



Royal Greenwich Local Housing Needs Assessment

Report of Findings

July 2025



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Contents

Executive Summary.....	6
Introduction.....	6
Government Policy	6
Assessing Housing Needs in London	6
Establishing Current Unmet Need for Affordable Housing	7
Overall Need for Affordable Housing	8
Policy Implications for Affordable and Other Housing Need	9
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.....	16
Jobs and Housing.....	19
Overview of the LHNA	20
Summary of the ORS Approach to Modelling Housing Need.....	20
UK Census of Population 2021	22
2. Demographic Projections	23
Introduction.....	23
Official Household Projections	23
Projected Household Size.....	24
Population and Household Projections for Affordable Housing Need.....	25
Projected Population Age Profile	26
Household Projections by Age	27
Projected Household Types.....	28
3. Local Housing Market	30
Introduction.....	30
Housing Tenure Trends	30
Overcrowding	33
Housing Property Type Trends	35
Cost of Renting	36
Cost of Home Ownership	39
Identifying the Gap for Affordable Home Ownership	42
Summary of Housing Costs.....	46
Income Required for Housing Costs	48
4. Affordable Housing Need	49
Introduction.....	49
Assessing Affordable Housing Needs	50
Current Unmet Needs of Households Unable to Afford	51

Projected Future Need of Households Unable to Afford	54
Needs of Households Aspiring to Homeownership	57
Identifying the Overall Affordable Housing Need	61
Affordable Mix.....	65
Future Policy on Housing Benefit in the Private Rented Sector.....	65
5. Overall Housing Need	67
Establishing the Housing Target	67
Size and Tenure Mix based Upon Overall Housing Needs	67
Policy Implications for Affordable Housing Need	69
6. Needs of Different Groups.....	70
Introduction.....	70
Housing for Older People	70
Identifying the Need for Specialist Older Person Housing	72
Reviewing the Existing Stock of Specialist Older Person Housing.....	74
Establishing the Future Need for Specialist Older Person Housing	75
Accessible and Adaptable Housing.....	79
Housing for Wheelchair Users.....	80
Other Groups who may need Supported Housing	83
Modelling of Mental Health and Learning Disabilities Populations.....	83
Mental Health	83
Interviews.....	86
Learning Disabilities and Autism Spectrum.....	87
Interviews.....	90
The Nepalese Community in Greenwich.....	92
Summary	92
Methodology	92
Background	92
Language and culture barriers	94
Accommodation and Housing.....	95
Support for the community.....	96
Conclusion	97
The Jewish Community in Greenwich	98
Children in Need of Social Services Care	99
Build to Rent.....	101
Houses in Multiple Occupation	102
Studio Apartments	104
Co-Housing/Co-Living	105
Live/Work Units.....	107
Service Families	108
Student Housing	109
People Wishing to Build their Own Homes	110
Essential Local Workers.....	114

Appendix A: Glossary115

Appendix B: Table of Figures.....120

Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by the Royal Borough of Greenwich to prepare a Local Housing Needs Assessment.
2. This current study represents an update to the evidence base in Royal Greenwich in relation to housing needs. In particular, it considers the need for affordable housing in light of the London Plan¹ being adopted in 2021. It also considers what tenures can be deemed to constitute affordable housing in Royal Greenwich.

Government Policy

3. 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, July 2021, December 2023 and most recently December 2024 to incorporate a number of detailed changes. The Revised NPPF 2018 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.
4. The NPPF 2024 has however changed the emphasis for affordable housing back to Social Rent. Paragraph 64 now states that, “Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required).” The definition of Social Rent has also been updated to state that it is:

Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

NPPF December 2024 Annex 2

5. Under the 2024 NPPF, local planning authorities are still responsible for assessing their local housing needs (LHN). However, for London Boroughs the extant London Plan means that they are not expected to follow the current standard method calculation.

Assessing Housing Needs in London

6. 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.

¹ [the London Plan 2021.pdf](#)

7. 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 Royal Greenwich, this is 28,240 dwellings, or 2,824 dwellings per annum and it is this capacity based figure which is used as a housing requirement to consider the need for affordable housing in Royal Greenwich. We would also note that the 2,824 figure covers both conventional housing supply and also non-conventional accommodation such as purpose built student accommodation, shared housing and dedicated older person schemes.

Establishing Current Unmet Need for Affordable Housing

8. To assess the current need for affordable housing, we initially calculated the number of households in Royal Greenwich 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 Royal Greenwich and those considered to be in current need.
9. Based on a detailed review of both the past trends and current estimates our analysis has concluded that 10,962 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the Planning Practice Guidance (PPG) and avoids double counting, as far as possible.
10. Of these households, 4,866 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.
11. There is, therefore, a net affordable housing need of 6,096 households (10,966 less 4,866 = 6,096). We would note that the current need figure set out here includes all current needs. Providing the net affordable housing need for 6,096 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 3,598 households (6,090 less the 2,498 households which are housed outside the borough in temporary accommodation, are homeless, or concealed and thus do not release dwellings). The dwellings released back into the market by the 3,598 households will be available to other households and therefore will lower the overall need for new build dwellings.

Overall Need for Affordable Housing

12. 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.
13. This data can then be combined with the 6,096 backlog of need as of 2022 and the overall capacity based dwelling target of 42,360 dwellings over the period 2022-2037 to estimate the mix of housing required in the area. Each year there are very high flows of households in and out of Royal Greenwich, but the impact of this on affordable housing need is effectively zero. The key driver of affordable housing need in Royal Greenwich is local households forming or falling into need before they often migrate away from the area, alongside a very high number of currently overcrowded households in the affordable housing sector.
14. Figure 1 provides a breakdown of the need for 42,360 dwellings between affordable need and the remaining capacity target which will be in the form of market housing on this basis. An allowance for C2 provision has been made within the total housing need of 42,360, which is equivalent to 141 dwellings that would be counted against the minimum housing target, which represents 252 people in 252 bedspaces. The C2 allowance reflects the impact of the growing population aged 75 years and over who are assumed by household projections to reside in nursing and residential homes classified as C2 dwellings. If they are not included here, then they will not be counted anywhere in this assessment. The London Plan contains targets for Class C2 units, but this is a build target, not a modelled need for the area. These are all considered to be market housing need because they are typically not provided as affordable housing.
15. The figures allow for all dwellings for households who cannot afford market housing, namely 10,325 who require Social Rent. In terms of affordable home ownership, we have included all households who potentially can afford London Living Rents but cannot afford private rents, along with those who can afford private rents but who aspire to own their own home and have a realistic prospect of doing so through schemes such as Shared Ownership. It is the case in London that the London Living Rent scheme still meets the definition of affordable home ownership and many more households in the private rented sector in Royal Greenwich can potentially afford London Living Rents if they were available.
16. A significant finding is that the need for Social Rented housing is 11,520 dwellings, and the need for affordable to own housing is 11,462 (London Living Rent + Shared Ownership). This gives an almost 50:50 split between affordable to rent and affordable to own housing products on the basis that London Living Rent is counted as an affordable to own product in the London Plan. The near 50:50 split is in line with the London Plan policy requirements for affordable housing, which currently requires at least 30% affordable to rent and 30% affordable to own, with London Living Rent currently considered as an affordable to own product. We would note that in November 2024 the Mayor of London opened a consultation² to consider adapting London Living rent to become Key Worker Living Rent Homes; these would not have an ownership option included with them and instead will be considered to be intermediate housing.

² [Intermediate homes for London | London City Hall](#)

Figure 1 Overall Need for Affordable Housing (including households aspiring to home ownership) and Capacity for Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Social Rents	Able to afford London Living rents	Shared Ownership	Total Affordable Housing	Residual Capacity for Market Housing	Total Capacity Target
1 bedroom	3,245	1,615	180	5,040	3,491	8,531
2 bedrooms	2,973	2,781	896	6,650	5,275	11,925
3 bedrooms	3,761	4,118	100	7,979	10,139	18,118
4+ bedrooms	1,541	1,773	0	3,314	331	3,645
C2 Dwellings	-	-	-	-	141	141
TOTAL	11,520	10,286	1,176	22,982	19,378	42,360
1 bedroom	7.7%	3.8%	0.4%	11.9%	8.2%	20.1%
2 bedrooms	7.0%	6.6%	2.1%	15.7%	12.5%	28.2%
3 bedrooms	8.9%	9.7%	0.2%	18.8%	23.9%	42.8%
4+ bedrooms	3.6%	4.2%	0.0%	7.8%	0.8%	8.6%
C2 Dwellings	-	-	-	-	0.3%	0.3%

Policy Implications for Affordable and Other Housing Need

17. This document represents a technical analysis for the housing needs of Royal Greenwich. 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.
18. In terms of affordable housing need, Figure 1 shows a need for 54% of all dwellings to be affordable if Shared Ownership is counted, or 51% if only Social Rent and London Living Rent are counted. The affordable housing needs figures calculated in this study would address all current and potential future affordable housing needs in Royal Greenwich, including the needs of those who are currently housed outside of the borough. Therefore, a 54% target represents an aspirational goal which will require testing against borough and site viability for each scheme. However, the figure set out shows a very large potential need for affordable housing to rent, whilst there is also a clear market for London Living Rent and Shared Ownership.
19. 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 Royal Greenwich over the plan period and are considered below. In summary:
 - » As of 2023, there are around 145 units of older person housing for every 1,000 older persons in Royal Greenwich aged over 75 years. Modelling indicates that there will be a need to provide an additional 1,199 older person housing units in Royal Greenwich of which 1% would need to be provided as affordable housing.
 - » The government are now proposing that all homes be delivered to M4(2) accessible and adaptable dwellings standard, which is also consistent with the London Plan.
 - » 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. Royal Greenwich provide for 1.5%-2% of all students in

London, this would equate to around 50-70 PSBA per annum. Therefore, there is a very limited need for additional student housing in Greenwich.

- » Royal Greenwich began delivering a higher rate of self and custom housebuilding plots from 2021/22 onwards, whilst no one has joined the register in this time. This is against the whole register, with a surplus against the numbers joining Part 1 of the register, which planning decision are to be judged against. Royal Greenwich should continue to provide sufficient plots to meet the need from Part 1 of their register.

20. **These dwellings are included and not in addition to the overall housing need.** All of these would contribute to the overall delivery of dwellings in Royal Greenwich over the plan period.

1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by the Royal Borough of Greenwich to prepare a Local Housing Needs Assessment.
- 1.2 This current study represents an update to the evidence base in Royal Greenwich in relation to housing needs. In particular, it considers the need for affordable housing in light of the London Plan³ being adopted in 2021. It also considers what tenures can be deemed to constitute affordable housing in Royal Greenwich.

Government Policy

- 1.3 The Government published the National Planning Policy Framework (NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.4 The 2012 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 2012 NPPF set out that they *“should prepare a Local Housing Needs 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 NPPF was published in July 2018. Whilst the 2018 NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The 2018 NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation, and was further updated in July 2021, December 2023 and December 2024. Whilst most of the changes made in 2018 appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation in 2018 were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 1.6 Under the 2024 NPPF, local planning authorities are still responsible for assessing their local housing needs (LHN); however, paragraph 62 identifies that:

To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, 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.

- 1.7 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 using

³ [the London Plan 2021.pdf](#)

an updated methodology. However, for London Boroughs the extant London Plan means that they are not expected to follow the current standard method calculation, as discussed below.

- 1.8 The 2019 NPPF also introduced a new definition for affordable housing, and this was carried over in to the 2024 NPPF. Whilst the original (2012) 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 PPG for assessing affordable housing need.
- 1.9 Under the 2012 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 supporting the 2024 NPPF 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 buy, but are unable to afford homeownership, must now be counted as being in affordable housing need.
- 1.10 However, the NPPF 2024 has changed the emphasis for affordable housing back to Social Rent. Paragraph 64 now states that, “*Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required).*” The definition of Social Rent has also been updated to state that it is:

Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

NPPF December 2024 Annex 2

The Standard Method for Local Housing Need Assessment

- 1.11 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined Housing Market Area (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.*” Therefore, if there were concerns around the quality of local data (such as inaccurate migration estimates) adjustments could be made, along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.

- ^{1.12} The NPPF 2024 confirms that planning authorities should use the Standard Methodology for plan-making, but, as noted above, it introduced a new methodology for calculating the figure which is underwritten by the size of the existing dwelling stock, not the household projections for an area.
- ^{1.13} In terms of the new methodology, the baseline housing need figure in is derived using the following formula, set out at paragraph 4 of PPG for Housing and Economic Needs Assessment.

How is a minimum annual local housing need figure calculated using the standard method

The standard method calculates a minimum annual local housing need figure as follows:

Step 1 - Setting the baseline – 0.8% of existing housing stock for the area

Set the baseline using the value of existing housing stock for the area of the local authority. The baseline is 0.8% of the existing housing stock for the area, and the most recent data published at the time should be used.

Step 2 - An adjustment to take account of affordability

The housing stock baseline figure (as calculated in step 1) is then adjusted based on the affordability of the area.

The affordability data used is the median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level. The mean average affordability over the five most recent years for which data is available should be used.

No adjustment is applied where the ratio is 5 or below. For each 1% the ratio is above 5, the housing stock baseline should be increased by 0.95%. An authority with a ratio of 10 will have a 95% increase on its annual housing stock baseline.

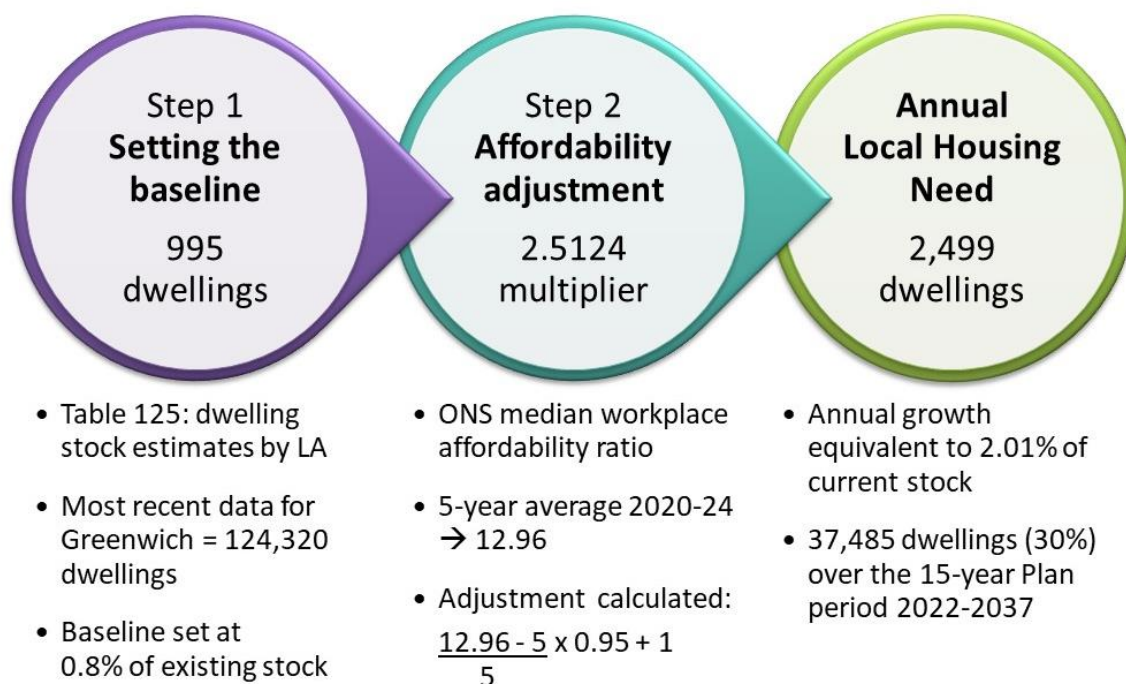
Where an adjustment is to be made, the precise formula is as follows:

For values of 'five year average affordability ratio' above 5; otherwise zero.

Adjustment Factor = ((five year average affordability ratio-5)/5)×0.95 + 1

Paragraph: 004 Reference ID: 2a-004-20241212

- ^{1.14} The December 2024 Local Housing Need figure for Royal Greenwich is 2,575 dwellings per annum. This figure would only apply to Greenwich if the London Plan was not extant. However, new affordability data was released in March 2025 and new dwelling stock data in May 2025, so the current figure is 2,499 dwellings per annum, as shown in Figure 2.

Figure 2: Annual Local Housing Need for Greenwich in May 2025.

Assessing Housing Needs in London

- ^{1.15} Paragraph 62 of the NPPF expects strategic policy-making authorities to follow the Standard Method in the PPG 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 the role of 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. The London Plan sets housing targets for each borough but does not disaggregate the London target by size and tenure.
- ^{1.16} The Strategic Planning Authority for London is the Greater London Authority (GLA), and the London Plan is the statutory spatial development strategy for London. The GLA have produced the Greater London Strategic Housing Market Assessment 2017 a SHMA Addendum in 2019⁴, and the Housing Supplementary Planning Guidance 2016.
- ^{1.17} The Mayor's draft London Plan was subject to examination in 2019. The Inspectors issued their report and recommendations to the Mayor on the 8th of October 2019 concluding that, subject to limited changes, it provides an appropriate basis for the strategic planning of Greater London. The Mayor considered the Inspectors' recommendations and, on the 9th of December 2019, issued to the Secretary of State his intent 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 the 2nd of March 2021 as the London Plan 2021.

⁴ SHMAs were replaced in the NPPF and PPG by LHNAs in 2018.

- ^{1.18} The London Plan 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). 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 paragraph 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.
- ^{1.19} In terms of size and tenure mix, the 2017 London SHMA was summarised in Table 1 of the SHMA, which we have reproduced below as Figure 3. 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 3: Net annualised requirement for new homes in London, 2016 to 2041 (Source: 2017 London Local Housing Needs 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

- ^{1.20} 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 dwelling, so 125,000 bedrooms are needed to be provided each year. ORS provided evidence to the London Plan inquiry on behalf of the Greater London Assembly which argued for a lower number of dwellings, at around 50,000 per annum, with a larger average size, at around 2.5 bedrooms per dwelling, giving a total of around 125,000 bedrooms per annum. This highlights a central issue in studies: the need to address the accommodation requirements of a projected population offers a range of options, from building many smaller properties, to delivering a lower number of dwellings which are, on average, larger.
- ^{1.21} 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.
- ^{1.22} 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; they 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.
- ^{1.23} 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.

^{1.24} From the point of view of this study, the London Plan sets a 10-year housing target in Table 4.1 for net housing completions (2019/20-2028/29). In the case of Royal Greenwich, this is 28,240 dwellings, or 2,824 dwellings per annum. It is this figure which is used in this study, as it is a housing requirement, whilst the purpose of this study is housing need.

^{1.25} The London Plan contains Policy H10 Housing size mix which sets out the following requirements:

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 Local Housing Needs 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

^{1.26} For the purposes of this study, we would also note that the following definitions are used for rented affordable 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.

Duty to Co-operate

^{1.27} The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation. Whilst the Levelling Up and Regeneration Act 2023 set out the intention to repeal this part of the Localism Act, no alternative to

the Duty to Co-operate has been proposed⁵, and the regulations necessary to withdraw the Duty to Co-operate have not yet been implemented. The NPPF 2024 notes that, “Local planning authorities and county councils (in two-tier areas) continue to be under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.”

- ^{1.28} 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. Effective strategic planning across local planning authority boundaries will play a vital and increasing role in how sustainable growth is delivered, by addressing key spatial issues including meeting housing needs, delivering strategic infrastructure and building economic and climate resilience. Local planning authorities and county councils (in two-tier areas) continue to be 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 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 on-going 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. Once the matters which require collaboration have been identified, strategic policymaking authorities should make sure that their plan policies align as fully as possible with those of other bodies where a strategic relationship exists on these matters, and take into account the relevant investment plans of infrastructure providers, unless there is a clear justification to the contrary. In particular their plans should ensure that:

a) a consistent approach is taken to planning the delivery of major infrastructure, such as major transport services/projects, utilities, waste, minerals, environmental improvement and resilience; and strategic health, education and other social infrastructure (such as hospitals, neighbourhood health facilities, universities, schools, major sports facilities and criminal justice accommodation);

b) unmet development needs from neighbouring areas are provided for in accordance with paragraph 11b; and

c) any allocation or designation which cuts across the boundary of plan areas, or has significant implications for neighbouring areas, is appropriately managed by all relevant authorities.

NPPF, December 2024

- ^{1.29} 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

⁵ [LURB becomes LURA – The Levelling-up and Regeneration Bill becomes law \(cms-lawnow.com\)](https://www.legislation.gov.uk/ukpga/cv/2023/0055/en/indd)
[ukpga/cv/2023/0055 en.indd \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/cv/2023/0055/en/indd)

reasonableness and sustainability). 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

- ^{1.30} 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

- ^{1.31} This definition of an HMA is almost identical to that in the original PPG relating to housing need.

- 1.32 The identification of housing markets in London is not a new area of study. The Greater London Local Housing Needs Assessments 2008, 2014 and 2017 effectively treat London as being a single housing market area. The 2014 Greater London SHMA notes at Table 5:

*Whilst 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.*

- 1.33 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.'*

- 1.34 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 Local Housing Needs 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."

- 1.35 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

- 1.36 Royal Greenwich 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; LPAs in London are required to conform to the London Plan.

- 1.37 It is not possible to define a HMA that is smaller than Greater London that is self-contained in terms of commuting or migration; if jobs and workers are to be in balance, the analysis must be undertaken for the whole of Greater London.
- 1.38 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, Royal Greenwich will, therefore, contribute to balancing jobs and workers across the GLHMA, consistent with the London Plan.

Overview of the LHNA

- 1.39 The first key objective of this LHNA is to establish the need for affordable housing in the Royal Borough of Greenwich on the assumption that it delivers housing to meet the needs of its local population based upon London Plan capacity target of 2,824 dwellings per annum. Market housing needs are then based upon the difference between the capacity target and the affordable housing need. The final calculation for this task is set out in Figure 47.
- 1.40 This report considers the key outputs from the LHNA: namely establishing the overall balance between market and affordable housing need over the 15-year period 2022-37 and the need for different tenures within the overall affordable housing need. 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

- 1.41 As noted above, this LHNA seeks to establish the need for housing (both market and affordable) in the Royal Borough of Greenwich on the assumption that it delivers housing to meet the needs of its local population based upon recent demographic trends and considers the consequences of meeting the GLA capacity target for the borough.
- 1.42 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 15-year period 2022-2037. They are informed by the latest ONS mid-year estimates⁶, 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 Census 2021 and 2021 and 2022 mid-year population estimates. 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.
- 1.43 However, the data associated with the 2018 based population and household projections will not match the growth rate of households set out in the London Plan capacity target. The population and household projections are trend based data, whilst the capacity target is unrelated to local housing needs, so they will almost never match. Therefore, we make two further adjustments:

⁶ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

- » The ORS model⁷ 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;
- » The household projections alone would see too few households in Royal Greenwich, so additional households are assumed to migrate to the borough; this data is utilised for Chapters 2 and 4.

^{1.44} To move from the household growth in Chapters 2 and 4 to the total need for dwellings in Chapter 5 requires a series of additional elements. These include:

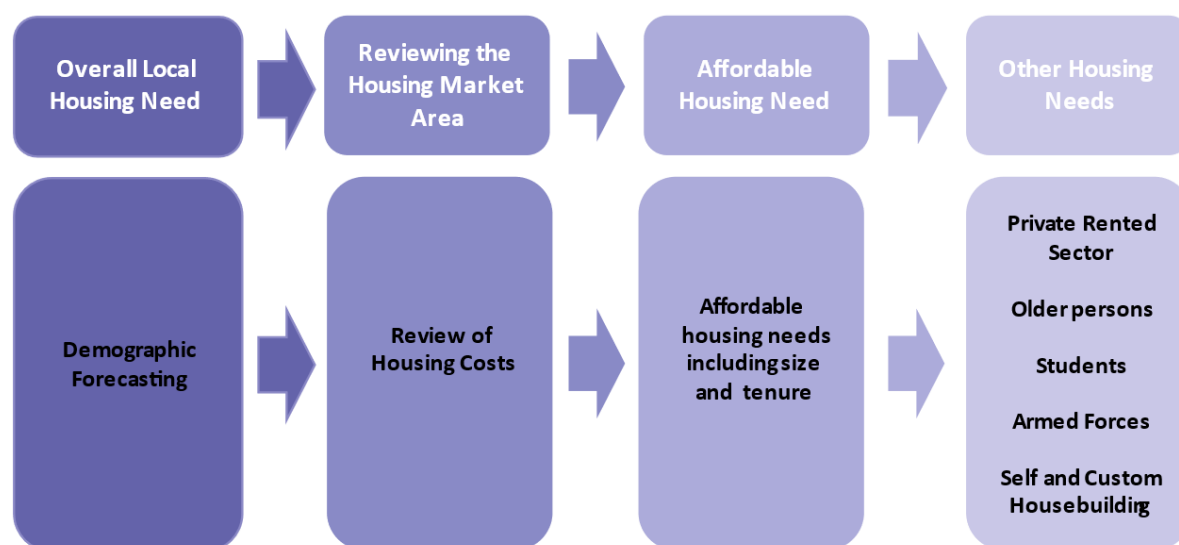
- » The need to include the impact of vacant and second homes being unavailable for households to live in, which therefore requires an uplift to the household projections to become the need for dwellings;
- » The need to include an allowance for additional Use Class C2 bedspaces such as nursing homes to ensure that persons otherwise not included in the population and household projections are included within the overall LHN.

^{1.45} 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 Royal Greenwich.

^{1.46} It should also be noted that this study looks at other housing issues such as future need for student housing, older people homes, Co-living, Build to Rent, and the number of homes that may need to be specially designed for older people and people with disabilities/illnesses.

^{1.47} Figure 4 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 4: Flow Chart of the Study



⁷ At a number of points in this report we refer to the source of data as being the 'ORS Model'. This is a shorthand statement for the combining of data using ORS's propriety modelling systems.

UK Census of Population 2021

- ^{1.48} We would note that the results from the Census of Population 2021 were released in June 2022, and these show a population of 289,100 for Royal Greenwich compared to a Mid-Year Population Estimate (MYE) for 2020 of 289,000. Whilst there does seem to be some under-counting of students at term-time addresses in the 2021 Census, with students who would otherwise have been at their university term-time address living at their family homes, the Census and MYE data for Royal Greenwich is remarkably consistent.
- ^{1.49} The final conclusions of this report utilise the London Plan capacity target for Royal Greenwich, but the underlying population data is drawn from Census and MYE data.

2. Demographic Projections

The baseline for establishing housing need

Introduction

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

Official Household Projections

- 2.2 Prior to the December 2024 update to the NPPF, 2014 based household projections underwrote the LHN figure for a local authority, as set out in PPG.

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 new Standard Method for LHN, introduced in December 2024, uses the size of the existing dwelling stock in a local authority as the underlying basis for calculating need, alongside an uplift based upon the ratio of median house prices to median incomes in the area.
- 2.4 Despite this change, an important step in analysing housing needs is to consider the demographic drivers of housing need and to identify the household projection for Royal Greenwich which is used as the basis for the analysis in this report.
- 2.5 Figure 5 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 principal projection is based upon migration from only 2016-2018; therefore, it is very unstable across England as a whole. However, the 10-year trend 2018-based projections are much more stable and are used to help derive the modelling outputs in this report.
- 2.6 In conclusion, the overall dwelling target for Royal Greenwich used in this report is derived from its London Plan capacity target. The ONS 2018 based projections and 10-year trend are used for the affordable and market housing needs calculations, and are reconciled with the capacity target in Chapter 5.

Figure 5: Household projections 2022-37 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency)

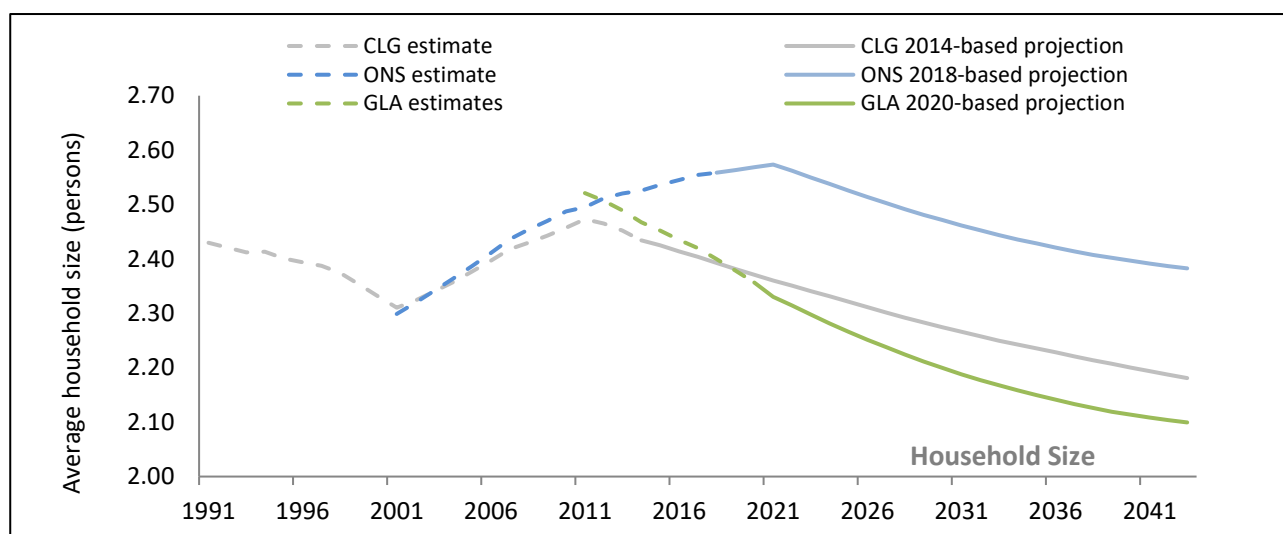
ROYAL GREENWICH	Migration trends	10-year change in Households 2024-2034	Annual average change in Households 2024-2034
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+19,113	+1,911
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+14,802	+1,480
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+16,423	+1,642
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+17,624	+1,762
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+12,215	+1,222
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+14,219	+1,422
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+13,738	+1,374
GLA 2020-based Projections			
Principal projection: Long Term trend DCLG household projection	2004-20	+18,880	+1,888

Projected Household Size

- 2.7 The projected household size is calculated using the population and household projections, rather than being a variable used to create them. The data (Figure 6) shows household sizes in the area based on different household projections.⁸

⁸ The data here refers to households, not dwellings. A dwelling is normally occupied by a single household although in some cases two or more households may share a dwelling (see glossary).

Figure 6: Average household size estimates and projections for Royal Greenwich for the period 1991-2041 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)



- 2.8 As the chart shows, average household sizes rose very sharply in Royal Greenwich between 2001 and 2016, and the ONS 2018 based projections indicate that they rose until 2021 then began to fall. This fall is projected to continue until 2041.
- 2.9 However, the CLG 2014 based projections indicated that household sizes in Royal Greenwich were projected to fall after 2011 from around 2.45 per household to 2.20 per household in 2041. The growth in the older population leading to more one and two persons alone does not explain this change, because this growth is insufficient to generate the projected decline on household sizes. 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 person 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 Royal Greenwich, 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 only working with data from the 2001 Census onwards. Therefore, the 2018 based projection only reflect the changes in HRRs in Royal Greenwich since 2001; they project a much later and lower drop in household sizes. The only projection data used in this study for modelling purposes is the most recent ONS data.
- 2.13 The GLA 2020 based projections are included for comparison and indicate smaller household sizes; they are not used in this study because they utilise the CLG 2014 based household project headship rates, and suffer from the same issue of out of date household formation rates leading to a rapid decline in household sizes.

Population and Household Projections for Affordable Housing Need

- 2.14 The demographic projections for this LHNA are based on the latest official projections, and cover the 15-year period 2022-37. They are informed by the latest ONS mid-year estimates⁹, and take account of the most up-

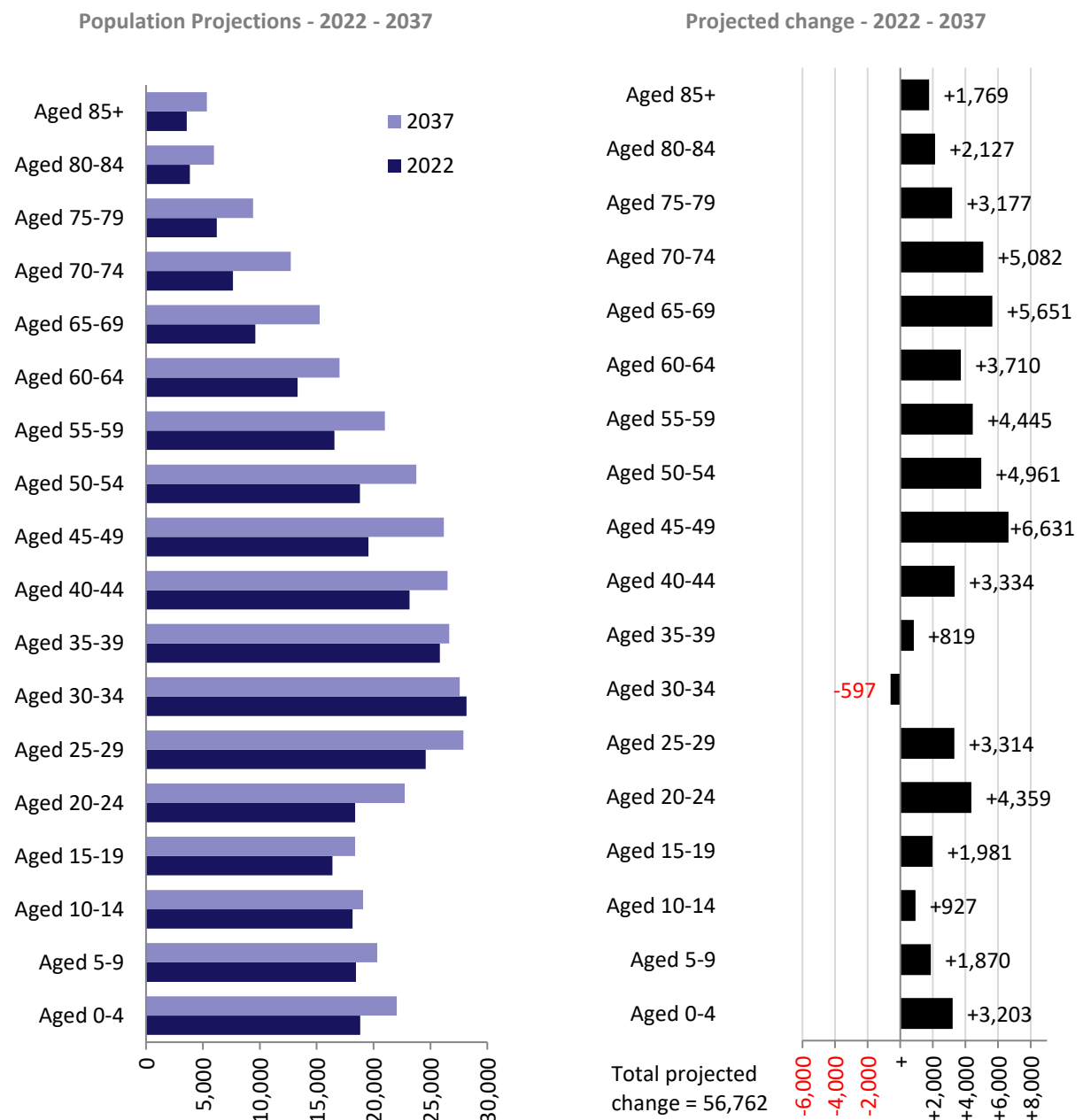
⁹ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

to-date fertility and mortality rates and the latest migration trends. This yields a household growth over the period 2022-37. This is then reconciled with the London Plan capacity target figure for Royal Greenwich, through adjustment to the household formation rate and assumed additional in-migration. Therefore, the modelling from this point onwards until Chapter 5 is underwritten by the most up to date demographic data.

Projected Population Age Profile

- ^{2.15} The overall population is projected to grow in the period 2022-2037 by 56,762 persons from 291,080 persons to 347,842 persons.
- ^{2.16} Of the growth, those over 65 were projected to increase by 17,806, (31.4% of the overall population growth). This is a particularly important consideration when establishing the types of housing required and the need for housing, specifically for older people.

Figure 7: Population projections 2022-37 by 5-year age cohort for Royal Greenwich (Source: ORS Model)



Household Projections by Age

- 2.17 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 8: Total projected households in Royal Greenwich for 2022 and 2037 (Note: Figures may not sum due to rounding. Source: ORS Model)

AGE OF HOUSEHOLD REPRESENTATIVE	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2022	2,600	21,100	27,600	24,000	19,400	10,700	7,000	2,700	115,200
2037	6,400	26,500	33,900	31,300	24,700	17,500	10,600	4,100	154,900
TOTAL CHANGE	+3,800	+5,400	+6,300	+7,300	+5,300	+6,800	+3,700	+1,400	+39,800

- 2.18 The table shows an overall net increase of 39,800 households over the 15-year period 2022-37, with 33% of the total increase 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 15-year period.
- 2.19 It is important to consider household growth in relation to age cohorts. Figure 9 shows the projected number of households in each cohort, showing their age in both 2022 and 2037. Clearly, no household representatives were aged under seven in 2022, but children aged under seven in 2022, or born before 2022, will be aged 15-24 in 2037, and thus will be potentially heads of a household.

Figure 9: Total projected households for 2022 and 2037 by age cohort of household representative (Note: Figures may not sum due to rounding. Source: ORS Model)

Age in 2022	<7	7-16	17-26	27-36	37-46	47-56	57-66	67+	TOTAL
Age in 2037	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2022	-	1,300	11,900	24,400	25,800	21,700	15,100	15,100	115,200
2037	6,400	26,500	33,900	31,300	24,700	17,500	10,600	4,100	154,900
TOTAL CHANGE	+6,400	+25,200	+22,000	+6,900	-1,100	-4,200	-4,400	-11,000	+39,800

- 2.20 For example, there were 24,400 households aged 27-36 in 2022; these same households would be aged 45-54 in 2037. The trend-based projection identified that the total number of households aged 45-54 in 2037 will be 31,300. The projection shows an extra 6,900 households, partly due to new household formations and partly due to net migration.
- 2.21 Based on the cohort analysis, around 60,500 extra households will be formed over the 15-year period 2022-37 by those who will be aged under 55 in 2037. These extra households are offset against a reduction of 20,700 households aged 55 or over. Most of this reduction is due to household dissolution following death (although some is due to net migration).

- 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 Royal Greenwich 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; there are very high numbers of these households in Royal Greenwich. 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. The figures are calculated by applying the HRRs from the 2018 based household projections to the adjusted 2018 based population projections.
- 2.24 Figure 10 shows the household numbers and net change for Royal Greenwich from 2022 to 2037, separated out by the age of the household representative person (HRP).

Figure 10: Total projected households for 2022 and 2037 and change by household type and age of household representative
(Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding. Source: ORS Model)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2022	Single person	920	5,370	5,790	5,810	6,190	5,050	3,600	1,730	34,500
2022	Couple without children	390	6,190	4,220	4,010	6,340	3,990	2,410	630	28,200
2022	Families with child(ren)	450	5,350	13,750	9,610	2,220	170	30	10	31,600
2022	Other households	890	4,200	3,860	4,540	4,640	1,540	910	360	20,900
2022	TOTAL	2,600	21,100	27,600	24,000	19,400	10,700	7,000	2,700	115,200
2037	Single person	2,220	6,740	7,100	7,570	7,890	8,220	5,500	2,590	47,800
2037	Couple without children	940	7,770	5,170	5,230	8,080	6,500	3,690	950	38,300
2037	Families with child(ren)	1,090	6,710	16,870	12,530	2,820	280	50	10	40,400
2037	Other households	2,150	5,260	4,730	5,920	5,910	2,510	1,390	530	28,400
2037	TOTAL	6,400	26,500	33,900	31,300	24,700	17,500	10,600	4,100	154,900
Change	Single person	+1,300	+1,370	+1,310	+1,760	+1,700	+3,180	+1,900	+860	+13,400
Change	Couple without children	+550	+1,580	+960	+1,220	+1,740	+2,510	+1,270	+310	+10,100
Change	Families with child(ren)	+640	+1,360	+3,120	+2,920	+610	+110	+20	+0	+8,800
Change	Other households	+1,260	+1,070	+880	+1,380	+1,270	+970	+480	+180	+7,500
Change	TOTAL	+3,800	+5,400	+6,300	+7,300	+5,300	+6,800	+3,700	+1,400	+39,800

- 2.25 In summary over the 15-year period:

- » Couples without dependent children are projected to increase by 10,100 households, which will be over 25% of the total growth in households;
- » Single person households are projected to increase by 13,400;
- » Families with dependent children are projected to increase by 8,800 households;
- » The increase in “Other” households are projected to represent 7,500¹⁰ households.

¹⁰ Other Households have been defined by the ONS as defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”

- ^{2.26} The final group of 'Other' households is very important because it implies that a minority of the projected household growth in Royal Greenwich will be unrelated households, students, and multi-generation households.

3. Local Housing Market

Housing trends and cost of housing in Royal Greenwich

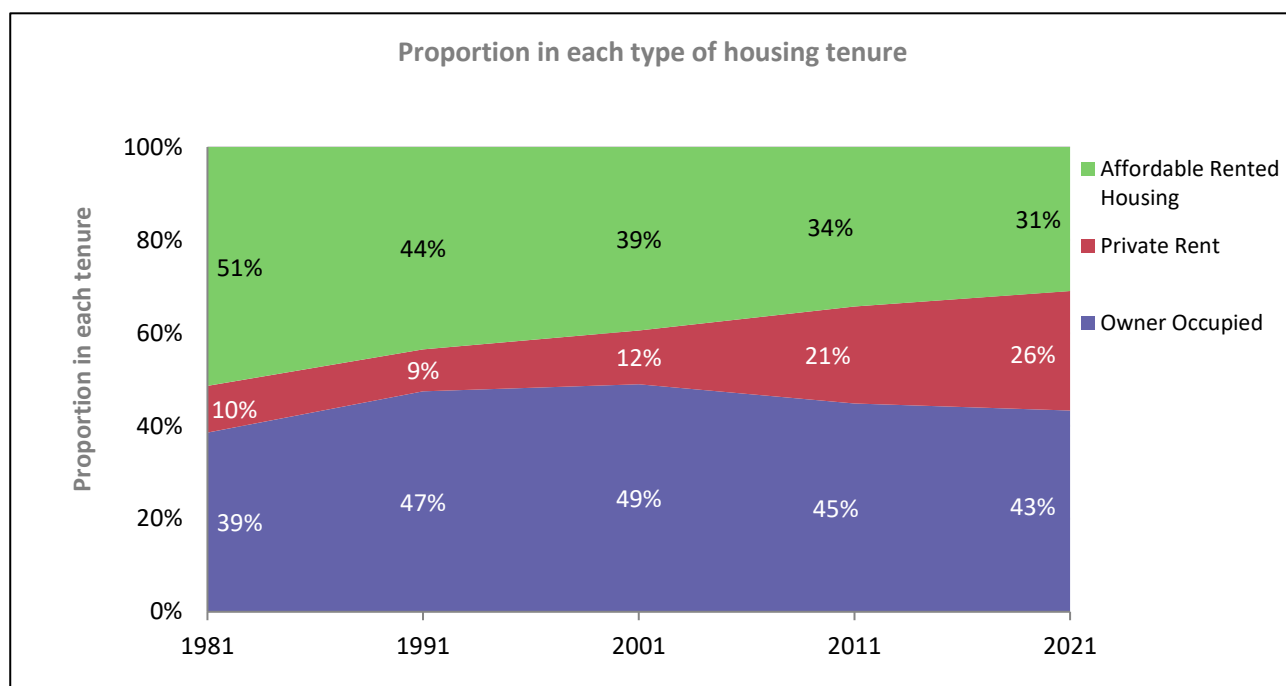
Introduction

- 3.1 This chapter explores the cost of housing in Royal Greenwich and the incomes needed to rent or buy at market prices.
- 3.2 It highlights the potential income gaps and identifies where and how people may fall into affordable housing need. This includes consideration of Social Rent, London Living Rent¹¹, Shared Ownership, First Homes, and access to housing benefit and Universal Credit for those in the rental sector, as well as the potential impact of help-to-buy policies.

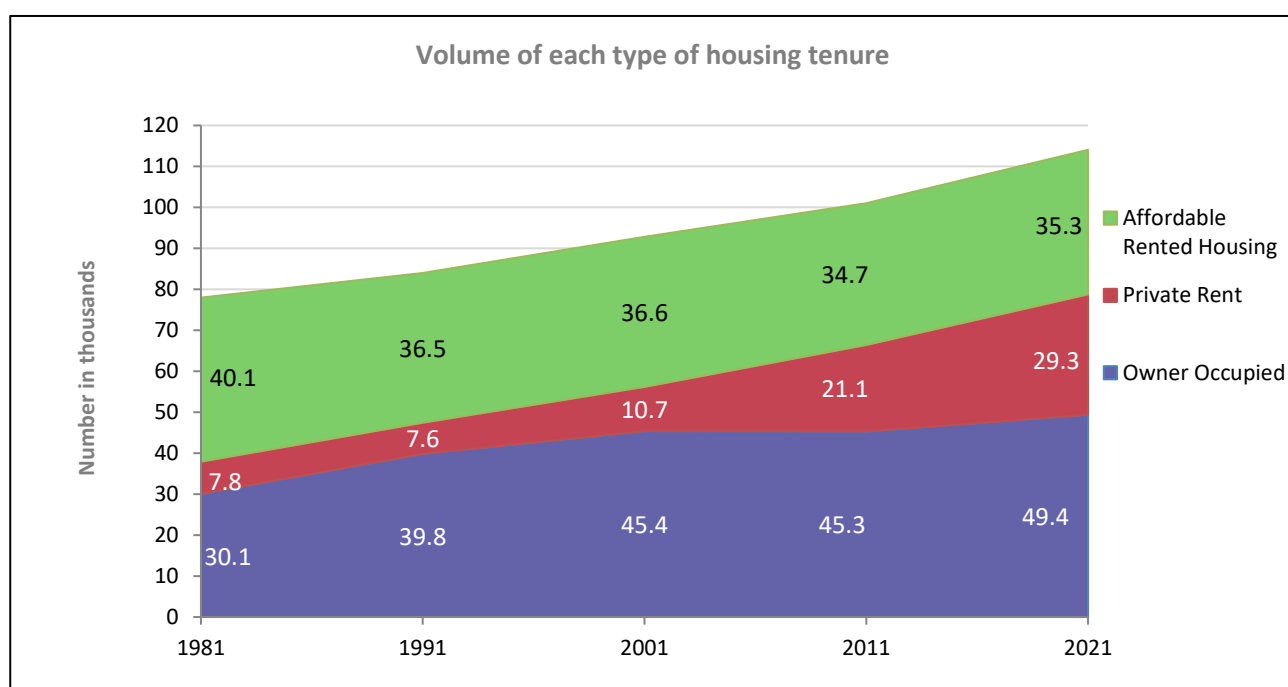
Housing Tenure Trends

- 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 household numbers for many London Boroughs. This was driven by a low response rate to the Census, with many London Boroughs having a response rate below 80%. Royal Greenwich's response rate was estimated to be 86%, but that is still low for a Census, and the data for the missing households was then imputed. However, the response rates by tenure, age and, ethnicity were different, so imputation led to under-estimates of the total population and number of households in some areas.
- 3.4 The chart below shows how the most notable change has been the decline in the proportion of people in rented affordable properties (comprising Social Rent and other rented affordable homes), which has fallen during the period (from 51% to 31%). In contrast, private rent has seen an equally sharp growth. Between 1981 and 2001, there was a strong growth of 10% for owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 49% in Royal Greenwich, but is now falling again, and is currently at 43%.

¹¹ London Living Rent is a rent to buy product which is intended to be affordable for households with incomes up to £67,000. Benchmark London Living Rent levels for every neighbourhood in the capital, are based on costing a third of average local household incomes and updated annually.

Figure 11: Housing tenure trends for Royal Greenwich (1981 – 2021). Source: UK Census of Population

- ^{3.5} During the period 1981-2021, the actual volume of households in Royal Greenwich rose from 77,975 to 114,053 households. Importantly, the volume of households in rented affordable housing fell whilst other forms of tenure increased in volume.

Figure 12: Housing tenure trends for Royal Greenwich (1981 - 2021)

- ^{3.6} The table below provides the detailed data for the period.

Figure 13: Number of Households in Royal Greenwich 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	30,068	39,839	45,422	45,299	49,399	+9,771	+5,583	-123	+4,100
Private rent	7,839	7,591	10,749	21,084	29,327	-248	+3,158	+10,335	+8,243
Affordable Housing to Rent	40,068	36,539	36,617	34,662	35,327	-3,529	+78	-1,955	+665
TOTAL	77,975	83,969	92,788	101,045	114,053	+5,994	+8,819	+8,257	+13,008

- 3.7 The growth in the private rented sector (PRS) in Royal Greenwich 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 such as:
- » 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 Buy-to-Let (BTL) property.
- 3.9 The Government sees the PRS as having an important and long-term role in meeting the housing need of the nation; although the NPPF and PPG do not mention the current or future role of housing benefit and Universal Credit, the policy to support low-income households in the private rented sector with benefits is long-standing and is explicitly factored into the long-term forecasts for public spending.
- 3.10 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 supply¹² (including the Build to Rent investment scheme¹³). The Government published “*Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities*” in March 2015¹⁴, and the Foreword by the Minister stated:

¹² <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

¹³ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

“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.”

- 3.11 It is important for local authorities to recognise the role of the private rented sector at a local level. Changes to letting policies introduced 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 rented affordable property, but they may still be able to get a studio or one-bedroom PRS property. The private rented sector still makes an important contribution towards providing affordable housing options, but over the last decade the impact of policy changes and rising rents has seen its importance fall in London.
- 3.12 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.13 Policies on First Homes were formally adopted in July 2021, and guidance on their delivery was published. First Homes prioritises 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% is in perpetuity, so the buyer does not own more than 70% of the property. When an individual sells 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. Use of First Homes is restricted so that they cannot be used as buy to let or holiday homes.
- 3.14 We would note that Mayor of London never sought to progress First Homes in London. The current affordable housing programme in London assumes that the main affordable housing products delivered will be Social Rent, London Living Rent, and Shared Ownership.¹⁵ We would also note that as part of the Government changes to NPPF in December 2024, First Homes were downgraded in importance so 25% of affordable housing is no longer required to be in this form, so few are now likely to be delivered anywhere. On this basis, we focus upon Social Rent, London Living Rent, and Shared Ownership as the main affordable housing products to be delivered in Royal Greenwich.

Overcrowding

- 3.15 The Census 2021 calculates whether a property is overcrowded or under-occupied based upon the bedroom standard¹⁶. This is calculated by comparing the number of bedrooms the household requires to the number of available bedrooms.
- 3.16 The number of bedrooms the household requires is calculated according to the Bedroom Standard, where the following should have their own bedroom:
1. Adult couple;
 2. Any remaining adult (aged 21 years or over);
 3. Two males (aged 10 to 20 years);

¹⁵ [Affordable Homes Programme 2021-2026 - Funding Guidance \(london.gov.uk\)](https://www.london.gov.uk/affordable-homes-programme-2021-2026-funding-guidance)

¹⁶ As introduced in the Housing Act 1985

4. One male (aged 10 to 20 years) and one male (aged 9 years or under), if there are an odd number of males aged 10-20;
5. One male aged 10-20 if there are no males aged 0-9 to pair with him;
6. Repeat steps 3-5 for females;
7. Two children (aged 9 years or under) regardless of sex; and
8. Any remaining child (aged 9 years or under).

3.17 An occupancy rating of:

- » -1 or less implies that a household's accommodation has fewer bedrooms than required (overcrowded);
- » +1 or more implies that a household's accommodation has more bedrooms than required (under-occupied); and
- » 0 suggests that a household's accommodation has an ideal number of bedrooms.

- 3.18 Across Royal Greenwich as a whole, the number of overcrowded households decreased slightly between the 2011 and 2021 Censuses. This sees the overcrowding rate decrease from 10.9% to 10.7% overall. It is important to note that 48.7% of all households technically under-occupy their housing according to the bedroom standard, with nearly 20% of households under-occupying by 2 or more bedrooms. However, 2% of households are overcrowded by 2 or more bedrooms.

Figure 14: Under-occupation and Overcrowding 2011-2021 (Source: UK Census of Population)

	Percentage of Households		
	2011	2021	
Under-occupied by 2+ bed rooms	20.6%	19.8%	-0.8%
Under-occupied by 1 bedroom	30.2%	28.9%	-1.3%
Correct number of rooms	38.3%	40.6%	2.3%
Overcrowded by 1 bedroom	8.8%	8.7%	-0.1%
Overcrowded by 2+ bedrooms	2.1%	2.0%	-0.1%
TOTAL	100%	100%	0%

- 3.19 The highest rate of overcrowding in Royal Greenwich occurs in the rented affordable sector at 6.3%, closely followed by the private rented sector with a rate of 4.6% overcrowding.

Figure 15: Under-occupation and Overcrowding by Tenure 2021 (Source: UK Census of Population)

	Percentage of Households			
	Owner Occupied	Private Rented	Rented Affordable Housing	Total
Under-occupied by 2+ bed rooms	21.0%	4.1%	4.0%	29.0%
Under-occupied by 1 bedroom	11.8%	6.6%	6.5%	24.8%
Correct number of rooms	8.3%	10.5%	14.3%	33.0%
Overcrowded by 1 bedroom	1.8%	3.6%	5.0%	10.4%
Overcrowded by 2+ bedrooms	0.5%	1.0%	1.2%	2.7%
TOTAL	43.3%	25.7%	31.0%	100.0%

- 3.20 In terms of property types, the majority of overcrowded households lived in flats, with all house types and flats showing a high rate of under-occupation.

Figure 16: Under-occupation and Overcrowding by Property Type 2021 (Source: UK Census of Population)

	Number of Households				
	Under-occupied by 2+ bedrooms	Under-occupied by 1 bedroom	Correct number of rooms	Overcrowded by 1 bedroom	Overcrowded by 2+ bedroom
Detached	1,968	1,102	1,065	381	142
Semi-detached	7,993	5,914	4,449	1,272	479
Terraced	9,774	10,452	7,441	2,086	666
Flat or maisonette (purpose built or converted house)	2,810	15,494	33,301	6,196	980
Caravan or other (including flats in converted commercial buildings)	16	14	44	13	5
TOTAL	22,561	32,976	46,300	9,948	2,272

Housing Property Type Trends

- 3.21 A striking statistic relating to property type is shown in Figure 17. This shows that the 2021 Census found a smaller number of terraced properties than the 2011 Census.
- 3.22 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 Royal Greenwich as evidenced by a large growth in the number of flats.

Figure 17: Number of Dwellings in Royal Greenwich by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		
	2011	2021	
Detached	4,297	4,656	359
Semi-detached	18,988	20,106	1,118
Terraced	31,326	30,419	-907
Flat or maisonette (purpose built or converted house)	45,583	58,779	13,196
Caravan or other (including flats in converted commercial buildings)	46	92	46
TOTAL	100,240	114,052	13,812

Cost of Renting

3.23 When considering renting in Royal Greenwich, 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 Royal Greenwich. This includes:

- » Median and lower quartile private rent;
- » Local Housing Allowance (LHA) for Outer South East London BRMA¹⁷; and
- » Social Rents.

3.24 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 budget¹⁸. The rates were unfrozen in 2023, and the Department of Work and Pensions (DWP) have published increased rates for 2024/25¹⁹.

3.25 Figure 18 sets out the median weekly rents for different property sizes in Royal Greenwich, together with the local housing allowances and Social Rent rates.

Figure 18: Weekly rent thresholds in Royal Greenwich (Source: Valuation Office Agency 2023-24; SDR 2023)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Outer South East London BRMA	Social Rent
1 bedroom	£275.98	£229.98	£241.64	£103.34
2 bedrooms	£321.97	£287.47	£299.18	£125.52
3 bedrooms	£379.47	£333.47	£356.71	£142.07
4+ bedrooms	£459.96	£396.71	£414.25	£154.28

3.26 Across all property sizes, the Median Private Rent is higher than the maximum LHA in Royal Greenwich, whilst Social Rent and Lower Quartile Private Rent are all lower than the LHA.

3.27 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). In turn, this will make it very difficult for those not in work to be able to receive sufficient housing benefit to cover rents in London.

3.28 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.

¹⁷ 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.

¹⁸ LHA was increased temporarily as part of the Social Security (Coronavirus) (Further Measures) Regulations 2020.

¹⁹ [Indicative Local Housing Allowance rates for 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/indicative-local-housing-allowance-rates-for-2024-to-2025)

Income Needed to Rent Housing

- 3.29 The income needed to rent housing will depend on the monthly rent, together with the income multiplier allowed for housing costs. The previous CLG Local Housing Needs Assessments Practice Guidance (Version 2, August 2007)²⁰ stated that:

“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)

- 3.30 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-020-20190220).
- 3.31 The English Housing Survey (EHS) asks a core set of questions every year, plus other questions intermittently. The EHS 2015-16²¹ provides information about the percentage of gross household income that households currently spend on their housing costs²²:
- » 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 rented affordable housing; and
 - » 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 rented affordable housing.
- 3.32 The EHS thus demonstrates that many households, in both private and rented affordable 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.²³ 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.

²⁰ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

²¹ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

²² “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

²³ The London Plan uses a figure of up to 40% of gross income on housing costs, whilst London Living Rents are based upon setting rents at one third of average income in a ward.

3.33 As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier. This is a theoretical constructed example to illustrate the principle:

- » The median weekly rent recorded was £280.57; and
- » Based on a 35% income multiplier, a weekly income of £801.26 would be needed, which equates to a gross annual income of £41,143.

3.34 To rent the same property based on a 25% income multiplier would increase the gross income required to £58,358 per year, whereas households with an annual income of £32,421 per year could afford the rent if 45% of their income was allocated to housing costs.

3.35 Figure 19 shows the gross household incomes needed to afford median and lower quartile private rent and Social Rent if 35% is spent on housing.

Figure 19: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Royal Greenwich (Source: ORS based on Valuation Office Agency data April 2022 to March 2023)

ROYAL GREENWICH	Private Rent Median	Private Rent Lower Quartile	Social Rent
1 bedroom	£41,143	£34,286	£15,406
2 bedrooms	£48,000	£42,857	£18,713
3 bedrooms	£56,571	£49,714	£21,180
4+ bedrooms	£68,571	£59,143	£23,000

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; 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 (now a component of Universal Credit):

- » 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).

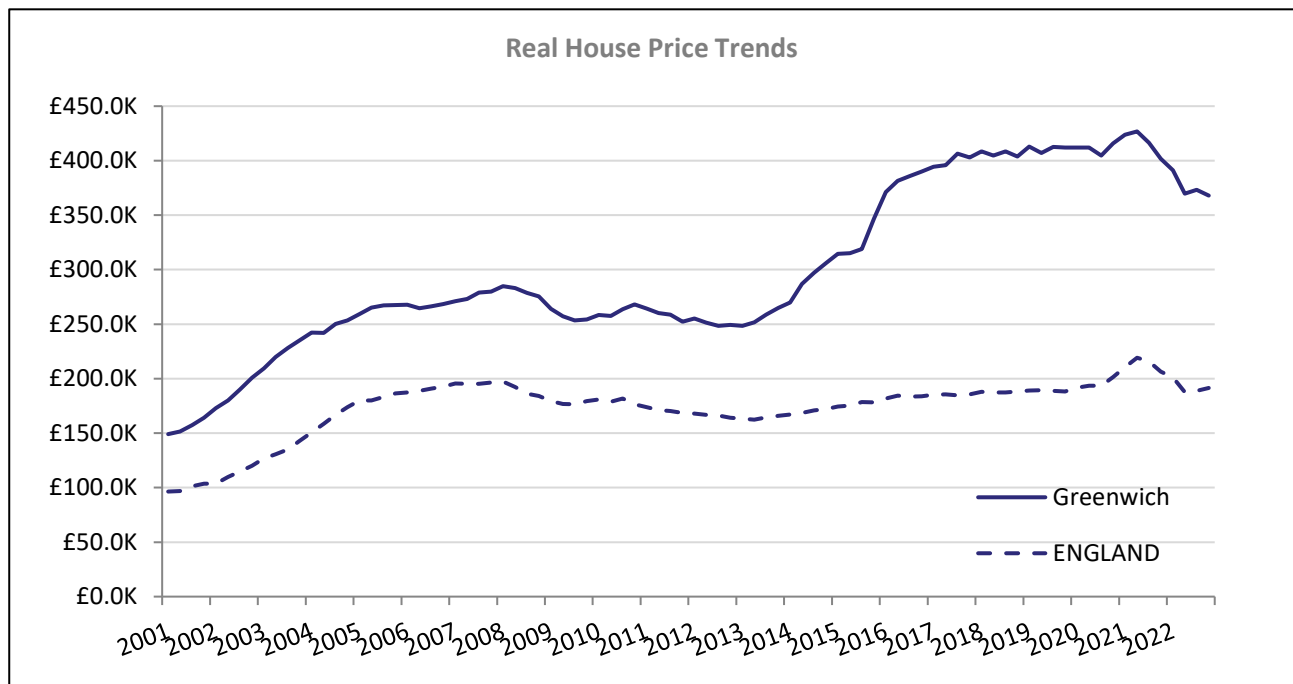
- 3.39 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not consider different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account 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 20 sets out the incomes for housing benefit eligibility for different types of households.

Figure 20: Maximum income for households in receipt of housing benefit support by household type
(Source: ORS based on Department for Work and Pensions data)

Property type	Household type	OUTER SOUTH EAST LONDON BRMA
ROOM ONLY	Single person aged 16-24	£14,105
ROOM ONLY	Single person aged 25-34	£14,899
1 BEDROOM PROPERTIES	Single person aged 35+	£23,212
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£23,963
1 BEDROOM PROPERTIES	Couple (one or both aged 18 and over)	£25,390
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£31,322
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 2 children	£34,812
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 1 child	£33,500
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 2 children	£36,991

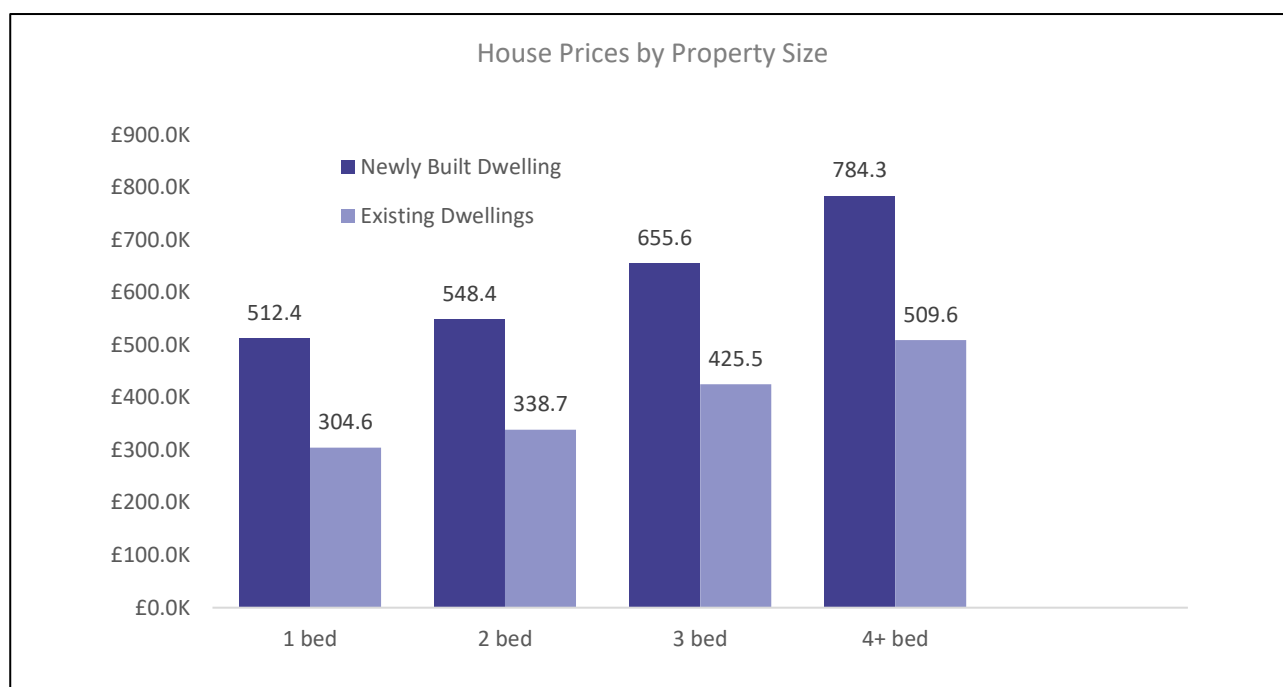
Cost of Home Ownership

- 3.41 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2021) are shown in Figure 21. This is based on lower quartile prices, and data is adjusted for inflation so that values reflect real changes in house prices since 2001. We use lower quartile prices to reflect the entry level prices for an area. Real house prices in Royal Greenwich are both higher and increasingly divergent from England as a whole. Overall prices increased substantially in the period 2001-2008 (from £149.1k to £400k at 2021 values). Values then reduced from the beginning of 2008, and fell to £254.4k in Q4 of 2009, remaining lower until reaching £264.3k in 2012. Prices then rose rapidly to 2017 followed by some fluctuation, before declining in real terms from 2021 as inflation was higher than house price growth.

Figure 21: Real House Price Trends: Lower Quartile Prices adjusted to 2021 values using CPI (Source: ONS; Bank of England)

- 3.42 House prices 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 22 shows lower quartile house prices in Royal Greenwich by bedroom size.
- 3.43 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium, and there is considerable difference between the two in the Royal Greenwich market. In 1-bed properties, a new build costs nearly an additional 68% of the price of an existing property. In two bed properties, the difference is 62% of the prices of an existing property, and 54% in 3-bed. The prices in 4+ bed properties also show a difference of 54%.

Figure 22: Lower quartile prices (adjusted by CPI) (2021) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



- 3.44 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. The large new build premium in 1-bed is likely to be partly due to the difference between existing converted flats and new build flats.
- 3.45 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 that are seeking one and two bed properties.

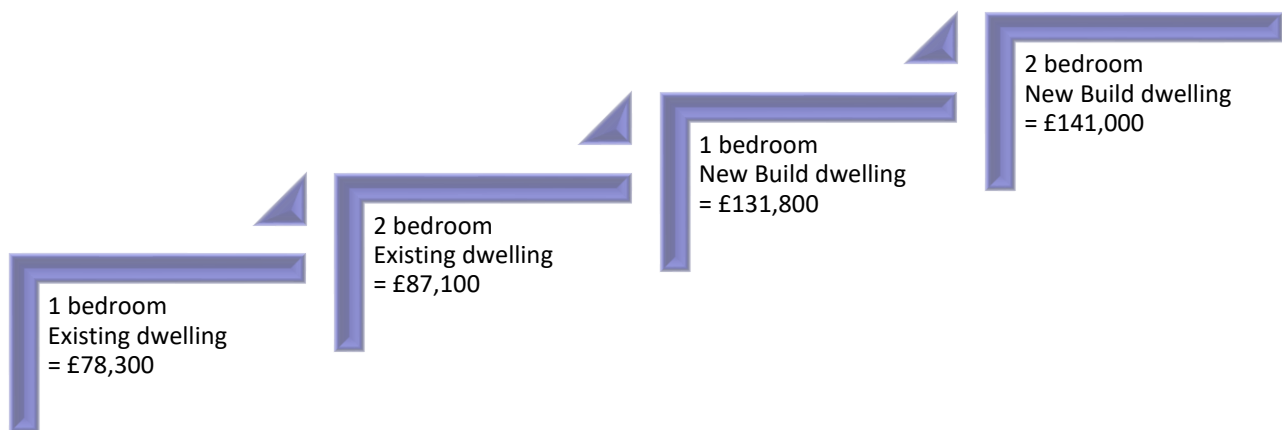
Income Needed for Home Ownership

- 3.46 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).
- 3.47 For example, if we consider an existing lower quartile 2-bedroom property costing £338,700 and assume that the buyer could afford a deposit of 10%, the outstanding mortgage requirement would be £304,830. Using a typical income multiple of 3.5 we can calculate an income of £87,100 (rounded) would be needed ($£87,094 \times 3.5 = £304,830$)²⁴. 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 Royal Greenwich will rule out many households from being able to buy their own home.
- 3.48 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.

²⁴ 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.

- 3.49 Based on these assumptions, Figure 23 shows 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 23: Annual income needed for 1 and 2-bedroom properties at lower quartile prices (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

- 3.50 The NPPF encourages local authorities to widen opportunities for home ownership.
- 3.51 When identifying the need for Affordable Home Ownership (AHO), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required, the associated purchase costs, and to establish the appropriate income range for AHO products.
- 3.52 Figure 24 summarises the income thresholds for the range of different housing options, based on the costs for home ownership and rents in Royal Greenwich, which emphasises that owner occupation is much less affordable.

Figure 24: Annual income thresholds for different housing options, single bedroom and two bedroom (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
Minimum income needed to own a newly built dwelling with 10% deposit and 3.5x mortgage	£131,800	£141,000
Minimum income needed to own an existing dwelling with 10% deposit and 3.5x mortgage	£78,300	£87,100
Minimum income needed for median private rent to be less than 35% in Royal Greenwich	£41,100	£48,000
Minimum income needed for lower quartile private rent to be less than 35% in Royal Greenwich	£34,300	£42,900
Minimum income needed for social rent to be less than 35% in Royal Greenwich	£15,400	£18,700
Upper end of range of maximum income for Housing Benefit support in Royal Greenwich	£25,400	£37,000
Lower end of range of maximum income for Housing Benefit support in Royal Greenwich	£23,200	£31,300

- 3.53 There is large income gap between being able to afford a single bedroom market rent property (£34,300) and being able to afford a single bedroom home ownership property (£78,300) which, in theory, leaves a large gap for affordable home ownership housing products (AHOs). The gap is equally wide for two-bedroom properties (£42,900 - £87,100).
- 3.54 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

- 3.55 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership.
- 3.56 Figure 25 sets 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 based on a 30-year repayment mortgage at 6.25% interest;
 - » Rent based on 2.75% of the retained equity paid each year; and
 - » Service charge of £10 per week.
- 3.57 This calculation demonstrates that the weekly costs for shared ownership are higher than the equivalent median private rent (Figure 18) for all property sizes.

Figure 25: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% 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 Mortgage Costs	Weekly Rent Costs	Weekly Service Charge	TOTAL
1 bedroom	£512,381	£204,952	£20,495	£263.91	£162.14	£30.00	£456.05
2 bedrooms	£548,440	£219,376	£21,938	£282.48	£173.55	£30.00	£486.03
3 bedrooms	£655,639	£262,256	£26,226	£337.70	£207.47	£30.00	£575.17
4+ bedrooms	£784,328	£313,731	£31,373	£403.98	£248.19	£30.00	£682.17

^{3.58} Figure 26 shows the sensitivity of weekly costs to the equity share purchased, and presents this relative to the equivalent local rents, with cells coloured in red being more expensive than median private rents. This model uses a 6.25% 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 (Figure 18) for the same size property. Shared Ownership often attracts a higher interest rate because, in the case of default, there is another party (usually a housing association) who owns a percentage of the property.

Figure 26: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in red are above the equivalent median private rent.)

Total Weekly Cost £	Property Value	25% Equity Share	30% Equity Share	35% Equity Share	40% Equity Share	45% Equity Share	50% Equity Share
1 bedroom	£512,381	£397.62	£417.09	£436.57	£456.05	£475.52	£495.00
2 bedrooms	£548,440	£423.49	£444.33	£465.18	£486.03	£506.88	£527.73
3 bedrooms	£655,639	£500.40	£525.32	£550.24	£575.17	£600.09	£625.01
4+ bedrooms	£784,328	£592.73	£622.54	£652.36	£682.17	£711.99	£741.80

Meanwhile, Figure 27 sets out the weekly costs associated with First Homes properties with 50% to 70% equity, taking account of the differential full market prices and based on the following assumptions:

- » 50%, 60%, and 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 5.5% interest.

Figure 27: Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 5.5% interest. Cells highlighted in green are below lower quartile rent, 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	£256,190	£304.25	£365.10	£425.95
2 bedrooms	£274,220	£325.66	£390.80	£455.93
3 bedrooms	£327,820	£389.32	£467.18	£545.05
4+ bedrooms	£392,164	£465.73	£558.88	£652.03

^{3.59} We also considered the cost of a London Living Rent property. The estimated cost of London Living Rents in Royal Greenwich is taken from the GLA data for 2022/23²⁵. In terms of required annual income, these equate to a figures of between £43,000 and £50,000 depending upon the size of the property.

Figure 28: Total weekly costs for London Living Rent (Source: GLA London Living Rents 2022/23. Cells highlighted in green are below the lower quartile private rent, cells 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 £	London Living Rent
1 bedroom	£253.18
2 bedrooms	£275.72
3 bedrooms	£285.28
4+ bedrooms	£309.90

Income Needed for Other Types of Housing

^{3.60} Another housing option that could be made available in Royal Greenwich, 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 2024 (Glossary)

^{3.61} 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. To date, 129 Build to Rent properties have been delivered in Greenwich, so it is currently a very small share of the total market, but is expected to grow in size.

²⁵ [London Living Rent | London City Hall](#)

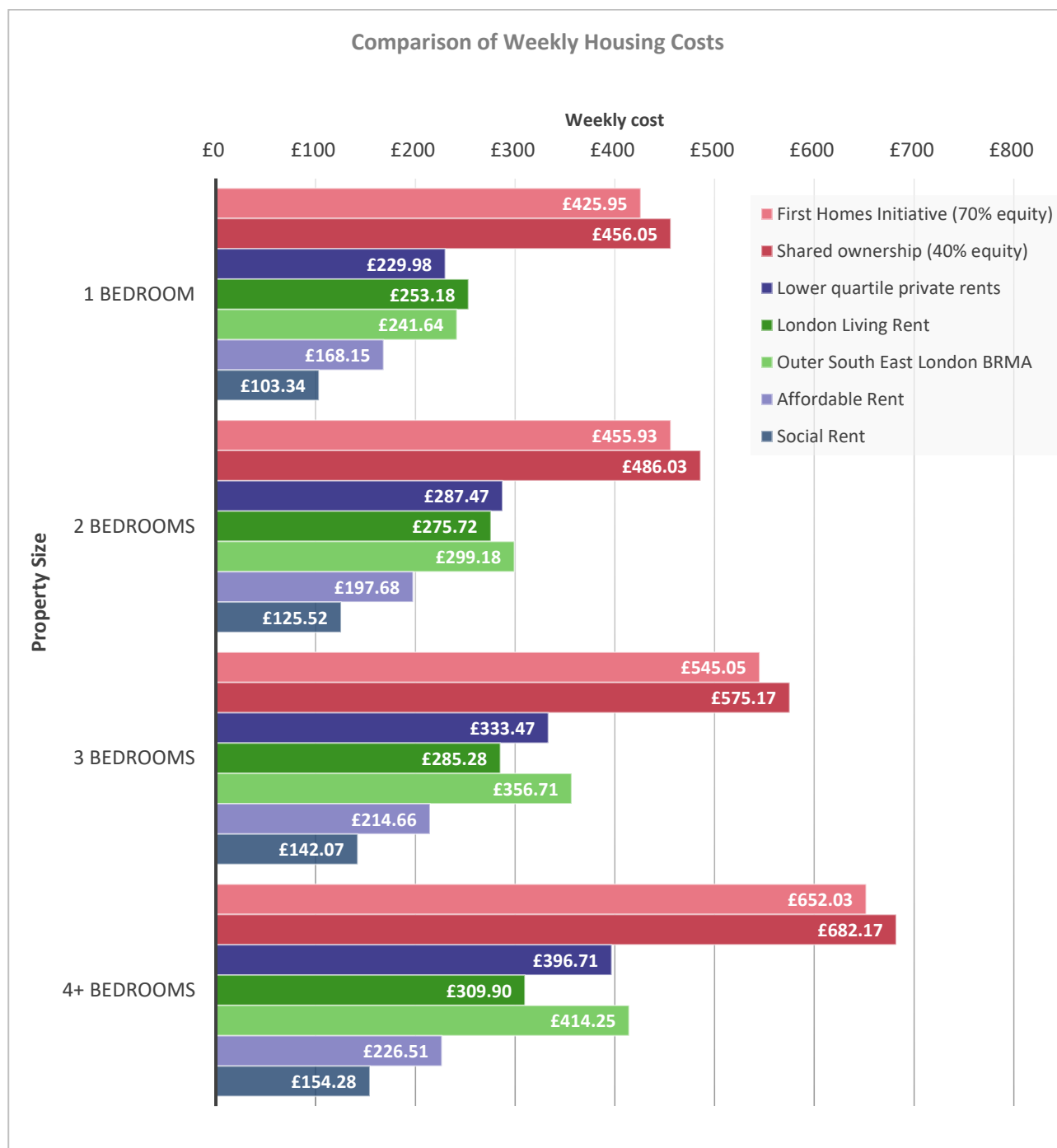
- ^{3.62} The NPPF states that affordable housing on Build to Rent schemes should be provided in the form of affordable private rent. The Build to Rent PPG 2018 offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as rented affordable (Paragraph: 002 Reference ID: 60-002-20180913). In terms of setting rented affordable 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). However, the London Plan Policy H11 (Build to Rent) “...expects at least 30 per cent of Discounted Market Rent homes to be provided at an equivalent rent to London Living Rent with the remaining 70 per cent at a range of genuinely affordable rents”. The 30% threshold is the minimum; depending on set criteria, at least 35% could be required on some developments.
- ^{3.63} However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL²⁶ shows that the average Build to Rent option is 9.3% more expensive than the median rent. Therefore, this tends to lead to the affordable Build to Rent options being more expensive than affordable housing to 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.

Summary of Housing Costs

- ^{3.64} This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 29 summarises these costs for each property size (all costs are adjusted to 2023 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.

²⁶ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Figure 29: Comparison of weekly housing costs by property size (Source: Valuation Office Agency and Land Registry Price Paid Data)



Income Required for Housing Costs

^{3.65} 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 someone’s household 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 30. The figures assume that households can spend up to 35% of their income on rent, but only 19% on a mortgage, in line with widely used calculations. This has the outcome of seeing Shared Ownership being more affordable than First Homes, even though the weekly cost of a Shared Ownership property is higher.

Figure 30: Annual Income Required for Different Housing Products (Source: ORS Modelling)

Number of Bedrooms	Social Rent	London Living Rent	London Shared Ownership	First Homes
1 bedroom	Less than £40,000	£40,000-£54,000	£54,000-£90,000	£58,000-£90,000
2 bedrooms	Less than £43,000	£43,000-£58,000	£58,000-£90,000	£66,000-£90,000
3 bedrooms	Less than £45,000	£45,000-£63,000	£63,000-£90,000	£70,000-£90,000
4+ bedrooms	Less than £50,000	£48,000-£68,000	£68,000-£90,000	£74,000-£90,000

4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 4.1 This chapter assesses the need for affordable housing. It is important to note that this is a needs assessment, and does not set targets that the Council is required to meet. Rather, it provides a robust information base which the Council can use to set targets.
- 4.2 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, 2023, and 2024 updates, and does not explicitly include First Homes. Annex 2 of the 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)

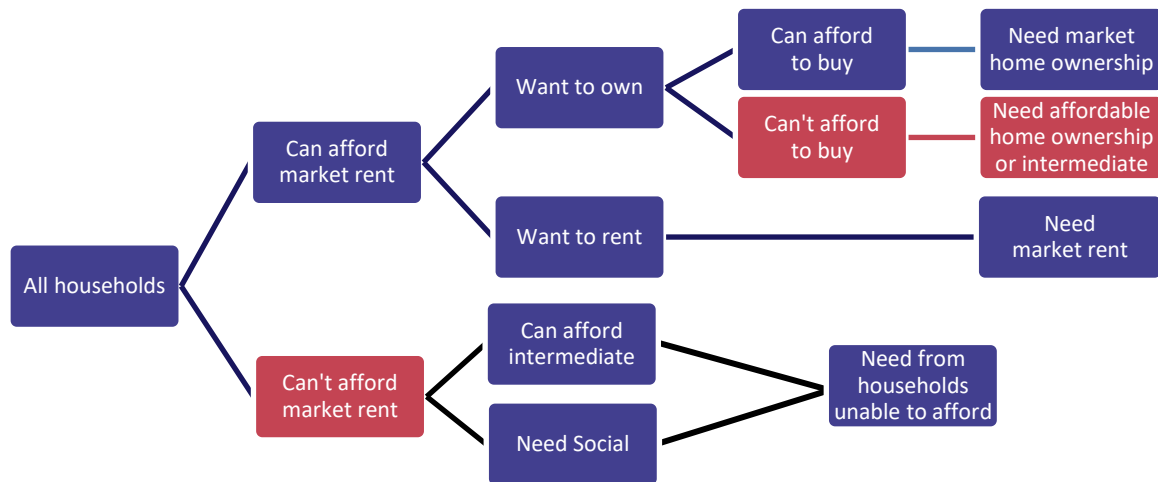
NPPF 2024, Annex 2

- 4.3 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 the 22nd July 2019²⁷, which covered:
- » Addressing the need for different types of housing;
 - » Affordable housing; and
 - » Rural Housing.
- 4.4 Further guidance to reflect the need to consider First Homes was then added on May 24th 2021²⁸.
- 4.5 Relevant paragraphs of PPG have also been updated to confirm that the types of households who are considered to be 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.

²⁷ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

²⁸ First Homes - GOV.UK (www.gov.uk)

Figure 31: Establishing the need for market and affordable housing



- 4.6 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

- 4.7 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 to profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.8 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.
- 4.9 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-021-20190220). **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.
- 4.10 The affordability percentages in Figure 32 are calculated using detailed information from the 2021 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 32: Assessing affordability by household type and age (Source: Census 2021 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	47%	24%	33%	51%	53%	53%
Couple family with no dependent children	11%	5%	8%	19%	18%	28%
Couple family with 1 or more dependent children	65%	41%	29%	27%	28%	52%
Lone parent family with 1 or more dependent children	99%	97%	87%	75%	80%	85%
Other household type	27%	19%	31%	42%	40%	37%

Current Unmet Needs of Households Unable to Afford

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

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

Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and 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 over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*

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 67-006-20190722

- 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 2022. The evidence is predominantly derived from data collected by Royal Greenwich 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. Therefore, there is a very large overlap between those households considered to be in current need and the housing register in Royal Greenwich.
- 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 because they typically will have no priority need (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 Royal Greenwich.

- ^{4.14} Anyone in the private rented sector who is fully meeting their own rent is not considered to be in need, unless they have been accepted as being in a reasonable preference category by the Council. The entire housing register for Greenwich contains around 20,000 households, but many have no identified need; therefore, they are not in a reasonable preference category.
- ^{4.15} 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).
- ^{4.16} 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).
- ^{4.17} 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; 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 has a range of statutory enforcement powers to improve housing conditions.

4.18 Figure 33 sets out the assessment of current affordable housing need for Royal Greenwich:

Figure 33: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need	Increase in Overall Need
Homeless households in priority need [Source: DLUHC P1E returns]	Currently in temporary accommodation	1,973	331	1,642	1,200
Homeless households in priority need [Source: DLUHC P1E returns]	Households accepted as homeless but without temporary accommodation provided	6	N/A	6	6
Concealed households [Source: Census 2001 and 2021]	Growth in concealed families with family representatives aged under 55	1,292	N/A	1,292	1,292
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded private rented housing	2,707	N/A	2,707	N/A
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey 2019/20]	Households living in overcrowded social rented housing	4,455	4,455	0	N/A
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	478	72	406	N/A
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move to a particular locality in the borough, where failure to meet that need would cause hardship	51	8	43	N/A
TOTAL	TOTAL	10,962	4,866	6,096	2,498

4.19 Based on a detailed review of both the past trends and current estimates, our analysis has concluded that 10,962 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

4.20 Of these households, 4,866 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.

4.21 Therefore, there is a net affordable housing need of 6,096 households (10,966 less 4,866 = 6,096). We would note that the current need figure set out here includes all current needs. Whilst this figure is higher than the 4,388 households set out in the South East London SHMA 2014 for Royal Greenwich, the data is measuring the same factor, and it is data and methodology changes over the past 10 years which sees the number being higher.

4.22 Providing the net affordable housing need for 6,096 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 3,598 households (6,090 less the 2,498 households which are housed outside the borough in temporary accommodation, are homeless, or

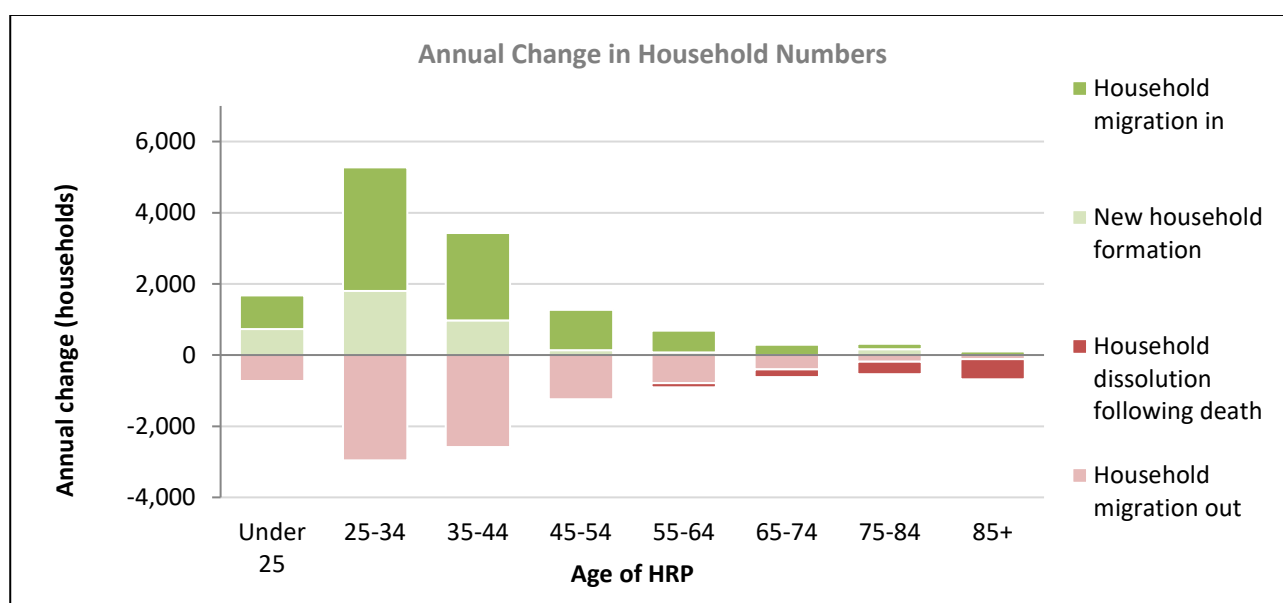
concealed and thus do not release dwellings). Whilst the 2017 London SHMA sought to address the backlog of need over 25 years, for this study, we treat this as a backlog of need to be addressed over 18 years at an annual rate of 227 households per annum.

- 4.23 The dwellings released back into the market by the 3,598 households will be available to other households; therefore, they will lower the overall need for new build dwellings.

Projected Future Need of Households Unable to Afford

- 4.24 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” (ID 2a-021-20190220) suggesting that “*the total need for affordable housing should be converted into annual flows*” (ID 2a-024-20190220).
- 4.25 Figure 34 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 34: Annual change in household numbers in each age cohort by age of HRP in Royal Greenwich (Source: ORS Housing Model)



- 4.26 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 table looks at the impact of different types of household.
- 4.27 Figure 35 shows that 34% of all newly forming households will be unable to afford market housing. This figure is derived from considering newly forming households in 5 year age bands and calculating the share who are either allocated affordable housing or are in receipt of housing benefit in the private rented sector. This figure is then multiplied through by the number of newly forming households projected in each age band and summed to give the 34% figure. A similar calculation is applied to in-migrant households to show that 35% will be unable to afford market housing.

Figure 35: Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)²⁹

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	3,878	2,549	1,329	34%
Households migrating in to the area	9,158	5,963	3,195	35%
All new households	13,036	8,512	4,524	35%

- 4.28 The ORS Model identifies 3,878 new households projected to form in Royal Greenwich each year, of which 34% will be unable to afford their housing costs. This amounts to 1,329 households each year.
- 4.29 The model also considers new households migrating to the area. The projection is for 9,158 households per annum of which 35% (3,195 households) will be unable to afford their housing costs. 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.
- 4.30 This results in a total of 4,524 new households annually in need of affordable housing.

Figure 36: Annual components of Household Growth 2022-37 (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	1,336	766	570	43%
Households migrating <u>out</u> of the area	9,047	5,853	3,194	35%
All households no longer present	10,383	6,619	3,764	36%

- 4.31 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-022-20190220).
- 4.32 The model identifies 1,336 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however 570 of these are likely to have been unable to afford market housing, and will mostly be living in rented affordable housing.
- 4.33 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 9,047 households will migrate out of the area each year, including 3,194 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).

²⁹ This table of household growth shows fundamentally different information to the projected households in Figure 8, which cover households ageing over time including existing households and additional households.

- 4.34 Altogether, there are 3,764 households who will vacate affordable dwellings or will no longer be waiting for a home (Figure 36).

Figure 37: Annual components of Household Growth 2022-37 (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	-	-1,063	+1,063	100%
Existing households climbing out of need	-	+805	-805	0%
Change in existing households	-	-258	+258	-

- 4.35 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021-20190220). Whilst established households that continue to live in Royal Greenwich 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 1,063 established households will fall into need in Royal Greenwich each year.
- 4.36 This is the change in the number of established households of each type in each age group identified as being unable to afford market housing. The analysis only considers established households, so households that form or dissolve during the period and migrant households are all excluded. Established households are analysed on a cohort basis, using 5-year bands and periods. That means that the same households are considered at the start and the end of the period; at the end of the period, they will be 5 years older than at the start of the period. For example, the number of established households aged 30-34 unable to afford market housing at the start of the period is compared with the number aged 35-39 at the end of the period 5 years later. The analysis is undertaken based on a matrix of 15 age groups and 5 household types, and is repeated for three 5 year periods. Those sub-groups where the number of established households unable to afford has increased are summed to identify the total falling into need. Those sub-groups where the number has reduced are summed to identify the total climbing out of need. For example, if at the start of a 5 year period, 1,000 households aged 30-34 cannot afford market housing, and at the end of the period 1,500 households aged 35-39 cannot afford market housing, then 500 households in that cohort have fallen into need.
- 4.37 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 housing later in the projection period.
- 4.38 Therefore, these improved circumstances can reduce the need for affordable housing over time. The model identifies that the circumstances of 805 households will improve, such that they will become able to afford their housing costs, having previously being unable to afford.
- 4.39 Therefore, considering the changing needs of existing households overall, **there is a net increase of 258 existing households needing affordable housing each year.** (Figure 37).

4.40 The following table (Figure 38) shows the affordable housing need based on population projections alongside a summary of 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 38: Annual components of Household Growth 2022-37 (Source: ORS Housing Model)

ROYAL GREENWICH 2022-37	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	13,036	8,512	4,524
All households no longer present	10,383	6,619	3,764
Change in existing households	-	-258	258
Future affordable housing need 2022-37 (Annual average)	2,653	1,635	1,018
Future affordable housing need 2022-37 (15 Year change)	39,789	24,526	15,263

4.41 As established in Figure 38, the projected household growth from population projections suggests **an additional 15,263 households needing affordable housing over the 15-year period 2022-37, or a rate of 1,018 per annum.**

Needs of Households Aspiring to Homeownership

4.42 This section responds to the guidance to include *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [PPG ID 2a-020-20190220] in the assessment of need. Aspiration does not equate to need, either in the sense that all those who aspire to home ownership need home ownership (though it may be desirable) nor, more pragmatically, that all those who aspire to home ownership will be able to afford it. In this respect, the use of the word ‘need’ is similar for affordable home ownership as it is for market home ownership; the ‘need’ for market housing for sale is largely a function of households’ choice and ability to pay. To meet this part of the guidance, we identify the number of households who are likely to aspire to home ownership then apply affordability tests to identify the number who are likely to be able to afford home ownership. An incongruence arising from the guidance is that households who are able to afford private rented housing and are able to afford affordable home ownership are considered to be in need, whilst households who are able to afford private rented but are unable to afford affordable home ownership are not considered to be in need, if the PRS meets their needs in other respects.

Home Ownership Trends

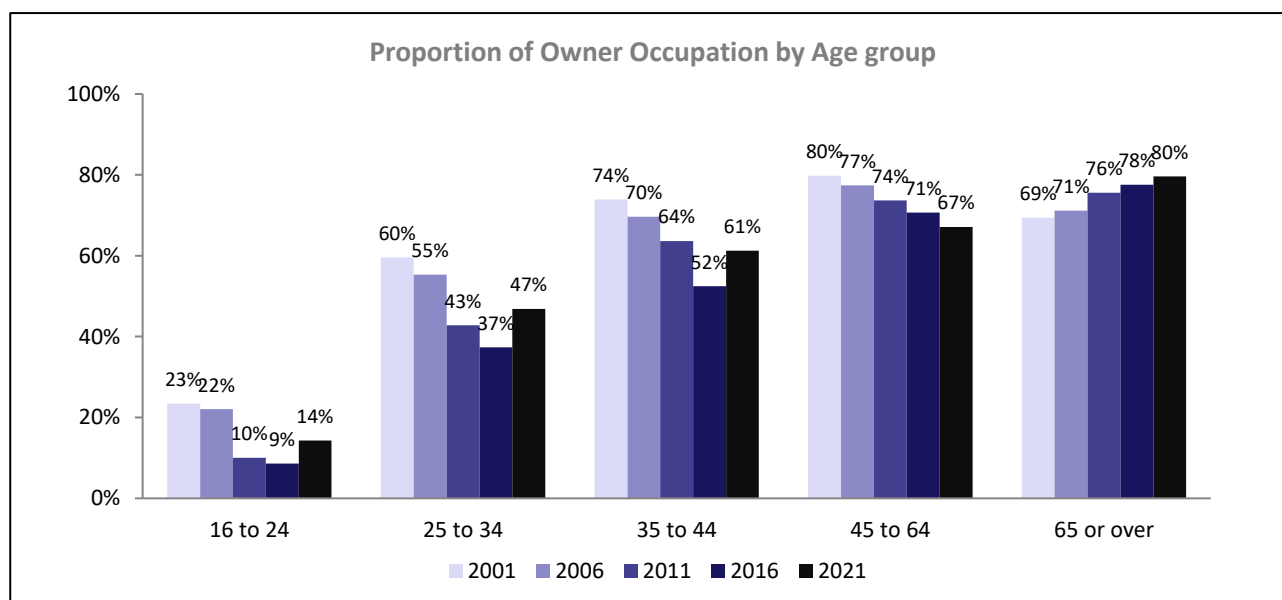
4.43 In London, the need for home affordable home ownership products is widely recognised due to the very high costs of outright home ownership. The Mayor of London has developed the London Living Rent scheme as one which initially sees households renting their property, but with the intention that they are able to save for a deposit and to buy the property in the future. This type of scheme is compatible with affordable housing to own.

4.44 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 for the whole of England suggest that the proportion of owner occupiers reduced

from around 69% in 2006 to 65% in 2011 and to 63% by 2016, since when it has remained broadly constant, being 64% in 2021. Over the same period, the proportion of households renting from a social landlord also reduced from 19% in 2016 to 17% in 2021, whilst the proportion renting privately increased from 12% to 20% then to 19% in 2021. It is noticeable that all three main tenures have remained broadly constant between 2016 and 2021.

- 4.45 The proportion of owner occupiers varies by age, with younger age groups being 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 39). However, the trends have reversed in recent years, with growing ownership rates for younger households. Some of this change may be due to fewer households being able to form in the social and private rented sectors. This would make the number who are owners appear as a higher percentage because fewer households exist in total. However, the growth in affordable to own properties, and the impact of inheritance linked to Right to Buy sales in the 1980s, may also be driving ownership rates higher.

Figure 39: Percentage of Owner Occupiers by Age Group 2001-2021 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

- 4.46 English Housing Survey data from 2013/14 in Figure 40 shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. No more recent data is available from the English Housing Survey, as 2013/14 was the last time these questions were included in the survey. In terms of potential demand, over half (54%) of households who rent privately and almost a fifth (18%) of those in rented affordable housing aspire to homeownership.

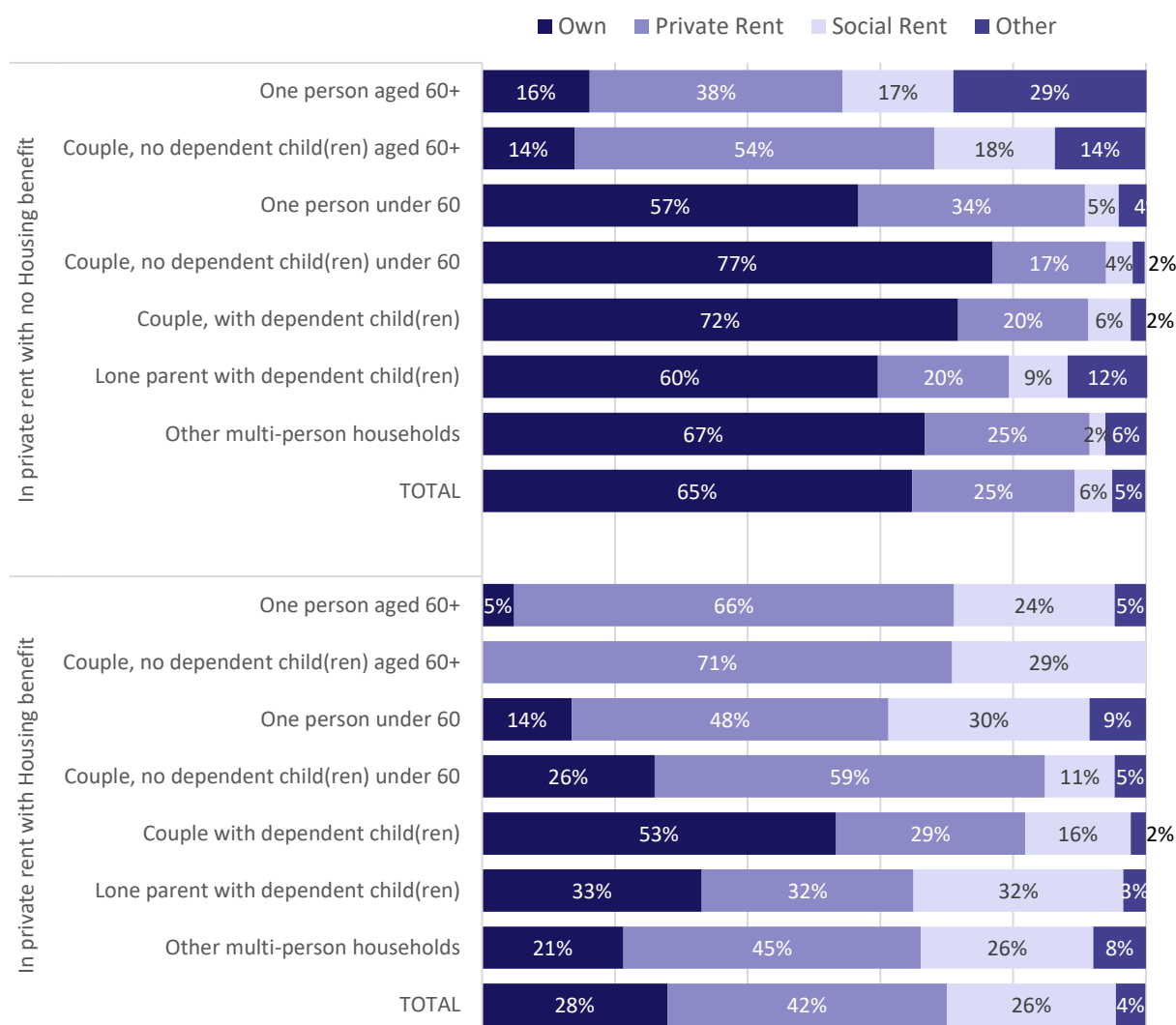
Figure 40: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	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%
Rented affordable	18.1%	1.8%	1.9%	77.0%	1.1%

- 4.47 These figures relate to aspirations only, and there is no test within the data as to whether this aspiration is affordable. Therefore, it is worth considering the responses of those currently in private rent in more detail with a view to understanding the types of households aspiring to buy.
- 4.48 The following chart (Figure 41) shows long-term tenure aspirations of households in private rent by household type, as well as whether they are currently in receipt of housing benefit.
- 4.49 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 (14% of couples and 16% of one-person households) and higher than 65% amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 4.50 Just under three in ten (28%) of those households who are in the private rented sector and are in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 41: Long-term Tenure Expectation for households in the Private Rented Sector with and without Housing Benefit support
 (Source: English Housing Survey 2013-14³⁰. Note: Own includes shared ownership)

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



³⁰ The totals percentages are calculated independently of the individual household group, and depend on the size of each household group compared to the total number of households. For example, there are comparatively few 'other' households; therefore, the results for 'other' households will have only a small effect on the total percentages.

Additional Need for Affordable Homeownership

- 4.51 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, Figure 42 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.
- 4.52 When identifying the need for Affordable Home Ownership (AHO), including Shared Ownership, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required, and to establish the appropriate income range for AHO products and the associated purchase costs.

Figure 42: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	229	1504	963	142	52	0	2889
Couple without children	263	3460	1144	318	158	2	5345
Families with child(ren)	23	598	1363	360	0	0	2344
Other households	414	1856	1009	349	207	0	3834
Total Volume	929	7,417	4,479	1,169	416	2	14,412
<i>Percentage of households</i>	<i>6%</i>	<i>51%</i>	<i>31%</i>	<i>8%</i>	<i>3%</i>	<i>0%</i>	<i>100%</i>

- 4.53 Based on this analysis, we can estimate that there is a total of around 14,412 households currently resident in Royal Greenwich who cannot afford to own their own home but would aspire to do so. 57% of these households are aged 15-34 at present, with the substantial majority (88%) aged under 45.
- 4.54 In addition to the current need, it is also important to consider new households that are projected to form over the period 2022-37. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 18,679 households that form over the 15-year period who will be able to afford to pay market rent but will be unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 33,091 households who aspire to homeownership but who cannot afford to buy their own home over the period 2022-37: a net annual need of 2,206 per year. All of these households can afford London Living Rents because they are cheaper than market rents.**

Identifying the Overall Affordable Housing Need

- 4.55 Figure 43 brings together the information on assessing the unmet need for affordable housing in 2022 together with the future need for affordable housing and those aspiring to home ownership arising over the 15-year period 2022-37. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options, and in some case the households will be able to afford home ownership now. This issue is explored below. We would also note that there is no double counting between those who cannot afford market rents and those who aspire to own.

Figure 43: Assessing total need for affordable housing in Royal Greenwich 2022-2037 (Source: ORS Housing Model)

ROYAL GREENWICH 2022-37	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2022	6,096	14,412	20,508
Future housing need 2022-37	15,264	18,679	33,943
TOTAL HOUSING NEED	21,360	33,091	54,451

- 4.56 On this basis, we can conclude that the potential overall need for affordable housing for Royal Greenwich would comprise a total 54,451 households over the 15-year period 2022-2037, equivalent to an average of 3,697 per annum. We would note immediately that this does not represent the final need for affordable housing in Royal Greenwich for the reasons set out below.
- 4.57 The figure of 54,451 is more than 100% 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

- 4.58 As the quote from the guidance above makes clear, the size, type, and tenure of homes also needs to be calculated separately from the Standard Method (or in the case of Greenwich, the London Plan capacity target).
- 4.59 Given that the need for affordable housing 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 Council 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.

- ^{4.60} 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. 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.
- ^{4.61} 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 an affordable homeownership product, such as Shared Ownership, if it was provided. Whilst a range of affordable homeownership products are available, each has different costs and eligibility criteria.
- ^{4.62} In line with current London Plan policies, we have taken as a case study the need for a Shared Ownership property with a 30% equity stake, and the remainder being rented. The costs for this type of scheme were identified in Figure 26. Given this context, Figure 44 identifies those households with income that would be insufficient to afford a 30% equity Shared Ownership property, those households with savings of less than £5,000³¹, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. 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 is scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- ^{4.63} Of the 33,091 households who can afford to rent but who aspire to homeownership, there would be 2,814 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 28,566 households with insufficient income to have a realistic prospect of being able to afford a 30% equity Shared Ownership property. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 845 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.

³¹ income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) have been used to calculate income and savings

Figure 44: Affordable homeownership housing mix by household affordability 2022-2037 (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 30% Shared Ownership	Households able to afford 30% Shared Ownership	MINUS households with savings of less than £5,000	Households able to afford 30% Shared Ownership and have savings of £5,000 or more
1 bedroom	8,408	211	8,198	7,833	365	189	176
2 bedrooms	16,811	926	15,884	14,490	1,394	518	876
3 bedrooms	6,513	318	6,195	5,959	236	138	98
4+ bedrooms	1,359	1,359	0	0	0	0	0
TOTAL	33,091	2,814	30,277	28,566	1,995	845	1,150

- 4.64 On this basis, 1,150 dwellings 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 5% 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.
- 4.65 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 1,150 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 21,359 households unable to afford to rent or own market housing. Figure 45 provides a breakdown of the affordable housing on this basis.

Figure 45: Overall need for Affordable Housing 2022-37, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

ROYAL GREENWICH	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	4,760	176	4,936
2 bedrooms	5,636	876	6,512
3 bedrooms	7,717	98	7,815
4+ bedrooms	3,246	0	3,246
TOTAL HOUSING NEED	21,359	1,150	22,509

- 4.66 This study identifies an overall affordable housing need from 22,509 households over the 15-year period 2022-37 (1,501 per annum). This includes the needs from all households unable to afford to rent or own market housing (average 1,424 per annum), and provides for those households who aspire to homeownership but who cannot afford to buy (average 77 per annum), where there is a realistic prospect of those households being able to access a property. **It is this figure, not the 54,451 set out in Figure 43, which represents the affordable housing need for households in Royal Greenwich over the period 2022-37.** This is then converted into a dwelling need in Chapter 5.
- 4.67 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. The final results in Figure 45 assess the number of households who aspire to home ownership and can afford it, in line with the guidance. 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

- 4.68 Within the overall need of 22,509 households 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 housing³². 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.
- 4.69 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 19 identified the minimum annual income in Royal Greenwich needed to afford London Living Rents by property size (based on spending up to 35% of total income). This allows for the cohort that are unable to afford market rents to be disaggregated into those who can and cannot afford London Living Rents. Figure 46 presents the same data as Figure 45, but with those unable to afford disaggregated in this manner. The model looks at household 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.
- 4.70 A striking feature in the data relates to those households unable to afford 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.

Figure 46: Overall need for Affordable Housing 2022-37 (households) disaggregated based on ability to access rented affordable, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford Social Rent	Able to afford Social Rent - unable to afford London Living Rent	Able to afford London Living Rent - unable to afford Private Rent	Total
1 bedroom	1,671	1,507	1,582	4,760
2 bedrooms	1,587	1,325	2,724	5,636
3 bedrooms	2,125	1,559	4,033	7,717
4+ bedrooms	859	651	1,737	3,246
TOTAL HOUSING NEED	6,241	5,043	10,075	21,359

Future Policy on Housing Benefit in the Private Rented Sector

- 4.71 The analysis recognises **the importance of housing benefit and Universal Credit 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.
- 4.72 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

³² This section is about need and not supply, and not 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.

their housing costs if they receive housing benefit. These households are not counted towards the current 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 was not sufficient private rented housing available at a price they could afford, then this would increase the need for affordable housing.

- ^{4.73} 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. Therefore, anyone currently in the private rented sector and receiving housing benefit is not counted in the current need unless they are counted on the housing register as being in a reasonable preference category. However, any future households who are likely to require housing benefit support are counted in the affordable housing need figures.
- ^{4.74} The assessment does not count any dwellings in the private rented sector as affordable housing supply because they do not meet the definition of affordable housing set out in Annex 2 of the NPPF; 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.
- ^{4.75} 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.
- ^{4.76} It is well-established that housing need should be established leaving aside policy considerations³³, 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 would not change the need, but it could influence the affordable housing policy target.

³³ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

5. Overall Housing Need

Local Housing Need

Establishing the Housing Target

- 5.1 For this study, the London Plan capacity target of 2,824 dwellings per annum has been used to calculate the overall housing target for Royal Greenwich. This provides the starting point for establishing the final housing requirement which will be planned for through strategic policies.
- 5.2 The demographic projections for the LHNA, set out in the previous chapters, are based on the latest official projections and cover the 15-year period 2022-37. They are informed by the latest ONS mid-year estimates³⁴, and take account of the most up-to-date fertility and mortality rates and the latest migration trends.
- 5.3 These figures are for households, rather than dwellings. At any point in time some people will not be living in households, such as those in nursing and residential care homes, whilst other properties will be empty, largely due to changes in ownership. To convert the household growth figures to the London Plan capacity target figure of 2,824 dwellings per annum, further adjustments are required. These include adding;
- » Institutional population growth over the 15-year plan period needing communal accommodation. This is the growth in the population aged 75 years and over who are assumed to be living in communal housing. This population will not be counted in the household projections, but any dwellings provided for them will be counted in the supply, so their needs must be counted at this point in the model; and
 - » Dwellings without a usually resident household (either vacant homes or second homes). This is largely properties which will be empty due to tenancy or ownership changes.
- 5.4 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 or more households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties.

Size and Tenure Mix based Upon Overall Housing Needs

- 5.5 Figure 47 provides a breakdown of the need for 42,360 dwellings between affordable need and the remaining capacity target which will be in the form of market housing on this basis. Figure 47 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 45. These affordable homes are subtracted from the overall London Plan capacity figures with the difference being identified as the capacity for market housing.
- 5.6 An allowance for C2 provision has been made within the total housing need of 42,360, equivalent to 141 dwellings, that would be counted against the minimum housing target; this represents 258 people in 258 bedspaces. The London Plan contains targets for Class C2 units, but this is a build target, not a modelled need for the area. These are all considered to be market housing, because they are typically not provided as affordable housing.

³⁴ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

- 5.7 The figures allow for all dwellings for households who cannot afford market housing: namely, 11,520 who require Social Rent.
- 5.8 In terms of affordable home ownership, we have included all households who can potentially afford London Living Rents, but cannot afford private rents, and those who can afford private rents but who aspire to own and have a realistic prospect of doing so, through schemes such as Shared Ownership. It is 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 Royal Greenwich can potentially afford London Living Rents if they were available.
- 5.9 The market housing figure contains both market rent and owner-occupied dwellings. The size mix for market housing is driven by the type of dwellings occupied currently by different household types and age groups. For example, if 50% of single persons aged 34-39 years live in one-bedroom properties, and that has risen from 45% in 2011, then the model assumes that this trend continues.
- 5.10 As noted above, the figures indicate that if there is not an improvement in affordability for home ownership, market rent will grow by around 18,700 dwellings for those who aspire to own (Figure 43), plus further potential growth from student households and households receiving housing benefit in the private rented sector, if insufficient affordable to rent is supplied.
- 5.11 Note that Figure 47 shows the need and capacity for dwellings, whereas earlier figures such as Figure 46 shows the need for households.

Figure 47: Overall Need for Affordable Housing (including households aspiring to home ownership) and Capacity for Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Social Rents	Able to afford London Living rents	Shared Ownership	Total Affordable Housing	Residual Capacity for Market Housing	Total Capacity Target
1 bedroom	3,245	1,615	180	5,040	3,491	8,531
2 bedrooms	2,973	2,781	896	6,650	5,275	11,925
3 bedrooms	3,761	4,118	100	7,979	10,139	18,118
4+ bedrooms	1,541	1,773	0	3,314	331	3,645
C2 Dwellings	-	-	-	-	141	141
TOTAL	11,520	10,286	1,176	22,982	19,378	42,360
1 bedroom	7.7%	3.8%	0.4%	11.9%	8.2%	20.1%
2 bedrooms	7.0%	6.6%	2.1%	15.7%	12.5%	28.2%
3 bedrooms	8.9%	9.7%	0.2%	18.8%	23.9%	42.8%
4+ bedrooms	3.6%	4.2%	0.0%	7.8%	0.8%	8.6%
C2 Dwellings	-	-	-	-	0.3%	0.3%

- 5.12 One of the most significant findings is that the need for affordable to rent housing is 11,520 dwellings, and the need for affordable to own is 11,462 (London Living Rent + Aspiring to Affordable Home Ownership). This gives an almost 50:50 split between affordable to rent and affordable to own housing products, on the basis that London Living Rent is counted as an affordable to own product in the London Plan. The near 50:50 split is in line with the London Plan policy requirements for affordable housing, which currently requires at least 30% affordable to rent and 30% affordable to own, with London Living Rent currently considered as an affordable to own product. We would note that in November 2024, the Mayor of London opened a

consultation³⁵ to consider adapting London Living rent to become Key Worker Living Rent Homes, and these would not have an ownership option included with them, and instead would be rented intermediate housing.

Policy Implications for Affordable Housing Need

- ^{5.13} This document represents a technical analysis for the housing needs of Royal Greenwich. As noted in the introduction, we do not consider that it should set firm policies for the Council, but it should instead be seen as underwriting the evidence of policies which will be developed. However, we are able to make a series of recommendations.
- ^{5.14} In terms of affordable housing need, Figure 47 shows a need for 54% of all dwelling requiring to be affordable if Shared Ownership is counted, or 51% if only Social Rent and London Living Rent are counted. The affordable housing needs figures calculated in this study would address all current and potential future affordable housing needs in Royal Greenwich, including the needs of those who are currently housed outside of the borough. Therefore, a 54% target represents an aspirational goal which will then require testing against borough and site viability for each scheme. However, the figure set out shows a very large potential need for affordable housing to rent, whilst there is also a clear market for London Living Rent and other affordable home ownership products and Shared Ownership.
- ^{5.15} The overall need for housing also requires setting 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 Royal Greenwich and are considered below.

³⁵ [Intermediate homes for London | London City Hall](#)

6. Needs of Different Groups

An exploration of need for target groups

Introduction

- 6.1 Paragraph 61 of the Revised NPPF (2024) 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; therefore, they are not repeated.

63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing; families with children; older people (including those who require retirement housing, housing-with-care and care homes); 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 63

Housing for Older People

- 6.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 20 years. Given this context, PPG recognises the importance of providing housing for older people.
- 6.3 These national trends are also evident across local areas, and the following section considers the evidence for Royal Greenwich.
- 6.4 The 2021 Census identified a total of around 30,221 persons aged 65 or over resident in the local authority area at that time (Figure 48). This included around 13,597 persons aged 75 or over. Most residents were living in households, but 1,164 were recorded as living in communal establishments (mainly residential care or nursing care). There were a total of around 29,546 household representatives aged 65 or over, of which 1,713 lived as single person households.

Figure 48: Resident population and living arrangements of population aged 65+ living in Royal Greenwich by age and population aged 75+ (Source: 2021 Census)

	Aged 65-74	Aged 75-84	Aged 85+	Total Aged 65+	Total Aged 75+
RESIDENT POPULATION					
Household population	17,113	9,189	3,244	29,546	12,433
Communal Establishment population	186	210	279	675	489
Total Resident Population	17,299	9,399	3,523	30,221	12,922
HOUSEHOLD POPULATION					
Living as a single person household	5,091	3,408	1,713	10,212	5,121
Living in a couple household	4,349	861	98	5,308	959
Living in other types of household	7,673	4,920	1,433	14,026	6,353
Total Household Population	17,113	9,189	3,244	29,546	12,433
HOUSEHOLD REPRESENTATIVES					
Single person household representative	5,091	3,408	1,713	10,212	5,121
Couple household representative	4,139	2,306	626	7,071	2,932
Other household representative	1,616	871	357	2,844	1,228
Total Household Representatives	10,846	6,585	2,696	20,127	9,281

- 6.5 Whilst the proportion of residents living in communal establishments represented only 2.2% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 5.5% of those aged 85 to 89 and 12.3% of those aged 90 or over (Figure 49).
- 6.6 The proportion of residents living as single person households was also notably higher for older age groups, with more than a third of all single person household residents aged 75+ (37.6%). The overall household representative rates ranged from 0.624 for those aged 65 to 69 (i.e. for every 1,000 persons in the household population, 624 represented a household) up to 0.831 for those aged 85 or over (Figure 50).

Figure 49: Resident population living in communal establishments by age (Source: 2021 Census)

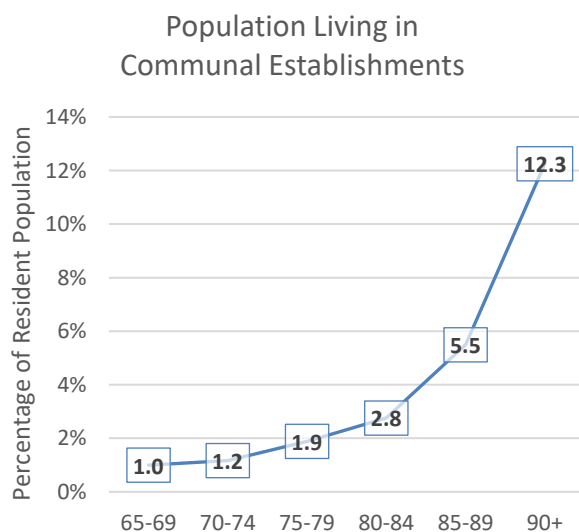
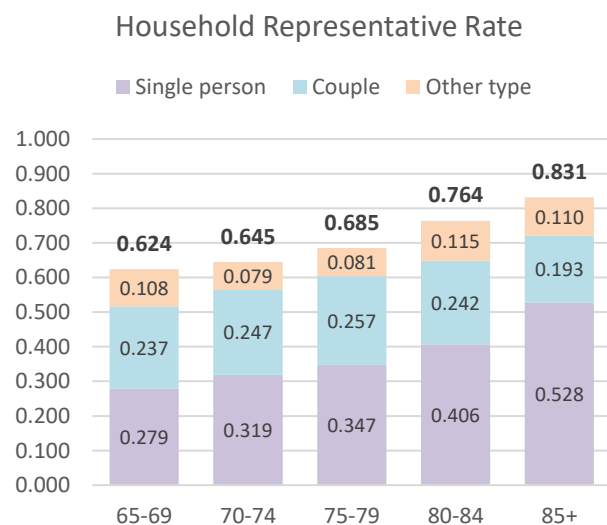


Figure 50: Household representative rates by age and household type (Source: 2021 Census)



- 6.7 Figure 51 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. There were 5,497 households that were owner occupiers (59.2%), 455 rented privately (4.9%) and 3,328 lived in rented affordable homes (35.8%). Nearly one third of those in rented affordable had three bedrooms or more (31.9%), and 37% were living in a single bedroom property.
- 6.8 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).³⁶

Figure 51: Existing dwelling stock in Royal Greenwich occupied by households aged 75+ (Source: 2021 Census; Specialist Older Person Housing based on data published by EAC for 2024)

Royal Greenwich	Owner occupied	Private rent	Rented affordable	TOTAL
DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+				
1 bedroom	231	127	1,233	1,591
2 bedrooms	1,225	163	1,033	2,421
3 bedrooms	3,088	133	912	4,133
4 or more bedrooms	953	32	150	1,135
Total Households	5,497	455	3,328	9,280
SPECIALIST OLDER PERSON HOUSING UNITS				
Housing with Support	195	0	1,630	1,825
Housing with Care	0	0	161	161
Total Specialist Older Person Housing Units	195	0	1,791	1,986

- 6.9 It is notable that the number of specialist older person rented units (1,791 homes) is similar to the number of households aged 75 or over living in one and two bedroom social rented housing at the time of the Census (2,266 households).
- 6.10 The owner-occupied stock of specialist older person housing (195 homes) represents only 13% of all one and two bedroom dwellings occupied by owner occupiers aged 75 or over. Also, as many older owner occupiers live in properties with three bedrooms or more, the specialist older person housing stock represents only 3.5% of households when considering all owner occupiers aged 75 or over.

Identifying the Need for Specialist Older Person Housing

- 6.11 PPG for “Housing for older and disabled people” was published in June 2019. This states [ID 63-004-20190626]:

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 ... Evidence from Local 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.

- 6.12 The Housing Learning and Improvement Network (LIN) has published a number of different online toolkits that have provided standardised rates for estimating demand for specialist older person housing products.

³⁶ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC data is based on the following definition: “a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group”. This includes Extra Care, assisted living, and other forms of ‘housing with care’ but other forms of specialist older person housing may not be included within this definition.

These have been based on applying prevalence rates per 1,000 people aged 75 or over, as summarised in Figure 52^{37, 38}. The table also presents baseline rates from a model developed by the Sheffield Hallam University Centre for Regional Economic and Social Research (CRESR).³⁹

- 6.13 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but there is limited detail about the derivation of the figures published by the Housing LIN.
- 6.14 Similarly, the SHOP resource pack acknowledged that the framework simply provides a baseline, which extrapolates “...crude estimates of future demand from existing data” (page 36), and the 2016 Review acknowledged that the Housing in Later Life report had “suggested a large increase in leasehold housing for older people which were not substantiated at the time” (page 4).
- 6.15 In contrast, the baseline rates for the CRESR model were established based on:
- “the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).”* (page 26)

Figure 52: Benchmark Figures for Specialist Older Person Housing

Form of Provision <i>Demand per 1,000 persons aged 75+</i>	More Choice, Greater Voice Toolkit	Housing in Later Life SHOP Resource Pack	SHOP@ National Benchmark	Housing LIN Review Proposals	Sheffield Hallam CRESR Model
	2008	2011	2016	2016	2017
Housing with Support: Retirement Living or Sheltered Housing	125	180	100	100	153.2
Housing with Care: Extra Care or Enhanced Sheltered	45	65	14	35 “Proactive” rate	19.5
Sub-total	170	245	114	135	172.7
Residential care	65	-	43	40	110.8
Nursing care	45	-	45	45	
Sub-total	110	-	88	85	110.8
OVERALL TOTAL	280	-	202	220	283.5

- 6.16 The Housing LIN states that the More Choice, Greater Voice Toolkit, and SHOP Resource Pack are both now out-of-date and remain published only as an ‘archived’ resource for public policy interest purposes. The more recent SHOP@ analysis tool is provided through the Housing LIN consultancy services, where target prevalence rates are established based on local circumstances.
- 6.17 The Housing LIN 2016 Review identified the following benchmarks for tenure mix based on the relative affluence or deprivation of the local authority area (Figure 53). Given that the English indices of deprivation ranked Royal Greenwich in the lower quartile of all local authorities⁴⁰, the relevant tenure mix benchmark would be that proposed for the “Most Deprived” areas.

³⁷ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

³⁸ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

³⁹ <https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/older-peoples-housing-care-and-support-needs-in-greater-cambridge-2017-2036>

⁴⁰ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

Figure 53: Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

Form of Provision	Most Deprived		Deprived		Affluent		Most Affluent	
	% Rented	% Owned	% Rented	% Owned	% Rented	% Owned	% Rented	% Owned
Sheltered, Age Exclusive	80	20	67	33	50	50	33	67
Housing With Care	75	25	50	50	33	67	25	75
Split based on quantiles of ONS deprivation index								
It can be expected that the % of public sector sheltered, age exclusive accommodation will retain a higher % than housing with care as there already exists a substantial level of current service provision in England as a whole								

- 6.18 In contrast, the CRESR Model determined the ideal tenure mix for each type of housing based on the proportion of residents aged 75 or over living in owner occupation. Given that the proportion is relatively low for Royal Greenwich, the “Below median” benchmark applies.

Figure 54: Tenure splits for 2035 influenced by the affluence/deprivation ratio from the CRESR Model 2017

		Proportion of 75 years and over in owner occupation	
		Above median	Below median
Age-exclusive	Rented	84	92
	Owner	16	8
Sheltered	Rented	69	84
	Owner	31	16
Enhanced sheltered	Rented	47	55
	Owner	53	45
Extra care	Rented	71	87
	Owner	29	13

- 6.19 Nevertheless, it is important to recognise that the CRESR Model is based on the mix of current provision, which may not reflect the most appropriate distribution when planning for additional provision.

“These tenure splits reflect current provision, which is significantly skewed towards social rented provision. If there is a desire to expand the provision of older people’s housing beyond current levels, this is likely to require disproportionate increases in ownership forms of supply. This is in part due to demand being focused on these ownership forms, particularly in areas with high levels of existing older homeowners.”

Reviewing the Existing Stock of Specialist Older Person Housing

- 6.20 As previously noted, the 2021 Census identified a total of around 13,597 persons aged 75 or over residing in Royal Greenwich at that time (Figure 48), and data published by the Elderly Accommodation Counsel (EAC) identifies that there is an overall stock of 1,986 specialist older person housing units across the area.
- 6.21 Figure 55 compares the rates for the different types of specialist housing for sale and rent with the suggested target benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model. This suggests that the owned stock is currently below, and the rented stock with support is well above the respective benchmark rates suggested by the Housing LIN. In contrast, baseline rates from the CRESR Model suggest that the existing owned stock is lower, whilst the existing rented stock is also lower than would be expected (based on the 100 English local authorities with the highest overall provision).

Figure 55: Existing Specialist Older Person Housing for Royal Greenwich

Form of Provision	Existing Supply			Housing LIN 2016 Review		CRESR Model	
	Number of dwellings	Percentage	Rate per 1000 persons aged 75+	Benchmark rates	Supply-Demand balance	Benchmark rates	Supply-Demand balance
Housing with Support	1,825	-	134	100.0	34	153.2	-20
Owned	195	11%	14	20.0	-6	24.5	-10
Rented	1,630	89%	119	80.0	39	128.7	-9
Housing with Care	161	-	12	35.0	-23	19.5	-8
Owned	0	0%	0	8.8	-9	2.5	-3
Rented	161	100%	12	26.3	-14	17.0	-5
TOTAL	1,986	-	145	135	10	172.7	-27
Owned	195	10%	14	28.8	-14	27.0	-13
Rented	1791	90%	131	106.3	25	145.7	-14

- 6.22 As previously set out in Figure 51, the existing owner-occupied stock of specialist older person housing represented only 3.5% of owner occupiers aged 75 or over living in the area. The CRESR Model identifies that the current rate (14 per 1000) is lower than the average for the 100 English local authorities, with most provision based on actual stock (27 per 1000). The current rate is also lower than the benchmark from the Housing LIN Review (28.8 per 1000). Given this context, there may be some justification for an increase to the current rates of owner-occupied provision.
- 6.23 With regard to specialist older person housing for rent, the current rate (131 per 1000) is higher than the Housing LIN benchmark (106.3 per 1000), suggesting sufficient rented stock in Royal Greenwich. The current rate is lower than the benchmark from the CRESR Model (145.7 per 1000) due to many other local areas having much higher rates of provision.
- 6.24 When considering the different types of specialist older person rented housing, it is apparent that the CRESR benchmark rate of Housing with Care (17 per 1000) is higher than the existing stock (12 per 1000), and that the differences are even larger for Housing with Support.

Establishing the Future Need for Specialist Older Person Housing

- 6.25 The population projections underlying the London Capacity Target figures of 2,824 dwellings per annum for Royal Greenwich show a substantial increase in the older population over the period 2022-2037, with an additional 7,073 persons and 6,821 households residing in the local area.

Figure 56: Projected population aged 75+ (Source: LHNA modelling, ORS)

	Total population 2022	Total population 2037	15-year change 2022-2037
RESIDENT POPULATION			
Household population	13,143	19,964	6,821
Communal Establishment population	508	759	252
Total Resident Population	13,651	20,724	7,073
HOUSEHOLD POPULATION			
Living as a single person household	5,327	8,084	2,757
Living in a couple or another type of household	7,817	11,881	4,064
Total Household Population	13,143	19,964	6,821
HOUSEHOLD REPRESENTATIVES			
Single person household representative	5,327	8,084	2,757
Couple household representative	3,072	4,672	1,601
Other household representative	1,279	1,942	663
Total Household Representatives	9,677	14,698	5,021

- 6.26 It is important to recognise that many of these extra residents will be aged 85 or over and likely to have increasingly complex care and support needs, including dementia, but also mental health needs and frailty related needs. Therefore, it will be necessary to consider the associated changes in the profile of housing need.
- 6.27 The household projections assume that the population aged 75 or over living in communal establishments will remain constant as a proportion for each 5-year age group, based on the rates identified by the 2021 Census (Figure 49). On this basis, it is projected that an additional 252 residents will need bedspaces to be provided in residential or nursing care homes in Royal Greenwich in the 15-year period 2022-2037.
- 6.28 Figure 57 considers the need for specialist older person housing for older households in Royal Greenwich over the 15-year period 2022-2037. This uses the baseline rates previously established based on existing supply (Figure 55) and considers appropriate target rates taking account of the range of different benchmarks identified by the toolkits.
- » The target rates are based on the average of (i) the baseline rate for the local authority, and (ii) the mid-point of the benchmark range.
 - » Based on the identified target rates, the projection for the number of residents aged 75 or over at the end of the 15-year period in 2037 (Figure 56) is used to establish the overall gross need.
 - » The existing supply is then offset to identify the housing need for the 15-year period 2022-2037.
- 6.29 The reason for using the midpoint of the current baseline rate for Royal Greenwich and midpoint of the Housing LIN and CRESR models benchmark ranges is that both the Housing LIN and CRESR models are generic benchmark rates which do not consider local circumstances. The ORS model takes account of current provision in a local authority and the blended benchmark rates. This gives a much more plausible set of figures for local authorities. It means that if there is little provision of a type of product in an area then the model says that more is needed. However, if provision, such as affordable sheltered housing in Royal Greenwich, is high then the model does not produce figures suggesting that there are large surpluses, as would happen if just the benchmark rates were to be used.

6.30 On this basis, there would be a need to provide an additional 1,199 specialist older person housing units (equivalent to an average of 80 dwellings per year) of which 77% would need to be provided as affordable housing. The need for specialist older person housing represents 3% of the London Plan capacity target identified for Royal Greenwich.

6.31 As a comparison, the London Plan contains benchmarks for each borough for the period 2017-29, and for Greenwich, this figure is 105 dedicated older persons units per annum.

Figure 57: Modelled Need for Specialist Older Person Housing in Royal Greenwich 2022-2037

Form of Provision	Existing supply	Baseline rate per 1000 persons aged 75+	Benchmark range per 1000 persons aged 75+	Target rate per 1000 persons aged 75+	Gross need in 2037	Housing need 2022-2037
Market Housing	195	14	-	21	421	226
Housing with Care	0	0	3-9	3	56	56
Housing with Support	195	14	20-25	18	365	170
Affordable Housing	1,791	131	-	138	2,764	973
Housing with Care	161	12	26.25	19	380	219
Housing with Support	1,630	119	80	119	2,384	754
TOTAL	1,986	145	-	159	3,185	1,199
<i>Housing with Care</i>	<i>161</i>	<i>12</i>	-	<i>22</i>	<i>436</i>	<i>275</i>
<i>Housing with Support</i>	<i>1,825</i>	<i>134</i>	-	<i>137</i>	<i>2,749</i>	<i>924</i>

6.32 This analysis assumes a continuation of current types of housing, although it is unclear if Older People will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

6.33 The delivery of specific schemes for specialist Older Person housing need should be considered in partnership with other agencies, in particular those responsible for Older Person support needs. It will be important to consider other factors and constraints in the market:

- » **Demographics:** the changing health, longevity and aspirations of Older People mean that people will live increasingly healthy longer lives, and their future housing needs may be different from their current need;
- » **New supply:** development viability of schemes, the availability of revenue funding for care, and support services need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs; and
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service.

Accessible and Adaptable Housing

- 6.34 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).⁴¹
- 6.35 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.
- 6.36 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.
- 6.37 In July 2022, the government issued their response to a consultation run in 2020 on the future of accessibility standards.⁴² 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.*
- 6.38 Previously, local authorities were required to assess the need for 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; therefore, this evidence is no longer required. The necessary update to policy to implement this change has not yet occurred, with the current government having not provided any update on this requirement. However, the London Plan requires that all new dwellings be delivered to M4(2) standard, so local authorities in London should just follow this policy for now.
- 6.39 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.
- 6.40 The London Plan provides policy justification for M4(2) and M4(3) requirements in Policy D7 – Accessible Homes and paragraphs 3.7.1 – 3.7.8.

⁴¹ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

⁴² <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>

Housing for Wheelchair Users

- ^{6.41} 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:

“The provision made must be sufficient to-
(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;
(b) to meet the needs of occupants who use wheelchairs.” (Page 23)

- ^{6.42} 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 containing specific reference to households, including wheelchair users.
- ^{6.43} The CLG guide to available disability data⁴³ referenced by PPG⁴⁴ [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently includes 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 58 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.

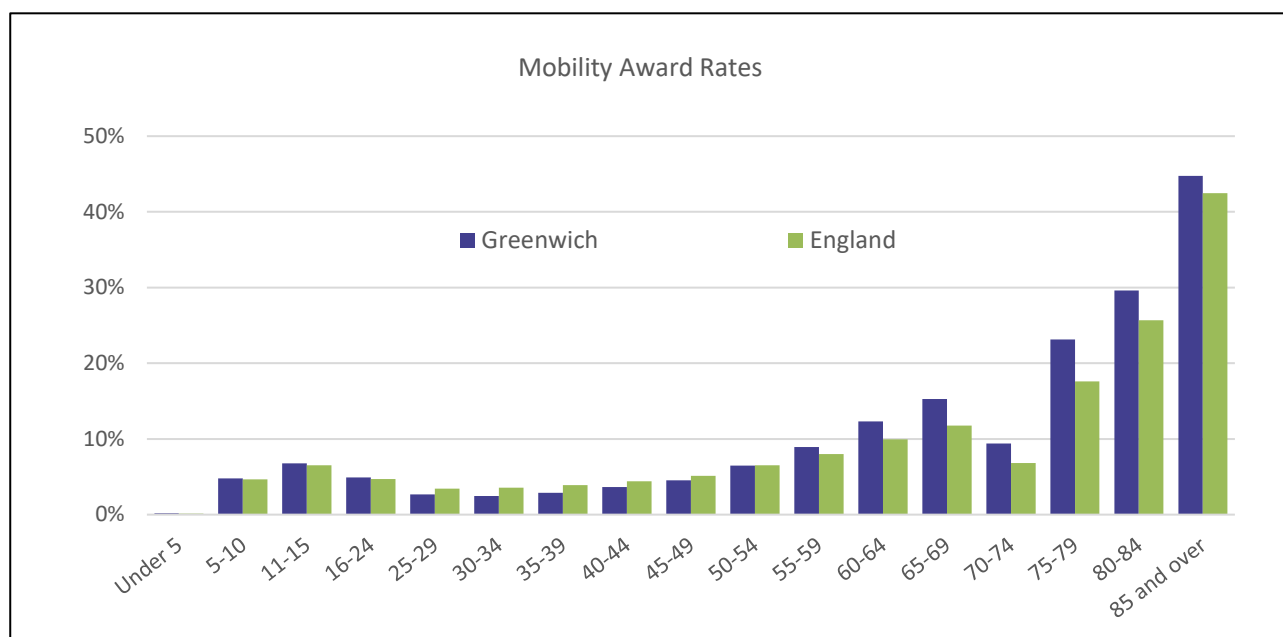
Figure 58: Percentage of households containing a wheelchair user by type of housing and age of household representative
 (Source: English Housing Survey 2013-14)

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%

- ^{6.44} To get a better understanding of the local Royal Greenwich data, Figure 59 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom are likely to be wheelchair users, but exact figures are not available) for Royal Greenwich against the figures for England.

⁴³ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

⁴⁴ [Housing: optional technical standards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-optional-technical-standards)

Figure 59: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2022)

6.45 Through combining the information on local rates with the national data, we can establish the proportion of households in Royal Greenwich likely to include a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 60).

Figure 60: 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+
Royal Greenwich								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.1%	4.2%	6.6%	9.9%
Affordable housing	0.3%	2.0%	2.9%	5.9%	6.2%	10.7%	13.7%	20.8%

6.46 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 2022 to 2037. (Figure 61). Using this approach, we calculate the number of households likely to need wheelchair adapted housing in Royal Greenwich is likely to increase by 2,030 over the 15-year period. This is 4.8% of the total housing target of 42,360 dwellings in Royal Greenwich, and assumes that a property is delivered for everyone who will require a wheelchair accessible dwelling. In practice, more dwellings will be required to allow for flexibility in the system, so the outcome would suggest a need for a minimum of 10% of new dwellings to be built to M4(3) standard.

- 6.47 The minimum of 10% is in line with the 'at least' 10% stated in the London Plan Policy D7:

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

Modelled Need for Wheelchair Adapted Housing	2022	2037	Net change 2022-37
Royal Greenwich			
Market housing	1,700	2,180	+480
Affordable housing	2,550	4,100	+1,550
Total	4,250	6,280	+2,030

- 6.48 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (36%) comes from households who are aged over 75. This can be seen in Figure 62.

Figure 62: 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+		
	2022	2037	Net change 2022-37	2022	2037	Net change 2022-37
Royal Greenwich						
Market housing	1,090	1,340	+250	610	840	+240
Affordable housing	1,910	2,960	+1,050	640	1,140	+500
Total	3,000	4,300	+1,300	1,250	1,980	+730

- 6.49 This means that there are likely to be some people who are identified in both categories: wheelchair adapted housing and specialist older person housing.

- 6.50 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.

Other Groups who may need Supported Housing

Modelling of Mental Health and Learning Disabilities Populations

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

Mental Health

- 6.52 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 Greenwich 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 at little or no risk of their mental health problem leading to them 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 accommodation or independent accommodation without support. Often, these will be people who are in touch with Health or social care services, though they may still only require a low level of support. They will often be diagnosed with conditions such as severe depression, schizophrenia or bipolar disorder: the types 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.
- 6.53 The Public Health England (PHE) 'Fingertips' profiling tool⁴⁵ uses the Quality Outcomes Framework (QOF), and other data that is provided by the Office for Health Improvements and Disparities (OHID). Figure 63 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 for a comparison with the whole of England and across the London Region.
- 6.54 For each measure, the prevalence in Greenwich is higher than the prevalence across England. The estimated rate of common mental disorders in the 16+ population is above that of England: 21.4% in Greenwich compared to 16.9% for England. The estimated rate in the 65+ population is also higher than that of England: 12.9% in Greenwich compared to 10.2% across England.
- 6.55 Similarly, Greenwich has higher prevalence estimates than the London Region for common mental disorders: 21.4% compared to 19.3% across the London Region in the age 16+ population, and 12.9% compared to 11.3% across the London Region in the age 65+ population.

⁴⁵[Common Mental Health Disorders - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/mental-health-disorders)

- 6.56 The broader measures of self-reported wellbeing show a different picture. Greenwich shows a lower proportion of residents reporting feelings of low satisfaction, low worthwhile, and low happiness compared to the London Region and to England, but similar levels of anxiety to London and England.
- 6.57 By these measures, Greenwich has a higher incidence of common mental health disorders and a lower incidence of poor mental health than in the London Region and England as a whole. The data is taken from the NHS Quality and Outcomes Framework (QOF).

Figure 63: Fingertips Profiling Indicators for mental health in Greenwich (Source: NHS Digital, Fingertips Profiles - QOF and other OHID data)

Measure	Greenwich Count	Greenwich Value	London Region Value	England Value	Data from
Estimated prevalence of common mental disorders: % of population aged 16 & over	47,133	21.4%	19.30%	16.90%	2017
Estimated prevalence of common mental disorders: % of population aged 65 & over	3,775	12.9%	11.30%	10.20%	2017
Self-reported wellbeing...					
People with a low satisfaction score	-	3.1%	5.8%	5.6%	2022/23
People with a low worthwhile score	-	2.4%	4.5%	4.4%	2022/23
People with a low happiness score	-	6.5%	9.1%	8.9%	2022/23
People with a high anxiety score	-	23.8%	23.7%	23.3%	2022/23

- 6.58 The Fingertips profiling tool shows an estimated prevalence of 47,133 people with common mental disorders aged 16 and over in Greenwich as of 2017. These are mental health problems that are serious enough to **consider** assessing the need for supported housing. However, most of these will not be serious enough to lead to a need for supported housing.
- 6.59 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 need⁴⁶:

"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."

- 6.60 The relevant group to consider for housing need are people with severe mental illness (SMI); these are people who will suffer the disabling effects of a major psychiatric disorder which is likely to affect insight or cognition.
- 6.61 In October 2017, Public Health England (PHE) published their 'Psychosis Data Report'⁴⁷, showing the number of people registered with their GP with psychosis and their access to care and support across England and smaller geographies, including Care Commissioning Groups (CCG⁴⁸). Whilst this data was collected in 2014/15 and published in 2017, it has the advantage that the data is based on the QOF Severe Mental Illness (SMI)

⁴⁶ [apms-2014-full-rpt.pdf \(nationalarchives.gov.uk\)](https://www.nationalarchives.gov.uk/apms-2014-full-rpt.pdf)

⁴⁷ [Psychosis data report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/psychosis-data-report)

⁴⁸ CCGs ceased to exist from July 2022, replaced by Integrated Care Board (ICB)

register, which covers schizophrenia, bipolar affective disorder and other psychoses. That is, the data covers conditions which are severe enough to be likely, though not guaranteed, to affect individual housing needs.

Figure 64: Recorded number of people with severe mental illness – Greenwich CCG (Source: QOF SMI register, 2014/15)

Greenwich CCG published results	Value % of total GP registers	Count	Denominator (Total GP registrations)
People with severe mental illness	1.14	3,230	282,218

- 6.62 From this we can see that around 3,230 people have a mental health condition which is serious enough to seriously threaten their housing and may require supported housing.
- 6.63 The available data used below on housing need is based on people on the Care Programme Approach (CPA), which is a framework used by mental health services to assess, plan, review, and coordinate care for individuals with complex mental health needs. It is also 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 (CMHF) replaced the Care Programme Approach for community mental health services in July 2021.
- 6.64 The people most likely to require supported housing are those who have a severe mental health problem and are in insecure or inappropriate accommodation.
- 6.65 Figure 65 shows the percentage of adults aged 18 to 69 in Greenwich who are in contact with secondary mental health services and who live in stable and appropriate accommodation⁴⁹. In 2020/21, 69% lived in stable and appropriate accommodation. Whilst this leaves 31% unaccounted for, it suggests that a majority of adults with mental health problems are now in stable and appropriate accommodation.

Figure 65: Adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation - Greenwich (Source: Fingertips – CPA/CMHF)

	2020/21
Greenwich	69.0%

- 6.66 Taking the results from Figure 64 and Figure 65 together gives a range of accommodation need as shown in Figure 66:

Figure 66: Adults with SMI at risk of requiring supported housing of housing with support - Greenwich 2020/21 (NHS Adult Social Care and Outcomes Framework)

	Sum	Persons in potential need
Percent not in stable and appropriate accommodation	31%	-
Need	3,230 x 31%	1,001

- 6.67 Each person at risk of losing their accommodation can be counted as a household, be that a single person household, a family, or other household. In general, if that person loses their accommodation, then the rest of their household may be at risk of losing 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, or part of it, 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

⁴⁹ [Public health profiles - OHID \(phe.org.uk\)](https://publichealthprofiles.org.uk/)

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.

- ^{6.68} In conclusion, there are around 1,000 households at risk of falling into housing need in Greenwich and who may require supported accommodation. Many of these are likely to be single person households, and some will have drug or alcohol dependency; however, the vast majority will never require this service.
- ^{6.69} The current level of mental health related supported accommodation in Royal Greenwich is five buildings spread across Greenwich, comprised of 20 en-suite bedrooms in shared houses and 20 one-bedroom flats⁵⁰. Therefore, as the population of Royal Greenwich grows, there will be limited need for additional accommodation. Figure 7 shows that the population of Royal Greenwich is projected to grow by around 20%, so increasing the provision in line with population growth would require an additional 4 bedspaces and 4 flats over 15 years; given that there is existing pressure on the system, this could expand to an additional 10 bedspaces and 10 flats in total.

Interviews

- ^{6.70} There was a feeling that more supported accommodation is required, but it was not possible to quantify that.
- ^{6.71} The interviews described a duty on local hospitals to refer to the housing department any inpatient who may have a housing need: from psychiatric wards and from general needs wards. This is part of a working partnership with Oxleas NHS Foundation Trust (mental health).
- ^{6.72} Clients are assessed within a specific timeframe to judge if they are able to follow an independent living pathway or if they need to be provided with supported accommodation with a commissioned service.
- ^{6.73} Many people who are assessed as able to live independently are placed under a reasonable preference policy on to the housing register as either priority B1 or B2, until their case is concluded. It is not automatic for everyone being discharged from hospital to be in priority need. Support is available for people who are not managing or may not understand about their budgeting or benefit rights.
- ^{6.74} However, the waiting list is long. Someone requiring one bed could wait up to two years. Interim support is required, including exploring all forms of housing options, referring to letting agents, and to other housing providers. It can be necessary to find accommodation in the private sector.
- ^{6.75} Clients with mental health problems will have a care coordinator who determines whether the client needs floating support to survive in the community.
- ^{6.76} Medium and high level support is available in supported housing. Moving on from supported housing, a referral is made to the housing department who assess whether the person is ready to live independently.
- ^{6.77} In conclusion, the interviews identified two possible housing issues: a need for more supported accommodation, but without quantifying how much, and long waits for housing through the waiting list.

⁵⁰ [Greenwich Care Services | Sanctuary Supported Living](#)

Learning Disabilities and Autism Spectrum

- 6.78 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 Greenwich 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 into need of full-time supported accommodation or independent accommodation, with support provided as and when it is required.
 - » 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.
- 6.79 The Public Health England (PHE) 'Fingertips' profiling tool provides information on the number of children and adults in Greenwich with learning disabilities or autism who are known to services⁵¹. 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.
- 6.80 The Fingertips data allows a comparison with the whole of England and across the London Region.
- 6.81 The proportion of children per thousand with a learning disability in Greenwich is lower than the prevalence across England: 13.9 compared to 34.4 respectively, and lower than the prevalence across the London Region (22.9). The prevalence of moderate, severe, profound, and multiple Learning Difficulties are all lower than England as a whole and the London Region.
- 6.82 The prevalence per thousand children with autism who are known to schools is notably higher in Greenwich than across the London Region and England: 25.1 compared to 20.4 and 18.0 respectively.
- 6.83 The prevalence of adults with learning disabilities receiving long term support is similar to the prevalence across the London Region and England: 3.3 per thousand population compared to 3.0 for London and 3.5 for England.
- 6.84 By these measures, Greenwich has a lower prevalence of learning disabilities in children than across the London Region and England and a higher prevalence of children with autism known to schools than the London Region and England. The prevalence of adults with a learning disability receiving long-term support is similar in Greenwich to the London Region and England.
- 6.85 NHS QOF data shows a lower rate of prevalence for learning disabilities than the PHE 'fingertips' profiling tool data, because it only counts anyone with a formal diagnosis which is recorded in their GP record.

⁵¹ [Learning Disability Profiles - Data - OHID \(phe.org.uk\)](https://phe.org.uk/data/themes/studies/index)

Figure 67: Fingertips Learning Disability Profile for Greenwich (Source: NHS Digital, Fingertips Profiles – Department for Education, QOF and other OHID data)

Measure	Greenwich Count	Greenwich Value	London Region Value	England Value	Data from
Children known to schools with...		<i>Per 1000 pupils of school age</i>			
Moderate Learning Difficulties	492	11.2	18.2	29.1	2020
Severe Learning Difficulties	68	1.6	3.3	4.0	2020
Profound and Multiple Learning Difficulties	48	1.1	1.45	1.29	2020
All Children with Learning Difficulties known to schools	608	13.9	22.9	34.4	2020
Children with Autism known to schools	1,097	25.1	20.4	18.0	2020
Adults (aged 18 years and over) with...		<i>Per 1,000 adults</i>			
Learning disability receiving long-term local authority support	720	3.3	3.0	3.5	2019/20
QOF (all ages)		<i>Percent</i>			
Learning disability: QOF prevalence (NHS registrations, all ages)	-	0.6%	0.5%	0.6%	2023/24

^{6.86} Public Health England (PHE) Learning Disabilities Observatory published a report *‘People with learning disabilities in England’* in 2015⁵², which estimated the prevalence of learning disabilities amongst children across England as 2.5% of the under 18 population. The estimated prevalence amongst adults across England is 2.16% of the adult population. Importantly, these rates include learning difficulties and autism.

^{6.87} 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.

^{6.88} The number of people on GP learning disability registers is lower than the PHE estimate of 2.16% (approximately 1.2 million) 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.”

^{6.89} 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.

^{6.90} 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’.⁵³ 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.”* Whilst this survey is from 2007, the British Medical Association (BMA) states on their website that *“One in 100 children in the UK have a diagnosis of autism spectrum disorder⁵⁴”*: or 1% of children.

⁵² [People with learning disabilities in England 2015: Main report \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

⁵³ [Autism Spectrum Disorders in Adults Living in Households Throughout England - 2007, Report from the Adult Psychiatric Morbidity Survey - NHS Digital](#)

⁵⁴ [Autism spectrum disorder \(bma.org.uk\)](https://www.bma.org.uk)

- 6.91 These national prevalence rates can be used to give an estimate of the total number of people in Greenwich's population with a learning disability, and with autism, with the caveat that rates of learning disability vary across the country.

Figure 68: Estimates of Children and Adults with a learning disability or Autism in Greenwich (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 (% England)	Total persons	Rate (% England)	Total persons
Children (aged under 18)	71,847	2.50%	1,796	1.00%	719
Adults (aged 18+)	219,233	2.16%	4,735	1.00%	2,192
All ages	291,080	-	6,531	-	2,911

- 6.92 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.
- 6.93 The working age population is the relevant age group to assess current need for housing. The Fingertips Learning Disability Profile for Greenwich in Figure 67 suggests that 720 adults are receiving long term support, whilst the 2015 national rates shown in Figure 68 suggest that around 4,735 adults have a learning disability, including people with autism. The benefit of using a 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.
- 6.94 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 amongst men: 8.0% of men in social housing were identified with ASD."

- 6.95 Figure 69 shows the percentage of working-age learning disabled adults who are living in a stable and appropriate home as a percentage of working-age learning disabled adults (aged 18-64)⁵⁵.

Figure 69: Adults with a learning disability who live in stable and appropriate accommodation - Greenwich (aged 18+) (Source: Fingertips 2022/23)

	Greenwich Count	Greenwich Value	London Region Value	England Value
Greenwich	531	80.6%	79.0%	80.5%

- 6.96 The number of people in Greenwich at risk of falling into accommodation need is shown in Figure 70:

Figure 70: Adults with a learning disability at risk of requiring supported housing - Greenwich

	Sum	Persons at risk of falling into need
Percent not in stable and appropriate accommodation	19.4%	-
Number at risk	4,735 x 19.4%	919

⁵⁵ [Learning Disability Profiles - Data - OHID \(phe.org.uk\)](https://phe.org.uk/data/learning-disability-profiles)

- ^{6.97} In conclusion, there are around 919 people with a learning disability who are at risk of falling into housing need in Greenwich and who may require supported accommodation. 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. Royal Greenwich has just opened its first dedicated accommodation for people with learning disabilities or autism⁵⁶; it has a total of 9 bedspaces. The demand and performance of this scheme should be monitored. More generally, as set out in the interviews below, there may be an oversupply of supported housing in Royal Greenwich, but it is possible that another similar scheme for people with learning disabilities or autism could be required in the future, as the population is expected to grow, so planning for around another 10 bedspaces would be appropriate. This need would be accounted for with the overall need for affordable housing set out in Figure 47.
- ^{6.98} 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 608 children with at least a moderate learning disability and 1,097 with autism, shown in Figure 67, provides an indication of the level of future need over the next 10 or 15 years. Their needs are not for dedicated accommodation, but for support services from the Council; they may progress to requiring supported accommodation as they grow older, and would be included in the 10 bedspaces set out above.
- ^{6.99} 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, whilst people with profound and multiple learning difficulties being more likely to need a higher level of care and support, such as the new scheme opened in 2024 by Royal Greenwich.

Interviews

- ^{6.100} There is an integrated service between the Council and the Integrated Care Board (ICB) in place, though this is a recent development.
- ^{6.101} There is a range of housing that supports people with learning disabilities in Greenwich. It was felt that there could be an oversupply of supported living accommodation in the community, where quality management is a problem. Some landlords purchase a property and wish to use the property for supported housing, without necessarily having the relevant experience. These properties are not regulated under the Care Quality Commission (CQC) and ways to regulate them are being investigated. The intention is to work with a framework provider, to use in-house quality assurance colleagues to check the necessary documentation, and to ensure oversight of those that operate within the borough, thereby safeguarding the vulnerable people.
- ^{6.102} Colleagues in neighbouring boroughs sometimes place people within Greenwich without informing The Royal Borough of Greenwich, which can lead to safeguarding concerns. Work is underway to collate a list of providers, but this is difficult.
- ^{6.103} Where there are concerns, they can relate to the quality of accommodation or the support aspect. There are often several unknowns that are of concern: whether the accommodation is of a suitable standard, the qualifications of those that provide services to the residents, any criminal background, and lack of oversight which could lead to something happening without the Council being aware. In contrast, commissioned

⁵⁶ [First-of-its-kind independent living service for people with learning disabilities and autistic people opens in Greenwich](#)

services have proper oversight and can be quality assured and monitored. Council staff have regular meetings with the providers and address any concerns before they become a serious matter.

^{6.104} Affordability is a problem, both in terms of housing and support, such as when a client has multiple complex needs and requires additional support: some require expensive two to one or three to one support. It is felt that there is a need for accommodation that will support people with complex needs.

^{6.105} Ideally, these issues would be addressed through the housing strategy. Currently, options are being considered regarding how Greenwich can work in partnership with other local authorities to jointly commission and build more specialist homes and work with social housing partners to assess if their accommodation could be used. Dedicated specialist housing is unlikely to be required, with the need instead focusing using existing accommodation and Council services to provide sufficient support.

^{6.106} In terms of housing need, the interviews suggest that:

- » There is a need for accommodation that will support people with complex needs, including services for people transitioning from children to adults. On this basis, we suggest monitoring the success of the recently opened 9 bedspace scheme in Royal Greenwich for people with learning disabilities or autism and planning for the possibility of a similar sized scheme in the future if it is a success.
- » There is probably a current oversupply of supported accommodation in the community, often in the private sector, with some concerns over the quality of provision. It is unclear whether there is a gross oversupply of supported accommodation in the community, or simply too much of a kind that is difficult for the Council to manage in terms of safeguarding. Therefore, there does not appear to be a need for more supported housing now for those with complex needs, but new high quality units could be used to phase out poorer quality provision.
- » However, the population of Royal Greenwich is modelled to grow by around 20% over 15 years, and the Council currently provides support to 720 adults, so a 20% growth in this figure would imply another 144 adults requiring support in the period to 2037, with many children with severe or profound learning disabilities already being known to the Council. Most will not require extra care type supported accommodation, but instead will require the type of supported housing which is currently in over-supply.
- » It would be useful to have more sheltered and extra sheltered housing available for people with learning disabilities as they grow older.
- » Finding respite accommodation is a challenge, partly because of the complexity of needs, particularly relating to physical disability. Respite is important to allow the main carer of the family to have a break.

The Nepalese Community in Greenwich

Summary

- ^{6.107} Greenwich has the largest Nepalese community within London. The Census 2021 recorded 6,084 Nepali residents, and interviewees estimate that around 75% (4,500) are older people. It is older Nepalese people who experience the most problems.
- ^{6.108} There are several barriers which complicate the delivery of housing for the Nepalese residents of Greenwich: particularly older people.
- ^{6.109} The existing community lives primarily in Plumstead and Woolwich, and most want to remain in that community. This limits the area for providing housing that Nepalese people are comfortable living in, unless it is possible to provide a support network in other areas.
- ^{6.110} Many people in the community are isolated through language.
- ^{6.111} Nepalese people, particularly older Nepalese, are subject to abuse through poor quality housing and theft. This is compounded through lack of trust in statutory agencies.
- ^{6.112} There is a well-developed support network from the Royal Borough of Greenwich, notably the weekly benefits surgery, along with services provided by the Soldiers', Sailors' & Airmen's Families Association (SSAFA). These services could be developed if routes were found into the community.
- ^{6.113} Interviewees suggested that health services were more trusted than others, and this may provide an opportunity to connect with older Nepalese people.
- ^{6.114} Housing options to consider include sheltered housing, refurbishing existing properties in Plumstead and Woolwich into dedicated housing for older Nepalese people, and dealing with the housing issues where they exist, which will require finding ways to connect with individuals in the community. It is important for older Nepalese people to have other Nepalese living in the same sheltered housing scheme. Advice and support are required to make moves by older Nepalese people into new housing succeed.

Methodology

- ^{6.115} Interviews were carried out with five Greenwich Council staff, SSAFA, and others who are closely involved and provide services to the Nepalese community. The interviews covered the nature of the Nepalese community in Greenwich, housing conditions and needs, other problems, barriers to providing and accessing services, and any figures of the number of people known to services. The 2021 Census was also explored. The final valuable source of information used is the *SSAFA Greenwich Gurkha Project Outcomes and Statistical Report 2019*.

Background

- ^{6.116} Greenwich has the largest Nepalese community within London. The Census 2021 recorded 6,084 Nepali residents in Greenwich, compared to 3,772 in Hounslow, the next largest community. The 2021 Census numbers for all London boroughs in order of the number of Nepalese residents are shown in Figure 71, with the boroughs immediately surrounding Greenwich highlighted in orange.
- ^{6.117} Only nine boroughs have more than 500 Nepalese residents. Bexley is the only borough adjacent to Greenwich with a significant number of Nepalese residents (1,407).

Figure 71: Number of Nepali residents recorded in the Census 2021 (Source: Census 2021, Table TS022)

Borough	Number of Nepali residents
Greenwich	6,084
Hounslow	3,772
Ealing	3,079
Hillingdon	2,631
Brent	1,619
Harrow	1,593
Bexley	1,407
Barnet	870
Sutton	538
Merton	471
Newham	301
Barking and Dagenham	287
Kingston upon Thames	226
Bromley	210
Croydon	204
Wandsworth	188
Lewisham	157
Camden	146
Westminster	124
Tower Hamlets	115
Redbridge	112
Haringey	103
Richmond upon Thames	103
Waltham Forest	98
Southwark	95
Lambeth	91
Havering	87
Enfield	79
Hammersmith and Fulham	77
Islington	75
Kensington and Chelsea	73
Hackney	45
City of London	1

^{6.118} Nepalese residents compose 2.1% of the total population of Greenwich, compared to 1.3% of Hounslow, 0.9% of Hillingdon, and 0.8% of Ealing, with smaller percentages in all other boroughs. In Bexley, Nepalese people compose 0.6% of the total population.

^{6.119} The relevant Census category is: *Asian, Asian British or Asian Welsh: Nepali (includes Gurkha)*. Unfortunately, this category is not broken down by other characteristic such as age, sex, gender, or tenure.

^{6.120} There are a higher number of elderly (aged 65 and over) Nepalese residents compared to younger residents; interviews indicate that the younger residents are aged between 20-30 years old or are children of the older

residents: sometimes dependent children. The view from the interviews is that in the region of 75% (4,500) of the Nepalese in Greenwich are older people. They are predominantly retired Gurkhas, wives, widows, and sometimes children of Gurkhas. There is a shared culture and language within these close communities. It is not uncommon for Nepalese people to live into their 80s and 90s.

- ^{6.121} The Nepalese community mostly resides in the Plumstead and Woolwich areas, and they wish to stay in these areas due to their close community ties and social relationships.

Language and culture barriers

- ^{6.122} One of the major struggles the Nepalese community faces is the language barrier. Many in the community do not speak English, possibly because of moving to the UK later in life, which can impact their access to services within Greenwich. One interviewee suggested that as many as 95% speak no English; this was not meant to be a precise percentage and should not be quoted as a robust figure, but it indicates the very high proportion of non-English speakers. Language interpreters are provided by The Royal Borough of Greenwich and charities such as SSAFA to help communication between individuals and officials. Language Line is a paid-for telephone and video-based interpretation and translation service, which is used by the Council in Royal Greenwich, but face to face interpreters are preferred. Pragmatically, this means that members of the community may act as interpreters, including relatives. Interviewees believed that not all interpretation was fully accurate, but did not voice concerns about the general message getting across.
- ^{6.123} If interpreters are not used, then residents can be left struggling with their access to services including healthcare, housing, and other essential support they may need.
- ^{6.124} In 2019, an average of 35 people attended the twice-weekly basic English sessions run by SSAFA, including some younger people.
- ^{6.125} There are clear cultural differences that the Nepalese community experience. The community often struggles to trust forms of authority, and some feel it necessary to offer gifts, including money, in exchange for access to statutory services. Interviewees stressed that such gifts are politely refused as a matter of course, and it is explained that access to services is the person's right and not subject to gifts.
- ^{6.126} Older Nepalese residents are vulnerable, possibly exacerbated by lack of trust in authority. Examples of abuse include individuals being victims of theft from outside and within the community and economic abuse from landlords, along with the poor quality housing discussed below. In contrast to the mistrust of authorities, many in the community have an openness which can lead to them sharing their bank details, leaving them open to theft. The Royal Borough of Greenwich staff have attempted to educate the community to be wary of handing over details, including working in conjunction with Barclays Bank at one stage. Theft and other abuse often remains unreported due to the victims being wary of the police and other forms of authority. This seemed to be an important cultural barrier.
- ^{6.127} It seems clear that increasing the level of trust in authorities would help increase the level of service take up and reporting of problems.
- ^{6.128} From the interviews, there appears to be a different attitude to health services, though there remains a reluctance to approach health services because of a view amongst the Nepalese community that health services must be paid for.

Accommodation and Housing

- ^{6.129} A significant number of the Nepalese community within Greenwich are living in poor quality housing, often in the PRS. Reasons for them living in unsatisfactory housing include common problems such as affordability, but because of the culture and circumstances of the community, the Nepalese community are particularly vulnerable to other factors such as exploitation and to accepting an unsatisfactory situation. Many live in HMOs. It is unclear how HMO licencing and selective licencing in parts of Plumstead affect the issue of unsatisfactory private rented housing in the Nepalese community; although, some landlords have either chosen to leave the market or have rented to a single family rather than to become licenced for an HMO.
- ^{6.130} Common issues reported by interviewees include multiple households sharing one bathroom, overcrowded bedrooms, older Nepalese people sharing living spaces with students and sofa surfing, holes in ceilings, poor ventilation, and bed bug infestations. There appears to be a specific problem of renters subletting, including amongst Nepalese renters. Through living in HMOs and other housing that is effectively not self-contained, older Nepalese people can find themselves isolated living with disparate people, none of whom speak Nepalese. In other cases, several Nepalese people may live under one roof. It was reported to be common for many properties to be poorly maintained and below the Decent Homes Standard.
- ^{6.131} There has been a recent push into transitioning the elderly residents into sheltered accommodation. There are 16 sheltered accommodation schemes that are aimed at all 55+ residents, including, but not specifically for, the Nepalese community.
- ^{6.132} In Plumstead and Woolwich, there are some extra care accommodation schemes that the Nepalese community could have access to. The Royal Greenwich Directory of Sheltered Housing⁵⁷ and Elderly Accommodation Council database⁵⁸ list the following properties in Woolwich and Plumstead, though some may be outside of the area that people from the Nepalese community wish to live:
- » George Akass House, Plumstead: 22 one-bedroom and 2 two-bedroom flats;
 - » Strand Court, Plumstead: 46 bedsits, 10 one-bedroom flats, 4 two-bedroom flats;
 - » Mandela House, Plumstead: 1 two-bedroom flat, 5 one-bedroom flats, 24 studio flats;
 - » Bill Walden House, Woolwich: 25 one-bedroom flats (singles), 3 two-bedroom flats, 16 one-bedroom flats (couples);
 - » Len Clifton House, Woolwich: 16 one-bedroom flats, 26 bedsits;
 - » 40 Little Heath Road in Charlton and Blackheath, if that is acceptable to the Nepalese community: 25 studio flats, 12 one-bedroom flats, 2 two-bedroom flats;
 - » Richard Neve House, Plumstead: extra care, 43 flats including one and two bedrooms; and
 - » Colebrook House, Woolwich Common: extra care, 60 flats including one and two bedroom.
- ^{6.133} It is important for Nepalese people to stay within or in the close vicinity of Plumstead and Woolwich due to their community ties and social relationships. The interviews indicate that older Nepalese people like sheltered housing and are prepared to accept all types of property, including studio flats, which are often better quality than their current accommodation. However, isolation is a potential problem, and it is important that there are other Nepalese people living nearby. Evidence gathered in interviews supports the

⁵⁷ [Sheltered housing schemes search | Royal Borough of Greenwich](#)

⁵⁸ [Richard Neve House : HousingCare](#)

idea that older Nepalese people settle into sheltered housing more successfully when there are peers living in the same sheltered scheme.

^{6.134} Currently there are no specific schemes/accommodation that are specialist to the Nepalese community. The push towards sheltered accommodation can only be offered to a small proportion of the community, and not everyone has access. This leaves a gap for something more specialist to be developed for the Nepalese community within Greenwich.

^{6.135} If Nepalese people are to remain in the area around Plumstead and Woolwich, and given that there are limited opportunities for developing new sheltered or specialist schemes, the question arises as to whether anything could be provided through refurbishment of existing properties in the area. The possibility of refurbishing existing properties to provide some kind of shared living specifically for older Nepalese people was discussed. The tentative views of interviewees were that some model of shared living could work. Whilst it would be ideal for residents to have a self-contained flat, a minimum alternative would be for residents to have bedsits with private bathrooms; a shared kitchen and lounge might be acceptable. This model would allow residents to have shared cultures and experiences whilst also living in their own space. It would, of course, be important to consult directly with the Nepalese community before developing such accommodation⁵⁹.

^{6.136} The other alternative to improve the living conditions of Nepalese people is to deal directly to improve the conditions that they live in. Clearly, this is difficult, or else the Council would have done it already. One insight which could help in identifying individuals who are in need of advice and support is to approach them through The Royal Borough of Greenwich health department. This is based on the idea that Nepalese people are more likely to trust the health department over other statutory agencies. Ideally, a Nepalese health visitor or community nurse could be put in place to administer to individual's health needs, but with a remit to discuss and advise on housing and benefits, or at least to encourage older Nepalese people to approach the benefits surgery or other agency for advice and support.

^{6.137} It is particularly important for Nepalese people to receive advice and support about finance, including rent and benefits, to ensure that resettlement into sheltered or other housing is successful. This is one example that shows the importance of the weekly benefits surgery for Nepalese people, along with advice on benefits for those living in private rented accommodation. The surgery tends to see around 12 to 15 people each week.

Support for the community

^{6.138} The interviews described a close working web of support for older Nepalese people. The Council-run benefits surgery is a key element, but the housing and environmental health teams are also relatively closely involved. The Soldiers', Sailors' & Airmen's Families Association (SSAFA) works close with the Council and, especially, the benefits surgery. They use the same premises as the benefits surgery for some of their work, and provide some interpreters for the benefits surgery. The Council also have interpreters. The health department does not seem to be integrated into this structure, and if Nepalese people are more likely to be trusting of health workers than other authorities, then the health department could play an important part in reaching the community.

^{6.139} SSAFA provides a number of services as detailed in their *SSAFA Greenwich Gurkha Project Outcomes and Statistical Report 2019*. SSAFA aims to help the Nepalese community integrate into the wider community,

⁵⁹ This model is similar in some ways to Abbeyfield Society Independent Living

enhance employability skills, reduce isolation of older people, and increase access to local services. Members help with housing applications for social housing and housing associations, benefit claims, and access to sheltered housing. Their 2019 report stated that SSAFA supported 1,728 clients in getting benefits advice: 49 new arrivals, 984 benefits surgery attendances, and 1,379 non-finance related cases. On top of this, SSAFA runs English language, financial education, social, and other activities for Nepalese people.

^{6.140} We understand that another voluntary organisation, The Community Support and Empowerment Initiative (CESI), also supports the Nepalese community in Greenwich.

Conclusion

^{6.141} Despite there being a support structure of agencies working closely together, the Nepalese community experience considerable problems with poor housing and finance. Culturally, the Nepalese community are particularly hard to reach.

^{6.142} Being pragmatic, it is unlikely that there is a quick or easy solution to the problems experience by Nepalese people. Some ways to begin improving conditions are by encouraging moves into sheltered housing, considering refurbishment of existing properties in Plumstead and Woolwich as shared living, specifically for older Nepalese people, finding ways to improve their existing housing conditions, such as utilising health staff as an intermediary, maintaining and increasing language classes and interpretation, and continuing and developing the use of the benefits surgery as a hub for services to the Nepalese community.

The Jewish Community in Greenwich

^{6.143} The Census 2021 recorded 603 Jewish people living in Greenwich; this is 0.2% of the population. This is lower than the 1.7% Jewish population of London as a whole. There are 28 boroughs with a larger percentage of Jewish residents than Greenwich, and 27 with a larger number than Greenwich (the City of London has a smaller number, but slightly higher percentage than Greenwich). The numbers and percentages of Jewish residents in the boroughs surrounding Greenwich are shown in Figure 72.

Figure 72: Number of Jewish residents recorded in the Census 2021 (Source: Census 2021, Table TS031)

Borough	Number of Jewish residents	Percent of residents who are Jewish
Bexley	217	0.1
Barking and Dagenham	272	0.1
Newham	448	0.1
Greenwich	603	0.2
Bromley	966	0.3
Lewisham	826	0.3
Tower Hamlets	1,341	0.4

^{6.144} Neither Greenwich nor any of the boroughs surrounding Greenwich have a significant number or percent of Jewish residents compared to London as a whole (1.7%) or to the areas which traditionally have large Jewish populations, such as Haringey, Camden, Hackney, and Barnet, as shown in Figure 73.

Figure 73: Largest populations of Jewish residents recorded in the Census 2021 (Source: Census 2021, Table TS031)

Borough	Number of Jewish residents	Percent of residents who are Jewish
Haringey	9,397	3.6
Camden	10,079	4.8
Hackney	17,426	6.7
Barnet	56,616	14.5

^{6.145} Of the 528 Jewish residents in Greenwich, who were recorded in the Census 2021 economic activity question, 335 were in employment, 15 unemployed, 93 retired, and 33 were students, with the remaining 52 having different economic activity status.

^{6.146} Of the 528 Jewish residents who were recorded in the Census 2021 National Statistics Socio-economic Classification (NS-SEC) analysis, 321 were recorded as either Higher or Lower managerial, administrative and professional occupations (levels L1 to L6).

^{6.147} In conclusion, the profile of the Jewish population of Greenwich is of a small population, with most being in employment in professional occupations or retired and a smaller number of students. Given this broad picture, there is no evidence of significant deprivation in the Jewish community, though there may be individual cases. This analysis does not shed light on the possibility of housing need amongst the retired Jewish population, but they will be counted within the overall need for older persons assessment in this report.

Children in Need of Social Services Care

^{6.148} A ministerial statement in May 2023 stressed the importance of providing accommodation for looked after children⁶⁰. 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.*”

^{6.149} The Royal Borough of Greenwich looked after children *Sufficiency, Commissioning and Stability Strategy 2023 – 2026*⁶¹ (the Sufficiency Strategy) notes that it is difficult for local authorities to forecast and plan for future provision:

“A review of all available local authority Sufficiency Strategies in England in March 2023 identified difficulties in forecasting and planning for future provision which impacts effective market shaping. This also noted a wide variation in commissioning responses, many of which are untested.”

^{6.150} The Sufficiency Strategy records that in March 2023 there were 129 Royal Borough of Greenwich children placed in Royal Greenwich, compared to 330 who were placed outside of the Royal Borough and 169 other local authority children placed in Royal Greenwich. Of the 330 placed outside Greenwich, around 36% are in other boroughs more than 20 miles away.

^{6.151} It might be beneficial to lower the number of children who are placed more than 20 miles from home and the number from other boroughs who are placed in Greenwich. However, it is essential that any planning takes place in discussion with children’s social care, who will be able to advise on each child’s best interest. Also, discussions with other London boroughs will be required to assess the feasibility of returning children into their social services care.

^{6.152} Interpreting the ministerial statement of May 2023 in an inclusive sense would also include assessing the need for young people leaving care.

^{6.153} Taking the average of reported numbers on 31st March 2022 and 2024⁶² shows that 221 young people out of 260 who were looked after when aged 16, and are currently aged 19 to 21, were living in suitable rented affordable accommodation. This suggests that around 70 to 80 places (221/3 years from 19-21 years) are required for young people leaving care each year in rented affordable housing. We have less information on those not in affordable rented housing, but many will have moved out of the area or may have moved in with other households. This need is counted within the overall need for affordable rented housing in Figure 47. However, what counts as suitable accommodation will depend on individual circumstances, so some of the need could potentially be met in the private sector. 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.

⁶⁰ <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

⁶¹ [Looked after children placement sufficiency and commissioning strategy | Royal Borough of Greenwich](#)

⁶² [Browse our open data, Data catalogue – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#) Data for the previous three years is incomplete and may not include the effects of recent changes in policy, measuring and social factors

Figure 74: The number and percentage of young people who were previously looked after and were suitably housed - average of 2021/22 and 2023/24 (Source: RB Greenwich reporting to DfE)

Young people who are suitably housed	
% of young people aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	85%
Number of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	221/260

Build to Rent

- ^{6.154} As noted in Chapter 4, another housing option that could be made available in Royal Greenwich 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. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. 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 2024 (Glossary)

- ^{6.155} Build to Rent can be seen as a potential solution for those who are seeking to remain in the private rented sector as a long-term tenure choice, rather than move on to owner occupation. ORS have recently completed a study of Build to Rent in Bath and North East Somerset, which showed that the weekly rental cost was similar to other properties in the area, but that property sizes typically had fewer square metres of space.
- ^{6.156} This accords with the evidence that Build to Rent is typically a more expensive, but higher quality private rent option. Build to Rent tends to have longer tenancy agreements and greater flexibility in the use of properties.
- ^{6.157} The government is currently seeking to reform pension funds to encourage them to make longer-term investments, which could include properties such as Build to Rent. Therefore, far more Build to Rent is likely to be delivered in the future. To date, 129 Build to Rent units have been delivered in Greenwich, so it is currently a very small share of the total market, but it is expected to grow in size.
- ^{6.158} As shown in Figure 75, which is a repeat of Figure 39, 28.8% of those currently in the private rented sector expect to remain in that tenure as a long-term option. In 2021, there were 29,327 households privately renting in Greenwich. When excluding the approximately 5,000 households who currently claim housing benefit, this would leave around 7,500 households who are currently paying their rent in full in Greenwich who expect to remain privately renting in the long-term.

Figure 75: (Repeat of Figure 39) Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	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%
Rented Affordable	18.1%	1.8%	1.9%	77.0%	1.1%

- ^{6.159} A figure of 7,500 Build to Rent units being required in Greenwich is a top end estimate, but it is consistent with recent trends for Build to Rent delivery. Savills produce a quarterly review of the Build to Rent market⁶³. This shows that in 2023, nearly 20,000 Build to Rent units were completed nationally, with a strong focus on London, and another 50,000 are under construction and 54,000 with detailed permission. This is around 10% of the delivery of all new dwellings, and it is likely to rise in future years.

⁶³ [Savills UK | UK Build to Rent Market Update – Q3 2024](#)

Houses in Multiple Occupation

^{6.160} Where three or more people in two or more households live in the same dwelling (for example, a group of adults sharing a house), this is considered to be a “House in Multiple Occupation” (HMO). Furthermore, a category of sub-divided dwellings known as S257 HMOs also count as HMOs, as described below.

^{6.161} HMOs can be sub-divided into several broad groups, depending on precisely how the property has been sub-divided and the level of shared access to amenities, such as:

- » A S257 building – Converted flats in a building where more than a third of the flats are privately rented, let on short-term tenancies, and the building conversion does not comply with 1991 (or later) building regulations.
- » Shared houses – A dwelling that might otherwise be a family home being shared by three or more un-related adults.
- » A Bedsit – A dwelling that has been converted for multiple occupation with individual rooms having some facilities of their own, often a specified address (room number), and where there is still common parts and some shared amenities in the building.

^{6.162} The Housing Act 2004 defines HMOs as containing 5 or more persons and at least 2 households as being mandatorily licensable anywhere in England. These properties do not require specific local licensing policies, and for these HMOs there is an obligation on the landlord to apply to the local authority where the HMO is located for a licence. Therefore, local authorities must be in a position to manage the application for licences.

^{6.163} Local authorities can also introduce locally specific policies, in the form of additional licensing, which encompasses a wider variety of HMO to include those that contain at least 2 households.

^{6.164} The Census 2021 identifies properties which it considers to be HMOs. However, the data identifies a total of 1201 dwellings in total, which clearly is too low for Greenwich, particularly as 526 of these are flats. We have set out this data below, but consider that it should be disregarded.

Figure 76: Number of Households in Greenwich by Property Type 2021 (Source: UK Census of Population)

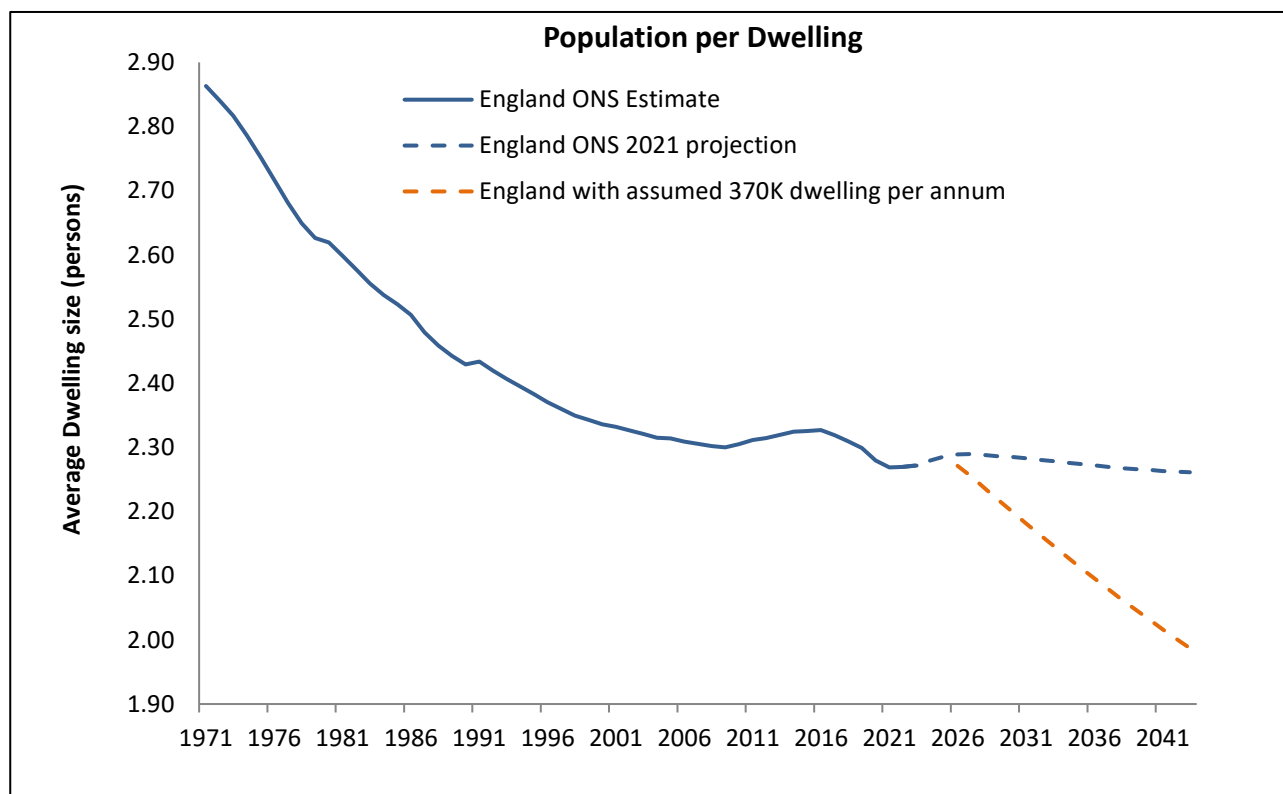
	Number of HMOs
Detached	124
Semi-detached	211
Terraced	340
Flat or maisonette	526
Caravan or other	0
TOTAL	1,201

^{6.165} Royal Greenwich’s own records indicate a total of around 2,400 properties which are either licenced HMOs or have applied to be licenced. Therefore, around 2% of the dwelling stock is licenced HMOs.

^{6.166} In terms of the future need for HMOs in Royal Greenwich, a key point to note is that the government is seeking to deliver a total of 370,000 new homes per annum. The outcome of this for England is shown in Figure 77. This shows that if current household projections were to continue, with around 200,000 dwellings per annum being delivered, then average household sizes will not change by 2043. Therefore, there is a strong case for building more than 200,000 dwellings per annum.

^{6.167} However, if 370,000 dwellings per annum were delivered, household sizes would fall below 2 per household in 2042, unless second home and vacancy rates increase. This in turn would imply that, on average, there will be fewer than 1.5 adults aged over 18 years per household, so over 50% of households would contain a single adult. Currently, 37% of households contain a single adult, so this would be a very large increase, and would also imply that almost all HMOs would disappear.

Figure 77: Average Household Size for England 1971 to 2043 (Source: ONS MYE and Population and Household Projections)



^{6.168} Therefore, if very high rates of dwelling delivery occur, the need for HMOs in Royal Greenwich is likely to fall. However, based on current trends, Figure 10 shows a projected growth in 'Other' households in Royal Greenwich of 7,500 in the period 2022-2037. Not all of these households will be in the form of HMOs because many will be form of multi-generation households, including children living at home with their parents. However, around 3,200 have a head of household aged under 45 years, so many of these will be in the type of household that occupies HMOs.

^{6.169} Therefore, unless dwelling delivery increases across not just Royal Greenwich, but the whole of London and England, there is likely to be a growing demand for HMO type accommodation in the next 15 years in Royal Greenwich of 2,000-3,000 units. However, some of this may be met by delivering alternative accommodation, such as Co-Housing and studio apartments, as discussed below.

Studio Apartments

^{6.170} A studio apartment can be defined as:

“an apartment with only one room, a bathroom, and a kitchen area”⁶⁴

^{6.171} Figure 47 identifies a need for around 8,500 one-bedroom properties in Royal Greenwich over the period 2022-37, including 3,250 Social Rented properties. This assumes that there is continuation of household formation trends in the Borough, with some of the need being for older persons. However, the total need for older persons accommodation is only 1,200 dwellings, so over 7,300 of the total need is for non-older person accommodation, and this would include any studio apartments delivered.

^{6.172} A studio apartment is not an ideal long-term solution for most households, but it does represent a usable accommodation option for many newly forming households. As also noted in Chapter 3, changes to letting policies make it less likely that single persons aged under 35 years will be allocated to a one-bedroom Social Rented property.

^{6.173} As noted in Chapter 1, the Greater London SHMA 2017 sets out a need for around 1/3 of all need in London to be one-bedroom Low-Cost Rent. Meanwhile, Figure 34 of this current report sets out that 34% of all newly forming households will require affordable housing.

^{6.174} The demographic data for Royal Greenwich shows that the numbers of single person households aged under 35 years are projected to rise by 2,670 in the period to 2037 (Figure 10). Therefore, if 34% of this group require affordable housing, that would imply a need for 900 dwellings for them to occupy. Some of this need would be met from the existing stock, but given the current benefit claim rules, much of the rest would need to be in the form of studio apartments. Therefore, there is a need for affordable studio apartments for up to 500 households based on current trends. This would also be consistent with both the London Plan and the government's objective to deliver 370,000 dwellings per annum to allow more households to form.

^{6.175} In the market sector, there is need for 3,000 market dwellings for non-older persons. Again, studio apartments would not be suitable for all households, but they could meet a segment of the need which would otherwise be met by HMOs or Co-Housing, as discussed below. The ONS estimate the median cost of a studio apartment in London to be £1,000 per month⁶⁵. By the same measure, a 3-bedroom property is around £1,950 per month, so if this was split three ways as a HMO, the cost would be £650 per month. Therefore, there is currently a very large difference in costs between studio apartments and HMOs.

^{6.176} Again, if the current government's objectives are to be met, there will be a very large step up in the need for market studio apartments, forming part of a much higher overall dwelling delivery number to allow younger households to form as separate households not within HMOs. This would amount to 5,000-6,000 properties just in Royal Greenwich, in practice, but as part of a dwelling delivery target well above the current London Plan capacity target. Therefore, there will be a need for at least 1,000 studio apartments in Royal Greenwich to maintain current trends, but delivering more studio apartments could help to deliver government policy objectives and reduce the use of HMOs.

⁶⁴ <https://dictionary.cambridge.org/dictionary/english/studio-apartment>

⁶⁵ [Private rental market summary statistics in England - Office for National Statistics](#)

Co-Housing/Co-Living

^{6.177} As noted above, one type of dwelling which may be seen as addressing the needs of younger households is shared housing with small purpose-built units with shared amenity spaces. These are high-quality, purpose-built Co-housing/Co-living 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”⁶⁶

^{6.178} Whilst more specifically, the definition of Co-housing that we use is:

“the practice of living with other people in a group of homes that include some shared facilities”⁶⁷

^{6.179} 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 as noted in the definition below:

“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”⁶⁸.

^{6.180} The growth of co-living schemes has followed the growth of Build to Rent. Savills produced a report in 2023⁶⁹ which outlines that there were 3,422 Co-living beds operational in the UK, with 82% of these being in London and over 6,000 under construction or with planning permission in London. Therefore, it is a very small current sector, accounting for less than 0.1% of London’s housing stock; however, it is a growing sector, with the current pipeline with planning permission lifting supply to 0.3% of the housing stock for London.

^{6.181} 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 generally provides accommodation for single-person households who cannot, or choose not to, live in self-contained homes or HMOs. This accommodation type may be used on a transitional basis until residents find suitable longer-term housing. Whilst LSPBSL provides an additional housing option for some people, due to the unique offer of this accommodation type it does not meet minimum housing standards and is therefore not considered to meet the ongoing needs of households in London.”⁷⁰

^{6.182} Savills report that typical tenancies are around 9-12 months, with a maximum stay typically being three years, with many residents having recently moved to the UK. Therefore, Co-living is not going to become a long-term solution to meeting market housing needs. The only age restriction on most Co-living schemes is that the person must be over 18 years old, but evidence shows 72% are aged between 26 and 40 years⁷¹. Therefore, as a policy led response to the increasing lack of housing for younger people in the area, the

⁶⁶ http://www.cih.org/resources/PDF/Wales%20Events/older_peoples_housing/Jon%20Stevens.pdf

⁶⁷ <https://dictionary.cambridge.org/dictionary/english/co-living>

⁶⁸ <https://en.wikipedia.org/wiki/Coliving>

⁶⁹ [Savills UK | Spotlight: UK Co-living - Q2 2023](#)

⁷⁰ [Large-scale purpose-built shared living London Plan Guidance - Feb 24](#)

⁷¹ [Insights into co-living tenant profiles - BTR News](#)

schemes could have a role in short term housing for groups, such as recent graduates, looking to establish themselves in Royal Greenwich as an alternative to living in HMOs.

^{6.183} As set out in Figure 7 there are projected to be around 55,500 persons aged 25-34 years living in Greenwich in 2037. Figure 10 shows that around 35,000 of these will be heading households as either single persons or as part of a couple. Therefore, around 20,000 will be either living in other household grouping such as HMOs, or will not be registering as a household because they are living at home with their parents. As noted earlier, if the government were to deliver 370,000 dwellings per annum, this would see a sharp drop in the number of households sharing or living with their families. Co-living schemes could be part of the market sector solution to allow younger households to form, particularly when they first move to an area.

^{6.184} At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of households (as set out in the HMO section). It may be that dwellings are currently being built as family housing but are being occupied by sharing young households. However, Article 4 directions limit the conversion of family housing into HMOs⁷². 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 as to whether purpose built Co-living schemes would have a place in a market where there is sufficient alternative single person or couple accommodation meeting 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 in one form or another. Looking to the longer term, Co-living is not self-contained and cannot easily be repurposed for other tenures that would address broader needs.

^{6.185} The evidence from the rest of London produced by Savills is that schemes of 300-360 beds are taking between 3-6 months to be fully leased, so demand clearly exists.

^{6.186} In conclusion, it is difficult to project a need for Co-housing schemes because it may be the case that many young people prefer to share and save for their own property, rather than have their own more expensive separate unit. Others may be seeking long-term rented options through products such as Build to Rent, whilst LSPBSL provides short term, rather than permanent, housing. Therefore, as with any active policy, there is a risk of an over-supply of LSPBSL, but schemes of 300 plus beds have been successfully let in other parts of London. The potential demand for Co-living schemes in Greenwich is an unknown due to the lack of existing supply, but the evidence from elsewhere is that the market could absorb at least 500 beds in Royal Greenwich, and this would help to expand the dwelling delivery in Greenwich above the London Plan capacity target figure. There is also potential overlap with student accommodation, with Co-living schemes having the potential to be re-purposed in the future as student housing, and vice versa. This minimises the risks from an oversupply of either type of accommodation.

⁷² Article 4 of the Town and Country Planning (General Permitted Development) Order 2015

Live/Work Units

- ^{6.187} Live/work describes properties which are designed to be both living accommodation, but also a work space for professional needs. Live/Work units are often ideal for people such as artists, photographers, filmmakers, designers and other people who are seeking to work from home but cannot work in a normal house.
- ^{6.188} Many of the existing developments are loft style properties delivered within warehouse conversions. These allow for small scale creative industry operations to be combined with a living space, so the occupier does not have to make use of a separate workspace.
- ^{6.189} Live/Work units are a relatively new concept. Their funding was supported by the 2016-2021 London Affordable Housing Programme, but no records of the number which were granted funding were recorded⁷³. In effect, Live/Work units are a small sub-sector of the total need for employment land. On this basis, identifying a specific demand for Live/Work units is very difficult. They are a locationally specific development, which suits schemes such as warehouse redevelopments. Given the existence in Royal Greenwich of potentially suitable locations, Live/Work units may provide a small contribution to both housing and employment needs, but are unlikely to lead to a significant contribution to either need.

⁷³ [Live-work units](#)

Service Families

- ^{6.190} Paragraph 63 of the 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 of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children²⁶; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers²⁷; people who rent their homes and people wishing to commission or build their own homes²

National Planning Policy Framework December 2024, Paragraph 63

- ^{6.191} Royal Greenwich has a long association with the military. Whilst the former Military Academy and Royal Arsenal have both been redeveloped, there is also the currently occupied Woolwich Barracks, as well as existing clusters of service family accommodation around Woolwich Common.
- ^{6.192} Ministry of Defence (MoD) annual location statistics⁷⁴ show that the number of MoD personnel stationed in Royal Greenwich has been very stable. Unless any further significant changes are planned, the needs of service personnel will not impact the identified housing needs for Royal Greenwich.

Figure 78: MoD personnel in Royal Greenwich 2014-2024 (Source: MoD Annual location statistics 2024)

Royal Greenwich		Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018	Apr 2019	Apr 2020	Apr 2021	Apr 2022	Apr 2023	Apr 2024
Military	Officers	50	50	60	60	60	60	60	70	70	60	60
	Other Ranks	670	720	740	740	710	710	680	710	720	710	680
	Total	730	770	800	800	770	770	740	780	790	770	740
Civilians	Non Industrial	80	70	60	70	70	70	70	80	80	80	80
	Industrial	30	30	20	30	30	30	30	30	30	30	20
	Trading Funds	10	0	0	0	0	0	0	0	0	0	0
	Total	120	100	90	100	100	110	110	110	110	100	100
Grand Total		840	870	880	900	880	880	840	890	900	880	840

- ^{6.193} Government statistical returns for 2022-23 show that Greenwich has a housing waiting list of 22,405 households⁷⁵. Of these, only four service families are recorded on the waiting list. There are currently two households waiting for a 1 bed and two waiting for a 2 bed.
- ^{6.194} The 2021 Census recorded 3,186 residents aged 16 or over who had served in the regular armed forces, compared to 229,747 residents aged 16 or over; this is 1.4% of the population.
- ^{6.195} The average for London boroughs is 0.9% having served in the armed forces, with Bromley (1.7%), Havering (1.7%), and Bexley (1.8%) having the highest percentage. The main conclusion that can be taken from this data is that it would be useful for Greenwich to record veterans on their housing application form.

⁷⁴ <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2024>

⁷⁵ [Local Authority Housing Statistics data returns for 2022 to 2023 - GOV.UK](#)

Student Housing

^{6.196} 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

^{6.197} Royal Greenwich has only one major campus belonging to the University of Greenwich, but also contains University of Ravensbourne and the Trinity Laban conservatoire. However, the nature of the transport network in London implies that students can study in one borough but live elsewhere. The 2021 Census shows a lack of students in the term-time, which can be contextually explained as an impact of the pandemic. The 2011 Census showed that there were 693 students that privately rented households, which is a relatively small number, but unsurprising given rental costs in Royal Greenwich. A further 1,824 students lived in communal education establishments. Therefore, there are many existing students living in the area. Across the whole of London, it is estimated that there are around 91,000 PSBA bedspaces and around 350,000 full-time students. Therefore, Royal Greenwich provides around 2% of the total purpose-built student accommodation (PBSA) capacity and contains around 1.5% of the students within Greater London.

^{6.198} Royal Greenwich provides us with details of recent planning applications involving PSBA from 2019-2023. This includes one newly built scheme for 61 bedspaces, approved schemes under construction for 299 and 414 bedspaces, and a newly approved scheme. Therefore, Royal Greenwich has not been a location where PSBA has seen a significant focus to date, but there is clearly some potential for the market to expand.

^{6.199} In the London Plan, Policy H15 considers the need for 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 providers' estates. If Royal Greenwich was to continue to provide for 1.5%-2% of all students in London, this would equate to around 50-70 PSBA per annum, so the schemes currently under construction would meet 10 to 14 years of the demand. Therefore, there is a very limited need for additional student housing in Greenwich.

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 identified⁷⁸. 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

^{6.200} The Greater London SHMA 2017 assumes that 2.5 additional bedspaces equate to the provision of 1 additional dwelling, which is in line with the Housing Delivery Test guidance, and there is no reason to diverge from this for Royal Greenwich.

People Wishing to Build their Own Homes

- ^{6.201} Planning practice guidance requires that people wishing to build their own homes are considered, and it 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

- ^{6.202} Over half of the population (53%) say that they would consider building their own home⁷⁶ (either directly or using the services of architects and contractors); but it is likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK⁷⁷, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.

February 2021 Policy Update

- ^{6.203} In February 2021, the Government updated Planning Practice Guidance in the form of self-build and custom housebuilding⁷⁸. 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:

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.

⁷⁶ Building Societies Association Survey of 2,051 UK consumers 2011

⁷⁷ Self-build and custom build housing (England) House of Commons Brief Paper March 2017

⁷⁸ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](#)

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

- ^{6.204} 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 property is already designed but construction has not 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.
- ^{6.205} Alongside the updated guidance, the 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 households can appear on more than one 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.
- ^{6.206} 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 the 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

^{6.207} 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 the 31st of October until the 30th of October in the following year; 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.

^{6.208} 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 Local Housing Needs 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

- ^{6.209} The guidance is clear that planning authorities should meet the demand for plots from their register, but also that they should consider a different level of provision if it is clear that there is a demand for this.

Evidence for Royal Greenwich

- ^{6.210} Royal Greenwich has put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding register. There is a local connection test for inclusion on the register, with exception for recent members of the armed forces⁷⁹.
- ^{6.211} Figure 79 shows that, as of October 2023, Royal Greenwich has begun delivering a higher rate of self and custom housebuilding plots from 2021/22 onwards, whilst no one has joined the register in this time. This is against the whole register, with a surplus against the numbers joining Part 1 of the register, which planning decision are to be judged against.

Figure 79: Self-build and Custom Housebuilding Register and Plot Provision for Royal Greenwich (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	Oct 2022 – Oct 2023
New applicants on the register: Total	21	82	88	57	48	16	0	0
CIL monitoring – number of new self and custom housebuilding exemptions issued	*	0	2	4	4	1	20	16

- ^{6.212} Self and custom housebuilding need is monitored on an ongoing basis with a legal duty to provide enough plots to meet demand. Royal Greenwich should continue to provide sufficient plots to meet the need from Part 1 of their register.

⁷⁹ [https://www.Royal Greenwich.gov.uk/planning-policy/self-build-custom-house-building-register/2](https://www.RoyalGreenwich.gov.uk/planning-policy/self-build-custom-house-building-register/2)

Essential Local Workers

^{6.213} Annex 2 of the NPPF 2024 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 such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.

NPPF 2024 – Annex 2

^{6.214} 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.

^{6.215} 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.

^{6.216} As evidence of the scale of potential demand for essential local worker housing, the GLA estimated that the number of Key Workers in London in 2021 as being 1.35 million workers⁸⁰. They estimated that 32.8% of Greenwich's workforce were Key Workers, which is around 30,000 workers. Many will be part of couples, but evidently, the scale of the potential demand for Key Worker housing in Greenwich is enormous.

⁸⁰ [Mayor's new key worker list for priority housing | London City Hall](#)

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 2023

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”⁸¹.

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”⁸²

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).

⁸¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁸² 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.

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.

London Living Rent (LLR) is a rent to buy product which is intended to be affordable for households with incomes up to £60,000. Benchmark London Living Rent levels for every neighbourhood in the capital, are based on costing a third of average local household incomes and updated annually.

Low cost home ownership or Shared ownership is 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 DLUHC)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DLUHC	Department for Levelling Up, Housing and Communities (previously CLG and MHCLG)
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HRR	Household Representative Rates used by CLG/DLUHC in producing their household projections.
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 (now DLUHC)
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	Local Housing Needs Assessment

VOA Valuation Office Agency

Appendix B: Table of Figures

Figure 1 Overall Need for Affordable Housing (including households aspiring to home ownership) and Capacity for Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	9
Figure 2: Annual Local Housing Need for Greenwich in May 2025.	14
Figure 3: Net annualised requirement for new homes in London, 2016 to 2041 (Source: 2017 London Local Housing Needs Assessment: Mayor of London)	15
Figure 4: Flow Chart of the Study	21
Figure 5: Household projections 2022-37 (Source: CLG, ONS, GLA, ORS; Note: All figures presented unrounded for transparency)	24
Figure 6: Average household size estimates and projections for Royal Greenwich for the period 1991-2041 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections, GLA 2020 CC based projections)	25
Figure 7: Population projections 2022-37 by 5-year age cohort for Royal Greenwich (Source: ORS Model)	26
Figure 8: Total projected households in Royal Greenwich for 2022 and 2037 (Note: Figures may not sum due to rounding. Source: ORS Model)	27
Figure 9: Total projected households for 2022 and 2037 by age cohort of household representative (Note: Figures may not sum due to rounding. Source: ORS Model)	27
Figure 10: Total projected households for 2022 and 2037 and change by household type and age of household representative (Note: Figures rounded to nearest 100; All calculations based on unrounded data. Figures may not sum due to rounding. Source: ORS Model)	28
Figure 11: Housing tenure trends for Royal Greenwich (1981 – 2021). Source: UK Census of Population	31
Figure 12: Housing tenure trends for Royal Greenwich (1981 - 2021)	31
Figure 13: Number of Households in Royal Greenwich by Tenure 1981-2021 (Source: UK Census of Population)	32
Figure 14: Under-occupation and Overcrowding 2011-2021 (Source: UK Census of Population)	34
Figure 15: Under-occupation and Overcrowding by Tenure 2021 (Source: UK Census of Population).....	34
Figure 16: Under-occupation and Overcrowding by Property Type 2021 (Source: UK Census of Population)	35
Figure 17: Number of Dwellings in Royal Greenwich by Property Type 2011-2021 (Source: UK Census of Population)	35
Figure 18: Weekly rent thresholds in Royal Greenwich (Source: Valuation Office Agency 2023-24; SDR 2023)	36
Figure 19: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Royal Greenwich (Source: ORS based on Valuation Office Agency data April 2022 to March 2023).....	38
Figure 20: Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)	39
Figure 21: Real House Price Trends: Lower Quartile Prices adjusted to 2021 values using CPI (Source: ONS; Bank of England).....	40
Figure 22: Lower quartile prices (adjusted by CPI) (2021) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	41
Figure 23: Annual income needed for 1 and 2-bedroom properties at lower quartile prices (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).....	42
Figure 24: Annual income thresholds for different housing options, single bedroom and two bedroom (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)	43

Figure 25:	Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week).....	44
Figure 26:	Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in red are above the equivalent median private rent.)	44
Figure 27:	Total weekly costs for First Homes with 50%, 60% and 70% Equity Share (Note: Mortgage costs based on a 30-year repayment mortgage at 5.5% interest. Cells highlighted in green are below lower quartile rent, orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)	45
Figure 28:	Total weekly costs for London Living Rent (Source: GLA London Living Rents 2022/23. Cells highlighted in green are below the lower quartile private rent, cells in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent).....	45
Figure 29:	Comparison of weekly housing costs by property size (Source: Valuation Office Agency and Land Registry Price Paid Data)	47
Figure 30:	Annual Income Required for Different Housing Products (Source: ORS Modelling)	48
Figure 31:	Establishing the need for market and affordable housing	50
Figure 32:	Assessing affordability by household type and age (Source: Census 2021 and DWP)	51
Figure 33:	Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)	53
Figure 34:	Annual change in household numbers in each age cohort by age of HRP in Royal Greenwich (Source: ORS Housing Model)	54
Figure 35:	Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	55
Figure 36:	Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	55
Figure 37:	Annual components of Household Growth 2022-37 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	56
Figure 38:	Annual components of Household Growth 2022-37 (Source: ORS Housing Model)	57
Figure 39:	Percentage of Owner Occupiers by Age Group 2001-2021 (Source: English Housing Survey).....	58
Figure 40:	Long-term aspirations (Source: English Housing Survey 2013/4)	58
Figure 41:	Long-term Tenure Expectation for households in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)	60
Figure 42:	Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)	61
Figure 43:	Assessing total need for affordable housing in Royal Greenwich 2022-2037 (Source: ORS Housing Model)	62
Figure 44:	Affordable homeownership housing mix by household affordability 2022-2037 (Source: ORS Housing Model)	64
Figure 45:	Overall need for Affordable Housing 2022-37, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	64
Figure 46:	Overall need for Affordable Housing 2022-37 (households) disaggregated based on ability to access rented affordable, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	65
Figure 47:	Overall Need for Affordable Housing (including households aspiring to home ownership) and Capacity for Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	68

Figure 48:	Resident population and living arrangements of population aged 65+ living in Royal Greenwich by age and population aged 75+ (Source: 2021 Census)	71
Figure 49:	Resident population living in communal establishments by age (Source: 2021 Census)	71
Figure 50:	Household representative rates by age and household type (Source: 2021 Census)	71
Figure 51:	Existing dwelling stock in Royal Greenwich occupied by households aged 75+ (Source: 2021 Census; Specialist Older Person Housing based on data published by EAC for 2024)	72
Figure 52:	Benchmark Figures for Specialist Older Person Housing	73
Figure 53:	Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review	74
Figure 54:	Tenure splits for 2035 influenced by the affluence/deprivation ratio from the CRESR Model 2017	74
Figure 55:	Existing Specialist Older Person Housing for Royal Greenwich	75
Figure 56:	Projected population aged 75+ (Source: LHNA modelling, ORS)	76
Figure 57:	Modelled Need for Specialist Older Person Housing in Royal Greenwich 2022-2037	77
Figure 58:	Percentage of households containing a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)	80
Figure 59:	Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2022)	81
Figure 60:	Percentage of households with a wheelchair user by type of housing and age of household representative	81
Figure 61:	Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	82
Figure 62:	Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	82
Figure 63:	Fingertips Profiling Indicators for mental health in Greenwich (Source: NHS Digital, Fingertips Profiles - QOF and other OHID data)	84
Figure 64:	Recorded number of people with severe mental illness – Greenwich CCG (Source: QOF SMI register, 2014/15)	85
Figure 65:	Adults aged 18 to 69 in contact with secondary mental health services who live in stable and appropriate accommodation - Greenwich (Source: Fingertips – CPA/CMHF)	85
Figure 66:	Adults with SMI at risk of requiring supported housing of housing with support - Greenwich 2020/21 (NHS Adult Social Care and Outcomes Framework)	85
Figure 67:	Fingertips Learning Disability Profile for Greenwich (Source: NHS Digital, Fingertips Profiles – Department for Education, QOF and other OHID data)	88
Figure 68:	Estimates of Children and Adults with a learning disability or Autism in Greenwich (Source: 2015 national rates for learning difficulties; 2007 Adult Psychiatric Morbidity Survey of Autism Spectrum Disorders)	89
Figure 69:	Adults with a learning disability who live in stable and appropriate accommodation - Greenwich (aged 18+) (Source: Fingertips 2022/23)	89
Figure 70:	Adults with a learning disability at risk of requiring supported housing - Greenwich	89
Figure 71:	Number of Nepali residents recorded in the Census 2021 (Source: Census 2021, Table TS022)	93
Figure 72:	Number of Jewish residents recorded in the Census 2021 (Source: Census 2021, Table TS031)	98
Figure 73:	Largest populations of Jewish residents recorded in the Census 2021 (Source: Census 2021, Table TS031)	98
Figure 74:	The number and percentage of young people who were previously looked after and were suitably housed - average of 2021/22 and 2023/24 (Source: RB Greenwich reporting to DfE)	100
Figure 75:	(Repeat of Figure 39) Long-term aspirations (Source: English Housing Survey 2013/4)	101
Figure 76:	Number of Households in Greenwich by Property Type 2021 (Source: UK Census of Population)	102

Figure 77: Average Household Size for England 1971 to 2043 (Source: ONS MYE and Population and Household Projections)103

Figure 78: MoD personnel in Royal Greenwich 2014-2024 (Source: MoD Annual location statistics 2024).....108

Figure 79: Self-build and Custom Housebuilding Register and Plot Provision for Royal Greenwich (Source: Local Authority Data. Note: * is not recorded).....113