



# FACT SHEET

## Volume 4: People and Places

The fourth volume of the Local Economic Assessment focuses on the role of people and place in driving economic competitiveness, and examines five geographical sub-areas in Tower Hamlets selected for particular focus: Bethnal Green, Canary Wharf, Fish Island, Spitalfields / Aldgate, and Whitechapel.

### Population

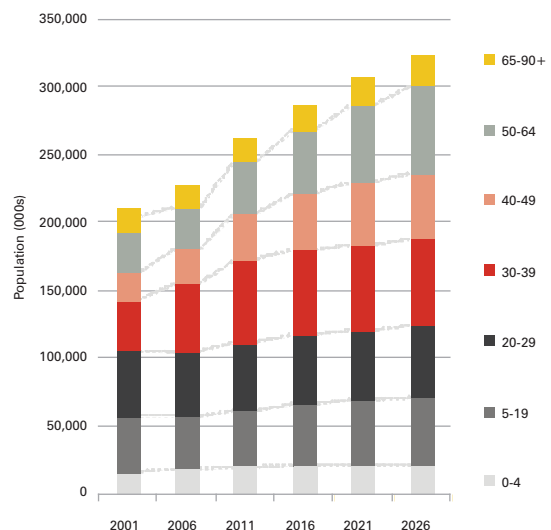
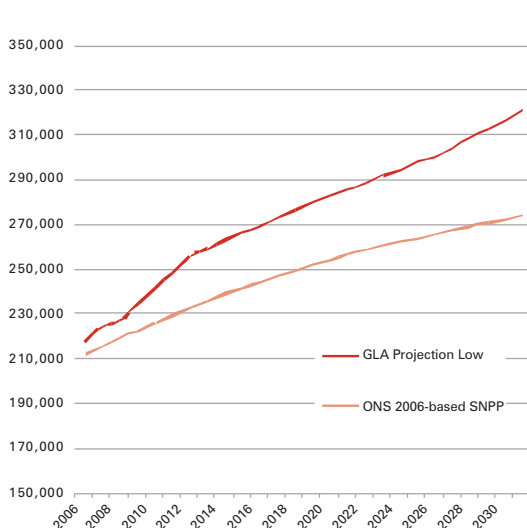
#### Population change

The population of Tower Hamlets has grown markedly over the past 20 years, spurred by the dynamic growth of Canary Wharf, and varying estimates put the current population between 220,000 and 240,000.

Although population growth from 2001-2010 has averaged around 4,500 additional people per annum, the borough has generally been a net exporter of population to the rest of the UK (with the exception of 2008/09), with positive inflows from international sources on top of natural demographic increases driving population growth. The borough, however, performs a role as one of London's 'receiving areas' for in-migrants from outside the capital.

Figure 1: Population Change 2006-2026

Source: GLA / ONS / NLP analysis



## Population turnover

Tower Hamlets has the fourth highest level of population turnover – after the City, Newham and Brent. In particular it draws in those under 30 and exports those aged 30-45, reflecting perhaps constraints in the availability of family accommodation for this latter group.

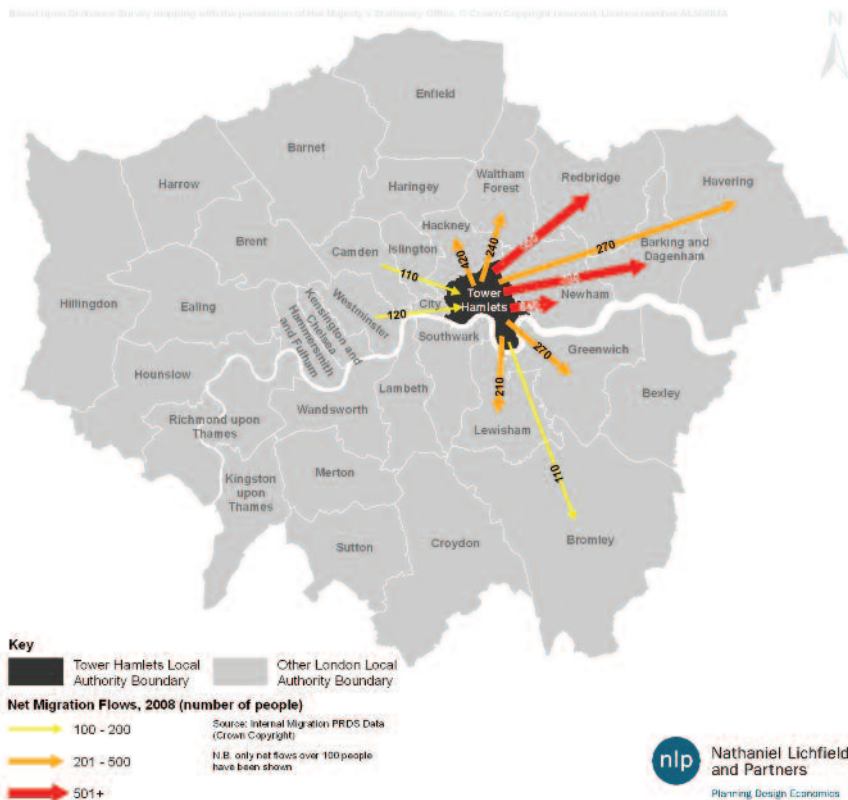


Figure 2: Net Migration Flows 2008

Source: Nathaniel Lichfield and Partners

The Isle of Dogs is the leading area of choice for new residents from outside London, potentially reflecting the nature of the housing offer, and these residents are the most transient in the borough.

## Earnings / Income

Tower Hamlets has evolved from a deprived borough to a deprived borough with an oasis of wealth, which is most obviously manifest in the polarisation of incomes and the 'missing middle' that lies between. The borough has proportionately more people earning less than £20,000 per annum than the Greater or Inner London averages, lower proportions earning between £30,000 and £85,000, and significantly more people earning over £85,000 than the Greater London average.

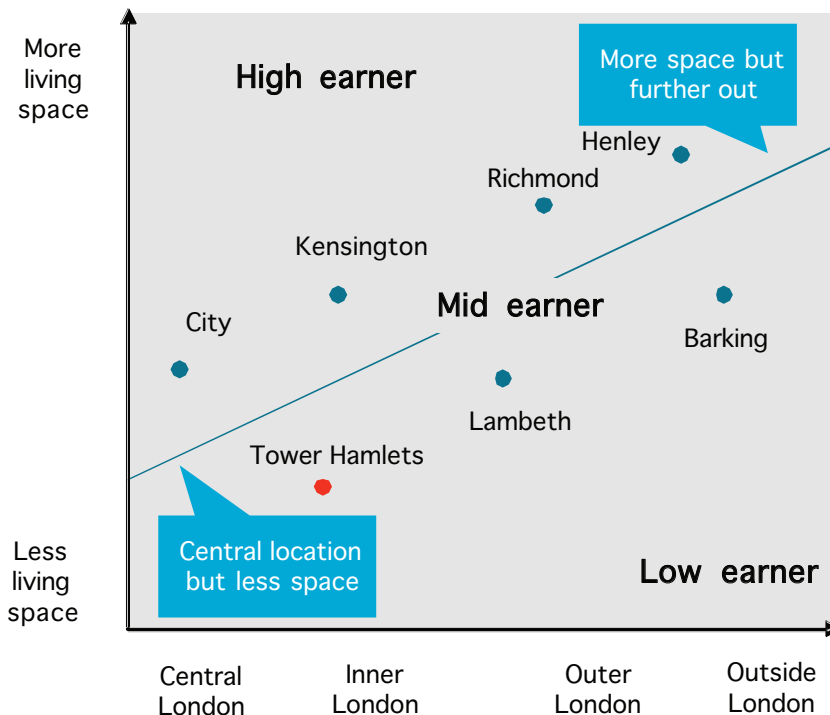
## Housing choices

The relationship between housing and economic activity is complex and particularly so in a borough where there is such a high level of commuting exchange with the rest of London. The fundamental dynamics of the borough's housing market mean that middle earners look outwards, and poorer households face more limited choices and may experience adverse housing outcomes.

Overall house prices are higher in the borough than in East London and London-wide averages

Figure 3: The Housing Trade-off in London

Source: PMSU / NLP analysis



## House prices

Overall house prices are higher in the borough than in East London and London-wide averages, and though prices fell during the course of the recession they have stabilised and are now seeing marginal rises.

The house price to mean income ratio in the borough is 6.6 to 1, but this is based on a mean income of £39,000 which is heavily skewed by the high wages of a minority. The largest group of residents earn in the £15-20,000 band and face a far higher affordability ratio.

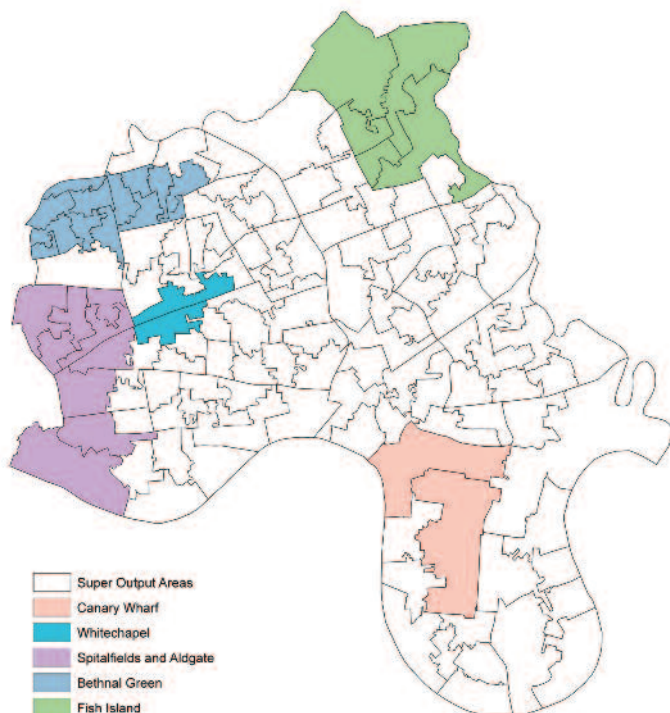
## Housing tenure

Housing tenure has diversified significantly over the past 20 years, mainly through the construction of new private accommodation – in 1985, 13% of housing in the borough was in private ownership, and this had risen to 58% by 2005. But this diversification of tenure has changed the outcomes only for certain parts of the population, with social tenure dominating for all but cohabiting adults without children and single adults.

Residential properties in the borough are smaller than in the rest of London, with 70% of dwellings having four rooms or less – i.e. one and two-bedroom flats - compared to 49% in London as a whole. With residential densities in new housing the second highest in the capital, new supply is likely to exacerbate this imbalance.

## Places

The borough's geography reflects a complex legacy of industrial change, wartime damage, slum clearance and social housing development. Moreover it still reflects the polycentric nature of the borough's historic hamlets and their town centres as well as the growing effect of the City's proximity to the West. The past twenty years has seen the iconic heights of Canary Wharf and ribbon riverside residential development reshape the borough's physical and human geography.



The opportunity provided by the facilities of the Olympic Park and surrounding new infrastructure will be key for housing and economic growth

Figure 4: Map of Tower Hamlets showing the sub-areas

Source: LBTH

Tower Hamlet's City Fringe is centred on the Spitalfields / Aldgate area. Here, financial and business services predominate, with publishing a key sub-sector. Bethnal Green, also a part of the City Fringe, has a more mixed character – both socio-economically and in its sectoral mix – 12% of employment is in retail and health accounts for 20% of the area's employment.

The economy of Fish Island, at the borough's north-eastern edge is heavily weighted towards wholesaling and manufacturing activities, with the latter under significant pressure over the past decade

The Whitechapel area is home to the Royal London Hospital. Outside of the health sector employment is scattered across a large number of smaller enterprises and across multiple sectors, with the largest being retail (2.6%) and hotels and restaurants (3.1%). Despite the lack of specialisation, or perhaps because of it, Whitechapel has seen the highest employment growth since 2006 in the borough at 6.8%.

As an Olympic Host Borough, Tower Hamlets has a key role to play in the transformation of the 'Olympic Fringe'. The opportunity provided by the facilities of the Olympic Park and surrounding new infrastructure will be key for housing and economic growth in the Lower Lea Valley, and particularly for the development of Fish Island, part of the Olympic Legacy Masterplan Framework area.

## Contact

For further information about Volume 4 'People and Places' of the LEA contact the Information and Equalities Team Development & Renewal.

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