

Monitoring the Mayor's housing commitments

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Key points

- London needs 66,000 new homes each year. However, in recent history, nothing like this capacity has ever been delivered. In 2016/17, there were around 41,000 net additions to London housing stock.
- Less than 5,500 affordable homes supported by the Mayor were completed in 2017/18, compared with an average of over 10,000 per year in the preceding decade.
- The Mayor has secured £4.82 billion in government funding for affordable homes. He has committed to starting 116,000 new affordable homes by 2022. In 2017/18, 12,555 affordable homes were started on site. This narrowly exceeds the bottom of his targeted range for the year (12,500 – 16,500).
- Almost half of London's need (47 per cent) is for homes at social rent. But only 14 per cent of all starts recorded to date this mayoral term have been for social rent.
- The Mayor's support and funding to tackle rough sleeping has seen some success, with a drop in rough sleepers in 2017/18.

About this report

This report is predominantly based on GLA published affordable housing statistics showing performance from April 2017 to March 2018.

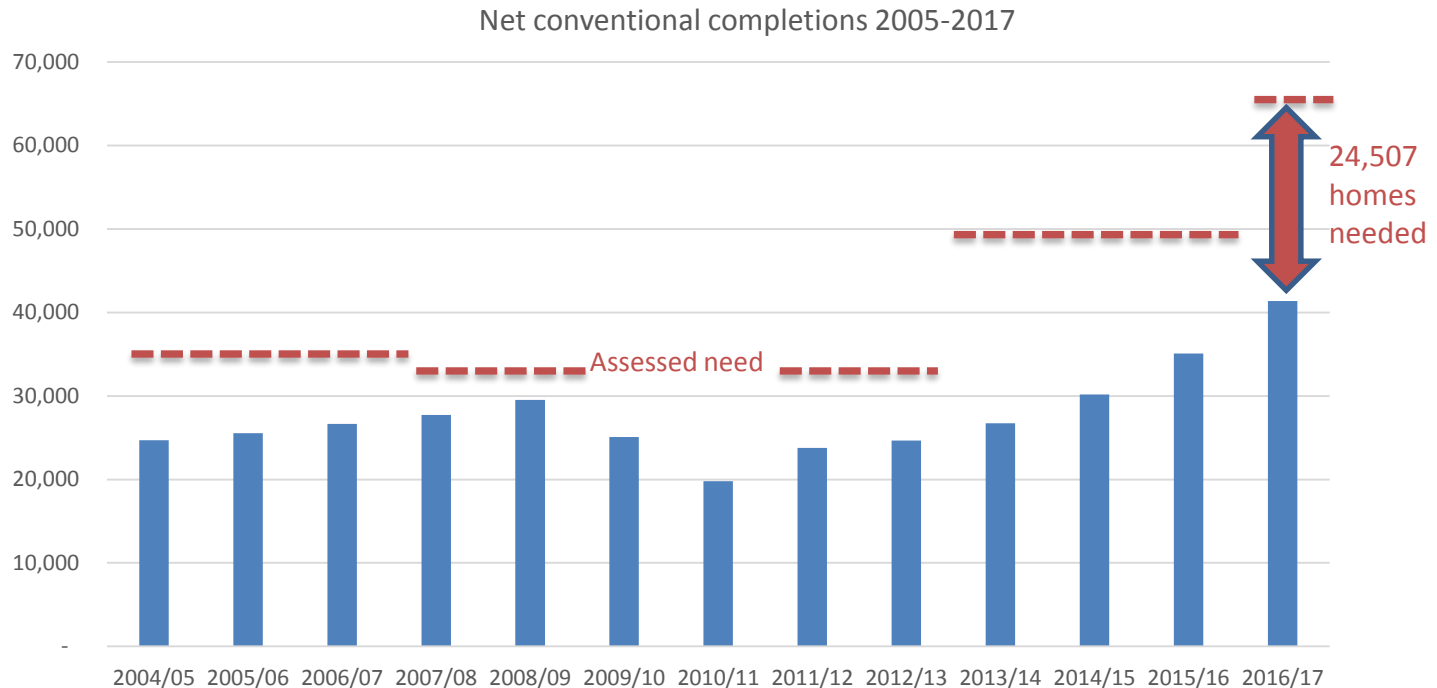
We will use this report to track the Mayor's commitments annually.

Net additional homes

The Mayor's 2017 Strategic Housing Market Assessment finds that London needs 66,000 net new homes per year. **London built around 25,000 fewer net homes than were needed in 2016/17.**

Net data takes account of gains and losses to housing stock through demolitions or changes of use. Gross data only records new gains.

London has consistently built fewer homes than needed. The current gap is larger than ever.



The net requirement for new homes in London between 2016 and 2041 is estimated to be 65,878 homes per year. In 2016/17, 41,371 net new homes were built in the capital. London has never recently been further away from building the number of homes it needs.

Around 70,000 planning permissions were granted in London during 2016/17. We need to see more of them turning into completed homes.

Affordable homes

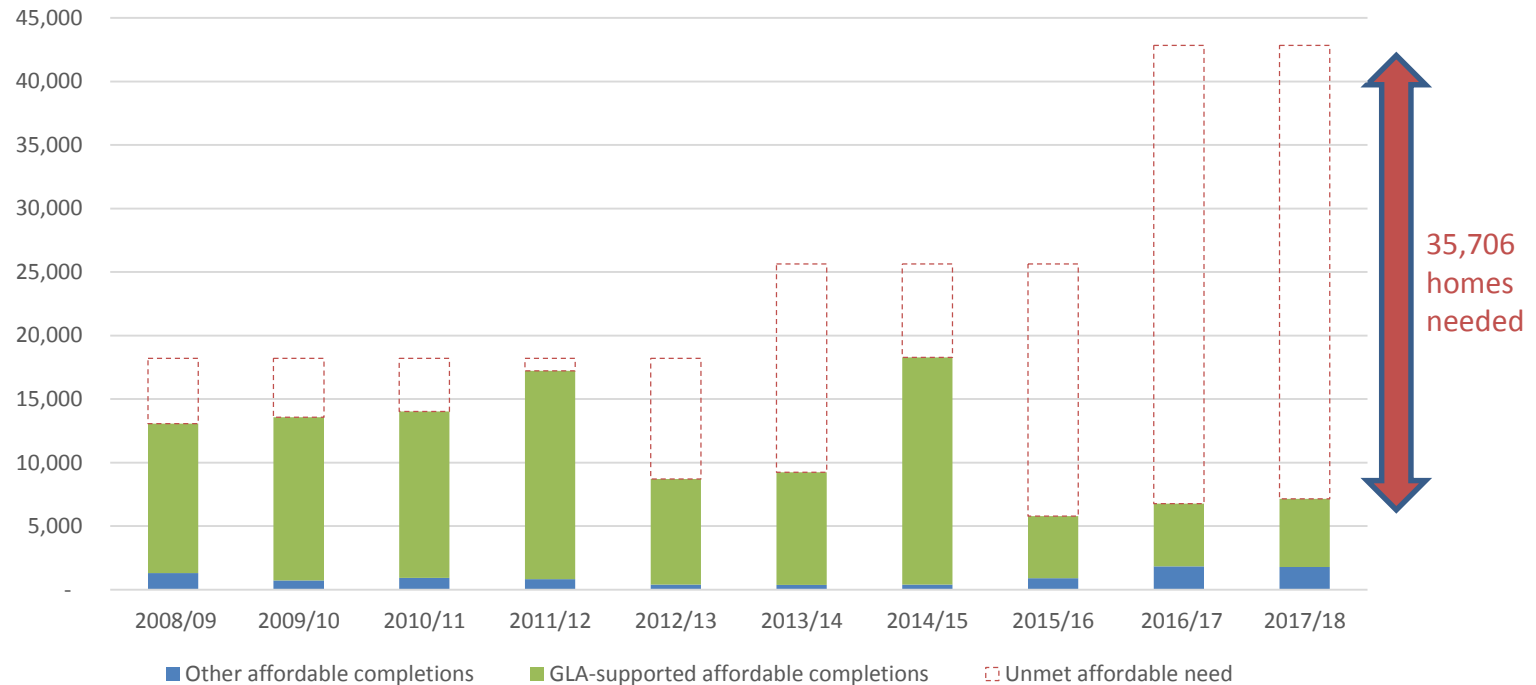
Most of London's affordable homes are part-funded by mayoral funding.

Others are built by the private sector as part of their planning obligations for new developments, by the boroughs using their own funding and by housing associations via cross-subsidy from other parts of their development programmes.

In 2017/18 just over 7,000 affordable homes of all types were built in London, leaving around 36,000 in unmet need.

London has never built enough affordable homes. Since public grant levels reduced, unmet need has soared.

Affordable completions vs need 2009-2018



London needs 42,841 new affordable homes each year between 2016 and 2041.

In 2017/18, just 7,135 affordable homes were built in London, including those part-funded by the Mayor and those built using other funding.

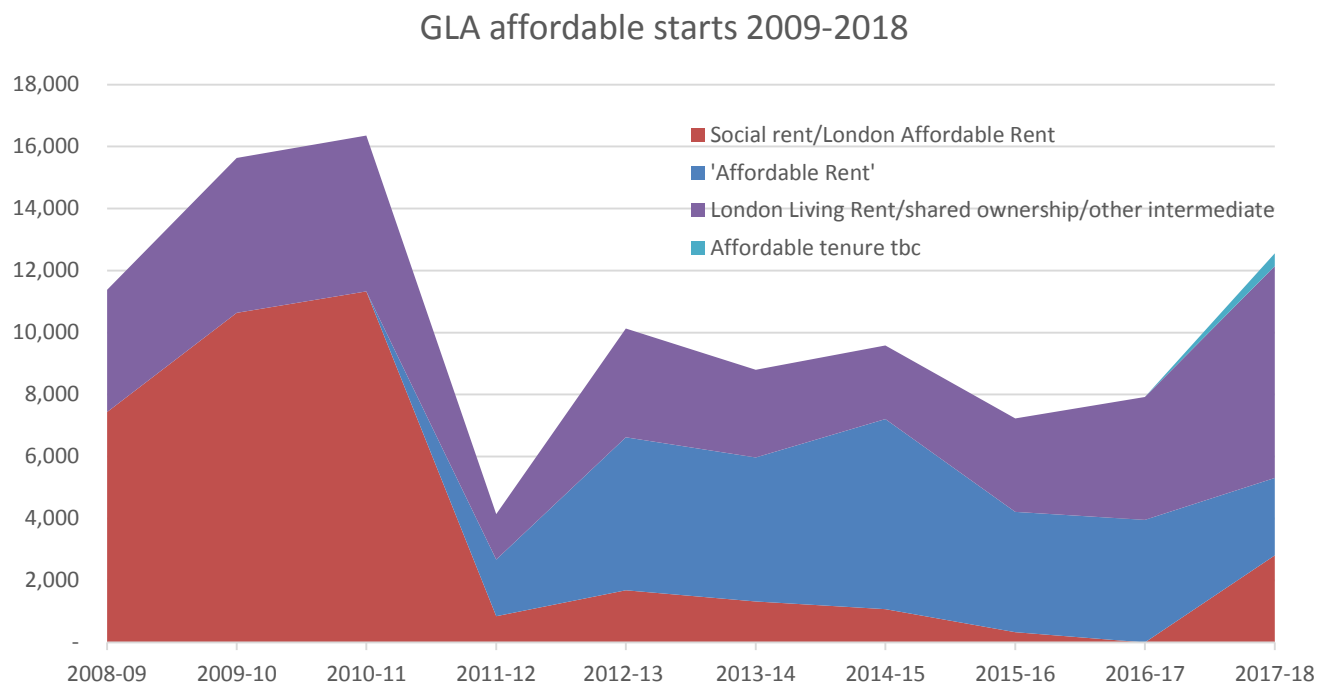
Affordable housing starts part-funded by the Mayor

The Mayor has secured £4.82 billion of government funding to start building 116,000 new affordable homes by 2022. In 2017/18, 12,555 affordable homes were started. This narrowly exceeds the bottom of the Mayor's targeted range for the year (12,500 – 16,500).

Affordable housing definitions

- Homes at a wide range of rent or price levels may be called ‘affordable’. The term is defined by the Government, but the Mayor has three preferred affordable tenures.
- Of these preferred tenures, London Affordable Rent (LAR) roughly corresponds to traditional social rent at around 40 – 60 per cent of market levels.
- The Mayor’s other two preferred tenures are both intermediate ie sub-market tenures aimed at middle-income Londoners. Intermediate rents or prices must be at no more than 80 per cent of market levels.
 - London Living Rent (LLR) offers time-limited tenancies for up to ten years, when tenants must be ready to buy their home, perhaps through shared ownership. LLR is based on a third of average local household incomes, adjusted for the number of bedrooms and local house prices.
 - Shared Ownership (SO) offers households, earning up to £90,000 per year, part-purchase of a home, with a below-market rent on the unbought share.
- Other ‘Affordable Rent’ homes continue to be built under previous funding programmes with rents of up to 80 per cent of market levels.

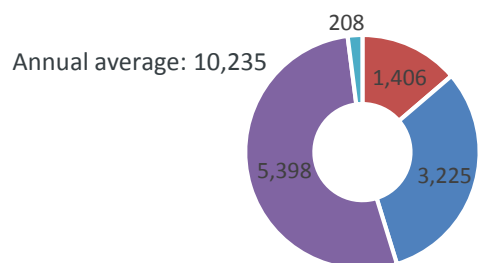
We have begun building for social rent ('London Affordable Rent') again, but still only one fifth (22 per cent) of affordable home starts were for this low rent level in 2017/18



At the high point in 2010-11, two thirds (69 per cent) of affordable homes were at social rents. We need around 31,000 homes each year at this low rent level. Last year, the Mayor part-funded 2,811 starts at social rents. This is far fewer than we need, but it is the highest number of social rent starts since 2010/11. However, during the first six months of 2018/19, just 461 new social rent homes have been started.

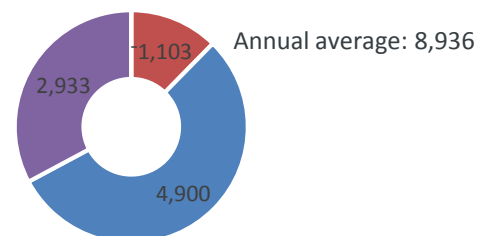
During 2017/18, 12,555 affordable homes were started. The annual average number of starts over this mayoral term is 15 per cent higher than the average over the last mayoral term. But London is currently on track to build many more intermediate homes than are justified by the need

Annual average affordable starts during **this** mayoral term (2016/17-2017/18)



- Social rent/London Affordable Rent
- 'Affordable Rent'
- London Living Rent/shared ownership/other intermediate
- Affordable tenure tbc

Annual average affordable starts during **last** mayoral term (2012/13-2015/16)

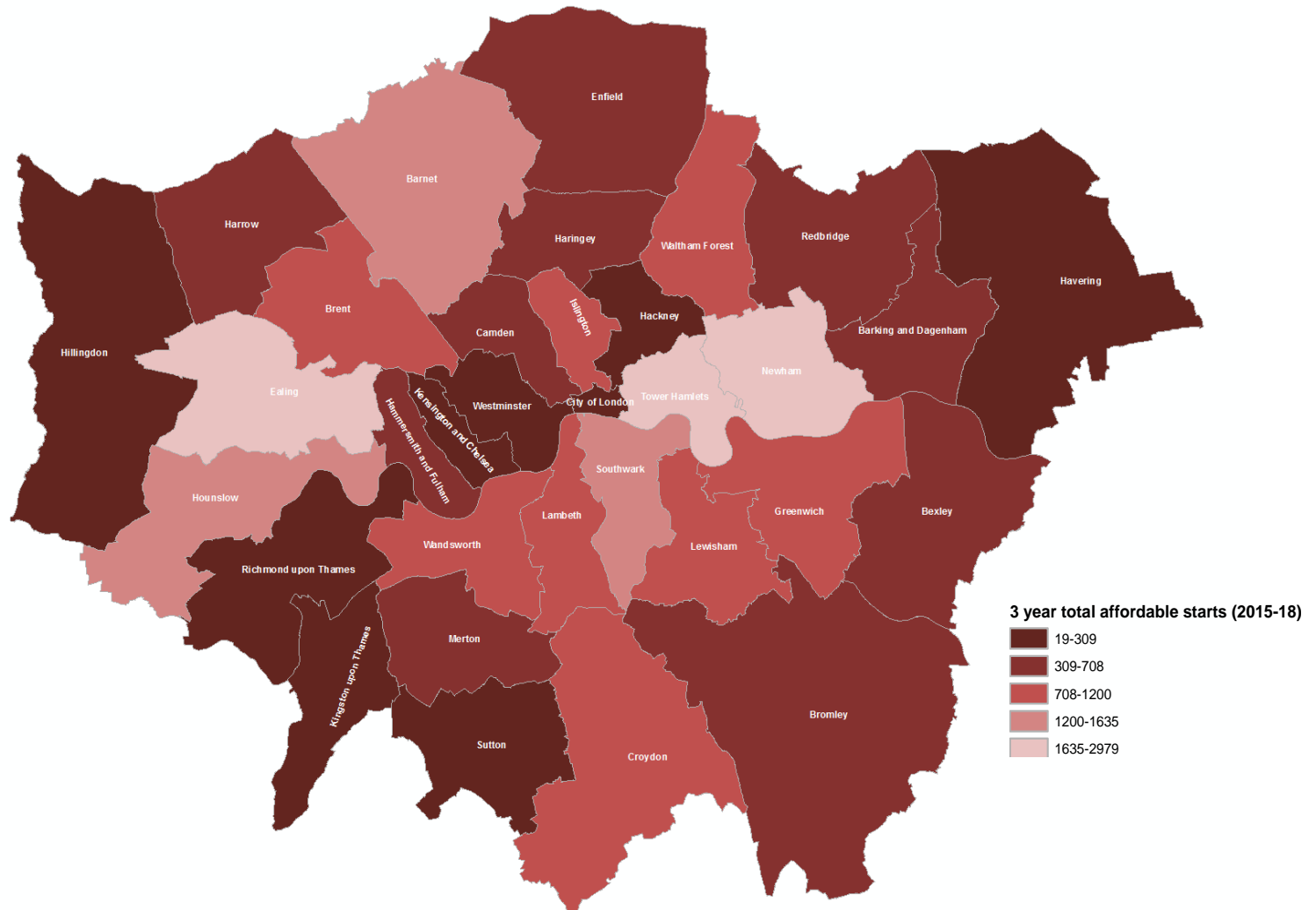


- Social rent/London Affordable Rent
- 'Affordable Rent'
- London Living Rent/shared ownership/other intermediate

Over half of the affordable home starts recorded to date this term (53 per cent) will be for London Living Rent or shared ownership. Their final tenure will not be decided until the point of letting or sale. But only 28 per cent of London's affordable need is for these intermediate products, aimed at middle-income Londoners.

LONDON ASSEMBLY

The largest number of affordable housing starts in 2017/18 were in Ealing, Newham and Tower Hamlets. These three boroughs also started the most affordable homes over the three years 2015-2018.



Affordable housing completions

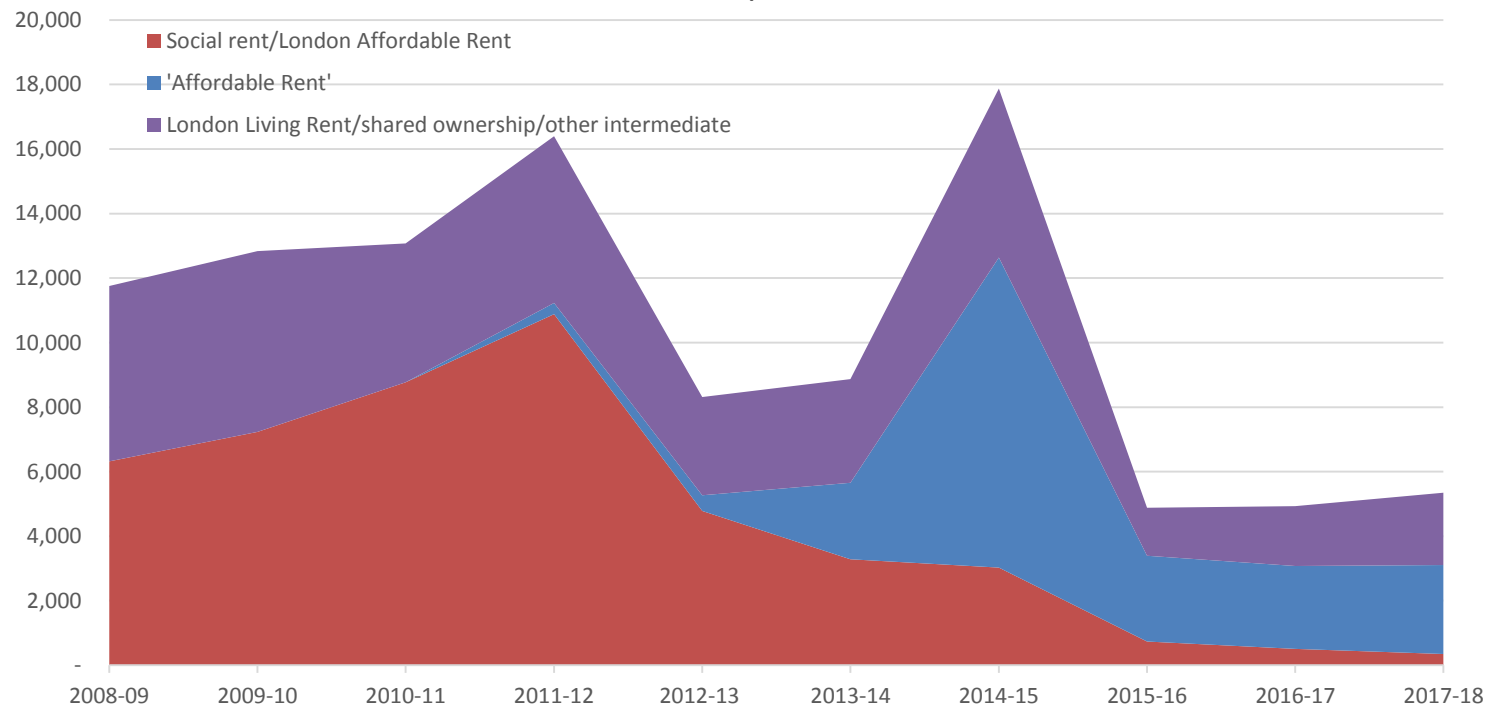
The Mayor's targets are for affordable housing starts rather than completions.

While focusing mainly on starts, against which we can hold the Mayor accountable, we think it is also important to track the number of completions.

This is ultimately what makes a difference to Londoners.

Completions remain historically low, in line with low numbers of starts at the end of the last mayoral term. Only 5,355 affordable homes part-funded by the Mayor were completed during 2017/18. From next summer, we need to see a big rise in completions under this Mayor

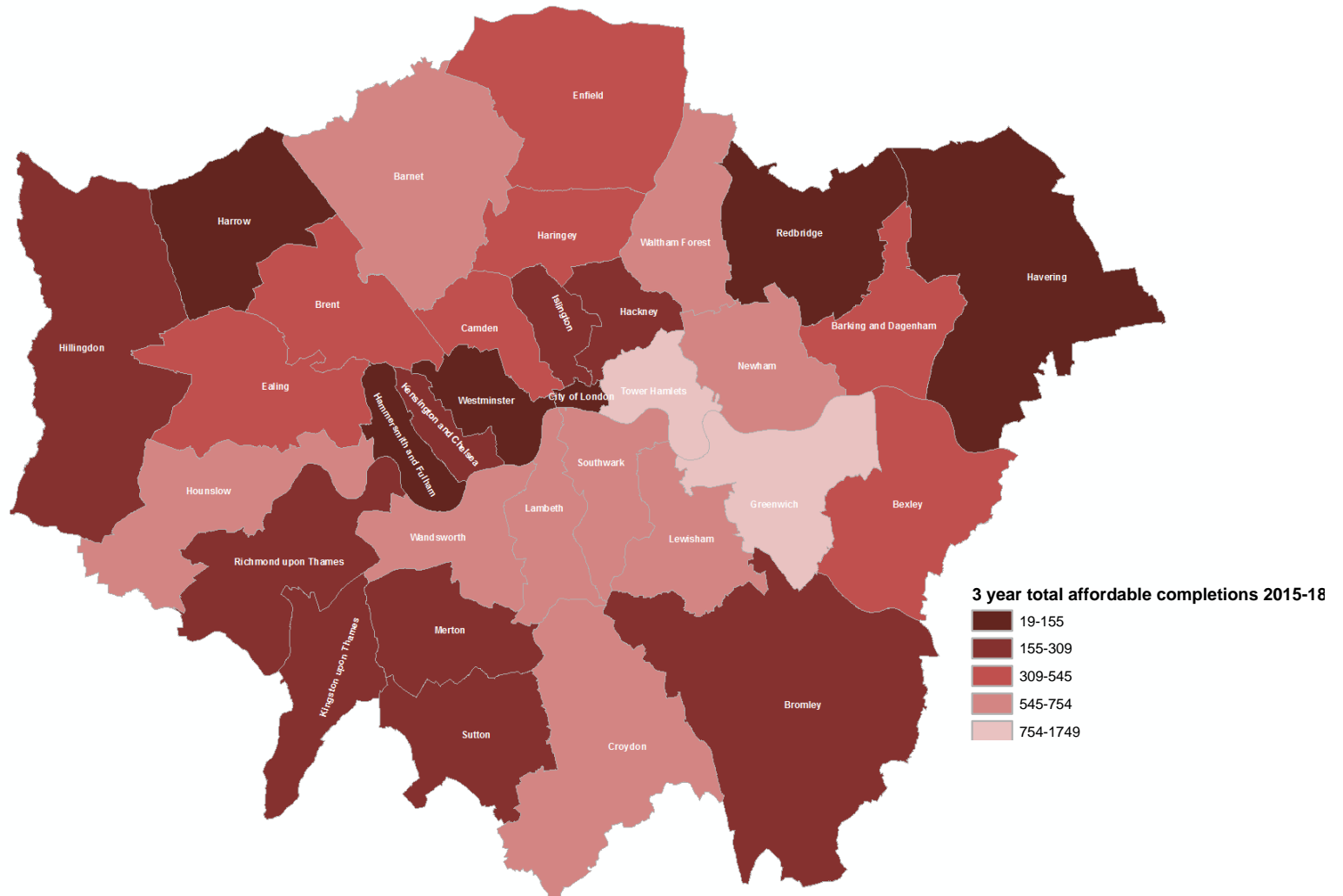
GLA affordable completions 2009-2018



A greater proportion of affordable completions is for intermediate tenures (London Living Rent, shared ownership or other intermediate) than ever before (42 per cent).

Only 6 per cent of affordable homes completed in 2017/18 were for social rent, in line with the low number of starts over recent years for this tenure.

The largest number of GLA-supported affordable completions in 2017/18 were in Tower Hamlets and Ealing. Greenwich and Tower Hamlets completed the most affordable homes over the three years 2015-2018



Even taking all affordable completions into account, not just those supported by the Mayor, no borough has consistently met the Mayor's London Plan target for affordable housing

- **The current London Plan sets out annual home completion targets for each borough. It also says that London-wide, 40 per cent of London's new homes should be affordable.**
- **If we compare all average affordable completions during 2015-18 in each borough with the London Plan 40 per cent target, we can see that no borough has consistently met it.**
- **On average, London boroughs only delivered 40 per cent of the London-wide affordable target.**

Boroughs closest to meeting the 40 per cent target

1. Sutton	Met 85 per cent of the London Plan target
2. Bexley	Met 74 per cent of the London Plan target
3. Waltham Forest	Met 72 per cent of the London Plan target

Boroughs furthest from the 40 per cent target

31. Hammersmith & Fulham	Met 17 per cent of the London Plan target
32. City of London	Met 12 per cent of the London Plan target
33. Havering	Met 10 per cent of the London Plan target

Rough sleeping

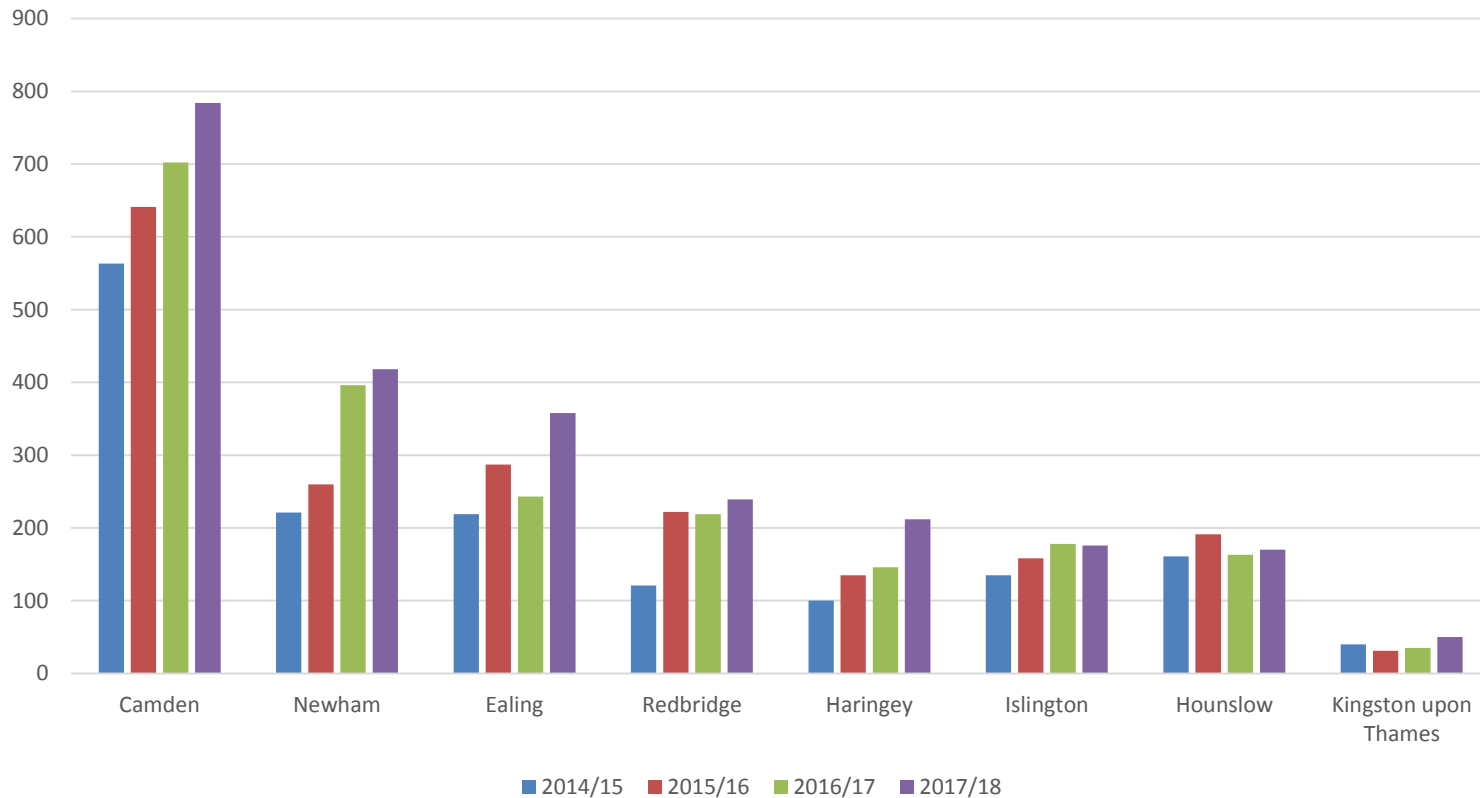
The Mayor has had some success in tackling the flow of new rough sleepers onto London's streets. Overall numbers fell in 2017/18. However, more people are returning to rough sleeping after a period off the streets. And overall rough sleeper numbers in five outer London boroughs are on a growing trend.

In 2017/18, 7,484 people slept rough in London. This was 624 fewer than the previous year.



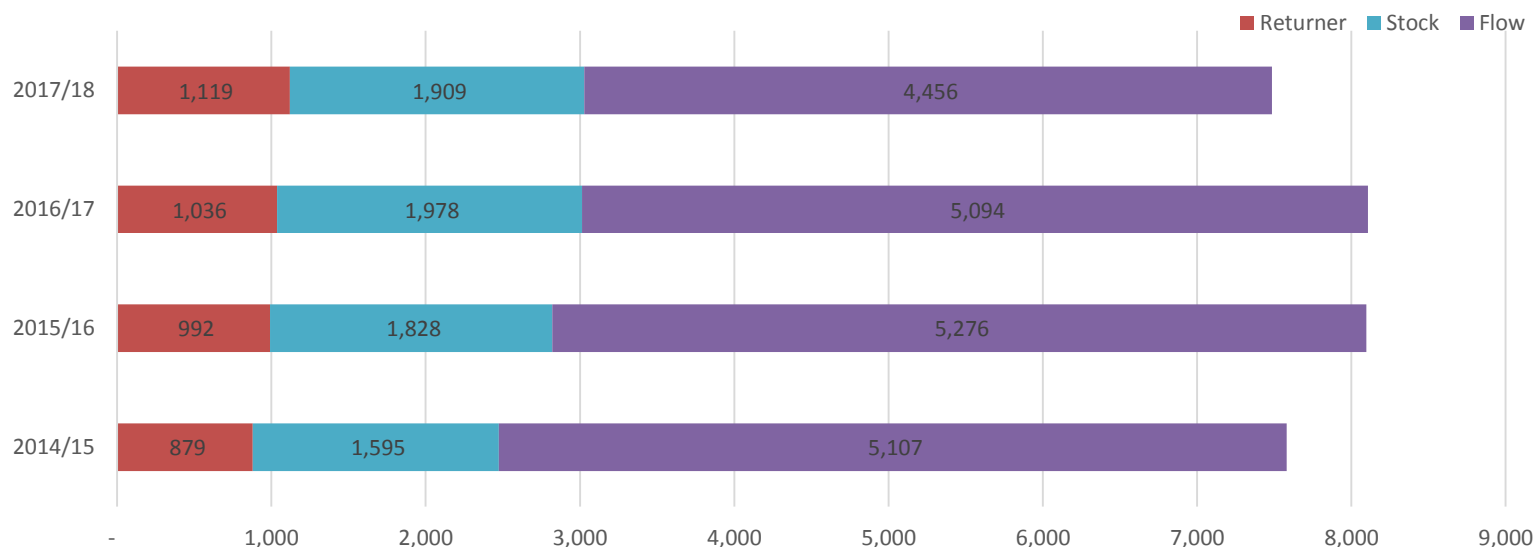
Although London-wide the number of rough sleepers has decreased, in 13 boroughs rough sleeping has actually increased. Of these 13, eight boroughs have seen a continuous upward trend since 2014/15, many in outer London

Boroughs where the rough sleeping trend is upwards 2015-2018



The decrease in rough sleeping since 2016/17 arises mainly from fewer new or “flow” rough sleepers. But, ever more people are returning to rough sleeping after a period away from the streets

Make-up of rough sleeper population 2015-2018



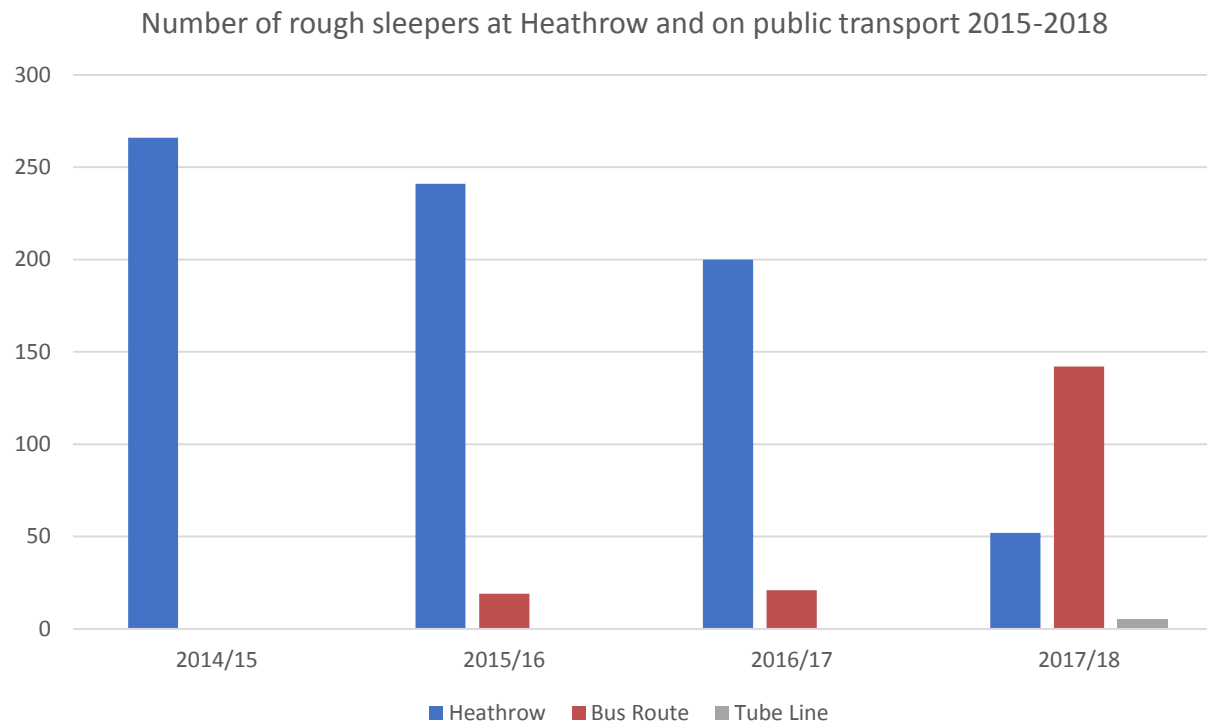
Flow: People who were seen sleeping rough for the first time in 2017/18

Stock: People who were also seen sleeping rough in 2016/2017 (i.e. those seen across at least two consecutive years)

Returner: People who were first seen sleeping rough prior to 2016/17, but were not seen during 2016/17 (i.e. those who have a gap in their rough sleeping histories)

There has been a small fall (69 fewer) in the number of entrenched (“stock”) rough sleepers since 2016/17. However, “returners” have increased by 83 in the same time frame.

In summer 2017, the Mayor launched a new 18-month outreach programme to support people using Night Buses and Tubes as a place to sleep



The success of the project remains unclear, though the data indicates the growing use of buses by homeless people seeking overnight shelter.