This is a blank page.

04

- Right to buy sales in London decreased from over 11,400 in 2000/01 to under 10,000 sales in 2001/02.
- There were under half a million privately rented dwellings in London in 2002.

04: **Housing**

- Annual completions of new dwellings have fallen over the last 20 years from over 23,000 in 1980/81 to just over 14,000 in 2001/02.
- In 2001/02, 73 per cent of new dwellings completed in London were by the private sector.
- In March 2002 nearly 53,000 households were accepted as homeless by the boroughs and living in temporary accommodation. This was 88 per cent higher than levels in 1997.
- At the end of 2002 the average property price in London was over £210,000 (based on the average price for all transactions, from the ODPM five per cent survey of mortgage lenders).

The quantity, quality and cost of housing play a vital role in the well-being of London residents. Not only does housing fulfil a basic human need, but housing activity (repair, improvement, new building or even simply market turnover) can also play a major role in the economy. In terms of job creation, there are at least three impacts – creation of building industry jobs, other jobs created through the multiplier effect as employees spend their earnings, and the increased demand for 'white goods' through household expenditure when moving house.

In simple terms a dwelling is accommodation which is normally lived in by one or more households, and includes houses, flats, bungalows and maisonettes. Temporary structures such as caravans and houseboats are counted as dwellings if they are the sole or main residence of a household. The precise definition that applies to this dataset is set out in Section 3 of the 1992 Local Government Finance Act. It is based on the definition of a 'hereditament' contained in the legislation for rates. This definition differs from the 2001 Census in the way that it treats shared accommodation. While the Census defines a dwelling as accommodation that is physically self-contained, the Council Tax is concerned with establishing ownership and liability for Council Tax. These differences are compounded by variations in the treatment of communal establishments. As a result the dwellings counts will not be directly comparable.

The Housing Stock

London's housing stock totals more than 3 million dwellings. There have been considerable changes in the relative proportion of stock in each tenure since the early 1980s, mirroring to a certain extent the changes in the national picture. Since 1991, local authority stock has declined, due mainly to tenants exercising their 'Right-to-Buy' (RTB). There has also been a large drop in local authority house-building programmes, down from 16,300 completions in 1980/81 to an annual average of just over 50 homes from 1995 to 2001 (Table 4.6). 'Right-to-Buy' sales increased from the mid-1990s (Table 4.2), leading the Government to consider restrictions to RTB in high-demand areas to prevent loss of scarce social-rented accommodation. Owner-occupation grew considerably in importance in the 1980s but remained static in the 1990s at nearly three in five dwellings in London.

Another contribution to the fall in local authority stock was the introduction in

Table **4.1**

Housing stock: by tenure[1]

Percentages and thousands

	1991	1998	1999	2000	2001	2002
London						
Owner-occupied	*57*	*57*	*57*	*58*	*58*	*58*
Rented from local authority	*24*	*20*	*19*	*18*	*17*	*17*
Rented from private owners or with job or business	*13*	*16*	*16*	*16*	*16*	*16*
Rented from registered social landlord	*5*	*7*	*8*	*8*	*9*	*10*
Total dwellings (thousands)	2,912	3,028	3,043	3,057	3,071	3,087
Great Britain						
Owner-occupied	*66*	*68*	*68*	*69*	*69*	..
Rented from local authority[2]	*22*	*17*	*16*	*15*	*14*	..
Rented from private owners or with job or business	*9*	*10*	*10*	*10*	*10*	..
Rented from a registered social landlord	*3*	*5*	*5*	*6*	*7*	..
Total dwellings (thousands)	23,000	24,250	24,419	24,588	24,741	..

1 At 31 March each year.
2 Including New Towns and Scottish Homes, formerly the Scottish Special Housing Association.
Source: Office of the Deputy Prime Minister

Table **4.2**

Council house sales in London

Numbers

	1992/93	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
Right-to-Buy sales	7,325	4,641	5,220	7,123	8,045	11,331	11,439	9,817
Other sales[1]	14,204	744	933	15,186	10,376	9,215	7,503	387
All sales	21,529	5,385	6,153	22,309	18,421	20,546	18,942	10,204

1 Includes non-Right-to-Buy sales to sitting tenants, other sales into owner-occupation, shared ownership and transfers to registered social landlords plus any other sales. 1992/93 total includes some 12,300 dwellings transferred under Large Scale Voluntary Transfer by Bromley, 1997/98 total includes some 8,200 similarly transferred by Bexley and 2000/01 total includes some 6,900 similarly transferred by Richmond upon Thames. Figures between 1996/97 and 2000/01 also include Estates Renewal Challenge Fund transfers, some 23,000 in total.
Source: Office of the Deputy Prime Minister

1988 of Large Scale Voluntary Transfers (LSVTs). Under this scheme, a local authority can transfer all or part of its housing stock to a new landlord, usually a non-profit-making registered social landlord (RSL, commonly known as a housing association). The biggest LSVT in London in the 1990s occurred in 1992/93 when Bromley transferred over 12,000 of its housing stock to RSLs. More recently, 8,200 transfers were made by Bexley and 6,900 by Richmond upon Thames. Table 4.2 also shows that local authority stock has fallen as a result of local authorities selling some of their stock to sitting tenants and private owners and into shared ownership.

In addition, the main responsibility for building new social housing has transferred from local authorities to registered social landlords. Consequently, RSL lettings have become an increasingly important source of social sector accommodation. However, while their stock has increased, the rise has not matched the loss of local authority accommodation; overall, the social rented sector shrank by over 50,000 dwellings between 1991 and 2002. The level of private rented accommodation has remained fairly steady at around 16 per cent of all dwellings since 1993. Traditionally this form of tenure has been more common in London than elsewhere in the country. In 2002, there were 494,000 privately rented dwellings in London.

Table 4.3

Household characteristics

Percentages

	London	England
Household accommodation type, 2001/02		
Detached house	*4*	*21*
Semi-detached house	*19*	*32*
Terraced house	*28*	*28*
Purpose-built flat or maisonette	*37*	*14*
Converted flats	*11*	*4*
Other	*0*	*0*
Types of amenity, 1996		
Central heating	*88*	*88*
Double glazing	*51*	*60*
Secure windows and doors	*35*	*30*
Smoke detector(s)	*57*	*67*
Parking provision[1]	*53*	*69*
Length of time at current address, 2001/02		
Under a year	*13*	*11*
1 to 4 years	*28*	*27*
5 to 9 years	*19*	*17*
10 to 19 years	*19*	*21*
20 years or over	*21*	*24*
Satisfaction, 2001/02		
With accommodation		
Very satisfied	*51*	*60*
Fairly satisfied	*34*	*31*
With area		
Very satisfied	*36*	*49*
Fairly satisfied	*44*	*37*

1 Includes only facilities that are an integral part of the property, i.e. excludes street parking. Figures for England are based on households in houses only, excluding flats.

Source: General Household Survey, Office for National Statistics; Survey of English Housing and English House Condition Survey, Office of the Deputy Prime Minister

Table A4.1 in the Appendix shows the pattern of tenure in 2001 by borough. There are considerable differences in the pattern in Inner London compared with Outer London: the public sector stock accounts for nearly two fifths of dwellings in Inner London, more than double the proportion in the Outer area.

The results of the 2001/02 Survey of English Housing show that the profile of London's housing stock is very different to that for England (Table 4.3). Only about 4 per cent of households in the capital live in detached houses compared with over 20 per cent in England generally, while well over 30 per cent live in purpose-built flats compared with less than half that percentage nationally. Nearly half of London dwellings are either purpose-built or converted flats, compared with less than a fifth in England as a whole; in Inner London this proportion rises to almost three quarters. The types of household spaces in each borough are given in Table A4.2 in the Appendix. These figures for London from the 2001 Census confirm that the distribution of dwelling types found in the 1991 Census has changed little. Table 4.3 also shows the length of time residents have been at their current address. The mobility of Londoners is slightly higher than for England as a whole, with 41 per cent of households having been living at their current address for less than five years compared with 38 per cent nationally. In terms of amenities, London is below the national level in double-glazing, smoke detectors and parking provision, but above in dwelling security. While overall satisfaction with accommodation and the area is high in London at 85 and 80 per cent respectively, these levels are below the averages for England at 91 and 86 per cent.

Table 4.4

Vacant housing stock[1] in London

Numbers[2] and percentages

	1995	1996	1997	1998	1999	2000	2001	2002
Local authority[3]	19,000	20,800	18,500	15,700	14,700	12,900	11,100	10,000
Registered social landlord	7,400	7,000	6,600	7,300	8,100	7,300	7,600	7,400
Private	109,500	101,800	94,800	88,300	89,300	83,400	85,400	83,100
Total vacant dwellings[4]	137,800	131,500	121,600	113,500	113,800	105,000	105,100	101,000
Vacant stock as a percentage of the total housing stock	*4.6*	*4.4*	*4.0*	*3.7*	*3.7*	*3.4*	*3.4*	*3.2*

1 Dwellings known to be vacant on 1 April, from Housing Investment Programme (HIP) returns completed by local authorities and Housing Corporation Regulatory and Statistical Returns (RSRs) completed by Registered Social Landlords.
2 Numbers are rounded to the nearest 100.
3 Includes dwellings owned by authorities outside their own area, some of which will be outside London.
4 Includes dwellings owned by government departments and other public sector bodies which are not shown separately in the table.

Source: Office of the Deputy Prime Minister

Vacant stock

In April 2002, 101,000 dwellings in London were empty, representing around 3.2 per cent of the total stock (Table 4.4). The figure showed an overall fall from the peak in 1993. The proportion varies significantly by tenure. In 2002, 2 per cent of local authority dwellings and 3 per cent of RSL dwellings were vacant, compared with 3.6 per cent of private dwellings. Less than a quarter of the boroughs had vacancy levels of more than 2 per cent in their own stock, whereas in the private sector the vacancy level was over 2 per cent in three quarters of boroughs (Table A4.3). The London Research Centre's 1998 London Housing Statistics showed the reasons for vacancies amongst local authority stock – for example, around 40 per cent were awaiting or undergoing major works, or awaiting demolition.

Stock Changes

Annual completions of new dwellings in London have fallen over the past two decades. From an estimated 23,200 completions in 1980/81, the figures fell to 17,200 in 1990/91 and 14,200 in 2001/02. The decline has not been steady (Figure 4.5): there was a trough in the mid-eighties followed by a partial recovery, but since 1990 the general trend has been downwards. Table 4.6 shows the output for each tenure from 1980/81 to 2001/02. The transfer of the main responsibility for building new social housing from local authorities to registered social landlords has resulted in a rise in RSL completions in London from 2,300 in 1990/91 to 3,800 in 2001/02. Meanwhile the local authority programme has effectively disappeared both in London and across England as a whole. In 2001/02, 73 per cent of new dwellings completed in London were by private enterprise, compared with 27 per cent by RSLs and LAs.

The Mayor's Draft London Plan (DLP) has a minimum target of 23,000 additional homes per year, including an allowance for non-self-contained

Figure 4.5

House building: completions

Source: Office of the Deputy Prime Minister

spaces and the enhanced re-use of vacant dwellings. The DLP target is for 50 per cent of all additional housing to be 'affordable' (i.e. for sale or rent at costs significantly below the full market price or rent). The DLP contains further details on this and other matters such as proportions of brownfield versus greenfield development.

Table 4.6 presents the pattern for new housing completions as a rate per thousand population. During the period 1980/81 to 2000/01, completions in London generally followed the pattern in England as a whole (although always at a lower rate), with the exception of 1983/1984 when house building in London fell while the national level rose, followed by a period when house building in London was at less than half the national level. In 2000/01 there were 2.0 completions per thousand population in London compared with 2.7 per thousand in England as a whole.

New dwellings completed: A dwelling is defined for the purpose of Table 4.6 as a building or any part of a building which forms a separate self-contained set of premises designed to be occupied by a single family. A dwelling is counted as completed when it becomes ready for occupation, whether occupied or not.

Access to housing

Table 4.7 shows the supply of lettings to which London boroughs had access in 2001/02, and the demands for accommodation that were met from that supply. Around 55 per cent of those permanently rehoused after being accepted as homeless were allocated a council tenancy, and 44 per cent an RSL tenancy, compared with 69 and 28 per cent, respectively, in 1998/99.

Table 4.6

New Dwellings completed[1]: by tenure

Thousands

	1980/81	1990/91	1999/2000	2000/01	2001/02
London					
Private Enterprise[2]	4.5	13.2	9.5	10	10.3
Registered Social Landlords	2.4	2.3	2.9	4.2	3.8
Local Authorities[3]	16.3	1.7	0.0	0.2	0.1
All sectors	23.2	17.2	12.5	14.3	14.2
England					
Private Enterprise[2]	107.6	132.5	124.3	116.7	115.7
Registered Social Landlords	19.9	14.6	17.4	16.6	14.4
Local Authorities[3]	73.7	13.0	0.1	0.4	0.1
All sectors	201.2	160.0	141.8	133.7	130.3

1 Permanent dwellings only: i.e. those with a life expectancy of 60 years or more.
2 Includes private landlords (persons or companies) and owner-occupiers.
3 Includes New Towns and government departments.

Source: Office of the Deputy Prime Minister

Table 4.7

Permanent lettings[1] to selected groups by local authorities, 2001/02

London

Numbers

	Own stock	Registered social landlord etc nominations	Out[2] mobility	Other	Total permanent lettings
Homeless	8,061	6,375	50	103	14,589
Other new tenants	4,262	..	..	0	..
Transfers	7,832	..	..	0	..
Mutual exchanges	2,811	0	0	0	2,811
Incoming mobility[3]	465	0	0	0	465
Total permanent lettings	23,431	11,926	824	103	36,284

1 To which the London boroughs had access.
2 Lettings in another local authority under mobility schemes.
3 Lettings to tenants from another local authority under mobility schemes.

Source: Office of the Deputy Prime Minister

Figure 4.8 looks at how the number of permanent lettings to new households (including homeless in priority need) and existing tenants has changed since 1990/91. In the 12 year period to 2001/02 lettings to both new tenants who were homeless and in priority need, and to existing tenants, fell by about 50 per cent. The lettings to the homeless fell steeply between 1991/92 and 1998/99, from 33,100 to 17,200. From the late 1990s the decline was more gradual, to reach 16,300 in 2001/02. From 1 April 1997 local authorities were prevented from allocating secure tenancies directly to homeless households unless the household was on the housing register and had an appropriate level of priority. The information at borough level is shown in Table A4.4 in the Appendix.

The trend in nominations to registered social landlords (housing associations) in recent years is illustrated in Figure 4.9. Total nominations nearly quadrupled between 1985/86 and 1993/94. The biggest increase was amongst homeless households: RSLs rehoused more than nine times as many homeless applicants in 1993/94 as they did in 1985/86. After 1993/94 there was a reduction in nominations, with a fall in total nominations for homeless households more than offsetting a small rise in others. The last two years have seen a small recovery in the total with an overall rise in the number of homeless nominations.

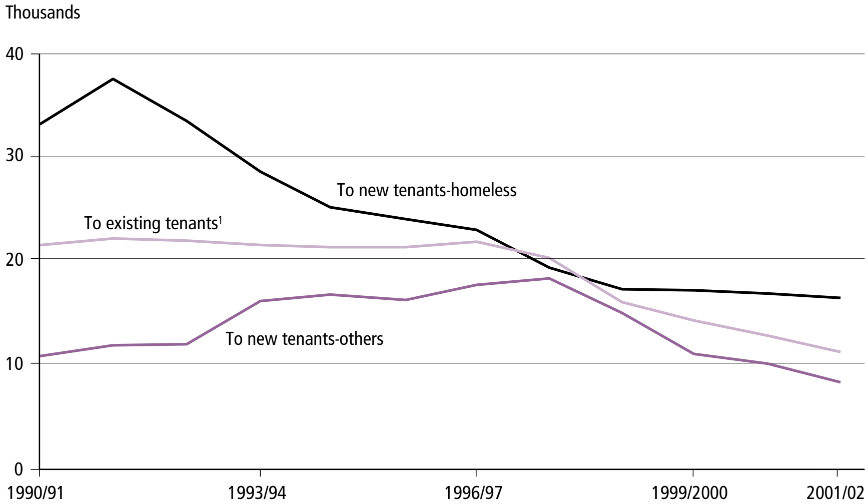
Homelessness

By March 2002 there were 52,700 households accepted as homeless by the boroughs and living in temporary accommodation (Table 4.10). This number has increased steadily since 1997 and is now 88 per cent higher than in that year. The numbers of non-priority homeless and people sleeping rough are not known: changes in the legislation make comparison with the figures from before 1997 complicated. While the number accommodated temporarily in the private sector has doubled since 1997, the number in bed

Figure 4.8

Lettings by local authorities to selected rehousing groups

London



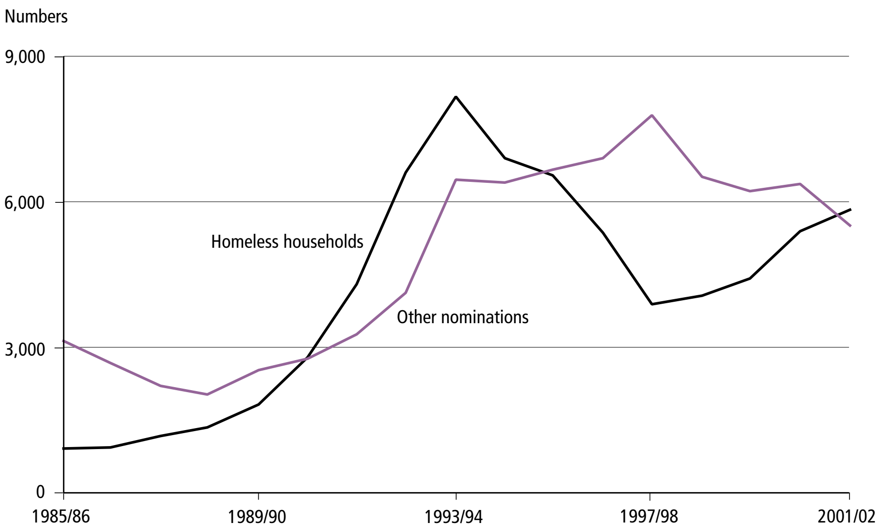
1 Includes exchanges with other local authorities

Source: Annual Housing Investment Programme returns, Office of the Deputy Prime Minister

Figure 4.9

Nominations to Registered Social Landlords[1]

London



1 See notes and definitions.

Source: Annual Housing Investment Programme (OI) returns, Office of the Deputy Prime Minister

and breakfast hotels nearly trebled over the period.

Figure 4.11 illustrates the proportions of homeless households in different forms of accommodation nationally and in London in March 2002, and Table A4.5 in the Appendix shows the pattern by borough. Across London, one in six of these households was in bed and breakfast accommodation, compared with just one in ten in 1997 (the first year in which the revised categories were used).

The underlying reasons for homelessness are complex, and official returns may only describe the most recent factor in a household's circumstances rather than the original root cause.

Housing costs

The early 1990s saw significant changes in the relative costs of renting (privately or through the social rented sector) and buying. In the owner-occupied sector, the house price boom of the late 1980s was followed by a sharp downturn.

Table **4.10**

Households in temporary accommodation[1,2], London

Numbers

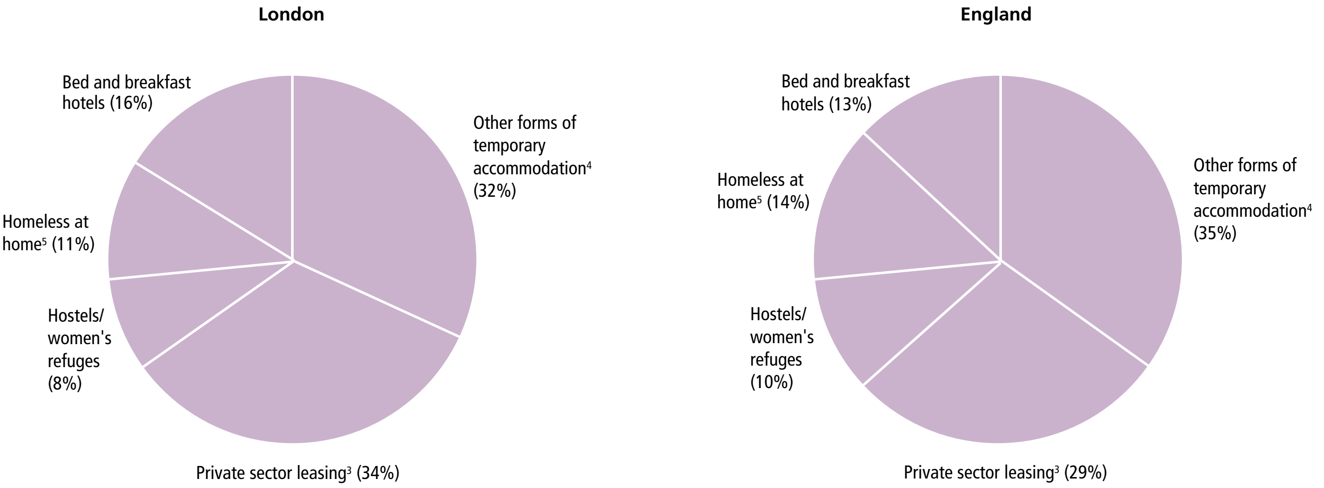
	1997	1998	1999	2000	2001	2002
Households in:						
Bed and breakfast hotels	2,830	3,460	4,790	6,540	7,570	8,300
Private sector accommodation[3]	9,820	10,060	13,350	17,860	19,850	22,230
All forms of temporary accommodation	28,090	29,930	35,160	43,170	49,350	52,720

1 Households temporarily accommodated by local authorities pending enquiries, while awaiting rehousing under the 1985 Act or after being accepted as homeless under the 1996 Act, as at the end of March each year. Includes households which, after acceptance, remain in their existing accommodation while having the same right to accommodation as those placed in temporary accommodation ("homeless at home").
2 Figures include estimates for missing data.
3 The definition of private sector accommodation differs from that used elsewhere in this chapter, see Notes and Definitions.

Source: Office of the Deputy Prime Minister

Figure **4.11**

Types of temporary accommodation used[1], March 2002[2]



1 Households temporarily accommodated by local authorities pending enquiries, while awaiting rehousing under the 1985 Act or after being accepted as homeless under the 1996 Act. Figures include estimates for missing data.
2 As at end March 2002.
3 Private sector properties leased by local authorities (LAs) or by Registered Social Landlords (RSLs).
4 Includes lettings within LAs' own stock, by RSLs on assured shorthold tenancies and directly by a private sector landlord.
5 Includes households which, after acceptance, remain in their existing accommodation while having the same right to accommodation as those placed in tempory accommodation.

Source: Office of the Deputy Prime Minister

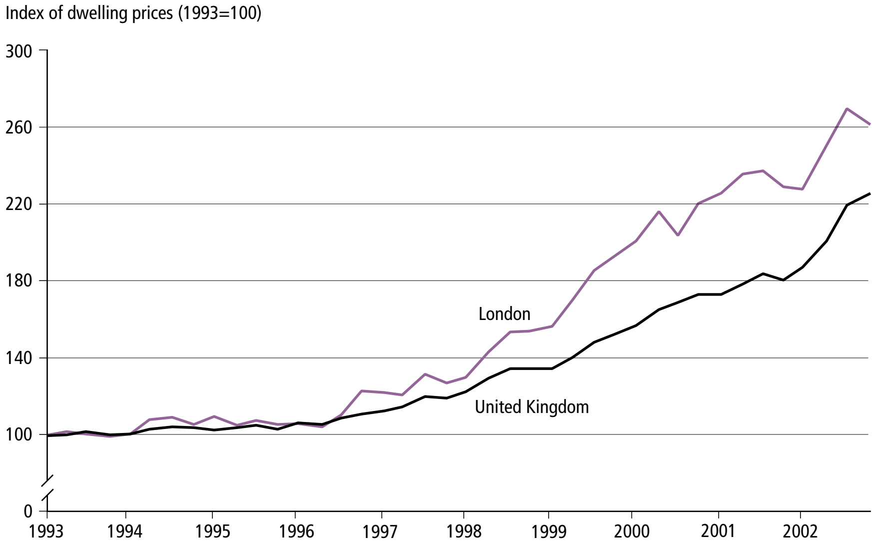
House prices in London fell by 13 percentage points between 1990 and 1995, twice as much as in the United Kingdom as a whole. However, since the middle of 1996 a strong upturn has been evident, with marked increases in London continuing into the early 2000s (Figure 4.12). At the end of 2002 the average price for all transactions, from the Office of the Deputy Prime Minister's five per cent Survey of Mortgage Lenders (including sitting tenant purchases), was £210,100 in London. This was an increase of 15 per cent since 2001 and doubling over five years. The corresponding figure for the United Kingdom as a whole was £134,300, an increase of 24 per cent on the previous year and 88 per cent over 5 years (the percentage increases are based on changes in the mixed adjustment index).

Much attention was drawn in the early 1990s to negative equity (that is, where the value of the property is less than the outstanding amount of the mortgage), and the ultimate threat of repossession. Overall, the number of owners in London with negative equity fell from 142,000 in the fourth quarter of 1995. It remained over 100,000 until well into 1996, but since then, as house prices have increased, has decreased rapidly: by the second quarter of 1998 it had almost disappeared.

Table 4.13 shows there has been a large decline since 1991 in the number of mortgage possession actions and orders made in the courts in London. However, the figures do not indicate how many homes have been repossessed through the courts as not all orders result in the issue and execution of warrants of possession. In addition it should be noted that the figures relate to the location of the court rather than the address of the property.

Figure 4.12

Dwelling prices[1]: by quarter



1 Figures are based on all lenders. The index adjusts for the mix of dwellings (by size, type and whether new or second hand) and excludes those bought at non-market prices.

Source: Office of the Deputy Prime Minister

Table 4.13

County Court mortgage possession actions[1] in London

Thousands

	Actions entered	Orders made	Suspended orders
1991	35.3	14.4	13.1
1992	24.4	10.4	11.0
1993	21.3	8.8	10.6
1994	15.5	6.8	8.4
1995	12.1	6.0	6.7
1996	11.4	4.8	6.4
1997	9.2	3.4	4.7
1998	11.4	3.5	5.3
1999	10.0	3.4	4.5
2000	8.1	2.1	3.1
2001	7.4	1.8	2.7
2002	8.7	2.3	2.7

1 Local authority and private. See Notes and Definitions.

Source: Court Service

This is a blank page.