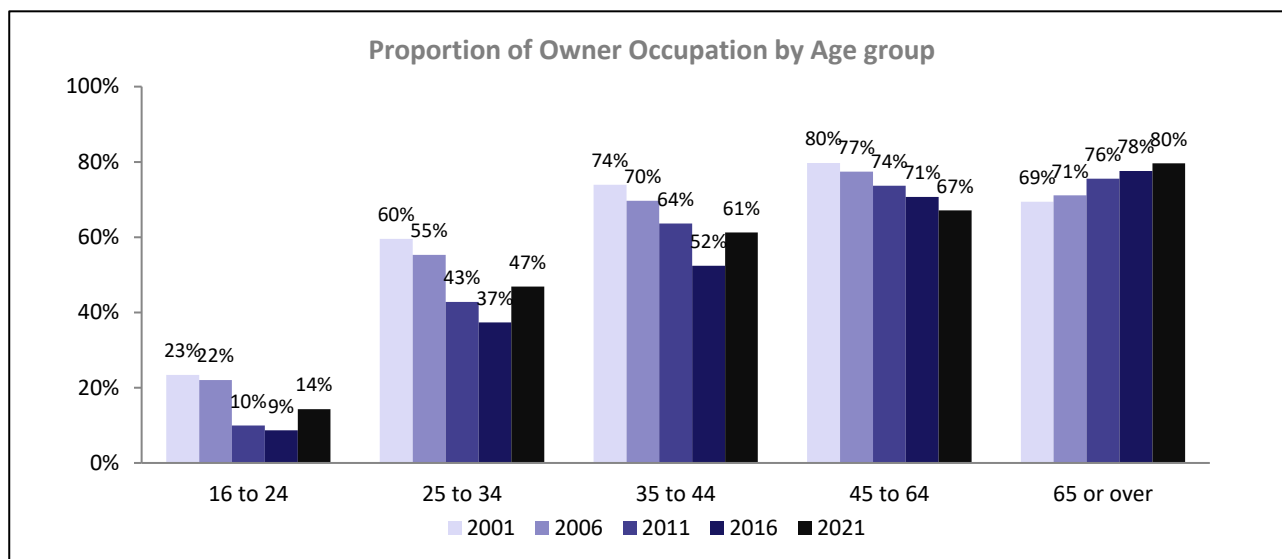
- 4.45 Overall reviewing the contribution of each element amounts to an additional 4,549 households needing affordable housing over the 15-year period 2023-38, or a rate of 303 per annum. Each year, there are very high flows of households in and out of Wandsworth, but the impact of this is to reduce affordable housing need. The key driver of affordable housing need in Wandsworth is local households falling into need before they often migrate away from the area.

Needs of Households Aspiring to Homeownership

Home Ownership Trends

- 4.46 In London, the need for affordable home ownership products is widely recognised due to the very high costs of outright home ownership. The Mayor of London has developed the London Living Rent scheme as one which initially sees households renting their property, but with the option to eventually start buying it in the future. This type of scheme is compatible with the need to have affordable housing to own.
- 4.47 The emphasis on households that cannot afford to own their home reflects the previous Conservative Governments concerns that the proportion of owner occupiers has reduced nationally over the last fifteen to twenty years. It is yet to be seen where the new Labour Government policy will settle on affordable home ownership within their plan to increase affordable housing and housebuilding overall. Estimates for England from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016, but have stabilised since that time. Over the same period, the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%. While this data is clearly not reflective of Wandsworth, it does set a framework for understanding the need to assist households into owner occupation.
- 4.48 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 35).

Figure 35: Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

4.49 English Housing Survey data from 2013/14 shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. The English Housing Survey 2013/14 was the last time these questions were included in the survey, meaning there is no more recent data. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in affordable rented housing aspire to homeownership.

Figure 36: Households Current Tenure and Long-term aspirations for Tenure (Source: English Housing Survey 2013/4)

Current Tenure	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Affordable rented	18.1%	1.8%	1.9%	77.0%	1.1%

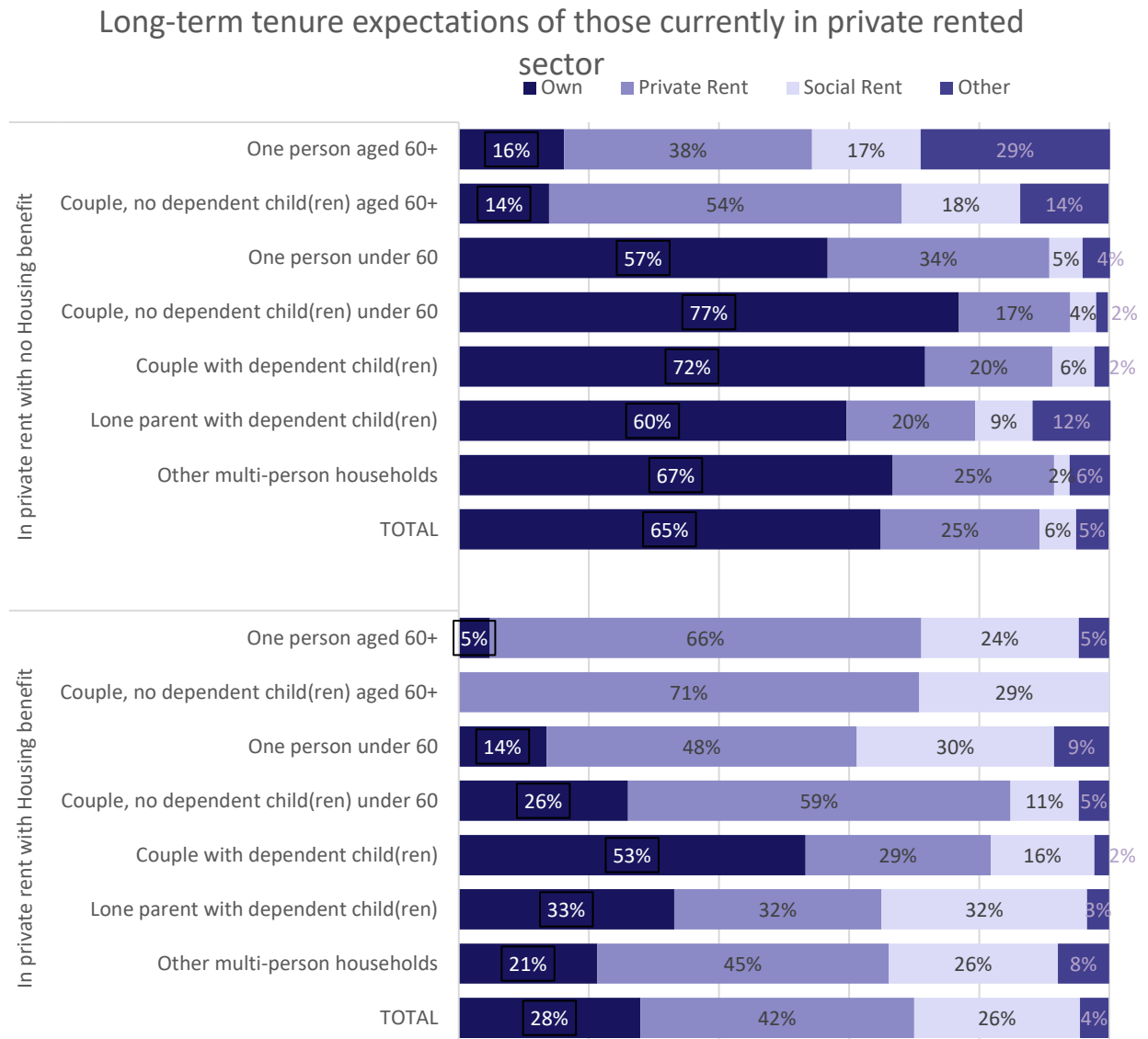
4.50 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

4.51 The following chart (Figure 37) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

4.52 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future, which is unsurprising. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

4.53 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 37: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
 (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



Additional Need for Affordable Homeownership

- 4.54 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent, with the aspiration data from the EHS 2013-14, Figure 38 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. We would note that Wandsworth hold their own intermediate housing register. Any households who are on that register will be included in the figures below, but we have included all private renters who aspire to own.

Figure 38: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	83	1,696	2,258	268	141	22	4,467
Couple without children	536	9,174	1,826	453	197	86	12,272
Families with child(ren)	49	562	1,373	712	0	0	2,697
Other households	1,631	8,486	415	45	97	0	10,673
Total Volume	2,299	19,919	5,872	1,477	435	108	30,110
<i>Percentage of households</i>	<i>8%</i>	<i>66%</i>	<i>20%</i>	<i>5%</i>	<i>1%</i>	<i>0%</i>	<i>100%</i>

- 4.55 Based on this analysis, we can estimate that there is a total of around 30,110 households currently resident in Wandsworth who cannot afford to own their own home but would aspire to do so. 74% of these households are aged 15-34 with the substantial majority (94%) aged under 45. There is nothing in the modelling to state that the households need or would want to buy in Wandsworth, just that they are currently renting and want to buy a property. Note that the NPPF specifically talks about housing need, but talks of demand when considering affordable to own properties.
- 4.56 In addition to the current need, it is also important to consider new households that are projected to form over the period 2023-38. Through the same modelling process of combining future household projections with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 44,701 households that form over the 15-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 74,810 households who aspire to homeownership but who cannot afford to buy their own home over the period 2023-38, a net annual need of 4,987 per year. Again, it should be stated that this is much higher than the annual dwelling target for Wandsworth and also that there is no specific need for these households to buy a property in Wandsworth. All of these households can potentially afford London Living Rents because they are cheaper than market rents.**
- 4.57 When identifying the need for Affordable Home Ownership (AHO), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

- 4.58 Figure 39 brings together the information on assessing the unmet need for affordable housing in 2023 from Figure 28 and Figure 34 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2023-38. It can be noted that this assessment has no regard for whether those aspiring to ownership can access affordable home ownership options. We would also note that there is no double counting between those who cannot afford market rents and those who aspire to own. However, there is potential for some households who cannot afford market rents to also aspire to own because, as shown in Figure 25, London Living Rent is cheaper than Lower Quartile private rent.
- 4.59 Again, it should be noted that aspiring home ownership hugely inflates need and also doesn't capture if these people want to live in the same borough they rent, or that they might be able to buy elsewhere in the London housing market.

Figure 39: Assessing total need for affordable housing in the Wandsworth 2023-2038 (Source: ORS Housing Model)

WANDSWORTH 2023-38	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2023	6,087	30,110	36,197
Future housing need 2023-38	4,549	44,701	49,250
TOTAL HOUSING NEED	10,636	74,810	85,446

- 4.60 On this basis, we can conclude that the potential overall need for affordable housing for Wandsworth would comprise a total 85,446 households over the 15-year period 2023-2038, equivalent to an average of 5,697 per annum. We would note immediately that this does not represent the final need for affordable housing in Wandsworth for the reasons set out below.
- 4.61 The figure of 85,446 represents around three and a half times the total capacity led housing supply of 26,315 dwellings per annum for Wandsworth. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*

- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

4.62 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG states:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

Planning Practice Guidance, ID: 67-001-20190722

4.63 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how affordable need can be addressed within the overall housing need established. It will be important for the local authorities to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing along with the costly use of temporary accommodation.

4.64 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent without the support of housing benefit. However, these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive smaller second-hand housing market or they will move elsewhere in London to find cheaper housing. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes. It is likely that many households would choose affordable home ownership or rent, with London Living Rent looking to be the most favourable option to deliver based on cost and the nature of the product.

4.65 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to home ownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable home ownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The First Homes criteria are the minimum requirements a housing unit must meet in order to qualify as a First Home. Affordable Housing Update Written Ministerial Statement published on 24 May 2021, the national standards for a First Home are that:

- a) a First Home must be discounted by a minimum of 30% against the market value;
- b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,
- c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in first 2 paragraphs under First Homes eligibility criteria.

Planning Practice Guidance, ID: 70-002-20210524

4.66 It goes on at paragraph 4 to outline that:

Can the required minimum discount be changed?

In order to qualify as a First Home, a property must be sold at least 30% below the open market value. Therefore, the required minimum discount cannot be below 30%.

However, the First Homes Written Ministerial Statement does give local authorities and neighbourhood planning groups the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes). Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for a higher minimum discount level in the area, and how it can meet the needs of different demographic and social groups.

In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home. Developers who are able to offer higher discounts within their contributions should be free to do so but the local authority cannot require this. In such cases, whatever discount (as a percentage of market value) is given at the first disposal should be the same at each subsequent sale. These minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis.

If local authorities or neighbourhood planning groups choose to revise their required minimum discounts in any future alterations to their plans, this should not affect the minimum discounts required for previously sold First Homes when they come to be resold, as these will be bound by the section 106 agreements entered into at the time of their first sale.

Planning Practice Guidance, ID: 70-004-20210524

4.67 Figure 18 shows that the current lower quartile new build prices for a 1-bedroom property in the Wandsworth is around £642,200, so 70% of this price would be outside the cap limit, but a 50% reduction would be just inside the cap limit. A 2-bedroom newbuild property also sits inside this cap limit, but for all

other remaining property sizes, a 50% reduction would still sit above the £420,000 figure and so can be immediately discounted as undeliverable.

- 4.68 Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for 1 bedroom properties which are compatible with the First Homes scheme. We would note that this will have an impact upon the viability for new affordable housing, but we are using the 50% to set a benchmark to consider against the alternative scenarios such as a 30% reduction.
- 4.69 Given this context, Figure 40 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It should be remembered that, as set out in Figure 25, First Homes are typically more affordable than shared ownership in the Wandsworth, but of course shared ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- 4.70 Of the 74,810 households who can afford to rent but who aspire to homeownership, there would be 16,058 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future) or where their property size needs cannot be delivered for less than £420,000. There would be a further 50,390 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values (Figure 40). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 5,205 where the household had savings of less than £5,000²⁶ and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 40: Affordable homeownership housing mix by household affordability 2023-2038 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS properties over the cap limit or where the household can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of newbuild LQ and have savings of £5,000 or more
1 bedroom	22,079	1,677	20,403	17,514	2,888	1,878	1,010
2 bedrooms	42,530	4,179	38,350	32,876	5,475	3,327	2,148
3 bedrooms	8,299	8,299	0	0	0	0	0
4+ bedrooms	1,903	1,903	0	0	0	0	0
TOTAL	74,810	16,058	58,753	50,390	8,363	5,205	3,157

- 4.71 On this basis, between 2023 and 2038, 3,157 dwellings are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant

²⁶ £5,000 is a minimum amount required as the seed of saving for a deposit. The modelling is not prescriptive regarding the amount of savings, only that the savings and income should give the household a reasonable chance of being able to buy a property, including the need to save more in many cases.

threshold. It is unsurprising that this figure is low as First Homes can only be delivered inside the £420,000 cap as one bedroom properties and households must have incomes of over £80,000 but under £90,000 to be able to access these, so it is a very small group.

- 4.72 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 3,157 households likely to be able to afford the various products that will potentially be available, in addition to the 10,636 households unable to afford to rent or own market housing from Figure 28 and Figure 34. Figure 41 provides a breakdown of the affordable housing on this basis.

Figure 41: Overall need for Affordable Housing 2023-38, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

WANDSWORTH	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	1,749	1,010	2,759
2 bedrooms	3,803	2,148	5,951
3 bedrooms	3,452	0	3,452
4+ bedrooms	1,632	0	1,632
TOTAL HOUSING NEED	10,636	3,157	13,794

- 4.73 This study identifies an overall affordable housing need from 13,794 households over the 15-year period 2023-38 (920 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property. It is this figure, not the 85,446 set out in Figure 39, which represents the affordable housing need for households in Wandsworth over the period 2023-38. **The focus in Wandsworth cannot be on helping relatively high earning households into owner occupation when Wandsworth is seeing such high levels of overcrowding and use of temporary accommodation.**
- 4.74 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient savings or sufficient income to realise their aspiration. Many of these households require an intermediate rent or ownership product if they are to be able to move from private rented in Wandsworth, though they may also decide to move to a more affordable area. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Future Policy on Housing Benefit in the Private Rented Sector

- 4.75 The analysis recognises the importance of housing benefit and the role of the private rented sector. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control. Tax changes for landlords introduced in 2020 have seen fewer households being able to find housing benefit supported properties in Wandsworth as landlords withdraw from the market. Local Housing Allowance rates are increasing in 2024, but the impact of this on an area as expensive as Wandsworth is likely to be minimal due to a lack of available stock to rent at LHA rates.

- 4.76 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 4.77 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.
- 4.78 PPG (both the current version and the previous version) states that *"care should be taken to ... include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.
- 4.79 It is well-established that housing need should be established leaving aside policy considerations,²⁷ so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the HNA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need.
- 4.80 However, we would note the impact of current benefit policies is seeing fewer and fewer properties become available to Wandsworth to be used as temporary accommodation. More households will also struggle to retain their tenancies as rents rise faster than their housing benefit payments and the costs of renting for landlords, such as tax payments and regulation, rise seeing landlords leave the market. Therefore, the size of the private rented properties, particularly for cheaper properties, may shrink in the future and this will increase the need for affordable housing.

Affordable Mix

- 4.81 Within the overall need of 10,636 affordable homes identified for those unable to afford market rents, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing. In order to profile affordability, income data from the English Housing Survey (2012-14)²⁸ and ONS Survey of Personal Incomes (2014 and 2018) has been used and modelled to establish the income distribution by household type and age in Wandsworth. The reason for using this data is that it excludes any income from housing benefit, while other datasets such as CACI Paycheck include benefit data, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group. The data therefore considers the income profile of households in Wandsworth against the cost of housing for each property size required by a household.
- 4.82 As discussed in Chapter 3 (Income Needed to Rent Housing), the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 15 identified the minimum annual income in the Wandsworth needed to afford London Living

²⁷ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

²⁸ This is the most recent data available that allows this analysis

Rents by property size (based on spending up to 35% of total income). This allows for disaggregation that are unable to afford market rents to be split into those who can, and those that cannot afford London Living Rents. Figure 42 presents the same data as Figure 41, but with those unable to afford disaggregated in this manner and includes the impact of allowing for a vacancy rate in the stock. Therefore, the needs for 10,636 households require a total of 11,259 dwellings when allowing for the impact of vacant homes.

- 4.83 The model looks at households affordability before housing benefit is added, so households who cannot afford Social Rent are assumed to be able to access housing benefit to assist with their housing costs. The largest and most striking figure in the data is that of people who are not able to afford the social rent costs in the area.

Figure 42: Overall need for Affordable Housing 2023-38 disaggregated based on ability to access affordable rents and London Living Rent, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford Social Rent	Able to afford Social Rent - unable to afford Affordable Rent	Able to afford Affordable Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Private Rent	TOTAL
1 bedroom	1,059	325	235	233	1,852
2 bedrooms	1,881	604	499	1,041	4,025
3 bedrooms	1,608	494	447	1,105	3,654
4+ bedrooms	663	236	172	657	1,728
TOTAL HOUSING NEED	5,212	1,658	1,353	3,036	11,259

Size and Tenure Mix based Upon Overall Housing Needs

- 4.84 Figure 43 provides a breakdown of the supply of 26,315 dwellings between market and affordable housing on this basis. Figure 43 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 41. These affordable homes are subtracted from the overall dwelling need calculated above. The size mix for each tenure is derived from a mixture of the household type and past trend. The key driver of size for affordable to rent is the high number of overcrowded households in Wandsworth. **While numerically, there is a high need for all sizes of property, the highest need is for 2 and 3 bedrooms; approaching 70% of the overall affordable need is for 2 and 3 bedroom properties.** We would note that the model assumes that any overcrowded households requires to address their need in a larger property. However, there is no mechanism in place to compel smaller households to downsize, so we do not assume that any under-occupying households will move to a smaller property.
- 4.85 It is important to note that the affordable housing figures quoted are for net delivery. Therefore, if any properties are sold under right to buy, or lost through demolition then they require to be added to the figures one for one. Similarly, we have not counted any pipeline supply delivery and any homes brought back into use can be counted against the needs.
- 4.86 The NPPF no longer includes the term intermediate housing, but this is still used in the Wandsworth Local Plan, so those who can afford London Living Rents or other affordable properties to own are included as intermediate housing need.
- 4.87 The figures allow for all dwellings for households who cannot afford market housing, namely 8,223 who cannot afford London Living Rent (11,259– 3,036 from Figure 42). It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed. Unless an alternative is developed, then effectively these 8,223 households will be in need of social housing.

- 4.88 In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as First Homes or Shared Ownership. This represents 3,036 dwellings from Figure 42 plus 3,157 households from Figure 41 plus an allowance for vacancies. This gives 6,348 dwellings in total. Within the figures set out in Figure 43 we have not capped London Living for households with incomes above £67,000, but this is addressed in Figure 44. As the First Homes scheme is now proceeding it is likely to absorb much of the Section 106 payments currently used for shared ownership at an England-wide level, but this may not apply in London who have developed their own Shared Ownership product. However, it is also likely that most new Register Provider properties will contain the option to become shared ownership properties and it is also the case in London that the London Living Rent scheme will continue to meet the definition of affordable home ownership and many more households in the private rented sector in Wandsworth can potentially afford London Living Rents if they were available.
- 4.89 The table also contains an allowance to reconcile population and household estimate which derives from the way in which institutional population is treated within the household projections. The household projections exclude population in institutional settings and assume that the same ratio of over 75 year olds will be in institutional housing in the future as is currently the case. Therefore, not all people are assumed to be in households. However, the table below encompasses the entire population of the local authority, so it is necessary to reconcile the household projections with the total population and the number of dwellings to be provided. It is important to note that we are not assuming that the equivalent of 192 dwellings in Wandsworth are delivered as Class C2 bedspaces, but instead that the population who are assumed to occupy these dwellings in the population projections are counted at some point in the model.
- 4.90 The market housing figure contains both market rent and owned occupied dwellings. As noted above, market rent will grow by 44,700 dwellings for those who aspire to own (Figure 39) unless affordability improves so the market rented sector is likely to grow considerably.

Figure 43 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford social rents	Unable to afford intermediate	Require intermediate housing	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
1 bedroom	1,059	560	1,302	2,921	649	3,569
2 bedrooms	1,881	1,103	3,315	6,299	4,457	10,756
3 bedrooms	1,608	941	1,105	3,654	5,421	9,075
4+ bedrooms	663	408	657	1,728	995	2,723
C2 Dwellings	-	-	-	-	192	192
TOTAL	5,212	3,011	6,378	14,601	11,714	26,315
1 bedroom	4.0%	2.1%	4.9%	11.1%	2.5%	13.6%
2 bedrooms	7.1%	4.2%	12.6%	23.9%	16.9%	40.9%
3 bedrooms	6.1%	3.6%	4.2%	13.9%	20.6%	34.5%
4+ bedrooms	2.5%	1.5%	2.5%	6.6%	3.8%	10.3%
C2 Dwellings	-	-	-	-	0.7%	0.7%

- 4.91 As noted above in Figure 43, there is a potential for 6,378 intermediate to rent or own properties in Wandsworth. Figure 44 below breaks this figure down in more detail. Only 1,067 of the need comes from households with income below £67,000 who would be able to access London Living Rent under the current

set of rules. This leaves 5,311 for households who cannot afford market housing, but who have incomes between £67,000 and £90,000 and who therefore would not be able to access London Living Rents.²⁹ This is clearly an extremely unusual position, but the house costs in Wandsworth are such that even households on relatively high incomes struggle with private rents. London Living Rent is a London wide policy, with only a small amount of variation in rents between boroughs and the situation in Wandsworth is such that either the income cap for London Living Rents requires to be higher, or a new product is required for those with incomes over £67,000 per annum.

- ^{4.92} The needs of these households are challenging to meet because they cannot afford market housing but cannot access any affordable housing. In practice, households with incomes between £67,000 and £90,000 are likely to be among those migrating away from Wandsworth because market housing is too expensive and there are no intermediate to rent housing options available to them.

Figure 44: Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Dwelling size	Can afford London Living Rent and under 67k cap	Household Income above London Living Rent 67K cap	First Homes or Shared Ownership	Aspiring to home ownership and affordable home ownership (Total columns 2-4)
1 bedroom	74	159	1,069	1,302
2 bedrooms	369	673	2,273	3,315
3 bedrooms	405	700	0	1,105
4+ bedrooms	220	437	0	657
Total	1,067	1,969	3,342	6,378

- ^{4.93} The most significant finding overall from Figure 43 is that **the need for affordable to rent housing, which effectively will be social housing is 8,223 dwellings**, with much of this being driven by a backlog of need of 6,087 from Figure 28 which is included in this figure.

Sensitivity Testing

- ^{4.94} All the figures set out above are for net changes in the housing stock. Factors which can cause the net outputs to vary from the gross need include:
- » Right to Buy sales which must be added to the net affordable housing needs figures on a one for one basis:
 - » Housing benefit in the private rented sector. As noted above, the ORS Model assumes that the number of households in receipt of housing benefit in the private rented sector remains constant. As noted in Chapter 3, relatively recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom Social Rented or Affordable Rented property; and
 - » Changes in migration, with Figure 31 showing that each year an estimated 2,177 households move in to Wandsworth who cannot afford market rents while Figure 32 shows that an estimated 2,746 households who cannot afford market rents move out of the area. Therefore, a net 569 household each year in housing need migrated away from Wandsworth.

²⁹ This modelling will include households looking for and eligible for intermediate housing who are registered on the Wandsworth Intermediate Housing Register

- 4.95 In the past 10 years, a total of 448 properties have been sold under right to buy in Wandsworth. This is an average of 45 per annum. However, the new government have indicated that right to buy may be removed or heavily restricted, so this figure should be much lower in the future.
- 4.96 Similarly, there are over 4,000 households in receipt of housing benefit in the private rented sector in Wandsworth, but there is little indication that this funding will be withdrawn.
- 4.97 However, it is a valid question to consider the consequences of reducing out-migration from migration for those in need. Many households will leave each year, with many going to outer London Boroughs, because of a lack of available housing in Wandsworth. If this was to be reduced to a net impact of zero, this would allow 569 households to stay each year, which in turn would require exactly 600 more dwellings per annum. Over 15 years this would require 9,000 more affordable to rent units in Wandsworth.
- 4.98 Figure 45 below shows the impact of assuming that 9,000 more affordable to rent dwellings are delivered in Wandsworth, lifting the total need for affordable to rent to 17,223.

Figure 45: Overall Need for Market and Affordable Dwellings (including social and affordable renting) in Wandsworth 2023-38 for LHN with Reduced Out-migration for those in Housing needs (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford social rents	Unable to afford intermediate	Require intermediate housing	Total Affordable Housing (Total columns 2-4)	Total Market Housing	Total (Total columns 5-6)
LHN	5,212	3,011	6,378	14,601	11,714	26,315
LHN with reduced out-migration from those in need	10,916	6,307	6,378	23,601	2,714	26,315

Policy Implications for Affordable Housing Need

- 4.99 This document represents a technical analysis for the housing needs of Wandsworth. As noted in the introduction, we do not consider that it should set firm policies for the Council, but should instead be seen as underwriting the evidence of policies which will be developed. However, we are able to make a series of recommendations.
- 4.100 The extant Wandsworth Local Plan sets capacity based housing targets for Wandsworth upon which this study is based. Wandsworth has a crucial role in seeking to meet the wider needs of London, but the situation in Wandsworth is complex due to income limits on existing affordable housing products.
- 4.101 The core issue facing Wandsworth is that in Figure 43 the ORS model estimates a need for at least 8,223 (i.e. 5,212 plus 3,011) affordable to rent dwellings for households unable to afford market housing, from an overall total supply of 26,315 over the period 2023-2038. This represents around 31% of the total supply for Wandsworth and is clearly going to be a challenge to deliver. Therefore, maximising the delivery of social rented housing should be a priority of the council.
- 4.102 In turn, the figure of 8,223 affordable to rent dwellings assumes that a net 569 households per annum in need of affordable housing migrate away from Wandsworth, likely due to a lack of available housing locally. If a policy decision was taken to target a net impact of zero migration, then a further 9,000 affordable to rent units would be required in the area.

- 4.103 Affordable to own housing products in Wandsworth are very difficult to deliver because prices must be set below £420,000 and household income must be below £90,000 per annum, with the exception of London Living Rent where incomes must be below £67,000. In particular this throws up an anomaly for those with income between £67,000 and £90,000 where they cannot afford market housing, but do not qualify for affordable to rent housing. This leaves a very clear potential to either extend London Living Rent thresholds to £90,000 income in Wandsworth, or bring in a new discounted market rent product for those earning £67,000-£90,000.
- 4.104 This could have higher rents than London Living Rent, with a figure such as £20,000 a year, or £1,670 a month being a possible figure for a 1 bedroom property and increasing by 10% for each additional bedroom. This would follow the London Living Rent assumption that households spend 33% of the gross income on rent. Access to the new scheme could also be capped at households aged under 40 years old because, as noted earlier, it is these households who are migrating out from Wandsworth to find more affordable housing.
- 4.105 A further important consideration in Wandsworth is the Mayor of London's portfolio approach to affordable housing with affordable housing being delivered away from the site of some market housing on alternative sites and also the impact of the vacant building credit. Clearly, Wandsworth has an enormous level of need to meet within its own area. The portfolio approach has seen limited use in Wandsworth, but it is clearly important that as much affordable housing as possible is delivered within Wandsworth.
- 4.106 Similarly, vacant building credit is designed to encourage the redevelopment of abandoned properties in areas with market failures. Wandsworth does not have market failure, so does not accept vacant building credit as it seeks to develop its own affordable housing to prevent young households leaving the borough.
- 4.107 Policy LP30 of the Wandsworth Local Plan³⁰, adopted July 2023 requires Development proposals for Build to Rent housing to follow the policy approach set out in London Plan Policy H11, subject to some additional requirements. The current London Plan policy proposes that 30% of homes should be set at London Living Rent rates and the remainder will need to be at or below LHA rates, to ensure that their costs can be met from housing benefit.
- 4.108 As noted in Chapter 3, the Mayor of London is not currently seeking to progress First Homes as a policy in London for the foreseeable future. The needs for those who are potentially seeking First Homes overlaps with the need for Shared Ownership, so their needs could be met within existing policies in London. First Homes would not meet needs which are not already addressed in policy in London and in general they have slightly reduced viability when compared with the delivery of Shared Ownership properties. This could therefore impact upon the amount of Social Rented housing that is deemed viable, which is a priority for the Council to deliver when considering the overall level of need.
- 4.109 The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes. All of these would contribute to the overall delivery of dwellings in Wandsworth and are considered below.

³⁰ [Adopted Local Plan \(wandsworth.gov.uk\)](https://www.wandsworth.gov.uk)

5. Needs of Different Groups

An exploration of need for target groups

Introduction

- 5.1 Paragraph 63 of the NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the affordable needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing; families with children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

NPPF December 2023, paragraph 63

Housing for Older People

- 5.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 20 years. Given this context, PPG recognises the importance of providing housing for older people.
- 5.3 These national trends are also evident across local areas, and the following section considers the evidence for Wandsworth.

Older People in Wandsworth

- 5.4 The 2021 Census identified a total of around 31,300 persons aged 65 or over resident in the local authority area at that time (Figure 46). This included around 14,000 persons aged 75 or over. Most residents were living in households, but 852 were recorded as living in communal establishments (mainly residential care or nursing care). There were a total of around 21,500 household representatives aged 65 or over, of which over 46% lived as single person households.

Figure 46: Resident population and living arrangements of population aged 65+ living in Wandsworth by age and population aged 75+ (Source: 2021 Census)

	Aged 65-74	Aged 75-84	Aged 85+	Total Aged 65+	Total Aged 75+
RESIDENT POPULATION					
Household population	17,204	9,680	3,600	30,484	13,280
Communal Establishment population	176	253	423	852	676
Total Resident Population	17,380	9,933	4,023	31,336	13,956
HOUSEHOLD POPULATION					

Living as a single person household	5,780	3,848	1,799	11,427	5,647
Living in a couple household	3,972	1,042	188	5,202	1,230
Living in other types of household	7,452	4,790	1,613	13,855	6,403
Total Household Population	17,204	9,680	3,600	30,484	13,280
HOUSEHOLD REPRESENTATIVES					
Single person household representative	5,780	3,848	1,799	11,427	5,647
Couple household representative	3,891	2,229	662	6,782	2,891
Other household representative	1,658	1,071	558	3,287	1,629
Total Household Representatives	11,329	7,148	3,019	21,496	10,167

- 5.5 Whilst the proportion of residents living in communal establishments represented only 2.7% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 6.5% of those aged 85 to 89 and 17.1% of those aged 90 or over (Figure 47).
- 5.6 The proportion of residents living as single person households was also notably higher for older age groups, with more than a third of all household residents aged 75 or over (39.2%) and half of those aged 85 or over (50.0%) identified as living alone. The overall household representative rates ranged from 0.652 for those aged 65 to 69 (i.e. for every 1,000 persons in the household population, 652 represented a household) up to 0.839 for those aged 85 or over (Figure 48).

Figure 47: Resident population living in communal establishments by age (Source: 2021 Census)

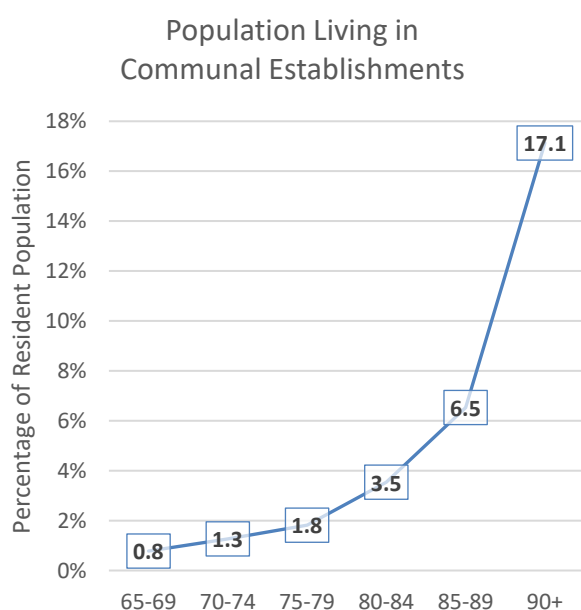
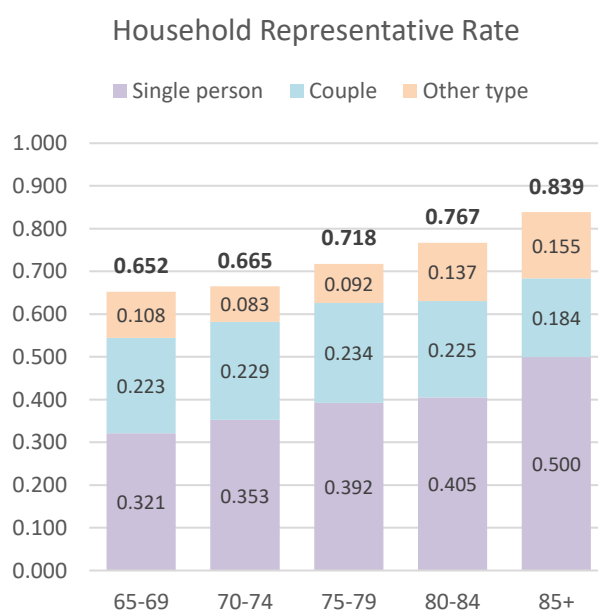


Figure 48: Household representative rates by age and household type (Source: 2021 Census)



- 5.7 Figure 49 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. Around 6,350 households were owner occupiers (62.4%), 851 rented privately (8.4%) and 2,968 lived in social rented homes (29.2%). 39% owner occupiers aged 75 or over had three bedrooms and a further quarter having four bedrooms or more (26.2%). In contrast, only 28% of those in social rented accommodation had three bedrooms or more, with 45.6% living in a single bedroom property.

- 5.8 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).³¹ Based on estimates for Wandsworth, there is a stock of 2,015 rented units (typically managed by Registered Social Landlords) and 271 units that are owned.

Figure 49: Existing dwelling stock in the London Borough of Wandsworth occupied by households aged 75+ (Source: 2021 Census; Specialist Housing Person Housing based on data published by EAC for 2024)

Wandsworth	Owner occupied	Private rent	Social rent	TOTAL
DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+				
1 bedroom	528	275	1,353	2,156
2 bedrooms	1,678	352	782	2,812
3 bedrooms	2,480	178	684	3,342
4 or more bedrooms	1,662	46	149	1,857
Total Households	6,348	851	2,968	10,167
SPECIALIST OLDER PERSON HOUSING UNITS				
Housing with Support	45	0	1,821	1,866
Housing with Care	226	0	194	420
Total Specialist Older Person Housing Units	271	0	2,015	2,286

- 5.9 It is notable that the number of rented units (2,015 homes) is only marginally lower than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census (2,135 households).
- 5.10 The owner-occupied stock of specialist older person housing (271 homes) represents around 13% of all one- and two-bedroom dwellings occupied by owner occupiers aged 75 or over. Nevertheless, as the vast majority of older owner occupiers live in properties re, the specialist older person housing stock represents only 4% (271/6,348) of households when considering all owner occupiers aged 75 or over.

Identifying the Need for Specialist Older Person Housing

- 5.11 National Planning Practice Guidance for “Housing for older and disabled people” was published in June 2019. This states [ID 63-004-20190626]:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector ... Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

- 5.12 The Housing Learning and Improvement Network (LIN) has published a number of different online toolkits that have provided standardised rates for estimating demand for specialist older person housing products. These have been based on applying prevalence rates per 1,000 people aged 75 or over, as summarised in

³¹ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC data is based on the following definition: “a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group”. This includes Extra Care, assisted living, and other forms of ‘housing with care’ but other forms of specialist older person housing may not be included within this definition.

Figure 50.^{32, 33} The table also presents baseline rates from a model developed by Sheffield Hallam University Centre for Regional Economic and Social Research (CRESR).³⁴

5.13 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but there is limited detail about the derivation of the figures published by the Housing LIN.

5.14 The More Choice, Greater Voice toolkit recognises that the suggested framework simply:

“...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.” (page 44)

5.15 Similarly, the SHOP resource pack acknowledged that the framework simply provides a baseline, which extrapolates *“...crude estimates of future demand from existing data”* (page 36) and the 2016 Review acknowledged that the Housing in Later Life report had *“suggested a large increase in leasehold housing for older people which were not substantiated at the time”* (page 4).

5.16 In contrast, the baseline rates for the CRESR model were established based on:

“the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).” (page 26)

Figure 50: Benchmark Figures for Specialist Older Person Housing

Form of Provision <i>Demand per 1,000 persons aged 75+</i>	More Choice, Greater Voice Toolkit	Housing in Later Life SHOP Resource Pack	SHOP@ National Benchmark	Housing LIN Review Proposals	Sheffield Hallam CRESR Model
	2008	2011	2016	2016	2017
Housing with Support: Retirement Living or Sheltered Housing	125	180	100	100	153.2
Housing with Care: Extra Care or Enhanced Sheltered	45	65	14	35 “Proactive” rate	19.5
Sub-total	170	245	114	135	172.7
Residential care	65	-	43	40	110.8
Nursing care	45	-	45	45	
Sub-total	110	-	88	85	110.8
OVERALL TOTAL	280	-	202	220	283.5

5.17 The Housing LIN states that the More Choice, Greater Voice Toolkit and SHOP Resource Pack are both now out-of-date and remain published only as an ‘archived’ resource for public policy interest purposes. The more recent SHOP@ analysis tool is provided through the Housing LIN consultancy services, where target prevalence rates are established based on local circumstances.

5.18 The Housing LIN 2016 Review identified the following benchmarks for tenure mix based on the relative affluence or deprivation of the local authority area (Figure 51). Given that the English indices of deprivation

³² http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

³³ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

³⁴ <https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/older-peoples-housing-care-and-support-needs-in-greater-cambridge-2017-2036>

ranked Wandsworth in the second quartile of all local authorities,³⁵ the relevant tenure mix benchmark would be that proposed for the “Affluent” areas.

Figure 51: Proposed tenure mix for 2038 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

SHOP@ MARKET SPLIT 2035 OPTIONS - DEPRIVATION/AFFLUENCE SPLIT								
	Most Deprived		Deprived		Affluent		Most Affluent	
	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold
Sheltered, Age Exclusive	80	20	67	33	50	50	33	67
Housing with Care	75	25	50	50	33	67	25	75
Split based on quantiles of ONS deprivation index								
It can be expected that the % of public sector sheltered, age exclusive accommodation will retain a higher % than housing with care as there already exists a substantial level of current service provision.								

- 5.19 In contrast, the CRESR Model determined the tenure mix for each type of housing based on the proportion of residents aged 75 or over living in owner occupation. Given the proportion for Wandsworth, the “Above median” benchmark applies.

Figure 52: Tenure splits for 2038 influenced by the affluence/deprivation ratio from the CRESR Model

		Proportion of 75 years and over in owner occupation	
		Above median	Below median
Age-exclusive	Rented	84	92
	Owner	16	8
Sheltered	Rented	69	84
	Owner	31	16
Enhanced sheltered	Rented	47	55
	Owner	53	45
Extra care	Rented	71	87
	Owner	29	13

- 5.20 Nevertheless, it is important to recognise that the CRESR Model is based on the mix of current provision, which may not reflect the most appropriate distribution when planning for additional provision.

“These tenure splits reflect current provision, which is significantly skewed towards social rented provision. If there is a desire to expand the provision of older people’s housing beyond current levels, this is likely to require disproportionate increases in ownership forms of supply. This is in part due to demand being focused on these ownership forms, particularly in areas with high levels of existing older homeowners.”

Reviewing the Existing Stock of Specialist Older Person Housing

- 5.21 As previously noted, the 2021 Census identified a total of around 14,000 persons aged 75 or over resident in the Wandsworth at that time (Figure 46) and data published by the Elderly Accommodation Counsel (EAC) identifies that there is an overall stock of nearly 2,300 specialist older person housing units across the area (Figure 49). On this basis, we can determine that the current provision of stock in the area equates to around 151 dwellings per 1000 persons aged 75 or over.
- 5.22 Figure 53 compares the rates for the different types of specialist housing for sale and rent with the suggested target benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model. Numbers

³⁵ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

coloured in red are shortfalls, and those in green are above target rates. These modelled figures shows that that the owned stock is currently below, and the rented stock is above with the respective benchmark rates suggested by the Housing LIN. In contrast, baseline rates from the CRESR Model suggest that the existing rented stock is lower than would be expected (based on the 100 English local authorities with the highest overall provision).

Figure 53: Existing Specialist Older Person Housing for the London Borough of Wandsworth

Form of Provision	Existing Supply			Housing LIN 2016 Review		CRESR Model	
	Number of dwellings	Percentage	Rate per 1000 persons aged 75+	Benchmark rates	Supply-Demand balance	Benchmark rates	Supply-Demand balance
Housing with Support	1,866	-	123	100.0	23	153.2	-30
Owned	45	2%	3	50.0	-47	24.5	-22
Rented	1,821	98%	120	50.0	70	128.7	-9
Housing with Care	420	-	28	35.0	-7	19.5	8
Owned	226	54%	15	23.5	-9	2.5	12
Rented	194	46%	13	11.6	1	17.0	-4
TOTAL	2,286	-	151	135	16	172.7	-22
Owned	271	12%	18	73.5	-56	27.0	-9
Rented	2015	88%	133	61.6	71	145.7	-13

- 5.23 Figure 49 previously established that the existing owner-occupied stock of specialist older person housing represented only 4% of owner occupiers aged 75 or over living in the area. Nevertheless, the CRESR Model identifies that the current rate [18 (3 for housing with support and 15 for housing with care) per 1000] is lower than the average for the 100 English local authorities with most provision based on actual stock (27 per 1000). The current rate is lower than the benchmark from the Housing LIN Review (73 per 1000). On this basis, the current owner-occupied stock would need to increase by more than three times in order to meet the needs of existing residents, without taking account of any future growth in the older population.
- 5.24 Whilst this conclusion may seem extreme, this number of homes would still only be equivalent to around 16% of the owner occupier households aged 75 or over, so it is not an entirely implausible outcome. However, in the same way as the Housing LIN Review acknowledged that the Housing in Later Life report had suggested an increased figure that had not been substantiated, it is unclear what evidence actually supports the rates for leasehold housing that were used by the More Choice, Greater Voice Toolkit to which the 2016 Review reverted. Given this context, there may be some justification for an increase to the current rates of owner-occupied provision. However, it seems unlikely that this would be as high as suggested by the Housing LIN benchmark.
- 5.25 With regard to specialist older person housing for rent, it was previously noted in Figure 49 that the existing stock was only marginally lower than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census. Therefore, it is perhaps surprising that the current rate (96 per 1000) is lower than the Housing LIN benchmark (133 per 1000) suggesting sufficient rented stock in the Wandsworth.
- 5.26 When considering the different types of specialist older person rented housing, it is apparent that the benchmark rates of Housing with Care (17 per 1000) are comparable with the existing stock (13 per 1000),

and the differences relate primarily to Housing with Support. Although the CRESR Model suggests there could be a shortfall, the Housing LIN benchmark rates suggest a surplus in this area, which on balance would seem to be more credible.

Establishing the Future Need for Specialist Older Person Housing

- 5.27 The population projections underlying the Local Housing Need figure for Wandsworth show a substantial increase in the older population over the period 2023-2038 with an additional 6,902 (Figure 5) persons and 4,966 households' resident in the local area. The figures are slightly different from those set out from the Census 2021 because the population modelling used in the LHNA relates to 2023, not Census population.

Figure 54: Projected population aged 75+ (Source: LHNA modelling, ORS)

	Total population 2023	Total population 2038	20-year change 2023-2038
RESIDENT POPULATION			
Household population	14,458	21,027	+6,568
Communal Establishment population	721	1,055	+334
Total Resident Population	15,179	22,081	+6,902
HOUSEHOLD POPULATION			
Living as a single person household	6,661	8,605	+1,943
Living in a couple or another type of household	7,797	12,422	+4,625
Total Household Population	14,458	21,027	+6,568
HOUSEHOLD REPRESENTATIVES			
Single person household representative	6,661	8,605	+1,943
Couple household representative	2,751	4,950	+2,199
Other household representative	1,494	2,317	+823
Total Household Representatives	10,906	15,872	+4,966

- 5.28 It is important to recognise that many of these extra residents will be aged 85 or over and likely to have increasingly complex care and support needs, including dementia, but also mental health needs and frailty related needs. It will therefore be necessary to consider the associated changes in the profile of housing need.
- 5.29 The household projections assume that the population aged 75 or over living in communal establishments will remain constant as a proportion for each 5-year age group, based on the rates identified by the 2021 Census (Figure 47). On this basis, it is projected that an additional 334 residents will need bedspaces to be provided in residential or nursing care homes in Wandsworth over the 15-year period 2023-2038. This is therefore the Use Class C3 need for Wandsworth.
- 5.30 Figure 55 considers the need for specialist older person housing for older households in Wandsworth over the 15-year period 2023-2038. All of the need set out below is for Use Class C2. This uses the baseline rates previously established based on existing supply (Figure 53) and considers appropriate target rates taking account of the range of different benchmarks identified by the toolkits.

- » The target rates are based on the higher of the existing rate and the average of (i) the baseline rate for the local authority, and (ii) the mid-point of the benchmark range..
- » Based on the identified target rates, the projected number of residents aged 75 or over at the end of the 15-year period in 2038 (Figure 54) is used to establish the overall gross need.

» The existing supply is then offset to identify the housing need for the 15-year period 2023-2038.

5.31 On this basis, there would be a need to provide an additional 1,241 specialist older person housing units in Wandsworth (equivalent to an average of 83 dwellings per year) of which 63% would need to be provided as affordable housing. The need for specialist Use Class C2 older person housing represents 5% of the overall dwelling target for Wandsworth.

Figure 55: Modelled Need for Specialist Older Person Housing in the London Borough of Wandsworth 2023-2038

Form of Provision	Existing supply	Baseline rate per 1000 persons aged 75+	Benchmark range per 1000 persons aged 75+	Target rate per 1000 persons aged 75+	Gross need in 2038	Housing need 2023-2038
Market Housing	271	18	-	35	736	465
Housing with Care	226	15	3-23	15	313	87
Housing with Support	45	3	25-50	20	423	378
Affordable Housing	2,015	133	-	133	2,791	776
Housing with Care	194	13	11.55	13	269	75
Housing with Support	1,821	120	50	120	2,522	701
TOTAL	2,286	151	-	168	3,527	1,241
<i>Housing with Care</i>	<i>420</i>	<i>28</i>	-	<i>28</i>	<i>582</i>	<i>162</i>
<i>Housing with Support</i>	<i>1,866</i>	<i>123</i>	-	<i>140</i>	<i>2,945</i>	<i>1,079</i>

5.32 This analysis assumes a continuation of current types of housing although it is unclear if older people will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other, newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand. However, it will form part of the mix whilst aligning with other needs and land pressures.

5.33 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market.

- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current need;
- » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs. If any of the existing stock is removed from the supply then this will add on a one to one basis to the needs for that property type; and
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service.

Interviews with staff: Older people and people with disabilities

- 5.34 The first point raised surrounding extra care in Wandsworth is that although there is a demand for extra care housing, the demand is probably not sufficient to justify building more extra care schemes. There are currently three schemes in the area with another currently being built. Data from other pieces of work show that by 2030 the area may need more units, but this does not correlate with the feeling on the ground where waiting lists and demand do not suggest a need for more units at present.
- 5.35 It can be difficult for people with physical disabilities to find accommodation that is suitable for their needs.
- 5.36 Working with the housing team is facilitated by an Extra Care Housing Lead, who seeks to promote extra care housing across all frontline teams. This helps to meet peoples needs and drives collaboration between teams. There can be a gap whereby people who already own their own property are not offered extra care accommodation.
- 5.37 Issues exist within existing schemes. While two of the three schemes are purpose built, one of the three does not provide a fully accessible adaptable environment. The landlord has been approached about this, but is reluctant to make major changes to the scheme. This reluctance may be for financial reasons, but that is speculation by the writer based on wider knowledge of extra care development.
- 5.38 In terms of geography, the extra care housing schemes are spread well across the borough with residents having good links to local amenities.
- 5.39 There are two private schemes within Wandsworth for older persons, these schemes provide similar services to those of the extra care team, but are able to provide additional services that the public sector cannot. However, these schemes do come at a premium cost.
- 5.40 There are no real waiting lists for those who are looking to move to extra care housing. The nature of extra care residents usually means that those who are looking to move to extra care housing usually need to move swiftly.

Accessible and Adaptable Housing

- 5.41 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).³⁶
- 5.42 Three standards are covered:
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

³⁶ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

5.43 In terms of new developments, Part M states that: “Where no condition is imposed, dwellings only need to meet requirements M4(1)” (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Wandsworth Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

5.44 In July 2022, the Government issued their response to a consultation ran in 2020 on the future of accessibility standards.³⁷ Paragraph 73 of the response concluded that:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

5.45 Previously, local authorities were required to assess the need to M4(2) accessible homes in their local area and develop policies to deliver these the properties. The Government are now proposing that all homes be delivered to M4(2) standard, which is also consistent with the London Plan, and therefore this evidence is no longer required.

5.46 However, local authorities are still required to assess the need for the higher M4(3) standard which covers the need for wheelchair adapted and adaptable homes, but Wandsworth have an adopted policy for this issue in line with the London Plan requirement for 10% of all housing to be M4(3).

Young people leaving care

5.47 A ministerial statement in May 2023 stressed the importance of providing accommodation for looked after children³⁸. The Statement refers to the NPPF requirement to consider the needs of different groups in the community and states that *Local planning authorities should consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment.*

5.48 Taking the average of reported numbers at 31st March 2021 to 2023³⁹ shows 184 young people out of 218 who were looked after when aged 16 and are currently aged 19 to 21 were living in suitable accommodation. This suggests that around 70 to 75 places are required for young people leaving care each year. However, what counts as suitable accommodation will depend on individual circumstances. Therefore, on top of this broad estimate of annual need, detailed planning with children and young people’s social care is required to ensure that young people leaving care are suitably housed.

Figure 56: The number and percentage of young people who were previously looked after and were suitably housed - average of 2020/21 to 2022/23 (Source: Wandsworth BC reporting to DfE)

Young people who are suitably housed	
% of young people aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	84%

³⁷ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

³⁸ <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

³⁹ [Browse our open data, Data catalogue – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/government/collections/browse-our-open-data)

Number of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	184/218
---	---------

- 5.49 Wandsworth Leaving Care Team have a good working relationship with Wandsworth council when it comes to management and support for vulnerable groups. There are good existing links across the council particularly around homelessness and other parts of the council. When planning new housing for vulnerable groups there could be some improvement in allowing for the care team to be in the room for some of these discussions.
- 5.50 The biggest challenge for the care team is volume, but there is a lot of social care offered for the children and young people. For care leavers the most important thing is safety. This can be a challenge in some areas of high rise flats and in some estates. It is also recognised that single care leavers with no children are only given studio apartments> At the same time, due to their circumstances, many have had an accelerated route to adulthood, which in itself can lead to them requiring more space. Another issue to highlight is that the waiting list is around 70 care leavers at the moment, with only 24 accommodations allocated a year, which will lead to the waiting list increasing.
- 5.51 Regarding the provision of private rented accommodation in Wandsworth the situation is better than in some other Boroughs, but could be improved, particularly the quality of the stock.
- 5.52 There is an issue with reciprocal arrangements. Although Wandsworth is seen as a desirable borough, some care leavers do need to move to a different area. If a care leaver wishes to move to Richmond, for example, this can be difficult to arrange. Wandsworth does have a strong offer for homelessness, but there is a belief that the corporate parent role could be taken one step further, ensuring that those who are homeless and need to live in Wandsworth are housed in Wandsworth. In addition to this, while there is considerable need for accommodation for young parents, only around four two-bed-properties a year are allocated to care leavers. This can mean that the waiting list can extend to over four years, exacerbating difficulties for young parents raising a family in small properties.
- 5.53 Finally, the Leaving Care Team wished to note that they feel how lucky and privileged compared to some other boroughs for the support they receive. The care team would prefer that sleeping night staff in the homeless hub should all be experienced in care for young people.

Studio Apartments and Co-Housing

5.54 Figure 43 identifies a need for around 649 market 1-bedroom properties in Wandsworth over the period 2023-38. However, this assumes that there is continuation of household formation trends in Wandsworth.

5.55 One very startling statistic from the demographic data for Wandsworth is that while the number of persons aged 25-34 years is projected to fall by 2,756 in Wandsworth (Figure 5), single person households aged 25-34 years are projected to fall by 3,490 in Wandsworth in the period to 2041 (Figure 8). At the same time, the number of 'Other' households headed by someone aged 25-34 years is projected to rise by 4,110. Therefore, there is going to be a significant fall in population and decline in headship rates for single persons aged 25-34 years in Wandsworth. At the heart of this issue is that many recent graduates and other young households will not form their own household immediately, but will instead share properties with other young adults. The increasing pressures for social housing and rising private rents have seen fewer young households living on their own and more living in HMO type accommodation.

5.56 One type of dwelling which may be seen as addressing this issue is shared housing with small purpose-built units with shared amenity spaces such as high-quality purpose-built co-housing rather than traditional HMOs. A succinct definition of co-housing is:

“Co-housing, a generic term, covers various forms of housing, owned and rented, that are developed and/or owned and/or managed by their residents as a distinct community”⁴⁰

5.57 Many co-living schemes are aimed at young professionals and young couples as an alternative to other forms of rent or as a stop gap to save for a deposit before buying. While more specifically, the definition of co-housing that we are using here is:

“the practice of living with other people in a group of homes that include some shared facilities”⁴¹

5.58 This study works to the definition above so as to be clear what is meant by the term co-housing without tying it in to any particular model. Nevertheless, co-housing or co-living can involve a greater level of community involvement:

“Co-living is a type of intentional community providing shared housing for people with shared intentions. This may simply be coming together for activities such as meals and discussion in the common living areas, yet may extend to shared workspace and collective endeavours such as living more sustainably”⁴².

5.59 However, the draft London Plan Guidance on Large-scale Purpose-built Shared Living (LSPBSL), January 2022 notes that purpose built shared living is not considered a long term option for most people:

“LSPBSL provides accommodation for single person households who choose not to live in self-contained houses, flat shares, or HMOs and may use this product on a transition basis until they find suitable long-term housing. Whilst LSPBSL provides an additional housing option for some people, due to the unique offer of this type of accommodation, it does not meet minimum housing standards and is not therefore considered to meet the ongoing needs of most single person households in London.”⁴³

⁴⁰ http://www.cih.org/resources/PDF/Wales%20Events/older_peoples_housing/Jon%20Stevens.pdf

⁴¹ <https://dictionary.cambridge.org/dictionary/english/co-living>

⁴² <https://en.wikipedia.org/wiki/Coliving>

⁴³ [Large-scale Purpose-built Shared Living LPG | London City Hall](#)

- ^{5.60} Given that Wandsworth is projected to see a small rise in single young person households, then the household projections would envisage little role for this type of dwelling, and this is reflected in our modelled size and tenure mix. However, as a policy led response to the increasing lack of housing for younger people in the area, the schemes could have a role in short term housing for groups such as recent graduates looking to establish themselves in Wandsworth as an alternative to living in HMOs.
- ^{5.61} At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of other households. It may be that dwellings are currently being built as family housing but are being occupied by sharing young households. However, some local authorities use Article 4 policies limit the conversion of family housing to HMOs⁴⁴. In the future, these properties could be re-used as family housing if high quality housing for single people or couples could be built. This raises the question of whether purpose built co-living schemes would have a place in a market where there was sufficient alternative single person or couple accommodation that meet minimum housing standards. Purpose built co-living could meet the needs of some single people and couples as a short-term lifestyle choice, but these individual people and couples will be looking to move to permanent accommodation of one form or another.
- ^{5.62} In conclusion, it is difficult to project a need for studio apartments or co-housing schemes aimed at young single person and couples because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit. The scale of the student numbers in Wandsworth would suggest that there may be a market for post-student self-contained units which could run in to hundreds of units and that this is likely in turn to reduce the need for larger market properties to be converted to HMOs, but LSPBSL provides short term rather than permanent housing. LSPBSL is also difficult to deliver alongside any affordable housing contributions and does not meet the need of those who are in affordable need. It is an alternative to market housing supply and HMOS at allow young households to form their own households. As with any active policy, there is a risk of an over-supply of LSPBSL because it will only assist a relatively small number of households form and release over forms of market housing such as HMOs.

Student Housing

- ^{5.63} PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.

Planning Practice Guidance, ID 2a-017-20190220

- ^{5.64} Wandsworth has two major campuses, one belonging to the University of Roehampton and the other, St George's University, operating from Tooting. However, the nature of the transport network in London implies that students can study in one borough but live elsewhere. The 2021 Census shows at lack of students at term-time addresses. The 2011 Census showed 965 all student private rented households, which is a relatively small number, but unsurprising given rental costs in Wandsworth. A further 1,973 students lived in communal education establishments. This includes boarding schools, but many would have been students in purpose built student accommodation (PBSA). Therefore, there are many existing students living in the

⁴⁴ Article 4 of the Town and Country Planning (General Permitted Development) Order 2015

area. Across the whole of London, it is estimated that there are around 91,000 PSBA bedspaces and around 350,000 full-time students. Therefore, Wandsworth provides around 1% of the total PBSA capacity and contains around 2% of the students.

- ^{5.65} Wandsworth provides us with details of recent planning applications involving PSBA from 2002-2023 . This includes two extensions to existing accommodation adding 75 units in total between 2020 and 2023 and a larger scheme which is projected to be developed in 2024/25 for 863 bedspaces as part of the Urbanest development at Palmerston Court in Battersea. This development is not being marketed on the basis of its connections to Wandsworth Higher Education Providers, but rather a number of inner London HEPs. However, almost all of the other applications approved by Wandsworth in recent years related to alteration or changes in planning conditions for existing accommodation. Therefore, other than the Urbanest development cited, Wandsworth has not been a location where PSBA has seen a significant focus to date.
- ^{5.66} In the London Plan, Policy H15 considers the need for Purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA, but does not allocate borough benchmarks or targets. The Plan states that the need will vary with changes in higher education provider' estates. If Wandsworth was to continue to provide for 2% of all students in London, this would equate to around 70 PSBA per annum.

4.15.2 The overall strategic requirement for PBSA in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period has been identified.⁷⁸ Meeting the requirement for PBSA should not undermine policy to secure mixed and inclusive neighbourhoods.

4.15.3 The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period with changes in higher education providers' estate and expansion plans, availability of appropriate sites, and changes in Government policy that affect their growth and funding.

London Plan, March 2021

- ^{5.67} The Greater London SHMA 2017 assumes that 2.5 additional bedspaces equates to the provision of 1 additional dwelling, which is in line with the Housing Delivery Test guidance, and there is no reason to diverge from this for Wandsworth.

Service Families

- 5.68 Paragraph 63 of the NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families:

Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing; families with children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

National Planning Policy Framework December 2023, Paragraph 63

- 5.69 There is no military base in Wandsworth which means that Armed Forces personnel represent a minimal impact on the housing market of the area.

People Wishing to Build their Own Homes

- 5.70 Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

- 5.71 For most local authorities, we would consider in detail the demand for self and custom housebuilding in the area. However, the current self and custom housebuilding register in Wandsworth contains a total of 33 people and this is being added to at a rate of around 6 persons per annum. Therefore, measured demand is extremely low. This is unsurprising in a densely developed area such as Wandsworth where land prices are extremely high. The Wandsworth Local Plan 2023, Policy SDS1 C.4, encourages self and custom housebuilding by 'Permitting self/custom-build and community led development, in particular on small sites, provided the scheme is in accordance with all other development plan policies.'
- 5.72 Meanwhile the supply of self and custom housebuilding plots between 2019 and 2022 was 25 dwellings. This is sufficient to keep up with on-going demand. Very few households will seek to self-build on land not currently containing housing and very few opportunities to do so will arise.

Essential Local Workers

5.73 Annex 2 of the NPPF also includes the needs of essential local workers:

Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.

NPPF – Annex 2

5.74 It is notable that the definition provided by the NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.

5.75 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. **Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.**

6. Conclusions

Overall Summary

Affordable Housing Need

- 6.1 The extant Wandsworth Plan sets capacity based housing targets for Wandsworth upon which this study is based. Wandsworth has a crucial role in seeking to meet the wider needs of London, but the situation in Wandsworth is complex due to income limits on existing affordable housing products. While incomes are higher than in some London Boroughs, house prices are also higher and, for many households, buying on the open market is not an option. At the same time, household incomes tend to be above those required to access the majority of intermediate products. There is considerable need for social rented housing. Under these circumstances, high numbers of younger households migrate out of the Borough.
- 6.2 Of the 26,315 dwelling total, the modelling process identifies a need for 14,601 of these to be affordable (Figure 43). This includes a current unmet need for 6,087 households who require affordable housing, predominantly because they are in temporary accommodation, hostels, are overcrowded or are concealed households (Figure 28).
- 6.3 In terms of the required tenure mix the following conclusions apply:

Affordable to Rent

- 6.4 There is an extremely high need for affordable to rent housing such as social or affordable rent. This accounts for the vast majority of the total need and the ability to deliver for this need is heavily constrained by viability factors. Figure 43 details a need for at least 8,223 Social Rent dwellings. This is 31% of the total need for 26,315 affordable and market dwellings of all tenures. In a net zero migration scenario, a total need for up to 17,223 Social Rent dwellings is identified, over two thirds of planned housing supply. In light of the particularly high need for social rented housing, and the fact there is a large unmet existing need for such housing, we would recommend the Council pursues a tenure split which maximises the delivery of social rented housing in the first instance.

London Living Rent

- 6.5 There is a role for London Living Rent in the housing mix in Wandsworth, but this is constrained by the fact that household income must be less than £67,000 to be able to access. Many households in private rent struggle to afford their rents, but have incomes between £67,000 and £90,000 and therefore cannot access London Living Rent. Figure 24 demonstrates that London Living Rent is more affordable than First Homes and Shared Ownership in Wandsworth and requires incomes of between £49,000 and £54,000 depending on the size of the property.

Shared Ownership and First Homes

- 6.6 While Shared Ownership and First Homes have a role to play in most local authorities housing mix, in Wandsworth they are too expensive to meet identified needs and should be largely replaced by London Living Rent and other intermediate housing options which are affordable to those earning £67,000 to £90,000 per annum.

Discount Market Rent

- 6.7 There is a clear need in Wandsworth for a discount market rent scheme where the household pays an annual rent of around £20,000 to £30,000 (£1,667 to £2,500 per calendar month). This would allow households earning £67,000 to £90,000 to spend one third of their income on rent while still being able a lower rate of rent than market prices.

Build to Rent

- 6.8 Wandsworth cannot influence any market rents set through Build to Rent schemes, but for the affordable component, 30% should be at London Living Rent rates and the remainder will require to be at or below LHA rates to ensure that their costs can be met from housing benefit.

Other Needs

Private Rent

- 6.9 Private rent is a very important tenure in Wandsworth. Continuing to monitor and enforce standards in the private rented sector will remain an important function for the Council. Given current affordability pressures, the cost of living crisis and high interest rates there is a real risk of a deterioration in the quality of the housing stock in Wandsworth.

Other Needs

- 6.10 The overall need for housing also requires to be set in the context of other policy objectives. For example, there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes as follows:
- » A need for 1,241 units of specialist older persons accommodation over the 15 year period, with 63% of this provided as affordable housing. Wandsworth adopted Local Plan commits to the London Plan target of 120 units per annum, which the London Plan requires for 10 years (1,200 units). If the target of 120 per annum is extended to 15 years, that would mean 1,800 units. We would therefore recommend to Wandsworth that the London Plan target of 120 older person units per annum be adopted, but to review the need in time to adjust policy at the 10 year point.
 - » The Government are now proposing that all homes be delivered to M4(2) accessible and adaptable dwellings standard, which is also consistent with the London Plan.
 - » It is difficult to project a need for studio apartments or co-housing schemes because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit.
 - » In the London Plan, Policy H15 considers the need for Purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA across London, but does not allocate borough benchmarks or targets.
 - » The current self and custom housebuilding register in Wandsworth grows by around 6 persons a year. Therefore, measured demand is extremely low. It is likely that very few households will seek to self-build on land not currently containing housing and very few opportunities to do so will arise.

- 6.11 **These dwellings are included and not in addition to the overall housing need.** All would contribute to the overall delivery of dwellings in Wandsworth.

Delivery options

- 6.12 Viability is a major constraint to delivering affordable housing in the borough, especially when considering Social Rented housing. The disposal of Council owned land for affordable housing is an option, but clearly with current budget pressures facing all councils the disposal of land must deliver value for money.
- 6.13 While the adopted London Plan targets for delivery on small sites was reduced from that proposed in the draft London Plan, given the scale of need in Wandsworth it is important to consider what contribution small sites could make to providing affordable housing. In recent years, Tower Hamlets, Hackney, Southwark and Brent have brought in contributions for small sites after Inspectors ruled them as justified. However, Lambeth, whose plan originally proposed small sites contributions was directed to remove this policy as it was inconsistent with national policy. Therefore, Wandsworth can seek to lower the threshold for affordable housing contributions to sites below 10 units and there is precedent in London for doing so.
- 6.14 A portfolio approach to affordable housing with affordable housing being delivered on alternative sites is a realistic way to increase delivery of affordable housing from small sites in Wandsworth.

Appendix A: Glossary

Glossary of Terms

Definitions

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

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

Affordable Rent is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents.

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

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

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

Concealed families are defined as; “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”⁴⁵.

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

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

Headship rates are defined by CLG as: “the proportion of people in each age group and household type who are the ‘head’ of a household”⁴⁶

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

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

⁴⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁴⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

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

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

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

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Households can be defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”.

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

Registered Social Landlord/Registered Provider see Housing Association.

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

Shared ownership see Low Cost Home Ownership.

Social Rented housing is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.

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

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leasehold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

Appendix B: Table of Figures

Figure 1 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	8
Figure 2: Flow Chart of the Study	15
Figure 3: Household projections for Wandsworth 2023-33 (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)	17
Figure 4: Average household size estimates and projections for Wandsworth for the period 1991-2038 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)	18
Figure 5: Population projections 2023-38 by 5-year age cohort for Wandsworth (Source: ONS 2018 based Population Projections, GLA 2020 Based Capacity Target Projections and ORS)	19
Figure 6: Total net change in households in Wandsworth for 2023 and 2038 (Note: Figures may not sum due to rounding)	20
Figure 7: Total projected change in households for 2023 and 2038 by age cohort of household representative (Note: Figures may not sum due to rounding)	21
Figure 8: Total projected households for 2023 and 2038 and change by household type and age of household representative (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)	21
Figure 9: Housing tenure trends for Wandsworth (1981 – 2021). Source: UK Census of Population	24
Figure 10: Housing tenure trends for Wandsworth (1981 - 2021). Source: UK Census of Population	24
Figure 11: Number of Households in Wandsworth by Tenure 1981-2021 (Source: UK Census of Population)	25
Figure 12: Number of Dwellings in Wandsworth by Property Type 2011-2021 (Source: UK Census of Population)	27
Figure 13: Weekly rent thresholds in Wandsworth (Source: Valuation Office Agency 2022-23; SDR 2023)	27
Figure 14: Weekly rent thresholds in Wandsworth 2018/19 and 2022/23 (Source: Valuation Office Agency 2018/19 and 2022-23; SDR 2023)	28
Figure 15: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Wandsworth (Source: ORS based on Valuation Office Agency data October 2022 to September 2023)	29
Figure 16: Maximum annual income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)	31
Figure 17: Real House Price Trends: Lower Quartile Prices for Wandsworth and for England adjusted to 2023 values using CPI (Source: ONS; Bank of England)	31
Figure 18: Lower quartile prices (adjusted by CPI) (2024) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	32
Figure 19: Median property prices by Wandsworth Ward 2023 (Source: ONS - HPSSA (House Price Statistics for Small Areas) Dataset 37 (median price paid by ward) for year ending Mar 2023)	33
Figure 20: Annual income thresholds for different housing options, single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)	34
Figure 21: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)	35
Figure 22: Total weekly costs for shared ownership based on different equity shares ((Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £30 per week. Cells highlighted in orange are above the lower	

	quartile private rent but below median private rent (though this does not appear in the below), cells in red are above the equivalent median private rent.)	35
Figure 23:	Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 5.5% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)	36
Figure 24:	Average Total weekly costs for London Living Rent (Source: GLA London Living Rents 2024/25. Cells highlighted in green are below the equivalent LQ private rent for 2022/23)	36
Figure 25:	Comparison of weekly housing costs by property size including any service charges (Source: Valuation Office Agency and Land Registry Price Paid Data)	38
Figure 26:	Establishing the need for market and affordable housing	40
Figure 27:	Assessing affordability by household type and age (Source: Census 2021 and DWP)	41
Figure 28:	Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)	44
Figure 29:	Flow Chart of annual components of growth analysis	45
Figure 30:	Annual change in household numbers in each age cohort by age of HRP in Wandsworth (Source: ORS Housing Model)	46
Figure 31:	Annual components of Household Growth 2023-38: Newly forming households (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	46
Figure 32:	Annual components of Household Growth 2023-38: Households no longer present (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	47
Figure 33:	Annual components of Household Growth 2023-38: Households moving into and out of need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	47
Figure 34:	Annual components of Household Growth 2023-38: Summary (Source: ORS Housing Model)	49
Figure 35:	Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)	50
Figure 36:	Households Current Tenure and Long-term aspirations for Tenure (Source: English Housing Survey 2013/4)	50
Figure 37:	Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)	51
Figure 38:	Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)	52
Figure 39:	Assessing total need for affordable housing in the Wandsworth 2023-2038 (Source: ORS Housing Model)	53
Figure 40:	Affordable homeownership housing mix by household affordability 2023-2038 (Source: ORS Housing Model)	56
Figure 41:	Overall need for Affordable Housing 2023-38, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	57
Figure 42:	Overall need for Affordable Housing 2023-38 disaggregated based on ability to access affordable rents and London Living Rent, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	59
Figure 43:	Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	60
Figure 44:	Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	61
Figure 45:	Overall Need for Market and Affordable Dwellings (including social and affordable renting) in Wandsworth 2023-43 for LHN with Reduced Out-migration for those in Housing needs (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	62

Figure 46:	Resident population and living arrangements of population aged 65+ living in Wandsworth by age and population aged 75+ (Source: 2021 Census)	64
Figure 47:	Resident population living in communal establishments by age (Source: 2021 Census)	65
Figure 48:	Household representative rates by age and household type (Source: 2021 Census)	65
Figure 49:	Existing dwelling stock in the London Borough of Wandsworth occupied by households aged 75+ (Source: 2021 Census; Specialist Housing Person Housing based on data published by EAC for 2024)	66
Figure 50:	Benchmark Figures for Specialist Older Person Housing	67
Figure 51:	Proposed tenure mix for 2038 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review	68
Figure 52:	Tenure splits for 2038 influenced by the affluence/deprivation ratio from the CRESR Model	68
Figure 53:	Existing Specialist Older Person Housing for the London Borough of Wandsworth	69
Figure 54:	Projected population aged 75+ (Source: LHNA modelling, ORS)	70
Figure 55:	Modelled Need for Specialist Older Person Housing in the London Borough of Wandsworth 2023-2038	71
Figure 56:	The number and percentage of young people who were previously looked after and were suitably housed - average of 2020/21 to 2022/23 (Source: Wandsworth BC reporting to DfE)	73