

A CITY FOR ALL LONDONERS

Extra Housing Workshop
21st November 2016, 4.30pm – 6pm

Affordable Housing Tenure Table 2 Session 1

Facilitator in bold facilitator – comments in bold

Respondents in regular text

These notes are a summary of the conversation

Alan Benson & Andrew Russell – Greater London Authority

Jessica Jacobs, Queen Mary University of London

Michael Forbes, Parish of Walthamstow

Tony Linforth-Hall, 35% campaign

Dayo Gilmour, Rap23 – Reducing Air Pollution on the Westway 23 acres

Marie Bernard, CFG and Just Space

Johnathan Rosenberg, West Ken Gibbs Green Community Homes

Nick Perry, HTA Design LLP

Meenakshi Sharma, NOISE

There are three questions for today I'd like to address: affordable housing, suburban densification, and meeting a range of housing needs. How should the London Plan deliver the Mayor's commitment to ensure that half of all new homes are genuinely affordable? What affordable housing tenures would best meet the needs of Londoners? How can the London Plan encourage mixed and balanced communities?

One of the things I'm really curious about is the Mayor's idea. What is the vision, because when I see half of all new homes to be generally affordable, what are the other half and how do they come into the discussion?

The other half would be market housing.

I would like to see a bigger vision for London, and for the Mayor to have that in the London Plan. It's hard to say what is generally affordable when you have a market outside of the discussion that isn't factored into it. What is happening to council housing? Is it the end of it? Is this a kind of roll out? What are we seeing here? Is it a new kind of housing, a new kind of social rent that will start a new kind of rent contract between the government, the private developers, and us? We need something different because we're in a different world, but we need to have a conversation with the past as well.

There is mention of this in the London Plan in terms of equality for new homes. So it's not just limited to the 50%. We have strong design aspirations for the other half, but the funding isn't delivered to make them all affordable. So we do need the market to deliver homes for sale that people want to buy. Build to rent is an area where we're trying to give more quality guidance.

You mentioned three kinds of tenures: starter homes, living rent, and social housing.

One is shared ownership, social rent (council housing), and London living rent (a third of average income at the borough).

What is the relationship between those three? Is there any mobility between people who want to move out of one to another?

Social rent is a submarket product that is designed for people who want to eventually move into shared ownership. The other 50% are affordable for people who want to buy them. 50% of Londoners can afford to buy in the current market, they don't need a subsidy. But the other half we do need to subsidize. Regarding council housing, if we delivered a third of homes, local authorities could deliver that. Government policy could have a damaging effect on social housing, there isn't doubt about that, but we have to wait and see.

The state of affairs is that developers say that they want to develop a certain site, then say they can't afford to put in affordable housing and the council goes along with that. I don't see any mechanism – an economic one – to get from there, which is where we are at the moment, to a place where developers are going to say to authorities that yes, they can after all. The homes for Londoners scheme consists of council leaders and viability assessment who are the usual suspects, and I don't see them contributing to this process of getting from where we are to delivering what is the overwhelming requirement, which is more social housing.

The viability of the team here will be working for us, not for developers. But you're right, there is a huge challenge there. The average affordable housing is about 32% delivery. In the last year, the number of homes was 13% affordable. At the moment, we can only work within the existing London Plan by law (Boris' London Plan), but next year we can work from a new plan. What we're doing at SPG is how we can address affordable housing to drive it up to 50%. We are setting a threshold for developers at 35%. If it's less than that, we're going to make it very difficult until they do make the threshold. Then we will push it from 35 to 40% using a grant we've received. So we have some mechanism, but we'll see.

Southwark have a published policy of 35%.

In the new London Plan, when you say that the Mayor has to abide by certain laws that are in Boris' London Plan, does that continue to have the definition of affordable housing? Because I find it utterly offensive as a definition and would like to have it struck down. I represent a lot of people who feel that the term means they cannot afford housing and feel like trash. Also, you reminded me of the Housing Act and that a certain person took out certain possibilities of building council housing. Is that still true that the government prevents the building of this council housing?

It's not that it's banned by the government, but it is very difficult for councils to build it. In our last funding program, we funded twelve councils to build and hope that in the forthcoming plan we can do more. In the current London Plan, there is

also national guidance as well, and we can't throw either away because it is national policy. We do want to be clear that the new London Plan moving forward that the mayor will deliver affordable products. As a term, though, it will carry on but hopefully it won't be such a tainted term.

I live in a council that is doing everything it can to let the estates go to ruin so they are destined for redevelopment. A lot of people are campaigning to stop this from happening because they will lose their homes and it's breaking up community. It's public land. If there was redevelopment to provide more social housing, we couldn't really fight it. Because it's to be redeveloped and sold off (in Kensington and Chelsea), what actual power does the Mayor have? Is it suggestion? We are fighting and losing our public library to a public school. We've lost a college of vocational training for young people. When there's whistle blowing, we have to catch up and it's a typical thing happening all over London. So what power does the Mayor have?

In the London Plan, the Mayor sets out all policies for London. So in things like community assets like libraries, we have influence. He does have referral power on all the re-planning applications, to determine if they comply with the London Plan.

What's the threshold for that?

150 units, and 1000 square meters for commercial space. It means that the Mayor genuinely sees all these large scale developments in London.

The Mayor also wants to publish a better practice guidance on how to consult with the community, how to compensate for these losses. This will get written into our planning documents.

You covered housing density in the presentation. That's a major concern for me. The ocean town center is highly dense to an appalling manner. The penny doesn't drop until you see these things going up around you, and by then it's too late. The people who design these things don't live in the area, and if they did they wouldn't be able to continue with the transformation which is happening for the worse. I see the point about existing properties and engendering conversions, and I don't have a problem with that, but what I see in my town center appalls me. What protection is there in place? I thought we were getting rid of all these tower blocks and having people cooped up in such small areas. I'd like to see things put in place to actually protect us.

Who's actually dealing with quality?

When the geomakers kicked off, quality of life was a big issue. That seems to have disappeared. There doesn't seem to be any relationship between densification and quality of life. Lots of people in London are feeling oppressed by the scale of development. It's becoming more and more uncomfortable to live in London. We can't just say that we will always seek to meet demand – that's madness and a waste of time. The notion that we're going to reduce prices by increasing supply is a load of toss. It's time that the policy makers start to address it.

The Mayor is in favor of higher density development and sees it as key to meeting London's housing needs. But it doesn't apply to all of London's building. It's not a prerequisite, and the next London Plan has a lot of design quality standards. In the City for All Londoners document, he's interested in revisiting where tall buildings are taking place. In some areas they are inevitable, and they should benefit the local

community and enhance the townscape. We are very aware of the planning mistakes of the past and don't want to repeat those.

There was a time that London didn't plan to meet this growth. From the 1940s to the 80s, the population was pushed out to decrease pressure on the city's density instead of adding to the center. Now it's seen as a benefit in the current planning policy.

I wanted to raise a couple other points. In the viability of things, it would be the right thing to publish data to hold developers responsible. Secondly, you mentioned the policy on estates regeneration, which is very welcome, but I'm concerned about it because what's upset people is that a number of local authorities have sought to impose schemes against the majority wishes of residents. So is the Mayor actually going to consult on this policy? Otherwise it would be mad to impose a policy without consulting the people. My third point is on the notion of support of communities of housing. What would this actually entail?

We do intend to publish the guidelines and consult on them. The only reason we are publishing early, a draft around January, is to consult on it.

There should be three months between this and official policy publication. That's best practice.

We're going to put out a statement which will encourage bids for community housing.

What portion of subsidy are you looking at?

It depends on what bids come forward for that and what's viable. It'll be open to a range of community housing initiatives. Higher density also doesn't mean lower quality of life.

I'm not arguing against higher density per se. I'm just making the point that people are upset by what's going on and it's affecting them negatively.

Three small points: I do think we need to recognize that the market has become overinflated and we've entered that cycle around land value. The fact that pipeline exceeds delivery can be accounted for by the fact that people are just trading around planning policy now. What can we do to deflate the demand? The more power that local authorities are given, or the more persuaded that they can be to push back by the mayor setting an example through policy or otherwise, the better the result will be. In the end, this is land economics. The developers should come forward with things that meet public policy and it will improve. And on the point about 50% of Londoners, we should ask whether these are the right kinds of Londoners, because we need to acknowledge that people have been pushed out of the city. People who purchased housing in the '80s, for example, are then pushed out to make room for new incomers because they were provided an incentive to do so. We need to question if we are pushing out the people who can afford to live in London through incentives. The living rent product is a part-ownership thing, and I wonder if that is fundamentally right. It's a very English notion, this kind of castle mentality, that we have to own our place. Also, it's nice to hear that we might use this grant for additional affordability above 35%, but is it absolutely clear that that grant will be used for that?

We will make it very clear how we get affordable housing, and then how we can push more affordability through the grant. About the 50% question, it's about the 50% we need, not the existing 50% that are sitting on their homes. It's about the growing population and new households. It's a projection, but based on information we have

at the moment on people's incomes. About whether the market is inflated, I'm convinced that the market will crash at some point.

Through the new affordable housing guidance and the London Plan, we are looking at how affordable housing feeds into land value. Firstly, in a viability appraisal, developers typically use a benchmark for what a site is valued. We're toughening that up to make sure that developers don't disregard what policy states by giving clear guidance about the level of affordable housing that's required – the 35% – and if that isn't met, they will be subject to a review mechanism.

You were saying at the beginning we're in uncharted territory in terms of population growth. How much growth can the city sustain? We have had Brexit, which hasn't been mentioned yet. What is the implication of that for London? Where I'm from, Redbridge and the South, the growth of it has been 45% from international migration into our area. We've also got the one liner about the green belt that shuts down the debate entirely. From my borough, which at one-third green belt, half of our wards are in the top 20% of affluence, and half are in the bottom 20% of deprivation and it all correlates with the green belt areas. So we have very affluent areas with lots of green belt and are protected, and areas where the bottom 20% is where all this intensification is happening. So we are creating more and more of a divide between those who have and those who don't, and it's all in terms of space. High density can be great, maybe in Singapore, but there's evidence here that in poorer areas, high density leads to low quality of life. There are large numbers of families there, and it's not the right environment for young children or the elderly.

Affordable rent is a very small portion of what's been achieved in recent years.

We have 50% affordable housing target, but it was at 80% market rate. We've had a miniscule amount of it. So if you don't implement these policies, it means nothing. What has happened is in Redbridge we've created more than 9,000 new addresses in the past eight years, so we've met the target, and what that comprises is a lot of high density buildings which have been taken by international migrants, and a lot of houses that have been illegally converted – beds in sheds – and people are living in these conditions. How can you make it so people can have something decent at an affordable price?

In the interest of time, let's move onto the next topic, unless people would like to stay on affordable housing.

About Brexit: it will be undoubtedly be damaging for the UK and for London. But we have to continue on with policy. And about the green belt itself, if the Mayor chose to make the decision to build the green belt, he would be overruled anyway so it just ends up being a bad political decision. Lastly, on the high density and high rises, in recent years, the high rises are overwhelmingly market housing and very popular with those who live in those homes.

But the quality is very different from social housing high rises.

People are choosing to live there because there's no choice.

It's not because there's no choice, it's because people want to live there. If you look at areas of the UK with the lowest quality of life, London actually has a higher quality of life comparatively. All past three mayors have agreed that we can densify and build more homes here.

People do want to live at high densities, but there are different needs of people and different typologies which is where the social housing comes into play. So it's about getting a different mix.

I don't believe at all that the high rises are where people are choosing to live. It's mostly foreign investors who are buying it for the real estate value. Going back to the question I asked about the mechanism to get more social housing before, I'm concerned that there is so much of a pipeline at the moment that developers don't have any need to bring forward any projects that they don't see any enormous return in. A couple weeks ago, I asked developers for proposals for social rent housing and didn't get any response at all.

I did mention in passing that the Mayor is commissioning research to find out what is happening with those homes that have been bought by overseas investors. We have a few universities bidding to work with us on that. Most of what we know now is anecdotally based. We do think that the majority of these investors do rent them out.

I grew up in a tower block, and there was a certain era when tower blocks were made for council housing and were very well designed. The world was a different place. They were built for families. There were a lot of Afro-Caribbean families where I lived, which would never happen now. I think there's a massive problem now with proposing tower blocks, ugly buildings with small windows that look like they've been made of plastic. Going back to community, is there anything you can do to prioritize the bidding of communities for their land? Because it is very difficult for us to get together the millions required. And it's not profitable for developers to develop social housing. So I'm talking about me with 100 other people to create a self build, and we would like to get priority on that. There has been rent capping in my area (Kensington and Chelsea), and families are moving out and communities are breaking down. Schools are being affected, because they're being forced to become academies. There's a lot of these kind of things happening to people who really need housing. It should be about community engagement, not box ticking. We're all aware that because of redevelopment and councils that they're pushing us all out. How can you propose that cooperatives have power if there's a rebuild or development, that they can go for it first?

There are some policies upcoming where group communities can register their interest for a self build plot. And we are working to ensure that there are suitable plots. We don't know how this will work in practice yet.

We are funding co-housing schemes in London at the moment. We are keen to fund more, but it is quite difficult to work with communities; it's the local authorities who can do it more effectively than we can.

But about the bidding, if you empower people to understand what hoops they have to jump through, some will be motivated enough to do that. But if the developer gets the advantage, then what's the point?

You can't expect private developers to build social housing. You have to enforce it.

I'm from a group that has published a report about how housing cooperatives can be one of the responses to this housing crises, which is better described as a land crisis. It's very different from co-housing. 0.6% housing in the UK is quite tiny, but has interest because it escaped the extremities of the housing bill. I wanted to go back to this 35% and the policies you might have to push private developers to stick to the levels. You said you're putting in place controls to do

it, but it's important to think of why they're not doing it. It's not all about money. There are potentially other reasons. And there are lots of foreign investors coming in and taking advantage of the inflated property sector, but I also know a lot of people who happen to own their own homes through the fact that they bought their house years ago when houses were three times their income as it should be. So they're starting to buy houses now in Wood Green, Redditch, Zone Four and Five, and are becoming middle-class landlords as they're renting these places out. And they're all amateurs and don't have any guidance or knowledge of what they're doing. They're just in it to make a profit. All the people here represent communities, and when you talk about housing it shouldn't be talked about in terms of units but rather communities. What kinds of communities does the Mayor want to support?

You're absolutely right. The transition of London has been quite striking over the past twenty years, as well as the rise of the number of people who own two or three homes and are renting them out. We're seeing unprecedented growth in the private renting sector. If we carry on the same way, in 30 years, we'll be at the point where 10% of people own London's properties and the rest of us are renting.

Regarding the 35%, I get the sense that developers just aren't interested in meeting that goal.

The point of putting that threshold in force is making it clear to developers that there is some sort of viability to getting to that point. The Mayor has made it clear that we should put that message out there, and we are starting to see results. So it's about bringing everything up to the same level, and getting everyone to think that if they don't reach that 35% they won't get permissions.

We should publish who isn't making that 35%.

Through the SPG, until we make it clear to developers and clients, we cannot publish that information. So we have to make it clear first that we are going to say that.

There has to be a link with density to infrastructure. It needs to be proved. It can't just be about taking away hospitals for example. There's already a huge strain on GPs. It has to be quantified. Population density matters. About cooperatives and right to build, you're relying on people having time and skills. So many people, especially the poorer ones, are just struggling to survive. It's just about managing. They don't have the time or experience or skills. You can't rely on communities to do it. You'll only have it happening in the small areas where people have the time and money and skills to do it. But the majority don't have the ability to do it. Can you please change to policy where more expensive boroughs are sending their homeless to the outer boroughs like Redbridge, and those boroughs in turn are sending them out to places like Kent. It's mindless.

If you look at the statistics, it's extraordinary how many people move around London. People tend to move across rather than out. There is a battle between the boroughs, and right now Newham procures more people from outside the borough than any other.

It's so important, otherwise you're not helping anybody. You're breaking up communities everywhere.

Going back to private renting and people making a fortune on that, it's creating a rich/poor divide. Also you said something about giving councils more power, and I immediately recoil from that. Kensington and Chelsea knocked down their town hall years ago themselves because

they didn't get permission to do it. People at the top of the hill are voting for the council to continue. Boundaries have been changed, and the poorer people's voices go unheard.

Generally, the Mayor's relationship with differs from borough to borough.

If planning comes down from the Mayor, to voice a reality, these are the problems we are living with because of councils who do what they want.

We're over the time limit, but this has been very productive. We've made copious amounts of notes and I encourage you to contribute to the conversation and look forward to the next draft of the London Plan. Thank you for attending.