6. Housing

The evolution and high intensity of our housing needs and housing supply mirror the rich, vibrant mix of residents living and working in the borough.

Summary

- Tower Hamlets has experienced significant growth in its housing stock increasing by 27 per cent since 2003. There are now 126,000 homes in the borough.

- There has been significant change in the borough’s tenure profile. Around 39 per cent of all households are in private rented accommodation. However, Tower Hamlets continues to have one of the highest levels of social housing in the country, with 36 per cent of all households living in social housing, the 4th highest in the London after Hackney, Southwark and Islington. Only 23 per cent of households are owner occupiers.

- Registered housing providers in Tower Hamlets manage 40,000 homes in the borough.

- In 2017 there were 18,726 households on the housing waiting list, the second highest among London boroughs and eighth highest nationally. Around 37 per cent of households on the housing waiting list are living in over-crowded and 54 per cent are in priority categories 1 and 2.

- Between April 2016 and March 2017 the council’s Housing Options Service made 550 homeless decisions, falling by 18 per cent on the decisions made in 2015/16.

- There has been significant improvement in the quality of the borough’s housing stock. Just 13 per cent of local authority housing is non-decent compared to 52 per cent in 2007/8. Only 19 per cent of the private sector stock failed the decent homes standard compared to 56 per cent nationally.

- Dwellings in the borough are characterised as the ‘youngest’ property types when compared to dwelling ages in other London Boroughs.

- The Draft London Plan, published by the GLA in December 2017, sets Tower Hamlets the second highest housing target in London after Newham. The borough is expected to accommodate an additional 35,110 homes (or 3,511 per annum) by 2029.
Summary (continued):

- Over the last five years Tower Hamlets has seen the fastest housing growth in London. Between 2012/13 and 2016/17 an additional 15,250 homes have been completed in the borough. Tower Hamlets has also delivered the most affordable homes in the Capital.

- Our record levels of housing delivery have resulted in Tower Hamlets being allocated the highest allocation of New Homes Bonus in the country over the last five years.

- Research by the New London Architecture and GL Hearn published in 2016, highlighted that of the 400 tall residential building under construction, with planning permission or proposed for construction in the Capital, 57 (15 per cent) will be accommodated in Tower Hamlets on the Isle of Dogs. Twenty-five residential towers are currently under construction in the borough.

- The average house price in Tower Hamlets is £498,598 in October 2017, an increase of 7.1 per cent over the last year. The average house price in London is £481,102 and in England £240,860.

- Housing delivery over the next decade will be focused in the City Fringe, the Isle of Dogs and the Lower Lea Valley. Phase 1 on the Blackwall Reach regeneration programme has been completed and the second phase is now on site. Phase 2 of the Ocean Estate regeneration programme will provide 225 new homes and is scheduled for completion in 2018.

- The council has set an affordable housing target of 5,500 affordable homes between 2014 and 2018 of which 1,000 will be new council homes. The council is on track to deliver these additional council homes, and so far, homes have been completed at Watts Grove (147 new homes), Bradwell Street, Dame Collet House and Poplar Baths (112 new homes).
**Introduction**

Local housing challenges include a lack of affordable housing, families living in overcrowded conditions and a diminishing supply of council homes. This is set against a backdrop of a heated housing market and the highest new housing target in London.

**Local housing need**

In September 2017 there were 18,276 households on the Tower Hamlets housing register and although numbers have declined year on year since 2008, Tower Hamlets still has the second highest waiting list in London and 8th nationally. More than 10,565 households (58 per cent) on the housing register meet criteria for the most urgent priority categories with 7,017 households are living in overcrowded conditions. BME households make up 78 per cent of households on the housing register which includes 60 per cent of the housing register recorded as Asian, predominantly of Bangladeshi heritage.

Nearly 8,500 homes have been let in the borough over the last 4 years. In 2015/16 58 per cent of homes were let to overcrowded households.

![Figure 6.1: Housing demand by bedroom size, Tower Hamlets Council, 2013 & 2016](image)

**Temporary accommodation**

Local authorities provide temporary accommodation or emergency housing to alleviate crisis housing situations. This includes situations of homelessness and where long term tenancies are not available. Most recent service data shows there are currently 2,188 households living in temporary accommodation of which more than half (1,182 households) are in accommodation outside the borough.

Benchmarking data is available through the Department for Communities and Local Government which shows that the borough had the 12th highest level of households in temporary accommodation among London boroughs in Q4 of 2016/17. The number of households in temporary accommodation has been rising...
over the last five years. Rising rents and welfare changes such as the overall benefit cap have contributed to this rise.

**Supported Housing Needs**

Some of the most vulnerable people in our communities need additional support to live independently. The Supporting People Commissioning Strategy 2011-16 set out local needs and the programmes to support residents with learning difficulties and disabilities, residents with mental health and substance misuse problems, lone parent families, families afflicted by domestic violence, as well as refugees, ex-offenders and vulnerable young people.

The commissioning strategy has looked to shift the focus to greater preventative solutions in the face of trends of growing demands but reduced public finances which make the traditional approaches to providing long term care unsustainable.

There are currently 5,023 supported housing units and known gaps in provision include:

- Lack of appropriate supported housing options for residents with learning disabilities, mental health issues, and ageing residents
- Lack of suitable housing options and provision for those leaving the care system, for teenaged parents, and for young people at risk due to homelessness.

<table>
<thead>
<tr>
<th>Figure 6.2: Identified need - supported housing provision, Tower Hamlets</th>
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</thead>
<tbody>
<tr>
<td><strong>Identified need: supported housing provision by vulnerable client group, numbers of units</strong></td>
</tr>
<tr>
<td>Older people support needs</td>
</tr>
<tr>
<td>Single Homeless, Rough sleepers, Ex-offenders</td>
</tr>
<tr>
<td>Generic, Homeless Family Support needs</td>
</tr>
<tr>
<td>Mental Health needs</td>
</tr>
<tr>
<td>Frail / elderly</td>
</tr>
<tr>
<td>Young people at risk, leaving care, teenage mothers</td>
</tr>
<tr>
<td>Substance Misuse Services</td>
</tr>
<tr>
<td>Domestic Violence</td>
</tr>
<tr>
<td>Learning disabilities</td>
</tr>
<tr>
<td>Physical/Sensory Disabilities, &amp; HIV/AIDS</td>
</tr>
<tr>
<td>Refugees</td>
</tr>
</tbody>
</table>

*Source: Tower Hamlets Council, Housing Evidence Review 2016*

**Disabled households**

The Housing Needs Survey carried out as part of the wider Strategic Housing Market Needs Assessment in 2014 estimated that that there are approximately 20,293 households in the borough that contain at least one household member with a
disability or limiting long term illness, and that 1.7 per cent of households said that they have a support need.

Results from the survey also provided an indication of the extent to which homes have been adapted to meet the needs of disabled residents. Around 10.5 per cent of households said that their home had been adapted to meet the needs of a household member who is disabled. The Council delivers a statutory Disabled Facilities Grant programme carrying out work to over 300 homes per year for disabled residents.

**Older residents**
The borough has the smallest proportion 6 per cent (18,300) of people over 65 across all London Boroughs. This will however continue to increase in line with overall population growth expectations which suggest that there will be 22,900 residents over the age of 65 by 2025. Our analysis also shows that compared to the regional and national averages up to 69 per cent of older residents are living in social housing.

The council’s Ageing Well strategy identifies a range of specific challenges for older residents including loneliness, isolation, social exclusion and high levels of poverty among older residents (49 per cent of older people in Tower Hamlets live in income deprived homes), poorer levels of health among our older residents, shorter life expectancy and higher propensity to fall ill at earlier ages in the borough when compared to London and England equivalent data.

The Older People’s Needs Assessment undertaken in supports the council’s approach, set out in the Older People Housing Statement. It provides a detailed assessment of the special housing needs of our older residents. Research by the GLA to inform the policy approach of the new Draft Local Plan identifies that in London between 2017 and 2029 there will be demand for 4,000 specialist older persons units per annum. Tower Hamlets has an indicative target of 45 per annum.

**Under-occupancy**
Welfare Reforms in 2013 introduced reductions to benefits (LHA) of working age social tenants if their home was considered to be too large for their household needs. The Common Housing Register in 2016 identified 902 under-occupied households, households who have expressed an interest in downsizing. They were mostly older tenants. The Council has agreed an action plan in order to encourage and assist people who are under occupying to consider moving to more suitable properties.

**Homelessness**
In 2016/17 the Housing Options Team made 550 homeless decisions, this is 16 per cent lower than the number of decisions made in 2015/16. Of the 550 homeless decisions made 450 were accepted as homeless.
The top three reasons for homelessness were:

- The end of Assured Short Term tenancies, or loss of ability to stay with parents and other family and friends.
- The ending of an assured short hold tenancy has become the primary reason for homelessness in Tower Hamlets with 2015 data showing 199 households were affected in this way. In 2012/13 this figure was 93 households.
- ‘Parental ejection’ and ‘Ejection by other family relative or friend’ emerge as second and third most frequent causes of homelessness in Tower Hamlets, (114 and 113 occurrences respectively). 6

There has been a similar growth in levels of homelessness attributed to a loss of an assured short term tenancy across London. Of the 19,170 households accepted as homeless in the Capital in 2015/16, 41 per cent (8,060) households) for this reason. 7

Homelessness in Tower Hamlets disproportionately affects ethnic minority households. Applications from Asian households number 162 or equal 57 per cent of all homelessness applications received by Tower Hamlets between January and June 2017. Black households are particularly disproportionally affected accounting for 19 per cent of all acceptances but only make up & per cent of the borough’s population.8

Homelessness in Tower Hamlets disproportionately affects younger age groups, with 386 or 84 per cent of homelessness acceptances in 2016/17 from 16-44 year olds.9 Overall 90 per cent of all acceptances are from households with dependent children and 45 per cent (213) of acceptances are for female lone parents with dependent children. Couples with dependent children form the second largest proportion of homeless applicant households, numbering 85 families of this type in 2017.
The 2017 Homelessness Reduction Act will come into force in April 2018 and will impose new duties on the Council to assess, prevent and relieve homelessness. In summary the new duties will:

- Require local authorities to provide information and advice about homelessness and the prevention of homelessness;
- Extend the period threatened with homelessness from 28 days to 56 days;
- Introduce new duties to prevent and relieve homelessness for all eligible people regardless of their priority of need and intentionality;
- Introduce assessments and personalised housing plans, setting out the actions housing authorities and individuals will take to a secure accommodation; and
- Encourage public authorities to notify the local housing authority of the homelessness or threatened homelessness of an individual (with their consent) and to provide contact details of the person.

The Council will receive additional funding from central government to meet these duties and has recruited staff and carried provided training for staff in order to meet the new demands.

**Rough Sleepers**

Multi-agency data from Combined Homelessness and Information Network (CHAIN) shows the number of people seen rough sleeping in the borough has increased by 13 per cent from 395 in 2015/16 to 445 in 2016/17. Around 58 per cent (258) people seen rough sleeping were identified as ‘new’ rough sleepers.

Tower Hamlets has the third highest number of rough sleepers in the Capital after Westminster (2,767) and Camden (702).

Rough Sleepers are predominantly male, 83 per cent in 2016/17. Six in ten were UK Nationals and almost one quarter (24 per cent) were European nationals. By
ethnicity, one third of rough sleepers were White British, 20 per cent were from the White ‘Other’ group, 12 per cent were Black African and 12 per cent were Bangladeshi.

The main causes of homelessness cited by new rough sleepers were loss of long term accommodation (47 per cent) that included 23 per cent from privately rented accommodation and 11 per cent who had lost social housing tenancies.

**Housing tenure**
There has been a significant change in the borough’s tenure profile over the last two decades, with the private rented sector growing the fastest. Between 2001 and 2011 the number of households living in private rented accommodation increased by 152 per cent, from 17 per cent to 33 per cent. This growth is in the private rented sector has been mirrored both regionally and nationally. Our records show that this trend has continued and estimates based on our Council Tax records for 2017 suggest the sector now accounts for 39% of the housing in the borough.

<table>
<thead>
<tr>
<th>Year</th>
<th>Owner occupied</th>
<th>Social rented</th>
<th>Private rented</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>29%</td>
<td>53%</td>
<td>17%</td>
</tr>
<tr>
<td>2011</td>
<td>27%</td>
<td>40%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: 2001 Census (Standard table T08); 2011 Census (Table QS405EW).
Notes: Owner Occupied includes shared ownership.

At its peak Tower Hamlets, as a council, owned 86 per cent of housing stock in the borough in 1981, latest data indicates 11 per cent of accommodation stock is now council owned. Together with the housing stock managed by registered providers/housing associations, less than half of the borough’s housing stock is social housing.

Right-to-buy (RTB) has also had an impact on the social housing stock both nationally and locally. In total an estimated 1.8 million council properties have been sold under the RTB policy since its inception in the 1980s. Approximately 14,227 properties in Tower Hamlets have been sold under the right to buy scheme, fourth highest among London boroughs and half of this stock is now rented ‘privately’. The council re-launched its ‘buy back’ programme in 2016 which targets owners of ex-council properties currently managed by Tower Hamlets homes. The buy-back properties are being made available to let to local residents and is reversing the loss of much needed social housing.
Although the proportion of social rented households in the borough has fallen to 36 per cent, Tower Hamlets still has the 4th highest proportion social housing stock of all London boroughs behind Hackney, Southwark and Islington.12

Over 30,000 homes, 72 per cent of the borough’s social housing stock, are managed by registered providers operating in the borough. This is approximately 27.8 per cent of the borough’s overall housing stock. Tower Hamlets Homes, the arms-length management organisation or ALMO created in 2008 to manage council owned stock, manages 21,000 council owned properties, made up of 9,000 leasehold homes and 12,000 tenanted homes. Following the increased financial incentives introduced in 2011 to the Right to Buy regulations, the number of tenanted homes has now decreased to around 10,500. It is estimated that at least 50 per cent of all ex council tenanted homes are now rented privately, many to sharing households.

Poplar HARCA, Old Ford, One Housing Group, East End Homes and Tower Hamlets Community Housing are among the five largest registered housing providers, after Tower Hamlets Homes.

Tower Hamlets has the second lowest proportion of owner occupied households in the country with only 25 per cent of household owning their own homes.

**Housing stock**

Between 2001 and 2011, the number of homes in the borough increased by 28 per cent 80,230 to 103,500. There are now 126,000 dwellings in the borough, much of which is characteristically modern and newly built when compared to many other London boroughs. In particular Tower Hamlets and London boroughs to the east; including Newham, Greenwich and Bexley, stand out as boroughs with dwellings built after 1945 in particular.13 Inner London boroughs are characterised by dwellings built before the 1900s, but also host additional dwellings built over a range of later but differing time scales. Tower Hamlets along with aspects within the City of London stand out with substantial numbers of dwellings built between 2000-2009 and 2010-2016.14

By contrast to London and England just over four-fifths of the borough’s housing stock is in the form of flats or purpose build blocks. In London (42 per cent) and England (16 per cent) there are significantly lower proportions of flatted accommodation.

There has also been a significant improvement in the quality of the borough stock with only 13 per cent of the stock non-decent in 2015/16 compared to 52 per cent in 2015/16.15 The 2011 Private Sector Stock Condition Survey estimated that 19 per cent of the stock failed the decent home standard compared to 36 per cent nationally.

The council is using its enforcement powers and wider legal powers to address poor housing quality and improve management of the private rented sector. The Private
Rented Charter was launched in June 2017. It aims to promote awareness of private tenants’ rights, give clear guidance to landlords about their legal duties and sets out standards about the quality of accommodation and the management expected.

A pilot licensing scheme has also been launched in Spitalfields and Banglatown, Weavers and Whitechapel. The scheme requires private landlords to obtain a license form the council before a property in these 3 wards can be rented out.

**Second homes**

Tower Hamlets has the third highest proportion of second homes at 5,440 after Kensington and Chelsea (8,900 homes) and Westminster (6,340 homes).

Driven by the growth in the tourism sector in London over the last 4 years there has also been a rapid increase in short term rental and ‘homesharing’ and in particular the use of online short term let platforms such as Airbnb. London boroughs have experienced concerns about the impact this growth will have the housing market, both in terms of the supply of homes and also on rent levels. Research published by IPPR\(^\text{16}\) in December 2016 identified Tower Hamlets as one of 6 London Boroughs “at risk of seeing an impact on supply if homesharing continues growing at its recent pace”. Along with Westminster, Kensington and Chelsea, Hackney Camden and Islington, Tower Hamlets has a higher proportion of its private housing stock that is Airbnb –hosted entire homes than elsewhere in London. Compared to London as a whole where Airbnb entire home listing account for less than one per cent of London’s private housing stock in Tower Hamlets it is 3 per cent. By March 2017 more than half of all Airbnb bookings were in Tower Hamlets. Only Westminster had higher proportion of bookings.

**Student accommodation**

In the Capital private developers have responded to the increased demand for student accommodation for the growing student population. Much of the additional student accommodation built in the borough has been delivered by private operators and not by the larger Universities in the borough, Queen Mary and London Metropolitan. Tower Hamlets now accommodates an estimated\(^\text{12}\) per cent of all student accommodation in London. The most recent survey data available from 2015 estimates there are approximately 7,000 student bed spaces in the borough, the third highest proportion after Camden and Islington\(^\text{17}\).

**Housing Supply**

Over the last 5 years (2012/13 to 2016/17) 15,250 additional homes have been built in the borough. This pace of development is expected to continue. The draft London Plan published by the GLA in December 2017 has revises the borough’s housing target but Tower Hamlets is still expected to accommodate the second highest number of additional homes in the Capital by 2029. In total, up to March 2016 the council has granted planning approval for 28,212 homes, of which 6,281 were approved between 2015 - 2016.\(^\text{18}\)
The council’s strategic target is to deliver 50 per cent of all new housing developments as affordable homes and is committed to delivering between 2014-18 5,500 affordable homes. Between 2010/11 and 2014/15 4,386 affordable homes were delivered in the borough as well as a further 1,070 during the last financial year. The Mayor’s target of 1,000 new council homes for local people commits to the delivery of affordable homes for local residents. Homes will be built or provided using council owned sites and will form part of the council’s housebuilding programme. So far 260 new homes have been delivered.

Local authorities receive an annual allocation of New Homes Bonus that is determined by the number of additional new homes built and empty properties bought back into use. Over the last 5 years Tower Hamlets has received the highest allocation nationally, ahead of Birmingham and Cornwall. Hackney and Southwark received the second and third highest allocations in London.

Much of the expected new residential development in the borough will be accommodated in new tall residential buildings. New London Architecture and GL Hearn annual tall buildings survey for 201719 estimates that there are currently proposals for 455 tall buildings with 20 floors or more in the Capital and a significant number of which, 77, will be in Tower Hamlets. In 2016 26 tall buildings were completed in London, including 8 in Tower Hamlets at Dollar Bay, Isle of Dogs, London City Island Phase 1 and Aldgate Place, Buckle Street, E1.

The council uses its planning powers to address the shortfall in wheelchair accessible homes and requires 10 per cent of affordable homes to be wheelchair accessible. It re-launched Project 120 in 2014 to address the specific housing needs of families with a household member with a wheelchair user on the Council’s housing waiting list. Since April 2015 a further 30 families have re-housed in suitable accommodation.

**Affordability**

For a significant proportion of households in the borough housing costs continues to be a challenge. Our analysis shows that an estimated 48,000 households (39 per cent) are living in poverty when housing costs are taken into account. Nearly half of all households in the borough have an average household income of less than £30,000. In 2016, there were 35,000 households in receipt of housing benefit, the fifth highest proportion in the Capital after Hackney, Newham, Brent and Haringey.

**House prices and rents**

Despite fluctuation in the average house prices over the last year and evidence that house prices nationally may be beginning to fall, house prices in the borough have continued to increase. In October 2017 the average house price was £498,598, more than 14 times the average household income. There has been an annual increase of 7.1 per cent in house prices over the last year significantly more than the increase in London (2.14 per cent) and in England (4.75 per cent). In London the average house price is now £481,102 and in England £240,860.
Between September 2017 and October 2017 average house prices in the borough grew by almost 5 per cent compared to -.062 per cent decrease in London and -0.62 per cent fall in England.

Over the last five years private sector rents have increased by a quarter and are 13th highest of all the London boroughs. The average rent in £1,733 per month compared to £900 in nationally.

In terms of local authority rents, the average is £485.643 per month, the 9th highest in London and well above the England average of £381 per month.

**Housing Delivery**

The Tower Hamlets Local Plan is currently being updated, with a view to adopt in Winter 2018. The new draft Local Plan is informed by the Strategic Housing Market Assessment (2014 and 2017) and supported by the Housing Delivery Strategy (2017). As well as local housing need the SHMA provides an assessment of the contribution the borough will make to wider housing need in the Capital.

The draft Local Plan includes the London Plan (2016) derived housing supply target for the borough (2016 – 2031) of 58,965 homes. This target is greater than our objectively assessed need of 46,458 homes, reflecting that the borough is expected to significantly contribute towards meeting London’s strategic housing need. It also identifies a need for affordable homes, equivalent to an average of 1,407 dwellings per year (45 per cent of the overall need).

In order to deliver these local and strategic needs the draft Local Plan sets out a number of housing policies, which prioritise the delivery of self-contained housing, in particular affordable and family housing, alongside the delivery of specialist housing to meet the needs of specific communities, such as older residents and gypsies and travellers.

The draft Local Plan sets a strategic target for affordable housing of 50 per cent to be delivered through securing affordable homes from a range of council-led initiatives; requiring the provision of affordable housing contributions on small sites for the first time and requiring the provision of a minimum of 35 per cent affordable housing on large development sites.

Housing delivery over the next decade will be focused in the following 3 Opportunity Areas identified by the Mayor of London in the Draft London Plan:

- City Fringe/Tech city which is expected to accommodate at least 15,000 additional homes;
- Isle of Dogs/South Poplar where at least 10,000 additional homes will be accommodated; and
• Lower Lea Valley, which the Tower Hamlets element includes the Poplar Riverside Housing Zone, will accommodate at least 9,000 additional homes.

**Housing Regeneration**

The Blackwall Reach Regeneration programme will transform the former Robin Hood Gardens Estate and the surrounding area providing 1,575 new homes, improve local amenities including a new central park, modernise Woolmore School and provide new shops. So far Phase 1A has been completed, providing 98 new homes and essential replacement accommodation for existing tenants and leaseholders. Phase 1B is on site and will deliver 242 new homes.

Phase 2 of the Ocean Estate regeneration programme is now on the way and will include the demolition of 120 poorly designed properties and the creation of 225 new homes, of which 54 per cent will be affordable. This is scheduled for completion in 2018.

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**Find out more**

This report was produced by the council’s Corporate Research Unit as part of the Borough Profile 2018. For more in-depth analysis about Tower Hamlets, please visit the Borough Statistics page on the council’s website or get in touch with the team at cru@towerhamlets.gov.uk.

You can also find out more about the borough’s population in our full research briefings:

- Housing Tenure in Tower Hamlets – Key Facts
- Tower Hamlets Draft Local Plan 2031: Managing Growth and Sharing Benefits
- Tower Hamlets Housing Strategy 2016-2026
- Strategic Housing Market Assessment, 2017
- Tower Hamlets Local Plan: Housing Delivery Strategy (2017)
Endnotes

2 LG Inform, DCLG, Statutory homelessness statistical releases (quarterly), Metric 149, http://lginform.local.gov.uk/
9 Ibid.
12 Ibid.
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15 LG Inform, Per cent of local authority housing stock that is non decent in Tower Hamlets, Metric 139, http://lginform.local.gov.uk/
16 Homesharing and London’s housing market, IPPR, December 2016
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