

City Plan 2040

Strategic Market Housing Assessment



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PREFACE

- 1.1 A new Local Plan for 2040 sets out the City Corporation's vision, strategy, objectives and policies for planning the City of London. In order to inform the plan as accurately as possible, this analysis estimates the number and type of new homes needed in the City each year over the next 20 years. The analysis, in the form of a Strategic Housing Market Assessment, updates data held within the current Local Plan (2015) and a previous assessment completed by GL Hearn in 2016.

- 1.2 This needs assessment has been aligned to the Department for Levelling up Housing and Communities (DULHC) guidance¹ as far as possible. It assesses housing need across the City to inform planning decisions to most effectively answer any demand or specific housing requirement.

¹Department for Levelling Up, Housing and Communities: [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-and-economic-needs-assessment)
[National Planning Policy Framework \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/90484/national-planning-policy-framework.pdf)

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2 INTRODUCTION AND CONTEXT

The City is little more than one square mile in size with a residential population of 8,600² and a daily working population of almost 590,000³.

The City is an international financial and business centre and primary land use is dominated by commercial activities (particularly office-based). This primary function is recognised within the London Plan 2021. The City lies within London's Central Activities Zone (CAZ). Housing levels within the City are small, reflected in its residential population; and the current Local Plan prioritises commercial activities over residential activity, particularly where housing would conflict with the City's business role. The City Corporation has adopted an Article 4 Direction which removes permitted development rights for office to residential conversion.

There are 10 main areas of residential concentrations within the City; with over 40% being found in the Barbican, Golden Lane and Smithfield areas alone. The tenure mix⁴ shows 37% owner-occupied; 48% private rented; 14%; social rented and 1% residing rent-free or in other circumstances. Over 50% of residential properties within the City are of 1- or 2-bedroom composition, which reflects the nature of the area and general density of developments. The City manages 1,860 properties for social rent across London, with 451 of them being located within the City itself. Table 1 below identifies the City's dwelling stock distribution.

Table 1: Housing stock distribution across the City of London

Housing area	Units
Barbican Estate	2,140
Golden Lane Estate	766
Mansell Street Estate	249
Middlesex Street Estate	234
Smithfield	1,003
Queenhithe	330
City West	351
Botolph	199
Carter Lane	266
Temples	104
Rest of the City outside residential areas	2,519
Total	8,161

Source: City of London Housing Stock; March 2022

²ONS – Taken from the United Kingdom Census 2021 - <https://census.gov.uk/>

³British Register and Employment Survey (BRES) – 2021 - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/localauthoritydistrictbusinessregisterandemploymentsurveybrestable6>

⁴ONS – Taken from the United Kingdom Census 2021 - <https://www.ons.gov.uk/visualisations/censusareachanges/E09000001>

2.1 Role of National Planning Policy

The role of government is to ensure that a sufficient supply of homes is delivered, meeting the needs of groups with specific housing requirements and that land with permission is developed without unnecessary delay. The latest revision of the National Planning Policy Framework (NPPF) requires local authorities to base their planning policies on assessed housing need, calculated using a standard methodology. This method should be adhered to unless there are unique local circumstances which suggest an alternative approach.

2.2 London Policy context

The London Plan 2021 sets out ten-year targets for net housing completions that each local authority should plan to deliver. The Mayor of London conducted both a Strategic Housing Market Assessment (SHMA) 2017 and Strategic Housing Land Availability Assessment (SHLAA) also in 2017 to identify the housing obligations for London. The Plan considers London as a single housing market area, enabling focus on developments in sustainable locations, allowing all of London's land use needs to be planned for. This strategic planning ability means that individual authorities within the Greater London Authority (GLA) area are now no longer required to carry out their own needs assessment but must plan for and seek to deliver the housing targets set out for them in the London Plan. The London Plan's ten-year targets for the City of London (based upon the GLA SHLAA) are for **1,460** new homes between 2019/20 and 2028/29 (therefore **146** annually).

2.3 Housing Needs Assessment

Although local planning authorities in London are not required to undertake individual housing needs assessments, the City Corporation has assessed the level of need using the national standard methodology to provide a context for the London Plan targets. The national standard method of calculation of need is updated annually once affordability ratios are released by the government. Through this current method the target for the City of London has been assessed as **102**⁵ new homes annually. This figure is lower than the London Plan target of 146, so the target for the City of London is set at **146** annually until further review by the GLA or DLUHC, which may amend it.

⁵See Appendix 1 for national standard methodology calculation as set out by DLUHC.

Population Changes

2.4 The population of the City of London is recorded as being around 8,600 people in the 2021 Census, up from around 7,400 in 2011. This represents an increase of 16.6% against an England figure of 6.6%. Where growth has occurred over this period, it is of interest to see what parts of the population have grown the most in terms of age groups against national trends. Table 2 below shows the projected changes in numbers of households from 2023 to 2043. Figs 1 and 2 below show projected changes to the age profile for the City between 2014 and 2023 (projected). For the City there is an increase in the proportion of the population of 45 years old from 43.5% of the total population to 47%. This is a good indicator to how the overall population in the UK is aging, where outside influences such as advancements in healthcare and better average living conditions enable people to live longer lives.

Table 2: Projected changes in City of London household population and size 2023 – 43.

Year	Number of Households	Household population	Average household size
2023	4,328	8,712	2.01
2033	4,586	9,094	1.98
2043	4,848	9,367	1.93

Source: ONS – 2018 household projections

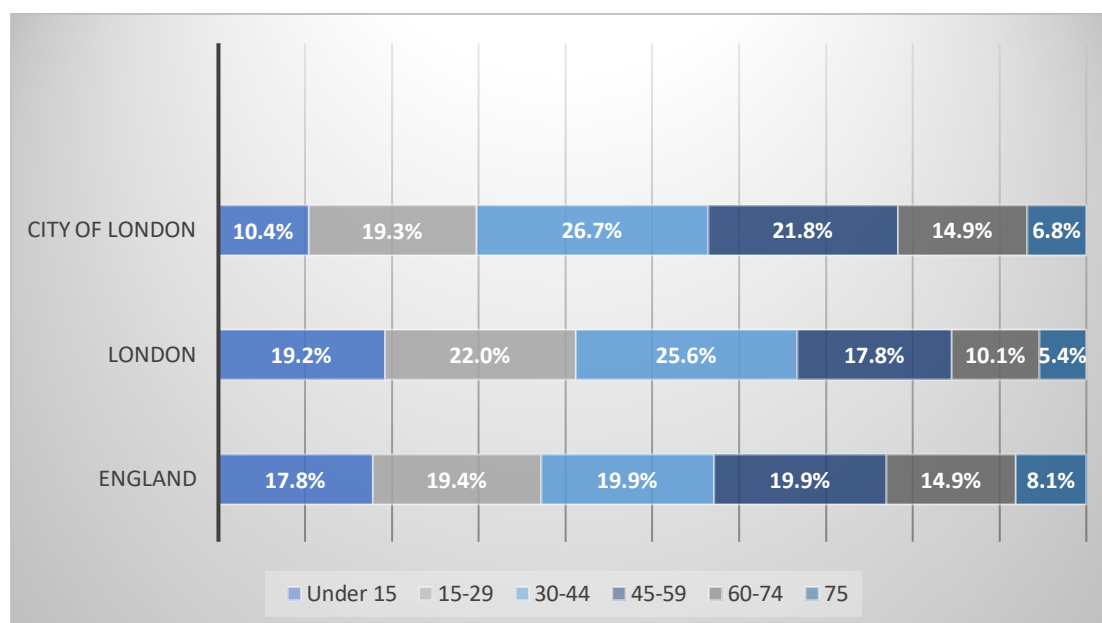


Fig 1: Population age profile (2014)

Source: ONS 2014 Mid-Year Population Estimates (MYE)

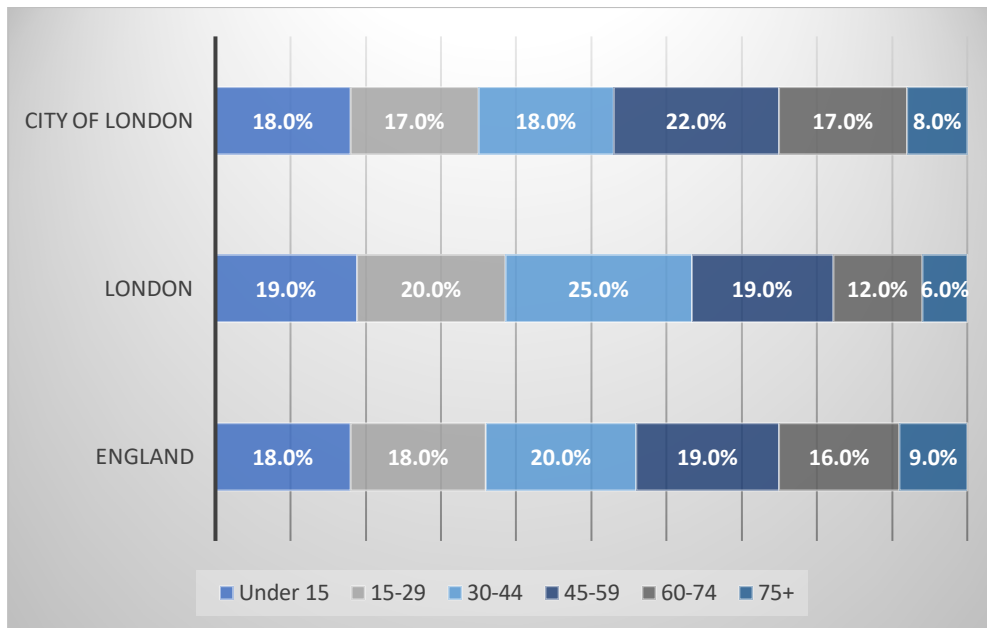


Fig 2: Projected Population age profile 2023

Source: ONS Subnational population projections (SNPP) (2018)

Building on this initial Mid-year Population Estimates data is the updated Subnational Population Projections (SNPP) for 2018, which projected a total resident population for the City in 2021 of 8,776, rising to 9,556 by 2043. The recorded population for the 2021 census was 8,600 residents making the projections not markedly different from the actual result. These projections show an increase of almost 9% to the total population. The age profile for these projections in continuation to Table 2 above shows are % share of those aged over 75 years as being 12.4%. This is a 4% increase to the 2023 projection which is significant when establishing the types of housing required. Those aged 75 and over are less likely to reside in properties with more than 2 bedrooms. Significantly there is a projected fall in the number of residents aged under 15 years from a projected share of 18% in 2023 to just 15.8% in 2043. From a needs perspective there is possibly less forward pressure on the requirement for many additional dwellings of 3 or more bedrooms.

Housing Analysis

Housing Mix

2.5 Table 3 below looks at the housing mix within the City. 98% of accommodation types are not classed as conventional houses, 87% being flats or maisonettes, with the remainder being made up of shared dwellings, conversions or tied to commercial premises. The 2% classed as houses are mostly of terraced stock. When comparing the numbers against the 2011 Census, 90% were flats, so only a slight drop over the interim period.

Table 3: City of London housing mix as a percentage

Region/LA	Detached	Semi detached	Terraced	Flat, apartment, maisonette	Shared dwelling	Dwellings in other settings
City of London %	0.1	0.3	1.6	87.1	1.3	9.6

Source: 2021 Census

Fig 3 below compares Table 3 above with the rest of London. This shows that whilst flats, apartments and maisonettes are the most common dwelling type in both, the proportion is much higher in the City. Proportionally London only has 40% attributed to flats, a drop down from 50% if comparing against the 2011 Census, so a much bigger downward trend than the City of London.

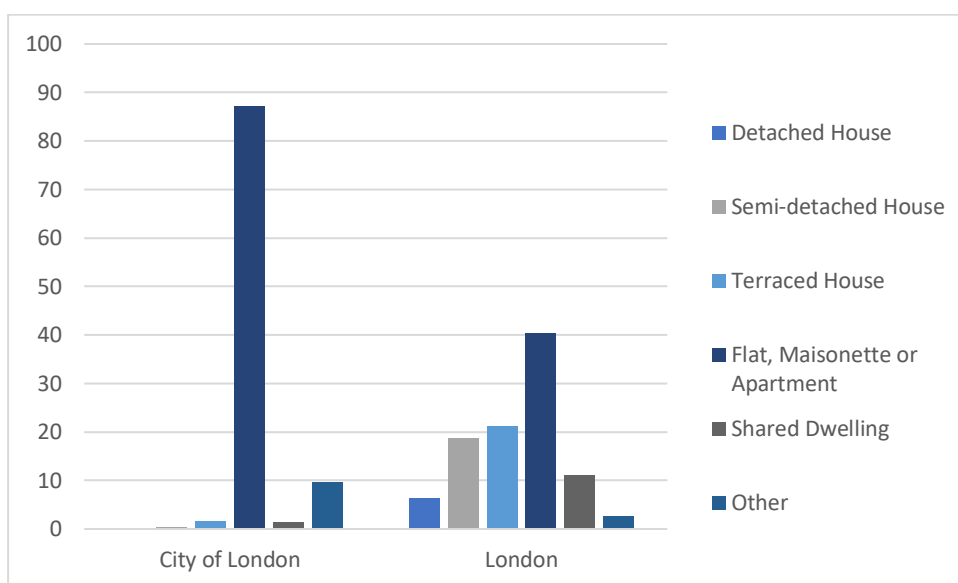


Fig 3: City of London and London housing mix comparison

Source: 2021 census

Table 4 below shows the number of dwellings in terms of bedroom numbers. At over 53% the City has a very high proportion of one-bedroom dwellings, this being a slight increase on the figure for 2011 (52%). The percentage of dwellings with three bedrooms and above is less than 15% of the total.

Table 4 – Dwelling occupancy by dwelling type by number of bedrooms

	1 Bed	2 Bed	3 Bed	4+ Bed
Number of properties by bedroom.	2626	1578	522	189
%	53.4	32.1	10.6	3.9

Total occupied dwellings in Census 2021 : 4915

Source: Census 2021

Fig 4 below compares the City's bedroom mix with the wider London figures taken from the 2021 census. The one-bedroom figure for the City is higher in proportion than London's one- and two-bedroom percentages combined. There are very few 4 or more-bedroom dwellings in the City comprising just 3.8% of the total stock. The proportion is much higher in London at 17.9%, but in comparison terms both the City and wider London area have almost identical proportions of two-bedroom dwellings at 32.1% and 31.4% respectively.

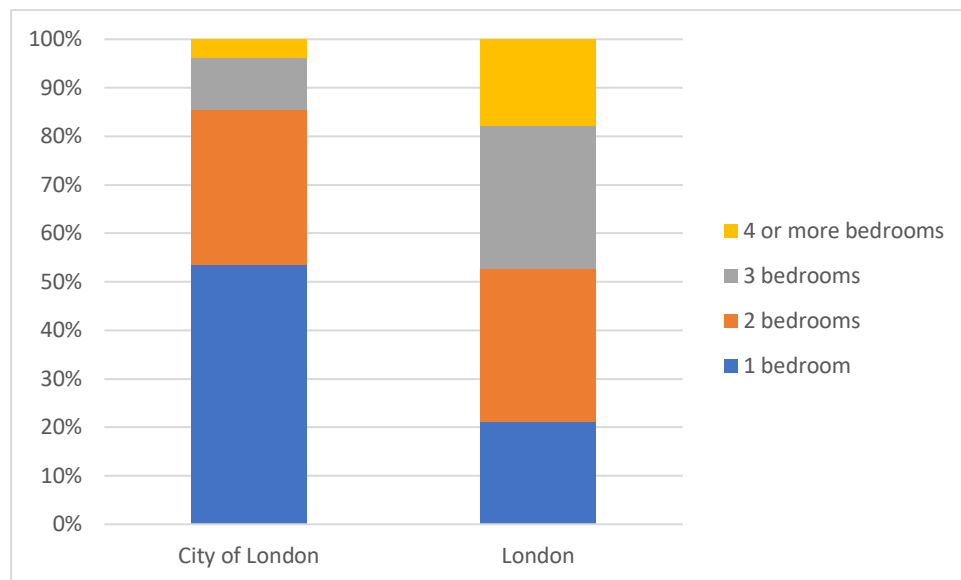


Fig 4 – Bedroom composition City of London and London comparison

Source: Census 2021

Housing Stock composition

2.6 Table 5 below is a breakdown of the housing tenure recorded in the Census 2021 for dwellings within the City boundary. Less than 10% of housing stock is attributed to local authority social housing (449 dwellings), such as those situated in the Golden Lane and Middlesex Street Estates. Almost $\frac{1}{4}$ of properties are owned outright by the occupier of which many will be located within the Barbican Estate (63% of the estate is now owner occupied), a result of the Right to Buy scheme introduced in the 1980's. Such a loss of directly owned stock to leaseholders is a much bigger challenge in a location where finding additional viable housing sites is difficult.

The private rented sector is by far the largest sector of tenure within the City's stock. Successive Student Housing schemes projected for the City will only increase the share of tenure. This is highlighted in Table 6 further below, which breaks down occupied dwellings by bedroom number. Over 50% of occupied dwellings are 1 bedroom only with a further 32% being 2-bedroom dwellings leaving very limited stock for those with larger requirements, such as families moving into the City. The table also compares with a London perspective where the bedroom numbers are much more balanced.

The uniqueness of the Census taken in 2021 provides data which may be contrary to previous Census events. The Covid-19 pandemic will be responsible of much of the 2,410⁶ unoccupied dwellings recorded, through students and workers residing elsewhere when the Census was undertaken.

Table 5 – Breakdown of housing tenure at Census 2021

Tenure	Number	% of total
Owned Outright	1114	22.7
Owned Mortgaged	680	13.8
Shared Ownership	12	0.2
Social Rent - LA	449	9.1
Social Rent - Other	281	5.7
Privately rented – Landlord or agency	2064	42.0
Privately rented other	309	6.5
Total	4909	

Source: Census 2021 - Number of dwellings by housing characteristics

Table 6 – Percentage of dwellings by bedroom number

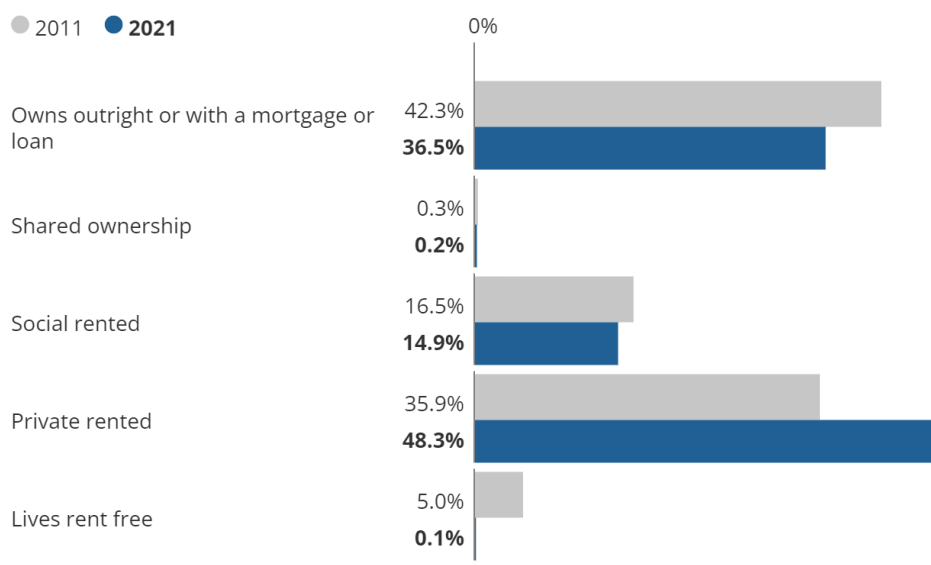
Region	Bedroom Category	Number	%
City of London	1 bedroom	2,626	53.4
City of London	2 bedrooms	1,578	32.1
City of London	3 bedrooms	522	10.6
City of London	4 or more bedrooms	189	3.8
Total		4,915	100
London	1 bedroom	727,298	21.2
London	2 bedrooms	1,073,451	31.4
London	3 bedrooms	1,010,212	29.5
London	4 or more bedrooms	612,929	17.9
Total		3,423,890	100

Source: Census 2021 – City of London and London comparison by bedroom numbers

6. Census 2021 – City of London - Dwelling occupancy by dwelling type.

Fig. 5 below is taken from the 2021 census results and shows the differences in tenures within the City between 2011 and 2021. The largest changes occurred in the Owner-occupied and Privately rented tenures. It should be noted that the percentage rise in privately rented tenure between these census dates (35.9% to 48.3%) was the highest recorded increase in England during this period.

Percentage of households by housing tenure, City of London



Source: Office for National Statistics – 2011 Census and Census 2021

Fig. 5 – City of London % change in tenure 2011 – 2021

Affordable Housing

3 Affordable Housing definition

3.1 The NPPF (2021) defines affordable housing in broad terms as “*Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*”⁵. The Planning Practice Guidance (PPG)(2021) states that “Strategic policy-making authorities will need to estimate the current number of households who lack their own housing or who cannot afford to meet their housing needs in the market”.

Affordable Housing and the City of London

3.2 This assessment needs to provide the entry-level costs of housing to buy and rent within the City. The affordable housing need assessment compares prices and rents against incomes to establish what proportion of households can meet their needs in the market and those which require some form of support. This assessment uses lower quartile prices and rents data from the Land Registry to reflect the entry-level point into the market. The City of London is an expensive area to live, with ONS data showing the affordability ratio of lower quartile house prices to lower quartile residential earnings in 2021/22 as 14.25. This is considerably higher than the England average of 7.28 and higher than the London average of 13.46.

Table 7 below shows the estimated lower quartile property prices by dwelling type. The data shows that there were only 126 properties sold within the year to the end of September 2022 and all were flats with an average overall lower quartile paid price of £535,000. At the same time, the average paid house price for the City was at the end of September 2022.

Table 7: Lower quartile sales prices by type (year to September 2022)

Type	Flat	Terraced	Semi detached	Detached	All dwellings
Lower quartile	£535,000	-	-	-	£535,000
Number of sales	126	-	-	-	126

Source: ONS (2023)

Table 8 below shows the median monthly rental based upon bedroom category for 2022-23 from the Valuation Office Agency (VOA) taken from private rental market statistics for each bedroom type. The London median rental for 2 bedrooms is £1,500⁷ for comparison purposes making the City well above average and only Kensington and Chelsea and the City of Westminster have higher entries.

Table 8: Median monthly rental per bedroom category City of London 2022-23

Category	Room only	Studio	1 Bed	2 Bed	3 Bed	4+ Bed	All categories
Median monthly Rent (£'s)	No data	1,582	1,900	2,500	No data	No data	1,950

Source: VOA – Lettings information database 2022 – 2023

Tables 7 and 8 above have shown that affordability within the City of London could be challenging for large sections of those with aspirations to rent within the City. Table 9 below shows the lower quartile rents by bedroom type for 2021-22. Whilst affordability at a lower quartile would include a larger section of the renting community it still represents higher levels than London (£1,300)⁷

Table 9: Lower quartile private rents by size and location (year to September 2022) – per month

Bedroom number	Room only	Studio	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	All dwellings
Lower quartile rent (£'s)	-	1,235	1,582	2,167	-	-	1,560
Number of rents	-	30	70	30	-	-	130

Source: ONS (2022)

7. ONS 2022 Private Rental Market Statistics –

[Private rental market summary statistics in England - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/renting/private-rental-market-statistics)

Affordability Indicators

- 3.3 The gross weekly mean wage for full time workers in the City was £1,071 in 2021, so this would equate to a gross annual salary of £55,700. This was ranked at 8th highest mean annual income in the UK⁸. Once calculated for take-home monthly pay this would provide a mean take home pay of £3,446 per month. This income needs to be measured against the ratio of pay given over to accommodation costs. This will provide key indicators to the types of accommodation affordable and the eligibility of some applicants to social housing. The lower quartile earnings for the City in 2022 were £40,469⁹ which would equate to £2,628 per month.

The affordability of a property must be in relation to the earnings of the those requiring certain types of dwellings. The UK government suggests, but provides no specific guidance, that 25% - 40% of salaries should be spent on rent to deem affordability. London is a particularly challenging area for this to be achieved due to higher-than-average property costs. Covid-19 affected the median rentable income to median rent ratios (2017 was 50.3% of earnings) with 2021 providing a figure of 39.8 % which is almost 10% higher than other regions of England and Wales.

Affordable Housing Need Calculation

- 3.4 An affordable housing needs model is based largely upon current housing market conditions (with special consideration to the relationship between housing costs and incomes), the point in time of the assessment and the existing supply of affordable housing stock used to meet the need. The City of London is a complex authority in comparison with most others in respect of affordable housing needs analysis for two reasons:

- (i) Much of the housing stock available to meet the needs is located outside of the City boundary.
- (ii) Many of the needs arising will be in relation to people with an employment connection to the City but not currently living in the area.

In addition to this the cost of market housing is very high, with many unable to afford it, but not everyone unable to afford market housing will need or want affordable housing in the City, as they may not necessarily have long term plans to make a permanent home in the City.

This unique complexity means that a standard analysis of affordable need would potentially underestimate both the need for and supply of affordable housing. However, an analysis looking at housing needs extending beyond the City boundary is difficult because secondary data sources use administrative boundaries and would not be able to identify those with a connection to the City.

8. CACI 2021 – The Wealth of the Nation 2022

9. ONS 2022 – Lower Quartile Earnings. Table 6b - [House price to workplace-based earnings ratio - Office for National Statistics \(ons.gov.uk\)](#)

Affordable housing has different distinctions which need to be addressed prior to calculation of assessed need which are:

- **Social housing:** This is rented housing for people with low incomes. The council holds a list for households with priority for social housing and it has statutory housing responsibilities towards most households on this list. The rents are either Social Rents, set in line with government policy or Affordable Rents which are at least 20% below market rents.
- **Intermediate housing:** This is housing for people who are not eligible for social housing or do not have priority for it, but nevertheless cannot afford a market home. It can be rented housing, where the rents are discounted from market rates by at least 20%, or it can be a type of low-cost home ownership, such as shared ownership. The Mayor of London sets out that intermediate housing is for households with incomes of up to £90,000 per year. There is no Intermediate Housing scheme provided by the City of London at the time of this assessment, the City model is for Social Rent or Market Rent/Ownership only.

- **Current Affordable Housing Need**

Current affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

- **Emerging/Newly-Arising Need**

Emerging (or newly-arising) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future, from newly formed households and those moving into the City that are possibly requiring affordable housing.

- **Supply of Affordable Housing**

An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings), data provided from the City's own Housing team on voids and new schemes. The future supply of affordable housing is subtracted from the emerging need and current need combined, to make an assessment of the net future need for affordable housing.

- **Affordability**

Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, ASHE, the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). In England in 2021, full-time employees could typically expect to spend around 9.1 times their workplace-based annual earnings on purchasing a home. The median house price for the year ending September 2022 was £725,000 for the City of London¹⁰ which is significantly above the English average of £275,000. The mean annual gross household income was £55,700¹¹ which puts the City in the top 10 authorities and against a London average of £45,500.

10. ONS 2022 – Median House Price index. Table 5a - [House price to workplace-based earnings ratio - Office for National Statistics \(ons.gov.uk\)](#)

11. CACI 2021 – The Wealth of the Nation

Current Housing Need

3.5 Table 10 below shows a combination of different groups forming an existing need for housing in the City of London and its housing provision outside of the City boundary. The housing waiting list has over 900 households on it and is made up of different strands of requirement. Some have adequate housing outside of the City and have an income over the London Living Wage, so the priority is low, so their needs aren't counted here, others are existing tenants wishing to transfer to a different property but are currently in adequate housing. Some need is duplicated due to more than one requirement, so this assessment needs to ensure double counting is removed.

Table 10: Estimated number of households living in some form of unsuitable housing.

Existing category of 'need'	City of London
Homeless Households	9
Those in priority need who are currently housed in temporary accommodation	17
Households in overcrowded housing	101
Children of existing social tenants wishing to move out	43
Existing affordable housing tenants in need due to accessibility/medical issues	16
Households from other tenures in need/but need assessment	43
Initial Total	229

Source: Gov.uk - Local Authority Housing Statistic 2021-22
City of London Housing data – 2023

This estimate of 229 households needs to have some exclusions applied as the focus needs to be placed upon 'need' rather than demand. Existing social rented tenants from the City also need to be discounted as their relocation within the authority will automatically free up dwellings. 101 applicants were current social rented tenants looking to move into larger properties due to overcrowding or due to being in 'concealed households. Likewise, the 16 applicants who are requiring relocation based upon a newly arising accessibility or medical issue needs examining. Both are valid forms of need but there would be supply created from the need as they are existing tenants.

The 43 applicants arising from households within households have a sense of 'need', as they are children of existing tenants wishing to move out. The need should be defined as demand as they are currently have somewhere adequate to live, so their priority diminishes, and they are not already in overcrowded conditions or classed as 'concealed households' as this has already been taken classified. They also still have eligibility criteria to meet prior to being placed upon the housing register.

The new housing applications for social rented dwellings currently average 30-35 housing units a month. The majority of current housing applications are for Studio, or 1 Bed dwellings based upon the current waiting list levels 01/05/2023.

Adjusting the Current Need

3.6 Table 11 below has removed demand for social housing elements to focus on the need. Further investigation is required to identify those households which may be able to afford market housing without subsidy. The 101 households in overcrowded conditions displayed above are all existing City tenants, so if re-housed, they will create vacant dwellings to be added to the supply so would be omitted from the affordability calculations. To make this is broad a calculation as necessary this assessment has used a 40% affordability threshold. There is a general assumption that around 69% of households in current need in inner London areas are estimated to be likely to have insufficient income to afford market housing so the need is reduced to 61. The same calculation must be applied to those from other tenures in need awaiting assessment. This reduces the 43 down to 30. The total 'existing' need to take forward to affordability calculations is 117.

Table 11: Existing need of affordable housing focusing on need over demand.

Category of existing 'need' after further calculation	City of London
Homeless Households	9
Those in priority need who are currently housed in temporary accommodation	17
Households in overcrowded housing	61
Households from other tenures in need/but need assessment	30
Updated Total	117

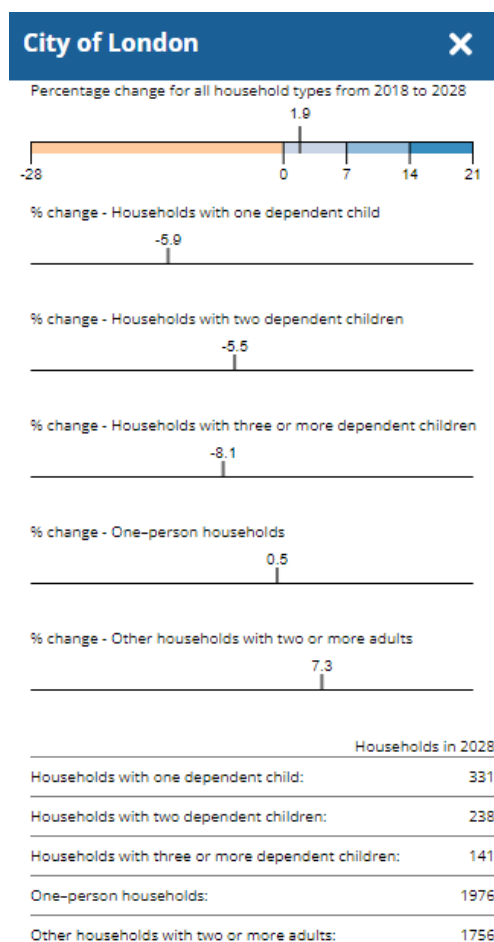
Source: City of London Housing data – 2023

Emerging/Newly-arising Need factors

3.7 Calculating the 'emerging' need takes known applications of social housing from outside of the City. There are differing reasons to wish to live in the City, whether it's economic, educational or due to family connections migration into the City, eligibility will decide any applications on a need's basis over demand and aspiration.

Fig 6 below outlines projected changes to different types of households between 2018 and 2028. Whilst not covering the whole of the projected Local Plan lifespan, it provides a close enough estimate to how household composition may change over part of it. All types of households with dependent children see a projected fall in the 10 years 2018 to 2028. This provides potential challenges to housing stock provision in the City. Whilst an increase in one-person households can will be easier to meet based upon current housing stock and future provision, an increase of other households with 2 or more adults may be more difficult. This could mean a need for more shared housing schemes, or that there are more multi-generational families moving into the city.

Fig 6: Changes in types of household composition 2018 – 2028



Source: OS Household predictions for England: 2018-based

As the population projections estimate, there will be an increase in the overall number of households from 2023 to 2043. The largest age groups most likely to apply for housing are between the ages of 25 and 45. After 45 there is a general thinking that heads of household are more than likely to either already be in a social housing setting or be able to afford housing with or without supplement or reside in a sheltered setting if they are more advance in age. Table 12 below outlines the projected net gain of households in this age brackets in the City.

Overall, these age brackets show a zero level of growth or a decline in the population in the age groups up to 49 over the period. There will be some fluctuations and periods of increase, and with the total projection growth being 655 the increase must be felt somewhere. Most of the increase can be found in the age groups over 60 years. From a future needs perspective this means that some focus must be placed upon how best to house an aging population.

Table 12: Population projections by age band 2023-2043 where headship for housing need is generally at its highest.

Age category	2023	2033	2043
25-29	627	589	621
30-34	576	508	578
35-39	526	499	503
40-44	463	420	389
45-49	560	525	499

Source: ONS 2018

Applicants outside the City may come from other parts of London, for employment or family connections. It must be argued that not all will wish to stay long term, affordability for private rented possibly improves or data suggests they may only be short term residents. Table 13 below displays the migrant indicator data from the 2021 census, indicating numbers of residents living at a different address to the census address a year previously and those residing in longer terms settings.

Almost 25% of the resident population lived at an address outside of the City at the time of reporting. There is the Covid 19 emphasis that 2020-21 wasn't a typical year for monitoring migration patterns within the UK or from overseas. It has to be assumed that this migration is usually of a natural state based upon economic and social factors causing migration into and out of the City. In addition to this of the 8,583 residents recorded within the census 1,598 (18.6%)¹² arrived in the UK from 2017 onwards. Further data from the 2021 census¹² suggests that 1,753 residents had lived in the City for less than 5 years and of that number 1,535 (87.5%) live in private rented accommodation.

Table 13: Migrant indicator data

Category of Population	Count
Does not Apply	44
Address one year ago same as census	6237
Address one year ago is student term-time or boarding school address	190
Migrant from within UK: Address one year ago was in the UK	1564
Migrant from outside UK: Address one year ago was outside the UK	548
Total	8583

Source: Migrant indicator estimates Census 2021

This comparison of tenure, composition and time spent at an address aims to look at how long people remain in an area. Owner occupiers and social rent tenants are far less likely to move than private renters as there is less flexibility and an increased desirability to remain. Owner-occupied housing in the City remains sought after and the sales data mentioned earlier in Table 7 points towards housing for those in very healthy economic circumstances.

12: (Census 2021) - Lower tier local authorities, Length of residence in the UK (6 categories), Tenure of household (7 categories) and Household Composition (6 Categories)

Social rent tenants will have very little economic flexibility and will have possibly waited for a long period to secure their current housing situation, so are unlikely to leave the City unless there are mitigating circumstances, or their prospects have improved. The private rented group of residents have more flexibility in migrating in and out, so analysing the prospect of short-term stay in some housing applicants has potential impact on the newly arising need. If we take the total private rent residents taken at the 2021 census (3,832), 1,710 (45%) of them were at another UK address or living outside the UK 12 months before the census was taken.

This could be a snapshot of patterns of cyclical residential migration, so must be considered. This also potentially provides a much more organic view of residential migration as for the 12 months leading up to census day there would be virtually no student residential population residing within the City due to restrictions caused by Covid 19. If we apply this factor as a hypothesis to the potential behaviour of resident populations into and out of the City, we can therefore apply a “propensity to stay” figure of 55% (a likelihood of applicants wishing to remain longer term after securing housing in the City).

Calculating Emerging Need

3.8 Table 14 below outlines the emerging need for affordable housing based upon housing applications to the City. There may be those who wish to reside in the City itself, but due to the housing stock availability at the time of application, the housing offer may be in Lewisham for example, which is fine to those who have ultimate housing need, but not to those who have more geographical aspirations. Therefore, there may be shorter term housing applicants who then apply to neighbouring authorities such as Tower Hamlets, Islington or Hackney to remain in the locality of the City of London.

Table 14: Estimated emerging need for affordable housing in the City of London

Category of emerging 'need'	City of London
Applicants into CoL from outside authority living in unsuitable conditions with a 55% “propensity to stay” factor applied.	126
Children of existing CoL tenants in CoL housing wishing to live in own accommodation.	43
Proportion of new households with headship between 25 and 45 years old taken from population projections to 2043 (annual average)	negligible
Estimated emerging need	167

Source: CoL Housing data as of May 2023
: ONS Population Projections (2018)

In addition to the propensity of applicants to remain estimated at 55%, the affordability ratio of 40% must also be applied to applicants currently residing outside of the City. Whilst the children of existing tenants (43 on waiting list in May 2023) have applied for housing as they no longer wish to remain with their parents, they are adequately housed so therefore not in ‘need’ so can be removed from the emerging need. Had their need to move out of home been based upon an

overcrowding issue they would have formed part of the existing need above. Table 15 below displays the need after this adjustment and the focus on 'in need' has been applied.

Table 15: Adjusted emerging need after affordability ratio applied.

Category of emerging need	% unable to afford	Total in need (after affordability ratio applied)
Applicants into CoL from outside authority living in unsuitable conditions with a 55% "propensity to stay" factor applied.	60	76
Children of existing CoL tenants in CoL housing wishing to live in own accommodation, designated as being in 'need'.	N/A	0
Adjusted emerging need	N/A	76

Source: CoL Housing Data as of May 2023
: Affordability modelling

To calculate the total need both the current (117) and emerging needs (76) are added together (193) and then the average relet supply must be subtracted in to leave the net need.

Housing supply in City of London

3.9 Table 16 below shows the number of annual relets over a 5-year period to 2020. Covid-19 has disrupted the market since as well as the temporary loss City of housing stock in Lewisham, opportunities for new supply were reduced as a result. Taking the mean average of normal housing cycles (98) and adding 33 new properties to be added in 2023 to the housing stock in Islington, relet supply is estimated at 131.

Table 16 City of London re-let supply 2016-20 by dwelling size

Type of housing	2015 16	2016 17	2017 18	2018 19	2019 20
Studio	35	32	40	28	27
1 bed	53	24	21	18	30
2 bed	45	19	24	16	17
3 bed	13	28	3	6	12
4 bed	0	0	0	0	0
total	146	103	88	68	86

Source: CoL Housing Supply 2016-20

Affordable Housing Calculation

- 4 Having looked at both types of housing need, factors specific to the City of London and the supply of housing stock, the overall calculation after some adjustment can be reached on the affordable housing requirements for the City. Table 17 below has taken the adjusted information from the tables above and summarised an estimated annual requirement and a 20-year estimation on affordable housing provision.

Table 17: Estimated net housing need after adjustments and relet supply deductions

Need/Supply	Per Annum	2023 2043
Current Need (homeless/temporary accommodation)	26	520
Existing households falling into need	91	1,820
Emerging Need	76	1,520
Relet Supply	-131	-2,620
Net Need	62	1,240

Source: CoL Housing, Projection modelling and affordability analysis

Affordable housing conclusion

- 4.1 The initial calculation for homes to be constructed in the City of London was **102** annually using the standard methodology and the above has estimated that all of those homes ideally need to be affordable units, ideally creating opportunity for social rent or private rent with supplement. The previous 2016 assessment estimated an annual need of 104 homes to be constructed with 69 of them being affordable (based upon a 40% affordability threshold). The numbers of housing have been calculated after applying the needs of City residents and those on waiting lists. Based upon identified need and the current relet supply and the methodology set out above, the annual estimated target is for **102** homes constructed with **62** of them to be affordable (**60% of the total**). The GLA annual housing targets are currently set out at an average of **146** units annually, which the City is currently achieving, of which 60% of that target would set an average annual affordable housing target of 88.

The figures provided do need some thought. **(i)** Waiting lists will be higher now than in previous years due to a greater movement of people since Covid 19 restrictions were lifted. **(ii)** There is a greater number of the population suffering from increased private rents due to the cost-of-living crisis which then adds to the strain on social housing demand. **(iii)** The loss of available supply due to long term programmes of stock redevelopment and refurbishment

has been an additional factor along with **(iv)** the decreasing average relet supply as existing residents have stayed put for factors described above.

Issues related to Management of Social Housing Stock

4.2 The City (as of May 2023) has 1,860 social rented properties. Within the City itself, social housing stock is concentrated in the Golden Lane and Middlesex Street Estates. This is limited to just 24% of the total City Corporation social housing stock. The City owns and manages a large number of social housing estates outside of the City boundary, in neighbouring authorities. The City will often face strain on supply in times of refurbishment and when dwelling stock is removed. From 2023 onwards there will be a period where supply is increased due to schemes completing in Islington (33 units) and Lewisham (55 units). Utilising this 'out-of-area' stock will significantly assist in addressing the waiting list numbers the City has (920 in May 2023).

Table 18: City Housing Stock 2023

Local Authority	Rented Stock	% Stock
City of London	451	24
Hackney	72	4
Islington	369	20
Lambeth	70	4
Lewisham	34	2
Southwark	821	44
Tower Hamlets	43	2
Total	1860	100

Source: CoL Housing Stock 2023

Older Persons Housing

Specialist Housing for older residents

- 5 The number of older people in the City of London is projected to increase with projected growth of 41% in people over 65. Such an increase automatically creates the potential for extra need in older persons housing. The London Plan (2021) Policy H13 states that, "Boroughs should work positively and collaboratively with providers to identify sites which may be suitable for specialist older persons housing taking account of:
 - a) Local housing needs information including data on the local type and tenure of demand, and the indicative benchmarks set out in the Annual borough benchmarks for specialist older persons housing table 2017-2039.

- b) The need for sites to be well-connected in terms of contributing to an inclusive neighbourhood, having access to relevant facilities, social infrastructure, and healthcare, and being well served by public transport.
- c) Increasing the need for accommodation suitable for people with dementia.”

This annual borough benchmark is formed by the calculated total demand for 4,000 specialist housing units a year across London between 2017 and 2029. The City of London has an annual benchmark of 10 specialist housing units to deliver.

Any potential sites within the City of London will have good connections. The City has a Public Transport Access Level (PTAL) of 6b which means the accessibility is deemed as excellent within London, making it better than many areas of London for all ages, but will particularly assist older people in linking them to vital services such as healthcare and social infrastructure.

Table 19 below shows the projected increase in people over 65 living in the City, likely to be suffering from dementia. This is significant as any increase builds pressure on services and requirements for specialist housing. Whilst dementia can affect all adult ages it is predominantly found in older age groups and the City must acknowledge any increase in alignment with overall demographic changes to its population. At present there is no nursing and residential care home spaces within the City where facilities exist for those with such special requirements.

Table 19: Projected increases in City of London population likely to be suffering with dementia.

Year of Projection	Population over 65 years (2040 projected)	Numbers over 65 projected to be suffering from dementia.	Percentage of total people over 65
2021	1240	80	6.4%
2040		165	6.8%

Sources: Census 2021 and population projections 2018 – ONS

POPPI 2023 – Dementia UK update (2014) King’s College and LSE for Alzheimer’s Society

Sheltered Housing

5.1 The City Corporation has two sheltered housing schemes for those over 66 years old. These are located in Harman Close on the Avondale Estate, Southwark (48 units) and Isleden House, Islington (33units), a total of 81 properties owned by the City. A further 110 housing units are proposed to be completed on the former Mais House site, Sydenham Hill, Lewisham, replacing 61 units formerly situated on the site. Further privately managed sheltered housing is also available in the City at Tudor Rose Court in 37 mixed tenure units operated by Anchor Housing.

In addition to the above schemes, the City also owns and manages 51 alms houses in Brixton, Lambeth which are available to eligible applicants.

The Department for Health endorsed a model developed by Housing LIN in association with the Elderly Accommodation Council to identify potential demand for different types of specialist housing for older people. It was suggested that there should be around 170 units of specialised accommodation (besides registered care home places) per thousand people aged above 75 years.

Table 20 below shows the projected change in the population aged 75 and over in the City of London and the implication for the provision of specialist accommodation based upon the suggestion of 170 housing units per 1,000 population. This represents a potential need for 86 additional units across the timeframe – about 4 per year. This specialist housing for older persons would include both sheltered and extra-care units.

Table 20: Projected need for Specialist Housing for Older People (2021 – 43)

Population aged 75+ (2021)	Population aged 75+ (2043)	Change in population aged 75+	Specialist housing need (170 units per 1000) 2021 43
686	1189	503	86

Source: ONS - Subnational population projections 2018–43.

Student Accommodation

- There are almost 2.5 million students in England in Higher Education (HE), and the presence of HE establishments brings in concentrated pockets of young people. Around 70% of students in England are under 24 and more than half of these are 20 and under. The majority of students (over 80% of undergraduates) live away from home.

The London Plan (2021) states that boroughs should seek to ensure that local and strategic need for purpose-built student accommodation is addressed. The housing need of students in London, whether in Purpose-Built Student Accommodation (PBSA) or shared conventional housing, is an element of the overall housing need for London determined in the 2017 London SHMA.

The City has a number of schemes for student housing both completed and those having been consented, such as 619 student flats delivered at 35 Vine St, 151 student flats delivered at 52 Minories, 644 student flats at 61-65 High Holborn to be completed around 2024/25 and 769 student flats projected for Friary Court, 65 Crutched Friars. There is currently no university campus within the City boundary but the nature of London, with its rich network of transport options provides no compelling reason for students to live in the same borough as their chosen campus. Consequently, there is no justification to set specific targets for student housing in the City of London. However, student housing can count towards the overall supply of housing in an area for the purposes of meeting housing targets. Student housing can contribute at a ratio of 2.5 student rooms being equal to 1 permanent housing unit.

Self- and Custom-build Housing

- Under the Self-build and Custom Housebuilding Act 2015 (as amended), the City Corporation is obliged to keep a register of those individuals seeking to acquire serviced plots of land within the City, with an interest in building or commissioning their own homes. A total of 17 individuals were registered on the City of London Self and Custom Housebuilding Register at 31 March 2023. A study in 2010 – Laying the Foundations – a Housing Strategy for England (2010) set out

that only one in 10 new homes in Britain were custom built. A lack of land was listed as one of the barriers to custom-build development at the time. Housing stock dwelling density as of 31st March 2022 was 26.84 dwellings per hectare up from 18.98 in 2011¹³. The Inner London figure is 50.51 so the dwelling density is a lot lower than neighbouring boroughs, mainly due to lack of dwelling opportunities.

13. Gov.uk live tables on dwelling stock – Table 126 - [Live tables on dwelling stock \(including vacants\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/live-tables-on-dwelling-stock-including-vacants)

Wheelchair and Accessible housing

8. In 2013 the City Corporation converted two flats on the Middlesex Street estate to provide wheelchair-accessible dwellings at ground floor level.

At the point in time of this assessment, there were no persons/ households on the Corporation’s Housing Register which required wheelchair-accessible accommodation. However, a growing older population moving forward is expected – with a large proportion of the growth in population between 2023-43 expected to be in persons aged over 60. This can be expected to result in a need moving forwards for additional wheelchair-accessible accommodation.

Gypsy and Traveller housing provision

9. There is no current provision for gypsy and traveller accommodation within the City of London. The London Plan (2021) sets out that in the absence of an up-to-date local Gypsy and Traveller Needs Assessment, boroughs should revert to the needs figure found within Policy H14 as a working guide. Table 4.4 found within the London Plan indicates that there is no need for specific gypsy and traveller accommodation within the City of London.

Appendix 1: National Standard Methodology Calculation for the City of London

Step 1: Setting the baseline

10-year household growth based on Table 406 of 2014 household projections and starting from 2023 when the Reg 19 Plan will be published.

2023 – 5,522

2033 – 6,198

Total increase of $676/10 = 67.6$ average household growth per year (rounded up to 68).

Step 2: Adjustment to take account of affordability

Table 5c of the median workplace-based affordability ratios shows a ratio of 11.89 for the City on the most recent data (2018)

Adjustment factor = $(\text{Local affordability ratio} - 4/4) \times 0.25 + 1$

= $(11.89 - 4/4) \times 0.25 + 1$

= $(7.89/4) \times 0.25 + 1$

= $1.972 \times 0.25 + 1$

= 1.493125 (rounded up to 1.493)

Projected household growth x Adjustment factor = $68 \times 1.493 = 101.52$ (rounded up to **102**)

Step 3: Capping the level of any increase

Doesn't apply to the City as the national methodology gives a lower need figure than the current London Plan target.