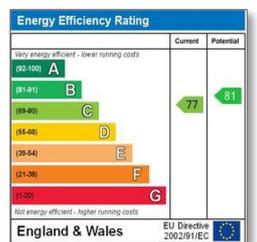




Havering and Redbridge Local Housing Needs Assessment Update

Report of Findings

November 2023





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Contents

Executive Summary.....	6
Introduction	6
Government Policy.....	6
Assessing Housing Needs in London	6
Establishing the Housing Target	7
Establishing Current Unmet Need for Affordable Housing.....	8
Overall Need for Affordable Housing	8
Policy Implications for Affordable Housing Need	9
Housing for Older People.....	10
Housing for People with Disabilities	10
Studio Apartments and Co-Housing.....	10
Future Need for Self-build and Custom Housebuilding.....	10
Specialist needs	10
1. Introducing the Study	11
Introduction	11
Government Policy.....	11
The Standard Method for Local Housing Need Assessment.....	12
Assessing Housing Needs in London	14
Duty to Co-operate	17
Jobs and Housing	19
Overview of the LHNA	20
Summary of the ORS Approach to Modelling Housing Need.....	20
The Effects of COVID 19	22
The Effects of Brexit.....	22
UK Census of Population 2021.....	23
2. Demographic Projections.....	25
Introduction	25
Official Household Projections	25
Projected Household Size	26
Population and Household Projections for Affordable Housing Need.....	28
Projected Population Age Profile.....	28
Household Projections by Age.....	31
Projected Household Types	33
Chapter Summary	35
3. Local Housing Market	37
Introduction	37
Housing Tenure Trends.....	37
Housing Property Type Trends	42
Cost of Renting	43
Cost of Home Ownership.....	47

Identifying the Gap for Affordable Home Ownership	51
Summary of Housing Costs	56
Income Required for Housing Costs.....	58
Chapter Summary	59
4. Affordable Housing Need.....	61
Introduction	61
Assessing Affordable Housing Needs	62
Current Unmet Needs of Households Unable to Afford.....	63
Projected Future Need of Households Unable to Afford.....	66
Needs of Households Aspiring to Homeownership	70
Identifying the Overall Affordable Housing Need.....	74
Affordable Mix	79
Future Policy on Housing Benefit in the Private Rented Sector	80
Chapter Summary	81
5. Overall Housing Need	83
Establishing the Housing Target	83
Disaggregating the minimum Local Housing Need figure	83
Size and Tenure Mix based Upon Overall Housing Needs.....	86
Size and Tenure Mix based Upon GLA Capacity Target.....	88
Policy Implications for Affordable Housing Need	90
Chapter Summary	91
6. Needs of Different Groups	93
Introduction	93
Housing for Older People.....	93
Accessible and Adaptable Housing	102
Housing for Wheelchair Users	103
Other groups who may need supported housing or housing with support	107
Havering - Other specialist and supported housing.....	107
Interviews with relevant staff.....	109
Modelling of Mental Health and Learning disabilities Populations	113
Mental Health.....	114
Learning Disabilities and Autism Spectrum.....	118
Young people leaving care	122
Redbridge - Other specialist and supported housing.....	123
Interviews with relevant staff.....	123
Adult Social Care Clients supported in the community	124
Mental Health.....	125
Learning Disabilities and Autism Spectrum.....	131
Young people leaving care	134
Studio Apartments and Co-Housing.....	135
Student Housing	136
Service Families	137
People Wishing to Build their Own Homes.....	138
February 2021 Policy Update	139

Essential Local Workers 144

Appendix A: Glossary 146

Appendix B: Table of Figures 150

Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was jointly commissioned by the London Boroughs of Havering and Redbridge to prepare a Local Housing Needs Assessment (LHNA).
2. This current study represents an update to the evidence base in Havering and Redbridge in relation to housing needs. In particular, it considers the need for affordable housing in light of the new London Plan being adopted in 2021.
3. While the overall study considers the needs of both Havering and Redbridge, this Executive Summary relates only to the needs of Havering. A separate Executive Summary has been produced for Redbridge.

Government Policy

4. The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018 and was updated in February 2019 and July 2021 to incorporate a number of detailed changes. The Revised NPPF introduced a new definition for affordable housing. Whilst the Original NPPF identified that affordable housing should be provided for households “whose needs are not met by the market”, the Revised NPPF adds that this includes “housing that provides a subsidised route to home ownership and/or is for essential local workers”. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.

Assessing Housing Needs in London

5. The Strategic Planning Authority for London is the Greater London Authority, and the London Plan is the statutory spatial development strategy for London. The London Plan (2021) sets out a need for 66,000 additional homes per year in London from 2016 to 2041. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). In terms of size and tenure mix, the 2017 London SHMA shows that around one third of the total need is for 1-bedroom low cost rent housing. This is because the model used in the 2017 London SHMA assumes that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not.
6. The housing targets for London Boroughs in the London Plan sum to 52,287 dwellings per annum across London, not the nearly 66,000 housing need. The London Plan sets a 10-year housing target for net housing completions (2019/20 -2028/29). In the case of Havering, this is 12,850 dwellings, or 1,285 dwellings per annum. . This figure, rather than the standard method, forms the basis for part of the analysis in this study. However, we also consider the total need for housing in Havering based upon local trends in the borough.

Establishing the Housing Target

7. The overall housing need for an area provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. In the context of London, the Boroughs are required to be in conformity with the London Plan.
8. In practice there are two ways of considering the overall housing for Havering. One is the capacity based target of 1,285 dwellings per annum, which over the period 2021-2043 yields a total housing need of 28,270 dwellings. The second approach considers local needs for Havering as a standalone borough.
9. To calculate the impact of the demographic trends for Havering, we have considered the following factors:
 - » Household growth over the 22-year plan period calculated on trend-based projections including the most up to date mid-year population estimates, fertility and mortality rates;
 - » An adjustment to ensure that anyone living in communal housing such as students in Purpose Built Student Accommodation (PBSA), prisoners, boarding school pupils, military bases and care homes population are counted in the data.
 - » Dwellings without a usually resident household (either vacant homes or second homes); and
 - » An allowance for potential suppressed household formation rates due to housing market pressure which allows that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001, a time when the housing market was experiencing much lower levels of pressure.
10. This then leaves a total need for 29,095 dwellings in Havering, which can be said to represent the overall housing needs for Havering based upon recent demographic trends and allowing all pent-up demand to form as separate households.



11. The capacity based target and the local housing needs based figure are very similar for Havering, which implies that choosing one or the other has relatively little impact. We recommend that the GLA capacity based target be preferred for policy purposes rather than one which reflects local housing needs. The extant London Plan sets capacity based housing targets for Havering which it is expected to seek to deliver. Therefore, while local needs are important, Havering has a crucial role in seeking to meet the wider needs of London. Therefore, the key results set out below derive from the capacity based target.

Establishing Current Unmet Need for Affordable Housing

12. To assess the current need for affordable housing, we initially calculated the number of households in Havering who are not suitably housed and who are unable to afford market housing. These include: all households that are currently homeless, those who are currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in the social or private rented sector, and people otherwise not counted who are in a reasonable preference category on the housing register. Given these categories for current need, there is a high correlation between those who are included on the housing register in Havering and those considered to be in current need.
13. Based on a detailed review of both the past trends and current estimates our analysis has concluded that in Havering, 3,056 households are currently living in unsuitable housing and are unable to afford their own housing. Of these households, 1,335 households currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
14. There is, therefore, a net affordable housing need of 1,721 households (3,056 less 1,335 = 1,721) in Havering. Providing the net affordable housing need will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 1,117 households. Not all households will release dwellings because some are housed outside the borough in temporary accommodation, are homeless or concealed and thus do not release dwellings.

Overall Need for Affordable Housing

15. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future and also those who can afford market rents but aspire to home ownership. This includes:
 - » new households adding to housing need,
 - » the households no longer present reducing housing need and
 - » the changes in circumstances impacting existing households.
16. This data can then be combined with the backlog of need as of 2021 and the overall capacity based dwelling target of 28,270 dwellings over the period 2021-2043 to estimate the mix of housing required in the area.
17. Figure 1 shows the core outputs from this approach. Overall there is a need for 10,754 affordable homes across the time period. This includes the needs from all households unable to afford to rent or own market housing and also provides for households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of being able to purchase an affordable homeownership product.
18. The outputs can best be considered as the consequences for Havering of London seeking to meet its overall needs. It includes all of the locally generated need for Havering, but also wider needs which cover the whole of London.

Figure 1 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 1,285 dpa in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Aspiring to Affordable Home Ownership			
	Social rent	London Living Rent				
1 bedroom	987	50	350	1,387	519	1,906
2 bedrooms	3,117	351	603	4,071	2,155	6,226
3 bedrooms	3,502	481	432	4,414	11,559	15,973
4+ bedrooms	732	110	40	882	2,934	3,816
DWELLINGS	8,337	992	1,425	10,754	17,166	27,920
C2 Dwellings	-	-	-	-	350	350
LHN	8,337	992	1,425	10,754	17,516	28,270

Policy Implications for Affordable Housing Need

19. This document represents a technical analysis for the housing needs of Havering. We do not consider that it should set firm policies for the Council, but should instead be seen as underwriting the evidence of policies which will be developed. However, we are able to make a series of recommendations.
20. In terms of affordable housing need, Figure 1 shows a need for 38% of all dwelling requiring to be affordable in Havering. This figure may be undeliverable for Havering, but this is typical for London where affordable housing need is very high, but that should not rule out seeking to put policies in place to meet as much need as possible. The affordable housing needs figures calculated in this study would address all current and potential future affordable housing needs in Havering, including the needs of those who are currently housed outside of the borough. Therefore, a 38% target for Havering represents an aspirational goal which will then require to be tested against borough and site viability for each scheme. However, the figures set out in Figure 1 show a very large potential need for affordable housing to rent, while there is also a clear market for London Living Rent and potentially First Homes and Shared Ownership.
21. The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation, students, and those seeking to build their own homes. All of these would contribute to the overall delivery of dwellings in Havering.

Housing for Older People

22. The London Plan uses figures from the GLA Older Persons Housing Needs Assessment Report 2017. This has been updated for this study and shows a need for 85 dedicated older person units per annum over the period 2024-43. This need is part of the 1,285 overall dwellings and not an addition to the need.

Housing for People with Disabilities

23. In July 2022, the government issued their response to a consultation ran in 2020 on the future of accessibility standards.¹ Paragraph 73 of the response concluded that:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

24. Previously, local authorities were required to assess the need to M4(2) accessible homes in their local area and develop policies to deliver these the properties. The government are now proposing that all homes be delivered to M4(2) standard and therefore this evidence is no longer required. A policy of all homes being built to M4(2) standards is also in line with the London Plan.
25. However, local authorities are still required to assess the need for the higher M4(3) standard which covers the need for wheelchair adapted and adaptable home. The London Plan sets a policy target of 10% for M4(3) and the evidence in this study is that a minimum 5% of new homes will require to be M4(3), but a higher proportion should be delivered to allow greater choice to wheelchair users.

Studio Apartments and Co-Housing

26. The data in this study identifies very little role for studio apartments and co-housing to meet the housing needs of Havering.

Future Need for Self-build and Custom Housebuilding

27. Havering has provided 8 plots in the last 6 years to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register. This is an extremely low number and will require to increase in the future.

Specialist needs

28. Many other groups including those with learning disabilities, mental health needs, care leavers, those fleeing domestic abuse, ex-offenders and people with substance misuse all have growing needs for support.

¹ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was jointly commissioned by the London Boroughs of Havering and Redbridge to prepare a Local Housing Needs Assessment (LHNA).
- 1.2 This current study represents an update to the evidence base in Havering and Redbridge in relation to housing needs. In particular, it considers the need for affordable housing in light of the new London Plan being adopted in 2021. It also considers the potential role of the new First Homes housing product to address affordable housing need and what can be deemed to constitute affordable housing in Havering and Redbridge.

Government Policy

- 1.3 The Government published the National Planning Policy Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.4 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *“should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- 1.5 A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 1.6 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 61 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.
- 1.7 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 61 identifies that *“any needs that cannot be met within neighbouring areas should*

also be taken into account in establishing the amount of housing to be planned for"; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].

- 1.8 The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- 1.9 Under the Original NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

The Standard Method for Local Housing Need Assessment

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

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

- 1.12 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.

- 1.13 The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

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

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

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

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

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

PPG Reference ID: 2a-010-20190220

- 1.14 PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. This assessment works to the London Plan capacity based target rather than the Government standard method figure, but for completeness the standard method figure is set out in summary here:
- 1.15 Following a review of standard method in December 2020, the current standard method figure for Havering and Redbridge are:
- » Havering - 2,975 dwellings per annum uncapped. This is the borough figure which arises from initially taking the household growth for Havering for 2023-33 from the 2014 based CLG household projections which amount to 14,109 households, or 1,410 per annum. This figure is then uplifted by a capped uplift of 40% or uncapped uplift of 56.19% to reflect affordability and then a further uplift of 35% set out in the cities and urban uplift.

- » Redbridge - 4,372 dwellings per annum uncapped. For Redbridge, the projected household growth for 2023-33 is 19,704 or 1,970 per annum, uplifted by an uncapped figure of 64.38% and the 35% uplift to give 4,372 dwellings per annum.

^{1.16} However, these figures are less significant in London than they would be other parts of England because London Boroughs must also be in conformity with the London Plan. In practice, the 35% uplift will not be given effect until the next London Plan is being developed because it covers the whole London area. This being the case the standard method figure is largely redundant at present and the figure is not used at any point to assess housing needs in this report.

Assessing Housing Needs in London

^{1.17} Paragraph 61 of the National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in the Planning Practice Guidance for assessing local housing need. PPG on Housing and Economic Needs Assessment (paragraph 013) sets out that local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected Mayors. In such cases, it will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area. Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure.

^{1.18} The Strategic Planning Authority for London is the Greater London Authority and the London Plan is the statutory spatial development strategy for London. The GLA have produced a Greater London SHMA (2017) an SHMA Addendum in 2019, and the GLA's Housing Supplementary Planning Guidance 2016.

^{1.19} The Mayor's draft new London Plan was subject to examination in 2019. The Inspectors issued their report and recommendations to the Mayor on 8th October 2019 concluding that, subject to limited changes, it provides an appropriate basis for the strategic planning of Greater London. The Mayor has considered the Inspectors' recommendations and, on the 9th December 2019, issued to the Secretary of State his Intend to Publish London Plan. Following consultation between the Mayor and the Secretary of State, the Secretary of State accepted that the London Plan could be published on 29th January 2021, and it was formally published on March 2nd 2021 as the London Plan 2021.

^{1.20} The London Plan sets out a need for 66,000 additional homes per year in London from 2016 to 2043. This is based on the 2017 London Strategic Housing Market Assessment (SHMA). The Inspectors noted that the SHMA does not follow the guidance in the PPG on assessing objectively assessed need. However, they noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. The Inspectors concluded in para 133 of their report that the need for 66,000 additional homes per year identified by the SHMA is justified and has been properly calculated for market and affordable housing having regard to national policy and guidance.

^{1.21} In terms of size and tenure mix, the 2017 London SHMA was summarised in Table 1, which we have reproduced below as Figure 2. This shows that around one third of the total need is for 1 bedroom low cost rent housing. This is because the model used in the 2017 London SHMA assumes that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not. The vast majority of this group require 1 bed low cost rented properties, so they generate much of the overall need.

Figure 2: Net annualised requirement for new homes in London, 2016 to 2043 (Source: 2017 London Strategic Housing Market Assessment: Mayor of London)

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

- 1.22 The outcome of the 2017 London SHMA central scenario is that it assumes that 65,878 dwellings are needed at an average of around 1.9 bedrooms per dwellings, so 125,000 bedrooms are needed to be provided each year. ORS provided evidence to the London Plan inquiry on behalf of both the Greater London Assembly and the West London Alliance which argued for a lower number of dwellings at around 50,000 per annum, but with a larger average size of around 2.5 bedrooms per dwelling, giving a total of around 125,000 bedrooms per annum. This highlights a central issue in studies such as this one, with the need to address the accommodation requirements of a projected population offering a range of options from building many smaller properties to delivering a lower number of dwellings which are on average larger.
- 1.23 It is also the case that the 2017 London SHMA included a series of different scenarios for overall need which ranged from 59,900 to 69,600 new homes a year.
- 1.24 The London Plan sets out ten-year housing targets for individual Boroughs using a capacity-based methodology. The Inspectors found that the general approach to devising the housing targets and the contribution that large sites would make was justified. However, they found issue with the contribution expected from small sites and subsequently recommended that the contribution from small sites be reduced with the overall targets for each Borough reduced by a corresponding amount. The Mayor accepted this recommendation of the Inspectors and the housing targets for London Boroughs have subsequently been revised down in the Published London Plan.
- 1.25 Policy H1 of the London Plan sets the ten-year targets for net housing completions that each local planning authority should plan for. It states that Boroughs must include these targets in their Development Plan targets. For the purposes of the Plan, London is considered as a single housing market area. The supporting text (para 4.1.2) sets out the advantage of planning strategically in that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to deliver them across the capital. Due to London's ability to plan strategically, Boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan.
- 1.26 From the point of view of this study, the London Plan sets a 10-year housing target at Table 4.1 for net housing completions (2019/20-2028/29). In the case of Havering, this is 12,850 dwellings, or 1,285 dwellings per annum. For Redbridge, the figures are 14,090 dwellings or 1,409 dwellings per annum. This gives a total capacity based target in the Boroughs of Havering and Redbridge of 1,285 and 1,409 dwellings per annum respectively. These figures, rather than the standard method forms the basis for part of the analysis in this study. We would also note that the capacity based figure covers both conventional housing supply and also non-conventional accommodation such as purpose built student accommodation, shared housing and dedicated older person scheme.

1.27 From the point of view of this study it is important that the figures of 1,285 and 1,409 dwellings per annum are part of the overall projected supply for London of 52,287 per annum set out in the London Plan, not the 65,878 dwellings identified as need. Part of our modelling for this study is therefore based upon the role of Havering and Redbridge in helping to meet London's overall need while delivering 1,285 and 1,409 dwellings per annum as part of a total delivery of 52,287 dwellings per annum. The delivery targets are purely capacity based, and a direct output of the 2017 SHLAA (moderated by London Panel) and are not informed by individual borough need figures, although the overall London wide need figure established through the GLA's SHMA has clearly acted as a key driver for finding capacity. The London Plan's LPA delivery targets essentially represent the London need figure apportioned to LPA's based on their identified potential capacity.

1.28 The London Plan contains Policy H10 Housing size mix which sets out the following requirements:

A Schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a scheme, applicants and decision-makers should have regard to:

- 1) robust local evidence of need where available or, where this is not available, the range of housing need and demand identified by the 2017 London Strategic Housing Market Assessment
- 2) the requirement to deliver mixed and inclusive neighbourhoods
- 3) the need to deliver a range of unit types at different price points across London
- 4) the mix of uses in the scheme
- 5) the range of tenures in the scheme
- 6) the nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity
- 7) the aim to optimise housing potential on sites
- 8) amalgamation of existing stock
- 9) the role of one and two bed units in freeing up family housing

1.29 This LHNA aims to provide two different levels of analysis. Firstly, we will consider the localised evidence for housing needs in Havering and Redbridge without considering the wider impact of need in the rest of London. As a second set of results, we will consider the role Havering and Redbridge can play in meeting the needs of London as a whole based upon its capacity based targets. Both sets of outputs will relate to the whole of the Borough of Havering and Redbridge, including the planning area covered by OPDC.

29. For the purposes of this study, we would also note that the following definitions are used for affordable rented housing and we capitalise Social and Affordable Rent when discussing specific products:

- » **Social Rented housing** is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.
- » **Affordable Rent** is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents. This tenure is no longer funded by the GLA

and so is likely to become increasingly obsolete. In London a distinct housing product entitled London Affordable Rent is closer in price to Social Rent than it is to Affordable Rent.

Duty to Co-operate

- 1.30 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- 1.31 The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *“the homes and jobs needed in the area”*.

Maintaining effective cooperation

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

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

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

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

National Planning Policy Framework, February 2019

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

Maintaining effective cooperation

How are plan-making bodies expected to cooperate?

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

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

PPG Reference ID: 61-009-20190315

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

How can housing market areas be defined?

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

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

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

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

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

PPG Reference ID: 61-018-20190315

- 1.35 This definition of an HMA is almost identical to that in the original PPG relating to housing need.
- 1.36 The identification of housing markets in London is not a new area of study. The Greater London Strategic Housing Market Assessments 2008, 2014 and 2017 effectively treat London as being a single housing market area. The 2014 Greater London SHMA notes at Table:

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

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

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

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

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

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

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

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

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

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

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

Jobs and Housing

- 1.40 Havering and Redbridge is part of the GLHMA and it is at this level that there requires to be a balance of jobs and workers. The Greater London Authority prepared the SHMA 2017 and Addendum 2019 for the GLHMA to inform the London Plan, which considers jobs and housing at the London-wide level; and LPAs in London are required to conform to the London Plan.

- 1.41 It is not possible to define an HMA that is smaller than Greater London that is self-contained in terms of commuting or migration – so if jobs and workers are to be in balance, the analysis must be undertaken for the whole of Greater London.

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

Overview of the LHNA

- 1.43 The first key objective of this LHNA is to establish the need for housing (both market and affordable) in the Borough of Havering and Redbridge on the assumption that it delivers housing to meet the needs of its local population based upon recent demographic trends. The final calculation for this task is set out in Figure 79 and Figure 80.
- 1.44 A second key objective is to establish how the need would change on the assumption that it provides an average 1,285 dwellings per annum for Havering and 1,409 dwellings per annum for Redbridge from 2021-43 based upon GLA capacity targets. The final outputs for this task are set out in Figure 81 and Figure 82.
- 1.45 This report considers the key outputs from the LHNA – namely establishing the overall balance between market and affordable housing over the 22-year period 2021-43. It is important to recognise that the information from the LHNA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The LHNA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

Summary of the ORS Approach to Modelling Housing Need

- 1.46 As noted above, this LHNA seeks to establish the need for housing (both market and affordable) in the Borough of Havering and Redbridge on the assumption that it delivers housing to meet the needs of its local population based upon recent demographic trends and also considers the consequences of meeting the GLA capacity target for the borough.
- 1.47 In Chapter 2, we consider the demographic profile of the population and households. The demographic projections for this LHNA are based on the latest official projections and cover the 22-year period 2021-2043. They are informed by the latest ONS mid-year estimates,^[1] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. In particular, we focus upon the 2018 based 10-year migration trends variant population and household projections. The data within these projections is then adjusted in light of the mid-year population estimates 2019 and 2020 and the Census 2021. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published.
- 1.48 We would note that the previous SHMA, which covered Havering and Redbridge, utilised the population and household projections produced by the GLA. The most recent set of projections produced by the GLA still utilise headship rates from the 2014 based CLG household projections. Given that the ONS updated the methodology for calculating headship rates in the 2016 based and 2018 based household projections, we currently consider using this data as being more appropriate for modelling the core long-term households projections for Havering and Redbridge. However, as set out below, we do also utilise the GLA housing led household projections for Havering and Redbridge when consider the demographic impact of meeting its capacity based targets.
- 1.49 The estimates for affordable housing need in Chapter 4 are therefore based upon adjusted 2018 based population and household projections. The figures contained within this chapter therefore reflect the need

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

for affordable housing based upon much more recent trends than the data underwriting the standard method, but do not include any impact of concealed households or suppressed household formation.

^{1.50} However, delivering the number of dwellings required in Havering and Redbridge to address the household projections, current concealed households and suppressed household formation will require a different household growth than the trend-based population and household growth. This issue is reconciled in Chapter 5. To move from the household growth in Chapter 4 to the total need for dwellings in Chapter 5 requires a series of additional elements. These include:

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

^{1.51} When all relevant factors have been added, the outputs produced in Chapter 2 and 4 are consistent with an overall housing need figure in Chapter 5. Therefore, the figures produced in Chapter 5 are the overall conclusions for housing need in Havering and Redbridge.

^{1.52} As well as the trend based housing needs figure for Havering and Redbridge in Chapter 5, we have also estimated the housing needs based upon the London Plan capacity targets. These are modelled directly from the 2020 GLA Housing-led projections and therefore have different underlying population and household assumptions to the trend based housing needs figures. The figures based upon the 2020 GLA Housing-led projections are therefore directly built from the final capacity based estimates in the London Plan.

^{1.53} It should also be noted that this study look at other housing issues such as future need for student housing, older people homes, co-living, built to rent, and the number of homes that may need to be specially designed for older people and people with disabilities/illnesses.

^{1.54} Figure 3 sets out a flow chart of the study process building from demographic data and housing costs to consider a wide range of housing needs.

Figure 3: Flow Chart of the Study



The Effects of COVID 19

- ^{1.55} The long-term impact of the COVID 19 pandemic is unknown for housing needs across the country. In the short-term the best available initial evidence pointed to a very sharp drop in the population of the UK in 2020, particularly in London. In a study produced by the Economic Statistics Centre of Excellence² it is estimated that the population of the UK fell by 1.3 million in 2020, with 700,000 of this drop occurring in London. As noted above, this also was noted by the GLA who consider that the 2021 Census represents an under-estimate for London as a whole, but that the population of London has now returned back to pre-pandemic levels.
- ^{1.56} On this basis, we have not modelled revised LHNA outputs to consider for the impact of COVID 19 as the likely long-term impact of Covid 19 is currently not showing to be significant on the total population of London.
- ^{1.57} The more significant long-term impact of Covid 19 is likely to be on the increased use of home working. The pandemic has demonstrated that more workers can work from home than was previously the case, and this has implications for housing demand in terms of location, size and transport access. Many households may now be able to move from more dense urban areas to suburban locations and will be seeking greater space to use as home offices. Transport connections also become less important if a worker is visiting an office infrequent compared to doing so every day. This in turn raises questions around office and commercial units in urban areas and whether they will provide opportunities for conversion to residential spaces in the future.

The Effects of Brexit

- ^{1.58} The Report does not consider the implications for the LHNA arising from the UK's decision to leave the EU (June 2016), primarily as the final outcomes are still unknown. The final deal to leave the EU was signed in 2020 and new trade and travel agreement are still being gradually phased in to place.

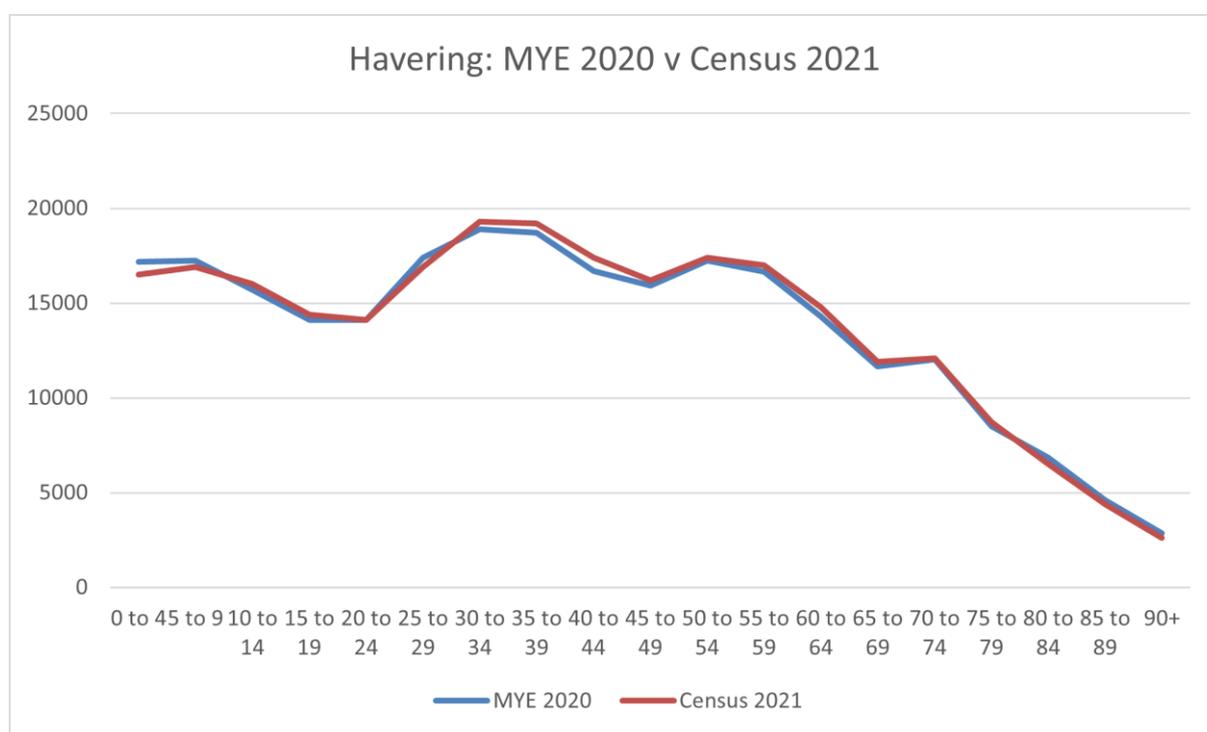
² [Estimating the UK population during the pandemic - ESCoE : ESCoE](#)

^{1.59} Arguably, the key factor which would affect LHNAs is migration – both national and international. The immediate migration data for the UK³ indicates that net migration from the EU has fallen, this has been replaced by net migration from outside of the EU and but national migration data for 2021/22 was at record highs, so there is no evidence of a slowing of population growth.

UK Census of Population 2021

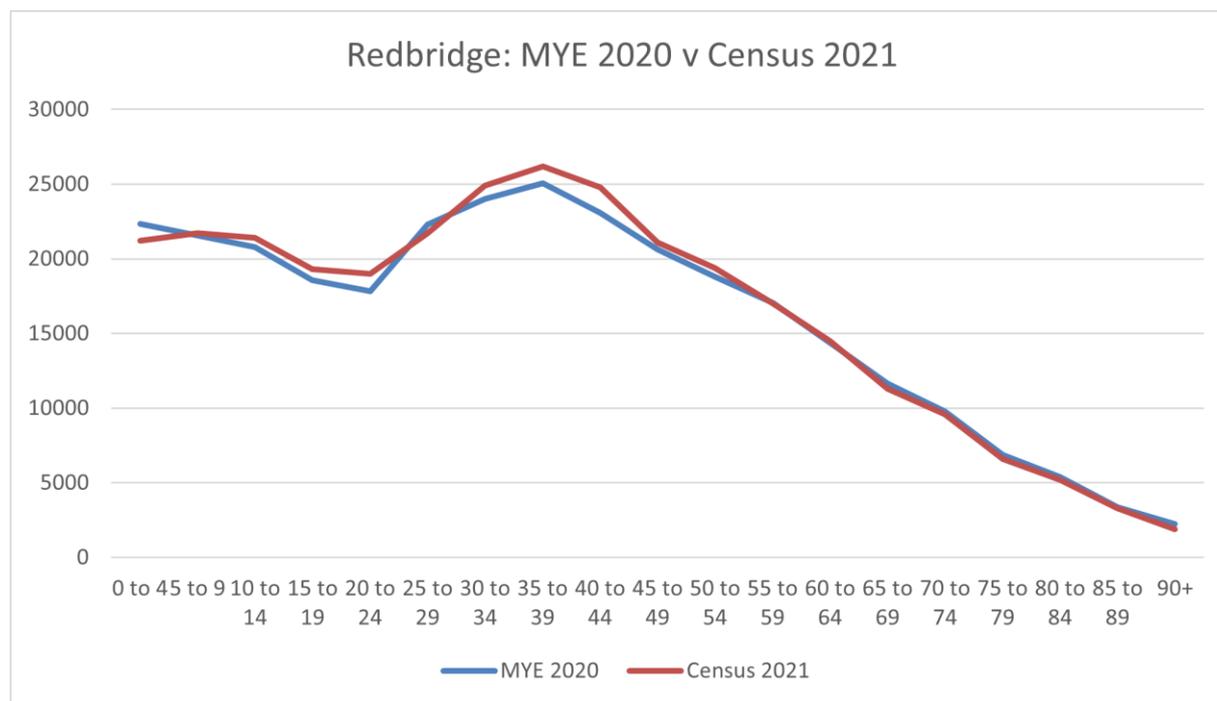
^{1.60} We would note the initial results from the Census of Population 2021 were released in June 2022 and these show an extremely high level of consistency with previous mid year population estimates for Havering and Redbridge, as shown in Figure 4 and Figure 5.

Figure 4:: Comparison of MYE 2020 and UK Census of Population 2021 for Havering (Source: 2020 MYE and UK Census of Population 2021)



³ [Net migration to the UK - Migration Observatory - The Migration Observatory \(ox.ac.uk\)](https://www.migrationobservatory.ox.ac.uk/)

Figure 5: Comparison of MYE 2020 and UK Census of Population 2021 for Redbridge (Source: 2020 MYE and UK Census of Population 2021)



- ^{1.61} The GLA have confirmed that the Census appears to have undercounted the population of central London due to the impact of the pandemic, but that the population has subsequently returned. However, this issue does not appear to have affected Redbridge and Havering, so we can treat the Census data with a high degree of confidence.
- ^{1.62} Census data is still being released throughout 2023 and some key data which feeds into the underlying ORS model has not yet been released, such as much of the cross tabulation information covering household types, dwelling sizes and property types. However, the fact that the Census mirrors previous estimates of the population of both authorities provides confidence in the underlying data.

2. Demographic Projections

The baseline for establishing housing need

Introduction

- 2.1 This chapter uses the available population projections for Havering and Redbridge to explain the predicted growth of households during the plan period.

Official Household Projections

- 2.2 Planning Practice Guidance revised in February 2019 identifies that the 2014-based Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

PPG ID 2a-005-20190220

- 2.3 The first step in analysing housing needs must therefore be to identify the household projections for Havering and Redbridge which is used as the basis for this report.
- 2.4 Figure 6 sets out a range of the various household projections from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach. The 2018 based principle projection is based upon migration from only 2016-2018 and therefore are very unstable across England as a whole. However the 10-year trend 2018-based projections are much more stable are used to help underwrite much of the modelling in this report.
- 2.5 While PPG proposes that housing needs should be based upon the 2014 based CLG household projections, the GLA 2020 based projections are an update of the bespoke projections developed for the Draft London Plan 2019. The Inspectors for the draft London Plan 2019 noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. They concluded that the approach followed by the GLA was appropriate for London.

Figure 6: Household projections 2021-31 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Change in Households 2023 2033 for Havering		Change in Households 2023 2033 for Redbridge	
		10 year change	Annual average	10 year change	Annual average
CLG Household Projections					
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+14,109	+1,411	+19,704	+1,970
ONS 2016-based Projections					
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+12,247	+1,225	+14,186	+1,419
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+13,515	+1,351	+17,540	+1,754
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+12,859	+1,286	+16,379	+1,638
ONS 2018-based Projections					
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+7,941	+794	+8,504	+850
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+10,846	+1,085	+11,982	+1,198
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+11,276	+1,128	+14,732	+1,473
GLA 2020-based Projections					
Principal projection: Long Term trend DCLG household projection	2004-20	+11,853	+1,185	+12,818	+1,282

Projected Household Size

- 2.6 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 7 and Figure 8) divides the population in the area by the associated household projection.

Figure 7: Average household size estimates and projections for Havering for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)

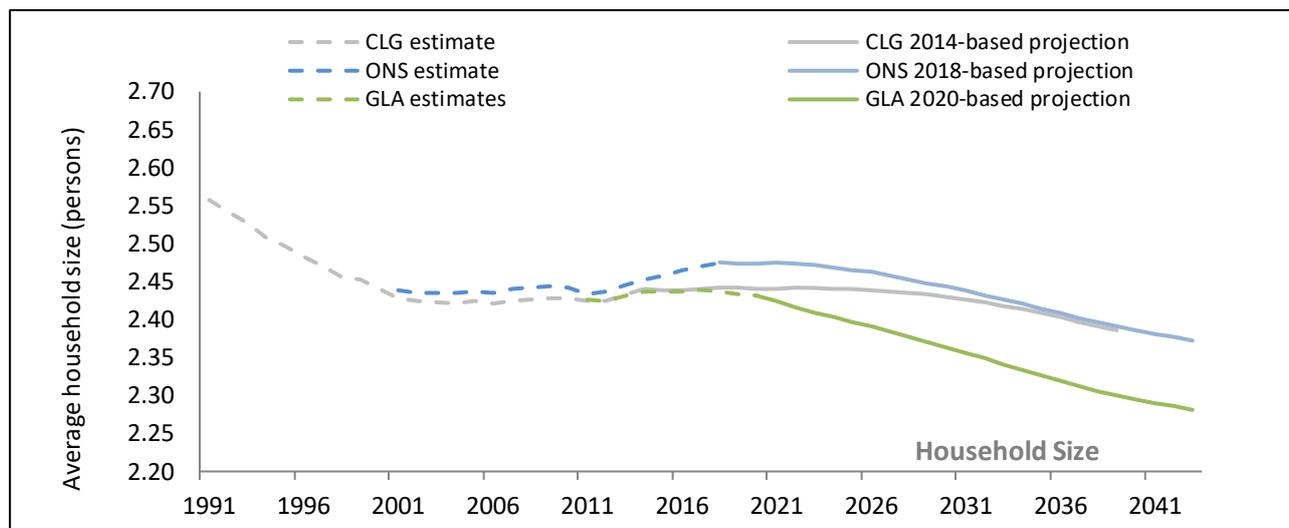
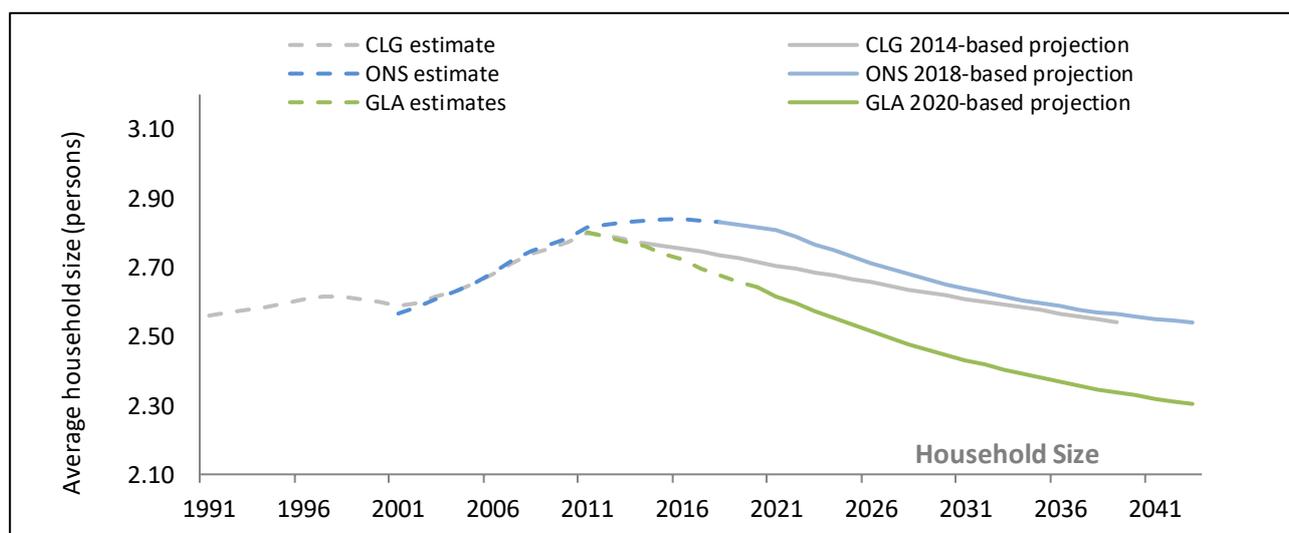


Figure 8: Average household size estimates and projections for Redbridge for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)



- 2.7 As the chart shows, average household sizes rose very sharply in Redbridge between 2001 and 2011 and the ONS 2018 based projections indicate that they are still rising, but will fall from 2021 onwards.
- 2.8 However, the CLG 2014 based projections indicated that household sizes in Havering and Redbridge were projected to fall after 2011 from around 2.43 per households in Havering to around 2.28 and from around 2.8 per household in Redbridge to 2.30 per household in 2043. This projected fall in average household sizes cannot be explained by the ageing population of Havering and Redbridge.
- 2.9 In practice the 2021 Census shows that the average household size in Havering was 2.59 per household and for Redbridge it was 2.99 per household. These are very significant rises, indicating a high degree of pressure on the housing stock and are much more consistent with the ONS 2018 based household projections than the CLG 2014 based, or GLA 2020 based projections. The key driver for the issue of household sizes is the household representative rates (HRRs) used by CLG in producing their household projections.

- 2.10 HRRs provide the probability of a households being a household representative and in the 2014 based CLG drew on data from as far back as the 1971 Census. Therefore, HRRs are based upon long-term data, so the drop in household sizes projected reflects data from 1971 onwards for Havering and Redbridge, not just recent data.
- 2.11 CLG had previously identified problems with the current approach and they had planned to improve the methodology used for the household projections. However, the Government announced in January 2017 that responsibility for these projections would be passed to ONS with immediate effect.
- 2.12 The ONS are now working with only data from the 2001 Census onwards. Therefore, the 2018 based projection reflect only the changes in HRRs in Havering and Redbridge since 2001 and they project a much later and lower drop in household sizes.

Population and Household Projections for Affordable Housing Need

- 2.13 The demographic projections for this LHNA are based on the latest official projections and cover the 22-year period 2021-43, They are informed by the latest ONS mid-year estimates,⁴ and take account of the most up-to-date fertility and mortality rates and the latest migration trends. This yields a household growth which is then reconciled with overall local housing need for Havering and Redbridge and the London Plan dwelling figure in Chapter 5. Therefore, the modelling from this point onwards until Chapter 5 is underwritten by the most up to date demographic data.

Projected Population Age Profile

- 2.14 Between 2021 and 2043, the overall population of Havering is projected to grow by 57,146 from 262,052 people to 319,198 people while the population of Redbridge is projected to grow by 59,954 from 310,263 to 370,217.
- 2.15 Over 33% of the growth in Havering and 45% in Redbridge is associated with the older population. This is a particularly important consideration when establishing the types of housing required and the need for housing specifically for older people.

⁴ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

Figure 9: Population projections 2021-43 by 5-year age cohort for Havering (Source: 2020 MYE adjusted ONS sub-national projections 2018)

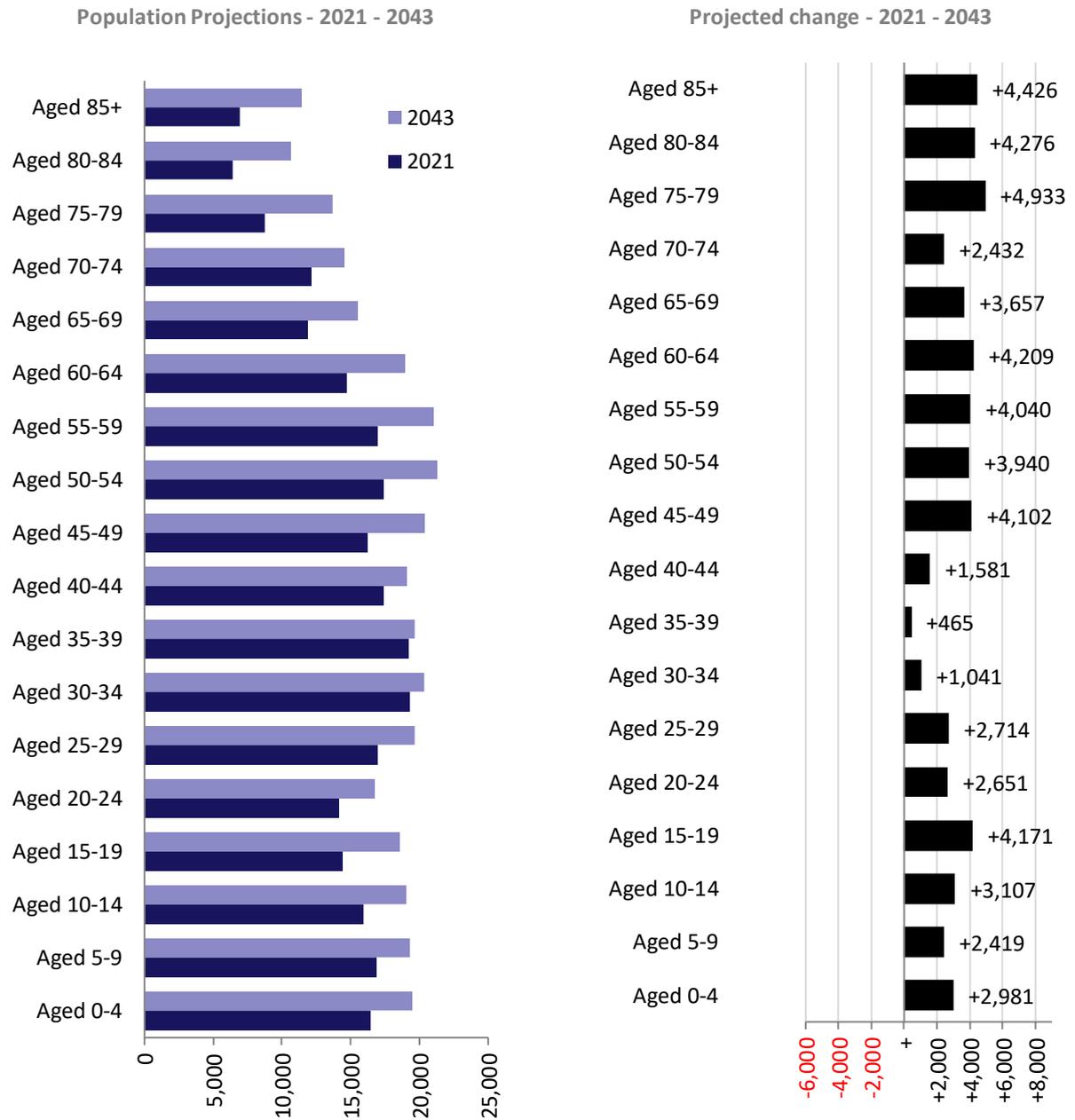
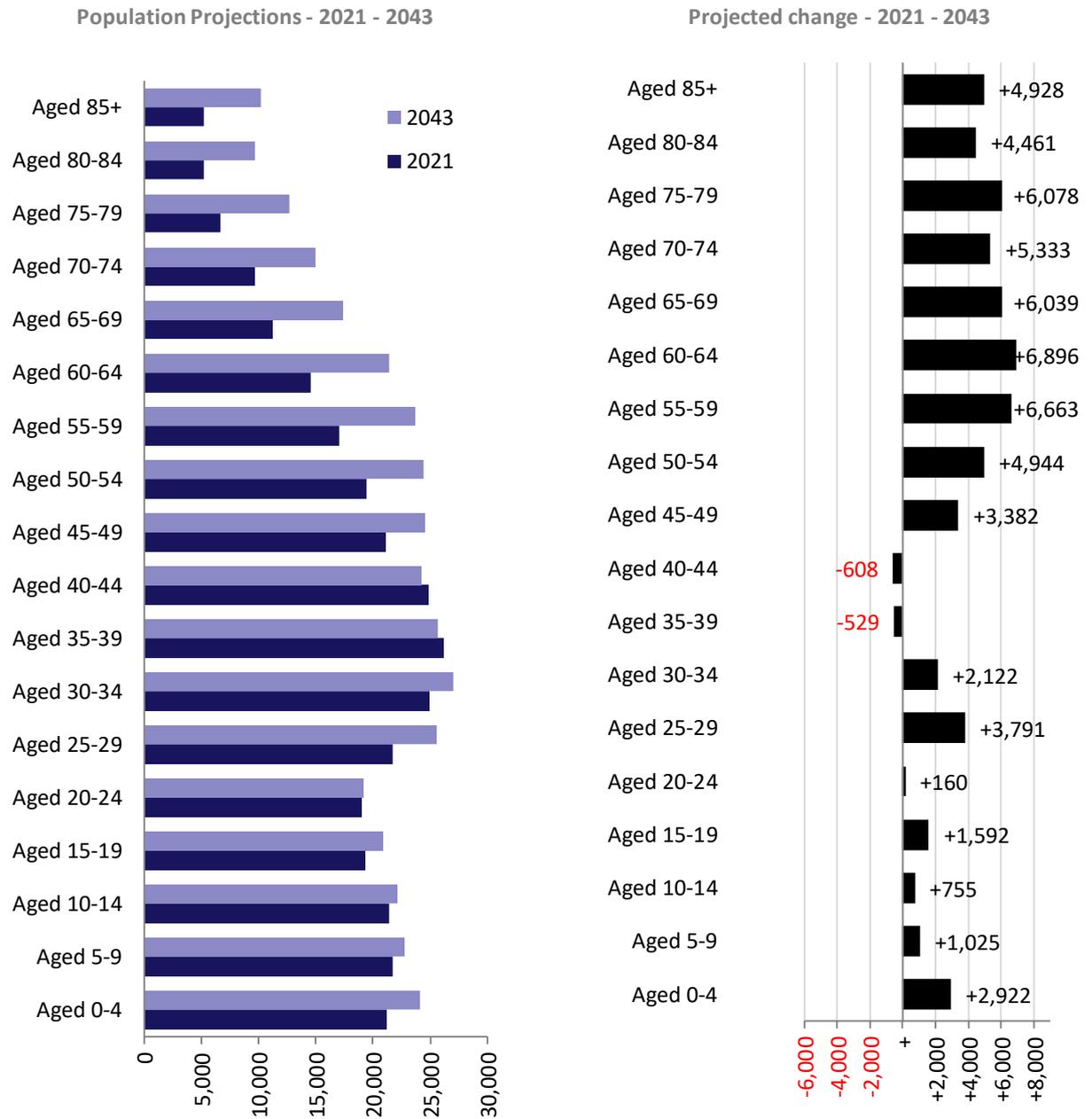


Figure 10: Population projections 2021-43 by 5-year age cohort for Redbridge (Source: 2020 MYE adjusted ONS sub-national projections 2018)



Household Projections by Age

- ^{2.16} An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP). Please note that throughout this section figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 11: Total projected households in Havering for 2021 and 2043 (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+	
2021	2,600	14,000	20,200	20,000	18,700	13,900	10,800	5,200	105,300
2043	3,700	16,000	21,400	24,800	23,400	17,300	17,500	8,700	132,800
CHANGE	+1,200	+2,000	+1,200	+4,800	+4,800	+3,400	+6,700	+3,500	+27,600

Figure 12: Total projected households in Redbridge for 2021 and 2043 (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+	
2021	2,800	13,900	26,700	24,400	18,100	11,200	7,800	3,700	108,500
2043	4,500	21,100	26,800	29,800	26,300	17,500	14,900	7,400	148,200
CHANGE	+1,700	+7,200	+0	+5,400	+8,200	+6,300	+7,100	+3,700	+39,700

- ^{2.17} The table shows an overall increase of 27,600 households in Havering and 39,700 households in Redbridge over the 22-year period 2021-43 with nearly a half of this increase in Havering and 43% of the increase in Redbridge being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 22-year period.
- ^{2.18} It is important to consider household growth in relation to age cohorts. Figure 13 and Figure 14 show the projected number of households in each cohort, showing their age in both 2021 and 2043. Clearly, no household representatives are aged under 3 (in 2021), but children aged under 3 in 2021, or born before 2021, will be aged 15-24 in 2043, and thus will be potentially heads of a household.

Figure 13: Total projected households for 2021 and 2043 by age cohort of household representative for Havering (Note: Figures may not sum due to rounding)

Age in 2021	Age of Household Representative								TOTAL
	<3	3 12	13 22	23 32	33 42	43 52	53 62	63+	
Age in 2043	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+	
2021	-	-	2,000	11,700	18,900	20,000	18,900	33,600	105,300
2043	3,700	16,000	21,400	24,800	23,400	17,300	17,500	8,700	132,800
CHANGE	+3,700	+16,000	+19,300	+13,000	+4,500	2,700	1,400	24,900	+27,600

Figure 14: Total projected households for 2021 and 2043 by age cohort of household representative in Redbridge (Note: Figures may not sum due to rounding)

Age in 2021	Age of Household Representative								TOTAL
	<3	3 12	13 22	23 32	33 42	43 52	53 62	63+	
Age in 2043	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+	
2021	-	-	2,200	11,700	24,200	24,900	19,300	26,300	108,500
2043	4,500	21,100	26,800	29,800	26,300	17,500	14,900	7,400	148,200
CHANGE	+4,500	+21,100	+24,600	+18,100	+2,100	7,400	4,400	18,900	+39,700

- ^{2.19} For example, in Havering, there were 11,700 households aged 23-32 in 2021 and these same households would be aged 45-54 in 2043. The trend-based projection identified that the total number of households aged 45-54 in 2043 would be 24,800. The projection shows, an extra 13,000 households: partly due to new household formations and partly due to net migration.
- ^{2.20} It is useful to explain the relationship between Figure 11 & Figure 12, and Figure 13 & Figure 14. The best way to do this is to work backwards from the projected households in 2043, which can be seen to be the same in both tables for each borough. The first two tables simply show the number of households representatives in 2021 and in 2043 for each age group, while the second two tables show the demographic changes which lead to the projected number of households in 2043. The 85+ age group in the first two tables is simply the number of household representatives of that age as at 2021. The second two tables show two factors that result in the final 2043 numbers. The number of household who will be 85+ in 2043 is a sum of the number of households who are 22 years younger than 85 at the beginning of the plan period in 2021 (that is those aged 63+), minus the number of households in the age group dissolving during the 22 years (usually due to death).
- ^{2.21} Based on the cohort analysis, in Havering, around 52,800 extra households will be formed over the 22-year period 2021-43 by those who will be aged under 55 in 2043. These extra households are offset against a reduction of 29,000 households aged 65 or over. Most of this reduction is due to household dissolution following death (although some is due to net migration). In Redbridge, 70,400 new households will form, to be offset by a reduction of 30,700 households aged 65 or over.
- ^{2.22} Whilst the overall volume increase in households includes the impact of an older population, this has less impact on the housing market of Havering and Redbridge than in most local authorities due to the relative youth of population. Most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form and there are very high numbers of these households in Havering and Redbridge. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

- ^{2.23} When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.
- ^{2.24} Figure 15 and Figure 16 show the household numbers and net change for Havering and Redbridge from 2021 to 2043 separated out by the age of the household representative person (HRP).

Figure 15: Total projected households for 2021 and 2043 and change by household type and age of household representative in Havering (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+	
Households 2021									
Single person	390	4,100	3,710	3,500	4,330	4,710	5,930	3,410	30,100
Couple without children	190	2,820	1,460	6,130	10,910	7,650	3,420	1,450	34,000
Families with child(ren)	1,590	6,610	14,530	8,830	1,590	230	90	70	33,500
Other households	390	520	480	1,490	1,840	1,260	1,350	270	7,600
TOTAL	2,600	14,000	20,200	20,000	18,700	13,900	10,800	5,200	105,300
Households 2043									
Single person	30	5,280	4,130	4,460	5,200	5,710	7,490	4,970	37,300
Couple without children	0	2,150	250	4,150	11,890	8,820	6,650	3,300	37,200
Families with child(ren)	3,100	8,030	16,630	14,310	3,210	540	290	230	46,300
Other households	600	590	360	1,850	3,130	2,210	3,100	220	12,100
TOTAL	3,700	16,000	21,400	24,800	23,400	17,300	17,500	8,700	132,800
Change 2021-43									
Single person	-360	+1,180	+420	+960	+870	+990	+1,560	+1,560	+7,200
Couple without children	-190	-670	-1,210	-1,980	+990	+1,160	+3,230	+1,850	+3,200
Families with child(ren)	+1,510	+1,420	+2,100	+5,480	+1,620	+310	+200	+160	+12,800
Other households	+210	+70	-130	+360	+1,280	+960	+1,750	-50	+4,500
TOTAL CHANGE	+1,200	+2,000	+1,200	+4,800	+4,800	+3,400	+6,700	+3,500	+27,600

Figure 16: Total projected households for 2021 and 2043 and change by household type and age of household representative in Redbridge (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+	
Households 2021									
Single person	580	2,890	4,270	4,140	3,550	3,440	4,210	2,200	25,300
Couple without children	460	3,250	2,450	5,020	10,140	5,990	2,130	990	30,400
Families with child(ren)	1,150	5,990	18,980	13,530	2,350	300	90	50	42,400
Other households	570	1,740	1,030	1,730	2,050	1,430	1,360	440	10,400
TOTAL	2,800	13,900	26,700	24,400	18,100	11,200	7,800	3,700	108,500
Households 2043									
Single person	460	3,180	3,840	4,910	3,470	4,210	5,930	3,550	29,600
Couple without children	680	5,460	2,060	3,820	15,390	9,460	4,710	2,590	44,200
Families with child(ren)	2,480	8,660	19,770	18,970	3,790	590	260	130	54,700
Other households	830	3,820	1,100	2,070	3,650	3,230	4,010	1,100	19,800
TOTAL	4,500	21,100	26,800	29,800	26,300	17,500	14,900	7,400	148,200
Change 2021-43									
Single person	-120	+290	-430	+770	-70	+770	+1,720	+1,350	+4,300
Couple without children	+220	+2,210	-390	-1,190	+5,250	+3,470	+2,570	+1,590	+13,700
Families with child(ren)	+1,330	+2,680	+790	+5,440	+1,440	+290	+160	+80	+12,200
Other households	+250	+2,070	+80	+340	+1,600	+1,800	+2,650	+660	+9,400
TOTAL CHANGE	+1,700	+7,200	+0	+5,400	+8,200	+6,300	+7,100	+3,700	+39,700

^{2.25} In summary over the 22-year period:

- » Single person households are projected to increase by around a quarter in Havering and 10% in Redbridge;
- » Families with dependent children make up nearly 50% of the growth in Havering and a third of the growth in Redbridge;
- » Couples without dependent children are projected to by around 10% of the total growth in Havering and a third of the total growth in Redbridge;
- » The increase in “Other” households represents around 15% of the growth in Havering and 25% of the growth in Redbridge.⁵

2.26 The final group of ‘Other’ households is very important because it implies that part of the projected household growth in Havering and Redbridge will be unrelated households, students and multi-generation households. This in turn implies that the demographic projections are assuming that there will be many larger households. This is a point we will return to in Chapter 5.

Chapter Summary

2.27 The 2021 Census shows that the average household size in Havering was 2.59 per household and for Redbridge it was 2.99 per household. These are very significant rises, indicating a high degree of pressure on the housing stock and are much more consistent with the ONS 2018 based household projections than the CLG 2014 based, or GLA 2020 based projections.

2.28 The demographic projections for this LHNA are based on the latest official projections and cover the 22-year period 2021-43, They are informed by the latest ONS mid-year estimates, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Between 2021 and 2043, the overall population of Havering is projected to grow by 57,146 from 262,052 people to 319,198 people while the population of Redbridge is projected to grow by 59,954 from 310,263 to 370,217.

2.29 Over 33% of the growth in Havering and 45% in Redbridge is associated with the older population. The data shows an overall increase of 27,600 households in Havering and 39,700 households in Redbridge over the 22-year period 2021-43 with nearly a half of this increase in Havering and 43% of the increase in Redbridge being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 22-year period.

2.30 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.

2.31 In summary over the 22-year period:

- » Single person households are projected to increase by around a quarter in Havering and 10% in Redbridge;
- » Families with dependent children make up nearly 50% of the growth in Havering and a third of the growth in Redbridge;
- » Couples without dependent children are projected to by around 10% of the total growth in Havering and a third of the total growth in Redbridge;

⁵ Other Households can be defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”.

- » The increase in “Other” households represents around 15% of the growth in Havering and 25% of the growth in Redbridge.⁶

⁶ Other Households can be defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”.

3. Local Housing Market

Housing trends and cost of housing in Havering and Redbridge

Introduction

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

Housing Tenure Trends

- 3.3 When considering the local housing market, it is worth noting the changes to tenure over the past forty years. We would note the 2001 Census contained an under-estimate of housing numbers for many London Boroughs.
- 3.4 The chart below shows how the most notable change has been the decline in the proportion of people in affordable rented properties (comprising Social Rent and other affordable rented homes), which has fallen during the period (from 25% to 18%). In contrast, private rent has seen a sharp growth. Between 1981 and 1991 there was a strong growth in owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 79% in Havering and is now falling sharply again to below 1981 levels.

Figure 17: Housing tenure trends for Havering (1981 – 2021). Source: UK Census of Population

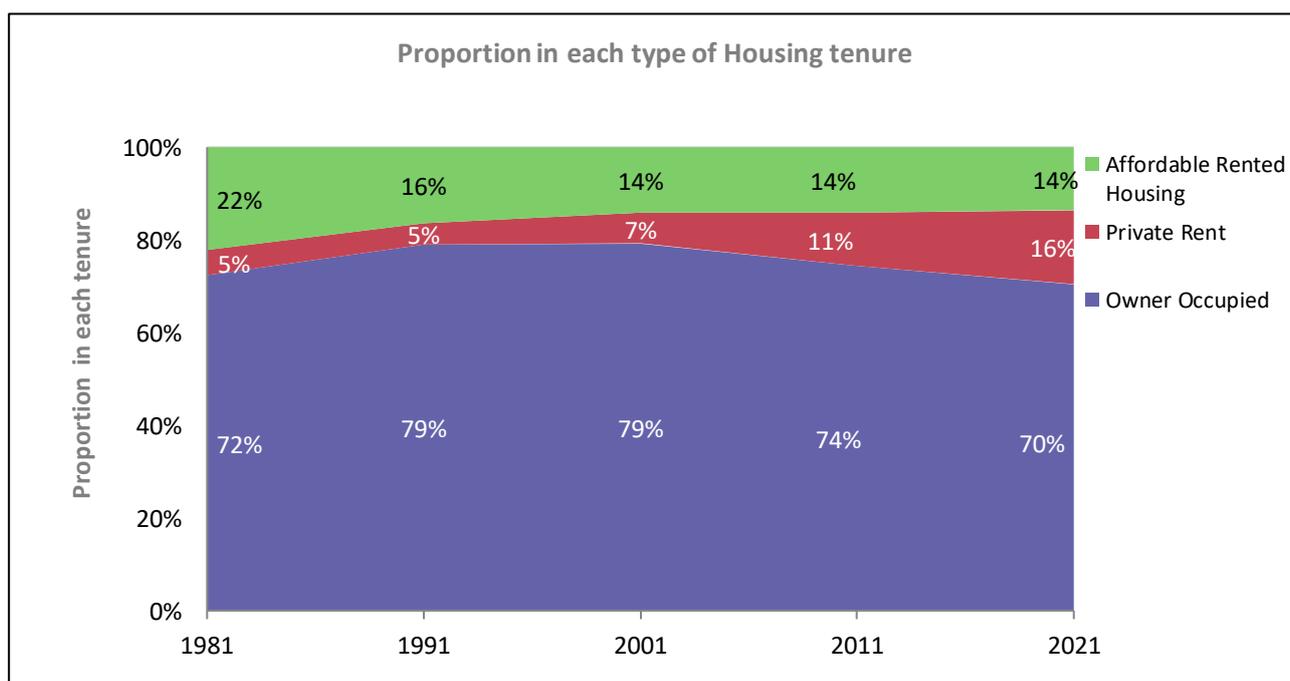
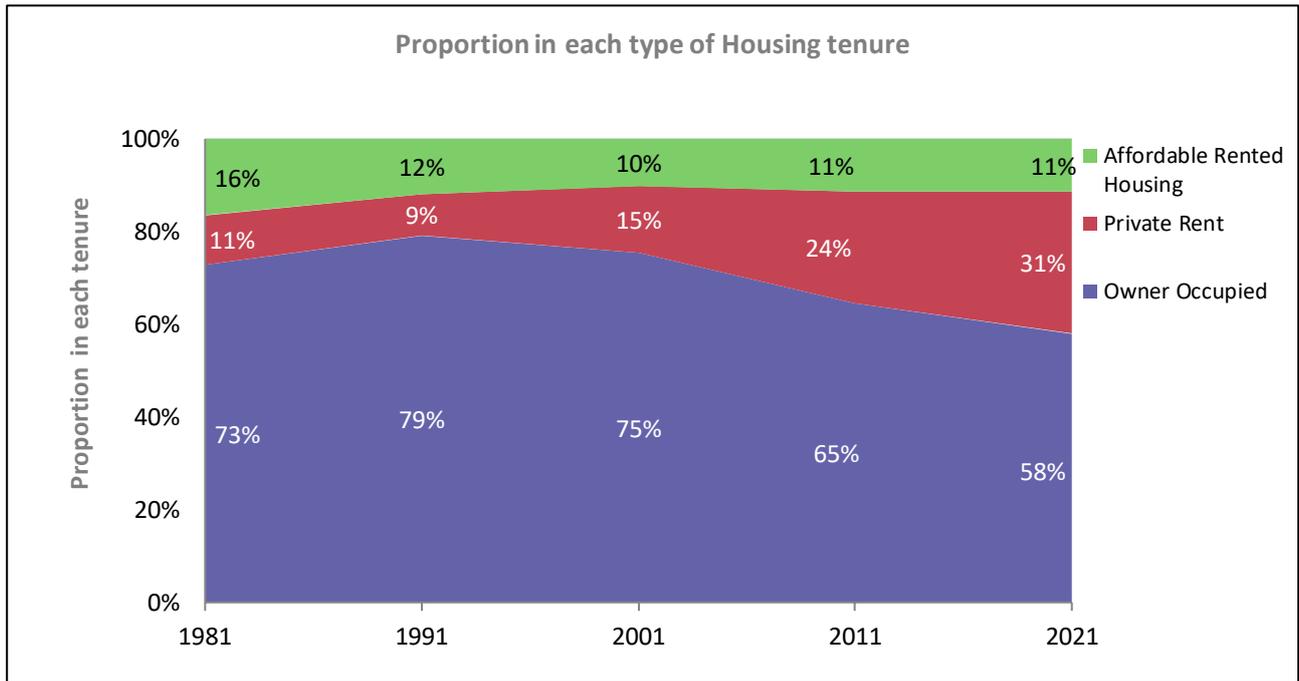


Figure 18: Housing tenure trends for Redbridge (1981 – 2021). Source: UK Census of Population



3.5 During the same period the actual volume of housing in Havering has risen from 84,400 to 100,300 households, while the number in Redbridge has risen from 82,700 to 103,700. Importantly, the volume of households in affordable rented housing has only fallen in both local authorities whilst other forms of tenure have increased in volume.

Figure 19: Housing tenure trends for Havering (1981 - 2011)

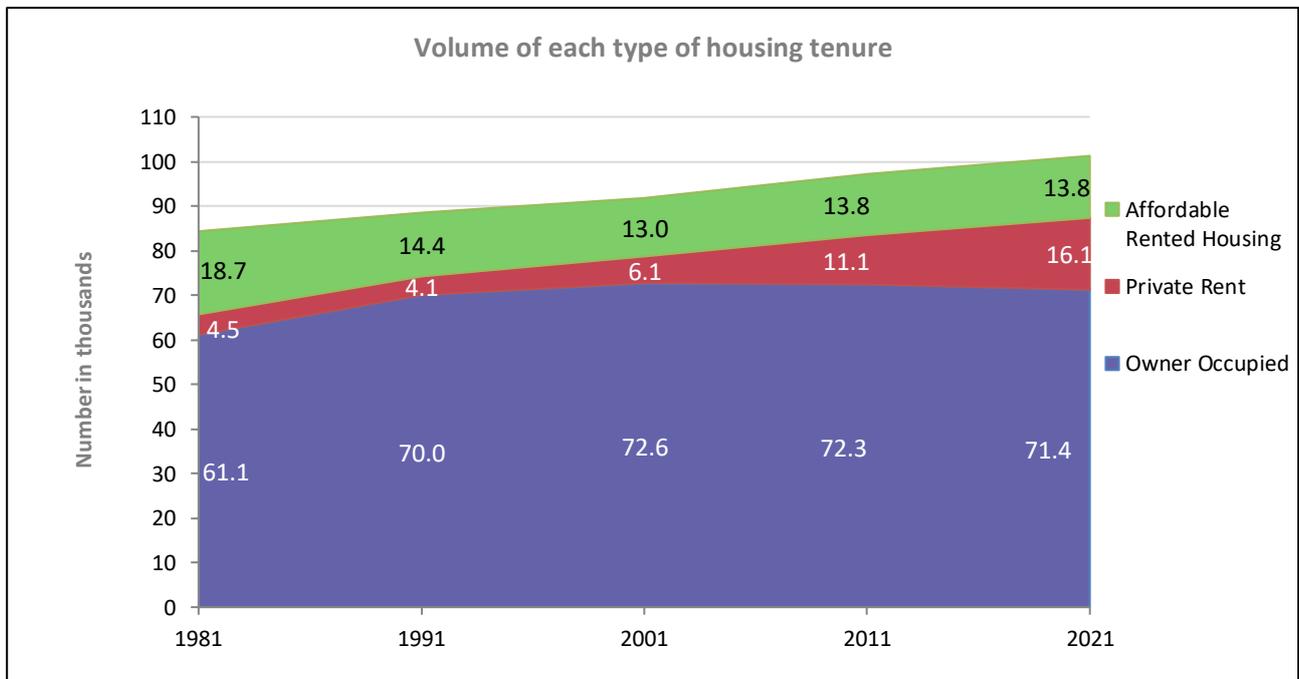
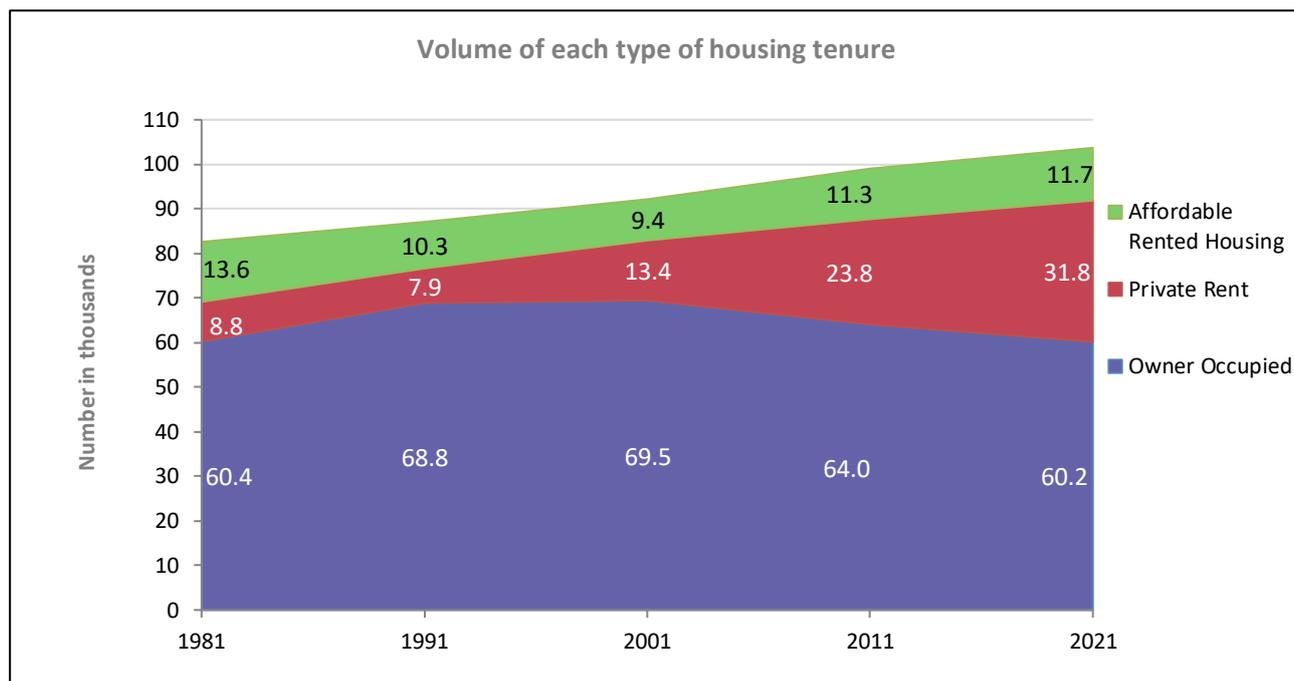


Figure 20: Housing tenure trends for Redbridge (1981 - 2011)



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

Figure 21: Number of Households in Havering by Tenure 1981-2021 (Source: UK Census of Population)

	Number of Households					Net Change			
	1981	1991	2001	2011	2021	1981 1991	1991 2001	2001 2011	2011 2021
Owner occupied	61,146	70,046	72,608	72,284	71,355	+8,900	+2,562	-324	-929
Private rent	4,544	4,099	6,092	11,116	16,115	-445	+1,993	+5,024	+4,999
Affordable Rented Housing	18,732	14,419	13,022	13,799	13,807	-4,313	-1,397	+777	+8
TOTAL	84,422	88,564	91,722	97,199	101,277	+4,142	+3,158	+5,477	+4,078

Figure 22: Number of Households in Redbridge by Tenure 1981-2021 (Source: UK Census of Population)

	Number of Households					Net Change			
	1981	1991	2001	2011	2021	1981 1991	1991 2001	2001 2011	2011 2021
Owner occupied	60,362	68,812	69,488	63,986	60,203	+8,450	+676	-5,502	-3,783
Private rent	8,768	7,876	13,446	23,830	31,803	-892	+5,570	+10,384	+7,973
Affordable Rented Housing	13,604	10,318	9,354	11,289	11,707	-3,286	-964	+1,935	+418
TOTAL	82,734	87,006	92,288	99,105	103,713	+4,272	+5,282	+6,817	+4,608

- 3.7 The growth in the private rented sector (PRS) in Havering and Redbridge is consistent with national trends, Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

Planning Practice Guidance, ID 67-002-20190722

- 3.8 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices;
 - » Pensions reform: pension drawdowns invested in BTL property.
- 3.9 The growth of the private rented sector has been acknowledged as both a growing and long-term option for meeting the nation’s housing need. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.⁷ On this basis, the number of households renting privately could double again over the next twenty years.
- 3.10 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.
- 3.11 The Office for Budget Responsibility analysis of the UK’s public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)⁸:

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

- 3.12 The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

⁷ <http://news.rla.org.uk/rpi-rent-revolution/>

⁸ <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

- 3.13 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁹ (including the Build to Rent investment scheme¹⁰). The Government published “*Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities*” in March 2012¹¹, and the Foreword by the Minister stated:

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

- 3.14 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom Social Rented or Affordable Rented property. The private rented sector makes an important contribution towards providing affordable housing options.
- 3.15 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.16 The Housing and Planning Act 2016 contains proposals to further the Government’s policy of encouraging home ownership through promoting Starter Homes. These Starter Homes were intended to provide affordable housing for first time buyers. There are many households residing in the private rented sector in Havering and Redbridge who aspire to home ownership and if affordable Starter Homes could be provided for this group it would, potentially, reduce the size of the private rented sector.
- 3.17 However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes¹².
- 3.18 The Government first consulted on First Homes ran from February to May 2020 indicating that they will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher. In August 2020, MHCLG confirmed that they intended to proceed with First Homes as an affordable housing product and published a consultation “Changes to the current planning system”, which included proposals on the detail of changes to planning policy to deliver First Homes. Policies on First Homes were formally adopted in July 2021 and guidance on their delivery was published. First Homes will be prioritised for first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% will be in perpetuity, so the buyer will not own more than 70% of the property. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.19 As discussed later in this report, there are many households residing in the private rented sector in Havering and Redbridge who aspire to home ownership and if affordable First Homes are provided for this group it

⁹ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

¹⁰ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

¹² <https://www.gov.uk/government/consultations/first-homes>

would, potentially, reduce the size of the private rented sector. However, the funding for First Homes will be drawn from the same Section 106 funds which help to provide affordable rented homes such as Social Rent and Shared Ownership. Developers would be expected to provide a proportion all properties on larger new developments and sell these at a discount of at least 30%.

- ^{3.20} By taking part of the developer contributions funding for affordable homes into the First Homes scheme, this could reduce the supply of Social Rented or Shared Ownership homes. If this happens, then young households, for whom First Homes remain out of reach, will have few other options than to enter the private rented sector.
- ^{3.21} We would note that Mayor of London is currently not looking to progress First Homes in London. The current affordable housing programme in London assumes that the main affordable housing products delivered will be London Affordable Rent, London Living Rent and Shared Ownership.¹³ In much of the rest of England it is anticipated that First Homes will displace funding for Shared Ownership, but this is currently not the case in London.

Housing Property Type Trends

- ^{3.22} A striking statistic relating to property type is shown in Figure 23 and Figure 24. This shows that the 2021 Census found a smaller number of terraced properties than the 2011 Census.
- ^{3.23} A reduction in the number of terraced properties happens in some areas due to the conversion of houses to flats and this appears to have happened in both areas because there was also a large growth in the number of flats.

Figure 23: Number of Dwellings in Havering by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		2011 2021
	2011	2021	
Detached	10,823	11,987	1,164
Semi-detached	40,405	42,916	2,511
Terraced	26,166	25,507	-659
Flat or maisonette (purpose built or converted house)	21,685	25,874	4,189
Caravan or other (including flats in converted commercial buildings)	211	346	135
TOTAL	99,184	106,630	7,446

¹³ [Affordable Homes Programme 2021-2026 - Funding Guidance \(london.gov.uk\)](https://www.london.gov.uk/press-releases/major/affordable-homes-programme-2021-2026-funding-guidance)

Figure 24: Number of Dwellings in Redbridge by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		2011 2021
	2011	2021	
Detached	6,920	7,377	457
Semi-detached	26,849	28,965	2,116
Terraced	35,256	34,330	-926
Flat or maisonette (purpose built or converted house)	32,485	36,961	4,476
Caravan or other (including flats in converted commercial buildings)	65	164	99
TOTAL	101,348	107,797	704

Cost of Renting

3.24 When considering renting in Havering and Redbridge it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in Havering and Redbridge. This includes:

- » Median and lower quartile private rent;
- » Local Housing Allowance (LHA) for Inner North London BRMA¹⁴;
- » Affordable Rent; based on average rents charged for existing dwellings; and
- » Social Rents.

3.25 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget.

3.26 Figure 25 and Figure 26 set out the median weekly rents for different property sizes in Havering and Redbridge together with the local housing allowances and the calculated affordable rent rates.

Figure 25: Weekly rent thresholds in Havering (Source: Valuation Office Agency 2021-22; SDR 2021)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Outer North East London BRMA	Affordable Rent	Social Rent
1 bedroom	£218.48	£197.32	£207.12	£146.80	£96.96
2 bedrooms	£275.98	£252.98	£264.66	£173.41	£111.54
3 bedrooms	£333.47	£310.47	£316.44	£214.34	£133.24
4+ bedrooms	£413.96	£370.96	£398.14	£239.14	£149.41

¹⁴ This represents the maximum amount of housing benefit that can be claimed. Previously based on the 30th percentile private rent, however more recent increases are based on Consumer Price index (CPI) and rates were frozen in the July 2015 Budget.

Figure 26: Weekly rent thresholds in Redbridge (Source: Valuation Office Agency 2021-22; SDR 2021)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Outer North East London BRMA	Affordable Rent	Social Rent
1 bedroom	£241.48	£218.48	£207.12	£156.04	£102.88
2 bedrooms	£298.97	£275.98	£264.66	£187.83	£121.85
3 bedrooms	£367.97	£344.97	£316.44	£236.95	£138.80
4+ bedrooms	£459.96	£413.96	£398.14	£257.01	£157.10

- 3.27 Across all property sizes, the lower quartile private rent is lower than the maximum LHA in Havering, but slightly higher in Redbridge and Social Rents are also always lower.
- 3.28 Affordable Rent is generally lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of Affordable Rent (where they were entitled to do so).
- 3.29 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people. This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

Income Needed to Rent Housing

- 3.30 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹⁵ stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income” (page 42)*

- 3.31 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that “care should be taken ... to include only those households who cannot afford to access suitable housing in the market” (ID 2a-024, emphasis added).
- 3.32 The English Housing Survey (EHS) 2015-16¹⁶ provides information about the percentage of gross household income that households currently spend on their housing costs¹⁷:

- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in affordable rented housing; and

¹⁵ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

¹⁶ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹⁷ “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

- » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in affordable rented housing.

^{3.33} The EHS thus demonstrates that many households, in both private and affordable rented properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing costs.¹⁸ Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay. We would also note that government policy has moved over the summer of 2022 towards the idea that the ability to cover rental costs should form part of the consideration for obtaining a mortgage. Therefore, the worry that paying a high share of income for rent will limit the ability to save for a deposit should be reduced if mortgage lenders can consider the current ability of household to meet their own rents.

^{3.34} As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector in Havering based on a 35% income multiplier:

- » The median weekly rent recorded was £218.48;
- » Based on a 35% income multiplier, a weekly income of £626 would be needed which equates to a gross annual income of £32,571.
- » To rent the same property based on a 25% income multiplier would increase the gross income required to £45,599 per year whereas households with an annual income of £25,333 per year could afford the rent if 45% of their income was allocated to housing costs.

¹⁸ The London Plan uses a figure of up to 40% of gross income on housing costs, while London Living Rents are based upon setting rents at one third of average income in a ward.

3.35 Figure 27 and Figure 28 show the gross household incomes needed to afford median and lower quartile private rent, Affordable Rent and Social Rent if 35% is spent on housing.

Figure 27: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Havering (Source: ORS based on Valuation Office Agency data October 2021 to September 2022)

Annual Income £	Private Rent		Affordable Rent (SDR 2022)	Social Rent
	Median	Lower Quartile		
1 bedroom	£32,571	£29,417	£21,885	£14,455
2 bedrooms	£41,143	£37,714	£25,852	£16,629
3 bedrooms	£49,714	£46,286	£31,954	£19,864
4+ bedrooms	£61,714	£55,303	£35,652	£22,274

Figure 28: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Redbridge (Source: ORS based on Valuation Office Agency data October 2021 to September 2022)

Annual Income £	Private Rent		Affordable Rent (SDR 2022)	Social Rent
	Median	Lower Quartile		
1 bedroom	£36,000	£32,571	£23,263	£15,338
2 bedrooms	£44,571	£41,143	£28,002	£18,166
3 bedrooms	£54,857	£51,429	£35,325	£20,693
4+ bedrooms	£68,571	£61,714	£38,315	£23,420

3.36 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is “*housing that is too expensive compared to disposable income*” that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

3.37 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 41.4% of their net income and would leave £189 per week as disposable income to cover their other living expenses.
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income and would leave £241 per week as disposable income to cover their other living expenses.

3.38 We should also consider the differing potential levels of housing benefit:

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.

- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

- 3.39 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing. Therefore, a key consideration in the ORS Model as to whether a household can afford market rents is whether they receive housing benefit or Universal Credit to assist with their housing costs. If a household is renting privately and does not receive housing benefit then they are covering their own rents. This can be taken as evidence that they can afford to cover their own rents and are unable to get government assistance with these.
- 3.40 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 29 sets out the incomes for housing benefit eligibility for different types of households.

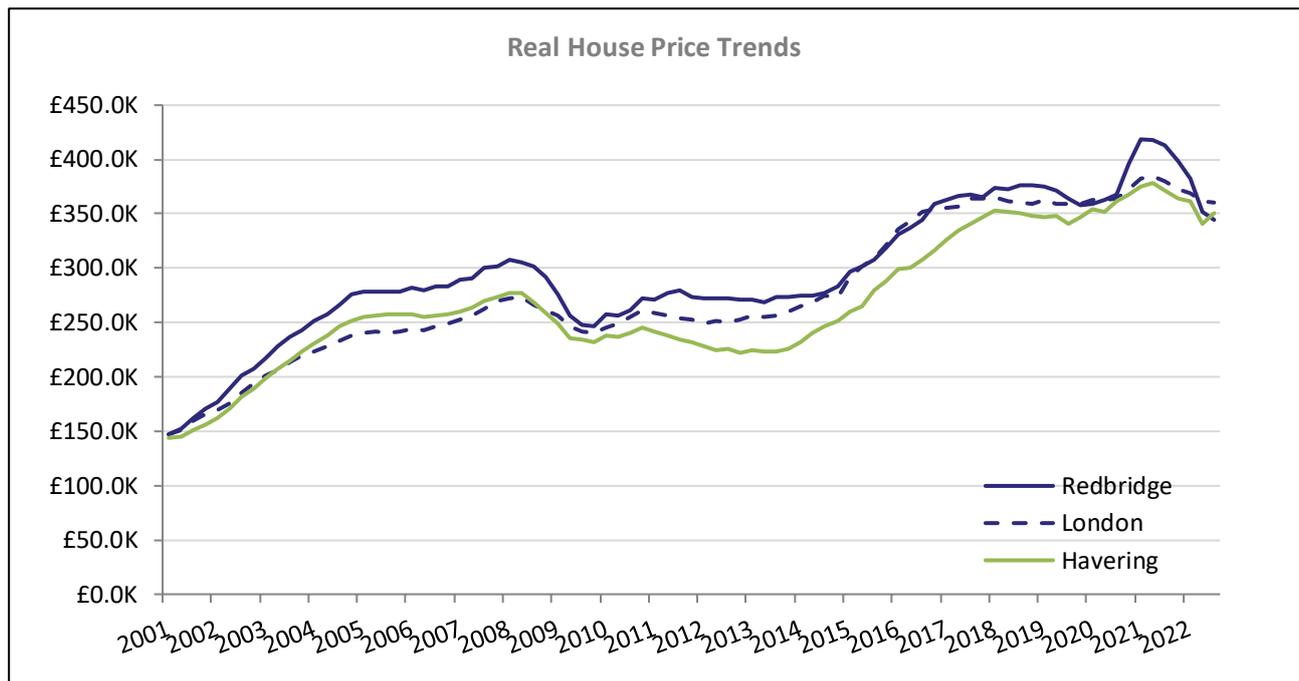
Figure 29: Maximum income for households in receipt of housing benefit support by household type
(Source: ORS based on Department for Work and Pensions data)

		Outer North East London BRMA
	Single person aged 16-24	£11,342
	Single person aged 25-34	£12,174
	Single person aged 35+	£20,644
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£21,437
	Couple (one or both aged 18 or over)	£22,943
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£28,958
	Lone parent (aged 18 or over) with 2 children	£32,652
	Couple (aged 18 or over) with 1 child	£31,256
	Couple (aged 18 or over) with 2 children	£34,950

Cost of Home Ownership

- 3.41 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2022) are shown in Figure 30. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 3.42 Real house prices in Havering and Redbridge are very similar to the London average. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to a low in 2010 since which time they have grown steadily until 2021 when there was a sharp dip in prices in Redbridge in particular.

Figure 30: Real House Price Trends: Lower Quartile Prices adjusted to 2022 values using CPI (Source: ONS; Bank of England)



- 3.43 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 31 and Figure 32 show lower quartile house prices in Havering and Redbridge by bedroom size.
- 3.44 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium, but this is not clear-cut in Havering and Redbridge. Generally, existing dwellings sell for more than newbuild properties, except for 1 bedroom dwellings and 4 bedroom plus properties in Redbridge.

Figure 31: Lower quartile prices (adjusted by CPI) (2022) by property size in Havering (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)

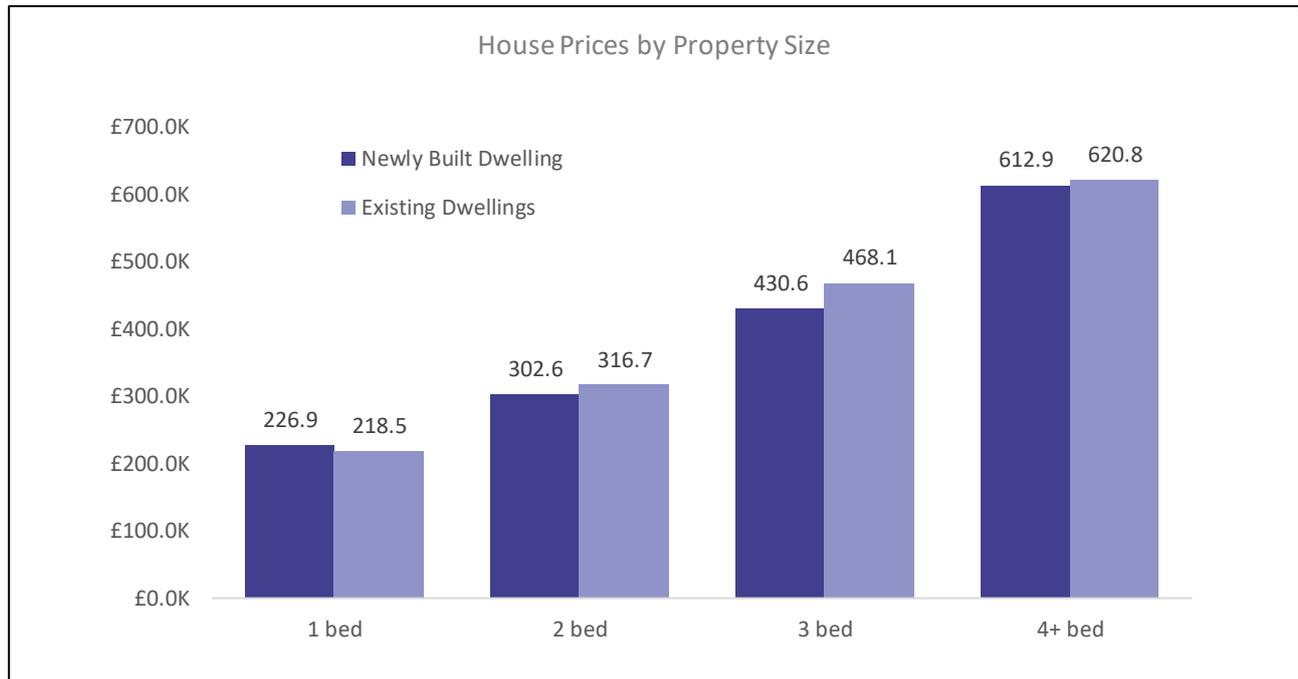
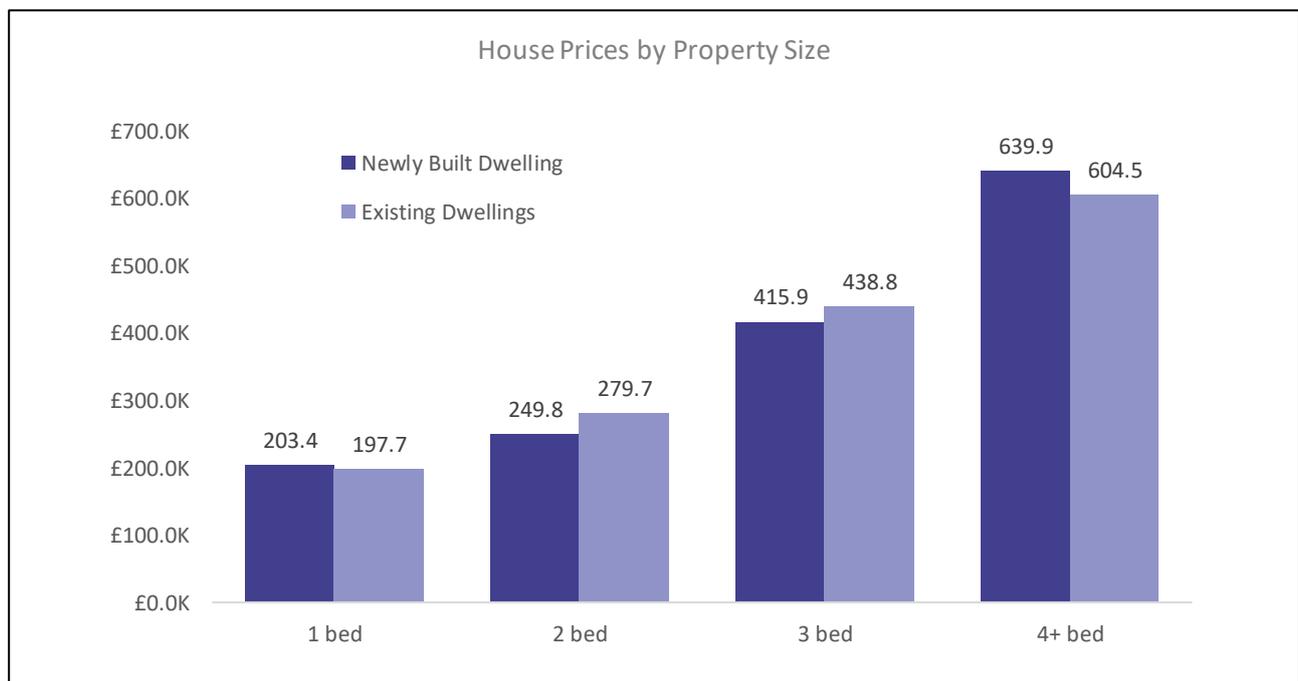


Figure 32: Lower quartile prices (adjusted by CPI) (2022) by property size in Redbridge (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



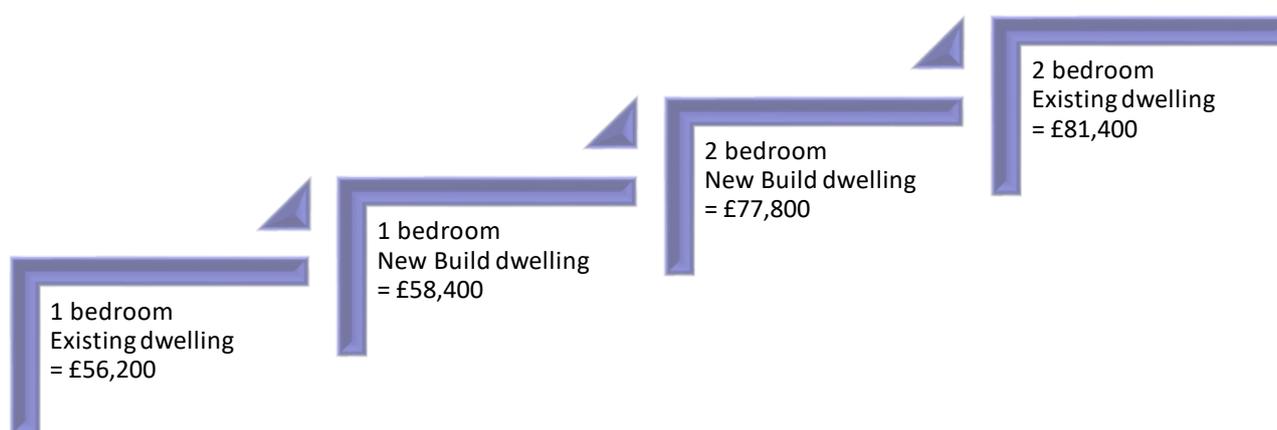
^{3.45} The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of new build housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character. In Havering and Redbridge, much of the new development is in the form of flats, while the existing stock includes a higher share of houses and these attract a premium.

- 3.46 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

Income Needed for Home Ownership

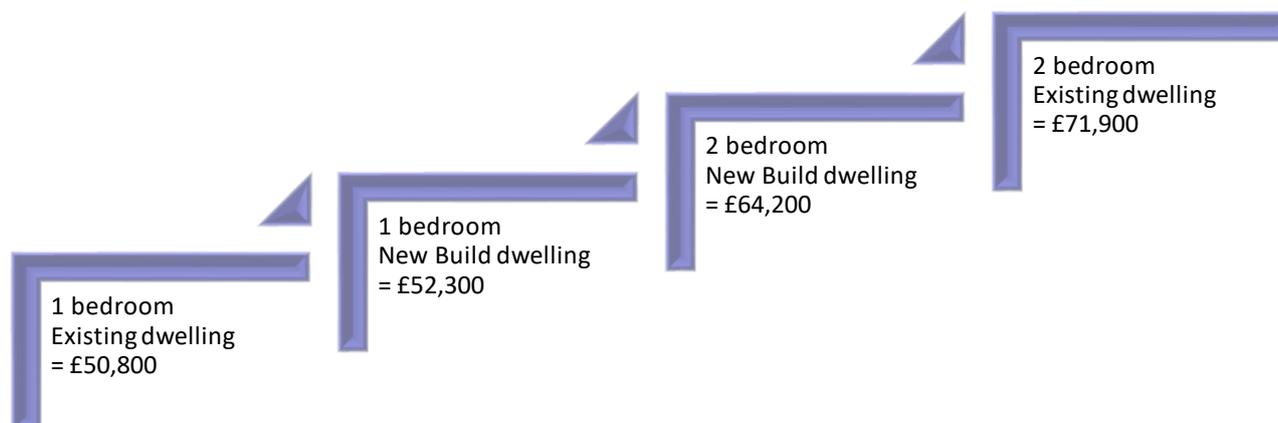
- 3.47 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.48 For example, if we consider a lower quartile 2-bedroom property in Havering costing £302,600 and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £272,340. Using a typical income multiple of 3.5 we can calculate an income of £77,800 would be needed ($£272,340 \times 3.5 = £952,710$).¹⁹ If the buyer could only afford a 5% deposit then a larger mortgage and larger income would be needed. The scale of deposits required in Havering and Redbridge will rule out many households from being able to buy their own home.
- 3.49 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.
- 3.50 Based on these assumptions, Figure 33 and Figure 34 show the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often including equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Figure 33: Annual income needed for 1 and 2-bedroom properties at lower quartile prices in Havering (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



¹⁹ At the time of writing the best available data shows an average mortgage to income ratio in London of 5.4 times, but given projected rising interest rates this ratio is unlikely to remain so high in the future.

Figure 34: Annual income needed for 1 and 2-bedroom properties at lower quartile prices in Redbridge (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



Identifying the Gap for Affordable Home Ownership

- 3.51 The NPPF encourages local authorities to widen opportunities for home ownership.
- 3.52 When identifying the need for Affordable Home Ownership (AHO) including potentially First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.
- 3.53 Figure 35 and Figure 36 summarise the income thresholds for the range of different housing options based on the costs for home ownership and rents in Havering and Redbridge which emphasises that owner occupation is much less affordable.

Figure 35: Annual income thresholds for different housing options, single bedroom and two bedroom in Havering (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

Annual Income Needed to Own at Lower Quartile Prices		Single Bedroom Properties	Two Bedroom Properties
	Newly built dwelling	£58,400	£77,800
	Existing dwelling	£56,200	£81,400
Minimum income needed for rent to be less than 35% in Havering and Redbridge	Median private rent	£32,600	£41,100
	Lower quartile private rent	£29,400	£37,700
	Affordable Rent	£21,900	£25,900
	Social Rent	£14,500	£16,600
Maximum income for Housing Benefit support in Havering and Redbridge	Upper end of range	£22,900	£35,000
	Lower end of range	£20,600	£29,000

Figure 36: Annual income thresholds for different housing options, single bedroom and two bedroom in Redbridge (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

Annual Income Needed to Own at Lower Quartile Prices		Single Bedroom Properties	Two Bedroom Properties
	Newly built dwelling	£52,300	£64,200
	Existing dwelling	£50,800	£71,900
Minimum income needed for rent to be less than 35% in Havering and Redbridge	Median private rent	£36,000	£44,600
	Lower quartile private rent	£32,600	£41,100
	Affordable Rent	£23,300	£28,000
	Social Rent	£15,300	£18,200
Maximum income for Housing Benefit support in Havering and Redbridge	Upper end of range	£22,900	£35,000
	Lower end of range	£20,600	£29,000

3.54 There is large income gap in Havering between being able to afford market rent (£29,400) and being able to afford home ownership (£58,400) which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). The gap is equally wider for two-bedroom properties (£37,700 - £77,800) and a similar gap exists in Redbridge.

3.55 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

Low Cost Home Ownership

3.56 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership.

3.57 Figure 37 and Figure 38 set out the weekly costs associated with Shared Ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

- » 40% equity share purchased by the occupier;
- » 10% of the equity purchased is available as a deposit;
- » Mortgage costs base based on a 30-year repayment mortgage at 4.0% interest;
- » Rent based on 2.75% of the retained equity paid each year; and
- » Service charge of £10 per week.

3.58 This calculation demonstrates that the weekly costs for Shared Ownership are higher than the equivalent median private rent for all property sizes.

Figure 37: Shared Ownership costs in Havering (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)

	Property Value	40% Equity Share	10% Deposit	Weekly Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	£226,949	£90,780	£9,078	£90.61	£71.82	£10.00	£172.43
2 bedrooms	£302,599	£121,040	£12,104	£120.82	£95.75	£10.00	£226.57
3 bedrooms	£430,622	£172,249	£17,225	£171.93	£136.27	£10.00	£318.20
4+ bedrooms	£612,931	£245,173	£24,517	£244.72	£193.96	£10.00	£448.68

Figure 38: Shared Ownership costs in Redbridge (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)

	Property Value	40% Equity Share	10% Deposit	Weekly Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	£203,377	£81,351	£8,135	£81.20	£64.36	£10.00	£155.56
2 bedrooms	£249,839	£99,936	£9,994	£99.75	£79.06	£10.00	£188.81
3 bedrooms	£415,872	£166,349	£16,635	£166.04	£131.60	£10.00	£307.64
4+ bedrooms	£639,905	£255,962	£25,596	£255.49	£202.49	£10.00	£467.98

^{3.59} Figure 39 and Figure 40 show the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 4% interest rate for modelling purposes, if rates are lower in the future then Shared Ownership will be more affordable, conversely higher rates make it less affordable. As can be seen only the lowest equity share on the larger properties proves to be marginally cheaper than paying the median market rent for the same size property.

Figure 39: Total weekly costs for Shared Ownership based on different equity shares in Havering (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	Equity Share					
		25%	30%	35%	40%	45%	50%
1 bedroom	£226,949	£156.40	£161.74	£167.09	£172.43	£177.77	£183.11
2 bedrooms	£302,599	£205.20	£212.33	£219.45	£226.57	£233.69	£240.82
3 bedrooms	£430,622	£287.79	£297.93	£308.06	£318.20	£328.33	£338.47
4+ bedrooms	£612,931	£405.40	£419.82	£434.25	£448.68	£463.10	£477.53

Figure 40: Total weekly costs for Shared Ownership based on different equity shares in Redbridge (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	Equity Share					
		25%	30%	35%	40%	45%	50%
1 bedroom	£203,377	£141.20	£145.98	£150.77	£155.56	£160.35	£165.13
2 bedrooms	£249,839	£171.17	£177.05	£182.93	£188.81	£194.69	£200.57
3 bedrooms	£415,872	£278.27	£288.06	£297.85	£307.64	£317.43	£327.22
4+ bedrooms	£639,905	£422.80	£437.86	£452.92	£467.98	£483.04	£498.11

^{3.60} Meanwhile, Figure 41 and Figure 42 set out the weekly costs associated with First Homes properties with 70% equity, taking account of the differential full market prices and based on the following assumptions:

- » 70% equity share purchased by the occupier;
- » 10% of the remaining equity purchased is available as a deposit; and
- » Mortgage costs based on a 30-year repayment mortgage at 3.5% interest.

Figure 41: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share in Havering (Note: Mortgage costs based on a 30-year repayment mortgage at 3.5% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	First Homes with 50% equity share	First Homes with 60% equity share	First Homes with 70% equity share
1 bedroom	£288,951	£106.49	£127.79	£149.09
2 bedrooms	£330,702	£141.99	£170.39	£198.78
3 bedrooms	£352,464	£202.06	£242.47	£282.89
4+ bedrooms	£369,666	£287.61	£345.13	£402.65

Figure 42: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share in Redbridge (Note: Mortgage costs based on a 30-year repayment mortgage at 3.5% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	First Homes with 50% equity share	First Homes with 60% equity share	First Homes with 70% equity share
1 bedroom	£288,951	£95.43	£114.52	£133.60
2 bedrooms	£330,702	£117.23	£140.68	£164.13
3 bedrooms	£352,464	£195.14	£234.17	£273.20
4+ bedrooms	£369,666	£300.26	£360.32	£420.37

^{3.61} We also considered the cost of a London Living Rent property. The estimated cost of London Living Rents in Havering and Redbridge is taken from the GLA data for 2023/24²⁰. In terms of required annual income, these equate to a figures of between £36,000 and £48,000 depending upon the size of the property.

²⁰ [London Living Rent | London City Hall](#)

Figure 43: Total weekly costs for London Living Rent in Havering (Source: GLA London Living Rents 2023/24)

Total Weekly Cost £	London Living Rent
1 bedroom	£230.65
2 bedrooms	£260.14
3 bedrooms	£282.57
4+ bedrooms	£310.19

Figure 44: Total weekly costs for London Living Rent in Redbridge (Source: GLA London Living Rents 2023/24)

Total Weekly Cost £	London Living Rent
1 bedroom	£240.00
2 bedrooms	£268.49
3 bedrooms	£286.01
4+ bedrooms	£311.45

Income Needed for Other Types of Housing

- 3.62 Another housing option that could be made available in Havering and Redbridge, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2021(Glossary)

- 3.63 Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.
- 3.64 The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 3.65 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL²¹ shows that the average Build to Rent option is 9.3% more expensive than the median rent. This therefore tends to lead to the affordable Build to Rent options being more expensive than Affordable Rent and are best considered as a form of Discount Market Rent aimed at households with incomes in the range of £35,000-£60,000.

²¹ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Summary of Housing Costs

^{3.66} This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 45 and Figure 46 summarise these costs for each property size (all costs are adjusted to 2021 levels, using the most recent data available). Social Rent is significantly less expensive than any other tenure. It is found that Shared Ownership with a 40% equity stake is more expensive than a First Homes property with a 70% equity stake. This is unsurprising due to the lack of a rental charge on First Homes properties. Across England as a whole it is now likely that First Homes will displace Shared Ownership, except for new build Housing Association properties which are likely to allow purchases of as little as 10% equity. However, in London, the London Living Rent scheme also provide affordable to own properties and this requires similar levels of income to First Homes properties without the need for an update large mortgage.

Figure 45: Comparison of weekly housing costs by property size for Havering (Source: Valuation Office Agency and Land Registry Price Paid Data)

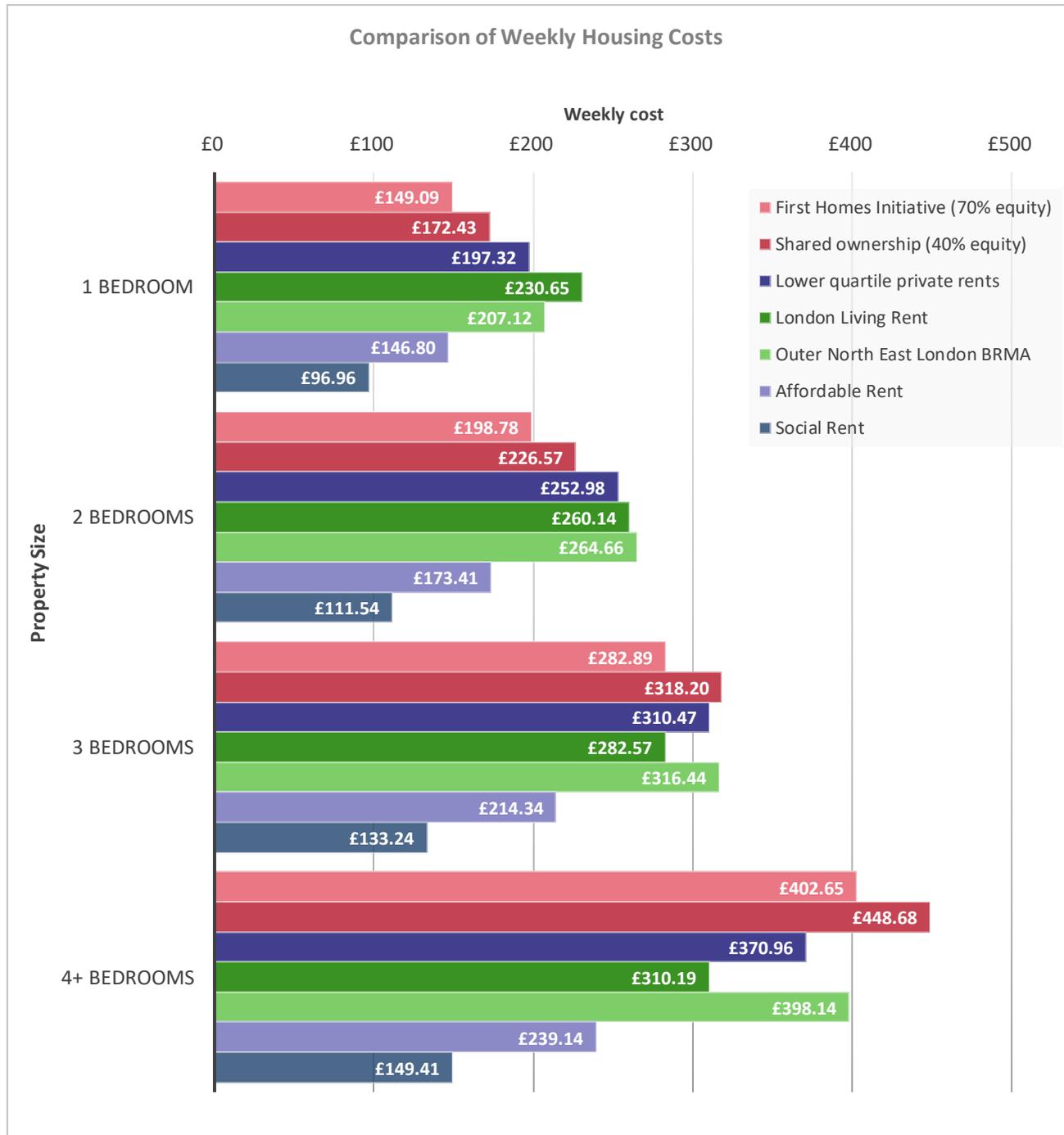
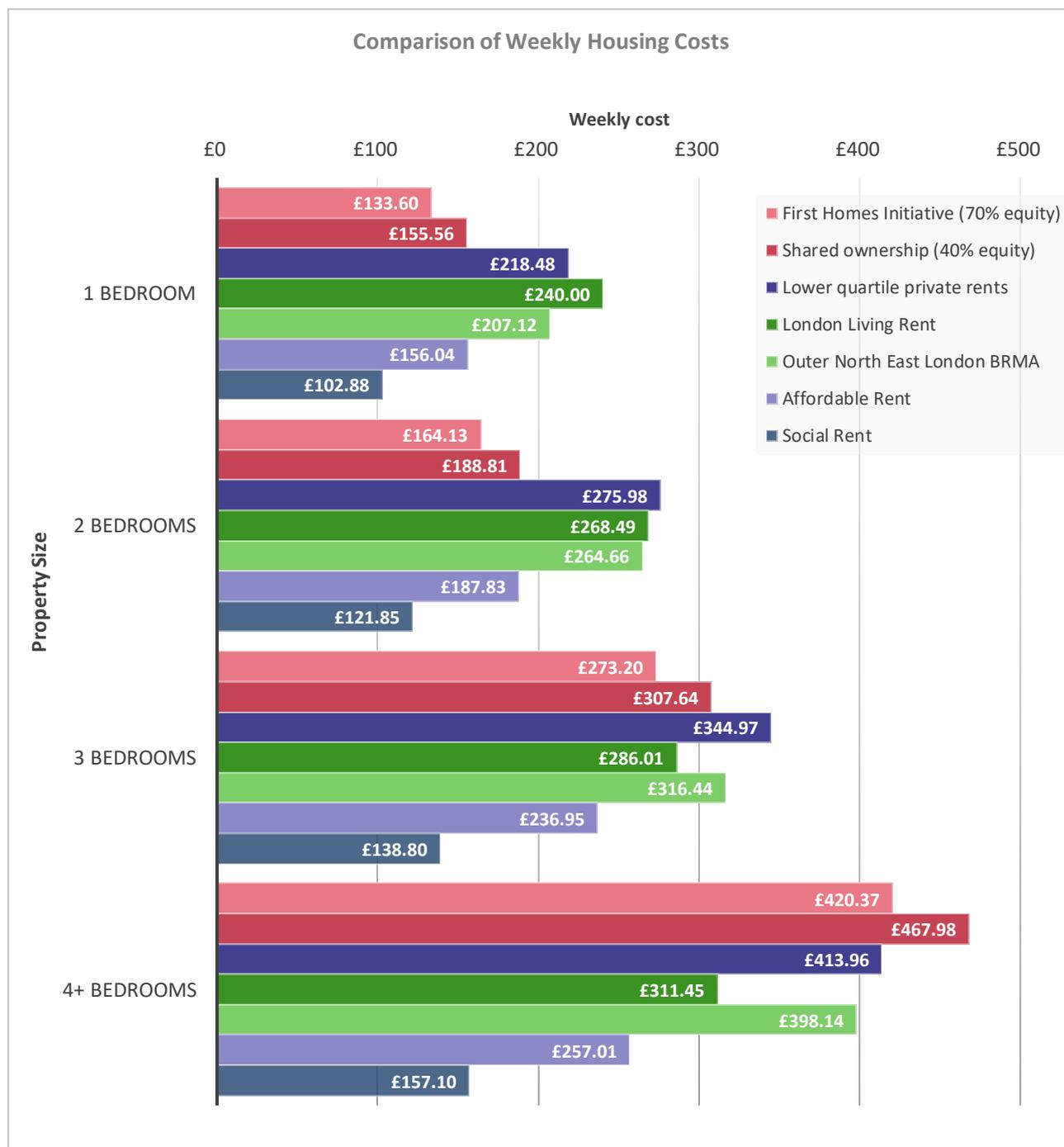


Figure 46: Comparison of weekly housing costs by property size for Redbridge (Source: Valuation Office Agency and Land Registry Price Paid Data)



Income Required for Housing Costs

^{3.67} The ORS housing model works through a combination of income, housing costs, benefit take-up and demographic change. This implies that there is not a direct relationship between a household's income and their tenure requirements because different household types with the same income level may require different tenures. However, it is possible to consider the broad ranges for each of the housing products set out above to show the ranges of income we would expect to fall into each housing tenure. This is done in Figure 47 and Figure 48. We would highlight the costs of Shared Ownership and First Homes. While Figure 45 and Figure 46 show that First Homes are on average cheaper than Shared Ownership properties, Figure

47 and Figure 48 show that a lower level of income is sometimes required for Shared Ownership. This is because it is assumed that around 19% of income is spent on a mortgage, but around 35% on rents. Therefore, a higher share of a household's income is assumed to be spent on Shared Ownership, so it requires less income even though it is more expensive. This finding has been reported by many other local authorities.

^{3.68} We would also note potential income gaps for products. For example, London Living Rent has a maximum household income of £60,000 per annum, but for Shared Ownership in Redbridge, the entry level income required for a 2 bedroom property is £66,000. A similar issue applies across both Havering and Redbridge for larger Shared Ownership and First Homes properties, so potentially households can have too high an income for London Living rent, but too low an income for other housing products.

Figure 47: Annual Income Required for Different Housing Products in Havering (Source: GLA London Living Rents 2023/24, Valuation Office Agency 2021-22; SDR 2021 and UK Land Registry)

Number of Bedrooms	London Affordable Rent	London Living Rent	London Shared Ownership	First Homes
1 bedroom	Less than £36,000	£36,000-£60,000	£39,000-£90,000	£41,000-£90,000
2 bedrooms	Less than £40,000	£41,000-£60,000	£66,000-£90,000	£54,000-£90,000
3 bedrooms	Less than £44,000	£44,000-£60,000	£72,000-£90,000	£77,000-£90,000
4+ bedrooms	Less than £48,000	£48,000-£60,000	£89,000-£90,000	£78,000-£90,000

Figure 48: Annual Income Required for Different Housing Products in Redbridge (Source: Source: GLA London Living Rents 2023/24, Valuation Office Agency 2021-22; SDR 2021 and UK Land Registry)

Number of Bedrooms	London Affordable Rent	London Living Rent	London Shared Ownership	First Homes
1 bedroom	Less than £37,000	£37,000-£60,000	£37,000-£90,000	£37,000-£90,000
2 bedrooms	Less than £42,000	£42,000-£60,000	£43,000-£90,000	£45,000-£90,000
3 bedrooms	Less than £45,000	£45,000-£60,000	£69,000-£90,000	£78,000-£90,000
4+ bedrooms	Less than £49,000	£49,000-£60,000	£89,000-£90,000	£82,000-£90,000

Chapter Summary

^{3.69} The ORS housing model works through a combination of income, housing costs, benefit take-up and demographic change. This implies that there is not a direct relationship between household income and their tenure requirements because different household types with the same income level may require different tenures.

^{3.70} When considering the local housing market, it is worth noting the changes to tenure over the past forty years. The most notable change has been the decline in the proportion of people in affordable rented properties (.). In contrast, private rent has seen a sharp growth. Between 1981 and 1991 there was a strong growth in owner occupiers, partly as a consequence of the introduction of right to buy policies.

^{3.71} This shows that the 2021 Census found a smaller number of terraced properties than the 2011 Census. A reduction in the number of terraced properties happens in some areas due to the conversion of houses to flats and this appears to have happened in both Havering and Redbridge

).

- 3.72 Real house prices in Havering and Redbridge are very similar to the London average. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to a low in 2010 since which time they have grown steadily until 2021 when there was a sharp dip in prices in Redbridge in particular.
- 3.73 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium, but this is not clear-cut in Havering and Redbridge. Generally, existing dwellings sell for more than newbuild properties, except for 1 bedroom dwellings and 4 bedroom plus properties in Redbridge.
- 3.74 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership. Shared Ownership with a 40% equity stake is more expensive than a First Homes property with a 70% equity stake. This is unsurprising due to the lack of a rental charge on First Homes properties. However, the weekly cost of LCHO products is typically lower than the cost of renting privately, but the barrier of deposits and obtaining a mortgage prevent many households from being able to access these.

4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

4.1 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable homeownership. This was retained in the NPPF 2021 update and does not explicitly include First Homes. Annex 2 of the Revised NPPF now defines affordable housing as being:

Affordable housing

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

Revised NPPF 2021, Annex 2

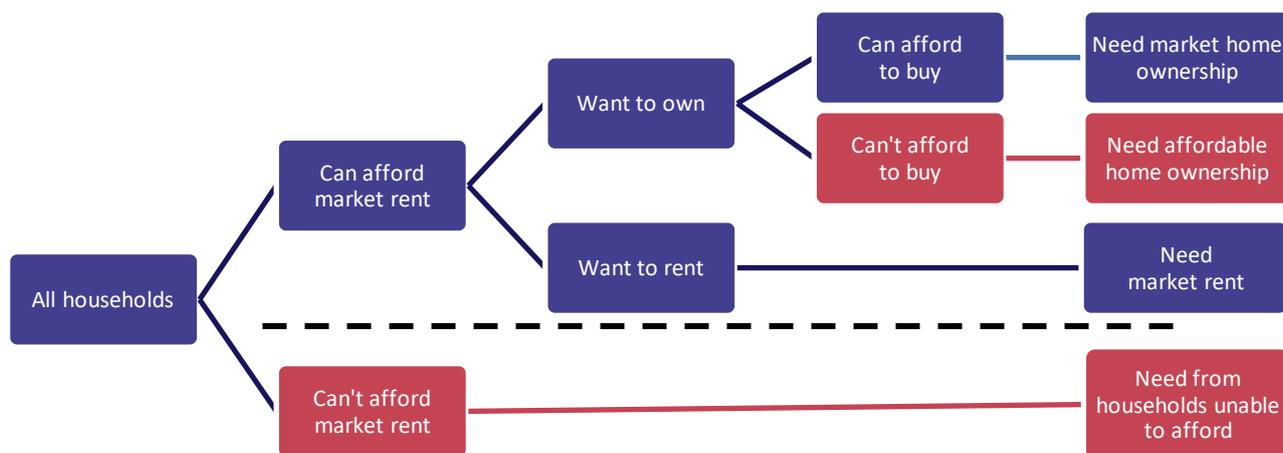
4.2 To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “Housing needs of different groups” published on 22nd July 2019²², which covered:

- » Addressing the need for different types of housing
- » Affordable housing
- » Rural Housing

4.3 Further guidance to reflect the need to consider First Homes was then added on May 24th 2021.

4.4 Relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include “those that cannot afford their own homes, either to rent, or to own, where that is their aspiration” [PPG ID 2a-020-20190220]. The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy.

Figure 49: Establishing the need for market and affordable housing



²² <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

- 4.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

- 4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 4.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 4.9 The affordability percentages in Figure 50 and Figure 51 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 50: Assessing affordability by household type and age in Havering (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25 34	35 44	45 54	55 64	65+
Single person household	41%	20%	27%	34%	32%	24%
Couple family with no dependent children	14%	4%	8%	8%	7%	9%
Couple family with 1 or more dependent children	55%	27%	15%	11%	14%	16%
Lone parent family with 1 or more dependent children	65%	85%	57%	37%	36%	24%
Other household type	29%	28%	22%	17%	16%	10%

Figure 51: Assessing affordability by household type and age in Redbridge (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25 34	35 44	45 54	55 64	65+
Single person household	37%	14%	29%	41%	33%	28%
Couple family with no dependent children	8%	4%	9%	9%	7%	10%
Couple family with 1 or more dependent children	35%	21%	25%	19%	20%	28%
Lone parent family with 1 or more dependent children	49%	89%	71%	52%	62%	51%
Other household type	18%	11%	16%	19%	14%	12%

Current Unmet Needs of Households Unable to Afford

- 4.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (February 2019), ID 2a-020-20190220

- 4.11 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 4.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2021. The evidence is predominantly derived from data collected by Havering and Redbridge on homelessness or households otherwise unsuitably housed, but we also consider the needs of households who are overcrowded in both the social and private rented sector. We would note the figures were produced before the release of detailed tables from the 2021 Census which show slightly higher rates of over-crowding in the social housing sector in both boroughs, but not sufficiently higher to require the whole model to be re-worked. Therefore, there is a very large overlap between those households considered to be in current need and the housing register in Havering and Redbridge.
- 4.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Havering and Redbridge.
- 4.14 Concealed families are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger

family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

- 4.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 4.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.
- 4.17 Figure 52 and Figure 53 set out the assessment of current affordable housing need for Havering and Redbridge:

Figure 52: Assessing current unmet gross need for affordable housing in Havering (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2021]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	136		136	136
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	540		540	58
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	214	214	0	
Households accepted as homeless but without temporary accommodation provided	1		1	1
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	409		409	409
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	460		460	
Households living in overcrowded affordable rented housing	1,114	1,114	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2021]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	180	7	173	
	2	0	2	
TOTAL	3,056	1,335	1,721	604

Figure 53: Assessing current unmet gross need for affordable housing in Redbridge (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2021]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	438		438	438
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2,154		2,154	1,090
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	94	94	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	1,362		1,362	1,362
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	2,160		2,160	
Households living in overcrowded affordable rented housing	1,552	1,552	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2021]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	306	17	289	
People who need to move to a particular locality in the Borough of the authority, where failure to meet that need would cause hardship (to themselves or to others)	67	4	63	
TOTAL	8,133	1,667	6,466	2,890

- 4.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that in Havering, 3,056 households are currently living in unsuitable housing and are unable to afford their own housing. Meanwhile, in Redbridge this figure is 8,133 households. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.
- 4.19 Of these households, 1,335 households in Havering and 1,667 households in Redbridge currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 4.20 **There is, therefore, a net affordable housing need of 1,721 households (3,056 less 1,335 = 1,721) in Havering and 6,466 households in Redbridge. Providing the net affordable housing need will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 1,117 households in Havering and 3,576 households in Redbridge. Not all households will release dwellings because some are housed outside the borough in temporary accommodation, are homeless or concealed**

and thus do not release dwellings. While the 2017 London SHMA sought to address the backlog of need over 25 years, for this study we treat this as a backlog of need to be addressed over 22 years.

Projected Future Need of Households Unable to Afford

- 4.21 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “gross annual estimate” (ID 2a-021) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-024).
- 4.22 Figure 54 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 54: Annual change in household numbers in each age cohort by age of HRP in Havering (Source: ORS Housing Model)

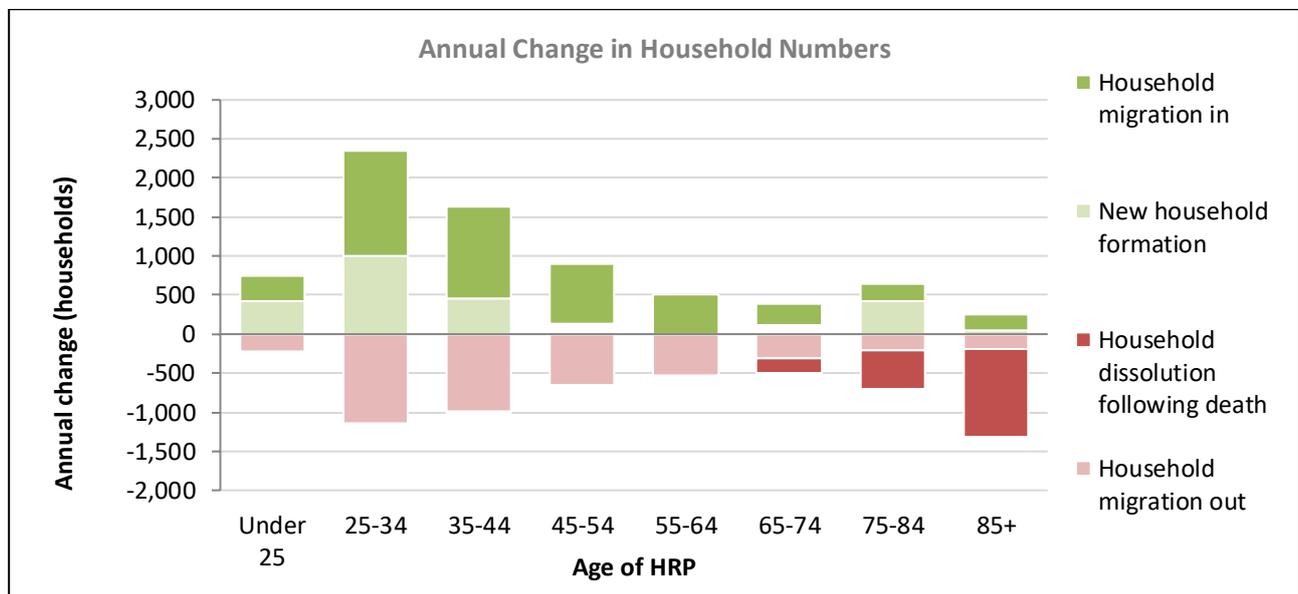
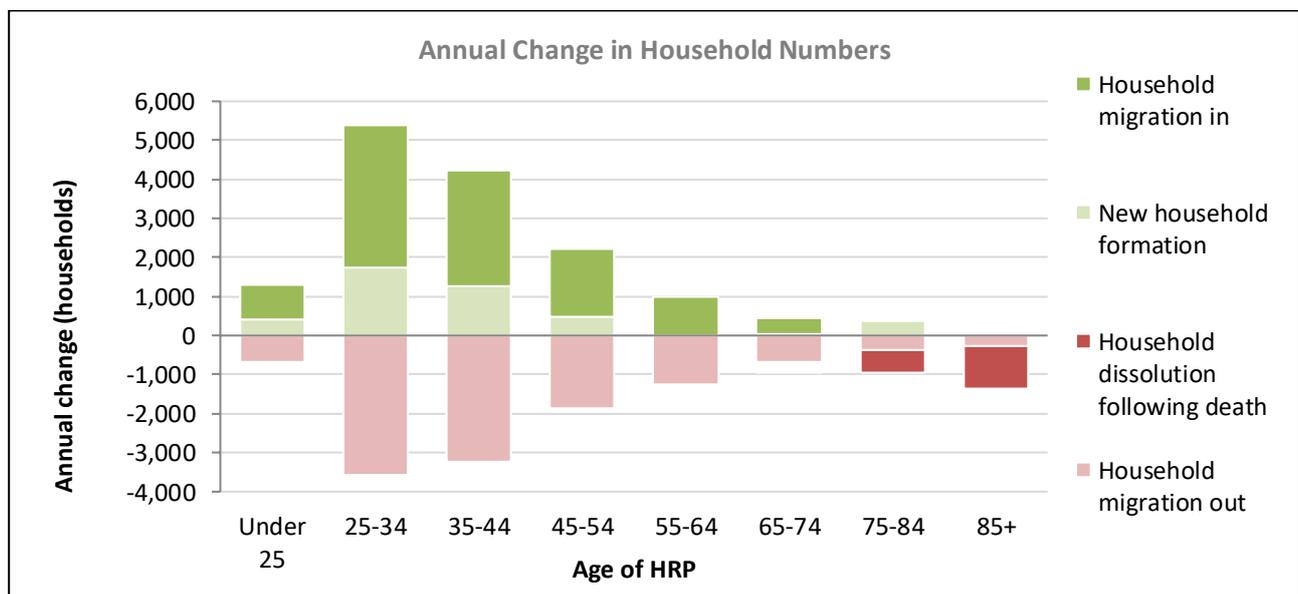


Figure 55: Annual change in household numbers in each age cohort by age of HRP in Redbridge (Source: ORS Housing Model)



- 4.23 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household.

Figure 56: Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	2,588	1,727	861	33%
Households migrating in to the area	4,845	3,506	1,339	28%
All new households	7,433	5,232	2,201	30%

Figure 57: Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	3,120	2,186	933	30%
Households migrating in to the area	6,987	5,060	1,927	28%
All new households	10,106	7,246	2,860	28%

- 4.24 The ORS Model identifies 2,588 new households projected to form in Havering each year, of which 33% will be unable to afford their housing costs. This amounts to 861 households each year. In Redbridge, 3,120 new households will form of which 933 will be unable to afford their housing costs.
- 4.25 The model also considers new households migrating to the area. The projection is for 8,354 households per annum in Havering of which 28% (1,339 households) will be unable to afford their housing costs. In Redbridge, 1,927 households migrating to the area are projected to be unable to afford their housing costs each year. It is completely normal for a London Borough to see more affordable housing need generated by households moving to the area than through local household formation. It should be remembered that households in affordable housing need will also leave the Borough, thus reducing need.
- 4.26 **This results in a total of 2,201 new households in need of affordable housing in Havering and 2,860 households in Redbridge.** (Figure 56 and Figure 57)

Figure 58: Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,975	1,627	347	18%
Households migrating <u>out</u> of the area	4,263	3,121	1,142	27%
All households no longer present	6,238	4,748	1,489	24%

Figure 59: Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,486	1,194	292	20%
Households migrating <u>out</u> of the area	7,169	5,250	1,919	27%
All households no longer present	8,655	6,444	2,211	26%

- 4.27 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).
- 4.28 The model identifies 1,975 households are likely to dissolve following the death of all household members in Havering each year. Many of these households will own their homes outright, however 347 of these are likely to have been unable to afford market housing and will mostly be living in affordable rented housing. In Redbridge the model projects that 292 households will dissolve each year following the death of all household members and release affordable housing.
- 4.29 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 4,263 households will migrate out of Havering each year, including 1,142 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available). The equivalent figure in Redbridge is 1,919 households no longer requiring affordable housing each year because they have migrated out of the area.
- 4.30 **Altogether, there are 1,489 households in Havering and 2,211 households in Redbridge who will vacate affordable dwellings or will no longer be waiting for a home (Figure 58 and Figure 59).**

Figure 60: Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-270	270	100%
Existing households climbing out of need	-	640	-640	0%
Change in existing households		370	370	

Figure 61: Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-465	465	100%
Existing households climbing out of need	-	799	-799	0%
Change in existing households		334	334	

- 4.31 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in Havering and Redbridge will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 270 established households will fall into need in Havering and 465 households will fall not need in Redbridge each year.
- 4.32 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 4.33 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 640 households in Havering and 799 households in Redbridge will improve such that they become able to afford their housing costs having previously being unable to afford.
- 4.34 Therefore, considering the changing needs of existing households overall, **there is a net decrease of 370 existing households needing affordable housing each year in Havering and 334 households in Redbridge.** (Figure 60 and Figure 61). To summarise what these figures indicate is that many new households in Havering and Redbridge form or move to the area in affordable housing need, but they then form couples or see their incomes rise over time and move out of need. It is important to count these households as moving out of need because they never enter the affordable housing stock. Many will receive housing benefit in the private rented sector and when their circumstances improve this will stop. At a point in time they will represent a need for affordable housing, but over time they will see their needs addressed without being allocated affordable housing.
- 4.35 The following table (Figure 62) summarises the overall impact of:
- » New households adding to housing need;
 - » The households no longer present reducing housing need; and
 - » The changes in circumstances impacting existing households.

Figure 62: Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model)

	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	7,433	5,232	2,201
All households no longer present	6,238	4,748	1,489
Change in existing households	-	370	-370
Future affordable housing need 2021-43	Annual average	1,195	342
	22 year Total	26,299	7,515

Figure 63: Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model)

	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	10,106	7,246	2,860
All households no longer present	8,655	6,444	2,211
Change in existing households	-	334	-334
Future affordable housing need 2021-43	Annual average	1,452	315
	22 year Total	31,936	6,940

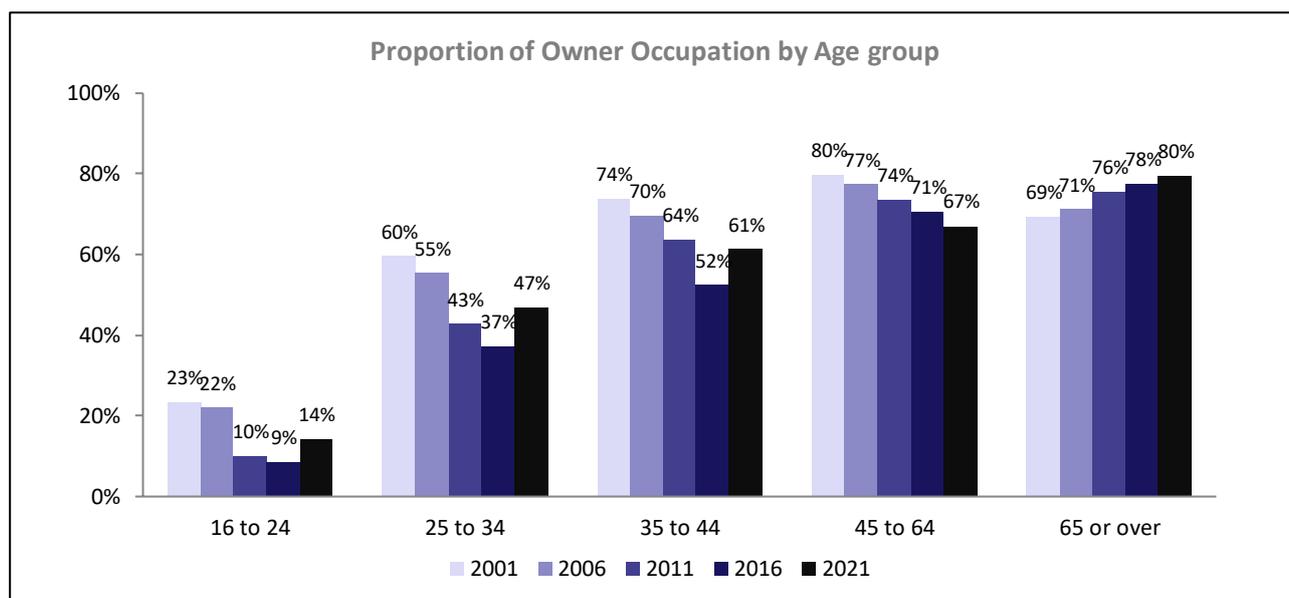
- 4.36 Overall reviewing the contribution of each element amounts to an additional 7,513 households needing affordable housing over the 22-year period 2021-43 in Havering, or a rate of 342 per annum. In Redbridge the overall additional need is 6,940 households at a rate of 315 per annum.

Needs of Households Aspiring to Homeownership

Home Ownership Trends

- 4.37 In London, the need for home affordable home ownership products is widely recognised due to the very high costs of outright home ownership. The Mayor of London has developed the London Living Rent scheme as one which initially sees households renting their property, but with the option to eventually start buying it in the future. This type of scheme is compatible with the need to affordable housing to own.
- 4.38 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period, the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
- 4.39 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 64).

Figure 64: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

- 4.40 English Housing Survey data from 2013/14 shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. The English Housing Survey 2013/14 was the last time these questions were included in the survey. So no more recent data has been collected. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in affordable rented housing aspire to homeownership.

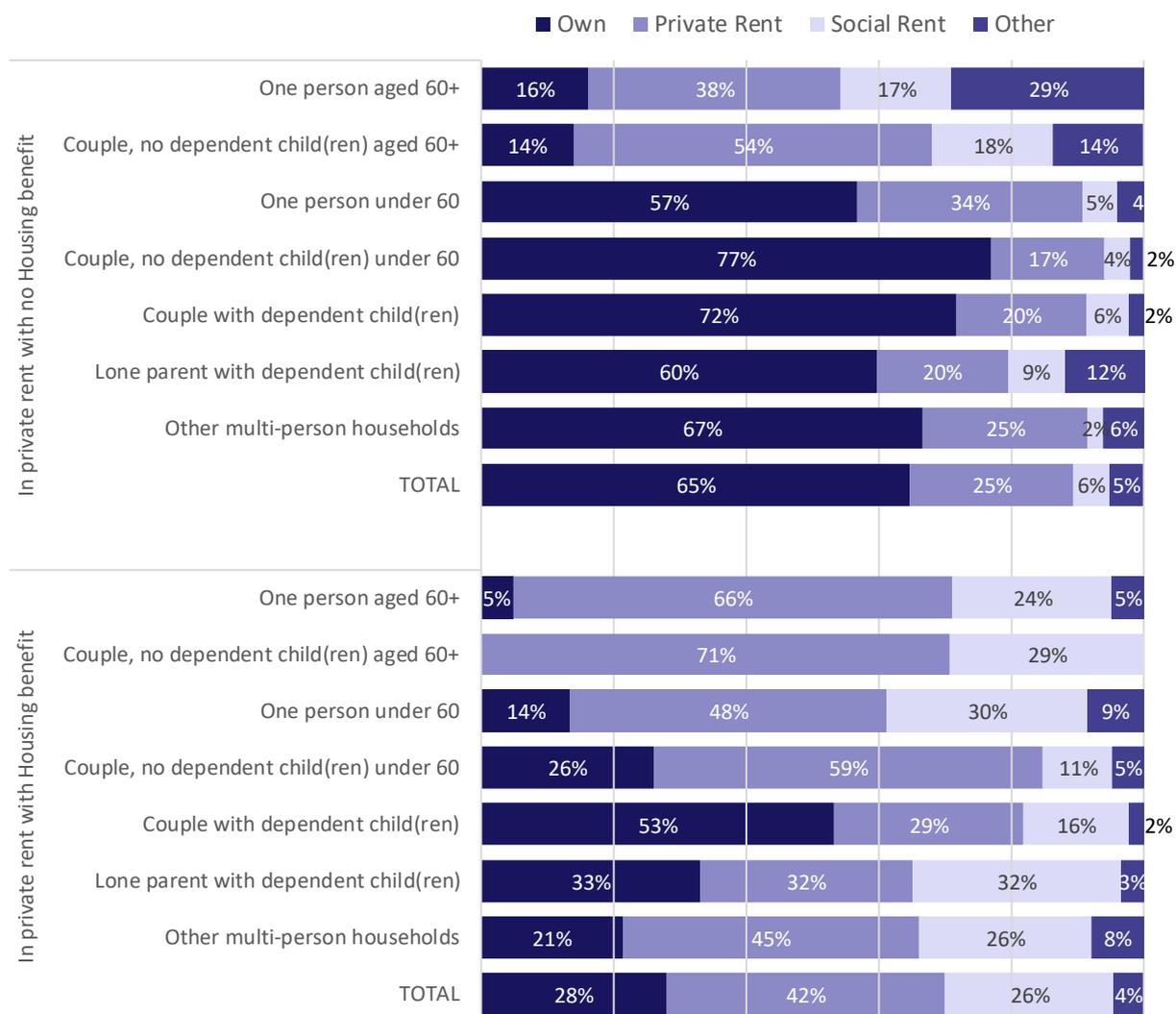
Figure 65: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Long term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Affordable rented	18.1%	1.8%	1.9%	77.0%	1.1%

- 4.41 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.
- 4.42 The following chart (Figure 66) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.
- 4.43 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 4.44 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 66: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
 (Source: English Housing Survey 2013-14. Note: Own includes Shared Ownership)

Long-term tenure expectations of those currently in private rented sector



Additional Need for Affordable Homeownership

- 4.45 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent, with the aspiration data from the EHS 2013-14 (the same set of questions has not been asked again on the EHS since 2014), Figure 67 and Figure 68 establish the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 67: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership in Havering (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15 24	25 34	35 44	45 54	55 64	65+	
Single person	83	786	412	41	0	0	1322
Couple without children	90	722	142	112	54	10	1130
Families with child(ren)	58	376	142	0	0	0	576
Other households	116	82	57	45	39	0	338
Total	348	1,966	753	198	92	10	3,368
<i>Percentage of households</i>	10%	58%	22%	6%	3%	0%	10%

Figure 68: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership in Redbridge (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15 24	25 34	35 44	45 54	55 64	65+	
Single person	132	718	588	1	0	0	1439
Couple without children	250	1344	410	122	59	0	2185
Families with child(ren)	51	855	682	0	0	0	1588
Other households	118	576	144	66	42	0	947
Total	551	3,493	1,824	189	101	0	6,158
<i>Percentage of households</i>	9%	57%	30%	3%	2%	0%	9%

- 4.46 Based on this analysis, we can estimate that there is a total of around 3,368 households currently resident in Havering and 6,158 households currently resident Redbridge who cannot afford to own their own home but would aspire to do so. Two thirds of these households are aged 15-34 with the substantial majority (90%-95%) aged under 45.
- 4.47 In addition to the current need, it is also important to consider new households that are projected to form over the period 2021-43. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 3,480 households in Havering and 7,919 households in Redbridge that form over the 22-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 6,848 households in Havering and 14,078 households in Redbridge who aspire to homeownership but who cannot afford to buy their own home over the period 2021-43. All of these households can potentially afford London Living Rents because they are cheaper than market rents.**
- 4.48 When identifying the need for Affordable Home Ownership (AHO) including First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

- 4.49 Figure 69 and Figure 70 bring together the information on assessing the unmet need for affordable housing in 2021 together with the future need for affordable housing and those aspiring to home ownership arising over the 22-year period 2021-43. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options. We would also note that there is no double counting between those who cannot afford market rents and those who aspire to own. However, there is potential for some households who cannot afford market rents to also aspire to own because, as shown in Figure 45 and Figure 46, it is possible that a product such as First Homes may have a lower weekly cost than lower quartile private rents.

Figure 69: Assessing total need for affordable housing in Havering 2021-2043 (Source: ORS Housing Model)

HAVERING AND REDBRIDGE 2021 43	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2021	1,721	3,368	5,089
Future housing need 2021-43	7,514	3,480	10,994
TOTAL HOUSING NEED	9,235	6,848	16,083

Figure 70: Assessing total need for affordable housing in Redbridge 2021-2043 (Source: ORS Housing Model)

HAVERING AND REDBRIDGE 2021 43	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2021	6,466	6,158	12,624
Future housing need 2021-43	6,940	7,919	14,859
TOTAL HOUSING NEED	13,406	14,078	27,484

- 4.50 On this basis, we can conclude that the potential overall need for affordable housing for Havering would comprise a total 16,083 households over the 22-year period 2021-2043, with the total for Redbridge being 27,484 over the same time period. We would note immediately that this does not represent the final need for affordable housing in Havering and Redbridge for the reasons set out below.
- 4.51 The figures represents a very high share of the overall household growth. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

- 4.52 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG states:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

Planning Practice Guidance, ID: 67-001-20190722

- 4.53 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established. It will be important for the local authorities to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing.
- 4.54 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent without the support of housing benefit. However, these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive smaller second-hand housing market (while remembering that there is a premium for second hand stock in Havering and Redbridge for larger properties). Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 4.55 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The First Homes criteria are the minimum requirements a housing unit must meet in order to qualify as a First Home. Affordable Housing Update Written Ministerial Statement published on 24 May 2021, the national standards for a First Home are that:

- a) a First Home must be discounted by a minimum of 30% against the market value;
- b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,
- c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in first 2 paragraphs under First Homes eligibility criteria.

Planning Practice Guidance, ID: 70-002-20210524

4.56 It goes on at paragraph 4 to outline that:

Can the required minimum discount be changed?

In order to qualify as a First Home, a property must be sold at least 30% below the open market value. Therefore, the required minimum discount cannot be below 30%.

However, the First Homes Written Ministerial Statement does give local authorities and neighbourhood planning groups the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes). Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for a higher minimum discount level in the area, and how it can meet the needs of different demographic and social groups.

In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home. Developers who are able to offer higher discounts within their contributions should be free to do so but the local authority cannot require this. In such cases, whatever discount (as a percentage of market value) is given at the first disposal should be the same at each subsequent sale. These minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis.

If local authorities or neighbourhood planning groups choose to revise their required minimum discounts in any future alterations to their plans, this should not affect the minimum discounts required for previously sold First Homes when they come to be resold, as these will be bound by the section 106 agreements entered into at the time of their first sale.

Planning Practice Guidance, ID: 70-004-20210524

4.57 Figure 31 and Figure 32 showed that the current lower quartile newbuild prices for a 4-bedroom property in Havering is £612,900 and the figure for Redbridge is around £639,900, so 70% of this price would be just outside the cap limit. It is the case that a property discounted by 50% would be inside the limit and will be much more affordable than one discounted by 30%. Therefore, for the purpose of establishing the plausibility

of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme. This shows the maximum number of households who could potentially afford First Homes, but if a 30% discount was applied, this number would fall. However, all households who could qualify for First Homes at a 50% discount could also potentially qualify for London Living Rent properties and Shared Ownership.

4.58 Given this context, Figure 71 and Figure 72 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It should be remembered that, as set out in Figure 45, First Homes are typically more affordable than Shared Ownership in the Havering and Redbridge, but of course Shared Ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

4.59 Of the households who can afford to rent but who aspire to homeownership, there would be 466 in Havering and 1,832 in Redbridge that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 3,050 households in Havering and 6,146 households in Redbridge with insufficient income to have a realistic prospect of being able to afford at 50% of open market values. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,323 in Havering and 6,634 in Redbridge where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 71: Affordable homeownership housing mix by household affordability in Havering 2021-2043 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of newbuild LQ and have savings of £5,000 or more
1 bedroom	1,402	181	1,220	467	754	445	309
2 bedrooms	3,024	285	2,739	1,116	1,623	1,216	406
3 bedrooms	1,979	0	1,979	1,138	841	591	250
4+ bedrooms	443	0	443	329	114	70	44
TOTAL	6,848	466	6,382	3,050	3,331	2,323	1,009

Figure 72: Affordable homeownership housing mix by household affordability in Redbridge 2021-2043 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of newbuild LQ and have savings of £5,000 or more
1 bedroom	4,048	682	3,365	1,093	2,272	1,544	728
2 bedrooms	7,391	1,093	6,297	1,858	4,440	3,399	1,040
3 bedrooms	4,870	57	4,813	2,577	2,236	1,582	654
4+ bedrooms	794	0	794	618	175	108	67
TOTAL	17,102	1,832	15,270	6,146	9,124	6,634	2,490

4.60 On this basis, 1,009 dwellings in Havering and 2,490 in Redbridge are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This is less than a 20% of the total that was originally identified. As previously noted, it is likely that the vast majority of these households would be first-time buyers.

4.61 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will potentially be available) in addition to the households unable to afford to rent or own market housing. Figure 73 and Figure 74 provides a breakdown of the affordable housing on this basis.

Figure 73: Overall need for Affordable Housing 2021-43, including aspiring households able to access affordable home ownership, by property size in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	1,027	309	1,335
2 bedrooms	3,433	406	3,840
3 bedrooms	3,943	250	4,192
4+ bedrooms	833	44	877
TOTAL HOUSING NEED	9,236	1,009	10,245

Figure 74: Overall need for Affordable Housing 2021-43, including aspiring households able to access affordable home ownership, by property size in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	1,565	728	2,293
2 bedrooms	4,312	1,040	5,352
3 bedrooms	5,597	654	6,251
4+ bedrooms	1,932	67	1,999
TOTAL HOUSING NEED	13,406	2,490	15,896

4.62 This study identifies an overall affordable housing need from 10,245 households in Havering and 15,896 households in Redbridge over the 22-year period 2021-43. This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property. It is this figure, not the potential need set out in Figure 69 and Figure 70, which represent the affordable housing need for households in Havering and Redbridge over the period 2021-43. This is then converted into a dwelling need in Chapter 5.

4.63 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Affordable Mix

4.64 Within the overall need of affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing²³. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

4.65 As discussed in Chapter 3, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 27 and Figure 28 identified the minimum annual income in the Havering and Redbridge needed to afford London Living Rents by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford London Living Rents. Figure 75 and Figure 76 presents the same data as Figure 73 and Figure 74, but with those unable to afford disaggregated in this manner. The model looks at households affordability before housing benefit is added, so households who cannot afford Social Rent are assumed to be able to access housing benefit to assist with their housing costs. The household aspiring to own figure is based upon those who can access a First Homes property at 50%, but as shown in Figure 45 and Figure 46 this is typically more affordable than Shared Ownership, but it is less flexible. Therefore, additional households may be able to access Shared Ownership as a means to home ownership.

4.66 The most striking feature in the data is the overwhelming need for Social Rent. Households in this category are unable to cover their own housing costs in Social Rent and will instead require support through housing benefit or Universal Credit.

²³ While this section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

Figure 75: Overall need for Affordable Housing 2021-43 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need for unable to afford PRS				Affordable Housing Need for able to afford PRS	Total
	Unable to afford Social Rent	Able to afford Social Rent unable to afford Affordable Rent	Able to afford Affordable Rent unable to afford London Living Rent	Able to afford London Living Rent unable to afford Private Rent	Able to afford First Homes	
1 bedroom	809	118	50	49	309	1,335
2 bedrooms	2,128	548	420	337	406	3,840
3 bedrooms	2,442	683	353	465	250	4,192
4+ bedrooms	506	149	73	106	44	877
TOTAL HOUSING NEED	5,885	1,498	896	958	1,009	10,245

Figure 76: Overall need for Affordable Housing 2021-43 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need				Affordable Housing Need for able to afford PRS	Total
	Unable to afford Social Rent	Able to afford Social Rent unable to afford Affordable Rent	Able to afford Affordable Rent unable to afford London Living Rent	Able to afford London Living Rent unable to afford Private Rent	Able to afford First Homes	
1 bedroom	1,065	255	77	168	728	2,293
2 bedrooms	2,551	1,000	213	548	1,040	5,352
3 bedrooms	3,245	1,527	0	825	654	6,251
4+ bedrooms	1,155	507	0	270	67	1,999
TOTAL HOUSING NEED	8,016	3,289	290	1,811	2,490	15,896

Future Policy on Housing Benefit in the Private Rented Sector

- 4.67 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.
- 4.68 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

- 4.69 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.
- 4.70 PPG (both the current version and the previous version) states that “*care should be taken to ... include only those households who cannot afford to access suitable housing in the market*” [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.
- 4.71 It is well-established that housing need should be established leaving aside policy considerations,²⁴ so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the LHNA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn’t change the need, but it could influence the affordable housing policy target.

Chapter Summary

- 4.72 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable homeownership as well as those who cannot afford to rent privately.
- 4.73 Based on a detailed review of both the past trends and current estimates our analysis has concluded that in Havering, 3,056 households are currently living in unsuitable housing and are unable to afford their own housing. Meanwhile, in Redbridge this figure is 8,133 households.
- 4.74 Of these households, 1,335 households in Havering and 1,667 households in Redbridge currently occupy affordable housing that does not meet the current householders’ needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 4.75 There is, therefore, a net affordable housing need of 1,721 households (3,056 less 1,335 = 1,721) in Havering and 6,466 households in Redbridge. Providing the net affordable housing need will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 1,117 households in Havering and 3,576 households in Redbridge. Not all households will release dwellings because some are housed outside the borough in temporary accommodation, are homeless or concealed and thus do not release dwellings.
- 4.76 Beyond the current needs it is also necessary to consider the net needs of newly forming households, migrant households and existing households falling into and climbing out of need. Overall reviewing the contribution of each element amounts to an additional 7,513 households needing affordable housing over the 22-year

²⁴ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

period 2021-43 in Havering, or a rate of 342 per annum. In Redbridge the overall additional need is 6,940 households at a rate of 315 per annum.

- 4.77 In terms of households who aspire to own, there are likely to be 6,848 households in Havering and 14,078 households in Redbridge who aspire to homeownership but who cannot afford to buy their own home over the period 2021-43.
- 4.78 Of the households who can afford to rent but who aspire to homeownership, there would be 466 in Havering and 1,832 in Redbridge that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 3,050 households in Havering and 6,146 households in Redbridge with insufficient income to have a realistic prospect of being able to afford at 50% of open market values. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,323 in Havering and 6,634 in Redbridge where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.
- 4.79 On this basis, 1,009 dwellings in Havering and 2,490 in Redbridge are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This is less than a 20% of the total that was originally identified. As previously noted, it is likely that the vast majority of these households would be first-time buyers.
- 4.80 This study therefore identifies an overall affordable housing need from 10,245 households in Havering and 15,896 households in Redbridge over the 22-year period 2021-43. This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property. It is this figure, not the potential need set out in Figure 69 and Figure 70, which represent the affordable housing need for households in Havering and Redbridge over the period 2021-43. This is then converted into a dwelling need in Chapter 5.
- 4.81 Within the overall need of affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing. The most striking feature in the data is the overwhelming need for Social Rent. Households in this category are unable to cover their own housing costs in Social Rent and will instead require support through housing benefit or Universal Credit.

5. Overall Housing Need

Local Housing Need

Establishing the Housing Target

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

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

Planning Practice Guidance, ID 2a-001-20190220

- 5.2 In the context of London, the Boroughs are required to be in conformity with the London Plan. As noted earlier, PPG allows local planning authorities to depart from the standard method LHN where there is an adopted spatial development strategy in place. On that basis, so we have proceeded with that figure as the capacity based target for the Borough and this is reflected in the outputs set out in Figure 81.
- 5.3 In the next section we consider the appropriate local housing needs figure for Havering and Redbridge and then later in this Chapter consider the housing needs of Havering and Redbridge in the context of delivering the London capacity target figure of 1,285 and 1,409 dwellings per annum. Figure 79 therefore reflects the overall local housing needs of Havering and Redbridge before we consider the impact of the GLA capacity targets.

Disaggregating the minimum Local Housing Need figure

- 5.4 The demographic projections for the LHNA set out in the previous Chapters are based on the latest official projections (not the 2014 based CLG household projections) and cover the 22-year period 2021-43. They are informed by the latest ONS mid-year estimates,²⁵ and take account of the most up-to-date fertility and mortality rates and the latest migration trends.
- 5.5 These figures are for households, rather than dwellings. Figure 77 and Figure 78 set out the separate elements that will contribute to the dwelling need in the context of the number of households. These include:
- » Household growth over the 22-year plan period calculated on trend-based projections;
 - » Institutional population growth over the 22-year plan period needing communal accommodation. To project the growth in institutional population, we initially estimate the population projections, which include all persons. We then estimate the household projections. To do this, we remove anyone not in a household which includes, students in Purpose Built Student Accommodation (PBSA), prisoners, boarding school pupils, military

²⁵ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

bases and care homes population. For the care home population, the assumption used in national population projections is that the percentage of the population aged 75+ years in care homes will remain constant. Therefore, as the population ages, more people are assumed to move to care homes. However, to reconcile the overall housing need with the household projections it is necessary to return all of the population previously removed for the household projections.

- » Dwellings without a usually resident household (either vacant homes or second homes).

Figure 77: Elements of housing need in Havering (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

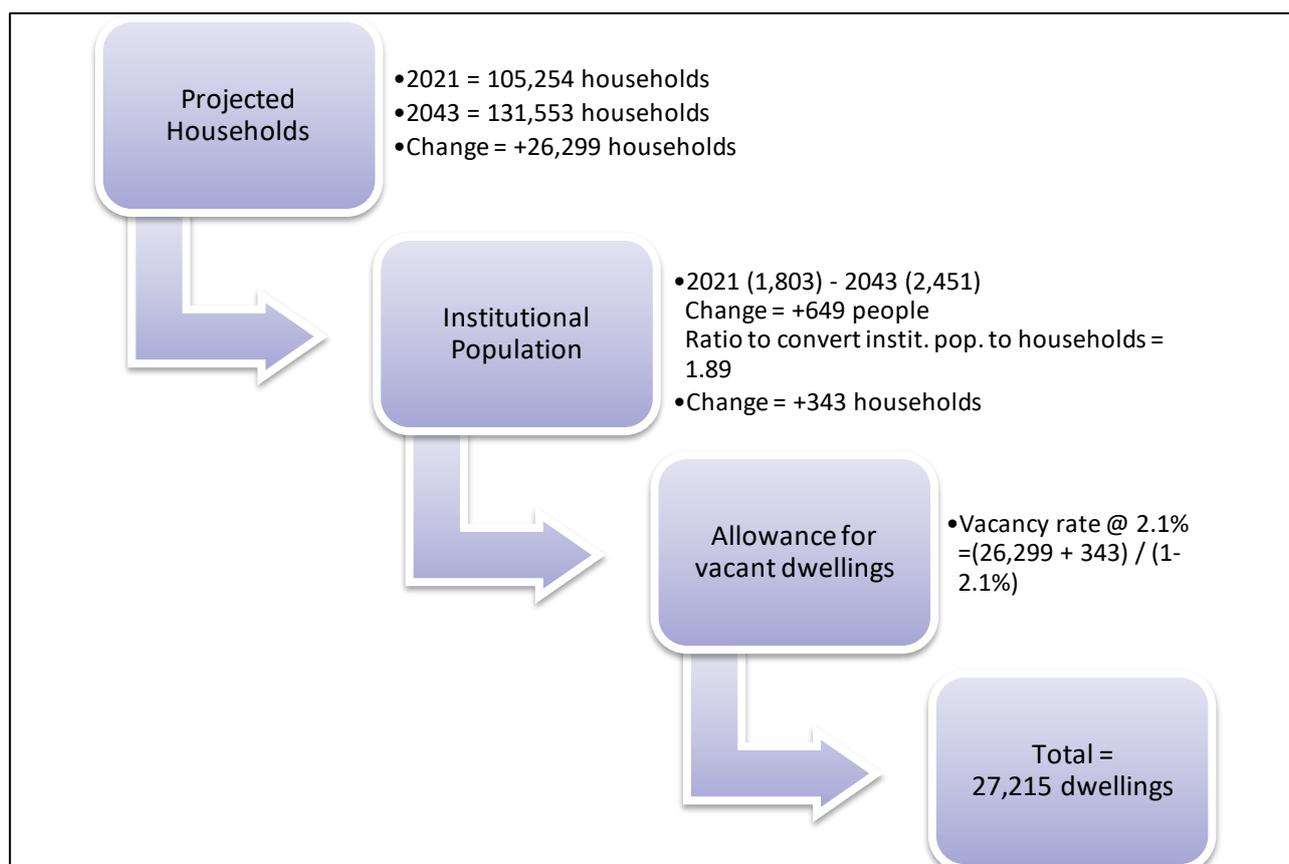
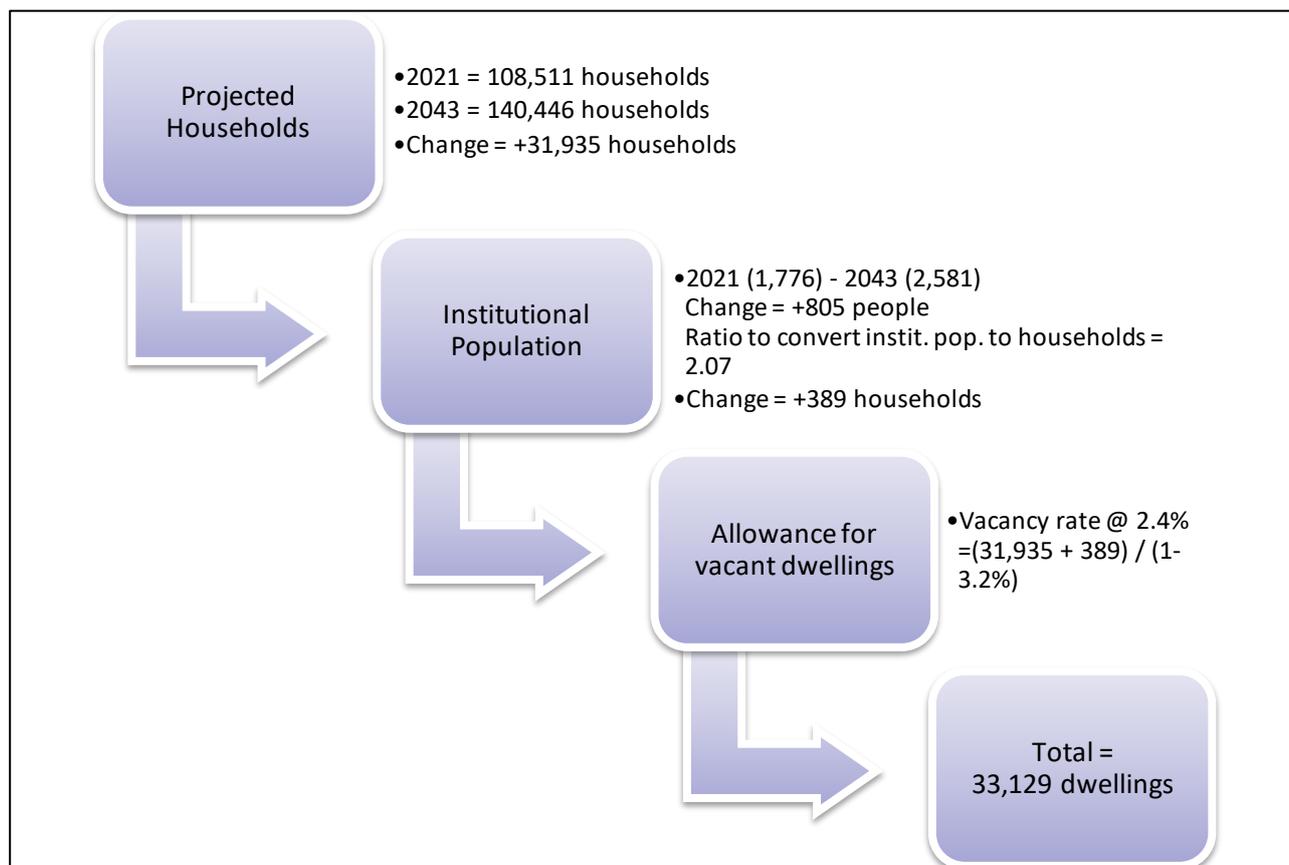


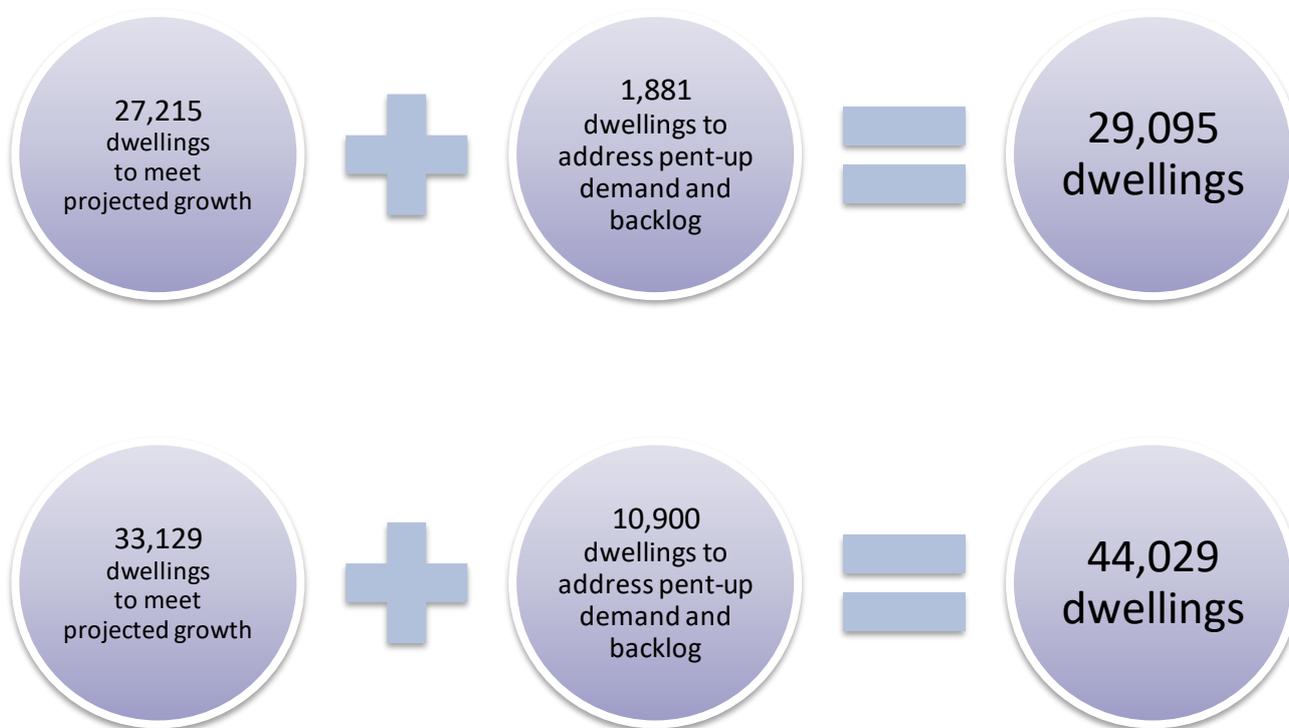
Figure 78: Elements of housing need in Redbridge (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



- 5.6 At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.
- 5.7 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 26,642 in Havering and 32,324 in Redbridge. However, if we assume a small number of dwellings²⁶ will be unoccupied at any one time this means that a total of 27,215 dwellings in Havering and 33,129 dwellings in Redbridge are required.
- 5.8 Whilst recent trends provide the starting point to understand housing need in Havering and Redbridge, Figure 7 and Figure 8 show that average household sizes have been growing in the area. This in turn is reflected in fewer younger households forming, which suggests that not all housing needs are being met in Havering and Redbridge in the current demographic trends. To address this issue the model aligns household growth with the wider need for housing through varying a key assumption:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001, a time when the housing market was experiencing much lower levels of pressure.

²⁶ Based on 2011 Census data at a local authority level

- 5.9 The underlying demographic growth for Havering and Redbridge has been identified as requiring 27,215 and 33,129 dwellings respectively across the 22-year period. However, to return the rate of household formations back to 2001 levels would require a further 1,881 dwellings in Havering and 10,900 dwellings in Redbridge²⁷. All of these dwellings will be required for people who would be resident in Havering and Redbridge within the demographic trends household projections, but they would not be separate households. Any of the households who cannot afford market housing have already been counted within Figure 62, so this figure does not add to the overall need for affordable housing for those who cannot afford. However, it does add to the need for housing in general and also to the number of households who would otherwise be private renters, but who aspire to own, so the figures report below for this category are slightly higher than those shown in Figure 73.
- 5.10 This then leaves a total need for 29,095 dwellings in Havering and 44,029 dwellings in Redbridge, which can be said to represent the overall housing needs for Havering and Redbridge based upon recent demographic trends and allowing all pent-up demand to form as separate households.



Size and Tenure Mix based Upon Overall Housing Needs

- 5.11 Figure 79 provides a breakdown of the need for 29,095 dwellings in Havering and 44,029 dwellings in Redbridge between market and affordable housing on this basis. Figure 79 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 73. These affordable homes are subtracted from the overall dwelling need calculated above.
- 5.12 An allowance for C2 provision has been made within the total housing need of equivalent to 350 dwellings in Havering and 399 dwellings in Redbridge that would be counted against the minimum housing target. The London Plan contains targets for Class C2 units, but this is a build target, not a modelled need for the area.

²⁷ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

These are all considered to be market housing need because they are typically not provided as affordable housing.

- 5.13 The figures allow for all dwellings for households who cannot afford market housing, namely 8,362 in Havering and 11,688 in Redbridge who require Social Rent. It is also the case that Affordable Rent is now no longer supported by the GLA, so schemes will no longer be developed, but potentially this any Affordable Rent properties could help to meet the Social Rent need.
- 5.14 In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as First Homes. As the First Homes scheme is now proceeding it is likely to absorb much of the Section 106 payments currently used for Shared Ownership at an England-wide level, but this may not apply in London who have developed their own Shared Ownership product. However, it is also likely that most new Housing Association properties will contain the option to become Shared Ownership properties and it is also the case in London that the London Living Rent scheme will continue to meet the definition of affordable home ownership and many more households in the private rented sector in Havering and Redbridge can potentially afford London Living Rents if they were available. It is also the case that our modelling on the need for First Homes is driven by relatively low interest rates, and any future rises will make First Homes much less affordable.
- 5.15 The market housing figure contains both market rent and owned occupied dwellings. As noted above, the figures indicate that if there is not an improvement in affordability for home ownership, market rent will grow for those who aspire to own (Figure 69 and Figure 70), plus further potential growth from student households and also from households receiving housing benefit in the private rented sector if insufficient affordable to rent is supplied. The number of owner occupiers in Havering and Redbridge fell between 2011 and 2021 (Figure 21 and Figure 22) and unless affordability improves this trend will continue.

Figure 79 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership Affordable Home Ownership			
	Social Rent	London Living Rent				
1 bedroom	987	50	312	1,349	688	2,037
2 bedrooms	3,127	341	410	3,878	2,937	6,815
3 bedrooms	3,513	469	252	4,234	11,889	16,124
4+ bedrooms	734	108	44	886	2,883	3,769
C2 Dwellings	-	-	-	-	350	350
Total	8,362	967	1,019	10,348	18,748	29,095
1 bedroom	11.8%	5.2%	30.6%	13.0%	3.7%	7.0%
2 bedrooms	37.4%	35.2%	40.3%	37.5%	15.7%	23.4%
3 bedrooms	42.0%	48.5%	24.7%	40.9%	63.4%	55.4%
4+ bedrooms	8.8%	11.1%	4.4%	8.6%	15.4%	13.0%
C2 Dwellings					1.9%	1.2%

Figure 80 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Households unable to afford market rent		Aspiring to Home Ownership Affordable Home Ownership			
	Social Rent	London Living Rent				
1 bedroom	1,408	169	731	2,308	1,667	3,975
2 bedrooms	3,794	552	1044	5,391	4,252	9,642
3 bedrooms	4,810	832	657	6,299	17,374	23,673
4+ bedrooms	1,675	272	68	2,015	4,325	6,340
C2 Dwellings	-	-	-	-	399	399
Total	11,688	1,825	2,499	16,013	28,016	44,029
1 bedroom	12.0%	9.3%	29.2%	14.4%	5.9%	9.0%
2 bedrooms	32.5%	30.2%	41.8%	33.7%	15.2%	21.9%
3 bedrooms	41.2%	45.6%	26.3%	39.3%	62.0%	53.8%
4+ bedrooms	14.3%	14.9%	2.7%	12.6%	15.4%	14.4%
C2 Dwellings					1.4%	0.9%

Size and Tenure Mix based Upon GLA Capacity Target

- 5.16 The data to this point in the report relate to the trend population and household projections in Havering and Redbridge. However, it is also possible to consider the housing needs of Havering and Redbridge in the wider context of the overall need for London.
- 5.17 The GLA Capacity Target for Havering is 1,285 dwellings per annum and for Redbridge is 1,409 dwellings per annum and in 2021 the GLA produced a series of housing led population projections for each London Borough²⁸. These include projections linked to the capacity targets for each London Borough. The projections are provided by the GLA and are therefore completely separate from those provided by the ONS used in this report up to this point.
- 5.18 We have used the 2020 based Identified Capacity Scenario for Havering and Redbridge to consider the housing needs of Havering and Redbridge in the wider context of London. This set of projections assumes that Havering and Redbridge will deliver 1,285 and 1,409 dwelling per annum and therefore will see a slightly higher population than the figure in Havering set out earlier in this report with a much lower population figure in Redbridge. The data also shows a different age profile. Therefore, the types of households present in Havering and Redbridge will also be different, so the numbers who require affordable housing will also vary.
- 5.19 For Figure 81 and Figure 82, the backlog of housing need as of 2021 remains the same as shown in Figure 52 and Figure 53, but future need is based upon a larger overall population which also has a different age profile. This consequences of these changes are that in the context of delivering 1,285 and 1,409 dwellings in

²⁸ [Housing-led population projections - London Datastore](#)

Havering and Redbridge respectively which includes helping to meet the wider needs of London is that the overall need for affordable housing rises.

Figure 81 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 1,285 dpa in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Aspiring to Affordable Home Ownership			
	Social rent	London Living Rent				
1 bedroom	987	50	350	1,387	519	1,906
2 bedrooms	3,117	351	603	4,071	2,155	6,226
3 bedrooms	3,502	481	432	4,414	11,559	15,973
4+ bedrooms	732	110	40	882	2,934	3,816
DWELLINGS	8,337	992	1,425	10,754	17,166	27,920
C2 Dwellings	-	-	-	-	350	350
LHN	8,337	992	1,425	10,754	17,516	28,270

Figure 82 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 1,409 dpa in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Aspiring to Affordable Home Ownership			
	Social rent	London Living Rent				
1 bedroom	1,260	154	578	1,992	-241	1,751
2 bedrooms	3,693	573	827	5,093	338	5,431
3 bedrooms	4,706	843	521	6,070	12,154	18,224
4+ bedrooms	1,662	274	54	1,990	3,204	5,194
DWELLINGS	11,321	1,844	1,980	15,145	15,455	30,599
C2 Dwellings	-	-	-	-	399	399
LHN	11,321	1,844	1,980	15,145	15,853	30,998

^{5.20} The outputs in Figure 81 can best be considered as the consequences for Havering and Redbridge of London seeking to meet its overall needs. It includes all of the locally generated need for Havering and Redbridge, but also wider needs which cover the whole of London.

- 5.21 The population and household projections which generate Figure 79 and Figure 81 are different and, proportionately, there is a higher need for affordable housing when Havering and Redbridge is considered as part of London's needs than when it is considered on its own. It is always the case that as the number of households in an area grows, more households will form in need and more households will fall into need.
- 5.22 We would also note that neither model follows the 2017 London SHMA is assuming that any single person or couple aged over 25 years who wishes to occupy their own property will do so, irrespective of whether they can afford to do so or not. The two models both allows for a growth in 'Other' households which would include sharing households. If every person who aspires to a separate property is granted one, then the need for Social Rent will rise dramatically in both scenarios, but this will also require that the overall level of housing delivery rises at the same time. Therefore, rather than the capacity target for London of 52,300 a figure closer to 66,000 is required across the whole of London Per annum.

Policy Implications for Affordable Housing Need

- 5.23 This document represents a technical analysis for the housing needs of Havering and Redbridge. As noted in the introduction, we do not consider that it should set firm policies for the Council, but should instead be seen as underwriting the evidence of policies which will be developed. However, we are able to make a series of recommendations.
- 5.24 We recommend that the GLA Capacity based targets be preferred for policy purposes rather than those which reflect local housing needs. Therefore, we suggest that Havering and Redbridge focus upon the outputs of Figure 81, not Figure 79. The extant London Plan sets capacity based housing targets for Havering and Redbridge which it is expected to seek to deliver. Therefore, while local needs are important, Havering and Redbridge has a crucial role in seeking to meet the wider needs of London.
- 5.25 In terms of affordable housing need, Figure 81 shows a need for 38% of all dwellings requiring to be affordable in Havering if First Homes are counted, or 33% if only London Affordable Rent and London Living Rent are counted. Meanwhile, Figure 82 shows that 49% of all dwellings requiring to be affordable in Redbridge if First Homes are counted, or 42% if only London Affordable Rent and London Living Rent are counted. Both of these figures are likely to be undeliverable. This is typical for London where affordable housing need is very high, but that should not rule out seeking to put policies in place to meet as much need as possible. The affordable housing needs figures calculated in this study would address all current and potential future affordable housing needs in Havering and Redbridge, including the needs of those who are currently housed outside of the borough. Therefore, a 38% target for Havering or 49% target for Redbridge represents an aspirational goal which will then require to be tested against borough and site viability for each scheme. However, the figures set out Figure 81 and Figure 82 show a very large potential need for affordable housing to rent, while there is also a clear market for London Living Rent and potentially First Homes and Shared Ownership.
- 5.26 As noted in Chapter 3, the Mayor of London is not currently seeking to progress First Homes as a policy in London for the foreseeable future. The needs for those who are potentially seeking First Homes overlaps with the need for Shared Ownership, so their needs could be met within existing policies in London. First Homes would not meet needs which are not already addressed in policy in London and in general they are slightly reduce viability when compared with the delivery of Shared Ownership properties.
- 5.27 The overall need for housing also requires to be set in the context of other policy objectives. For example there is the need to meet the needs of older persons, those seeking shared accommodation, students, and

those seeking to build their own homes. All of these would contribute to the overall delivery of dwellings in Havering and Redbridge and are considered below.

Chapter Summary

- 5.28 The data in the previous chapter relates to households. This must be converted to dwellings to identify the overall housing need. To do this it is necessary to consider the impact of the communally housed population, vacant homes and also suppressed household formation.
- 5.29 The underlying demographic growth for Havering and Redbridge has been identified as requiring 27,215 and 33,129 dwellings respectively across the 22-year period. However, to return the rate of household formations back to 2001 levels would require a further 1,881 dwellings in Havering and 10,900 dwellings in Redbridge²⁹. All of these dwellings will be required for people who would be resident in Havering and Redbridge within the demographic trends household projections, but they would not be separate households. This then leaves a total need for 29,095 dwellings in Havering and 44,029 dwellings in Redbridge, which can be said to represent the overall housing needs for Havering and Redbridge based upon recent demographic trends and allowing all pent-up demand to form as separate households.
- 5.30 The figures allow for all dwellings for households who cannot afford market housing and require rented housing, namely 8,362 in Havering and 11,688 in Redbridge who require Social Rent.
- 5.31 In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents and also those who can afford private rents but who aspire to own and have a realistic prospect of doing so through schemes such as First Homes. These add a further 1,986 dwellings in Havering and 4,324 dwellings in Havering.
- 5.32 The data to this point in the report relate to the trend population and household projections in Havering and Redbridge. However, it is also possible to consider the housing needs of Havering and Redbridge in the wider context of the overall need for London. The GLA Capacity Target for Havering is 1,285 dwellings per annum and for Redbridge is 1,409 dwellings per annum and in 2021 the GLA produced a series of housing led population projections for each London Borough.
- 5.33 We have used the 2020 based Identified Capacity Scenario for Havering and Redbridge to consider the housing needs of Havering and Redbridge in the wider context of London. This set of projections assumes that Havering and Redbridge will deliver 1,285 and 1,409 dwelling per annum and therefore will see a much higher population than the figures set out earlier in this report with a different age profile. Therefore, the types of households present in Havering and Redbridge will also be different, so the numbers who require affordable housing will also vary.
- 5.34 We recommend that the GLA Capacity based targets be preferred for policy purposes rather than those which reflect local housing needs. The extant London Plan sets capacity based housing targets for Havering and Redbridge which it is expected to seek to deliver. Therefore, while local needs are important, Havering and Redbridge has a crucial role in seeking to meet the wider needs of London.
- 5.35 In terms of affordable housing need, this shows a need for 38% of all dwelling requiring to be affordable in Havering if First Homes are counted, or 33% if only London Affordable Rent and London Living Rent are counted. Meanwhile, there is a need for 49% of all dwelling requiring to be affordable in Redbridge if First

²⁹ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

Homes are counted, or 42% if only London Affordable Rent and London Living Rent are counted. Both of these figures are likely to be undeliverable. This is typical for London where affordable housing need is very high, but that should not rule out seeking to put policies in place to meet as much need as possible.

6. Needs of Different Groups

An exploration of need for target groups

Introduction

- 6.1 Paragraph 61 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

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

Revised NPPF, paragraph 61

Housing for Older People

- 6.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.³⁰
- 6.1 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG “Housing for older and disabled people” was published on 26th June 2019, specifies the need to break down the older persons assessment by tenure and type and suggests using the online toolkits:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people. Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

Planning Practice Guidance, ID 63-004-20190626

- 6.2 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.

³⁰ ONS 2016-based sub-national population projections.

- 6.3 The London Plan (March 2021)³¹ states that there is a potential demand for over 4,000 specialist older persons units a year until 2029 and allocates annual borough benchmarks:

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

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

4.13.10 Looking beyond 2029 to 2043, the number of older persons households will continue to increase, although at a slightly slower rate than from 2017 to 2029.

London Plan March 2021
(Emphasis ORS)

- 6.4 Meeting the annual benchmark for Havering of 185 and Redbridge of 155 would mean providing a total of 2,400 units for older people over the 12 years 2017 to 2029. **Over the 22 years of the Havering and Redbridge plan period of 2021 to 2043, providing 185 and 155 units a year would provide 4,070 units in Havering and 3,470 units in Redbridge for older people.** It should be noted that these totals are based on the units of the London Plan benchmarks to 2029 and do not take account of a slightly lower rate of increase forecast in the older population after 2029.
- 6.5 The Centre for London published *London: A place for older people to call home* in 2020 presenting the results of research into older people and their housing across London³². The report states that inner London will see a greater increase in people aged 65+ than outer London:

The number of Londoners aged 65+ is forecast to rise by 30 per cent by 2030. This is compared to a rise of 23 per cent across England. Beyond the headline figure of a growth in the total number of over 65s in London, the numbers of people in the smaller cohorts which comprise the whole over 65 population are changing at different rates. So, the increase in the number of people aged 65-69 will be larger than those aged 70-74, for example. There are also substantial variations in the rates of growth across inner and outer London, with inner London seeing more change, especially for people just after retirement age.

- 6.6 *London: A place for older people to call home* presents data from POPPI which suggests the population aged 65+ will grow by 35% in inner London by 2030, compared to 27% in outer London and 29% overall. However, more older Londoners live in outer London:

Where older Londoners live is not equally spread across the city... older Londoners are concentrated in outer London boroughs, albeit with some exceptions such as Kensington and Chelsea, and Greenwich. This is at odds with the projected growth of over 65s over the next 10 years, which is forecast to be focussed on inner London. However, the raw data does not tell us why older Londoners live in the places they do. Further research is required to establish whether the pattern is due to preference, or instead due to an unequal distribution of suitable accommodation.

³¹ [the london plan 2021.pdf](#)

³² [Centre for London | London: A place for older people to call home](#)

6.7 It is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix. Providing specialist housing for older people will free up family housing for younger families.

6.8 The London Plan benchmark figures have been specifically accepted by Inspectors in the London Plan examination and individual boroughs. The London Plan examination Inspectors Report of October 2019³³ states:

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

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

6.9 The London Plan benchmark figure of 230 specialist older persons housing units was also accepted by the Inspectors in the LB Brent Local Plan examination³⁴:

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

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

6.11 We have reviewed the London Plan figures using the same methodology as was used to derive the benchmarks in the London Plan, but taking account of changes in stock of specialist older persons accommodation by type and tenure and using the household and population projections which have been applied elsewhere in this study. As well as looking at demand for specialist retirement housing we have also modelled demand for care home accommodation over the plan period.

6.12 Figure 83 below shows the number of older person households by age group and tenure in Havering and Redbridge at the beginning and end of the plan period. Home owners account for 83% of all older person households in Havering in 2021 remaining broadly unchanged at 84% of households in 2043. Comparable figures for Redbridge are 81% and 82% respectively.

³³ [inspectors report and recommendations 2019 final.pdf \(london.gov.uk\)](#)

³⁴ [Report on the Examination of the Brent Local Plan](#)

Figure 83: Older person households by tenure and age of household

		Havering		Redbridge		Havering and Redbridge	
		2021	2043	2021	2043	2021	2043
Owned	65-74	11,754	14,643	9,233	14,647	20,987	29,290
Owned	75-84	9,064	15,141	6,298	12,534	15,362	27,675
Owned	85-89	2,662	4,294	1,816	3,580	4,478	7,874
Owned	90&	1,417	2,794	1,016	2,355	2,433	5,149
Owned	TOTAL	24897	36871	18,363	33,116	43,261	69,987
Owned % of total		83%	84%	81%	82%	82%	83%
PRs - Market	65-74	38	58	20	46	58	104
PRs - Market	75-84	28	55	13	38	41	93
PRs - Market	85-89	11	20	4	12	15	31
PRs - Market	90&	6	13	2	8	8	21
PRs Market	TOTAL	83	146	39	103	123	249
PRs % of total		0.3%	0.3%	0.2%	0.3%	0.2%	0.3%
Affordable	65-74	2,064	2,573	1,909	2,799	3,973	5,372
Affordable	75-84	1,699	2,562	1,483	2,598	3,182	5,160
Affordable	85-89	726	1,037	539	928	1,264	1,965
Affordable	90&	386	675	301	610	688	1,285
Affordable	TOTAL	4874	6848	4,232	6,935	9,106	13,782
Affordable % of total		16%	16%	19%	17%	17%	16%
TOTAL		29,855	43,865	22,634	40,154	52,490	84,019

- 6.13 The total anticipated number of older person households is lower than was assumed when the London Plan was prepared in 2017. The London Plan drew on 2015 based household and population projections whereas this study is based on 2020 based projections. Although the same methodology has been used to measure demand for specialist older persons housing as was used in preparing benchmarks for the London Plan³⁵ the lower projected number of older person households leads to lower annual benchmarks for older persons housing provision.
- 6.14 Modelling demand for older persons housing has been done using the Retirement Housing Group (RHG) Model (as used for the 2021 London Plan). Research for the Housing LIN36 suggests that, based on comparisons with the USA and Australia where the stock of older persons housing is higher and those people who wish to live in specialist accommodation have a practical option to do so, the proportion of older person households moving into specialist older persons housing could be as high as 13-17%. Analysis of SHMA findings from surveys of over 13,500 households aged 50 suggests that around 15-20% of all older households would consider moving to specialist older persons housing if it was available.

35

https://www.london.gov.uk/sites/default/files/gla_older_persons_housing_benchmarks_report_november_2017_0.pdf

³⁶“Downsizing for older people into Specialist Accommodation” Janet Sutherland for Housing LIN February 2011

- 6.15 A 2019 study by YouGov³⁷ found that 33% of older people would consider moving. Research by WPI38 in 2020 reported that 25% of older people would like to downsize, though not all of these would look to move to specialist older persons housing.
- 6.16 The Health Survey for England 2018³⁹ which is the most recent national review of age and frailty found that 27% of adults aged 75 to 80 and 43% of adults aged 80 and over needed help with two or more Activities of Daily Living (ADLs). Living in specialist retirement housing can help to ensure that accommodation is accessible and age friendly and in extra settings there will be onsite care which can assist with ADLs. However adaptations to general needs housing and access to domiciliary care can also help people to get their care needs met in general needs housing. The RHG model is based on propensity to move. Nationally it assumes that, based on the assumptions set out in paragraph 6.14 above, 15-20% of older person households (aged 75 and over) would live in specialist older persons housing if it was available. The London Plan assumed that because the stock of general needs flats is higher in London than the national average, demand for specialist older persons housing in London was modelled on the assumption that demand is at the lower end of the spectrum (i.e. 15% of households aged 75 and over). In order to maintain consistency with the London Plan we have made the same assumption for this study for Havering and Redbridge.
- 6.17 Some older persons housing is occupied by households aged less than 75. The minimum age for access to older persons housing is typically 55 and over. Analysis of residents in a sample of specialist older persons housing properties for sale⁴⁰ shows that 18% of residents are aged under 75. If it is assumed that this is the normal age distribution for households living in specialist older persons housing and the total number of households in each age group living in specialist older persons housing is compared with those living in the general housing stock, then an estimated 2.5% of households aged 65-74 would live in specialist older persons housing if it was available in their area and their chosen tenure. The model therefore assumes that 15% of households aged 75 and over and 2.5% of households aged 65-74 would live in specialist older persons housing if it was available.⁴¹
- 6.18 There is no comparable data source for persons aged under 75 living in affordable rented older persons housing⁴². Anecdotal evidence suggests that specialist affordable rented housing which is difficult to let to older persons may be occupied by younger households, but we do not know whether this proportion is greater or less than the 18% of residents identified above. In the absence of better information, the same ratio of 2.5% of households aged 65-74 requiring specialist older persons housing has been applied to households in the affordable sector. In the London Plan study the supply estimate was based on the assumption that that 100% of all specialist older persons housing (including affordable rented housing) is fit for purpose and is occupied by older people. That assumption has been replicated here.

³⁷ <https://www.housingtoday.co.uk/news/blocked-later-living-downsizers-hold-516bn-in-equity/5115784.article>

³⁸ https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/Report-2-Final.pdf

³⁹ <http://healthsurvey.hscic.gov.uk/media/81673/HSE18-Social-Care-rep.pdf>

⁴⁰ Michael Ball: Housing Markets and Independence in Old Age fig 4.7

⁴¹ Households aged below 65 have been excluded from this calculation.

⁴² CORE reports movers by age into supported housing for rent but not the age of all residents in the rented stock and does not specify whether or not the housing provided is age exclusive older persons housing or supported housing which is open to all age groups. This data does show that 39.83% of new rental lettings are to households where the household reference person is aged 75 or over compared with 23.15% to people aged 65-74. See CORE Affordable Rent - Supported Housing 2014/15 Strategic and Data Submission Report National Report

6.19 The RHG model analyses potential demand for specialist older persons accommodation by tenure, working on the assumption that social and private renters require affordable rented specialist older persons housing and that home owners require outright sale or shared equity.

6.20 Results from the model for Havering and Redbridge for 2021 and 2043 are shown in Figure 84 below.

Figure 84: Demand for older persons housing in Havering and Redbridge in 2021

	HAVERING 2021			REDBRIDGE 2021			Combined total
	hh aged 65-74	hh aged 75 and over	TOTAL	hh aged 65-74	hh aged 75 and over	TOTAL	
No of home owners	11,784	15,834	27,618	9,233	9,130	18,363	
% requiring specialist housing	2.50%	15%		2.50%	15%		
No requiring specialist housing	295	2,375	2,670	231	1,370	1,600	4,270
demand for sheltered current supply	295	1,710	2,005	231	986	1,217	3,222
Additional units required			738			839	1,577
demand for extra care current supply	0	665	1,267	0	383	378	1,645
Additional units required			665			383	1,048
Total additional units required			1,932			761	2,693
No of renters	2,102	2,856	4,958	1,929	2,342	4,271	9,229
% requiring specialist housing	2.50%	15%		2.50%	15%		
No requiring specialist housing	53	428	481	48	351	400	880
demand for sheltered current supply	53	308	361	48	253	301	662
Additional units required			966			1,168	2,134
demand for extra care current supply	0	120	-605	0	98	-867	-1,472
Additional units required			195			98	218
Additional units required			-75			296	491
Total additional units required			680			1,064	1,745

Notes:

1. Household projections by tenure and age derived from the same sources as used in Chapters 4 and 5.
2. Demand for sheltered vs extra care housing based on Housing in Later Life Housing LIN 2012 which modelled 72% of households aged 75 and over require sheltered housing and 28% require extra care. All residents in older persons housing aged 64-74 are assumed to require sheltered housing.
3. Current supply taken from the Elderly Accommodation Directory Advanced Search March 2023. The study therefore compares demand in 2021 with supply in 2023.

4. This shows that in Havering there were 175 age exclusive units at Solar Serena Sunrise in Hornchurch which are mixed tenure without a specific tenure split being given and a further 162 extra care units at Dreywood Court and Painsbrook Court which are a mix of rent and shared ownership without a specific tenure split being given. All of these units have been allocated to the affordable housing supply. In Redbridge Merton Court and Winningdales Court both provide a mix of sheltered leasehold and social rented accommodation. These units have been allocated to the affordable housing supply⁴³.

6.21 Results from the 2021 analysis show that there is a surplus of sheltered and extra care housing for rent in both Havering and Redbridge. There is a shortage of sheltered and extra care housing for sale. There is an immediate need for 1,645 units of sheltered housing and 1,048 units of extra care housing for leasehold/sale. Some of the need for sale housing may be met by people who would prefer to buy moving in to rental or shared ownership accommodation, but even if all the surplus social rented units were taken up there would still be a shortfall of 948 units at the present time.

Figure 85: Demand for older persons housing in Havering and Redbridge in 2043

	HAVERING 2043			REDBRIDGE 2043			Combined total
	hh aged 65 74	hh aged 75 and over	TOTAL	hh aged 65 74	hh aged 75 and over	TOTAL	
No of home owners	14,647	18,468	33,115	14,647	18,468	33,115	
% requiring specialist housing	2.50%	15%		2.50%	15%		
No requiring specialist housing	366	2,770	3,136	366	2,770	3,136	6,273
demand for sheltered current supply	366	1,995	2,361	366	1,995	2,361	4,721
Additional units required			966			839	1,805
demand for extra care current supply	0	776	776	0	776	776	1,551
Additional units required			0			0	0
Additional units required			776			776	1,551
Total additional units required			2,170			2,297	4,468
annual total			109			115	223
No of renters and other	2,845	4,193	7,038	2,845	4,193	7,038	14,076
% requiring specialist housing	2.50%	15%		2.50%	15%		
No requiring specialist housing	71	629	700	71	629	700	1,400
demand for sheltered current supply	71	453	524	71	453	524	1,048
Additional units required			966			1,168	2,134
demand for extra care current supply	0	176	176	0	176	176	352
Additional units required			-442			-644	-1,086
Additional units required			195			296	491
Additional units required			-19			-120	-139
Total additional units required			461			764	1,225
overall total			1,709			1,533	3,243
annual total 2024 43			85			77	162

Notes: see Figure 84 above

⁴³ 33 flats at St Ethelburga's Extra Care scheme are also included

- 6.22 Analysis of older persons housing demand to 2043, based on projected growth in households, including continuance of recent trends in in and out migration, suggests that there is a continued but smaller surplus of older persons housing for rent and that demand for older persons housing for sale or leasehold increases to a total of 2,916 units of sheltered housing and 1,551 units of extra care housing, 4,468 units in total. Expressed as an annual target for Redbridge and Havering over the 20 year period from 2024 to 2043 this gives a figure of 223 units of specialist older persons housing per annum.
- 6.23 If all the surplus of social rented housing was allocated to older home owners then the annual target for Havering and Redbridge would fall to 162 units pa. Given the magnitude of the current shortfall in supply the two authorities might wish to consider setting a higher older persons housing target in the early years of the plan. This could then be monitored on an annual basis and amended when the shortfall has fallen closer to the suggested twenty year annual target. The local authorities may particularly wish to consider encouraging provision of shared ownership and market rental schemes and of extra care housing for sale/leasehold. There is very limited supply of shared ownership housing and no freestanding schemes and there is no provision of extra care housing for market sale.
- 6.24 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies and would ideally be part of the developing Havering and Redbridge Ageing Well Strategy, in particular involving liaison with those responsible for older person support needs. Regular review will be important as will be keeping up to date with developments in older people's care and support.
- 6.25 Research by SCiE⁴⁴ published in November 2021 found that among older people when asked which type of setting would you consider living in if in old age you needed support with everyday activities and in order to stay safe and well? Retirement villages and extra care were the most popular types of housing with care and support, with 69% responding that they would consider living in retirement villages and 55% reporting they would consider extra care. These numbers were significantly higher than support for care homes (33%) supported living in shared accommodation (35%) and shared lives (23%)⁴⁵ and concluded that *the range of options do not align with patterns of demand*.

Care homes

- 6.26 Demand for care home accommodation is in part a function of the wider range of housing, care and support options available. Increased provision of extra care housing has the potential to reduce demand for care home beds. However an ageing population, particularly growth in the number of people aged 85 and over, is likely to lead to an increase in demand for residential and nursing care. Figure 86 below shows current usage of care home beds by age group within Havering and Redbridge according to the 2021 Census⁴⁶ This shows that there were 2,001 residents in care homes in Havering and Redbridge. The majority of residents

⁴⁴ A place we can call home: A vision and a roadmap for providing more options for housing with care and support for older people Commission on the Role of Housing in the Future of Care and Support

⁴⁵ Definition of supported living: **supported living** (also called supported housing) is for people who can either live by themselves with support or share an ordinary or purpose-built home with a small number of other disabled adults of working age or older people. If the latter, each person normally has their own bedroom. The rest of the property is communal space and normally this will include at least a living room and kitchen/dining area. Note the narrow definition of supported living. The survey does not appear to have asked about housing with support/retirement housing although this category of accommodation is included in the definition of possible housing models reviewed by the commission

⁴⁶ Table TS047-2021-1 2021

in care homes (52.7%) were aged 85 and over and the largest single group was females aged 85 and over 840 people (41% of the total).

Figure 86: Population aged 65 and over living in a care home 2021.

	Havering 2021			Redbridge 2021			Havering and Redbridge		
	living in care home	popn	% population	living in care home	popn	% population	living in care home	popn	% population
Male: Aged 65 to 74 years	106	11,362	0.93%	130	9950	1.31%	236	21312	1.11%
Male: Aged 75 to 84 years	114	6,584	1.73%	102	5311	1.92%	216	11895	1.82%
Male: Aged 85 years and over	127	2,504	5.07%	89	1942	4.58%	216	4446	4.86%
Female: Aged 65 to 74 years	70	12,636	0.55%	69	10,959	0.63%	139	23595	0.59%
Female: Aged 75 to 84 years	194	8,660	2.24%	160	6494	2.46%	354	15154	2.34%
Female: Aged 85 years and over	546	4468	12.22%	294	3276	8.97%	840	7744	10.85%
TOTAL	1,157	46,214		844	37,932		2,001	84,146	

6.27 Data from the Elderly Accommodation Counsel database (March 2023) records the number of care home beds available in Havering and Redbridge. This shows that Havering had 1,709 care home beds of which 1,513 were CQC good or outstanding. Redbridge had 1,084 care home beds of which 792 were rated CQC good or outstanding. Havering had enough good quality bedspaces to meet recorded need (1,157 units). Redbridge had enough bedspaces in total but not all of them met the CQC Good or Outstanding standard. It is not possible to tell from the available data whether there were sufficient bedspaces in nursing homes to meet the need for this higher level of care or whether some people who would have benefited from nursing home care were being accommodated in care homes.

Figure 87: 2023 Supply of Care Home Beds

	Havering			Redbridge		
	Care home	Nursing home	Total	Care home	Nursing home	Total
CQC good or outstanding	656	857	1513	389	403	792
Other	196	0	196	120	172	292
Total	852	857	1709	509	575	1084

6.28 The coronavirus pandemic was at its height when the 2021 Census took place and there were many restrictions on access to and admittance to care homes. This means that the 2021 Census is not necessarily an accurate reflection of current and predicted demand for care home beds. However there are no more recent published indicators which would point to a more accurate measure of demand for care home beds. We have therefore based our estimate of ongoing demand for care homes beds on the assumption that the percentage of the older person population living in a care home remains at the same level as in 2021. This approach is consistent with the approach adopted for the London Plan where assumed demand for care home beds was based on 2011 Census data. We would however recommend that the local authorities and their Health and Social Care partners keep supply and demand in this sector under review and undertake a revised assessment of long-term demand for care home beds if there is evidence to suggest a change in national, local or London-wide patterns of demand for care home accommodation.

6.29 Figure 88 below shows potential demand for care home accommodation in 2043. By 2043, as the older population continues to increase, demand for care home beds across the two local authorities rises from

2,001 in 2021 to 3,314 units in 2043. This suggests an annualised rate of growth of 151 bedspaces a year (or an increase of one 75 unit care home per local authority per year).

Figure 88: Demand for care home bedspaces 2043

	Havering 2043			Redbridge 2043			Havering and Redbridge		
	living in care home	popn	% population	living in care home	popn	% population	living in care home	popn	% population
Male: Aged 65 to 74 years	133	14,212	0.93%	213	16,333	1.31%	346	30,545	1.13%
Male: Aged 75 to 84 years	187	10,788	1.73%	204	10,606	1.92%	390	21,394	1.83%
Male: Aged 85 years and over	221	4,361	5.07%	204	4,458	4.58%	425	8,819	4.82%
Female: Aged 65 to 74 years	88	15,875	0.55%	100	15,947	0.63%	188	31,822	0.59%
Female: Aged 75 to 84 years	304	13,565	2.24%	289	11,739	2.46%	593	25,304	2.34%
Female: Aged 85 years and over	860	7,037	12.22%	511	5,689	8.97%	1,370	12,726	10.77%
TOTAL	1,792	65,838		1,522	64,772		3,314	130,610	
Annual additional requirement							151		

Accessible and Adaptable Housing

6.30 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).⁴⁷

6.31 Three standards are covered:

- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

6.32 In terms of new developments, Part M states that: “Where no condition is imposed, dwellings only need to meet requirements M4(1)” (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

6.33 In July 2022, the government issued their response to a consultation ran in 2020 on the future of accessibility standards.⁴⁸ Paragraph 73 of the response concluded that:

⁴⁷ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

⁴⁸ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

- 6.34 Previously, local authorities were required to assess the need to M4(2) accessible homes in their local area and develop policies to deliver these the properties. The government are now proposing that all homes be delivered to M4(2) standard and therefore this evidence is no longer required.
- 6.35 However, local authorities are still required to assess the need for the higher M4(3) standard which covers the need for wheelchair adapted and adaptable home.

Housing for Wheelchair Users

- 6.36 Building Regulations for M4(3) Category 3: Wheelchair user dwellings state that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:



- 6.37 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 6.38 The CLG guide to available disability data⁴⁹ referenced by PPG⁵⁰ [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 89 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative. The data relates to 2013/14 when the issue was last explored in the English Housing Survey.

Figure 89: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

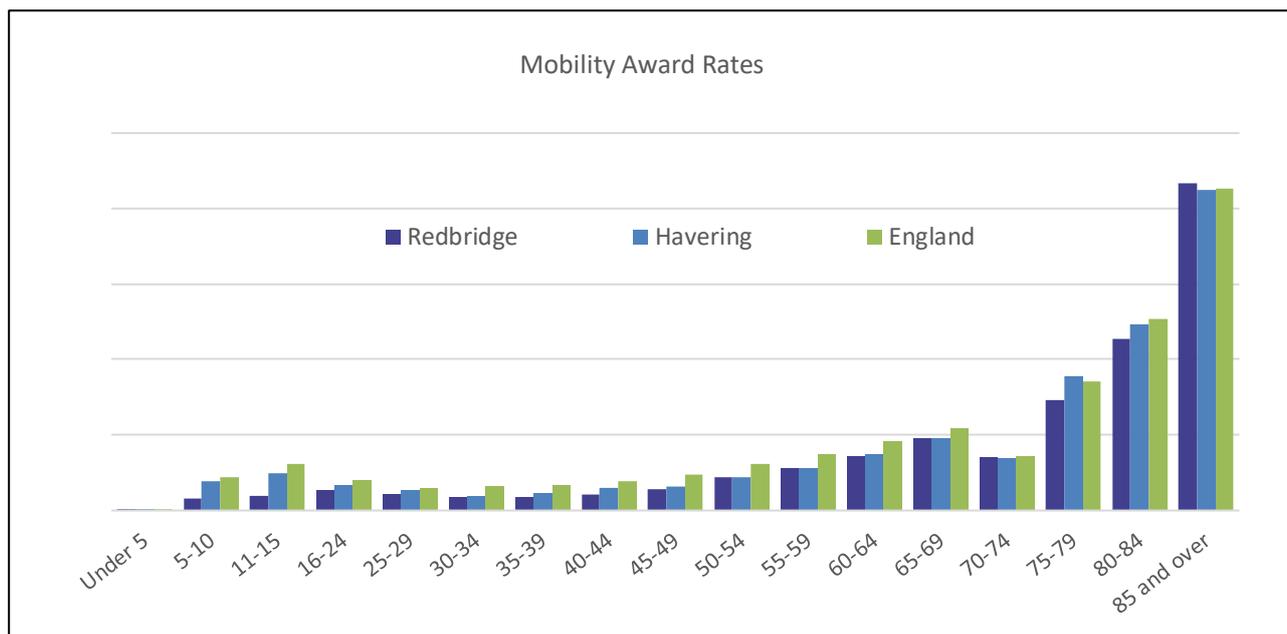
Housing Type	Age of Household Representative							
	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

- 6.39 To get a better understanding of the local Redbridge and Havering data, Figure 90 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Redbridge and Havering against the figures for England.

⁴⁹ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

⁵⁰ [Housing: optional technical standards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-optional-technical-standards)

Figure 90: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2022)



6.40 Through combining the information on local rates with the national data, we can establish the proportion of households in Redbridge and Havering likely to include a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 91).

Figure 91: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15 24	25 34	35 44	45 54	55 64	65 74	75 84	85+
Havering								
Market housing	< 0.1%	0.4%	1.0%	1.5%	2.9%	3.9%	6.1%	9.2%
Affordable housing	0.3%	2.0%	2.9%	5.8%	5.9%	10.1%	12.7%	19.7%
Redbridge								
Market housing	< 0.1%	0.4%	0.9%	1.5%	2.9%	3.9%	5.8%	9.3%
Affordable housing	0.3%	1.9%	2.8%	5.7%	5.8%	10.1%	12.2%	20.0%

6.41 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2021 to 2043. (Figure 92) Using this approach we calculate the number of households likely to need wheelchair adapted housing in Redbridge is likely to increase by 1,900 over the 22-year period, with a growth of 1,550 households in Havering. This is 6.1% of the total need in Redbridge and 5.5% of the total housing need in Havering. This would suggest a need for a minimum of 5% of new dwellings to be built to M4(3) standard.

6.42 The minimum of 5% is lower than the ‘at least’ 10% stated in the London Plan Policy D7. The London Plan target provides support for the conclusion that 5% is the minimum need to build to M4(3) standard:

Policy D7 Accessible housing

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

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

London Plan 2021

Figure 92: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2021	2043	Net change 2021 43
Havering			
Market housing	2,290	3,170	+880
Affordable housing	1,210	1,880	+670
Total	3,500	5,050	+1,550
Redbridge			
Market housing	1,870	2,630	+760
Affordable housing	1,300	2,440	+1,140
Total	3,170	5,060	+1,900

6.43 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (75%) comes from households which are aged over 75. This can be seen in Figure 93.

Figure 93: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2021	2043	Net change 2021 43	2021	2043	Net change 2021 43
Havering						
Market housing	1,340	1,610	+270	950	1,560	+610
Affordable housing	820	1,160	+350	390	720	+330
Total	2,150	2,770	+620	1,350	2,280	+930
Redbridge						
Market housing	1,230	1,560	+330	630	1,070	+430
Affordable housing	990	1,620	+620	310	820	+510
Total	2,230	3,180	+950	940	1,890	+950

6.44 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.

- ^{6.45} Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that around a tenth of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.
- ^{6.46} On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. This could reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

Other groups who may need supported housing or housing with support

Havering - Other specialist and supported housing

- 6.47 In this section, summary figures of supported housing need are presented first drawn from the *Havering Borough Council Supported Housing Strategy 2022 – 2025*, followed by key points from qualitative interviews with relevant Council officers and others regarding the need for supported housing to give a wider context and nuance to the figures presented.
- 6.48 In 2021 Havering Borough Council commissioned the Housing LIN to assess the housing needs in Havering for older people, those with mental health issues, single homeless people, ex-offenders and people with substance misuse issues. The level of need for housing for vulnerable young people and adults with learning disabilities was researched separately and published in the *'Future Accommodation needs in Havering'*.
- 6.49 The results of these two assessments were summarised in the *'London Borough of Havering Supported Housing Strategy 2022 – 2025'*. Interviewees advised that the figures published in the Supported Housing Strategy take account of supply and need/demand in greater detail than is possible in this overview of need for the LHNA. The Havering figures are reproduced below with the exception of older people because of the detailed assessment by Three Dragons which is included within the LHNA.

Figure 94: Need for Supported Housing in Havering (Source: LB Havering Supported Housing Strategy 2022 - 2025)

	Current number of units	Future need in provision	Units in development
Mental health	Supported Living in borough – 7 schemes. Number of units commissioned flexibly.	96 units of additional housing for people with a mental health support need by 2030.	20 units of housing with floating support per year.
People with learning disabilities	x ' , '		Developing supported living for adults with disabilities, 6 one bedroom flats with support staff on-site, including sleep-in staff. For older people with learning disabilities, designate 2 one bedroom flats per year on our general needs estates, with floating support providing support. Havering retirement housing village development and extra care sheltered housing offer additional options for older people with mild learning disabilities.
		Modest need to reduce out of area placement; circa 5 places.	
	Group C - People currently at home with families who will need accommodation and support in future.		
	All groups – need for flexible 'own space' accommodation.	A total of 30-40 units over 5 years.	
	Mainstream housing – small scale shared living opportunities		
Group C - People currently at home with families who will need accommodation and support in future.	18 expected to migrate away from the family home into accommodation and support services.		

	Current number of units	Future need in provision	Units in development
	All groups – small scale shared living opportunities.	12 units over 5 years; would capture 66% of the new market.	
Young People, care leavers and Special Educational Needs and Disabilities (SEND)			
Homeless families and single homeless people	83 rooms in two hostels.	Homeless Families -72 units of emergency accommodation. Single Homeless People – 130 units per annum.	Family welcome Centre will have 74 self-contained units for families. Assessment centre for single people 25 units.
People with substance misuse (drug and alcohol)	5 bed spaces in one shared supported house of multiple occupation.	Accommodation with support is needed for approximately 45 people per annum.	30-35 units in 6 shared supported housing schemes.
Domestic abuse	23 places in two refuges in the borough.	We will work with other boroughs in planning and delivering any future provision.	Family Welcome Centre will offer places for victims of domestic violence.
Offenders/ ex-offenders	The Derby Avenue Programme (5 units), which is run by a support provider, is in the process of winding down.	Estimated demand for an additional 10-20 units of supported housing designated for ex-offenders	Working with the private sector.

Interviews with relevant staff

- 6.50 Video interviews were held with 13 relevant officers from Havering Council, NELFT NHS Foundation Trust, and Barking Havering and Redbridge University Hospitals NHS Trust, and CGL covering housing, social care and health in Havering. A standard interview schedule was used throughout, though with some flexibility to ensure that important points reflecting the different teams and organisations were not missed. The interviews were recorded, with permission, to ensure that the report reflects what was said. The recordings are held securely and will be deleted at the end of the project or after one year.
- 6.51 In addition, some information was gathered through email exchanges. This was mostly generic and contextual quantitative information.
- 6.52 Regarding vulnerable groups, some key overarching points will be discussed first, followed by a discussion of the main groups shown in Figure 94. in a little more detail. These are followed by short discussions about complex needs, quality and affordability, models of supported housing provision, and a note on the relevance of the larger homes in the housing stock to supported housing.
- 6.53 Havering have a supported housing programme board attended by directors who are looking at a supported housing strategy to try to put in place the response to the needs being laid out. Representatives include housing, social care, commissioning, children's social care and regeneration.
- 6.54 Housing for vulnerable people in Havering is provided across the spectrum of housing and support needs, from individual tenancies with support to 24 hours a day live in support.
- 6.55 NELFT support move out from acute beds for mental health and manage some supported housing schemes directly. They work jointly with Redbridge but do not manage any supported housing in Redbridge. They have Section 75 agreements with Havering and with Redbridge for mental health step down and supported living; from 24 support in place to independent living with support.
- 6.56 Barking Havering and Redbridge University Hospitals NHS Trust are looking to work in partnership to provide as many services as possible outside of hospital. They do not aim to provide housing but are keen to work with developers to ensure appropriate services are provided, and to work in partnership to provide services outside of hospital; a hospital at home type model, including acute services at home.

Key points from the interviews

- 6.57 Overall, the housing capacity for vulnerable people in Havering is good, with a well-developed market, particularly around supported living where there has been a good response from the provider market. People with moderate to complex learning disabilities are reasonably well catered for, but there is not enough supported housing for people with mental health problems. It seems that the rental market and the types of property in Havering suit the supply of community living for people with learning disabilities and some other vulnerable people. A large majority of people live in the community without difficulties and without attracting any more attention than any other person.
- 6.58 While supported housing meets some of the needs, there are gaps, especially for people with higher care needs for people with learning disabilities and others. There is insufficient self-contained supported housing with staff on site.

- 6.59 Perhaps the most striking of these gaps is for people with complex needs. A repeated concern in several interviews was that it is difficult to find providers who have staff with the skills to support people with complex needs:

If you looked at supported living you'd see we have good capacity. But we don't have enough capacity of the support for the increasing complexity of need. The right staff with the right skill mix.

- 6.60 Complex needs are discussed in more detail below.

- 6.61 The quality of some private rented properties is of concern, including the physical building, the local area and the management. While this affects all groups, it may be more of a problem for young vulnerable people than for disabled people:

where young people move into their own tenancy with floating support, some are not in desirable areas, and there's no control over the mix of tenants in there.

- 6.62 Affordability is a concern, though Havering Borough Council and partner agencies work to minimise problems, such as ensuring that the rent is set at the Housing Benefit rate that the tenant is entitled to.

- 6.63 Quality and affordability are discussed in more detail below.

Mental health

- 6.64 There is considered to be a good pathway for recovery in the mental health pathway, with provision at all the stages; residential, supported living, supported accommodation in some block contracts plus a floating support offer for people that hold independent tenancies.

- 6.65 There remain some issues with provision for people with mental health problems. Several interviewees pointed to a need for more high support housing for mental health. Mostly, the issues relate to complex needs and challenging behaviour for which private accommodation of some sort – a flat or bedsit - on a site with 24 hour staffing is the preferred option to deliver the best outcome.

- 6.66 People with mental health problems may also experience difficulties dealing with the bidding process for social housing. For example, just as a person with depression may not be motivated to pay bills, so they may not be motivated to submit bids.

People with learning disabilities

- 6.67 Provision for people with a learning disability was generally considered to be working well, with a range of housing and care models to match individual needs.

- 6.68 There were some concerns about the quality of housing in the private rented sector, though it appears that there may be greater housing choice for people with a learning disability as they elicit less concern from landlords than do some other groups.

- 6.69 Two issues with older people with learning disabilities were identified. The first is a large population where the person lives in a private home with ageing parents whose needs are themselves increasing with age. The second is some learning disabled clients moving into having age related dementia, or having deteriorating physical health.

- 6.70 Dementia can cause problems depending on what setting they are in. For example, where a person is one of four or five clients in supported living and has dementia, the staff are unlikely to be able to support their

dementia needs. This is another example of staff requiring skills in different areas; the staff need to have learning disability skills and dementia or older person skills.

6.71 In the case of deteriorating physical health, the physical environment may not meet their needs; they may need equipment such as a hoist. Again, the staff will need learning disability skills and older persons skills. The main reason social care and housing are asked to move the people is that the home they are in is not accessible. It was noted that ideally, tenants would not have to move on from their home with changing care needs and the care would adapt around them, including stepping down; moving from a high quality supported living to an independent flat above a shop may not be desirable for some people.

6.72 The needs of people with learning disabilities leads to a requirement for higher than minimum specification housing:

The needs of our clients are quite profound now. Apart from complexity [of need], we need ground floor accommodation, we need things that are built to a higher standard than disability discrimination standards.

6.73 As with some people with a mental health problem, people with learning disabilities can struggle with the bidding system, though it is expected that many receive support through the process.

Young People, care leavers and Special Educational Needs and Disabilities (SEND)

6.74 There is considered to be a shortage of accommodation for vulnerable young people in general, both in the private rented sector and for those on the housing list. There are gaps in providers staff skills to support mental health, challenging behaviours including ASB, and other challenges, including daily life during their transition to adulthood:

Our semi-independent providers are providing the accommodation and a certain level of care, but they're not really supporting young people with some of the challenges they've got.

6.75 As young people move through the system from leaving 'parental control' and being supported on to their own tenancies. Many need continued support. Those aged 17, potentially up to 21 in some cases, fare best in shared semi-independent provision with 24 hour support. Once in semi-independent provision the support role is supervisory and largely about life skills; budgeting, shopping, personal hygiene and so on. In the cohort above that the level of support can be lower and they find their own tenancies. However, as stated above, there is a shortage of accommodation for this group. It was noted that while some providers are very good at providing such support, others are not so good, particularly with some of the more complex issues such as safeguarding.

6.76 The need for supported housing for care leavers was reported to be increasing⁵¹ so we need to do more quite quickly; we haven't got enough. Havering are doing a lot of regeneration led by housing and part of the discussion is to have supported housing on those regeneration sites.

Complex needs

6.77 Supporting people with complex needs can be seen to be a problem across all groups; partly, but not entirely because complex needs are often related to dual diagnosis. The repeated concern relating to complex needs is the lack of staff skills to support the people concerned.

⁵¹ We did not explore the reasons for this growth

- 6.78 Gaps were identified around complex diagnosis of mental health in isolation, and around dual diagnosis of substance misuse and mental health, autism and mental health, and learning disabilities and autism. There will be other dual diagnoses. There is a reported increase in the number of young clients with learning disabilities and autism who demonstrate challenging behaviours, particularly male clients.

We don't have providers with the skills to manage any of those needs in any housing type. The market [needs] to provide the right type of support because of the changing complexity of the cohort.

- 6.79 People with higher levels of need do not always do well in independent accommodation. Sometimes this is because of mental health, sometimes because of associated difficult behaviours which are not mental health issues in themselves, though the individuals are known to mental health services; the complicating issues may be substance misuse and challenging behaviours.

That cohort is the one people hear and talk about because they create issues.

- 6.80 There is insufficient appropriate, safe housing that fosters recovery and wellbeing around those wider determinants of mental health, substance misuse, and challenging behaviours. It takes a disproportionate amount of healthcare support to allow this group of people access to housing.

- 6.81 Some people with dual diagnosis or who exhibit challenging behaviours do not fit well in group homes or independent living and are likely to be better placed in an independent type setting but with potential high levels of wrap around support. For example, patients with emotional personality disorder do not manage well in group homes because they have significant challenging behaviour such as self harming. It was reported that where there are several people with emotional personality disorders together, the poor behaviour is mirrored by others, whereas when the same people are housed in independent living with a high level of individual support experience better outcomes. High levels of support for individuals is expensive, but more successful.

- 6.82 Not everyone with complex needs can successfully manage independent living:

Experience shows that people who go into 24 hour support do not tend to end up in independent living; we tend to aim somewhere around the minimum level of care as possible, but they're probably going to need some level of care.

Quality and affordability

- 6.83 The quality of accommodation was raised in several interviews, mostly relating to some individual or small group tenancies in the private rented sector; recognising that most private landlords will provide decent accommodation. Most of the issues relate to the common problems where there is a poor quality property; of kitchen and bathroom furniture, damp and so on.

- 6.84 It was suggested that the market for housing for young people had a greater problem with sub-standard accommodation than that for disabled people, possibly because there is more direct oversight for people with learning disabilities in particular whereas young people often find their own tenancy.

- 6.85 Two particular issues that were raised relating to young people moving into their own tenancy with floating support are that some accommodation is not in desirable areas, and there is no control over the mix of tenants. However, with recent Ofsted changes and the impact of landlords licencing, standards may be beginning to change.

- 6.86 Schemes where care is provided in a much more structured package, such as 24 hour care were seen as generally being in better quality accommodation.
- 6.87 When Havering Borough Council are funding a placement, it is made clear that the rent should be set at the Housing Benefit rate that person is entitled to in the area. A placement would not be supported without the rent level being declared. The majority of clients are using benefits to pay their rent and utilities.
- 6.88 There remain cases where clients have to top up their rent beyond LHA level. For example, tenants of a new Community Interest Company scheme soon to be open may need to top up LHA rates (unless they work 16 hours or less). Registered Provider rents tend to be higher, largely because of service charges.

Models of housing

- 6.89 A mixed model of supported housing was put forward as being helpful to address some of the issues raised, notably improved outcomes for tenants:
- 6.90 A new mixed scheme to open soon; 20 studio flats for care leavers, people with mental health problems and other vulnerable groups. Importantly there will be staff on site.

These mixed schemes work well and you're not tied if you can't get referrals – you can go to another group.

- 6.91 The new scheme will probably learn from an existing mixed scheme of 23 flats with staff on site for care leavers, some learning disabilities and some mental health. There is support with cooking on site allowing tenants to learn those skills.
- 6.92 There are some concerns about the delivery of one and two bedroom apartments instead of houses for all groups, not just vulnerable groups. Specifically, the concern is about the potential effect of smaller apartments on the occupants' mental health because of a lack of green space, particularly if the properties are overcrowded. The Olympic Park is a particular example. Development here was intended for City based professionals. A large proportion of these properties has been bought by private developers and rented out, frequently to families who are living in one and two bedroom apartments.

Larger houses/Older people in larger houses

- 6.93 Several interviewees raised the point that there are a significant number of older households in Havering, many of which migrated in over a number of years to retire in the Borough for reasons such as the availability of larger properties costing less than smaller properties in other Boroughs.
- 6.94 There is a challenge to encourage older residents to move to more suitable properties, thereby freeing up larger family properties. Many of the larger properties around the outskirts of Havering are inappropriate for older people, especially single older people, as they are difficult to heat and with accessibility problems.
- 6.95 Many large houses in Havering, Redbridge, and Waltham Forest have been bought by private providers as care provision for people with mental health problems or learning disabilities. When other London boroughs place people in this care provision their care needs become the responsibility of Havering or Redbridge (or Waltham Forest).

Modelling of Mental Health and Learning disabilities Populations

- 6.96 The point was made in interviews that the housing need numbers for mental health and learning disabilities in the Housing LIN work were a small percentage of the total population and that many people have low level

mental health problems and learning disabilities and therefore do not currently need supported housing, or they are managing their severe mental health problem. Some of these people may move into the cohort requiring supported housing.

6.97 For this reason we include the modelling below, which is intended as context to illustrate the *potential* level of mental health and learning disabilities in Havering. This is not an alternative analysis to the in-depth analysis by the Housing LIN.

Mental Health

6.98 There are three stages to the modelling of accommodation needs for people with mental health problems.

- » Stage 1 is to estimate the total number of adults within the Havering population with some mental health problem. Many of these people will be functioning with low level or no medical or social care intervention. An example would be a person with depression which is controlled by medication or talking therapy and who is in secure employment and family and social relationships. These people are in little or no risk of their mental health problem leading to their needing supported or independent accommodation.
- » Stage 2 is to estimate the total number of adults with a mental health problem which is potentially serious enough to cause them to be at risk of needing supported or independent accommodation, with or without support. These will often be people who are in touch with Health or social care services, though that may still be low level of support. They will often be diagnosed with conditions such as severe depression, schizophrenia or bipolar disorder; the type of conditions which may involve psychotic episodes.
- » Stage 3 is to estimate how many people identified in stage 2 are at risk of having or developing housing need. It is important to note that the modelling does not need to take account of current supply of supported accommodation and independent accommodation with or without support because it is based on the number of people who currently do not have secure accommodation.

6.99 Figure 95 shows the prevalence of mental health problems and learning disability in the Havering population as measured by recorded cases on the NHS Digital Quality and Outcomes Framework (QOF) dashboards for all GP surgeries that operate within Havering⁵².

6.100 Depression is the most prevalent mental health problem by a considerable margin. The QOF data shows around 24,000 patients currently experiencing depression in Havering, which is equivalent to a prevalence rate of 11.31% compared to 12.65% nationally. The data also shows around 1,200 patients in Havering experiencing other mental health problems, equivalent to a prevalence of 0.71% compared to 0.95% nationally. On this basis, Havering is below the national prevalence rate for both.

⁵² [Microsoft Power BI](#)

Figure 95: QOF recorded cases of mental health problems and learning disability for all GP practices serving Havering (Source: NHS Digital, QOF analysis 2020/21)

Indicator Group Code	Indicator Group Name	Register	Patient List Size	Prevalence %	England Prevalence %
DEM	Dementia	1,668	268,080	0.62%	0.72%
DEP	Depression	23,740	209,910	11.31%	12.65%
MH	Mental Health	1,913	268,080	0.71%	0.95%
LD	Learning Disability	1,166	268,080	0.43%	0.55%

- 6.101 While the QOF only includes people who are known to GP services, it can be expected that the QOF data is unlikely to show a significant underestimate as most people will be included in GP records. This will include those with chaotic lifestyles because their being treated through other Health and Social Care services (including acute hospital admissions) will ensure they are recorded. GP practices do not have well defined geographies; patients from outside of Havering may be registered with Havering GPs and Havering residents registered with practices outside of Havering. While this may lead to an over or under estimate, it is unlikely to be significant.
- 6.102 A sensitivity analysis of the QOF results can be performed by triangulating QOF against the Public Health England (PHE) 'Fingertips' profiling tool⁵³. The Fingertips tool does itself use QOF data but in conjunction with other sources. Figure 96 shows the estimated prevalence of 'common mental disorders' across the population for the population of 16 and over, and for the older age group of 65 and over. Self-reported wellbeing scores for four key indicators are also included for completeness. The Fingertips data allow a comparison with the whole of England and across the London Region:
- 6.103 For each measure, the prevalence in Havering is similar or below the prevalence across England. The estimate of common mental disorders in the 16+ population is below that of England; 15.9% in Havering compared to 16.9% for England. The estimate in the 65+ population is similar but just below that of England; 9.9% in Havering compared to 10.2% across England.
- 6.104 The London Region as a whole has higher a prevalence of common mental disorders in both the 16+ and the 65+ populations than across England as a whole; 19.3% compared to 16.9% in the 16+ population, and 11.3% compared to 10.2% in the 65+ population.
- 6.105 Havering has notably lower prevalence estimates than the London Region for the two overarching values of prevalence of common mental disorders; 15.9% compared to 19.3% across the London Region in the age 16+ population, and 9.9% compared to 11.3% across the London Region in the age 65+ population. The other measures are all lower than or similar to the London Region.
- 6.106 By these measures, Havering has a lower incidence of mental health issues than in the London Region as a whole.

⁵³[Common Mental Health Disorders - OHID \(phe.org.uk\)](https://phe.org.uk)

Figure 96: Fingertips Profiling Indicators for mental health in Havering (Source: NHS Digital, Fingertips Profiles)

Measure	Havering Count	Havering Value	London Region Value	England Value	Data from
Estimated prevalence of common mental disorders: % of population aged 16 & over	32,729	15.9%	19.3%	16.9%	2017
Estimated prevalence of common mental disorders: % of population aged 65 & over	4,582	9.9%	11.3%	10.2%	2017
Self- ...					
People with a low satisfaction score	-	3.6%	4.6%	5.0%	2021/22
People with a low worthwhile score	-	3.0%	3.4%	4.0%	2021/22
People with a low happiness score	-	8.9%	8.7%	8.4%	2021/22
People with a high anxiety score	-	19.4%	23.8%	22.6%	2021/22

6.107 The Fingertips profiling tool shows an estimated prevalence of around 32,700 people with common mental disorders aged 16 and over in Havering as at 2017. This is higher than the number recorded on the QOF in 2020/21. The percentages on Fingertips are also higher, though comparing the prevalence for England shows 16.9% for England on Fingertips 2017 compared to 13.24% on QOF in 2020/21. This demonstrates that the two sources do not produce identical estimates, partly because the QOF only records cases known to GPs.

6.108 In conclusion, we can conclude that there are likely to be around 33,000 people in Havering with a mental health problem that is serious enough to **consider** in assessing the need for supported housing or independent housing with support. However, most of these will not be serious enough to lead to a need for supported housing or housing with support.

6.109 A study for the NHS, 'Mental Health and Wellbeing in England: Adult Psychiatric Morbidity Survey 2014' defines Common Mental Disorders and places them in the context of a financial and social cost, though that is not an essential consideration in assessing the housing need⁵⁴:

Common mental disorders (CMDs) comprise different types of depression and anxiety. They cause marked emotional distress and interfere with daily function, but do not usually affect insight or cognition. Although usually less disabling than major psychiatric disorders, their higher prevalence means the cumulative cost of CMDs to society is great.

6.110 The relevant group to consider for housing need are people with severe mental illness (SMI), people who will suffer the disabling effects of a major psychiatric disorder which is likely to affect insight or cognition.

6.111 In October 2017, Public Health England (PHE) published their 'Psychosis Data Report'⁵⁵ showing the number of people with psychosis and their access to care and support across England and smaller geographies, including Care Commissioning Groups (CCG). While this data was collected in 2014/15 and published in 2017, it has two advantages:

- » The first advantage is that the data is based on the QOF Severe Mental Illness (SMI) register, which covers schizophrenia, bipolar affective disorder and other psychoses.
- » The second advantage is that the Havering CCG, was co-terminus with the Havering BC area. Therefore it is based on the same data source used above and same geography as in Figure 95.

⁵⁴ [apms-2014-full-rpt.pdf \(nationalarchives.gov.uk\)](https://nationalarchives.gov.uk/apms-2014-full-rpt.pdf)

⁵⁵ [Psychosis data report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/psychosis-data-report)

- 6.112 The results are shown below, including the lower and higher confidence intervals to allow the results to be sensitivity checked:

Figure 97: Recorded number of people with severe mental illness – Havering CCG (Source: QoF SMI register, 2014/15)

Havering CCG published results	Value % of total GP registers	Lower CI % of total GP registers	Upper CI % of total GP registers	Count	Denominator
	0.65	0.62	0.68	1,699	261,141
Havering CCG lower and upper CI expressed as numbers	Number on total GP registers	Lower CI as a number on total GP registers	Upper CI as a number on total GP registers		Denominator
	1,697	1,619	1,776	-	279,399

- 6.113 From this we can see that somewhere between 1,619 and 1,776 people have a mental health condition which is serious enough to cause or seriously threaten their housing and may require supported housing or housing with support.
- 6.114 It is important to consider the lower and upper numbers because of the uncertainty which is introduced at the final stage of the modelling. The available data on housing need is based on people on the Care Programme Approach (CPA), but it is necessary to use the QoF SMI register to estimate the number of people in need or potential need as Fingertips notes data quality concerns about the available data for the number of people on the CPA. The Community Mental Health Framework replaced the Care Programme Approach for community mental health services in July 2021.
- 6.115 The most likely people to require supported housing or housing with support are those who have a severe mental health problem and are in insecure or inappropriate accommodation.
- 6.116 Figure 98 shows the percentage of adults aged 18 to 69 in Havering who are in contact with secondary mental health services and who live in stable and appropriate accommodation⁵⁶. In 2020/21 83% lived in stable and appropriate accommodation, a decrease from 86% in 2014/15, although the reasons for this are unclear; but it suggests that a smaller proportion of adults with mental health problems are now in stable and appropriate accommodation.

Figure 98: Adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation - Havering (Source: Fingertips; numbers reported as recorded, rounded numbers only are recorded from 2016/17)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Havering	85.90%	83.60%	82.00%	80.00%	72.00%	82.00%	83.00%

⁵⁶ [Public health profiles - OHID \(phe.org.uk\)](https://publichealthprofiles.org.uk)

- 6.117 Taking the results from Figure 97 and Figure 98 together gives a range of accommodation need as shown in Figure 99:

Figure 99: Adults with SMI at risk of requiring supported housing of housing with support - Havering 2020/21

	Sum	Persons in potential need
Percent not in stable and appropriate accommodation	17%	-
Range of need - lower end	1619 x 17%	275
Ranger of need – upper end	1776 x 17%	302

- 6.118 Each person at risk of losing their accommodation can be counted as a household, be that a single person household or a family or other household. In general, if that person loses their accommodation then the rest of their household loses their accommodation. This is not because they are always the head of household, but for a range of other reasons which have a similar pattern. For example, in the case of owner occupiers, if the person is responsible for paying the mortgage then the risk of foreclosure is clear; if the person is not responsible for paying the mortgage then the risk is small or non-existent. The exception to this is cases where the person loses their accommodation due to family breaking up, in which case they become a single person household.
- 6.119 In conclusion, there are between 275 and 302 households at risk of falling into housing need in Havering and who may require supported accommodation or accommodation with support. Many of these are likely to be single person households. Many will have drug or alcohol dependency.

Comparison of housing provision for people with mental health problems

- 6.120 Figure 100 compares the percentage of adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation in Havering, the London Region as a whole and England as a whole.
- 6.121 As at 2020/21 Havering had 83% of people with mental health problems in stable and appropriate accommodation; a higher percentage than both the London Region (61%) and England (58%).

Figure 100: Comparison of adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation – Havering, London and England (Source: Fingertips 2020/21)

Havering	London Region	England
83.0%	61.0%	58.0%

Learning Disabilities and Autism Spectrum

- 6.122 There are three stages to the modelling of accommodation needs for people with learning disabilities or autism. These are similar to the stages used above for assessing the need for people mental health problems and will not be set out in detail here. In summary:
- » Stage 1 is to estimate the total number of adults within the Havering population with a learning disability or autism.
 - » Stage 2 is to estimate the total number of adults with a learning disability or autism which is potentially serious enough to cause them to be at risk of falling in to need of supported accommodation or independent accommodation, with support.

- » Stage 3 is to estimate how many people identified in stage 2 are at risk of having or developing housing need. It is important to note that the modelling does not need to take account of current supply of supported accommodation and independent accommodation with or without support because it is based on the number of people who currently do not have secure accommodation.

- 6.123 The Public Health England (PHE) 'Fingertips' profiling tool provides information on the number of children and adults in Havering who are known to services⁵⁷. The number of children is likely to be a robust estimate of children and young people with at least a moderate learning disability or autism as these are commonly identified in school.
- 6.124 The Fingertips data allow a comparison with the whole of England and across the London Region:
- 6.125 The proportion of children per thousand with a learning disability in Havering is similar to the prevalence across England; 34.6 compared to 34.4 respectively, but both are higher than the prevalence across the London Region (22.9). The prevalence of moderate, severe, and profound and multiple learning disabilities in Havering are also broadly similar to England, but the prevalence of Moderate learning disabilities in Havering is notably higher than across the London Region as a whole; 28.0 compared to 18.2.
- 6.126 The prevalence per thousand children with autism who are known to schools is notably lower in Havering than across the London Region or England; 10.0 compared to 20.4 and 18.0 respectively.
- 6.127 The prevalence of adults with learning disabilities receiving long term support is similar in Havering to the prevalence across the London Region; 2.93 compared to 3.01. Both are very slightly below the prevalence across England of 3.46.
- 6.128 By these measures, Havering has a higher prevalence of learning disability in children than across the London Region and a considerably lower prevalence of children with autism known to schools than the London Region. The prevalence of adults with a learning disability receiving long-term support is similar in Havering and the London Region.

Figure 101: Fingertips Learning Disability Profile for Havering (Source: NHS Digital, Fingertips Profiles)

Measure	Havering Count	Havering Value	London Region Value	England Value	Data from
...		<i>Per 1000 pupils of school age</i>			
Moderate Learning Difficulties	1,121			29.1	
Severe Learning Difficulties	195	4.9	3.3	4.0	
Profound and Multiple Learning Difficulties	69	1.72	1.45	1.29	
All Children with Learning Difficulties known to schools	1,385	34.6	22.9	34.4	
Children with Autism known to schools	401	10.0	20.4	18.0	
(18 y) ...		<i>Per 1,000 adults</i>			
Learning disability receiving long-term local authority support	590			3.46	
QOF (all ages)		<i>Percent</i>			
Learning disability: QOF prevalence	962			0.50%	

⁵⁷ [Learning Disability Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/data/learning-disability-profiles)

- 6.129 Public Health England (PHE) Learning Disabilities Observatory published a report 'People with learning disabilities in England' in 2015⁵⁸ which estimated the prevalence of learning disabilities among children across England as 2.5% of the under 18 population. The estimated prevalence among adults across England is 2.16% of the adult population. Importantly, these rates include learning difficulties and autism.
- 6.130 The estimate of 2.16% of the adult population is based on several sources including: the number of people using learning disabilities services, the number of people known to learning disabilities services or known to GPs, and the estimated number of people with learning disabilities in the population. Again, this rate includes autism.
- 6.131 A lower proportion of people on GP learning disability registers have a learning disability than the PHE estimate of 2.16% of adults. 'People with learning disabilities in England' states that:
- The most recent published count gives the numbers at the end of March 2015. At this point there were 252,446 people of all ages on learning disability registers. This is equivalent to 4.4 people per 1,000 population registered with a GP*
- 6.132 PHE conclude that the rates of 2.5 for children and 2.16 for adults are the more robust than using the GP registers alone.
- 6.133 The NHS Information Centre for Health and Social Care published a report in 2007 of the 'Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders in Adults Living in Households Throughout England'.⁵⁹ The authors estimated that 1.0% of the adult population had Autism Spectrum Disorders (ASD) and states that *The rate was higher in men (1.8%) than women (0.2%), which fits with the profile found in childhood population studies*. While this survey is from 2007, the British Medical Association (BMA) state on its website that *One in 100 children in the UK have a diagnosis of autism spectrum disorder*⁶⁰; or 1% of children.
- 6.134 These national prevalence rates can be used to give an estimate of the total number of people in Havering population with a learning disability, and with Autism, with the caveat that rates of learning disability do vary across the country:

Figure 102: Estimates of Children and Adults with a learning disability or Autism in Havering (Source: 2015 national rates for learning difficulties; 2007 Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders)

Age group	Total population	Learning Disability or Autism		Autism Spectrum Disorder	
		Rate (%)	Total persons	Rate (%)	Total persons
Children (aged under 18)	58,499	2.50%	1,462	1.00%	585
Adults (aged 18+)	203,479	2.16%	4,395	1.00%	2,035
All ages	261,978	-	5,858	-	2,620

- 6.135 It should be noted that these population-based estimates will include people with a mild learning disability who may not be recorded in the numbers based on contact with services above. This is particularly so for children as schools are likely to identify almost all children and young people with a moderate or more severe learning disability or autism.

⁵⁸ [People with learning disabilities in England 2015: Main report \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

⁵⁹ [Autism Spectrum Disorders in Adults Living in Households Throughout England - 2007, Report from the Adult Psychiatric Morbidity Survey - NHS Digital](#)

⁶⁰ [Autism spectrum disorder \(bma.org.uk\)](https://www.bma.org.uk)

6.136 The working age population is the relevant age group to assess current need for housing. The Fingertips Learning Disability Profile for Havering in Figure 101 suggests 590 adults are receiving long term support, while the 2015 national rates shown in Figure 102 suggest that around 4,395 adults have a learning disability, including people with autism. The benefit of using this figure that includes autism is that there is less likelihood of any double counting such as from people who have both a learning disability and autism.

6.137 The Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders also states that:

Likelihood of a positive assessment for ASD varied with the tenure status of people's homes. Those living in accommodation which was rented from a social landlord were the most likely to have ASD. This was evident among men: 8.0% of men in social housing were identified with ASD.

6.138 The number of people in Havering at risk of falling into accommodation need are shown in Figure 103:

Figure 103: Adults with a learning disability at risk of requiring supported housing or housing with support - Havering

	Sum	Persons at risk of falling into need
Percent not in stable and appropriate accommodation	20.0%	-
Number at risk	4395 x 20.0%	879

6.139 In conclusion, there are around 879 people with a learning disability who are at risk of falling into housing need in Havering and who may require supported accommodation or accommodation with support. Many of those who are in stable and appropriate accommodation will be living independently, but many will live with family. However, those people in either independent living or living with family could also fall into need for reasons such as the individual or family not coping. How many units of accommodation to provide for households at risk is a policy decision that is related to the strategic approach taken.

6.140 Finally, children are unlikely to require accommodation themselves until adulthood; in most cases any need will be for the whole household rather than the individual child (leaving aside child protection issues). The estimates of 1,385 children with at least a moderate learning disability and 401 with autism shown in Figure 101 provides an overview of future need over the next 10 or 15 years.

6.141 The division between moderate, severe and profound learning disabilities suggests the different type of housing and support which may be required, such as people with moderate learning difficulties being more likely to be supported in independent living while people with profound and multiple learning difficulty being more likely to need a higher level of care and support.

Comparison of housing for people with a learning disability

6.142 Figure 104 shows the percentage of working-age learning disabled clients who are living in a stable and appropriate home as a percentage of working-age learning disabled clients (aged 18-64)⁶¹.

⁶¹ [Learning Disability Profiles - Data - OHID \(phe.org.uk\)](https://phe.org.uk/data/learning-disability-profiles)

- 6.143 In 2019/20, Havering had 80% of adults with a learning disability in stable and appropriate accommodation; a higher percentage than for London as a whole (76%) and for England as a whole (77%).

Figure 104: Adults with a learning disability who live in stable and appropriate accommodation - Havering (aged 18+) (Source: Fingertips 2019/20)

	Havering Count	Havering Value	London Region Value	England Value
Havering	420	80.0%	76.2%	

Young people leaving care

- 6.144 A ministerial statement in May 2023 stressed the importance of providing accommodation for looked after children⁶². The Statement refers to the NPPF requirement to consider the needs of different groups in the community and states that *Local planning authorities should consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment*.
- 6.145 At the end of 2022/23, 140 young people out of 184 who were looked after when aged 16 and are currently aged 19 to 21 were living in suitable accommodation. This suggests that around 60 places are required for young people leaving care each year. What counts as suitable accommodation will depend on individual circumstances to some extent. Therefore, on top of this broad estimate of annual need, detailed planning with children and young people's social care is required to ensure that young people leaving care are suitably housed.

Figure 105: The number and percentage of young people who were previously looked after and were in suitable housing at Quarter 4, 2022/23 (Source: Havering BC)

Young people who are suitably housed	
% of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	76.09%
Number of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	140/184 (figure as of Q4)

⁶² <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

Redbridge - Other specialist and supported housing

6.146 Modelling based on published data and data supplied by Redbridge allows us to assess the size of population of people with mental health problems and learning disabilities who may need housing in the Borough.

Interviews with relevant staff

6.147 A video interview was held with the Integrated Care Director for NELFT and Redbridge Borough Council, a joint post using the standard interview schedule as the Havering interviews, though with some flexibility to ensure that important points reflecting the difference in the Boroughs were not missed. The interview was recorded, with permission, to ensure that the report reflects what was said. The recordings are held securely and will be deleted at the end of the project or after one year.

Key points from the interview

6.148 There is a general shortage of housing for vulnerable groups in Redbridge, but there is discussion over developing for a plan of action:

We probably know what we need to develop. At the moment it's fairly piecemeal. We have talked for a while about a commissioning plan about supported living for mental health and learning disabilities.

6.149 Redbridge has a limited stock of general needs housing that is available to vulnerable people. While Redbridge have developed a range of supported living options as part of commissioning on the adult social care side, often using spot purchase, it is difficult to find the general needs step-down housing:

When someone is ready to leave supported living you can't settle them down into general needs housing because the stock just doesn't exist. That's our biggest issue.

6.150 As a housing authority, Redbridge has limited stock and single people will have a significant wait for accommodation, even those with a disability.

6.151 One of the reasons for limited stock in the private rented sector is that most private landlords are reluctant to take people on benefits, while most people in the vulnerable groups rely on benefits. Private landlords are very often unhappy to work with people with mental health problems. This is exacerbated for people with complex needs. Most landlords are unhappy working with a person who has a mental health problem and substance or alcohol misuse issues. There is an element of misunderstanding about the low level of risk associated with many people with mental health problems:

Sometimes landlords concerns [about people with complex needs] are for understandable reasons because those people can come with fairly challenging circumstances. We get that. But the people who are just trying to get on with their lives and have mental health problems it seems unfair that they're all tarred with the same brush.

6.152 Landlords tend to have more sympathy for people with learning disabilities.

6.153 There is no floating support scheme. Floating support helps maintain people in independent tenancies with landlords, especially when people get into difficulties with their tenancies and need help to work with people in the local community or their landlords to improve the situation.

6.154 An additional problem in Redbridge is housing for homeless people with No Recourse to Public Funds (NRPF). Redbridge have a large NRPF cohort of people who are migrants to the Country, have no leave to remain,

and are homeless. A number of those people have significant mental health issues. The social care mental health team attempt to help, but there are limits to what is possible under NRPF.

Mental health

6.155 There is a range of supported living provision for people with mental health problems in Redbridge. Some are fairly intensively managed, some of those have sleep in staff but not waking night staff. In other, staff are on site during the day. Some units are self-contained, others have shared facilities. This approach is designed to meet a range of different people's needs. There are also workers in the community who support people in their own independent living accommodation, but there is not a team providing floating support.

People with learning disabilities

6.156 In summary, Redbridge do not have a lot of accommodation for people with learning disabilities in the community. The current focus is on the Shared Lives scheme placing people with families, which is in the early stages but developing. There is little independent living with support:

We support some people in their tenancies, but we don't have a dedicated team of support workers who support people in their own homes.

6.157 The Shared Lives scheme revisits a previous scheme for people with learning disabilities that placed people with families. Just under a dozen people have been placed under this updated Shared Lives scheme so far and there are plans to place significantly more. The current best guess is that a few dozen people might be housed under the scheme eventually. Placing people with learning disabilities with families is a common approach nationally. Currently Redbridge are in the phase of mapping demand or need, working with the organisation Shared Lives. Following that work, a plan will be developed to deliver the placements to meet the need.

Adult Social Care Clients supported in the community

6.158 Over three quarters of Adult Social Care (ASC) clients in receipt of long term services in Redbridge are supported in the community. The percentage of clients supported has remained the same over time between 2020/21 and 2021/23.

Figure 106: Adult Social Care clients in receipt of long term services in the community (Source: Redbridge BC)

Data	2020/21	2021/22	2022/23
The percentage of ASC clients in receipt of long term services who are based in the community (Year End: 31 March)	77.9%	77.0%	76.5%
The number of ASC clients in receipt of long term services who are based in the community (Year End: 31 March)	2,314	2,308	2,311
The percentage of ASC clients in receipt of long term services who are based in the community (Full Year: 1 April – 31 March)	78.0%	79.5%	78.8%
The number of ASC clients in receipt of long term services who are based in the community (Full Year: 1 April – 31 March)		3,381	3,379

Mental Health

6.159 There are three stages to the modelling of accommodation needs for people with mental health problems.

- » Stage 1 is to estimate the total number of adults within the Redbridge population with some mental health problem. Many of these people will be functioning with low level or no medical or social care intervention. An example would be a person with depression which is controlled by medication or talking therapy and who is in secure employment and family and social relationships. These people are in little or no risk of their mental health problem leading to their needing supported or independent accommodation.
- » Stage 2 is to estimate the total number of adults with a mental health problem which is potentially serious enough to cause them to be at risk of needing supported or independent accommodation, with or without support. These will often be people who are in touch with Health or social care services, though that may still be low level of support. They will often be diagnosed with conditions such as severe depression, schizophrenia or bipolar disorder; the type of conditions which may involve psychotic episodes.
- » Stage 3 is to estimate how many people identified in stage 2 are at risk of having or developing housing need. It is important to note that the modelling does not need to take account of current supply of supported accommodation and independent accommodation with or without support because it is based on the number of people who currently do not have secure accommodation.

6.160 Figure 107 shows the prevalence of mental health problems and learning disability in the Redbridge population as measured by recorded cases on the NHS Digital Quality and Outcomes Framework (QOF) dashboards for all GP surgeries that operate within Redbridge⁶³.

6.161 Depression is the most prevalent mental health problem by a considerable margin. The QOF data shows over 19,000 patients currently experiencing depression in Redbridge, which is equivalent to a prevalence rate of 7.03% compared to 12.65% nationally. The data also shows around 3,200 patients in Redbridge experiencing

⁶³ [Microsoft Power BI](#)

other mental health problems, equivalent to a prevalence of 0.91% compared to 0.95% nationally. On this basis, Redbridge is below the national prevalence rate for both; considerably below in the case of depression.

Figure 107: QOF recorded cases of mental health problems and learning disability for all GP practices serving Redbridge (Source: NHS Digital, QOF analysis 2020/21)

Indicator Group Code	Indicator Group Name	Register	Patient List Size	Prevalence %	England Prevalence %
DEM	Dementia	1,793	357,184	0.50%	0.72%
DEP	Depression	19,217	273,547	7.03%	12.65%
MH	Mental Health	3,233	357,184	0.91%	0.95%
LD	Learning Disability	1,606	357,184	0.45%	0.55%

- 6.162 While the QOF only includes people who are known to GP services, it can be expected that the QOF data is unlikely to show a significant underestimate as most people will be included in GP records. This will include those with chaotic lifestyles because their being treated through other Health and Social Care services (including acute hospital admissions) will ensure they are recorded. GP practices do not have well defined geographies; patients from outside of Redbridge may be registered with Redbridge GPs and Redbridge residents registered with practices outside of Redbridge. While this may lead to an over or under estimate, it is unlikely to be significant.
- 6.163 A more significant factor when considering the need for people with mental health problems, particularly depression is that people from Black and Minority Ethnic communities often have lower rates of engagement with mental health services and therefore are unknown to services. In Redbridge there is a significant number of people of a British South Asian background. Research such as a study published in the British Medical Journal in 2016 demonstrates that this group have a higher prevalence of depressive symptoms combined with a lower rate of engagement with mental health services⁶⁴. Detailed consultation or research with the communities in Redbridge would help identify the need for people of a British South Asian background.
- 6.164 A sensitivity analysis of the of the QOF results can be performed by triangulating QOF against the Public Health England (PHE) 'Fingertips' profiling tool⁶⁵. The Fingertips tool does itself use QOF data but in conjunction with other sources. Figure 108 shows the estimated prevalence of 'common mental disorders' across the population for the population of 16 and over, and for the older age group of 65 and over. Self-reported wellbeing scores for four key indicators are also included for completeness. The Fingertips data allow a comparison with the whole of England and across the London Region:
- 6.165 For the two overarching measures, the prevalence in Redbridge is above or similar to the prevalence across England. The estimate of common mental disorders in the 16+ population is above that of England; 17.7% in Redbridge compared to 16.9% for England. The estimate in the 65+ population is similar but just above that of England; 10.8% in Redbridge compared to 10.2% across England. The other measures show a mixed picture, with some measures below, some above and some similar to those across England.
- 6.166 The London Region as a whole has higher a prevalence of common mental disorders in both the 16+ and the 65+ populations than across England as a whole; 19.3% compared to 16.9% in the 16+ population, and 11.3% compared to 10.2% in the 65+ population.

⁶⁴ <https://bmjopen.bmj.com/content/6/8/e011697>

⁶⁵ [Common Mental Health Disorders - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/common-mental-health-disorders)

6.167 Redbridge has lower prevalence estimates than the London Region for the two overarching values of prevalence of common mental disorders; 17.7% compared to 19.3% across the London Region in the age 16+ population, and 10.8% compared to 11.3% across the London Region in the age 65+ population. Two of the other measures are lower and two are higher than the London Region.

6.168 By these measures, while Redbridge has a higher incidence of mental health issues than across England, the Borough has a lower incidence of mental health issues than in the London Region as a whole.

Figure 108: Fingertips Profiling Indicators for mental health in Redbridge (Source: NHS Digital, Fingertips Profiles)

Measure	Redbridge Count	Redbridge Value	London Region Value	England Value	Data from
Estimated prevalence of common mental disorders: % of population aged 16 & over	41,428	17.7%	19.3%	16.9%	2017
Estimated prevalence of common mental disorders: % of population aged 65 & over	4,028	10.8%	11.3%	10.2%	2017
Self- ...					
People with a low satisfaction score	-	5.0%	4.6%	5.0%	2021/22
People with a low worthwhile score	-	6.6%	3.4%	4.0%	2021/22
People with a low happiness score	-	7.3%	8.7%	8.4%	2021/22
People with a high anxiety score	-	21.6%	23.80%	22.6%	2020/21

6.169 The Fingertips profiling tool shows an estimated prevalence of around 41,400 people with common mental disorders aged 16 and over in Redbridge as at 2017. This is higher than the number recorded on the QOF in 2020/21. The percentages on Fingertips is also higher; though comparing the prevalence for England shows 16.9% for England on Fingertips 2017 compares to 13.24% on QOF in 2020/21. It is to be expected that Fingertips will produce higher numbers because the QOF deals only with persons known to services.

6.170 In conclusion, we can conclude that there are likely to be around 40,000 people in Redbridge with a mental health problem that is serious enough to **consider** in assessing the need for supported housing or independent housing with support. However, most of these will not be serious enough to lead to a need for supported housing or housing with support.

6.171 A study for the NHS, 'Mental Health and Wellbeing in England: Adult Psychiatric Morbidity Survey 2014' defines Common Mental Disorders and places them in the context of a financial and social cost, though that is not an essential consideration in assessing the housing need⁶⁶:

Common mental disorders (CMDs) comprise different types of depression and anxiety. They cause marked emotional distress and interfere with daily function, but do not usually affect insight or cognition. Although usually less disabling than major psychiatric disorders, their higher prevalence means the cumulative cost of CMDs to society is great.

6.172 The relevant group to consider for housing need are people with severe mental illness (SMI), people who will suffer the disabling effects of a major psychiatric disorder which is likely to affect insight or cognition.

6.173 In October 2017, Public Health England (PHE) published their 'Psychosis Data Report'⁶⁷ showing the number of people with psychosis and their access to care and support across England and smaller geographies,

⁶⁶ [apms-2014-full-rpt.pdf \(nationalarchives.gov.uk\)](https://nationalarchives.gov.uk/apms-2014-full-rpt.pdf)

⁶⁷ [Psychosis data report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/psychosis-data-report)

including Care Commissioning Groups (CCG). While this data was collected in 2014/15 and published in 2017, it has two advantages:

- » The first advantage is that the data is based on the QOF Severe Mental Illness (SMI) register, which covers schizophrenia, bipolar affective disorder and other psychosis.
- » The second advantage is that the Redbridge CCG, was co-terminus with the Redbridge BC area. Therefore it is based on the same data source used above and same geography as in Figure 107.

6.174 The results are shown below, including the lower and higher confidence intervals to allow the results to be sensitivity checked:

Figure 109: Recorded number of people with severe mental illness – Redbridge CCG (Source: QoF SMI register, 2014/15)

Redbridge CCG published results	Value % of total GP registers	Lower CI % of total GP registers	Upper CI % of total GP registers	Count	Denominator
	0.86	0.83	0.89	2,565	298,187
Redbridge CCG lower and upper CI expressed as numbers	Number on total GP registers	Lower CI as a number on total GP registers	Upper CI as a number on total GP registers		Denominator
	2,564	2,475	2,654	-	279,399

6.175 From this we can see that somewhere between 2,475 and 2,654 people have a mental health condition which is serious enough to cause or seriously threaten their housing and may require supported housing or housing with support.

6.176 It is important to consider the lower and upper numbers because of the uncertainty which is introduced at the final stage of the modelling. The available data on housing need is based on people on the Care Programme Approach (CPA), but it is necessary to use the QOF SMI register to estimate the number of people in need or potential need as Fingertips notes data quality concerns about the available data for the number of people on the CPA. The Community Mental Health Framework replaced the Care Programme Approach for community mental health services in July 2021.

6.177 The most likely people to require supported housing or housing with support are those who have a severe mental health problem and are in insecure or inappropriate accommodation.

6.178 Figure 110 shows the percentage of adults aged 18 to 69 in Redbridge who are in contact with secondary mental health services and who live in stable and appropriate accommodation⁶⁸. In 2020/21 52% lived in stable and appropriate accommodation, a decrease from 82% in 2014/15, although the reasons for this are unclear; but it suggests that a decreasing proportion of adults with mental health problems are now in stable and appropriate accommodation.

⁶⁸ [Public health profiles - OHID \(phe.org.uk\)](https://phe.org.uk/public-health-profiles)

Figure 110: Adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation - Redbridge (Source: Fingertips; numbers reported as recorded, rounded numbers only are recorded from 2016/17)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Redbridge	81.90%	79.60%	53.00%	55.00%	41.00%	57.00%	52.00%

6.179 Taking the results from Figure 109 and Figure 110 together gives a range of accommodation need as shown in Figure 111:

Figure 111: Adults with SMI at risk of requiring supported housing of housing with support - Redbridge 2020/21

	Sum	Persons in potential need
Percent not in stable and appropriate accommodation	48%	-
Range of need - lower end	2,475 x 48%	1,188
Ranger of need – upper end	2,654 x 48%	1,274

6.180 Each person at risk of losing their accommodation can be counted as a household, be that a single person household or a family or other household. In general, if that person loses their accommodation then the rest of their household loses their accommodation. This is not because they are always the head of household, but for a range of other reasons which have a similar pattern. For example, in the case of owner occupiers, if the person is responsible for paying the mortgage then the risk of foreclosure is clear; if the person is not responsible for paying the mortgage then the risk is small or non-existent. The exception to this is cases where the person loses their accommodation due to family breaking up, in which case they become a single person household.

6.181 In conclusion, there are between 1,188 and 1,274 households at risk of falling into housing need in Redbridge and who may require supported accommodation or accommodation with support. Many of these are likely to be single person households. Many will have drug or alcohol dependency.

6.182 The percentage of Adult Social Care (ASC) clients supported for reasons of health problems who are supported in the community with secure tenancies has increased between 2020/21 and 2022/23. At the end of each year the increase is from 23% to 34%. At the same time, the percentage for the whole year has increased from 20% to 26%⁶⁹. It should be noted that these percentages suggest only a quarter to a third of clients are supported in secure tenancies.

⁶⁹ The whole year figures will include every person who was a client within that year, but may include some double counting, while the end of the year figures will only include clients as at 31 March, but will not include double counting.

Figure 112: Adult Social Care clients supported for Mental Health problems in Redbridge (Source: Redbridge BC)

Data	2020/21	2021/22	2022/23
The number of ASC clients with a Primary Support Reason of Mental Health (Year End: 31 March)	426	356	363
	98	114	124
	23%	32%	34%
Full Year			
The number of ASC clients with a Primary Support Reason of Mental Health (Full Year: 1 April – 31 March)	539	524	527
	109	122	137
	20%	23%	26%

Comparison of housing provision for people with mental health problems

- 6.183 Figure 113 compares the percentage of adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation in Redbridge, the London Region as a whole and England as a whole.
- 6.184 As at 2020/21 Redbridge had 52% of people with mental health problems in stable and appropriate accommodation; a lower percentage than both the London Region (61%) and England (58%). The same data for Havering shows 83% living in stable and appropriate accommodation.
- 6.185 Part of the reason for this could be the lack of available properties, particularly in the private rented sector and possibly because of Redbridge not having a floating support scheme to help maintain tenancies (source: interview).

Figure 113: Comparison of adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation – Redbridge, London and England (Source: Fingertips 2020/21)

Redbridge	London Region	England
52.0%	61.0%	58.0%

- 6.186 The Redbridge data of ASC clients supported in the community in secure tenancies in Figure 112 cannot be directly compared to the Fingertips data in Figure 113 of adults who live in stable and appropriate accommodation. Nevertheless, Figure 112 suggests that there may have been some improvement in housing provision for people with mental health problems since 2020/21. While this is positive, it should not be overstated.

Learning Disabilities and Autism Spectrum

- 6.187 There are three stages to the modelling of accommodation needs for people with learning disabilities or autism. These are similar to the stages used above for assessing the need for people mental health problems and will not be set out in detail here. In summary:
- » Stage 1 is to estimate the total number of adults within the Redbridge population with a learning disability or autism.
 - » Stage 2 is to estimate the total number of adults with a learning disability or autism which is potentially serious enough to cause them to be at risk of falling in to need of supported accommodation or independent accommodation, with support.
 - » Stage 3 is to estimate how many people identified in stage 2 are at risk of having or developing housing need. It is important to note that the modelling does not need to take account of current supply of supported accommodation and independent accommodation with or without support because it is based on the number of people who currently do not have secure accommodation.
- 6.188 The Public Health England (PHE) 'Fingertips' profiling tool provides information on the number of children and adults in Redbridge who are known to services⁷⁰. The number of children is likely to be a robust estimate of children and young people with at least a moderate learning disability or autism as these are commonly identified in school.
- 6.189 The Fingertips data allow a comparison with the whole of England and across the London Region:
- 6.190 The proportion of children per thousand with a learning disability in Redbridge is lower than the prevalence across England; 26.6 compared to 34.4 respectively, but higher than the prevalence across the London Region (22.9). The prevalence of moderate, severe, and profound and multiple learning disabilities in Redbridge are also below or similar to England, but the prevalence of Moderate learning disabilities in Redbridge is higher than across the London Region as a whole; 23.3 compared to 18.2. At the same time, the prevalence of severe learning disabilities is lower in Redbridge than across the London Region; 1.6 compared to 3.3.
- 6.191 The prevalence per thousand children with autism who are known to schools is notably lower in Redbridge than across the London Region or England; 11.0 compared to 20.4 and 18.0 respectively.
- 6.192 The prevalence of adults with learning disabilities receiving long term support is broadly similar in Redbridge to the prevalence across the London Region; 2.84 compared to 3.01. Both are very slightly below the prevalence across England of 3.46.
- 6.193 By these measures, Redbridge has a higher prevalence of learning disability in children than across the London Region and a considerably lower prevalence of children with autism known to schools than the London Region. The prevalence of adults with a learning disability receiving long-term support is broadly similar in Redbridge and the London Region.

⁷⁰ [Learning Disability Profiles - Data - OHID \(phe.org.uk\)](https://phe.org.uk)

Figure 114: Fingertips Learning Disability Profile for Redbridge (Source: NHS Digital, Fingertips Profiles)

Measure	Redbridge Count	Redbridge Value	London Region Value	England Value	Data from
...		Per 1000 pupils of school age			
Moderate Learning Difficulties	1,355			29.1	2020
Severe Learning Difficulties	94	1.6	3.3	4.0	2020
Profound and Multiple Learning Difficulties	99	1.7	1.45	1.29	2020
All Children with Learning Difficulties known to schools	1,548	26.6	22.9	34.4	2020
Children with Autism known to schools	642	11.0	20.4	18.0	2020
(18 y) ...		Per 1,000 adults			
Learning disability receiving long-term local authority support	650			3.46	2019/20
QOF (all ages)		Percent			
Learning disability: QOF prevalence	1,436			0.50%	2019/20

6.194 Public Health England (PHE) Learning Disabilities Observatory published a report 'People with learning disabilities in England' in 2015⁷¹ which estimated the prevalence of learning disabilities among children across England as 2.5% of the under 18 population. The estimated prevalence among adults across England is 2.16% of the adult population. Importantly, these rates include learning difficulties and autism.

6.195 The estimate of 2.16% of the adult population is based on several sources including: the number of people using learning disabilities services, the number of people known to learning disabilities services or known to GPs, and the estimated number of people with learning disabilities in the population. Again, this rate includes autism.

6.196 A lower proportion of people on GP learning disability registers have a learning disability than the PHE estimate of 2.16% of adults. 'People with learning disabilities in England' states that:

The most recent published count gives the numbers at the end of March 2015. At this point there were 252,446 people of all ages on learning disability registers. This is equivalent to 4.4 people per 1,000 population registered with a GP

6.197 PHE conclude that the rates of 2.5 for children and 2.16 for adults are the more robust than using the GP registers alone.

6.198 The NHS Information Centre for Health and Social Care published a report in 2007 of the 'Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders in Adults Living in Households Throughout England'.⁷² The authors estimated that 1.0% of the adult population had Autism Spectrum Disorders (ASD) and states that *The rate was higher in men (1.8%) than women (0.2%), which fits with the profile found in childhood population studies.* While this survey is from 2007, the British Medical Association (BMA) state on its website that *One in 100 children in the UK have a diagnosis of autism spectrum disorder*⁷³; or 1% of children.

⁷¹ [People with learning disabilities in England 2015: Main report \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/444444/people-with-learning-disabilities-in-england-2015-main-report.pdf)

⁷² [Autism Spectrum Disorders in Adults Living in Households Throughout England - 2007, Report from the Adult Psychiatric Morbidity Survey - NHS Digital](https://www.nhs.uk/publications/adult-psychiatric-morbidity-survey-of-autism-spectrum-disorders-in-adults-living-in-households-throughout-england-2007-report-from-the-adult-psychiatric-morbidity-survey-nhs-digital/)

⁷³ [Autism spectrum disorder \(bma.org.uk\)](https://www.bma.org.uk/autism-spectrum-disorder)

- 6.199 These national prevalence rates can be used to give an estimate of the total number of people in Redbridge population with a learning disability, and with Autism, with the caveat that rates of learning disability do vary across the country:

Figure 115: Estimates of Children and Adults with a learning disability or Autism in Redbridge (Source: 2015 national rates for learning difficulties; 2007 Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders)

Age group	Total population	Learning Disability or Autism		Autism Spectrum Disorder	
		Rate (%)	Total persons	Rate (%)	Total persons
Children (aged under 18)	76,307	2.50%	1,908	1.00%	763
Adults (aged 18+)	233,531	2.16%	5,044	1.00%	2,335
All ages	309,838	-	6,952	-	3,098

- 6.200 It should be noted that these population-based estimates will include people with a mild learning disability who may not be recorded in the numbers based on contact with services above. This is particularly so for children as schools are likely to identify almost all children and young people with a moderate or more severe learning disability or autism.

- 6.201 The working age population is the relevant age group to assess current need for housing. The Fingertips Learning Disability Profile for Redbridge in Figure 114 suggests 650 adults are receiving long term support, while the 2015 national rates shown in Figure 115 suggest that around 5,000 adults have a learning disability, including people with autism. The benefit of using this figure that includes autism is that there is less likelihood of any double counting such as from people who have both a learning disability and autism.

- 6.202 The Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders also states that:

Likelihood of a positive assessment for ASD varied with the tenure status of people's homes. Those living in accommodation which was rented from a social landlord were the most likely to have ASD. This was evident among men: 8.0% of men in social housing were identified with ASD.

- 6.203 The number of people in Redbridge at risk of falling into accommodation need are shown in Figure 116:

Figure 116: Adults with a learning disability at risk of requiring supported housing or housing with support - Redbridge

	Sum	Persons at risk of falling into need
Percent not in stable and appropriate accommodation	10.6%	-
Number at risk	5,044 x 10.6%	535

- 6.204 In conclusion, there are around 535 people with a learning disability who are at risk of falling into housing need in Redbridge and who may require supported accommodation or accommodation with support. Many of those who are in stable and appropriate accommodation will be living independently, but many will live with family. However, those people in either independent living or living with family could also fall into need for reasons such as the individual or family not coping. How many units of accommodation to provide for households at risk is a policy decision that is related to the strategic approach taken.

- 6.205 Finally, children are unlikely to require accommodation themselves until adulthood; in most cases any need will be for the whole household rather than the individual child (leaving aside child protection issues). The estimates of 1,548 children with at least a moderate learning disability and 642 with autism shown in Figure 114 provides an overview of future need over the next 10 or 15 years.

The division between moderate, severe and profound learning disabilities suggests the different type of housing and support which may be required, such as people with moderate learning difficulties being more likely to be supported in independent living while people with profound and multiple learning difficulty being more likely to need a higher level of care and support.

Comparison of housing for people with a learning disability

6.206 Figure 117 shows the percentage of working-age learning disabled clients who are living in their own home as a percentage of working-age learning disabled clients (aged 18-64)⁷⁴.

6.207 In 2019/20, Redbridge had over 89% of adults with a learning disability in stable and appropriate accommodation; a higher percentage than for London as a whole (76%) and for England as a whole (77%).

Figure 117: Adults with a learning disability who live in stable and appropriate accommodation - Redbridge (aged 18+) (Source: Fingertips 2019/20)

	Redbridge Count	Redbridge Value	London Region Value	England Value
Redbridge	550	89.4%	76.2%	77.3%

Young people leaving care

6.208 A ministerial statement in May 2023 stressed the importance of providing accommodation for looked after children⁷⁵. The Statement refers to the NPPF requirement to consider the needs of different groups in the community and states that *Local planning authorities should consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment*.

6.209 At the end of 2022/23, 156 young people out of 161 who were looked after when aged 16 and are currently aged 19 to 21 were living in suitable accommodation. This suggests that around 50 to 55 places are required for young people leaving care each year. However, there are two additional factors to consider: Firstly, in the interviews, it was generally considered that the number of care leavers is increasing. Secondly, what counts as suitable accommodation will depend on individual circumstances to some extent. Therefore, on top of this broad estimate of annual need, detailed planning with children and young people's social care is required to ensure that young people leaving care are suitably housed.

Figure 118: The number and percentage of young people who were previously looked after and were in suitable housing at Quarter 4, 2022/23 (Source: Redbridge BC)

Young people who are suitably housed	
% of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	96.90%
Number of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	156/161 (figure as of Q4)

⁷⁴ [Learning Disability Profiles - Data - OHID \(phe.org.uk\)](https://learning-disability-profiles.org.uk/)

⁷⁵ <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

Studio Apartments and Co-Housing

6.210 A studio apartment can be defined as:

“an apartment with only one room, a bathroom, and a kitchen area”⁷⁶

6.211 Figure 79 and Figure 80 identifies a need for around 700 market 1-bedroom properties in Havering and 1,700 in Redbridge over the period 2021-43. However, this assumes that there is continuation of household formation trends in the Boroughs which will see the majority of these small market dwellings being identified for older person households.

6.212 One very startling statistic from the demographic data for Havering and Redbridge is that while the number of persons aged 25-34 years is projected to rise by 3,860 in Havering and 5,900 in Redbridge (Figure 9 and Figure 10), single person households aged 25-34 years are projected to fall by 1,180 in Havering and by 290 households in Redbridge in the period to 2043 (Figure 15 and Figure 16). At the same time, the number of ‘Other’ households headed by someone aged 25-34 years is projected to rise by 70 in Havering, but by 2,070 households in Redbridge in the same timeframe. Therefore, there is going to be a significant decline in headship rates for single persons aged 25-34 years in Redbridge, but little change in Havering. At the heart of this issue is that many recent graduates will not form their own household immediately, but will instead share properties with other young adults. The increasing pressures for social housing and rising private rents have seen fewer young households living on their own and more living in HMO type accommodation.

6.213 One type of dwelling which may be seen as addressing this issue is shared housing-with small purpose-built units with shared amenity spaces such as high-quality purpose-built co-housing rather than traditional HMOs. A succinct definition of co-housing is:

“Co-housing, a generic term, covers various forms of housing, owned and rented, that are developed and/or owned and/or managed by their residents as a distinct community”⁷⁷

6.214 While more specifically, the definition of co-housing that we are using here is:

“the practice of living with other people in a group of homes that include some shared facilities”⁷⁸

6.215 This study works to the definition above so as to be clear what is meant by the term co-housing without tying it in to any particular model. Nevertheless, co-housing or co-living can involve a greater level of community involvement:

“Co-living is a type of intentional community providing shared housing for people with shared intentions. This may simply be coming together for activities such as meals and discussion in the common living areas, yet may extend to shared workspace and collective endeavours such as living more sustainably”⁷⁹.

6.216 However, the London Plan Guidance on Large-scale Purpose-built Shared Living (LSPBSL), January 2022 notes that purpose built shared living is not considered a long term option for most people:

“LSPBSL provides accommodation for single person households who choose not to live in self-contained houses, flat shares, or HMOs and may use this product on a transition basis

⁷⁶ <https://dictionary.cambridge.org/dictionary/english/studio-apartment>

⁷⁷ http://www.cih.org/resources/PDF/Wales%20Events/older_people_housing/Jon%20Stevens.pdf

⁷⁸ <https://dictionary.cambridge.org/dictionary/english/co-living>

⁷⁹ <https://en.wikipedia.org/wiki/Coliving>

until they find suitable long-term housing. Whilst LSPBSL provides an additional housing option for some people, due to the unique offer of this type of accommodation, it does not meet minimum housing standards and is not therefore considered to meet the ongoing needs of most single person households in London.”⁸⁰

- 6.217 Given that Redbridge is projected to see a decline in single young person households, then the household projections would envisage little role for this type of dwelling, and this is reflected in our modelled size and tenure mix. However, as a policy led response to the increasing lack of housing for younger people in the area the schemes could have a role in short term housing for groups such as recent graduates looking to establish themselves in Havering and Redbridge as an alternative to living in HMOs.
- 6.218 At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of other households. It may be that dwellings are currently being built as family housing but are being occupied by sharing young households. However, Article 4 policies limit the conversion of family housing to HMOs⁸¹. In the future these properties could be re-used as family housing if high quality housing for single people or couples could be built. This raises the question of whether purpose built co-living schemes would have a place in a market where there was sufficient alternative single person or couple accommodation that meet minimum housing standards. Purpose built co-living could meet the needs of some single people and couples as a short-term lifestyle choice, but these individual people and couples will be looking to move to permanent accommodation of one form or another.
- 6.219 In conclusion, it is difficult to project a need for studio apartments or co-housing schemes because it may be that many young people prefer to share and save for their own property rather than have their own more expensive separate unit. The scale of the student numbers in Havering and Redbridge would suggest that there may be a market for post-student self-contained units which could run in to hundreds of units and that this is likely in turn to reduce the need for larger market properties to be converted to HMOs, but LSPBSL provides short term rather than permanent housing. Therefore, as with any active policy, there is a risk of an over-supply of LSPBSL.

Student Housing

- 6.220 PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.

Planning Practice Guidance, ID 2a-017-20190220

- 6.221 Neither Havering nor Redbridge are the central base for a university, but the largest higher education body in Havering is a campus for London South Bank University and in Redbridge is due to see a new campus for Queen Mary University of London. However, in London it is common for students to attend a university in one Borough while residing in a different one.

⁸⁰ [Large-scale Purpose-built Shared Living LPG | London City Hall](#)

⁸¹ Article 4 of the Town and Country Planning (General Permitted Development) Order 2015

- 6.222 In the London Plan, Policy H15 considers the need for Purpose-built student accommodation (PBSA). The Plan identifies an annual need for 3,500 units of PBSA, but does not allocate borough benchmarks or targets. The Plan states that the need will vary with changes in higher education provider' estates.

4.15.2 The overall strategic requirement for PBSA in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period has been identified.⁷⁸ Meeting the requirement for PBSA should not undermine policy to secure mixed and inclusive neighbourhoods.

4.15.3 The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period with changes in higher education providers' estate and expansion plans, availability of appropriate sites, and changes in Government policy that affect their growth and funding.

London Plan, March 2021

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

Service Families

- 6.224 Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

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

National Planning Policy Framework February 2019, Paragraph 61

- 6.225 Havering and Redbridge do not contain a military base, so Armed Forces personnel represent a minimal impact on the housing market of the area.

People Wishing to Build their Own Homes

6.226 Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

6.227 Over half of the population (53%) say that they would consider building their own home⁸² (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK⁸³, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.

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

6.229 A survey in 2020 by the National Custom and Self Build Association (NaCSBA) and the Building Societies Association (BSA) found that⁸⁴:

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

6.230 One conclusion drawn by the research was that:

⁸² Building Societies Association Survey of 2,051 UK consumers 2011

⁸³ Self-build and custom build housing (England) House of Commons Brief Paper March 2017

⁸⁴ [New research shows that 1 in 3 people are interested in self building \(nacsba.org.uk\)](https://www.nacsba.org.uk/news/new-research-shows-that-1-in-3-people-are-interested-in-self-building)

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

^{6.231} “Laying the Foundations – a Housing Strategy for England” (HM Government, 2011)⁸⁵ redefined self-build as ‘Custom Build’ and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. “Build-it-yourself? Understanding the changing landscape of the UK self-build market” (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build ‘Vanguards’ in 2014 to test how the ‘Right to Build’ could work in practice in a range of different circumstances. Individual local authorities produced their own reviews of their experiences⁸⁶, but no detailed review of all 11 Vanguards was produced.

^{6.232} In the Budget 2014, the Government announced an intention to consult on creating a new ‘Right to Build’, giving ‘Custom Builders’ a right to a plot from councils. The Self-Build and Custom Housebuilding Act⁸⁷ 2015 places a duty on local planning authorities to:

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

^{6.233} The 2015 Act was amended by the Housing and Planning Act 2016⁸⁸ which placed a duty on local planning authorities to provide serviced plots which have planning permission that allows for self-build or custom housebuilding:

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

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

February 2021 Policy Update

^{6.234} In February 2021 the Government updated Planning Practice Guidance in the form of, Self-build and custom housebuilding⁸⁹. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

⁸⁵ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

⁸⁶ [Right to Build Vanguard.pdf](#) and [Version-02-APPG-Enquiry-SCDC-response-to-circ.pdf](#) (cambridgeshireinsight.org.uk)

⁸⁷ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

⁸⁸ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

⁸⁹ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](#)

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

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

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

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

[Self-build and Custom Housebuilding Act 2015 \(as amended by the Housing and Planning Act 2016\)](#)

[Self-build and Custom Housebuilding Regulations 2016](#)

[Self-build and Custom Housebuilding \(Time for Compliance and Fees\) Regulations 2016](#)

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

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

Self-build and Custom Housebuilding Guidance

Paragraph: 016 Reference ID: 57-016-20210208

- ^{6.235} Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan, where the where the property is already designed but before construction has started cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.
- ^{6.236} Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and household can appear on more than register. However, it is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.
- ^{6.237} As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 10,100 plots were given planning permission in 2018/19. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted. The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

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

Self-build and Custom Housebuilding Guidance

Paragraph: 028 Reference ID: 57-028-20210208

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

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

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

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

Self-build and Custom Housebuilding Guidance

Paragraph: 023 Reference ID: 57-023-20210208

^{6.238}Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register with a 3-year time lag. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.

^{6.239}The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. This is recognised in the guidance which states that:

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

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

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

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

Self-build and Custom Housebuilding Guidance

Paragraph: 011 Reference ID: 57-011-20210208

^{6.240}The guidance is clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

April 2021 Self and Custom Build Action Plan

^{6.241}In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.⁹⁰ This focused upon four key areas:

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

Evidence for Havering and Redbridge

^{6.242}Havering and Redbridge have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding registers.

⁹⁰ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92444/self-and-custom-build-action-plan)

6.243 Figure 119 shows that as of October 2022, Havering had not consistently provided enough self and custom housebuilding plots to meet the needs if the measure of comparing the number on the register against CIL exemptions issued is used. However, in recent years Redbridge has been meeting its needs as measured by the self-build and custom housing register.

Figure 119: Self-build and Custom Housebuilding Register and Plot Provision for Havering (Source: Local Authority Data. Note: * is not recorded)

Self build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016 Oct 2017	Oct 2017 Oct 2018	Oct 2018 Oct 2019	Oct 2019 Oct 2020	Oct 2020 Oct 2021	Oct 2021 Oct 2022
New applicants on the register	117	100	33	51	15	65	37
CIL monitoring – number of new self and custom housebuilding exemptions issued	*	0	0	0	5	0	3

Figure 120: Self-build and Custom Housebuilding Register and Plot Provision for Redbridge (Source: Local Authority Data. Note: * is not recorded)

Self build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016 Oct 2017	Oct 2017 Oct 2018	Oct 2018 Oct 2019	Oct 2019 Oct 2020	Oct 2020 Oct 2021	Oct 2021 Oct 2022
New applicants on the register	11	13	7	2	17	64	32
CIL monitoring – number of new self and custom housebuilding exemptions issued	*	0	0	0	26	33	41

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

Future Need for Self-build and Custom Housebuilding

6.245 As highlighted above, Havering provided insufficient plots to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register based on the commonly used method of comparing applicants on the Register against CIL exemptions. However, Redbridge is meeting its needs through the same measure.

6.246 However, the self-build and custom housebuilding register clearly has the potential to under-estimate demand for plots in Havering and Redbridge. In common with other urban areas, Havering and Redbridge has limited land availability combined with a high level of housing need which together contribute to making the delivery of self-build plots difficult, especially when combined with the need to balance the delivery of self-build with general needs housing and to optimise the delivery of housing overall to meet the overall London housing need. While it is harder in dense urban areas to deliver self and custom housebuilding plots, there is potential to increase the number delivered to some extent if land can be found within the overall delivery of housing.

- 6.247 More information could be gathered on the number of self-build and custom housebuilding dwellings which are provided currently in Havering and Redbridge through permissions granted and followed by the Havering and Redbridge methodology to identify the need for plots that are likely to be delivered.

Essential Local Workers

- 6.248 Annex 2 of the Revised NPPF also includes the needs of essential local workers:

Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.

NPPF – Annex 2

- 6.249 It is notable that the definition provided by the revised NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.
- 6.250 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.
- 6.251 In interviews relating to the supported housing needs of vulnerable groups, NELFT NHS Foundation Trust, and Barking Havering and Redbridge University Hospitals NHS Trust were asked about the accommodation needs of their staff.
- 6.252 Housing affordability is a major issue for all Health Trusts staff, including nurses, paramedics, junior doctors and other staff.
- 6.253 As might be expected, housing affordability for Health staff is detrimentally affected by a drift of households from central London to Havering and Redbridge, and from Havering and Redbridge to further out in Essex or elsewhere. This is exacerbated by the Elizabeth Line providing a fast way back into some of those central London hospitals. Havering staff tend to move further out into Essex. Historically a lot of Havering Health staff lived in the Borough but more are moving out and driving in down the A127 or A12.
- 6.254 Both NHS Trusts identified a particular issue for international recruits. Ten percent of staff in Barking Havering and Redbridge University Hospitals NHS Trust are nurses from the Philippines and many have a preference for living close to their peers in a community setting. This provides a familiar and supportive environment whilst being within the wider community. The Hospital Trust are discussing with the local YMCA about providing accommodation for international recruits and about the potential for a flexible model; accommodation for people with low complex needs with carer rooms, possibly combined with low rent accommodation for international recruits recognising that they will spend part of their time supporting the people with low level needs.
- 6.255 NELFT report needing to seek out private accommodation to support international recruits and the need for support packages to pay for that. But a longer term strategy around accommodation is needed to manage some of the recruitment and retention issues; key worker housing for Health staff is a longer term goal.

^{6.256} Development design also affects the ability of NHS staff to work in the community with parking to allow the delivery of health services in the community a concern. A development that has accommodation but not parking is problematic for peripatetic staff. For example, a District Nurse will carry a large bag, sometimes including equipment for end of life care. While the practical difficulties in providing parking are noted, consideration should be given to providing sufficient parking, or an area where Health staff can park, even if others cannot. End of life is extremely intensive work and is hampered by staff being unable to park close to their patient.

^{6.257} In Redbridge, other than searching in the private sector, the main route for essential workers is through the Local Authority housing department who sometimes spot purchase placements for key workers. Temporary accommodation is also dealt with by the Housing Department who work co-operatively with the Health Trusts.

Acute hospitals may have been more successful in providing key worker accommodation than community trusts. However, community trusts are now recruiting significant numbers of staff from abroad. NELFT have embarked on a major recruitment campaign from three African countries and have around 250 nurses arriving over the next 6 months to a year. For those nurses NELFT are arranging accommodation. Some of that will be house shares, some will be with NELFT employees who have agreed to let a room out and support people for a period of time. The plan is to support people in accommodation for 2 to 3 months after which they find their own accommodation. There is support and a process in place, but more work is required.

Appendix A: Glossary

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Affordable Rent is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents.

Affordable rented housing is provided by social landlords and rented for less than would be paid if renting privately and included both Affordable Rent and Social Rent.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the LHNA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”⁹¹.

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: “the proportion of people in each age group and household type who are the ‘head’ of a household”⁹²

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. ‘Gross’ or ‘new’ household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting ‘successor’ households, when the former head of household dies or departs). ‘Net’ household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

⁹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of affordable rented housing, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or Shared Ownership is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority Boroughs, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared Ownership see Low Cost Home Ownership.

Social Rented housing is housing where the landlord is a Registered Provider, usually the Council or a housing association, and where social rents are charged. These rents are significantly lower than market rents, and set in accordance with a formula set by Government.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

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

Appendix B: Table of Figures

Figure 1 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 1,285 dpa in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	9
Figure 2: Net annualised requirement for new homes in London, 2016 to 2043 (Source: 2017 London Strategic Housing Market Assessment: Mayor of London).....	15
Figure 3: Flow Chart of the Study	22
Figure 4:: Comparison of MYE 2020 and UK Census of Population 2021 for Havering (Source: 2020 MYE and UK Census of Population 2021)	23
Figure 5: Comparison of MYE 2020 and UK Census of Population 2021 for Redbridge (Source: 2020 MYE and UK Census of Population 2021)	24
Figure 6: Household projections 2021-31 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency).....	26
Figure 7: Average household size estimates and projections for Havering for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)	27
Figure 8: Average household size estimates and projections for Redbridge for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)	27
Figure 9: Population projections 2021-43 by 5-year age cohort for Havering (Source: 2020 MYE adjusted ONS sub-national projections 2018)	29
Figure 10: Population projections 2021-43 by 5-year age cohort for Redbridge (Source: 2020 MYE adjusted ONS sub-national projections 2018)	30
Figure 11: Total projected households in Havering for 2021 and 2043 (Note: Figures may not sum due to rounding)	31
Figure 12: Total projected households in Redbridge for 2021 and 2043 (Note: Figures may not sum due to rounding)	31
Figure 13: Total projected households for 2021 and 2043 by age cohort of household representative for Havering (Note: Figures may not sum due to rounding)	32
Figure 14: Total projected households for 2021 and 2043 by age cohort of household representative in Redbridge (Note: Figures may not sum due to rounding)	32
Figure 15: Total projected households for 2021 and 2043 and change by household type and age of household representative in Havering (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding).....	34
Figure 16: Total projected households for 2021 and 2043 and change by household type and age of household representative in Redbridge (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding).....	34
Figure 17: Housing tenure trends for Havering (1981 – 2021). Source: UK Census of Population.....	37
Figure 18: Housing tenure trends for Redbridge (1981 – 2021). Source: UK Census of Population.....	38
Figure 19: Housing tenure trends for Havering (1981 - 2011).....	38
Figure 20: Housing tenure trends for Redbridge (1981 - 2011).....	39
Figure 21: Number of Households in Havering by Tenure 1981-2021 (Source: UK Census of Population)	39
Figure 22: Number of Households in Redbridge by Tenure 1981-2021 (Source: UK Census of Population)	39
Figure 23: Number of Dwellings in Havering by Property Type 2011-2021 (Source: UK Census of Population)	42
Figure 24: Number of Dwellings in Redbridge by Property Type 2011-2021 (Source: UK Census of Population)	43
Figure 25: Weekly rent thresholds in Havering (Source: Valuation Office Agency 2021-22; SDR 2021).....	43

Figure 26:	Weekly rent thresholds in Redbridge (Source: Valuation Office Agency 2021-22; SDR 2021)	44
Figure 27:	Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Havering (Source: ORS based on Valuation Office Agency data October 2021 to September 2022).....	46
Figure 28:	Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Redbridge (Source: ORS based on Valuation Office Agency data October 2021 to September 2022).....	46
Figure 29:	Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)	47
Figure 30:	Real House Price Trends: Lower Quartile Prices adjusted to 2022 values using CPI (Source: ONS; Bank of England).....	48
Figure 31:	Lower quartile prices (adjusted by CPI) (2022) by property size in Havering (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	49
Figure 32:	Lower quartile prices (adjusted by CPI) (2022) by property size in Redbridge (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	49
Figure 33:	Annual income needed for 1 and 2-bedroom properties at lower quartile prices in Havering (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)	50
Figure 34:	Annual income needed for 1 and 2-bedroom properties at lower quartile prices in Redbridge (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)	51
Figure 35:	Annual income thresholds for different housing options, single bedroom and two bedroom in Havering (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)	51
Figure 36:	Annual income thresholds for different housing options, single bedroom and two bedroom in Redbridge (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)	52
Figure 37:	Shared Ownership costs in Havering (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)	53
Figure 38:	Shared Ownership costs in Redbridge (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)	53
Figure 39:	Total weekly costs for Shared Ownership based on different equity shares in Havering (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.).....	53
Figure 40:	Total weekly costs for Shared Ownership based on different equity shares in Redbridge (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.).....	54
Figure 41:	Total weekly costs for First Homes with 50%, 60% and 70% Equity Share in Havering (Note: Mortgage costs based on a 30-year repayment mortgage at 3.5% interest. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.).....	54
Figure 42:	Total weekly costs for First Homes with 50%, 60% and 70% Equity Share in Redbridge (Note: Mortgage costs based on a 30-year repayment mortgage at 3.5% interest. Cells highlighted in orange are above the	

	lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.).....	54
Figure 43:	Total weekly costs for London Living Rent in Havering (Source: GLA London Living Rents 2023/24)	55
Figure 44:	Total weekly costs for London Living Rent in Redbridge (Source: GLA London Living Rents 2023/24)	55
Figure 45:	Comparison of weekly housing costs by property size for Havering (Source: Valuation Office Agency and Land Registry Price Paid Data)	57
Figure 46:	Comparison of weekly housing costs by property size for Redbridge (Source: Valuation Office Agency and Land Registry Price Paid Data)	58
Figure 47:	Annual Income Required for Different Housing Products in Havering (Source: GLA London Living Rents 2023/24, Valuation Office Agency 2021-22; SDR 2021 and UK Land Registry)	59
Figure 48:	Annual Income Required for Different Housing Products in Redbridge (Source: Source: GLA London Living Rents 2023/24, Valuation Office Agency 2021-22; SDR 2021 and UK Land Registry)	59
Figure 49:	Establishing the need for market and affordable housing.....	61
Figure 50:	Assessing affordability by household type and age in Havering (Source: Census 2011 and DWP)	62
Figure 51:	Assessing affordability by household type and age in Redbridge (Source: Census 2011 and DWP)	62
Figure 52:	Assessing current unmet gross need for affordable housing in Havering (Source: ORS Housing Model).....	64
Figure 53:	Assessing current unmet gross need for affordable housing in Redbridge (Source: ORS Housing Model).....	65
Figure 54:	Annual change in household numbers in each age cohort by age of HRP in Havering (Source: ORS Housing Model)	66
Figure 55:	Annual change in household numbers in each age cohort by age of HRP in Redbridge (Source: ORS Housing Model).....	66
Figure 56:	Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	67
Figure 57:	Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	67
Figure 58:	Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	67
Figure 59:	Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	68
Figure 60:	Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	68
Figure 61:	Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	69
Figure 62:	Annual components of Household Growth 2021-43 in Havering (Source: ORS Housing Model)	70
Figure 63:	Annual components of Household Growth 2021-43 in Redbridge (Source: ORS Housing Model)	70
Figure 64:	Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey).....	71
Figure 65:	Long-term aspirations (Source: English Housing Survey 2013/4)	71
Figure 66:	Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes Shared Ownership)	72
Figure 67:	Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership in Havering (Note: Figures may not sum due to rounding)	73
Figure 68:	Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership in Redbridge (Note: Figures may not sum due to rounding)	73
Figure 69:	Assessing total need for affordable housing in Havering 2021-2043 (Source: ORS Housing Model)	74
Figure 70:	Assessing total need for affordable housing in Redbridge 2021-2043 (Source: ORS Housing Model)	74

Figure 71: Affordable homeownership housing mix by household affordability in Havering 2021-2043 (Source: ORS Housing Model).....	77
Figure 72: Affordable homeownership housing mix by household affordability in Redbridge 2021-2043 (Source: ORS Housing Model).....	78
Figure 73: Overall need for Affordable Housing 2021-43, including aspiring households able to access affordable home ownership, by property size in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	78
Figure 74: Overall need for Affordable Housing 2021-43, including aspiring households able to access affordable home ownership, by property size in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	78
Figure 75: Overall need for Affordable Housing 2021-43 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	80
Figure 76: Overall need for Affordable Housing 2021-43 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	80
Figure 77: Elements of housing need in Havering (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency).....	84
Figure 78: Elements of housing need in Redbridge (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)	85
Figure 79 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	87
Figure 80 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	88
Figure 81 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 1,285 dpa in Havering (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	89
Figure 82 Overall Dwelling need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size based upon the GLA Capacity Target of 1,409 dpa in Redbridge (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	89
Figure 83: Older person households by tenure and age of household.....	96
Figure 84: Demand for older persons housing in Havering and Redbridge in 2021	98
Figure 85: Demand for older persons housing in Havering and Redbridge in 2043	99
Figure 86: Population aged 65 and over living in a care home 2021.....	101
Figure 87: 2023 Supply of Care Home Beds	101
Figure 88: Demand for care home bedspaces 2043.....	102
Figure 89: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)	103
Figure 90: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2022)	104
Figure 91: Percentage of households with a wheelchair user by type of housing and age of household representative	104
Figure 92: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	105
Figure 93: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	105

Figure 94: Need for Supported Housing in Havering (Source: LB Havering Supported Housing Strategy 2022 - 2025).....	107
Figure 95: QOF recorded cases of mental health problems and learning disability for all GP practices serving Havering (Source: NHS Digital, QOF analysis 2020/21)	115
Figure 96: Fingertips Profiling Indicators for mental health in Havering (Source: NHS Digital, Fingertips Profiles)	116
Figure 97: Recorded number of people with severe mental illness – Havering CCG (Source: QoF SMI register, 2014/15)	117
Figure 98: Adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation - Havering (Source: Fingertips; numbers reported as recorded, rounded numbers only are recorded from 2016/17).....	117
Figure 99: Adults with SMI at risk of requiring supported housing of housing with support - Havering 2020/21	118
Figure 100: Comparison of adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation – Havering, London and England (Source: Fingertips 2020/21)	118
Figure 101: Fingertips Learning Disability Profile for Havering (Source: NHS Digital, Fingertips Profiles)	119
Figure 102: Estimates of Children and Adults with a learning disability or Autism in Havering (Source: 2015 national rates for learning difficulties; 2007 Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders).....	120
Figure 103: Adults with a learning disability at risk of requiring supported housing or housing with support - Havering.....	121
Figure 104: Adults with a learning disability who live in stable and appropriate accommodation - Havering (aged 18+) (Source: Fingertips 2019/20)	122
Figure 105: The number and percentage of young people who were previously looked after and were in suitable housing at Quarter 4, 2022/23 (Source: Havering BC).....	122
Figure 106: Adult Social Care clients in receipt of long term services in the community (Source: Redbridge BC).....	125
Figure 107: QOF recorded cases of mental health problems and learning disability for all GP practices serving Redbridge (Source: NHS Digital, QOF analysis 2020/21)	126
Figure 108: Fingertips Profiling Indicators for mental health in Redbridge (Source: NHS Digital, Fingertips Profiles)	127
Figure 109: Recorded number of people with severe mental illness – Redbridge CCG (Source: QoF SMI register, 2014/15)	128
Figure 110: Adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation - Redbridge (Source: Fingertips; numbers reported as recorded, rounded numbers only are recorded from 2016/17).....	129
Figure 111: Adults with SMI at risk of requiring supported housing of housing with support - Redbridge 2020/21	129
Figure 112: Adult Social Care clients supported for Mental Health problems in Redbridge (Source: Redbridge BC).....	130
Figure 113: Comparison of adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation – Redbridge, London and England (Source: Fingertips 2020/21)	130
Figure 114: Fingertips Learning Disability Profile for Redbridge (Source: NHS Digital, Fingertips Profiles)	132
Figure 115: Estimates of Children and Adults with a learning disability or Autism in Redbridge (Source: 2015 national rates for learning difficulties; 2007 Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders).....	133
Figure 116: Adults with a learning disability at risk of requiring supported housing or housing with support - Redbridge.....	133
Figure 117: Adults with a learning disability who live in stable and appropriate accommodation - Redbridge (aged 18+) (Source: Fingertips 2019/20).....	134
Figure 118: The number and percentage of young people who were previously looked after and were in suitable housing at Quarter 4, 2022/23 (Source: Redbridge BC)	134
Figure 119: Self-build and Custom Housebuilding Register and Plot Provision for Havering (Source: Local Authority Data. Note: * is not recorded)	143
Figure 120: Self-build and Custom Housebuilding Register and Plot Provision for Redbridge (Source: Local Authority Data. Note: * is not recorded)	143

