London Borough of Hackney
Strategic Housing Market Assessment 2014

Report of Findings
March 2015
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Executive Summary

1.1 The London Borough of Hackney Strategic Housing Market Assessment 2014 (SHMA) has been undertaken at a time of considerable change, both locally and nationally. The SHMA highlights the complexity of understanding housing need in a relatively dynamic London housing market. Key drivers such as the local economy, complex population change and the need to support growth in the local economy – all these factors interact to make the establishment of objectively assessed housing need a significant challenge.

1.2 The SHMA has considered various factors regarding the housing needed in Hackney; critically, it has considered the current evidence base on population and households, and the impact of wider market signals. From this, the SHMA has derived an objectively assessed housing need to inform housing and planning policies.

1.3 The secondary data used in the SHMA was supplemented by a survey of local residents undertaken between March and June 2014. Where appropriate, survey outputs have been used to support and inform the SHMA outcomes, in particular in Chapter 7 which includes a consideration of the needs of specific groups. A detailed analysis of the survey outputs may be found in Chapter 8.

1.4 This Executive Summary summarises both the key strategic challenges facing the Housing Market Area, and highlights the housing needed to meet these.

Key Challenges

Private Rented Sector

1.5 One of the most significant housing changes in the past decade, in both Hackney and England, has been the rise in the private rented sector and the decline in owner occupation. In the London Borough of Hackney (LBH), between 2001 and 2011, owner occupation declined by -6.0% and social rent by -7.0% in terms of relative tenure share; private rent, however, increased by +10.0%. Despite high property values, the growth in private rent (doubling in the inter-censal period) is a significant change in tenure and seems likely to continue further due to the interaction of growing demand against inadequate supply.

Housing Delivery

1.6 New housing delivery nationally has fallen substantially in recent years relative to demand. The complexities of the housing delivery supply chain are well evidenced in other studies and are not explored in this SHMA. However, there is a need to continue to support housing delivery for Hackney if wider strategy goals are to be achieved. Rates of completion in Hackney have been variable in recent years although the number of completions since 2011/12 has reduced.
Benefit Reform

1.7 Benefit reforms pose a considerable risk to existing households renting within Hackney in both the private and public housing sectors. The combination of the Benefit ‘Cap’, changes regarding under-occupation and changes in Local Housing Allowance (LHA) are likely to mean adjustment in the rental sectors. The full implications of this are not yet known but the reduction in claimant households is already evident in Hackney and the potential for further reduction is recognised.

Duty to Co-operate

1.8 Section 110 of the Localism Act 2011 imposes a ‘Duty to Co-operate’ on Councils who submit plans for Examination after 15 November 2011. The scale of objectively assessed housing need identified in this SHMA refresh has meant a proactive approach to co-operation between Hackney and its neighbours. The key challenge facing the various authorities remains how assessed need can be met.

Housing Market Area

1.9 The identification of Housing Market Areas (HMAs) is the first relevant building block in the evidence for identifying the objectively assessed housing needs for Hackney.

1.10 On the basis of the evidence, we would conclude that:

» Greater London can be considered as a single large housing market area which contains many smaller overlapping housing market areas within it.

» Migration and travel to work flows do not identify any distinct housing market areas in London.

» House price represents a means of identifying separate housing market areas in London. The Valuation Office Agency (VOA) has worked with house price and rent nationally to identify Broad Rental Market Areas (BRMAs) which determined available LHA levels.

» BRMAs represent the most practical and pragmatic approach to identifying housing market areas in London. The 13 BRMAs in London will allow small groups of London boroughs to plan together.

» 92% of Hackney’s population fall in the Inner East London BRMA, with 100% of Tower Hamlets’ population also falling in this BRMA.

» When assessing objectively assessed needs at housing market area level we recommend that Hackney be considered as part of an area which also includes Tower Hamlets.

» Given the overlapping nature of housing market areas, this does not preclude Hackney and Tower Hamlets from also considering their needs as part of the wider East London area.

» Given this context, it is appropriate for the SHMA analysis to focus upon the core area (i.e. Hackney and Tower Hamlets). Nevertheless, it will be important that Hackney
considers the needs of other authorities in surrounding areas, their relationship with Hackney and that these issues are explored under Duty to Co-operate arrangements.

» The HMA analysis should not be seen as prescriptive on other authorities who may wish to identify their housing market areas by other means.

Population and Household Growth

1.11 A key input into the modelling of housing need is the rate of household growth. Guidance states:

*Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.*

*Planning Policy Guidance (CLG, March 2014), para 015*

1.12 While CLG Household projections are a useful starting point, there is a need to test these further to ensure that they are a robust basis for modelling need. These have been analysed and household figures derived to input into the assessment of housing need.

Market Signals

1.13 Current Guidance states that market signals should be taken into account when considering assessed housing need:

*The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.*

*Planning Policy Guidance (CLG, March 2014), para 019*

A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections ...

Plan makers should set this adjustment at a level that is reasonable

*Planning Policy Guidance (CLG, March 2014), para 020*

1.14 On the basis of the Market Signals considered, there is clear evidence that the objectively assessed need for Hackney should be higher than the demographic projections. However, this uplift is already built in to the methodology for undertaking objectively assessed need, so no further uplift is required.

Objectively Assessed Housing Need

1.15 Figure 1 summarises the annual need from each source listed above over a 24 year period. We would note that the Greater London Authority (GLA) SHMA used a 20 year backlog of need, but in practice the figures below provide the same calculation over 24 years and represent the average level of housing need for Hackney in the 24 year period.
Figure 1: Annualised Summary of Household Projections and Backlog of Need for Hackney 2011-2035 (Source: GLA, CLG and ORS)

<table>
<thead>
<tr>
<th>Source of Housing Need</th>
<th>Annual Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household projection – GLA Central trend</td>
<td>1,528</td>
</tr>
<tr>
<td>Concealed households</td>
<td>89</td>
</tr>
<tr>
<td>Sharing Households</td>
<td>70</td>
</tr>
<tr>
<td>Homeless Households</td>
<td>36</td>
</tr>
<tr>
<td>Non-homeless household and those needing to move due to harassment</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total without Vacant Dwellings and Second homes</strong></td>
<td><strong>1,733</strong></td>
</tr>
<tr>
<td>Additional allowance for vacant and second homes</td>
<td>25</td>
</tr>
<tr>
<td><strong>Objectively Assessed Housing Need</strong></td>
<td><strong>1,758</strong></td>
</tr>
</tbody>
</table>

Therefore, in summary, the OAN for Hackney following the methodology adopted in the GLA SHMA 2013 is **1,758 dwellings per annum**.

Housing Requirements for Hackney

To move from OAN to the future housing requirements of an area it is necessary to consider any previous under-delivery to this point in time. In 2011/12 net housing completions in Hackney were 2,352, in 2012/13 the figure was 965 and in 2013/14 the figure was 1,150. Given a target of 1,758 per annum, this represents a total under-delivery of 807 dwellings in this period. Apportioning these across 21 years would see the housing requirements of Hackney rise to 1,796 (1,758 + 807/21).

Housing Requirements for the HMA

As also noted earlier, Hackney sits in the same HMA as Tower Hamlets. ORS have undertaken a parallel SHMA for Tower Hamlets and this derived an OAN figure of 2,428 per annum from 2011-2035 with the net under-delivery in the period from 2011-2013 seeing the future housing requirement rise to 2,562 per annum.

The Further Alterations to the London Plan (FALP) identify a total housing land supply for Tower Hamlets of 3,931 dwellings per annum in the period 2015-2025. The FALP for Hackney identify a housing land supply of 1,599 dwellings per annum in the period 2015-2025. Therefore, collectively the FALP identifies a housing land supply capacity 5,530 for the HMA. This is higher than the combined housing requirements of the HMA which are 4,358 per annum.

Overall, the HMA can address the needs of the HMA.
Conclusion

1.21 As an inner London Borough, Hackney faces considerable strategic challenges in meeting the housing needs of its future population. These include fundamental tenure adjustment, the challenge of new housing delivery, the implications of Benefit Reform and a changing population. Overall, therefore, there is a need for a continued co-ordinated approach towards the varied housing challenges faced to ensure future success.
2. Introducing the Study

Background to the Project and Wider Policy Context

Project Overview

2.1 Opinion Research Services (ORS) were commissioned by the London Borough of Hackney to undertake a Strategic Housing Market Assessment (SHMA). The purpose was to support the Local Authority in objectively assessing and evidencing development needs for housing (both market and affordable) and provide evidence to inform local policies, plans and decision making.

2.2 The objective of the study was to give Hackney an objectively assessed and evidenced analysis of development needs for housing (both market and affordable) and to ensure this was compliant with the requirements of the National Planning Policy Framework and Guidance.

2.3 The methodology used was based on a Housing Needs Survey and the analysis and modelling of secondary data. Overall, the methodology sought to:
   » Consider the housing market area
   » Establish the need for housing (both market and affordable)
   » Take market signals into account

Survey

2.4 The secondary data used in the SHMA was supplemented by a survey of local residents undertaken between March and June 2014. Where appropriate, survey outputs have been used to support and inform the SHMA outcomes.

2.5 The survey was undertaken using a face to face methodology, and was a quota controlled survey based on quotas of Household Reference Person (HRP) age, HRP gender, property type, and HRP working status at 63 sample points.

2.6 Overall, 1,504 interviews were completed across the Borough.

What is a Strategic Housing Market Assessment?

2.7 SHMAs undertaken across England identify the future quantity of housing needed including by type, tenure, and size. SHMA evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area). SHMAs also provide information to support local housing and economic development strategies as well as inform the planning of other services such as education, health and transport.

2.8 The SHMA specifically:
   » Provides evidence-based forecasts of need and demand for housing using population and household projections.
» Considers market signals about the balance between demand for and supply of dwellings.
» Addresses the needs for all types of housing and the particular needs of specialist groups.

2.9 The SHMA is based on a wide range of information collated from many sources, including:
» Secondary data and official statistics from a wide range of local, regional and national sources.
» Existing policy documents and supporting information published by the Local Authority and their partners;
» Stakeholder fieldwork with various representative agencies;

2.10 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.

London Specific SHMAs

2.11 The Strategic Planning Authority for London is the Greater London Authority. The GLA have produced a London SHMA (2013) covering the whole of Greater London which has been used to underwrite the evidence base for the Further Alterations to the London Plan (FALP) 2014.
2.12 The Report on the Examination in Public into the Further Alterations to the London Plan was published in November 2014. Issue 2 of the report was:

Given that the FALP sets out the objectively assessed housing need for London should London Boroughs be required to undertake their own assessments?

2.13 In response to this question the inspector concluded that this was not necessary. From paragraph 18 onwards he concluded that:

The NPPF at paragraph 47 requires local planning authorities to, amongst other things, ‘use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area’. The guidance in the NPPF regarding plan making is silent with regard to how responsibilities should be divided in a two tier system as exists uniquely in London. The London Plan is part of the development plan for London and, in my view, it must be right that read together with the development plan documents produced by London Boroughs, the development plan should be consistent with national policy.

However, in a two tier system there should be no need for each part of the development plan to include the full range of policies necessary to accord with all parts of the NPPF or PPG, provided that together they do (as far as is necessary) and are consistent with national policy. The PPG advises that there should be no need to reiterate policies that are already set out in the NPPF in Local Plans. It seems to me that the same principle should apply to a spatial development strategy. Further, to avoid unnecessary duplication and potential confusion, there should be no need for a local plan in London to reiterate policies set out in the FALP.

Section 334 of the GLA Act requires the Mayor to prepare a spatial development strategy. That plan must include a statement formulating the Mayor’s strategy for spatial development for the use of land in Greater London. Housing need, supply and distribution are undisputedly strategic matters in London. I conclude below that the Mayor’s estimate of objectively assessed housing need in London is justified by the evidence submitted to the EiP. Further, although I have reservations, I also consider that the FALP’s strategy with regard to supply and distribution can be supported in the short term.

Once adopted, statute will require the local plans produced by London Boroughs to be in general conformity with the FALP. That includes conforming with a strategy which seeks to meet London’s needs on brownfield land within the existing built up area. The SHLAA identifies most of the existing capacity and, effectively, through the SHLAA, the FALP has determined the extent to which individual Boroughs can contribute to meeting the strategic need for housing across London. Within the confines of the FALP’s strategy there is little scope to do more.

I acknowledge that the NPPF requires each local planning authority to identify its own objectively assessed housing need. However, in my view, it is the role of the spatial development strategy to determine the overall level of need for London and to guide
the distribution of new housing to meet that need. The Mayor points to the acceptance by previous EiP Panels that London constitutes a single housing market area with sub markets which span Borough boundaries. The Mayor also points to the findings of the High Court, following a challenge to the Revised Early Minor Alterations to the London Plan, within which in his (undisputed) opinion, the Court accepted that although local variations exist, this did not compromise the view that London constitutes a single housing market area.

Other than some fine tuning regarding local need relating to the size and type of property and tenure, there is no need, in my view, for each London Borough to duplicate the work done by the GLA and produce their own individual assessment of overall need. IRC1 recommends that the FALP is changed to reflect this approach by removing references to London Boroughs needing to identify objectively assessed need with regard to the quantum of new housing in their areas.

2.14 This recommendation has been accepted by the Mayor of London and therefore, in summary, there is no requirement in the FALP for London Boroughs to identify housing market areas inside of London, or to identify the objectively assessed needs of these housing markets. Instead, London Boroughs are required to assess the size and tenure of dwellings that the Greater London SHLAA has assessed that they are capable of providing as part of their role in meeting the needs of London.

2.15 This then sees SHMAs in London having a different role to that in the rest of England. Rather than being a document to identify the housing market area and objectively assessed needs, a SHMA in London could be a much simpler document which focuses upon the size and tenure of dwellings which a London Borough is capable of delivering. This does not preclude London Boroughs from seeking to identify housing market areas of objectively assessed needs, but does imply it is not necessary.

2.16 However, the inspector’s views do contain a note of caution for both the GLA and London Boroughs. From paragraph 55 onwards he notes that:

I am satisfied that the Mayor’s population and household projections, SHMA and SHLAA are based on good evidence and robust methodology. The household projections and the SHMA point to the urgent need to address the requirement for new housing in London. The GLA is exploring ways to address the need and through the FALP seeking to provide a solution. In addition to the measures described above the Mayor is seeking to reduce the number of vacant homes and encouraging alternative sources of supply such as self build and the private rented sector which can deliver houses faster than traditional build for sale schemes. This is to be supported as is the focus on regeneration and meeting London’s needs through the development of brownfield land. However, the strategy has significant and potentially serious implications for delivery and for existing communities which will have to face the consequences of intensifying development in the existing built up area.

The targets set in Table 3.1 will not provide sufficient housing to meet objectively assessed need and I am not persuaded that the FALP can ensure that the additional
6,600 dpa will be delivered. Nor do I consider that the Mayor can rely on paragraph 47 of the NPPF or the duty to co-operate to make London Boroughs provide more. It is not enough to grant planning permissions, homes have to be built and the target rate of 42,000 dpa is significantly higher than has been achieved since 2004 and the boom years before the recession.

The evidence before me strongly suggests that the existing London Plan strategy will not deliver sufficient homes to meet objectively assessed need. The Mayor has committed to a review of the London Plan in 2016 but I do not consider that London can afford to wait until then and recommend that a review commences as soon as the FALP is adopted in 2015 (IRC3). In my view, the Mayor needs to explore options beyond the existing philosophy of the London Plan. That may, in the absence of a wider regional strategy to assess the options for growth and to plan and co-ordinate that growth, include engaging local planning authorities beyond the GLA’s boundaries in discussions regarding the evolution of our capital city.

Therefore, the inspector has requested an immediate review of the London Plan and the Mayor of London has agreed to this with the aim of increasing housing delivery in London and also possibly in areas outside London. The GLA are currently seeking for London Boroughs to meet the dwelling delivery capacity figures identified in the London SHLAA but also to seek ways of delivering more than the identified capacity.

**Hackney SHMA**

The Hackney SHMA was commissioned before the Inspectors report for the FALP. While the recommendations of the inspector do not require LBH to identify their housing market area or the objectively assessed need for the housing market area, they do not preclude any London Borough from doing so. Along with the London Borough of Tower Hamlets, Hackney has decided to implement their original brief for this project which included identifying the housing market area and objectively assessed needs. Therefore, this SHMA builds on the Greater London SHMA to provide a more local context for the housing needs of Hackney as well as meeting the requirements of the FALP Policy 3.3, which requires boroughs’ LDFs to be prepared to meet identified housing need in line with the NPPF, and with NPPF paragraph 47, which requires local authorities to identify OAN.
Local Policy and Strategy Context

2.19 The SHMA has considered the range of local strategies, plans and assessments carried out by the GLA and the Mayor’s Office as well as by London Borough of Hackney. This chapter gives a brief overview of some key documents where they are relevant to the SHMA.

The London Plan to 2031 (July 2011)

2.20 The London Plan Spatial Development Strategy (SDS) is “the overall strategic plan for London, setting out an integrated economic, environmental, transport and social framework for the development of London over the next 20–25 years”.

2.21 There are two key points from the London Plan which need to be reflected in any borough SHMA. These are: the need to reflect the local housing market alongside the pan-London housing market, and; the overall objectively assessed housing need and identified land supply.

2.22 The need to reflect local needs is articulated in paragraph 3.45 of the Revised Early Minor Alterations to the London Plan published October 2013:

“These requirements across London have little regard to administrative boundaries. It is essential that new provision anticipated in LDFs reflects strategic as well as local needs. This will require close working between the GLA and boroughs to ensure local, sub regional and the London wide SHMAs are co-ordinated and that effective account is taken of sub-regional and strategic needs, especially when setting affordable borough housing targets.”

2.23 Paragraph 3.18 of the Plan identifies an overall housing need target from the 2009 London SHMA of 34,900 per year compared to a London 2009 Strategic Housing Land Availability Assessment (SHLAA) based figure of 32,210. The Plan attempts to deal with the shortfall between the two by identifying ‘minimum targets’. The “minimum ten year target” set for Hackney is 11,600, with an annual monitoring target of 1,160.

2.24 The Draft Further Alterations to the London Plan (FALP) was published in July 2014 and adopted in March 2015. The most relevant element for the SHMA is the London SHLAA 2013, which was published alongside the draft FALP. The 2013 SHLAA bases minimum housing targets for the boroughs on assessed land availability. The FALP’s minimum target for Hackney is 15,988 homes in 2015-2025, that is, 1,599 per annum.

The London Housing Strategy 2014

2.25 The London Housing Strategy (June 2014) references the 2013 London SHMA estimated need of 48,841 homes per year between 2014/15 and 2034/35. The updated SHLAA used for the Strategy “finds firm evidence of capacity for 42,000 new homes a year between 2015 and 2025”.

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1 [https://www.london.gov.uk/priorities/planning/london-plan](https://www.london.gov.uk/priorities/planning/london-plan)
2 [https://www.london.gov.uk/sites/default/files/FALP%20ITP%20clean%202015%20December%202014.pdf](https://www.london.gov.uk/sites/default/files/FALP%20ITP%20clean%202015%20December%202014.pdf)
3 [http://www.london.gov.uk/sites/default/files/FALP%20SHLAA%202013.pdf](http://www.london.gov.uk/sites/default/files/FALP%20SHLAA%202013.pdf)
The SHLAA uses this evidence of capacity to propose minimum housing delivery targets for the boroughs, as mentioned above.

2.26 Of the 48,840 homes per year assessed need in the SHMA, the strategy sets targets of 48% to be market housing, 20% intermediate and 32% social housing including Affordable Rent.

Hackney Borough Council

Sustainable Community Strategy 2008-2018

2.27 Hackney Council’s Corporate Plan 2013/14 – 2014/15 states that the Sustainable Community Strategy (SCS) “sets out our long term vision for Hackney up to 2018 for the Council and our partner organisations”. Of the six priorities in the Sustainable Communities Strategy, the most relevant to the SHMA is priority 5:

“Promoting mixed communities in well-designed neighbourhoods, where people can access high quality, affordable housing”

2.28 Against this priority, the SCS articulates an aim to promote a mix of tenures in new and existing developments and to provide more quality affordable housing for all income groups. Property size mix is identified as important, with an aim to provide affordable larger properties (3 bedrooms or larger) so as to lower levels of overcrowding.

Housing Strategy 2010-2015

2.29 The three core objectives of the Housing Strategy are consistent with the Sustainable Communities Strategy priorities. The three core objectives are:

- Mixed and sustainable communities – quality and affordable homes for all income groups
- Attractive neighbourhoods – places where people want to live
- Prosperous communities - the chance for everyone to thrive and earn a good living

2.30 The need for more larger properties is demonstrated in the Housing Strategy:

“The 2001 Census, Hackney had the third highest level of severe overcrowding in the country. Around 10% of our households suffer from overcrowding.”

2.31 The Hackney Housing Strategy Update 2012 identified renewed areas of focus to deliver the three core objectives. Four for these renewed areas of focus are directly relevant to the SHMA:

- Redoubling efforts to secure the best use of the existing housing stock
- Maximising the supply of genuinely affordable housing on secure tenancies
- Ensuring the protection of standards in the private rented sector and developing a clear understanding of the sector’s future role in the borough, especially in relation to meeting local housing needs
- Reviewing supported housing needs and developing a strategy for making the best use of the existing stock and shaping future supply
The LDF Core Strategy 2010 - 2025

2.32 The vision and objectives of the LDF Core Strategy refer back to and are consistent with the priorities in the SCS.

2.33 The LDF aims to meet the London Plan annual requirement for 1,160 net additional dwellings per year 2015-2025 with higher levels of delivery up to 2018 (see paras 2.24 and 6.38). The higher target of 1,599 set out in the FALP will be addressed through a review of the Core Strategy, programmed to commence in 2015, and will be met through all sources of housing including windfall planning permissions.

2.34 The LDF again identifies overcrowding (para 7.41): “an increased shortage of social rented homes of all sizes with a priority for family sized (3 bed or larger)”. Core strategy Policy 19 on Housing Growth states that: “Hackney will seek to resist the loss of family accommodation and promote the provision of new family accommodation (3 bed or larger) of all tenures”.

2.35 The Development Management Local Plan (July 2013)5 states (para 5.4.2) that “The current most pressing shortage is for 2 bedroom (3 person) homes and for 3 bedroom (5 person) family homes. For affordable rent homes (Social and Affordable Rent) a third of dwellings sought should be family-sized of at least 3 bedrooms. The Council’s preference is for there to be a higher proportion of 2 bedrooms than 1 bedroom (2person) units, as they offer greater flexibility of accommodation.”

2.36 Affordability is also a key theme in the LDF and relevant to the SHMA. Taking account of the Hackney 2010 Affordable Housing Viability Study by BNP Paribas, Core Strategy Policy 20 on Affordable Housing sets out a requirement that “New housing should seek to meet a borough-wide affordable housing target of 50% of all units subject to site characteristics, location and overall scheme viability”.

3. Housing Market Areas in London and Hackney

Identifying the Local Functional Housing Markets

3.1 The identification of Housing Market Areas (HMAs) is the first relevant building block in the evidence for identifying the objectively assessed housing needs for Hackney. This Chapter, therefore, considers the historic and current evidence regarding the Housing Market Area.

Guidance

3.2 A key issue is whether the Housing Market Area aligns with the geographic coverage of the local authorities in the study or whether the functional area is wider or narrower. Effectively, evidence needs to be scrutinised to test the current HMA and see if this provides an adequate basis for the objective assessment of housing needs. Guidance on HMAs is found in:

» Planning Practice Guidance on the Assessment of housing and economic development needs (March 2014):
» Advice Note on “ Identifying sub-regional housing market areas” (CLG; 2007)
» Geography of Housing Market Areas’ (CLG; 2010)

3.3 NPPF advises local planning authorities that (Paragraph 159):

“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.”

3.4 Paragraph 47 refers to Local Plans meeting the full objectively assessed needs for market and affordable housing in the housing market area.

3.5 Planning Practice Guidance on the Assessment of housing and economic development needs (March 2014) states:

‘Needs should be assessed in relation to the relevant functional area’

‘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’.

‘The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries’.
3.6 This is consistent with the definition set out by previous Government Guidance (DETR 2001), which stated that a:

‘Housing Market Area is the geographical area in which a substantial majority of the employed population both live and work, and where most of those changing house without changing employment choose to stay’.

3.7 Planning Practice Guidance, therefore, requires an understanding of the housing market area and says this can be defined using three different sources of information:

» House prices and rates of change in house prices
» Household migration and search patterns
» Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)

3.8 CLG also published an earlier report ‘Geography of Housing Market Areas’, which explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. ‘Geography of Housing Market Areas’ (page 35) outlines three overlapping tiers of geography for housing markets:

» Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;
» Tier 2: local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage;
» Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.

3.9 Critically, both CLG publications outline that no one single approach (nor one single data source) provides a definitive solution to identifying local housing markets. However, by using a range of available data, judgements on appropriate geography can be made.

3.10 A further issue to consider is with regard to the alignment between local authority boundaries and HMA boundaries. Essentially, boundaries should reflect the evidence and it is common for local authorities to be ‘split’ between HMAs:

‘The splitting of local authorities is to be expected because the analyses use wards to produce more precise boundaries than would be possible with groupings of whole local authorities (especially with the large newer unitary local authorities in some former Shires). It is crucial to the robustness of the results that the initial ‘gold standard’ definitions are not constrained to be groupings of whole local authorities. That said, the research specification does require that – to support the NHPAU’s plans for modelling – there is subsequently a ‘silver standard’ version of the final housing market area geography which is best-fit to the housing market area boundaries from whole local authorities.’

Geography of Housing Market Areas (CLG: 2010)
Housing Markets in London

3.11 The identification of housing markets in London is not a new area of study. The Greater London Strategic Housing Market Assessments 2008 and 2014 both effectively treat London as being a single housing market area. The 2014 Greater London SHMA notes at Table 5 notes;

“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”.

3.12 The identification of a single London wide housing market has been further supported by a recent High Court judgement. Nine 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.”

3.13 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.”

3.14 However, paragraph 43 of the judgement states

The Draft Replacement London Plan, Report of Panel, March 2011, stated at 3.28:

“As it was not disputed that London is a single Strategic Housing Market Area with complex sub-markets that spread across Borough boundaries and has constrained land supply the use of which has to be optimised, we agree with the Mayor that it is not only appropriate but necessary to include Borough provision targets.”

3.15 The view that London contains many housing market areas within it is further supported by the 2014 Greater London SHMA which notes at paragraph 1.13:

‘It is important to note that this SHMA, like the 2004 HRS and the 2008 SHMA before it, looks at housing requirements at the regional London level only, and does not provide any estimates of requirements at the local level. London boroughs remain responsible for assessing their own requirements, within the policy context set by the NPPF and the London Plan. Given the fact that housing market areas in London frequently extend across local borough boundaries, many boroughs have chosen to work in partnership to assess housing requirements on a sub-regional basis.’

Jobs and Housing

3.16 Hackney is part of the Greater London Housing Market Area (GLHMA); the GLHMA (a “Tier 1” HMA that is defined by commuting and migration patterns) needs to ensure a balance of jobs and workers.

3.17 The Greater London Authority have prepared an SHMA 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.

3.18 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.

3.19 This SHMA, therefore, is based on a lower-tier HMA using Broad Rental Market Areas (BRMA) as determined by the VOA. These consider local facilities and services, social networks and property type and tenure to help the LPA plan housing at a borough level.

3.20 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, this lower-tier HMA will, therefore, contribute to balancing jobs and workers across the Greater London HMA, consistent with the London Plan.
Housing Market Area Geography below the London Level

3.21 In the light of the above, there is a need to consider how housing market area geography might be considered at a level below London, in order to develop a pragmatic solution for practical planning purposes and the local assessment of housing need.

3.22 In this way, it allows for practical planning by small groups of boroughs, working together, within the framework of an overarching Greater London housing market area.

Geography of Housing Market Areas in England (NHPAU/CURDS; 2010)

3.23 The ONS has not defined Housing Market Areas, however CLG published the ‘Geography of Housing Market Areas’ (CLG; 2010) based on work undertaken by the Centre for Urban and Regional Development Studies (CURDS) on behalf of the National Housing and Planning Advisory Unit (NHPAU) prior to their abolition.

3.24 The study ‘aimed to produce the first rigorously defined geography of HMAs taking account of all the three strands of evidence: commuting, migration and house prices’. It also acknowledged the difficulties in establishing HMA geographies: ‘There are no easy answers to the construction of a geography of HMAs as there are both theoretical and practical challenges’ – but the research demonstrated a structured approach to HMAs based on a range of differing assumptions.

3.25 Despite the emphasis placed by the current Government on Housing Market Areas in the NPPF, the Government has archived this report, so it is probably not appropriate to place too much emphasis on its conclusions.
Migration Patterns

3.26 Figure 2 shows migration flows within London. This shows a complex pattern of moves from Central London to outer London boroughs. For Hackney, the main flows are comparatively modest net out migration to Haringey, Waltham Forest and Enfield.

![Migration between London Boroughs (Source: Census 2011)](image)

3.27 The UK Census of population has recently released data on people who moved in the 12 months before the Census. Figure 3 shows the point of origin of people who moved and now live in Hackney, while Figure 4 shows the location of people who lived in Hackney and who moved in the year before the Census.

3.28 Figure 3 shows only 42.3% of households who moved and now live in Hackney were previously living in the borough. Meanwhile, 43.7% of people who lived in Hackney and who moved before the Census remained in the borough.
Figure 3: People Moving to Hackney by Place of Residence 12 Months Earlier (Source: UK Census of Population 2011)

<table>
<thead>
<tr>
<th>Local Authority Area</th>
<th>Number of people</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td>15,441</td>
<td>42.3%</td>
</tr>
<tr>
<td>Islington</td>
<td>3,062</td>
<td>8.4%</td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>2,671</td>
<td>7.3%</td>
</tr>
<tr>
<td>Haringey</td>
<td>1,476</td>
<td>4.0%</td>
</tr>
<tr>
<td>Camden</td>
<td>1,047</td>
<td>2.9%</td>
</tr>
<tr>
<td>Lambeth</td>
<td>746</td>
<td>2.0%</td>
</tr>
<tr>
<td>Southwark</td>
<td>681</td>
<td>1.9%</td>
</tr>
<tr>
<td>Westminster, City of London</td>
<td>534</td>
<td>1.5%</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>496</td>
<td>1.4%</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>465</td>
<td>1.3%</td>
</tr>
<tr>
<td>Newham</td>
<td>461</td>
<td>1.3%</td>
</tr>
<tr>
<td>Enfield</td>
<td>358</td>
<td>1.0%</td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
<td>350</td>
<td>1.0%</td>
</tr>
<tr>
<td>Lewisham</td>
<td>346</td>
<td>0.9%</td>
</tr>
<tr>
<td>Barnet</td>
<td>289</td>
<td>0.8%</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>8,047</td>
<td>22.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,470</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Figure 4: People who Lived in Hackney 12 Months Before the Census by Current Place of Residence (Source: UK Census of Population 2011)

<table>
<thead>
<tr>
<th>Local Authority Area</th>
<th>Number of people</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td>15,441</td>
<td>43.7%</td>
</tr>
<tr>
<td>Haringey</td>
<td>2,270</td>
<td>6.4%</td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>1,993</td>
<td>5.6%</td>
</tr>
<tr>
<td>Islington</td>
<td>1,982</td>
<td>5.6%</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>1,407</td>
<td>4.0%</td>
</tr>
<tr>
<td>Southwark</td>
<td>745</td>
<td>2.1%</td>
</tr>
<tr>
<td>Enfield</td>
<td>739</td>
<td>2.1%</td>
</tr>
<tr>
<td>Camden</td>
<td>668</td>
<td>1.9%</td>
</tr>
<tr>
<td>Lambeth</td>
<td>653</td>
<td>1.8%</td>
</tr>
<tr>
<td>Newham</td>
<td>632</td>
<td>1.8%</td>
</tr>
<tr>
<td>Lewisham</td>
<td>478</td>
<td>1.4%</td>
</tr>
<tr>
<td>Westminster, City of London</td>
<td>405</td>
<td>1.1%</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>355</td>
<td>1.0%</td>
</tr>
<tr>
<td>Barnet</td>
<td>289</td>
<td>0.8%</td>
</tr>
<tr>
<td>Brent</td>
<td>270</td>
<td>0.8%</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>7,029</td>
<td>19.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,356</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

3.29 One of the ways to define a Housing Market Area is to consider an area “where most of those changing house without changing employment choose to stay”. Unfortunately, no data is available that relates migration with changes in employment circumstances, but given that most working people will live relatively close to their job, it is reasonable to assume that those migrants moving longer distances will tend to also change their place of work.

3.30 Figure 3 above shows that 42.3% of residents that had moved in the 12 months prior to the Census previously lived in Hackney. Planning Practice Guidance on the Assessment of housing and economic development needs (Paragraph 11) states:

“Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools”.

3.31 It is evident from the above analysis that Hackney cannot be considered to be housing market area on its own; migrants come and go from a wide range of areas implying that no combination of Hackney with neighbouring boroughs will meet the definition of a housing market area. While
it is true that the majority of moves are between neighbouring boroughs or those close to Hackney, this reflects the London-wide aspects of the housing market rather than a local housing market area.

Travel to Work Patterns

Housing Market Areas reflect “the key functional linkages between places where people live and work” and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns. The Guidance (Paragraph 11) states:

“Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).”

One of the suggested data sources is the Office for National Statistics travel to work areas (TTWAs). Figure 5 shows the latest ONS TTWAs. These were published in 2007 and they are also based on the origin-destination data from the 2001 Census. It is apparent that the London housing market extends well beyond the boundaries of Greater London, with no internal TTWA for London being identified.
Figure 5: ONS Travel To Work Areas (Source: ONS 2007)

Figure 6 summarises the underlying travel to work data for Hackney, and shows that around 42% of people who work in Hackney also live in the Borough. Meanwhile,
3.34 Figure 7 shows that just over 36% of Hackney residents work in the Borough while just over 18% in employment work in Westminster or the City of London.

3.35 Both tables demonstrate that travel to work for a significant minority of Hackney residents may be loosely related with place of residency, but it is not closely associated with place of residency for the majority of Hackney residents and the rest of London.

Figure 6: Residence Location by Work in Hackney

<table>
<thead>
<tr>
<th>Local Authority Area</th>
<th>Number of people</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td>43,505</td>
<td>41.8%</td>
</tr>
<tr>
<td>Haringey</td>
<td>4,511</td>
<td>4.3%</td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>4,410</td>
<td>4.2%</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>4,408</td>
<td>4.2%</td>
</tr>
<tr>
<td>Islington</td>
<td>3,933</td>
<td>3.8%</td>
</tr>
<tr>
<td>Newham</td>
<td>3,051</td>
<td>2.9%</td>
</tr>
<tr>
<td>Enfield</td>
<td>2,973</td>
<td>2.9%</td>
</tr>
<tr>
<td>Redbridge</td>
<td>2,606</td>
<td>2.5%</td>
</tr>
<tr>
<td>Southwark</td>
<td>2,020</td>
<td>1.9%</td>
</tr>
<tr>
<td>Lambeth</td>
<td>1,934</td>
<td>1.9%</td>
</tr>
<tr>
<td>Barnet</td>
<td>1,866</td>
<td>1.8%</td>
</tr>
<tr>
<td>Lewisham</td>
<td>1,640</td>
<td>1.6%</td>
</tr>
<tr>
<td>Camden</td>
<td>1,636</td>
<td>1.6%</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>1,340</td>
<td>1.3%</td>
</tr>
<tr>
<td>Barking and Dagenham</td>
<td>1,228</td>
<td>1.2%</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>23,053</td>
<td>22.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104,114</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
### Figure 7: Work Location by Resident in Hackney

<table>
<thead>
<tr>
<th>Local Authority Area</th>
<th>Number of people</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td>43,505</td>
<td>36.5%</td>
</tr>
<tr>
<td>Westminster, City of London</td>
<td>21,861</td>
<td>18.4%</td>
</tr>
<tr>
<td>Islington</td>
<td>10,307</td>
<td>8.7%</td>
</tr>
<tr>
<td>Camden</td>
<td>9,760</td>
<td>8.2%</td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>7,259</td>
<td>6.1%</td>
</tr>
<tr>
<td>Southwark</td>
<td>3,351</td>
<td>2.8%</td>
</tr>
<tr>
<td>Haringey</td>
<td>2,585</td>
<td>2.2%</td>
</tr>
<tr>
<td>Kensington and Chelsea</td>
<td>1,994</td>
<td>1.7%</td>
</tr>
<tr>
<td>Lambeth</td>
<td>1,780</td>
<td>1.5%</td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
<td>1,761</td>
<td>1.5%</td>
</tr>
<tr>
<td>Newham</td>
<td>1,680</td>
<td>1.4%</td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>1,653</td>
<td>1.4%</td>
</tr>
<tr>
<td>Enfield</td>
<td>1,205</td>
<td>1.0%</td>
</tr>
<tr>
<td>Barnet</td>
<td>1,022</td>
<td>0.9%</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>732</td>
<td>0.6%</td>
</tr>
<tr>
<td>Elsewhere</td>
<td>8,596</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119,051</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

3.36 The ONS criteria for defining Travel To Work Areas are that:

“The current criteria for defining TTWAs is that generally at least 75% of an area’s resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted. TTWA boundaries are non-overlapping and contiguous, and cover the whole of the UK. TTWAs do cross national boundaries, although no account is taken of commuting between Northern Ireland and the Republic of Ireland.”

3.37 It is evident that less than 66.7% of the people who work in Hackney also live in the area. Therefore, it is clear that Hackney cannot be considered to be a housing market area under this definition. It is also again clear that no combination of Hackney and neighbouring authorities will meet the definition of a housing market area.

3.38 ORS would note that we explored both migration and travel to work flows for London in detail while undertaking sub-regional studies for North, West, East and South East London. In all cases the migration and travel to work flows did not identify clear housing market areas in London. For the sub-regional studies, ORS worked to the whole of each sub-region. These did not represent objective housing market areas, but represented a pragmatic approach to planning in London.
3.39 Studies such as the recently published South East London SHMA 2014 have continued to use the whole of the sub-region as a housing market area. As outlined below, ORS consider that we have identified a clearer approach to housing market areas which will allow smaller groups of local authorities to plan together.

**House Prices and Valuation Office Agency Broad Rental Market Areas**

3.40 Figure 8 shows the distribution of house prices across London. Clearly there are areas of higher and lower prices around which it would be possible to form a series of housing market areas in London based on this measure. Fortunately, much of the work has already been undertaken by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA).

*Figure 8: House Prices in London by Broad Rental Market Area (Source: Land Registry 2014)*
The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance (LHA), the allowance paid to Housing Benefit applicants in the private rented sector. The BRMA area takes into account local house prices and rents, and is based on where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping. When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area.

The BRMA areas for London are shown in Figure 10. This shows a relatively high degree of alignment with the house prices of London and represents a potential pragmatic step in identifying housing market areas in London.
Figure 10: Broad Rental Market Areas in London

Figure 11 shows that 92% of Hackney’s population falls within the Inner East London BRMA. It is also the case that 100% of Tower Hamlets’ population and a small proportion of Islington’s population fall within the same BRMA. Figure 12 shows 98% of the BRMA’s population falls within one of Hackney or Tower Hamlets. Therefore, the Inner East London BRMA shows a high degree of containment for Hackney and Tower Hamlets.
Figure 11: Self-Containment in the Inner South East London Broad Rental Market Area
3.44 For planning purposes and the operation of the NPPF it is sensible for housing market areas to be relatively small to allow local authorities to work together as cohesive units. Therefore, ORS considers that the national Government-defined BRMAs based on house prices and rents form a sensible basis for deriving housing market areas in London where migration and travel to work patterns do not identify any distinct sub-markets.

3.45 We would stress that there are many ways of analysing housing sub-markets. The ORS opinion that Hackney and Tower Hamlets form a separate housing market area does not prevent other options being explored.

3.46 However, for Hackney, we recommend that the objectively assessed need at housing market area level is considered alongside that of Tower Hamlets, rather than on the BRMA which covers 92% of Hackney borough, that is, to consider Hackney and Tower Hamlets in their entirety as a housing market area.

3.47 On the basis of the evidence, we would conclude that:

» Greater London can be considered as a single large housing market area which contains many smaller overlapping housing market areas within it.

» Migration and travel to work flows do not identify any distinct housing market areas in London.
» House price represents a means of identifying separate housing market areas in London. The VOA has worked with house price and rent nationally to identify BRMAs which determined LHA levels.

» BRMAs represent the most practical and pragmatic approach to identifying housing market areas in London. The 13 BRMAs in London will allow small groups of London boroughs to plan together.

» 92% of Hackney’s population fall in the Inner East London BRMA, with 100% of Tower Hamlets’ population also falling in this BRMA.

» When assessing objectively assessed needs at housing market area level we recommend that Hackney be considered as part of an area which also includes Tower Hamlets.

» Given the overlapping nature of housing market areas, this does not preclude Hackney and Tower Hamlets from also considering their needs as part of the wider East London area.

» Given this context, it is appropriate for the SHMA analysis to focus upon the core area (i.e. Hackney and Tower Hamlets). Nevertheless, it will be important that Hackney considers the needs of other authorities in surrounding areas, their relationship with Hackney and that these issues are explored under Duty to Co-operate arrangements.

» The HMA analysis should not be seen as prescriptive on other authorities who may wish to identify their housing market areas by other means.
4. Hackney’s Objectively Assessed Needs
An evidence base for demographic projections and objectively assessed needs

4.1 As previously discussed, the situation of individual London Boroughs is different from any other local authority across England due to the planning powers of the Greater London Authority (GLA). The GLA have produced their own SHMA covering the whole of London and it would be natural for individual boroughs to seek to work within the broad framework of this document.

4.2 We will firstly review the Greater London SHMA 2013 before seeking to apply its methodology to Hackney.

Review of the Greater London Strategic Housing Market Assessment 2013

Population Projections

4.3 The building blocks for Objectively Assessed Need (OAN) in all current SHMAs are population and household projections. The Greater London SHMA 2013 contains 3 population growth scenarios derived by the GLAs own research team. As the Greater London SHMA 2013 notes at paragraph 3.32 these are referred to as the Central, Low, and High variants and in each case, mortality, fertility and international migration methodologies are the same, but the assumptions regarding domestic migration differ.

- **High variant:** Domestic migration trends are taken from the period mid-2008 to mid-2012 and held constant for the entire projection period. Both in- and outflows increase over time to reflect increasing population in London and the rest of the UK.

- **Low variant:** Domestic migration is the same as per the High projection through to mid-2017. Beyond this point, outflows increase by 10% and inflows decrease by 6%.

- **Central variant:** This scenario takes the mid-point of the assumptions in the High and Low projections. That is, after 2017 outflows increase by 5% and inflows fall by 3%.

4.4 The High migration scenario is therefore very similar to the main population projections derived by ONS for the rest of the country by using 5 year trend migration. However, it can be argued that these trends show too high a level of migration and the Low and Central trends mitigate migration trends slightly by reducing in-migration and increasing out-migration.
Household Projections

4.5 To project future household growth, assumptions around how population converts to households are required. CLG 2011 based household projections show a net growth in household numbers for the whole of London in the period 2011-2021 of over 52,000 per annum. However, the CLG model projected falling household sizes in London, particularly in Outer London boroughs.

4.6 In practice, the growth in the private rented sector in Outer London boroughs at the expense of owner occupation has seen many dwellings which were previously under-occupied by owners now being fully occupied by private renters. Therefore, household sizes have not been falling in the manner projected by CLG.

4.7 The GLA developed their own headship rates for households based on the underlying CLG method, but incorporating the local evidence relating to household sizes. The overall result of this exercise is to moderate growth in household numbers in the period 2011-2017 to slightly below 50,000 per annum. The three scenarios then diverge and all project falling rates of growth in household numbers over time.

Objectively Assessed Need

4.8 To convert the household projection to OAN it is necessary to consider market signals and to address any backlog which exists in the market. The GLA SHMA 2013 adopts a multi-stage approach to this which can be summarised as equalling:

» Central trend household projection +
» Concealed households +
» Household lacking basic facilities +
» Household sharing facilities +
» Homeless households in non-self-contained temporary accommodation +
» Non-homeless households in non-self-contained accommodation +
» Households which need to move due to harassment or neighbour problems

4.9 In total the addition of the backlog elements of housing need add over 5,000 households per annum to the base Central trend household projections of nearly 40,000 per annum.

4.10 The GLA SHMA acknowledges that in the period 2011-2015 dwelling delivery will fall short of the required number to meet the needs of London. Therefore, these dwellings will need to be delivered after 2015, adding around 3,000 dwellings per annum to the delivery target from 2015 onwards.

4.11 The GLA SHMA then includes a 0.9% vacancy rate for long-term empty homes and 2% to market housing requirements for London to cover second homes. This adds the equivalent of 876 dwellings per annum to give an OAN of 48,841 from the Central trend household projection of 39,852 per annum.
Comments on the GLA SHMA 2013

4.12 ORS would note at the outset that we consider the GLA SHMA 2013 to be a broadly sensible document which reflects the reality of London’s housing market far more accurately than many other SHMAs being undertaken across the country. However we do have a small number of concerns and comments which we have documented below.

Household projections

4.13 As noted earlier, the household projections produced by the GLA moderate those produced by CLG by removing assumptions around falling household sizes in Outer London Boroughs. However, it is worth comparing these with the actual rate of growth which occurred in London households between 2001 and 2011.

4.14 Official Census figures show that in 2001 there were 3,015,997 households in London and that this rose to 3,387,255 in 2011. This presents a growth of 37,126 per annum. The Central trend household projections used as the baseline point for the SHMA project a rise in household numbers of 39,852 per annum. Therefore it is possible that even the moderated household projections are still slightly too high when compared with the reality of how household numbers have grown in London in the period 2001-2011.

Concealed households

4.15 A key component of the backlog of need is concealed households. In the GLA SHMA 2013 these derived from the English Housing Survey and include couples, lone parents and single persons aged over 25 years who wish to have their own property. ORS have a number of concerns about how these groups have been derived and treated.

4.16 Firstly, the number of concealed households in the English Housing Survey is considerably higher than that recorded in the 2011 Census. The 2011 Census shows 68,600 concealed households in London while the GLA SHMA 2013 uses a figure of 90,978 concealed households who require their own accommodation. The key to this difference is the inclusion of single persons aged over 25 years in the English Housing Survey definition of a concealed household, while the Census excludes this group.

4.17 Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged over 25 years, but up to 35 years will be allocated to a 1 bedroom social rented property. Meanwhile, benefit reforms mean that for this group those households who cannot afford market housing are only entitled to the shared accommodation allowance and therefore are unlikely to be able to afford a 1 bedroom property in the private rented sector. Instead, they are most likely to be able to afford a room in a house in multiple occupation. Therefore, we consider that the figure of 90,978 is probably too high for the number of concealed households in London which require their own accommodation.

4.18 However, the concealed household number in London has been growing over time. In the 2001 Census there were 35,447 concealed households and by 2011 this had risen to 68,600. This represents a rise of 3,315 per annum and this figure will not have been directly taken into
consideration in the household projections. Therefore, if London were to only build based on past trends, the number of concealed households would be projected to rise by around 3,300 per annum.

4.19 To address the backlog of need and future needs it is therefore necessary not only to reduce the current stock of concealed households, but to address the rise in the numbers which are likely to occur over time.

4.20 Therefore in summary, ORS consider that the GLA SHMA 2013 is probably seeking to account for too many concealed households in London. However, it has not accounted for the projected growth in concealed households over time. When set alongside the household projections showing a growth rate which is higher than historic trends this is unlikely to represent a real underestimate of needs. In practice these numbers are likely to offset one another.

Market Signals and the Economy

4.21 Unlike most current SHMAs across the country, the Greater London SHMA 2013 does not seek to consider either market signals or the links between the number of homes provided in an area and the number of workers. However, the SHMA does uplift the objective assessed need for London by around 13.5% when compared to the demographic projections. Therefore, while the methodology is not explicitly addressing market signals, the uplift to address concealed and sharing households is serving the same function. Similarly, the uplift in dwelling requirements will start to address the need for London’s economy to have its labour supply met by commuting workers.

Objectively Assessed Needs and Housing Requirements

4.22 Our final concern is simply a presentational issue and does not affect the overall number of homes to be delivered in London. It is now standard practice to assess the OAN for an area and then to assess how many homes are required to be delivered from that point. The GLA SHMA reverses the process slightly by considering past under-delivery as part of the OAN.

4.23 It is more commonly accepted that an SHMA should calculate the OAN as the number of homes which should be built in an area to meet all needs over the period of a plan. An under-delivery before the plan commences is then added to the figures as a move from the OAN to housing requirements. In this case it would imply that the OAN is close to 46,000 and that a figure of close to 3,000 per annum should be added to this figure to account for under-delivery in the period 2011-2015.

4.24 This does not affect the delivery target from 2015 onwards, but is in line with current best practice, Local Plan inspector views and High Court decisions.

Hackney’s Official Population Estimates

4.25 On the basis that the GLA SHMA 2013 forms the basis for planning across London and that we consider it to be a broadly sensible document with the provisos noted above, we have sought to
adopt its framework for assessing OAN for Hackney. We will initially outline the background population and household data for Hackney.

4.26 Figure 13 shows the current and historic mid-year population estimates and Census estimates for Hackney over the period since 1981. The data suggests that the borough’s population has been growing at an increasing rate.

4.27 Figure 14 shows the annualised estimated growth in population of Hackney from the respective sources.

Figure 13: Official population estimates for the period 1981-2011 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)
Components of Population Change

Changes in the population can be broadly classified into two categories: natural change in the population (in terms of births and deaths) and changes due to migration, both in terms of international migration and also moves within the UK. Whilst it is relatively straightforward to measure natural population change, it is much more difficult to measure migration. Furthermore, the number of migrants can vary substantially from year to year; relatively small changes in gross flows can have a significant impact on overall net migration. It is recognised that the impact of international migration has been particularly difficult to measure; although current estimates have been improved, some historic data can be unreliable.

Figure 15 presents the components of annual population change from 1991 to 2012, showing migration to be a highly variable component while natural change is relatively steady.
Having considered past population growth and its components, both the ONS and the GLA have produced population projections for Hackney. Figure 16 shows all of the official estimates and projections for population in one chart. It is clear that the Sub-national Population Projections (SNPP) produced by the ONS have shown enormous variability with the 2013 round GLA projections showing the highest rate of projected growth in population for Hackney. Part of this is due to the variation in the population of Hackney brought about by the evidence shown in the 2011 Census that the population had been under-estimated.

The GLA Central and Low figures gradually diverge from the ONS figures due to different assumptions around migration.
4.32 Modelling future need and demand for housing requires a consideration of the future housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered. Further, it needs to be produced in a way that is consistent, strategic and robust.

4.33 The National Planning Policy Framework contains a presumption in favour of sustainable development, and states that Local Plans should meet objectively assessed needs for market and affordable housing based on household and population projections that take account of migration and demographic change:

At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

Local planning authorities should positively seek opportunities to meet the development needs of their area.

Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.
**To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.**

**Local planning authorities ... 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 Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change.

**Official Household Projections**

4.34 Planning Practice Guidance published in March 2014 places emphasis on the role of CLG Household Projections as the appropriate starting point in determining objectively assessed need. However, the Guidance does allow for the use of sensitivity testing of CLG Household projection to ‘test’ whether these are appropriate, allowing for alternative assumptions to be used.

4.35 In the case of London we consider it appropriate to acknowledge the role of the GLA SHMA 2013 and the GLA’s own household projections. As discussed above, the projections undertaken by the GLA are more specific to London than those undertaken by CLG and address the issue of household size in Outer London boroughs not falling as expected. Therefore, they form a more credible basis for planning in London than CLG’s projections.
Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.
The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics.

Planning Practice Guidance 2014, section 3

Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance 2014, section 3

Given this context, Figure 17 sets out the range of household projections that CLG and GLA have produced for the borough over the last three rounds of projections.

Figure 17: CLG and GLA Household Projections (Source: CLG Household Projections)

<table>
<thead>
<tr>
<th>CLG Household Projections</th>
<th>10-year period</th>
<th>25-year period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Period</td>
<td>Total increase in number of households</td>
</tr>
<tr>
<td>CLG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006-based</td>
<td>2006-16</td>
<td>5,000</td>
</tr>
<tr>
<td>2008-based</td>
<td>2008-18</td>
<td>7,000</td>
</tr>
<tr>
<td>Interim 2011-based</td>
<td>2011-21</td>
<td>13,000</td>
</tr>
<tr>
<td>GLA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-based High</td>
<td>2011-21</td>
<td>20,700</td>
</tr>
<tr>
<td>2011-based Central</td>
<td>2011-21</td>
<td>19,800</td>
</tr>
<tr>
<td>2011-based Low</td>
<td>2011-21</td>
<td>19,000</td>
</tr>
</tbody>
</table>

It is clear that the projections have varied over time, with the projected increase in households in Hackney ranging from 500 up to 1,300 additional households each year in the CLG figures. The GLA figures show trends with the growth in household numbers being higher in the first part of the projections and then falling away after 2021. The Central and Low projections see lower household growth because of the assumption of lower migration to London.

Given that the GLA SHMA adopted the Central trend GLA projection as its baseline point, we have chosen to do the same for Hackney to ensure consistency. As noted above we consider
that the GLA Central trend household projection may be slightly too high, but when concealed households are factored in they represent a realistic starting point for understanding the future housing need of London.

Objectively Assessed Needs for Hackney

4.39 In line with the GLA SHMA we have provided our assessment of OAN for the period 2011-2035. Alternative time periods could be used, but we have chosen consistency with the GLAS and the FALP. In this 24 year period the number of households in Hackney is projected to rise by 36,672 or 1,528 per annum according to the GLA central trend household projection (Figure 18). These figures represent the baseline for the estimates to which the backlog of housing need can be added.

4.40 As noted earlier in this section, the basic formula adopted in the GLA SHMA 2013 can be summarised as being:

» Central trend household projection + 
» Concealed households + 
» Household lacking basic facilities + 
» Household sharing facilities + 
» Homeless households in non-self-contained temporary accommodation + 
» Non-homeless households in non-self-contained accommodation + 
» Households which need to move due to harassment or neighbour problems + 

4.41 A further additional adjustment then need to be made to allow for long-term vacant properties and second homes. We will now look at each of these numbers in turn.

Concealed Households

4.42 The GLA SHMA 2013 uses a figure of 90,978 concealed households who require their own accommodation. This figure is derived from the English Housing Survey. Data from the English Housing Survey is not available below regional level and therefore it is not possible to produce a direct comparison for this figure for Hackney. However, the 2011 Census indicated that there were 68,600 concealed families in London, of whom 1,615 were in Hackney. This is 2.35% of the total for London.

4.43 Apply a rate of 2.35% concealed households to the London total of 90,978 provides for 2,142 concealed households in Hackney and this is the figure we have adopted in the calculation. We will again stress that this figure may be an over-estimate of the number of concealed households in Hackney, but that the GLA SHMA should have also included an annual flow of concealed household growth to offset this over-estimate.

Household Lacking Basic Facilities and Household Sharing Facilities

4.44 These figures are again derived from the English Housing Survey and collectively account for a backlog of need of 24,117. Again it is not possible to produce a direct comparison for this figure
for Hackney, but the 2011 Census indicated that there were 35,508 households living in shared accommodation in London. Of these, 2,471 were in Hackney which represents 6.96% of London’s total. 6.96% of 24,117 equates to 1,678 sharing households in Hackney and it is this figure we have adopted for this assessment.

**Homeless Households in Non-Self-Contained Temporary Accommodation**

4.45 A figure of 6,303 is drawn from P1E homelessness data produced by CLG in March 2011. The figures are built up from homeless households in bed and breakfast, hostels, women’s refuges, other nightly paid shared accommodation, ‘other types of accommodation’ or homeless at home in London in March 2011.

4.46 The official published figures from CLG do not quite add to the same figure due to the GLA having access to the original submissions, some of which are not published. However, for points where a direct comparison can be made, Hackney accounts for 13.56% of all homelessness cases in London. 13.56% of 6,303 accounts for 857 homeless households in Hackney who require social rented accommodation.

**Non-Homeless Households in Non-Self-Contained Accommodation and Households who Need to Move due to Harassment or Neighbour Problems**

4.47 The GLA SHMA 2013 estimates these figures as a combined 311 per annum in 2011 and then rising in line with household projections over time. This effectively adds 7,386 households to needs over the next 24 years across London. There is no clear mechanism for apportioning a share of these households to Hackney, but the borough has 3.1% of all current households. Therefore if 3.1% of these fall in Hackney, this adds a total of 228 households over 24 years to needs.

**Second Homes and Vacant Dwellings**

4.48 The GLA SHMA 2013 used an estimate across London of 0.9% for long-term vacant dwelling plus 2% of market homes being second homes. This adds 33 dwellings per annum to delivery requirements.

**Summary for Objectively Assessed Needs**

4.49 Figure 18, overleaf, summaries the annual need from each source listed above over a 24 year period. We would note that the GLA SHMA used a 20 year backlog of need, but in practice the figures below provide the same calculation over 24 years and represent the average level of housing need for Hackney in the 24 year period.
Figure 18: Annualised Summary of Household Projections and Backlog of Need for Hackney 2011-2035 (Source: GLA, CLG and ORS)

<table>
<thead>
<tr>
<th>Source of Housing Need</th>
<th>Annual Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household projection – GLA Central trend</td>
<td>1,528</td>
</tr>
<tr>
<td>Concealed households</td>
<td>89</td>
</tr>
<tr>
<td>Sharing Households</td>
<td>70</td>
</tr>
<tr>
<td>Homeless Households</td>
<td>36</td>
</tr>
<tr>
<td>Non-homeless household and those needing to move due to harassment</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total without Vacant Dwellings and Second homes</strong></td>
<td><strong>1,733</strong></td>
</tr>
<tr>
<td>Additional allowance for vacant and second homes</td>
<td>25</td>
</tr>
<tr>
<td><strong>Objectively Assessed Housing Need</strong></td>
<td><strong>1,758</strong></td>
</tr>
</tbody>
</table>

Therefore, in summary, the OAN for Hackney following the methodology adopted in the GLA SHMA 2013 is **1,758 dwellings per annum**.

### Housing Requirements for Hackney

As noted earlier, to move from OAN to the future housing requirements of an area it is necessary to consider any previous under-delivery to this point in time. In 2011/12 net housing completions in Hackney were 2,352, in 2012/13 the figure was 965 and in 2013/14 the figure was 1,150. Given a target of 1,758 per annum, this represents a total under-delivery of 807 dwellings in this period. Apportioning these across 21 years would see the housing requirements of Hackney rise to 1,796 (1,758 + 807/21).

### Housing Requirements for the HMA

As also noted earlier, Hackney sits in the same HMA as Tower Hamlets. ORS have undertaken a parallel SHMA for Tower Hamlets and this derived an OAN figure of 2,428 per annum from 2011-2035 with the net under-delivery in the period from 2011-2014 seeing the future housing requirement rise to 2,562 per annum.

The Further Alterations to the London Plan (FALP) identify a total housing land supply for Tower Hamlets of 3,931 dwellings per annum in the period 2015-2025. The FALP for Hackney identify a housing land supply of 1,599 dwellings per annum in the period 2015-2025. Therefore, collectively the FALP identifies a housing land supply capacity 5,530 for the HMA. This is higher than the combined housing requirements of the HMA which are 4,358 per annum.

Overall, the HMA can address the needs of the HMA.
5. Modelling the Size and Tenure Split

5.1 The ORS Housing Mix Model considers both affordable housing need and OAN on a longer-term basis, providing robust and credible evidence about the required mix of housing over the full planning period and understanding how key housing market drivers (such as affordability) will impact on the appropriate housing mix.

5.2 The model uses a wide 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. The secondary data sources are readily updateable as new information is published, and a range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.

5.3 Figure 19 provides a detailed overview of the structure of the Housing Mix Model and the way in which the different stages of the model interact.

» The left hand section of the diagram considers households in terms of the baseline population and projected household growth, and their associated affordability and housing requirements.

» The right hand section of the diagram considers the dwelling stock in terms of the tenure and housing costs for both the existing stock and the recent housing completions.
The Housing Mix Model considers the projected household population alongside the existing dwelling stock in order to establish the necessary balance between Market Housing and Affordable Housing in relation to the additional dwellings to be provided, and within the Affordable Housing dwelling provision the appropriate role of Intermediate Affordable Housing and Social Rented Housing.

For the case of Hackney we would note that the size and tenure mix will be derived in 2 phases. Firstly we will derive the housing mix underwritten by the household projections. However, these do not include the impact of issues such as concealed households, those living in shared accommodation and homeless households who will be added later.

Housing Supply

National Planning Policy Framework March 2012 contains the following statements on the supply of new dwellings across all tenures.

- **Affordable housing**: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

- **Social rented housing** is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for
which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the GLA.

» **Affordable rented housing** is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

» **Intermediate housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

» Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.

5.7 The key issue these definitions raise is how to define market housing costs. In practice the very cheapest second hand open market dwellings can be cheaper than any intermediate (and on some occasions social rented) dwelling. Therefore, for the definitions in the NPPF to have practical relevance there is a need to identify a market housing threshold price which then sets the upper limit for the cost of intermediate affordable housing products.

5.8 On this point, NPPG, paragraph 25, states that affordability should be tested against, ‘Income required to access lower quartile (entry level) market housing’. This definition follows directly from that included in the 2007 SHMA Practice Guidance. The cheapest available property prices should not be used since these often reflect sub-standard quality or environmental factors.

5.9 This issue is very important because the NPPF is predominantly about the delivery of new dwellings. However, while the ORS Housing Market Model is also in part about the delivery of new dwellings, the majority of households requiring accommodation will be housed in the existing housing stock. Therefore, while the NPPF sets out clear definitions for new build dwellings, the role of second hand housing makes the classification of dwellings by tenure much more complicated.

5.10 Such an example is housing which is available to those who can afford no more than Target Social Rents. For this group, it is possible to consider the supply to comprise dedicated supply such as RP lettings, but also housing benefit supported private rented dwellings. The rationale for this is to recall the NPPG definition of households in affordable housing need (as outlined in paragraph 22:

» Number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their own needs in the market.’

5.11 Whilst housing benefit supported private rent does not have the same tenancy rights as full social rent, it nevertheless contributes to the effective supply of affordable housing in that it is
affordable to households who require social housing. In practical terms there is a shortage of Social Rent housing and households unable to access it will seek housing in the private rented sector with housing benefit support.

5.12 Similarly, further supply assumptions can be considered for intermediate affordable housing. The current supply of dedicated intermediate housing products in Hackney (as defined by the NPPF) is relatively small. However, there is an existing private rented sector. The lower quartile of the private sector falls below the entry threshold for ‘market’ housing as defined by the NPPF and SHMA Practice guidance. While not enjoying the same tenancy or ownership rights as dedicated intermediate affordable housing products, cheaper (lower quartile) private rented properties are affordable to households within the intermediate affordable housing income band and are counted as part of the supply to this group of households in a number of the scenarios set out below.

5.13 Support for these positions can be found in the earlier 2007 SHMA Practice Guidance where it is noted, ‘Furthermore, some households in need may choose to live in the private rented sector (possibly with the use of housing benefit) or housing that would be classified as unsuitable, even though they are eligible for affordable housing’.

5.14 This leads to a conclusion there are a number of private sector dwellings which are not market housing under the NPPF and SHMA Practice Guidance definitions because they are below market rents thresholds. Similarly, they are not intermediate or social supply under the NPPF definition because they are not a dedicated supply of affordable housing.

5.15 However, lower quartile private rented and housing benefit supported private rented sector dwellings will continue to be occupied by households despite not meeting the definition of market, intermediate or social housing in the NPPF. When considering the appropriate housing supply, the following sources of supply are therefore considered within the model:

- **Social rented housing** – social housing provided to rent from local authorities and Registered Social Landlords, Affordable Rent and housing benefit supported private rented accommodation at 2011 levels;

- **Intermediate housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing; and

- **Market housing** – owner-occupied housing and housing in the private rented sector above the lower quartile thresholds.

### Core Modelling Assumptions

5.16 For the current document we wish to be explicit on the assumptions which underlie the model. For the results presented below the following assumptions are contained within the model:

- We initially work to the OAN figures for Hackney, but then model later for a scenario where dwelling delivery is constrained to its FALP capacity figures.
» Mortgage multiplier used is 3.5%, so households are able to borrow up to 3.5 times their household income.

» Households can spend up to 25% of their gross income on rent in accordance with 2007 SHMA Practice Guidance recommendations;

» The annual rental yield for private rented dwellings is 5.9%. This is the rate of return on private rented dwellings so a property valued at £100,000 is assumed to yield a rent of £5,900 per annum. There are no official statistical sources for rental yields, so the figure used in the model is taken from a survey of 500 buy to let landlords who are also members of the National Landlords Association;

» House prices are set as a baseline rate of their 2011 levels.

» A vacancy rate on households to existing dwellings of 3.8%.

» It is assumed that any right to buy/right to acquire sales since 2001 are required to be replaced within the model by additional new build of social rented dwellings. This is due a right to buy/right to acquire sales representing a loss of a social rented dwelling without any reduction in the number of households seeking social rent, so each sale requires a new build to replace it. Projected right to buy/right to acquire sales to 2035 are based upon the average number of sales since 2008.

» The requirements assume a site delivery threshold of zero, so all sites yield affordable housing. If some sites do not deliver affordable housing, the remaining sites will be required to absorb the remaining requirements. Therefore, if only 50% of sites deliver affordable housing then identified percentages for delivery would require doubling if all requirements are to be met;

» The number of households receiving housing benefit in the private rented sector is assumed to remain at November 2011 levels.

» Social letting policies are assumed to remain constant. This leads to most households entering social housing requiring housing benefit.

» Intermediate affordable housing is housing whose cost is above target social rents, but below the cost of market housing (rent or owner occupier). Therefore, intermediate affordable housing must be cheaper than the cost of renting a dwelling at the lower quartile of private rents;

» The private rented sector has been assumed to be at its 2011 level.

» The number of converted dwellings has been assumed to have remained at its level at the time of the 2011 Census.

» The period for results is 2011-2035.

» All figures are rounded to the nearest 100.
Figure 20 shows the housing tenure mix for Hackney with a baseline of 2011, while Figure 21 shows the identified size mix, both based solely on household projections.

**Figure 20:** Housing Tenure Mix for Hackney 2011-2035 Based on Central Trend Household Projections (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market housing</td>
<td>14,000</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>0</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>22,700</td>
</tr>
<tr>
<td><strong>Total Housing Requirement</strong></td>
<td><strong>36,700</strong></td>
</tr>
</tbody>
</table>

**Figure 21:** Size Mix for Hackney 2011-2035 Based on Central Trend Household Projections (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>Market</th>
<th>Intermediate</th>
<th>Social</th>
<th><strong>TOTAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>1,100</td>
<td>0</td>
<td>7,700</td>
<td>8,900</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>4,000</td>
<td>0</td>
<td>7,600</td>
<td>11,700</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>6,100</td>
<td>0</td>
<td>6,700</td>
<td>12,800</td>
</tr>
<tr>
<td>4+ Bedrooms</td>
<td>2,700</td>
<td>0</td>
<td>600</td>
<td>3,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,000</td>
<td>0</td>
<td>22,700</td>
<td>36,700</td>
</tr>
</tbody>
</table>

The housing tenure mix shows a very large requirement for social rent and a smaller requirement for market housing than in most local authorities. The conversion of dwellings between 2001 and 2011 helped to provide private sector accommodation which was either housing benefit supported or affordable to lower income working households and therefore provided for households who would otherwise require dedicated intermediate housing.

Concealed, Sharing and Homeless Households

As was shown in the OAN calculations, to address the needs of concealed, sharing and homeless households would add a further 205 households to the OAN of Hackney each year. These households are not accounted for in the household projections and therefore have not been accounted for in the tenure and size mix to this point.

Following the calculation process set out in the GLA SHMA 2013 the following size and tenure mix can be identified for the combined effect of concealed, sharing and homeless households with the need primarily being for smaller affordable housing.
Figure 22: Housing Tenure Mix for Hackney 2011-2035 for Concealed, Sharing and Homeless households (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market housing</td>
<td>600</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>1,400</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>2,900</td>
</tr>
<tr>
<td><strong>Total Housing Requirement</strong></td>
<td><strong>4,900</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Market</th>
<th>Intermediate</th>
<th>Social</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>500</td>
<td>1,300</td>
<td>2,500</td>
<td>4,300</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>100</td>
<td>100</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>600</td>
<td>1,400</td>
<td>2,900</td>
<td>4,900</td>
</tr>
</tbody>
</table>

Further Tenure and Size Mix Impacts

The GLA SHMA also notes that many households will currently be unsuitably housed and need to move, but will not generate the need for additional dwellings. However, these households will affect the housing tenure and size mix. For example, the following groups of households all require to move from their current homes:

» Overcrowded private sector households who need to move to affordable housing
» Homeless households in Private Sector Leased accommodation
» Households containing someone with a disability that need to move to social housing
» Private sector households in arrears
» Overcrowded households in affordable housing

The impact on the size and tenure mix of these households is shown overleaf in Figure 24 and Figure 25. This shows a freeing of private sector stock as households move to affordable housing. It also shows a need for larger social housing to address the needs of overcrowded households.
Figure 24  Adjustment to Housing Tenure Mix for Hackney 2011-2035 due to Relocation of Households (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market housing</td>
<td>-3,100</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>1,100</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>2,000</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
</tbody>
</table>

Figure 25  Adjustment Size Mix for Hackney 2011-2035 due to Relocation of Households (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>Market</th>
<th>Intermediate</th>
<th>Social</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>-900</td>
<td>0</td>
<td>-1,700</td>
<td>-2,600</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>-1,200</td>
<td>100</td>
<td>-800</td>
<td>-1,900</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>-700</td>
<td>400</td>
<td>2,200</td>
<td>2,000</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>-300</td>
<td>500</td>
<td>2,300</td>
<td>2,500</td>
</tr>
<tr>
<td>Total</td>
<td>-3,100</td>
<td>1,100</td>
<td>2,000</td>
<td>0</td>
</tr>
</tbody>
</table>

Overall Summary for Size and Tenure Mix Including Uplift for Vacant Homes

The overall size and tenure mix for Hackney is shown in Figure 26 and Figure 27. These are derived by aggregating Figure 20 to Figure 25 and then adding the impact of vacant and second homes. The overall pattern shows an overwhelming need for social housing with little projected growth in market housing.

Figure 26  Overall Housing Tenure Mix for Hackney 2011-2035 (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market housing</td>
<td>11,800</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>2,500</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>27,800</td>
</tr>
<tr>
<td>Total Housing Requirement</td>
<td>42,200</td>
</tr>
<tr>
<td>Market housing</td>
<td>28.0%</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>6.0%</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>66.0%</td>
</tr>
</tbody>
</table>
Figure 27  Overall Size Mix for Hackney 2011-2035 (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th></th>
<th>Market</th>
<th>Intermediate</th>
<th>Social</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>800</td>
<td>1,400</td>
<td>8,600</td>
<td>10,800</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>3,000</td>
<td>200</td>
<td>7,200</td>
<td>10,400</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>5,500</td>
<td>400</td>
<td>9,100</td>
<td>15,000</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>2,500</td>
<td>500</td>
<td>2,900</td>
<td>5,900</td>
</tr>
<tr>
<td>Total</td>
<td>11,800</td>
<td>2,500</td>
<td>27,800</td>
<td>42,200</td>
</tr>
</tbody>
</table>

Modelling For FALP Capacity Size and Tenure Mix

5.24 As noted in Chapter 2, the FALP Inspector’s report suggests not calculating OAN for London Boroughs and instead proposes that they should consider their size and tenure mix in relation to their capacity targets as set out in the Greater London SHLAA. For Hackney this figure is 1,599 per annum, which in turn would equate to 38,376 in the period to 2035. It should be remembered that the FALP capacity figure do only run to 2025, but we have extended them to 2035 to highlight the impact for the full period.

5.25 Therefore, to 2035 the FALP capacity targets would provide for nearly 4,000 fewer dwellings in Hackney than the OAN figures. The impact of this on size and tenure is shown below.

Figure 28  Overall Housing Tenure Mix for Hackney 2011-2035 (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market housing</td>
<td>9,900</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>2,500</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>26,000</td>
</tr>
<tr>
<td><strong>Total Housing Requirement</strong></td>
<td><strong>38,400</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Market</th>
<th>Intermediate</th>
<th>Social</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>25.8%</td>
<td>9,900</td>
<td></td>
<td>9,900</td>
</tr>
<tr>
<td>Intermediate affordable housing</td>
<td>6.5%</td>
<td>2,500</td>
<td></td>
<td>2,500</td>
</tr>
<tr>
<td>Social rented housing</td>
<td>67.7%</td>
<td>26,000</td>
<td></td>
<td>26,000</td>
</tr>
</tbody>
</table>

Figure 29  Overall Size Mix for Hackney 2011-2035 (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th></th>
<th>Market</th>
<th>Intermediate</th>
<th>Social</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>500</td>
<td>1,400</td>
<td>7,900</td>
<td>9,800</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>2,400</td>
<td>200</td>
<td>6,600</td>
<td>9,200</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>4,800</td>
<td>400</td>
<td>8,600</td>
<td>13,800</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>2,200</td>
<td>500</td>
<td>2,900</td>
<td>5,600</td>
</tr>
<tr>
<td>Total</td>
<td>9,900</td>
<td>2,500</td>
<td>26,000</td>
<td>38,400</td>
</tr>
</tbody>
</table>
Affordable Rent Levels and Housing Need

5.26 A key issue for an area such as Hackney is how affordable rents can help to meet the needs of those households who cannot afford to meet their own housing costs. Across much of England, affordable rents set at 80% of market rents provide rented accommodation which is very close to the cost of social rents. In these areas we do not have to consider social rent and affordable rent as two different products between the rents associated with them are similar and they serve to meet the needs of the same households.

5.27 However, in Hackney there is a significant difference between potential affordable rents and social rents. Figure 30 shows median weekly rents in Hackney over the past 3 years. For the GLA SHMA 2013 it was assumed that households could rent a 4 bedroom property in London at less than £250 per week, while it is currently the case in Hackney that the median rent for a 4 bedroom property is nearly £600 per week.

5.28 The framework agreement between Hackney and the GLA\(^6\) to guide the operation of the Mayor’s Housing Covenant 2015-2018\(^7\) sets out that half of Affordable Rent homes will be let at Discounted Rents of no more that 80% of market rents (or LHA if lower) and half at Capped Rents of no more than 50% of lower quartile market rents.

Figure 30: Median Weekly Rent Values in Hackney (Source: Valuation Office Agency)

<table>
<thead>
<tr>
<th></th>
<th>1 Apr 2011 to 31 Mar 2012</th>
<th>1 Apr 2012 to 31 Mar 2013</th>
<th>1 Apr 2013 to 31 Mar 2014*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£275.08</td>
<td>£279.92</td>
<td>£290.08</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£324.92</td>
<td>£350.08</td>
<td>£350.08</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£415.15</td>
<td>£450.00</td>
<td>£465.00</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£534.92</td>
<td>£570.00</td>
<td>£587.54</td>
</tr>
</tbody>
</table>

5.29 Figure 31 shows potential affordable rents in Hackney by bedroom size using a range of rents from 80% of market rent down to 50% of market rents. This shows that even at 50% of market rents, a 4 bedroom property will still cost nearly £300 per week. In the context of benefit caps for non-working households of £500 this is still likely to be unaffordable.

Figure 31: Potential Affordable Rent Values in Hackney (Source: Valuation Office Agency)

<table>
<thead>
<tr>
<th></th>
<th>80% market rent</th>
<th>70% market rent</th>
<th>60% market rent</th>
<th>50% market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£232.06</td>
<td>£203.05</td>
<td>£174.05</td>
<td>£145.04</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£280.06</td>
<td>£245.05</td>
<td>£210.05</td>
<td>£175.04</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£372.00</td>
<td>£325.50</td>
<td>£279.00</td>
<td>£232.50</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£470.03</td>
<td>£411.28</td>
<td>£352.52</td>
<td>£293.77</td>
</tr>
</tbody>
</table>

5.30 Figure 32 shows the level of income required to be able to afford rents which are set at 50% and 80% market rents in Hackney under different assumptions around the amount of income

---


\(^7\) [https://www.london.gov.uk/priorities/housing-land/mayor-s-housing-covenant](https://www.london.gov.uk/priorities/housing-land/mayor-s-housing-covenant)
households devote to housing costs. Even when spending a very high share of gross income such at 35%, it still requires an income of nearly £35,000 to be able to afford a 1 bedroom affordable rent property at 80% market rents. A 4 bedroom property would require an income of at least £70,000, which is near the maximum GLA levels for access to shared ownership. However, the income levels required to access rents set at 50% market rents are much lower.

**Figure 32: Income Required to Afford 80% Market Rents in Hackney (Source: Valuation Office Agency and ORS)**

<table>
<thead>
<tr>
<th></th>
<th>25% of gross income</th>
<th>30% of gross income</th>
<th>35% of gross income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50% market rents</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£30,168</td>
<td>£25,140</td>
<td>£21,548</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£36,408</td>
<td>£30,340</td>
<td>£26,005</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£48,360</td>
<td>£40,300</td>
<td>£34,543</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£61,104</td>
<td>£50,920</td>
<td>£43,645</td>
</tr>
<tr>
<td><strong>80% market rents</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£48,269</td>
<td>£40,224</td>
<td>£34,478</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£58,253</td>
<td>£48,544</td>
<td>£41,609</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£77,376</td>
<td>£64,480</td>
<td>£55,269</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£97,766</td>
<td>£81,472</td>
<td>£69,833</td>
</tr>
</tbody>
</table>

5.31 From the above calculations it is clear that affordable rent properties in Hackney set at 80% of market rents are going to be unaffordable to anyone other than relatively high earning households.

5.32 Figure 33 shows the Local Housing Allowance (LHA) rates for Hackney, with the Inner North London and Central London figures being identical and Inner East also being very similar. Comparing these figures with those in Figure 30 show that 1, 2 and 3 bedroom affordable rents set at 80% of market rents in Hackney would be below the LHA benchmark.

**Figure 33: Local Housing Allowance Rate in Hackney (Source: Valuation Office Agency)**

<table>
<thead>
<tr>
<th></th>
<th>Central London</th>
<th>Inner North London</th>
<th>Inner East London</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hackney</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£258.06</td>
<td>£258.06</td>
<td>£254.80</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£299.34</td>
<td>£299.34</td>
<td>£299.34</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£350.95</td>
<td>£350.95</td>
<td>£350.95</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£412.89</td>
<td>£412.89</td>
<td>£412.89</td>
</tr>
</tbody>
</table>

5.33 Therefore, there is some potential for Capped Rent properties in Hackney to meet the needs of those who require social rents, which we should stress are households who cannot afford to meet the cost of existing affordable rents. To begin to address the needs of households who are identified as requiring social rent it is the case that the cost of rents and other benefits must fall within the overall benefit cap.

5.34 This leaves a complicated position for affordable rent in areas such as Hackney where market rents are so much higher than social rents. While there is potential for Housing Benefit to cover affordable rents, it is still the case that for many households the overall benefit caps will prevent
this from occurring. This clearly leaves the question of how social rented needs will be met in the borough as beyond the existing social housing stock and LHA in the private rented sector there is little prospect of additional supply. Therefore, there is likely to be on-going displacement of need to other boroughs.

Welfare Reform Since 2011

5.35 As noted in the core modelling assumptions section, the ORS Housing Mix Model assumes that past trends continue. Figure 34, shows that in the year 2010-2011 that Hackney saw a rise of 1,080-households receiving housing benefit in the private rented sector. It is also noteworthy that the pattern for Hackney was repeated across much of Inner London, with a net rise in claimants in the private rented sector of nearly 6,500 in a year.

5.36 However, since welfare reform started in 2011 there has been a marked change in the pattern of housing benefit in the private rented sector claimants. Hackney, along with all Inner London boroughs, has consistently seen a reduction in the number of claimant households. This suggests that the private rented sector in Inner London is already beyond capacity for LHA claimants given the current level of financial support which is available.

5.37 This implies that all Inner London boroughs will be displacing those in need of affordable housing and that there is no real possibility of them being accommodated in the private rented sector. This is not a policy choice by Hackney or any other boroughs, but simply a reflection of the impact of welfare reform on the operation of the private rented market.
Relative Need and Other Considerations

This Housing Needs Assessment identifies need in line with the definitions of the NPPF. Therefore, it only considers whether households are in need and does not distinguish between relative levels of need. However, along with many authorities, Hackney prioritises the allocation of social housing based upon relative need. Therefore, while there is an identified shortfall in affordable homes of all sizes in terms of meeting the housing needs of priority groups, the shortage relative to supply is likely to be greatest for 3-bedroom family homes. The reasons for this are summarised below:
Most households who require a 1-bedroom property are in a relatively low level of need and are generally adequately housed. Those who require family sized accommodation are mostly not adequately housed, often living in very overcrowded conditions.

Some of the need identified for 1-bedroom properties will be met through the private rented sector (with housing benefit support), and for many single people house-shares will provide an adequate alternative to 1-bed accommodation.

Analysis indicates that the introduction of a benefit cap from April 2013 as part of the government’s wider welfare reform measures will further impact on the affordability of accommodation in the private rented sector, with larger households (mainly families with children) predicted to face the most serious difficulties in paying their rent. 3-bed private rented sector housing in Hackney is typically unaffordable for people on benefits.

The model works on the presumption that all of the new housing required will be built, however in reality it is unlikely that the level of affordable completions could be raised sufficiently to meet all identified need over the period of Hackney’s housing strategy or its local development plan. Furthermore, the figures derived through the assessment relate to a 24 year period. A significant requirement for smaller units has been identified, largely attributed to the projected growth in smaller households over the longer term.

Taking these factors into account, a pragmatic approach Hackney may wish to consider is to prioritise future provision towards 3 bedroom accommodation in the short to medium term, to ensure those in most acute need can be housed.
6. Market Signals

6.1 This Chapter considers current market signals and how these may affect housing needs. Various signals are considered and their implications are considered especially where these may indicate undersupply relative to demand.

6.2 Objective Assessment of Need is based on demographic analysis and these are, in essence, trend based. However, this ‘cannot predict the impact of changes which are not captured in past trends, such as changing economic circumstances or government policy’.

6.3 While demographic trends are key to the assessment of objectively assessed need, therefore, it is also important to consider current Market Signals and how these may affect housing needs. Planning Practice Guidance (March 2014) identifies a range of housing market signals that should be considered when determining the future housing number. Key to this is how market signals should be taken into account:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings (Paragraph 019)

A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections. (Paragraph 020)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)

6.4 The Market Signals include:
   • Land and house prices;
   • Rents and affordability;
   • Overcrowding; and
   • Rate of development.

6.5 There are other issues that should be considered, for example the macro-economic climate (PAS advice note, para 5.22), as well as wider market trends and drivers. A full range of market signals and their implications are considered especially where these may indicate undersupply relative to demand and the need to deviate from household projections.

6.6 Planning Practice Guidance and the PAS advice note emphasise the importance of considering indicators in the context of longer-term trends and looking at rates of change as well as absolute levels – for example, house prices in the housing market may be higher or lower than the national average, however the more important consideration is whether or not they are becoming more (or less) expensive at a rate that differs from the national rates or rates in similar areas.

8 Objectively assessed Need and Housing Targets; Technical Advice note Planning Advisory Service – June 2014
This Chapter, therefore, considers current Market Signals and how these may affect housing needs. Various signals are considered and their implications where these may indicate undersupply relative to demand.

The section below outlines background data, especially regarding key macro-economic features, before comparing the Hackney HMA with other similar areas.

**Comparators:** NPPG says comparison should be made with ‘similar demographic and economic areas’. We have, therefore, compared the HMA with a range of other local authorities who have the required similarities. Comparators are established via from analysis of:

- 2011 Population size
- ONS 2001 Area Classifications (incorporating 42 Census variables)
- IMD 2010 (individual domains) and
- DEFRA Geography

**House Prices**

**National Price Trends**

House prices in England and Wales have been relatively volatile in the past 15 years, although the market has improved steadily since 2012. This appears now to be levelling out as 7 out of the 10 regions in England and Wales recorded falls in June 2014 (Source: ONS). The fastest rises were in London, at 17 per cent, the East, at 6.6 per cent, and the South East, at 6.1 per cent.
Figure 35: Annual house price rates of change, UK all dwellings from January 2004 to April 2014 - 12 month percentage change (Source: Land registry)

Notes:
1. Not seasonally adjusted.
2. Data collected via the Regulated Mortgage Survey.

6.11 House prices are still 6.4% higher in the 12 months to April 2014; however, the average UK house price is £172,011 compared to the high of £181,466 in 2007.

6.12 Average house price trends 2007-2014 (Source: ONS) show the price divergence between London and the rest of the UK.

Figure 36: House prices 2007-2014 (Source: ONS)
6.13 The differences between parts of the UK are shown in the mix-adjusted House Price Index by UK countries from January 2004 to April 2014:

Figure 37: House Price Index level (Feb 2002=100) (Source: ONS)

Notes:
1. Not seasonally adjusted.
2. Data collected via the Regulated Mortgage Survey.

6.14 The Bank of England has overall responsibility for UK monetary policy; it has become concerned about the risks posed by house prices, high levels of borrowing and any housing ‘bubble’ to national economic recovery. The IMF has also highlighted concerns (2014) about these risks and the high borrowings of households relative to income, especially in London: ‘the increase in the number of high loan-to-income (LTI) mortgages is more pronounced in London and among first-time buyers. As a result, an increasing number of households are vulnerable to negative income and interest rate shocks.’

Figure 38: Loan to Income Ratio 2008-2014 (Source: ONS)
6.15 Recently, the surge in prices appears to be cooling; the Council of Mortgage Lenders (CML) latest Credit Conditions Survey (Summer 2014) suggests “this source of stimulus may now be drying up, amid signs that lenders may be approaching the limits of their risk appetite with respect to maximum loan-to-value (LTV) and income multiples.”

6.16 The Government has recently strengthened the existing powers of the Bank of England to recommend to regulators a limit on the proportion of high loan to income mortgages. From May 2015, lenders are prevented from extending more than 15% of their mortgages to customers needing to borrow 4.5 times their income.

First Time Buyers

6.17 First time buyers are a key driver of market activity. Recent Government statistics show that property sales to England first time buyers have increased by 27%; this is the strongest that the first time buyer sector has been since 2007. There were 146,000 first time buyers in England between January and June 2014, 30,000 more than in 2013. This is despite the fact that prices have risen more quickly for first-time buyers, going up by 11.3% since 2013; the average price of a first-time buyer’s home is now £202,000 in England as a whole, in London it is £405,000.

Figure 39: Housing market: mix-adjusted house prices, by new/pre-owned dwellings, type of buyer (Source: ONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>New dwellings</th>
<th>Pre-owned dwellings</th>
<th>All dwellings</th>
<th>First time buyer</th>
<th>Former owner occupier</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>July</td>
<td>317,000</td>
<td>344,000</td>
<td>343,000</td>
<td>272,000</td>
<td>393,000</td>
</tr>
<tr>
<td>2008</td>
<td>July</td>
<td>292,000</td>
<td>324,000</td>
<td>340,000</td>
<td>265,000</td>
<td>402,000</td>
</tr>
<tr>
<td>2009</td>
<td>July</td>
<td>208,000</td>
<td>310,000</td>
<td>305,000</td>
<td>236,000</td>
<td>365,000</td>
</tr>
<tr>
<td>2010</td>
<td>July</td>
<td>258,000</td>
<td>353,000</td>
<td>347,000</td>
<td>268,000</td>
<td>417,000</td>
</tr>
<tr>
<td>2011</td>
<td>July</td>
<td>268,000</td>
<td>363,000</td>
<td>357,000</td>
<td>280,000</td>
<td>428,000</td>
</tr>
<tr>
<td>2012</td>
<td>July</td>
<td>275,000</td>
<td>402,000</td>
<td>397,000</td>
<td>305,000</td>
<td>480,000</td>
</tr>
<tr>
<td>2013</td>
<td>July</td>
<td>322,000</td>
<td>442,000</td>
<td>438,000</td>
<td>336,000</td>
<td>530,000</td>
</tr>
<tr>
<td>2014</td>
<td>July</td>
<td>422,000</td>
<td>518,000</td>
<td>514,000</td>
<td>405,000</td>
<td>621,000</td>
</tr>
</tbody>
</table>

Figure 40: Housing market: mix-adjusted house price index and annual house price change – Q1 2002 = 100 (Source: ONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>New dwelling</th>
<th>Other dwellings</th>
<th>All dwellings</th>
<th>First time buyers</th>
<th>Former owner occupiers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Index 1% change</td>
<td>Index 1% change</td>
<td>Index 1% change</td>
<td>Index 1% change</td>
<td>Index 1% change</td>
</tr>
<tr>
<td>2007</td>
<td>163.8 5.7</td>
<td>178.7 10.6</td>
<td>177.5 10.3</td>
<td>181.3 10.7</td>
<td>176.9 10.1</td>
</tr>
<tr>
<td>2008</td>
<td>160.4 -2.0</td>
<td>177.4 -0.5</td>
<td>176.1 -0.6</td>
<td>177.4 -2.0</td>
<td>176.4 -0.1</td>
</tr>
<tr>
<td>2009</td>
<td>147.5 -7.7</td>
<td>163.9 -7.4</td>
<td>162.6 -7.5</td>
<td>163.0 -7.8</td>
<td>163.1 -7.4</td>
</tr>
<tr>
<td>2010</td>
<td>156.1 5.9</td>
<td>176.4 7.6</td>
<td>174.7 7.5</td>
<td>175.7 7.9</td>
<td>175.1 7.4</td>
</tr>
<tr>
<td>2011</td>
<td>169.0 8.3</td>
<td>173.7 -1.5</td>
<td>173.2 -0.8</td>
<td>175.0 -0.4</td>
<td>173.3 -1.0</td>
</tr>
<tr>
<td>2012</td>
<td>176.2 4.3</td>
<td>176.4 1.5</td>
<td>176.3 1.7</td>
<td>179.2 2.4</td>
<td>175.8 1.5</td>
</tr>
<tr>
<td>2013</td>
<td>179.3 1.8</td>
<td>182.9 3.7</td>
<td>182.6 3.6</td>
<td>187.0 4.3</td>
<td>181.6 3.3</td>
</tr>
</tbody>
</table>
A Shelter report by NatCen Social Research (Support for First Time Buyers – 2013) estimated the financial contribution made by parents of first-time buyers (FTB) to help fund home purchase deposits. They estimate that FTBs in Great Britain received an average gift or loan of £17,000 (compared to their average deposit which was £28,000).

Future for the Housing Market

The future for the housing market is difficult to predict, although long term trends indicate continued demand issues from household growth, albeit with issues around affordability. The current Government policy towards national economy recovery, and the role played in this by the Bank of England, indicate that action may be taken to contain any housing price ‘bubble’.

Interest rates seem likely to rise in the medium term, and this could expose those borrowing high LTV at low interest rates.

Comparing Hackney with Comparator Authorities

This section considers Market Signals for Hackney and how these compare with other comparator authorities i.e. those authorities with similar characteristics. NPPG advises that Market Signals are an important consideration when determining housing needs, and consideration of comparator areas is required:

> Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally.

NPPG Paragraph 020

A key issue when considering Market Signals, therefore, is in establishing those other ‘similar’ areas to consider. Therefore, we have compared a range of other local authorities to the study authority using a number of data sources/characteristics:

- 2011 Population size
- ONS 2001 Area Classifications (incorporating 42 Census variables)
- IMD 2010 (individual domains) and
- DEFRA Geography

This allows us to create a measure of correlation, which indicates how closely matched each of our possible comparator areas is to the study area based on these characteristics. Then we pick the areas with the highest scores to form a group.

For Hackney, the comparator authorities identified are:

- Haringey
- Southwark
- Lewisham
- Lambeth
We have also included Islington for completeness (as an adjacent borough) in some charts.

**House Prices in Hackney**

House price trends (2000-2014) are shown below. In this period, prices have increased significantly and, despite a decline in values in 2007-09, the long term trend is upward. Prices in Hackney have effectively tripled since 2000, while the market correction in 2008/09 had limited long term impact.

**Figure 41: Average Price of Properties Sold in each LA: Q4 2000-Q4 2014 (Source: HM Land Registry)**

Nevertheless, the number of available properties in the lower quartile of the market below £150,000, which was c.40% of the market in 2000, has declined significantly to almost nil in 2014. First time buyers, a key market driver for the sales sector, with limited purchasing power, no longer have properties at this value to purchase.
Figure 42: Percentage of Houses Sold below £150k: 2000-14 (Source: HM Land Registry)
Figure 43: Average Price of Properties Sold by property type: 2000-2014 (Source: HM Land Registry)
Rents in Hackney

6.28 The private rented sector forms an important part of the overall housing offer in Hackney and in other parts of London.

6.29 Recent trends in private rents in Hackney show a continued upward rental trend for all property sizes since 2010. Further, the average rents in Hackney are relatively higher than All London. Median monthly rents in Hackney are generally higher than London and all comparator authorities except Islington.

Figure 44: Median Monthly Rent Values in Hackney (Source: Valuation Office Agency 2010-2013)
6.30 Unlike Hackney trends, the rental price trend for London overall shows a recent downward trend in 2014. Arguably, this could be partly related to benefit reform.

6.31 There are concerns at the affordability of private rents in London9.

‘The current average annual household income of those who access affordable homes for rent is £12,000 and £37,000 for low cost home ownership products.

The Mayor’s aim is to deliver a balanced [housing investment] programme that supports low paid working households who would otherwise face punitive costs in the private rented sector, as well as providing a safety net for those in the most acute need.

In the 2015-18 programme the GLA will fund a more differentiated affordable rent product that reflects the needs of both these groups. This will comprise some delivery at low rents targeted at those most in need, balanced with some homes rented at a lower level of discount relative to the market targeted at low income working Londoners’.

---

9 London Housing Strategy 2014 para 2.4
Affordable Housing

6.32 To address concerns about the ability of those in greatest need, for its 2015-18 programme the GLA is inviting bids for Affordable homes to rent where half of the units will be let at a Discounted rent of 80% of market rents (or the LHA if lower) and half at a Capped rent of 50% of local market rents. It has been agreed by the GLA that in Hackney the Capped rents will be at 50% of lower quartile market rents.

House Price Affordability

6.33 The ratio of lower quartile house price to lower quartile earnings in Hackney increased between 1997 (c.x3.0-3.5) and 2013 (c.x11.5) (Source: CLG using a combination of Land Registry data for House prices and ASHE data for Incomes) even allowing for the market correction in 2008/09. This long term trend shows house purchase has become less affordable in Hackney than in some comparator boroughs e.g. Haringey. Affordability is further complicated by supply and demand issues (e.g. rate of household formation, lower availability of mortgage finance for first time buyers and reduced numbers of sales transactions since the market peak in 2008).
Rate of Development - National

Housing delivery slowed across the UK following the market peak in 2007/08, although this trend has started to reverse in recent years. Local authority delivery has also started to pick up after many years of delivering very low numbers.
Figure 48: Housing Completions Quarterly - England 2001-2014 (Source: CLG)

Figure 49: Total Housing Starts and Completions Quarterly – England 2000-2014 (Source: CLG)
Housing delivery – Hackney

6.35 Housing starts and completions since 2009 have been relatively erratic. In 2013-14, starts were lower than previous years.

Figure 50: Housing Starts and Completions – Hackney 2004-2014 (Source: CLG. Note: Data was not available for prior to 2009)

6.36 Source of housing delivery has varied in the past decade. Noticeable output changes include delivery by housing associations declining in 2013-14 and market delivery in 2013-14 lower than previous years (except 2010-11).

Figure 51: Hackney HCA and GLA Funded Housing Delivery 2009-2014 (Source: CLG Completions. Note: Data was not available for prior to 2009)

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10 Figure 51 shows completions funded by HCA or GLA. Hackney Council also has its own largely self-funded newbuild programme, most completions from which do not appear in this chart.
### Housing Need and Supply

6.37 Figure 52 considers projected demand from household growth (using local authority data from AMR, SHLAA and the London Plan). Any inability to meet demand from projected supply raises implications for the meeting of housing need identified in the SHMA.

**Figure 52: Comparison of Housing Supply and Completions in the HMA (Source: AMR, SHLAA, FALP)**

<table>
<thead>
<tr>
<th></th>
<th>Hackney</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOUSING TARGET</strong></td>
<td></td>
</tr>
<tr>
<td>Annual Housing Target from Annual Monitoring Report</td>
<td>1,160</td>
</tr>
<tr>
<td><strong>HOUSING SUPPLY</strong></td>
<td></td>
</tr>
<tr>
<td>Total Housing Land Supply identified by the London SHLAA 2013 (for 2015-2025)</td>
<td>15,988</td>
</tr>
<tr>
<td>Annualised housing land supply</td>
<td>1,599</td>
</tr>
<tr>
<td><strong>COMPLETIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Annualised completions 2007/08-12/13</td>
<td>1,705</td>
</tr>
</tbody>
</table>

6.38 The figure of 15,988 from the London SHLAA 2013 is used as being the most up to date assessment of land availability and is in the Further Amendments to the London Plan document (FALP).

6.39 The annualised completions shown in Figure 52 should be considered in a historic context. Hackney delivered an average oversupply of 643 per year for the years 2007/08-2010/11 compared against the previous London Plan target of 1,085 per year for those years, and an average over supply of 499 against the updated target of 1,160 for 2011/12-2012/13. The FALP proposes a new target of 1,599 net additional dwellings annually.

6.40 Historically, delivery in Hackney has exceeded the annual target. While delivery in the last year of the 2013 AMR (2012/13) fell to 965, the AMR records other low delivery years which are followed by higher delivery years. Assuming the FALP is adopted, the proposed minimum target of 1,599 will be achieved and surpassed if the annualised level of delivery continues.

<table>
<thead>
<tr>
<th>Source</th>
<th>Hackney</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix: Hackney Housing Trajectory</td>
<td></td>
</tr>
<tr>
<td>Appendix: Hackney Housing Trajectory</td>
<td></td>
</tr>
<tr>
<td><strong>Total Housing Land Supply Source:</strong></td>
<td><a href="http://www.london.gov.uk/sites/default/files/FALP%20SHLAA%202013.pdf">http://www.london.gov.uk/sites/default/files/FALP%20SHLAA%202013.pdf</a></td>
</tr>
<tr>
<td>Table 3.16 Total Capacity by Borough 2015-2025: 5,719 large site capacity + 7,285 small site capacity + 1,280 Capacity from long term vacants returning to use + 1,704 Students non-self-contained accommodation pipeline = 15,988</td>
<td></td>
</tr>
</tbody>
</table>
Overcrowding

Overcrowding across all household types has increased significantly (+4.5%) between Census 2001 and Census 2011, higher than comparator authorities. The key increases are households with students and/or people aged 65+ (+9.8%) and cohabiting couples with no children (+10.9%). We would note that this table uses the Census occupancy definition of overcrowding. This, for example, treats all bedsits and open planning living 1 bedroom flats as being overcrowded because they lack two common rooms.

Figure 53: Proportion of overcrowded households 2011 and change 2001-11 (Note: overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Hackney 2011</th>
<th>Net Change</th>
<th>Haringey 2011</th>
<th>Net Change</th>
<th>Lambeth 2011</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person household</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 65 and over</td>
<td>24.43%</td>
<td>+4.81%</td>
<td>21.85%</td>
<td>+2.27%</td>
<td>19.90%</td>
<td>+0.13%</td>
</tr>
<tr>
<td>Other</td>
<td>27.05%</td>
<td>+4.85%</td>
<td>25.27%</td>
<td>+2.58%</td>
<td>21.95%</td>
<td>+0.32%</td>
</tr>
<tr>
<td>One family only</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All aged 65 and over</td>
<td>4.70%</td>
<td>-1.13%</td>
<td>2.64%</td>
<td>-0.42%</td>
<td>3.30%</td>
<td>-0.84%</td>
</tr>
<tr>
<td>Couple: No children</td>
<td>20.54%</td>
<td>+8.03%</td>
<td>14.71%</td>
<td>+5.51%</td>
<td>12.99%</td>
<td>+3.20%</td>
</tr>
<tr>
<td>Couple: Dependent children</td>
<td>34.38%</td>
<td>-2.34%</td>
<td>28.76%</td>
<td>+0.89%</td>
<td>26.86%</td>
<td>+1.29%</td>
</tr>
<tr>
<td>Couple: All children non-dependent</td>
<td>21.32%</td>
<td>-0.01%</td>
<td>13.41%</td>
<td>+0.41%</td>
<td>12.81%</td>
<td>-0.86%</td>
</tr>
<tr>
<td>Lone parent: Dependent children</td>
<td>44.32%</td>
<td>+1.48%</td>
<td>46.20%</td>
<td>+9.75%</td>
<td>41.83%</td>
<td>+7.85%</td>
</tr>
<tr>
<td>Lone parent: All children non-dependent</td>
<td>26.41%</td>
<td>-0.51%</td>
<td>22.58%</td>
<td>+4.56%</td>
<td>22.56%</td>
<td>+4.26%</td>
</tr>
<tr>
<td>Other household types</td>
<td>50.21%</td>
<td>+4.87%</td>
<td>49.45%</td>
<td>+16.84%</td>
<td>42.75%</td>
<td>+11.99%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>61.81%</td>
<td>+0.61%</td>
<td>58.36%</td>
<td>+9.56%</td>
<td>56.83%</td>
<td>+7.54%</td>
</tr>
<tr>
<td>Other (including all full-time students and all aged 65 and over)</td>
<td>47.09%</td>
<td>+9.82%</td>
<td>46.12%</td>
<td>+19.33%</td>
<td>39.25%</td>
<td>+13.88%</td>
</tr>
<tr>
<td>All Households</td>
<td>32.16%</td>
<td>+4.54%</td>
<td>28.50%</td>
<td>+6.31%</td>
<td>26.41%</td>
<td>+4.43%</td>
</tr>
</tbody>
</table>
In terms of tenure, overcrowding has increased fastest in the Private Rented Sector (+7.7%) as shown in Figure 119.

Overcrowding and the need for more space was asked in the Household Survey; this showed a different perception of overcrowding between households in shared housing and those in self-contained homes:

- Respondents in shared households reported a need for more space; many said they were overcrowded. These households were mostly young (16-34) and White or Mixed and Other.
- Households in self-contained homes reported less need for more space; these households tended to be older (35 through to 75 and over) and from a variety of ethnic backgrounds.
Figure 54: Respondents in shared households reporting a need for more space (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents who are privately renting (number of respondents shown in brackets)
Overcrowded households who expect to move are more likely to want to stay in Hackney than non-overcrowded households.
Figure 56: Where Overcrowded Respondents who expect to move wish to move (Source: Hackney Housing Needs Survey 2014)

Homelessness

6.45 A key duty of local authorities is to provide a service to households who become homeless or are at risk of becoming homeless where they are satisfied that the applicant has a priority need.

6.46 Homelessness data shows a downward trend between 2004 and 2011, although the subsequent trend is upwards. Temporary accommodation usage has increased since 2010-11, as have homelessness claims.
Figure 57: Homeless Applications and Acceptances and Homeless Households in Temporary Accommodation 2004-2014
(Source: Department for Communities and Local Government)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td>2,479</td>
<td>2,306</td>
<td>2,005</td>
<td>1,896</td>
<td>1,654</td>
<td>1,384</td>
<td>1,523</td>
<td>1,575</td>
<td>1,755</td>
<td></td>
</tr>
<tr>
<td>Haringey</td>
<td>5,309</td>
<td>5,698</td>
<td>5,861</td>
<td>5,389</td>
<td>4,548</td>
<td>3,547</td>
<td>3,294</td>
<td>2,944</td>
<td>2,832</td>
<td>2,869</td>
</tr>
<tr>
<td>Islington</td>
<td>1,550</td>
<td>1,521</td>
<td>1,243</td>
<td>1,005</td>
<td>875</td>
<td>702</td>
<td>947</td>
<td>1,008</td>
<td>1,004</td>
<td></td>
</tr>
<tr>
<td>Lambeth</td>
<td>2,378</td>
<td>2,406</td>
<td>2,451</td>
<td>2,116</td>
<td>1,924</td>
<td>1,599</td>
<td>1,276</td>
<td>1,221</td>
<td>1,276</td>
<td>1,533</td>
</tr>
</tbody>
</table>

Households in Temporary Accommodation
Accepted Claims for Homelessness
Total Claims for Homelessness

March 2015
The ethnic make-up of accepted Homeless applicants shows change between 2004-05 and 2013-14, although the profile in 2013-14 is relatively similar to 2004-05.

Figure 58: Ethnicity of accepted Homeless applicants 2004-14 (Source: Department for Communities and Local Government)
Conclusion on Market Signals

The evidence above indicates that Hackney, along with all other London Boroughs, faces extensive pressure on its housing market. This in turn would justify uplifting Objectively Assessed Needs from the baseline demographic projections. However, as noted earlier the GLA SHMA 2013 effectively uplifted the Objective Assessed Needs for London by around 13.5% when compared with the baseline demographic growth. Applying the GLA methodology to Hackney sees an uplift of 15% from the baseline demographic growth and therefore, the figures already contain a significant uplift. Therefore, if any further uplift for market signals was applied then this would simply represent double counting.
7. Need for Types of Housing

Introduction

7.1 This Chapter considers current and future demographic and stock trends as well as the needs of specific groups.

Age Profile

7.2 The age profile for the population shows a young population. There are high levels of younger people, aged 20-34, relative to comparator authorities, London and England. However, compared to other authorities Hackney has relatively lower levels of population in the age ranges over 35.

Figure 59: Population Age Profiles for Hackney Compared with London and England (Source: UK Census of Population 2011)
Household Type

7.3 Hackney’s population increased by 21.4% from 2001 to 2011 which is higher than London (14%) and comparators; average household size increased by +3.1% although this is at a lower rate than London.

Figure 60: Population in Hackney (Source: UK Census of Population 2001 and 2011. Notes: All figures rounded to the nearest 100. Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Number of persons</th>
<th>Household residents</th>
<th>Communal establishment residents</th>
<th>Number of households</th>
<th>Average household size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hackney</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>202,822</td>
<td>201,213</td>
<td>1,609</td>
<td>86,044</td>
<td>2.34</td>
</tr>
<tr>
<td>2011</td>
<td>246,270</td>
<td>244,433</td>
<td>1,837</td>
<td>101,690</td>
<td>2.40</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+21.4%</td>
<td>+21.5%</td>
<td>+14.2%</td>
<td>+18.2%</td>
<td>+3.1%</td>
</tr>
<tr>
<td><strong>Haringey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>216,511</td>
<td>214,377</td>
<td>2,134</td>
<td>92,165</td>
<td>2.34</td>
</tr>
<tr>
<td>2011</td>
<td>254,926</td>
<td>253,236</td>
<td>1,690</td>
<td>101,955</td>
<td>2.48</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+17.7%</td>
<td>+18.1%</td>
<td>-20.8%</td>
<td>10.6%</td>
<td>+6.4%</td>
</tr>
<tr>
<td><strong>Islington</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>175,792</td>
<td>172,260</td>
<td>3,532</td>
<td>82,279</td>
<td>2.09</td>
</tr>
<tr>
<td>2011</td>
<td>206,125</td>
<td>200,134</td>
<td>5,991</td>
<td>93,556</td>
<td>2.14</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+17.3%</td>
<td>+16.2%</td>
<td>+69.6%</td>
<td>+13.7%</td>
<td>+3.1%</td>
</tr>
<tr>
<td><strong>Lambeth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>266,161</td>
<td>263,099</td>
<td>3,062</td>
<td>118,446</td>
<td>2.22</td>
</tr>
<tr>
<td>2011</td>
<td>303,086</td>
<td>300,101</td>
<td>2,985</td>
<td>130,017</td>
<td>2.31</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+13.9%</td>
<td>14.1%</td>
<td>-2.5%</td>
<td>9.8%</td>
<td>+3.7%</td>
</tr>
<tr>
<td><strong>Lewisham</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>248,923</td>
<td>246,554</td>
<td>2,369</td>
<td>107,416</td>
<td>2.30</td>
</tr>
<tr>
<td>2011</td>
<td>275,885</td>
<td>273,342</td>
<td>2,543</td>
<td>116,091</td>
<td>2.35</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+10.8%</td>
<td>+10.9%</td>
<td>+7.3%</td>
<td>8.1%</td>
<td>+2.5%</td>
</tr>
<tr>
<td><strong>Southwark</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>244,861</td>
<td>239,511</td>
<td>5,350</td>
<td>105,806</td>
<td>2.26</td>
</tr>
<tr>
<td>2011</td>
<td>288,283</td>
<td>282,560</td>
<td>5,723</td>
<td>120,422</td>
<td>2.35</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+13.8%</td>
<td>+18.0%</td>
<td>+7.0%</td>
<td>+13.8%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
Minority Ethnic Groups

The number of people from a minority ethnic group in Hackney has increased by 8.5 percentage points between 2001 and 2011 Census, which is lower than London and other comparator areas, but higher than England. The Black population group in Hackney declined by 1.6 percentage points, all other population groups have grown.

Figure 61: Percentage Point Change of Population by Minority Ethnic Group (Source: UK Census of Population 2001 and 2011)

<table>
<thead>
<tr>
<th>BME Group</th>
<th>White Other</th>
<th>Mixed</th>
<th>Asian</th>
<th>Black</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney</td>
<td>+3.9%</td>
<td>+2.2%</td>
<td>+1.9%</td>
<td>-1.6%</td>
<td>+2.1%</td>
<td>+8.5%</td>
</tr>
<tr>
<td>Haringey</td>
<td>+6.9%</td>
<td>+2.0%</td>
<td>+2.8%</td>
<td>-1.2%</td>
<td>+1.6%</td>
<td>+12.1%</td>
</tr>
<tr>
<td>Islington</td>
<td>+3.5%</td>
<td>+2.4%</td>
<td>+3.8%</td>
<td>+0.9%</td>
<td>+0.1%</td>
<td>+10.7%</td>
</tr>
<tr>
<td>Lambeth</td>
<td>+5.9%</td>
<td>+2.8%</td>
<td>+2.3%</td>
<td>+0.1%</td>
<td>-0.1%</td>
<td>+11.0%</td>
</tr>
<tr>
<td>Lewisham</td>
<td>+4.0%</td>
<td>+3.2%</td>
<td>+5.5%</td>
<td>+3.8%</td>
<td>-0.1%</td>
<td>+16.4%</td>
</tr>
<tr>
<td>Southwark</td>
<td>+4.6%</td>
<td>+2.5%</td>
<td>+5.3%</td>
<td>+1.0%</td>
<td>+0.0%</td>
<td>+13.4%</td>
</tr>
<tr>
<td>London</td>
<td>+4.3%</td>
<td>+1.8%</td>
<td>+6.4%</td>
<td>+2.4%</td>
<td>+0.7%</td>
<td>+15.6%</td>
</tr>
<tr>
<td>England</td>
<td>+1.9%</td>
<td>+1.0%</td>
<td>+3.2%</td>
<td>+1.2%</td>
<td>+0.1%</td>
<td>+7.4%</td>
</tr>
</tbody>
</table>
Figure 62: Proportion of Population by Minority Ethnic Group (Source: UK Census of Population 2001 and 2011)
Current Stock

7.5 Dwelling type shows that Hackney’s housing stock is predominantly flats (80%).

Figure 63: Proportion of Dwelling Type by Area (Source: Valuation Office Agency, August 2012)

Tenure Profile

7.6 Owner occupation has declined relatively by 6 percentage points since 2001. In the same period, the private rented sector (PRS) has grown significantly by 10 percentage points a growth rate similar to that for many comparator authorities. Affordable housing has declined relatively rapidly (-7.1 percentage points) relative to other tenures, but is still the largest tenure (43.7%).

7.7 The private rented sector is growing via the conversion of other tenures rather than new build (Figure 64).
7.8 The English Housing Survey 2012-13 identified that the number of households renting from a private landlord (4 million) has now overtaken the number renting from a council or housing association (3.6 million). This growth is to a large extent a result of the conversion of existing privately owned stock to private rent, either as family dwellings or as Houses in Multiple Occupation (HMO); new build supply of PRS is at much lower levels.

7.9 The sector is expected to increase in size in coming years. The table below from the Institute of Mortgage Lenders Association (IMLA) forecasts that the PRS will increase its relative tenure share nationally to 35% by 2032. The continuing fall in owner-occupation and decline of social renting would also mean more than a third of households renting privately within two decades – twice as many as today.
7.10 Homeownership is already lowest among younger generations and this effect will gradually move up the age brackets, as more people struggle to buy in their 30s and beyond. Between 1991 and 2012/13, homeownership among 16-24 year olds in England dropped from 36% to 11% while among 25-34s it fell from 67% to 40%.

Rates of change

7.11 When the rate of inter-censal change is considered, the increase in the number of households living in the PRS is revealing; in Hackney, the number of households living in privately rented accommodation has doubled.

Figure 66: % Change in Households Living in PRS 2001-11 by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)

7.12 Most private renters rent from a private landlord or agency.
Recent PRS Sector Trends

7.13 This section considers some of the key trends driving the Private Rented Sector (PRS).

7.14 **PRS size is relatively uniform in England but higher in London**: Analysis of census data by Birmingham University’s Centre on Housing Assets and Savings Management (CHASM) (December 2013) shows that the proportion of households living in the PRS is relatively uniform across the English regions whereas in London the sector was considerably larger in 2001 and the difference had increased further by 2011. The experience in London, where in some areas half of all households now rent, may provide an indication of how the PRS could develop, especially in relatively higher value and/or high demand areas.

7.15 **PRS has high, and increasing, occupancy levels**: At the same time as the stock has let as PRS increased, PRS occupation levels have also increased; households form at a faster rate than new supply so existing stock has to accommodate them. Hometrack analysis (December 2012) found 50% of London’s PRS homes were fully occupied and commented ‘The luxury of a spare room is a thing of the past for many London tenants’. There are also indications that tenants are increasing occupancy levels in order to be able to meet higher rent levels (Estates Gazette, October 2013). Overcrowding in the PRS and the growth in numbers of HMOs are also to be noted. It should be noted, however, that in some areas, for example Liverpool and Sheffield, local authorities are faced with an oversupply of poor quality housing rather than overcrowding.
7.16 **Most PRS landlords have small portfolios:** It is significant that, according to the DCLG Private Landlords Survey 2010, 89% of PRS landlords are private individuals, accounting for 71% of all PRS dwellings, with 78% of all landlords owning a single dwelling for rent – 40% of the total housing stock. Only 5% of landlords were companies, accounting for 15% of PRS stock. The majority of new entrants to the market in recent years have been individuals. Some are ‘accidental’ landlords who have been unable to sell at the price they need following the 2008 fall in housing market values, others have seen opportunities in ‘buy to let’, with 76% of individual landlords viewing property letting as a pension or investment (DCLG Private Landlords Survey 2010).

7.17 **Budget 2014 and Pensions Reform:** The pensions reforms announced in the 2014 Budget allowing people aged 55 or over to withdraw their entire pension fund may encourage a boom in buy to let sales as pensioners turn away from annuities with high commissions and low income. An added attraction is that such property assets could be left to children, unlike the capital used to buy an annuity.

7.18 Residential property cannot be held within a pension, making growth liable for capital gains tax, and some commentators suggest that those looking for capital growth rather than rental income are taking a significant risk, because current property prices are high, yields are low and mortgage interest rates are bound to increase. Most pensioners would require a mortgage as well as their lump sum, making them vulnerable to interest rate fluctuations.

7.19 Opinions differ on whether house prices will continue to rise, some suggest that limited supply and pressure from an increasing population will maintain growth. Only those with large pension pots would be able to buy in the South of the UK, purchases are therefore more likely in other parts of the country, contributing to competition for property purchase. Some commentators have suggested that the reforms will have a limited effect on the buy to let market and that pensioners are more likely to use their fund to pay off an existing mortgage or help children to buy.

7.20 **Right to Buy Conversions to PRS:** The Right to Buy has resulted in a large number of social housing properties entering the PRS as tenants who have exercised their right either let their property or sell it on to a private landlord. Newham Council in London has commented that ‘the majority’ of its social homes sold under RTB are now privately rented (Inside Housing, 25 June 2014). In London, a study by GLA Member Tom Copley showed that in London a fifth of the 271,483 social homes sold under the right to buy (52,000) since the policy was introduced are now owned by private landlords (See ‘From Right to Buy to Buy to Let’ – Tom Copley MGLA 2014).

7.21 The RTB scheme was re-launched in April 2012 with increased maximum discount levels and Budget 2013 reduced the qualifying period from 5 to 3 years to incentivise applications further. The re-launch aims to achieve 100,000 sales nationally.

7.22 **Local Government strategy initiatives:** Concerns about rising rents in London led one Council (Camden) to commission a report from the London School of Economics – ‘Rent Stabilisation: Principles and International Experience’ (September 2014). The report’s recommendations
include: longer term tenancies with index-linked rent increases, template tenancy agreements, training for landlords.

7.23 **Market response by Landlords to Housing benefit households and Welfare reform:** Benefit reforms and concerns about the Local Housing Allowance in some areas being insufficient to cover private rents have led to some landlords refusing to house benefit recipients and in a few high profile cases evicting tenants on benefits or disposing of their portfolio.

7.24 **Increasing Buy to Let mortgage lending:** The number of buy to let mortgages in the UK market fell away sharply in 2008 and 2009, but has since stabilised and risen again, although not to pre-2008 levels. Interestingly, the number of BTL mortgages granted in 2014 (c.30,000 monthly average) is higher than those granted to First time Buyers (c.25,000). Lending to PRS, therefore, seems likely to continue.

Figure 68: Buy to Let Mortgages (Source: Council of Mortgage Lenders)

![Buy to Let Mortgages Graph]

7.25 PRS does not contribute significantly to new supply (although this could change), being reliant for growth mainly on the tenure conversion of existing owner occupied stock. There is, however, considerable current interest in attracting investment to boost new build PRS supply, particularly from Government (see Review of the Barriers to Institutional Investment in Private Rented Homes; Montague Review 2012).

**Houses in Multiple Occupation**

7.26 Not all private rented stock consists of self-contained dwellings occupied by a single household. Many households occupy houses in multiple occupation (HMOs). HMO accommodation must be used as the tenants’ only or main residence and it should be used solely or mainly to house people. Licensable HMOs must be at least 3 storeys high and accommodate 5 people, at least two of whom must be unrelated, or contain 6 persons, at least two of whom must be unrelated. The 2011 Census does not directly define HMOs, but it contain a range of measures of household types which can be used as a proxy for HMO type households containing unrelated persons.
HMOs make an important contribution to the private rented sector by providing housing for specific groups/households. This classification of housing must be considered alongside accommodation for people who share housing and housing costs in order to afford self-contained market housing.

Using Census information between 2001 and 2011, it can be seen that the number of properties containing more than one family, as a proxy for HMOs, in Hackney has increased by almost 7,000 (83.2%).
Private Rented Sector – Household Survey

7.29 The ethnic composition of the Private Rented Sector (PRS) is different from that for all households. White Other households are much more likely to be housed in the PRS, followed by White British, Mixed White/Black Caribbean and Mixed White/Asian households.

Figure 70: Ethnicity by Private Rent (Source: Hackney Housing Needs Survey 2014)

7.30 For Faith groups, Christian and Muslim households are less likely to be living in the PRS. Atheists and those with No Belief are more likely to living in the PRS.
Figure 71: Religion by Private Rent (Source: Hackney Housing Needs Survey 2014)

Figure 72 shows how household types vary in the PRS; they are more likely to be a Group of Adults.

Figure 72: Household Type by Private Rent (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>All Households</th>
<th>Private Rent Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Person</td>
<td>30.2%</td>
<td>19.6%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>7.7%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other</td>
<td>22.5%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Single Parent</td>
<td>14.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>10.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>With all children non-dependent</td>
<td>3.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>One Family</td>
<td>34.6%</td>
<td>32.1%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>2.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Adult couple with no children</td>
<td>13.8%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Adult couple with dependent children</td>
<td>16.2%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Adult couple with all children non-dependent</td>
<td>2.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Group of Adults</td>
<td>21.1%</td>
<td>42.3%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>4.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>16.4%</td>
<td>39.8%</td>
</tr>
</tbody>
</table>

Figure 73 demonstrates how income varies by tenure. It can be seen that PRS households are more likely to have a higher household income (over £20,000), with c.51% reporting income over £30,000, compared with c.35% of All Households. This may be because around 40% of PRS households are ‘Group of Adults’, potentially with multiple earners, though that assertion has not been evidenced. (Note: respondents who share their home with other households were not asked about incomes of the sharing households.)
Figure 73: Income by Private Rent (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Income Band</th>
<th>All Households</th>
<th>Private Rented Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £5,000</td>
<td>12.9%</td>
<td>10.6%</td>
</tr>
<tr>
<td>£5,000-£10,000</td>
<td>24.3%</td>
<td>9.9%</td>
</tr>
<tr>
<td>£10,000-£15,000</td>
<td>8.9%</td>
<td>4.5%</td>
</tr>
<tr>
<td>£15,000-£20,000</td>
<td>7.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>£20,000-£30,000</td>
<td>11.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>£30,000-£40,000</td>
<td>9.6%</td>
<td>18.8%</td>
</tr>
<tr>
<td>£40,000-£60,000</td>
<td>11.3%</td>
<td>23.1%</td>
</tr>
<tr>
<td>£60,000 or more</td>
<td>14.4%</td>
<td>9.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Figure 74 and Figure 75 show how many rooms households have available in the PRS and which have at least one room too few for the needs of its occupants. There are broadly comparable rooms available to households in the PRS and All Households, and also in terms of Households who say they have too few rooms.

Figure 74: Number of Rooms by Private Rent (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Number of Rooms</th>
<th>All Households</th>
<th>Private Rent Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedsit</td>
<td>0.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>One</td>
<td>25.9%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Two</td>
<td>34.1%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Three</td>
<td>28.3%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Four</td>
<td>9.2%</td>
<td>12.8%</td>
</tr>
<tr>
<td>Five or more</td>
<td>2.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Figure 75: Percentage of Households with Too Few Rooms by Private Rent (Source: Hackney Housing Needs Survey 2014)

Moving

Figure 76 compares the length of time at current address by household type; it is clear that those in the PRS are more likely to have moved within the last 2 years.
Across all households who want or need to move in the next two years, PRS households are more likely to (45%) compared with All Households (26%).

Respondents to the household survey who said that their household did want to move were asked where they expected they would move to. Figure 78 shows that PRS Households were slightly less likely to stay in Hackney, but would still be likely to stay in London. Relatively more PRS Households expect to move abroad.

Private Rent: Survey Summary

There are a range of features to note within the Private Rented Sector:

- Ethnicity: The ethnic composition of the Private Rented Sector (PRS) is different from that for all households. White Other households are much more likely to be housed in the PRS, followed by White British, Mixed White/Black Caribbean and Mixed White/Asian households.
Faith: Christian and Muslim households are less likely to be living in the PRS than Atheists/those with No Belief.

Households: PRS Households are more likely to be either Single person or a Group of Adults.

Income: PRS households are more likely to have a higher household income (over £20,000), while fewer PRS have lower incomes than All Households.

Mobility: those in the PRS are more likely to have moved within the last 2 years, more likely to move again in the next two years. PRS Households are slightly less likely to stay in Hackney, but would still be likely to stay in London. Relatively more PRS Households expect to move abroad.

Welfare Reform and Private Sector Rented Housing

Welfare Reform carries risks for those households on low incomes in the Private Rented Sector. Arguably, in recent years this sector has contributed to meeting housing need among lower income households who cannot access affordable/social housing. Further, some existing private rented stock has become, in effect, part of the “affordable housing” stock.

Welfare Reform has been undertaken for various reasons including concerns over the cost of Benefits to the nation, and perceived issues that the current system is too complex and acts as a disincentive to finding work.

As a result, new legislation has been introduced (Welfare Reform Act 2012) and this is currently being implemented.

Figure 79: Summary of legislative changes affecting private tenants’ LHA (Source: Shelter)

<table>
<thead>
<tr>
<th>Change</th>
<th>Effective from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of absolute caps on the maximum rates that can be paid for each size of property</td>
<td>April 2011</td>
</tr>
<tr>
<td>Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate</td>
<td>April 2011</td>
</tr>
<tr>
<td>Stopping claimants being able to keep up to a £15 ‘excess’ above their actual rent if their rent is below the LHA rate</td>
<td>April 2011</td>
</tr>
<tr>
<td>Increasing deductions for non-dependants living with HB claimants</td>
<td>April 2011</td>
</tr>
<tr>
<td>Setting maximum LHA at the 30th percentile of local rents instead of the median</td>
<td>October 2011</td>
</tr>
<tr>
<td>Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents</td>
<td>April 2013</td>
</tr>
<tr>
<td>Increasing LHA rates to the lower of the 30th percentile of local rents or the existing LHA rate plus 1%</td>
<td>April 2014</td>
</tr>
<tr>
<td>In 116 categories increasing LHA rates by 4%, or up to a maximum specified by the VOA</td>
<td>April 2014</td>
</tr>
</tbody>
</table>
Local Housing Allowances

Local housing allowance (LHA) rates are capped and set at the 30th percentile of local rents (pre-reform this was the 50th percentile). Figure 80 below shows the change in terms of the local Broad Rental Market Areas and those adjacent. The change has meant a lower LHA figure for each property size.

Figure 80: Weekly Local Housing Allowance Thresholds for Broad Rental Market Areas– March 2011 and August 2014
(Source: LHA Direct)

<table>
<thead>
<tr>
<th>Weekly Rent £</th>
<th>March 2011 LHA (50th percentile)</th>
<th>August 2014LHA (30th percentile)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 bed</td>
<td>2 bed</td>
</tr>
<tr>
<td>Central London</td>
<td>375.00</td>
<td>£550.00</td>
</tr>
<tr>
<td>Inner East London</td>
<td>£250.00</td>
<td>£310.00</td>
</tr>
<tr>
<td>Inner North London</td>
<td>£275.00</td>
<td>£350.00</td>
</tr>
<tr>
<td>Inner South East London</td>
<td>£196.15</td>
<td>£254.00</td>
</tr>
<tr>
<td>Inner South West London</td>
<td>£252.85</td>
<td>£317.31</td>
</tr>
<tr>
<td>Inner West London</td>
<td>£242.00</td>
<td>£320.00</td>
</tr>
<tr>
<td>Outer East London</td>
<td>£168.46</td>
<td>£207.69</td>
</tr>
<tr>
<td>Outer North East London</td>
<td>£155.77</td>
<td>£196.15</td>
</tr>
<tr>
<td>Outer North London</td>
<td>£179.00</td>
<td>£235.00</td>
</tr>
<tr>
<td>Outer South East London</td>
<td>£155.77</td>
<td>£190.38</td>
</tr>
<tr>
<td>Outer South London</td>
<td>£156.92</td>
<td>£196.15</td>
</tr>
<tr>
<td>Outer South West London</td>
<td>£196.15</td>
<td>£253.85</td>
</tr>
<tr>
<td>Outer West London</td>
<td>£173.08</td>
<td>£207.69</td>
</tr>
</tbody>
</table>

Rates increase every year in April, in 2014 rates increased to the lower of the 30th percentile of local rents or the existing LHA rate plus 1%. However, for 116 categories (combination of size of accommodation and BRMA), rates increased by 4%, capped by maxima specified by the VOA. In Hackney this has resulted in LHA rates which are in some cases lower than the 30th percentile. This is particularly noticeable in the Inner East London BRMA, which covers 92% of the area of the London Borough of Hackney.
Impact of Benefit Reform on the Private Rented Sector

7.43 This section covers available evidence regarding the impact of reform on Housing Benefit and the private rented sector.

7.44 While many households may choose to live in private rented accommodation with housing benefit support, others might prefer an affordable tenancy, but are unable to access one due to lack of housing supply in the sector. To meet these aspirations, more affordable housing would need to be provided.

7.45 In London, a difference in the number of claimants can be seen which is relatively different in Inner and Outer boroughs in North London, but not so in South London. Broadly, Inner boroughs (like Hackney) have seen a decline in claims, a similar pattern as with those comparator authority London boroughs (Haringey, Lambeth, Lewisham, Southwark). It should be noted that generally a small number of claimants in some areas generates a percentage change that looks more significant than it is, due to small base. Also, we have 0-indexed data to April 2011 as this is a meaningful point in time in the context of the data considered.

7.46 The difference between LHA caps and market rents should also be noted; a 1-bed flat in Hackney has increased from £1127 pcm in October 2010 to £1257 pcm in March 2014 (Figure 30). The LHA for the same property is £258.06 pw or £1073.33 pcm (Figure 81). This differential or ‘gap’ will be made up by the tenant from other income if they wish to sustain their tenancy or by local authorities supplementing rents via Discretionary Housing Payments.
### Figure 82: Change in Housing Benefit Claimants in the Private Rented Sector for Local Authorities in London (Source: DWP)

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>% Change Feb 2013 - Feb 2014</th>
<th>Absolute Change Feb 2013 - Feb 2014</th>
<th>Rolling 12-month Change Jan 2012-Feb 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnet</td>
<td>3.91%</td>
<td>613</td>
<td></td>
</tr>
<tr>
<td>Ealing</td>
<td>3.60%</td>
<td>508</td>
<td></td>
</tr>
<tr>
<td>Redbridge</td>
<td>3.42%</td>
<td>351</td>
<td></td>
</tr>
<tr>
<td>Havering</td>
<td>3.33%</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Harrow</td>
<td>2.85%</td>
<td>282</td>
<td></td>
</tr>
<tr>
<td>Hounslow</td>
<td>2.03%</td>
<td>157</td>
<td></td>
</tr>
<tr>
<td>Barking and Dagenham</td>
<td>1.93%</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Richmond upon Thames</td>
<td>0.80%</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Enfield</td>
<td>0.76%</td>
<td>142</td>
<td></td>
</tr>
<tr>
<td>Sutton</td>
<td>0.37%</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Hillingdon</td>
<td>0.15%</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Brent</td>
<td>-0.44%</td>
<td>-78</td>
<td></td>
</tr>
<tr>
<td>Croydon</td>
<td>-0.76%</td>
<td>-135</td>
<td></td>
</tr>
<tr>
<td>Greenwich</td>
<td>-0.94%</td>
<td>-59</td>
<td></td>
</tr>
<tr>
<td>Bexley</td>
<td>-1.05%</td>
<td>-57</td>
<td></td>
</tr>
<tr>
<td>Newham</td>
<td>-1.34%</td>
<td>-198</td>
<td></td>
</tr>
<tr>
<td>Haringey</td>
<td>-1.63%</td>
<td>-238</td>
<td></td>
</tr>
<tr>
<td>Kingston upon Thames</td>
<td>-1.76%</td>
<td>-70</td>
<td></td>
</tr>
<tr>
<td>Wandsworth</td>
<td>-2.16%</td>
<td>-175</td>
<td></td>
</tr>
<tr>
<td>Hackney</td>
<td>-2.34%</td>
<td>-239</td>
<td></td>
</tr>
<tr>
<td>Tower Hamlets</td>
<td>-2.36%</td>
<td>-121</td>
<td></td>
</tr>
<tr>
<td>Camden</td>
<td>-2.88%</td>
<td>-131</td>
<td></td>
</tr>
<tr>
<td>Bromley</td>
<td>-2.96%</td>
<td>-177</td>
<td></td>
</tr>
<tr>
<td>Lambeth</td>
<td>-3.68%</td>
<td>-320</td>
<td></td>
</tr>
<tr>
<td>Lewisham</td>
<td>-3.71%</td>
<td>-424</td>
<td></td>
</tr>
<tr>
<td>Islington</td>
<td>-3.87%</td>
<td>-143</td>
<td></td>
</tr>
<tr>
<td>Merton</td>
<td>-5.57%</td>
<td>-442</td>
<td></td>
</tr>
<tr>
<td>Waltham Forest</td>
<td>-5.61%</td>
<td>-591</td>
<td></td>
</tr>
<tr>
<td>Kensington and Chelsea</td>
<td>-7.67%</td>
<td>-250</td>
<td></td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
<td>-7.75%</td>
<td>-325</td>
<td></td>
</tr>
<tr>
<td>Southwark</td>
<td>-8.22%</td>
<td>-434</td>
<td></td>
</tr>
<tr>
<td>Westminster</td>
<td>-9.38%</td>
<td>-607</td>
<td></td>
</tr>
<tr>
<td>City of London</td>
<td>-25.45%</td>
<td>-136</td>
<td></td>
</tr>
</tbody>
</table>
When considering London relative to England, it can be seen that London accounts for c.30% of the reduction in claimant numbers 2012-2014. If Outer London boroughs are excluded, Inner London boroughs account for c.20% of all reductions in England. The longer term implications of this are still unknown, but the change highlighted suggests that claimant households are moving out of Inner London.

Figure 83: Change in Housing Benefit Claimants in the Private Rented Sector (Source: DWP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>-1.04%</td>
<td>-15,442</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>-0.98%</td>
<td>-2,754</td>
<td></td>
</tr>
<tr>
<td>Inner London</td>
<td>-3.58%</td>
<td>-3,195</td>
<td></td>
</tr>
<tr>
<td>Outer London</td>
<td>0.20%</td>
<td>389</td>
<td></td>
</tr>
</tbody>
</table>

Since early 2011, the relative change in the percentage of PRS tenants claiming Housing Benefit can be seen below. The most significant change is in Inner London. Arguably, this highlights the impact of Welfare Reform as no other significant change has occurred in the period.

Note: a small number of claimants in some areas generates percentage change that can look more significant due to small base.

Figure 84: Relative Change in Housing Benefit Claimants in the Private Rented Sector in Hackney and London (Source: DWP)
7.49 The downward trend is also seen when rolling change is considered. Here, Hackney has seen a decline in claimants but at slightly lower levels than Inner London.

Figure 85: Rolling 12-month Change in Housing Benefit Claimants in the Private Rented Sector in Hackney and London Jan 2012 – Nov 2013 (Source: DWP)

7.50 If the comparator authorities are considered, Hackney is similar to Lewisham and Lambeth, although the most significant change is in Southwark.
Market Response to Benefit Reform

From fieldwork interviews and media reporting, there is also qualitative evidence to suggest how the market is reacting to Welfare reform:

Supply:

» Some private landlords are withdrawing from the HB PRS sector and have served notice on tenants receiving Housing Benefit

» Landlords are not anticipating reductions in rents

» Some private rent properties may be sold or revert to owner occupation

Demand:

» Increases in homelessness applications or those seeking housing advice may occur as properties are withdrawn from the sector

» Options to move, for example, to smaller or cheaper homes are limited because of low supply

» Affordability may worsen as tenants commit more disposable income to rent

» Redistribution of tenants: there may be a move by HB households out of more expensive rental areas to other, cheaper areas. This can be between authorities within the comparator authorities as well as with others outside

» Arrears levels are rising
Working and Non-Working Households and Housing Benefit

7.52 One issue to note is how Housing Benefit is paid to both working and non-working households. In the Survey, and excluding Child Benefit, 12% of working Households receive benefits, compared to 60% of non-working.

7.53 The total Welfare bill for England is in excess of £160 billion per year of which c.£14 billion is paid in Housing Benefit. Estimates vary, but, broadly, c.£5 billion is paid to working families. Several commentators and the Office for Budget Responsibility are forecasting that this figure will rise until 2018.

7.54 In policy terms, however, reform to Housing Benefit seems likely to increase the pressure on both working and non-working households in the PRS and a different policy response may be needed for each group.

Private Rent Policy Developments

7.55 The challenge of the transformation of large parts of England’s housing stock to private rent has been met in a variety of ways by Government, local authorities and campaign groups.

Local Government Private Rented Sector Strategy

7.56 Local Government Housing strategists have primarily responded to the PRS change in existing stock by seeking to improve management and property standards via licensing or self-regulation schemes.

» Self-regulation by landlords to an agreed standard: a number of organisations and local authorities offer voluntary accreditation schemes. The National Landlords Association runs a nationwide scheme, local landlords associations provide similar schemes. In London the GLA has launched the London Rental Standard which will be administered by landlord organisations and others. However, the professionalism of the sector is often commented upon - the DCLG Private Landlords Survey 2010 showed that only 6% of individual landlords are members of a professional body, compared with 85% of managing agents.

» Licensing schemes: some authorities have introduced or are considering formal licensing schemes. The issues faced by the local authorities differ regionally. The London authorities (e.g. Newham, Enfield) are struggling to deal with high demand which has resulted in overcrowding and use of unauthorised structures (‘beds in sheds’) as well as poor standards of management and maintenance. They also have concern about the rate of decline of owner occupation in relatively lower value areas and the community implications of this transformation. In other parts of England, the challenge is more one of low demand and an oversupply of poor quality housing (e.g. Liverpool).

7.57 In addition, authorities are improving their monitoring of HMO conversion rates. The introduction of Green Deal/Energy Companies Obligation (ECO) in January 2013 has also seen programmes to tackle fuel poverty and improve energy efficiency for eligible PRS households.

7.58 There is no overall regulation of the PRS in England and no legal requirement for landlords and managing agents to belong to a trade association or accreditation scheme. The Government has
stated that it has no intention of introducing regulation (The regulation of private sector letting and managing agents (England) - Commons Library Standard Note, 23 June 2014), pointing instead to existing consumer protection legislation. It has however introduced a number of measures to protect tenants:

» Lettings agents are required to sign up to the redress scheme, effective 1 October 2014, and to publish a full tariff of their fees

» The DCLG has published guidance for local authorities on dealing with rogue landlords and a guide for tenants – ‘How to rent: the checklist for renting’

» The DCLG is consulting on a Tenants Charter and developing a code of practice on the management of PRS property, as well as a model tenancy agreement which is intended for use for longer tenancies

» £4.1 million has been allocated to 23 local authorities to tackle rogue landlords, and £2.6 million to the nine local authorities most affected by ‘beds in sheds’

» Penalties for rogue landlords have been increased, with magistrates now able to take account of a defendant’s assets when sentencing

Further, a Government amendment to the Deregulation Bill will provide tenants with some protection against retaliatory eviction. The Bill passed its final hurdle in the Houses of Parliament on 16 March 2015, and the new protections will come into force later this year.

Landlord bodies in general view regulation as a burden on good landlords and a disincentive to property investment, as well as being of little effect in dealing with ‘bad’ landlords. A report for the Residential Landlords’ Association (The impact of regulation on the private rented sector, April 2014) argues for an overhaul of existing regulation on the basis of a cost benefit analysis.

Campaign bodies such as Shelter have pressed for nationwide registration of landlords. In Scotland such registration has been required since 2006. Provisions for a similar scheme are included in the Housing (Wales) Act 2014.

New Build Private Rented Stock

Government Initiatives for New Build PRS Supply

The Government has wrestled with the challenge of encouraging institutions to invest in new PRS development on a large scale, seeing this as a very attractive solution to the UK’s future housing needs.

The Government established a private rented sector task force in 2013 to encourage and support build-to-let investment and it is developing voluntary standards for landlords.

Some recent initiatives have met with mixed success; the HCA private rented sector initiative (2009) met with limited interest and was dropped. The 2013 Build to Rent Fund with a value of £1 billion was announced in 2013, with a delivery target of 10,000 new homes for rent. A number of schemes have been approved in the south of the UK, although only 17 of the Phase 1 developments costing £300 million will go ahead (Independent, 4 July 2014). The remainder of
the £700 million for Phase 1 will be allocated to Phase 2. Some housing associations and councils in the north of the country have withdrawn from the scheme because low land values and rents make developments unviable.

7.65 Alongside the Build to Rent Fund is a £10 billion debt guarantee scheme offering housing providers a Government guarantee on debt they raise to invest in new privately rented homes. The debt guarantee is designed specifically to attract investment into the private rented sector from fixed-income investors who want a stable, long-term return on investment without exposure to residential property risk.

7.66 It should be noted that any increase in PRS new build delivery targeting lower income households could increase the Housing Benefit bill to Treasury. This may yet act as a brake on building for households in need who would need Housing Benefit support to sustain their tenancy.

7.67 More recently, commentators have indicated that institutional investors are more inclined to develop Private Rented Schemes, especially in London. Alternative investors such as insurance companies and pension funds have been expanding rapidly into property lending over the past couple of years; nearly a quarter of new UK commercial property finance came from non-bank lenders in 2013.

7.68 Such schemes offer high quality accommodation with professional management services and fill a gap in the housing market for households unable to become owner occupiers or access social housing. They are however unlikely to be accessible to low income households.

Local Authority initiatives for New Build PRS Supply

7.69 Several options have been identified whereby councils could enable new PRS supply to come forward, including:

- **Land investment:** A further option is for Government and local authorities to "invest" land they own with private developers or RPs to improve viability on new schemes. However, whether public sector land could be released quickly enough is debateable, given the restrictions public bodies face when selling assets.

- **Financial support:** Councils could offer loan guarantees (similar to the ‘Get Britain Building’ fund) to support larger scale new-build private rented developments. However, again there may be barriers to this.

- **Joint ventures:** The Localism Act 2011 made it easier for local authorities to invest in joint ventures with housing associations, developers, house builders and private investors. However, the Act stipulates that a local authority can only undertake a commercial activity through a limited company. This requirement can restrict the types of vehicles that other tax exempt organisations (such as housing associations or foreign investors) may wish to use when structuring housing development joint ventures. In June 2014 Manchester City Council announced a deal with the Abu Dhabi Group to provide 830 mostly private rented homes.

- **Planning levy:** Councils could use s106 agreements to require developers to include private rented accommodation as a planning requirement. In July 2014 Wandsworth Council used
s106 to include 114 units of private rented housing in a 510 home development, as well as 76 units of affordable housing. The private housing is to be let on 5 year tenancies.

Registered Providers Initiatives for New Build PRS Supply

RPs are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale, particularly in response to the Build to Rent fund, although these developments are primarily in the south of the UK.

» **RPs delivering new PRS homes:** A recent Resolution Foundation report (Making Institutional Investment in the Private Rent Sector Work, 2012) recognised that new build-to-let RPs could be a delivery vehicle, developing homes and selling on, while possibly retaining management. Sale and leaseback arrangements are also possible although this seems to attract regulatory concern. For example, in March 2014 L&G Retirement announced a deal with Places for People to provide 7,000 homes including some private rented housing, which would be leased to the housing association on a 50 year lease. However, recently, Notting Hill Housing Group announced withdrawal from New Build PRS citing viability issues (July 2014).

» **RP portfolios from existing stock:** Several larger RPs have entered the sector. London & Quadrant is looking at spending £250 million on a 1,000-home PRS portfolio, with institutional investor backing. Home Group bought a PRS management company in 2012 and has had a PRS subsidiary since 1999. Places for People recently acquired a portfolio of 925 private rented homes and seems set to expand this further. Arguably, these initiatives are focused on relatively high value and/or high yield areas.

Local Enterprise Partnerships (LEPs)

The Autumn Statement 2012 increased the proportion of spending which is awarded through a single funding pot to LEPs from April 2015. Any funding for housing, however, has to compete with other priorities e.g. skills, growth and getting people into work.

Potentially, LEPs could enable new PRS housing delivery and some attempts have been made in this regard to increase supply. For example, the Sheffield City Region LEP considered (2013) how to bring in up to £100 million of institutional investment to boost their PRS. In 2014 the New Anglia LEP secured £173.3 million from the Government’s Local Growth Fund. The deal is intended to bring forward additional investment of at least £120 million from local partners and the private sector and is projected to create 6,000 jobs and facilitate the building of 900 homes.

Other Barriers

While new build PRS may be attractive in some areas, there are barriers that have historically restricted supply and these still offer a challenge to new schemes:

» **Tax:** for investment institutions, commercial property enjoys tax advantages over residential in terms of stamp duty, capital gains and VAT. If new PRS is to come forward, it seems likely that this imbalance will need to be remedied by Government.
Guarantees that new build PRS will remain in the sector: Montague identified that any reduced obligations must be backed by guarantees that homes will be available for private rent in the longer term rather than being sold on.

The English Housing Survey 2012-13 identified that the number of households renting from a private landlord (4 million) has now overtaken the number renting from a council or housing association (3.6 million). This growth is to a large extent a result of the conversion of existing privately owned stock to private rent, either as family dwellings or as Houses in Multiple Occupation (HMO); new build supply of PRS is at much lower levels.

Housing for Older People

The UK’s ageing population

The UK faces a significant challenge as people live longer. ‘Living Well At Home - 2011’ (All Party Parliamentary Group on Housing and Care For Older People) identified that the older population will grow from 10.1m to 16.7m by 2036 for the over 65s, and from 1.3m to 3.3m by 2033 for the over 85s.

National Planning Policy Framework

The National Planning and Policy Framework Paragraph 159 says ‘the Local planning authorities should have a clear understanding of housing needs in their area’ and that this need for ‘all types of housing’ should include ‘Older People’.

In addition, the Framework contains a useful definition of older people in its glossary:

“People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs”.

In addition, in ‘Laying the Foundations – A Housing Strategy for England’ (HM Government 2011), local authorities are encouraged to make provision for a wide range of housing types across all tenures, including accessible and adaptable general needs retirement housing, and specialised housing options including sheltered and Extra Care Housing.

Connecting Health and Social Care with Housing and Planning

Both Health and Adult Social Care are currently undergoing significant reform. The Health & Social Care Act 2012 initiated Health reforms and established Adult Health and Well Being Boards and Clinical Commissioning Groups. The Care Act 2012 (regarding future arrangements for care and support) received Royal Assent in May 2014.

The Care Act 2014 specifies that the Social Care needs of the local population should involve housing and planning. The consultation (Care Act 2014: How should local authorities deliver the care and support reforms?) noted that:
“The Act is clear that provision of suitable accommodation can be an integral part of care and support, and provides flexibility for local authorities to arrange different types of accommodation to meet a person’s care and support needs.”

However, it also stresses that there is no change to the relationship between housing and care:

“The Act is not intended to change the current boundary between what the local authority may provide under housing provisions and what it required to provide under care and support provision.”

7.81 The consultation document 15 on the Care Act; “Integration, cooperation and partnerships” makes multiple references to housing, noting that; “Housing is an integral part of the health and care system and a local authority’s responsibility for care and support”, but specifies the separate duties of housing and social care:

“Where housing legislation requires housing services to be provided, then a local authority must provide those services under that housing legislation. Where housing forms part of a person’s need for care and support and is not required to be provided under housing legislation, then a local authority may provide those types of support as part of the care and support package under this Act”

Older People’s Population

7.82 Figure 87 shows the age profile of older people in the area relative to comparator authorities. The proportion of older people aged 65+ has declined in Hackney between 2001 and 2011, relative to other ages. This is a similar pattern to comparator authorities. The total population aged 65 and over dropped from 19,000 in the 2001 Census to 17,300 in the 2011 Census, with the population aged 75 and over dropping from 8,600 in 2001 to 7,600 in 2011 (figures rounded to the nearest hundred).
Figure 87: Age Profiles for Older Persons in Hackney Compared with Comparator Authorities and England (Source: UK Census of Population 2011)

Figure 88 shows the longer term change in the older person population of Hackney. We would note that definitions of when someone becomes an older person vary for different sources, so a range of ages are used throughout this section.

The population aged 60-74 years has declined since 1981 to around 2006 with a small increase seen in recent years. The population aged over 85 years rose until around 1998 where there was a decline before levelling off in recent years. This rise between 1981 and 1998 is likely to have been due to young households moving to Hackney in the immediate post war years.
Figure 88: Population by Age Group: 1981-2013 (Source: ONS Mid-Year Population Estimates)

Figure 89: Pension Claimants in Hackney by Age 2003-2014 (Source: Department of Work and Pensions)

7.85 Figure 89 shows the age profile of state pension claimants in Hackney 2003-14. State pensions are claimed by the overwhelming majority of the older people.

7.86 Overall there has been very little change in the numbers claiming state pension with a rise of around 1.5% between 2003 and 2014. However, there has been pronounced rise in those aged 85+ years of around 20.1%.
Older People’s Current Housing Circumstances

The household survey indicated that there are significant differences between older and non-older households in their housing tenure (Figure 90). Over 15% of ‘All older’ households own their home outright and over 65% are renting in the social sector. Households with no older members are more likely to be renting in the private sector.

Figure 90: Tenure by Age Group (Source: Hackney Housing Needs Survey 2014)

7.87 Figure 91 demonstrates how income varies by age group; it can be seen that households where all members are older have the lowest levels of incomes of all groups with almost 79% having incomes of less than £10,000 while those with no older members have the highest levels of income; almost 39% have incomes over £30,000 – only 2.1% of All Older households have this level of income.

Figure 91: Income by Age Group (Source: Hackney Housing Needs Survey 2014)

11 Older People are defined in the NPPF Glossary as; “People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.”
When Income is considered by tenure of Older People, it shows that those with higher income are more likely to be in owned properties while lower incomes are more likely in rented property with many households in private rent as well as public tenures. A significant proportion (45%) of those with income under £5,000 own their home.

Figure 92: Older People Income by Tenure (Source: Hackney Housing Needs Survey 2014)

Health Problems

The household survey indicated that 39% of all older households and 43% of households which contain some older members have at least one member suffering from a self-reported health problem (Figure 93). This compares with 15% of households which have no older members.

Figure 93: Percentage of Households with Health Problems (long-term Illness, Disability or Infirmity by older person Household (Source: Hackney Housing Needs Survey 2014)
The perception of Health has some correlation with Tenure. Poor health is concentrated in rented stock, particularly from the Council or HA. Good health is more prevalent in Owned properties.

Figure 94: Perception of Health (Aged 65+) by Tenure (Source: Hackney Housing Needs Survey 2014)

Older People: Survey Summary

Key issues to highlight from the Household Survey include:

- Tenure: Over 15% of ‘All older’ households own their home outright and over 65% are renting in the social sector. Households with no older members are more likely to be renting in the private sector.

- Incomes: ‘All older’ households have the lowest levels of incomes of all groups with almost 79% having incomes of less than £10,000 while ‘None older’ have the highest levels of income; almost 39% have incomes over £30,000 – only 2.1% of All Older household have this level of income.

- Health issues: 39% of all older households and 44% of households which contain some older members have at least one member suffering from a self-reported health problem (Figure 93). This compares with 16% of households which have no older members.

Modelling Older People’s Housing Requirements

There are a range of models used to calculate specialist housing requirements, usually based on a people to property ratio, to which a forecast population is applied. These models also highlight the benefits of specialist housing and encourage planners to join up housing, planning and social care policies.

Two key examples are:

- More Choice, Greater Voice (CLG, Housing LIN, Care Services Improvement Partnership - 2008)
7.95 The ratios have matured over time (see below) in different models over time:

![Figure 95: Benchmark Figures for Specialist Accommodation](image)

<table>
<thead>
<tr>
<th></th>
<th>‘More Choice, Greater Voice’ 2008</th>
<th>Section A Strategic Housing for Older People Resource Pack (Housing LIN, ADASS, IPC) 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Places per 1,000 people aged 75+</td>
<td>Tenure split</td>
</tr>
<tr>
<td>Extra care</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Supported housing</td>
<td>125</td>
<td>50 rent 75 sale</td>
</tr>
<tr>
<td>Sheltered ‘plus’ or ‘Enhanced’ Sheltered</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Dementia</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Leasehold Scheme for the Elderly (LSE)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Modelling Future Requirements**

7.96 NPPG says that:

> ‘The future need for older persons housing broken down by tenure and type e.g. sheltered, enhanced sheltered, extra care and registered care can be obtained from a number of online tool kits provided by the sector’.

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7.97 The specialist housing requirements for Hackney have been modelled using the Housing LIN 2012 ratios. This secondary data based model was developed from various sources (EAC, POPPi and Census) in 2012 by a partnership which included Suffolk and Essex County Councils, Elderly Accommodation Council (EAC), and the Housing Learning and Information Network (Housing LIN).

7.98 The Housing LIN approach takes population forecasts and applies certain factors and assumptions about how any gross population projections may be constrained by various factors:

» Older people who may wish to downsize to smaller accommodation.

» Life expectancy of older people.

» The need for alternative accommodation such as registered Care or Nursing Homes.

7.99 There are other factors which Housing LIN does not incorporate but which can also have an impact on modelling assumptions. These should be noted when considering the outputs from using the Housing LIN model:

» Drivers of the growth in older population: the increase in the projected population of older people is often driven by health and environmental factors (e.g. better diet, improvements in medicine, smoking cessation etc) to extend life expectancy.
Therefore, the relative health of older people in 2001 or 2011 is unlikely to be representative of people of the same age by 2031.

» Impact of ‘at home’ adult care and support services in reducing the requirement for specialist accommodation: the move to support people in their own homes for as long as possible may reduce the need for specialist accommodation over time.

» Propensity of older people to move into specialist accommodation: older people with a physical dependency may need to move, or express a desire to move, to specialist accommodation, but many will actually refuse to do so when opportunities are presented to them.

» Population forecasts may overstate the number requiring specialist accommodation as many households will contain more than one older person: effectively, the population numbers will be higher than household numbers.

» Only rented and owner occupation tenures are considered in the Housing LIN model, not intermediate tenures.

» Non-aspirational moves, which occur when people have to move (e.g. in a ‘crisis’ situation), are not included.

Nevertheless, the Housing LIN Model ratios offer a useful starting point to begin the modelling of housing requirements for older people.

**Older People - Population Forecast**

Population projections show that the population of older people in Hackney is likely to increase between 2011 and 2037.

*Figure 96: Older people aged 75+ Population Growth Projections 2012-2037 (Source: GLA)*
The impact of the growth in the population aged 75+ can be seen below. The 75+ population is forecast to increase to 3.6% of the population by 2037. This is relatively similarly to comparator authorities. However, outer Boroughs (e.g. Sutton, Greenwich) will see higher older population growth.

Figure 97: Older People aged 75+ Population Growth Projections to 2025

<table>
<thead>
<tr>
<th>Area</th>
<th>Year</th>
<th>Population aged 75 and over</th>
<th>Percentage of pop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney (2025)</td>
<td>2012</td>
<td>8,000</td>
<td>3.2%</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>10,500</td>
<td>3.6%</td>
</tr>
<tr>
<td>Haringey (2025)</td>
<td>2012</td>
<td>10,200</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>13,200</td>
<td>4.5%</td>
</tr>
<tr>
<td>Islington (2025)</td>
<td>2012</td>
<td>8,300</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>10,000</td>
<td>4.1%</td>
</tr>
<tr>
<td>Lambeth (2025)</td>
<td>2012</td>
<td>10,900</td>
<td>3.5%</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>13,300</td>
<td>3.8%</td>
</tr>
<tr>
<td>Southwark (2025)</td>
<td>2012</td>
<td>10,500</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>12,500</td>
<td>3.8%</td>
</tr>
<tr>
<td>Tower Hamlets (2025)</td>
<td>2012</td>
<td>7,600</td>
<td>2.9%</td>
</tr>
<tr>
<td></td>
<td>2025</td>
<td>8,400</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Based on the growth in population aged 75+ identified across the population projection scenarios, the potential gross requirement of specialist housing is shown below (based on Housing Lin Older People Resource Pack 2012), together with the average 5 year need (to set this in the context of potential schemes rather than units).
Figure 98: Implications of Older People Resource Pack Ratios based on Population Projection Scenarios (Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Area</th>
<th>Extra Care</th>
<th>Enhanced Sheltered</th>
<th>Dementia</th>
<th>Leasehold Scheme for the Elderly</th>
<th>All Types</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS REQUIREMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hackney (2025)</td>
<td>470</td>
<td>210</td>
<td>60</td>
<td>1,260</td>
<td>2,010</td>
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<tr>
<td>Haringey (2025)</td>
<td>590</td>
<td>260</td>
<td>80</td>
<td>1,580</td>
<td>2,520</td>
</tr>
<tr>
<td>Islington (2025)</td>
<td>450</td>
<td>200</td>
<td>60</td>
<td>1,200</td>
<td>1,910</td>
</tr>
<tr>
<td>Lambeth (2025)</td>
<td>600</td>
<td>270</td>
<td>80</td>
<td>1,590</td>
<td>2,540</td>
</tr>
<tr>
<td>Southwark (2025)</td>
<td>560</td>
<td>250</td>
<td>70</td>
<td>1,490</td>
<td>2,380</td>
</tr>
<tr>
<td>Tower Hamlets (2025)</td>
<td>380</td>
<td>170</td>
<td>50</td>
<td>1,010</td>
<td>1,610</td>
</tr>
<tr>
<td><strong>5 Year Requirement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hackney (2025)</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>120</td>
<td>190</td>
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<tr>
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<td>10</td>
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<tr>
<td>Islington (2025)</td>
<td>30</td>
<td>10</td>
<td>0</td>
<td>80</td>
<td>120</td>
</tr>
<tr>
<td>Lambeth (2025)</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>110</td>
<td>180</td>
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<td>90</td>
<td>150</td>
</tr>
<tr>
<td>Tower Hamlets (2025)</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>40</td>
<td>60</td>
</tr>
</tbody>
</table>

7.104 However, please note these gross requirements are subject to consideration of existing supply and the various risk issues regarding demand set out earlier in this section.

7.105 It is also important to recognise the growth of population aged 75 or over living in communal establishments when considering the OAN for housing. Planning Practice Guidance for Housing and Economic Land Availability Assessment Paragraph: 037 states the following in relation to calculating land supply:

**How should local planning authorities deal with housing for older people?**

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance for Housing and Economic Land Availability Assessment 2014, paragraph 37

7.106 Households needing Class C2 usage would be considered as part of the communal establishment population and therefore any people living in this type of accommodation would not be included in the household projections. The projections identify a growth of 75 persons aged over 75 years living in communal housing over the 20-year period 2012-37 (based on central-trend migration), this represents an increased need for Class C2 usage dwellings as each person would require a bedspace.
On this basis, if the Council intend to count the supply of additional C2 bedspaces towards their overall housing delivery, it is also necessary to count this increase in communal establishment population aged 75 or over as an additional component within the assessed OAN. However, if C2 units are not counted as part of the supply, then OAN would not include this growth.

Other Housing Options for Older People

There are a range of market and subsidised housing options for older people. However, these are not the only ones sought by, or aspired to, by older people. Other options include bungalows (both un-adapted and adapted) as well as more bespoke solutions such as ‘granny flats’ or annexes to a family home. However, it is important to consider these additional options in terms of what is needed to meet housing need, and what is needed to meet aspiration.

‘It is important to distinguish between housing needs and housing aspirations. The former relates to requirements while the latter relates to an individual’s preferences and the manner in which an individual’s needs are met can be by a range of ‘preferred’ options. Having said that, much research has acknowledged that people’s aspirations are largely influenced by their assessment of what is available to meet their particular needs.’

(A Qualitative Assessment of the Housing Needs and Aspirations of Older People in Leicestershire Report for Leicester and Leicestershire Housing Market Area Partnership (HMA) 2010; University of Salford)

Generally, older people’s aspirations are a mix of property issues (tenure, property type, having a second bedroom), as well as personal (a reluctance to move to sheltered accommodation, support services location and proximity to other amenities). However, it should be noted that any decision to move is complex and subject to a range of issues relating to age and infirmity, relative affluence, current home, current neighbourhood and family. Older people are not a homogenous group and will continue to differentiate into a diverse series of aspirations in future years.

Further, there is a need to consider the differences in aspiration amongst older people in both urban and rural areas. For example, rural ‘demand for supported housing schemes in villages is limited’ (Housing aspirations of older people living in rural Devon – Devon Rural Housing Partnership 2011).

For more general delivery by the market, developers already have established methodologies for assessing demand and viability before seeking to develop. In terms of demand, new bespoke retirement housing which uses the equity older people may have in their current home are already well established, and continue to expand their range of services into personal care and assisted living.

Given that policy is currently focussed on supporting older people in their existing home, there has been consideration of equity release schemes and what is possible. In ‘Aspiration Age: Delivering capital solutions to promote greater choice and independence for older people’ (I&GP Project - One Housing 2010), the research highlighted older people’s interest in equity release
schemes although it recognised that this is still a complex area despite private sector products being currently available:

» The current market is underdeveloped: no existing commercial or non-commercial equity products fully meet the ‘ideal equity release product’ brief and the market for outright sale extra care housing is very immature.

» Viability is a concern: access to land at below market rates is needed to make shared ownership extra care housing schemes viable in areas where land value is higher.

» Staircasing down to release equity provides a potential alternative for funding care and support in specialist retirement housing, but no commercial products are currently available.

» Registered providers could play an enhanced role through equity swap, buying back to rent and buying back to shared ownership.

7.113 Other market or aspiration solutions include ‘granny flats’ or annexes to existing family homes. These may become more attractive to families as a result of interaction of market changes, the ageing population, individual aspiration and increased multi-generational living. Recent policy initiatives to relax planning requirements on single storey extensions may have an impact.

7.114 For housing need, bungalows or ‘granny flats/annexes’ could be considered as part of overall housing requirements. These can either meet needs directly (via new supply) or indirectly (by providing, for example, bungalows for older people, thereby freeing up family homes elsewhere). However, when considering meeting needs with new supply, these should ideally be delivered in alignment with wider commissioning strategies of Adult and Social Care strategies for older people.

7.115 Overall, innovations in housing options (for all tenures) for older people seem likely as the population profile ages. While recognising the difference between aspiration and requirement, and the relatively immature nature of the current market, it seems likely that the established specialised options will continue to be the preferred offer of the specialist sector (both affordable and market). However, there may be a role for Local Authorities, in their enabling role, to consider bespoke local solutions.

Planning Policy and Older People

7.116 The House of Lords Select Committee on Public Service and Demographic Change produced the report “Ready for Ageing” (2013). The report concentrated on care at home, and funding and providing adaptations, including the role of Home Improvement Agencies, but included a short section on the wider housing needs of older people, particularly for some form of “retirement housing”. The report states that there is a need to improve the market for older people’s housing options, starting with planning for older people:

“Central and local government, housing associations and house builders need urgently to plan how to ensure that the housing needs of the older population are better addressed and to give as much priority to promoting an adequate market and social housing for older people as is given to housing for younger people.”
“Other services such as urban planning, banking and product design will need to adjust to an older population and an older consumer base...”

7.117 The report makes the case for increased building of “specialist housing” for older people:

“Despite growing demand for specialist housing and the substantial wealth held by some older people, there is a gap in the market. There are just 106,000 units of specialist housing for home ownership and 400,000 units for rent in the UK as a whole. In 2010, just 6,000 units for rent and 1,000 for ownership were built, whereas in 1989, 17,500 units for rent were built as well as 13,000 for ownership. These figures do not compare well with other countries. Shelter noted that if demand for retirement housing remained constant, supply would have to increase by more than 70% in the next 20 years.”

Planning Policy

7.118 ‘Housing in later life: planning ahead for specialist housing for older people’ (2012) contains detailed advice in Chapter 6 regarding ‘tools to help officers plan for this form of housing in their local policies and strategies’ and headlines are given below:

» Incorporate specialist housing for older people into local plans
   – Planners: Seek to include policies that encourage the delivery of specialist housing for older people where the need is identified, in their local plans.
   – Adult social care officers: Look to work with officers compiling local plans to join up thinking about remodelling existing specialist housing for older people across local and neighbourhood plans.

» Local strategies for older people
   – Planners: Engage with providers and older people at an early stage to produce Supplementary Planning Documents that reflects the needs illustrated in the local authority’s housing and accommodation strategy for older people.

» Connect health and social care strategies with housing and planning
   – Help to ensure that the JSNA and the Health and Well-being Boards link with the objectives of planning and housing.
   – Seek cross-departmental agreement and support between housing, health and planning on procurement, asset management and any land disposals to meet the strategic needs of the local authority.

Example Policy Wording for Local Plans

7.119 ‘Housing in later life: planning ahead for specialist housing for older people’ (2012) also contains a suggested policy wording for Local Plans:

Excerpt Chapter 6: Housing in Later Life
‘No one planning approach will be appropriate for all areas, but the following provides an example policy wording that could be included in a local plan where a need for specialist housing has been identified:

“The Council will encourage the provision of specialist housing for older people across all tenures in sustainable locations.

“The Council aims to ensure that older people are able to secure and sustain their independence in a home appropriate to their circumstances and to actively encourage developers to build new homes to the ‘Lifetime Homes’ standard so that they can be readily adapted to meet the needs of those with disabilities and the elderly as well as assisting independent living at home.

“The Council will, through the identification of sites, allowing for windfall developments, and/or granting of planning consents in sustainable locations, provide for the development of retirement accommodation, residential care homes, close care, Extra Care and assisted care housing
Households with Specific Needs

Survey

Figure 99 shows Survey results that, of the household members with a health problem, 56% were able to care for themselves and the remaining 35% (5,620) needed some form of care or support.

Figure 99: Care Needs of Households with 1+ Members Experiencing Health Problems (Source: Hackney Housing Needs Survey 2014)

Of the 20% of households which contained someone who had a health problem 33% felt that their health problem affected their housing requirements. Of these households, only around 8% own their own home and are therefore responsible for their own adaptations; however over half (55%) rent from the council and over 3 in 10 rent from a housing association or RSL.

Figure 100: Tenure of Households with 1+ Members Experiencing Health Problems and Feel that their Health Problem Affects their Housing Requirements (Source: Hackney Housing Needs Survey 2014)

Of those who do have special housing requirements, 64% felt that their requirements were already met by their current home or their current home could be adapted, which implies that 36% of
households felt that their homes were not currently adequately adjusted to the health problems of household members. This represents around 3% of all households in Hackney.

Housing Problems and Required Adaptations

7.122 Of households who lived in homes where there could be physical adaptations, the majority would like to have bathroom adaptations, handrail/grab rails and kitchen adaptations.

Figure 101: Nature of Adaptations Required for Households with 1+ Persons with Health Problems and Where Their Current Home Required at Least One Adaptation (Source: Hackney Housing Needs Survey 2014)

People with Support Needs: Survey Summary

7.123 20,340 households in Hackney contained at least one person with health problems. This represents around 20% of all households. It should be noted that some of the households contained more than one individual with health issues. The main problems identified were conditions which substantially limit one or more physical functions and mental health problems.

7.124 Of household members with a health problem, 56% were able to care for themselves and the remaining 44% (5,620) needed some form of care or support.

7.125 Of the 20% of households which contained someone who had a health problem 33% felt that their health problem affected their housing requirements. Of these households, only around 8% own their own home and are therefore responsible for their own adaptations; however over half (55%) rent from the council and over 3 in 10 rent from a housing association or RSL.

7.126 Of those who do have special housing requirements, 64% felt that their requirements were already met by their current home or their current home could be adapted, which implies that 36% of households felt that their homes were not currently adequately adjusted to the health problems of household members. This represents around 3% of all households in Hackney.

7.127 Of households who lived in homes where there could be physical adaptations, the majority would like to have bathroom adaptations, handrail/grab rails and kitchen adaptations.
Hackney may wish to consider these housing aspirations further and thereby develop a suite of responses that will support people in their own home. In addition, and given the level of support needs in the Borough, new supply which is wheelchair accessible and/or adaptable may be important.

Applications for Disabled Facilities Grants

Applications for Disabled Facilities Grants (or DFGs) began an upward trend in 2004-05.

Figure 102: Trends in applications for Disabled Facilities Grants (Source: HSSA to 2009/10 and Local Authority records)

Attendance Allowance/Disability Living Allowance/Limiting Long Term Illness

This section considers potential future housing demand from disabled people by looking at Attendance Allowance/Disabled Living Allowance (DLA)/Limiting Long Term Illness

Personal Independence Payments (PIP) are gradually replacing Disability Living Allowance (DLA) from April 2013. PIP/DLA is awarded to people under 65 years old who incur extra costs due to disability. Once awarded, this continues without an age limit, as long as applicants satisfy either the care or the mobility conditions. DLA Higher Mobility Component (HMC) is awarded when applicants have ‘other, more severe, walking difficulty’ above the Lower Mobility Component (which is for supervision outdoors).
The numbers claiming Attendance Allowance has remained relatively consistent since 1996, including for the higher rate Allowance. This may not show the full level of need as the growth in the population of older people implies growing levels of attendance need.
Hackney has a lower percentage of people with limiting long-term illness (14.5%) than all comparators except Lambeth.

7.133

Figure 105: Limiting Long-term Illness Rates by Severity (Source: UK Census of Population 2011)
Future Needs

7.134 Whilst it is important for SHMAs to consider the support needs of disabled people in terms of the housing requirement, it is necessary for this to be within the context of their support needs more generally. Figure 106 sets out the growth in Vulnerable and Older People’s needs over the 10-year period 2011-21 based on estimates from the Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit.

Figure 106: Estimates of Vulnerable and Older People Needs in Hackney 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Estimated Number of People</th>
<th>Change 2011-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2021</td>
</tr>
<tr>
<td>People aged under 18 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teenage parents</td>
<td>512</td>
<td>451</td>
</tr>
<tr>
<td>Young people aged 16-17</td>
<td>38</td>
<td>34</td>
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<tr>
<td>People aged 18-64 in need</td>
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<td></td>
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<tr>
<td>Alcohol misuse</td>
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<td>1121</td>
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<td>Learning disabilities</td>
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<td>505</td>
</tr>
<tr>
<td>Mental health problems</td>
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<td>1348</td>
</tr>
<tr>
<td>Offenders</td>
<td>748</td>
<td>803</td>
</tr>
<tr>
<td>Moderate physical or sensory</td>
<td>264</td>
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<td>Serious physical or sensory</td>
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<td>79</td>
</tr>
<tr>
<td>disability</td>
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<td></td>
</tr>
<tr>
<td>Refugees</td>
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<td>47</td>
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<tr>
<td>Rough sleepers</td>
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<td>16</td>
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<tr>
<td>Single homeless with support needs</td>
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<tr>
<td>People aged 65+ in need</td>
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<tr>
<td>Frail elderly</td>
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<td>486</td>
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<tr>
<td>Older people with mental health</td>
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<td>804</td>
</tr>
<tr>
<td>needs</td>
<td></td>
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</tr>
<tr>
<td>Older people with support needs</td>
<td>2178</td>
<td>2644</td>
</tr>
</tbody>
</table>

Other groups

7.135 NPPF states that ‘Local planning authorities should have a clear understanding of housing needs in their area’ (paragraph 159) and highlights particular groups. These have been considered elsewhere in this SHMA but there are two remaining groups to consider in this chapter: service families and those wishing to build their own homes.
‘To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);’

NPPF Paragraph 50

Service Families

7.136 Britain’s Armed Forces are changing; the 2010 Strategic Defence and Security Review (2010) introduced reductions in the number of service personnel, with further reductions announced in 2012:

» Army: Personnel to be reduced by 7,000 to 95,500 by 2015 (now 82,000 by 2015 following additional Defence statement 2012)
» Air Force: Personnel to be reduced by 5,000 to 33,000 in 2020
» Navy: Personnel to be reduced by 5,000 to 30,000 in 2020

7.137 The British Forces presence in Germany is also scheduled to end by 2020. In 2012 there were 21,500 British soldiers in Germany, with families and civilian staff the total number of people is around 40,000.

7.138 The number of personnel leaving the Services and the redeployment from Germany might mean increased demand for housing in local markets.

Housing Members of the Armed Forces

7.139 The Government made a commitment towards housing members of the armed forces in the Armed Forces Covenant (2011) and ‘Laying the Foundations: A Housing Strategy for England 2011’ (HM Government). Subsequently, in June 2012, the Government revised Guidance regarding priority for access to social housing for former members of the armed forces above that offered to other people in housing need. In addition, following consultation, the Government brought into force The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012 and the Housing Act 1996 (Additional Preference for Former Armed Forces Personnel) (England) Regulations 2012 which have strengthened the position of some armed forces personnel in seeking to access social housing (the regulations are considered further below).

7.140 Further, whereas Local authorities have been expected to give seriously injured service personnel “additional preference” (higher priority) for the allocation of social housing since 2009, this ‘additional preference’ should now be given to applications from certain serving and ex-members of the armed forces who come within the reasonable preference categories defined in sub-section 166A (3) of the 1996 Housing Act and who have urgent housing needs.
Adapted Social Housing for Injured Services Personnel

7.141 Mandatory disabled facilities grants (DFGs) are available from local authorities, subject to a means test, for essential adaptations to give disabled people better mobility at home and access to essential facilities. The Nation’s Commitment: Cross Government Support to our Armed Forces, their Families and Veterans (July 2008) made it clear that injured service personnel who bought a home through what was then the Key Worker Living Scheme might be eligible for a DFG to carry out necessary adaptation work.

Affordable Housing Schemes for Services Personnel

7.142 There are a number of housing schemes available to the Service and ex-Service community in England as well as other prospective purchasers. Similar schemes are available in Scotland, Wales and Northern Ireland.

- HomeBuy is a shared ownership scheme that aims to help people on low or moderate incomes to buy a share of a home. In London it is known as First Steps
- HomeBuy Direct Equity Loan scheme, aimed at those on low or moderate incomes, which provides an interest free loan of up to 30% of the purchase price
- Help to Buy offers equity loans to first time buyers and home movers on new-build homes priced at up to £600,000, with no income qualification.
- Help to Buy mortgage guarantees are open to first time buyers and home movers with a deposit of 5% of the purchase price, available for new-build and older homes with a purchase price up to £600,000.
- NewBuy offers a mortgage of up to 95% on new build properties to first time buyers and home movers who only have a small deposit.

7.143 In April 2014 the Ministry of Defence (MOD) launched a new Forces Help to Buy scheme aimed at helping regular service personnel and their families with the cost of buying a home. It allows for an interest free loan of up to 50% of salary, capped at £25,000, repayable over 10 years. This pilot scheme has funding or over £200 million available to be allocated over three years.

7.144 In addition, the MOD Referral Scheme with Housing Associations in about 180 locations aims to provide low-cost, rented accommodation for people coming out of the Services. Through this scheme the housing associations offering referrals are able to help people who otherwise might have problems being prioritised high enough to have a realistic chance of being housed by local authorities, that is, those who have difficulty proving a local connection, couples with no children and single people.

Veterans’ Accommodation Fund

7.145 The Autumn Statement 2013 included an announcement that up to £100 million would be made available to support Service and other charities. The MOD has been allocated £40 million to support projects which provide accommodation for veterans; the fund will only be open in 2014.

7.146 The fund invited bids from charities and non-profit organisations for projects to support veterans in housing need, including those who are homeless, those who are wounded, injured and sick,
and those with a long term care need. Projects may be new build, including extensions to existing properties, property purchase or refurbishment.

Service Personnel

The number of service personnel living in Hackney is relatively modest (similar to comparator authorities).

Figure 107: Armed Forces living in Hackney (Source: Census 2011)

<table>
<thead>
<tr>
<th>Residence Type</th>
<th>Hackney</th>
<th>Southwark</th>
<th>Lambeth</th>
<th>Haringey</th>
<th>Islington</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lives in a household</td>
<td>36</td>
<td>140</td>
<td>170</td>
<td>38</td>
<td>73</td>
</tr>
<tr>
<td>Lives in a communal establishment</td>
<td>0</td>
<td>6</td>
<td>20</td>
<td>12</td>
<td>2</td>
</tr>
</tbody>
</table>

Overall

We do not expect increased demand for housing in the HMA as a result of overall service personnel reductions. However, there may be an increase in obligation towards housing armed forces personnel as a result of the changes to allocation of affordable and social housing which may necessitate a response that includes maximising options under Allocations Policies as well as HomeBuy options.

Those Wanting to Build Their Own Homes

NPPG says that:

‘The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option.’

NPPG Paragraph 21 Page 18

In the first quarter of 2013, figures reported by the online magazine Homebuilding and Renovating showed that only 7% of new homes in Britain (12,000 homes) were self-built, although when only detached housing completions were included this figure rose to 26%. Self-build is more popular elsewhere in Europe; in France for example, the figure is 38%, and in Hungary over 50%. A survey of 2,051 UK consumers commissioned by the Building Societies Association in 2011 found that 53% would consider building their own home either directly or using the services of architects and contractors, although this figure may conflate aspiration with effective market demand.

In Laying the Foundations – a Housing Strategy for England (2011), the Government redefined self-build as Custom Build and set out its aspiration to double the size of this market, creating up to 100,000 additional homes over the next decade. It noted that ‘The custom-build sector is important for our national economy. It is worth approximately £3.6bn a year, safeguarding and creating new jobs, strengthening the construction supply chain and making a real contribution to local economies’. The Government pledged to:
Ask councils to establish demand for Custom Build Housing and take steps to facilitate it
Maximise opportunities for custom builders to access land released by central Government’s public land disposals programme, where possible using the Build Now, Pay Later model
Establish a One Stop Shop for advice and support for would-be custom home builders
Appoint a Custom Homes champion

7.152 In May 2012 a Self Build Portal run by the National Custom and Self Build Association (NCaSBA) was announced.

7.153 The Government also announced up to £30m of funding available via the Customer Build programme (administered by the HCA) to provide short-term project finance to help unlock group custom build or self-build schemes. The fund can be used to cover eligible costs such as land acquisition, site preparation, infrastructure, S106 planning obligations etc. and is available to organisations planning to build five or more homes at a total cost of up to £3 million. However, the first loan under the Custom Build programme was only made in February 2013.

7.154 During 2013 the Government announced that £65 million would be available from the Affordable Homes Guarantee Fund for self-builders who provide affordable homes. Also announced was a relaxation of the rules for support funding under the Community Right to Build, with £14 million available over the next two years.

7.155 The Government announced further measures in the 2014 Budget designed to encourage people to build their own homes, including the £150 million Custom Build Serviced Plot Loan Fund to help make available 10,000 ‘shovel ready’ sites with planning permission. This replaces the £30 million Custom Build Investment Fund which is due to expire in 2015. Government is also investigating whether to make the Help to Buy equity loan scheme available for custom build and intends to consult on creating a new ‘Right to Build’ giving custom builders a legal right to a suitable plot from councils.

7.156 Research into the self-build market is limited, however, the Joseph Rowntree Foundation report ‘The current state of the self-build housing market (2001)’ showed how the sector had changed in recent years, principally, the shift from self-build by those who cannot afford mainstream housing/ ineligible for social housing to those who want an individual property or a particular location.

7.157 Home Builders Federation (2010) said “everyone likes the idea of self-build but it probably won’t make a big contribution to supply in the next few years”.

7.158 The attractiveness of self-build is the reduced costs; the average self-build house in the UK costs c.60% of its final value, as self-builders cut out the certain developer costs, principally labour.

Barriers to the Expansion of the Self-Build Market

7.159 The 2013 report from the University of York (Build-it-yourself? Understanding the changing landscape of the UK self-build market) set out the main challenges to self-build projects, and makes a number of recommendations for establishing self-build as a significant contributor to housing supply.
The barriers to self-build have previously been thought to be access to land and planning permission. The study showed that most respondents found planning straightforward, although onerous and costly conditions were occasionally imposed. The main obstacle found by the study was the availability of finance.

**Mortgage finance:** Over half of current individual self-builders release equity from their existing home to start building. Those requiring mortgage finance face considerable constraints: there are few lenders, significant deposits are required (typical loan-to-value is 50% or less), decision-making is slow and lenders are inflexible and fail to recognise the different risks associated with self-build. Young people and first-time buyers are considerably disadvantaged by the current lending system.

The study notes that several key lenders are uninterested in the self-build market as they see no business case, it is too bespoke and does not deliver the volume required to warrant investment. Some lenders felt no ‘moral’ obligation to support what they saw as elitist and aspirational, as opposed to their commitment to lending on low cost homeownership or to first time buyers.

**Access to land:** Land values and land supply constraints in the south-east region are squeezing out self-builders. Community self-build projects are unable to compete with developers because of the time taken to assemble finances and enter bids. Some groups have benefited from donated land, and in rural areas farmers have sold land for housing local people or local authorities have brought forward rural exception sites.

**Planning:** The report found that obtaining planning permission was in general more straightforward than obtaining finance, although some self-builders found planning departments inflexible and demanding.

**Delivery:** An individual self-build project takes on average two years to complete, and often does not add to housing stock as it involves demolition and rebuild. Group self-build projects are mostly led by community groups but can also be instigated and managed by a social landlord or developer, such models include co-housing, eco-villages, sweat equity, Community Land Trusts and social rent. These models are likely to remain small scale unless specifically supported because of the complicated and lengthy procurement methods. Although such models deliver small numbers of homes, they do offer additional benefits in terms of community involvement and place making. New models are emerging, led by developers or local authorities, aimed at addressing the concerns outlined above, it remains to be seen whether these models will deliver significant volume.

**Conclusions:** The report notes that if volume growth is to occur, models which encourage younger, less affluent households are required. It recommends that local authorities should consider use of planning agreements to include self-build within developments and support self-build as a means of providing ‘more affordable’ housing for local people. It suggests a review of planning processes, in the light of the experience of individual self-builders, and consider making land available. The report recommends that lenders should work more closely with developers, housing associations and local authorities to improve the lending process and enable delivery of large-scale self-build sites as well as developing more flexible products for individuals. Developers and registered providers are recommended to recognise the social and economic
benefits of working with self-builders and those who wish to customise their homes, and also to consider opportunities for working as enablers providing professional services. The report notes that Government should enable reform of existing processes and ensure ongoing support beyond 2015, the end date for current key initiatives.

**Hackney**

7.167 The ‘Need-a-Plot’ information on the Self Build Portal indicates 3 purchasers looking for a site in Hackney, all looking for a single dwelling plot.

7.168 Given relatively high demand for homes in the HMA, one initiative Hackney could consider is a survey to assess need for this type of housing and/or consider a list/register of those wishing to build their own homes.

*Plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes.*

*NPPG Page 18*

7.169 Given the historic low supply of self-build homes, the challenges in bringing schemes forward and the slow take up of the Custom Build Fund, it seems unlikely that self-build will make a significant contribution to housing supply in Hackney.
8. Housing Survey

Introduction

The Survey Overview

8.1 Opinion Research Services (ORS) was commissioned by The London Borough of Hackney to undertake a Housing Needs Survey (HNS) with households in Hackney.

8.2 The HNS was conducted via face to face interviewing and captures households’ current housing and future housing needs and aspirations. The purpose of the survey is to assist Hackney Council in planning housing and other community services in the borough.

8.3 The results in this report are based on a survey of around 1,504 face to face interviews conducted from a sample of Hackney residents. Interviews were achieved between 17th March and 21st August 2014 with the main or joint homeowner or tenant. Quotas were set on age, gender and working status in order to achieve a cross-section of responses.

8.4 The survey contained questions on the following topics:

» Current Housing Arrangements;
» Housing History
» Future Housing Aspirations
» Economic and Financial Status
» Owner occupiers
» Renters
» Profiling Information

Weighting the Data

8.5 The extent to which results can be generalised from a sample depends on how well the sample represents the population from which it is drawn. As for all surveys of this type, although a random sample of households was selected, the achieved sample was unbalanced owing to non-response of certain profile groups (see Figures 108-113 below).

8.6 Under these circumstances, information gathered from the population of Households can be improved by calculating weights for any under or over-sampling of particular groups. Weights are assigned by comparing the sample proportions for particular groups with known population characteristics from other sources for the same groups. Each observation is then multiplied by its weight to ensure that the weighted sample will conform to the known population characteristics.
In this case, the returned sample was checked against comparative data for sub-area by age, tenure, ethnic group, property type and household composition and then subsequently weighted by property type, household composition, tenure, age and ethnic group. The weighted data should, therefore, be representative of the population of households in Hackney and will be treated as being so throughout this report.

Each survey was carried out by the main or joint homeowner or tenant and the tables on the following pages show the profile characteristics of the respondents to the survey. Any value denoted by a * represents a percentage which is less than 1%.

Figure 108: Sub-Area Profile All Respondents (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>SUB AREA</th>
<th>Un-weighted Number</th>
<th>%</th>
<th>Weighted Number</th>
<th>%</th>
<th>Population %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homerton</td>
<td>351</td>
<td>23</td>
<td>25</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>North East</td>
<td>351</td>
<td>23</td>
<td>24</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Shoreditch</td>
<td>400</td>
<td>27</td>
<td>24</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Stoke Newington</td>
<td>402</td>
<td>27</td>
<td>26</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Total Valid</td>
<td>1,504</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Figure 109: Age Profile All Respondents (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>AGE</th>
<th>Un-weighted Number</th>
<th>%</th>
<th>Weighted Number</th>
<th>%</th>
<th>Population %</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24</td>
<td>104</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>322</td>
<td>21</td>
<td>28</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>35-49</td>
<td>502</td>
<td>33</td>
<td>35</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>50-64</td>
<td>341</td>
<td>23</td>
<td>19</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>235</td>
<td>16</td>
<td>12</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,504</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>
### Figure 110: Tenure Profile All Respondents (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>TENURE</th>
<th>Un-weighted</th>
<th>Weighted</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Owned outright</td>
<td>177</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Owned with a mortgage or loan</td>
<td>200</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Social rent</td>
<td>842</td>
<td>56</td>
<td>46</td>
</tr>
<tr>
<td>Rented from a private landlord</td>
<td>267</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>Living rent free</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Not known</td>
<td>7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,497</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### Figure 111: Ethnic Group Profile All Respondents (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>ETHNIC GROUP</th>
<th>Un-weighted</th>
<th>Weighted</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>WHITE British</td>
<td>623</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td>WHITE Other</td>
<td>328</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>MIXED BACKGROUND</td>
<td>30</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>ASIAN OR ASIAN BRITISH</td>
<td>138</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>BLACK OR BLACK BRITISH</td>
<td>344</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Not known</td>
<td>13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,491</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### Figure 112: Property Type Profile All Respondents (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>PROPERTY TYPE</th>
<th>Un-weighted</th>
<th>Weighted</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>House</td>
<td>520</td>
<td>35</td>
<td>22</td>
</tr>
<tr>
<td>Flat</td>
<td>976</td>
<td>65</td>
<td>78</td>
</tr>
<tr>
<td>Not known</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,496</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
Table 113: Household Composition Profile All Respondents (Note: Figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Un-weighted</th>
<th>Weighted</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>One person household</td>
<td>289</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>One family only: Lone parent: Dependent children</td>
<td>196</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>One family only: Lone parent: All children non-dependent</td>
<td>108</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>One family only: Married, same-sex civil partnership or cohabiting couple: No children</td>
<td>151</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>One family only: Married, same-sex civil partnership or cohabiting couple: Dependent children</td>
<td>304</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>One family only: Married, same-sex civil partnership or cohabiting couple: All children non-dependent</td>
<td>99</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Other household types: With dependent children</td>
<td>77</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Other household types: Other</td>
<td>215</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Not known</td>
<td>65</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,439</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Interpretation of the Data

8.9 Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple answers. Throughout an asterisk (*) denotes any value less than half a per cent.

8.10 In some cases figures of 2% or below have been excluded from graphs.

8.11 Graphics are used extensively in this report to make it as user friendly as possible. The pie charts and other graphics show the proportions (percentages) of residents making relevant responses. Where possible, the colours of the charts have been standardised with a ‘traffic light’ system in which:

- Green shades represent positive responses
- Turquoise and purple shades represent neither positive nor negative responses
- Red shades represent negative responses
- The bolder shades are used to highlight responses at the ‘extremes’, for example, very satisfied or very dissatisfied.

8.12 It should be remembered that a sample, and not the entire population of households in the borough, has been interviewed. In consequence, all results are subject to sampling tolerances, which means that not all differences are statistically significant. Differences that are not said to be ‘significant’ or ‘statistically significant’ are indicative only. When comparing results between demographic sub-groups, only results which are significantly different are highlighted in the text. Statistical significance is at a 95% level of confidence.
Key Survey Results

Borough Wide and Sub Area Results for Hackney

8.13 This section establishes an understanding of the housing requirements and aspiration of the overall population across the London Borough of Hackney as a whole and for the sub-areas: Homerton, North East, Shoreditch and Stoke Newington.

Current Housing Arrangements

8.14 The majority of housing in Hackney is purpose built flats or apartments (53.7%) followed by whole houses (21.6%). The vast majority of houses were terraced (88.1%), with around 1-in-10 semi-detached houses. Only 2% of properties in the borough were new builds.

Figure 114: Property Type (Source: Hackney Housing Needs Survey 2014)
Base: All Respondents (1,496)

![Property Type Chart](chart_image.png)
Figure 115: Tenure by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,497)

- Owned with a mortgage or loan
- Part rent and part mortgage (shared ownership)
- Rented from Housing Association or another Registered Social
- Living rent free

Figure 116: Number of Rooms (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,502)
This section considers people’s perceptions about the challenges they face in their home, in terms of size, overcrowding and other issues.

Overcrowding is seen as an issue by many; 64% report they require 2+ more bedrooms, while 48% report they require 1+ more bedrooms. In terms of tenure, Figure 119 shows PRS respondents are more likely to be overcrowded (c.47%) compared to social tenants (c.34%) and owners (c.15%).
8.17 Perceived size problems, where the home is seen as being too small, is essentially a younger household issue; most respondents under 65 felt they had too few rooms. This was especially so for those aged 25-34.

8.18 Shared facilities were more common among households in Stoke Newington and in properties privately rented.
Problems associated with the home were mainly connected with damp, mould and heating the home in winter. 25% of respondents indicated a difficulty meeting heating bills. However, households did indicate that they were taking steps to control their heat costs. When the problems are considered by tenure, social rent have more issues than other tenures (Figure 122), particularly relating to cold, mould and damp.
Area Issues

8.20 Respondents are generally satisfied with their area with less than 10% being fairly or very dissatisfied. Satisfaction among owners was higher than among other tenures; social renters had higher levels of dissatisfaction.
The main issues why people were dissatisfied with their area were litter, animal problems, teenagers and noise. When problems are considered by tenure (Figure 127), there are relatively similar patterns between tenures; the exception is drugs, which is more of an issue in social rent.
Figure 127: Problems in the Local Area by Tenure (Source: Hackney Housing Needs Survey 2014)

- Crime
- Animals
- Roads
- Vehicles
- Alcohol
- Drugs
- Repairs
- Vandalism
- Rubbish
- Teenagers
- Noise

A very big problem
A fairly big problem
Not a very big problem
Not a problem at all

0% 20% 40% 60% 80% 100%

156
Housing History

8.22 In terms of respondent housing history, many had lived in Hackney for a relatively short period; around 30% had been in the borough less than 5 years. Among private renters, this number rises to 65%. Over 50% have lived in Hackney more than 10 years.

Figure 128: Length of time in the Local Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,498)

8.23 In terms of time in current home, over 40% had lived in their present home for less than 5 years but only 40% more than 10 years.
Figure 129: Length of time in Current home (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,498)
When the household profile of those who have lived in their current home less than 2 years is considered, it can be seen that the respondents tend to be younger (25 - 34), predominantly living in the Private Rented sector, and are more likely to live in purpose built properties and not in HMOs.

Figure 130: Length of time in Current Home – less than two years (Source: Hackney Housing Needs Survey 2014)
When current tenure is considered alongside previous tenures it can be seen that those in the PRS now are more likely to be in the PRS previously. However, there are some (less than 10%) who owned previously either outright or with a mortgage.

The most common reason for moving was the small size of the previous home. When future aspirations to move are also considered, the key driver is, again, size.
Future Housing Aspirations

26% of households in the survey said that they either want or need to move in the next two years, with the most common reason being the inadequate size of the current home.
8.28 While many respondents expect to stay in Hackney as and when they move, many will move away because they cannot afford suitable housing locally.

Figure 135: Expected Destination by Sub Area and Tenure (Source: Hackney Housing Needs Survey 2014)

Base: (261)

Figure 136: Main reasons for moving away from Hackney (Source: Hackney Housing Needs Survey 2014)

Base: (117)
In terms of future tenure when they move, the majority in all tenures expect to stay in their current tenure, especially social renters and owners.

**Figure 137: Expected Tenure by Current Tenure (Source: Hackney Housing Needs Survey 2014)**

**Base: All Respondents (278)**

**Figure 138: Number of bedrooms preferred by current number of bedrooms (Source: Hackney Housing Needs Survey 2014)**

**Base: All Respondents (279)**
Figure 139: Number of bedrooms accepted by number preferred (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (279)

Figure 140: First choice if unable to find suitable affordable housing (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (222)
Economic and Financial Status

Overall, most respondents work either full or part time. Around 30% work in Hackney with the rest mainly working in London. Over 80% have a work commute of less than an hour. There are significant numbers of home workers including over 20% in Homerton.

Figure 141: Working Status by Sub-Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,504)

Figure 142: Location of work – by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (697)
While many households derive their income from employment (over 60%), results indicate that earnings are also supported by state benefits and tax credits.

Incomes vary considerably among respondents and partners; over 46% have gross incomes less than £15,000 pa, while over 64% have less than £30,000 pa. However, Hackney has some households with significant incomes (i.e. over £60,000 pa). Incomes are highest in Shoreditch and Stoke Newington. 25% of households included other income earners not including the respondent to the survey or their partner.

We would note that the median income obtained from the household survey of just over £20,000 is considerably lower than that estimated for Hackney by the GLA. The GLA estimate for median household income for Hackney is £33,396. One factor in this difference is that results set out above do not count housing benefit as income, but the GLA model does count housing benefit. However, adding housing benefit to the household survey data provides an estimated median household income of £23,452. Therefore the household survey income figures are £10,000 lower for median household income than the GLA estimates for Hackney.
8.34 There are a number of potential explanations for this variation. The GLA estimates include a methodology document which indicates that they are experimental statistics, with only London level data being calculated from “ESRC Understanding Society dataset”.

8.35 The methodology also indicates that the GLA approach is modelled from both ASHE (individual not household income and earned income not all) and CACI Paycheck data. This could lead to issues when comparing with the household survey data where a very high share of the households have no income from work.

8.36 In the past, ORS have compared CACI Paycheck data to survey estimates of household income and found that CACI Paycheck tends to produces higher median incomes. When ORS have studied the distribution curve for CACI Paycheck and compared this to survey data, there has always been a discrepancy. While there may be sampling issues, household surveys always show a significantly higher proportion of households in lower income groups than the CACI model does. In particular we would note that in Hackney that of the households receiving housing benefit in Hackney, 37,000 of them are unlikely to have incomes exceeding £20,000 per annum. In additional to this group, a further 5,000 owner occupiers are aged over 65 years and therefore typically will not have incomes over £20,000. These represent 40% of all households in Hackney, so we consider it unlikely that the median household income is as high as £33,396 per annum.

Figure 145: Income of respondent and partner – by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,504)

8.37 9% of households said they have had difficulties with keeping up with their mortgage or rent payments and have fallen into arrears. Households in the North East were more likely to have difficulties and fall in to arrears (15%), while those in Homerton were less likely (6%).

8.38 8% of households in Hackney expect to have difficulties with keeping up with their mortgage or rent payments over the next 12 months, with those in the North East being more likely to expect difficulties (10%), while those in Homerton being less likely (6%).
Figure 146: Manageability of rent or mortgage payments – by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (1,464)

<table>
<thead>
<tr>
<th>Category</th>
<th>Well within your current budget</th>
<th>About the right amount in your circumstances</th>
<th>Just manageable</th>
<th>Putting a strain on your current budget</th>
<th>Extremely difficult to manage</th>
<th>Do not make regular payments towards housing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackney Overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homerton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North East</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shoreditch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stoke Newington</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Owner Occupiers

8.39 Nearly three quarters of owners bought their property with a mortgage; however, there is evidence of support for purchase beyond borrowings and savings – 10% of buyers had help from family/friends, while a modest number received an inheritance.

Figure 147: Methods of funding original purchase of property (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (334)

8.40 Market values of homes reveal how property prices have risen in Hackney; many homes are now valued at £1m+ especially in Homerton and Shoreditch. Very few properties are available below £200,000.

Figure 148: Market Value of Current Home– by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: All Respondents (243)

Renters – Social and Private

8.41 36% of households renting privately in Hackney pay individual rent for a room in a shared house. Those in Shoreditch were more likely to be paying individual rent for a room in a shared house (49%) while those in North East were less likely (24%).
Housing Benefit supports c.20% of households in the PRS, with slightly more ‘part’ than ‘full’ support towards rent. This varies significantly by sub-area; Homerton and North East have c.20% of respondents receiving HB to support rent.

Figure 150: Housing Benefit in the Private Rented Sector – by Sub Area (Source: Hackney Housing Needs Survey 2014)
Base: All Respondents (257)
8.43 In the social sector, HB supports 80% of respondent households, significantly more than in the PRS. Again, much of this is part HB (c.45%) indicating how many working households rely on HB support for their housing costs.

Figure 151: Housing Benefit in the Social Rented Sector – by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: 806

![Graph showing Housing Benefit by Sub Area]

8.44 Given the high numbers of households who rely on Housing Benefit, reform of the HB system is a key concern. Around 40% of respondents say their household has been affected by reform thus far; however, it should be noted this is a relatively small sample of survey respondents (653). Numbers are relatively similar in both PRS and social rent, although there is a geographic difference between Shoreditch (which has higher numbers affected) and other parts of the borough.

Figure 152: Affected by Welfare Reform – by Sub Area (Source: Hackney Housing Needs Survey 2014)

Base: 653

![Graph showing Affected by Welfare Reform]

8.45 Many households report that they are finding meeting their housing costs a challenge; c.30%+ say housing costs are either difficult/a strain or just about manageable. The highest levels of difficulty are in the PRS, followed by social rent.
Sub-Groups

8.46 The previous section established an understanding of the housing requirements and aspirations of the overall population across Hackney. This section considers the needs of certain sub-groups of the population and how their needs might differ from those of the general population.

8.47 The sub-groups of the population considered by the study include:

- Households with Children
- Black and Minority Ethnic (BME) groups;
- Faith Groups;
- Older People and vulnerable groups with Supported Housing and health needs;
- Young People;
- People in the Private Rented Sector

8.48 The following sections provide a general context for each of these identified groups. Independent studies profiling the requirements of some of these sub-groups already exist, but for other sub-groups further studies may be needed to understand fully how their housing needs differ from those of the general population.
Households with Children

In terms of income for Households with children, Couples and Other households are more likely to have incomes above £20,000.

Figure 154: Income by Household Type (Source: Hackney Housing Needs Survey 2014)

When the annual incomes are ‘banded’ it can be seen that there is a considerable variation. Couples (47%) and Other households (33%) are more likely to have higher incomes over £30,000. Lone parents are more likely to be on lower incomes (c.83% below £20,000).
Lower income households with Children

8.51 There is some difference in the tenure of low income households with dependent children. Couples with children are more likely to be in the private rented sector than other tenures. Single parents are more likely to be in housing association or local authority homes, although a proportion are in Private rent.

8.52 NB ‘Other households with children’ are those where non related adults are also in the households. Effectively, these are HMOs (official or unofficial) with dependent children. However, their sample size is relatively small (3% of respondents)

Figure 156: Tenure by Household Type (Income less than £20,000) (Source: Hackney Housing Needs Survey 2014)
8.53 Couples and Other households with children (on low income) are the most likely to have too few rooms.

Figure 157: Percentage of Households with Too Few Rooms by Household Type (Income less than £20,000) (Source: Hackney Housing Needs Survey 2014)

8.54 When the health of low income households is considered, Other households are more likely to have members with long term illness or be in poor health.

Figure 158: Percentage of households with dependent children with long-term illness, disability or infirmities (Income less than £20,000) (Source: Hackney Housing Needs Survey 2014)

Figure 159: Percentage of households with dependent children with poor or very poor health (Income less than £20,000) (Source: Hackney Housing Needs Survey 2014)

8.55 When Length of Time in Current Home is considered for low income households, Lone Parents are slightly more likely than Couples and Other households to have been resident less than 12 months. Other households are relatively more likely to have been in their home for more than 20 years. 53% of Couples have been in their current home between 3 and 10 years.
8.56 When low income households’ residency of less than 2 years is considered, it can be seen that Other household types are more likely to have been resident under two years than other households.

Households with Children: survey summary

8.57 Couples with children are more likely to be in the private rented sector and to have incomes above £20,000 (47% over £30,000). Low income Couples are most likely to have too few rooms, and 53% have been in their current home between 3 and 10 years.

8.58 Lone Parents are more likely to be on relatively lower incomes (c.83% below £20,000) and to be in housing association or local authority homes, although a proportion are in Private rent. Low income Lone parents are relatively less likely to have too few rooms, and marginally more likely than other household types to have been in their current home for less than 12 months.

8.59 Other households are more likely than other groups to own their home (c.14%), although a similar proportion live rent free, and 33% have incomes over £30,000. Low income Other households are most likely to have too few rooms, and more likely to have members with long term illness. They are also more likely than other households to have been resident in their current home for 20 years or more.
Black and Minority Ethnic Population

8.60 The 2011 Census classified ethnic groups on the basis of eighteen categories which are standardised across all UK government sources (Figure 162).

8.61 These eighteen categories can be grouped together into five aggregate groups – these being White, Mixed, Black, Asian and Other – and some information sources do not provide any details beyond these broad groupings. Because of the high number of White Other and Turkish households in Hackney these have been reported separately.

Figure 162: Ethnic Group Classification (Source: UK Census of Population 2011)

<table>
<thead>
<tr>
<th>White</th>
<th>Mixed/multiple ethnic group</th>
<th>Asian/Asian British</th>
<th>Black/African/Caribbean/Black British</th>
<th>Other ethnic group</th>
</tr>
</thead>
<tbody>
<tr>
<td>English/Welsh/Scottish/British/Northern Irish/British</td>
<td>White and Black Caribbean</td>
<td>Indian</td>
<td>African</td>
<td>Arab</td>
</tr>
<tr>
<td>Irish</td>
<td>White and Black African</td>
<td>Pakistani</td>
<td>Caribbean</td>
<td></td>
</tr>
<tr>
<td>Gypsy or Irish Traveller</td>
<td>White and Asian</td>
<td>Bangladeshi</td>
<td></td>
<td>Any Other Ethnic Group</td>
</tr>
<tr>
<td>Other White background</td>
<td>Other Mixed background</td>
<td>Chinese</td>
<td>Other Black background</td>
<td></td>
</tr>
</tbody>
</table>

Figure 163: Ethnic Group of Household Respondent 2011 and 2014 (Source: UK Census of Population 2011 and Hackney HNS 2014)
Age

8.62 The age structure of respondents by ethnicity shows how certain groups have a relatively ‘younger’ profile (e.g. Mixed and Other, Other White, Asian) while other groups have a relatively ‘older’ profile (e.g. Caribbean, White British, Black, White Turkish).

Figure 164: Age by Ethnic Group (Source: Hackney Housing Needs Survey 2014)

Current Housing Conditions

8.63 When compared by tenure, the White British and Asian ethnic groups have the highest proportions of owner occupation (36% and 29% respectively) with Asian households more likely to own their homes outright. The Black population of Hackney were least likely to be living in owner occupation (10% of Black Other households, 9% Caribbean, 7% African) and most likely to be living in Social Housing (80% of Caribbean households, 77% Black Other, 76% African).

8.64 69% of Turkish households are living in Social Housing, 55% of Asian households, 45% of Mixed and Other households and 33% of White Other households. Private renting rates are highest for White Other households (55%), Mixed and Other households (43%) and White British Households (30%). White Other households may include part of the large Charedi community.
8.65 Figure 166 shows how household types vary by ethnic group. It can be seen that the Black/African/Caribbean, Turkish and Asian ethnic groups have the highest proportion of single parents while the Turkish, Asian and White Other ethnic groups have the highest proportion of adult couples with children. Caribbean households are most likely to be single person households, followed by Mixed and Other ethnic groups and White British.

8.66 Figure 167 demonstrates how income varies by ethnic group where it can be seen that the White British and Other White ethnic groups have higher levels of incomes than other groups 49% and 43% earning over £30,000. The lowest levels of income (below £15,000) are found in the Turkish, African and
Caribbean ethnic groups. Disparity in income is most marked in the White British group with 49% earning over £30,000 and 37% earning less than £15,000.

Figure 167: Income by Ethnic Group (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Income Band</th>
<th>Asian</th>
<th>White British</th>
<th>Other White</th>
<th>Turkish</th>
<th>Caribbean</th>
<th>African</th>
<th>Black</th>
<th>Mixed and Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £5,000</td>
<td>12.5%</td>
<td>11.7%</td>
<td>10.6%</td>
<td>21.6%</td>
<td>22.8%</td>
<td>9.2%</td>
<td>17.1%</td>
<td>8.4%</td>
</tr>
<tr>
<td>£5,000-£10,000</td>
<td>27.8%</td>
<td>18.8%</td>
<td>17.1%</td>
<td>41.2%</td>
<td>34.6%</td>
<td>32.4%</td>
<td>32.0%</td>
<td>25.8%</td>
</tr>
<tr>
<td>£10,000-£15,000</td>
<td>11.9%</td>
<td>6.8%</td>
<td>9.2%</td>
<td>6.0%</td>
<td>12.0%</td>
<td>20.0%</td>
<td>8.2%</td>
<td>4.4%</td>
</tr>
<tr>
<td>£15,000-£20,000</td>
<td>7.4%</td>
<td>4.1%</td>
<td>4.4%</td>
<td>10.2%</td>
<td>10.2%</td>
<td>15.6%</td>
<td>14.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>£20,000-£30,000</td>
<td>8.8%</td>
<td>9.3%</td>
<td>14.9%</td>
<td>11.4%</td>
<td>10.2%</td>
<td>9.5%</td>
<td>11.4%</td>
<td>20.8%</td>
</tr>
<tr>
<td>£30,000-£40,000</td>
<td>7.5%</td>
<td>10.5%</td>
<td>14.4%</td>
<td>2.6%</td>
<td>4.6%</td>
<td>6.9%</td>
<td>7.7%</td>
<td>12.3%</td>
</tr>
<tr>
<td>£40,000-£60,000</td>
<td>11.3%</td>
<td>14.4%</td>
<td>15.0%</td>
<td>2.2%</td>
<td>4.6%</td>
<td>5.2%</td>
<td>1.9%</td>
<td>11.0%</td>
</tr>
<tr>
<td>£60,000 or more</td>
<td>13.1%</td>
<td>24.5%</td>
<td>14.4%</td>
<td>4.7%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>6.9%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Health

Figure 168: Percentage of Households with long-term illness, disabilities or infirmities by Ethnic Group (Source: Hackney Housing Needs Survey 2014)

Figure 169: Percentage of Household Respondents with Perceived Poor or Very Poor Health by Ethnic Group (Source: Hackney Housing Needs Survey 2014)

An important household characteristic which may have an impact on housing needs is health. A population which is suffering from more ill health may require greater care in residential homes, or special provision of housing to help them cope with their illness.

The respondents to the Hackney Housing Needs Survey were asked about health issues for their households. The question was designed to discover if the household contained anyone who was suffering from long-term health problems. It was not designed to discover how chronic the health problems were. Instead, the follow-up questions were largely designed to assess the impact of any health problems on the housing and care needs of the household.
8.69 Figure 168 shows that households that consist of Turkish and Caribbean ethnic groups are most likely to contain a member with a long-term illness, disability or infirmity, followed by Black Other households. African and Mixed and Other households have the lowest rates of household members with a long-term illness or disability.

8.70 Figure 169 indicates that Caribbean households are the most likely to perceive themselves to have poor or very poor health, followed by White British households. African and Black Other households have the lowest perception of poor health.

Housing Needs

8.71 Figure 170 indicates households which had at least one room too few for the needs of its occupants. It is clear that Turkish and African households are most likely to report that they have too few rooms, and White British households are least likely.

Figure 170: Percentage of Households with Too Few Rooms by Ethnic Group (Source: Hackney Housing Needs Survey 2014)

Homelessness

8.72 Figure 171 identifies that there is an ethnic minority dimension to homelessness acceptances across Hackney. Of all households accepted as being homeless and in priority need in the period 2009-14, around 7 in 10 were from the Non-White population, which is a significantly higher proportion than their share of the total population (41%) but relates to the higher than average figures for those living in overcrowded housing. Over two fifths of these are from Black ethnic groups.

Figure 171: Homeless and in Priority Need by Ethnic Group 2009- 2014 (Source: DCLG)

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Homelessness Cases</th>
<th>% of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>1,102</td>
<td>29.4%</td>
</tr>
<tr>
<td>Black or Black British (African or Caribbean)</td>
<td>1,629</td>
<td>43.5%</td>
</tr>
<tr>
<td>Asian or Asian British (Indian, Pakistani or Bangladeshi)</td>
<td>259</td>
<td>6.9%</td>
</tr>
<tr>
<td>Mixed</td>
<td>120</td>
<td>3.2%</td>
</tr>
<tr>
<td>Other Ethnic Origin</td>
<td>523</td>
<td>14.0%</td>
</tr>
<tr>
<td>Unknown</td>
<td>113</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total</td>
<td>3,746</td>
<td>100%</td>
</tr>
</tbody>
</table>
Moving

8.73 Figure 172 compares the length of time at current address by ethnic group; it is clear that higher proportions of households in the White Other and Mixed and Other ethnic groups, followed by White British, have been living in their current home for less than 2 years suggesting that these groups are more mobile. Asian households are the least likely to have moved within the last two years.

Figure 172: Move to Current Home Less than 2 year ago by Ethnic Group (Source: Hackney Housing Needs Survey 2014)

8.74 However, the age of respondents appears to be a factor in whether households have moved in the last two years. Those aged under 25 are more likely to have lived in their homes less than 3 years, whereas those aged over 25 are more likely to have lived in their homes for more than 5 years.

Figure 173: Length of Time in Current Home by Age (Source: Hackney Housing Needs Survey 2014)

8.75 Across all households, 26.1% of households want or need to move; however this varies by ethnic group with a higher proportion of Mixed and Other and White Other ethnic groups wanting to move.
Respondents to the survey who said that they or their household did want or need to move were asked where they would expect to move to. Figure 175 shows that Black Other and African households are the most likely of all ethnic groups to move within the same local area or elsewhere in Hackney, followed by Caribbean and Asian households. Over half of White British and Mixed and Other households said that they would expect to move out of Hackney, with 28% of White British households saying they expect to move to move out of London to another town or village in the UK. 20% of Turkish households expected to move abroad.

**Black and Minority Ethnic Population: Summary**

At the time of the 2011 Census, Black and Minority Ethnic (BME) households in Hackney made up around 39% of the total households (around 61,998 households). The Hackney Housing Needs Survey was weighted in line with these figures.

Key issues to note from the survey include:

- Tenure differences between ethnicity:
  - Private rented sector: highest population is from White Other, Mixed and White British groups
  - Owner occupier: owners are more likely to be White British and Asian
Social rent: social tenants are more likely to be Caribbean, African or Black Other

» Limiting Long term Illness and Poor Health; Turkish and Caribbean ethnicity more likely to have Limiting Long Term illness, Caribbean and White British more likely to have poor health

» Too few rooms: Turkish, African and Asian households are most likely to report that they have too few rooms

» Homeless acceptances: seven out of ten are from non-White ethnicity, a higher proportion than their share of the total population (41%)

» Want or need to move: Mixed and Other and White Other groups are the most likely to want or need to move

Faith Groups

Religion of Household

Respondents to the survey were also asked what religion or belief they may have. Figure 176 shows that 46% of the population of Hackney stated that they were Christian. 13% are Muslim and over a third are Atheist or have no religious beliefs. The proportion of the population who are Buddhist, Hindu, Sikh or another religion is very small and therefore for further meaningful analysis they will be grouped as ‘Any other religion’. It is possible that the survey had a low response rate from the orthodox Jewish Charedi community who comprise around 7% of the Hackney population. Some Charedim may have identified as Jewish.

When compared by tenure, Christian and Muslim households are least likely to be living in the owner occupied sector and both households are significantly most likely (59% and 67% consecutively) to be renting in the social sector. Any other religion households have the highest incidence of owner occupation (50%).
8.81 Figure 178 shows how household types vary by Faith Group; where it can be seen that households that are Jewish and Atheist/no belief are least likely to be lone parent households. Jewish households are most likely to have dependent children (58%) followed by Muslim households (48%), while Christian households have the highest proportion of households where all members are aged 65 or above.

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Atheist/no religious belief</th>
<th>Christian</th>
<th>Jewish</th>
<th>Muslim</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Person</td>
<td>31.6%</td>
<td>33.0%</td>
<td>18.3%</td>
<td>19.7%</td>
<td>19.1%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>3.5%</td>
<td>11.7%</td>
<td>5.7%</td>
<td>5.8%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Other</td>
<td>28.2%</td>
<td>21.3%</td>
<td>12.6%</td>
<td>13.9%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Single Parent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With dependent children</td>
<td>3.2%</td>
<td>14.4%</td>
<td>1.2%</td>
<td>16.8%</td>
<td>6.3%</td>
</tr>
<tr>
<td>With all Children are non-dependant</td>
<td>2.6%</td>
<td>4.7%</td>
<td>0.3%</td>
<td>5.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>One Family</td>
<td>35.8%</td>
<td>29.2%</td>
<td>66.9%</td>
<td>41.6%</td>
<td>49.5%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>0.4%</td>
<td>3.9%</td>
<td>1.3%</td>
<td>0.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Adult couple with no children</td>
<td>20.1%</td>
<td>9.7%</td>
<td>12.2%</td>
<td>12.3%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Adult couple with dependent children</td>
<td>14.2%</td>
<td>12.8%</td>
<td>51.2%</td>
<td>24.1%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Adult couple with all Children are non-dependent</td>
<td>1.1%</td>
<td>2.8%</td>
<td>2.2%</td>
<td>4.8%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Group of Adults</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With dependent children</td>
<td>26.8%</td>
<td>18.7%</td>
<td>13.3%</td>
<td>16.9%</td>
<td>19.2%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>1.7%</td>
<td>6.0%</td>
<td>5.9%</td>
<td>6.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Any other religion</td>
<td>25.1%</td>
<td>12.4%</td>
<td>7.4%</td>
<td>9.9%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Figure 177: Tenure by Religion (Source: Hackney Housing Needs Survey 2014)
Figure 179 demonstrates how income varies by faith group; it can be seen that Muslim and Christian households are more likely to have a low household income (less than £15,000), while those with Any Other religious belief and No belief are most likely to have the highest incomes (more than £30,000).

**Figure 179 Income by Religion (Source: Hackney Housing Needs Survey 2014)**

<table>
<thead>
<tr>
<th>Income Band</th>
<th>Atheist/no religious belief</th>
<th>Christian</th>
<th>Jewish</th>
<th>Muslim</th>
<th>Any other religion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £5,000</td>
<td>9.4%</td>
<td>15.9%</td>
<td>5.8%</td>
<td>15.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td>£5,000-£10,000</td>
<td>11.7%</td>
<td>31.5%</td>
<td>21.0%</td>
<td>33.5%</td>
<td>19.3%</td>
</tr>
<tr>
<td>£10,000-£15,000</td>
<td>5.1%</td>
<td>10.5%</td>
<td>16.9%</td>
<td>11.2%</td>
<td>8.0%</td>
</tr>
<tr>
<td>£15,000-£20,000</td>
<td>5.7%</td>
<td>7.7%</td>
<td>7.7%</td>
<td>9.3%</td>
<td>4.8%</td>
</tr>
<tr>
<td>£20,000-£30,000</td>
<td>14.7%</td>
<td>9.4%</td>
<td>6.3%</td>
<td>13.0%</td>
<td>7.3%</td>
</tr>
<tr>
<td>£30,000-£40,000</td>
<td>12.3%</td>
<td>8.2%</td>
<td>16.3%</td>
<td>5.4%</td>
<td>10.5%</td>
</tr>
<tr>
<td>£40,000-£60,000</td>
<td>18.2%</td>
<td>8.4%</td>
<td>5.3%</td>
<td>6.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>£60,000 or more</td>
<td>22.9%</td>
<td>8.5%</td>
<td>20.8%</td>
<td>6.1%</td>
<td>37.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Figure 180 and Figure 181 show how many rooms the households have available and which have at least one room too few for the needs of its occupants. Jewish households have the most rooms but relatively high perception of too few rooms: the perception of ‘too few rooms’ may be due to Jewish households being larger (over 15% of Jewish respondents had a household of 8 persons). Muslim and Other religion households are most likely to report that they have too few rooms.

**Figure 180: Number of Rooms by Religion (Source: Hackney Housing Needs Survey 2014)**

- None
- One
- Two
- Three
- Four
- Five
- Six or more
An important household characteristic which may have an impact on housing needs is health. A population which is suffering from more ill health may require more care in residential homes, or special provision of housing to help them cope with their illness.

The respondents to the household survey were asked about health issues for their households. The question was designed to discover if the household contained anyone who was suffering from long-term health problems. It was not designed to discover how chronic the health problems were. Instead, the follow-up questions were largely designed to assess the impact of any health problems on the housing and care needs of the household.

The survey indicates that there is some difference in terms of Faith Groups in the proportion of households that contain at least one member with a health problem; Other, Muslim and Christian, households are slightly more likely to have health problems.
Moving

8.87 Figure 184 compares the length of time at current address by religion; it is clear that those of no religion are the most likely to have moved within the last 2 years.

Figure 184: Lived at Current Home for Less than 2 Years by Religion (Source: Hackney Housing Needs Survey 2014)

8.88 Many households want to move; however this varies slightly by religion with a lower proportion (18%) of Jewish households wanting to move. Other and No Belief are most likely to want to move.

Figure 185: Want or Need to Move in the next Two Years by Religion/Belief (Source: Hackney Housing Needs Survey 2014)

8.89 Respondents to the household survey who said that they their household did want to move were asked where they expected they would move to. Figure 186 shows that those of No religion or Other are the most likely of all religious groups to expect to move outside of Hackney while Jewish households are the most likely to move within the local area.
Faith Group: Summary

8.90 Around 46% of household respondents in Hackney identified themselves as being Christian, 13% as Muslim, 34% had no religion and the remainder came from a range of other religions.

8.91 Key issues to note from the survey include:

» Tenure differences between Faiths: Jewish people are more likely to rent in the Private sector, Muslims and Christians to Social rent. Non-faith groups or Other Faiths are more likely to own.

» Limiting Long term Illness and Poor Health: Other, Muslim and Christian, households are slightly more likely to have health problems.

» Want or need to move: those of no religion are the most likely to have moved within the last 2 years. those of No religion or Other are the most likely of all religious groups to expect to move outside of Hackney while Jewish households are the most likely to move within the local area.

Younger Person Households

8.92 Across Hackney, 4.6% (2,528) of households are made up entirely of people aged under 25 years. This section focuses on young person households (that is all households that contain nobody aged 25 years or more) and examines how their housing circumstances vary from those of other households.

8.93 Responses to the Survey by Younger Households were relatively low; some results, therefore, are based on small subsets of the sample and, as a result, the error margin is likely to be higher on these results.

Current Housing Circumstances

8.94 It is clear from Figure 187 that over half (56%) of young person households are either single person households or a group of adults, compared to around 51% of all households. It is also interesting that while young person households are less likely to consist of an adult couple with dependent children (17.2%) they are more likely to contain a lone parent (21.6%).
The household survey indicated that there are significant differences between young person households and other households in their housing tenure (Figure 188). Around 50% of young person households are living in the private rented sector, compared to c.27% of all households. Fewer Younger Households (c.6%) own their home compared to 26% of All Households.

Figure 188: Tenure of Young Person Households (Source: Hackney Housing Needs Survey 2014)

---

8.95 The household survey indicated that there are significant differences between young person households and other households in their housing tenure (Figure 188). Around 50% of young person households are living in the private rented sector, compared to c.27% of all households. Fewer Younger Households (c.6%) own their home compared to 26% of All Households.

Figure 188: Tenure of Young Person Households (Source: Hackney Housing Needs Survey 2014)

8.96 Figure 189 demonstrates that young person households are more likely to have more than one bedroom (c.90%) than across all households. We would note that it is likely that more Young Person households live in bedsits than was recorded by the survey - the 1 bedroom figure is likely to include some who live in bedsits, but who responded to the survey by reporting they have 1 bedroom.
Figure 189: Number of Bedrooms by Young Person Households (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Number of Rooms</th>
<th>Younger Person Households</th>
<th>All Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedsit</td>
<td>0.0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>One</td>
<td>9.6%</td>
<td>25.9%</td>
</tr>
<tr>
<td>Two</td>
<td>42.1%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Three</td>
<td>31.4%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Four</td>
<td>15.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Five or more</td>
<td>1.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Young person households are less likely to report that they have too few rooms (8%) than all households. This is unsurprising given the high proportion of single person households and the low proportion of households with children.

Figure 190: Too Few Rooms by Young Person Households (Source: Hackney Housing Needs Survey 2014)

Want to Move

Figure 191 compares the length of time at current address by household type; nearly 40% of young person households having lived in their current home for less than 2 years.

Figure 191: Lived at Current Home for Less than 2 Years by Young Person Households (Source: Hackney Housing Needs Survey 2014)

Over 30% of young person households want to move which is markedly higher than across all households (26%). This is further evidence that young households are much more mobile than other households.
8.100 Respondents to the household survey who said that their household did want to move were asked where they expected they would move to. Figure 193 shows that young person households are slightly less likely than other groups to expect to move within the local area however they are also slightly more likely to move elsewhere in UK or abroad.

**Young Person: Summary**

8.102 Responses to the Survey by Younger Households were relatively low and some results, therefore, are based on small subsets of the sample and, as a result, the error margin is likely to be higher on these results.

8.103 National trends indicate that many younger people are delaying the formation of separate households due to their circumstances. Many of these households will have a low priority need for social housing and will have incomes which are well below those required for owner occupation. Therefore, their only option is to form households in the cheaper parts of the private rented sector.

8.103 Tenure: Around 50% of young person households are living in the private rented sector, compared to c.27% of all households. Fewer Younger Households (c.6%) own their home compared to 26% of All Households.

8.104 Young person households are less likely to report that they have too few rooms; this is unsurprising given the high proportion of single person households and the low proportion of households with children.

8.105 Younger people are more mobile: nearly 40% of young person households have lived in their current home for less than 2 years and 30% want to move now. They are slightly less likely to expect to move within the local area, yet slightly more likely to move elsewhere in UK or abroad.
The Private Rented Sector

The ethnic composition of the Private Rented Sector (PRS) is different from that for all households. White Other households are much more likely to be housed in the PRS, followed by White British, Mixed White/Black Caribbean and Mixed White/Asian households.

Figure 194: Ethnicity by Private Rent (Source: Hackney Housing Needs Survey 2014)

8.107 For Faith groups, Christian and Muslim households are less likely to be living in the PRS. Atheists and those with No Belief are more likely to living in the PRS.
Figure 195: Religion by Private Rent (Source: Hackney Housing Needs Survey 2014)

![Chart showing religion by private rent]

8.108 Figure 196 shows how household types vary in the PRS; they are more likely to be Single person or a Group of Adults.

Figure 196: Household Type by Private Rent (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>All Households</th>
<th>Private Rent Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Person</td>
<td>30.2%</td>
<td>19.6%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>7.7%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other</td>
<td>22.5%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Single Parent</td>
<td>14.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>10.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>With all Children are non-dependent</td>
<td>3.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>One Family</td>
<td>34.6%</td>
<td>32.1%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>2.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Adult couple with no children</td>
<td>13.8%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Adult couple with dependent children</td>
<td>16.2%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Adult couple with all Children are non-dependent</td>
<td>2.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Group of Adults</td>
<td>21.1%</td>
<td>42.3%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>4.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Any other religion</td>
<td>16.4%</td>
<td>39.8%</td>
</tr>
<tr>
<td>Total</td>
<td>All Households</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

8.109 Figure 197 demonstrates how income varies by tenure: it can be seen that PRS households are more likely to have a higher household income (over £20,000), while fewer PRS households have lower incomes than All Households.
### Figure 197: Income by Private Rent (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Income Band</th>
<th>All Households</th>
<th>Private Rented Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £5,000</td>
<td>12.9%</td>
<td>10.6%</td>
</tr>
<tr>
<td>£5,000-£10,000</td>
<td>24.3%</td>
<td>9.9%</td>
</tr>
<tr>
<td>£10,000-£15,000</td>
<td>8.9%</td>
<td>4.5%</td>
</tr>
<tr>
<td>£15,000-£20,000</td>
<td>7.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>£20,000-£30,000</td>
<td>11.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>£30,000-£40,000</td>
<td>9.6%</td>
<td>18.8%</td>
</tr>
<tr>
<td>£40,000-£60,000</td>
<td>11.3%</td>
<td>23.1%</td>
</tr>
<tr>
<td>£60,000 or more</td>
<td>14.4%</td>
<td>9.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

8.110 Figure 198 and Figure 199 shows how many rooms the households have available in the PRS and which have at least one room too few for the needs of its occupants. There are broadly comparable numbers of rooms available to households in the PRS and All Households, and the percentages of Households who say they have too few rooms are also comparable.

### Figure 198: Number of Rooms by Private Rent (Source: Hackney Housing Needs Survey 2014)

<table>
<thead>
<tr>
<th>Number of Rooms</th>
<th>All Households</th>
<th>Private Rent Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedsit</td>
<td>0.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>One</td>
<td>25.9%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Two</td>
<td>34.1%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Three</td>
<td>28.3%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Four</td>
<td>9.2%</td>
<td>12.8%</td>
</tr>
<tr>
<td>Five or more</td>
<td>2.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### Figure 199: Percentage of Households with Too Few Rooms by Private Rent (Source: Hackney Housing Needs Survey 2014)

![Bar chart showing the percentage of households with too few rooms by private rent](chart.png)
Moving

8.111 Figure 200 compares the length of time at current address by religion; it is clear that those in the PRS are more likely to have moved within the last 2 years.

Figure 200: Lived at Current Home for Less than 2 Years by Private Rent (Source: Hackney Housing Needs Survey 2014)

8.112 Across all households who want or need to move in the next two years, PRS households are more likely to (45%) compared to All Households (26%).

Figure 201: Want or Need to Move in the next Two Years by Private Rent (Source: Hackney Housing Needs Survey 2014)

8.113 Respondents to the household survey who said that their household did want to move were asked where they expected they would move to. Figure 202 shows that PRS Households were slightly less likely to stay in Hackney, but would still be likely to stay in London. Relatively more PRS Households expect to move abroad.

Figure 202: Where Expect to Move to Private Rent (Source: Hackney Housing Needs Survey 2014)

Private Rent: Summary

8.114 There are a range of features to note within the Private Rented Sector:
8.115 Ethnicity: The ethnic composition of the Private Rented Sector (PRS) is different from that for all households. White Other households are much more likely to be housed in the PRS, followed by White British, Mixed White/Black Caribbean and Mixed White/Asian households.

8.116 Faith: Christian and Muslim households are least likely to be living in the PRS. No Belief are more likely to living in the PRS.

8.117 Households: PRS Households are more likely to be either Single person or a Group of Adults.

8.118 Income: PRS households are more likely to have a higher household income (over £20,000), while fewer PRS have lower incomes than All Households.

8.119 Mobility: those in the PRS are more likely to have moved within the last 2 years, more likely to move again in the next two years. PRS Households are slightly less likely to stay in Hackney, but would still be likely to stay in London. Relatively more PRS Households expect to move abroad.

‘Affordable’ Housing Households

8.120 The Survey also allows a comparison between the two main providers of ‘affordable’ housing; the Council (586 respondents) and Housing Associations (HAs) 262 respondents. Although the two providers have similar aims they often have different histories and traditions and this has resulted in some variation in tenant composition.

8.121 In terms of household type, the key difference between Council and HA is that the Council have more single household tenants, while HAs have more single parent and group of adults households.

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Social Tenure</th>
<th>Council Tenant Households</th>
<th>HA or RSL Households</th>
<th>All Households</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single Person</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All aged 65+</td>
<td></td>
<td>13.6%</td>
<td>7.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>30.7%</td>
<td>20.5%</td>
<td>22.5%</td>
</tr>
<tr>
<td><strong>Single Parent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With dependent children</td>
<td></td>
<td>22.3%</td>
<td>29.4%</td>
<td>29.4%</td>
</tr>
<tr>
<td>With all Children are non-dependent</td>
<td></td>
<td>15.8%</td>
<td>24.5%</td>
<td>14.0%</td>
</tr>
<tr>
<td><strong>One Family</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All aged 65+</td>
<td></td>
<td>24.4%</td>
<td>24.5%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Adult couple with no children</td>
<td></td>
<td>2.3%</td>
<td>1.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Adult couple with dependent children</td>
<td></td>
<td>6.4%</td>
<td>4.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Adult couple with all Children are non-dependent</td>
<td></td>
<td>13.9%</td>
<td>14.4%</td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>Group of Adults</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With dependent children</td>
<td></td>
<td>9.0%</td>
<td>18.3%</td>
<td>21.1%</td>
</tr>
<tr>
<td>All aged 65+</td>
<td></td>
<td>4.2%</td>
<td>12.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>4.6%</td>
<td>5.8%</td>
<td>16.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

8.122 In terms of household income, the two providers are very similar, with c.84% of Council Tenant households and c.85% of HA/RSL households on incomes of less than £20,000 per annum and c.97% / 91% below £30,000. Interestingly, there are some households which have incomes over £40,000 per
annum; in the case of the Council, the 0.2% of households with an income over £60,000 equates to one household.

**Figure 204: Income by Social Tenure (Source: Hackney Housing Needs Survey 2014)**

<table>
<thead>
<tr>
<th>Income Band</th>
<th>Council Tenant Households</th>
<th>HA or RSL Households</th>
<th>All Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £5,000</td>
<td>18.2%</td>
<td>15.2%</td>
<td>12.9%</td>
</tr>
<tr>
<td>£5,000-£10,000</td>
<td>45.0%</td>
<td>33.6%</td>
<td>24.3%</td>
</tr>
<tr>
<td>£10,000-£15,000</td>
<td>12.9%</td>
<td>21.6%</td>
<td>8.9%</td>
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<tr>
<td>£15,000-£20,000</td>
<td>7.6%</td>
<td>15.0%</td>
<td>7.1%</td>
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<tr>
<td>£20,000-£30,000</td>
<td>13.3%</td>
<td>5.5%</td>
<td>11.4%</td>
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<tr>
<td>£30,000-£40,000</td>
<td>2.6%</td>
<td>6.5%</td>
<td>9.6%</td>
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<tr>
<td>£40,000-£60,000</td>
<td>0.2%</td>
<td>2.7%</td>
<td>11.3%</td>
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<tr>
<td>£60,000 or more</td>
<td>0.2%</td>
<td>0.0%</td>
<td>14.4%</td>
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<tr>
<td>Total</td>
<td>100.0%</td>
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8.123 The household survey indicated that 16.3% of Council and 14.5% of HA households contain some members have at least one member suffering from a self-reported health problem. However, the perception of ill health is higher for Council tenants (16.6%) than HA (11.4%), and this is also higher than All households (8.2%).

**Figure 205: Percentage of Households with Health Problems (long-term Illness, Disability or Infirmity by Social Tenure (Source: Hackney Housing Needs Survey 2014)**

**Figure 206: Percentage of Household Respondents with Perception of Poor or Very Poor Health by Social Tenure (Source: Hackney Housing Needs Survey 2014)**

<table>
<thead>
<tr>
<th></th>
<th>Council tenant households</th>
<th>HA or RSL households</th>
<th>All households</th>
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<tbody>
<tr>
<td></td>
<td>16.3%</td>
<td>13.9%</td>
<td>14.5%</td>
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8.124 When the number of rooms are considered, the survey shows that Council and HA tenants have relatively similar numbers of rooms available to them, and that they each have more rooms than All households.
When households’ perceptions about having too few rooms are considered, there is slight difference between Council and HA; council respondents have slightly higher levels of perception of too few rooms (16.3%) than HA respondents (13.9%).

More HA households (28.8%) want or need to move in the next two years than Council tenants (19.1%).

Most Council tenants want to move within Hackney (68%); HA tenants are at similar levels (64%).
Figure 210: Where expect to move to by social tenure (Source: Hackney Housing Needs Survey 2014)
Appendix A
Planning Policy

Excerpts from the National Planning Policy Framework

Paragraph 159 on cross boundary working and the scale/mix of requirements:

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 Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
  - meets household and population projections, taking account of migration and demographic change;
  - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
  - caters for housing demand and the scale of housing supply necessary to meet this demand;”

Paragraph 14 on needs:

“local planning authorities should positively seek opportunities to meet the development needs of their area; Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.”

Paragraph 47 regarding supply:

“identify and update annually a supply of specific deliverable sites sufficient to provide five years’ worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;”
Paragraph 178-181 regarding co-operation:

**Planning strategically across local boundaries**

178. Public bodies have a duty to co-operate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.

179. Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework. As part of this process, they should consider producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans.

180. Local planning authorities should take account of different geographic areas, including travel-to-work areas. In two tier areas, county and district authorities should co-operate with each other on relevant issues. Local planning authorities should work collaboratively on strategic planning priorities to enable delivery of sustainable development in consultation with Local Enterprise Partnerships and Local Nature Partnerships. Local planning authorities should also work collaboratively with private sector bodies, utility and infrastructure providers.

181. Local planning authorities will be expected to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Co-operation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.
**Affordable housing**: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.
Appendix B
Glossary of Terms

Definitions

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

Affordable housing includes social 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.

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.

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

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

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

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).

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.

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 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 social rent, 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.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, 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 provided by social landlords and rented for less than would be paid if renting privately.

**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**

- ASHE    Annual Survey of Hours and Earnings
- BME    Black and Minority Ethnic
- BRMA    Broad Rental Market Area
- CACI    Private sector company providing modelled data
- CORE    The Continuous Recording System (for Housing Association and Local Authority lettings)
- DEFRA   Department for Environment, Food and Rural Affairs
- DWP    Department of Work & Pensions
- GIS    Geographical Information Systems
- HBF    House Builders Federation
- HMO    House in Multiple Occupation
- IMD    Indices of Multiple Deprivation
- LA     Local Authority
- LDF    Local Development Framework
- LDP    Local Development Plan
- LHA    Local Housing Allowance
- NHSCR  National Health Service Central Register
- NPPF   National Planning Policy Framework
- ONS    Office for National Statistics
- ORS    Opinion Research Services
- POPPI  Projecting Older Person Population Information
- REIT   Real Estate Investment Trust
- RP     Registered Provider
RSL  Registered Social Landlord
SAR  Share Accommodation Rate
SHMA  Strategic Housing Market Assessment
UDP  Unitary Development Plan
VOA  Valuation Office Agency
Appendix C

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