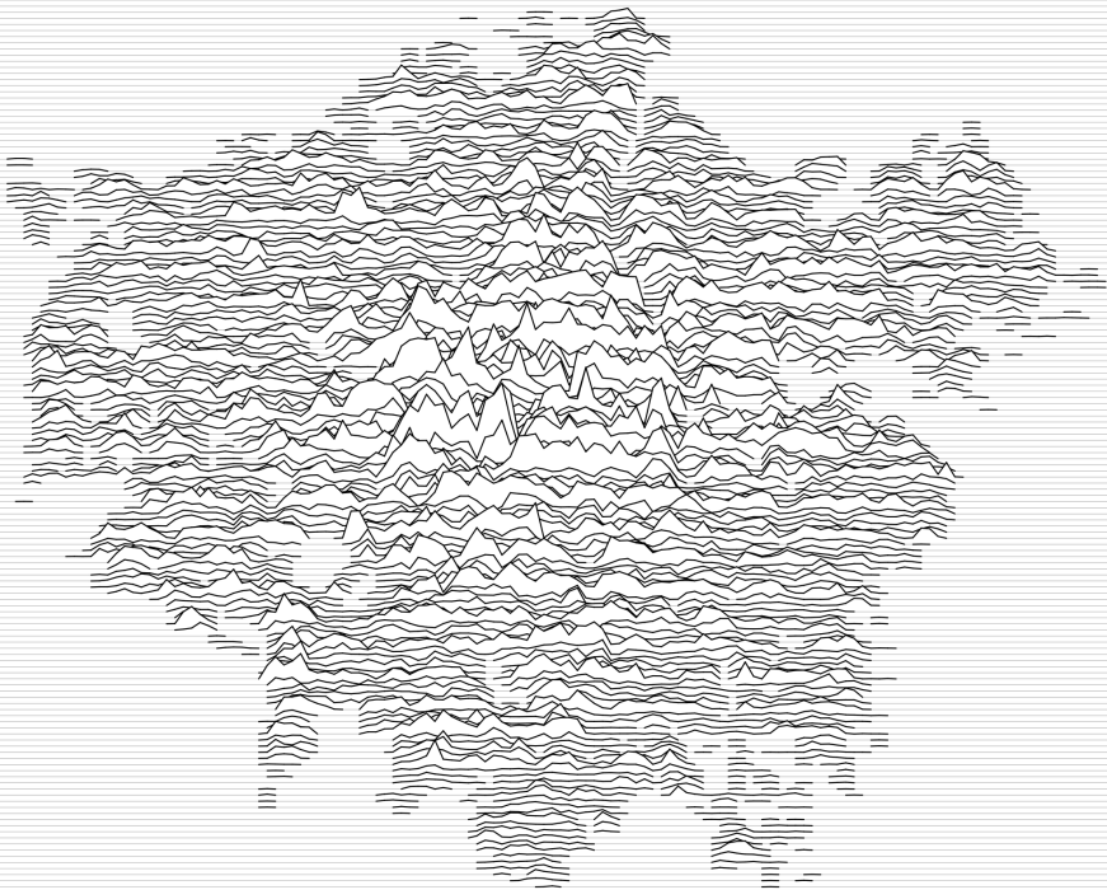

HOUSING IN LONDON: 2017

The evidence base for the Mayor's Housing Strategy



MAYOR OF LONDON

Housing in London 2017

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Contents

Introduction	4
1. Historical background	5
2. Demographic, economic and social trends	17
3. Housing supply and empty homes	31
4. Housing costs and affordability	50
5. Housing need	75
6. Mobility and decent homes	88
Appendices	110

Introduction

Housing in London is the evidence base for the Mayor's London Housing Strategy, summarising key patterns and trends across a wide range of topics relevant to housing in the capital.

Housing in London 2017 is divided into seven sections, as follows:

1. Historical background
2. Demographic, economic and social context
3. Housing supply and empty homes
4. Housing costs and affordability
5. Housing need
6. Mobility and decent homes
7. Appendices

This document sits alongside a range of other Greater London Authority publications (all available on www.london.gov.uk) that provide evidence or statistics on housing. These include (click to follow links):

- [GLA Affordable Housing programme statistics](#)
- [The London Plan Annual Monitoring Reports](#)
- [The 2013 London Strategic Housing Market Assessment](#)
- [The 2013 London Strategic Housing Land Availability Assessment](#)
- [The 2016 Economic Evidence Base](#)
- [The Mayor's Annual Equalities Reports](#)
- The [London Datastore](#), including statistics on [housing](#) and [demographics](#)

The data used to produce this report has been uploaded to the [London Datastore](#), where you can also find data and reports from previous editions of Housing in London.

1. Historical background

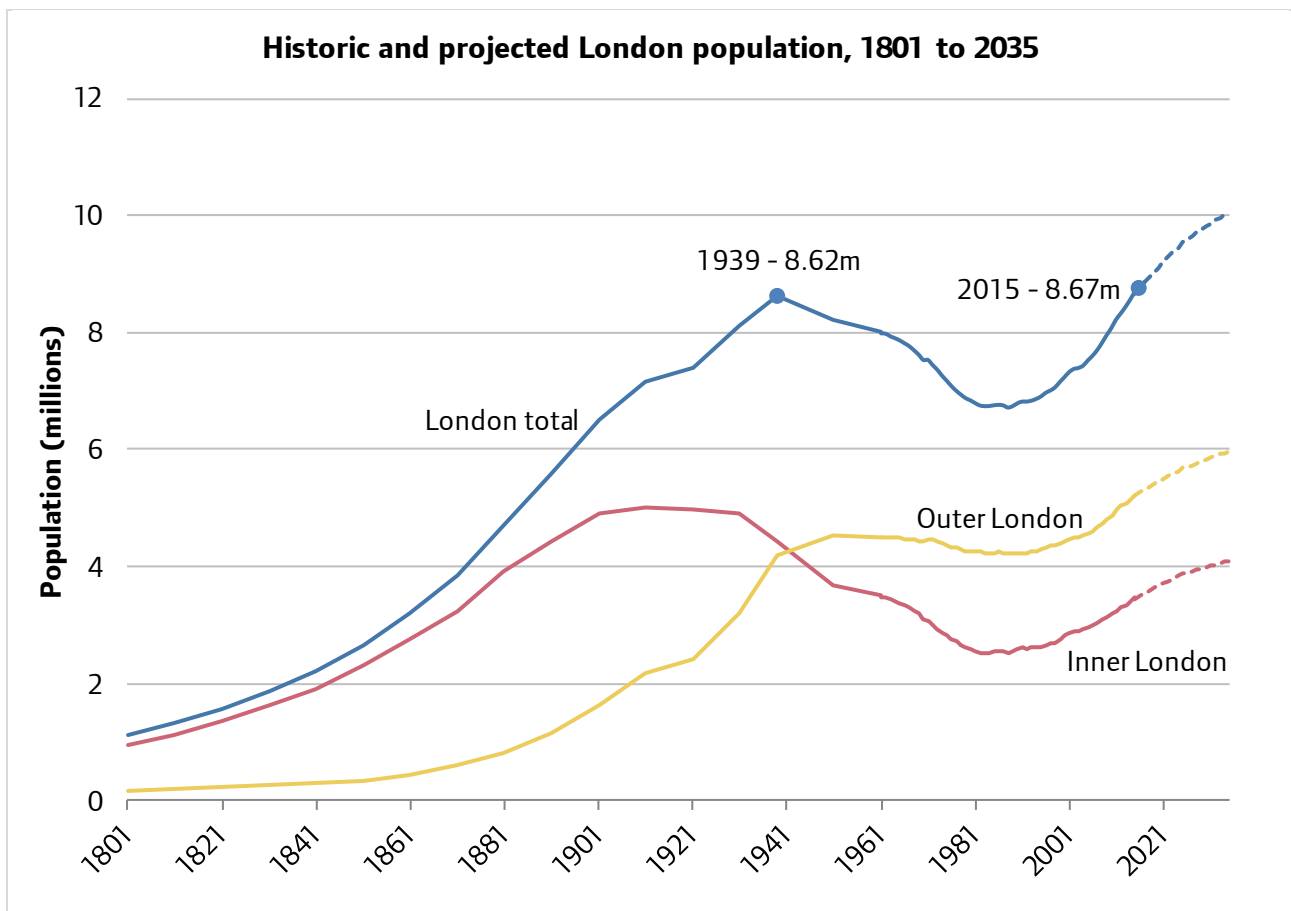
London's population has reached a new peak, after growing by 135,000 between 2014 and 2015 (1.1). There are now slightly more homes than households in London, in stark contrast to the early 20th century (1.2), but the number of rooms per person in London fell between 2001 and 2011, the first time this has happened in at least a hundred years (1.3).

Private renting, once the largest tenure in London, is rising rapidly again and is projected to catch up with owner occupation by 2025 (1.4), with the declining share of mortgagors accounting for the fall in home ownership (1.5) and younger age groups seeing particularly sharp drops in recent decades (1.6).

The number of homes built in London in 2015 was the highest in a calendar year since 1978 – but still far below historic peaks (1.7). That said, since 2001 London's housing stock has grown faster than during the post-war decades due to fewer demolitions and more conversions (1.8). London's built-up area has changed very little since the Second World War, and its surroundings have seen only patchy growth in recent decades (1.9). Residential densities are highest in a number of areas neighbouring London's central business districts (1.10).

Public concern over housing is at its highest level on record in London, and the highest for decades in Britain as a whole (1.11).

1.1. London's population has reached a new peak, after growing by 135,000 between 2014 and 2015



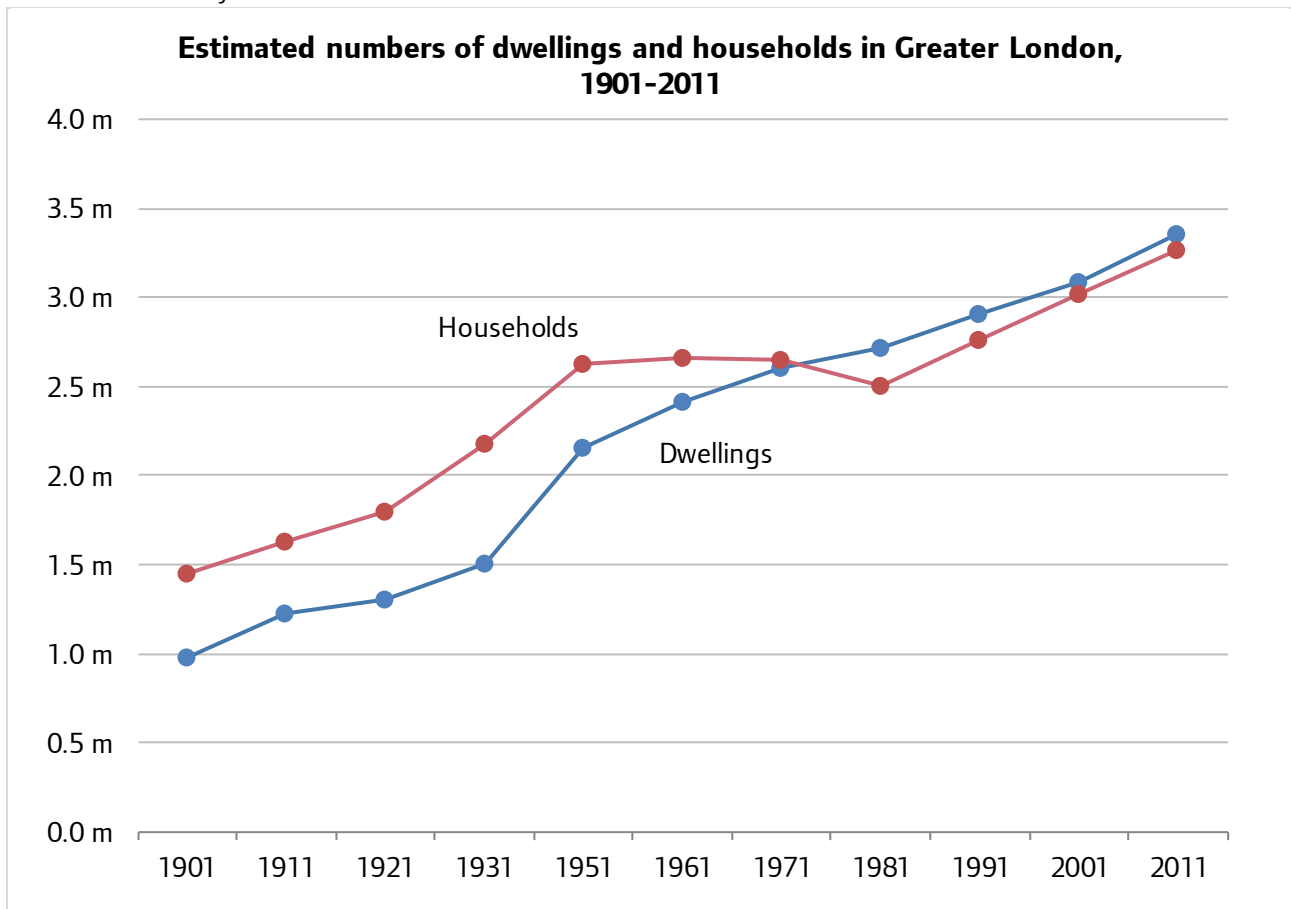
- Just over a million people lived in London in 1801, a number that grew fairly steadily until the Second World War, reaching 8.62 million in 1939. After the war de-industrialisation, suburbanisation and population dispersal policies meant the population fell for several decades, only bottoming out in the 1980s.
- The number of Londoners grew by 438,000 in the 1990s and then 825,000 in the 2000s. 135,000 people were added between 2014 and 2015, taking London's estimated population to a new record of 8.67 million.
- GLA projections indicate growth of 874,000 between 2015 and 2025, and a further 528,000 between 2025 and 2035, bringing the population to just over 10 million people.
- These projected figures are 'unconstrained' by housing supply. In reality, if not enough new housing is built population growth may well be lower.

Sources and notes

Compiled by GLA from:

- 1801-1961: Persons present on Census day (ONS)
- 1961-2015: Estimated mid-year resident population (ONS)
- 2015-2035: GLA 2014 round population projections - scenario incorporating data from the 2013 SHLAA, short term migration trends and using the Capped Household Size projection model

1.2. There are now slightly more homes than households in London, in stark contrast to the early 20th century



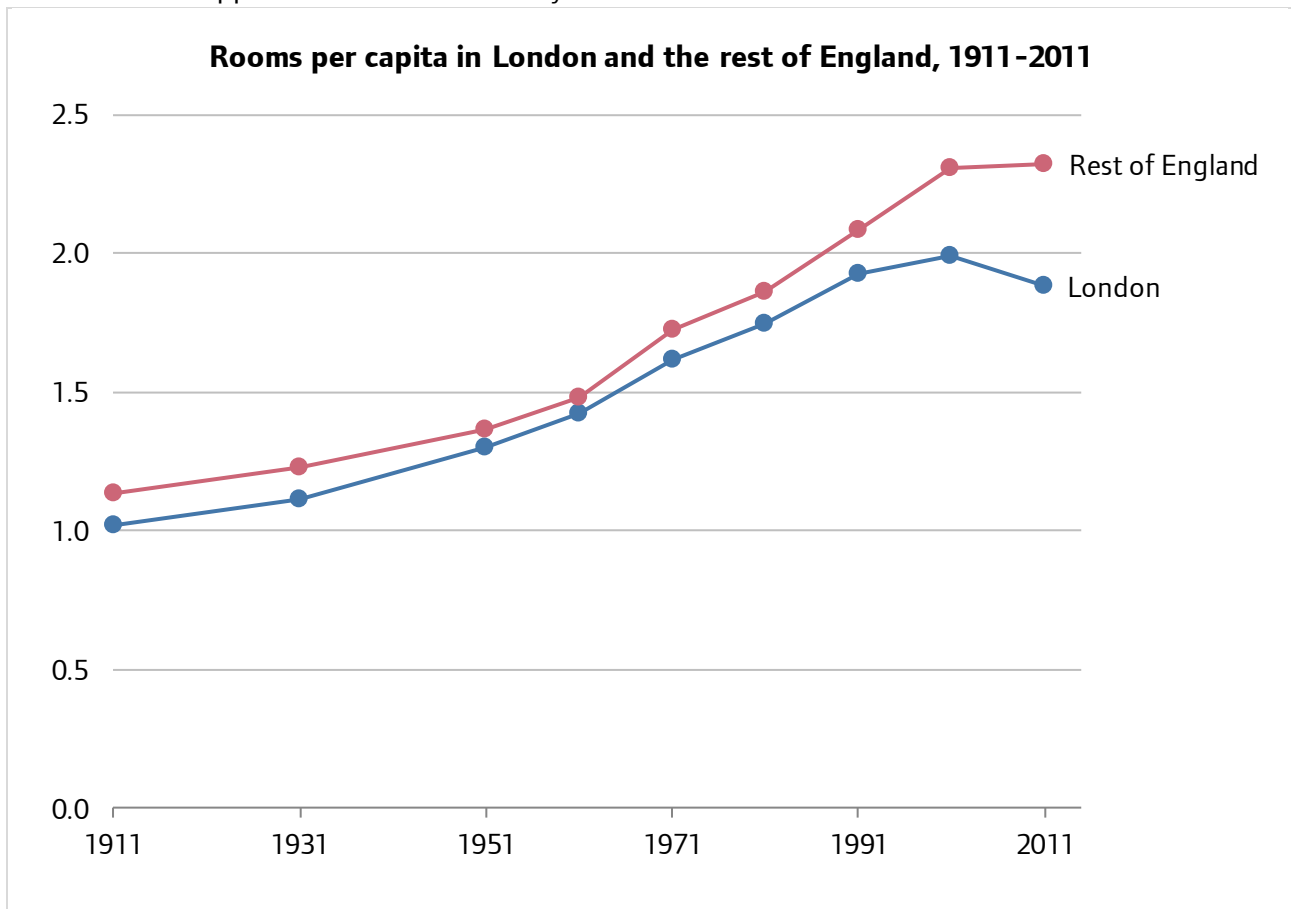
- At the beginning of the 20th century there were around 1.5 million households in London, living in around one million dwellings, indicating very high levels of sharing and overcrowding. The numbers of both households and homes grew over the subsequent decades, and the aggregate deficit was only eliminated when household growth came to a halt after the Second World War.
- By the 1970s there were finally more homes than households in London, but the resumption of growth in the number of households (driven mainly by rapid population growth) has since then seen the 'surplus' narrow to around 90,000 homes by 2011.
- The recent rise in average household size and the continuing phenomenon of two or more households sharing a home indicate that household growth would be higher still if more housing was available.

Sources and notes

Compiled by GLA from:

- 1901 to 1931 from 'London: The Heartless City' (1977) by David Richards and David Wilcox
- 1951 and 1961 from the Holland Report on Housing in Greater London
- 1971 to 2011 from Census data
- Census definitions of households and dwellings have changed somewhat over time, as has the population base (from 'population present' in early Censuses to 'usual residents' in more recent ones)
- The 'usually resident' population excludes anyone born outside the UK who intends to stay here less than a year

- 1.3. The recorded number of rooms per person in London fell between 2001 and 2011, the first time this has happened in at least a century



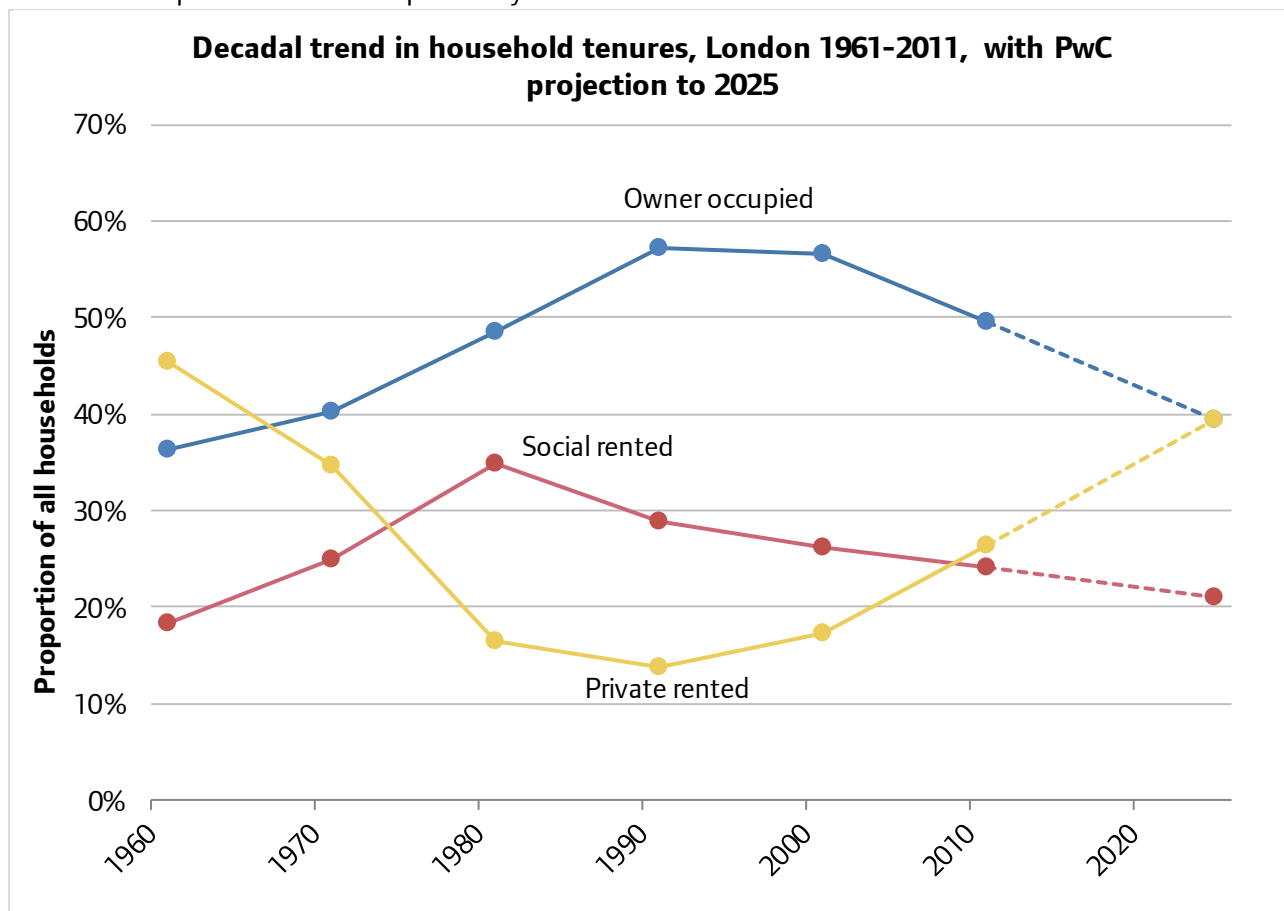
- For almost a century from 1911 there was a fairly steady increase in the number of residential rooms per Londoner, as growth in the number and/or size of homes outstripped population growth (if any). In 1911 there were just 1.02 rooms for each Londoner, a figure which rose to 1.99 by 2001, only to fall back to 1.88 in 2011.
- There was always slightly more space in the rest of England, with 1.11 rooms per person in 1911. The upwards trend in the rest of England largely tracked that in London until starting to diverge in the last decades of the 20th century. By 2001 there were 2.26 rooms per person in the rest of England, a figure that fell marginally to 2.25 in 2011.
- Fewer rooms per person is likely to have contributed to higher levels of overcrowding (see section 5).
- It should be borne in mind that this analysis takes no account of any changes in the definition of rooms or in their size over time.

Sources and notes

Compiled by GLA from Census data, obtained from:

- 1911: Minnesota Population Center North Atlantic Population Project
- 1931 and 1951: Greater London Development Plan Report of Studies -
- 1961: GLA historical census statistics
- 1971-1991: Casweb
- 2001: Neighbourhood statistics
- 2011: Nomis

- 1.4. Private renting, once the largest tenure in London, is rising rapidly again and is projected to catch up with owner occupation by 2025



- The proportion of London households who own their own home (whether outright or with a mortgage) peaked in the early 1990s but then fell to just under half by the time of the 2011 Census, the first time owner occupiers have been in the minority since the early 1980s.
- The private rented sector was once the largest tenure in London but shrank from 46% of households in 1961 to 14% in 1991, before rapid growth brought it back up to 26% in 2011, making it the second largest tenure.
- In contrast, social renting grew rapidly between the 1960s and 1980s, accommodating 35% of households in 1981, before falling to 24% in 2011.
- In 2016 PwC produced regional tenure projections for 2025, in which London's home ownership rate falls further to 39.5%, the same as the projected private renting rate, while the proportion of households in social housing is projected to fall again to 21%.

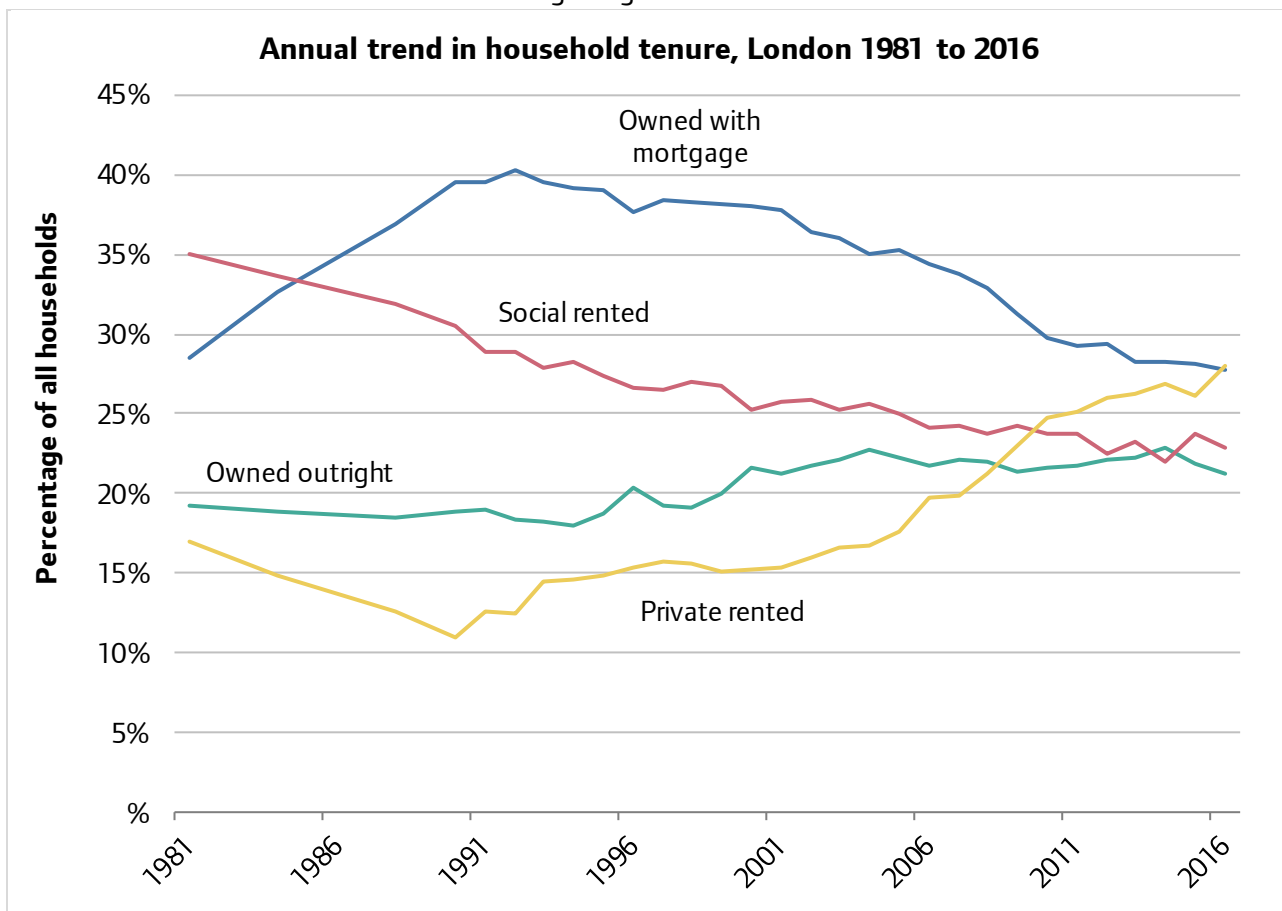
Sources and notes

Compiled by GLA from ONS Census data and PwC regional tenure projections (February 2016)

- The PwC projections used key predictors of historical trends in private renting and home ownership (including demographic trends, housing supply, historic mortgage volumes and mortgage loan to value ratios) and assumptions about how each of these factors would develop and vary between regions until 2025.

- Note, households renting from housing associations were included with private renting in 1961/71, but as there were very few they do not substantially affect the trends shown

- 1.5. The proportion of London households that own their own home with a mortgage has fallen back to its 1981 level of 28% after reaching a high of 40% in 1992



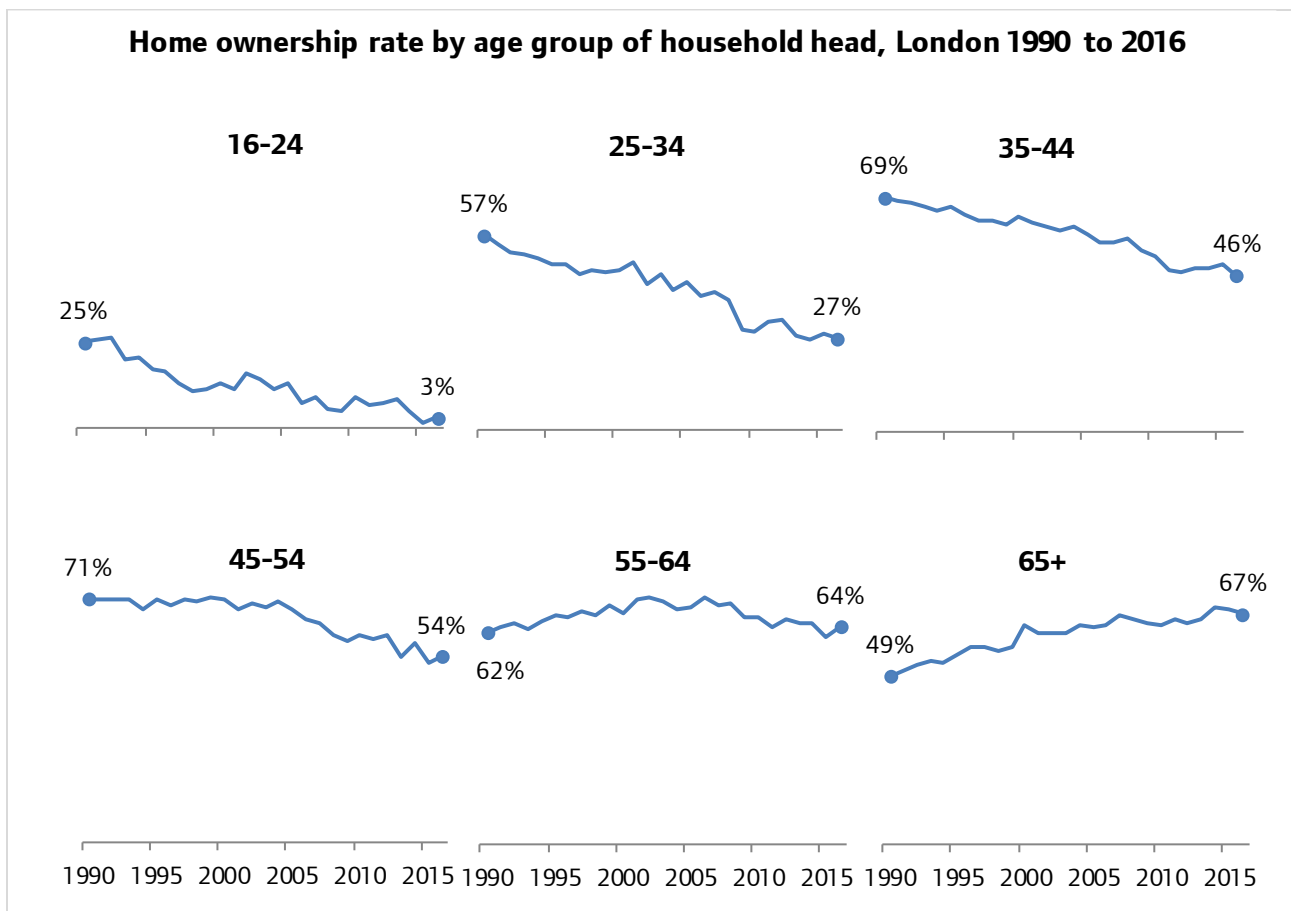
- In the first decade of the 21st century London's tenure mix underwent a dramatic change, with the proportion of households that own their home with a mortgage falling from 38% in 2000 to 29% in 2011 and the proportion that rent privately rising from 15% to 25%.
- Changes since then have been less dramatic, although the shares of mortgagors and private renters converged at 28% in 2016.
- The share of households that own their homes outright has been relatively steady over the last two decades and stood at 21% in 2016, while the share that live in social housing has fallen slowly over the same period, reaching 23% in 2016.

Sources and notes

Compiled by GLA from:

- *Housing Trailers to the Labour Force Survey* (1981, 1984, 1988 and 1991, with intervening years interpolated) -
- *Labour Force Survey data* (1990, 1992 to 1996 and 2009 to 2016)
- *DCLG analysis of the LFS* (1997 to 2008)

1.6. Home ownership rates among younger Londoners have fallen sharply in recent decades

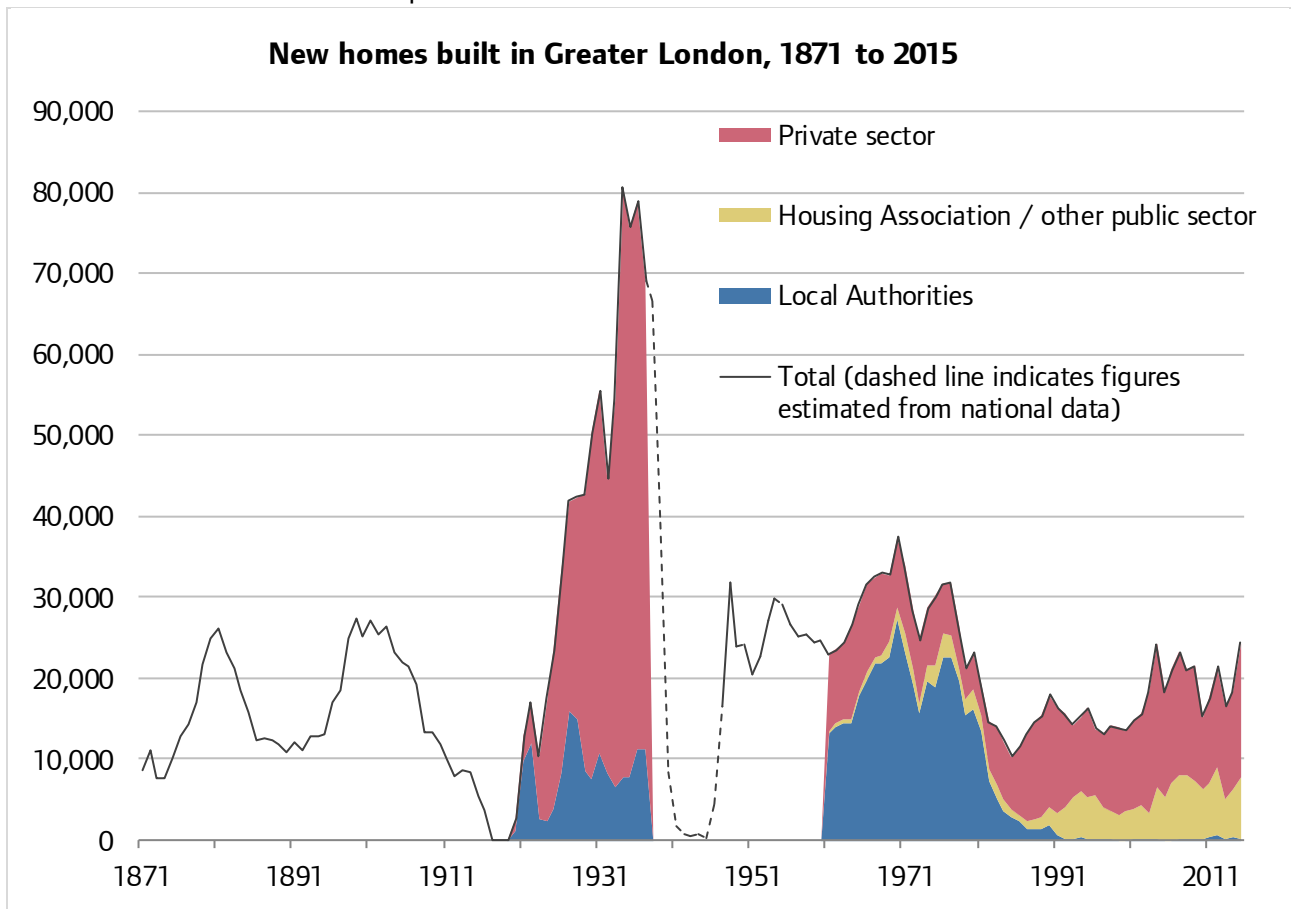


- While London's total home ownership rate has fallen in recent decades, there are stark differences in the trends for different age groups. In 1990 25% of households in London headed by someone aged 16-24 and 57% by someone aged 25-34 owned their home, but by 2016 these figures had fallen to 3% and 27% respectively.
- Home ownership rates also fell for households headed by someone aged 35-44 (from 69% to 46%) and 45-54 (71% to 54%).
- Over the period as a whole the ownership rate rose for households headed by someone aged 55-64, although it appears to have peaked around 2005 and has fallen slightly since.
- Finally, the proportion of households headed by someone 65 or older that owned their own home rose relatively steadily from 49% in 1990 to 67% in 2014.

Sources and notes

- Labour Force Survey household datasets, 1990 to 2016

- 1.7. The number of homes built in London in 2015 was the highest in a calendar year since 1978 – but still far below historic peaks



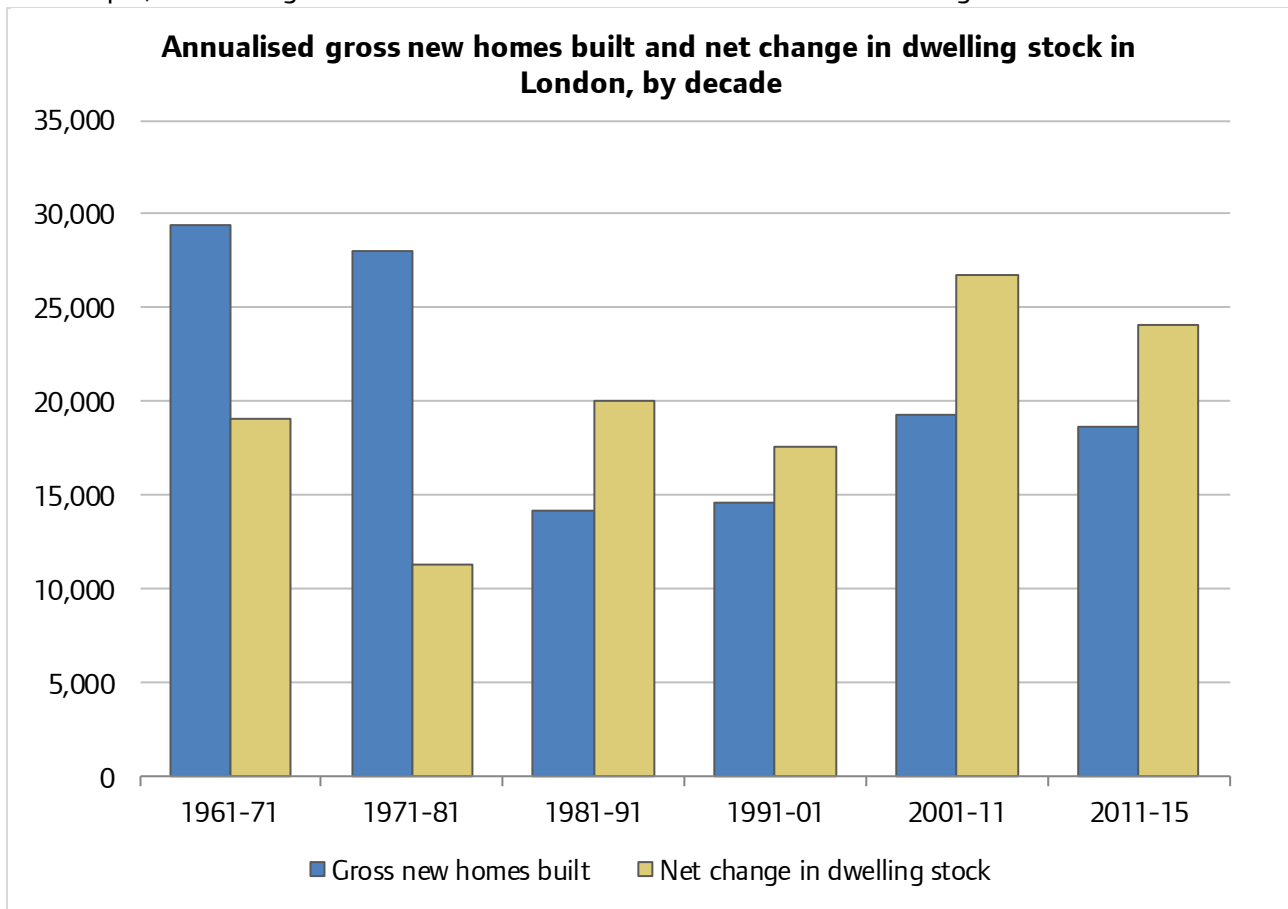
- In 2015 there were 24,390 gross completions (i.e. not adjusted for demolitions) of new build homes in London, the highest calendar year figure since 1978. But in general recent supply has been low in historical terms: over the last decade an average of 20,030 homes have been built each year, compared to an average of 61,460 in the 1930s and 29,420 in the 1970s.
- Each boom in construction has had its own characteristics, with the 1930s dominated by private builders and the 1960s and 1970s by councils. In 2015 private builders accounted for 16,490 completions, housing associations for 7,760 and councils for just 130.

Sources and notes

Compiled by GLA from:

- 1871-1937: Report of the Commissioner of the Metropolitan Police, via Quandl.com
- 1946-1960: GLA estimates based on national data from 1946 to 1960 (DCLG, live table 244) and London's share of the national total before World War II (from B. Mitchell, *British Historical Statistics*, p392) and after the war from the GLA and DCLG data below
- 1961 to 1969: Annual Abstracts of Greater London Statistics
- 1970 to 2015: DCLG house building statistics
- Note, these figures exclude supply from conversions and changes of use, which are included in other statistics reported later in this report

- 1.8. Since the turn of the millennium the net increase in London's housing stock has been relatively rapid, due to large numbers of new homes from conversions and changes of use

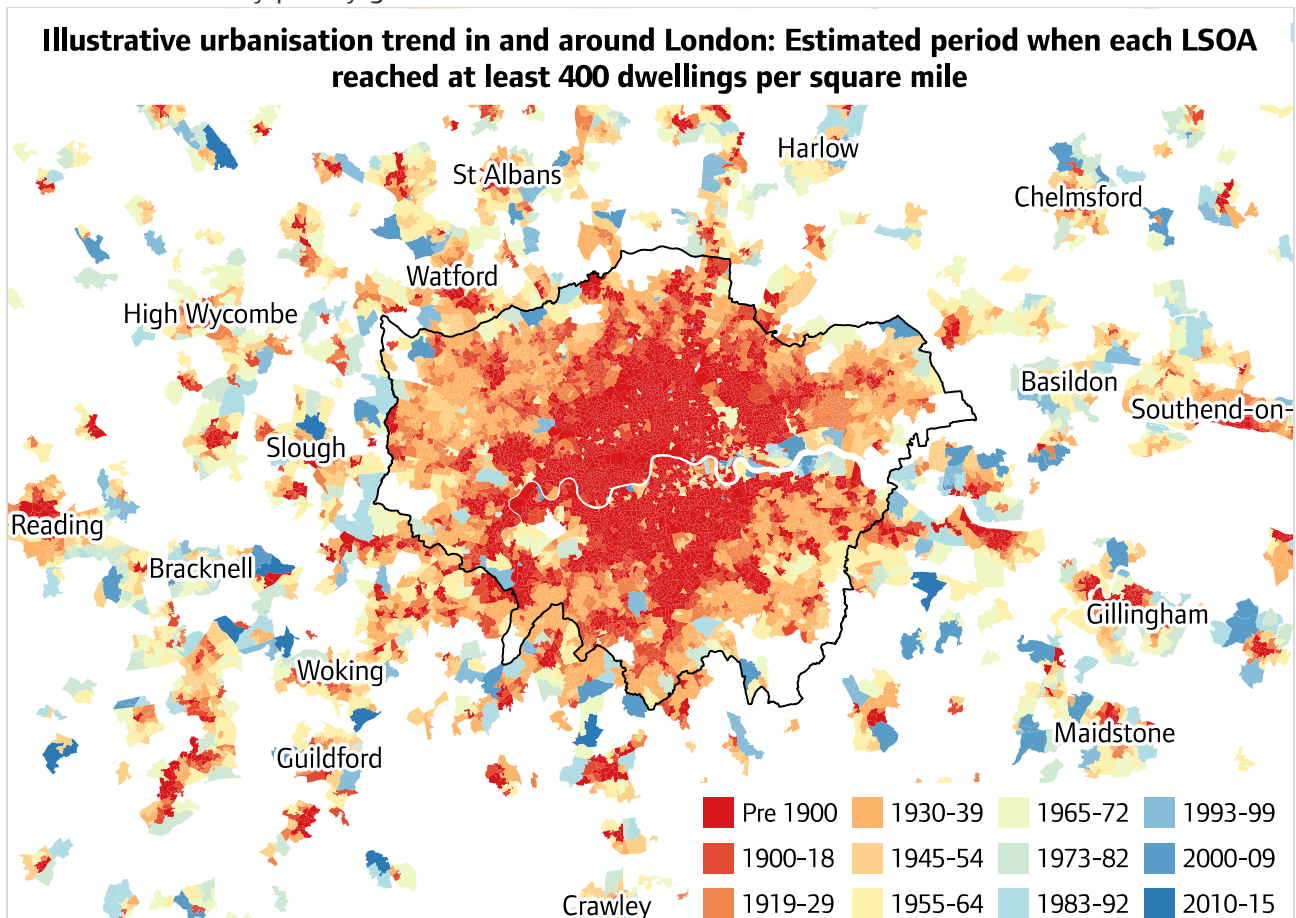


- An average of 19,300 new homes a year were built in London in the 2000s, but the net increase in the dwelling stock was actually greater at around 26,800 a year, higher than in any other decade since at least the 1960s. Each year between 2011 and 2015 saw around 18,700 new homes built and stock growth of around 24,100.
- The net increase in the dwelling stock can be lower than the number of new homes built if there are substantial numbers of homes demolished, as was the case in the 1960s and 1970s. More recently the net increase in the dwelling stock has been higher than the level of new build, due to a combination of relatively few demolitions and substantial supply coming from other sources such as conversions and changes of use.
- According to DCLG only 3,100 homes in London were demolished in 2015/16.

Sources and notes

- Gross new homes built from same sources as 1.7 above
- Net change in dwelling stock from comparisons of Census dwelling estimates for 1961-2011, and from DCLG live tables on dwelling stock for 2011-15
- Note, the growth in the dwelling stock between 2001 to 2011 may be over-stated due to under-counts in 2001. According to VOA Council Tax statistics, which include some additional categories of dwellings such as student halls and care homes, London's dwelling stock grew by 25,630 a year between 2001 and 2011 (and by 29,500 a year between 2011 and 2015)

- 1.9. London's built-up area has changed very little since the Second World War, and its surroundings have seen only patchy growth in recent decades



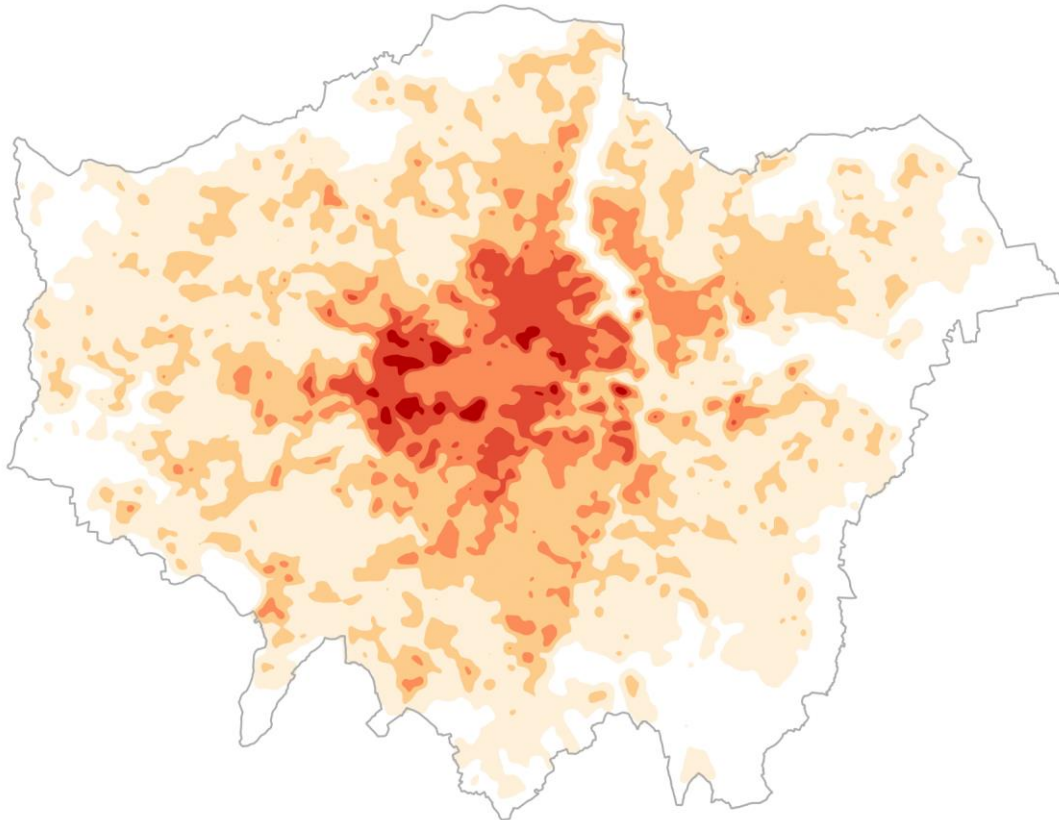
- This map shows the estimated period in which each Lower Super Output Area (LSOA) in and around London first became 'urban', based on the age distribution of its current dwelling stock. Areas with 400 or more homes per hectare in 2015 are assumed to be 'urban'.
- Because it takes no account of non-residential uses or of homes that have been demolished, the map understates the 'age' of urban areas with a lot of either, such as London's Docklands.
- Most of London's current residential footprint was already urbanised by the start of the Second World War, as shown by the red and orange areas. But the areas around it were and remain much more sparsely populated, with only isolated pockets becoming urbanised in recent decades.

Sources and notes

- VOA, *Council Tax Stock of Properties*, 2015.
- The approach used in this map was inspired by Issi Romem's analysis of urban expansion in US cities for *buildzoom.com*

1.10. Residential densities are highest in a number of areas neighbouring London's central business districts

Contextual density of residential addresses in London, 2015

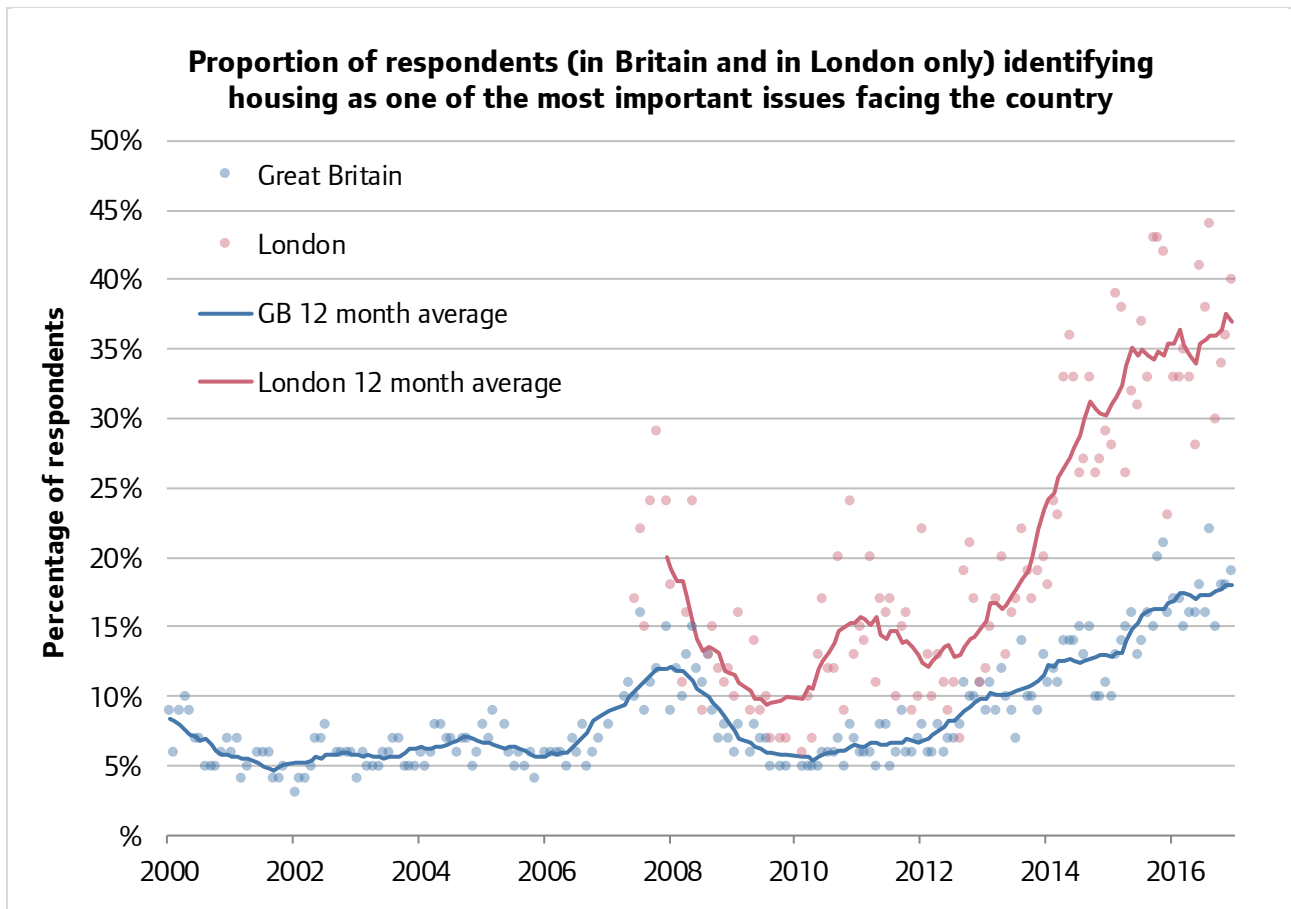


- There are a number of ways to measure the density of housing in a particular area. This map shows the 'contextual' residential density of neighbourhoods across London, measured by the number of residential addresses within 500m of each spot in the city, weighting nearby addresses more highly than distant ones to create a smoother distribution.
- According to this measure the densest residential neighbourhood in London is Pimlico, due to a predominant mansion block built form and a relatively low level of non-residential uses. Other high-density neighbourhoods include Mayfair, Paddington, the City fringes and the Isle of Dogs.

Sources and notes

- Ordnance Survey AddressBase Plus data on residential addresses in London in November 2015

1.11. Public concern over housing is at its highest level on record in London, and the highest for decades in Britain as a whole



- The polling company Ipsos MORI has been surveying the British public on the issues that most concern them since 1974, initially relatively sporadically but from the mid-1980s on a monthly basis. The survey asks respondents what they see as important issues facing the country, and since 2007 has provided a regional breakdown of responses.
- Since roughly 2011 a growing proportion of respondents (particularly those in London) have identified housing as an important issue facing the country, in recent months rising to around 37% in London and 18% across Britain as a whole.
- The last time housing was an issue of such concern at the national level was when the index began in 1974, with 27% of respondents mentioning it in October of that year.

Sources and notes

- Ipsos MORI, *Issues Index / Political Monitor*
- The survey base is around 1,000 adults in Britain each month, of which around 150 in London

2. Demographic, economic and social trends

In a dramatic turnaround from the 1970s, Inner London's population has been growing more quickly than Outer London's since the mid-1980s (2.1). The main driver of increased population growth in London is natural change (births minus deaths), but migration has indirectly contributed by lowering the average age (2.2). Over the last decade London has seen a net influx of 20-somethings from the rest of the UK and a corresponding net outflow of those in their 30s (2.3).

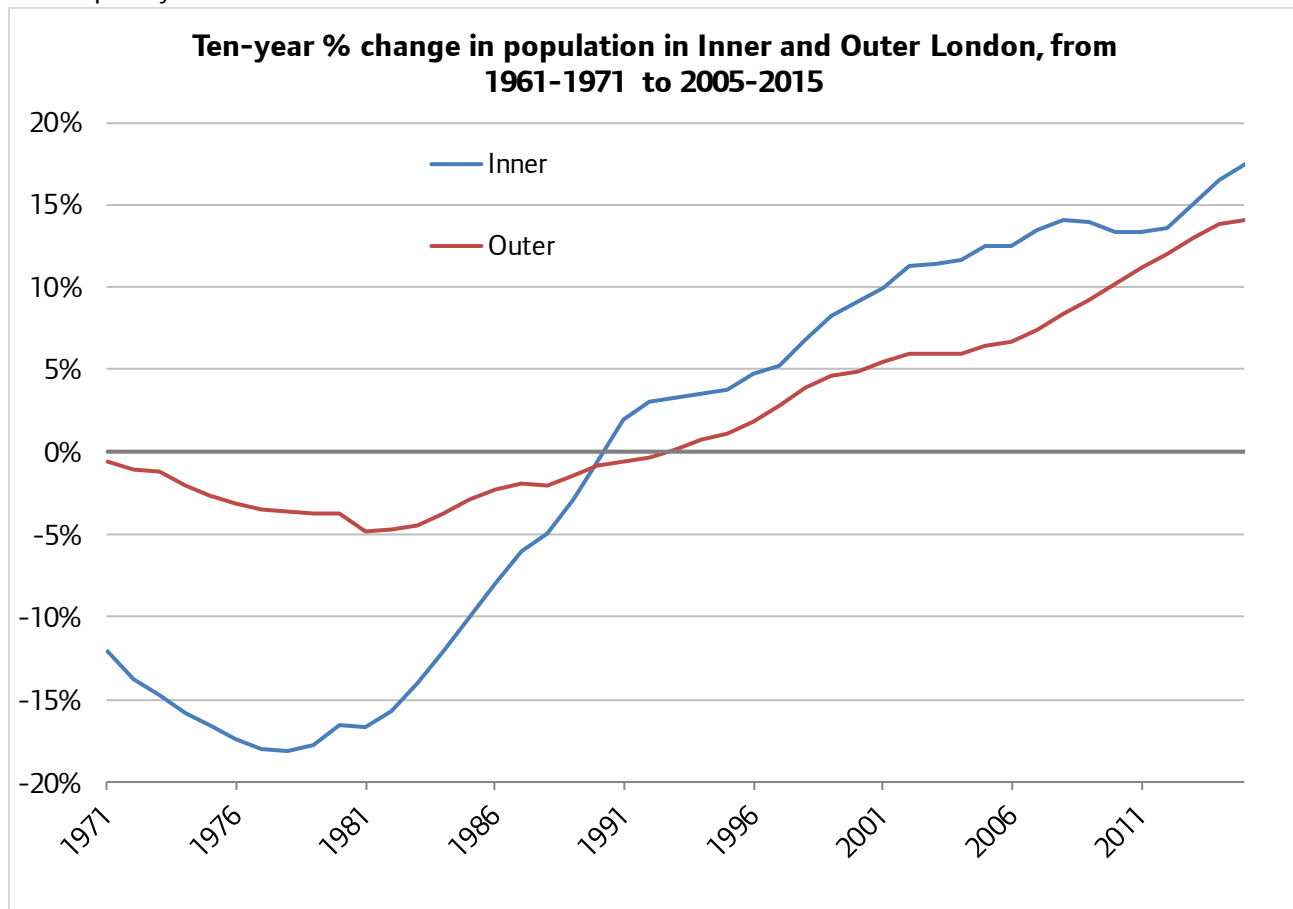
Nearly a quarter of young adults in London live with their parents, up from one in six in the late 1990s (2.4), while more than one in three private renting households in London include children, up from one in five in 2004 (2.5).

Attitudes to housing vary across the tenures, with just over half of private tenants in London satisfied with private renting as a tenure, though far more are satisfied with their accommodation itself (2.6). London's private rented sector accommodates households on a wide range of incomes, while low income households are concentrated in social housing and higher income households in owner occupation (2.7). Patterns of economic activity also vary widely across tenures, with similar levels of inactivity among outright owners and social tenants (though for quite different reasons) (2.8). Unsurprisingly, ownership of property is a major contributor to London's highly unequal distribution of wealth (2.9).

The vast majority of new arrivals to London are accommodated in its private rented sector, including 85% of those coming from overseas (2.10), which is also the source of nearly half of London's construction workforce (2.11).

London's housing market generated over £3bn in Stamp Duty receipts last year, nearly half of the England total (2.12). Just as rising house prices have pulled up the rate of Stamp Duty paid by home buyers, they have also pushed down the effective rate of Council Tax in London (2.13).

2.1. In a dramatic turnaround from the 1970s, Inner London's population has been growing more quickly than Outer London's since the mid-1980s

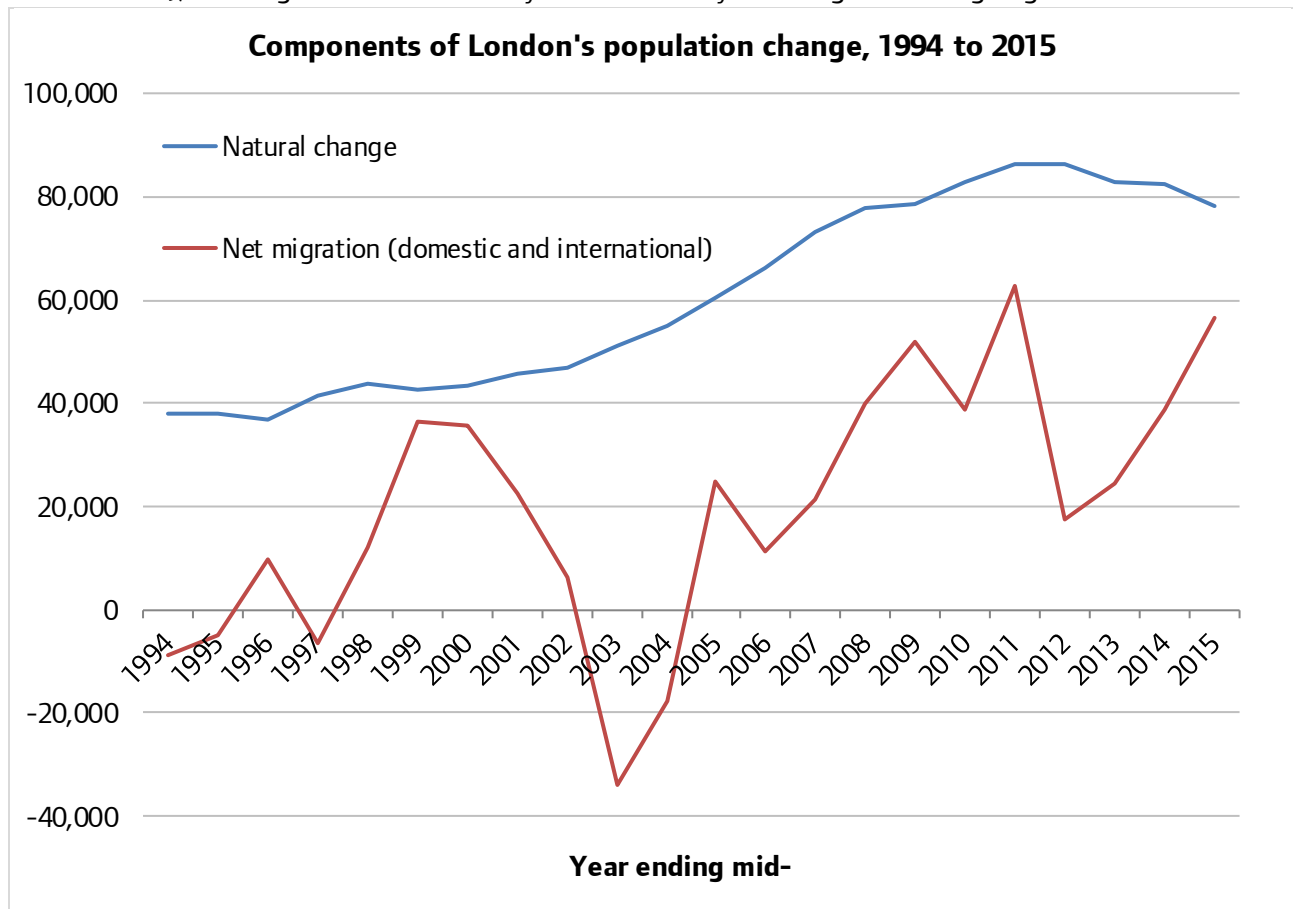


- Inner London's population shrank throughout the 1960s and 1970s, by almost a fifth in the decade to 1978 alone. Population growth resumed in the mid-1980s and has accelerated ever since, with growth of 17.4% in the year to 2015 (including a 2.2% increase between 2014 and 2015, the highest on record). This trend has important implications for housing policy, as Inner London is already the most crowded and expensive part of the city.
- Outer London has seen a less dramatic turnaround, as it lost a much smaller share of its population in the 1970s. By historic standards its recent growth has also been very rapid, reaching 14% over the last decade.

Sources and notes

- ONS mid-year population estimates

2.2. The main driver of increased population growth in London is natural change (births minus deaths), but migration has indirectly contributed by lowering the average age

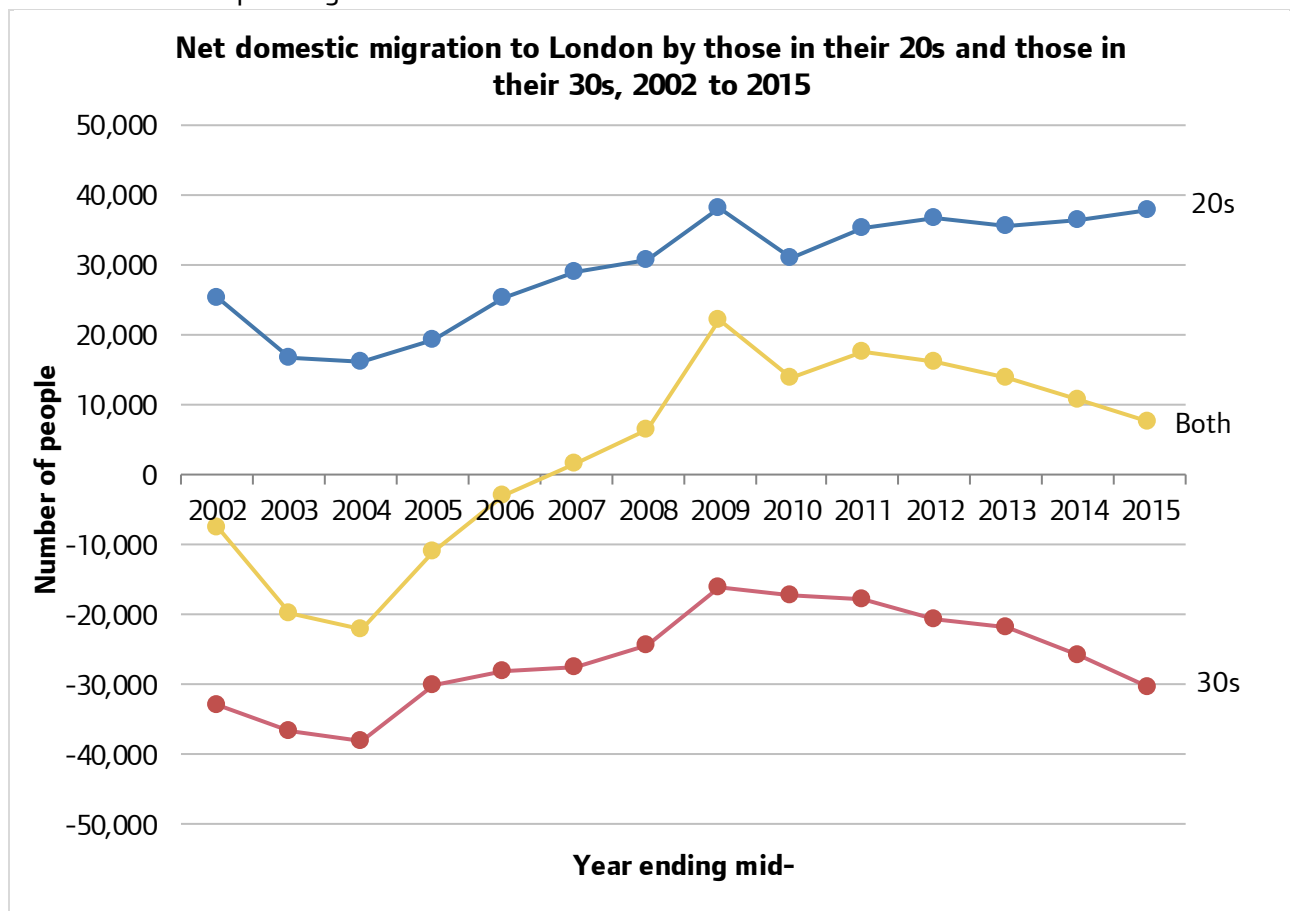


- On the face of it, London's recent population boom has been driven largely by approximately a doubling in the rate of 'natural change', i.e. the annual surplus of births over deaths. This component of population growth rose from an average of 40,000 a year in the mid to late 1990s to around 80,000 a year over the last decade, though in the last few years it has started to decline again
- Net migration (both domestic and international) is far more volatile but has grown over the long term, from an average net inflow of 5,000 people a year between 1994 and 2004 to an average of 35,000 a year between 2005 and 2015. Migration also helps explain a large part of the increase in natural change, because its net impact has been to increase the number of young adults in London.

Sources and notes

- GLA Datastore, 'Net internal and international migration, and Natural change' (from ONS data), and 2015 mid-year population estimates

- 2.3. Over the last decade London has seen a net influx of 20-somethings from the rest of the UK and a corresponding net outflow of those in their 30s

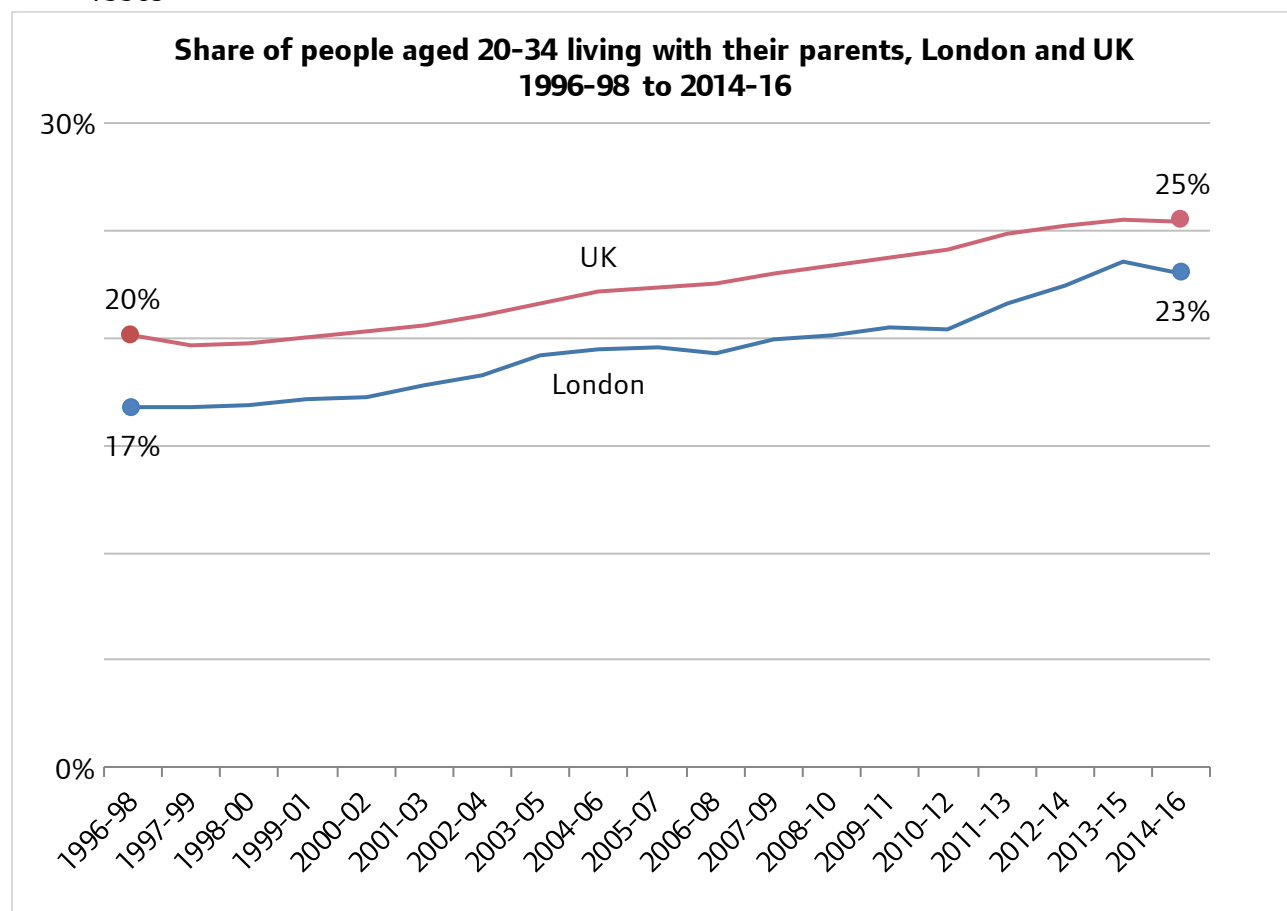


- For many years now London has occupied a key place in the system of domestic migration flows around the UK, characterised by large net inflows of 20-somethings and outflows of those in their 30s. These net flows are themselves the aggregate of much larger gross flows in and out.
- Between 2004 and 2009 there was an increase in the net inflow of both those in their 20s and 30s to London from the rest of the UK, with the total net inflow of 20-39 year olds rising from a negative 20,000 in 2004 to a positive 22,000 in 2009.
- Since 2009 the net outflow of those in their 30s has risen from 16,000 to 30,000 in the year to mid-2015, while the net inflow of those in their 20s has remained fairly steady. In both gross and net terms the outflow of 30-somethings remains below historic peaks.

Sources and notes

- ONS, data on domestic migration

2.4. Nearly a quarter of young adults in London live with their parents, up from one in six in the late 1990s

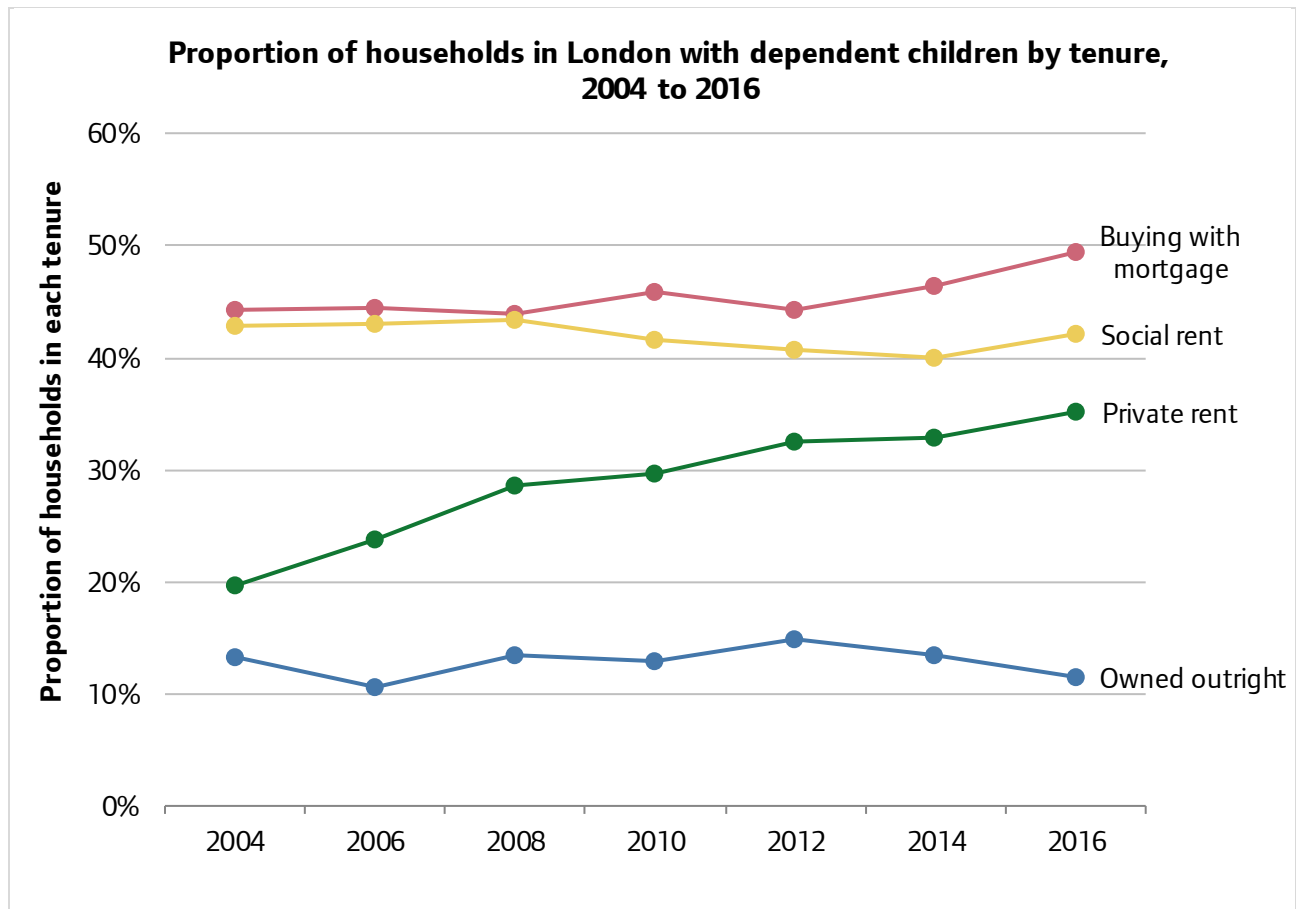


- Around 23% of young adults (those aged 20 to 34) in London live with their parents. The proportion living with their parents has risen from 17% in the late 1990s, with a particularly rapid rise seen in recent years.
- The share of young adults living with their parents is lower in London than across England as a whole, probably due to the large number of Londoners born in other regions or countries. 25% of young adults in England live with their parents, up from 20% in the late 1990s.

Sources and notes

- ONS analysis of Labour Force Survey for 1996-1998 to 2011-13, GLA analysis of Labour Force Survey for 2012-14 to 2014-16
- Three-year averages are used to create a smoother series
- Figures exclude anyone living in halls of residence

2.5. More than one in three private renting households in London include children, up from one in five in 2004

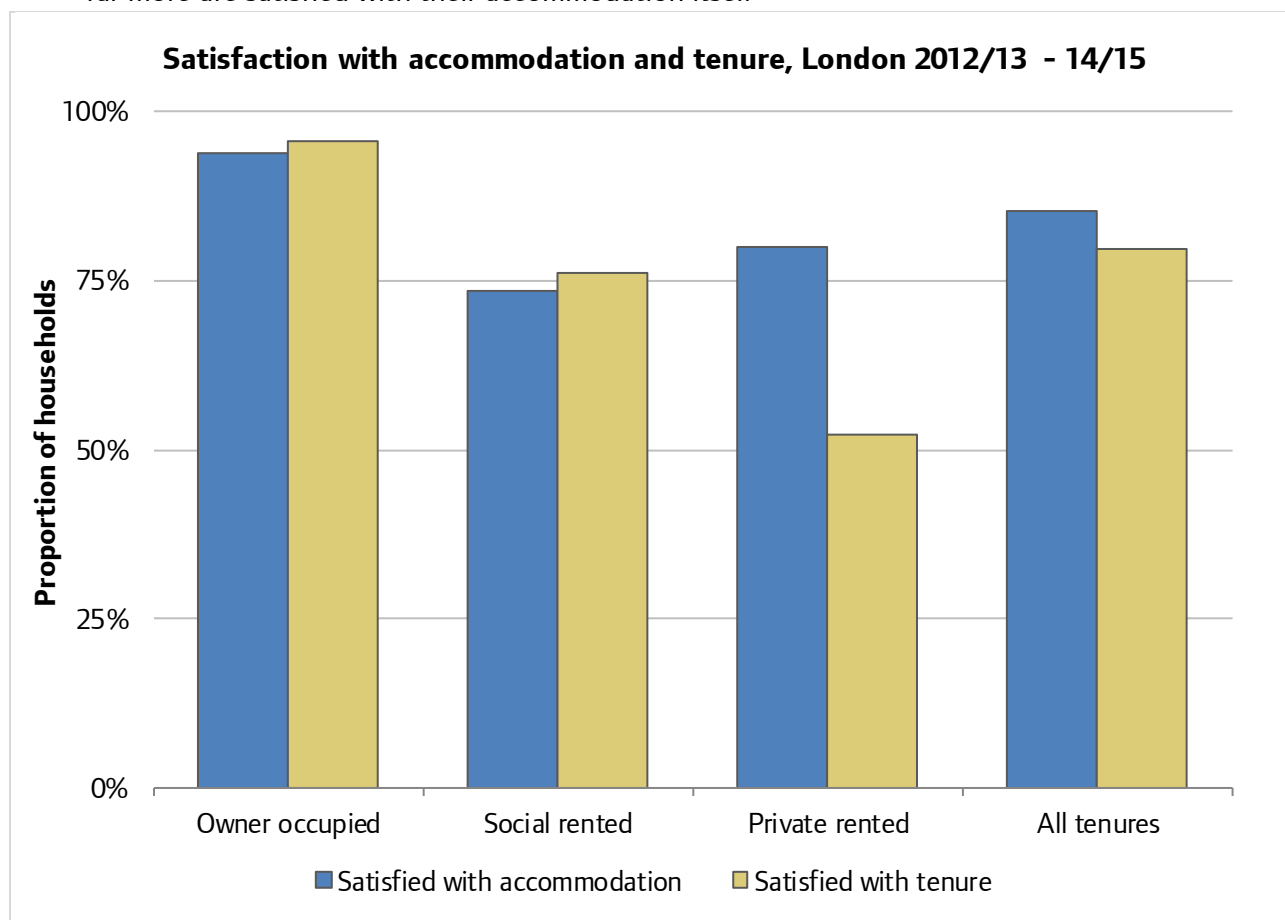


- 36% of all households in London include dependent children aged under 19, up slightly from 33% in 2004. The proportion of households with children has remained fairly steady since 2004 for households that own their home outright (12% in 2016) or who are in social housing (42%) while it has risen slightly for households with a mortgage (49%).
- But there has been rapid growth in the proportion of privately renting households with children, up from 20% in 2004 to 35% in 2016. In numerical terms there are now around 320,000 privately renting households with children in London, with around 580,000 children.

Sources and notes

- Labour Force Survey data
- These figures include any households containing dependent children under 19

- 2.6. Just over half of private tenants in London are satisfied with private renting as a tenure, though far more are satisfied with their accommodation itself



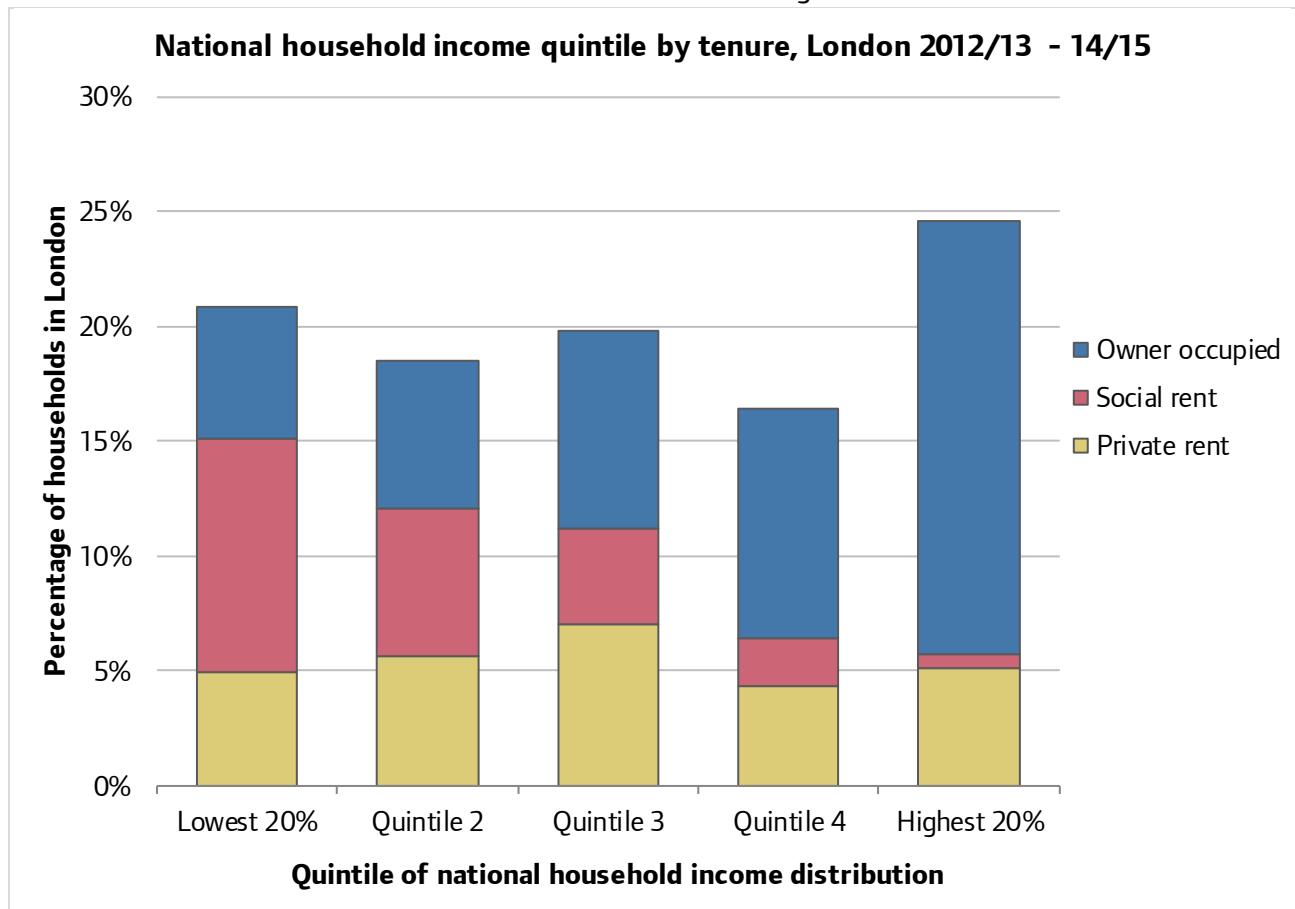
- Owner occupiers in London are overwhelmingly satisfied with both their accommodation and with homeownership in general. Satisfaction levels are lower for social tenants, of whom 74% are satisfied with their accommodation and 76% satisfied with social renting as a tenure.
- The most striking pattern is among private tenants, of whom 80% are satisfied with their accommodation but only 52% satisfied with renting privately, a disparity that may be driven by frustrated aspirations to homeownership or the lack of security compared to social housing.
- Across all tenures 85% of households in London are satisfied with their accommodation and 80% with their tenure.

Sources and notes

- English Housing Survey data, 2012/13 to 2014/15

-The question about satisfaction changed in 2014/15, from 'Taking everything into account, to what extent do you personally agree that being an owner occupier/a council tenant/a Housing Association tenant/a private renter/a part-owner/a renter is a good way of occupying a home?' to 'Given your current circumstances, how satisfied are you being someone who owns their own home /rents from the council /rents from a Housing Association /rents from a private landlord/ is a part-owner/ is a renter?'

2.7. London's private rented sector accommodates households on a wide range of incomes, while low income households are concentrated in social housing

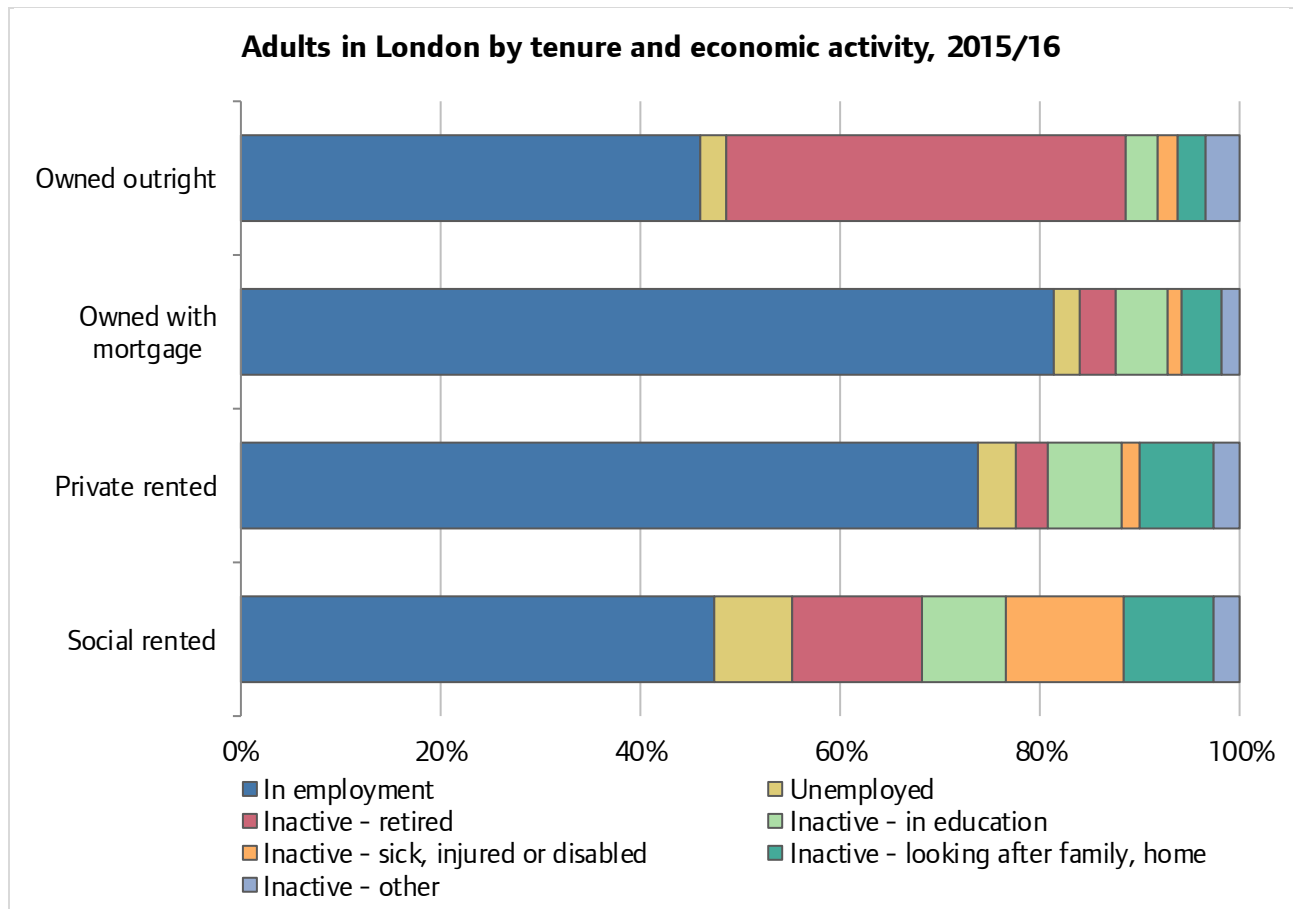


- Compared to the country as a whole, London has a relatively unequal distribution of household income, with 25% of London households in the top 20% of national household incomes and 21% in the poorest quintile.
- Private renting households in London are spread quite evenly throughout the national income distribution, but are slightly over-represented in the middle fifth.
- But there are huge differences in the income distribution of the other two tenures, with social renting households predominantly low-income and owner occupiers predominantly high-income. Around 40% of London homeowners are in the top fifth of the national household income distribution, and a similar proportion of London social tenants are in the bottom fifth.

Sources and notes

- English Housing Survey data, 2012/13 to 2014/15
 - The income definition used is EHS Basic Income, which refers to the annual net income of the Household Reference Person and any partner from wages, pensions, other private sources, savings and state benefits, after tax and national insurance but excluding any housing related benefits or allowances

2.8. Similar proportion of outright owners and social tenants are out of work, but for quite different reasons

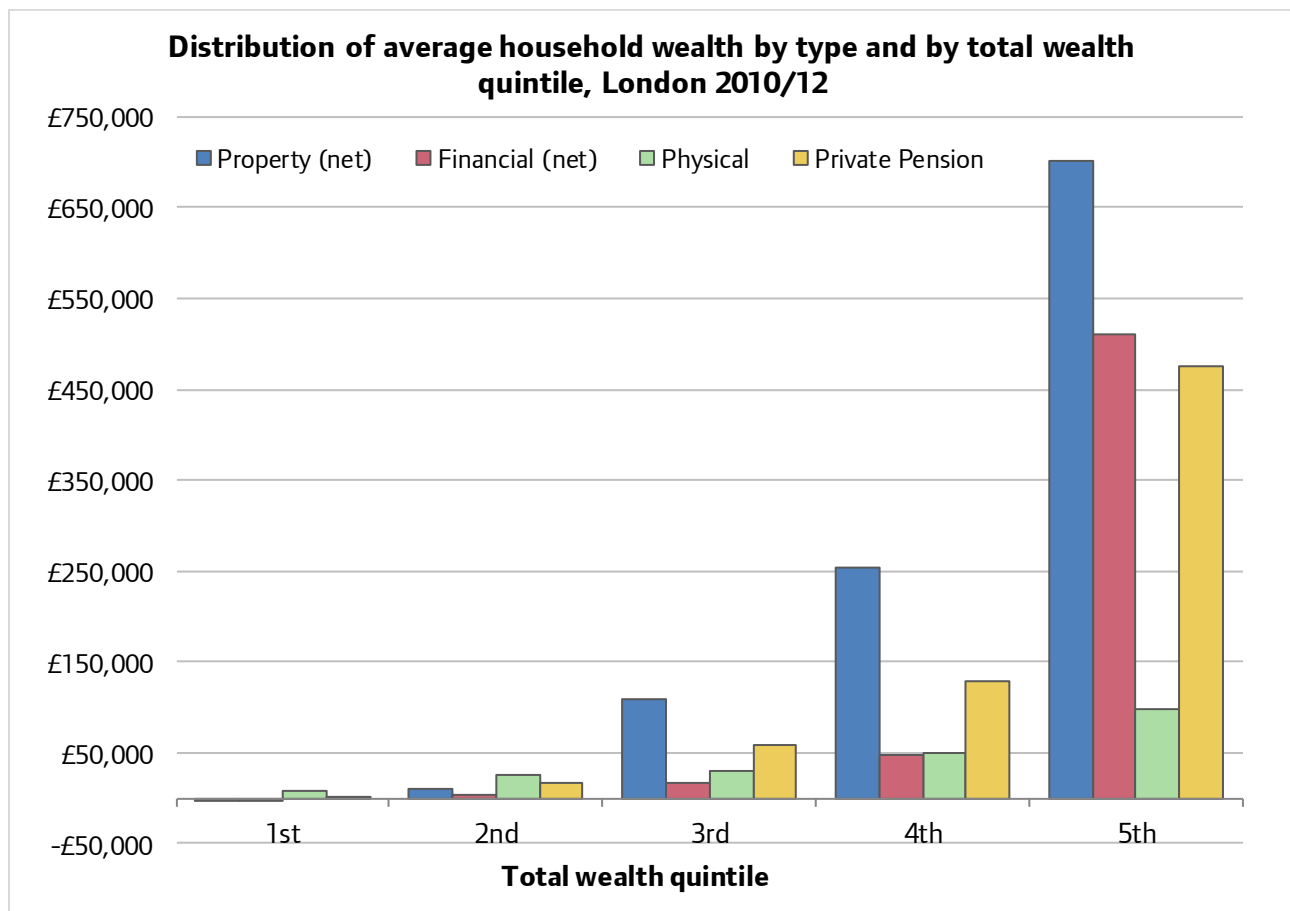


- Just over half of all adults in London are currently in employment, but this figure varies from 46% of adults in homes owned outright to 81% of those in households with a mortgage.
- Economic activity patterns are very similar for adults in private renting or from households with a mortgage, with low levels of unemployment and economic inactivity.
- There are similarly high rates of economic inactivity among social tenants and outright owners (45% and 51% respectively), but the composition differs markedly, with particularly high numbers of retirees among outright owners and higher rates of disability or sickness among social tenants.

Sources and notes

- Annual Population Survey data, 2015/16
- Unemployment is measured using the ILO definition

2.9. Property is a major contributor to London's highly unequal distribution of wealth

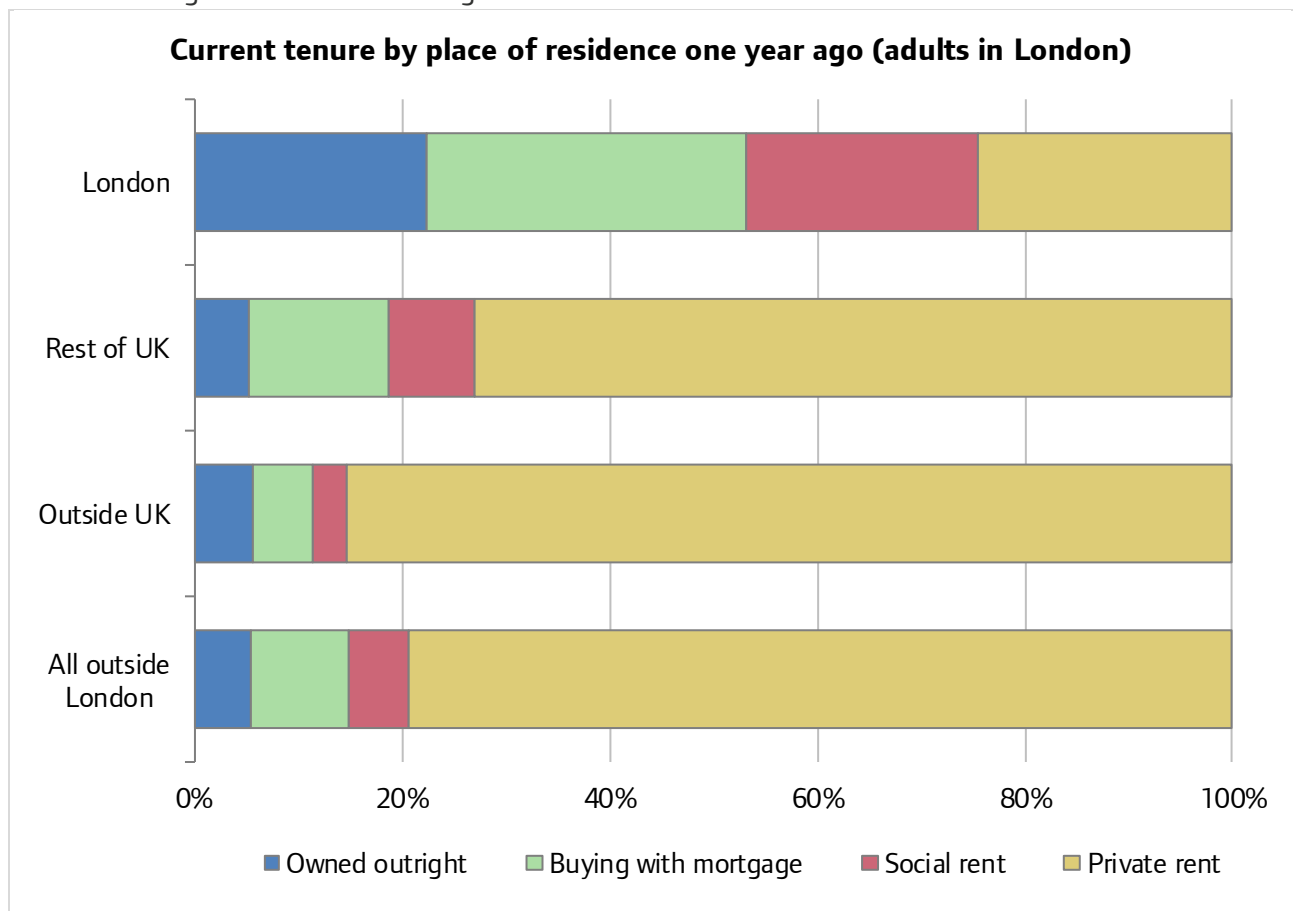


- Wealth in London is extremely unequally distributed, with the wealthiest fifth owning an average of £1.78 million and the poorest fifth just £4,000
- The poorest fifth own an average of £8,000 in physical wealth (e.g. household goods or jewellery) and around £1,000 in private pensions, offset by around £5,000 in property and financial debt.
- At the other end, the wealthiest fifth have an average of £700,000 in net property wealth, £510,000 in financial wealth, £100,000 in physical wealth and £475,000 in private pensions.
- The wealthiest fifth of London's households own total assets of £1 trillion, of which property comprises £400 billion.

Sources and notes

- ONS analysis of 2010/12 Wealth and Assets Survey

2.10. The vast majority of new arrivals to London are accommodated in its private rented sector, including 85% of those coming from overseas



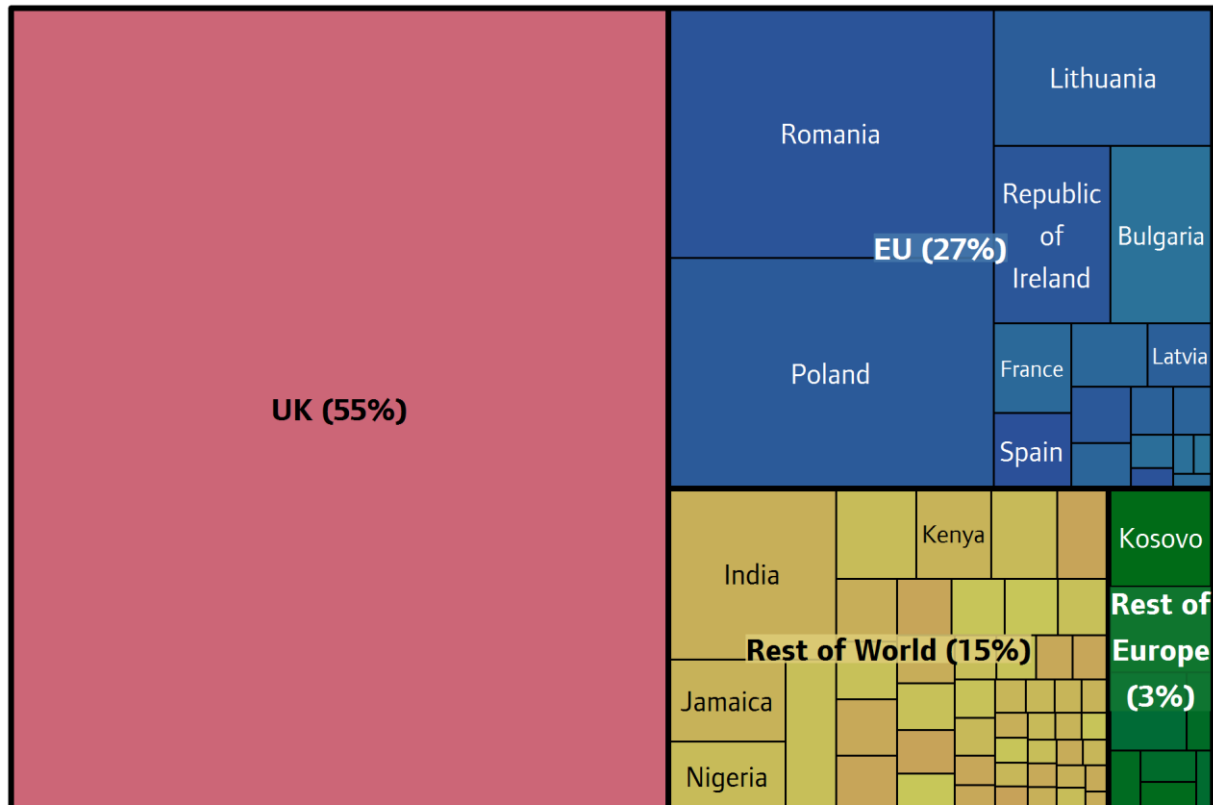
- With long waiting lists for social housing in London and access to owner occupation requiring large cash deposits, London's private rented sector is now the predominant 'gateway' tenure for those new to the city.
- Around 79% of adults who have come to London in the last year are now privately renting, comprising 73% of those who came from the rest of the UK and 85% of those who came from overseas.
- 10% of recent arrivals to London own their home with a mortgage, 5% are outright owners and 6% live in social housing.

Sources and notes

- Labour Force Survey data, 2014-16

2.11. People born overseas account for 45% of London's construction workforce, including 27% who come from the rest of the EU

Country of birth of construction workers in London, 2014-16 (Labour Force Survey)

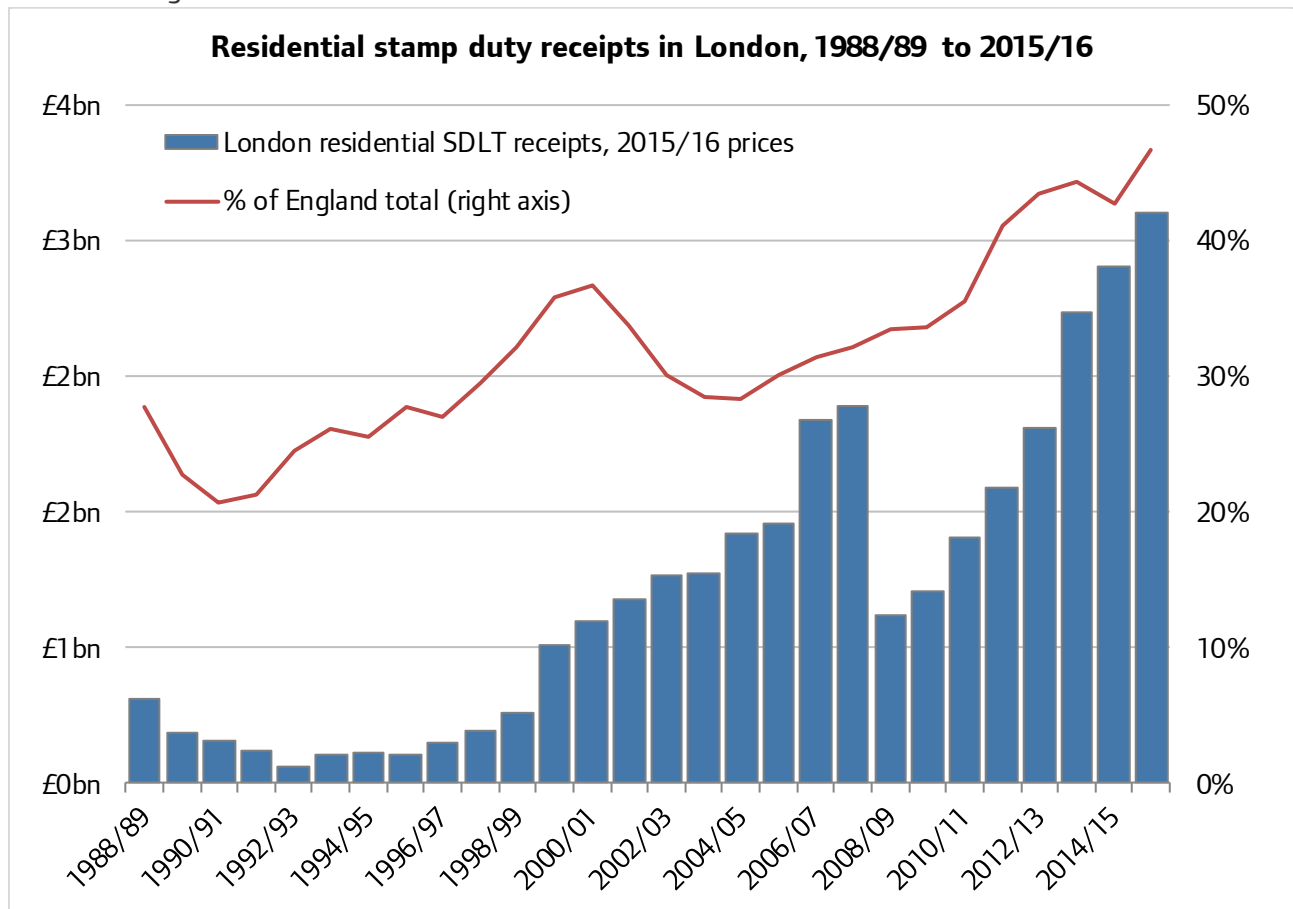


- Around 350,000 people work in London's construction sector, counting both Londoners and those who commute in from other regions. Of these, 55% or around 190,000 are from the UK, 27% (95,000) are from the EU, 3% (12,000) are from other European countries and 15% (51,000) are from the rest of the world.
- The largest non-UK contributors to London's construction workforce are Romania (29,000), Poland (27,000), Lithuania (11,000) and India (10,000).
- The construction workforce of the UK as a whole is far less diverse than London's, with only 13% hailing from overseas.

Sources and notes

- Labour Force Survey data, 2014-16
- Chart produced using R package 'treemap'

2.12. London's housing market generated over £3bn in Stamp Duty receipts last year, nearly half of the England total

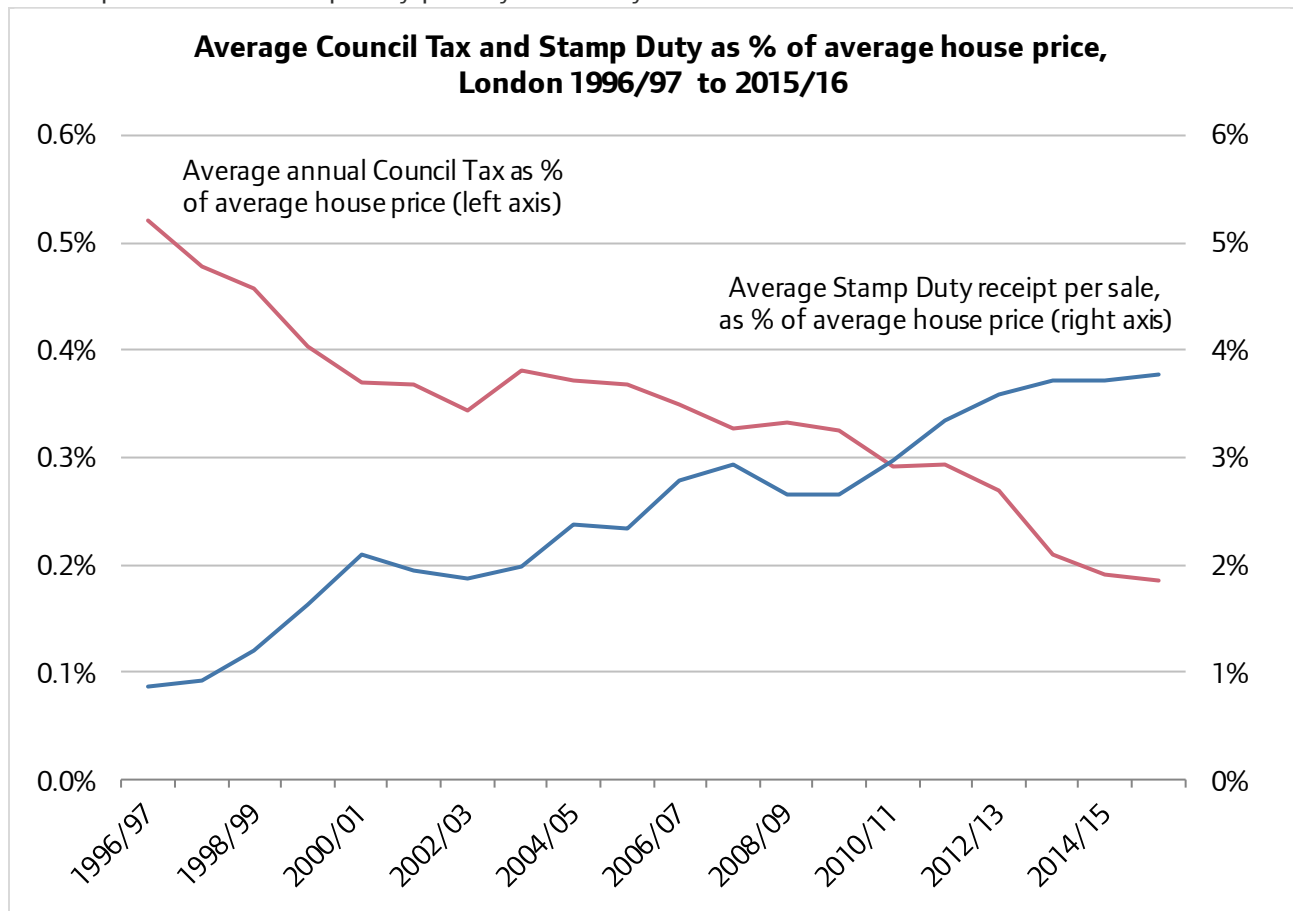


- In 2015/16 Stamp Duty receipts from purchases of homes in London generated £3.37 billion for the national exchequer, up from £3.05 billion in 2014/15 and a vast increase from a low of £94 million in 1992/93 even after adjusting for inflation.
- Stamp Duty receipts in London have increased due to a combination of higher prices and a higher effective rate (see next chart), with Londoners consistently paying higher rates due to the nationally-set thresholds and rates.
- London's share of the total national receipts has risen over time in line with the relative rise of London prices, from a low of 21% in 1991/92 to 47% in 2015/16.

Sources and notes

- 1996/97 to 2015/16 figures from HMRC Stamp Duty Statistics and 1988/89 to 1995/96 from 1999/00 UK Housing Review
- Historic prices have been adjusted for inflation using the official GDP deflator

2.13. The rise of house prices in London has pushed down the effective rate of Council Tax and pulled up the rate of Stamp Duty paid by home buyers



- The progressive design of Stamp Duty means that purchasers of higher-priced properties pay a higher rate of tax, so the long rise of London house prices has driven an even greater rise in Stamp Duty receipts (see previous chart). The average Stamp Duty bill in London was £21,200 in 2015/16, equivalent to 3.8% of the simple average London house price (up from 0.9% in 1996/97).
- By contrast, Council Tax bills are higher relative to property value for cheaper homes, and changes in property values since 1991 are ignored. The average Council Tax bill in London was £1,039 in 2015/16, equivalent to 0.2% of average house prices, down from 0.5% in 1996/97.

Sources and notes

- HMRC Stamp Duty statistics, DCLG Council Tax statistics and ONS House price statistics for small areas

3. Housing supply and empty homes

Tokyo has consistently built more homes than London, Paris or New York over recent decades (3.1). In the last two decades the number of jobs in London has grown by 40% and the number of people by 25%, but the number of homes by only 15% (3.2). According to provisional estimates there were 30,670 net conventional new housing completions in London in 2015/16, the highest since this data began in 2004/05 (3.3), but more recent figures show a sharp drop in new build starts in 2016 (3.4).

At local authority level Corby has seen the fastest housing growth in the country in the last five years, with Tower Hamlets the fastest-growing London borough (3.5). A net 87,510 new homes were completed in London in the last three years, with both total supply and tenure splits varying widely at borough level (3.6).

Around a quarter of new homes built in 2014/15 had three or more bedrooms, up from 15% in 2008/09 (3.7). Homes built in London in the last three years have an average floor area of 78m², smaller than surviving pre-war homes but larger than those built between the 1940s and 1980s (3.8). London is undergoing a second boom in tall residential building construction, featuring fewer but taller high-rise buildings than in the 1960s and 70s (3.9). Most tall buildings proposed or under construction in Inner London are in one of five major clusters (3.10). There is a mismatch between the mix of homes London already has and the mix of new homes that Londoners say is most needed (3.11).

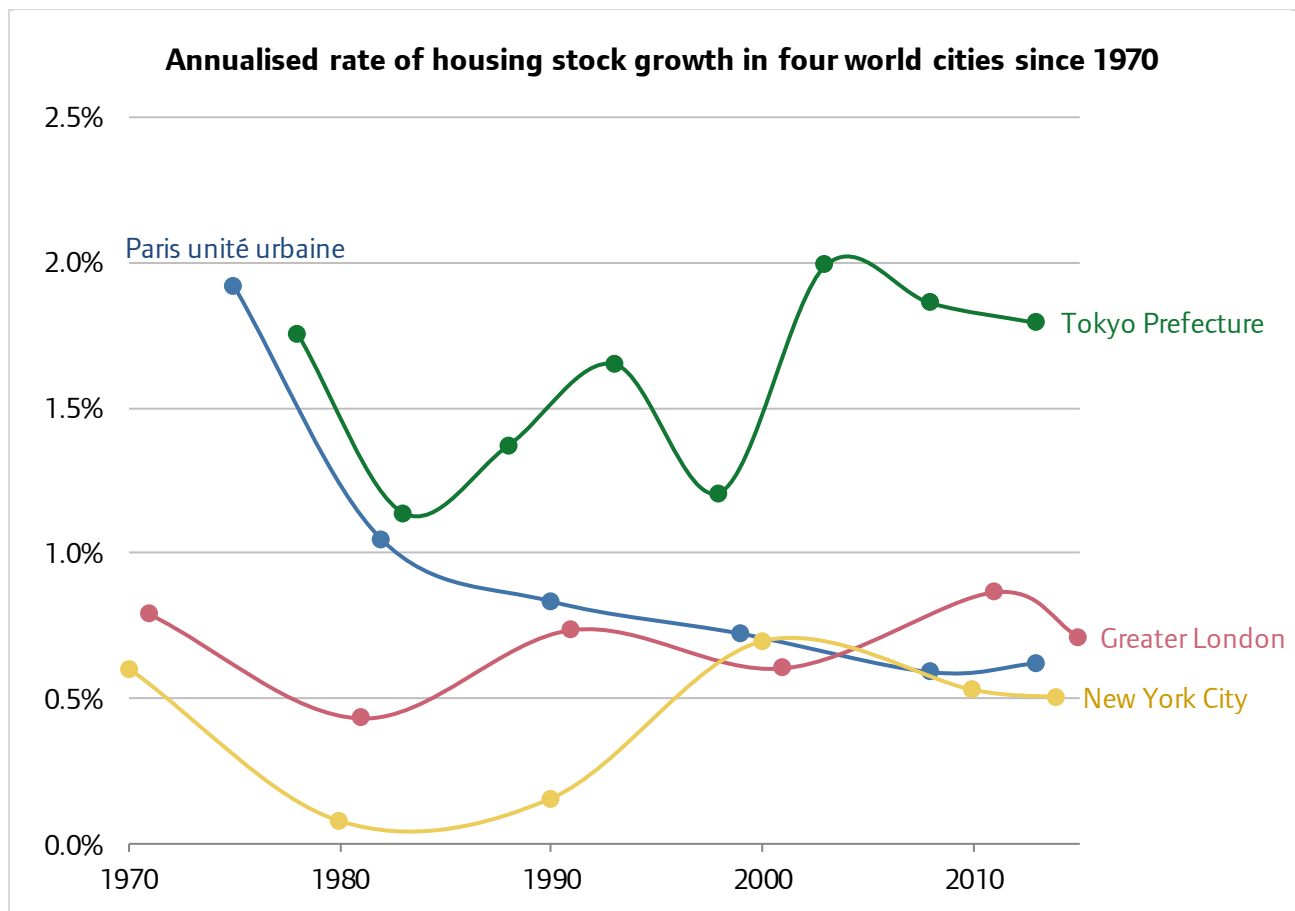
Planning approval was granted for 70,000 new homes in 2015/16 (3.12). Schemes of more than 500 units comprise more than half of London's pipeline of new homes, but only 14% of recent completions (3.13).

The number of affordable homes delivered in London dropped sharply in 2015/16 to 5,790, the lowest figure in at least 25 years (3.14). In the last five years there have been 14,920 new Affordable Rent homes built in London, and slightly fewer converted from existing social rented homes (3.15). Steep price discounts have increased the number of London council homes sold to tenants through the Right to Buy in recent years, but not to anything like the levels of the 1980s (3.16).

The number of recorded empty homes in London is far below its long-term average, at 1.7% of total stock (3.17), while there are 46,225 recorded second homes, 61% of which are in just five boroughs (3.18).

Appendix 7.3 includes a note explaining the main sources of housing supply data used in this section.

3.1. Tokyo has consistently built more homes than London, Paris or New York over recent decades

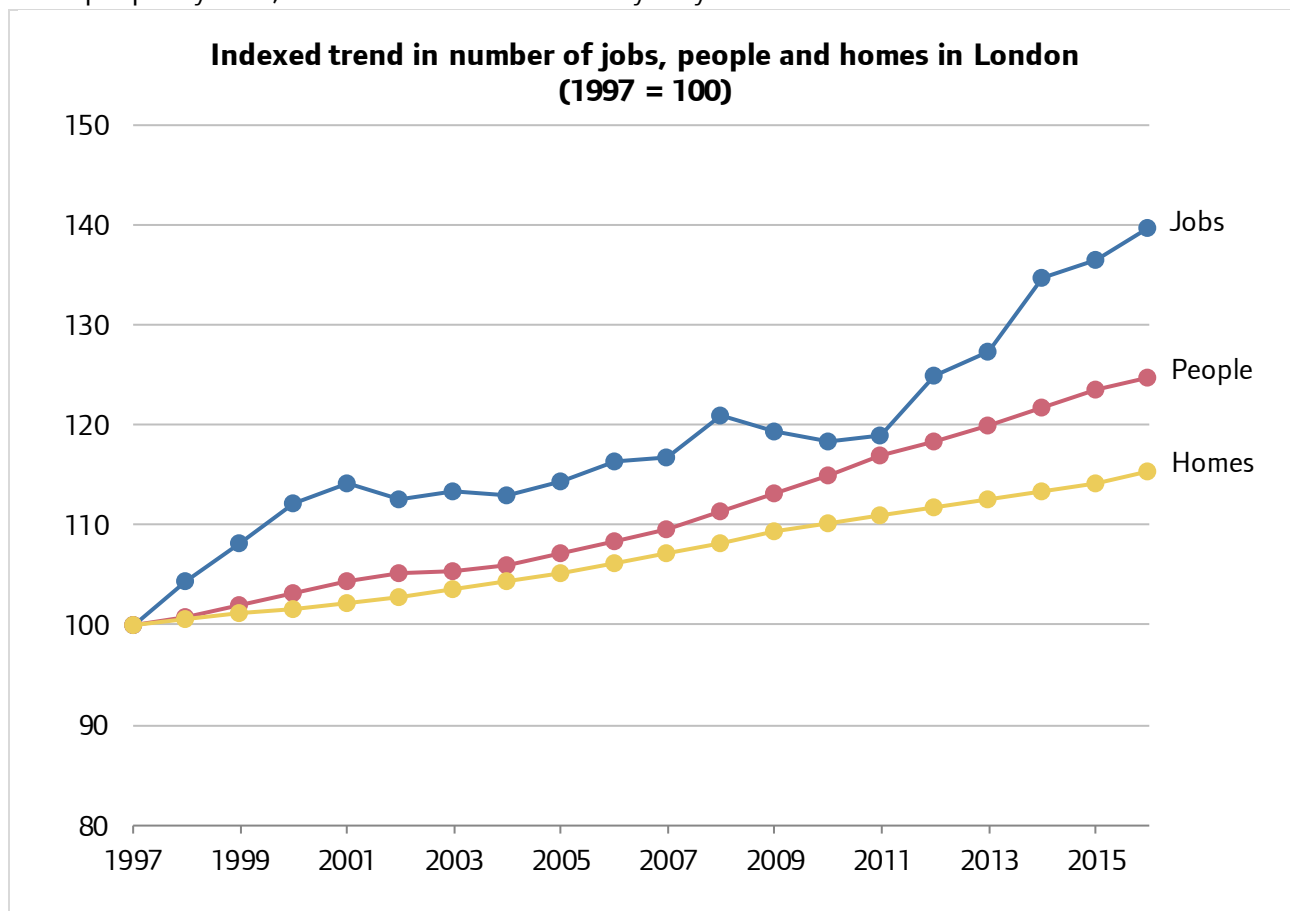


- This chart compares trends in annualised growth in the housing stock in four 'world cities'. It should be noted that the timing of data is inconsistent between cities and over time, with longer periods between measurements giving an impression of greater stability.
- All four cities saw falling rates of housing growth over the course of the 1970s, but only in Tokyo has there been a full recovery.
- New York's housing stock only barely grew in the 1970s and 1980s but saw strong growth in the 1990s before another slow-down in the 2000s. Housing growth in Paris fell steadily from the 1980s to the 2000s before picking up slightly in 2008-13. London's housing growth rate has been relatively steady over the period at around 0.75% a year, while Tokyo's has consistently been far higher than the other three cities.

Sources and notes

- Tokyo data from the Tokyo Statistical Yearbook, London data from the Census and DCLG live table 125, Paris data from INSEE local statistics, and New York data from the US Census Bureau and the Furman Centre (2016), 'State of New York City's Housing and Neighborhoods'
- Previous editions of *Housing in London* used a different definition of Paris
- Populations of the selected areas at the end of each trend were as follows: Tokyo 13.4m, Paris 10.6m, London 8.7m, New York City 8.4m
- This chart uses simple rather than compound annual growth rates

- 3.2. In the last two decades the number of jobs in London has grown by 40% and the number of people by 25%, but the number of homes by only 15%



- Since 1997 both London's population and economy have been growing rapidly, although the trend in jobs is considerably more cyclical. Over the 20 years from 1997 to 2016 the number of jobs in London grew by 1.6m or 40%, while the population grew by 1.7m or 25%.
- However, this rapid economic and demographic growth was not matched by an increase in the housing stock, which grew by only 470,000 homes (15%) over the same period.
- The last five years have seen a particularly wide disparity, with the number of jobs growing by 18% between 2011 and 2016, the number of people by 7% and the number of homes by 4%.

Sources and notes

- Compiled by GLA from:
- Jobs: ONS, Workforce jobs by industry, seasonally adjusted;
- People: ONS, Mid-year estimates;
- Homes: Stock levels from DCLG live table 125, with 2016 figure estimated by applying growth rate of VOA Council Tax stock of properties between 2015 and 2016 to the 2015 DCLG estimate

3.3. According to provisional estimates there were 30,670 net conventional new housing completions in London in 2015/16, the highest since this data began in 2004/05 ...

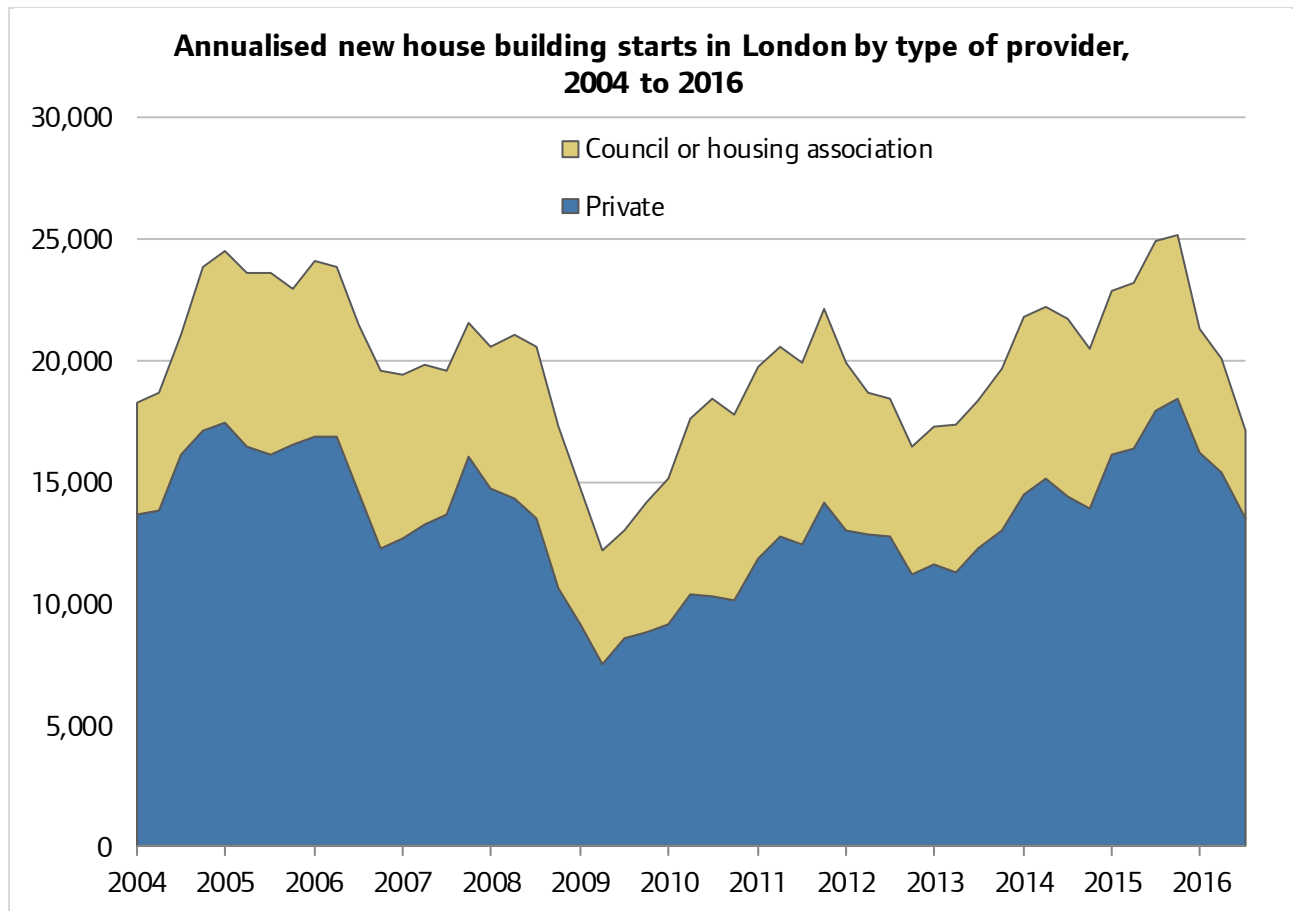


- Taking into account new building, conversions and changes of use, the provisional estimate of the net number of new homes completed in London in 2015/16 was 30,670, very slightly higher than the 2014/15 figure and the highest total recorded since this data began in 2004/05.
- The increase since the low of 19,920 recorded in 2010/11 has been driven entirely by strong growth in completions of market housing, from 12,600 in 2010/11 to 24,390 in 2015/16.
- At the same time the number of affordable homes completed has fallen, from 7,320 in 2010/11 and 7,620 in 2014/15 to 6,280 in 2015/16. Affordable homes comprised 20% of completions in 2015/16, down from a high of 40% in 2011/12.
- Within the affordable housing category, the most notable change was the fall in social rented housing completions from a high of 6,020 in 2011/12 to 1,200 in 2015/16.

Sources and notes

- GLA, London Development Database
- In 2004/05 and 2005/06 the negative supply of unknown tenure is due to the demolition of a number of homes for which the tenure was not recorded
- As the London Development Database is constantly being updated, these figures do not exactly match those published in past GLA London Plan Annual Monitoring Reports

3.4. ... But more recent figures show a sharp drop in new build starts in 2016

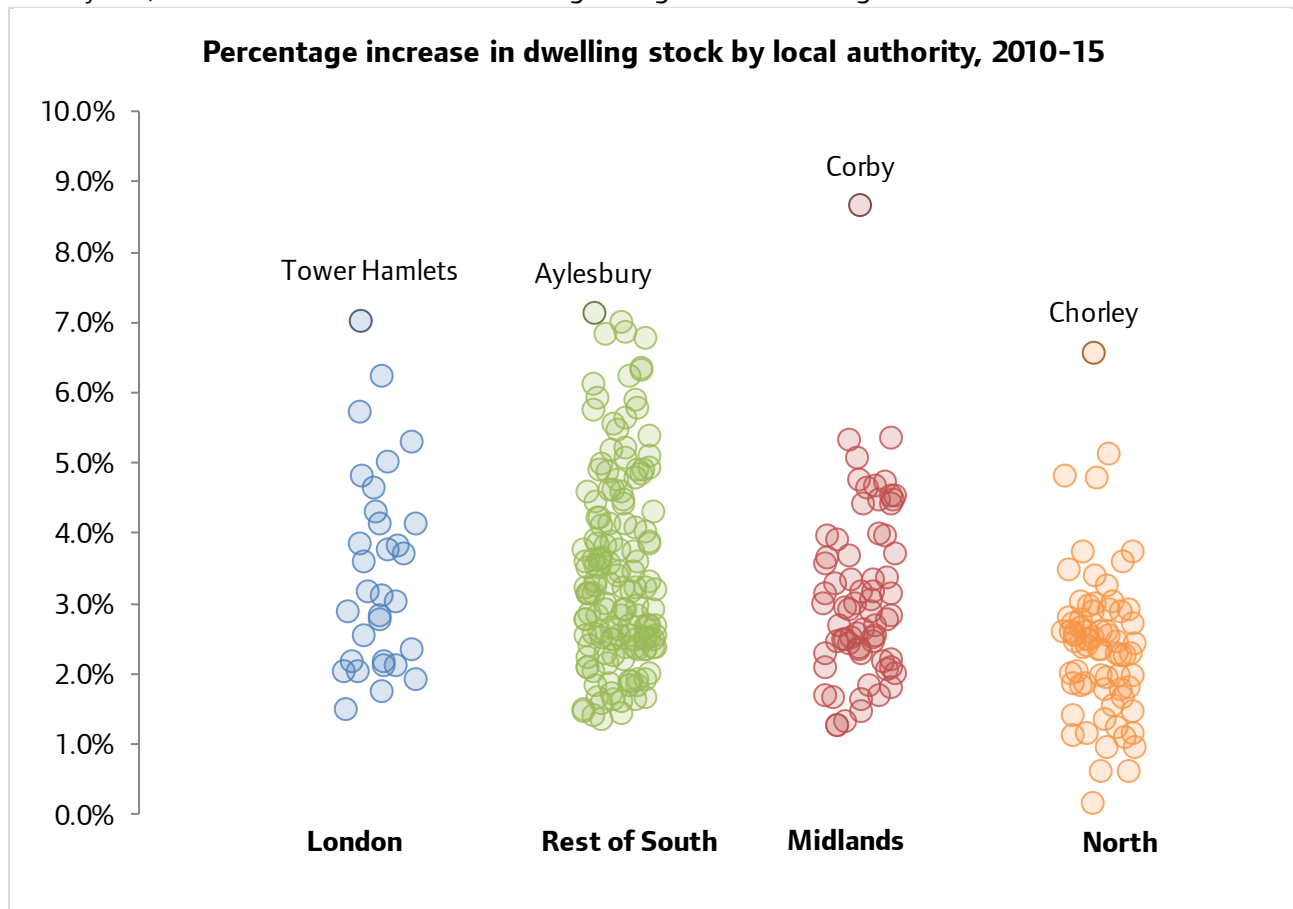


- Quarterly data on new build starts (that is, excluding conversions and changes of use) in London are broadly consistent with the annual completions in the previous chart, but also highlight a sharp drop in 2016. In the year to September 2016 there were 17,150 new build homes started in London, down 31% from the previous year.
- Of the new homes started in the last 12 months, 13,490 were by private developers (down 25% from the year before) and 3,640 were by councils or housing associations (down 48%).

Sources and notes

- DCLG, House building statistics
- Note, these statistics cover only new build starts and exclude the supply from conversions and changes of use included in the 'conventional completions' statistics reported in the previous chart. They are also collected from a different source, building control inspectors rather than local planning departments

3.5. At local authority level Corby has seen the fastest housing growth in the country in the last five years, with Tower Hamlets the fastest-growing London borough

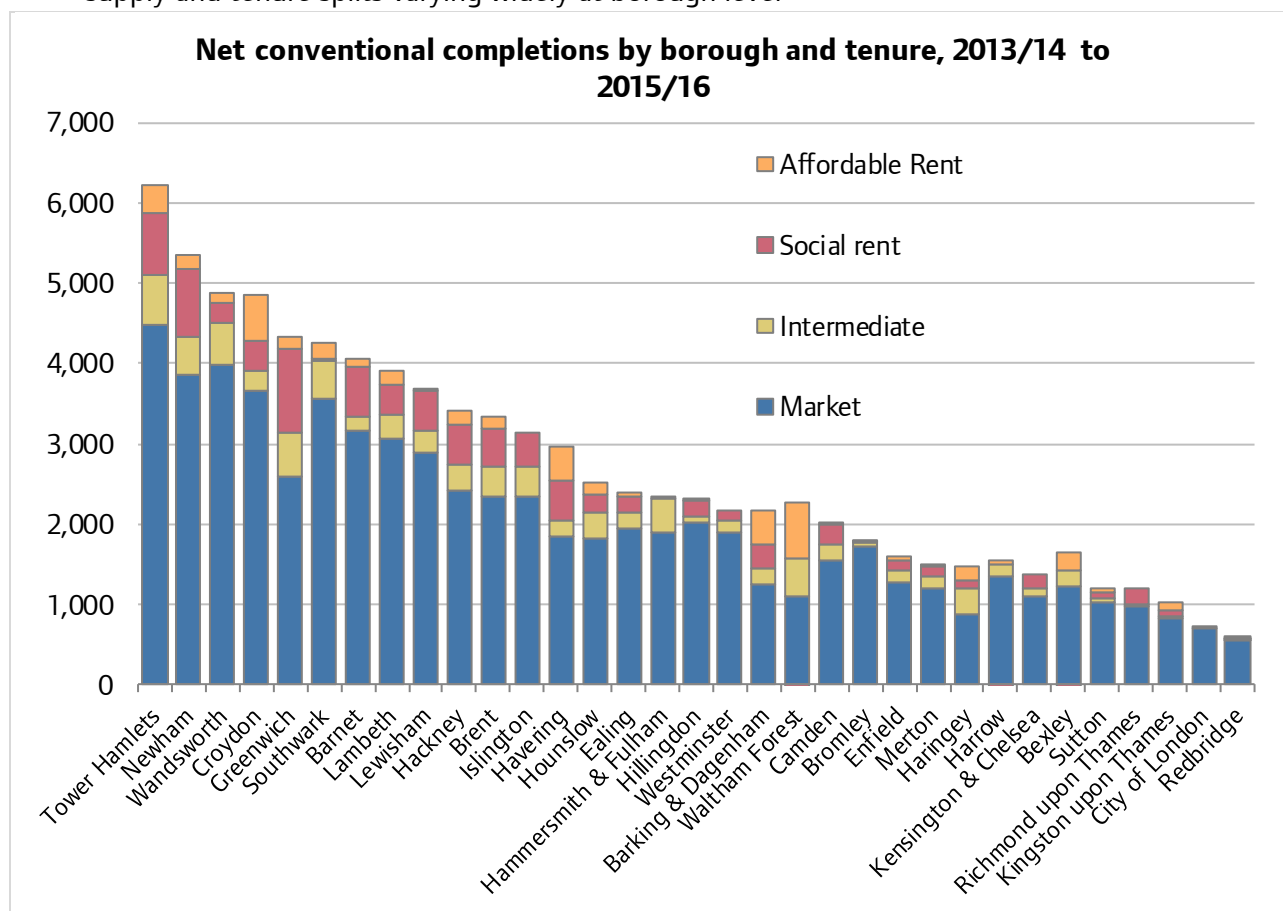


- The local authority with the fastest growth in its housing stock over the last five years is Corby in the East Midlands, which saw an 8.7% increase in homes between 2010 and 2015. The next fastest were Aylesbury (7.1%) and Uttlesford (7%)
- At the other end of the scale, Burnley's housing stock grew by only 0.1% over the five-year period, with Pendle and Barrow-in-Furness the next slowest (both at 0.6%).
- Tower Hamlets is the fastest growing London borough at 7%, followed by Newham and Southwark at 6.2% and 5.7% respectively. The slowest-growing boroughs are Havering (1.5%) and Redbridge (1.7%).

Sources and notes

- DCLG, live table 125

3.6. A net 87,510 new homes were completed in London in the last three years, with both total supply and tenure splits varying widely at borough level

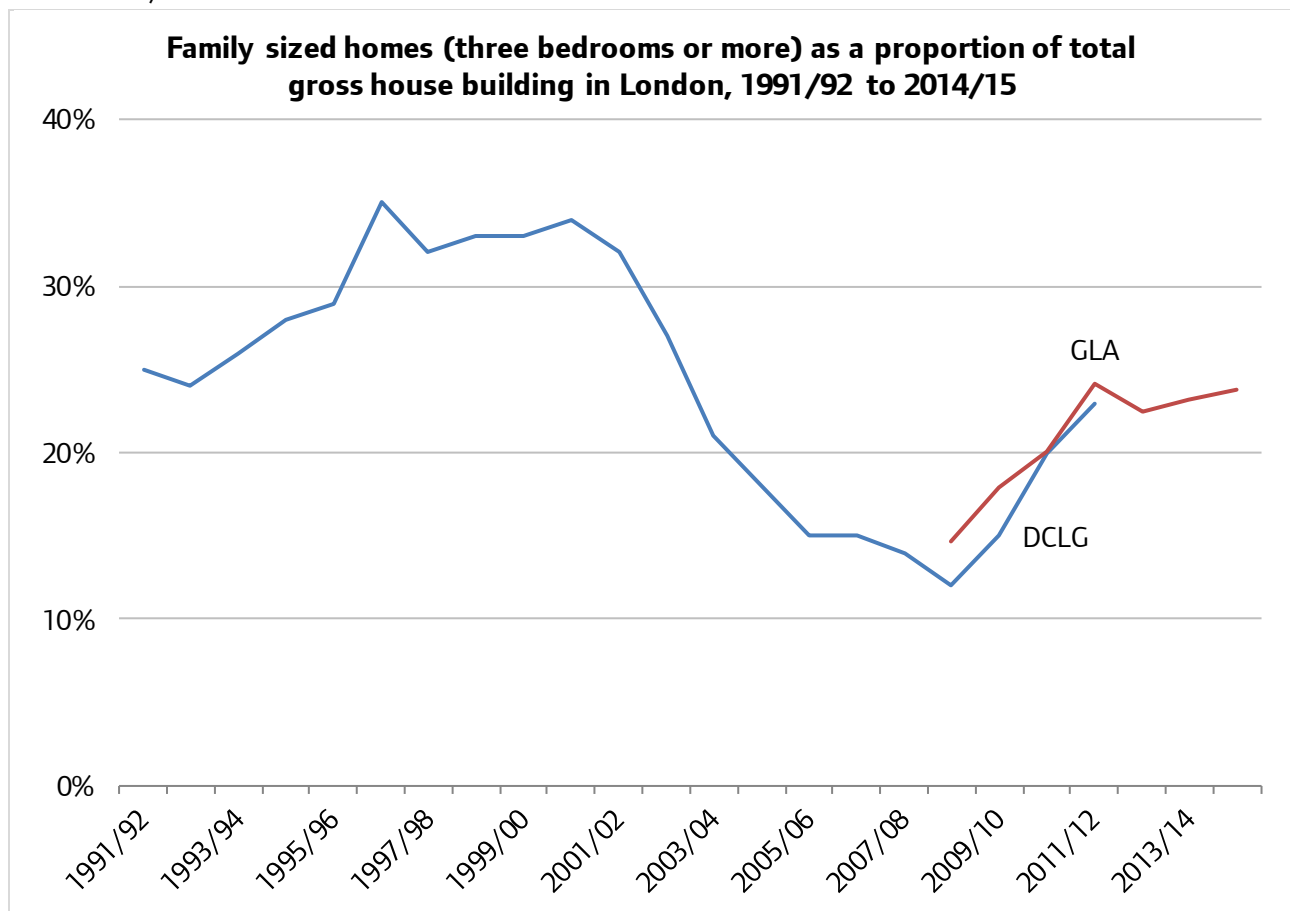


- Over the last three years (2013/14 to 2015/16) a net 87,510 new homes have been completed in London, of which 66,570 or 76% were market homes. Of the remaining affordable homes, 8,070 or 9% were social housing, 4,700 were Affordable Rent and the remaining 8,180 were intermediate.
- At borough level the highest numbers of completions over the last three years were in Tower Hamlets (6,220), Newham (5,350) and Wandsworth (4,880 each). The boroughs with the fewest completions were Redbridge with 580 and the City of London with 740.
- The chart also shows the tenure split of completions in each borough. Over this period the highest proportions of affordable housing were in Barking and Dagenham and Waltham Forest (43% and 42% respectively) and the lowest in Bexley (a figure of -1% due to a net loss of social housing).

Sources and notes

- GLA, London Development Database
- Data for 2015/16 is provisional
- To ensure legibility the chart does not show net losses of social housing in three boroughs: 210 homes in Waltham Forest, 162 in Harrow and 440 in Bexley

- 3.7. Around a quarter of new homes built in 2014/15 had three or more bedrooms, up from 15% in 2008/09

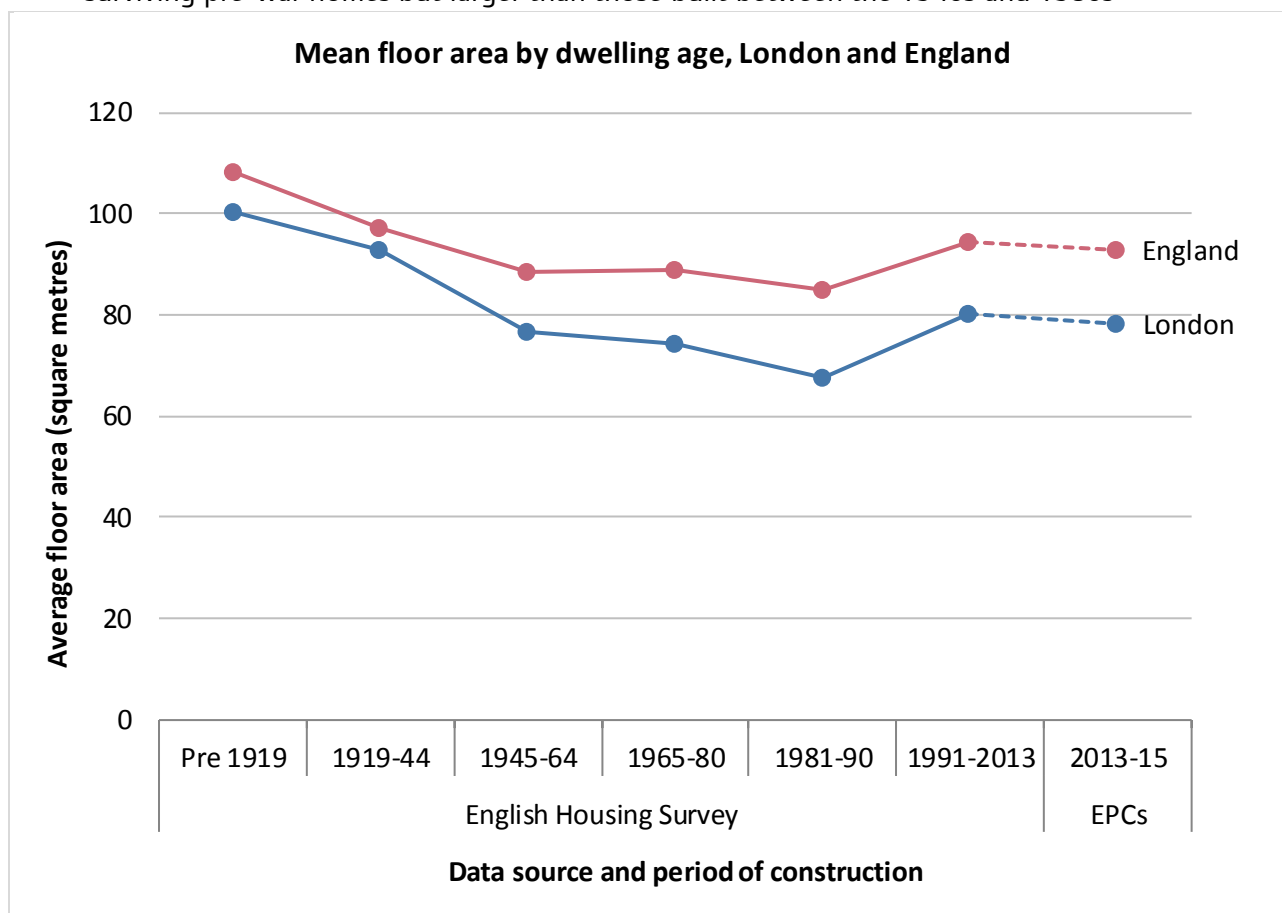


- The proportion of new homes with three bedrooms or more (the usual definition of 'family sized') in London rose to just over a third at the turn of the century, but fell rapidly through the 2000s as the share of flats in new supply increased.
- With the end of the housing boom and the associated credit crunch, speculative investment in new flatted developments fell back and the proportion of family sized homes rose again, reaching 24% in 2011/12 and remaining around that level since then.
- In 2014/15 17% of new homes had three bedrooms and 7% had four or more. In total around 69,000 bedrooms were provided in new homes built in 2014/15, an average of 1.9 per home.

Sources and notes

- DCLG, live table 254 (discontinued in 2011/12), London Development Database from 2008/09
- The figures in this chart are based on gross completions and take no account of losses due to demolition or replacement

- 3.8. Homes built in London in the last three years have an average floor area of 78m², smaller than surviving pre-war homes but larger than those built between the 1940s and 1980s

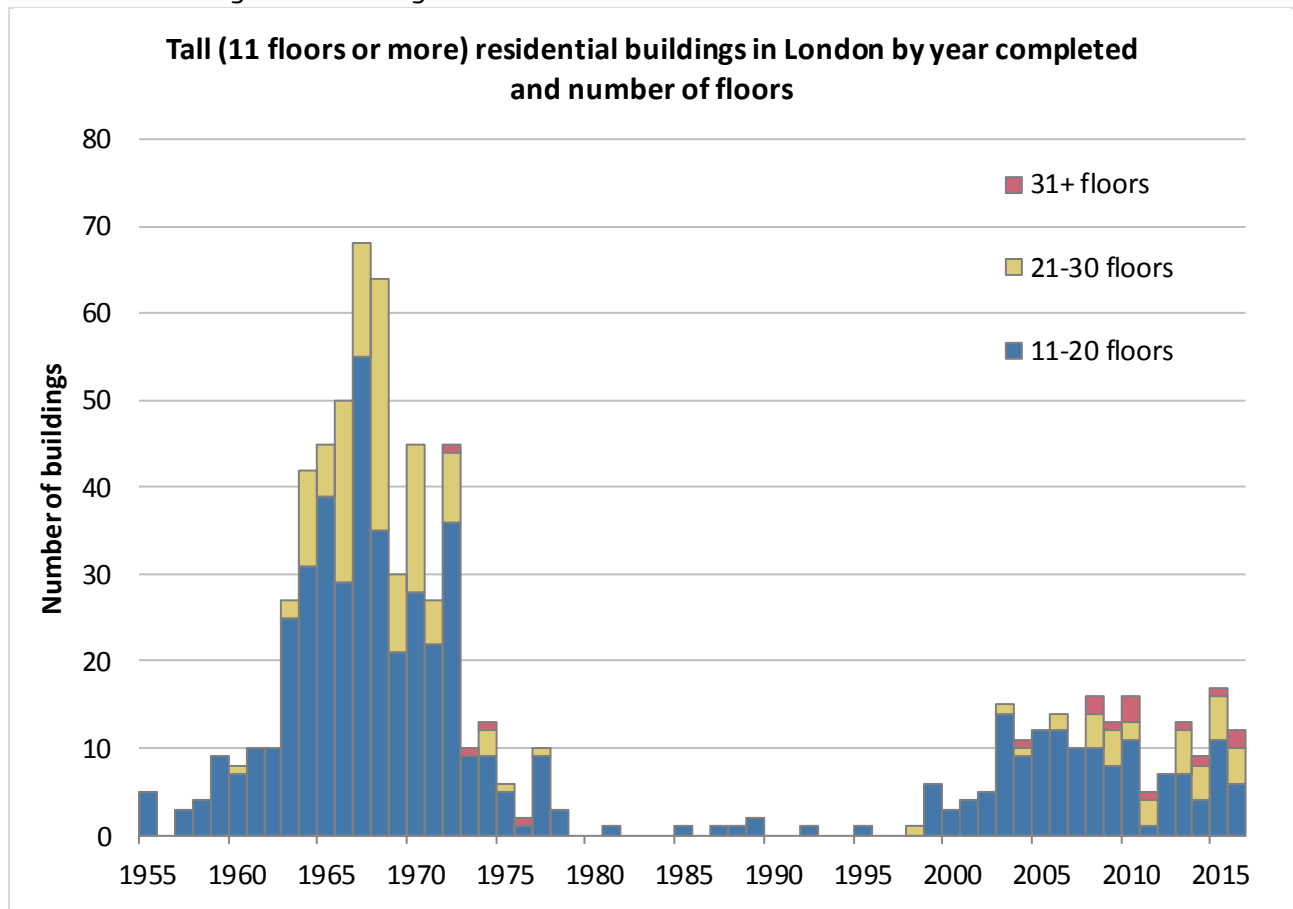


- Homes in London have a mean average floor area of 87 square metres (m²), compared to an average across England as a whole of 95m². Those homes that survive from the pre-war period are the largest on average: pre-1919 homes have an average area of 100m² in London and those built between 1919 and 1944 an average of 93m².
- Homes that were built in the post-war decades tend to be smaller, from 77m² for those built between 1945 and 1964 to 68m² for those built in the 1980s.
- However, average new home sizes subsequently increased, to 80m² for those built between 1991 and 2013 and 78m² for those built between 2013 and 2015 (compared to 93m² in England as a whole).
- The source and definition for the last three years is different from previous reports – see notes to the right.

Sources and notes

- Data to 2013 from English Housing Survey 2010 to 2013; Data from 2013-15 from DCLG statistics on Energy Performance Certificates
- This year's analysis uses a measure of floor area from the EHS that is different from that in last year's report but more consistent with the EPC measure
- These figures measure the current average size of existing homes built at different periods, not the average size of homes when they were built. They therefore exclude any homes since demolished, and take into account any extensions or conversions since construction

- 3.9. London is undergoing a second boom in tall residential building construction, featuring fewer but taller high-rise buildings than in the 1960s and 70s

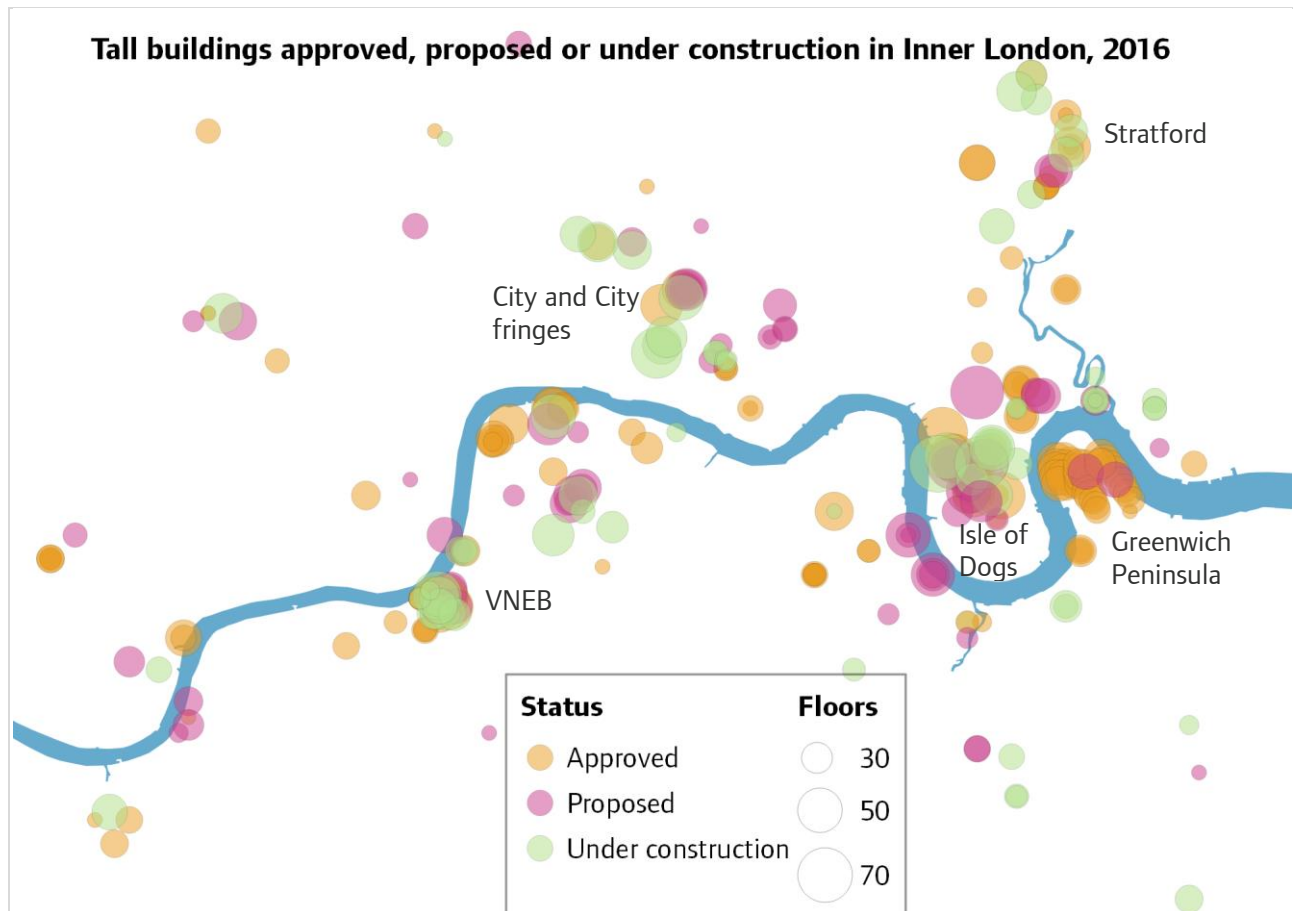


- The construction of tall residential buildings (defined as those with 11 floors or more) in London has seen two major boom periods, the first lasting from around 1955 to the end of the 1970s. During this period almost 540 tall buildings were constructed, reaching a peak in 1967 when 68 were completed.
- There then followed a period of almost two decades during which very few tall residential buildings were completed (although the City of London saw some high-rise commercial development).
- A second boom began at the end of the 1990s and has continued to date, only briefly and partially interrupted by the financial crisis. In 2016 some 12 tall buildings were completed, down from 17 in 2015. Very tall buildings (with more than 30 floors) have accounted for a larger share of construction during this second period.

Sources and notes

- Data compiled by GLA from skyscrapernews.com

3.10. Most tall buildings proposed or under construction in Inner London are in one of five major clusters

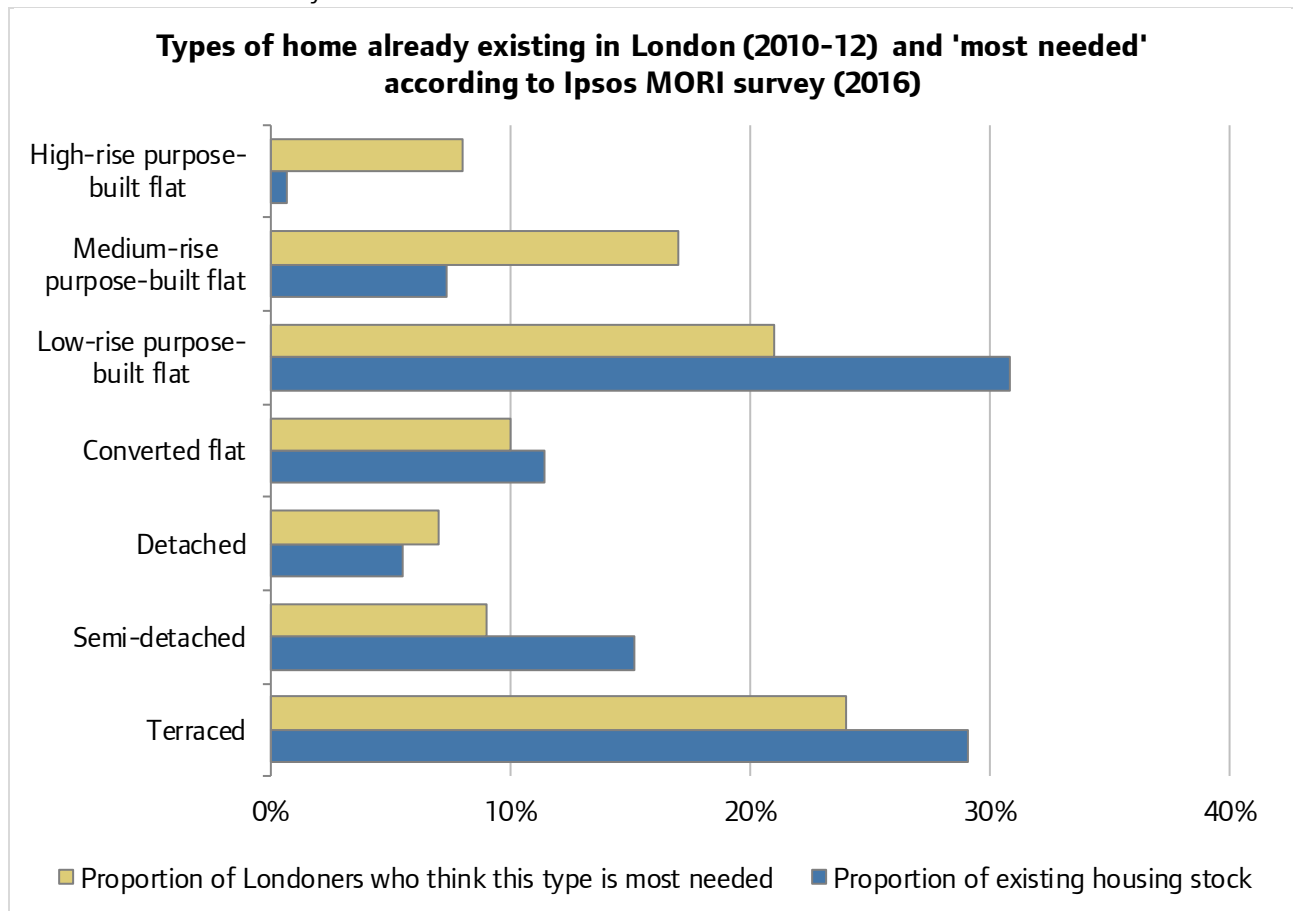


- Almost 400 tall residential buildings, defined here as any with 20 or more floors and including mixed-use and student accommodation, were under construction, approved or proposed to be built in London, according to a March 2016 survey by New London Architecture and GL Hearn.
- More than three quarters of these tall buildings are in the area of Inner London shown here, most of them in one of five main clusters. 34 are in the 'VNEB' (Vauxhall, Nine Elms and Battersea) area, another 34 in the City or on its fringes, 57 in the Isle of Dogs, 44 on Greenwich Peninsula and 23 in Stratford and the Olympic Park.
- In the short term tall buildings are likely to make only a marginal contribution to London's housing stock: some of the proposed (and even approved) schemes may never be built, while those under construction (less than a quarter of the total) will in many cases take years to complete.

Sources and notes

- New London Architecture and GL Hearn survey of tall buildings, 2016

3.11. There is a mismatch between the mix of homes London already has and the mix of new homes that Londoners say is most needed

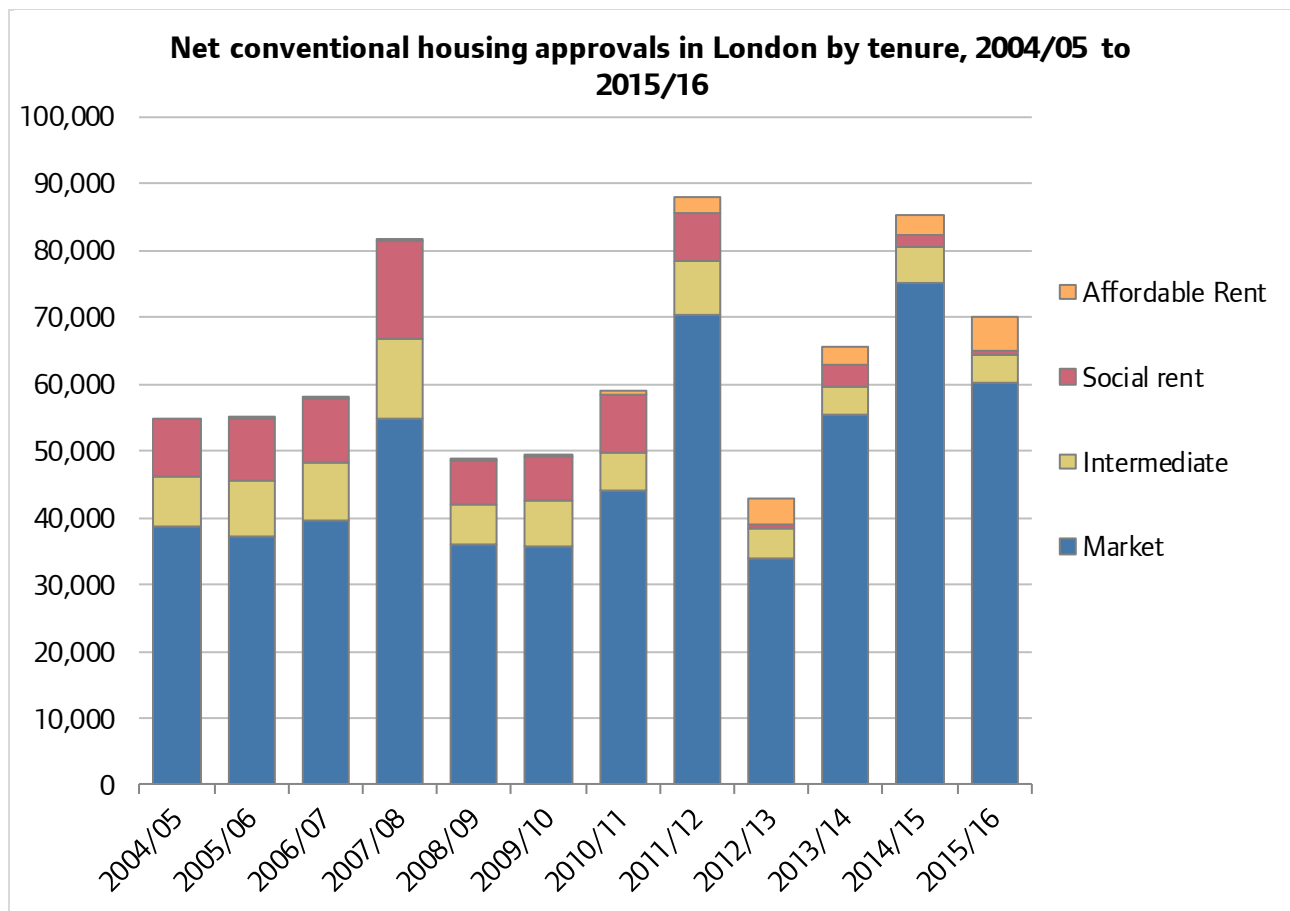


- When Ipsos MORI asked a sample of Londoners what types of home were most needed in London, 24% picked terraced houses, 21% low-rise flats, 17% medium-rise and 8% high-rise. 16% picked detached or semi-detached houses, and 10% chose converted flats.
- Terraced houses are already the most common form of housing in London, accounting for 29% of the stock in 2010-12 (the latest comparable data). But medium- and high-rise flats are relatively rare, comprising only 7% and 1% of the stock respectively.
- When compared to the preferences indicated by the survey results, London seems to currently have a relative over-supply of detached houses and low-rise purpose-built flats.

Sources and notes

- Survey data from Ipsos MORI, stock data from 2010-12 English Housing Survey (the latest years to include a sufficiently detailed breakdown of purpose-built flats)

3.12. Planning approval was granted for around 70,000 new homes in London in 2015/16

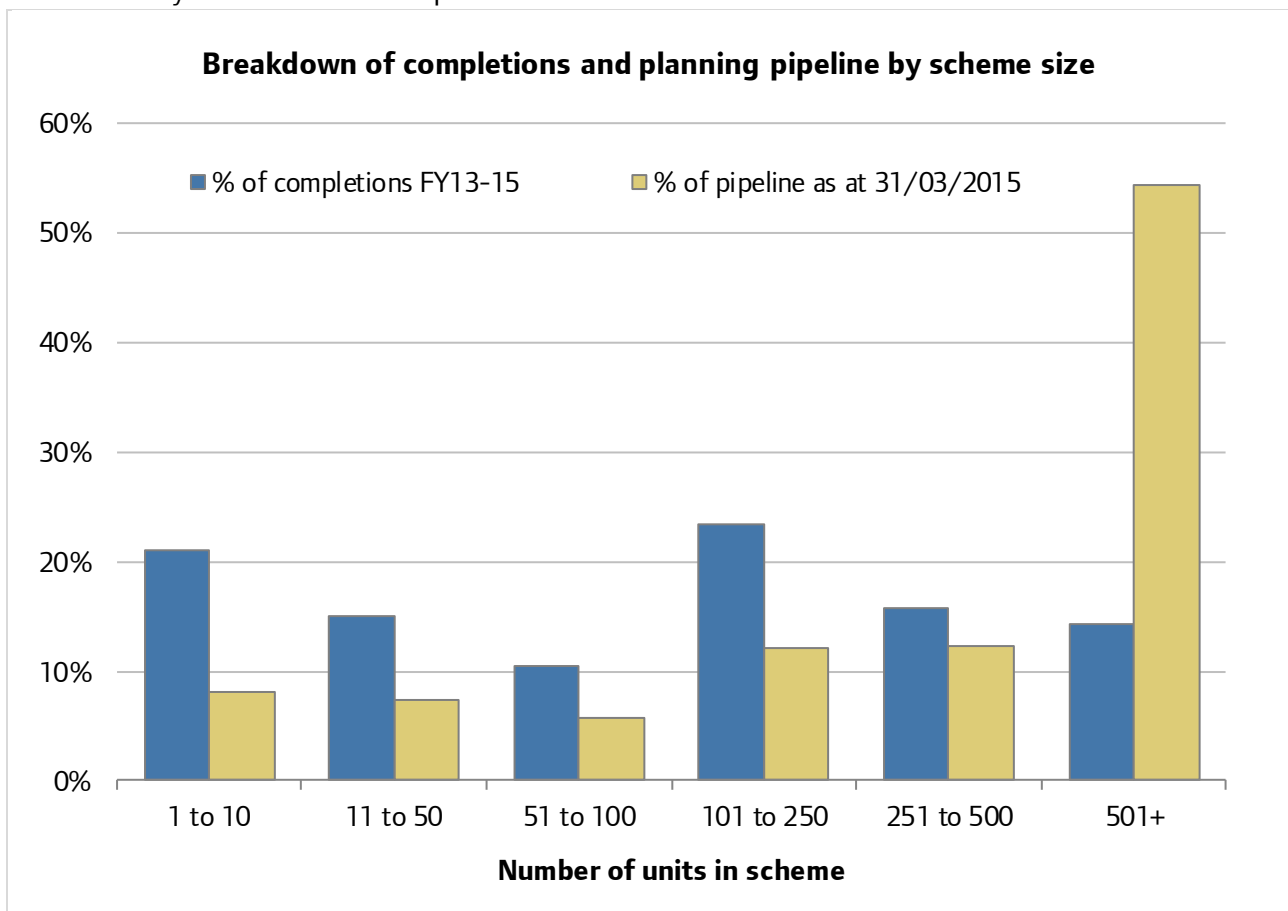


- The net number of new homes receiving planning approval in London is always higher than the eventual completions as some approvals are duplicates and others never complete.
- Over the last decade a net average of 64,500 new homes were approved each year, with a provisional figure of 70,200 approvals in 2015/16.
- The last three years have seen very high levels of approvals of market homes but falling approvals of affordable homes, which comprised 14% of the total in 2015/16, down from a peak of 33% in 2007/08. Affordable homes comprised 16% of the net 'pipeline' of homes (see next chart) in March 2015.

Sources and notes

- GLA, London Development Database
- Figures for different years should not be summed as they may contain repeated approvals for the same scheme
- Data for 2015/16 is provisional

3.13. Schemes of more than 500 units comprise more than half of London's pipeline of new homes, but only 14% of recent completions

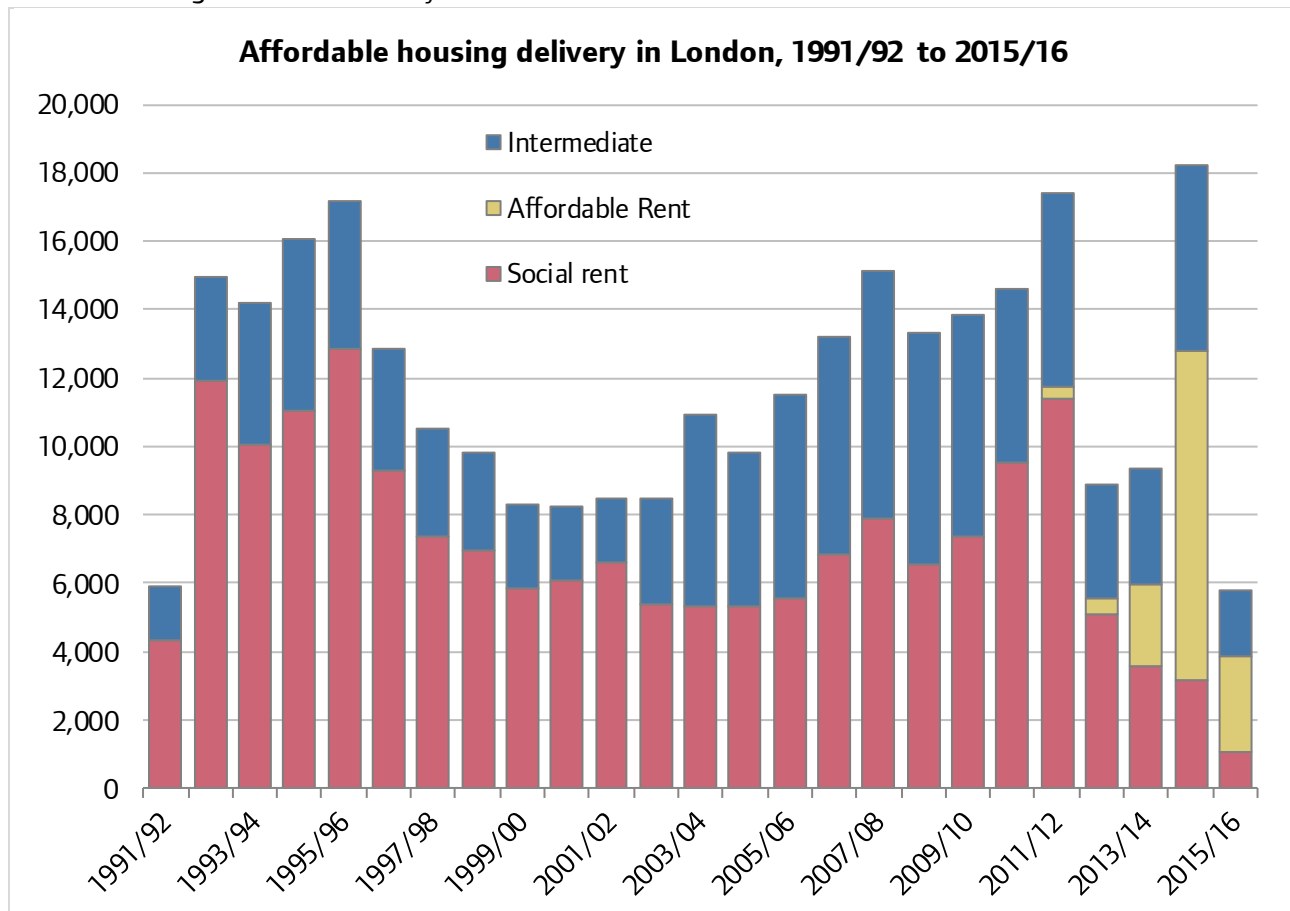


- The high levels of approvals of new homes in recent years has left London with a large 'pipeline' of homes either under construction or approved but not yet started. In March 2015 there was a total conventional pipeline of 265,300 homes, comprising 137,600 under construction and 127,700 not yet started.
- But many of these homes are on large schemes that will take a long time to complete at current build-out rates, which do not appear to vary much on schemes of different sizes (see the Sixth Report of the Outer London Commission for more details).
- 54% of the pipeline is on very large schemes of more than 500 units, but these schemes accounted for only 14% of completions in the last three years. At the other end of the scale, schemes of 1 to 10 units account for 8% of the pipeline but 21% of recent completions.

Sources and notes

- GLA, London Development Database

3.14. The number of affordable homes delivered in London dropped sharply in 2015/16 to 5,790, the lowest figure in at least 25 years

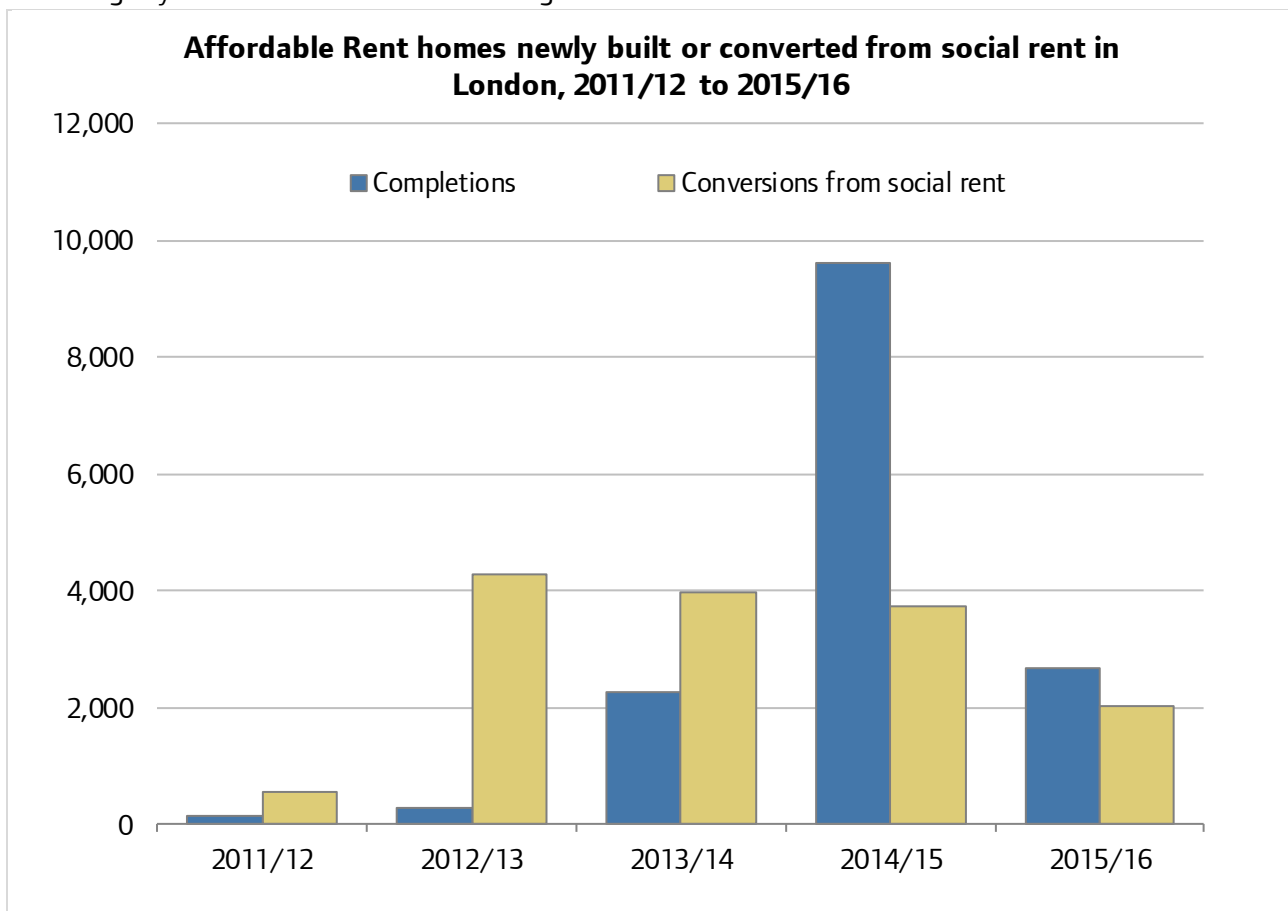


- There were 5,790 affordable homes delivered in London in 2015/16, a 68% decrease on 2014/15 and the lowest figure since these statistics began in 1991/92.
- The mix of new affordable homes delivered has changed dramatically in recent years. Between 2011/12 and 2015/16 the number of social rented homes delivered fell by 91% from 11,370 to 1,060, the number of intermediate homes fell by 66% from 5,710 to 1,920, and the number of Affordable Rent homes rose from 350 to 2,810 (though this figure was well down from 9,630 in 2014/15).

Sources and notes

- DCLG, Affordable housing live tables (1991/92 to 2015/16)
- Note, these statistics are gathered on a different basis to the net conventional completions measure used earlier in this section, as they include acquisitions and do not net off losses to the stock
- As well as homes not funded by the GLA, DCLG statistics also include some minor categories not included in the GLA's affordable housing statistics, such as Assisted Purchase Sales

3.15. In the last five years there have been 14,920 new Affordable Rent homes built in London, and slightly fewer converted from existing social rented homes

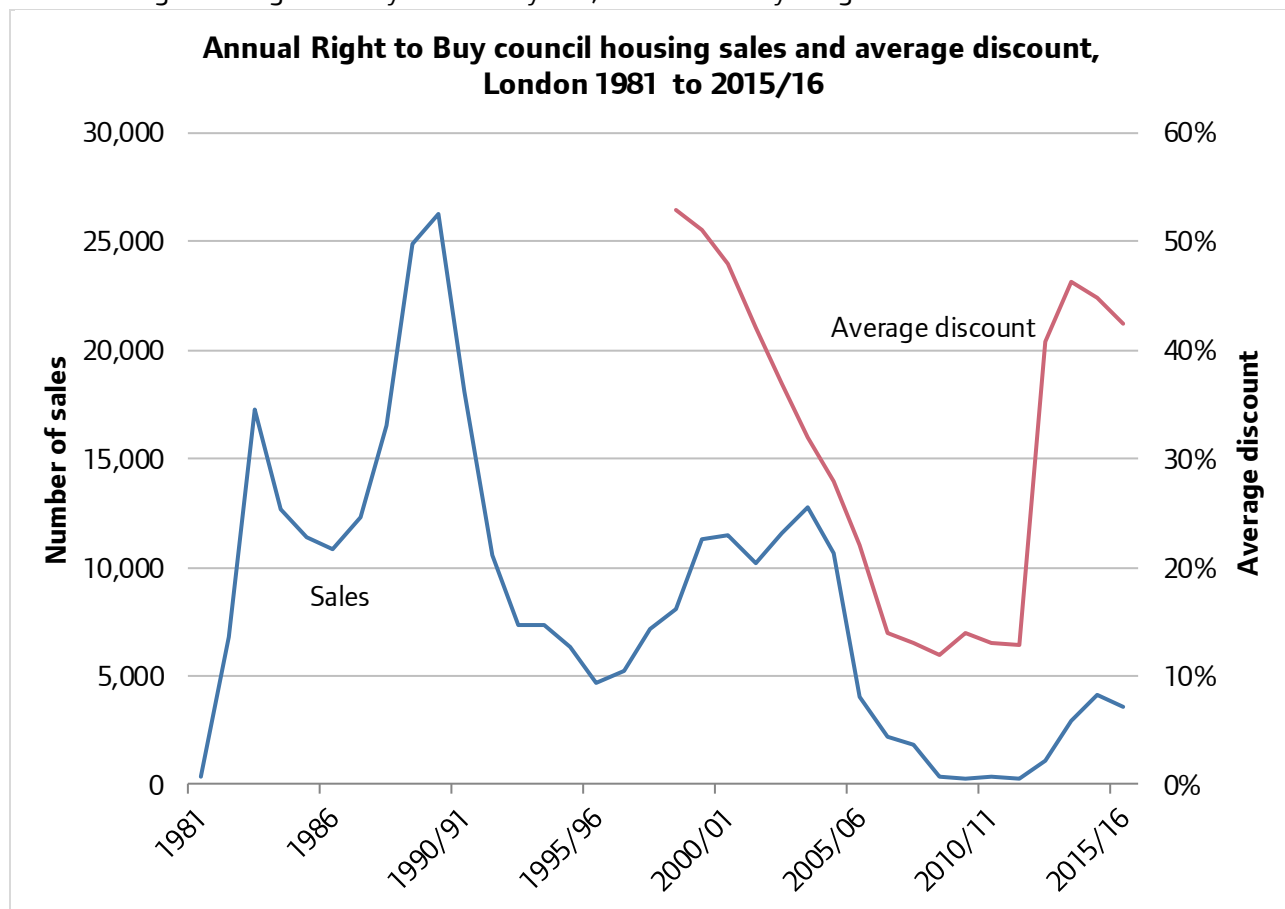


- Under the terms of the 2011-15 Affordable Homes Programme, the stock of 'Affordable Rent' homes was increased both through new construction and through converting existing social rented homes to Affordable Rent.
- Due to the length of time it takes to construct new homes, conversions comprised the majority of growth in London's Affordable Rent stock in the early years of the programme, with new supply only taking over in 2014/15.
- In 2015/16 there were 2,650 Affordable Rent units built and 2,030 converted from social rent, both figures down from 2014/15.
- Over the four years as a whole there were 14,920 new homes built and 14,450 converted from social rent, making a total of 29,470 Affordable Rent homes. Conversions are expected to fall even further in the coming years.

Sources and notes

- Completions from GLA Affordable housing statistics, conversions from HCA Registered Provider survey data supplied to GLA

3.16. Steep price discounts have increased the number of London council homes sold to tenants through the Right to Buy in recent years, but not to anything like the levels of the 1980s

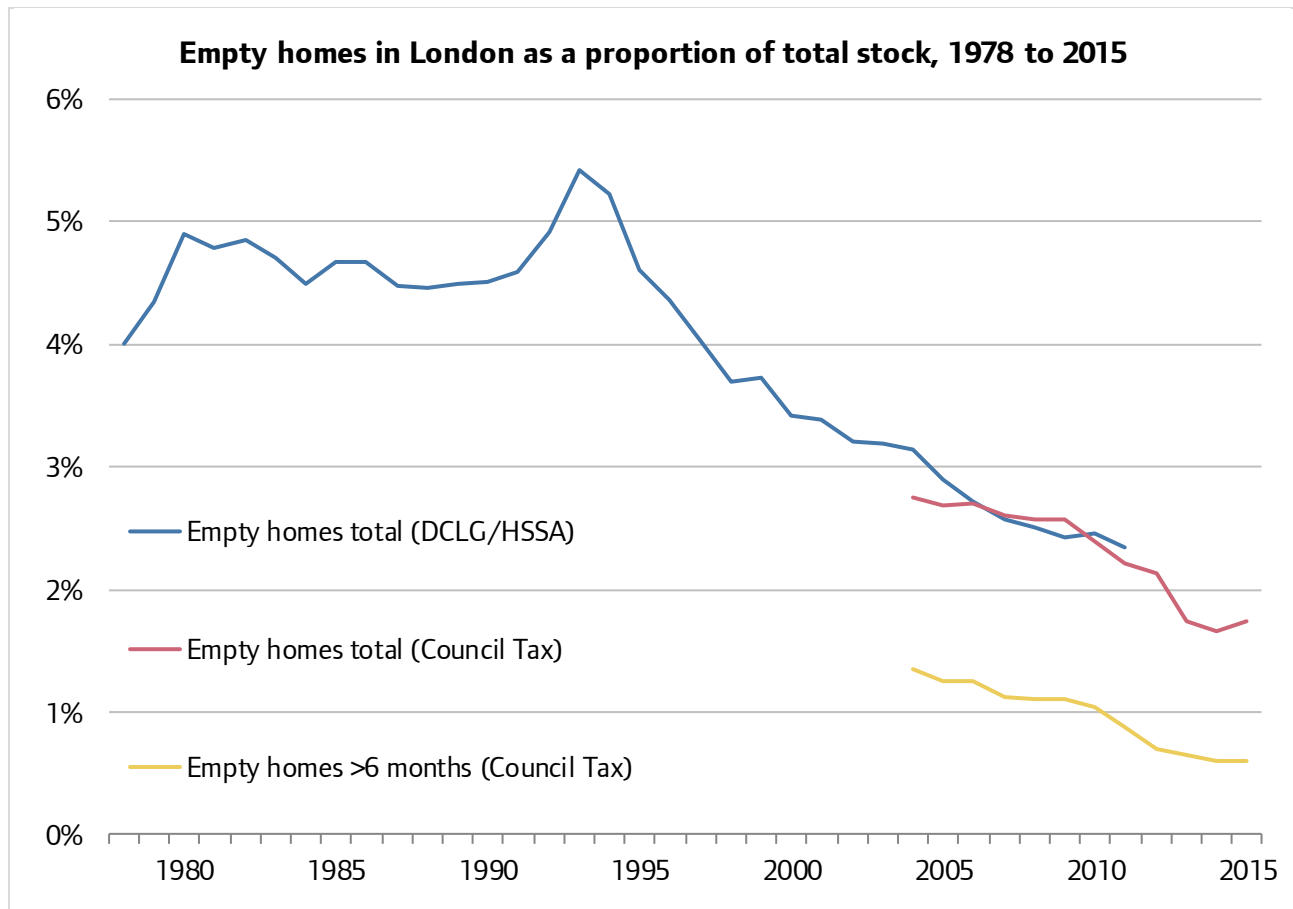


- 3,590 council homes in London were sold through the Right to Buy in 2015/16, down 12% from 2014/15 and far below the last peak of 12,780 in 2003/04 or the record figure of 26,260 in 1990.
- The Right to Buy has been invigorated in recent years by the return of high discount rates as required by central government. The average discount from market price in London was 53% in 1998/99, subsequently falling to a low of 12% in 2008/09. Between 2010/11 and 2013/14 the average discount on homes sold rose from 13% to 46% before dipping again to 42% in 2015/16.
- With an average market value of £229,000 for homes sold in 2015/16, the average discount amounted to £97,000, up from £21,000 in 2010/11.

Sources and notes

- DCLG, live tables 643, 670 and 685, and Local Authority Housing Statistics data

3.17. The number of recorded empty homes in London is far below its long-term average, at 1.7% of total stock ...



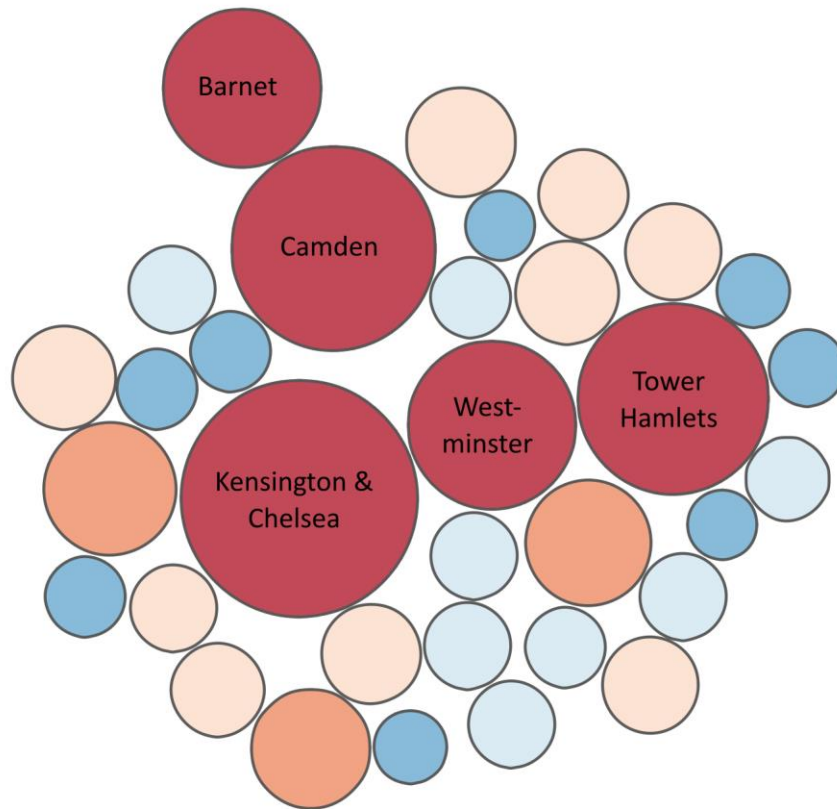
- According to Council Tax data there were 59,880 empty homes in London in 2015, equivalent to 1.7% of the total dwelling stock and a slight increase from 2014.
- Long term data indicates that both the number of recorded empty homes in London and their share of the total housing stock are at their lowest levels since at least 1978, having fallen more or less continuously since a peak of 160,500 or 5.4% in 1993.
- In 2015 there were 20,920 homes in London that had been recorded as empty for more than six months, equal to 0.6% of the stock.

Sources and notes

- Data from 1978 to 2011 is a combination of historical data provided to GLA by DCLG and figures reported by local authorities in their Housing Strategy Statistical Appendix returns
- Data from 2004 to 2015 is from council tax statistics published by DCLG in live table 615
- DCLG suggest that these figures may under-count empty homes since the removal of empty property discounts from Council Tax in many areas has reduced the incentive for owners to report homes as empty

3.18. ... While there are 46,225 recorded second homes, 61% of which are in just five boroughs

Dwellings recorded as second homes for Council Tax purposes, 2016



- In October 2016 there were 46,225 homes in London recorded as second homes for Council Tax purposes, around 1.3% of the total housing stock.
- 61% of these homes are in just five boroughs: 8,900 in Kensington and Chelsea, 6,340 in Camden, 4,160 in Westminster, 5,440 in Tower Hamlets and 3,500 in Barnet (by the far the highest figure in Outer London).
- Together, the remaining 27 boroughs have 17,870 recorded second homes, with zero recorded in Haringey and 33 in Bexley.

Sources and notes

- DCLG, Council Taxbase 2016
- Chart produced using GeoDa software

4. Housing costs and affordability

Citizens of major European cities typically face a trade-off between finding jobs and finding housing, with London no exception (4.1). The burden of housing costs is highest for renting households, though it is alleviated by welfare benefits and, particularly in the private rented sector, multiple adults sharing a home (4.2). The income distributions of households moving into social housing and shared ownership in London are extremely different, with private renting filling the gap to a large extent (4.3). When weighted by the number of moves in each tenure, the dominant role of the private rented sector in accommodating movers across the income distribution becomes apparent (4.4).

Average house prices in London are more than five times their 1970 level after adjusting for inflation (4.5). The gap between average prices in London and the rest of the country has widened considerably in recent years, but may be about to narrow again (4.6). Average house prices are highest in Inner West London and lowest in Outer East London (4.7), while prices are now rising faster in cheaper areas for the first time in a decade (4.8).

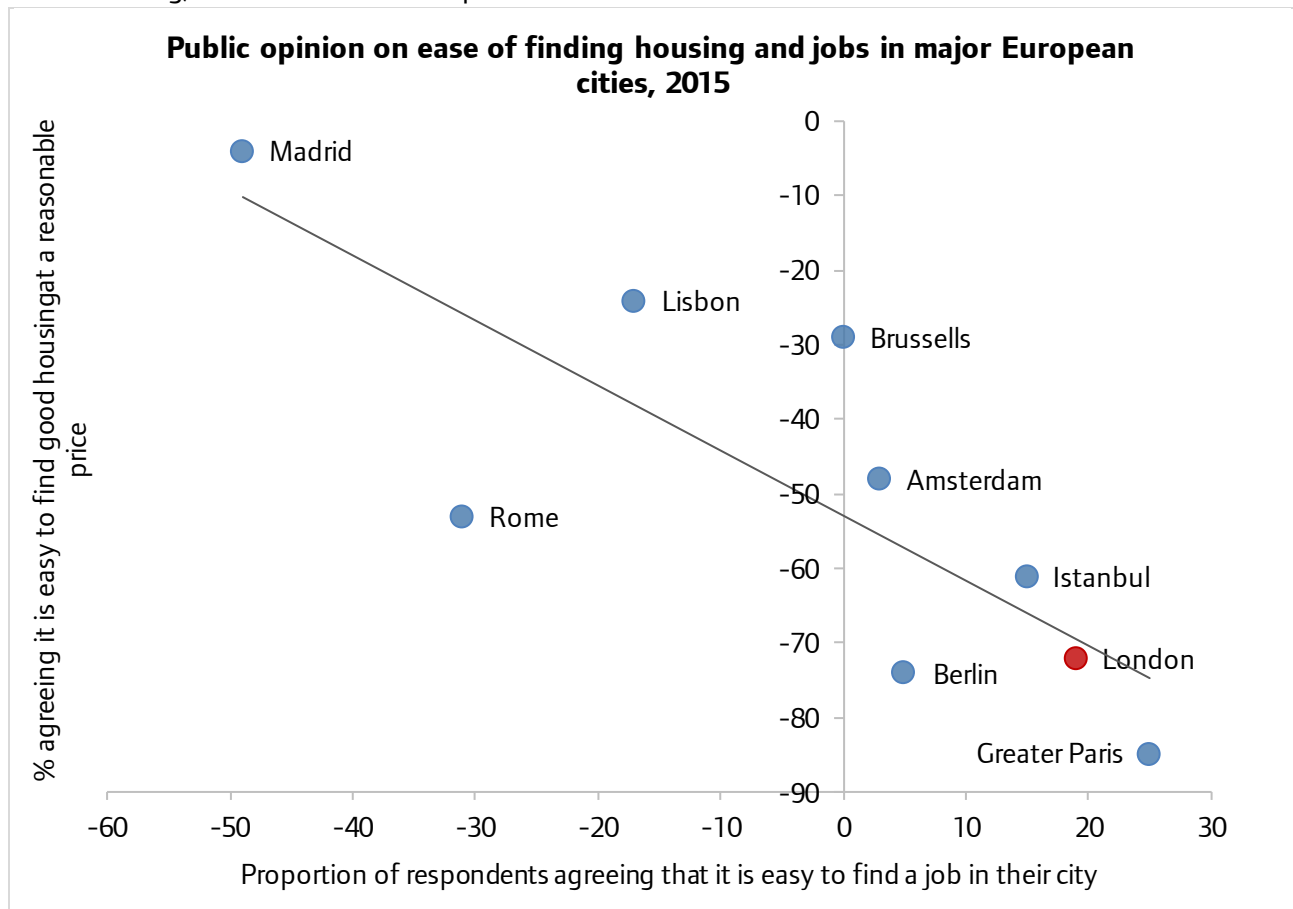
There were 44,200 new loans to first-time buyers and 34,800 to home movers in London in the year to September 2016 (4.9). First-time buyers in London are generally borrowing significantly lower shares of their home's value than they were before the crash (4.10), but much higher multiples of their incomes (4.11). Low interest rates have cushioned the impact of rapidly rising house prices on the affordability pressures faced by first-time buyers in London (4.12), but buyers can only take advantage of low interest rates if they can put down a suitable deposit. For first-time buyers in London the deposit is typically a quarter of the purchase price (4.13).

In 2015 there were just 393 mortgage repossessions across all of London, the lowest annual figure on record (4.14), but the number of rented homes in London repossessed by landlords has risen sharply in recent years (4.15).

There were almost 50,000 London properties listed on Airbnb in late 2016, roughly twice as many as a year previously (4.16) and heavily concentrated in Inner London (4.17). Real-terms growth in average private rents in London has fallen sharply in the last year, as nominal growth has softened and inflation risen (4.18), but over the last five years average private rents have risen more quickly than average earnings, worsening affordability for tenants (4.19). London has by far the highest average private sector rents in the country (4.20), and there is also huge variation in monthly market rents within London and, in the most expensive boroughs, between the top and bottom of the market (4.21).

The number of Housing Benefit recipients in London has risen over the last decade, but has fallen slightly in the last few years (4.22). Meanwhile, in the last five years the number of Housing Benefit cases in the deregulated private rented sector has fallen in much of Inner London and risen in parts of Outer London (4.23). Average rents for new social rented tenancies rose 4% in the last year to £112 a week, while the average weekly rent for an Affordable Rent tenancy rose 6% to £187 (4.24).

4.1. Citizens of major European cities typically face a trade-off between finding jobs and finding housing, with London no exception

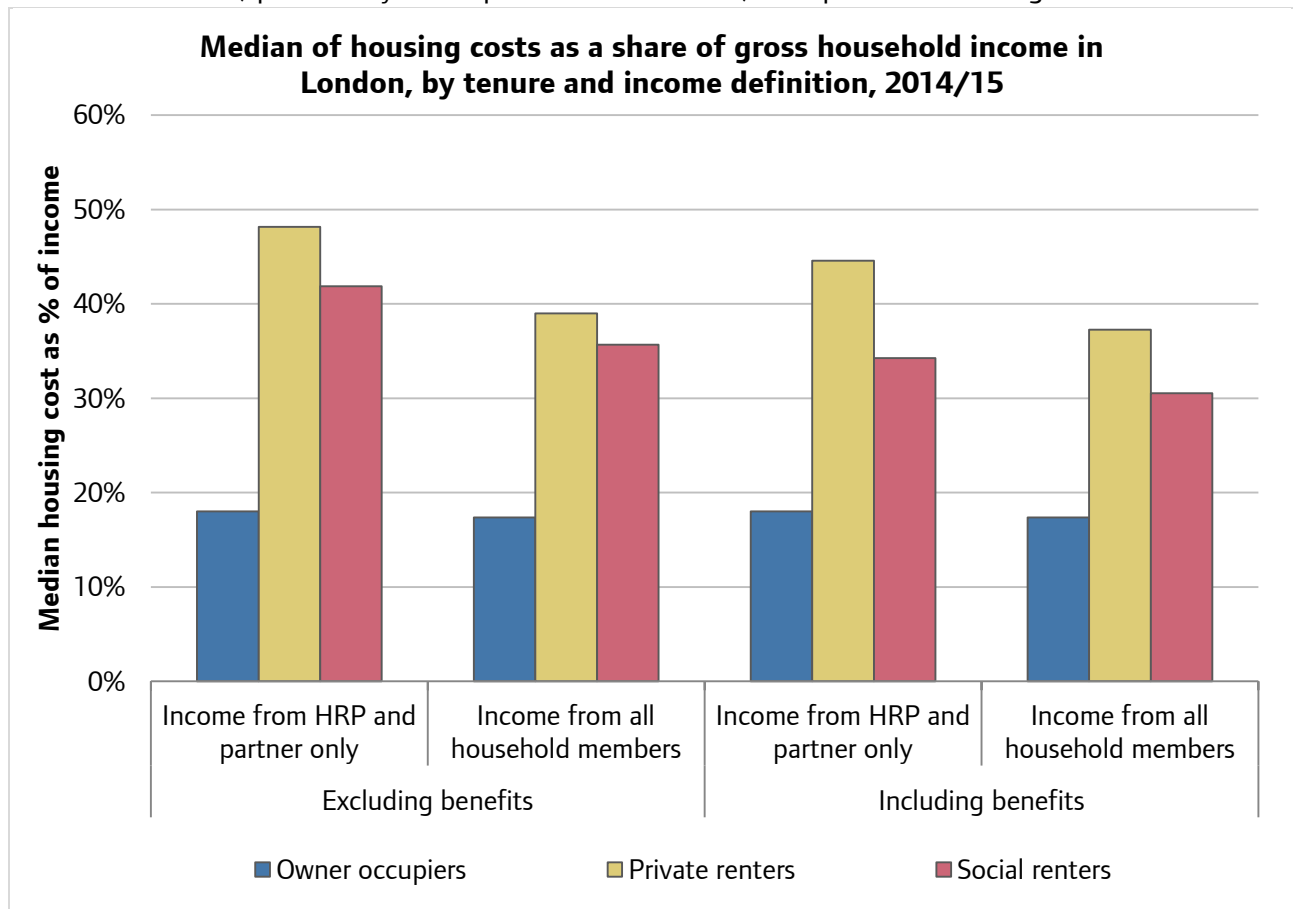


- Citizens of major European cities generally say it is much easier to find a job in their city than to find good housing at a reasonable price – but housing tended to be particularly hard to find in cities with good employment prospects. London was second only behind Paris in employment terms, but third for the difficulty of finding housing.
- Berliners are no more likely than Londoners to report it easy to find good housing in their city, despite stark the differences on paper in the costs of renting. This result might reflect the short supply of apartments in Berlin and the copious paperwork required to secure one, as compared to the relatively straightforward process of finding a home in London for those who can afford it.
- Citizens of Rome report difficulty finding both jobs and housing, the latter perhaps a result of their city's attractions to tourists.

Sources and notes

- EU Commission, *Quality of Life in European Cities 2015*

- 4.2. The burden of housing costs is highest for renting households, though it is alleviated by benefits and, particularly in the private rented sector, multiple adults sharing a home

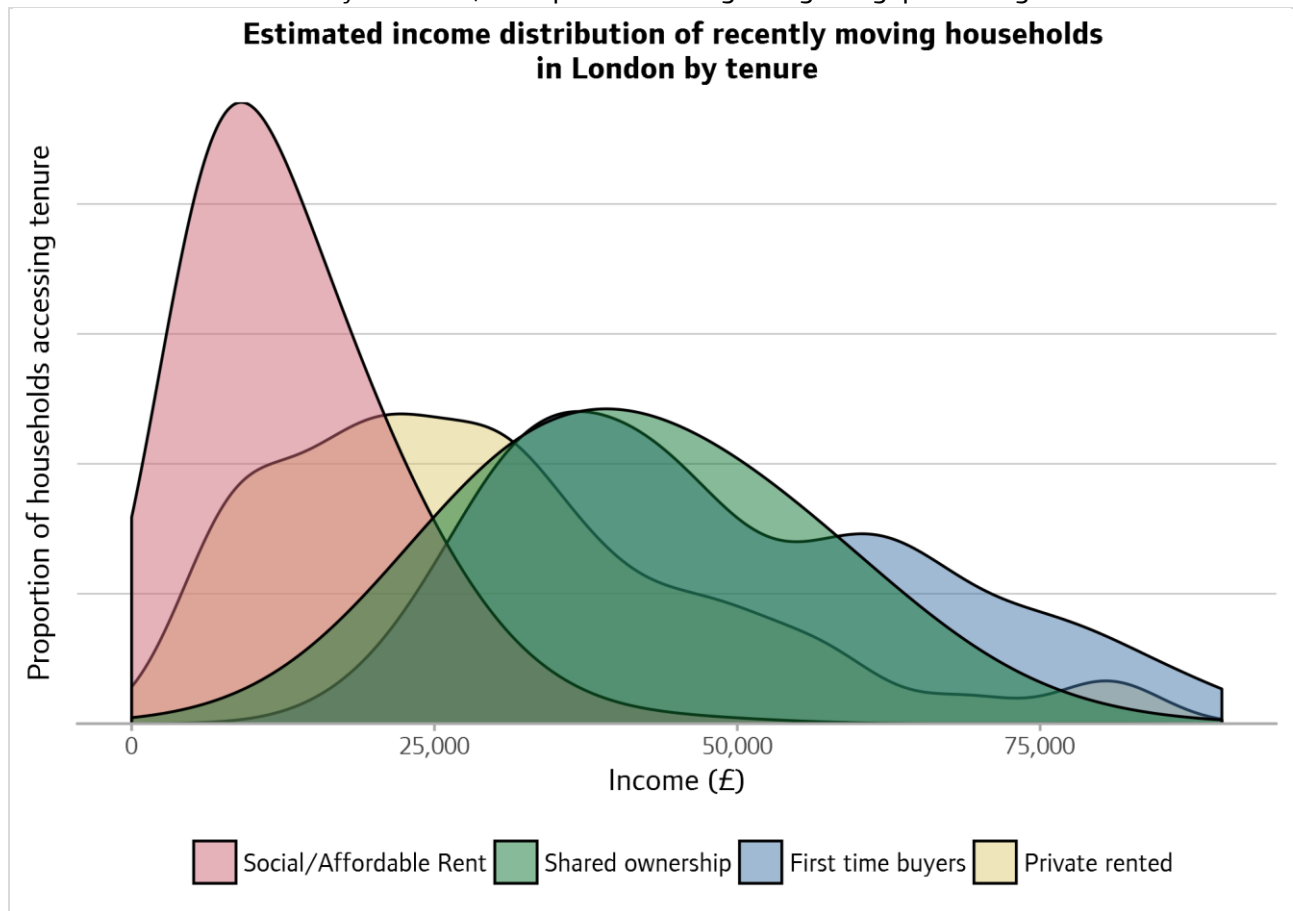


- The measurement of housing affordability, defined as housing costs as a proportion of income, depends heavily on the definition of income used and whether welfare benefits are included or excluded.
- Looking only at the income of the household reference person (HRP) and their partner and excluding benefits, the typical private renter in London spends 48% of their income on housing costs, compared to 42% for social tenants and 18% for owner occupiers with mortgages.
- But many private renting households include more than two incomes, and taking the income of all household members into account brings the median cost burden for private renters down to 39%, while taking benefits into account lowers it again to 37%. By this last definition, the typical cost burden is 17% for owners and 31% for social renters.

Sources and notes

- English Housing Survey data, 2014/15

- 4.3. The income distributions of households moving into social housing and shared ownership in London are extremely different, with private renting filling the gap to a large extent

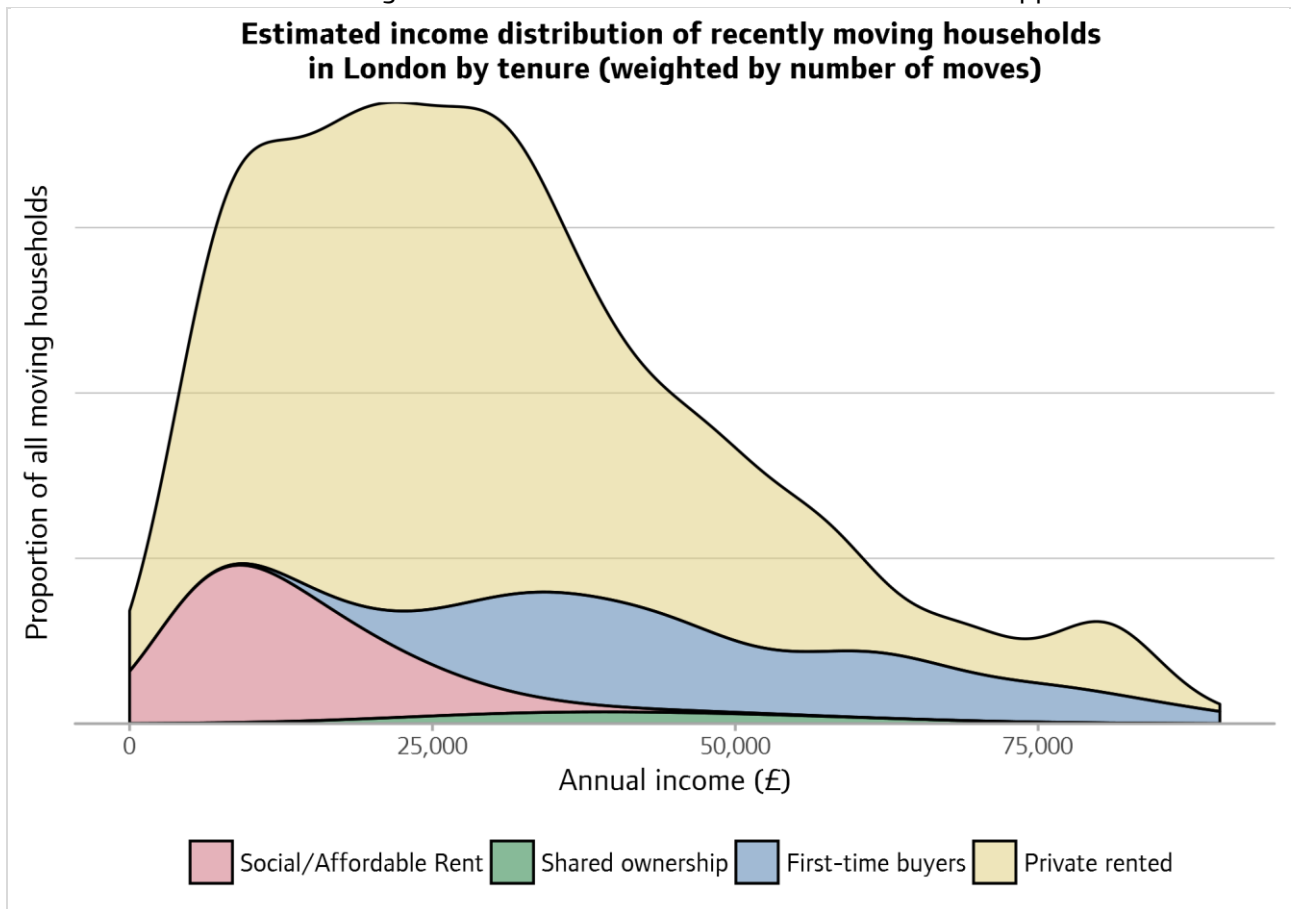


- This chart shows the distribution of annual incomes among households moving into social housing (including Affordable Rent), private renting, shared ownership and first-time home ownership in London.
- Households moving into social housing have by far the lowest incomes, with half on less than £11,500 a year. The income distribution for social rent and Affordable Rent is nearly identical.
- The private rented sector accommodates the most diverse income range, with half on less than £30,000 but 21% on more than £50,000.
- The median income of households accessing shared ownership is £40,000, compared to a median of £58,000 for the (much larger) group of mainstream first-time buyers.

Sources and notes

- Calculated by GLA from:
- Social rent and Affordable Rent: Weekly household income, from 2014/15 CORE lettings data
- Shared ownership: Sum of annual incomes of person 1 and person 2 (if applicable), from 2014/15 CORE sales data
- Private renting and first-time buyers: Gross annual income of household reference person and partner, from 2014/15 English Housing Survey, counting only those who had moved to their current home within the last 4 years
- Chart produced using R packages 'haven', 'gdata', 'ggplot2', 'plyr' and 'dplyr'

- 4.4. When weighted by the number of moves in each tenure, the dominant role of the private rented sector in accommodating movers across the income distribution becomes apparent

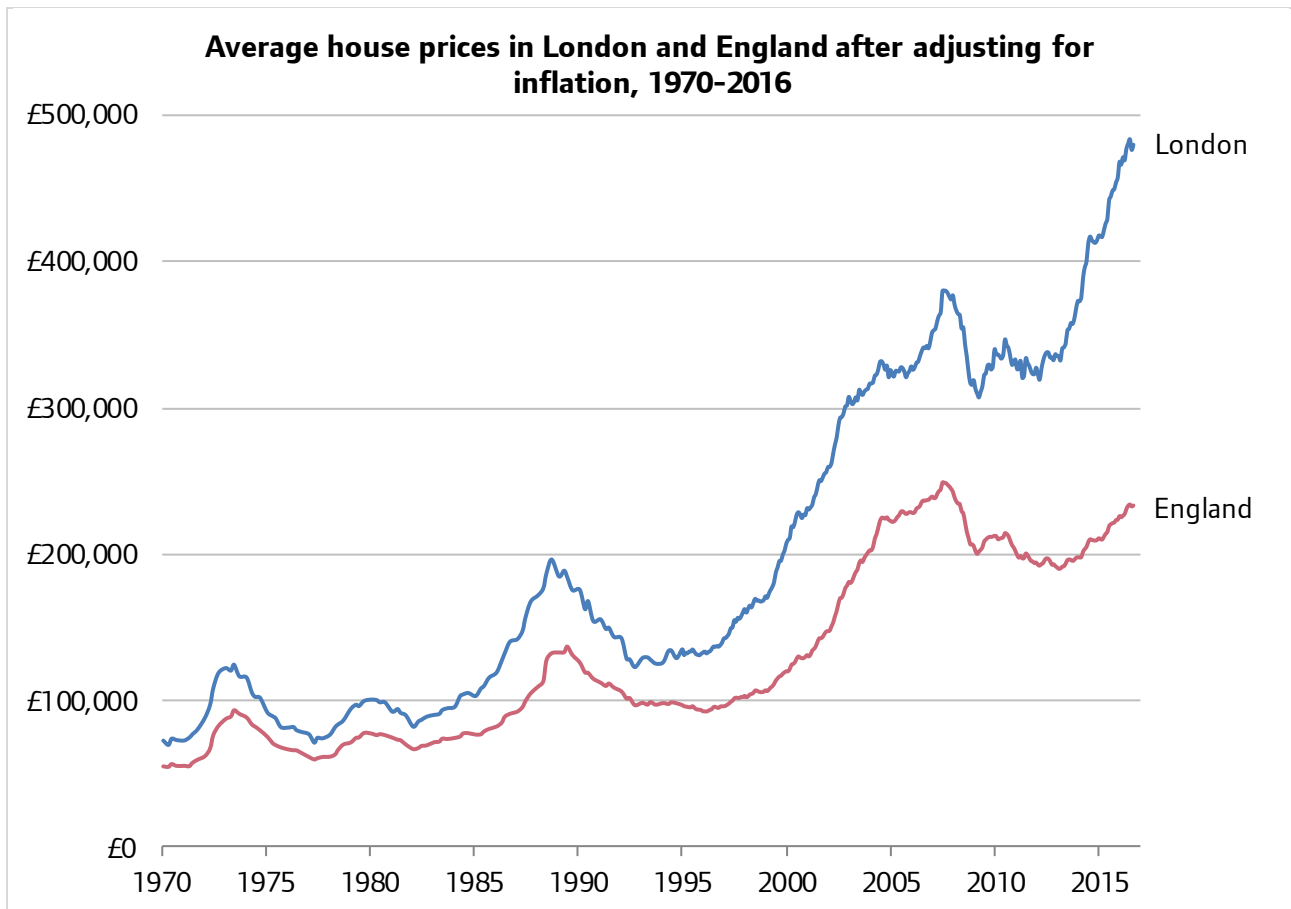


- This chart uses the same data on income distribution within each tenure as the previous chart, but this time the size of each tenure is weighted according to the estimated number of households moving into each tenure in a given year.
- The private rented sector accounts for the majority of moves in London in a given year (see section 6 for more details) and accommodates households with a relatively broad spread of incomes (see previous chart). As a result, more low-income households move into (or within) the private rented sector every year than move into social housing. Similarly, roughly equal numbers of high-income households move into or within private renting as buy their first home in London each year.

Sources and notes

- For sources of data on income distribution and R packages used see notes to previous chart
- The number of moves by first-time buyers and private renters is estimated from the English Housing Survey, the number of shared ownership moves from CORE data and the number of moves into social rented or Affordable Rent homes from a combination of DCLG lettings statistics and Local Authority Housing Statistics

4.5. Average house prices in London are more than five times their 1970 level after adjusting for inflation

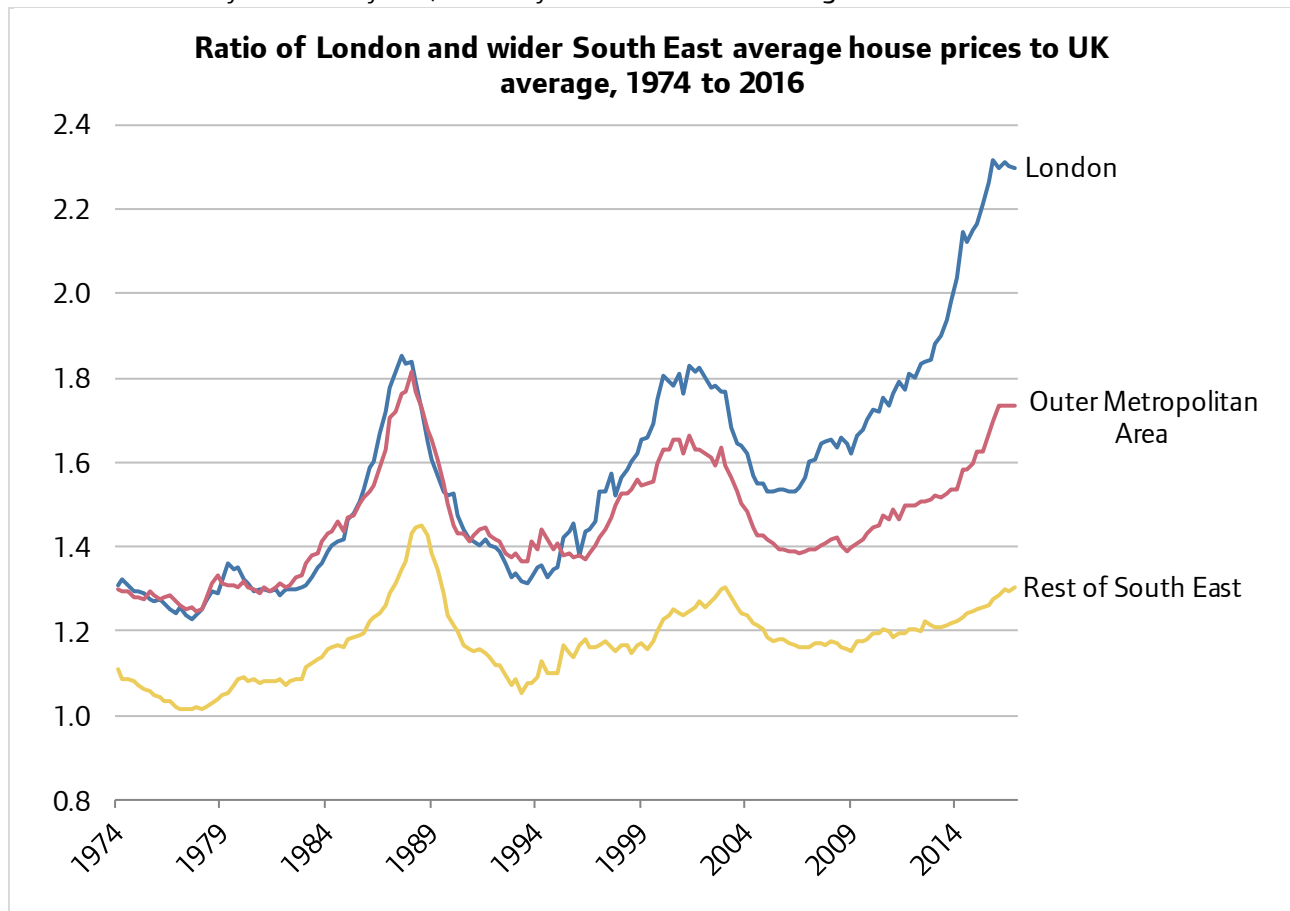


- London's average house price was £475,000 in September 2016, according to the new UK House Price Index, up 6% over the last year and more than five times the estimated average price in early 1970 after adjusting for inflation.
- The average price for England as a whole rose only slightly less (5%) over the last year, but in the long term London has diverged strongly, particularly in the last few years. The average price in England is still 6% below its mid-2007 level, while the average price in London is 25% higher.
- While the price booms of the early 1970s, 70s/80s and 80s/90s each ended in busts that undid most of the previous price gains, it is notable that both in London and across England as a whole the post-2007 price falls were relatively small in comparison to the preceding booms.

Sources and notes

- UK House Price Index, adjusted for RPI. Data is quarterly until the end of 1994 and monthly thereafter
- For various technical reasons the average prices reported by the new UKHPI tend to be lower than those reported by the previous ONS House Price Index

- 4.6. The gap between average prices in London and the rest of the country has widened considerably in recent years, but may be about to narrow again

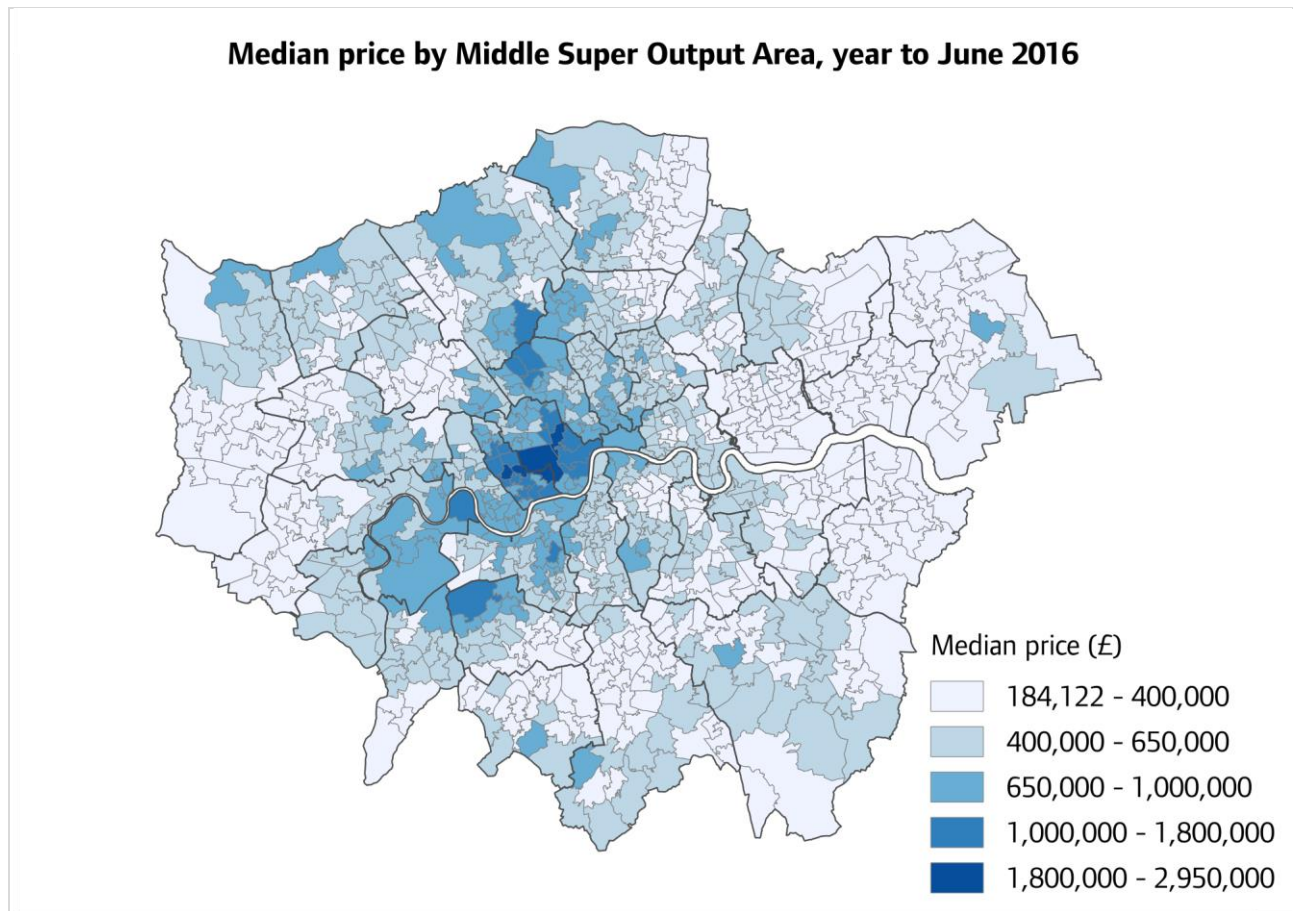


- Just as London's average price is partly cyclical, so too is the ratio of average prices in the capital to prices in its surroundings and the country as a whole. At the end of 2016 London's average house prices (as measured by the Nationwide) were 2.3 times higher than the UK average, close to the highest ratio since this data began in 1974. Each of the major cycles seen over the past four decades has left average London prices further above the UK average than the one before it.
- The gap has also widened with each cycle between average prices in London and prices in its 'Outer Metropolitan Area' (a large area with high rates of commuting into London) and the rest of the South East region.
- Both current market data and the length of previous cycles suggest that the London ratio may have peaked for now, heralding a period of (relative) convergence between London and other regions.

Sources and notes

- Nationwide quarterly regional house price index (not seasonally adjusted)

4.7. Average house prices are highest in Inner West London and lowest in Outer East London

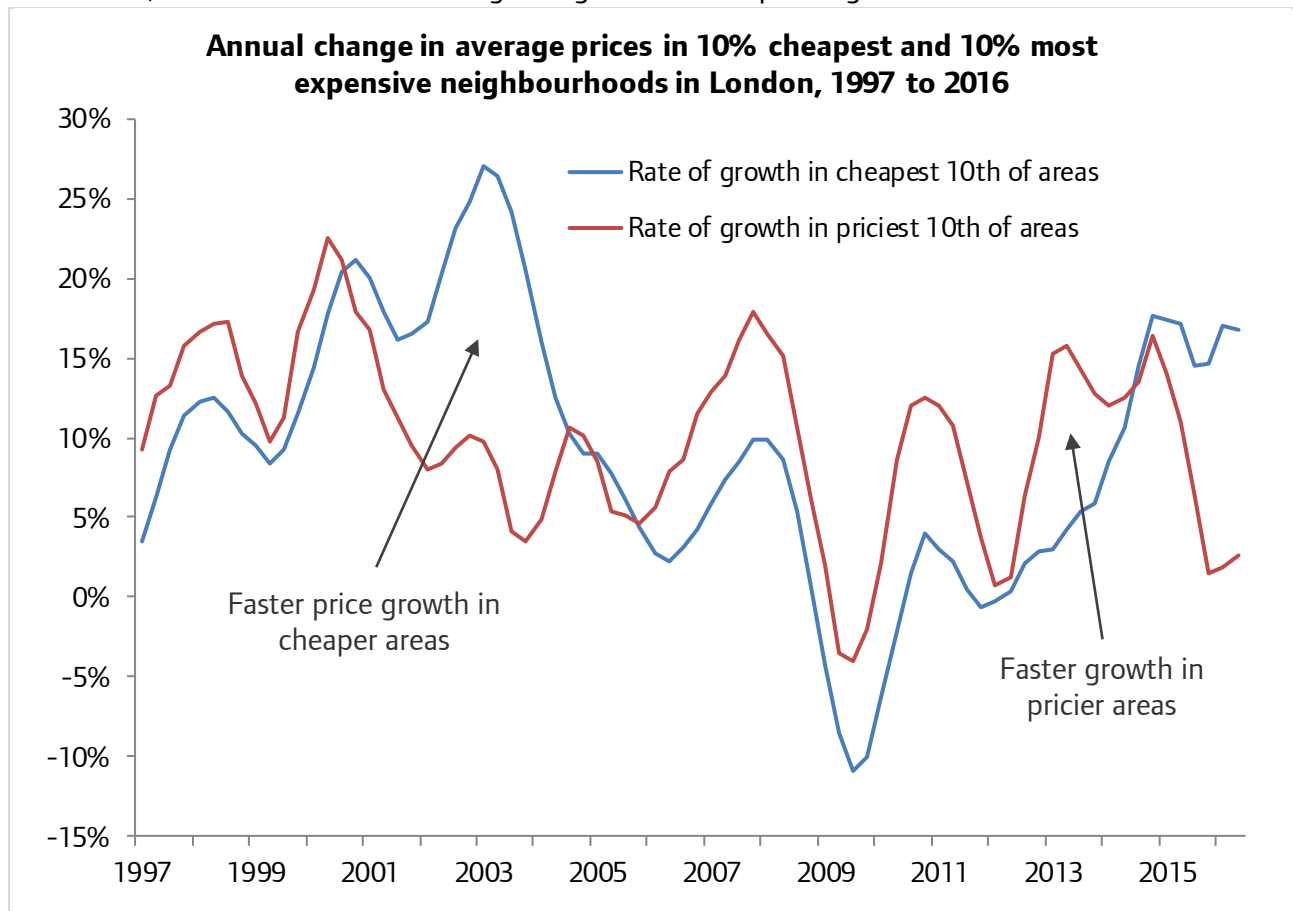


- In the year to June 2016, the median price for a home sold in London (unadjusted for the mix of homes sold) was £425,000, but at neighbourhood level the median price varied from £184,000 in the Belvedere area of Bexley to £2.95 million in the Knightsbridge and Belgravia areas of Westminster.
- The top nine most expensive neighbourhoods in London are all in Westminster and Kensington and Chelsea, with the Wimbledon Common area of Merton the only exception in the top ten.
- At the other end of the price scale there are 11 wards with median prices below £200,000, distributed around Bexley, Greenwich, Redbridge and Barking and Dagenham.

Sources and notes

- ONS, *House price statistics for small areas in England and Wales to year ending June 2016*

- 4.8. House prices rose more quickly in the most expensive parts of London for almost a decade until 2015, but since then have been growing more in cheaper neighbourhoods

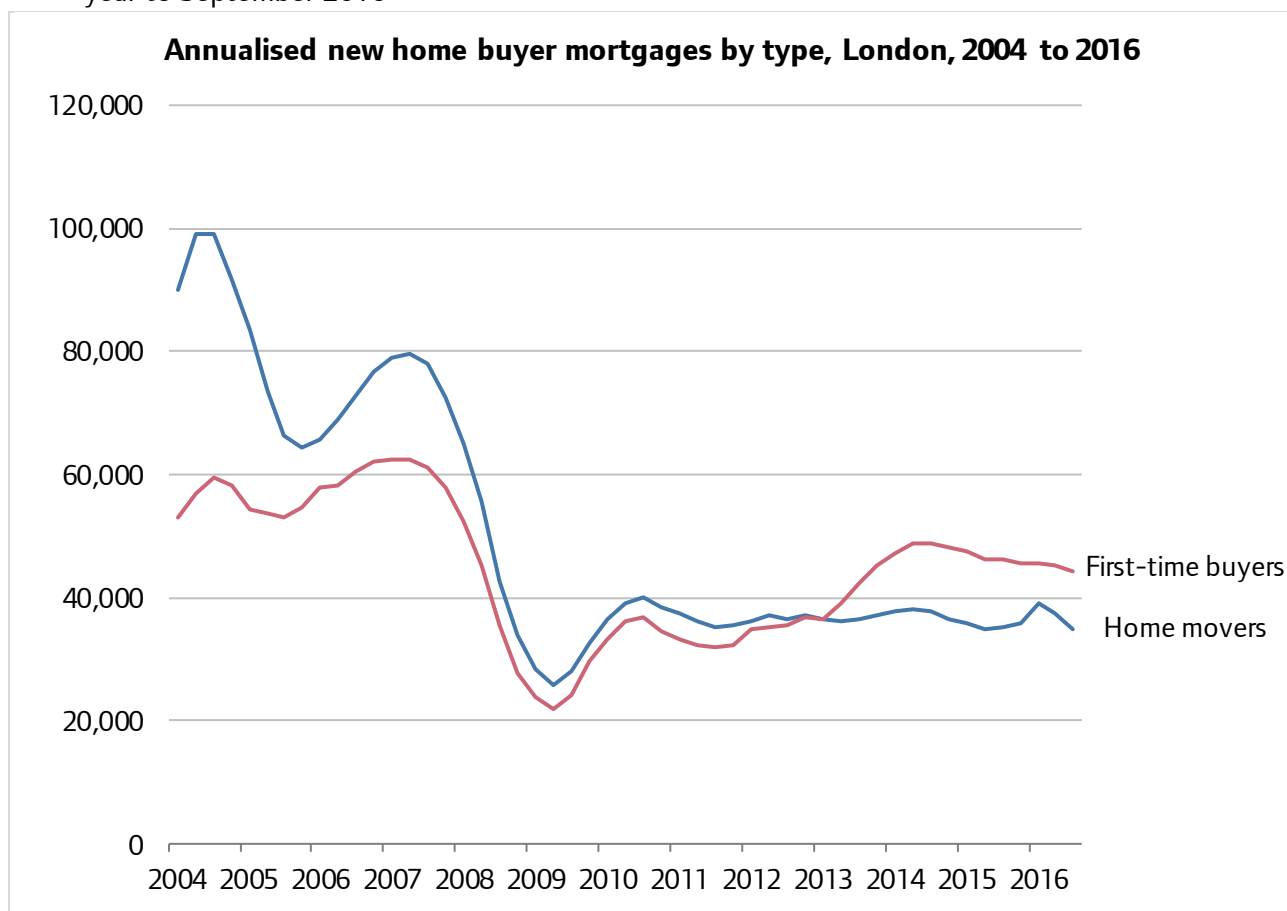


- This chart compares the annualised price change for the cheapest and most expensive tenths of neighbourhoods in London since 1997. When the blue line is above the red line average prices are growing more quickly (or falling more slowly) in the cheaper areas, while when the red line is higher prices are growing more quickly in pricier neighbourhoods.
- For most of the period covered prices grew faster in more expensive areas, but there were two periods of significant convergence when prices rose more quickly in cheaper neighbourhoods. The first lasted from 2000 to 2004 and the second began in early 2015 and is still ongoing.

Sources and notes

- ONS, *House price statistics for small areas in England and Wales to year ending June 2016*
- The cheapest and most expensive areas in London are defined here on the basis of the 'average prices in Middle Super Output Areas, averaged on a quarterly basis over the whole period'

4.9. There were 44,200 new loans to first-time buyers and 34,800 to home movers in London in the year to September 2016

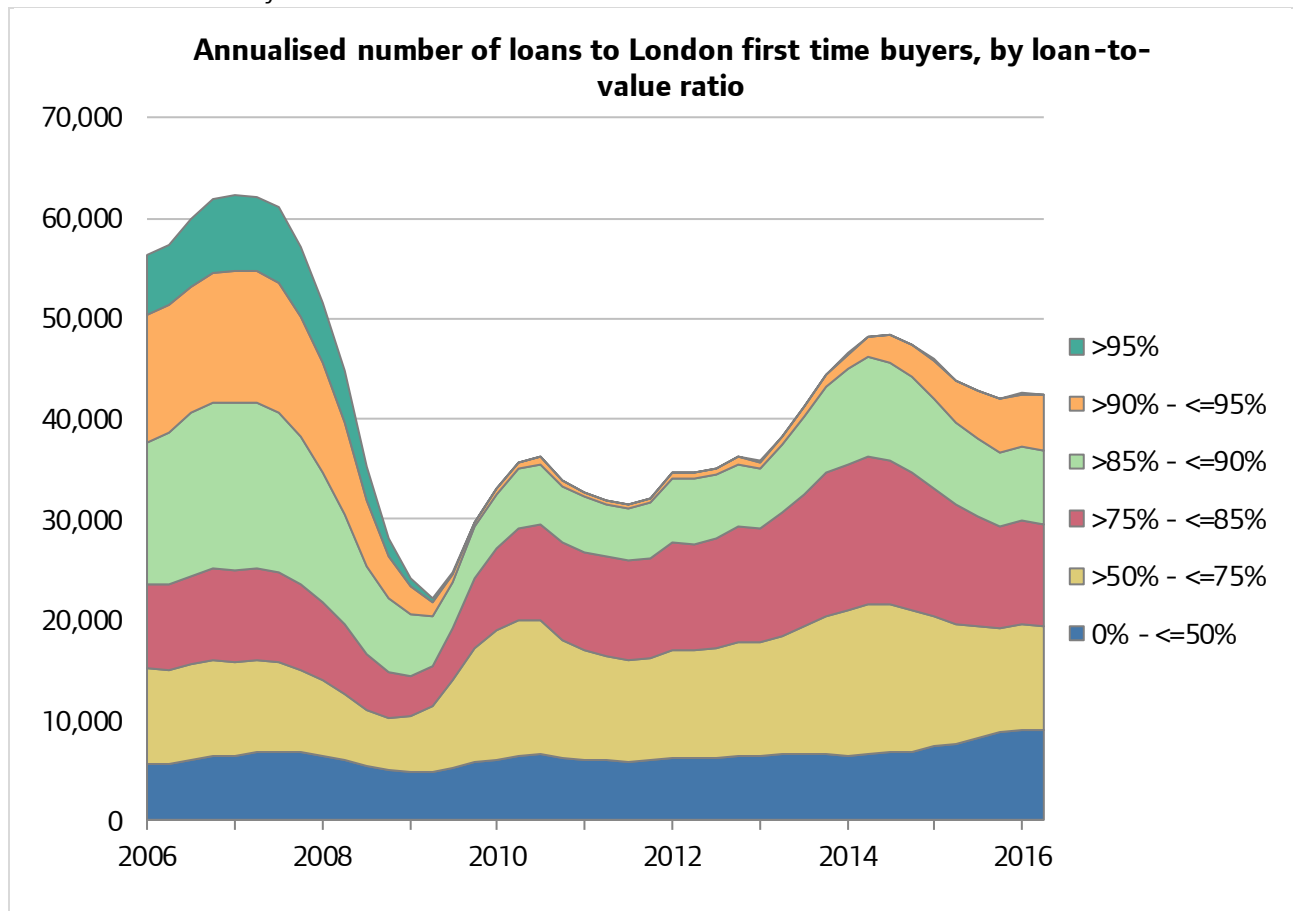


- In the year to September 2016 there were 44,200 new loans to first-time buyers in London, down 4% from the year before, and 34,800 to home movers, down 1%.
- Lending to first-time buyers has fallen slightly from a recent peak of 48,900 loans in the year to September 2014, while the level of lending to home movers has remained fairly steady since 2010.
- Lending to both first-time buyers and home movers remains far below pre-crash levels. There were 62,600 loans to first-time buyers in the year to March 2007, and 99,000 loans to home movers in the year to mid-2004.

Sources and notes

- CML mortgage lending statistics

4.10. First-time buyers in London are generally borrowing significantly lower shares of their home's value than they were before the crash ...

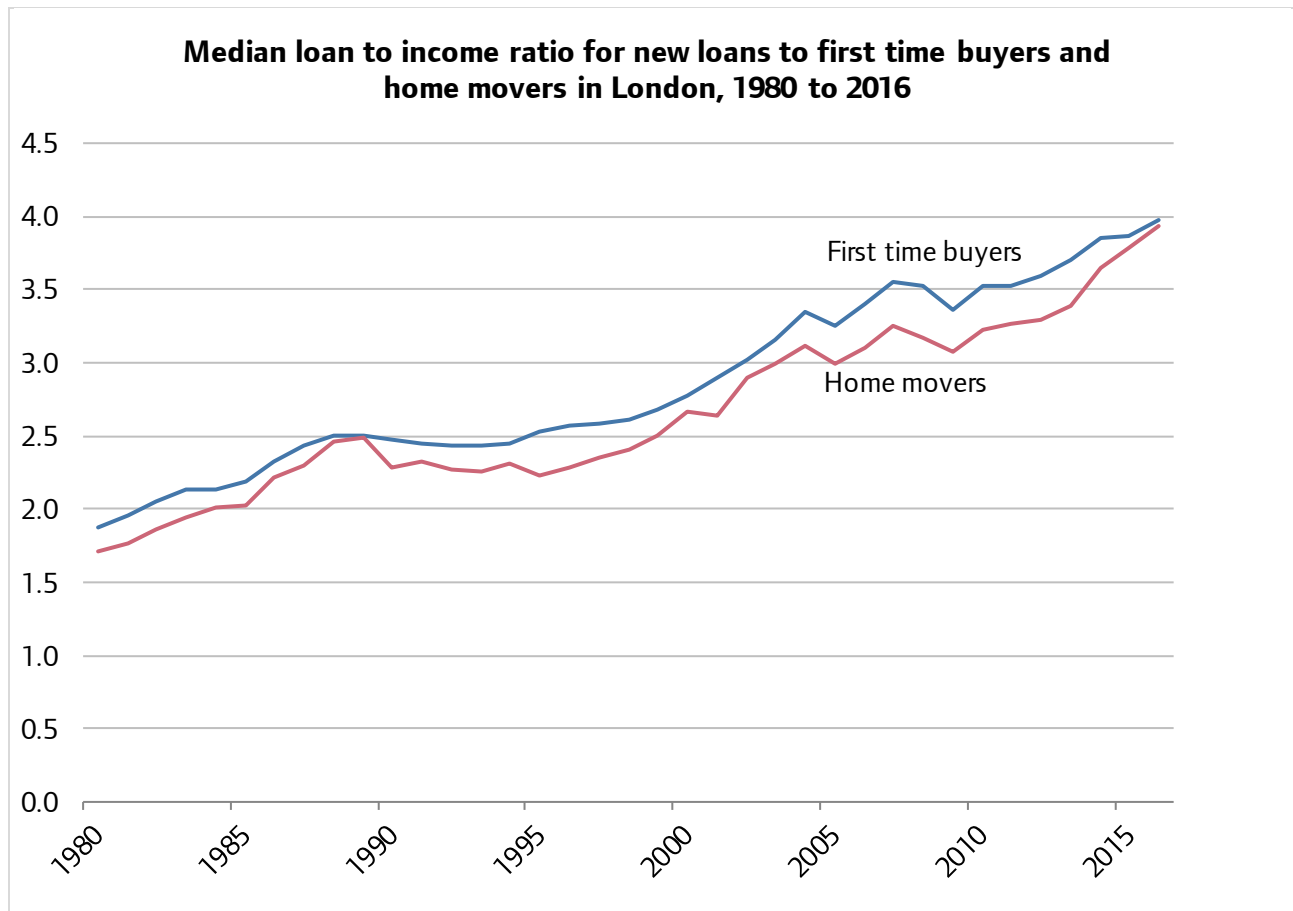


- The availability of mortgage loans with high loan-to-value ratios (LTVs) fell dramatically in the wake of the 2007/08 financial crisis. Loans with LTVs of more than 90% comprised a third of all lending to first-time buyers in London in 2005/06, but this share fell to just 1% in 2010 and 2011.
- In the last two years the proportion of loans at LTVs of between 90% and 95% has risen again, reaching 13% in the last year, but loans at LTVs of more than 95% are still practically non-existent.
- At the other end of the scale, loans where first-time buyers put down deposits of at least 50% have risen in both absolute and percentage terms in recent years, and in the last year comprised 21% of the total.

Sources and notes

- FCA mortgage lending statistics provided to GLA

4.11. ... But are borrowing much higher multiples of their income

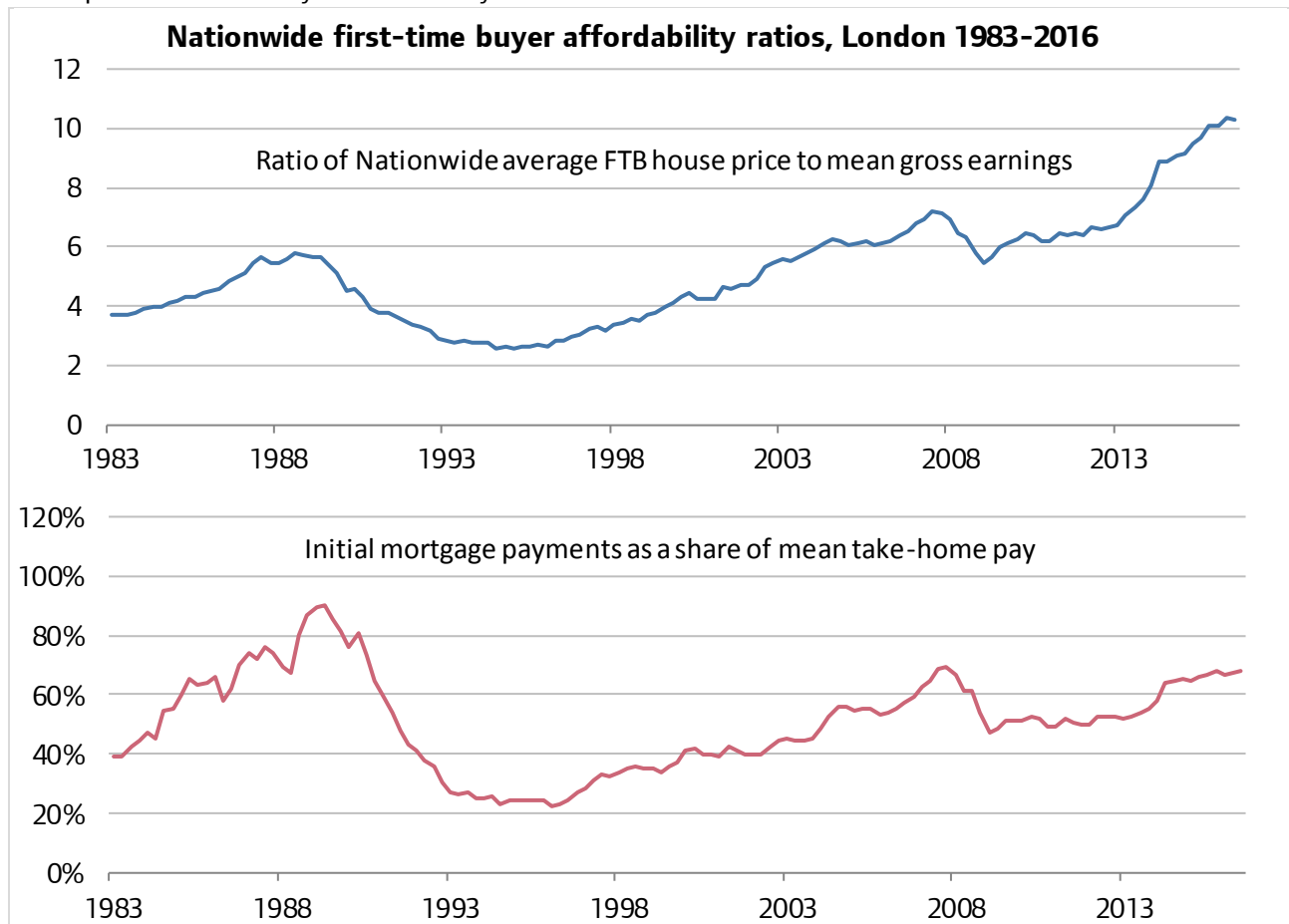


- The typical first-time buyer in London borrowed 3.98 times their income in 2016, up from a loan to income ratio of 3.87 in 2015 and just 1.88 in 1980.
- Home movers, who usually bring some equity from the sale of their previous home, have typically borrowed at a somewhat lower ratio than first-time buyers, but in the last year the two have nearly converged. Home movers in London borrowed an average of 3.93 times their incomes in 2016, up from 3.78 in 2015 and 1.71 in 1980.
- London's typical loan to income ratios are also higher than the national average. Across the UK as a whole, the typical first-time buyer borrowed 3.42 times their income in 2016, and the typical home mover 3.12 times.

Sources and notes

- CML mortgage lending statistics
- Annual data is used for all years except 2016, where the average of the first three quarters is used

4.12. Low interest rates have cushioned the impact of rapidly rising house prices on the affordability pressures faced by first-time buyers in London ...

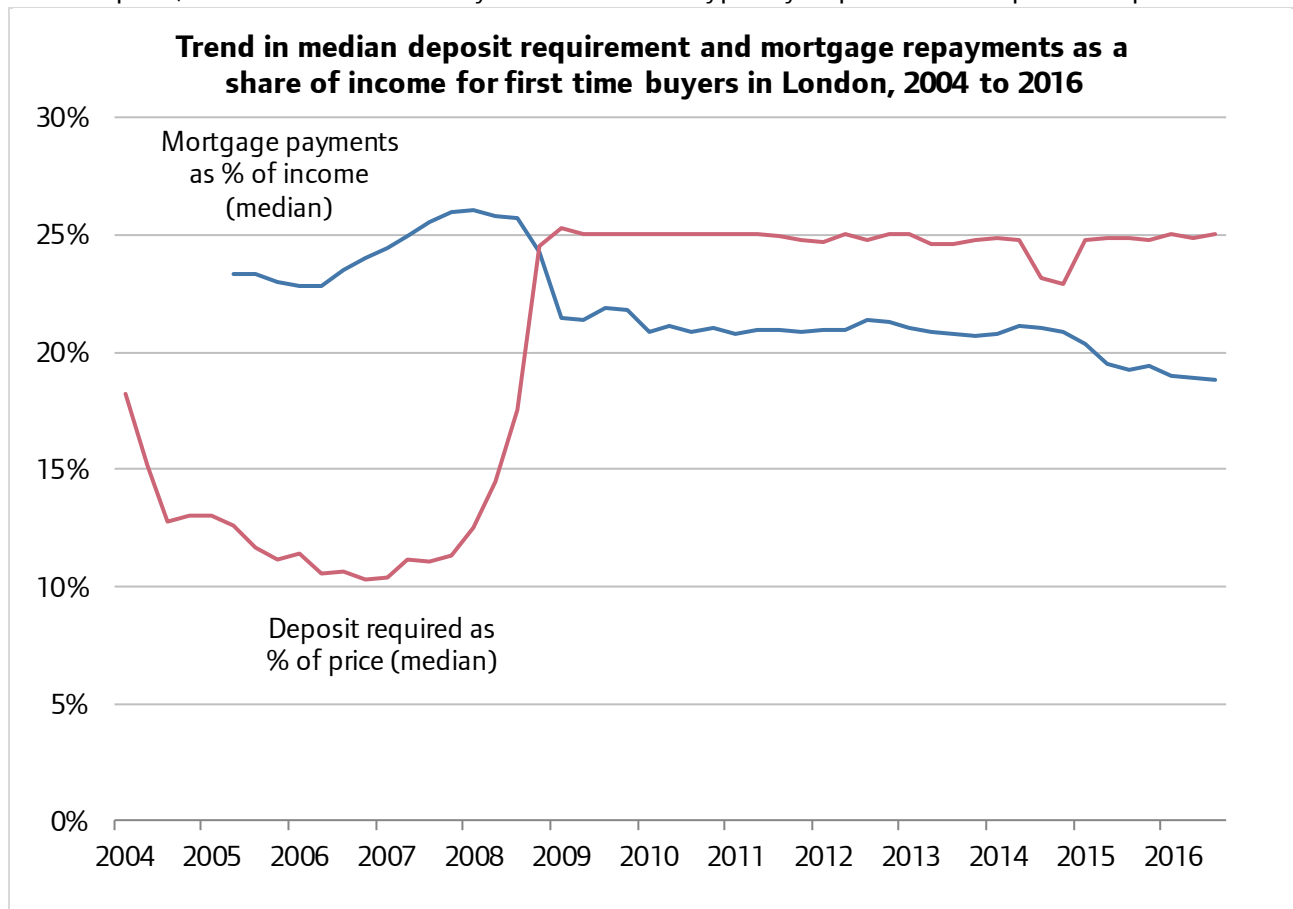


- This chart compares trends in two measures of housing affordability for first-time buyers in London. The first is the simple ratio of average first-time buyer houses to average earnings, while the second compares estimated mortgage payments to average take-home pay (both calculated by Nationwide using prices and earnings for London).
- On the basis of the price to earnings ratio there has been a very dramatic deterioration in affordability over the last two decades, with first-time buyer prices rising from 2.6 times average earnings in 1995 to 10.4 times in 2016.
- But when interest rates are taken into account the trend is much less dramatic, and while affordability has still deteriorated sharply in London over the last twenty years it is not yet as bad as in 1989, when mortgage payments were estimated at 90% of average take-home pay (compared to 68% in 2016). Any changes in interest rates will of course have an important effect on this measure.

Sources and notes

- Nationwide House Price Index
- Both measures use mean earnings for a full-time worker on adult rates, from the New Earnings Survey and the Annual Survey of Hours and Earnings
- The mortgage costs measure estimates mortgage payments on the basis of a 90% LTV mortgage at prevailing interest rates, and take-home pay on the basis of prevailing tax and national insurance rates

4.13. ... but buyers can only take advantage of low interest rates if they can put down a suitable deposit, which for first-time buyers in London is typically a quarter of the purchase price

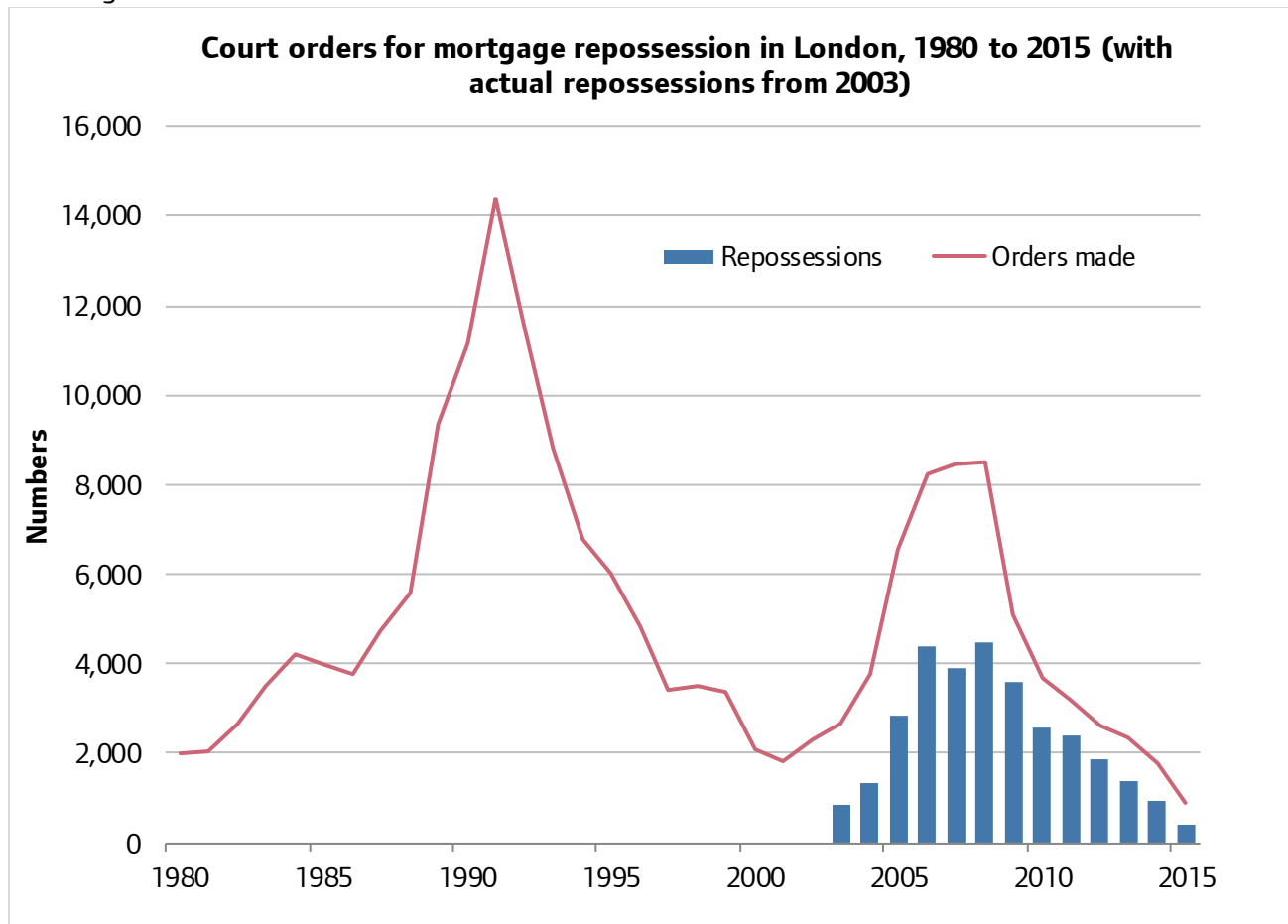


- The typical first-time buyer in London puts down a deposit of 25%, a figure which shot upwards during 2008 and has remained fairly steady since 2009. According to separate figures published by Halifax, first-time buyers in London put down an average deposit of £100,445 in 2016, compared to £32,321 across the UK as a whole.
- As deposits rose the burden of mortgage payments (as a share of income, and taking into account both capital and interest payments) fell, largely due to lower interest rates. Typical mortgage payments were 18.9% of incomes for London first-time buyers in Q3 2016, down from a peak of 26% in early 2008.
- If and when interest rates increase again there is likely to be a significant impact on affordability, unless house prices also fall.

Sources and notes

- CML mortgage lending statistics

4.14. In 2015 there were just 393 mortgage repossessions across all of London, the lowest annual figure on record ...

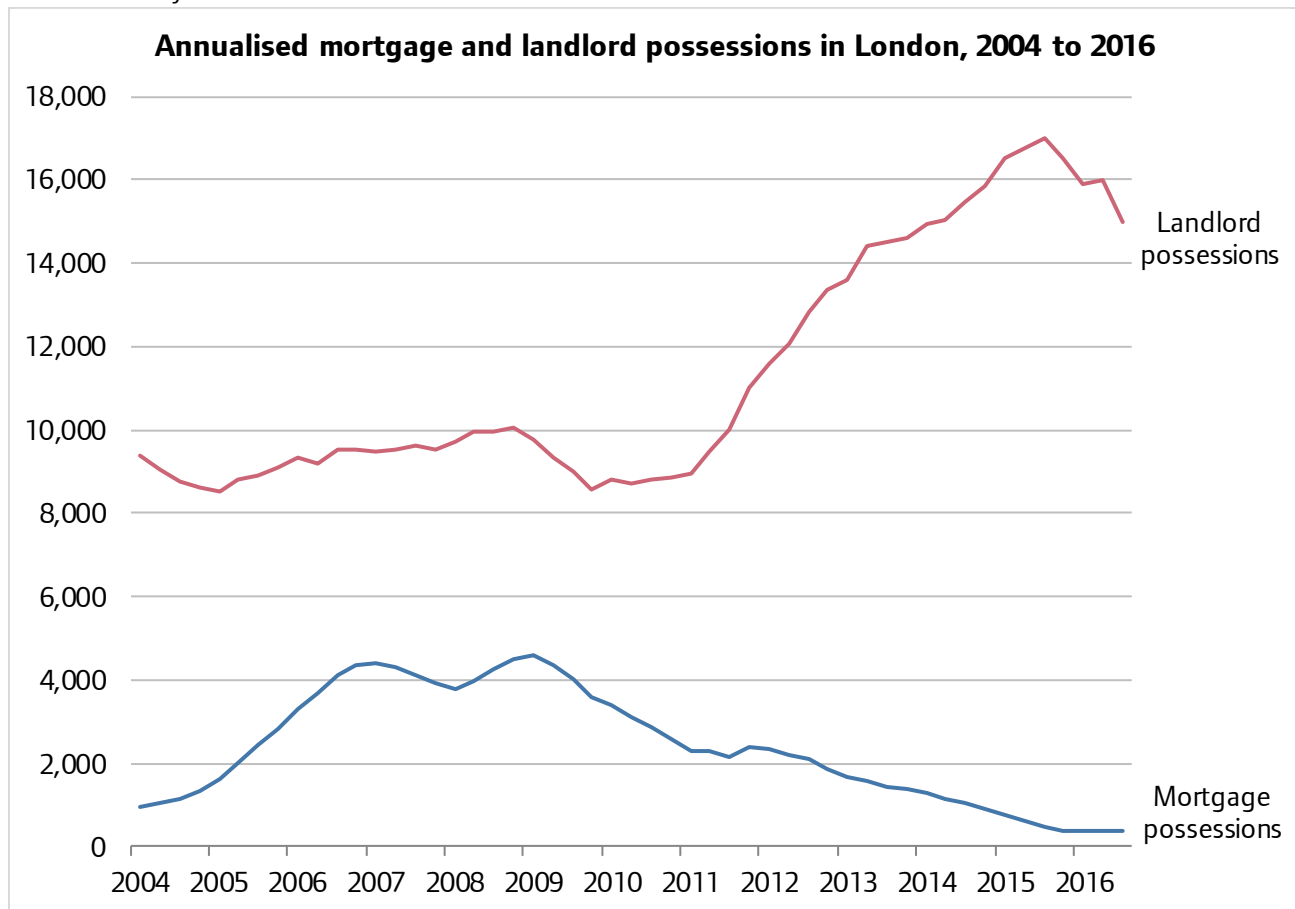


- The very low mortgage interest rates of recent years have contributed to extremely low levels of mortgage repossession in London, with just 393 homes repossessed in 2015, the lowest figure on record.
- The longer time series showing the number of court orders made for repossession indicates that at least the threat of repossession was higher at any point in the last 35 years, with annual repossession orders in London peaking at 14,400 in 1991.

Sources and notes

- Compiled by GLA from:
- 1990-95 from Housing Review 1996/97
- 1996 -2014 from UK Housing Finance Review / Housing Review (various years)
- 2015 from Ministry of Justice statistics

4.15. ... but the number of rented homes in London repossessed by landlords has risen sharply in recent years

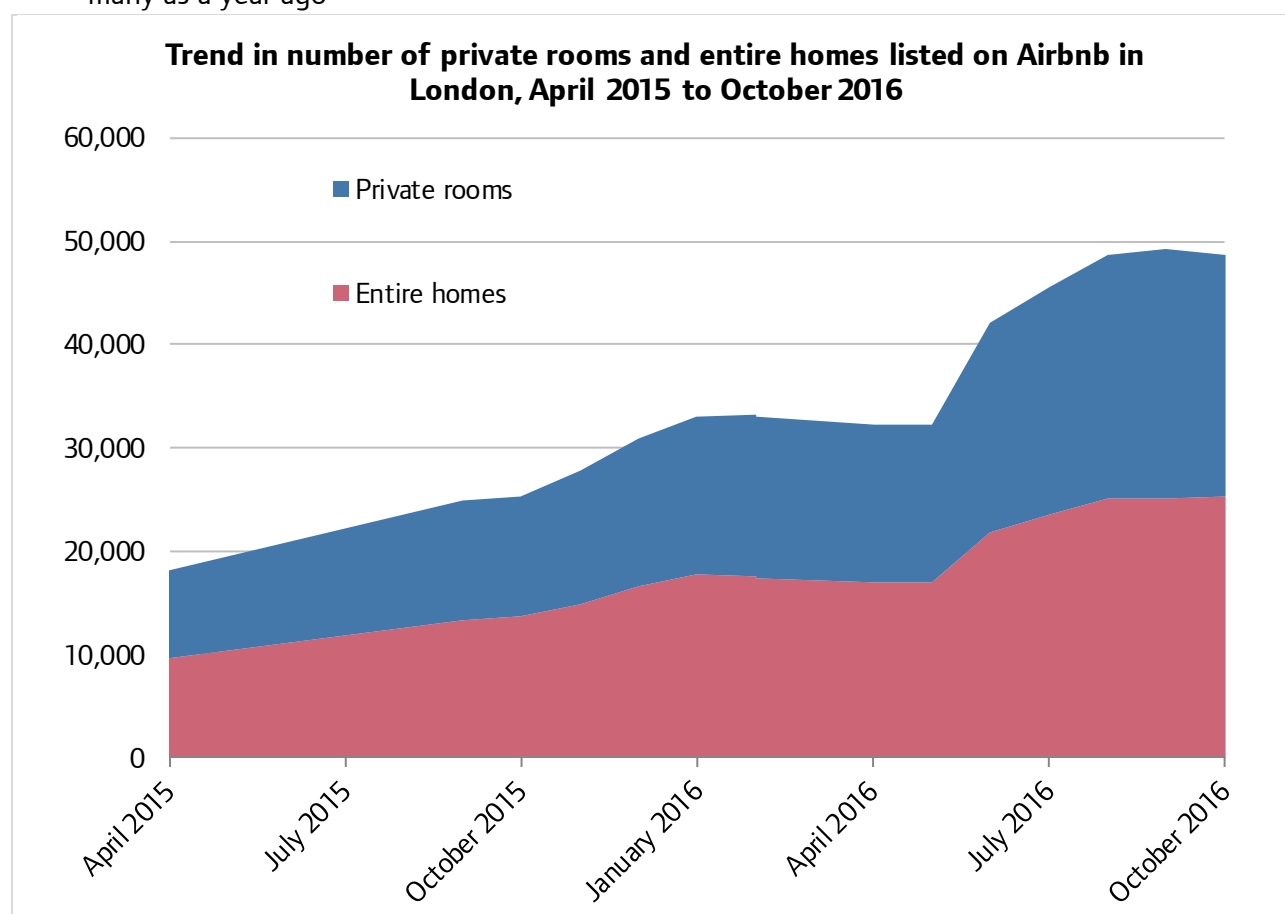


- In the year to September 2016 there were 15,350 home repossessions carried out by county court bailiffs in London, only 380 of which were repossessions of mortgaged homes, with the remainder being rented properties being taken into possession from tenants by social or private landlords.
- Landlord repossessions in London almost doubled between 2009 and 2015, reaching a high of 16,990 in autumn 2015, before falling again to 14,970 in the last year.
- These figures exclude any repossessions carried out without the involvement of county court bailiffs, so the total number is probably higher than shown here.

Sources and notes

- Ministry of Justice statistics

4.16. There were almost 50,000 London properties listed on Airbnb in late 2016, roughly twice as many as a year ago

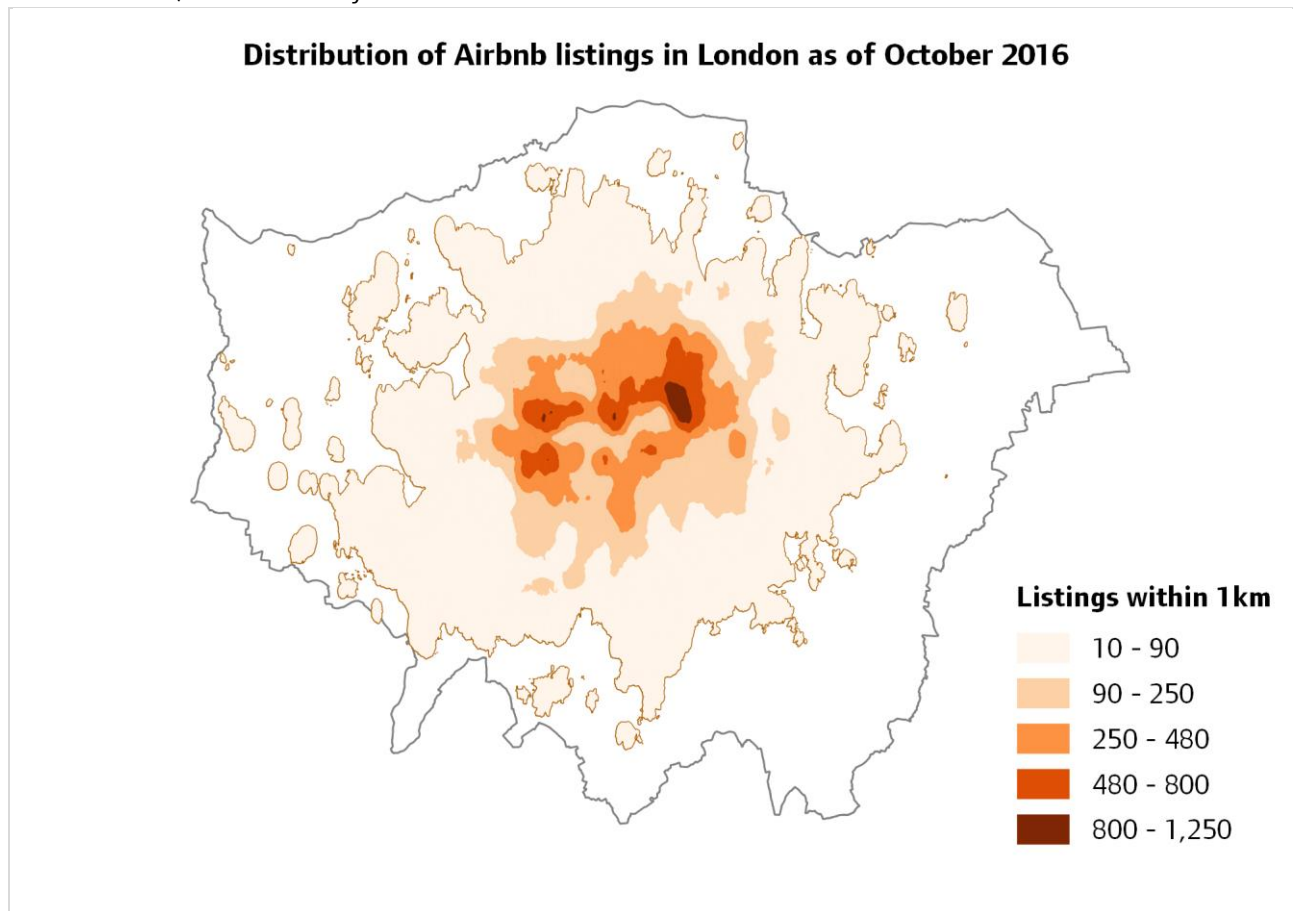


- A number of websites cater to the growing market for short-term lettings in London, with Airbnb the clear market leader.
- The number of London properties listed on Airbnb has grown 168% in just 18 months, from 18,440 in April 2015 to 49,350 in October 2016 (according to data from Inside Airbnb, a monitoring site). In the last year alone the number of listings has almost doubled.
- Entire homes comprised 51% of the listings in October 2016, with private rooms in someone's home 47% and shared rooms just 1%. These proportions have remained very steady over the 18-month period covered.

Sources and notes

- Inside Airbnb data

4.17. Airbnb listings are heavily concentrated in Inner London, particularly in hotspots such as Hoxton, Soho and Bayswater

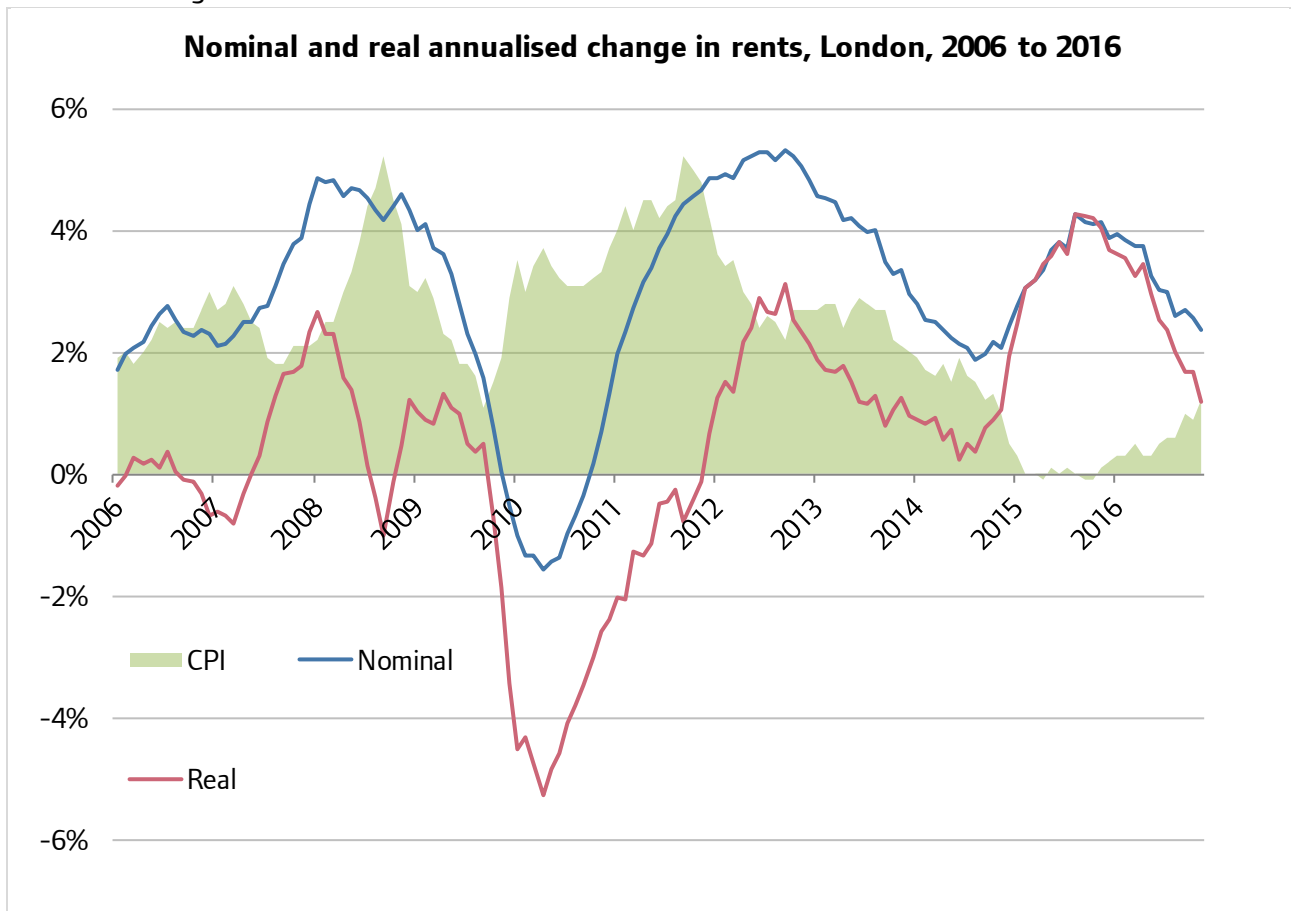


- Airbnb listings are very unevenly spread across London, with around 80% of all listings in Inner London and few if any in many Outer London neighbourhoods as of October 2016.
- Even within Inner London listings are highly clustered, with many areas of relatively little activity and a few hotspots where there are over 1,000 listings within a 1km radius. The biggest of these hotspots covers several popular East End neighbourhoods from Hoxton down to Aldgate. Other popular areas include Soho, Bayswater and Earl's Court.

Sources and notes

- Inside Airbnb data, October 2016

4.18. Real-terms growth in average private rents in London has fallen sharply in the last year as nominal growth has softened and inflation risen

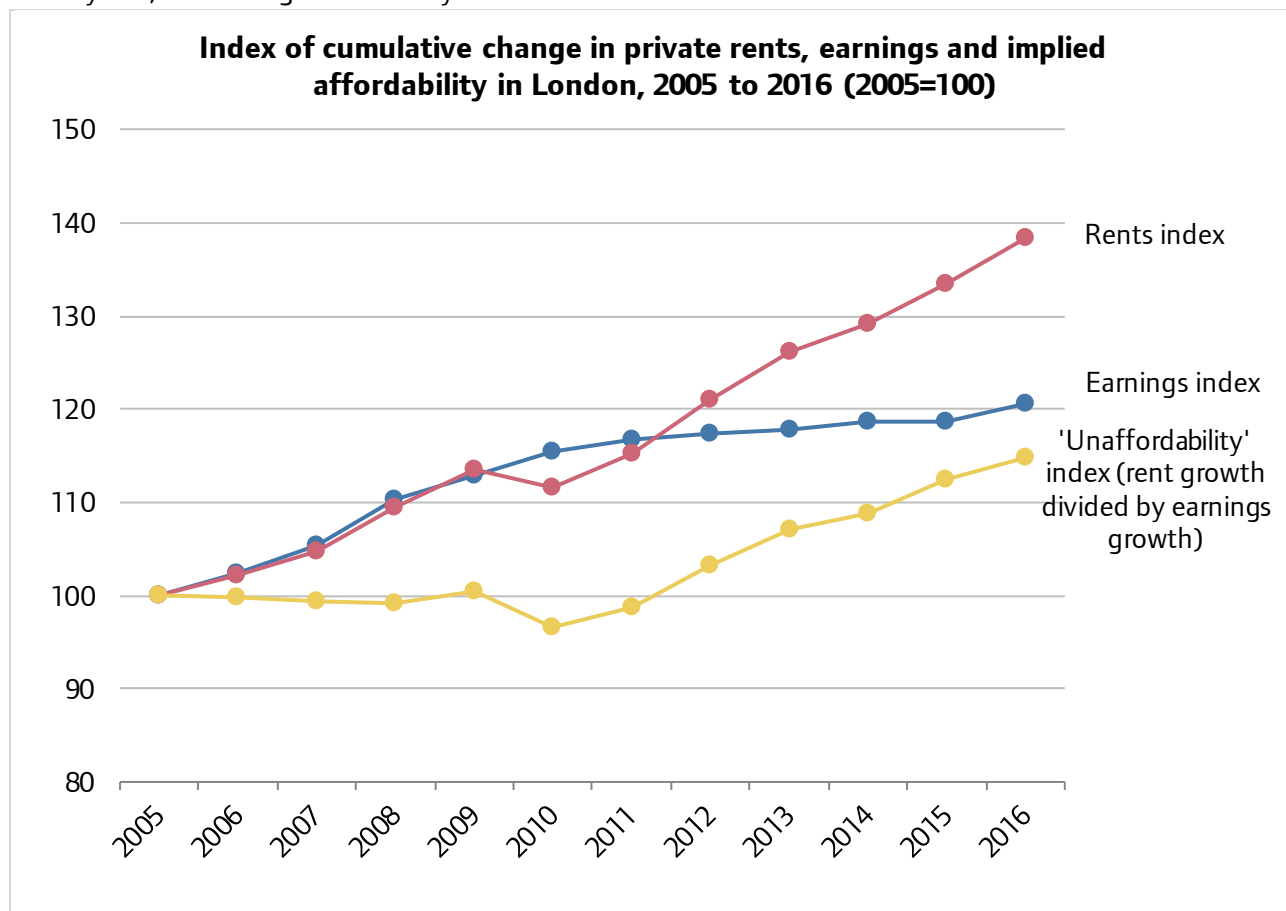


- Average private rents in London rose 2.4% in the year to November 2016, according to the ONS experimental index of private rents, down from a peak growth rate of 4.3% in August 2015 and slightly below the 2.5% rate of growth in the rest of England.
- When adjusted for inflation the recent fall in rental growth is sharper still, due to the added effect of increased consumer price inflation, which was zero for much of 2015 but rose to 1.2% in the year to November 2016.

Sources and notes

- ONS, *Experimental Index of Private Housing Rental Prices*, and consumer price inflation data
- The ONS index calculates changes in the rents for both new and ongoing tenancies, while most other indices cover new rents only

4.19. Average private rents have risen more quickly than average earnings in London in the last five years, worsening affordability for tenants

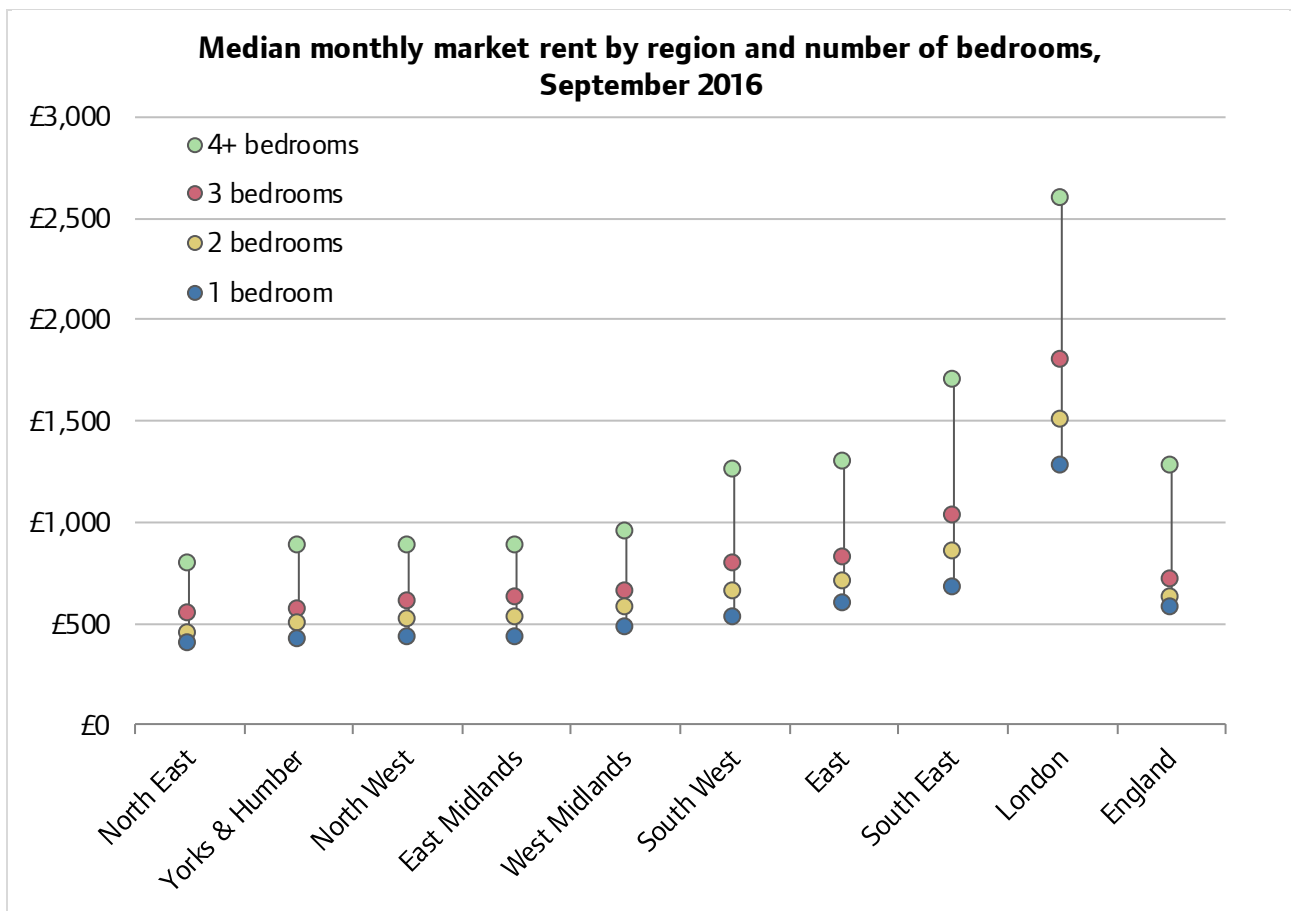


- Between 2005 and 2016 average private rents in London rose 38%, while average individual earnings rose just 21%, implying a worsening in affordability (with the 'unaffordability' index above simply the cumulative change in rents divided by the cumulative change in earnings).
- Rents tracked earnings very closely between 2005 and 2009 and then dropped in 2010, before going on to increase for six years straight. Average earnings have grown very slowly over the same period, resulting in significantly worse affordability for London's private tenants.
- As the previous chart shows, private rental growth in London has recently softened markedly. This may lead to an improvement in affordability in the coming years if earnings growth can be sustained

Sources and notes

- *Earnings: Median full-time weekly earnings by place of work, London. From ONS Annual Survey of Hours and Earnings, republished on London Datastore*
- *Rents: ONS Index of Private Rental Housing Prices, April each year to match ASHE data (Jan 2011=100)*
- *Affordability index: Rent index divided by median weekly earnings*

4.20. London has by far the highest average private sector rents in the country

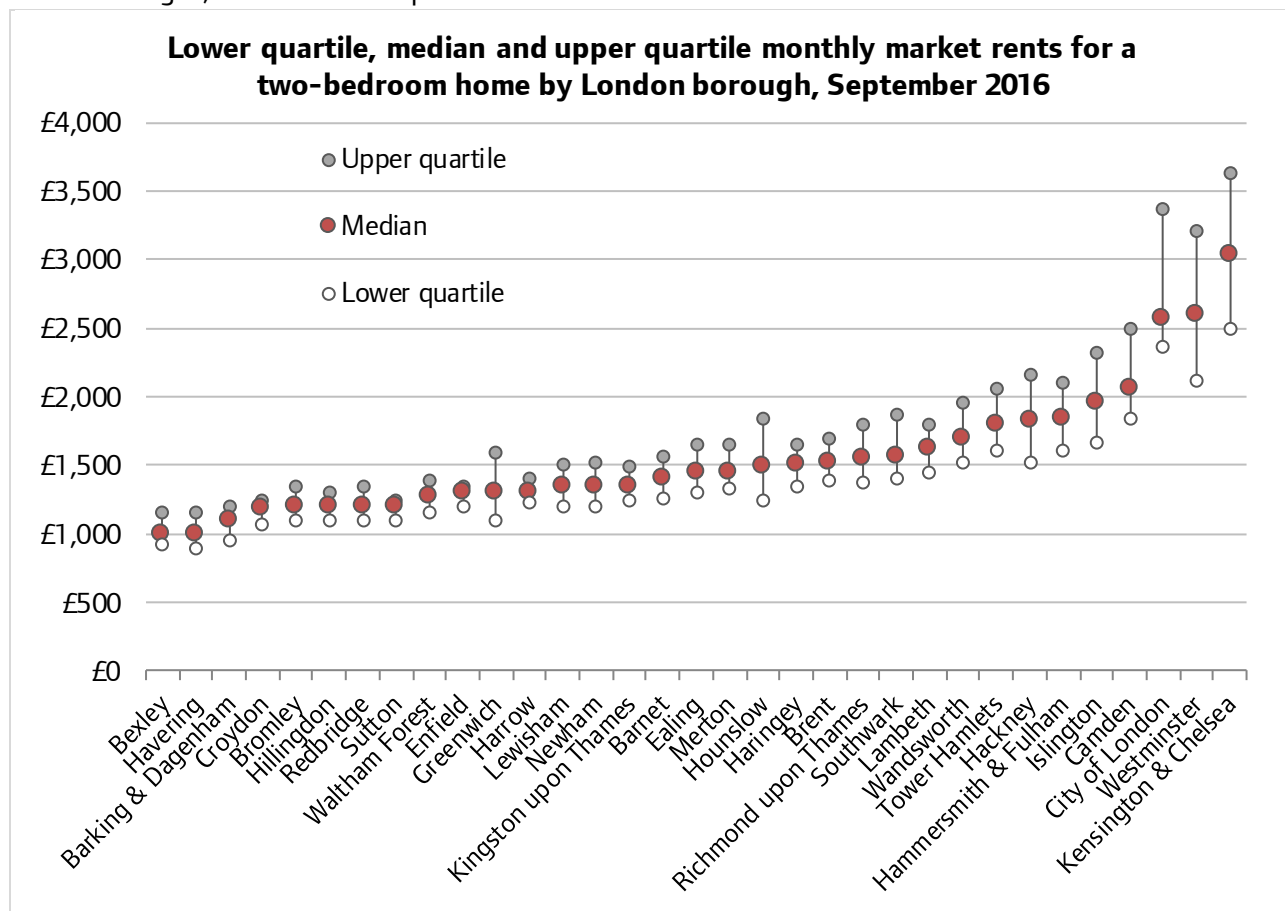


- The median rent for a privately rented home in London (excluding any cases where the tenant receives Housing Benefit) is £1,473, more than twice as high as the median in England as a whole.
- London's rents are so much higher than those of other regions that the median rent for a one-bedroom home in London is the same as the national median rent for a home with four bedrooms or more.
- It should be noted that these statistics exclude any cases where the tenant receives Housing Benefit. As the average rent for Housing Benefit cases is below the overall average, excluding these cases inflates the average reported.

Sources and notes

- Valuation Office Agency, *Private Rental Market Statistics*
- These figures exclude any cases where the tenant receives Housing Benefit

4.21. There is also huge variation in monthly market rents within London and, in the most expensive boroughs, between the top and bottom of the market

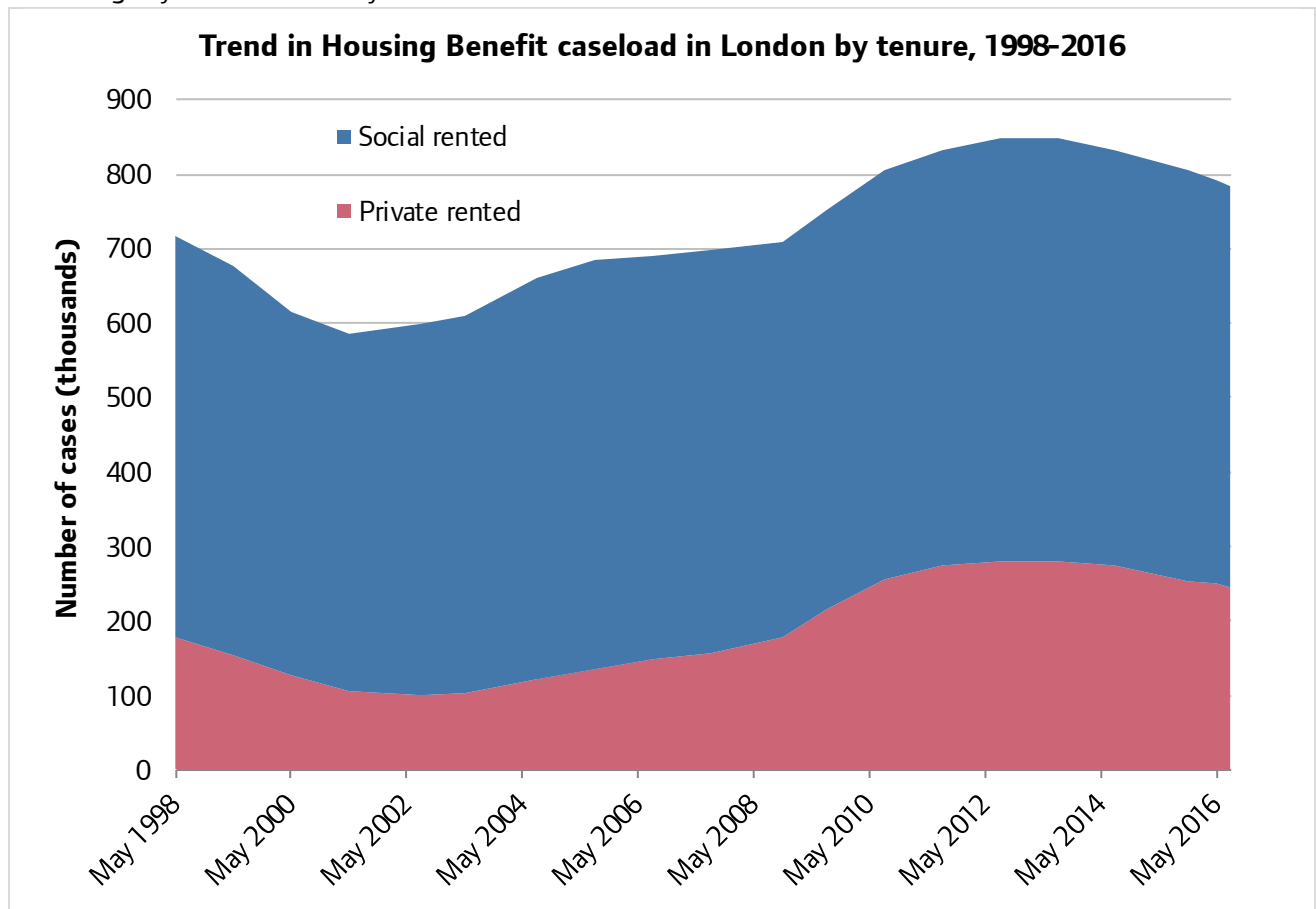


- While the median monthly market rent for a two-bedroom home across London as a whole is £1,500, more than half of London boroughs have a median below this level, as higher rents tend to be found in Inner London boroughs with larger rented sectors.
- The lowest median monthly rent for a two-bedroom home is £1,000 in Bexley, while the median rent in Kensington and Chelsea is more than three times higher at £3,033.
- Across Inner London as a whole the median monthly rent for a two-bedroom home is £1,777, compared to £1,300 in Outer London.

Sources and notes

- Valuation Office Agency, *Private Rental Market Statistics*
- As with the previous chart, these figures exclude any cases where the tenant receives Housing Benefit

4.22. The number of Housing Benefit recipients in London has risen over the last decade, but has fallen slightly in the last few years



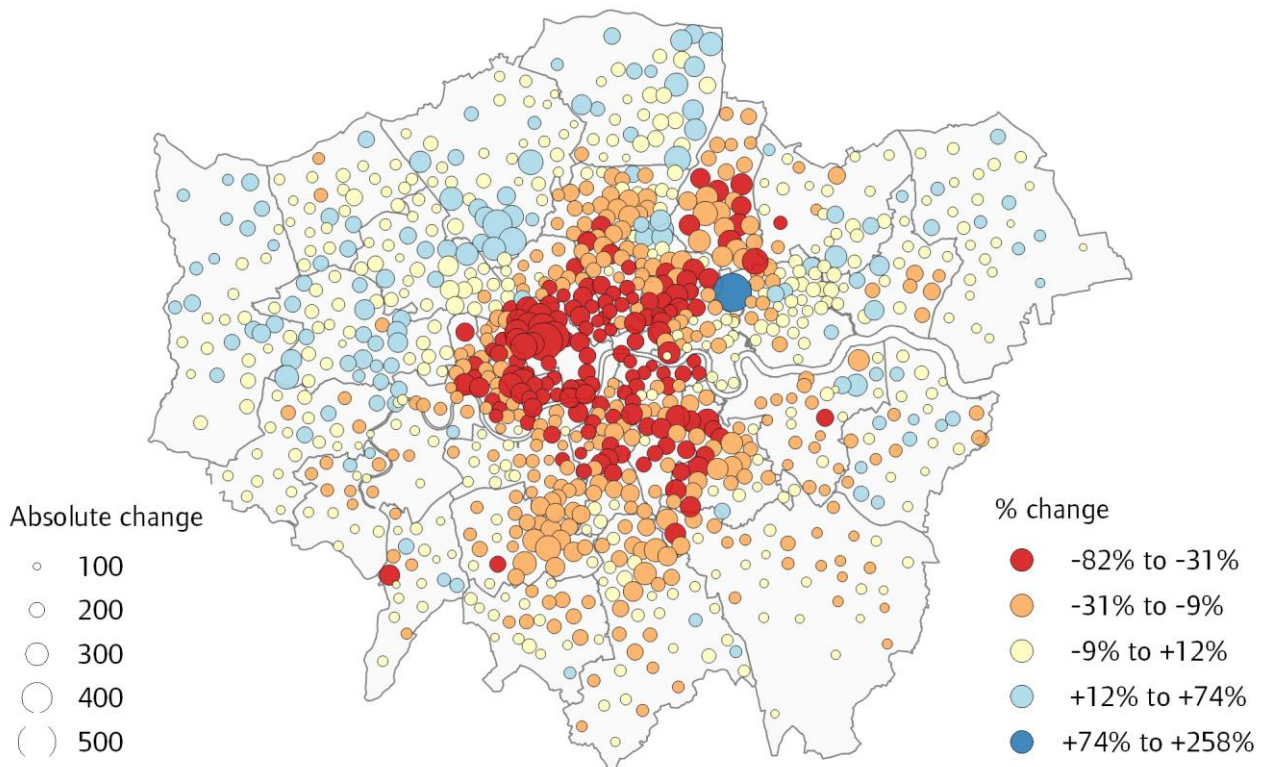
- The number of tenants in London in receipt of Housing Benefit grew from a low of 587,000 in 2001 to a peak of 849,000 in 2013, driven largely by growth in the number of privately renting recipients from 106,000 to 281,000.
- Since 2013 the total caseload has fallen, reaching 786,000 in August 2016. This fall is probably due to a combination of improving economic conditions and the impact of a range of government welfare reforms (including the roll-out of Universal Credit, claimants of which are not captured by this data), and has again been mostly driven by trends in the private sector caseload, which has fallen to 245,000.
- The number of Housing Benefit recipients in the social rented sector was relatively steady over this period, rising from 488,000 in 2001 to 568,000 in 2013 before falling again to 539,000 in August 2016.

Sources and notes

- Compiled by GLA from:
- 1998 to 2001: UK Housing Review
- 2002 to 2016: DWP, Housing Benefit caseload statistics and Stat Xplore

4.23. In the last five years the number of Housing Benefit cases in the deregulated private rented sector has fallen in much of Inner London and risen in parts of Outer London

Change in deregulated private rent Housing Benefit caseload by London Middle Super Output Area, May 2011 to May 2016

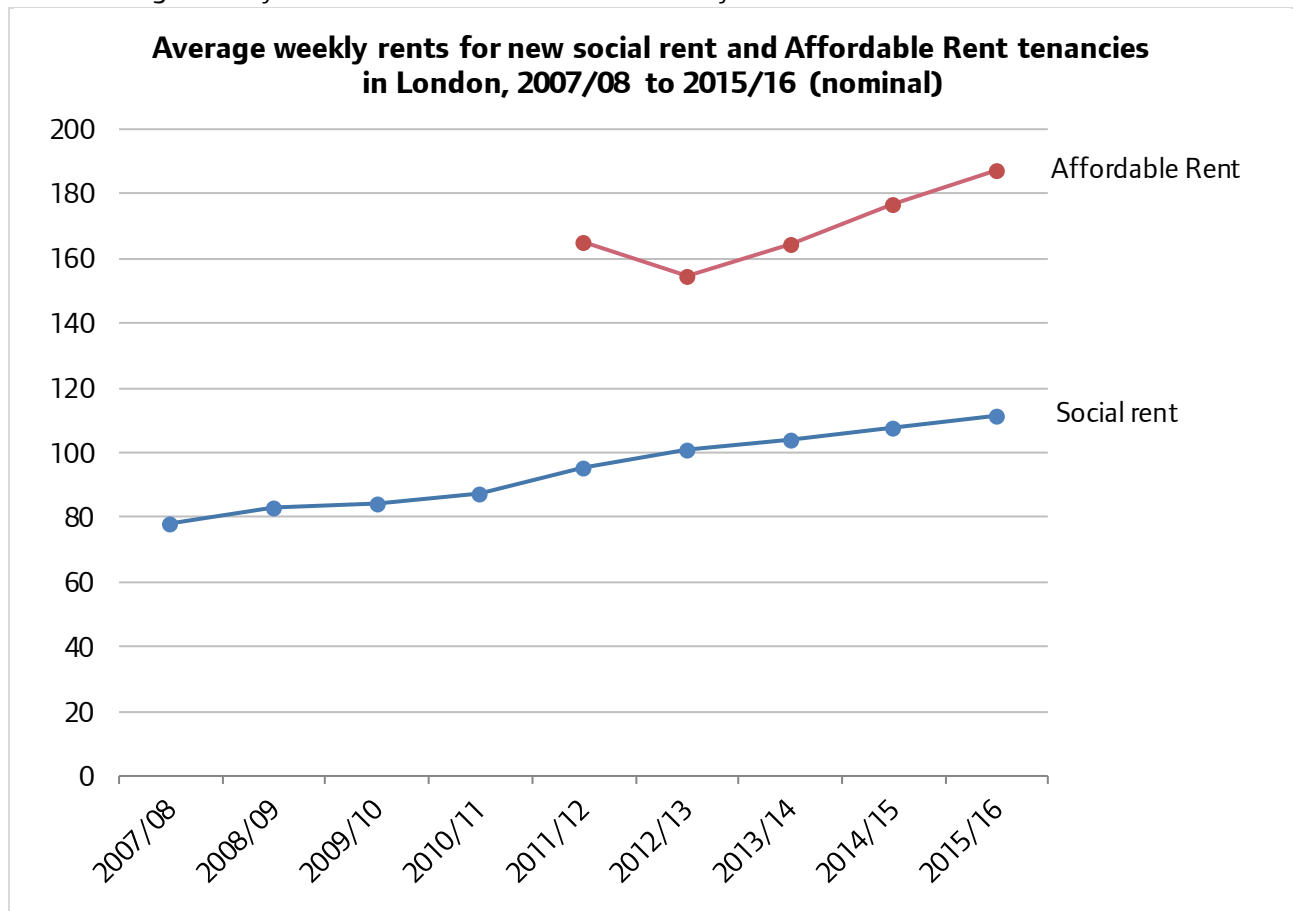


- Between May 2011 and May 2016 (the latest data currently available), the number of Housing Benefit recipients in London's deregulated private rented sector fell 6% from 259,040 to 243,270.
- But there were some sharply divergent trends at neighbourhood level, with falls of several hundred in some Inner London areas (with one area in Westminster seeing a drop of 500 cases) and significant increases across a swathe of (mostly North and West) Outer London. The biggest single increase was of 510 cases in the Stratford area of Newham, probably due to a big increase in the number of homes in this area over the period.
- The falling caseload in high-cost areas is likely due in large part to a reduction in LHA payments and other recent welfare reforms, while growth in the caseload could be due to new development (as in Stratford), movement of benefit recipients, rising rents or falling incomes.

Sources and notes

- DWP, Stat Xplore
- Unlike the previous chart, this map excludes the minority of housing benefit recipients who still live in regulated rent properties

4.24. Average rents for new social rented tenancies rose 4% in the last year to £112 a week, while the average weekly rent for an Affordable Rent tenancy rose 6% to £187



- Rents for new general needs social housing tenancies have risen rapidly in recent years, largely because until recently they were determined by a formula that ensured they rose faster than inflation. The average rent for a new social rented tenancy in London in 2015/16 was £112 a week, a 4% increase from 2014/15 and a 43% increase from 2007/08.
- Affordable Rent tenancies were first introduced in 2011/12 and can be let at rents of up to 80% of the equivalent market rent. The average rent for a new Affordable Rent tenancy was £187 in 2014/15, up 6% 2014/15.

Sources and notes

- DCLG, *Social Housing Lettings in England 2015/16*, CORE summary tables

5. Housing need

A fifth of households in London are either sharing their accommodation with another household or include a 'concealed family' (5.1).

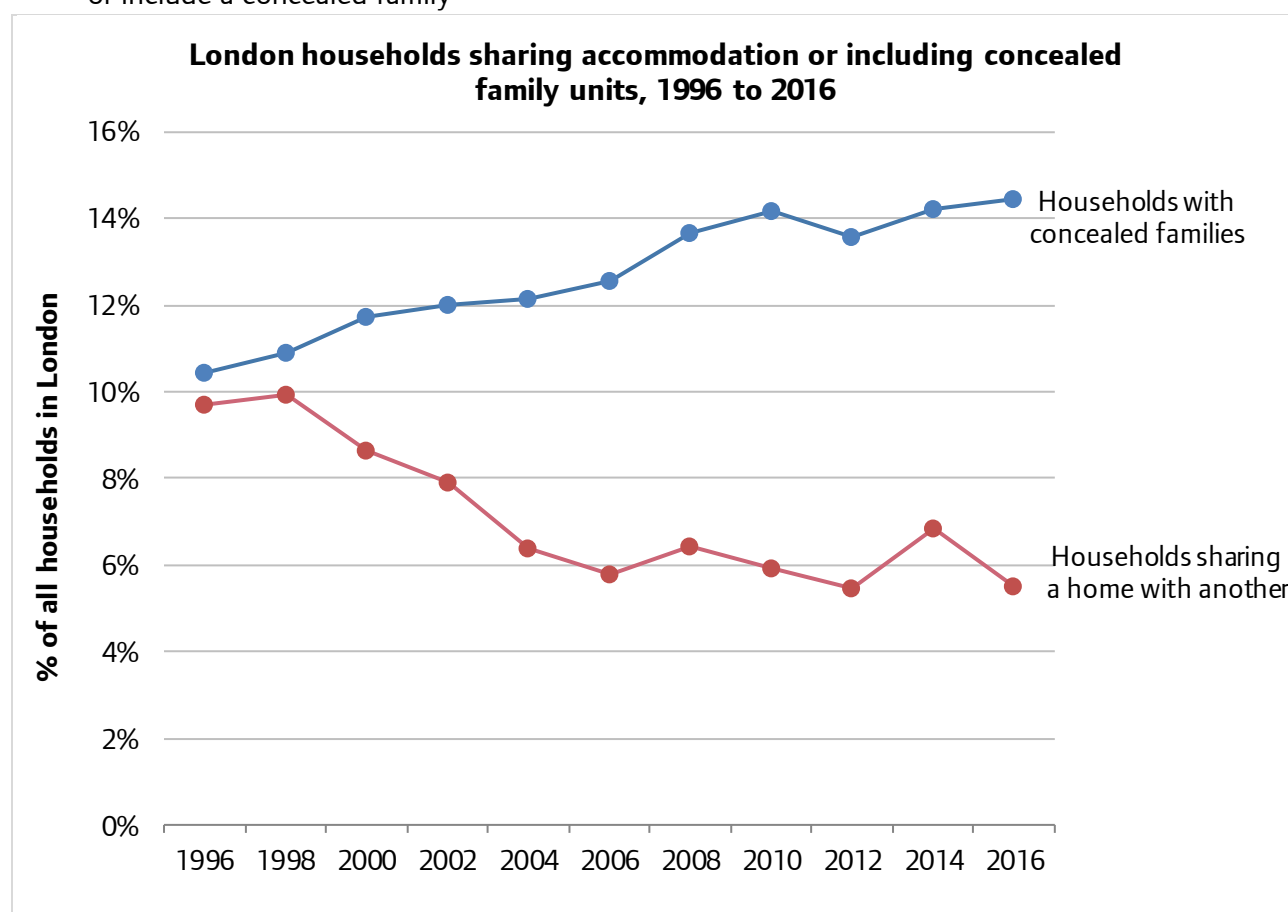
8,096 people were seen sleeping rough in London in 2015/16, a 7% increase in the last year (5.2). The proportion of those seen sleeping rough for the first time who spend only one night on the streets has fallen from 75% in 2012/13 to 64% in 2015/16 (5.3). 41% of the people seen sleeping rough in London in 2015/16 were from the UK, while 37% are from Central and Eastern Europe (5.4). Most rough sleepers who have been assessed have a support need related to alcohol, drugs and/or mental health (5.5).

19,170 households were accepted as statutorily homeless in London in 2015/16, up 9% in a year and 33% of the national total (5.6). The most common reason that homeless households in London lost their last home is the end of an assured shorthold tenancy (mostly in the private rented sector) (5.7). In addition to those accepted as homeless, 29,470 cases of homelessness were prevented or relieved in London in 2015/16, mostly where households were helped to remain in their current home (5.8).

The number of homeless households living in temporary accommodation in London rose by 6% in the last year to 53,370 in June 2016 (5.9), while only around a quarter of homeless households in temporary accommodation in London leave within a given year (5.10).

Just under 8% of households in London are overcrowded, a figure that has fallen slightly in the last few years (5.11). A third of children in social housing in London and a quarter of children in private rented housing in London are overcrowded (5.12).

5.1. A fifth of households in London are either sharing their accommodation with another household or include a concealed family

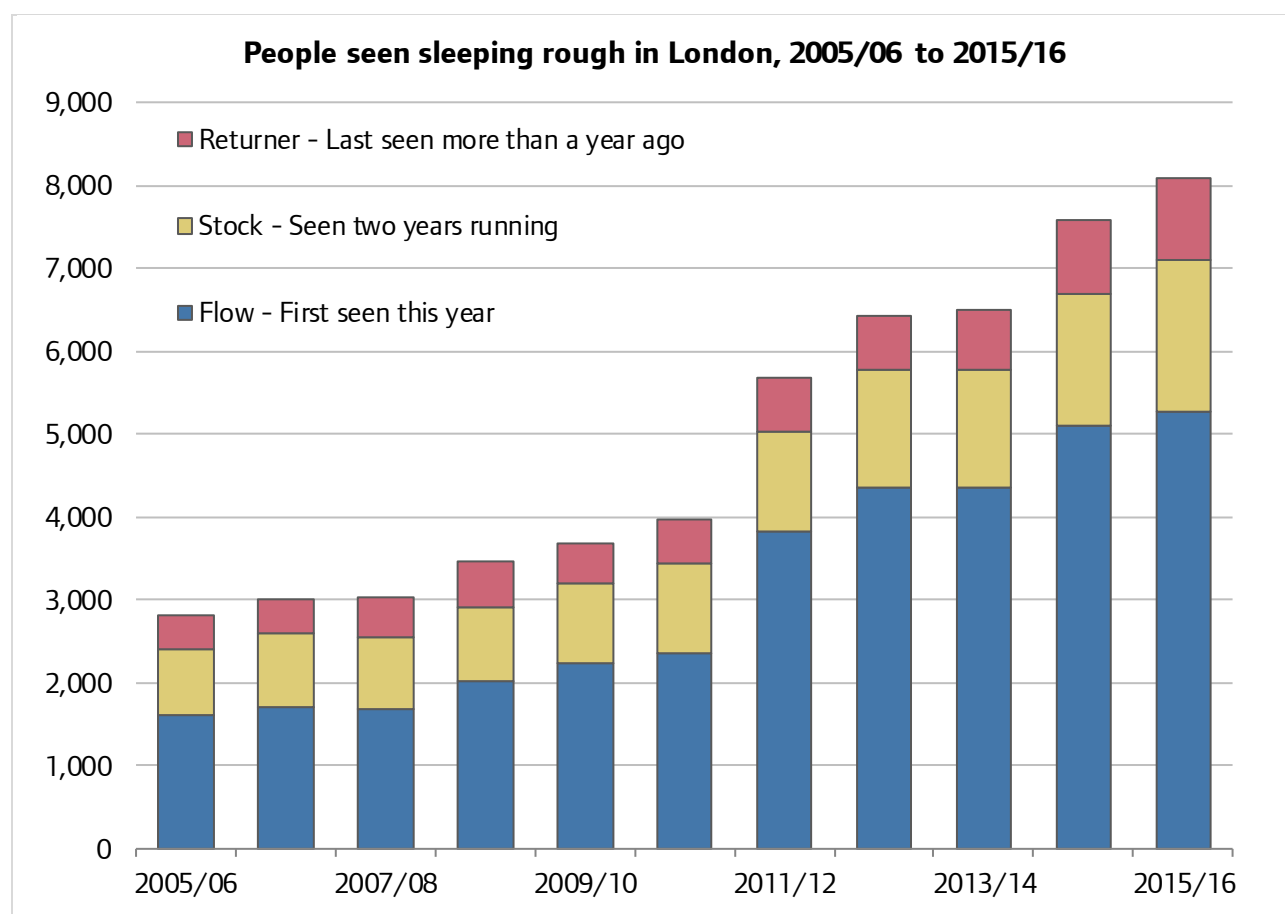


- Rough sleeping and homelessness may be the most visible symptoms of London's housing shortage, but it also results in households sharing accommodation, or households that include 'concealed' family units who would be likely to form their own households if suitable housing was available. According to the definition used here, concealed families can include single people living in multi-adult households, or whole families living as part of a larger household.
- Twenty years ago around 20% of London households shared accommodation with another household or included a concealed family, split evenly between the two. Since then the proportion of sharing households has fallen to 6% and the proportion that include concealed families has risen to 14%.
- As of 2016 there were an estimated 720,000 concealed family units in London, up from 380,000 in 1996.

Sources and notes

- Labour Force Survey data, 1996 to 2016
- 'Sharing households' are those households who live together at the same address but who do not share either a living room or regular meals together
- Concealed families are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity

5.2. 8,096 people were seen sleeping rough in London in 2015/16, a 7% increase in the last year

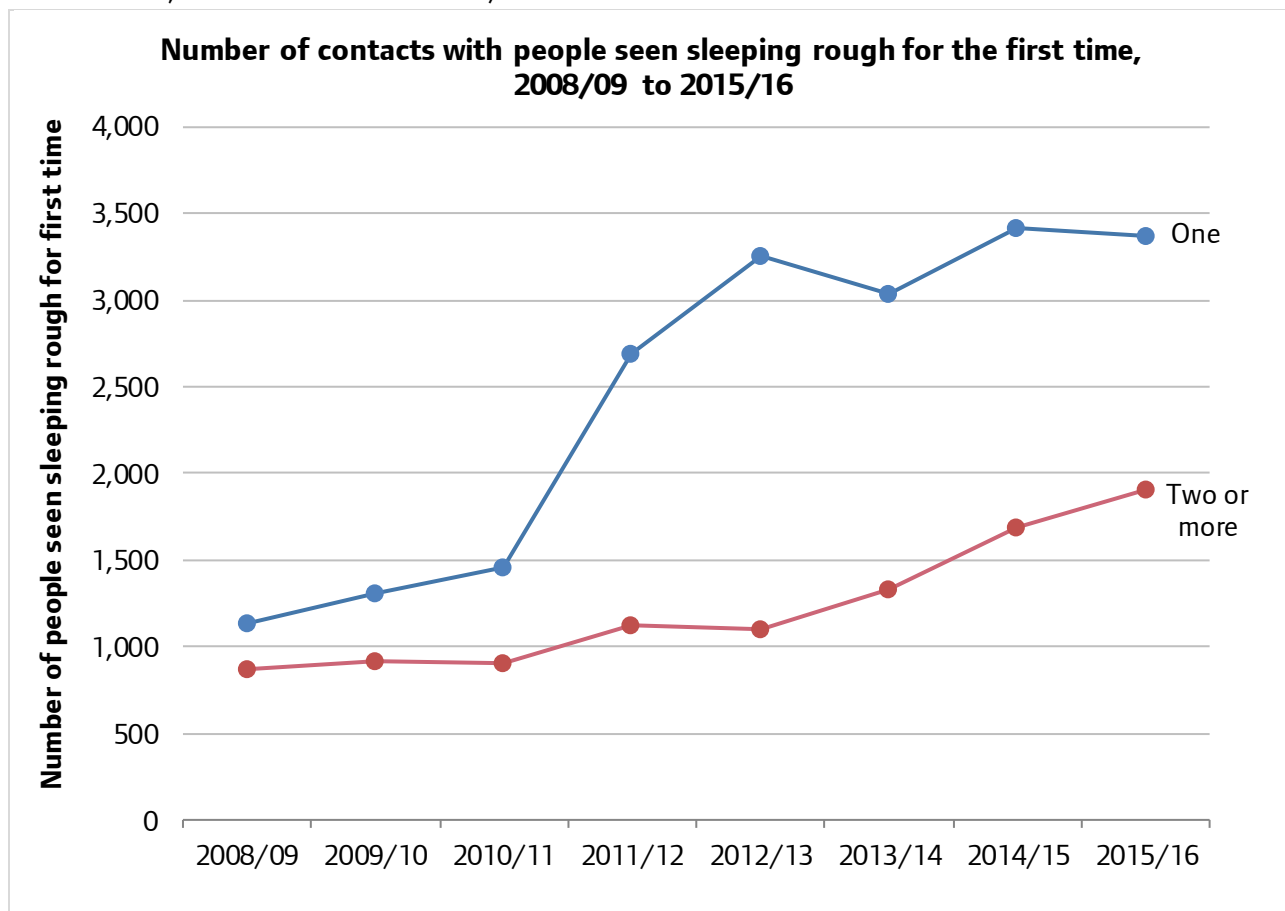


- 8,096 people were seen sleeping rough in London in 2015/16, an increase of 7% or 515 on the 2014/15 figure.
- 5,276 people were seen sleeping rough for the first time in 2015/16. This 'flow' of new people onto the streets grew by only 3% in the last year but has more than trebled since 2007/08.
- The 'stock' figure, which measures the number of people seen sleeping rough two years in a row, grew by 15% in the last year to 1,828 and has doubled since 2008/09. The 'returner' figure represents those who were last seen sleeping rough more than a year ago, and grew by 13% in the last year to 992.

Sources and notes

- St Mungo's and GLA, 'Street to home' and CHAIN reports

- 5.3. 64% of people seen sleeping rough for the first time in 2015/16 spent only one night on the streets, down from 75% in 2012/13

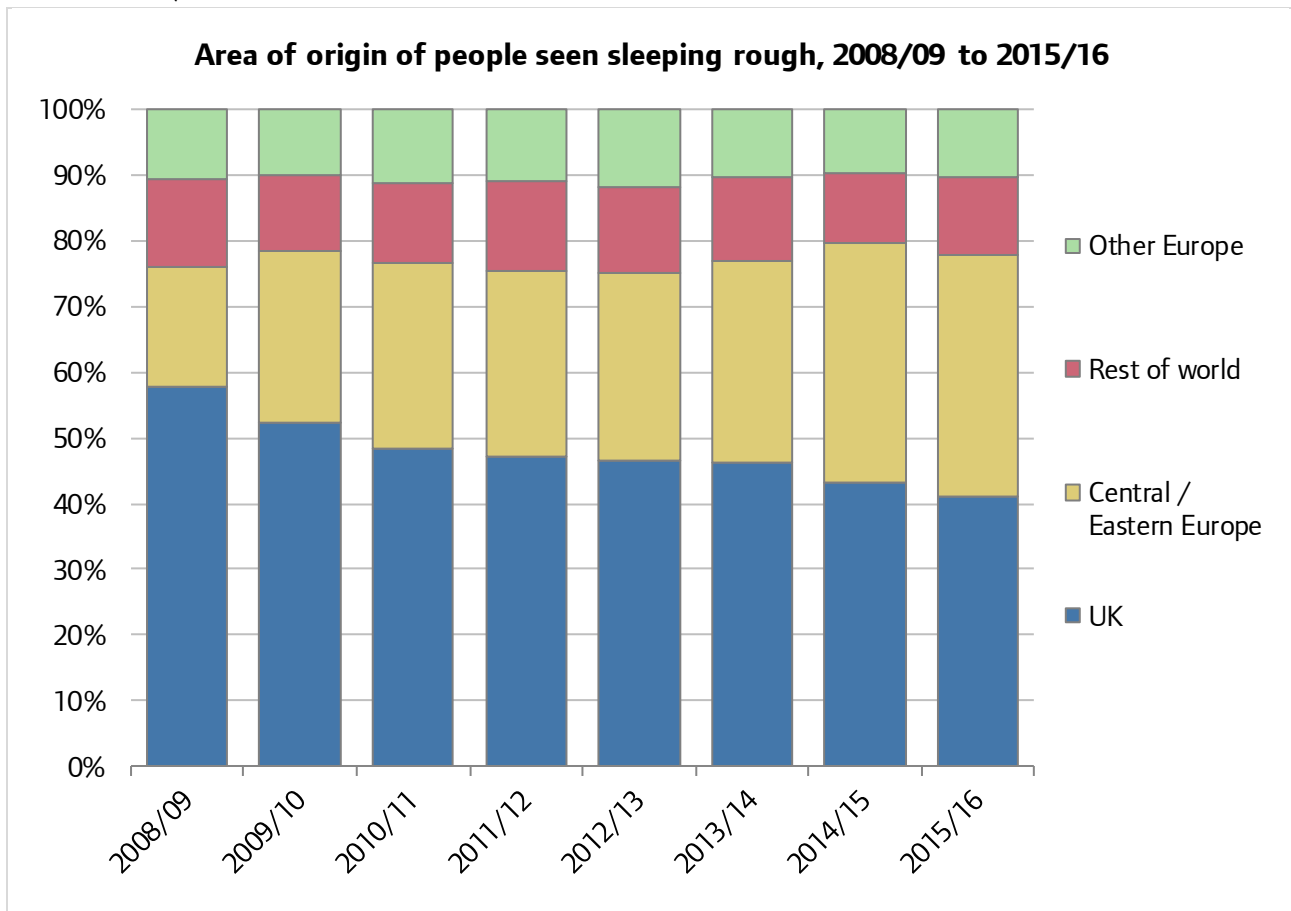


- 3,372 people, 64% of those new to the streets in 2015/16, were seen sleeping rough only once in the year, down from 3,421 or 67% in 2014/15 and a peak of 75% in 2012/13.
- 1,904 new people were seen sleeping rough more than once in 2014/15, 36% of the total and up from 1,686 in 2014/15. Most of this rise is due to an increase in the number of those seen twice, and the number of new rough sleepers seen more than 20 times during the year has fallen from 54 in 2012/13 to 18 in 2015/16.

Sources and notes

- St Mungo's and GLA, 'Street to home' and CHAIN reports

- 5.4. The share of people seen sleeping rough who come from Central and Eastern Europe has risen to 37%, while the share from the UK has fallen to 41%



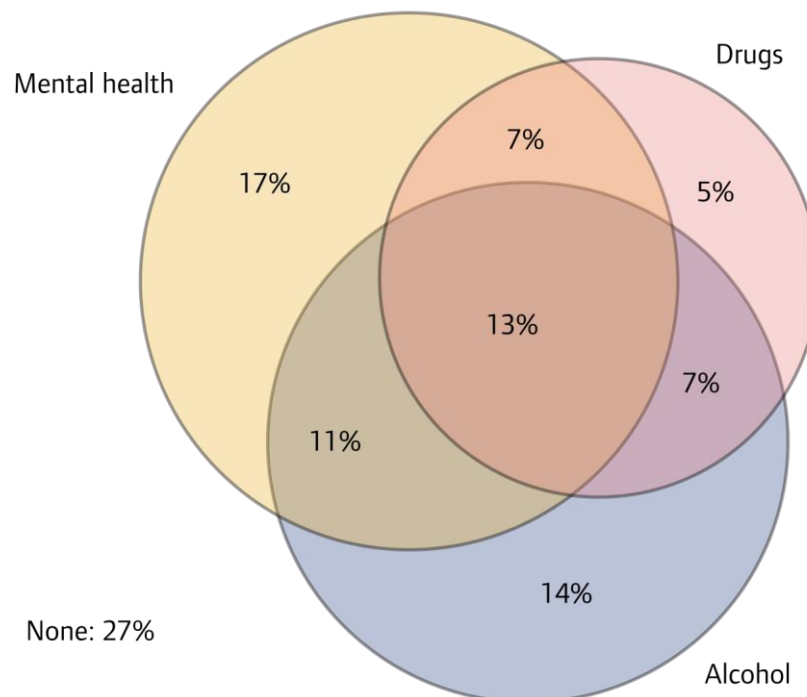
- People from the UK accounted for 3,271 of those seen sleeping rough in London in 2015/16, 41% of the total. The UK share has fallen from 43% in 2014/15 and 58% in 2008/09.
- The biggest increase in proportional terms in recent years has been people from Central or Eastern Europe, of whom 2,924 were seen sleeping rough in 2015/16, 37% of the total (more than double their share in 2008/09).
- The rest of the world accounted for 1,751 people, or 22% of the total seen in 2015/16, a share which has held fairly steady over the years.

Sources and notes

- St Mungo's and GLA, 'Street to home' and CHAIN reports

5.5. Most rough sleepers have a support need related to alcohol, drugs and/or mental health

Support needs of people seen sleeping rough in London, 2015/16

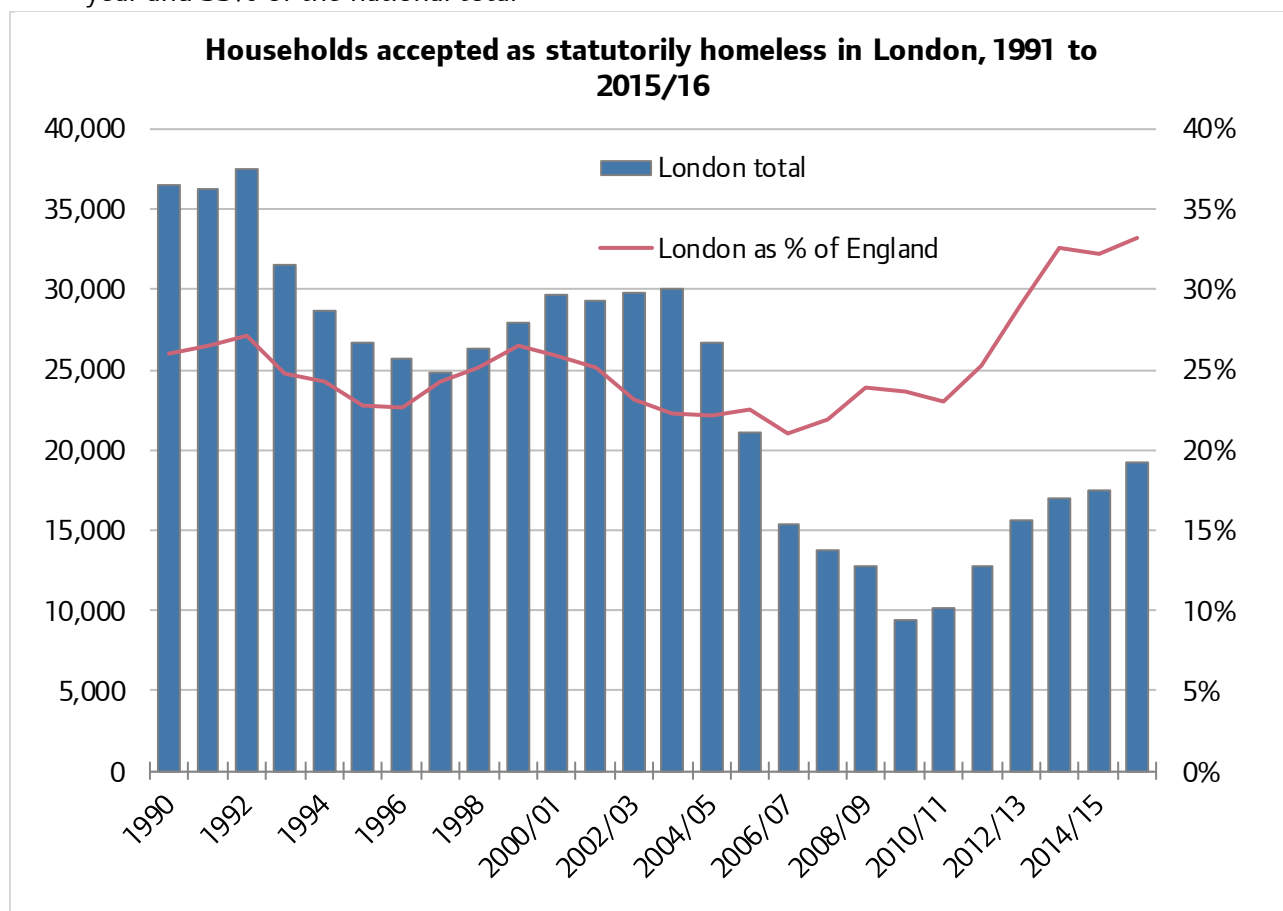


- 48% of people seen sleeping rough in London in 2014/15 whose support needs were assessed were recorded as having a support need relating to mental health, 44% to alcohol and 32% to drugs.
- There was considerable overlap between these support needs, with 13% of people having support needs related to all three. 27% had no support needs in these categories, however.
- The proportion of people with an alcohol related support need has fallen from 52% in 2010/11. The proportion with a drugs related support need has remained steady at 32% while the proportion with a support need related to mental health needs has increased from 38%.
- 32% of people seen sleeping rough in 2015/16 have been in prison, 10% have lived in care and 8% are former members of the armed forces.

Sources and notes

- St Mungo's and GLA, 'Street to home' and CHAIN reports
- Chart produced using R package 'venneuler'

5.6. 19,170 households were accepted as statutorily homeless in London in 2015/16, up 9% in a year and 33% of the national total

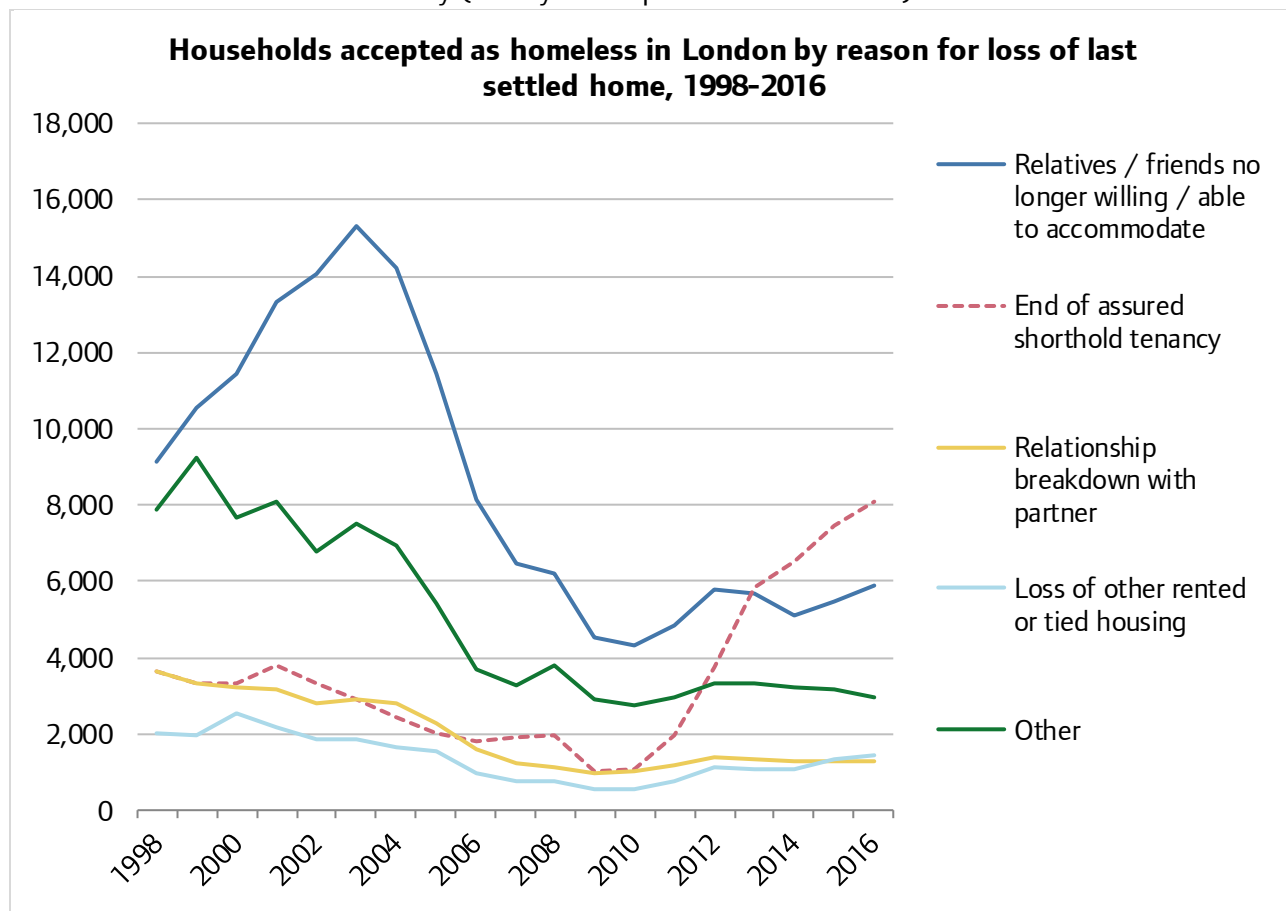


- There were 19,170 households accepted as statutorily homeless by London boroughs in 2015/16, up 9% from 17,530 in 2014/15 and nearly double the low of 9,460 in 2009/10 - but still well below the peak of 37,550 in 1992.
- London now accounts for 33% of all homelessness acceptances in England, its highest share on record and up from a low of 21% in 2006/07.

Sources and notes

- DCLG, live table 784; UK Housing Review 1999/00; UK Housing Finance Review 1995/96

5.7. The most common reason that homeless households in London lost their last home is the end of an assured shorthold tenancy (mostly in the private rented sector)

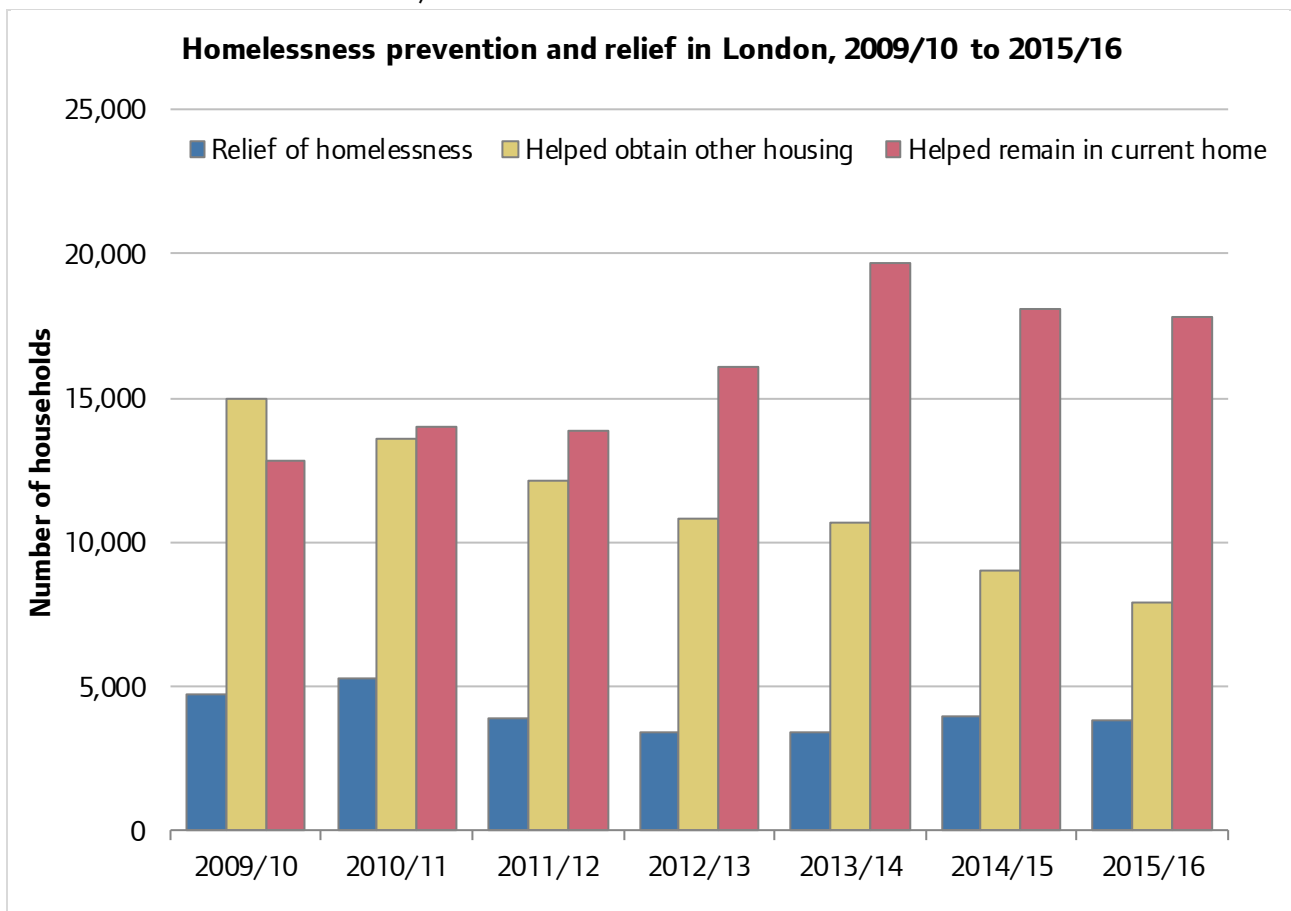


- When households are accepted as homeless the reason they lost their last settled accommodation is recorded. A decade ago by the far the most common single reason in London was that friends or relatives of the household were no longer willing or able to accommodate them.
- In the last five years the number of households accepted as homeless after the end of an assured shorthold tenancy (the majority of which are in the private rented sector) has increased rapidly, reaching an estimated 8,060 in 2016 (annualised from the first half of the year) or 41% of the total (compared to 31% in England as a whole).
- In comparison the trend in other factors such as relationship breakdown or loss of other rented or tied housing has been relatively flat in recent years.

Sources and notes

- DCLG, live table 774

5.8. In addition to those accepted as homeless, 29,470 cases of homelessness were prevented or relieved in London in 2015/16

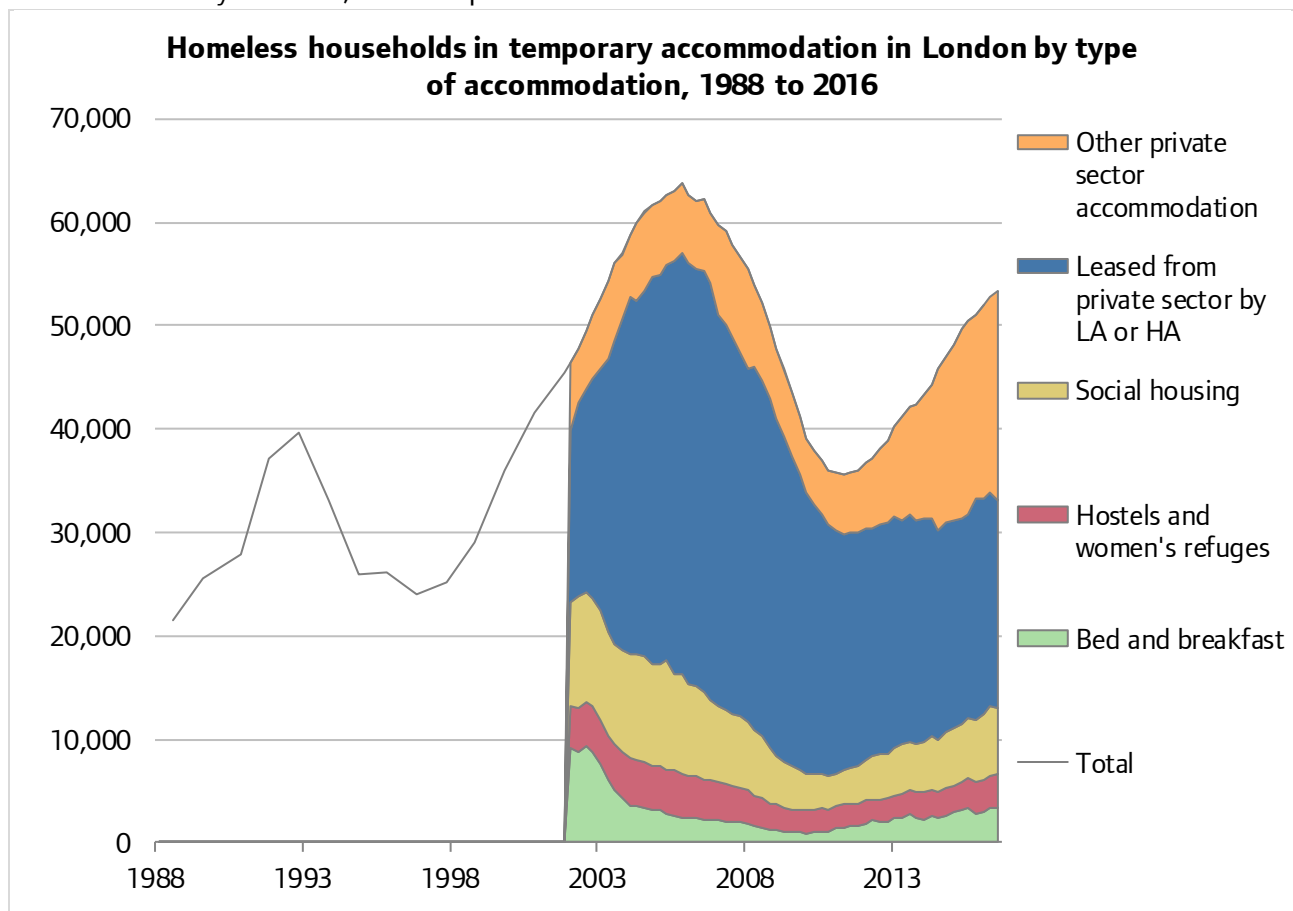


- Homelessness prevention involves helping people avoid homelessness by obtaining other accommodation or remaining in their current home. Homelessness relief refers to cases where a homeless household is helped to secure accommodation without being accepted as statutorily homeless.
- In 2015/16 London boroughs prevented homelessness in 25,670 cases and relieved homelessness in 3,800 cases, for a total of 29,470, down 5% from 31,070 in 2014/15.
- The number of households who were prevented from becoming homeless through help to obtain other housing has fallen for the last six years straight, from 15,000 in 2009/10 to 7,890 in 2015/16, while the number helped to remain in their current home rose from 12,800 to 17,780.

Sources and notes

- DCLG, live table 792

- 5.9. The number of homeless households living in temporary accommodation in London rose by 6% in the last year to 53,370 in September 2016

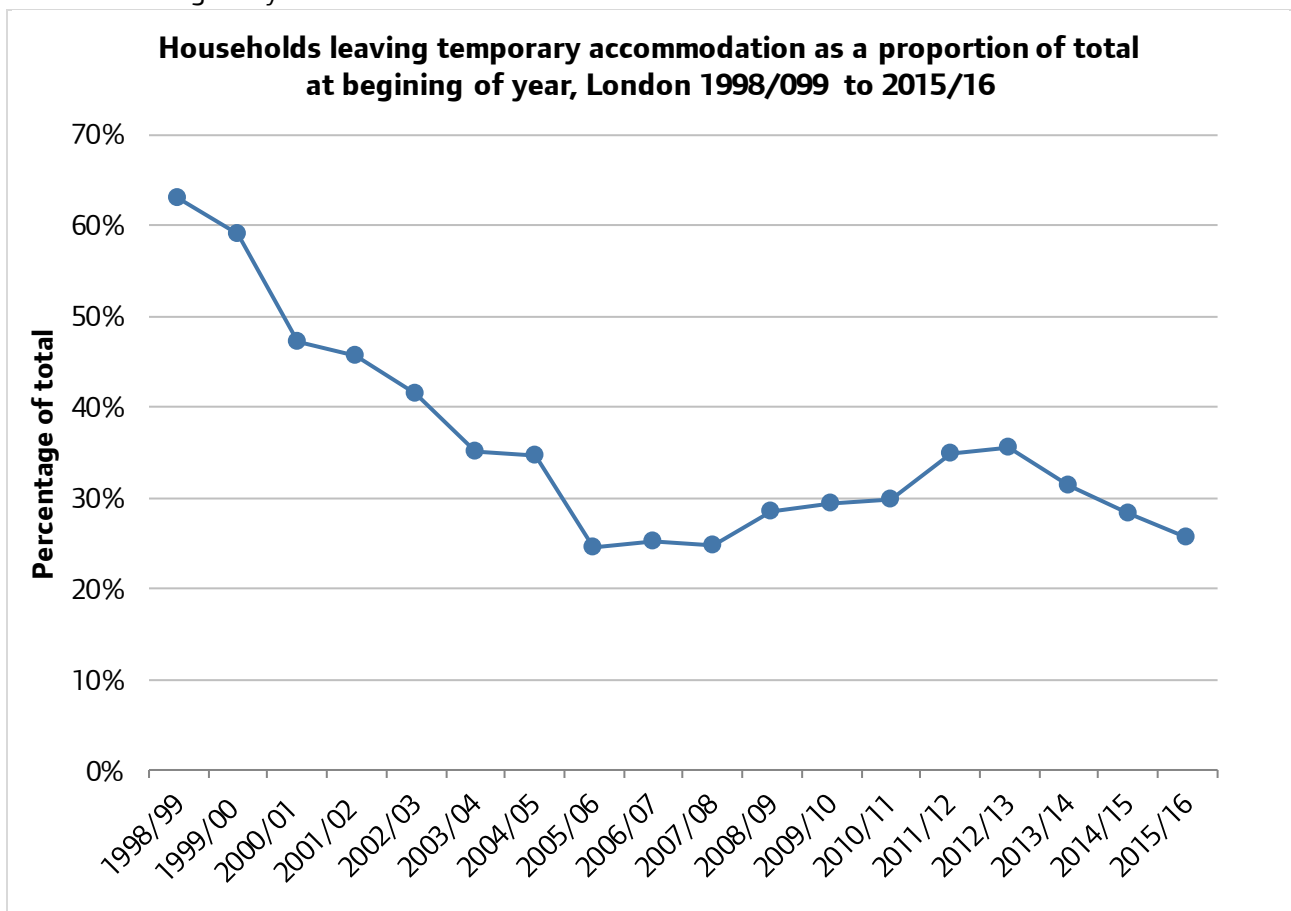


- In September 2016 there were 53,370 homeless households in temporary accommodation arranged by London boroughs, an increase of 6% from the year before and more than double its lowest recorded point in late 1988. 19,490 of these households were accommodated outside of their home borough, the highest figure since at least 2002.
- 20,100 of the households in temporary accommodation in September 2016 were in accommodation leased from private sector landlords, 20,200 were in other private sector accommodation, 3,270 in hostels and women's refuges, 3,300 in bed and breakfast hotels, and 6,520 were in social housing being used as temporary accommodation.
- The number of households in bed and breakfast accommodation has more than trebled since 2010 (but remains well below the levels seen in 2002), while the number in privately leased accommodation has fallen in recent years.

Sources and notes

- DCLG, live table 775

5.10. Only around a quarter of homeless households in temporary accommodation in London leave within a given year

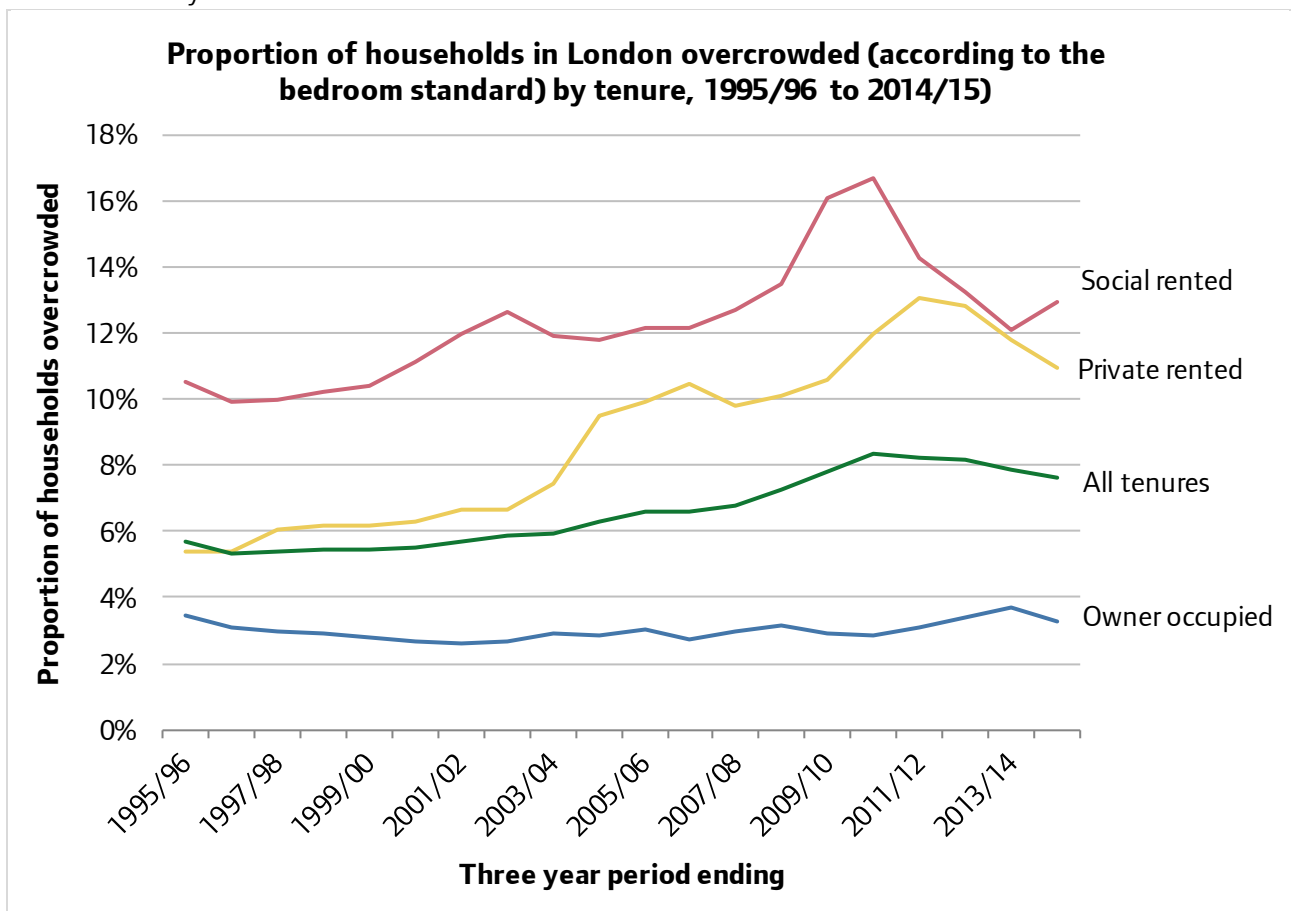


- 12,040 homeless households left temporary accommodation in London in 2015/16, equivalent to 26% of the total in temporary accommodation at the start of the year. This figure has fallen from 36% in 2012/13 and is near the low of 25% recorded in 2007/08.
- Of those households who left in 2014/15, 36% had been in temporary accommodation for under six months, 17% for between six months and a year, another 17% for between one and two years, and 30% for more than two years.
- Between 2009/10 and 2012/13 the proportion staying over two years fell from 50% to 27% but has since increased slightly.

Sources and notes

- DCLG, live table 779

5.11. Just under 8% of households in London are overcrowded, a figure that has fallen slightly in the last few years



- Around 8% of households in London are estimated to be overcrowded according to the 'bedroom standard', which compares the size and composition of households to the bedrooms available.
- The overall overcrowding rate has risen since the 1990s due to growing overcrowding in private and social rented housing, as the proportion of overcrowded homeowner households has held relatively steady at around 3% over the period.
- In the last few years overcrowding among renting households has fallen, for social tenants from 17% in 2010/11 to 13% in 2014/15 and for private tenants from 13% in 2011/12 to 11% in 2014/15.

Sources and notes

- DCLG, data from Survey of English Housing and English Housing Survey
- 2006 definition of bedroom standard and rolling three year averages used

5.12. A third of children in social housing in London and a quarter of those in private rented housing in London live in overcrowded conditions



- Around 360,000 children under 16 in London, or 22% of the total, live in households that are considered overcrowded according to the bedroom standard, compared to around 1.1 million (11% of the total number of children) in England as a whole.
- Childhood overcrowding rates vary widely by tenure. 9% of children in owner occupied housing, 34% of those in social rented and 22% of those in private rented housing in London are overcrowded, compared to 5%, 22% and 14% respectively across the entire country.

Sources and notes

- *English Housing Survey, 2012/13 to 2014/15*
- *Three-year average used*

6. Mobility and decent homes

Around one in eight London households and one in three private renters have lived in their current home for less than a year (6.1). More than two thirds of all moves in London in the last year were either into or within the private rented sector (6.2). The most common reasons given by households moving house in London are to move to a better area, to a larger home or for work (6.3).

The Mayor's Housing Moves programme enabled 246 social housing tenants to move between boroughs in 2015/16 (6.4), while nearly 1,800 social rented homes in London have been freed up through the Seaside and Country Homes scheme since 2007/08 (6.5).

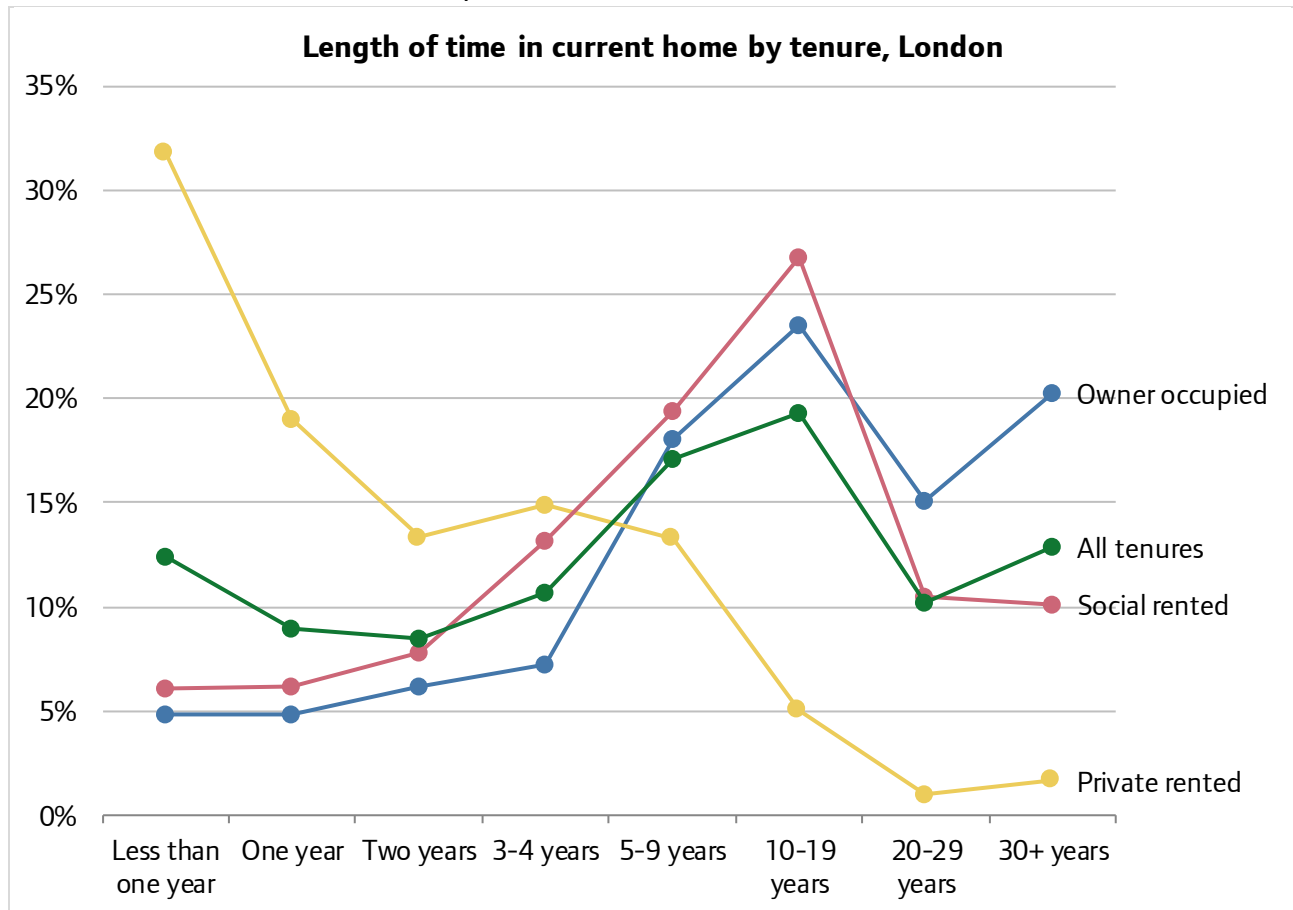
Under-occupation rates are far higher in owner occupied housing than in either of the rented tenures (6.6), with the proportion of home-owning households that are under-occupying their homes rising steadily over time (6.7). The proportion of newly approved homes meeting Lifetime Homes and wheelchair accessibility standards has fallen in recent years (6.8).

Most pre-World War II homes in London are in the market sector, while affordable homes comprise a much higher share of those built in the first few post-war decades (6.9). Homes in Multiple Occupation comprise 7% of London's private housing stock, a much higher rate than in other areas of the country (6.10).

Around 19% of homes in London are below the official Decent Homes standard (6.11). The proportion of homes below the standard has fallen slightly faster in London than in the rest of England since 2006 (6.12), with significant improvements made across all tenures in recent years (6.13). The number of affordable homes in London below the standard has fallen from 260,300 in 2005 to 41,400 in 2016 (6.14). Older homes have far higher estimated bills for basic repairs, with particularly high costs in private rented homes (6.15), while newer homes in London are far more likely to be 'visitable' for people with mobility problems (6.16).

Per capita greenhouse gas emissions from London's housing stock have fallen by around a third since 2000 (6.17). On average, private sector homes in London are less energy efficient than affordable homes (6.18), but energy efficiency levels have improved significantly in every tenure over the last decade (6.19). Around a tenth of London households are estimated to be living in fuel poverty, just below the national rate (6.20), with London's private rented sector exhibiting notably lower levels of fuel poverty than the national average (6.21).

6.1. Around one in eight London households and one in three private renters have lived in their current home for less than a year

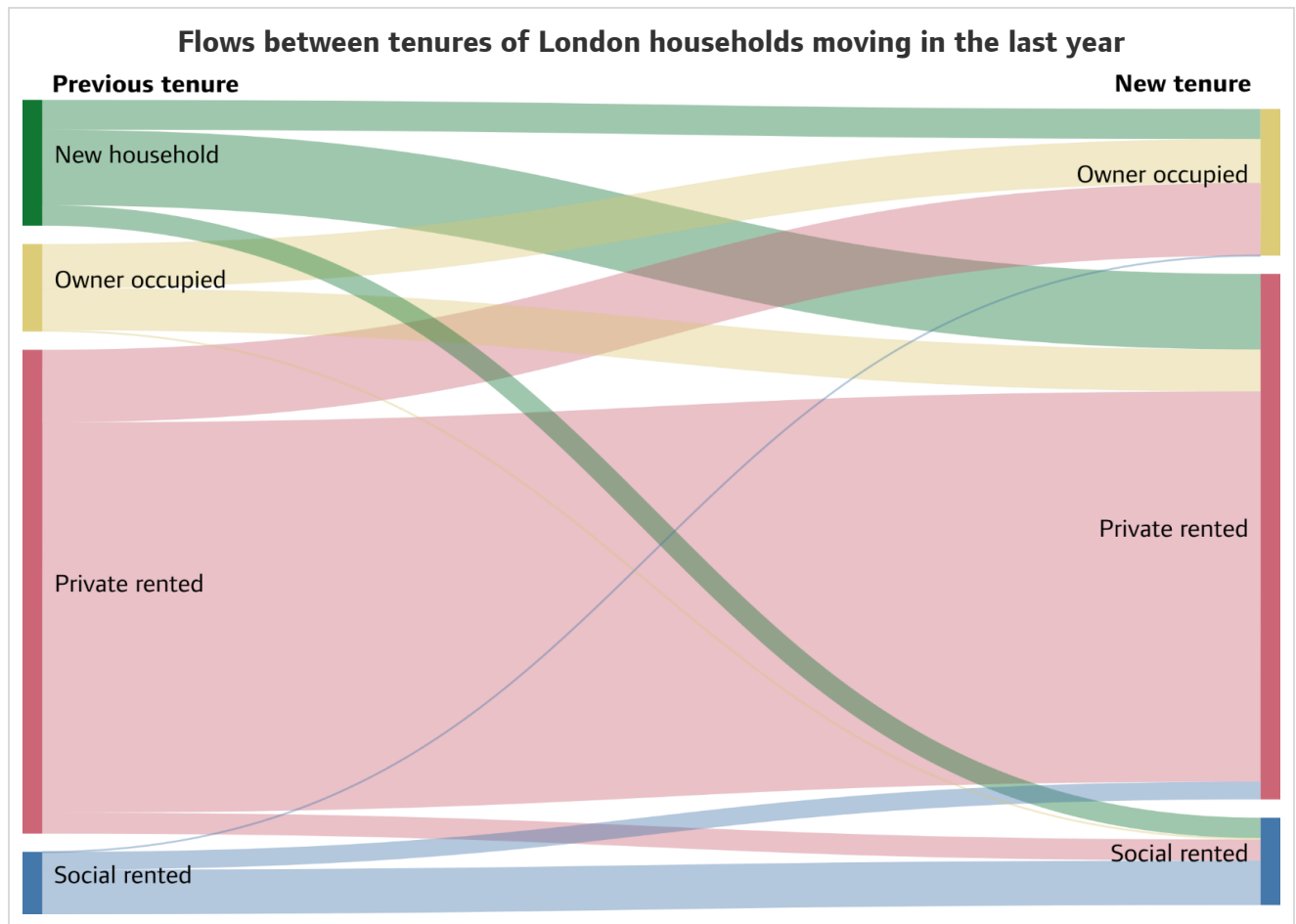


- 12% of households in London moved house in the last year (including those moving to London from elsewhere), while 59% have lived more than five years at their current home, 42% more than ten years and 23% more than 20 years.
- Mobility is far higher in the private rented sector, where 32% of households have moved in the last year, compared to just 6% of social renting households and 5% of owner occupiers.
- While mobility rates for individual tenures are similar in London and the rest of England, London has a higher overall mobility rate due to its larger private rented sector.

Sources and notes

- *English Housing Survey, 2012/13 to 2014/15*

6.2. More than two thirds of all moves in London in the last year were either into or within the private rented sector

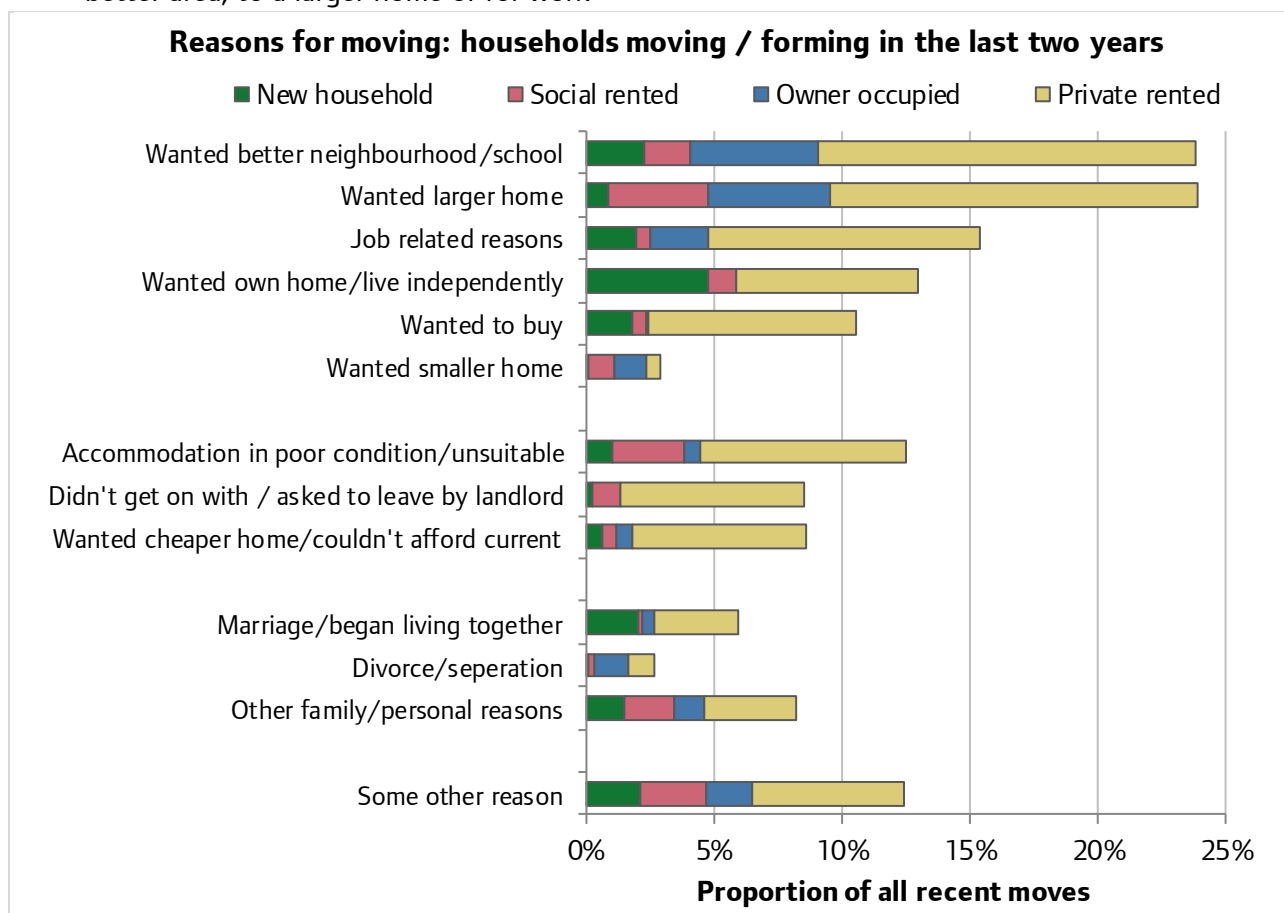


- 13% of households in London moved in the last year (including those who moved to London from elsewhere), and 69% of those moves were either into or within the private rented sector.
- Newly forming households accounted for 17% of moves, 10% of which were into the private rented sector, 4% into owner occupation and 3% into social housing.
- 19% of all moves were into owner occupation, of which half were people moving from private renting, with most of the remainder comprising owner occupiers moving within the tenure.
- 12% of moves were into social housing, half of which were within-tenure moves.

Sources and notes

- *English Housing Survey, 2012/13 to 2014/15*
- *Chart created using RAW Graphs*

6.3. The most common reasons given by households moving house in London are to move to a better area, to a larger home or for work

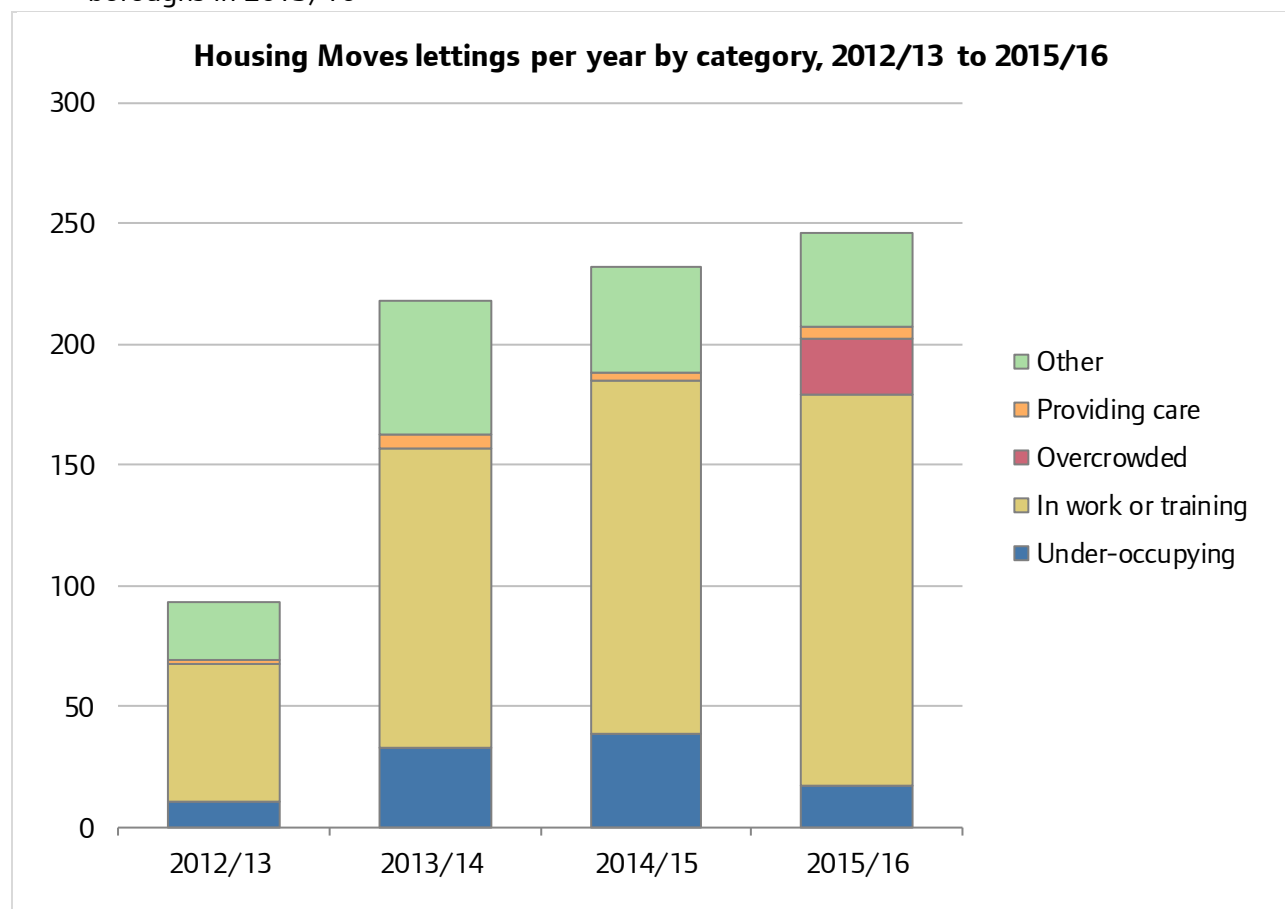


- Households in London who have moved in the last two years give a wide range of reasons for moving (and some give more than one), but the most common are to move to a better neighbourhood (including one with a better school) or to a larger home (each accounting for 24% of moves), or for job related reasons (15%).
- Other common reasons given include wanting to live independently (unsurprisingly a major factor for newly forming households), wanting to buy (particularly important among those moving from private renting), and a range of family-related reasons including marriage and divorce.
- 13% of recent movers left their previous home because it was unsuitable or in poor condition, 9% because the landlord asked them to and another 9% because they wanted something cheaper or couldn't afford the mortgage or rent payments.

Sources and notes

- English Housing Survey, average of 2012/13 to 2014/15
- The tenure breakdown refers to the previous tenure of the household, not the current tenure

6.4. The Mayor's Housing Moves programme enabled 246 social housing tenants to move between boroughs in 2015/16



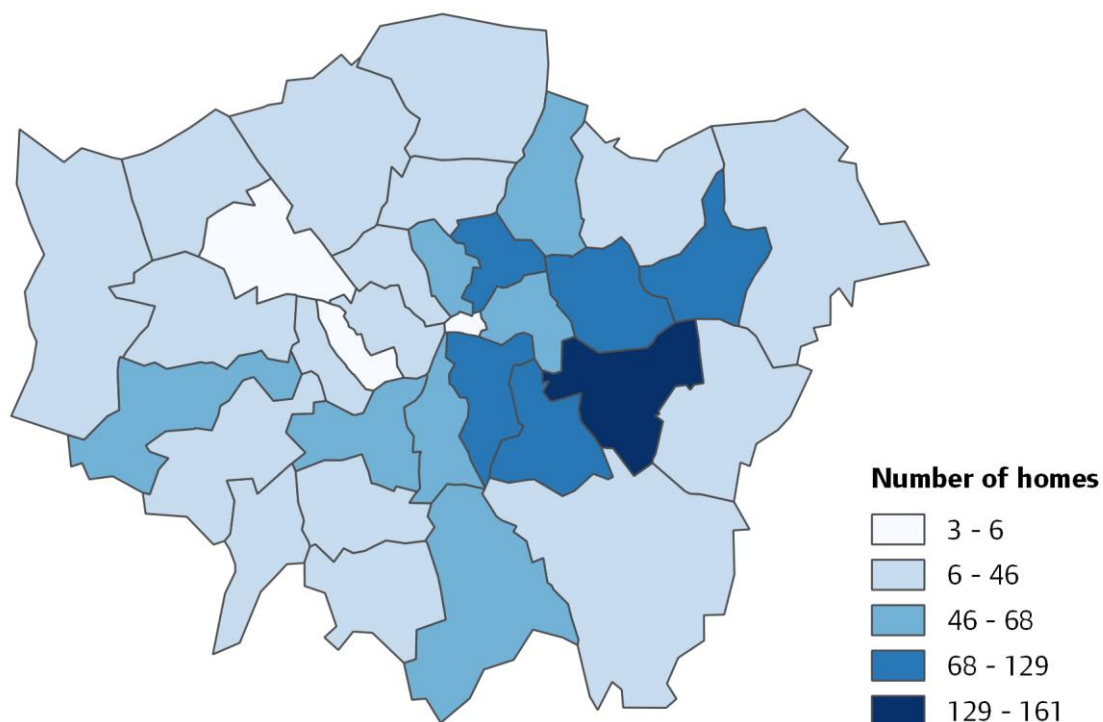
- The Mayor's Housing Moves programme, launched in May 2012, offers social housing tenants in London the opportunity to move to suitable accommodation in another borough. Since the programme launched the number of households moving has increased year on year, reaching 246 in 2014/15.
- The programme prioritises applicants who fall into a small number of categories. Households in work or training comprise the majority of those moving, accounting for 162 moves in 2015/16. Overcrowded households (a new category in 2015/16) came next with 23 moves, followed by under-occupying households with 17, while five households moved who were providing unpaid care or support. The remainder of moving households did not fall into any priority group.

Sources and notes

- GLA, Housing Moves programme monitoring data

- 6.5. Nearly 1,800 social rented homes in London have been freed up through the Seaside and Country Homes scheme since 2007/08

Number of social rented homes freed up through Seaside and Country Homes moves by borough, 2007/08 to 2015/16

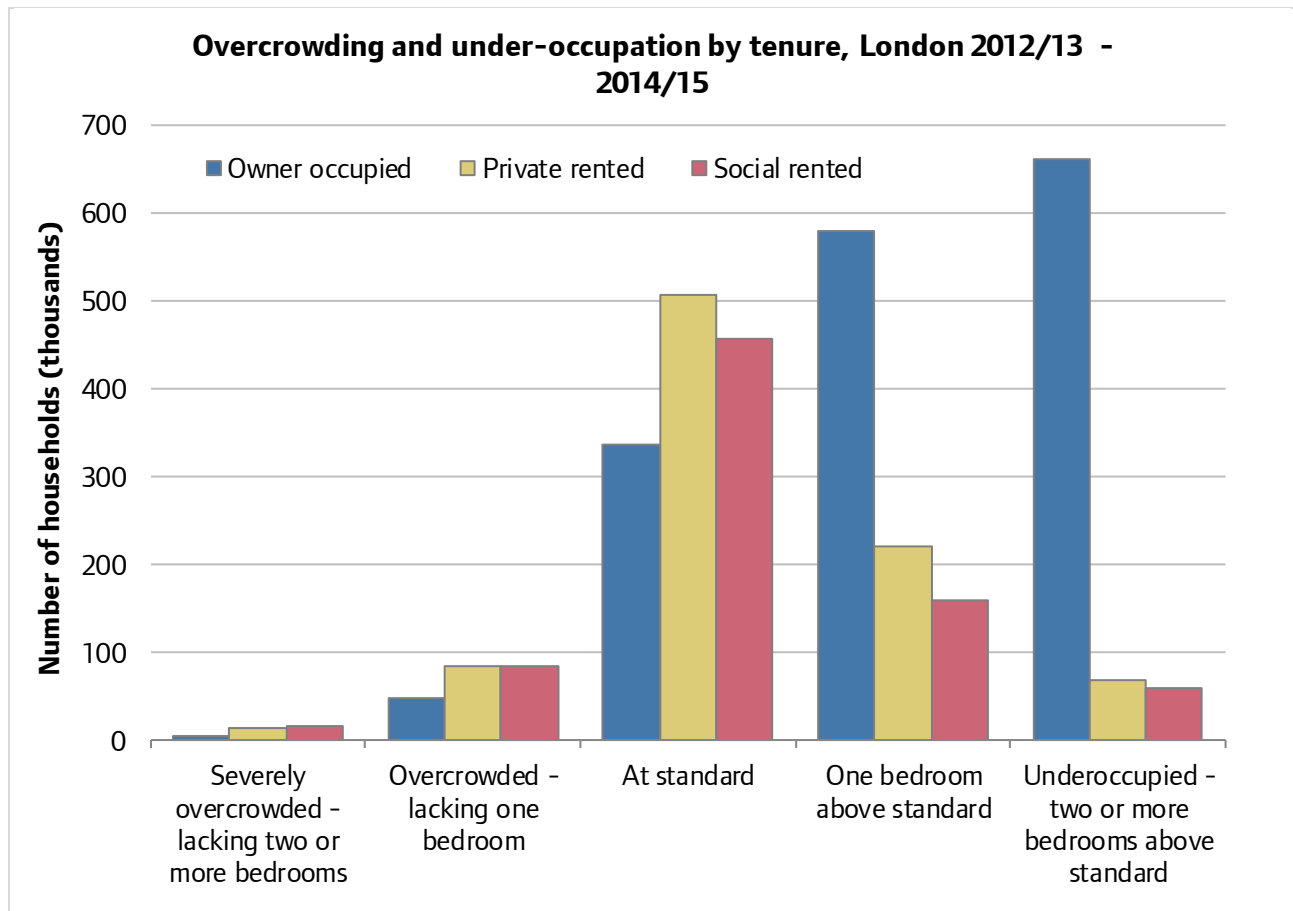


- Between 2007/08 and 2015/16 there were 1,762 social rented homes freed up in London after the tenants moved out through the Seaside & Country Homes scheme.
- The most homes were freed up in Greenwich (161), followed by Southwark (129) and Barking and Dagenham (118), and the least were in the City of London (three), Brent (five) and Kensington and Chelsea (six).

Sources and notes

- GLA, Seaside & Country Homes programme monitoring data

6.6. Under-occupation rates are far higher in owner occupied housing than in either of the rented tenures

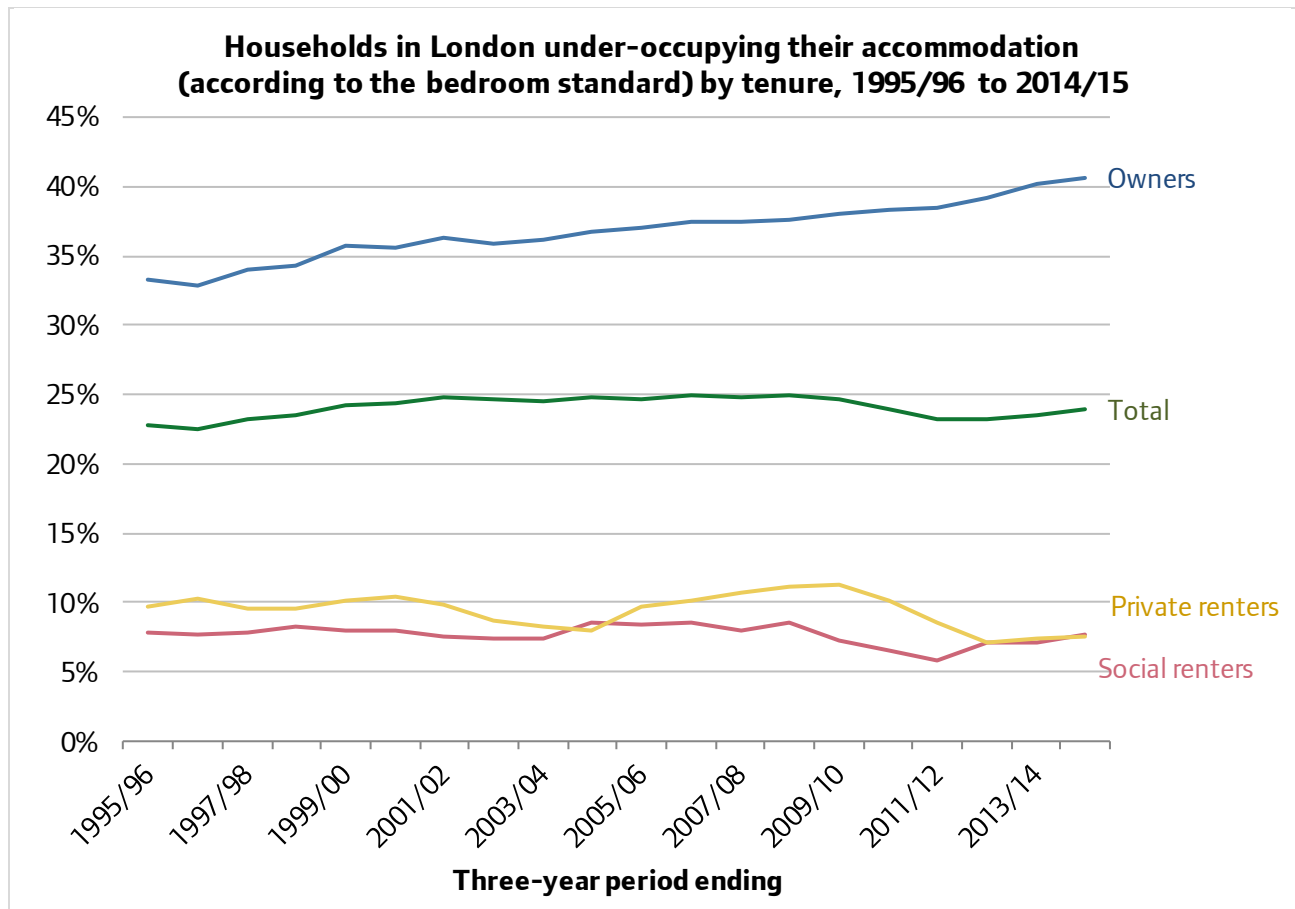


- Under-occupied households are those with two or more bedrooms more than they require according to the bedroom standard, though any 'spare' bedrooms may still be in use.
- There are around 790,000 under-occupying households in London, 24% of all households in the capital. 84% of under-occupying households are home owners, 8% are private renters and 9% are social housing tenants.
- 41% of home owner households in London under-occupy their homes, compared to 8% of both private renters and social housing tenants.

Sources and notes

- English Housing Survey, 2012/13 to 2014/15

- 6.7. 41% of home-owning households in London are under-occupying their homes, up from 33% in the mid-1990s

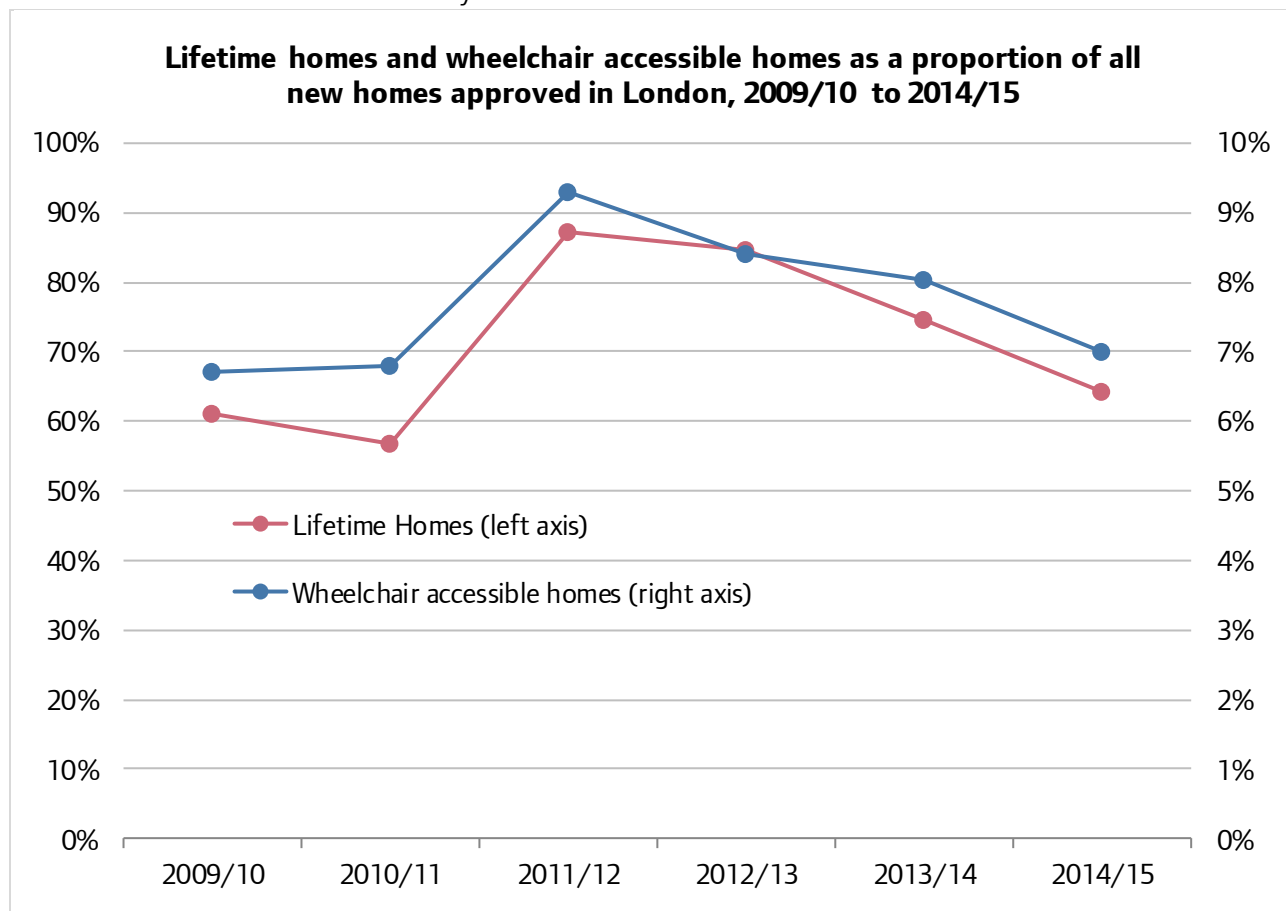


- Over the last two decades the proportion of households that are under-occupying their home in London has remained fairly steady at or just under a quarter.
- However, at the level of individual tenures there has been a notable increase in the proportion of homeowner households who are under-occupying, from 33% in the mid-1990s to 41% in the three years ending 2014/15.
- Throughout this period under-occupation rates have always been far lower in rented housing, with the most notable trend being a recent fall in under-occupation in the private rented sector, bringing it in line with social housing.

Sources and notes

- Survey of English Housing and English Housing Survey data, 1993/94 to 2014/15

6.8. The proportion of newly approved homes meeting Lifetime Homes and wheelchair accessibility standards has fallen in recent years

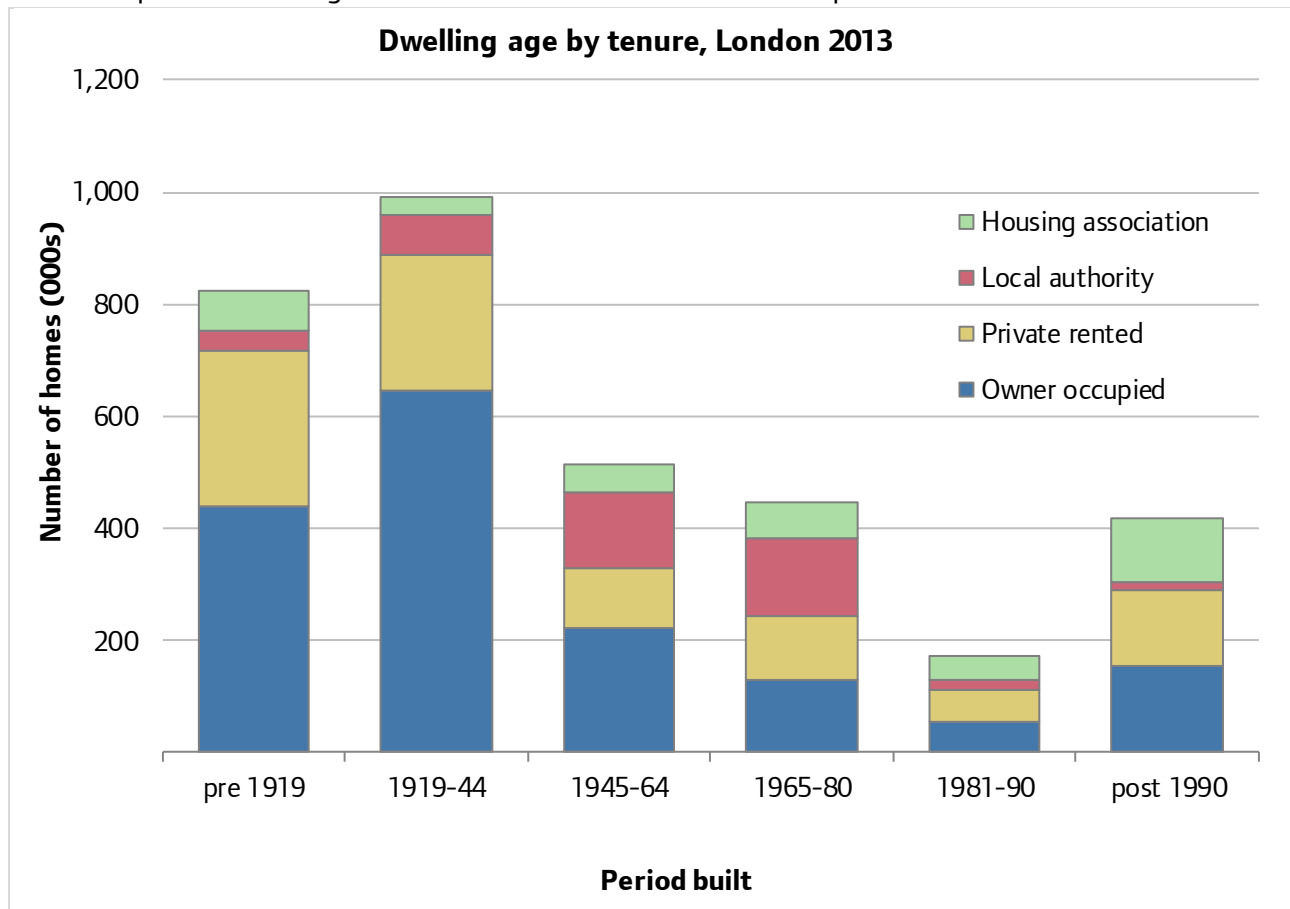


- The Lifetime Homes Standard is a set of design criteria that make homes more easily adaptable as people grow older. The London Plan states that all new homes should be built to the Standard, while 10% should be wheelchair accessible or easily adaptable for residents who are wheelchair users.
- In 2014/15 64% of new homes approved in London were designed to the Lifetime Homes Standard and 7% were wheelchair accessible, both figures down from recent years.
- These figures include not just new build but also conversions and changes of use, which can be very challenging to carry out to high accessibility standards. Changes to permitted development rights have also made it more difficult for boroughs to require or monitor compliance on change of use schemes. When conversions and changes of use are excluded, 81% of new build homes approved in 2014/15 were Lifetime Homes and 9% were wheelchair accessible.

Sources and notes

- GLA, *London Plan Annual Monitoring Reports*

- 6.9. Most pre-World War II homes in London are in the market sector, while affordable homes comprise a much higher share of those built in the first few post-war decades

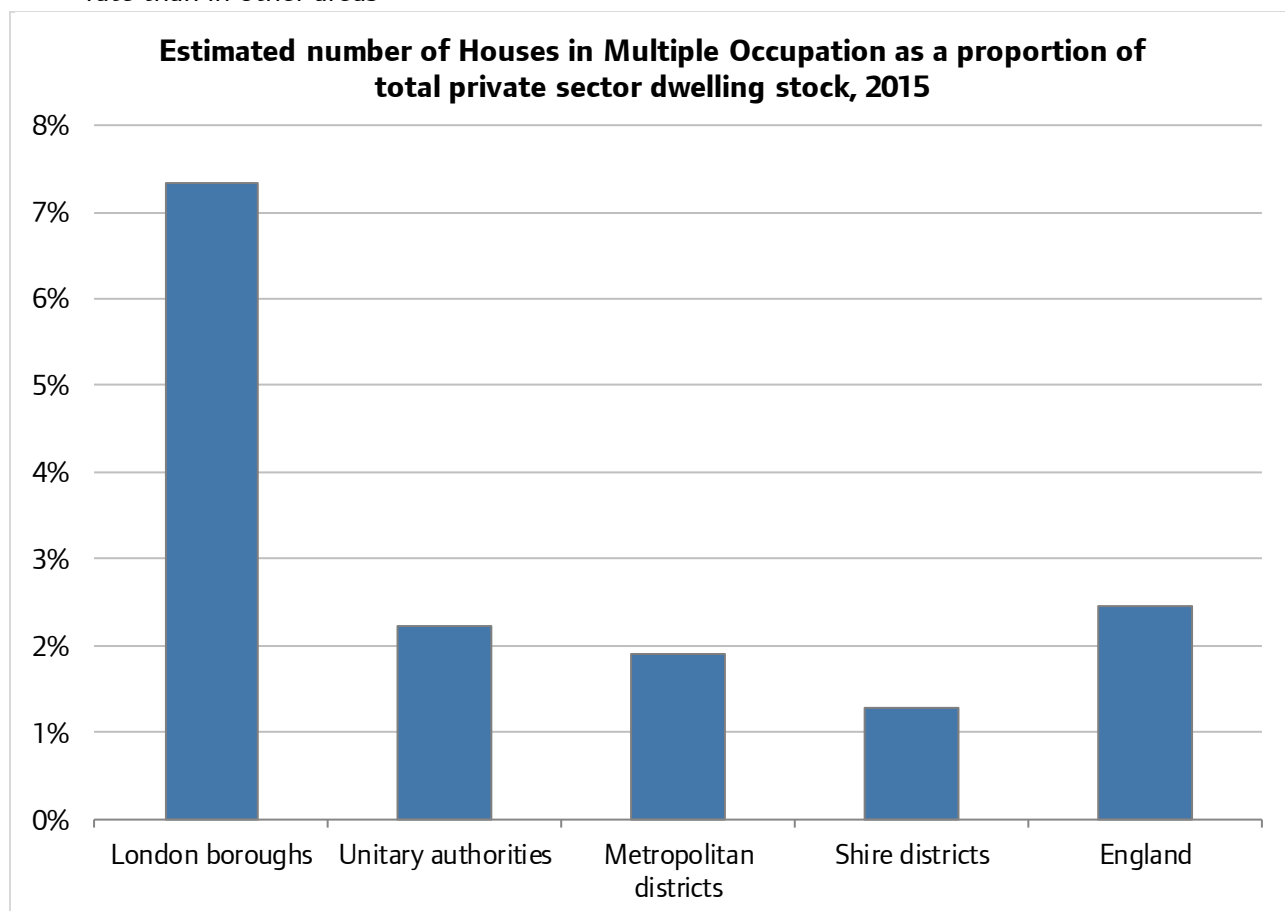


- Around 54% of London's homes were built before the Second World War, and around nine in ten of the homes that survive from this period are now owner occupied or private rented.
- Council housing comprises a quarter of homes built between 1945 and 1964 and almost a third of those built in the subsequent 15 years, but local authority building fell away rapidly in the 1980s and 1990s, replaced in part by housing association development.
- Of the homes built since 1990, around 36% are owner occupied, 33% private rented, 3% owned by councils and 27% owned by housing associations.

Sources and notes

- English Housing Survey stock data, 2012/13 to 2014/15, standardised to base year of 2013
- The chart shows the current tenure of homes in London, not their tenure when first built. A large number of homes initially built as council housing have been transferred to the private sector (through the Right to Buy) or to housing association ownership (through stock transfers), while many private rented homes were initially owner occupied and vice versa

6.10. Homes in Multiple Occupation comprise 7% of London's private housing stock, a much higher rate than in other areas

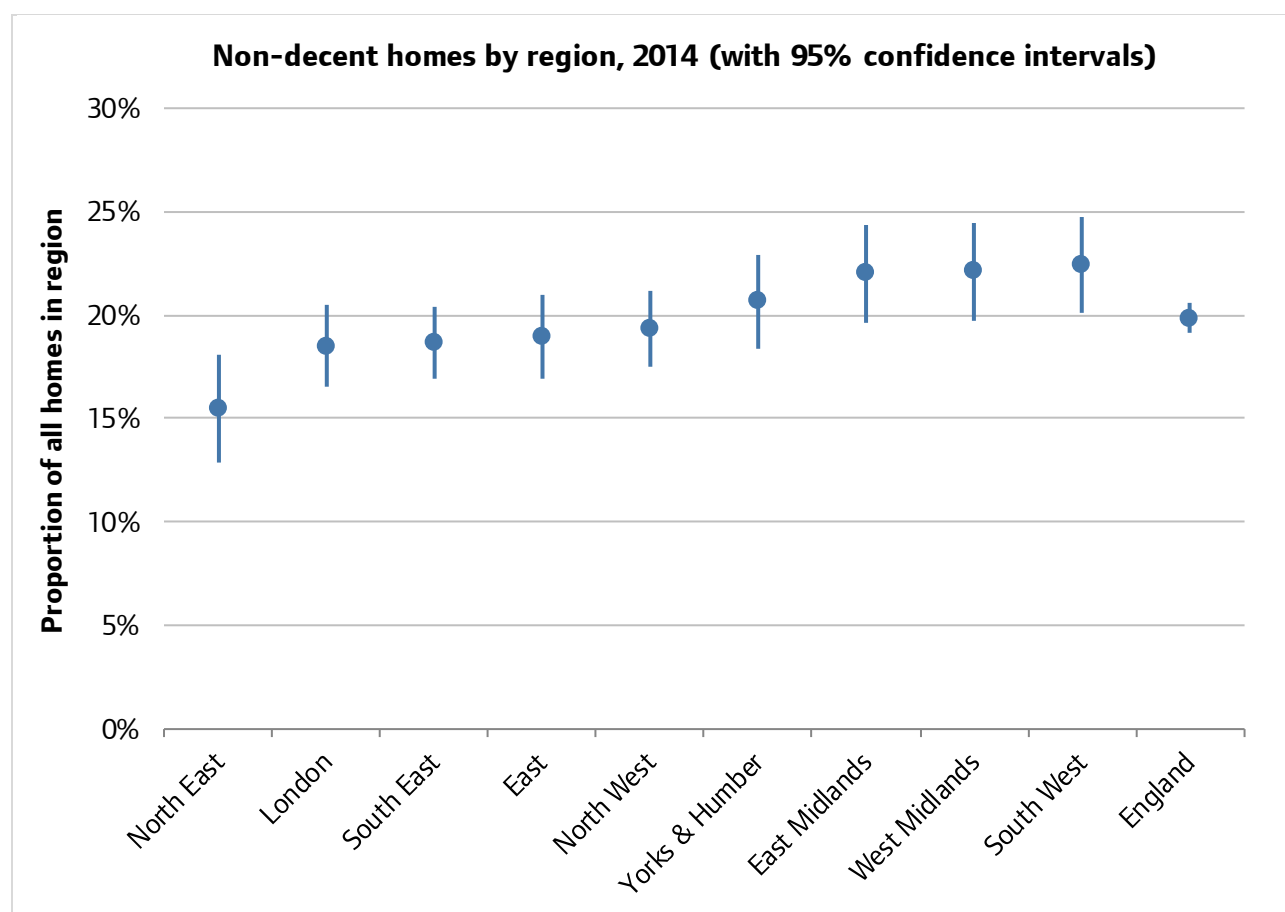


- A house in multiple occupation (HMO) is a property rented out by at least three people who are not from the same household, but who do share facilities such as a bathroom or kitchen.
- HMOs must be licensed by local authorities if they are rented to five or more people from more than one household and are at least three storeys high.
- London boroughs estimate that there are 194,530 HMOs in London, equivalent to 7.3% of the total private sector stock - a far higher share than in the rest of the country.
- Of the HMOs in London, 5,890 have been issued mandatory licenses by London boroughs and 960 of these have been found upon inspection to have Category 1 hazards under the Housing Health and Safety Rating System.

Sources and notes

- DCLG, *Local Authority Housing Statistics, 2015*

6.11. Around 19% of homes in London are below the official Decent Homes standard

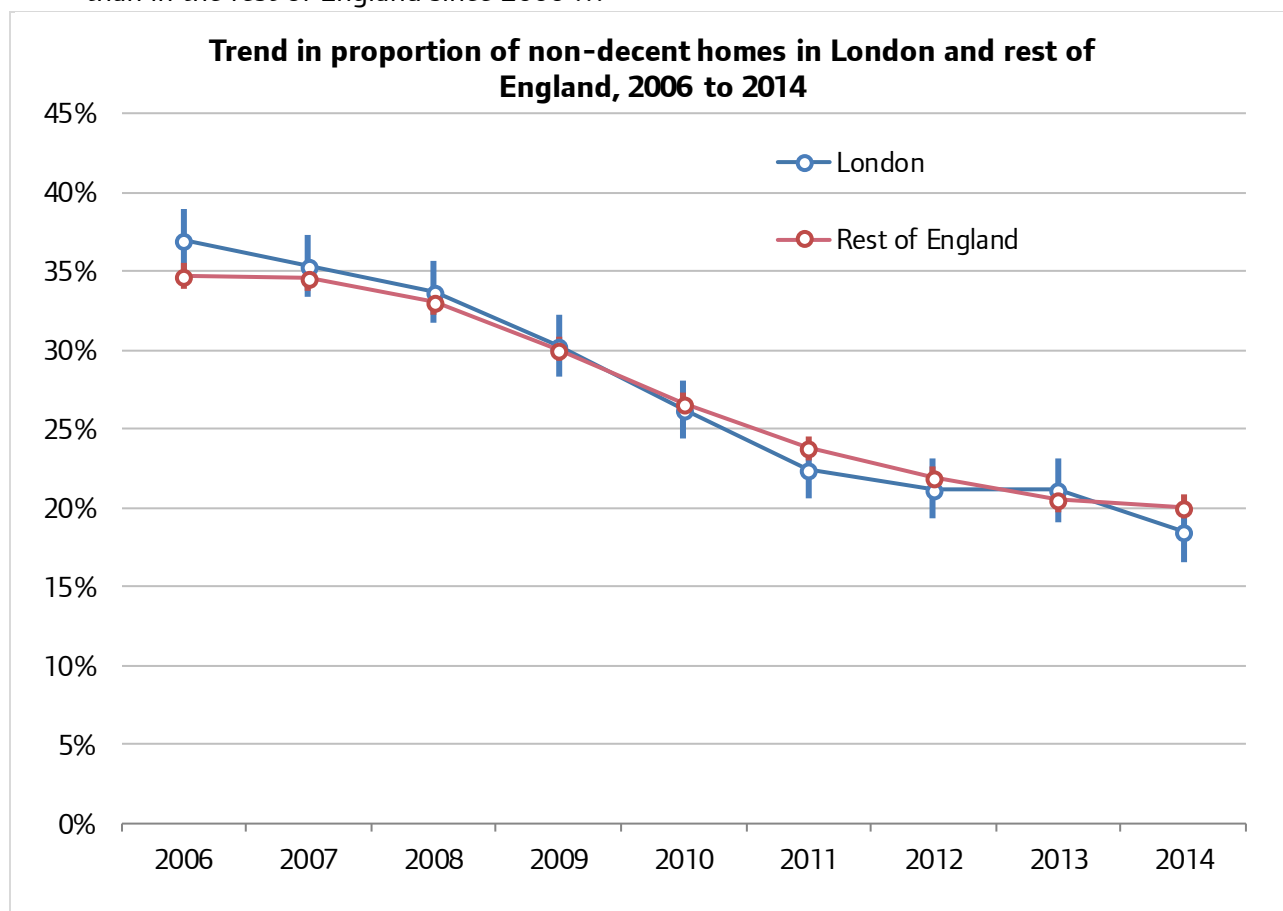


- Around 19% of homes in London are below the official Decent Homes standard, a composite measure of dwelling stock conditions that takes into account minimum standards, thermal comfort, kitchen and bathroom facilities and the general state of repair. London's 'non-decency' rate is not significantly different from the national average of 22% or from most other regions.
- The lowest proportion of non-decent homes at regional level is in the North East (around 15%), and the highest rate in the South West (around 22%), but on the whole there are few significant differences between the regions.

Sources and notes

- English Housing Survey stock data, 2014

6.12. The proportion of homes below the Decent Homes standard has fallen slightly faster in London than in the rest of England since 2006 ...

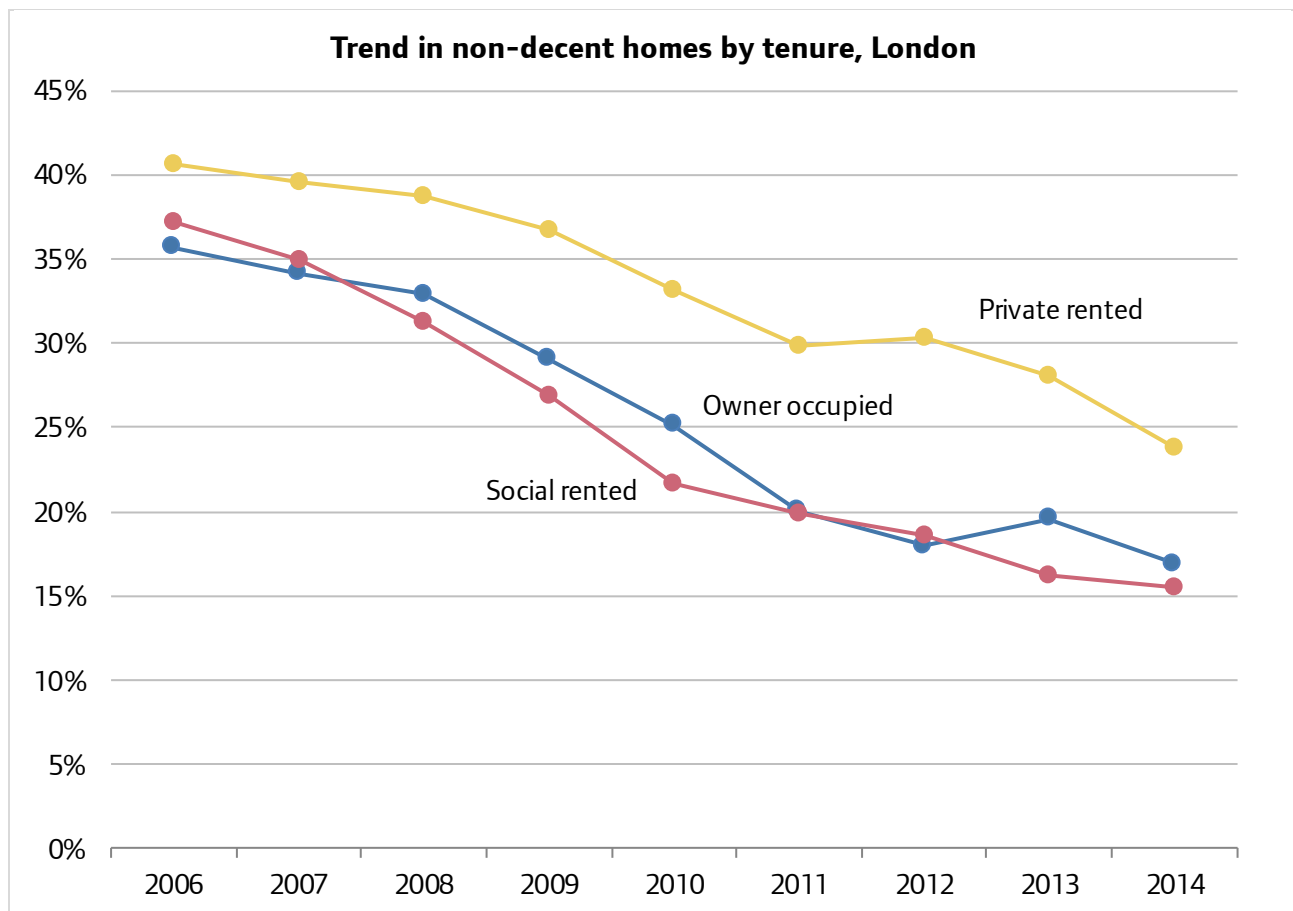


- The proportion of homes in London that fail to meet the Decent Homes standard has fallen from 37% in 2006 to 19% in 2014. If the 2006 rate had been maintained then around 640,000 more homes would now be below the standard in London.
- In the rest of England, the proportion below the standard fell from 35% to 20% over the same period.

Sources and notes

- Survey of English Housing data 2006 to 2007, English Housing Survey stock data 2008 to 2014
- The chart includes 95% confidence intervals

6.13. ... With significant improvements made across all tenures in recent years



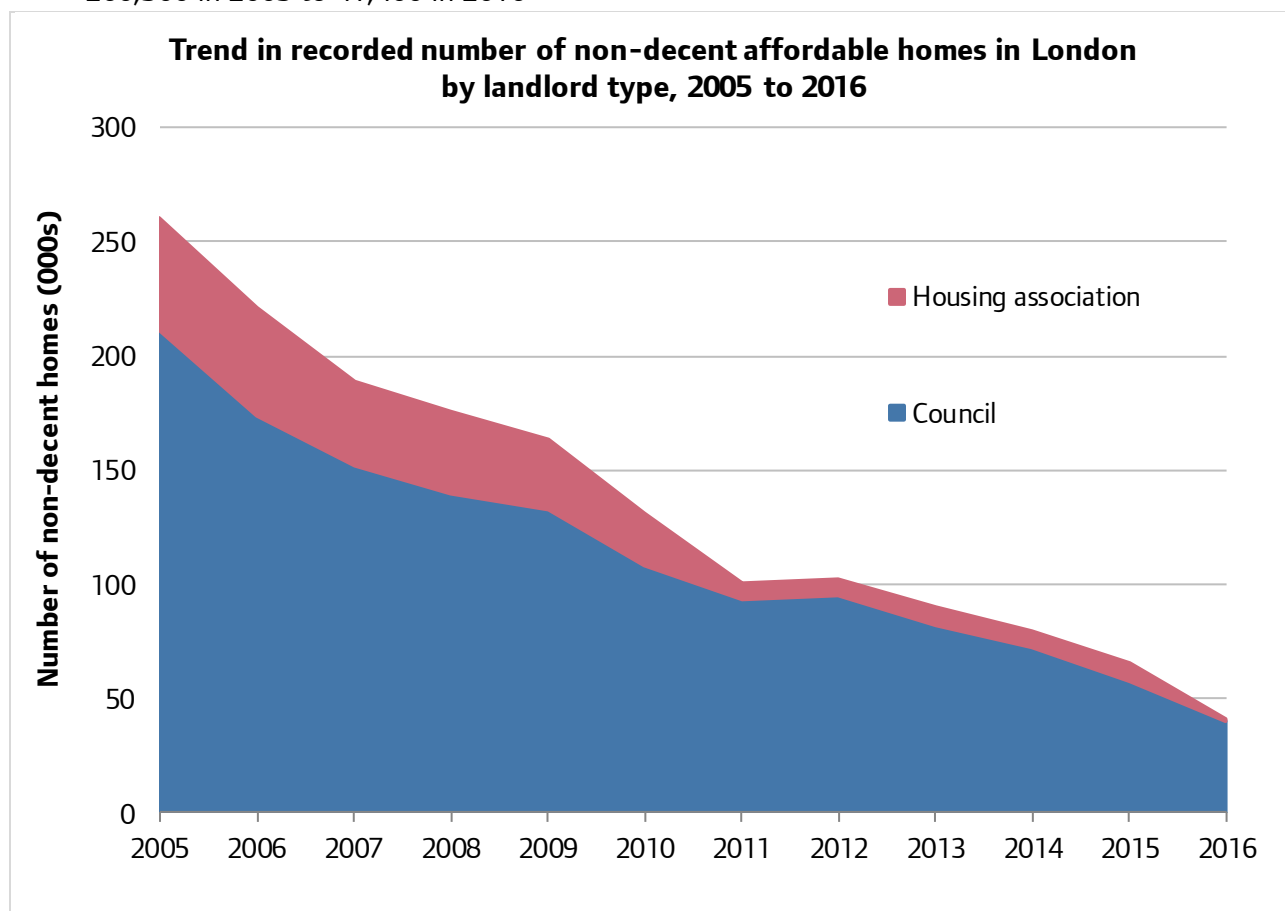
- The proportion of homes below the standard has fallen significantly in each tenure since 2006 – from 41% for privately rented homes, 37% for social rented homes and 36% for owner occupied homes.
- The private rented sector still has the worst conditions, with 24% of homes below the standard in 2014, compared to 17% of owner occupied homes and 15% of social housing.
- Progress in improving dwelling conditions in social housing has slowed in recent years, with the end of the Decent Homes investment programme.

Sources and notes

- Survey of English Housing data 2006 to 2007, English Housing Survey stock data 2008 to 2014

- Confidence intervals are not shown for reasons of legibility, but throughout the period shown are approximately 3% for both owner occupied and social rented housing, while falling from 5% to 4% for private renting (reflecting the growth of the tenure in recent years)

6.14. The number of affordable homes in London below the Decent Homes standard has fallen from 260,300 in 2005 to 41,400 in 2016

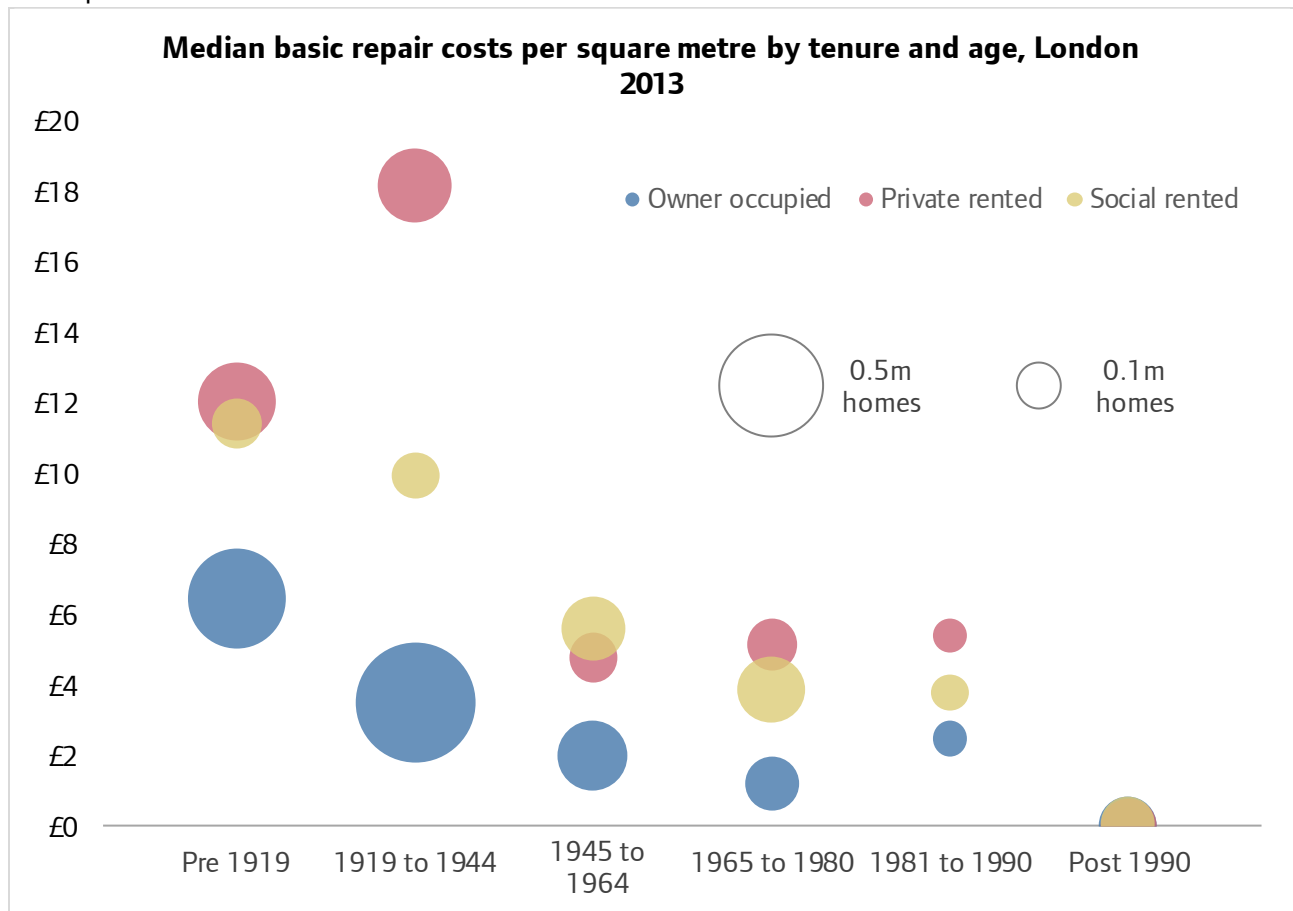


- In April 2016 there were 41,400 council or housing association owned homes in London below the Decent Homes standard, down from 65,300 in 2015 and 260,300 in 2005 (the first year when data was available for both tenures).
- Since 2005 the number of non-decent housing association homes has fallen from 48,500 to 1,400, while the number of non-decent council homes has fallen from 211,800 to 40,000.

Sources and notes

- DCLG Business Plan Statistical Appendix and Local Authority Housing Statistics data for council homes, Tenant Services Authority Regulatory Statistical Return and Homes and Communities Agency Statistical Data Return for housing associations

6.15. Older homes have far higher estimated bills for basic repairs, with particularly high costs in private rented homes

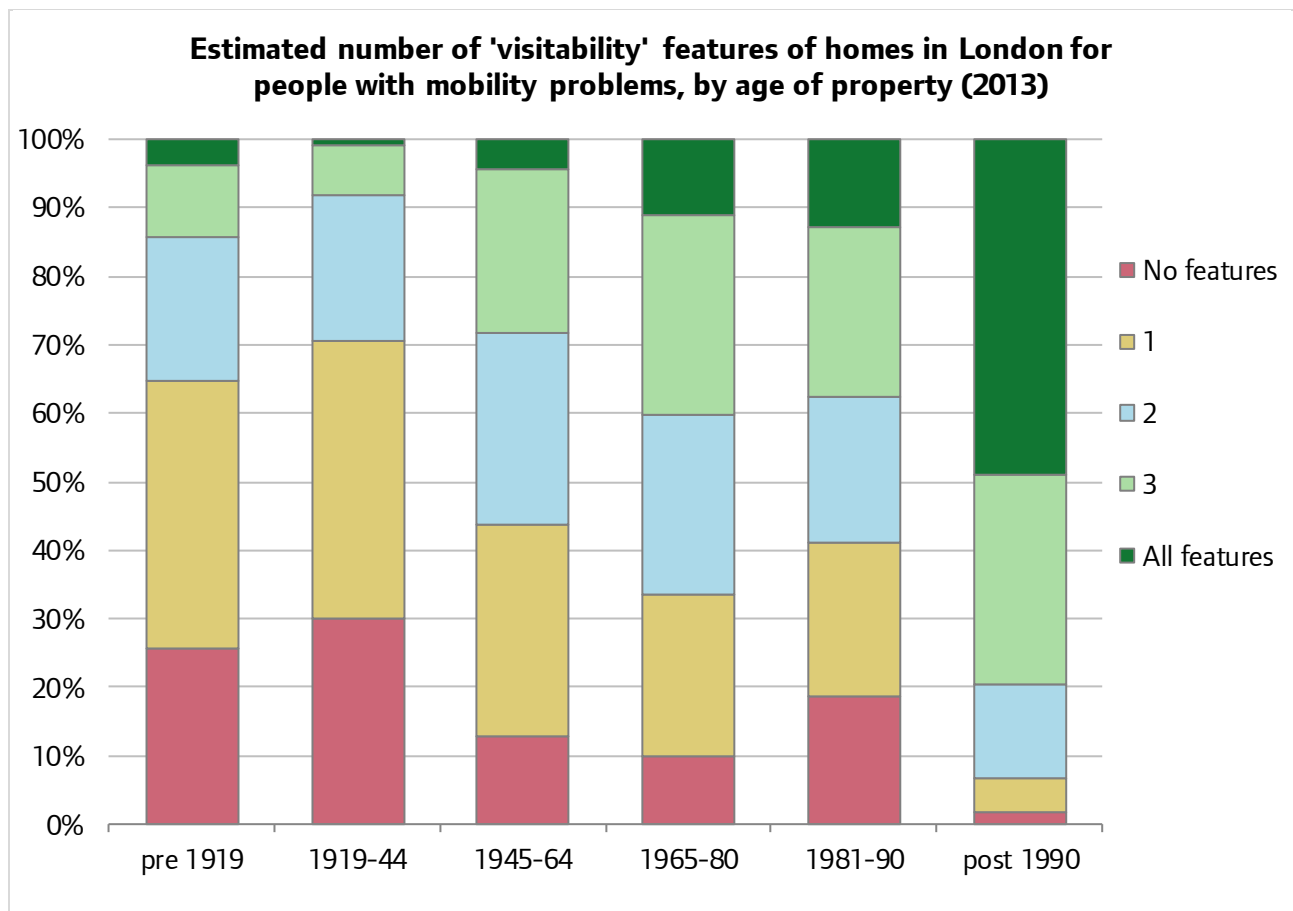


- The total estimated cost of meeting the basic repair costs of homes in London is around £6 billion. £4.6 billion of this total bill is for homes built before the end of the Second World War.
- When compared on a cost per square metre, the highest estimated bills are for private rented homes built between 1919 and 1944 at £18 per square metre, compared to £10/sqm for owner occupied and £3.50/sqm for social rented homes.
- Homes built since 1990 are generally estimated to require few if any repairs at this point in their lives.

Sources and notes

- English Housing Survey stock data, 2012/13 to 2014/15, standardised to base year of 2013
- The English Housing Survey defines basic repair costs as any urgent repairs plus additional visible work to be carried out in the medium term (within five years). These do not include replacement of building elements nearing the end of their life where the surveyor has recorded that this action could be delayed by more than five years

6.16. Newer homes in London are far more likely to be 'visitable' for people with mobility problems

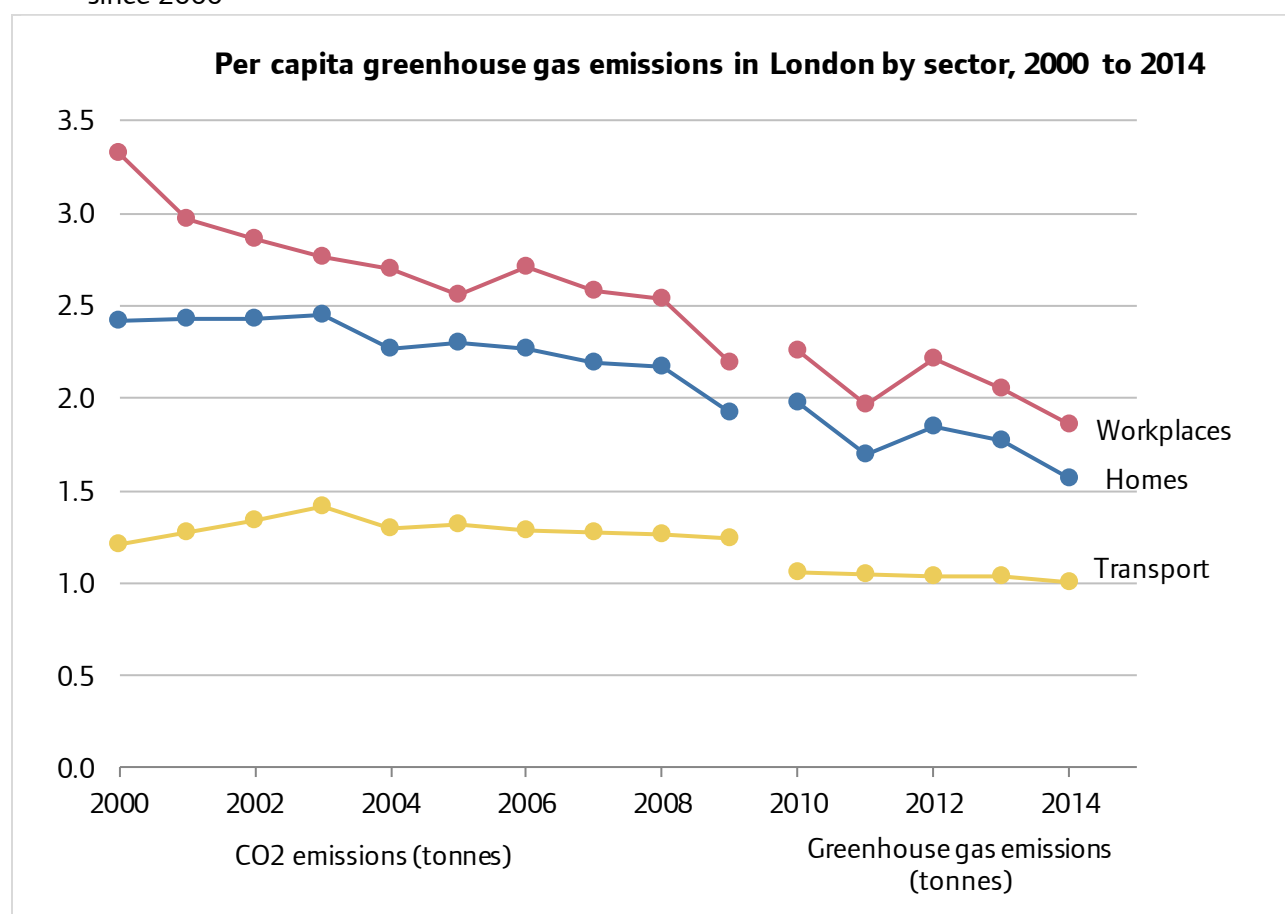


- Part M of the Building Regulations sets out optional requirements for accessibility to homes for people with mobility problems, including level access, flush thresholds, sufficiently wide doors and circulation space and WCs at entrance level.
- Homes with all these 'visitability' features comprise just 9% of London's housing stock, but this share varies widely by dwelling age, from just 4% of pre-1919 homes and 1% of 1919-1944 ones to 49% of those built after 1990.

Sources and notes

- English Housing Survey stock data, 2012/13 to 2014/15, standardised to base year of 2013
- The analysis here is a close approximation to that performed by DCLG and reported in the published EHS reports

6.17. Per capita greenhouse gas emissions from London's housing stock have fallen by around a third since 2000

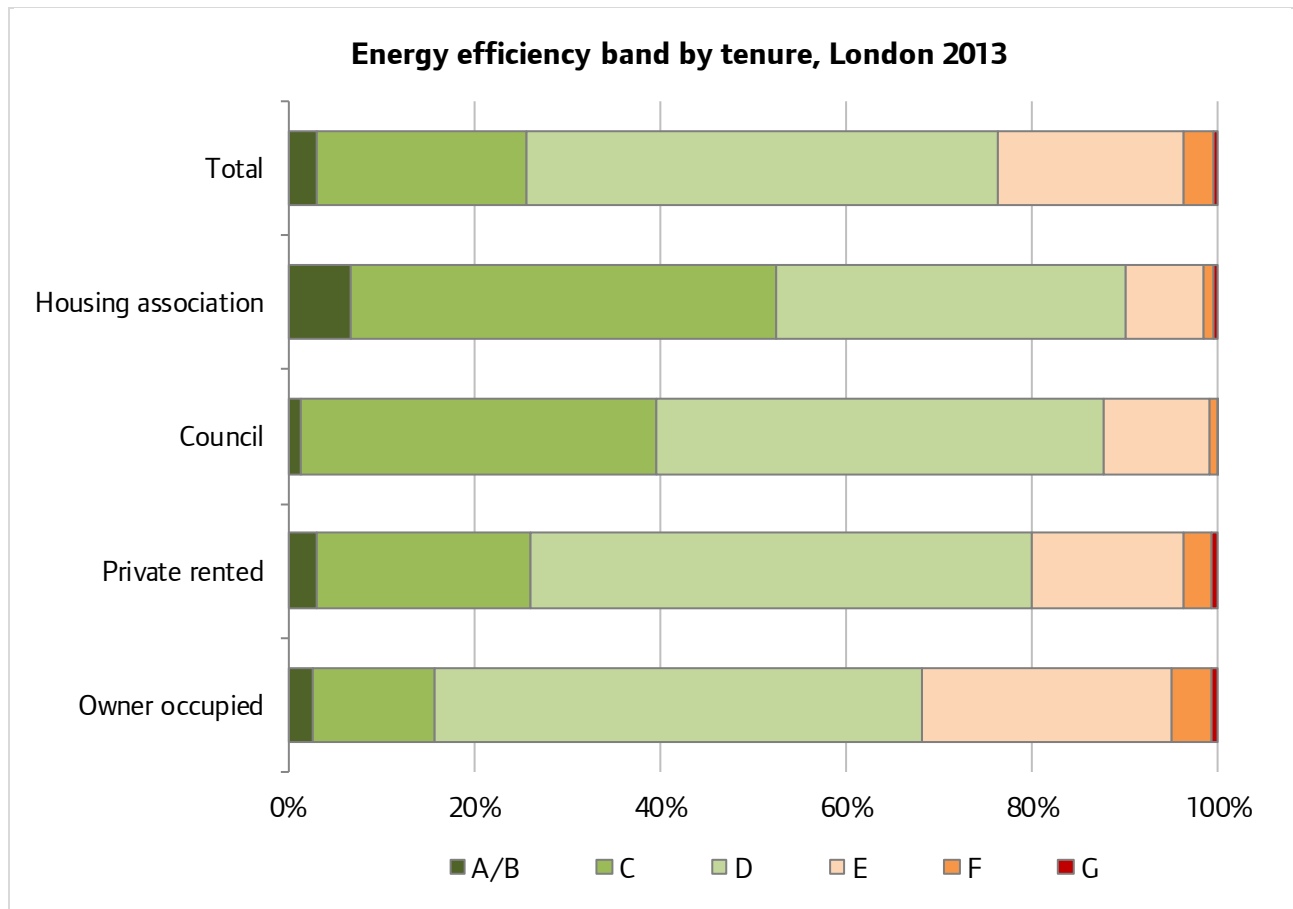


- The GLA's London Energy and Greenhouse Gas Inventory (LEGGI) measures greenhouse gas emissions from London's workplaces, homes and transport, with emissions prior to 2009 measured in megatons of carbon dioxide and from 2010 onwards in megatons of carbon dioxide equivalent.
- Per capita emissions of greenhouse gases from London's homes were 1.6 megatons in 2014, down from 1.8 in 2013 and around a third lower than the 2000 figure of 2.3.
- Per capita emissions from workplaces have fallen even faster since 2000, from 2.9 to 1.9 megatons, while transport emissions per Londoner have been fairly flat in recent years at around one megaton per person.

Sources and notes

- GLA, London Energy and Greenhouse Gas Inventory

6.18. On average, private sector homes in London are significantly less energy efficient than affordable homes ...

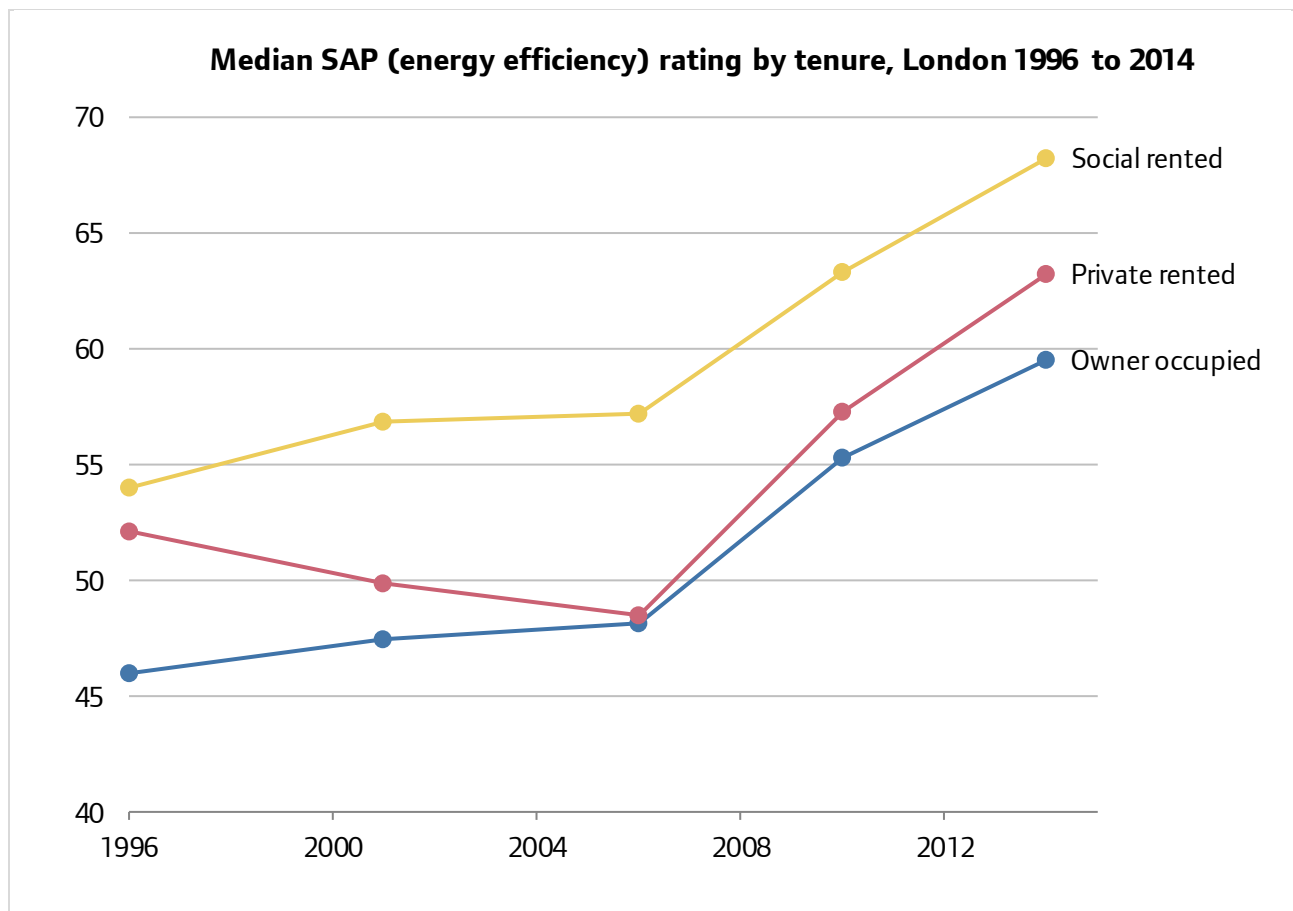


- The energy efficiency of housing is measured by the Standard Assessment Procedure (SAP) according to a banding system in which A-band homes are the most energy efficient and G the least.
- In 2013 around 24% of homes in London were in bands E to G, but this proportion varied widely by tenure, from 10% of housing association homes to 32% of owner occupied homes.
- At the other end of the scale, 26% of homes are in bands A to C, with tenure figures ranging from 16% for owner occupied homes to 52% for housing association homes.
- These differences are probably mostly due to the different composition of each tenure's dwelling stock. Housing association homes are newer on average and more likely to be flats, while owner occupied homes tend to be older and are more likely to be detached or semi-detached homes, which are usually less energy efficient.

Sources and notes

- English Housing Survey stock data, 2012/13 to 2014/15, standardised to base year of 2013

6.19. ... But energy efficiency levels have improved significantly in every tenure over the last decade



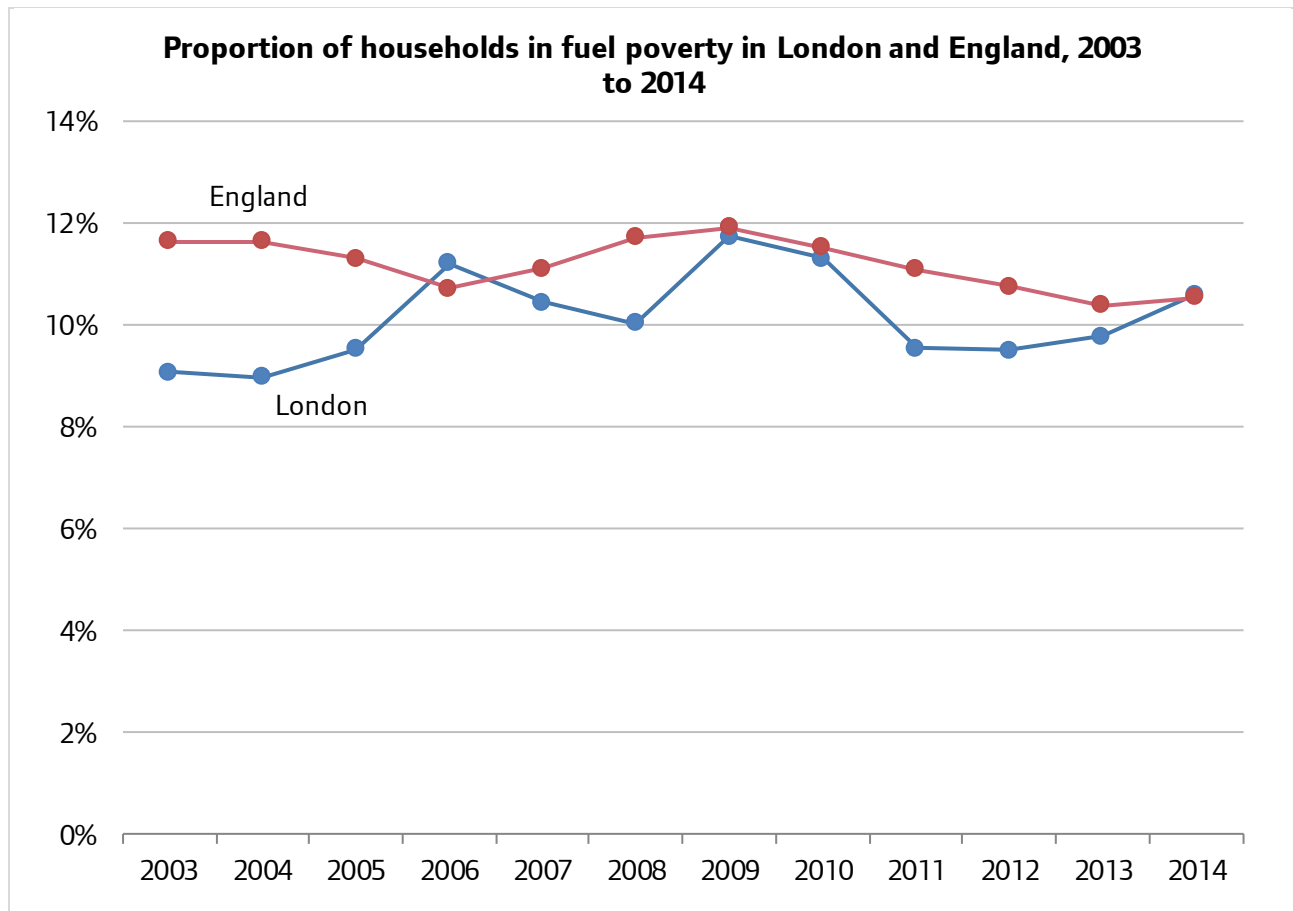
- SAP energy efficiency ratings can also be given in percentage terms (with 100% representing zero energy cost), and this chart tracks these ratings over the last two decades for each of the three main tenures in London.
- Social housing has always been the most energy efficient tenure, with the typical rating rising from 54% in 1996 to 68% in 2014. Owner occupied homes are the least efficient at 60% in 2014, though this has increased from 46% in 1996.
- The typical private rented home in 2006 was actually less energy efficient than in 1996 – perhaps due to the addition of a large number of older homes to the stock through Buy to Let purchases. But by 2014 the median SAP rating for private rented homes was 63%, up from 52% in 1996.

Sources and notes

- English House Condition Survey and English Housing Survey stock data, 1996 to 2014

- This analysis uses the 2012 SAP definition throughout

6.20. One in nine households in London are estimated to be living in fuel poverty, the same as the national rate

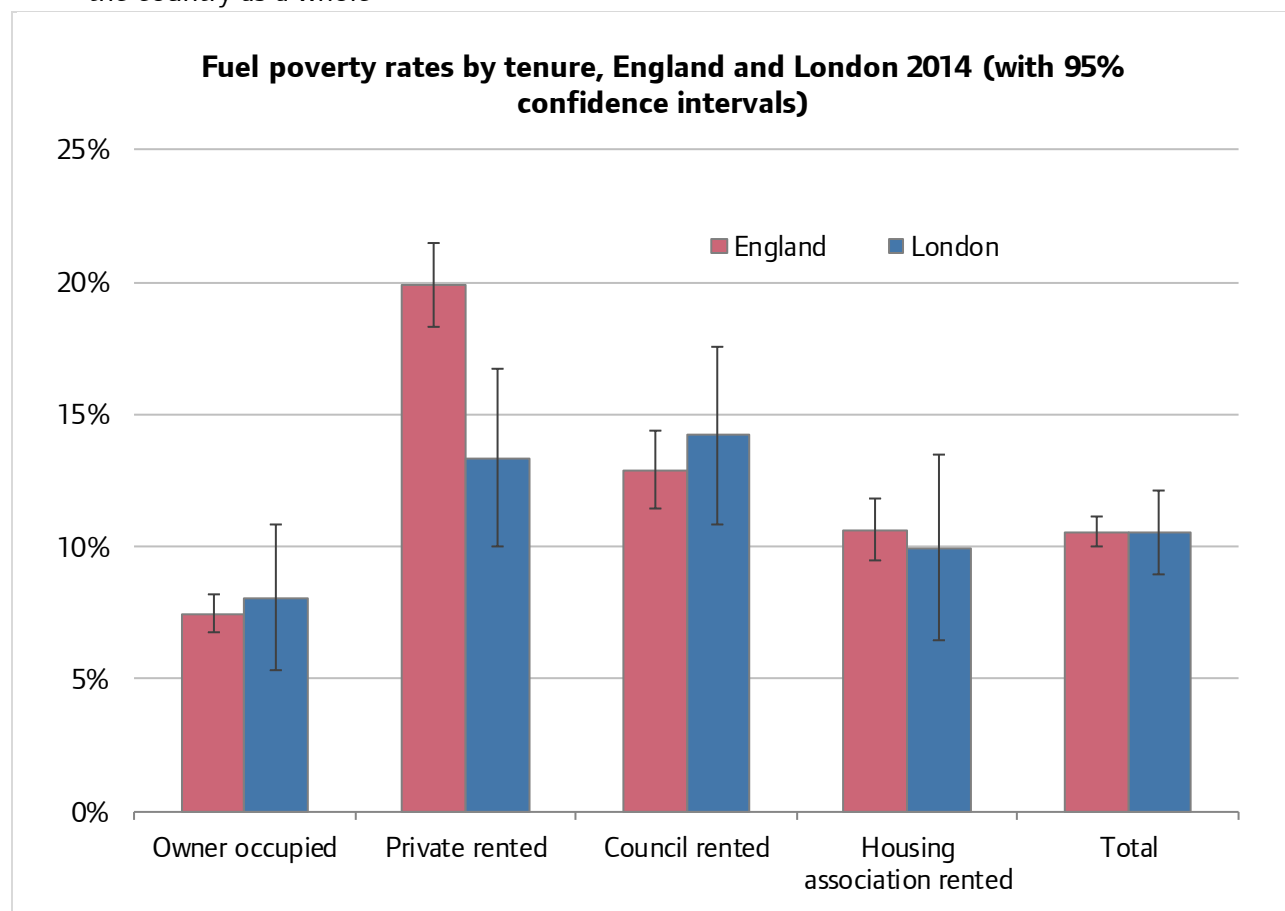


- The government's Low Income High Costs measure defines a household as living in fuel poverty if they have required fuel costs above the national average and would be below the official poverty line if they were to spend that amount (and after taking housing costs into account).
- According to this definition, 11% of households in London are fuel poor, the same as the figure for England as a whole and up from 9.5% in 2011.
- The fuel poverty rate peaked at 12% in 2009 in both London and England as whole, in large part as a result of falling incomes.

Sources and notes

-Department for Energy and Climate Change, Fuel poverty statistics
 - Fuel poverty is measured according to the 'low income high costs AHC equivalised income' definition

6.21. Fuel poverty rates are noticeably lower among privately renting households in London than in the country as a whole



- Around one in nine households in London are in fuel poverty, the same rate as in England as a whole.
- There are similar rates of fuel poverty in London and England for each of the main tenures except for private renting households. Around 13% of privately renting households in London are fuel poor, compared to around 20% of those in England as a whole. This difference is probably due to a combination of a slightly newer mix of dwellings and a more affluent mix of households among London's private rented sector.

Sources and notes

- English Housing Survey Fuel Poverty data

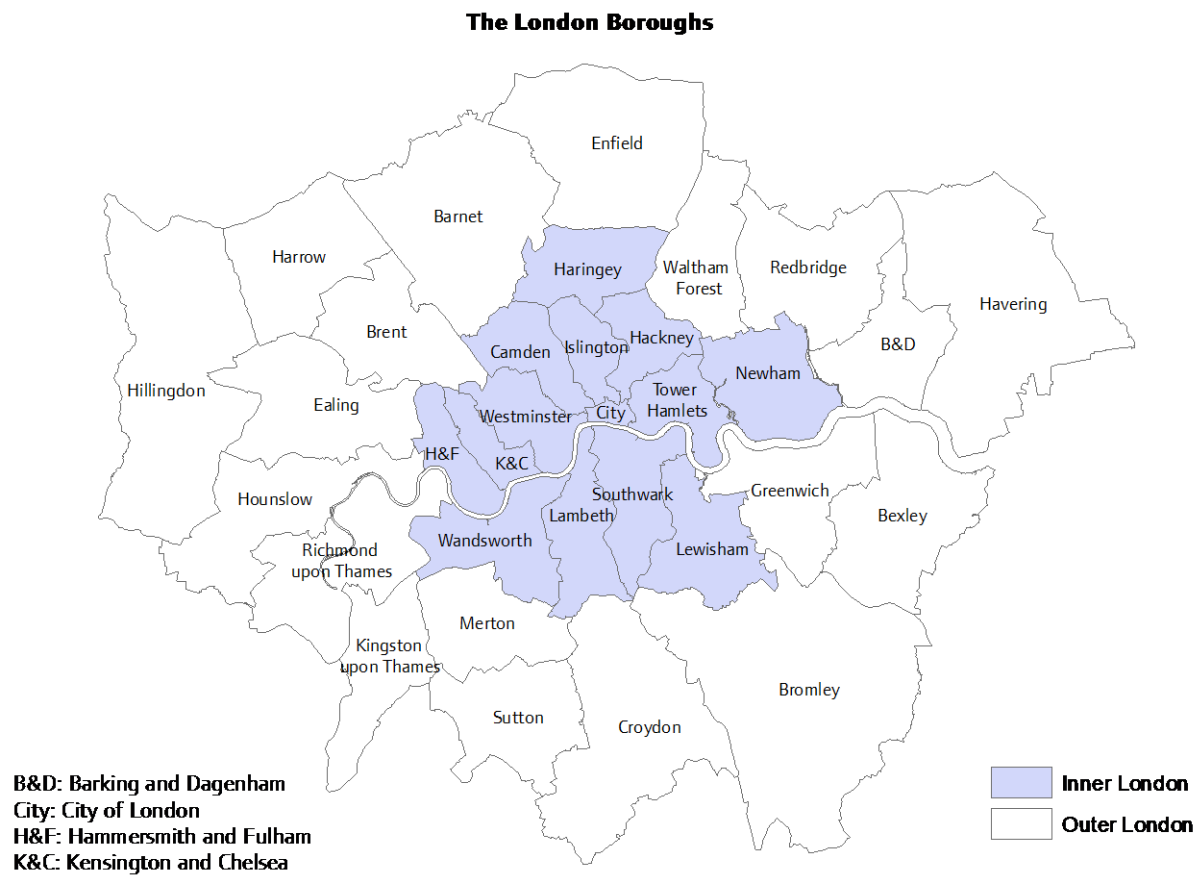
7. Appendices

- A1. Key statistics for London boroughs
- A2. Map of Inner and Outer London boroughs
- A3. Sources of data on housing supply

7.1: Key statistics for London boroughs

		2011			2015
Borough	Sector	Population	Households	Average house-hold size	Dwellings
Barking and Dagenham	Outer	187,400	70,100	2.66	73,180
Barnet	Outer	357,700	136,300	2.59	145,270
Bexley	Outer	233,000	92,900	2.5	97,000
Brent	Outer	313,100	110,700	2.81	115,600
Bromley	Outer	311,100	131,400	2.35	136,860
Camden	Inner	220,100	97,500	2.18	101,650
City of London	Inner	7,400	4,400	1.64	6,230
Croydon	Outer	364,800	145,600	2.48	152,520
Ealing	Outer	339,700	124,400	2.7	130,530
Enfield	Outer	314,000	120,500	2.59	123,800
Greenwich	Outer	255,500	101,400	2.47	106,880
Hackney	Inner	247,600	102,100	2.41	106,750
Hammersmith and Fulham	Inner	182,800	80,600	2.25	85,270
Haringey	Inner	256,400	102,200	2.49	106,640
Harrow	Outer	241,100	84,800	2.82	88,410
Havering	Outer	238,300	97,500	2.43	100,260
Hillingdon	Outer	276,100	100,800	2.67	107,460
Hounslow	Outer	255,300	95,300	2.66	98,790
Islington	Inner	206,600	93,700	2.14	100,760
Kensington and Chelsea	Inner	158,700	78,400	1.99	86,540
Kingston upon Thames	Outer	160,500	63,800	2.46	66,410
Lambeth	Inner	304,800	130,600	2.31	136,260
Lewisham	Inner	277,500	116,500	2.36	122,820
Merton	Outer	201,200	79,100	2.53	82,710
Newham	Inner	311,900	102,300	3.03	108,810
Redbridge	Outer	281,500	100,000	2.8	102,650
Richmond upon Thames	Outer	187,500	80,100	2.31	83,780
Southwark	Inner	289,400	120,700	2.35	128,360
Sutton	Outer	191,500	78,600	2.42	81,240
Tower Hamlets	Inner	256,700	102,100	2.48	110,790
Waltham Forest	Outer	260,400	97,400	2.66	100,310
Wandsworth	Inner	308,300	130,800	2.32	138,840
Westminster	Inner	219,600	105,900	2.02	121,120
London total		8,217,500	3,278,300	2.48	3,454,490
Inner London		3,247,800	1,367,800	2.37	1,460,840
Outer London		4,969,700	1,910,700	2.60	1,993,650

7.2: Map of Inner and Outer London Boroughs (ONS definition)



7.3 Sources of data on housing supply

Introduction

This note sets out the two measures of housing supply used by the GLA, reflecting the different targets set out in the Mayor's London Plan and London Housing Strategy.

London Plan

The housing provision targets set out in the London Plan are defined in terms of total net housing supply, comprising three components:

- Conventional completions: self-contained homes from new build, conversions or changes of use
- Non-conventional completions: non-self-contained housing such as bed spaces in hostels or halls of residence
- Change in long-term empty homes (those empty for more than six months), where a decrease is an addition to supply and an increase is a subtraction.

Progress against these targets is monitored in the London Plan Annual Monitoring Report, the latest edition of which was published in Spring 2016. The source for conventional and non-conventional completions is the London Development Database (LDD), a uniquely detailed database of housing developments created from data provided by London borough planning departments and checked by the GLA. The number of long-term empty homes is monitored using annual statistics reported by the Department for Communities and Local Government (DCLG), based on local authority Council Tax data.

In 2014/15, the latest year for which data is available, the total net housing supply in London was 32,210, comprising 28,191 conventional completions, 4,369 non-conventional completions and a net loss of 120 homes due to an increase in the number of long-term empty homes.

The conventional component of total housing supply is reported by the GLA to DCLG who publish it as part of their national statistics on the 'Net supply of housing'.

DCLG also publish quarterly national statistics on house building. These statistics are not strictly comparable to the conventional housing supply statistics published by GLA or DCLG themselves, as they cover only new build developments and are reported on a gross rather than net basis. They are however a useful indicator when these caveats are borne in mind.

London Housing Strategy

The affordable housing targets set out in the London Housing Strategy are monitored using DCLG's national statistics on affordable housing supply. These statistics cover not just new build but also acquisitions of existing private sector homes for affordable housing. They are released on an annual basis with a lag of several months, and combine data from a range of sources including GLA programme monitoring statistics. The most recent figures show a supply of 5,790 affordable homes in London in 2015/16.

The GLA funds the majority of affordable housing supply in London, and publishes statistics on its own programme on a monthly and annual basis, with a much shorter time lag than DCLG.

MAYOR OF LONDON