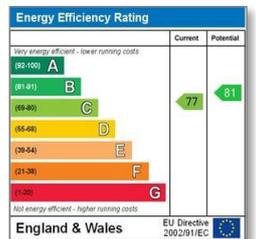




# Newham Strategic Housing Market Assessment

## Report of Findings

June 2022





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# Executive Summary

## Summary of key findings and conclusions

### Introduction

1. Opinion Research Services (ORS) was commissioned by London Borough of Newham to prepare a Strategic Housing Market Assessment. The Council wanted to provide a sound evidence base to inform the Council's new Housing Strategy and emerging new Local Plan (covering the period 2021 to 2038).

### Government Policy

2. 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 and July 2021 to incorporate a number of detailed changes. The Revised NPPF 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.

### Assessing Housing Needs in London

3. 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. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). In terms of size and tenure mix, the 2017 London SHMA shows that around one third of the total need is for 1-bedroom low cost rent housing. This is because the model used in the 2017 London SHMA assumes that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not.
4. 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 Newham, this is 32,800 dwellings, or 3,280 dwellings per annum for the planning area outside of LLDC, with a further capacity target of 14,800 or 1,480 per annum in the area covered by LLDC in Newham. This gives a total capacity based target in the Borough of Newham of 4,760 dwellings per annum. This figure, rather than the standard method figure of 4,709 dwellings per annum forms the basis for part of the analysis in this study. However, we also consider the total need for housing in Newham based upon local trends in the borough.

### Establishing Current Unmet Need for Affordable Housing

5. To assess the current need for affordable housing, we initially calculated the number of households in Newham 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 Newham and those considered to be in current need.

6. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 19,154 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. Of these households, 6,264 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. 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.
7. There is, therefore, a net affordable housing need of 12,890 households (19,154 less 6,264 = 12,890). Providing the net affordable housing need for 12,890 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 8,199 households (12,890 less the 4,691 households which are housed outside the borough in temporary accommodation, are homeless or concealed and thus do not release dwellings). For this study we treat this as a backlog of need to be addressed over 17 years at an annual rate of 758 households per annum.

## Overall Need for Affordable Housing

8. 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.
9. The following table (Figure 1) summarises the overall impact for those who cannot afford market rents of:
  - » new households adding to housing need,
  - » the households no longer present reducing housing need and
  - » the changes in circumstances impacting existing households.

**Figure 1: Annual components of Household Growth 2021-38 (Source: ORS Housing Model)**

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		12,161	8,025	4,136
All households no longer present		10,549	6,652	3,897
Change in existing households		-	-220	220
Future affordable housing need 2021-38	Annual average	1,612	1,153	460
	17-year Total	27,408	19,594	7,815

10. Overall reviewing the contribution of each element amounts to an additional 7,815 households needing affordable housing over the 17-year period 2021-38, or a rate of 460 per annum. These represent the ongoing need for Newham.

## Needs of Households Aspiring to Homeownership

11. In London, the need for home 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 for affordable housing to own and many households who cannot afford to rent privately can afford London Living Rents.
12. Based on an analysis of English Housing Survey and Newham level household data, we can estimate that there is a total of around 9,631 households currently resident in Newham who cannot afford to own their own home but would aspire to do so.
13. In addition to the current need, it is also important to consider new households that are projected to form over the period 2021-2038. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 11,755 households that form over the 17-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 21,386 households who aspire to homeownership but who cannot afford to buy their own home over the period 2021-39, a net annual need of 1,258 per year.**
14. Figure 2 brings together the information on assessing the unmet need for affordable housing in 2022 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2021-38. This assessment has no regard for whether those aspiring can access affordable home ownership options such as First Homes, but it should be noted that all can afford London Living Rents as these

Figure 2: Assessing total need for affordable housing 2021-38 (Source: ORS Housing Model)

NEWHAM 2021-38	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2021	12,890	9,631	22,521
Future housing need 2021-38	7,815	11,755	19,570
<b>TOTAL HOUSING NEED</b>	<b>20,705</b>	<b>21,386</b>	<b>42,091</b>

15. On this basis, we can conclude that the overall need for affordable housing would comprises 42,091 households over the 17-year period 2021-2038, equivalent to an average of 2,476 per annum.
16. Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products such as First Homes if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices. While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. We have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme.

17. Given this context, Figure 3 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile, and those households with savings of less than £5,000. Of the 21,386 households who can afford to rent but who aspire to homeownership, there would be 141 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 15,327 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values (Figure 44). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 3,108 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 3: Affordable homeownership housing mix by household affordability to 2021-38 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to 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	5,114	136	4,978	3,663	1,315	549	765
2 bedrooms	9,505	5	9,499	6,543	2,956	1,619	1,337
3 bedrooms	6,001	0	6,001	4,529	1,472	829	644
4+ bedrooms	767	0	767	592	175	111	64
<b>TOTAL</b>	<b>21,386</b>	<b>141</b>	<b>21,245</b>	<b>15,327</b>	<b>5,918</b>	<b>3,108</b>	<b>2,809</b>

18. On this basis, only 2,809 properties are needed for households who aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold. It should be remembered that the 20,705 households who cannot afford market rents. Figure 4 provides a breakdown of the overall affordable housing need on this basis.

Figure 4: Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford to rent	Households aspiring to home ownership	
1 bedroom	-126	765	639
2 bedrooms	5,093	1,337	6,430
3 bedrooms	11,110	644	11,754
4+ bedrooms	4,628	64	4,691
<b>TOTAL HOUSING NEED</b>	<b>20,705</b>	<b>2,809</b>	<b>23,514</b>

19. The SHMA identifies an overall affordable housing need from 23,514 households over the 17-year period 2021-38 (1.383 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of being able to purchase an affordable homeownership product.
20. It is also possible to split the needs of the 20,705 households who cannot afford market rent into different affordable tenures based upon their household income. This is done in Figure 5. This shows that over half

of the need for those who cannot market housing comes from households whose income are so low that they cannot afford Social Rent.

**Figure 5: Overall need for Affordable Housing by Type of Housing Scheme (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need				Total
	Unable to afford Social Rent	Able to afford Social Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Affordable Rent	Able to afford Affordable Rent - unable to afford Private Rent	
1 bedroom	-187	24	0	36	-126
2 bedrooms	2,061	1,303	355	1,375	5,093
3 bedrooms	6,451	1,896	957	1,806	11,110
4+ bedrooms	2,988	712	273	655	4,628
<b>TOTAL HOUSING NEED</b>	<b>11,313</b>	<b>3,936</b>	<b>1,584</b>	<b>3,872</b>	<b>20,705</b>

21. Figure 6 brings together all this information while also converting the household figures set out above to dwellings by allowing for a vacancy rate and also by adding in further households who are currently concealed, but are assumed to form in the future. The figures allow for all households who cannot afford market housing, as well as those who aspire to own and have a realistic chance of doing so. The data includes 15,615 dwellings for those who are unable to afford housing costs and require Social Rent. It also includes 5,587 dwellings for households who can afford London Living Rents, but not market rents and a further 3,935 dwellings for those who can afford market rents but who aspire to own. The market housing figure contains both market rent and owned occupied dwellings. If there is not an improvement in affordability for home ownership, market rent will continue to grow in Newham.

**Figure 6: Overall Dwelling need for Market and Affordable (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership Affordable Home Ownership			
	Social Rent	London Living Rent				
1 bedroom	-166	37	649	520	5,236	5,756
2 bedrooms	3,444	1,771	1677	6,892	9,221	16,113
3 bedrooms	8,547	2,829	1424	12,801	17,508	30,309
4+ bedrooms	3,789	950	184	4,923	-1,415	3,508
C2 Dwellings	-	-	-	-	187	187
<b>Total</b>	<b>15,615</b>	<b>5,587</b>	<b>3,935</b>	<b>25,136</b>	<b>30,736</b>	<b>55,872</b>
1 bedroom	-1.1%	0.7%	16.5%	2.1%	17.0%	10.3%
2 bedrooms	22.1%	31.7%	42.6%	27.4%	30.0%	28.8%
3 bedrooms	54.7%	50.6%	36.2%	50.9%	57.0%	54.2%
4+ bedrooms	24.3%	17.0%	4.7%	19.6%	-4.6%	6.3%
C2 Dwellings					0.6%	0.3%

## Housing for Older People

- 1.1 The London Plan uses figures from the GLA Older Persons Housing Needs Assessment Report 2017. The GLA annual benchmark for Newham 2017-2029 is a total of 85 homes. The annual total of 85 equates to 1,445 over 17 years.

## Housing for People with Disabilities

22. The model identifies that there will be around 38,200 households living in Newham in 2021 with one or more persons with a limiting long-term illness or disability. In 26,100 of these households, this will not affect their housing need, but in 12,100 households an illness or disability will impact on housing need. Amongst those households where it will affect housing needs, we estimate that 1,171 households need adaptations to their current home and 1,230 households need to move to a more suitable home now.
23. Further modelling of health needs suggests that by 2038 there will be an additional 21,200 households either already experiencing health problems or likely to develop health problems within 10 years. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock. Based on the housing mix in Newham, it is likely that around 44% will live in dwellings that could be converted to meet the M4(2) standard. On this basis, we could assume that at least 56% of the need is for adapted housing; a total of 13,060 households.

**Figure 7: Households with a long-term illness or disability in Newham in 2021 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
<b>Existing need in 2021</b>	
Households where an existing illness or disability affects their housing need and need to move in 2021	1,230
<b>Projected future need 2021-38</b>	
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	21,216
<b>Maximum need for adapted housing 2021-38 (households)</b>	<b>22,447</b>
Less households living in dwellings adaptable to M4(2) standard	9,387
<b>Minimum need for adapted housing 2021-38 (households)</b>	<b>13,060</b>

# 1. Introducing the Study

## Background to the project

### Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by London Borough of Newham to prepare a Strategic Housing Market Assessment. The Council wanted to provide a sound evidence base to inform the Council's new Housing Delivery Strategy and emerging new Local Plan (covering the period 2021 to 2038).
- 1.2 This document, alongside a Gypsy and Traveller Accommodation Assessment also produced by ORS, represents a key part of the evidence base to consider the future housing needs of the residents of Newham.

### Government Policy

- 1.3 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.
- 1.4 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *"the full, objectively assessed needs for market and affordable housing in the housing market area"*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *"should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries"*.
- 1.5 A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *"Government response to the technical consultation on updates to national planning policy and guidance"*.
- 1.6 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 61 identifies that *"strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach"*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.
- 1.7 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 61 identifies that *"any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*; and PPG identifies that

HMA are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].

- 1.8 The Revised NPPF has also 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.
- 1.9 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 could not afford to do so. However, the latest 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.

## The Standard Method for Local Housing Need Assessment

- 1.10 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that “*Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need*”, but allowed for adjustment based on local factors: “*The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.*” Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.
- 1.11 On 14 September 2017, the Ministry of Housing, Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:

- » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
- » While, deviation from this starting point can be considered, the consultation proposals note that; There should be very limited grounds for adopting an alternative method which results in a lower need; and
- » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

- 1.12 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.
- 1.13 The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed

appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

***When might it be appropriate to plan for a higher housing need figure than the standard method?***

*The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:*

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

*There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*

PPG Reference ID: 2a-010-20190220

<sup>1.14</sup> PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. Following a review of standard method in December 2020, the current standard method figure for Newham is 4,709 dwellings per annum uncapped. This figure relates to the whole of London Borough of Newham, including the planning area covered by the London Legacy Development Corporation (LLDC). No separate figure is produced for areas such as LLDC which do not follow local authority boundaries. However, this figure is less significant in London than it would be other parts of England because London Boroughs must also be in conformity with the London Plan. Therefore, the figure of 4,709 dwellings per annum is not used at any point to assess housing needs in this report.

## Assessing Housing Needs in London

<sup>1.15</sup> 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.

- 1.16 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.
- 1.17 The Strategic Planning Authority for London is the Greater London Authority and the London Plan is the statutory spatial development strategy for London. The GLA have produced a Greater London SHMA (2017) an SHMA Addendum in 2019, and the GLA's Housing Supplementary Planning Guidance 2016.
- 1.18 The Mayor's draft new London Plan was subject to examination in 2019. The Inspectors issued their report and recommendations to the Mayor on 8<sup>th</sup> October 2019 concluding that, subject to limited changes, it provides an appropriate basis for the strategic planning of Greater London. The Mayor has considered the Inspectors' recommendations and, on the 9<sup>th</sup> December 2019, issued to the Secretary of State his Intend to Publish London Plan. Following consultation between the Mayor and the Secretary of State, the Secretary of State accepted that the London Plan could be published on 29<sup>th</sup> January 2021, and it was formally published on March 2<sup>nd</sup> 2021 as the London Plan 2021.
- 1.19 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 Inspectors noted that the SHMA does not follow the guidance in the PPG on assessing objectively assessed need. However, they 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. The Inspectors concluded in para 133 of their report that the need for 66,000 additional homes per year identified by the SHMA is justified and has been properly calculated for market and affordable housing having regard to national policy and guidance.
- 1.20 In terms of size and tenure mix, the 2017 London SHMA was summarised in Table 1, which we have reproduced below as Figure 8. This shows that around one third of the total need is for 1 bedroom low cost rent housing. This is because the model used in the 2017 London SHMA assumes that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not. The vast majority of this group require 1 bed low cost rented properties, so they generate much of the overall need.

**Figure 8: Net annualised requirement for new homes in London, 2016 to 2041 (Source: 2017 London Strategic Housing Market Assessment: Mayor of London)**

	Low Cost Rent	Intermediate	Market	Total
1 bedroom	21,318	4,334	10,682	36,335
2 bedrooms	5,311	3,434	2,043	10,788
3 bedrooms	2,462	2,409	4,101	8,971
4+ bedrooms	1,881	1,693	6,210	9,783
<b>DWELLINGS</b>	<b>30,972</b>	<b>11,869</b>	<b>23,037</b>	<b>65,878</b>

- 1.21 The outcome of the 2017 London SHMA central scenario is that it assumes that 65,878 dwellings are needed at an average of around 1.9 bedrooms per dwellings, so 125,000 bedrooms are needed to be provided each year. ORS provided evidence to the London Plan inquiry on behalf of both the Greater London Assembly and the West London Housing Alliance group of London Boroughs which argued for a lower number of dwellings at around 50,000 per annum, but with a larger average size of around 2.5 bedrooms per dwelling, giving a total of around 125,000 bedrooms per annum.
- 1.22 This highlights a central issue in studies such as this one, with the need to address the accommodation requirements of a projected population offering a range of options from building many smaller properties to delivering a lower number of dwellings which are on average larger. This was an issue that the 2017 London SHMA acknowledged by considering a range of scenarios such as Table A1 set out below. This assumed that not all under-occupation was addressed in the social and private rented sectors, so fewer smaller dwellings were required. However, this still assumed that any single person wanting their own property received one, so this still creates a very high need for affordable housing rather than for larger market housing to share.

**Figure 9: Table A1: Net annualised requirement for new homes, 2016-41, based on current occupancy rates continuing into the future for homeowners, private renters and low-cost rent tenants (Source: 2017 London Strategic Housing Market Assessment: Mayor of London)**

	Low Cost Rent	Intermediate	Market	Total
1 bedroom	13,554	1,735	4,418	36,335
2 bedrooms	8,376	4,873	4,355	10,788
3 bedrooms	6,236	2,939	6,987	8,971
4+ bedrooms	2,806	2,281	7,277	9,783
<b>DWELLINGS</b>	<b>30,972</b>	<b>11,869</b>	<b>23,037</b>	<b>65,878</b>

- 1.23 It is also the case that the 2017 London SHMA included a series of different scenarios for overall need which ranged from 59,900 to 69,600 new homes a year.
- 1.24 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.
- 1.25 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 deliver 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.

- 1.26 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). In the case of Newham, this is 32,800 dwellings, or 3,280 dwellings per annum for the planning area outside of LLDC, with a further capacity target of 14,800 or 1,480 per annum in the area covered by LLDC in Newham. This gives a total capacity based target in the Borough of Newham of 4,760 dwellings per annum. This figure, rather than the standard method figure of 4,709 dwellings per annum forms the basis for part of the analysis in this study.
- 1.27 From the point of view of this study it is important that the figure of 4,760 dwellings per annum is part of the overall projected supply for London of 52,287 per annum set out in the London Plan, not the 65,878 dwellings identified as need. Part of our modelling for this study is therefore based upon the role of Newham in helping to meet London's overall need while delivering 4,760 dwellings per annum as part of a total delivery of 52,287 dwellings per annum.
- 1.28 The London Plan contains Policy H10 Housing size mix which sets out the following requirements:
- 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
- 1.29 This SHMA aims to provide two different levels of analysis. Firstly, we will consider the localised evidence for housing needs in Newham without considering the wider impact of need in the rest of London. As a second set of results, we will consider the role Newham can play in meeting the needs of London as a whole based upon its capacity based targets. Both sets of outputs will relate to the whole of the Borough of Newham, including the planning area covered by LLDC, because at the time of writing the future of the LLDC area is uncertain and future plans covering the area may fall within the remit of the individual boroughs.
- 1.30 For the purposes of this study, we would also note that the following definitions are used for affordable rented housing and we capitalise Social and Affordable Rent when discussing specific products:

- » **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.
- » **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.
- » **London Afford Rent** is a distinct housing product in London which is closer in price to Social Rent than it is to Affordable Rent. This tenure is no longer funded by the GLA and so is likely to become increasingly obsolete.

## Duty to Co-operate

- <sup>1.31</sup> The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- <sup>1.32</sup> 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*”.

### ***Maintaining effective cooperation***

*24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.*

*25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).*

*26. Effective and ongoing joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.*

*27. In order to demonstrate effective and ongoing joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance and be made publicly available throughout the plan-making process to provide transparency.*

**National Planning Policy Framework, February 2019**

- <sup>1.33</sup> The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).
- <sup>1.34</sup> The PPG elaborates further on the requirement for a statement of common ground (in the section on Plan-Making, updated 23 July 2019):

### **Maintaining effective cooperation**

*How are plan-making bodies expected to cooperate?*

*Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.*

*The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to cooperate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.*

PPG Reference ID: 61-009-20190315

- <sup>1.35</sup> In paragraph 61-017 entitled “Which geographical area does a statement of common ground need to cover?”, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: “For example, housing market and travel to work areas, river catchments, or landscape areas may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas”. It goes on to define housing market areas:

### **How can housing market areas be defined?**

*A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:*

*The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*

*Migration flow and housing search patterns. This can help identify the extent to which people move to a new house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*

*Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*

*Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.*

PPG Reference ID: 61-018-20190315

- <sup>1.36</sup> This definition of an HMA is almost identical to that in the original PPG relating to housing need.

- 1.37 The identification of housing markets in London is not a new area of study. The Greater London Strategic Housing Market Assessments 2008, 2014 and 2017 effectively treat London as being a single housing market area. The 2014 Greater London SHMA notes at Table:

*While the London housing market is accepted to cross the regional boundary, practical considerations including data availability and the precise identification of the market area (see chapter 2) **favour limiting the study to the Greater London area**, in line with previous such studies and with common practice both within London and in neighbouring areas.*

- 1.38 The identification of a single London wide housing market has been further supported by High Court judgements. London Boroughs sought to challenge the Mayor of London's policy in relation to Affordable Rent in March 2014. The claimants' case was summarised in paragraph 9 of the judgement in that:

*'The Claimants submit that the Defendant has failed to have proper regard to the requirements of the NPPF. Indeed, he has mis-interpreted the NPPF when he claims that rent caps would undermine the deliverability of affordable housing, contrary to the objective of the NPPF. **He was also mistaken in treating London as a single housing market.** Each Borough had to assess its own needs, and develop its own targets and policies to meet them.'*

- 1.39 In relation to the issue of a single housing market in London the judgement concluded at paragraphs 39-41 that:

*'Turning to the next issue, I accept the Defendant's submission that he was entitled to conclude, in the exercise of his planning judgment that **London represented a single housing market.***

*The term "housing market area" appears in the NPPF, but is not defined. That a "housing market area" within the meaning of the NPPF does not necessarily equate to LPA administrative boundaries is plain from paragraph 159:*

*"159. Local planning authorities should have a clear understanding of housing needs in their area. They should:*

*prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. [...]"*

*The view that London should be regarded as a single housing market is not new. As the reasons supporting MD1268 noted at paragraph 7.22:*

*"[...] since at least the establishment of the GLA, London has always been regarded as a single market for strategic planning purposes. Both the London Plan and the Mayor's Housing Strategy are based on this accepted approach."*

- 1.40 On this basis we consider it appropriate to continue treating Greater London as a single HMA which we label as the Greater London Housing Market Area (GLHMA).

## Jobs and Housing

- 1.41 Newham is part of the 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.

- 1.42 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.
- 1.43 In determining the number of homes needed at Borough level, the SHMA will need to be consistent with the London Plan and the projected population/households consistent with GLA figures. By doing so, Newham will, therefore, contribute to balancing jobs and workers across the GLHMA, consistent with the London Plan.

## Overview of the SHMA

- 1.44 The first key objective of this SHMA is to establish the need for housing (both market and affordable) in the Borough of Newham on the assumption that it delivers housing to meet the needs of its local population based upon recent demographic trends.
- 1.45 A second key objective is to establish how the need would change on the assumption that it provides an average 4,760 dwellings per annum from 2021-38 based upon GLA capacity targets.
- 1.46 This report considers the key outputs from the SHMA – namely establishing the overall balance between market and affordable housing over the 17-year period 2021-38. It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA 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

- 1.47 As noted above, this SHMA seeks to establish the need for housing (both market and affordable) in the Borough of Newham on the assumption that it delivers housing to meet the needs of its local population based upon recent demographic trends and also considers the consequences of meeting the GLA capacity target for the borough.
- 1.48 In Chapter 2, we consider the demographic profile of the population and households. The demographic projections for this SHMA are based on the latest official projections and cover the 17-year period 2021-2038. They are informed by the latest ONS mid-year estimates,<sup>[1]</sup> and take account of the most up-to-date fertility and mortality rates and the latest migration trends. In particular, we focus upon the 2018 based 10-year migration trends variant population and household projections. The data within these projections is then adjusted in light of the mid-year population estimates 2019 and 2020. 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.
- 1.49 The estimates for affordable housing need in Chapter 4 are therefore based upon adjusted 2018 based population and household projections. The figures contained within this chapter therefore reflect the need for affordable housing based upon much more recent trends than the data underwriting the standard method, but do not include any impact of concealed households or suppressed household formation.
- 1.50 However, delivering the number of dwellings required in Newham to address the household projections, current concealed households and suppressed household formation will require a different household

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<sup>[1]</sup> The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

growth than the trend-based population and household growth. This issue is reconciled in Chapter 5. To move from the household growth in Chapter 4 to the total need for dwellings in Chapter 5 requires a series of additional elements. These include:

- » The need to include the impact of vacant and second homes being unavailable for households to live in and which therefore require an uplift to the household projections to become the need for dwellings;
- » The need to include an allowance for additional Use Class C2 bedspaces such as nursing homes to ensure that persons otherwise not included in the population and household projections are included within the overall LHN;
- » The ORS model adjusts household formation rates for younger households on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and

<sup>1.51</sup> When all relevant factors have been added, the outputs produced in Chapter 2 and 4 are consistent with an overall housing need figure in Chapter 5. Therefore, the figures produced in Chapter 5 are the overall conclusions for housing need in Newham.

## The Effects of COVID 19

<sup>1.52</sup> The long-term impact of the COVID 19 pandemic is unknown for housing needs across the country. In the short-term the best available evidence points to a very sharp drop in the population of the UK in 2020, particularly in London. In a study produced by the Economic Statistics Centre of Excellence<sup>1</sup> it is estimated that the population of the UK fell by 1.3 million in 2020, with 700,000 of this drop occurring in London. However, this outcome may prove to be a short-term implication, so we have not modelled revised SHMA outputs to consider for the impact of COVID 19. If they do continue into the future, then the overall level of housing needed in London will drop, but given the land constraints in London this may just bring need levels down to match supply capacity.

## The Effects of Brexit

<sup>1.53</sup> The Report does not consider the implications for the SHMA arising from the UK's decision to leave the EU (June 2016), primarily as the final outcomes are still unknown.

<sup>1.54</sup> Arguably, the key factor which would affect SHMAs is migration – both national and international. A major potential implication of Brexit is that if the population of London has fallen in 2020 due to overseas born workers returning to their places of birth, those same workers may have lost the right to work in Britain in the future. The new rules around entry to Britain for migrant workers may place too high an income requirement for those in tourism and hospitality jobs. This in turn could leave key industries in London with difficulties in filling jobs if the tourism and hospitality sectors return to previous levels. However, any change in migration pattern is still uncertain, so again we have not sought to revise SHMA outputs to model for a Brexit impact. It is currently not possible to quantify the impact of Brexit on the population projections because observed trend data pre-dates its implementation.

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<sup>1</sup> [Estimating the UK population during the pandemic - ESCoE : ESCoE](#)

## 2. Demographic Projections

### The baseline for establishing housing need

#### Introduction

- 2.1 This chapter uses the available population projections for Newham to explain the predicted growth of households during the plan period. All the data relates to the period before 2020, so does not consider a potential fall in the population in 2020, which in turn may only be temporary.

#### 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 Newham which is used as the basis for this report.
- 2.4 Figure 10 sets out a range of the various household projections from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach. The 2018 based principle projection is based upon migration from only 2016-2018 and therefore are very unstable across England as a whole. However the 10-year trend 2018-based projections are much more stable are used to help underwrite much of the modelling in this report.
- 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.

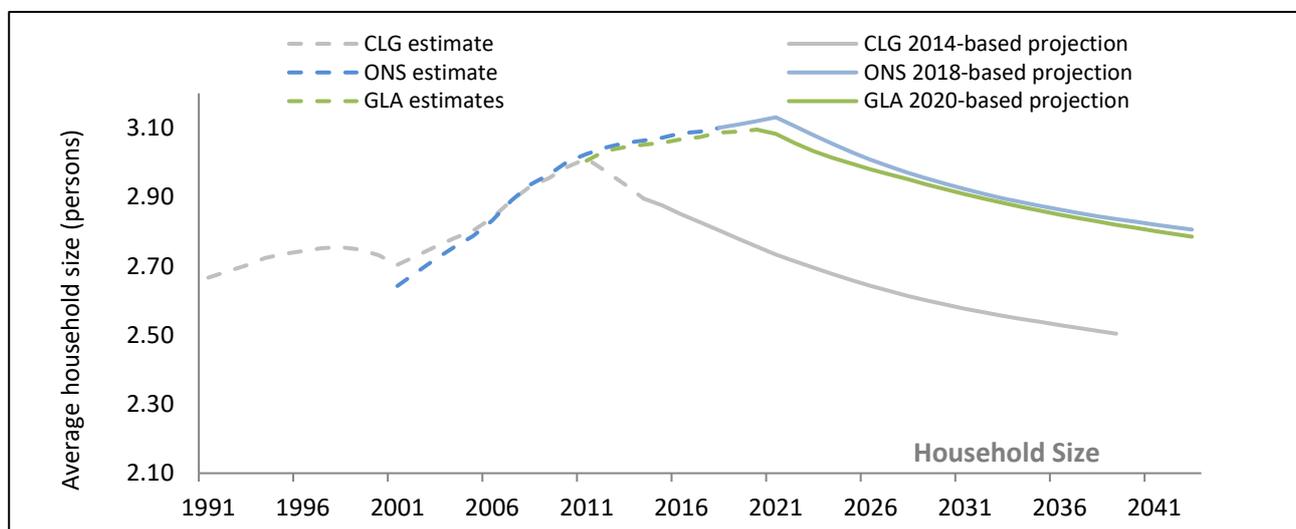
**Figure 10: Household projections 2021-31 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency)**

	Migration trends	Change in Households 2021-2031	
		10-year change	Annual average
<b>CLG Household Projections</b>			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+23,272	+2,327
<b>ONS 2016-based Projections</b>			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+16,196	+1,620
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+18,368	+1,837
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+21,110	+2,111
<b>ONS 2018-based Projections</b>			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+13,135	+1,313
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+16,642	+1,664
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+17,034	+1,703
<b>GLA 2018-based Projections</b>			
Principal projection: Long Term trend DCLG household projection	2002-18	+26,888	+2,689

## Projected Household Size

<sup>2.6</sup> The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 11) divides the population in the area by the associated household projection.

**Figure 11: Average household size estimates and projections for Newham for the period 1991-2043 (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 very sharply in Newham between 2001 and 2011 and the ONS 2018 based projections indicate that they are still rising, but will fall from 2023 onwards.
- 2.8 However, the CLG 2014 based projections indicated that household sizes in Newham were projected to fall after 2011 from around 3.00 per households to 2.50 per household in 2038. This projected fall in average household sizes cannot be explained by the ageing population of Newham. The key driver for the issue of household sizes is the household representative rates (HRRs) used by CLG in producing their household projections.
- 2.9 HRRs provide the probability of a households being a household representative and in the 2014 based CLG drew on data from as far back as the 1971 Census. Therefore, HRRs are based upon long-term data, so the drop in household sizes projected reflects data from 1971 onwards for Newham, not just recent data.
- 2.10 CLG had previously identified problems with the current approach and they had planned to improve the methodology used for the household projections. However, the Government announced in January 2017 that responsibility for these projections would be passed to ONS with immediate effect.
- 2.11 The ONS are now working with only data from the 2001 Census onwards. Therefore, the 2018 based projection reflect only the changes in HRRs in Newham since 2001 and they project a much later and lower drop in household sizes.

## Population and Household Projections for Affordable Housing Need

- 2.12 The demographic projections for this SHMA are based on the latest official projections and cover the 17-year period 2021-38. They are informed by the latest ONS mid-year estimates,<sup>2</sup> and take account of the most up-to-date fertility and mortality rates and the latest migration trends. This yields a household growth over the period 2021-38 of 27,408 households which is then reconciled with overall local housing need for Newham and the London Plan dwelling figure in Chapter 5. Therefore, the modelling from this point onwards until Chapter 5 is underwritten by the most up to date demographic data.

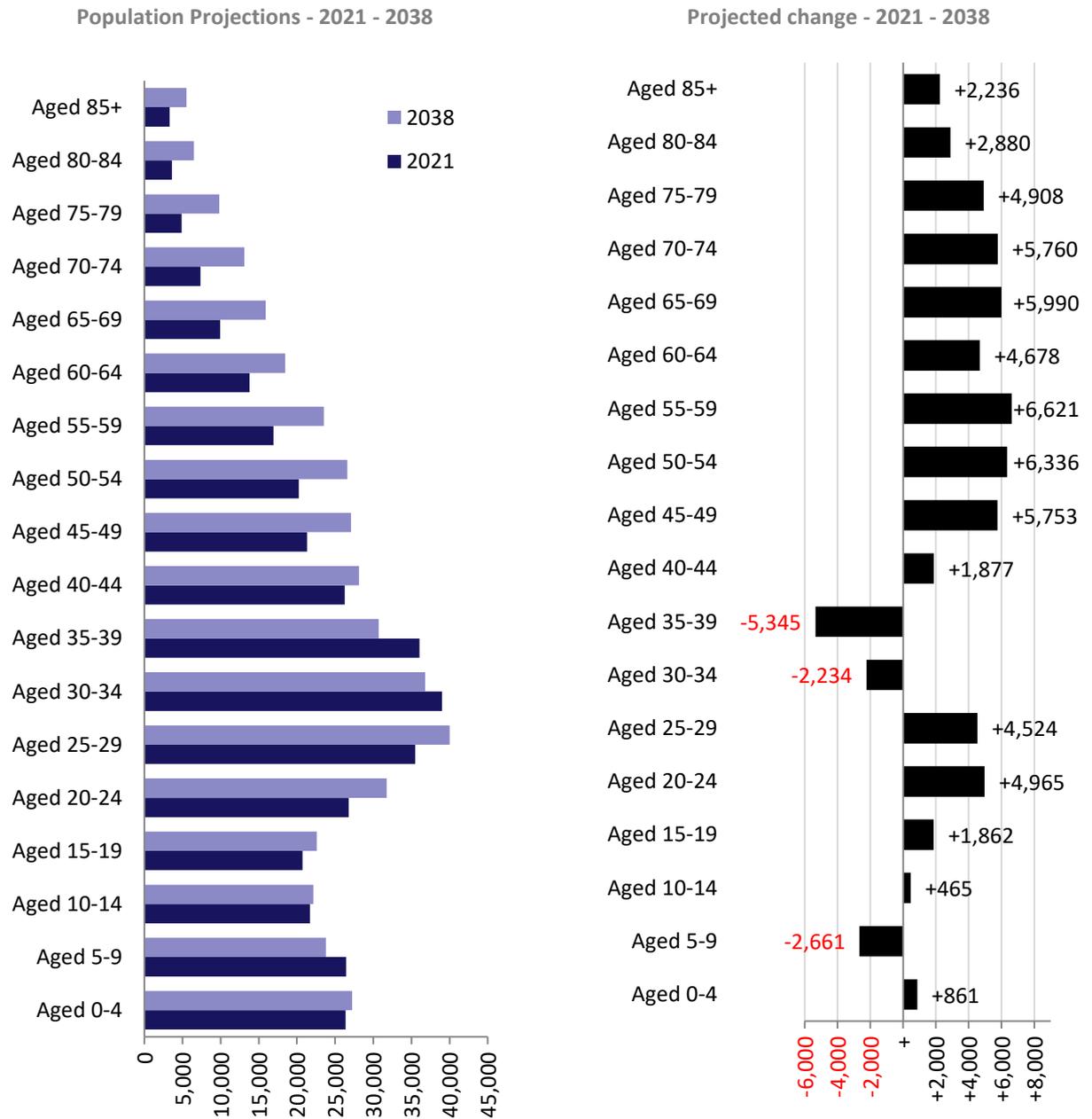
## Projected Population Age Profile

- 2.13 The overall population is projected to grow by 49,476 from 360,207 people to 409,683 people.
- 2.14 Over 40% of the growth is associated with the older population, with over 65s projected to increase by 21,773. This is a particularly important consideration when establishing the types of housing required and the need for housing specifically for older people.

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<sup>2</sup> The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

**Figure 12: Population projections 2021-38 by 5-year age cohort for Newham (Source: 2020 MYE adjusted ONS sub-national projections 2018)**



## Household Projections by Age

- 2.15 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). 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 13: Total projected households in Newham for 2021 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+	
2021	2,800	20,400	30,200	25,100	18,100	9,800	5,700	2,400	114,500
2038	3,300	20,600	28,800	32,500	25,000	16,700	10,900	4,000	141,900
CHANGE	+500	+200	-1,400	+7,500	+6,900	+6,900	+5,200	+1,600	+27,400

- 2.16 The table shows an overall increase of 27,400 households over the 17-year period 2021-38 with half of this increase being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 17-year period.
- 2.17 It is important to consider household growth in relation to age cohorts. Figure 14 shows the projected number of households in each cohort, showing their age in both 2021 and 2038. Clearly, no household representatives are aged under 8 (in 2021), but children aged under 8 in 2021, or born before 2023, will be aged 15-24 in 2038, and thus will be potentially heads of a household.

Figure 14: Total projected households for 2021 and 2038 by age cohort of household representative (Note: Figures may not sum due to rounding)

Age in 2021	Age of Household Representative								TOTAL
	<8	8-17	18-27	28-37	38-47	48-57	58-67	68+	
Age in 2038	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2021	-	800	8,100	23,400	28,700	23,000	15,600	14,900	114,500
2038	3,300	20,600	28,800	32,500	25,000	16,700	10,900	4,000	141,900
CHANGE	+3,300	+20,600	+20,800	+9,200	-3,600	-6,300	-4,700	-10,900	+27,400

- 2.18 For example, there were 23,400 households aged 28-37 in 2021 and these same households would be aged 45-54 in 2038. The trend-based projection identified that the total number of households aged 45-54 in 2038 would be 32,500. The projection shows, an extra 9,200 households: partly due to new household formations and partly due to net migration.
- 2.19 Based on the cohort analysis, around 53,900 extra households will be formed over the 17-year period 2021-38 by those who will be aged under 55 in 2038. These extra households are offset against a reduction of 25,500 households aged 55 or over. Most of this reduction is due to household dissolution following death (although some is due to net migration).
- 2.20 Whilst the overall volume increase in households includes the impact of an older population, this has less impact on the housing market of Newham than in most local authorities due to the relative youth of population. 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 Newham. Many of these

households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

## Projected Household Types

- 2.21 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.
- 2.22 Figure 15 shows the household numbers and net change for Newham from 2021 to 2038 separated out by the age of the household representative person (HRP).

**Figure 15: Total projected households for 2021 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)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
<b>Households 2021</b>									
Single person	370	2,940	5,940	3,860	4,170	3,280	3,000	1,090	24,700
Couple without children	330	5,750	3,370	4,010	7,100	4,030	1,080	840	26,500
Families with child(ren)	460	6,840	18,220	13,540	3,560	1,210	290	60	44,200
Other households	1,640	4,870	2,680	3,660	3,300	1,290	1,320	360	19,100
<b>TOTAL</b>	<b>2,800</b>	<b>20,400</b>	<b>30,200</b>	<b>25,100</b>	<b>18,100</b>	<b>9,800</b>	<b>5,700</b>	<b>2,400</b>	<b>114,500</b>
<b>Households 2038</b>									
Single person	0	710	4,300	1,690	2,280	3,520	3,990	920	17,400
Couple without children	370	8,170	3,840	3,990	10,810	7,570	2,470	2,190	39,400
Families with child(ren)	350	4,620	17,510	20,970	6,160	3,020	790	140	53,600
Other households	2,570	7,100	3,170	5,880	5,790	2,590	3,680	720	31,500
<b>TOTAL</b>	<b>3,300</b>	<b>20,600</b>	<b>28,800</b>	<b>32,500</b>	<b>25,000</b>	<b>16,700</b>	<b>10,900</b>	<b>4,000</b>	<b>141,900</b>
<b>Change 2021-38</b>									
Single person	-370	-2,230	-1,640	-2,170	-1,890	+240	+990	-160	-7,200
Couple without children	+40	+2,410	+470	-20	+3,720	+3,540	+1,390	+1,340	+12,900
Families with child(ren)	-100	-2,220	-710	+7,430	+2,600	+1,800	+500	+80	+9,400
Other households	+930	+2,230	+480	+2,220	+2,490	+1,300	+2,360	+360	+12,400
<b>TOTAL CHANGE</b>	<b>+500</b>	<b>+200</b>	<b>-1,400</b>	<b>+7,500</b>	<b>+6,900</b>	<b>+6,900</b>	<b>+5,200</b>	<b>+1,600</b>	<b>+27,400</b>

- 2.23 In summary over the 17-year period:

- » Single person households are projected to decrease by 7,200, but this includes a growth of including 830 with a household representative aged over 75;
- » Families with dependent children make up over a third of the growth: an increase of 9,400 households;
- » Couples without dependent children are projected to rise by 12,900 households;
- » The increase in “Other” households represents 12,400 households.<sup>3</sup>

<sup>3</sup> 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”

<sup>2.24</sup> The final group of 'Other' households is very important because it implies that much of the projected household growth in Newham will be unrelated households, students and multi-generation households. This in turn implies that the demographic projections are assuming that there will be many larger households. This is a point we will return to in Chapter 5.

# 3. Local Housing Market

## Housing trends and cost of housing in Newham

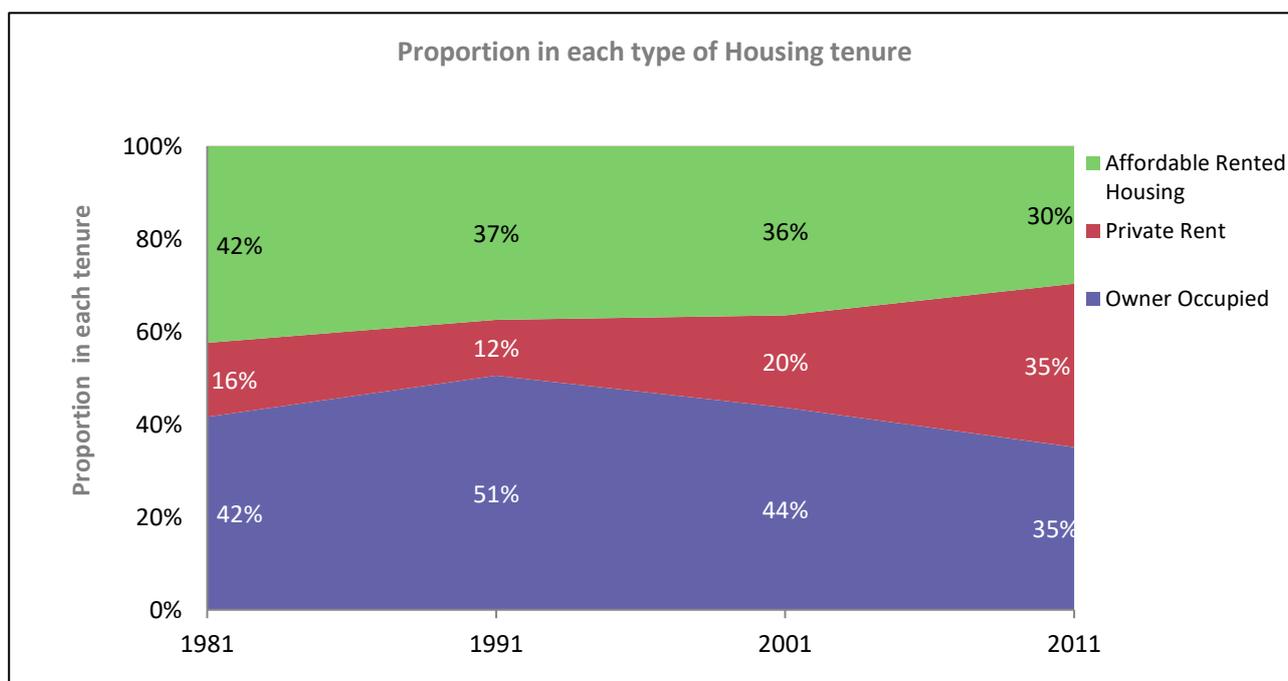
### Introduction

- 3.1 This chapter explores the cost of housing in Newham and the incomes needed to rent or buy at market prices.
- 3.2 It highlights the potential income gaps and identify where and how people may fall into affordable housing need. This includes consideration of Social Rent and Affordable Rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

### Housing Tenure Trends

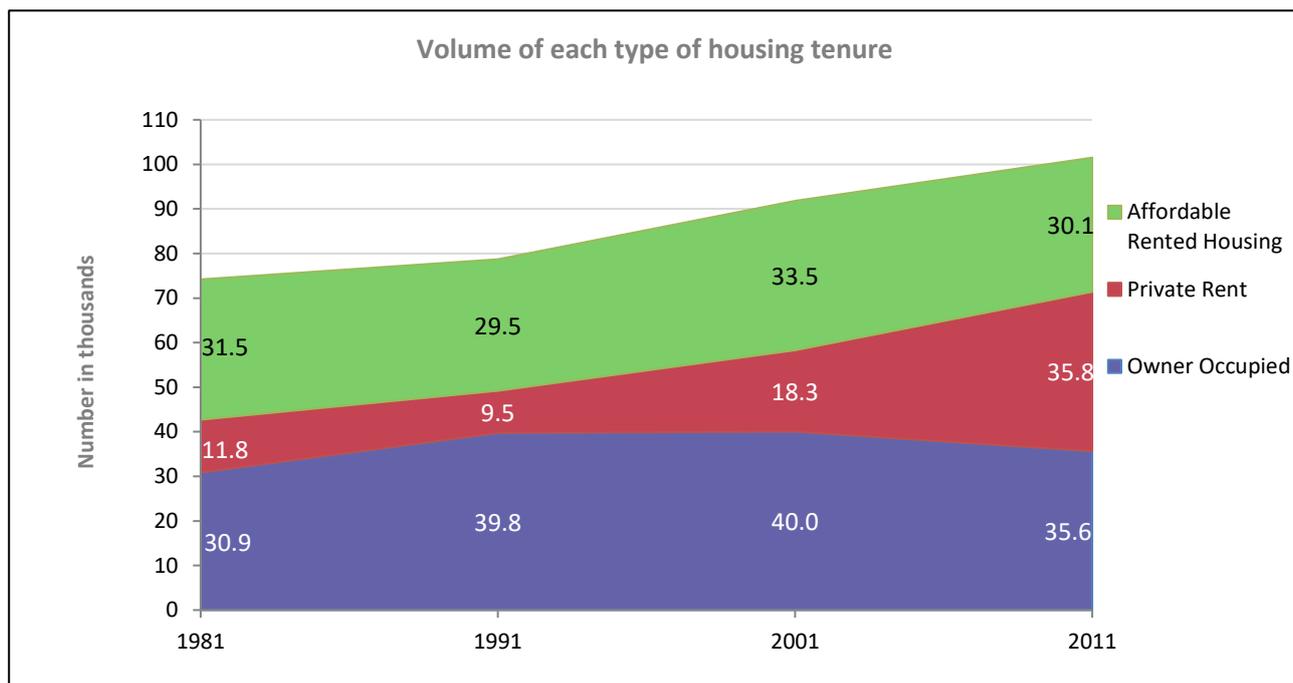
- 3.3 When considering the local housing market, it is worth noting the changes to tenure over the past forty years. We would note the 2001 Census contained an under-estimate of housing numbers for many London Boroughs.
- 3.4 The chart below shows how the most notable change has been the decline in the proportion of people in affordable rented properties (comprising Social Rent and other affordable rented homes), which has fallen during the period (from 42% to 30%). In contrast, private rent has seen a sharp growth. 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 51% and is now falling sharply again to below 1981 levels.

Figure 16: Housing tenure trends (1981 – 2011). Source: UK Census of Population



- 3.5 During the same period the actual volume of housing in Newham has risen from 74,200 to 101,500 households. Importantly, the volume of households in affordable rented housing has fallen from 31,500 to 30,100 households whilst other forms of tenure have increased in volume.

Figure 17: Housing tenure trends (1981 - 2011)



3.6 The table below provides the detailed data for the period.

Figure 18: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)

	Number of Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	30,870	39,751	40,048	35,628	+8,881	+297	-4,420
Private rent	11,841	9,476	18,268	35,799	-2,365	+8,792	+17,531
Affordable Rented Housing	31,457	29,469	33,505	30,092	-1,988	+4,036	-3,413
<b>TOTAL</b>	<b>74,168</b>	<b>78,696</b>	<b>91,821</b>	<b>101,519</b>	<b>+4,528</b>	<b>+13,125</b>	<b>+9,698</b>

3.7 The growth in the private rented sector (PRS) in Newham is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07.

3.8 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

3.9 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 BTL property.
- 3.10 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. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.<sup>4</sup> On this basis, the number of households renting privately could double again over the next twenty years.
- 3.11 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet 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 sector, in particular since the start of the most recent recession.
- 3.12 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)<sup>5</sup>:

*"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating." (paragraphs 4.152-154)*

- 3.13 The Government sees the PRS 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.
- 3.14 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 supply<sup>6</sup> (including the Build to Rent investment scheme<sup>7</sup>). The Government published *"Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities"* in March 2012<sup>8</sup>, and the Foreword by the Minister stated:

*"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

<sup>4</sup> <http://news.rla.org.uk/rpi-rent-revolution/>

<sup>5</sup> <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

<sup>6</sup> <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

<sup>7</sup> <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

<sup>8</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/412921/Improving\\_private\\_rented\\_sector.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf)

- 3.15 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting polices 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. The private rented sector makes an important contribution towards providing affordable housing options.
- 3.16 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.17 The Housing and Planning Act 2016 contains proposals to further the Government’s policy of encouraging home ownership through promoting Starter Homes. These Starter Homes are intended to provide affordable housing for first time buyers. There are many households residing in the private rented sector in Newham who aspire to home ownership and if affordable Starter Homes could be provided for this group it would, potentially, reduce the size of the private rented sector.
- 3.18 However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes<sup>9</sup>.
- 3.19 The Government first consulted on First Homes ran from February to May 2020 indicating that they will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher. In August 2020, MHCLG confirmed that they intended to proceed with First Homes as an affordable housing product and published a consultation “Changes to the current planning system”, which included proposals on the detail of changes to planning policy to deliver First Homes. Polices on First Homes were formally adopted in July 2021 and guidance eon their delivery was published. First Homes will be prioritised for first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% will be in perpetuity, so the buyer will not own more than 70% of the property. 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 will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.20 As discussed later in this report, there are many households residing in the private rented sector in Newham who aspire to home ownership and if affordable First Homes are provided for this group it would, potentially, reduce the size of the private rented sector. However, the funding for First Homes will be drawn from the same Section 106 funds which help to provide affordable rented homes such as Social Rent and Shared Ownership. Developers would be expected to provide a proportion all properties on larger new developments and sell these at a discount of at least 30%.
- 3.21 By taking part of the developer contributions funding for affordable homes into the First Homes scheme, this could reduce the supply of Social Rented or Shared Ownership homes. If this happens, then young households, for whom First Homes remain out of reach, will have few other options than to enter the private rented sector.
- 3.22 We would note that Mayor of London is currently not looking to progress First Homes in London. The current affordable housing programme in London assumes that the main affordable housing products delivered will be London Social Rent, London Living Rent and London Shared Ownership.<sup>10</sup> London Social Rent and London Living Rent are current bespoke products available only in London, but London Shared Ownership is broadly

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

<sup>10</sup> [Affordable Homes Programme 2021-2026 - Funding Guidance \(london.gov.uk\)](#)

the same structure as Shared Ownership in the rest of England. 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.

## Cost of Renting

3.23 When considering renting in Newham 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 Newham. This includes:

- » Median and lower quartile private rent;
- » Local Housing Allowance (LHA) for Inner North London BRMA<sup>11</sup>;
- » London Living Rents; based on average rents charged for existing dwellings; and
- » Social Rents.

3.24 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 30<sup>th</sup> percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget.

3.25 Figure 19 sets out the median weekly rents for different property sizes in Newham together with the local housing allowances and the calculated affordable rent rates.

Figure 19: Weekly rent thresholds in Newham (Source: Valuation Office Agency 2020-21; GLA; SDR 2019)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Inner North London BRMA	London Living Rent	Social Rent
1 bedroom	£310.47	£275.98	£241.64	£169.41	£99.74
2 bedrooms	£367.97	£321.97	£299.18	£187.97	£116.70
3 bedrooms	£413.96	£367.97	£356.71	£197.67	£133.92
4+ bedrooms	£448.46	£413.96	£414.25	£220.49	£151.32

3.26 Across all property sizes except for 4 bedrooms, the lower quartile private rent is higher than the maximum LHA in Newham and Social Rents are always lower.

3.27 London Living Rent is generally lower than the maximum LHA rate for the equivalent property, but households are typically assumed to not rely upon this to cover their housing costs because they will eventually seek to purchase the property. We have not included London Affordable Rent in this section because funding for it is being phased out by the GLA.

3.28 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people. This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or

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

armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

### Income Needed to Rent Housing

- 3.29 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)<sup>12</sup> 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)*

- 3.30 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).
- 3.31 The English Housing Survey (EHS) 2015-16<sup>13</sup> provides information about the percentage of gross household income that households currently spend on their housing costs<sup>14</sup>:
- » 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.
- 3.32 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. 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.
- 3.33 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 multiplier:
- » The median weekly rent recorded was £275.98;
  - » Based on a 35% income multiplier, a weekly income of £788.51 would be needed which equates to a gross annual income of £41,143.

<sup>12</sup> <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

<sup>13</sup> <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

<sup>14</sup> “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

3.34 To rent the same property based on a 25% income multiplier would increase the gross income required to £57,404 per year whereas households with an annual income of £31,891 per year could afford the rent if 45% of their income was allocated to housing costs.

3.35 Figure 20 shows the gross household incomes needed to afford median and lower quartile private rent, London Living Rent and Social Rent.

**Figure 20: Annual income required to afford to rent properties at the lower quartile and median price based on 33% income multiplier for London Living Rent and 35% for Social Rent by property size in Newham (Source: ORS based on Valuation Office Agency data April 2020 to March 2021)**

Annual Income £	Private Rent		London Living Rent	Social Rent
	Median	Lower Quartile		
1 bedroom	£46,286	£41,143	£26,695	£14,869
2 bedrooms	£54,857	£48,000	£29,620	£17,398
3 bedrooms	£61,714	£54,857	£31,148	£19,965
4+ bedrooms	£66,857	£61,714	£34,744	£22,559

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

3.37 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.

3.38 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).

3.39 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, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing. Therefore, a key consideration in the ORS Model 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 can be taken as evidence that they can afford to cover their own rents and are unable to get government assistance with these.

- <sup>3.40</sup> Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 21 sets out the incomes for housing benefit eligibility for different types of households.

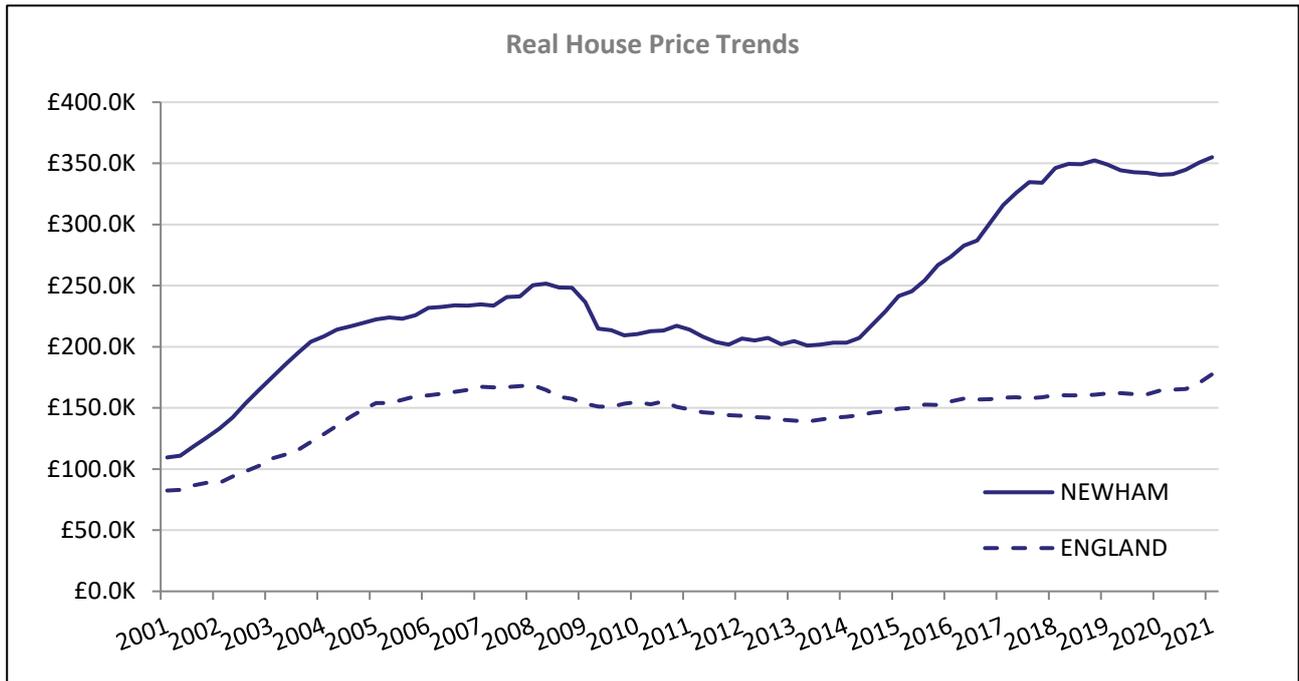
**Figure 21: Maximum income for households in receipt of housing benefit support by household type**  
(Source: ORS based on Department for Work and Pensions data)

		Outer East London BRMA
<b>ROOM ONLY</b>	Single person aged 16-24	£12,101
	Single person aged 25-34	£12,894
<b>1 BEDROOM PROPERTIES</b>	Single person aged 35+	£23,212
	Couple (both aged under 18)	£23,963
	Couple (one or both aged 18 or over)	£25,390
<b>2 BEDROOM PROPERTIES</b>	Lone parent (aged 18 or over) with 1 child	£31,322
	Lone parent (aged 18 or over) with 2 children	£34,812
	Couple (aged 18 or over) with 1 child	£33,500
	Couple (aged 18 or over) with 2 children	£36,991

## Cost of Home Ownership

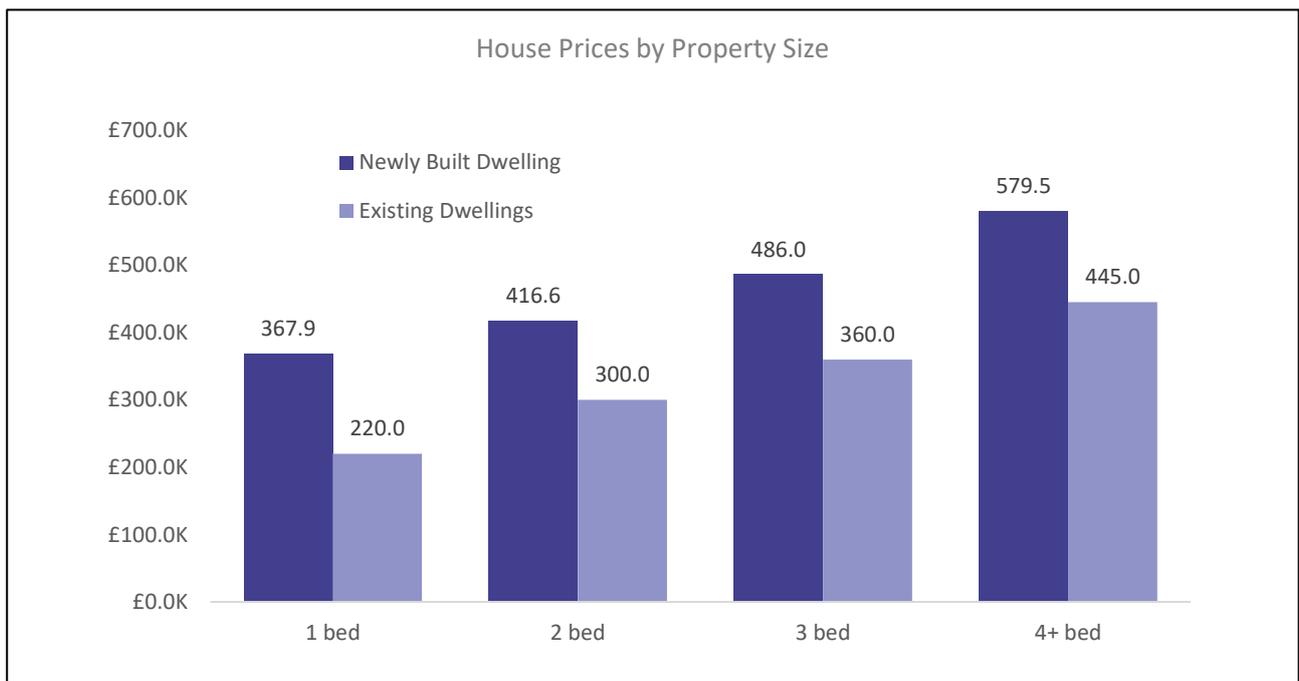
- <sup>3.41</sup> When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2021) are shown in Figure 22. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- <sup>3.42</sup> Real house prices in Newham, are both higher and increasingly divergent from England as a whole. Overall prices increased substantially in the period 2001-2008 (from £109,500 to £251,700 at 2021 values). Values then reduced from the beginning of 2008 and fell to a low of £201,800 in 2010 since which they have grown steadily to £350,600 (Q1 2021).

Figure 22: Real House Price Trends: Lower Quartile Prices adjusted to 2021 values using CPI (Source: ONS; Bank of England)



- 3.43 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 23 shows lower quartile house prices in Newham by bedroom size.
- 3.44 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium – and this is very clearly the case in Newham

Figure 23: Lower quartile prices (adjusted by CPI) (2021) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



- 3.45 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, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.
- 3.46 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

### Income Needed for Home Ownership

- 3.47 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.48 For example, if we consider a lower quartile 2-bedroom property costing £416,600 and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £374,940. Using a typical income multiple of 3.5 we can calculate an income of £107,500 would be needed ( $£107,100 \times 3.5 = £374,940$ ). If the buyer could only afford a 5% deposit then a larger mortgage and larger income would be needed. The scale of deposits required in Newham will rule out many households from being able to buy their own home.
- 3.49 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.
- 3.50 Based on these assumptions, Figure 24 shows the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often including equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

**Figure 24: Annual income needed for 1 and 2-bedroom properties at lower quartile prices (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)**



### Identifying the Gap for Affordable Home Ownership

- 3.51 The NPPF encourages local authorities to widen opportunities for home ownership.

- 3.52 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.
- 3.53 Figure 25 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents in Newham which emphasises that owner occupation is much less affordable than renting.

**Figure 25: 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 with 10% deposit and 3.5x mortgage	Newly built dwelling	£94,600	£107,100
	Existing dwelling	£56,600	£77,100
Minimum income needed for rent to be less than 35% in Newham	Median private rent	£46,300	£54,900
	Lower quartile private rent	£41,100	£48,000
	Affordable Rent	£25,400	£31,600
	Social Rent	£14,900	£17,400
Maximum income for Housing Benefit support in Newham	Upper end of range	£25,400	£37,000
	Lower end of range	£23,200	£31,300

- 3.54 There is large income gap between being able to afford market rent (£46,300) and being able to afford home ownership (£94,600) which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). The gap is equally wider for two-bedroom properties (£54,900 - £107,100).
- 3.55 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

### Low Cost Home Ownership

- 3.56 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership.
- 3.57 Figure 26 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 base based on a 30-year repayment mortgage at 4.0% interest;
  - » Rent based on 2.75% of the retained equity paid each year; and
  - » Service charge of £10 per week.
- 3.58 This calculation demonstrates that the weekly costs for shared ownership are higher than the equivalent median private rent for all property sizes.

**Figure 26: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% 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 Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	£367,857	£147,143	£14,714	£146.87	£116.40	£10.00	£273.28
2 bedrooms	£416,600	£166,640	£16,664	£166.33	£131.83	£10.00	£308.16
3 bedrooms	£486,000	£194,400	£19,440	£194.04	£153.79	£10.00	£357.83
4+ bedrooms	£579,500	£231,800	£23,180	£231.37	£183.38	£10.00	£424.75

3.59 Figure 27 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 4% 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 only the lowest equity share on the larger properties proves to be marginally cheaper than paying the median market rent for the same size property.

**Figure 27: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. 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	Equity Share					
		25%	30%	35%	40%	45%	50%
1 bedroom	£367,857	£247.30	£255.96	£264.62	£273.28	£281.94	£290.59
2 bedrooms	£416,600	£278.74	£288.55	£298.36	£308.16	£317.97	£327.77
3 bedrooms	£486,000	£323.51	£334.95	£346.39	£357.83	£369.27	£380.71
4+ bedrooms	£579,500	£383.83	£397.47	£411.11	£424.75	£438.39	£452.03

3.60 Meanwhile, Figure 28 sets out the weekly costs associated with First Homes properties with 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 based on a 30-year repayment mortgage at 3.5% interest.

**Figure 28: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 3.5% 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	£367,857	£172.61	£207.13	£241.65
2 bedrooms	£416,600	£195.48	£234.58	£273.67
3 bedrooms	£486,000	£228.05	£273.66	£319.27
4+ bedrooms	£579,500	£271.92	£326.30	£380.69

- 3.61 We also considered the cost of a London Living Rent property. The estimated cost of London Living Rents in Newham is taken from the GLA data for 2019/20<sup>15</sup>.

Figure 29: Total weekly costs for London Living Rent (Source: GLA London Living Rents 2021/22)

Total Weekly Cost £	London Living Rent
1 bedroom	£169.41
2 bedrooms	£187.97
3 bedrooms	£197.67
4+ bedrooms	£220.49

### Income Needed for Other Types of Housing

- 3.62 Another housing option that could be made available in Newham, 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 2021(Glossary)

- 3.63 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 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.
- 3.64 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).
- 3.65 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL<sup>16</sup> 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 Discount Market Rent aimed at households with incomes in the range of £35,000-£60,000. This in turn can be thought of as Affordable Rent plus 9.3%. It therefore represents an expensive option for address housing needs, but could be capped at lower levels such as those set for London Living Rent as part of a section 106 agreement and this would make them much more affordable.
- 3.66 It is difficult to place Affordable Build to Rent precisely within the range of affordable tenures because of the variability of the different factors involved. Nevertheless, in general Affordable Build to Rent can be

<sup>15</sup> [London Living Rent | London City Hall](#)

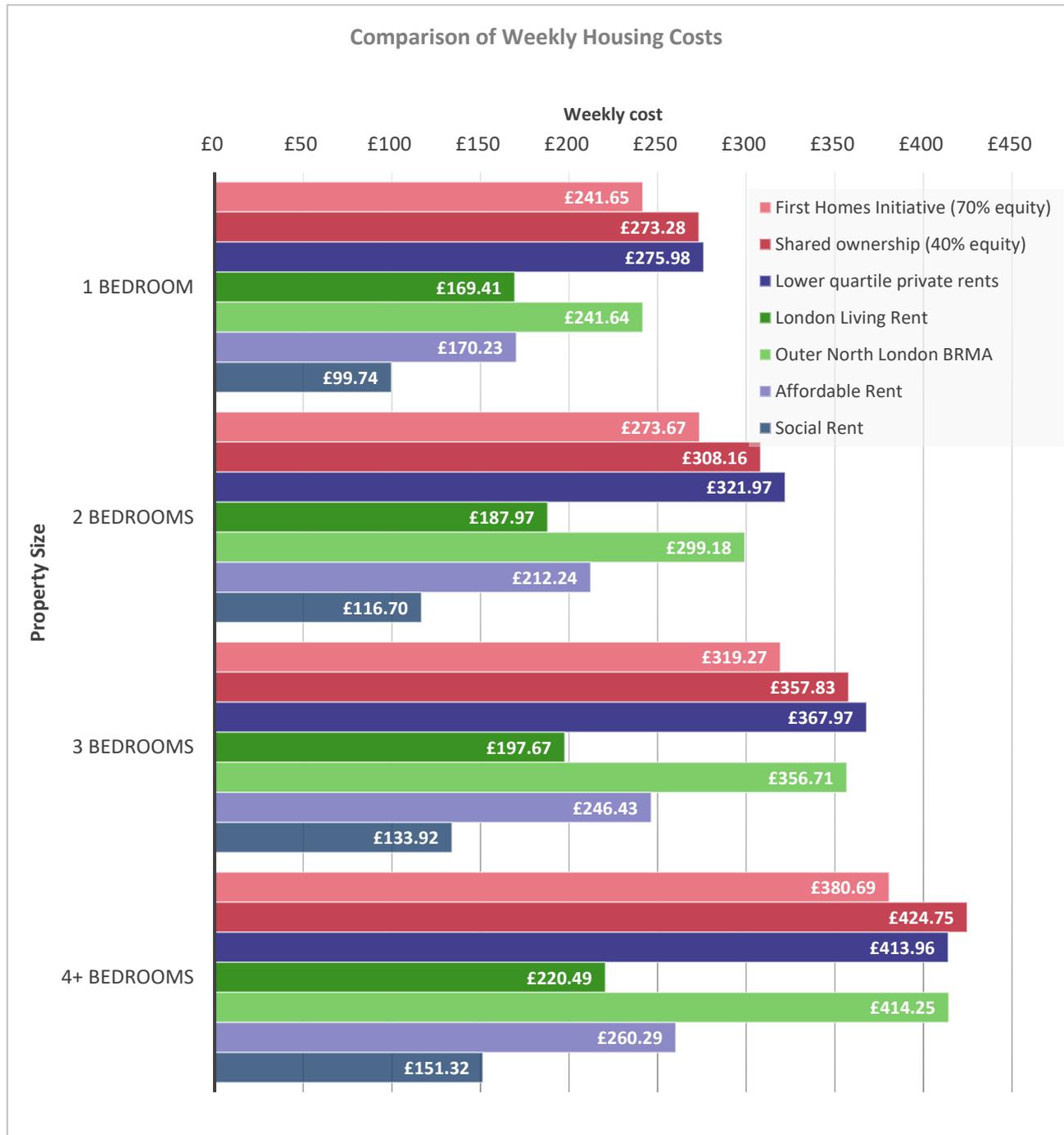
<sup>16</sup> <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

considered to be aimed at households who are able to afford London Living Rent and Affordable Rent, but not able to afford Private Rent.

## Summary of Housing Costs

<sup>3.67</sup> This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 30 summarises these costs for each property size (all costs are adjusted to 2021 levels, using the most recent data available). Social Rent is significantly less expensive than any other tenure. It is found that shared ownership with a 40% equity stake is more expensive than a First Homes property with a 70% equity stake. This is unsurprising due to the lack of a rental charge on First Homes properties. Across England as a whole it is now likely that First Homes will displace Shared Ownership, except for new build Housing Association properties which are likely to allow purchases of as little as 10% equity. However, in London, the London Living Rent scheme also provide affordable to own properties and this is considerably cheaper than First Homes properties.

Figure 30: Comparison of weekly housing costs by property size (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 homeownership. This was retained in the NPPF 2021 update 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)*  
 Revised NPPF 2021, Annex 2

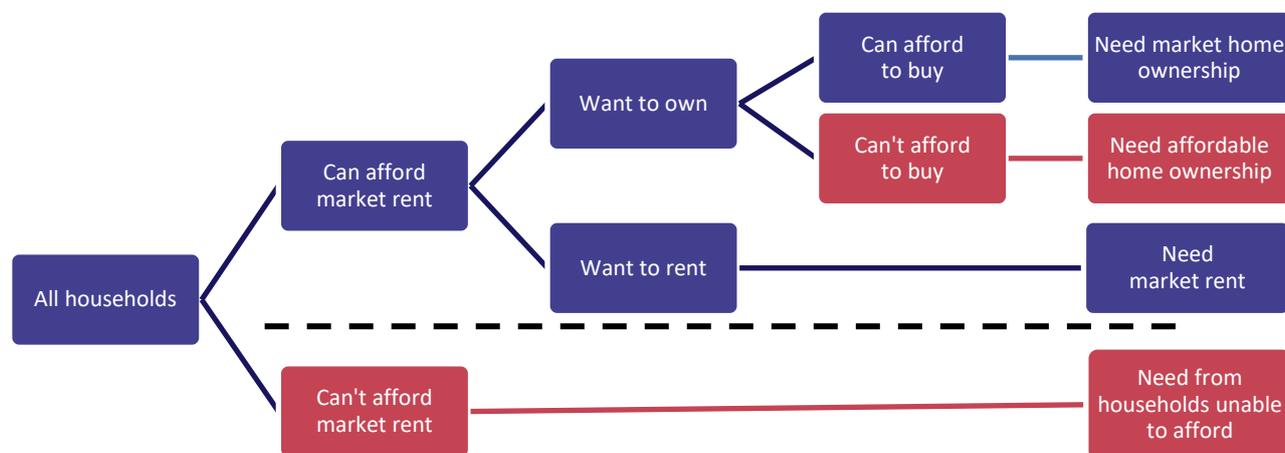
4.2 To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “Housing needs of different groups” published on 22nd July 2019<sup>17</sup>, which covered:

- » 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 24<sup>th</sup> 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.

Figure 31: Establishing the need for market and affordable housing



<sup>17</sup> <https://www.gov.uk/guidance/housing-needs-of-different-groups#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.

## 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 32 are calculated using detailed information from the 2011 Census alongside data published by 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.

Figure 32: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	46%	30%	49%	63%	60%	62%
Couple family with no dependent children	17%	9%	20%	32%	30%	35%
Couple family with 1 or more dependent children	34%	38%	53%	49%	46%	47%
Lone parent family with 1 or more dependent children	98%	95%	85%	77%	75%	66%
Other household type	14%	14%	25%	37%	36%	44%

## 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.

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 2021. The evidence is predominantly derived from data collected by Newham 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. Therefore, there is a very large overlap between those households considered to be in current need and the housing register in Newham.

4.13 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). 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 Newham.

4.14 Concealed families are an important part of unmet housing need. However, not all concealed families 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).

4.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families 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).

4.16 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.

4.17 Figure 33 sets out the assessment of current affordable housing need for Newham:

**Figure 33: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)**

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
<b>Homeless households in priority need</b> [Source: CLG P1E returns 2021]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	238		238	238
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	4,614		2,633	1,981
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	602	602	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
<b>Concealed households</b> [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	2,472		2,472	2,472
<b>Overcrowding based on the bedroom standard</b> [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	4,724		4,724	
Households living in overcrowded affordable rented housing	5,526	5,526	0	
<b>Other households living in unsuitable housing that cannot afford their own home</b> [Source: CLG Local Authority Housing Statistics 2021]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	799	111	688	
People who need to move to a particular locality in the Borough of the authority, where failure to meet that need would cause hardship (to themselves or to others)	179	25	154	
<b>TOTAL</b>	<b>19,154</b>	<b>6,264</b>	<b>12,890</b>	<b>4,691</b>

4.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 19,154 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.

4.19 Of these households, 6,264 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. 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.

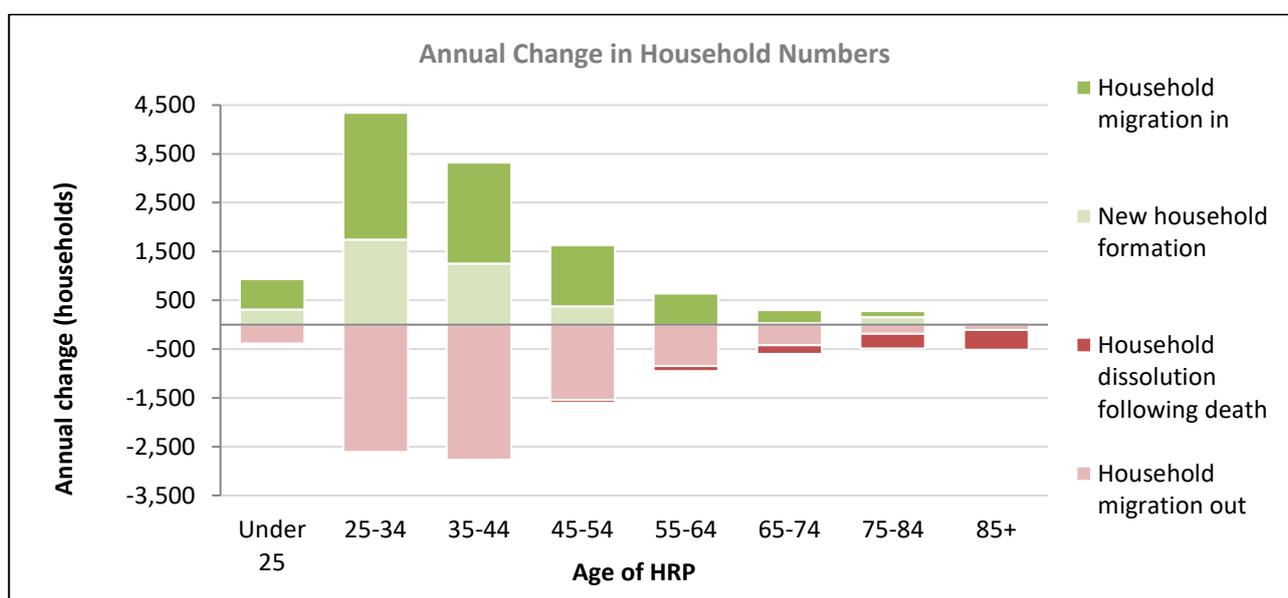
4.20 **There is, therefore, a net affordable housing need of 12,890 households (19,154 less 6,264 = 12,890). Providing the net affordable housing need for 12,890 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 8,199 households (12,890 less the 4,691 households which are housed outside the borough in temporary accommodation, are homeless**

or concealed and thus do not release dwellings). 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 17 years at an annual rate of 758 households per annum.

### Projected Future Need of Households Unable to Afford

- 4.21 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).
- 4.22 Figure 34 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.

Figure 34: Annual change in household numbers in each age cohort by age of HRP in Newham (Source: ORS Housing Model)



- 4.23 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 looks at the impact of different types of household.

Figure 35: Annual components of Household Growth 2021-38 (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	4,098	2,742	1,357	33%
Households migrating in to the area	8,063	5,284	2,779	34%
<b>All new households</b>	<b>12,161</b>	<b>8,025</b>	<b>4,136</b>	<b>34%</b>

- 4.24 The ORS Model identifies 4,098 new households projected to form in Newham each year, of which 33% will be unable to afford their housing costs. This amounts to 1,357 households each year.

4.25 The model also considers new households migrating to the area. The projection is for 8,063 households per annum of which 34% (2,779 households) will be unable to afford their housing costs. 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. It should be remembered that households in affordable housing need will also leave the Borough, thus reducing need.

4.26 **This results in a total of 4,136 new households in need of affordable housing.** (Figure 35)

Figure 36: Annual components of Household Growth 2021-38 (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	1,144	667	478	42%
Households migrating <u>out</u> of the area	9,405	5,986	3,419	36%
<b>All households no longer present</b>	<b>10,549</b>	<b>6,652</b>	<b>3,897</b>	<b>37%</b>

4.27 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).

4.28 The model identifies 1,144 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however 478 of these are likely to have been unable to afford market housing and will mostly be living in affordable rented housing.

4.29 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 9,405 households will migrate out of the area each year, including 3,419 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).

4.30 **Altogether, there are 3,897 households who will vacate affordable dwellings or will no longer be waiting for a home** (Figure 36).

Figure 37: Annual components of Household Growth 2021-38 (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	-	-1,390	+1,390	100%
Existing households climbing out of need	-	+1,170	-1,170	0%
<b>Change in existing households</b>	<b>-</b>	<b>-220</b>	<b>+220</b>	<b>-</b>

4.31 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 Newham 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 1,390 established households will fall into need in Newham each year.

- 4.32 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.
- 4.33 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 1,170 households will improve such that they become able to afford their housing costs having previously being unable to afford.
- 4.34 Therefore, considering the changing needs of existing households overall, **there is a net increase of 220 existing households needing affordable housing each year**. (Figure 37).
- 4.35 The following table (Figure 38) summarises the overall impact of:
- » New households adding to housing need;
  - » The households no longer present reducing housing need; and
  - » The changes in circumstances impacting existing households.

**Figure 38: Annual components of Household Growth 2021-38 (Source: ORS Housing Model)**

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		12,161	8,025	4,136
All households no longer present		10,549	6,652	3,897
Change in existing households		-	-220	220
Future affordable housing need 2021-38	Annual average	1,612	1,153	460
	17-year Total	27,408	19,594	7,815

- 4.36 Overall reviewing the contribution of each element amounts **to an additional 7,815 households needing affordable housing over the 17-year period 2021-38, or a rate of 460 per annum**.

## Needs of Households Aspiring to Homeownership

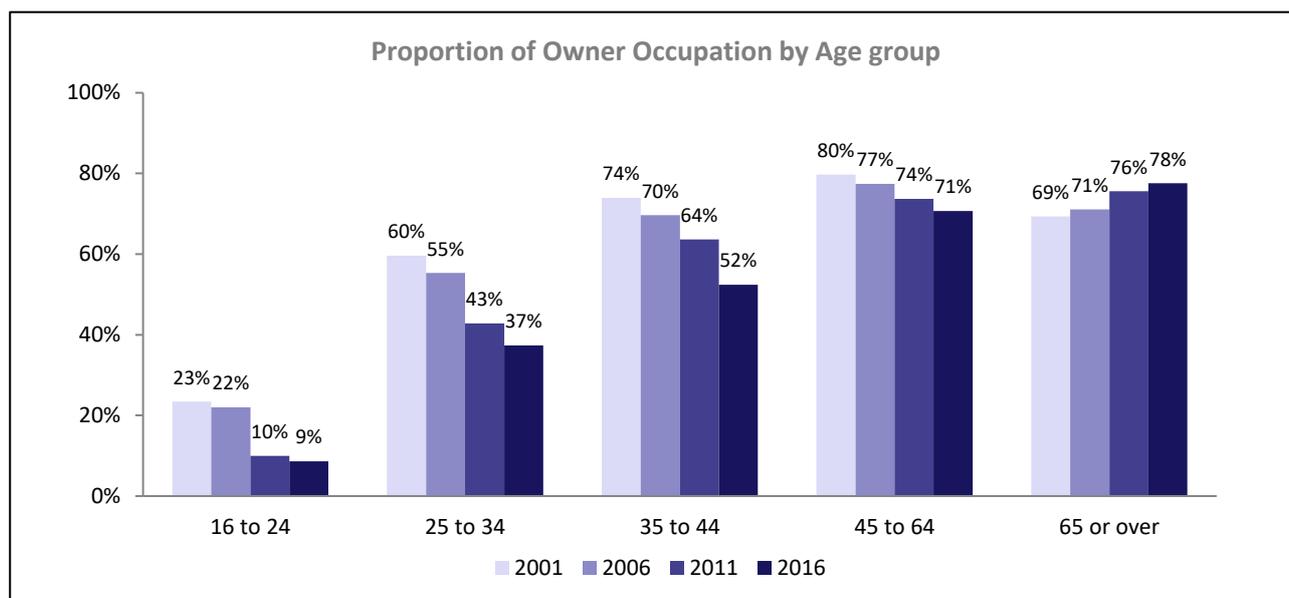
### Home Ownership Trends

- 4.37 In London, the need for home 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 affordable housing to own.
- 4.38 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates 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. 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%.

- 4.39 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 39).

Figure 39: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)



### Establishing the number of households aspiring to home ownership

- 4.40 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, so no more recent data has been collected. 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.

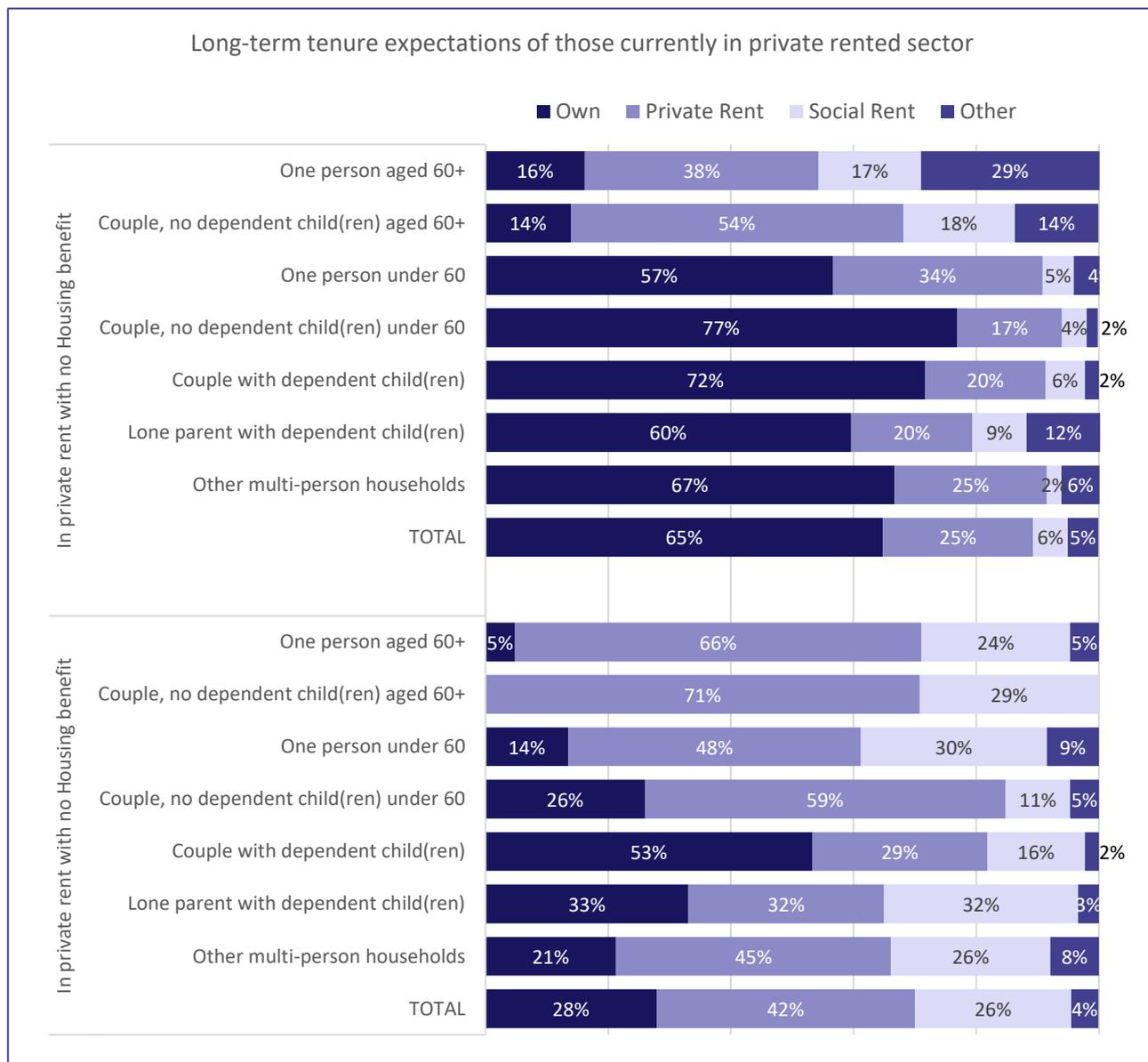
Figure 40: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Long-term Tenure Plan				
	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%

- 4.41 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.
- 4.42 The following chart (Figure 41) 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.

- 4.43 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. 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).
- 4.44 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 41: 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

- 4.45 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 42 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

**Figure 42: 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	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	65	587	608	0	0	0	1260
Couple without children	149	2356	708	158	53	0	3425
Families with child(ren)	99	810	612	0	0	0	1520
Other households	288	1991	672	316	159	0	3426
<b>Total</b>	<b>601</b>	<b>5,744</b>	<b>2,600</b>	<b>474</b>	<b>212</b>	<b>0</b>	<b>9,631</b>
<i>Percentage of households</i>	6%	60%	27%	5%	2%	0%	6%

- 4.46 Based on this analysis, we can estimate that there is a total of around 9,631 households currently resident in Newham who cannot afford to own their own home but would aspire to do so. 66% of these households are aged 15-34 with the substantial majority (93%) aged under 45.
- 4.47 In addition to the current need, it is also important to consider new households that are projected to form over the period 2021-38. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 11,755 households that form over the 17-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 21,386 households who aspire to homeownership but who cannot afford to buy their own home over the period 2021-38, a net annual need of 1,258 per year. All of these households can potentially afford London Living Rents because they are cheaper than market rents.**
- 4.48 When identifying the need for Affordable Home Ownership (AHO) including 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.

## Identifying the Overall Affordable Housing Need

- 4.49 Figure 43 brings together the information on assessing the unmet need for affordable housing in 2021 together with the future need for affordable housing and those aspiring to home ownership arising over the 17-year period 2021-38. It can be noted that this assessment has no regard for whether those aspiring 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 30, it is possible that a product such as First Homes may have a lower weekly cost than lower quartile private rents.

Figure 43: Assessing total need for affordable housing in the Newham 2021-2038 (Source: ORS Housing Model)

NEWHAM 2021-38	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2021	12,890	9,631	22,521
Future housing need 2021-38	7,815	11,755	19,570
<b>TOTAL HOUSING NEED</b>	<b>20,705</b>	<b>21,386</b>	<b>42,091</b>

- 4.50 On this basis, we can conclude that the overall need for affordable housing for Newham would comprise a total 42,091 households over the 17-year period 2021-2041, equivalent to an average of 2,476 per annum.
- 4.51 This represents a very high share of the overall household growth. 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

- 4.52 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

- 4.53 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall 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.
- 4.54 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 second-hand housing market. 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.
- 4.55 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership 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

- 4.56 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**

- 4.57 Figure 23 shows that the current lower quartile newbuild prices for a 4-bedroom property in the Newham is around £579,500, so 70% of this price would be inside the cap limit. Therefore, we have not applied any caps on the discount applied to First Homes based upon the maximum £420,000 value. However, it is still the case that a property discounted by 50% will be much more affordable than one discounted by 30%. 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 properties which are compatible with the First Homes scheme. However, we then assess how many of these households can also afford at a 30% discount later in this report.
- 4.58 Given this context, Figure 44 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 30, First Homes are typically more affordable than shared ownership in the Newham, 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.
- 4.59 Of the 21,386 households who can afford to rent but who aspire to homeownership, there would be 141 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the

future). There would be a further 15,327 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values (Figure 44). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 3,108 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

**Figure 44: Affordable homeownership housing mix by household affordability 2021-2038 (Source: ORS Housing Model)**

	All households aspiring to home ownership	MINUS households able to 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	5,114	136	4,978	3,663	1,315	549	765
2 bedrooms	9,505	5	9,499	6,543	2,956	1,619	1,337
3 bedrooms	6,001	0	6,001	4,529	1,472	829	644
4+ bedrooms	767	0	767	592	175	111	64
<b>TOTAL</b>	<b>21,386</b>	<b>141</b>	<b>21,245</b>	<b>15,327</b>	<b>5,918</b>	<b>3,108</b>	<b>2,809</b>

- 4.60 On this basis, 2,809 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 threshold. This is less than a 15% of the total that was originally identified. As previously noted, it is likely that the vast majority of these households would be first-time buyers.
- 4.61 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 2,809 households likely to form an effective demand (i.e. those able to afford the various products that will potentially be available) in addition to the 20,705 households unable to afford to rent or own market housing. Figure 45 provides a breakdown of the planned affordable housing on this basis.
- 4.62 The most striking feature in the data is the negative need overall for 1 bedroom affordable housing for those unable to afford to rent. This is driven by two key factors. Firstly, there is significant overcrowding in the existing 1 bedroom stock and resolving this will release dwellings to be occupied by single persons and couples. This will only be realised if sufficient larger dwellings are provided. The second key issue is that the household projections in Figure 15 show a drop in single person households. However, couples are projected to increase, so there will still be some demand for smaller dwellings.

**Figure 45: Overall need for Affordable Housing 2021-38, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford to rent	Households aspiring to home ownership	
1 bedroom	-126	765	639
2 bedrooms	5,093	1,337	6,430
3 bedrooms	11,110	644	11,754
4+ bedrooms	4,628	64	4,691
<b>TOTAL HOUSING NEED</b>	<b>20,705</b>	<b>2,809</b>	<b>23,514</b>

- 4.63 This study identifies an overall affordable housing need from 23,514 households over the 17-year period 2021-38 (1.383 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.
- 4.64 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. 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.

## Affordable Mix

- 4.65 Within the overall need for affordable homes for those who are unable to afford to rent identified, 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<sup>18</sup>. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.
- 4.66 As discussed in Chapter 3, 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 30 identified the minimum annual income in the Newham needed to afford London Living Rents and Affordable Rents by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford Affordable Rents and London Living Rents. Figure 46 shows the need from those who are unable to afford to rent disaggregated by property type. 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 and this applies to more than half of the total need.

**Figure 46: Overall need for Affordable Housing 2021-38 disaggregated based on ability to access affordable rents, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need				Total
	Unable to afford Social Rent	Able to afford Social Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Affordable Rent	Able to afford Affordable Rent - unable to afford Private Rent	
1 bedroom	-187	24	0	36	-126
2 bedrooms	2,061	1,303	355	1,375	5,093
3 bedrooms	6,451	1,896	957	1,806	11,110
4+ bedrooms	2,988	712	273	655	4,628
<b>TOTAL HOUSING NEED</b>	<b>11,313</b>	<b>3,936</b>	<b>1,584</b>	<b>3,872</b>	<b>20,705</b>

<sup>18</sup> While this section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

## Future Policy on Housing Benefit in the Private Rented Sector

- 4.67 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.
- 4.68 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 are not 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 was not sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 4.69 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.
- 4.70 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.
- 4.71 It is well-established that housing need should be established leaving aside policy considerations,<sup>19</sup> 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 SHMA 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. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That would not change the need, but it could influence the affordable housing policy target.

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<sup>19</sup> Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

# 5. Overall Housing Need

## Local Housing Need

### Establishing the Housing Target

- 5.1 The overall housing need for an area provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

*Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.*

Planning Practice Guidance, ID 2a-001-20190220

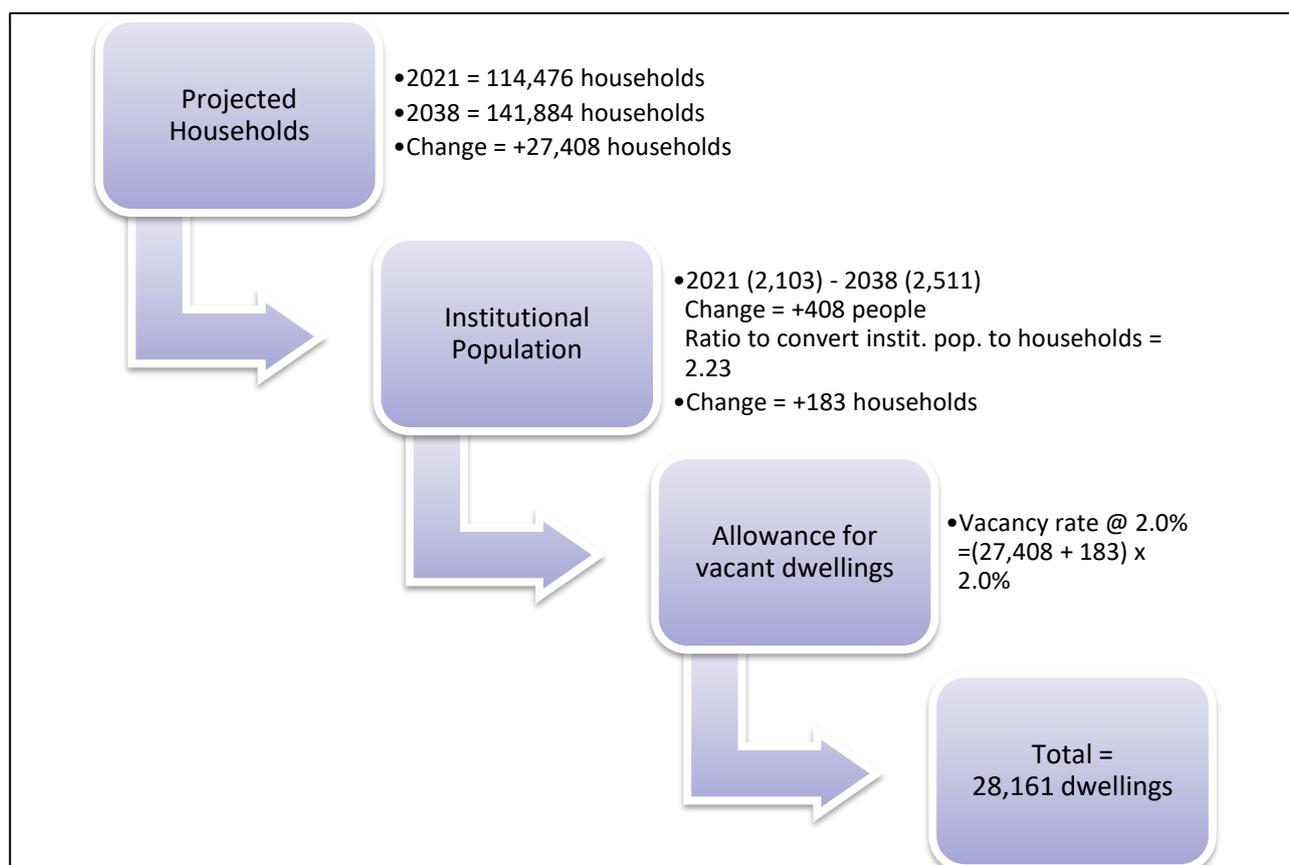
- 5.2 In the context of London, the Boroughs are required to be in conformity with the London Plan. As noted earlier, PPG allows local planning authorities to depart from the standard method LHN where there is an adopted spatial development strategy in place. On that basis, for Newham the dwelling delivery target set out in the London Plan is 4,760 dwellings per annum, so we have proceeded with that figure as the need for the Borough.
- 5.3 In the next section we consider the appropriate local housing needs figure for Newham and then later in this Chapter consider the housing needs of Newham in the context of delivering the London capacity target figure of 4,760 dwellings per annum.

### Disaggregating the minimum Local Housing Need figure

- 5.4 The demographic projections for the SHMA set out in the previous Chapters are based on the latest official projections (not the 2014 based CLG household projections) and cover the 17-year period 2021-38. They are informed by the latest ONS mid-year estimates,<sup>20</sup> and take account of the most up-to-date fertility and mortality rates and the latest migration trends.
- 5.5 These figures are for households, rather than dwellings. Figure 47 sets out the separate elements that will contribute to the dwelling need in the context of the number of households. These include:
- » Households growth over the 17-year plan period calculated on trend-based projections;
  - » Institutional population growth over the 17-year plan period needing communal accommodation. This is calculated by holding the proportion of the population aged 75 years or older who reside in communal housing such as nursing homes constant. This group appear in the population projections, but not in the household projections, so require to be added back in to the calculation at some point;
  - » Dwellings without a usually resident household (either vacant homes or second homes).

<sup>20</sup> The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

Figure 47: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



- 5.6 At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.
- 5.7 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 27,591. However, if we assume that just under 2.0%<sup>21</sup> of dwellings will be unoccupied at any one time this means that a total of 28,161 dwellings are required.
- 5.8 Whilst recent trends provide the starting point to understand housing need in Newham, Figure 11 shows that average household sizes have been growing in the area. This in turn is reflected in fewer younger households forming, which suggests that not all housing needs are being met in Newham in the current demographic trends. To address this issue the model aligns household growth with the wider need for housing through varying a key assumption:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001, a time when the housing market was experiencing much lower levels of pressure.
- 5.9 The underlying demographic growth for Newham has been identified as requiring 28,161 dwellings) across the 17-year period. However, to return the rate of household formations back to 2001 levels would require

<sup>21</sup> Based on 2011 Census data at a local authority level

a further 27,711 dwellings<sup>22</sup>. All of these dwellings will be required for people who would be resident in Newham within the demographic trends household projections, but they would not be separate households. Any of the households who cannot affordable market housing have already been counted within Figure 38, so this figure does not add to the overall need for affordable housing for those who cannot afford. However, it does add to the need for housing in general and also to the number of households who would otherwise be private renters, but who aspire to own.

- 5.10 This then leaves a total need for 55,872 dwelling, which can be said to represent the overall housing needs for Newham based upon recent demographic trends and allowing all pent-up demand to form as separate households.



## Size and Tenure Mix based Upon Overall Housing Needs

- 5.11 Figure 48 provides a breakdown of the need for 55,872 dwellings between market and affordable housing on this basis. Figure 48 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 45. These affordable homes are subtracted from the overall dwelling need calculated above.
- 5.12 An allowance for C2 provision has been made within the total housing need of 55,872 equivalent to 187 dwellings that would be counted against the minimum housing target; which represents over 400 bedspaces. The London Plan contains targets for Class C2 units, but this is a build target, not a modelled need for the area. These are all considered to be market housing need because they are typically not provided as affordable housing. This figure is derived from the projected growth in the institutional population aged 75 years or older in nursing or care homes. However, this growth may not occur, so the Class C2 figure ensures the needs of this population is met without assuming it is met through a growth in nursing and care home provision.
- 5.13 The figures allow for all dwellings for households who cannot afford market housing, namely 15,615 who require Social Rent. It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed, but potentially this any Affordable Rent properties could help to meet the Social Rent need.
- 5.14 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 at a 50% discount. 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

<sup>22</sup> Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

their own Shared Ownership product. While Shared Ownership products are typically more expensive per week (Figure 30), they are also more flexible with households able to afford to buy a smaller share of the property. Therefore, many local authorities consider them to be more attractive to potential occupiers than First Homes. However, it is also likely that most new Housing Association 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 Newham can potentially afford London Living Rents if they were available. It is also the case that our modelling on the need for First Homes is driven by relatively low interest rates, and any future rises will make First Homes much less affordable.

- 5.15 The market housing figure contains both market rent and owned occupied dwellings. As noted above, the figures indicate that if there is not an improvement in affordability for home ownership, market rent will grow by around 11,755 dwellings for those who aspire to own (Figure 43), plus further potential growth from student households and also from households receiving housing benefit in the private rented sector if insufficient affordable to rent is supplied. The number of owner occupiers in Newham fell between 2001 and 2011 by 4,420 (Figure 18) and unless affordability improves this trend will continue.

**Figure 48 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)**

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership Affordable Home Ownership with 50% First Homes Discount			
	Social Rent	London Living Rent				
1 bedroom	-166	37	649	520	5,236	<b>5,756</b>
2 bedrooms	3,444	1,771	1,677	6,892	9,221	<b>16,113</b>
3 bedrooms	8,547	2,829	1,424	12,801	17,508	<b>30,309</b>
4+ bedrooms	3,789	950	184	4,923	-1,415	<b>3,508</b>
C2 Dwellings	-	-	-	-	187	<b>187</b>
<b>Total</b>	<b>15,615</b>	<b>5,587</b>	<b>3,935</b>	<b>25,136</b>	<b>30,736</b>	<b>55,872</b>
1 bedroom	-1.1%	0.7%	16.5%	2.1%	17.0%	10.3%
2 bedrooms	22.1%	31.7%	42.6%	27.4%	30.0%	28.8%
3 bedrooms	54.7%	50.6%	36.2%	50.9%	57.0%	54.2%
4+ bedrooms	24.3%	17.0%	4.7%	19.6%	-4.6%	6.3%
C2 Dwellings					0.6%	0.3%

- 5.16 Figure 49 contains the same information as Figure 48, except that we have considered those who can afford First Homes at a 30% discount as well as at a 50% discount. Of the 3,935 dwellings needed for households who can afford First Homes with a 50% discount, 1,592 of these could be for households who can afford a First Home with a 30% discount. We would note that the need for 4+ bedroom First Homes with a 30% discount is zero because the cost would be over the £420,000 threshold. The remaining 2,342 dwellings would be for households who cannot afford a First Home with a 30% discount, but who could afford one with a 50% discount.

- 5.17 Government policy requires that local authorities implement the same level of discount for First Homes across their whole area, so the discount must be either 30%, 40% or 50%. Again, it should also be stressed that households who can afford First Homes are also those who can typically afford Shared Ownership. In Newham, both types of housing would be occupied by households with incomes of over £60,000, but under £90,000. Shared Ownership provision typically sees a higher level of viability for affordable housing because it contains no discount, but First Homes typically see a lower cost per week for the household.

**Figure 49 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)**

	Affordable Housing				Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership				
	Social Rent	London Living Rent	Able to Afford 50% First Homes but not 70% First Homes	Able to afford 70% First Homes			
1 bedroom	-166	37	486	163	520	5,236	<b>5,756</b>
2 bedrooms	3,444	1,771	896	781	6,892	9,221	<b>16,113</b>
3 bedrooms	8,547	2,829	776	648	12,801	17,508	<b>30,309</b>
4+ bedrooms	3,789	950	184	0	4,923	-1,415	<b>3,508</b>
C2 Dwellings	-	-	-	-	-	187	<b>187</b>
<b>Total</b>	<b>15,615</b>	<b>5,587</b>	<b>2,342</b>	<b>1,592</b>	<b>25,136</b>	<b>30,736</b>	<b>55,872</b>
1 bedroom	-1.1%	0.7%	20.8%	10.2%	2.1%	17.0%	10.3%
2 bedrooms	22.1%	31.7%	38.3%	49.1%	27.4%	30.0%	28.8%
3 bedrooms	54.7%	50.6%	33.1%	40.7%	50.9%	57.0%	54.2%
4+ bedrooms	24.3%	17.0%	7.9%	0.0%	19.6%	-4.6%	6.3%
C2 Dwellings						0.6%	0.3%

- 5.18 As noted in the introductory chapter, an important consideration in our modelling for this study is that the total need for dwellings for Newham is based upon a continuation of past housing trends. This in turn does not necessarily assume that every single person seeking their own home will be allocated to one. Instead, the figures set out in Figure 48 contain the assumption that many households which are comprised of single persons aged 25-34 years will continue to occupy Houses in Multiple Occupation (HMO) 3- and 4-bedroom properties, rather than that each will occupy a single bedroom property. However, it is possible to consider the consequences for Newham is the modelling approach adopted in the 2017 London SHMA was to be followed for Newham. Figure 50 represents a reworked version of Figure 48 with the following assumptions changed:

- » Single persons aged 25 years or more, but under 35 years are now assumed to not share 3- and 4-bedroom properties. Instead, each is allocated to a single bedroom affordable rented property;
- » The total dwelling delivery in Newham is assumed to expand to so that every single person aged 25-34 years can have their own property; and

- » Those singles who are sharing are assumed to do so because they cannot afford their own market property, so they have now been allocated to a 1-bedroom affordable rented property.

- 5.19 The consequences of these changes shows that the need for 1-bedroom affordable rented properties would grow by 7,583 to 7,417 dwellings. Meanwhile, the need for 3- and 4-bedroom market dwellings which are acting as HMOs would fall by nearly 2,500 dwellings. In total the need for dwellings in Newham would rise by 5,000 over the 17-year period, or by 294 dwellings per annum.
- 5.20 It is important to understand that Figure 48 and Figure 50 are both housing exactly the same population in Newham, but one is assuming much of the need for single persons aged 25-34 years is met in HMOs, while the other allocated each to a 1-bedroom affordable rented property. The outputs in Figure 50 are consistent with Newham's policy of seeking to limit HMOs in the borough, but they do require more affordable 1 bed units to be delivered.

**Figure 50 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size assuming singles persons are allocated to 1 bedroom affordable rented rather than HMOs (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership Affordable Home Ownership			
	Social Rent	London Living Rent				
1 bedroom	7,417	37	649	8,103	5,236	13,339
2 bedrooms	3,444	1,771	1677	6,892	9,221	16,113
3 bedrooms	8,547	2,829	1424	12,800	15,117	27,917
4+ bedrooms	3,789	950	184	4,923	-1,514	3,409
C2 Dwellings	-	-	-	0	187	187
<b>Total</b>	<b>23,197</b>	<b>5,587</b>	<b>3,934</b>	<b>32,718</b>	<b>28,247</b>	<b>60,965</b>
1 bedroom	32.0%	0.7%	16.5%	24.8%	18.5%	21.9%
2 bedrooms	14.8%	31.7%	42.6%	21.1%	32.6%	26.4%
3 bedrooms	36.8%	50.6%	36.2%	39.1%	53.5%	45.8%
4+ bedrooms	16.3%	17.0%	4.7%	15.0%	-5.4%	5.6%
C2 Dwellings				0.0%	0.7%	0.3%

## Size and Tenure Mix based Upon GLA Capacity Target

- 5.21 The data to this point in the report relate to the trend population and household projections in Newham. However, it is also possible to consider the housing needs of Newham in the wider context of the overall need for London.

- 5.22 The GLA Capacity Target for Newham is 4,760 dwellings per annum and in 2021 the GLA produced a series of housing led population projections for each London Borough<sup>23</sup>. These include projections linked to the capacity targets for each London Borough. The projections are provided by the GLA and are therefore completely separate from those provided by the ONS used in this report up to this point.
- 5.23 We have used the 2020 based Identified Capacity Scenario for Newham to consider the housing needs of Newham in the wider context of London. This set of projections assumes that Newham will deliver 4,760 dwelling per annum and therefore will see a much higher population than the figures set out earlier in this report with a different age profile. Therefore, the types of households present in Newham will also be different, so the numbers who require affordable housing will also vary.
- 5.24 For Figure 51, the backlog of housing need as of 2021 remains the same as shown in Figure 33, but future need is based upon a larger overall population which also has a different age profile. This consequences of these changes are that in the context of delivering 4,760 dwellings in Newham which includes helping to meet the wider needs of London is that the overall need for affordable housing rises.

**Figure 51 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 4,760 dpa (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Affordable Home Ownership			
	Social rent	London Living Rent				
1 bedroom	1,091	670	1342	3,103	6,232	<b>9,335</b>
2 bedrooms	9,051	3,511	2344	14,906	8,464	<b>23,370</b>
3 bedrooms	13,931	4,604	1133	19,667	23,529	<b>43,197</b>
4+ bedrooms	4,351	1,118	112	5,581	-749	<b>4,831</b>
<b>DWELLINGS</b>	<b>28,423</b>	<b>9,903</b>	<b>4,930</b>	<b>43,257</b>	<b>37,477</b>	<b>80,734</b>
C2 Dwellings	-	-	-	-	187	<b>187</b>
<b>LHN</b>	<b>28,423</b>	<b>9,903</b>	<b>4,930</b>	<b>43,257</b>	<b>37,663</b>	<b>80,920</b>

- 5.25 The outputs in Figure 51 can best be considered as the consequences for Newham of London seeking to meet its overall needs. It includes all of the locally generated need for Newham, but also wider needs which cover the whole of London.
- 5.26 The population and household projections which generate Figure 48 and Figure 51 are different and, proportionately, there is a higher need for affordable housing when Newham is considered as part of London's needs than when it is considered on its own. It is always the case that as the number of households in an area grows, more households will form in need and more households will fall into need. However, the 2020 based Identified Capacity Scenario for Newham sees these figures rise not just numerically, but proportionately because of the different projected age profile of the population.

<sup>23</sup> [Housing-led population projections - London Datastore](#)

- 5.27 We would also note that neither model follows the 2017 London SHMA in assuming that any single person or couple aged over 25 years who wishes to occupy their own property will do so, irrespective of whether they can afford to do so or not. The two models both allow for a growth in 'Other' households which would include sharing households. If every person who aspires to a separate property is granted one, then the need for Social Rent will rise dramatically in both scenarios, but this will also require that the overall level of housing delivery rises at the same time. Therefore, rather than the capacity target for London of 52,300 a figure closer to 66,000 is required across the whole of London Per annum.
- 5.28 In the context of Newham, Figure 15 shows the 'Other' households with a head of household aged between 25 and 54 years are projected to rise by nearly 5,000 in the period 2021-2038. Many of these will be households who are projected to be sharing. Meanwhile, Figure 48 and Figure 51 show a high level of need for 3 bedroom market properties, which will include those to accommodate sharing households. Taking a situation where a policy aim could be to reduce the growth in 'Other' households aged 25-54 years by half and assuming that they average 3 persons per household, this may require 7,500 more 1 bedroom Social Rent units and fewer larger Social Rent and market units over the period 2021-2038. Applying these figures would see the need for affordable housing rise and the need for market housing fall as a share of the total need, but would require more dwellings to be delivered in total.

# 6. Needs of Different Groups

## An exploration of need for target groups

### Introduction

- 6.1 Paragraph 62 of the Revised NPPF 2021 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 needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

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

Revised NPPF, paragraph 62

- 6.2 Policy H12 of the London Plan 2021 covers supported and specialised accommodation and states that:

*Boroughs should undertake assessments of the need for short-term, medium-term and permanent supported and specialised accommodation within their borough. Supported and specialised accommodation could include:*

- 1) accommodation for people leaving hostels, refuges and other supported housing, as well as care leavers and people leaving prison to enable them to live independently*
- 2) accommodation for young people with support needs*
- 3) reablement accommodation (intensive short-term) for people who are ready to be discharged from hospital but who require additional support to be able to return safely to live independently at home, or to move into appropriate long-term accommodation*
- 4) accommodation for disabled people (including people with physical and sensory impairments and learning difficulties) who require additional support or for whom living independently is not possible*
- 5) accommodation (short-term or long-term) for people with mental health issues who require intensive support*
- 6) accommodation for rough sleepers*
- 7) accommodation for victims of domestic abuse*
- 8) accommodation for victims of violence against women and girls*

London Plan, March 2021, Policy H12

- 6.3 Ideally, the assessment of need for supported and specialist accommodation should identify supply and demand, including an audit of existing supported and specialist accommodation to identify shortages in capacity and, for some groups, the need should be assessed across several boroughs or the whole of London (Paragraph 4.12.1). Neither of these was feasible for this project, although some general information was gathered on these themes through interviews with stakeholders including neighbouring boroughs to

Newham. Audits of existing housing with support and supported housing are often most accurate and efficient when they are carried out by the local commissioning authority involved by bringing together information on what support in housing is commissioned (supply) with information from the Housing Register and other sources on how many people on those data sets fall into each of the specialist housing groups, taking account of issues around double counting (need/demand).

## Methodology

- 6.4 This chapter considers data and information from a review of London data sources and Newham strategies and policies along with data from LB Newham and interviews with staff from LB Newham and adjacent boroughs. The interviews were conducted through January and February 2022.
- 6.5 Bringing this information together gives us an idea of the scale of the population of each group within Newham, the scale of the housing need for each group and a qualitative perspective on the provision and needs. The numbers presented are imprecise because the information is indicative of the need or in some cases circumstantial rather than measuring the need directly. The estimates are likely to be at the lower end of need because the data that is available tends to measure people who are known to or identifiable by services. It is important to distinguish between people who need care or support at home and those who need supported housing, where the support or care is an integral part of the housing provision. In the case of care or support at home, the care or support is provided to a person living independently in their own home; there is no effect on the overall planning requirements because there is no housing element unless there is a need for adaptable or wheelchair accessible housing. Examples of this include carers supporting an older person with physical care in their own home and floating support for a person with learning disability living independently. In supported housing, the accommodation and the care or support are provided as an integrated unit, often but not always in a group setting and often, but not always, with staff on site 24 hours a day; this is part of the reason why the majority of supported housing is rented. Examples include extra care and group living for people with learning disabilities or mental health problems, or young homeless people. There are numerous models of housing with care and supported housing and some will cut across these broad descriptions<sup>24</sup>.
- 6.6 The London Plan sets out the requirement for specialist housing for older people for each borough and for accessible and adaptable housing (M4). These are shown first alongside numbers from the ORS housing model. Following this is a review of the evidence of need for other groups, some key points from the interviews and conclusions.
- 6.7 For groups other than older people and M4 housing, data was obtained from LB Newham Azeus case management system and other sources, along with the following sources:
- Joint Strategic Needs Assessment (JSNA)<sup>25</sup>
    - Children and Young People’s Joint Strategic Needs Assessment 2021-23
    - 50 Steps Evidence Document 2020-23
    - Healthy Living Needs Assessment 2020
    - Early Help Needs Assessment 2020
    - Adult Joint Strategic Needs Assessment 2017-19

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<sup>24</sup> The Supported Housing: National Statement of Expectations gives a definition of supported housing [Supported housing: national statement of expectations - GOV.UK \(www.gov.uk\)](#)

<sup>25</sup> [Joint Strategic Needs Assessment \(JSNA\) – Policies that define the way we provide support – Newham Council](#)

- Mental Health Needs Assessment 2016-18
- GLA Quarterly Reports on Rough Sleeping based on Combined Homelessness and Information Network (CHAIN) data<sup>26</sup>

## Housing for Older People

- 6.8 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.<sup>27</sup>
- 6.9 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG “Housing for older and disabled people” was published on 26<sup>th</sup> June 2019, specifies the need to break down the older persons assessment by tenure and type and suggests using the online toolkits:

*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, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people. 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.*

Planning Practice Guidance, ID 63-004-20190626

- 6.10 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.
- 6.11 The London Plan (March 2021)<sup>28</sup> states that there is a potential demand for over 4,000 specialist older persons units a year until 2029 and allocates annual borough benchmarks:

*4.13.8 Research has identified a total potential demand in London across all tenures for just over 4,000 specialist older persons units a year between 2017 and 2029. Table 4.3 provides annual borough benchmarks for specialist older persons housing 2017-2029*

*4.13.9 **These benchmarks are designed to inform local level assessments of specialist housing need.** Boroughs should plan proactively to meet identified need for older persons accommodation.*

*4.13.10 Looking beyond 2029 to 2041, the number of older persons households will continue to increase, although at a slightly slower rate than from 2017 to 2029.*

London Plan March 2021

(Emphasis ORS)

- 6.12 The table below shows the annual borough benchmarks from the London Plan for specialist older people for Newham, adjacent boroughs and Havering between 2017 to 2029:

<sup>26</sup> [Rough sleeping in London \(CHAIN reports\) - London Datastore](#)

<sup>27</sup> ONS 2016-based sub-national population projections

<sup>28</sup> [the london plan 2021.pdf](#)

Figure 52: Annual borough benchmarks for specialist older persons housing 2017-2029 (London Plan)

Borough	Units per annum
Barking & Dagenham	70
Greenwich	105
Hackney	40
Havering	185
<b>Newham</b>	<b>85</b>
Redbridge	155
Tower Hamlets	45
Waltham Forest	110
<b>London Total</b>	<b>4,115</b>

- 6.13 Meeting the annual benchmark for Newham of 85 would mean providing a total of 1,020 units for older people over the 12 years 2017 to 2029. **Over the 17 years of the Newham plan period of 2021 to 2038, providing 85 units a year would provide 1,445 units for older people.** It should be noted that these totals are based on the 85 units of the London Plan benchmarks to 2029 and do not take account of a slightly lower rate of increase forecast in the older population after 2029.
- 6.14 The Centre for London published *London: A place for older people to call home* in 2020 presenting the results of research into older people and their housing across London<sup>29</sup>. The report states that inner London will see a greater increase in people aged 65+ than outer London:
- The number of Londoners aged 65+ is forecast to rise by 30 per cent by 2030. This is compared to a rise of 23 per cent across England. Beyond the headline figure of a growth in the total number of over 65s in London, the numbers of people in the smaller cohorts which comprise the whole over 65 population are changing at different rates. So, the increase in the number of people aged 65-69 will be larger than those aged 70-74, for example. There are also substantial variations in the rates of growth across inner and outer London, with inner London seeing more change, especially for people just after retirement age.*
- 6.15 *London: A place for older people to call home* presents data from POPPI which suggests the population aged 65+ will grow by 35% in inner London by 2030, compared to 27% in outer London and 29% overall. However, more older Londoners live in outer London:
- Where older Londoners live is not equally spread across the city... older Londoners are concentrated in outer London boroughs, albeit with some exceptions such as Kensington and Chelsea, and Greenwich. This is at odds with the projected growth of over 65s over the next 10 years, which is forecast to be focussed on inner London. However, the raw data does not tell us why older Londoners live in the places they do. Further research is required to establish whether the pattern is due to preference, or instead due to an unequal distribution of suitable accommodation.*
- 6.16 It is useful to analyse the need for older persons housing in more depth because the London Plan benchmarks do not break down the need by type or tenure of accommodation.
- 6.17 Specialist housing for older people comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the

<sup>29</sup> [Centre for London | London: A place for older people to call home](#)

definitions in the 2012 “Housing Our Ageing Population” report (HAPPI2).<sup>30</sup> This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).

6.18 On the different types of specialist housing, *London: A place for older people to call home* says:

*‘Older people’s housing’ can mean a wide range of homes, from general needs housing, through to care homes, with a range of ‘specialised housing’ in between which can provide the full variety of additional care and other services.*

*Understanding whether we are meeting the need for this range of homes is complicated by the fact that ‘older people’s housing’ sits across a range of types and tenures, some of which won’t be captured in monitoring targets in the London Plan.*

6.19 The Housing Learning and Improvement Network (LIN) published “More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people”<sup>31</sup> in February 2008; and subsequently published the “Strategic Housing for Older People (SHOP)”<sup>32</sup> resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.

6.20 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.

6.21 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012).<sup>33</sup> This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+).

Figure 53: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
<b>Demand per 1,000 persons aged 75+</b>						
Leasehold Schemes for the Elderly (LSE)	75	-	<b>75</b>	120	-	<b>120</b>
Conventional Sheltered Housing	-	50	<b>50</b>	-	60	<b>60</b>
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	10	10	<b>20</b>	10	10	<b>20</b>
Extra Care	12.5	12.5	<b>25</b>	30	15	<b>45</b>
Dementia	-	10	<b>10</b>	-	6	<b>6</b>
<b>TOTAL</b>	<b>97.5</b>	<b>92.5</b>	<b>180</b>	<b>160</b>	<b>91</b>	<b>251</b>

6.22 The population projections underlying the London Plan housing need figure for Newham show a substantial increase in the older population during the period 2021-38. The population aged 75+ is likely to increase by around 10,000 persons based on providing the number of homes needed to meet the local housing need.

<sup>30</sup>[http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Other\\_reports\\_and\\_guidance/Housing\\_our\\_Ageing\\_Population\\_Plan\\_for\\_Implementation.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf)

<sup>31</sup>[http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Reports/MCGVdocument.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf)

<sup>32</sup><http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

<sup>33</sup>[www.housinglin.org.uk/housinginlaterlife\\_planningtool](http://www.housinglin.org.uk/housinginlaterlife_planningtool)

Figure 54: Projected population aged 75+ (Source: LHN dwelling-led population projections)

	75-84	85+	TOTAL
2021	8,496	3,300	11,796
2038	16,284	5,535	21,820
CHANGE	+7,788	+2,236	+10,024

- 6.23 The data published by the Elderly Accommodation Counsel (EAC)<sup>34</sup> identifies that there is currently a total of 1,377 specialist Older Person homes across Newham.

Figure 55: Existing Stock of Specialist Older Person Housing for Newham (Source: EAC 2015)

Property Type	Owned	Rented	TOTAL
Housing with support	0	1,123	1,123
Housing with care	0	254	254
<b>TOTAL</b>	<b>0</b>	<b>1,377</b>	<b>1,377</b>

- 6.24 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 11,800 people aged 75+ requires 2,960 specialist homes whilst data shows that just 1,377 exist, resulting in an unmet need of 1,584 homes already in the area.
- 6.25 If we then consider the increase in need by 2038 by applying the SHOP formula (per 1,000) to the 10,000 additional people aged 75+ that are projected to exist in Newham by 2038 we can calculate the additional need for elderly housing by 2038.

Figure 56: Modelled Demand for Additional Specialist Older Person Housing 2021-38 (Source: Housing LIN Toolkit)

		SHOP FORMULA rate per 1,000 persons			NEWHAM ADDITIONAL NEED		
		Owned	Rented	Total	Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	120	0	120	1,203	-	1,203
	Conventional Sheltered housing	0	60	60	-	601	601
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	10	10	20	100	100	200
	Extra Care	30	15	45	301	150	451
	Dementia	0	6	6	-	60	60
<b>Total</b>		<b>160</b>	<b>91</b>	<b>251</b>	<b>1,604</b>	<b>912</b>	<b>2,516</b>

- 6.26 The toolkit identifies future need for just over 2,516 specialist older person additional housing units over the period 2021-38.
- 6.27 The table below summarises the potential requirement for new specialist housing, taking account of the current stock, unmet demand and population growth for the period. As a rule, most properties have traditionally been assumed to be for 1 bedroom units, but clearly there is a potential for larger units to allow for carers or family to stay. The modelled outcome of a surplus of rented sheltered housing in 2021 is a by-product of the Housing LIN toolkit which assumes that there are 251 units per 1,000 persons aged 75 years or over in Newham, but there are really 117 units per 1,000 persons aged 75 years or over. However, these

<sup>34</sup> <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within 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". It is important to note that a considerable proportion of housing intended for older people falls outside this definition and is therefore excluded. Extra Care, assisted living, and other forms of 'housing with care' are included.

properties are occupied currently, but the model considers that there should be a much wider range of choice available in the form of sheltered housing to own and Extra Care schemes which are currently very limited in supply in Newham.

Figure 57: Modelled Demand for Older Person Housing in Newham based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2021	Existing supply	Unmet need in 2021	Additional need 2021-38	Overall need
Sheltered Housing	Owned	120	1,415	0	+1,415	+1,203	+2,618
	Rented	60	708	1,123	-415	+601	+186
Extra Care	Owned	40	472	0	+472	+401	+873
	Rented	31	366	254	+112	+311	+422
<b>TOTAL</b>		<b>251</b>	<b>2,961</b>	<b>1,377</b>	<b>+1,584</b>	<b>+2,516</b>	<b>+4,100</b>

- 6.28 The London Plan uses figures from the GLA Older Persons Housing Needs Assessment Report 2017<sup>35</sup>. Figure 3.3 sets out an annualised strategic benchmark to inform local targets and performance indicators for specialist housing for older people, by local authority. The GLA annual benchmark for Newham 2017-2029 is a total of 85 homes. The annual total of 85 equates to 1,445 over 17 years, which is much lower than the additional need from 2021 onwards from the Housing LIN model. The London Plan does not specify any figures in relation to the number of bedrooms per property. Figure 3.3 of the GLA Older Persons Housing Needs Assessment is reproduced as Table 4.4 in the London Plan.
- 6.29 It should be noted that the modelling of older people's specialist housing need is complex and subject to various other issues and variables, which can lead to differing outputs. The Housing LIN model 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. Demand for some types of housing are already experiencing low demand, and other, newer types of provision may appear to meet changing aspirations, though there was no evidence from the interviews with LB Newham staff of any general problem letting existing properties (individual schemes were not discussed). The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.
- 6.30 In practice, the level of delivery identified as being required at nearly 4,100 dwellings is likely to be unachievable. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix. Providing specialist housing for older people will free up family housing for younger families (see paragraph 2.20).
- 6.31 Both the Housing LIN Toolkit modelling and the London Plan benchmark figures for London boroughs have been accepted at Examination. The London Plan benchmark figures have been specifically accepted by Inspectors in the London Plan examination and individual boroughs. The London Plan examination Inspectors Report of October 2019<sup>36</sup> states:

*218. The benchmark numbers in Table 4.4 will assist boroughs and providers in addressing local need. This approach was established in the current Plan. Given the scale of identified need, and to give boroughs a clear steer on delivery expectations, **the approach is justified.***

<sup>35</sup> [https://www.london.gov.uk/sites/default/files/gla\\_older\\_persons\\_housing\\_benchmarks\\_report\\_november\\_2017\\_0.pdf](https://www.london.gov.uk/sites/default/files/gla_older_persons_housing_benchmarks_report_november_2017_0.pdf)

<sup>36</sup> [inspectors\\_report\\_and\\_recommendations\\_2019\\_final.pdf \(london.gov.uk\)](#)

*219. The figures set out are not maxima and do not provide a tenure breakdown. This recognises the need for flexibility for providers and boroughs to respond to local demand, accounting for the rapidly changing range of products on the market and the variation in delivery models. The absence of a tenure mix is therefore a justified approach.*

6.32 The London Plan benchmark figure of 230 specialist older persons housing units was also accepted by the Inspectors in the LB Brent Local Plan examination<sup>37</sup>:

*129. In terms of the annual target of 230 units for such specialist older persons accommodation, having considered the most up to date evidence available, we conclude that taking the figure provided in the London Plan is a justified and reasonable approach to adopt in the Brent Local Plan.*

6.33 **In conclusion, Newham would be following the precedent set by other boroughs by setting a target of 85 units a year as specified in the London Plan. Other boroughs have combined using the London Plan figures, but have a policy to review the need and delivery over time.**

6.34 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies and would ideally be part of the developing Newham Ageing Well Strategy, in particular those responsible for older person support needs. Some specialist housing for older people allows for people who do not require any care to live in purpose built accommodation alongside others who may require a high level of care in a domestic setting; conventional sheltered housing is a good example. 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 needs;
- » **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;
- » **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; and
- » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

## Housing for People with Disabilities

6.35 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 recent changes to building regulations relating to

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<sup>37</sup> [Report on the Examination of the Brent Local Plan](#)

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).<sup>38</sup>

6.36 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.

6.37 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 their Local 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.

6.38 Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

*Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.*

*To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*

**Planning Practice Guidance, ID 56-007-20150327**

6.39 Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

6.40 The PPG states:

*Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the*

<sup>38</sup> <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

*Department for Work and Pensions on the numbers of Personal Independence Payment<sup>39</sup> (replacing Disability Living Allowance) / Attendance Allowance<sup>40</sup> benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant<sup>41</sup> (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.*

*Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.*

Planning Practice Guidance, ID 63-005-20190626

- 6.41 The London Plan (March 2021)<sup>42</sup> policy D7 covers Accessible Housing and states that all dwelling should meet at least M4(2) 'accessible and adaptable dwellings' standard. At least 10% of relevant dwelling should meet M4(3) 'wheelchair user dwellings' standard with the remained meeting M4(2):

#### **Policy D7 Accessible housing**

*A To provide suitable housing and genuine choice for London's diverse population, including disabled people, older people and families with young children, residential development must ensure that:*

- 1) at least 10 per cent of dwellings (which are created via works to which Part M volume 1 of the Building Regulations applies) meet Building Regulation requirement M4(3) 'wheelchair user dwellings'*
- 2) all other dwellings (which are created via works to which Part M volume 1 of the Building Regulations applies) meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'*

London Plan March 2021

- 6.42 **The London Plan expresses the need in terms of percentage of newly developed dwellings and is currently 90% to be adapted built to M4(2) standard and 10% to M4(3).** It is useful to carry out a deeper analysis to consider the adaptation of existing dwellings. There are several reasons for this, such as households wishing to remain in their existing homes and the ability to spread the wheelchair, and accessible and adaptable homes more evenly throughout the Borough than is the case if a policy is built solely on new build properties.
- 6.43 Providing local evidence is also useful to demonstrate need to sit alongside and support the policy approach in the London Plan, as has been accepted at examination. The Southwark Local Plan Inspectors Report states<sup>43</sup>:

<sup>39</sup> Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

<sup>40</sup> Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

<sup>41</sup> Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

<sup>42</sup> the\_london\_plan\_2021.pdf

<sup>43</sup> [Southwark Local Plan Inspectors Report \(3\).pdf](#)

85. Policy P7 embeds optional technical standards for wheelchair accessible and adaptable housing within the plan. The policy approach generally conforms with Policy D7 in the London Plan 2021 in requiring 10% of new homes to be built to M4(3) wheelchair user standard and the balance to be constructed to the M4(2) accessible and adaptable standard. It is further justified by the evidence in the SHMA 2019 [SP107], of a clear need for additional housing of an appropriate standard to meet the existing needs and forecast increase demand of households with disabilities, including those with severe mobility impairments. These increases are across a range of age cohorts and are not just related to the growth in older person households over the plan period.

- 6.44 The results of our analysis are shown in the table below. The full analysis is shown in Appendix B: Accessible and adaptable dwellings for transparency and takes account of the number of households which include at least one person with a Long Term Limiting Illness (LTLI) or disability which affects their housing need both now and projected into the future, and whether existing properties are already suitable for the household or adaptable to the household needs.

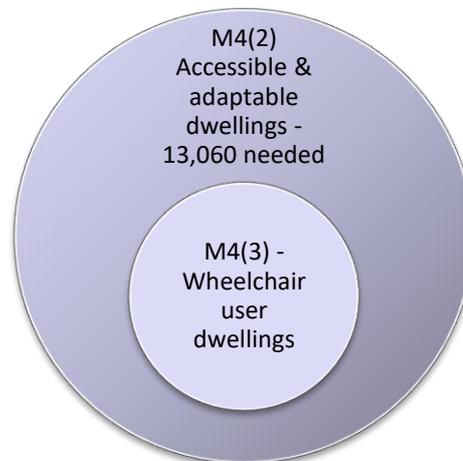
**Figure 58: Households with a long-term illness or disability in Newham in 2021 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
<b>Existing need in 2021</b>	
Households where an existing illness or disability affects their housing need and need to move in 2021	1,230
<b>Projected future need 2021-38</b>	
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	21,216
<b>Higher modelled need for adapted housing 2021-38 (households)</b>	<b>22,447</b>
Less households living in dwellings adaptable to M4(2) standard	9,387
<b>Lower modelled Need for adapted housing 2021-38 (households)</b>	<b>13,060</b>

- 6.45 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the lower number of 13,000 households and higher number of 22,500 households identified in Figure 58 provide evidence of a considerable need for adapted and accessible housing in Newham.
- 6.46 It is important to recognise that this would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

## Housing for Wheelchair Users

- 6.47 The overall need calculated in the previous section represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. Households with a wheelchair user are included within the definition of households having a health problem or disability that affects their housing need.
- 6.48 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:



*“The provision made must be sufficient to-*  
*(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;*  
*(b) to meet the needs of occupants who use wheelchairs.” (Page 23)*

- 6.49 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 6.50 The CLG guide to available disability data<sup>44</sup> referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 59 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

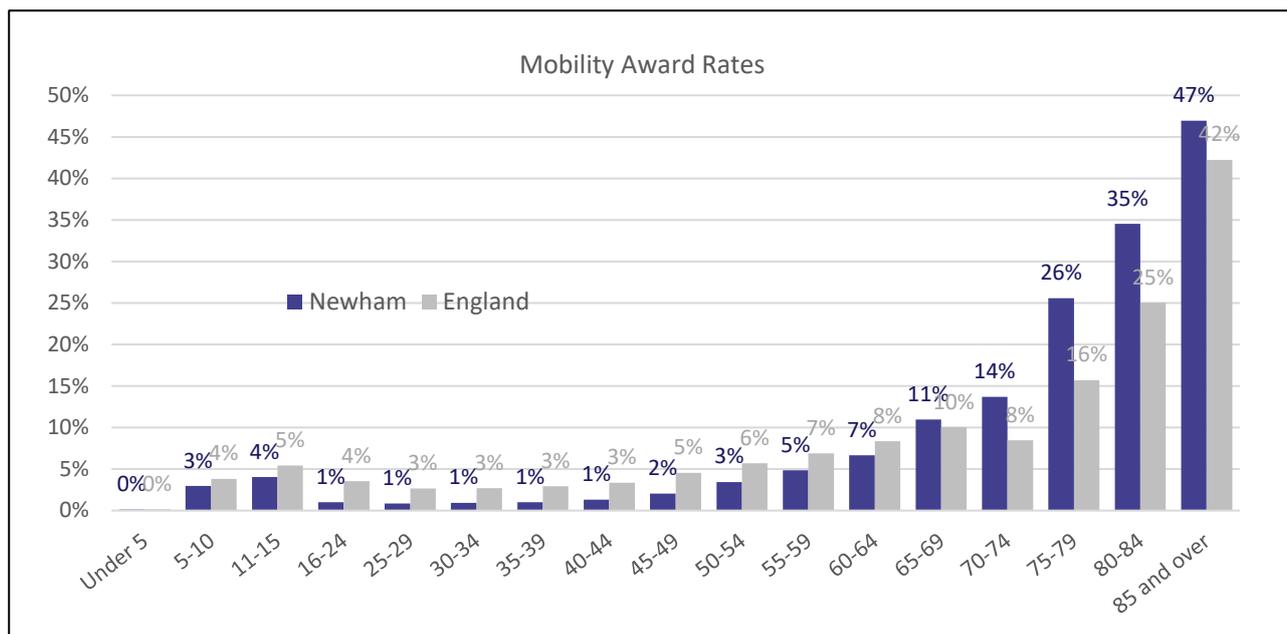
**Figure 59: Percentage of households with a wheelchair user by type of housing and age of household representative**  
 (Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
<b>Housing type</b>								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

- 6.51 To get a better understanding of the local Newham data, Figure 60 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Newham against the figures for England.

<sup>44</sup> <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

Figure 60: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2021)



6.52 Through combining the information on local rates with the national data, we can establish the proportion of households in Newham likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 61).

Figure 61: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	0.9%	1.5%	2.9%	4.1%	7.2%	10.6%
Affordable housing	0.3%	1.9%	2.8%	5.7%	5.8%	10.6%	14.6%	21.9%

6.53 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2021 to 2038. (Figure 62). Using this approach we calculate the number of households likely to need wheelchair adapted housing in Newham is likely to increase by 2,180 over the 17-year period.

Figure 62: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2021	2038	Net change 2021-38
Market housing	1,220	1,860	+640
Affordable housing	2,900	4,430	+1,540
<b>Total</b>	<b>4,110</b>	<b>6,290</b>	<b>+2,180</b>

6.54 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (39%) comes from households which are aged over 75. This can be seen in Figure 63.

**Figure 63: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2021	2038	Net change 2021-38	2021	2038	Net change 2021-38
Market housing	880	1,270	+380	340	590	+260
Affordable housing	2,230	3,170	+930	660	1,260	+600
<b>Total</b>	<b>3,120</b>	<b>4,430</b>	<b>+1,320</b>	<b>1,000</b>	<b>1,860</b>	<b>+860</b>

- 6.55 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.
- 6.56 Earlier analysis of housing for older people quoted the London Plan benchmark figures which suggest a need to deliver 1,445 specialist older person housing units for households aged 75 and over in Newham over the 17 years of the Newham Plan 2021 to 2038. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that around a tenth of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.
- 6.57 On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. This could reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

## Specialist and supported housing in Newham

- 6.58 Before considering evidence of the need across Newham, the support provided for people with a mental health problem, a learning disability or being on the Autistic spectrum, and single homeless people is shown. This information is given first because more than one section on need below will refer back to Figure 64.
- 6.59 The number of people currently recorded on the Azeus case management system as living in supported living accommodation because of having a mental health problem, a learning disability or being on the Autistic spectrum is shown below alongside the single homeless people receiving housing related support (HRS).
- 6.60 In total, 699 people are receiving some kind of housing related support. Of these, 536 are in supported living; 176 because of having a learning disability, 313 because of having a mental health problem and 47 receiving other support. The remaining 163 people are single homeless receiving housing related support. Some of these 163 are likely to be receiving that support in temporary accommodation in communal establishments and as floating support in temporary accommodation in market housing shown in Figure 33.

**Figure 64: Supported Living for people with Mental Health disorders, Learning Disabilities and on the Autistic Spectrum, and single homeless (Source: 04/12/21 Azeus Case Management System report using Resident Addresses)**

Service Type	Primary Support Reason	Number of Residents
<b>Supported Living</b>	Learning Disability Support	176
	Mental Health Support	313
	Other Support	47
	<b>Number of Residents in Supported Living<sup>45</sup></b>	<b>536</b>
<b>Housing Related Support for Single Homeless</b>	Number of Residents in Single Homeless HRS Service low to medium needs	163
	<b>Total Number of Residents</b>	<b>699</b>

<sup>6.61</sup> In the community, within the housing allocations, 20 one-bed units of accommodation ('allocations') are reserved for people with a learning disability or mental health problem.

## Mental Health

<sup>6.62</sup> Figure 65 Shows the predicted growth in total population in Newham along with the growth in populations of people with mental health problem from 2020 to 2040 (noting that the local plan dates are 2021 to 2038). The figures are based on the Azeus case management system and Projecting Adult Needs and Service Information System (PANSI).

<sup>6.63</sup> For the purposes of housing need, the focus should be on the more serious mental health disorders such as psychoses. While the less serious mental health disorders can lead to housing problems such as rent arrears and even homelessness, the problems can usually be addressed through intensive housing management. The serious mental health disorders are more likely to require supported housing and other major interventions.

<sup>6.64</sup> Figure 65 and Figure 66 suggest that there is a total of 45,058 adults in Newham with a common mental health disorder, predicted to increase by 5% to 47,282 by 2040.

<sup>6.65</sup> Within this total population of adults with a common mental health disorder, 17,469 have two or more psychiatric disorders, predicted to increase by 5% to 18,429 by 2040 (Figure 66), due mainly to growth in the population overall. This group will experience more housing issues than most people in the total population of over 45,000, many of which will involve more intensive intervention. A minority of these 17,500 adults with two or more psychiatric disorders will require supported or specialist housing.

<sup>45</sup> this total includes confidential/restricted addresses/blank

**Figure 65: Predicted populations of people with Mental Health disorders to 2040 (Source: 04/12/21 Azeus Case Management System report using Resident Addresses, Projecting Adult Needs and Service Information System (PANSI) and Projecting Older People Population Information System (POPPI))**

	2020	2025	2030	2035	2040
Total population aged 18-64	243,800	248,700	251,900	255,200	257,200
Total population 65 and over	28,100	34,200	40,600	47,000	52,300
<b>Total population - all adults</b>	<b>359,000</b>	<b>368,600</b>	<b>375,000</b>	<b>382,400</b>	<b>390,000</b>
People aged 18-64 predicted to have a common mental disorder	45,058	45,898	46,372	46,985	47,282
<b>People aged 18-64 predicted to have two or more psychiatric disorders</b>	<b>17,469</b>	<b>17,833</b>	<b>18,043</b>	<b>18,297</b>	<b>18,429</b>

**Figure 66: Change in predicted populations of people with Mental Health disorders between 2020 to 2040 (Source: 04/12/21 Azeus Case Management System report using Resident Addresses, Projecting Adult Needs and Service Information System (PANSI) and Projecting Older People Population Information System (POPPI))**

	2020	2040	Change 2020 - 2040	Percentage change 2020 - 2040
Total population aged 18-64	243,800	257,200	13,400	5%
Total population 65 and over	28,100	52,300	24,200	86%
<b>Total population - all adults</b>	<b>359,000</b>	<b>390,000</b>	<b>31,000</b>	<b>9%</b>
People aged 18-64 predicted to have a common mental disorder	45,058	47,282	2,224	5%
<b>People aged 18-64 predicted to have two or more psychiatric disorders</b>	<b>17,469</b>	<b>18,429</b>	<b>960</b>	<b>5%</b>

<sup>6.66</sup> The Clinical Commissioning Group (CCG) Mental Health Needs Assessment 2016-18 for Newham<sup>46</sup> compares different sources of data on the incidence of Severe Mental Illness (SMI). The Quality and Outcomes Framework (QOF) data collected from GPs is appropriate for use as an indicator of housing need because it is based on actual assessments by local GPs, therefore being directly relevant to Newham, and the QOF definition of Serious Mental Illness is broader than the other main data source<sup>47</sup>, which limits SMI to schizophrenia and bipolar disorder only. Other SMI are major causes of need for specialist and supported housing.

<sup>46</sup> [mentalhealthneedsassessment \(newham.gov.uk\)](https://www.newham.gov.uk/mentalhealthneedsassessment)

<sup>47</sup> The other main data source is the Clinical Effectiveness Group (CEG)

- 6.67 The occurrence of Serious Mental Illness (SMI) collected from GPs working to the QOF definition is shown below by age. Of a total of 4,108 cases recorded by GPs, over 80% occur in the 25 to 64 age group; 3,340 cases. There are several reasons for this, including demographics, with the largest number of people being aged 25-64, but also there likely to be clinical reasons such as onset of the illness and when individuals seek an assessment.
- 6.68 Based on the limited data available without carrying out a detailed study, we can say that **the best estimate we have of the population of people with SMI who may require specialist or supported housing is 4,108**, of which 560 are aged 65 and over. It is important to remember that the 4,108 is the total population, not the number of people who need housing; most will not require or not wish to move to specialist or supported housing.

**Figure 67: Number of adults with Serious Mental Illness (SMI) by age 2016-2018 (Source: QOF collected by GPs, analysed by Public Health)**

Age group	2016-2018
18-24	208
25-44	1,645
45-64	1,695
65-74	339
75+	221
<b>Total – all adults</b>	<b>4,108</b>
Aged 18-64	3,548
Aged 65+	560
<b>Total – all adults</b>	<b>4,108</b>

- 6.69 **Figure 64 shows that 313 Residents live in supported living in Newham compared to a total best estimate population of 4,108. While many of the 4,108 people will not require specialist or supported housing, this difference suggests a need for more specialist and supported housing to be provided in Newham for people with SMI.**

## Learning Disabilities and Autistic Spectrum

- 6.70 Figure 68 shows the predicted growth in total population in Newham along with the growth in populations of people with learning disabilities and autistic spectrum disorders from 2020 to 2040 (noting that the local plan dates are 2021 to 2038). The figures are based on the Azeus case management system and Projecting Adult Needs and Service Information System (PANSI).
- 6.71 Figure 68 and Figure 69 suggest that there is:

- » a total of 6,591 adults in Newham with a learning disability, predicted to increase by 13% to 7,454 by 2040;
- » a total of 2,884 adults in Newham with an autistic spectrum disorder, predicted to increase by 15% to 3,330 by 2040.

6.72 Within this total population of adults with a learning disability or autistic spectrum disorder, a sub-group group will require supported or specialist housing.

**Figure 68: Predicted populations of people with Learning Disabilities and on the Autistic Spectrum to 2040 (Source: 04/12/21 Azeus Case Management System report using Resident Addresses, Projecting Adult Needs and Service Information System (PANSI) and Projecting Older People Population Information System (POPPI))**

	2020	2025	2030	2035	2040
Total population aged 18-64	243,800	248,700	251,900	255,200	257,200
Total population 65 and over	28,100	34,200	40,600	47,000	52,300
<b>Total population - all adults</b>	<b>359,000</b>	<b>368,600</b>	<b>375,000</b>	<b>382,400</b>	<b>390,000</b>
Total population aged 18-64 predicted to have a learning disability	6,005	6,121	6,206	6,297	6,348
Total population aged 65 and over predicted to have a learning disability	586	713	853	990	1,106
<b>Total predicted to have a learning disability - all adults</b>	<b>6,591</b>	<b>6,834</b>	<b>7,059</b>	<b>7,287</b>	<b>7,454</b>
Total population aged 18-64 predicted to have autistic spectrum disorders	2,623	2,702	2,750	2,799	2,830
Total population aged 65 and over predicted to have autistic spectrum disorders	261	318	379	443	500
<b>Total predicted to have autistic spectrum disorder - all adults</b>	<b>2,884</b>	<b>3,020</b>	<b>3,129</b>	<b>3,242</b>	<b>3,330</b>

**Figure 69: Change in predicted populations of people with Learning Disabilities and on the Autistic Spectrum between 2020 to 2040 (Source: 04/12/21 Azeus Case Management System report using Resident Addresses, Projecting Adult Needs and Service Information System (PANSI) and Projecting Older People Population Information System (POPPI))**

	2020	2040	Change 2020 - 2040	Percentage change 2020 - 2040
Total population aged 18-64	243,800	257,200	13,400	5%
Total population 65 and over	28,100	52,300	24,200	86%
<b>Total population - all adults</b>	<b>359,000</b>	<b>390,000</b>	<b>31,000</b>	<b>9%</b>
Total population aged 18-64 predicted to have a learning disability	6,005	6,348	343	6%
Total population aged 65 and over predicted to have a learning disability	586	1,106	520	89%
<b>Total predicted to have a learning disability - all adults</b>	<b>6,591</b>	<b>7,454</b>	<b>863</b>	<b>13%</b>
Total population aged 18-64 predicted to have autistic spectrum disorders	2,623	2,830	207	8%
Total population aged 65 and over predicted to have autistic spectrum disorders	261	500	239	92%
<b>Total predicted to have autistic spectrum disorder - all adults</b>	<b>2,884</b>	<b>3,330</b>	<b>446</b>	<b>15%</b>

- 6.73 The number of people with learning disability and autistic spectrum disorders from Azeus and PANSI is likely to be more reliable for use as a base population than the mental health figures from the same source. This is because a large proportion of people with a learning disability or on the autistic spectrum are known to services, and because statistical approaches can be used to approach population estimates of people with a learning disability and autistic spectrum disorders. Some individuals will be included in the figures, but many will not be and will not require specialist and supported housing in any case.
- 6.74 The overall number of people with learning disabilities is not a good indicator of specialist and supported housing need (as opposed to general housing need) as many people with learning disabilities are able to live completely independently. The population to take into account when considering supported housing need is better measured by the number of people with moderate to severe learning disabilities.
- 6.75 Figure 64 shows 176 people with a learning disability in Newham living in supported living. This equates to 2.7% of the total number of people with a learning disability, or 1.9% of the total number of people with either a learning disability or autistic spectrum disorder.
- 6.76 The following calculations are not meant to be a robust analysis of need, but they provide a starting point for discussion of how much supported living could be provided in Newham. The Centre for Social Justice<sup>48</sup> reported that in 2011, of the 120,000 people with a learning disability in England receiving Social Care, 38% lived with family or friends and 22% in residential care; 16% lived in supported living and 12% lived in local authority or housing association accommodation; 3% in private rented accommodation. While this research

<sup>48</sup> [https://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2016/06/CSJJ4540\\_Enabling\\_Independence\\_Report\\_06.16\\_WEB-READY.pdf](https://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2016/06/CSJJ4540_Enabling_Independence_Report_06.16_WEB-READY.pdf)

is over 10 years old, and the 16% supported living expresses provision not need, it is useful to give a benchmark to measure the level of provision against.

- 6.77 There is little published research on the housing situation of people with learning disabilities and autism since 2011 to corroborate the figure of 16% living in supported housing. Public Health England published a report “People with learning disabilities in England” in 2019, updated January 2020. Chapter 5, on Adult Social Care says that 22.2% of working age adults with learning disabilities getting long-term social care support in 2017 to 2018 were living in supported accommodation, supported lodgings, or supported group homes and that there has been an upward trend since 2009<sup>49</sup>. However, this figure of 22.2% appears to cover a wider group than the 16% quoted above.
- 6.78 Taking people with a learning disability alone and omitting people with an autistic spectrum disorder, 2.7% of the population of Newham with a learning disability live in supported living compared to 16% in England evidenced by the Centre for Social Justice. As a benchmark, if 16% of people in Newham with a learning disability lived in supported living, that would equate to around 1,050 supported living places. Taking learning disabilities and autistic spectrum disorders together, 16% would equate to around 1,500 supported living spaces.
- 6.79 It is important to consider other options than supported housing. A higher percentage of people with a learning disability in Newham live in their own home or with family than across England as a whole; 83.5% compared to 77.5% across England. Some of these people will receive support through independent living services, who support 774 people with a learning disability and a further 300 with autism<sup>50</sup>. Independent living services are separate and distinct from supported housing; there is no overlap. From the interviews with LB Newham Social Care, it is clear that there are high occupancy levels in supported housing provision.
- 6.80 Based on the figures presented here, we can conclude that it would be beneficial to increase the number of supported housing spaces in Newham, but that the high number of people living at home suggests that it would be pragmatic to take an incremental approach based on identifying the needs and preferences of people with learning disabilities and autism currently living at home. This would require close work between Adult Social Care and Housing staff.

## Drugs and Alcohol Misuse

- 6.81 There are many people with drug or alcohol problems that do not lead to a housing need, such as ‘functioning alcoholics’. The number of people in treatment is a reasonable indicator of the population of people with drug or alcohol misuse at a level that could lead to a specialist or supported housing need. Putting this precisely, the number of people in treatment is a rough estimate of the size of the population with a drug or alcohol misuse who could have a housing need because of that misuse. The specialist or supported housing need will include a need for general needs housing with support provided as well as specialist schemes; most people will be able to manage at home if they have the right support. Because of this, the number of people in treatment is likely to suggest a higher level of need for specialist or supported housing schemes than is the case.

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<sup>49</sup> [Chapter 5: adult social care - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424241/Chapter_5_adult_social_care.pdf)

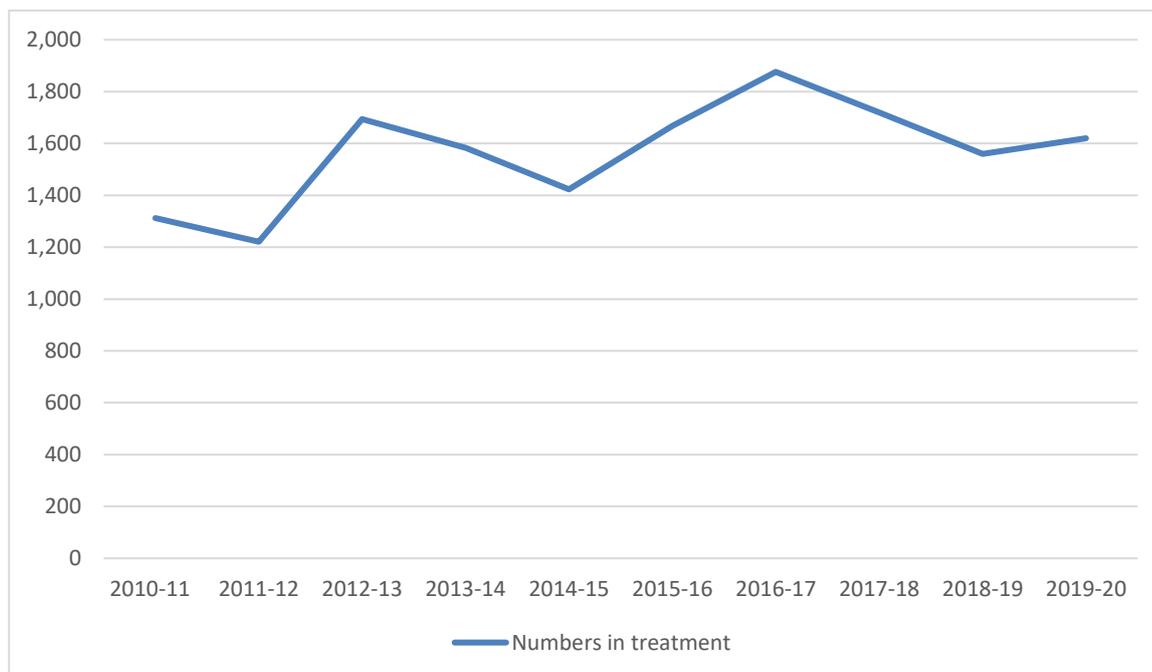
<sup>50</sup> These figures are taken from the Newham Social Care presentation “Learning disability and Autism data”, September 2021. The presentation uses several internal sources: Data Warehouse, Fingertips PHE, Azeus, Children’s Social Care Finance Power BI dashboard

- 6.82 Number of people of all ages in treatment in Newham for substance misuse is shown in Figure 70. The data are from the National Drug Treatment Monitoring System (NDTMS)<sup>51</sup>.
- 6.83 The number of people in treatment fluctuates over time, but increased from 1,312 in 2010-11 to 1,620 in 2018-19. This is shown graphically in Figure 71.
- 6.84 Figure 72 shows that 194 rough sleepers are recorded as having a support need for alcohol and drug misuse. Some of these 194 people will be in treatment and therefore introduce double counting into the need for specialist and supported housing for people with drug and alcohol misuse.

**Figure 70: Number of people in treatment for drug and alcohol misuse in Newham (source: National Drug Treatment Monitoring System)**

Year	Numbers in treatment
2010-11	1,312
2011-12	1,221
2012-13	1,694
2013-14	1,583
2014-15	1,423
2015-16	1,668
2016-17	1,876
2017-18	1,720
2018-19	1,560
2019-20	1,620

**Figure 71: Number of people in treatment for drug and alcohol misuse (National Drug Treatment Monitoring System)**



<sup>51</sup> [NDTMS - Home](#)

- <sup>6.85</sup> The CHAIN Borough Annual Reports 2020-21 for Newham<sup>52</sup> reports accommodation outcomes for rough sleepers and records that in only two occasions out of 398 'events' in 2020-21 did rough sleepers enter supported housing and none went into St Mungo's complex needs or semi-independent accommodation. While Figure 64 shows 163 Residents in housing related support for Single Homeless people with low to medium needs, high level needs are not covered and this group are the most likely to need specialist and supported housing.
- <sup>6.86</sup> It is impossible to say anything definitively, but bringing the available information together suggests there is a lack of suitable specialist and supported accommodation in Newham for people who misuse drugs and alcohol and have high level needs, or that use is not being made of the accommodation there is, or both these. Interviews suggested that the final goal is for individual tenancies with separate low level support to help prevent reoccurrence of drugs or alcohol misuse, but that for many people there will be a pathway from high support, possibly through various models of supported accommodation, leading to maintaining a tenancy with low support. The fact that 194 rough sleepers misuse drugs, alcohol or both suggests that there is a need for specialist and supported accommodation for drug and alcohol, and the number required is likely to be in the tens or even over a hundred places. Again, these numbers are given as a starting point for discussion rather than a robust needs assessment, but it is likely that they would ideally include a mix of models including higher and lower levels of support.

## Rough sleepers

- <sup>6.87</sup> The support needs of rough sleepers in Newham from the Combined Homelessness and Information Network (CHAIN) Borough Annual Reports 2020-21<sup>53</sup> are shown in Figure 72. These figures are derived from assessments made by those working with rough sleepers in the homelessness sector.
- <sup>6.88</sup> In total 578 rough sleepers were recorded in Newham through the year 2020-21, including people who had not been seen in the Borough before, 'returners' who had been seen before but not in the preceding year (2019-20) and those who were seen in Newham for at least the preceding consecutive two years.
- <sup>6.89</sup> 194 of the 578 people had a support need because of drug or alcohol misuse, including 89 who had a support need because of drugs or alcohol *and* their mental health. Another 69 having a support need because of their mental health alone.

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<sup>52</sup> [Rough sleeping in London \(CHAIN reports\) - London Datastore](#)

<sup>53</sup> [Borough Annual Reports](#)

Figure 72: Support needs of rough sleepers 2020-21 (Source: Combined Homelessness and Information Network)

Support Needs	Number	Percent of those assessed
Alcohol only	47*	10%
Drugs only	53*	11%
Mental health only	69	14%
Alcohol and drugs	5*	1%
Alcohol and mental health	28*	6%
Drugs and mental health	30*	6%
Alcohol, drugs and mental health	31*	6%
All three no	205	42%
All three no, not known or not assessed	16	3%
<b>Total with alcohol/drugs support need</b>	<b>194*</b>	
<b>Total (excluding not assessed)</b>	<b>484</b>	<b>100%</b>
All three not known or not assessed	94	
<b>Total (including not assessed)</b>	<b>578</b>	

\*Recorded as sleeping rough and having a support need for one or both of alcohol and drugs; 194 in total.

- 6.90 The number of rough sleepers with a support need for drugs, alcohol or mental health suggests there is a need for specialist and supported housing for rough sleepers. It is impossible to estimate the overlap with the groups considered above; mental health, and drugs and alcohol misuse.

## Domestic Abuse

- 6.91 The main supported housing need for victims of domestic abuse is refuge accommodation. The need for refuge places cannot be assessed over a single council area; it should be considered over a far larger area. For anonymity and safety, women fleeing domestic abuse are generally housed in refuges away from their home authority. Newham Domestic Violence team accommodate victims across London and surrounding counties where this is possible and appropriate depending on the individuals circumstances. However, because an urgent response is necessary, the governing factor of where someone is placed is often simply availability, which can be anywhere across the Country. Similarly, Newham house victims of domestic abuse from across the Country.

## Care Leavers and vulnerable young people

- 6.92 There are 50 to 65 care leavers reaching age 21 each year. This data can be used to estimate the number of young people of late teenage leaving care each year. For example, those 50 people aged 21 in the year 2024/25 will have been 17 in 2020/21. Many of these young people will require the opportunity to access supported accommodation as part of their transition to adulthood.

**Figure 73: Care leavers reaching age 21 (Source: LB Newham Childrens Social Care)**

Year	Care leavers age 21+
2021/22	65
2022/23	54
2023/24	62
2024/25	50

- 6.93 The Newham strategic needs assessment on youth safety *Brighter Futures: A foundation for change*<sup>54</sup> can be used to estimate a ball park figure of the number of young people who may require support in housing or need to access supported housing. *Brighter Futures* page 56 shows that the troubled families programme achieved a successful outcome in 74% of cases. There were 2,769 families in the current cohort of troubled families. This suggests that currently as many as 700 children are potentially at risk of needing support in housing or access to supported housing (2,769 x 26%). Many of these children and young people receive support through social care services, and many who require housing interventions are placed in semi-independent living accommodation located outside of Newham (page 78). The complexity of housing vulnerable young people makes it essential that housing and social care work in partnership.

## Key points from interviews

- 6.94 A total of 14 interviews and meetings with more than one person were carried out with staff from Newham, surrounding boroughs and RPs to identify data sources and to discuss the housing needs of vulnerable groups. The most important points from the interviews are some issues relating to the housing stock across Newham.
- 6.95 Many people in vulnerable groups are housed in the PRS either permanently or temporarily. At the same time, much of the PRS housing stock in Newham is of poor quality, which can cause a range of problems for vulnerable tenants. For example, along with causing physical health problems, a property being dark, damp or cold can exacerbate mental health problems and drug and alcohol misuse. Vulnerable people with learning disabilities can struggle to cope both emotionally and practically with noise, cold and other problems in poor quality housing. Similarly, poor housing is not conducive to single homeless people moving to a stable lifestyle. The interviews focussed on the condition of individual properties rather than locality issues; questions such as vulnerability to exploitation were touched upon but not discussed. There are significant numbers of households currently in PRS housing. While problems exist in permanent as well as temporary housing, the 4,614 households in temporary accommodation in the PRS shown in Figure 33 illustrates the scale of the problem.
- 6.96 Overcrowding can be a problem. The high occurrence of overcrowded properties in Newham sometimes leads to children being placed with foster parents whose household is overcrowded.

## Supported housing needs and the care system

- 6.97 There is another aspect to assessing the number of supported housing units required; the number, type and model of housing required is closely connected to the care system. What care and support is required by any individual and whether that care and support is best delivered at home or in a supported housing setting is based on individual care assessments following the principle of person centred care. Individuals with similar needs may be supported at home or in supported housing based on individual discussion between the person

<sup>54</sup> [brighter-futures-a-foundation-for-change-strategic-needs-assessment-redacted \(newham.gov.uk\)](#)

- and a social worker. This connection raises the question of how much the care system approach might limit the number of people moving into supported housing and therefore whether there is a risk of developing supported housing which will remain empty.
- 6.98 Newham is developing their approach to supported housing to work in a strategic planned manner rather than the more ad hoc manner of the past. However, there are a number of factors which a strategic approach must take account of, and which compound the difficulty of assessing the level of need for supported housing.
- 6.99 The process of assessing need can be summarised as: A care assessment is undertaken by a social worker applying clear needs criteria and eligibility as laid down in the Care Act 2014 then taken to a panel. Once eligible needs are identified according to the Act then that person becomes eligible for that care and support by law; the number of hours of personal care, the number of hours of other care and so on. These elements are recorded in a Care Plan.
- 6.100 The social worker works with the individual who has been assessed to decide how the Care Plan might be best delivered, including whether it should be at home or in supported living. It is only at this point that the need for supported housing is identified and this adds an additional element of uncertainty because the decision whether to provide the care and support at home or in supported housing often involves a personal choice by the individual concerned.
- 6.101 Another additional element of uncertainty is that an individual can choose to take a direct payment (or Personal Independence Payment) to meet their own needs in line with their Care Plan. They employ their own personal assistant or other care without recourse to the Council. Newham have a team to support people taking direct payment and the Council retains a safeguarding responsibility. Following case law, individuals have a right to move out of the Borough including to access supported housing elsewhere. Newham are trying to develop a register or directory of reliable personal assistants so as to improve quality.
- 6.102 A third element of uncertainty is that the current offer for supported living is often poor because of a high level of landlords taking advantage of an unregulated market; as long as no CQC regulated activity is provided then an HMO can be designated as supported living. Other boroughs may place individuals requiring supported living into these HMOs. At least some people in supported living provided by private landlords would be more appropriately housed in other, higher quality supported living. The private HMO supported housing distorts the picture of supply which can show quite a lot of supported living, but much of it being unfit for purpose.
- 6.103 To return to the question of whether there is a risk of developing supported living that will remain empty because of these risk factors. If too many places were provided then they would probably be filled as providers are likely to open their provision to other boroughs. Taking a London-wide view this could be helpful, but would have some consequences for Newham; the Borough has considerable housing need which the land could be used to address, and notably, the residents would become ordinary residents of Newham. This can lead to disputes between boroughs about who pays for them. Providing too few places would have the important consequence of Newham residents being unable to access suitable supported housing in Newham, leading to at least some being placed out of the Borough with potential consequences for that borough and disagreements.
- 6.104 Of course if the quantity and models of supported housing were right then everyone in need of supported housing would be accommodated, but assessing that need is extremely difficult and riddled with uncertainty, as discussed above. Newham are addressing this problem by developing a more sophisticated strategic,

planned approach to providing supported housing. The Council will probably apply that approach incrementally to ensure that all provision is filled. An important plank of the strategic approach is increasing the amount of data collected. This approach is intended to help with providing not simply enough units, but enough units of the right sort in the right places.

<sup>6.105</sup> The need to transform the system was addressed in a paper to Newham Cabinet in December 2020 and a second paper planning for delivery and including a procurement vehicle is due to be discussed in June or July 2022.

## Conclusions and recommendations

<sup>6.106</sup> There is a lack of data and information about the provision of and need for specialist and supported housing in Newham that inhibits making a robust assessment of need for all groups apart from older people and wheelchair accessible and adaptable housing. It is not clear whether the information on older people has been used to develop a strategy for how older people's housing need should be best accommodated; at home, sheltered housing, or other provision.

<sup>6.107</sup> There is a need to improve data collection and preferably analysis of that data to allow improved planning for development of specialist and supported housing. This includes completing statutory returns such as about homelessness using the H-CLIC returns.

<sup>6.108</sup> It would be useful for Newham to conduct an audit of existing specialist and supported housing for case management purposes, and invaluable if a robust assessment of specialist and supported housing need is to be carried out. A low-resource approach to this that should capture a majority of specialist and supported housing is to circulate a pro forma to all providers of supported housing known to the Council, notably social care commissioners, and to named contacts in RPs operating in Newham. The pro forma could be as simple as asking the name and address of the scheme (which may be dispersed such as for single homeless), the client group or groups, the number of people housed, and a brief description of the support provided.

<sup>6.109</sup> Newham should liaise with neighbouring boroughs over specialist and supported housing needs and scheme delivery; liaison already takes place for domestic abuse nationally.

<sup>6.110</sup> The data required to improve the assessment of needs for vulnerable groups includes:

- » An audit of existing supported and specialist accommodation.
- » Recording specialist housing needs on the housing register; mental health, learning disability, physical disability, substance misuse, leaving prison and so on
- » Recording social care data on the housing needs of clients along with their social care situation – are they securely housed, in temporary or insecure accommodation, or otherwise vulnerable to homelessness. What support do they receive in their accommodation and is it related to the accommodation itself (supported housing) or provided in general needs housing (support in housing).
- » Collation of data and information from housing associations and voluntary sector organisations to identify the number and type of people they work with who require specialist accommodation, though noting that this will almost certainly include some double counting.

<sup>6.111</sup> Some of this data may already be collected within the Council, in which case the question is of accessing the data rather than collecting it.

<sup>6.112</sup> Note that a lot of Newham data is absent from data sources such as the Statutory Homelessness Returns<sup>55</sup> and LG Inform Support needs of households owed a prevention or relief duty<sup>56</sup>. For example, the following table in the Statutory Homelessness Returns shows no data for Newham:

**Total households with support need(s) owed a duty**

**Total number of support needs for those owed a duty<sup>5</sup>**

**Support needs of households owed a prevention or relief duty<sup>7</sup>:**

History of mental health problems

Physical ill health and disability

At risk of / has experienced domestic abuse

Offending history

History of repeat homelessness

Drug dependency needs

History of rough sleeping

Alcohol dependency needs

Learning disability

Young person aged 18-25 years requiring support to manage independently

Access to education, employment or training

At risk of / has experienced abuse (non-domestic abuse)

At risk of / has experienced sexual abuse / exploitation

Old age

Care leaver aged 21+ years

Care leaver aged 18-20 years

Young person aged 16-17 years

Young parent requiring support to manage independently

Former asylum seeker

Served in HM Forces

<sup>6.113</sup> Newham are developing a strategic approach to care and support in supported housing which seeks to address some of the points raised above along with the planning uncertainties for supported housing present at the interface of the care system and housing need. The strategic approach is intended to provide the right

<sup>55</sup> [Statutory homelessness in England: financial year 2020-21 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/statutory-homelessness-in-england-financial-year-2020-21)

<sup>56</sup> [Support needs of households owed a prevention or relief duty - Total households with one or more support needs \(Annual\) in Newham | LG Inform \(local.gov.uk\)](https://www.local.gov.uk/inform/support-needs-of-households-owed-a-prevention-or-relief-duty-total-households-with-one-or-more-support-needs-annual-in-newham)

number of supported housing units of the right type in the right place through developing an incremental approach to needs assessment and provision

## Studio Apartments and Co-Housing

6.114 A studio apartment can be defined as:

*“an apartment with only one room, a bathroom, and a kitchen area”<sup>57</sup>*

6.115 Figure 48 identifies a need for around 5,200 market 1-bedroom properties in Newham over the period 2021-38. However, this assumes that there is continuation of household formation trends in the Borough which will see the majority of these small market dwellings being identified for older person households.

6.116 One very startling statistic from the demographic data for Newham is that while the number of persons aged 25-29 years is projected to rise by nearly 9,500 (Figure 12), single person households aged 25-34 years are projected to fall by 2,230 in the period to 2038 (Figure 15). At the same time, the number of ‘Other’ households headed by someone aged 25-34 years is projected to rise by 2,230 households in the same timeframe. Therefore, there is going to be a significant decline in headship rates for single persons aged 25-34 years in Newham. At the heart of this issue is that many recent graduates 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.

6.117 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”<sup>58</sup>*

6.118 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”<sup>59</sup>*

6.119 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”<sup>60</sup>.*

6.120 However, the 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:

<sup>57</sup> <https://dictionary.cambridge.org/dictionary/english/studio-apartment>

<sup>58</sup> [http://www.cih.org/resources/PDF/Wales%20Events/older\\_people\\_housing/Jon%20Stevens.pdf](http://www.cih.org/resources/PDF/Wales%20Events/older_people_housing/Jon%20Stevens.pdf)

<sup>59</sup> <https://dictionary.cambridge.org/dictionary/english/co-living>

<sup>60</sup> <https://en.wikipedia.org/wiki/Coliving>

*“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.”<sup>61</sup>*

- <sup>6.121</sup> Given that Newham is projected to see a decline 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 Newham as an alternative to living in HMOs.
- <sup>6.122</sup> 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, the Article 4 limits the conversion of family housing to HMOs<sup>62</sup>. 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.
- <sup>6.123</sup> In conclusion, 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. The scale of the student numbers in Newham 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. Therefore, as with any active policy, there is a risk of an over-supply of LSPBSL.

## Student Housing

- <sup>6.124</sup> 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

- <sup>6.125</sup> The largest higher education body based in Newham is the University of East London (UEL) with 15,365 full time students in 2020/21 academic year (HESA<sup>63</sup>). Other Higher Education Providers (HEPs) are locating new campuses in Newham around the Olympic Park; up to 4,000 students at UCL East with many arriving in 2022

<sup>61</sup> [Large-scale Purpose-built Shared Living LPG | London City Hall](#)

<sup>62</sup> Article 4 of the Town and Country Planning (General Permitted Development) Order 2015

<sup>63</sup> [Where do HE students study? | HESA](#)

and 2023, some or all of the 5,000 students at the London College of Fashion (LCF) planned to relocate in 2023, Loughborough University London, and Staffordshire University London. However, in London it is common for students to attend a university in one Borough while residing in a different one. The newly arriving universities in Newham stress the ease of travelling to the new campus. For example, Staffordshire University states that *Staffordshire University London campus is situated in Stratford, East London. Stratford is one of the most well-connected areas in London with the Jubilee Line, Central Line, DLR, London Overground and TfL services*<sup>64</sup>. The universities also direct prospective students to accommodation outside of Newham as well as within Newham<sup>65</sup>. UCL East has 500 student rooms in place and being built<sup>66</sup>.

<sup>6.126</sup> 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. The University of East London is based in Newham. This requires an active process of engagement with the universities to deliver additional bed spaces.

*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.<sup>78</sup> 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*

<sup>6.127</sup> In total there will be over 25,000 full time students studying in Newham from around 2023 onwards<sup>67</sup>. HESA data shows a total of 407,910 full time students enrolled in London HEPs in 2020/21. From this we can estimate that around 6% of London full time students will be studying in Newham. This estimated percentage (6%) in Newham is based on all study levels because it is not possible to break down the student numbers for some of the universities into undergraduates and postgraduates, or to isolate the number of first year students from the available information; not all are shown separately on HESA data. For this reason, the students at Loughborough University London are included in the total despite their being all post graduates. The London Plan states requirement is for 3,500 PBSA bed spaces to be provided annually over the Plan period. Using the estimate of 6%, this would equate to 210 PBSA bed spaces to be provided in Newham annually to 2041.

<sup>6.128</sup> Considering the number of students living outside of PBSA, at the time of the 2011 Census there were a total of 475 private households comprising only students living in the private rented sector in the Borough.

<sup>6.129</sup> Current Council records indicate that a total of 312 properties in the Borough have Class M council tax exemptions, indicating that they are halls of residences and a further 917 properties have Class N exemptions, indicating that they are private households entirely composed of students. Therefore the number of private

<sup>64</sup> [About us - Staffordshire University London \(staffslondon.ac.uk\)](https://www.staffslondon.ac.uk/about-us)

<sup>65</sup> [Your accommodation - Staffordshire University London \(staffslondon.ac.uk\)](https://www.staffslondon.ac.uk/your-accommodation)

<sup>66</sup> [The campus | UCL East - UCL – University College London](https://www.ucl.ac.uk/east)

<sup>67</sup> 15,365 UEL + 4,000 UCL East + 5,000 LCF + unknown number at Staffordshire University + unknown number at Loughborough University London

households comprising of only students has nearly doubled since 2011. The incoming students at the new campuses will increase the total number of students studying in Newham considerably; the available data shows an increase from around 15,000 (UEL) to around 25,000 (UEL + UCL East + LCF), a 60% increase in the total number of students.

<sup>6.130</sup> On this basis, there has been and will continue to be a very significant growth in the number of students occupying private sector dwellings in Newham, which will have increased the pressure on the housing stock of the Borough particularly as there has also been a growth in households renting privately.

<sup>6.131</sup> It will be necessary to consider how the supply of any *additional* student bedspaces will be counted within the overall housing supply. The Greater London SHMA 2017 assumes that 2.5 additional bedspaces equates to the provision of 1 additional dwelling and there would appear to be no reason to diverge from this for Newham.

## Service Families

<sup>6.132</sup> Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

*Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, 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 February 2019, Paragraph 61

<sup>6.133</sup> Newham does not contain a military base, so Armed Forces personnel represent a minimal impact on the housing market of the area.

## People Wishing to Build their Own Homes

<sup>6.134</sup> 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

6.135 Over half of the population (53%) say that they would consider building their own home<sup>68</sup> (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK<sup>69</sup>, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.

6.136 The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.

6.137 A survey in 2020 by the National Custom and Self Build Association (NaCSBA) and the Building Societies Association (BSA) found that<sup>70</sup>:

- » Nearly a third of GB adults (32%) are interested in designing and building their own home.
- » 9% of people said they were likely to build their own home at some point in the future. This compares to around 5% of new homes currently being built as custom and self build annually\*\*
- » Interest is highest in the young, with nearly half (48%) of those between 18 and 24 saying they were interested. This aspiration reduced with age, with less than 1 in 5 (18%) of those aged 55 and over being interested.
- » The main benefit for building is seen as the ability to design a home to the owner's exact specifications (74%), followed by the ability to create a home that can adapt to meet current and future needs (50%).
- » Finding the money to finance the project, including mortgage finance, is seen as the biggest hurdle (59%).

6.138 One conclusion drawn by the research was that:

*The findings indicate that it is the younger generation of 18-24 year olds that are most interested in self building (48%). This represents a disconnect between those people with the greatest ambition but the least access to funding, either through limited savings or earning capacity.*

6.139 "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)<sup>71</sup> redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "Build-it-yourself? Understanding the changing landscape of the UK self-build market" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' in 2014 to test how the 'Right to Build' could work in practice in a range of different circumstances. Individual local authorities produced their own reviews of their experiences<sup>72</sup>, but no detailed review of all 11 Vanguards was produced.

<sup>68</sup> Building Societies Association Survey of 2,051 UK consumers 2011

<sup>69</sup> Self-build and custom build housing (England) House of Commons Brief Paper March 2017

<sup>70</sup> [New research shows that 1 in 3 people are interested in self building \(nacsba.org.uk\)](https://nacsba.org.uk/news/new-research-shows-that-1-in-3-people-are-interested-in-self-building/)

<sup>71</sup> <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

<sup>72</sup> [Right to Build Vanguard.pdf](#) and [Version-02-APPG-Enquiry-SCDC-response-to-circ.pdf \(cambridgeshireinsight.org.uk\)](#)

6.140 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act<sup>73</sup> 2015 places a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

6.141 The 2015 Act was amended by the Housing and Planning Act 2016<sup>74</sup> which placed a duty on local planning authorities to provide serviced plots which have planning permission that allows for self-build or custom housebuilding:

*An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.*

**Housing and Planning Act 2016 Section 2(a)(2)**

## February 2021 Policy Update

6.142 In February 2021 the Government updated Planning Practice Guidance in the form of, Self-build and custom housebuilding<sup>75</sup>. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

*An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.*

*Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation ('turnkey')*

*The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding. The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.*

*When reading this guidance, reference should be made to the:*

<sup>73</sup> <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

<sup>74</sup> <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

<sup>75</sup> [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/self-build-and-custom-housebuilding)

*Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016)**Self-build and Custom Housebuilding Regulations 2016**Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016*

*In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.*

*Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.*

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 016 Reference ID: 57-016-20210208**

6.143 Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan, where the where the property is already designed but before construction has started cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.

6.144 Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and household can appear on more than register. However, it is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.

6.145 As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 10,100 plots were given planning permission in 2018/19. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted. The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

*Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. There is no duty on a relevant authority to permission land which specifically meets the requirements expressed by those on the register. Relevant authorities should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop.*

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 028 Reference ID: 57-028-20210208**

*What does having a 'duty to grant planning permission etc' mean?*

*Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.*

*The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.*

*At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.*

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 023 Reference ID: 57-023-20210208**

6.146 Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register with a 3-year time lag. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.

6.147 The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. This is recognised in the guidance which states that:

*What is the relationship between the register and the Strategic Housing Market Assessment?*

*Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.*

*Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.*

*Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.*

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 011 Reference ID: 57-011-20210208**

6.148 The guidance is clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

## April 2021 Self and Custom Build Action Plan

<sup>6.149</sup> In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.<sup>76</sup> This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The ‘Planning for the Future’ White Paper also included specific proposals that allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

## Evidence for Newham

<sup>6.150</sup> Newham have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding registers.

<sup>6.151</sup> Figure 74 shows that as of October 2020, until 2019/20 Newham had not consistently provided enough self and custom housebuilding plots to meet the needs if the measure of comparing the number on the register against CIL exemptions issued is used. However, the number of self and custom housebuilding plots recorded in 2019/20 was much higher and if that rate can be maintained then Newham will hit the target of meeting the numbers on its register.

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<sup>76</sup> [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92422/self-and-custom-build-action-plan.pdf)

**Figure 74: Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data. Note: \* is not recorded)**

Self-build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016- Oct 2017	Oct 2017- Oct 2018	Oct 2018- Oct 2019	Oct 2019- Oct 2020
New applicants on the register	11	24	27	18	24
CIL monitoring – number of new self and custom housebuilding exemptions issued	*	0	11	12	27

<sup>6.152</sup> There are several concerns around counting CIL exemptions as a measure of plot delivery. Not all CIL exemptions transfer to successful development. At the same time there can be potentially a significant delay in discharging the duty towards serviced plots; the relevant planning application can be in one base period and the CIL exemption certificate in a later base period. Also, where builders apply for CIL exemptions on behalf of future self-build customers, the exemption can fail if a client is not found for the plots. Finally, self-build exemptions also apply to those extending or re-building their home, so careful monitoring and discounting of unrepresentative applications is required.

<sup>6.153</sup> Most planning permissions for residential development can be counted as suitable towards providing serviced plots, including new build on vacant plots, demolition and re-build, and conversion. When Newham receive a request to join the register, a series of questions are asked which help identify the nature of demand for self-build and custom homebuilding in the Borough. This work has highlighted that people are looking to build family sized dwellinghouses (as opposed to flats or maisonettes), with a preference for detached or semi-detached homes. Based on an assessment of demand on the current Register, the issues summarised above and on the Regulations; the following criteria are applied against planning permissions in the Borough to identify suitable serviced plots permissioned since April 2016:

- » Permissions for up to 4 new units that represent: new build dwellinghouses; no more than 2 flats on a plot (excluding via partial conversions); conversions of wholly non-residential buildings (small infill sites).
- » Permissions for 5 or more new units where the planning application is specifically identified as delivering self build and custom housing homes, at least as part of the site mix. That the site is delivering self and custom build is decided through the planning application form, self-build CIL exemption application, or via S106 conditions etc.

<sup>6.154</sup> Based on their own methodology, LB Newham is currently delivering the serviced plots that are required.

## Future Need for Self-build and Custom Housebuilding

<sup>6.155</sup> As highlighted above, in the most recent year Newham provided sufficient plots to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register based on the commonly used method of comparing applicants on the Register against CIL exemptions. The Newham methodology for assessing the need for self and custom build plots also shows the Borough meeting requirements. This has been achieved without any designated policy requirement for either allocated sites for serviced plots, or a requirement for a proportion of plots on larger sites to be made available.

- 6.156 However, the self-build and custom housebuilding register clearly has the potential to under-estimate demand for plots in Newham, while the Newham methodology is more likely to identify plots which will be developed. In common with other urban areas, Newham has limited land availability combined with a high level of housing need which together contribute to making the delivery of self build plots difficult, especially when combined with the need to balance the delivery of self build with general needs housing and to optimise the delivery of housing overall to meet the overall London housing need. The current rate of delivery in Newham is less than 0.5% of the GLA's overall capacity target, so while it is harder in dense urban areas to deliver self and custom housebuilding plots, there is potential to increase the number delivered to some extent if land can be found within the overall delivery of housing.
- 6.157 More information could be gathered on the number of self-build and custom housebuilding dwellings which are provided currently in Newham through permissions granted and followed by the Newham methodology to identify the need for plots that are likely to be delivered.

## Essential Local Workers

- 6.158 Annex 2 of the Revised 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

- 6.159 It is notable that the definition provided by the revised 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.
- 6.160 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.

## Boat Dwellers

- 6.161 Draft DCLG<sup>77</sup> Guidance provides advice on how to consider the needs of people residing in or resorting to moorings for houseboats. The draft guidance was issued in March 2016 with no consultation attached to it and has yet to be issued as official guidance. However, it is understood to have been criticised by organisations representing boat dwellers for concentrating too much on identifying need from caravan dwellers.
- 6.162 As far as need for boat dwellers is concerned, it cannot be assumed that all need can be met through the provision of additional moorings as many boat dwellers do not seek permanent moorings and navigate waterways on a permanent basis. As such, other issues that need to be considered include the availability and distance between facilities such as water taps, rubbish disposal, chemical toilet disposal and fuel pumps;

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<sup>77</sup> now the Department for Levelling Up, Housing and Communities

the threat of eviction from moorings is seen as inappropriate; restrictions placed on boat dwellers through licence restrictions; and access to 'off-side' moorings – i.e. those not on a tow path.

<sup>6.163</sup> As with Gypsies and Travellers who do not meet the planning definition of Travellers and wider caravan dwellers, permanent boat residents also form part of the OAN because they will be included in the overall population and household projections.

<sup>6.164</sup> The Canal and River Trust<sup>78</sup> have reported that the total number of continuous cruiser licences was 4,400 in 2014. Out of those 4,400 boats 23% moved less than 5 kilometres, and 45% moved under 10 kilometres in a year, so a high number of boats are moving around relatively small areas of the canal network. The Canal and River Trust suggest that this is due to affordability as much as preference, with many households moving onto houseboats to find cheaper accommodation.

<sup>6.165</sup> The current Draft Guidance is not particularly relevant or helpful when it comes to assessing need for boat dwellers. The first issue to consider is the definition of a houseboat. The Housing and Planning Act defines a "houseboat" as a boat or similar structure designed or adapted for use as a place to live. However, this conflicts with the definition of a houseboat under waterways legislation (for example Section 3 of the British Waterways Act 1971). This suggests that a houseboat is a static vessel and is not used for navigation, as opposed to more mobile boat dwellers who do travel either from permanent moorings or as continual cruisers.

<sup>6.166</sup> In terms of recent surveys of boat dwellers, the Canal and River Trust undertook a detailed survey of London's houseboat dwellers<sup>79</sup> between September and October 2016. In total they received responses from 1,323 boat dwellers who had been recorded on London's waterways in the previous year. In summary the survey found that:

- » 58% of respondents to the survey say they use their boat as their primary place of residence.
- » 50% of those who responded said that affordability/financial reasons were their motivation for living on a boat.
- » 50% have been living on boats on London's waterways for three years or less.
- » Over 70% of respondents to the survey said that they owned their boats outright, a further 11% said they owned their boat with a loan or mortgage.
- » The top three specific improvement people want to see on the London waterways are (1) more mooring places, (2) more mooring rings, (3) more water points.
- » 45% of respondents said they would have some or definite interest in a mooring if permanent or long-term moorings were more readily available in London.

<sup>6.167</sup> In summary, half of all London respondents reported that they lived on a houseboat because of affordability issues; nearly half of respondents would be interested in a permanent mooring if one was available; and the largest issues raised by boat dwellers was a lack of moorings.

<sup>6.168</sup> However, while living on a boat is likely to be cheaper because of the capital costs, notably house prices, the running costs can be high. The Inland Waterways Association<sup>80</sup> notes that costs include: diesel and gas, toilet pump out, repairs and regular maintenance to the hull and superstructure, and maintenance, repair or

<sup>78</sup> <https://canalrivertrust.org.uk/media/library/2305.pdf>

<sup>79</sup> <https://canalrivertrust.org.uk/refresh/media/thumbnail/30901-whos-on-londons-boats-survey-summary-report.pdf>

<sup>80</sup> [The Pros and Cons of Living Afloat - Inland Waterways](#)

replacement of equipment such as engines, generators, water pumps, bilge pumps, shower pumps and inverters.

<sup>6.169</sup> A Boat Dwellers Needs Assessment would be required to assess the number of live aboard boats moored in Newham, partly because some boat dwellers do not wish to be identified as such. Nevertheless, it is possible to conclude:

- » As many as half of households living aboard boats in Newham are doing so for financial reasons.
- » Boat dwellers free up a mix of housing, from single person to family housing and including rented and owner occupied housing.
- » London boat dwellers require more permanent moorings; ORS work elsewhere in Greater London suggests a lack of affordable moorings.

# 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”<sup>81</sup>.

**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”<sup>82</sup>

**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).

<sup>81</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6338/1776873.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf)

<sup>82</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/182417/MethodologyFinalDraft.pdf](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.

**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

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

# Appendix B: Accessible and adaptable dwellings

## Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

- 7.1 This appendix shows the full analysis of the modelled need for accessible and adaptable dwellings. It is included here for transparency.
- 7.2 In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.
- 7.3 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

*“The provision made must be sufficient to-*  
*(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*  
*(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.”*

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- 7.4 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.
- 7.5 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 75).

Figure 75: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
<b>Households with one or more persons with a limiting long-term illness or disability</b>			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
<b>Total households where a limiting long-term illness or disability affects their housing need:</b>	<b>6.5%</b>	<b>19.8%</b>	<b>8.8%</b>

- 7.6 Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.
- 7.7 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Newham to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

**Figure 76: Households with a long-term illness or disability in Newham in 2021 by effect on housing need**  
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
<b>Households with one or more persons with a limiting long-term illness or disability</b>	38,245
Does not affect their housing need	26,133
Current home suitable for needs	9,710
Current home requires adaptation	1,171
Need to move to a more suitable home	1,230
<b>Total households where a limiting long-term illness or disability affects their housing need:</b>	<b>12,112</b>

- 7.8 The model (Figure 76) identifies that there will be around 38,200 households living in Newham in 2021 with one or more persons with a limiting long-term illness or disability. In 26,100 of these households, this will not affect their housing need, but in 12,100 households an illness or disability will impact on housing need.
- 7.9 Amongst those households where it will affect housing needs 9,700 households will already be living in a suitable home (having moved or made adaptations). This leaves 1,171 households needing adaptations to their current home and 1,230 households needing to move to a more suitable home. The 1,230 households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.
- 7.10 The identified need for 1,230 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires "*the changing needs of occupants over time*" to be considered. Therefore, even without any change to the number of households in Newham, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.
- 7.11 Whilst around 12,100 households living in Newham in 2021 will have a health problem that already affects their housing requirement, it is likely that a further 5,700 households will develop health problems within 10 years. These households will also require adaptations to their current home or will need to move to a more suitable home. This calculation is derived from the age profile of the projected population and the current health problems by age group. Therefore, as the population ages it is more likely a person will develop a health problem. For example, the student population is much less likely to contain health problems affecting their housing needs, but there still will be students who require adapted properties. However, in the older population the need for adapted housing is much higher.
- 7.12 Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.
- 7.13 Further modelling of health needs shown in Figure 77 suggests that by 2038 there will be an additional 15,500 households either already experiencing health problems or likely to develop health problems within 10 years.

Some of these will be new households, but many will be existing households resident in 2021 whose health has deteriorated over the Plan period.

- 7.14 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 21,200 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 1,171 households needing to move and the 1,230 households needing adaptations based on their current health at the start of the Plan period.

**Figure 77: Households with a long-term illness or disability in Newham in 2021 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
<b>Households where an existing illness or disability affects their housing need in 2021</b>	
Current home suitable for needs	9,710
Current home requires adaptation	1,171
Need to move to a more suitable home	1,230
<b>Total households where a limiting long-term illness or disability affects their housing need in 2021</b>	<b>12,112</b>
Existing households in 2021 likely to develop health problems that affect their housing need within 10 years	5,693
Additional households in 2038 projected to experience problems or likely to develop problems within 10 years	15,523
<b>Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years</b>	<b>21,216</b>

- 7.15 To provide M4(2) housing for all of the identified need would require housing for up to 22,447 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.
- 7.16 Although some households would prefer not to move many existing homes are not suitable for adaptation to meet the M4(2) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in Newham, it is likely that around 44% of the identified households will live in dwellings that could be converted to meet the M4(2) standard (ORS housing model based using EHS data).
- 7.17 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 44% of the need is for adapted housing; a total of 13,060 households including the 1,207 households identified as needing to move at the start of the Plan period.

**Figure 78: Households with a long-term illness or disability in Newham in 2021 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
<b>Existing need in 2021</b>	
Households where an existing illness or disability affects their housing need and need to move in 2021	1,230
<b>Projected future need 2021-38</b>	
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	21,216
<b>Maximum need for adapted housing 2021-38 (households)</b>	<b>22,447</b>
Less households living in dwellings adaptable to M4(2) standard	9,387
<b>Minimum need for adapted housing 2021-38 (households)</b>	<b>13,060</b>

- <sup>7.18</sup> There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 13,000 households and maximum of 22,500 households identified in Figure 58 provide an appropriate range for the local authority to consider.
- <sup>7.19</sup> It is important to recognise that this would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

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