DRAFT NEW LONDON PLAN – EXAMINATION IN PUBLIC

Statement on Matter M17

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Housing requirement

M17. Is the need for 66,000 additional homes per year identified by the Strategic Housing Market Assessment justified and has it been properly calculated having regard to national policy and guidance?
In particular:
a) What weight, if any, should be given to the revised household projections due to be published in September 2018?
b) What weight, if any, should be given to the potential impact of Brexit?
c) Has the Mayor adequately considered increasing the total housing figures in order to help deliver the required number of affordable homes in accordance with the PPG (ID 2a-029-20140306)?

London Forum believes that the SHMA has been calculated on the correct basis for London, which has limited capacity of land for new housing, even with densification of the suburbs. The increase in the housing target for London from 42,000 homes annually in the current London Plan to 66,000 in the draft new London Plan seems reasonable due to the failure to deliver both the number and types of homes required for many years.

The GLA 2016-based demographic projections were released in July 2017 and include a range of projections for different purposes. The technical seminar indicated to London Forum that they formed a good evidence base for the 2017 SHMA and draft New London Plan.

National policy and guidance do not take account of the circumstances in London, where the objectively-assessed need at the London level informs the housing land requirements. Unlike areas outside London, where this may lead to identifying the need for a 5-year land supply of housing sites, often mainly greenfield sites, in London, where 95%-100% of identified sites have been previously developed, the borough housing targets are based on local capacity, not local need. The London-wide need is then distributed to boroughs according to their ability to accommodate this need.

M17 a) There are no 'revised household projections' in the EiP Library NLP/GD section. That is probably because the latest ONS Household Projections for England 2016 based were only recently published on 3rd December 2018.

For London the projections suggest a 33% increase in households with two or more adults; a 30% increase in one-person households and a 13% increase in households with one dependent child. Households with two and three or more dependent children will increase by over 5%, compared with declines in some other regions.

For England, the fastest growth in one-person households is projected to take place at the very oldest ages, particularly for men. The number of households with someone

aged 90 years and over living alone is projected to more than double from 241,000 to 588,000 between 2016 and 2041 (Figure 2), with the proportion that are headed by men increasing from one in four, to one in three.

Presumably the GLA will be considering the updated ONS projections before the EiP commences.

London Forum considers the increase in older people will be a significant issue for their requirement for suitable housing. There have been too few housing schemes devoted to their needs in schemes from independent living through assisted living to bed care. As a result considerable existing housing stock of up to six-bedroom housing is occupied by a single elderly person and, if released, would provide homes for families or for conversion into flats.

In London the Private Rented Sector is becoming unacceptable in some areas of deprivation for the poor and unmaintained accommodation it provides and the lack of reasonable periods of tenure. Some landlords are selling properties due to recent tax changes for them. That emphasises the housing requirement in London for low cost rent and London Living Wage homes which the SHMA indicates need to be two to three times the annual rate of supply that has been achieved for the past seven years in parts of the capital. The backlog of need has become serious but the draft NLP aims to clear it in a longer period than previous versions have attempted.

M17 b) GLA officers made clear at the Technical Seminar that, despite all their research and resources, they have no clear idea of the effect of Brexit. Reduction in migration of people from the EU and from other countries to meet Government targets could have an effect also.

If homes continue to be unaffordable to many Londoners there will be more people moving out of the capital.

M17 c) Yes – the Mayor is proposing to increase the annual target from 42,000 to 65,000 and is seeking to increase the proportion of affordable housing, but he will need to change the mix of housing delivered.

The percentage of market homes built in recent years has exceeded one hundred and thirty percent of those needed, whilst there has been a shortfall in the delivery of affordable units. According to the Mayor's AMR September 2018, 7,300 total affordable homes of all types were delivered in 2016/17 against a target of 17,000.

The AMR indicates that the share of affordable housing has fallen to 18% of net housing supply, continuing the annual shortfall and driving the 2017 SHMA figure for affordable housing to 65% of all new homes.

Unless NLP policies increase the percentage of low-cost rent homes to 47% of the total, as indicated in the SHMA, there will be an increase in out migration - which is driven also by the high rents, overcrowding and some sub-standard housing in the Private Rented Sector.

NLP paragraph 1.4.2 describes it as "worsening housing affordability issues, overcrowding, reduced labour market mobility, staff retention issues and longer commuting patterns."

Rather than just increasing total housing figures, the Mayor will need to significantly increase affordable housing delivery and NLP policies must facilitate that.