

London

NATIONAL  
HOUSING  
FEDERATION

## Home Truths 2014/15

~~BROKEN~~  
~~MARKET~~  
~~BROKEN~~  
~~DREAMS~~

Let's end the housing crisis  
within a generation



# What does your local housing crisis look like?

**Increasing demand and a lack of new homes being built are at the root of the housing crisis in London, which shows no signs of slowing down. Over the next 20 years more than one million new households are expected to form in London. At the current housing completion rate of 17,547 a year, by 2031 London could face a shortfall of 718,067 homes.**

Unaffordable housing is one of the biggest challenges for London. The lack of new homes has driven house prices out of reach for local people and the average house price in London in 2013 was £475,000, an increase of around £41,000 compared to the previous year. Both house prices and private rents in London are almost double the national average for England.

On average, house prices are more than 14 times the mean annual London salary (£33,130) and private rents account for 53% of gross earnings. The income required for a 80% mortgage in 2013 was £108,500, more than three times the average London salary.

There are however large variations among different boroughs. In 2013 the price for an average property in Kensington and Chelsea (£1.65m) and Westminster (£1.3m) was seven to eight times higher than in Barking and Dagenham, where the average property cost £188,000.

Unaffordable housing also puts pressure on the housing benefit bill. An increasing number of households in employment have to claim housing benefit. Between 2008 and 2014 the number of people in work claiming housing benefit rose 16.8 percentage points. Today, almost a third (32%) of claiming households is in employment.

But parts of London are in desperate need of regeneration too, with empty or poor quality homes sitting alongside expensive developments. Underdeveloped neighbourhoods and poor housing are not only a wasted resource, they blight communities by impacting upon the local economy and life chances of those living there.

Every new affordable home built in London adds £100,125 to the regional economy and creates 1.6 jobs in the region.

# End the housing crisis within a generation



**It is clear that we have a housing crisis in London. It has been decades in the making and short-term initiatives aren't going to fix it for this generation, or the next.**

It has been created by the failure of successive governments to address the region's major housing challenges, and primarily failing to build enough homes. The English public agree: around one in four people think that their housing situation will generally improve in the next ten years, and seven out of ten think that the Government should play a role in improving accessibility to housing<sup>1</sup>.

To end the crisis once and for all the main political parties must be bold in their action and, importantly, they need to look beyond the lifetime of the next parliament.

**In the run-up to the General Election, we are calling on all political parties to commit to end the housing crisis within a generation.**

**We want the next government to publish a long-term plan within a year of taking office that sets out how it will achieve this.**

Working with the Government, private developers, landlords, planners and the rest of the housing sector, housing associations can make an essential contribution to ending the housing crisis in London.

<sup>1</sup> Figures from YouGov Plc. Total sample size was 2,036 British adults of which 1,651 were from England. Fieldwork was undertaken between 18-19 August 2014. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

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#housingcrisis



# London



	Mean house prices in 2013 (£) <sup>1</sup>	Mean monthly private sector rents in 2013/2014 (£) <sup>2</sup>	Mean
<b>ENGLAND</b>	<b>251,879</b>	<b>720</b>	
<b>LONDON</b>	<b>474,524</b>	<b>1,461</b>	
Barking and Dagenham	187,562	864	
Barnet	483,444	1,397	
Bexley	236,231	889	
Brent	428,774	1,304	
Bromley	353,596	1,094	
Camden	843,657	1,867	
City of London	774,026	1,958	
Croydon	271,653	916	
Ealing	427,280	1,440	
Enfield	308,044	1,120	
Greenwich	330,023	1,192	
Hackney	432,075	1,490	
Hammersmith and Fulham	763,500	1,776	
Haringey	478,956	1,332	
Harrow	369,608	1,153	
Havering	257,500	919	
Hillingdon	305,792	1,016	
Hounslow	396,782	1,395	
Islington	576,426	1,654	
Kensington and Chelsea	1,655,414	2,767	
Kingston upon Thames	414,744	1,378	
Lambeth	438,116	1,476	
Lewisham	305,144	1,027	
Merton	476,528	1,622	
Newham	232,379	1,034	
Redbridge	313,734	1,017	
Richmond upon Thames	644,963	1,860	
Southwark	441,090	1,502	
Sutton	286,827	972	
Tower Hamlets	383,726	1,455	
Waltham Forest	281,966	1,026	
Wandsworth	584,514	1,659	
Westminster	1,299,542	2,328	

Annual earnings in 2013 (£) <sup>3</sup>	Ratio of house prices to incomes in 2013 <sup>1,2</sup>	Income required for 80% mortgage in 2013 (80% at 3.5x, £) <sup>1</sup>	% of housing benefit claimants in employment in May 2014 <sup>4</sup>	Unemployment rate in 2013/2014 <sup>5</sup>
26,520	9.5	57,572	22.5%	7.1%
33,134	14.3	108,463	31.6%	8.2%
24,601	7.6	42,871	30.9%	12.7%
32,942	14.7	110,501	39.6%	6.6%
29,162	8.1	53,996	26.4%	7.7%
27,446	15.6	98,005	40.6%	9.4%
36,811	9.6	80,822	25.6%	5.8%
41,683	20.2	192,836	22.7%	7.1%
-	-	176,920	20.2%	-
28,985	9.4	62,092	36.1%	8.8%
31,486	13.6	97,664	37.8%	9.4%
27,347	11.3	70,410	39.2%	9.3%
31,756	10.4	75,434	24.2%	10.8%
30,035	14.4	98,760	30.6%	10.7%
39,130	19.5	174,514	23.3%	7.6%
28,725	16.7	109,476	35.2%	9.5%
28,792	12.8	84,482	44.0%	7.2%
29,188	8.8	58,857	26.7%	7.6%
30,664	10.0	69,895	34.1%	7.4%
29,468	13.5	90,693	34.6%	7.0%
40,461	14.2	131,755	21.5%	9.0%
62,062	26.7	378,380	21.9%	7.0%
36,910	11.2	94,799	34.4%	5.3%
32,282	13.6	100,141	27.6%	8.3%
31,476	9.7	69,747	30.1%	8.3%
35,412	13.5	108,921	35.6%	6.1%
23,826	9.8	53,115	38.1%	11.8%
32,079	9.8	71,711	40.6%	8.3%
42,910	15.0	147,420	28.2%	4.5%
33,556	13.1	100,821	24.8%	10.3%
30,155	9.5	65,560	32.0%	6.1%
36,374	10.5	87,709	30.9%	11.6%
27,035	10.4	64,449	34.1%	9.9%
42,723	13.7	133,603	30.9%	6.4%
46,862	27.7	297,038	22.8%	5.5%

**Footnotes to tables**

1 Land Registry, Sales data 2013

2 Valuation Office Agency (VOA), Private Rental Market Statistics, year to March 2014

3 ONS, Annual Survey of Hours and Earnings (ASHE) 2013

4 Department for Work and Pensions (DWP) Housing benefit statistics (Stat-Xplore)

5 ONS, Nomisweb, Model based estimates of unemployment (16+) April 2013 to March 2014

6 DCLG, Council Taxbase Local Authority Level Data, 2013

7 DCLG, Live Table 615 All long-term vacant dwellings by local authority district, England, from 2004

8 Homes and Communities Agency (HCA) Statistical Data Return 2013

<b>% of second homes of total number of properties in 2013<sup>1</sup></b>	<b>Long-term vacant stock in 2013<sup>2</sup></b>	<b>Total HA rented homes in 2013<sup>3</sup></b>	<b>HA supported housing in 2013<sup>4</sup></b>
<b>1.1%</b>	<b>216,050</b>	<b>2,392,124</b>	<b>412,250</b>
<b>1.4%</b>	<b>21,852</b>	<b>390,773</b>	<b>55,872</b>
0.2%	242	4,062	958
1.8%	1,136	7,750	1,669
0.0%	527	13,769	1,371
0.5%	567	16,722	2,085
0.5%	709	19,096	2,891
4.9%	1,286	11,471	2,901
24.6%	47	233	40
0.0%	294	11,932	1,738
0.6%	342	10,264	1,724
0.8%	847	7,859	1,264
0.7%	523	11,967	1,039
0.9%	1,032	23,311	3,384
2.3%	268	12,952	1,871
0.5%	542	11,390	1,829
0.0%	356	4,111	988
0.3%	816	4,201	704
1.2%	556	6,722	978
1.1%	300	7,509	498
0.4%	382	15,347	2,243
9.0%	1,521	13,297	2,011
1.4%	296	2,439	514
0.4%	1,329	23,911	3,173
0.3%	737	22,340	1,859
1.4%	562	11,440	1,113
0.7%	939	13,840	2,049
1.0%	487	4,803	1,491
0.9%	482	9,774	1,130
1.4%	833	15,924	2,240
0.1%	764	4,802	1,077
4.1%	598	30,544	2,443
0.5%	536	11,713	1,802
0.9%	493	10,078	2,207
5.5%	1,503	15,200	2,588