

Conclusions and Policy Implications

Most of Lewisham's housing requirements are being met by its existing stock. If the 6,775 additional homes are delivered over the next 5-years the stock will only increase by around 5.4%. Policy should aim to make best use of the existing stock and consider the priorities for new build homes.

A step change in housing delivery is needed to deliver the extra 12,685 social rented and 2,339 intermediate affordable homes to 2012. Only 1,300 new social rented and 400 intermediate affordable homes have been delivered in the last five years. Less than 20% (326 units) of all affordable housing was delivered through the planning system using Section 106 agreements. The impact of the credit crunch means a substantial increase in affordable housing from the planning system is unlikely for the time being. The estimated overall surplus of market and intermediate affordable housing does not mean that none should be built. It is important that these tenures are increased to support sustainability and social cohesion policy aims. Family homes should be a priority.

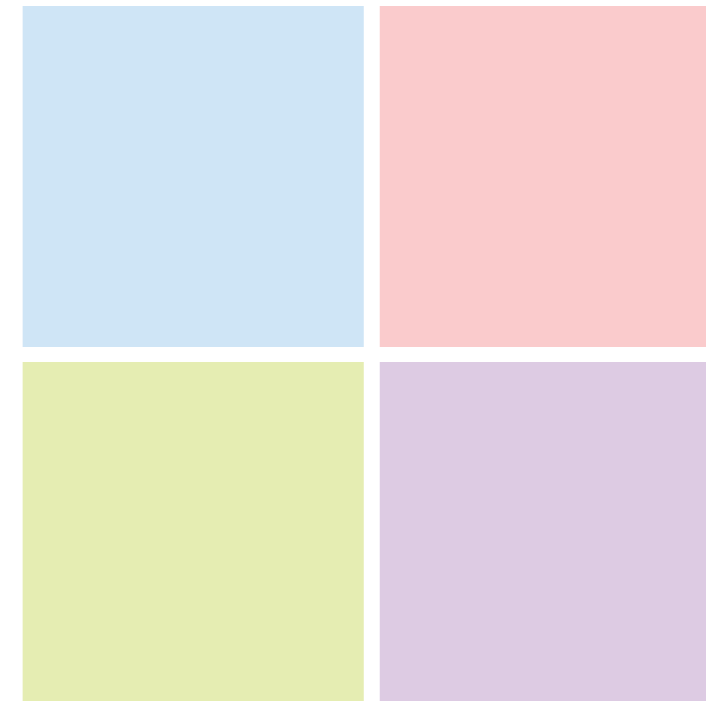
The target market for Intermediate Affordable Housing

merits careful consideration due to its high cost if based upon a shared ownership model relative to the local supply of cheaper private rented housing.

Prioritising the delivery of larger new homes and housing suited to older people may enable families to remain in the area and provide long-term sustainability for local communities. It will also release a supply of smaller homes in keeping with demographic trends. Large households on low income are often in acute housing need and new build social housing scheme design mix should reflect this. Some BME groups are especially likely to be in these circumstances.

In terms of the requirements of Planning Policy Statement 3 paragraph 29, the evidence shows the proportion of affordable housing to represent over 80% of the net housing requirement. A target of 50% affordable housing is clearly justified from the point of housing need. However this must be considered alongside a general assessment of development viability to fully evidence Lewisham's affordable housing policy.

Lewisham Strategic Housing Market Assessment 2007-2008



Executive Summary of Study Findings
November 2009



What is an SHMA and how was it undertaken?

Opinion Research Services (ORS) was commissioned by the London Borough of Lewisham to undertake a Strategic Housing Market Assessment (SHMA). The four other boroughs from the South East London housing sub-region (Bexley, Bromley, Greenwich and

of 1,500 interviews conducted with local households. This information underpinned the housing requirement estimates coupled with secondary data from the UK Census, HM Land Registry, The Office for National Statistics and a range of other sources along with a

A SHMA assesses future housing requirements based upon an understanding of trends affecting the housing market and the factors that drive it.

Southwark) have produced compatible local studies to enable a sub-regional Strategic Housing Market Assessment to be produced.

qualitative consultation programme with a wide range of stakeholders.

The research for Lewisham was based on the analysis

This report is the key findings from the study. More detailed information is provided within the full report.

What factors drive Lewisham's housing market?

Lewisham had a population of 255,700 in 2006. The Greater London Authority estimates that Lewisham's population will increase by 25,300 to 281,000 people between 2006 and 2016. The number of households is estimated to increase from 110,300 in 2006 to between 122,100 and 124,900 by 2016. This is an increase of between 11,800 and 14,600 households. By 2026 the number of households is expected to reach between 128,100 and 134,000.

The estimated population increase is due to the trend of the number of births increasing and the number of deaths declining in recent years. There has also been an increase in net migration to the country since the ten accession countries (A10) joined the EU in May 2004. Other factors in the estimated increase in the number of households are an increasing number of older single person households and the average household size in England reducing from 2.67 in 1981 to an estimated 2.15 in 2021.

Lewisham lost 8% of its population to other parts of England

and Wales between 2000 and 2005. However the population still grew due to international in-migration and the birth rate. Net migration patterns show a flow of people choosing to live in Lewisham from Southwark and leaving Lewisham to live in Bexley, Greenwich and beyond.

The Household Survey found more children 5-14 years, in the Borough than is reflected in the ONS statistics, which may indicate that they are recent migrants. The higher number of young children has implications for development of services in the area, particularly for the provision of school places.

Compared with London as a whole, Lewisham has more people with no qualifications and a lower percentage of people with a degree or above.

35,200 people both live and work in Lewisham. This represents around 31% of all those living in the area

Examples of housing market drivers are demographic changes such as household growth and migration. Other drivers might be household income in relation to housing costs locally and in other housing markets, employment and travel to work options.

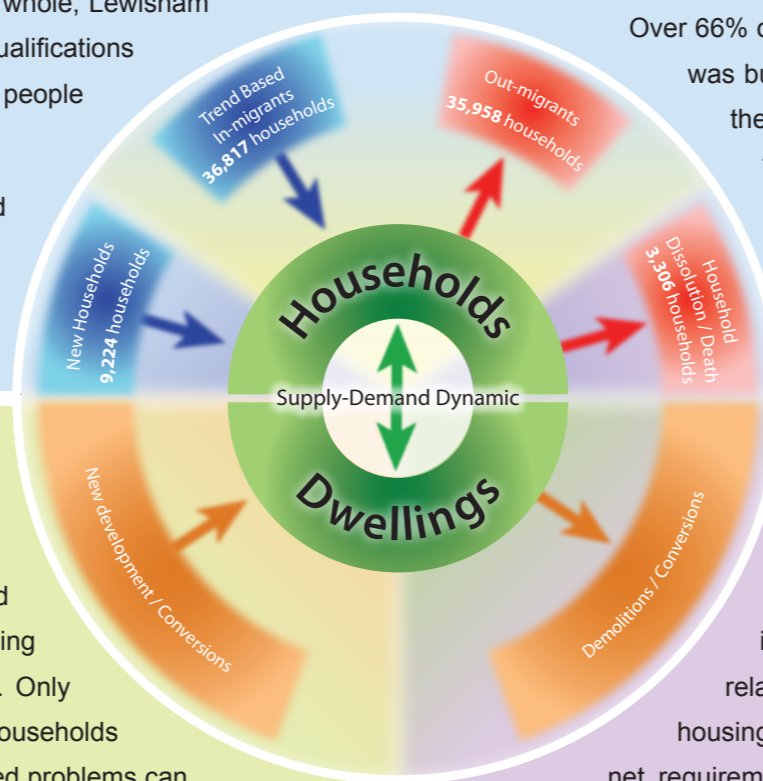
who have a job, and 55% of all those who work in Lewisham. 7% (8,350) of Lewisham residents who have jobs work mainly from home. Most of the travel to work in the area is London based.

There are 115,500 dwellings in Lewisham. 12% are detached or semi-detached, 33% terraced and 55% flats. Over 25% of all dwellings have one bedroom and less than 10% have four bedrooms or more.

There has been a transition from owner occupation to private rent due to increasing house prices and low incomes. Buy-to-let landlords have responded to the growing demand for rented housing for first time individual buyers. Also, many migrant workers and young workers are unable or unwilling to access owner occupation further supporting the private rented sector.

Nearly one in every six households (15.5%) has moved within the last 12 months and a further 11.2% have moved within the last two years in Lewisham. 36% of tenants in private rented housing have lived at their current address for less than a year. 4,500 households were identified as previously living with family or friends so at the time they were forming a new household; most of these (81.8%) went to live in the private rented sector.

Over 66% of the housing stock in Lewisham was built before 1945 and over 70% of the detached, semi-detached and terraced housing was built before 1919. Many of the older houses have been sub-divided to form smaller dwellings.



Local housing affordability and suitability?

23% of households have an income of over £40,000 however 42% of households have an annual income of £15,000 or less due to the high number of households which do not contain any employees. 26% of households in Lewisham claim housing benefit, while 16% of households contain only pensioners. The household survey indicates that these two groups form the majority of households who have household incomes of less than £15,000.

Between 2001 and 2007 property prices in Lewisham rose by 100%. The average price of a property in Lewisham (2007) was approximately 70% of the London average.

Affordability for single first-time buyers has declined sharply

Examples of unsuitability are homes that are considered to be too small, in disrepair or in some way threaten a household from living there in safety and comfort. Housing Need arises when a household lives in unsuitable housing and cannot find suitable housing without financial assistance.

living in unsuitable housing. Around 40% of social rented and private rented housing was found to be unsuitable. Only around one third of these households need to move as the identified problems can be resolved, for example through repairs or adaptations.

11,300 households were identified as overcrowded. 41,850 households are under-occupying their home with more than one spare room.

The total number of claims and acceptances for homelessness has been falling and are currently around 50% lower than

since mid 2003 with fewer than 5% of all sales at less than £100,000 and 85% selling for over £150,000. Large number of households in Lewisham cannot afford market housing whether owned or rented.

Nearly a third of all households (33,900 no.) were assessed as

their 2004 values. The number of households living in temporary accommodation has been rising. There were 2,560 households in temporary accommodation in March 2007 (100% higher than 2003).

What are Lewisham's Housing Requirements likely to be in the future?

The SHMA has identified both shortages and surpluses in Lewisham's housing stock relative to its estimated future housing requirements. There is a 5-year net requirement for 6,800 homes across all tenures over the next 5-years, but this figure includes a complex relationship between different tenures. This is due to a large supply of relatively cheap smaller homes in the private rented sector, and relatively low household incomes. However there is a substantial shortage of social rented

homes. A number of younger 1 and 2 person households will share market housing in order to make it affordable to them.

In terms of the requirements of Planning Policy Statement 3, the evidence shows the proportion of affordable housing to represent over 80% of the required housing. In this context, the level of affordable housing delivery need not be constrained due to lack of need for such housing but instead will be informed by the viability of delivery.

Over the last 5 years, around 4,000 new dwellings were

In terms of the size mix of the affordable housing requirement:

- 17% is for 1 bedroom social rented homes
- 41% is for 2 bedroom homes - 8.3% intermediate affordable and 32.4% social rent
- 18% is for 3 bedroom homes - 7.3% intermediate affordable and 11.3% social rent
- 24% is for 4 bedroom and larger social rented homes.

housing estimated to be 12,700 dwellings in the 5 years to 2012 and 25,400 to 2017. This is for households who cannot reasonably afford anything more than social rent levels.

The requirement for market housing is mostly for 2 bedroom homes and a small requirement for 3 and 4 bedroom

completed across Lewisham (all tenures). Estimated completions for the period 2007-2012 are for 6,400 dwellings and 11,150 for 2012-2017.