

WALTHAM FOREST HOUSING COMMISSION EVIDENCE

FINAL REPORT
APRIL 2023

PRIVATE ENTRANCE
NO PARKING IN USE
24 HOURS PER DAY

prd

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PRD is an economy and delivery consultancy focused on places. We have deep expertise in analysing social, economic, and spatial data from sources such as government, GLA, boroughs, and private-sector providers. We base our work on robust data that captures the multifaceted stories of places, answering key questions so that future plans are built on strong foundations. We use deliberative approaches to community engagement to work with people to shape the places, they live work and study. We believe in empowering the public sector to play a more significant role in curating and sharing data and stories about places, particularly in ways that drive inclusion and dismantle structural barriers to equitable change for all who live and work in a place.



The IGP undertakes pioneering research that seeks to dramatically improve the quality of life for this and future generations. Its strength lies in the way it allies intellectual creativity to effective collaboration and policy development. Of particular importance to the IGP's approach is the way in which it integrates non-academic expertise into its knowledge generation by engaging with governments, policy makers, business, civil society, the arts and local communities.

**Dr Maayan
Matz Ashkenazi**

Maayan Matz Ashkenazi is an independent advisor who specialises in providing socio-spatial expertise to a range of architectural, policy and place-making projects. She has a particular specialism in health and wellbeing in both her professional practice and academic research, harnessing places' ability to deliver on quality of life, foster mutual care, and engender a sense of belonging. Incorporating a range of social research tools in her work, she has a deep commitment to under-heard perspectives, participative approaches, and non-traditional engagement methods

Newbridge is an independent financial and development advisory firm with considerable experience of supporting local authorities, housing associations and private developers to structure delivery vehicles and raise development and long-term finance. In addition to Newbridge's experience of local authority development projects, they have a Capital Markets team that specialises in funding that focuses on the Environmental, Social and Governance ("ESG") benefits of borrowers' activities, which is highly relevant to the wider social, economic and environmental agendas of our public sector clients and their partnerships.



INTRODUCTION

Role of this evidence in supporting the Waltham Forest Affordable Housing Commission

The Waltham Forest Affordable Housing Commission was set up to look at how the council is currently building and providing affordable homes, and to make recommendations on how it can maximise the delivery of genuinely affordable housing in the future. The Commission is made up of independent experts providing strong academic, policy and sector-based expertise.

This report brings together the evidence presented to the Commission between January and April 2023. The report reviews quantitative and qualitative data from the last ten years of development across the borough to provide a deeper understanding of how this has impacted Waltham Forest's communities. The evidence was structured around the topic of each session, providing the Commission with independent insight to support the development of recommendations.

Commission session

Evidence sources

Role of evidence inputs

Session 1: What should Waltham Forest build?

- Quantitative evidence on 10 years of delivery in Waltham Forest let by PRD.
- Using the 2021 Census to show how the borough's demographics have changed at a highly granular level.

- Introduction to housing in Waltham Forest.
- Understanding area change.
- Understanding the impact of the council's existing approach.
- Identifying wider factors affecting future delivery priorities.

Session 2: How should Waltham Forest build?

- Financial and delivery evidence from Newbridge Advisors.
- Strategy evidence from PRD on role of energy costs in household finances/viability

- Outline how the financial context is changing and how this will affect delivery.
- Understanding wider changes which will affect existing stock such as net zero.
- To inform discussion on priorities, lobbying, and opportunities for action.

Session 3: How can we make the greatest impact for residents?

- Evidence from targeted engagement through the focus groups led by PRD.
- Ethnographic evidence.
- Findings tested through available quantitative data.

- Wider considerations for maximising the impact of housing delivery.
- Evidence-led proposals and recommendations for the Commission to consider.

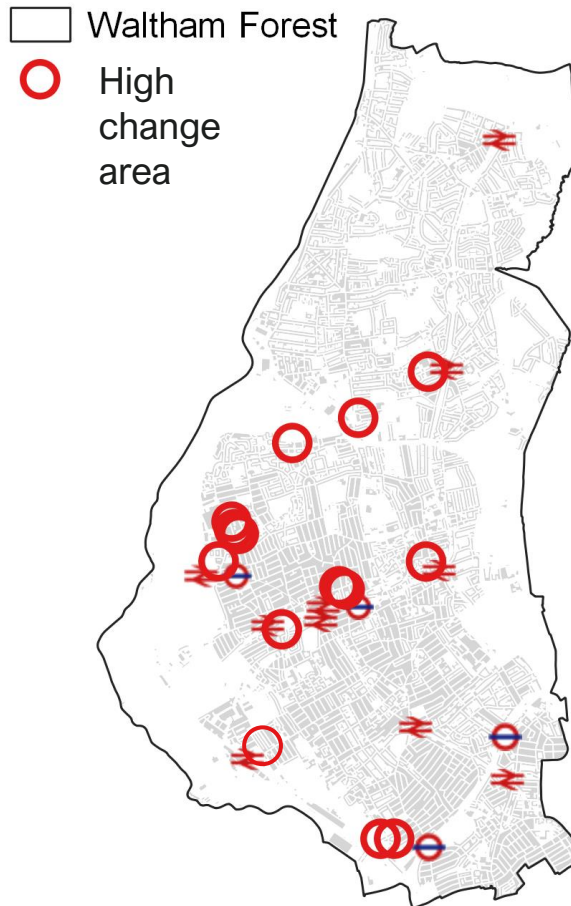
INTRODUCTION

Evidence approach (1): Quantitative evidence

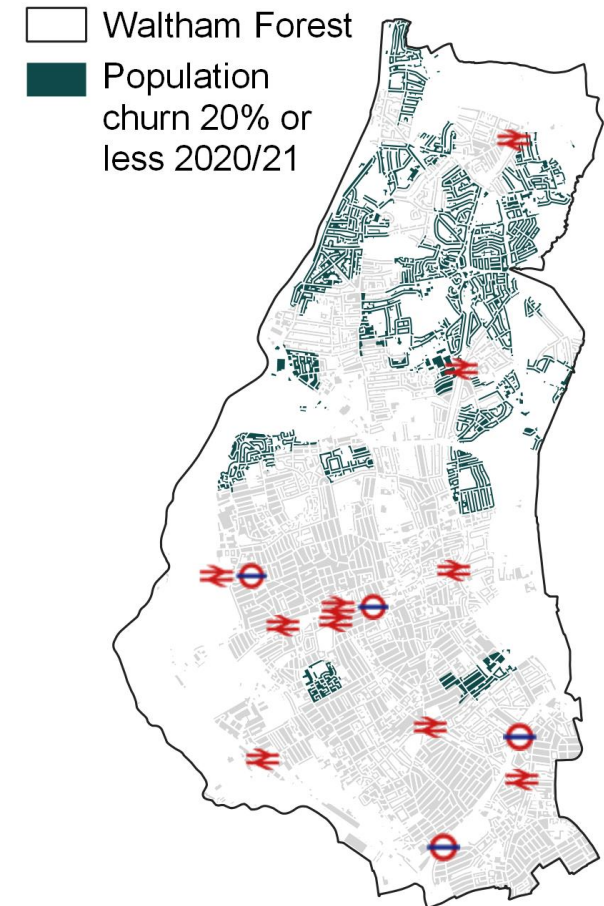
In this report, quantitative evidence has been collected and analysed at the following levels:

- **Borough-level data:** comparing delivery performance to other Outer London authorities*. We have used this to review change across LBWF and identify areas for additional granular research.
- **Areas of highest change:** we have also triangulated the Planning London Datahub and wider evidence to identify the areas of highest change in the borough. For this study, 'High Growth' areas have been defined as places which have seen a clustering of 135+ net homes delivered between 2012 and 2020. This gives ten areas: Blackhorse Road, Sutherland Road, Highams Park, North Higham Hill, Walthamstow Dog Track, Walthamstow Central, Leyton/Temple Mills borders, Wood Street, Lea Bridge, and St James Street.
- **Established communities:** Additional local evidence has also been collected in areas which have seen the least change over the last ten years (*see map far right*). To identify these, we have used the CDRC's Residential Mobility Index. This measures estimated population churn and provides important insight into the borough's long-term communities. The estimates are derived from linking administrative and consumer data such as electoral registers, consumer registers, and Land Registry.

High change areas



Established communities



*The Office for National Statistics and the Census definition for Outer London has been used. Under this classification, Outer London consists of Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Redbridge, Richmond upon Thames, Sutton, and Waltham Forest.

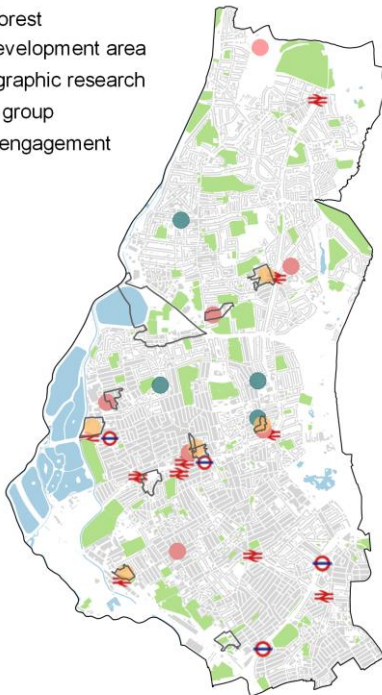
Evidence approach (2): Resident engagement

PRD and Dr Maayan Matz Ashkenazi have undertaken in-depth engagement, participatory, and ethnographic research in five of the borough's neighbourhoods of highest housing growth.

These are: Blackhorse Road/Sutherland Road; Wood Street; Walthamstow Central; Lea Bridge; Highams Park. The findings from both strands of research were brought together into key messages and recommendations for the Commission to consider as part of evidence session 3.

Engagement locations

- Waltham Forest
- Key development area
 - Ethnographic research
 - Focus group
 - Other engagement



Methodology

Ethnographic evidence:

- Individual experiences of change. This included 1-on-1 and group interviews.
- Observational analysis of how people interact with new developments.
- Triangulation with the wider socio-economic picture.

Focus groups:

- A total of nine focus groups took place between 23rd February and 1st March 2023. Four online focus groups brought together people based on their circumstances: people who live in social housing, people who live in private accommodation (homeowners and renters), people who have health issues and / or additional needs that impact on their housing need and a general session for other people who wanted to share their experiences.
- Five face to face focus groups took part in areas of Waltham Forest that have seen significant development.
- Data gathered was analysed using inductive coding. Whereby we reviewed the data collated and looked for words or phrase that participants use repeated and use this as codes to look for themes and patterns in responses.
- **In total 95 people were part of the conversations that inform this output.**

Testing feedback

Where possible, qualitative feedback has been tested against available quantitative data. This is typically publicly available Census data, or data held by the London Borough of Waltham Forest. This has been used to identify discrepancies between resident perception and what the quantitative data is telling us.

Resident Recommendations

- We asked focus group participants to propose recommendations and actions that they would like the Commission and the council to consider.
- The consultant team grouped these requests into key themes to identify potential actions which might be considered to act on resident feedback.

Commission context: The national housing crisis is playing out visibly in Waltham Forest. The evidence points to urgent challenges for both private renters and mortgage holders which has been accelerated by the Cost of Living Crisis

1. City-wide challenges are playing out on the ground in Waltham Forest

- **The fastest house price growth in London:** Whilst Waltham Forest remains cheaper than other boroughs, it has experienced the fastest house price growth in the capital (growing by 118% since 2011 vs 65% in London).
- **This has been enabled by a period of historically low interest rates:** Waltham Forest has seen some of the biggest increases in mortgage borrowing in London since 2013. Rising interest rates could impact the financial resilience of households who are heavily leveraged.
- **The growth of Waltham Forest's private rental sector is the biggest tenure change of the last decade:** The private rental sector now accounts for 28% of Waltham Forest households. Data from 2019 shows that the average resident can expect to spend 44% of their basic pay on rent – up from 38% in 2011.
- **The Cost of Living crisis has put rising housing costs into even sharper focus:** Many residents are acutely exposed to key inflationary pressures. Going into the Crisis, Waltham Forest already had the third highest fuel poverty rate in London.

- **The cumulative impact of rising essential cost pressures is more residents could fall into poverty in 2023, including multi-earner professional households:** Rising housing costs, energy bills, and other essential spend (such as childcare) could push households earning well above the borough median into poverty.
- **This is increasing pressure on statutory local authority services:** Homelessness rates in LBWF have grown by 55% since 2019 and 18% of households are classed as overcrowded. However, this is not impacting all households equally. Black residents in Waltham Forest are disproportionately at risk of homelessness.
- **There is evidence to suggest that the housing crisis is contributing to demographic change in Waltham Forest.** Waltham Forest has seen high levels of immigration from more expensive boroughs such as Hackney and Haringey. Whilst the south of the borough still contains Waltham Forest's most diverse communities, the proportion of ethnic minority residents has decreased in most south and central neighbourhoods. Conversely, the north of the borough has become more diverse since 2011.



+118% increase in house prices in the borough since 2011



30% of households in the borough own their homes with a mortgage or through Shared Ownership



+3,500 more households in the borough now rent privately than in 2011



+42% increase in mean rents between 2012 and 2019

Session 1: The council has captured a rising market to deliver more affordable homes. Now, there is an opportunity to refine focus, in response to changes within the borough, and a better understanding of what is affordable for residents.

1. The council has used increased values and developer interest to deliver more affordable homes

- **Waltham Forest has had the most diverse tenure delivery in London:** 35% of total housing delivered in Waltham Forest since 2011 has been non-market housing (e.g. social rent or intermediate), compared to the London average of 21%.
- **Hundreds of new social rent homes have been delivered, benefitting families on the council's housing waiting list:** Between 2012 and 2021, data from LBWF showed that new builds have provided over 1,500 homes to housing waiting list tenants. Most of these residents moving into new properties had been on the housing waiting list for three years or more.
- **However, most new market housing is unaffordable for the average Waltham Forest resident:** Using affordability modelling, many of the new developments available to rent would require household incomes significantly above current average gross resident earnings.

2. Focus can now be refined to respond to changes within the borough, and a better understanding of what is affordable for residents

- **A high quality and affordable private rental sector to respond to need and demand:** the build to rent market is forecast to grow significantly and Waltham Forest needs a strategy to respond to this.
- **Parts of the borough contain ageing populations:** there is a growing need for more specialist housing, and for existing housing stock to be used more efficiently.
- **Demographic shifts show that Waltham Forest has a need for larger family-sized houses, but new development is yet to meet this need:** the average number of bedrooms delivered in new development across Waltham Forest since 2011 is lower than the average household size.
- **Getting the right intermediate tenures:** Reviewing Waltham Forest's planning data suggests that a significant amount of affordable housing delivery has been through Shared Ownership. Evidence from the GLA and affordability modelling presented here

suggests that Shared Ownership is only likely to be affordable to higher-earning eligible residents.

- **In addition to the delivery of new houses, there are wider policy factors which shape the supply and demand for housing:** for example, the number of Airbnb's and international property ownership has increased significantly in recent years.



2,916 affordable homes delivered in the borough between 2011/12-2021/22



46% of residents moving into new-build social rented accommodation gained at least one additional bedroom compared with their previous accommodation



2.7 people per household on average in Waltham Forest

Session 2: The changing financial climate means that prioritisation is required to secure the affordable housing that Waltham Forest needs

1. Since 2015, the vast majority of affordable housing has been delivered by Registered Providers (RPs) and S106

- **Direct delivery by local authorities is growing but still only forms a small part of the overall mix:** While local authority delivery has increased in recent years, this still only accounts for less than 10% of all affordable homes delivered nationally.
- **There are smaller providers which are likely to be increasingly relevant to affordable housing delivery in Waltham Forest:** this includes for-profit RPs and charities that specialise in tenures such as specialist housing.

2. However, RPs and S106 will be affected by the changing financial and regulatory context which could restrict the amount of affordable housing delivered in Waltham Forest

- **Many RPs nationally are dealing with wider cost pressures associated with their existing stock such as damp, mould, and cladding issues:** These are frequently non-revenue earning activities which reduces the amount of money to finance new affordable housing delivery.
- **S106 delivery relies on a buoyant housing market to sustain high rates of affordable**

delivery: The Office for Budget Responsibility and industry experts forecast a fall in house prices over the next two years. A housing market slowdown could affect the quantity of affordable homes delivered through S106.

- **Build costs are also forecast to increase:** At the same time, build costs are forecast to increase over the coming years, meaning that high levels of affordable housing may be less viable to developers in the short-term.
- **Borrowing costs for Local Authorities and RPs have increased significantly:** This, coupled with the cost of addressing challenges within their existing asset bases (such as damp and mould) could also restrict overall affordable housing delivery.

3. Funding net zero could constrain ability of Local Authorities and RPs to deliver more affordable housing without significant government support

- **Improving energy efficiency of the borough's existing housing stock is a strategic priority for Waltham Forest:** Achieving net zero and addressing the climate emergency are local and national policy priorities. Domestic emissions contribute over half of total emissions in Waltham Forest.

- **Proposed legal changes to energy efficiency requirements will impact affordable housing freeholders:** Proposed regulatory changes by government could restrict any property rated EPC D or below from being leased.
- **This will require significant investment in the borough's existing affordable housing stock:** investment will be required meet this change, and wider improvements to achieve net zero by 2050.



47% affordable homes in England have been delivered by Registered Providers since 2015



24% of existing affordable homes in the borough are EPC Band D or below



£245m estimated cost to reach net zero in existing affordable housing stock in Waltham Forest by 2050

Session 3: Resident engagement captured the lived experience of ten years of rapid change. Focus groups identified a range of priorities for the Commission to consider

1. Across all tenures, residents engaged felt that they have a lack of choice in where they live – exacerbated by rising prices and increased demand

- **Many long-term residents highlighted that they moved to Waltham Forest as it was previously seen as a more affordable part of London:** However, declining affordability is resulting in a narrowing of choice for both private tenants and homeowners - creating a situation where residents say they are unable to move onto/up the housing 'ladder'.

2. The Cost of Living crisis is bringing affordability challenges into sharper focus. Whilst rising costs are affecting most residents, it is impacting different tenures in different ways

- **Participants provided insight into the challenges facing private renters:** This was frequently defined by months of viewings, pressure to make quick decisions, and tenure insecurity.
- **Several people spoke to us about their experience of overcrowding which tended to be as result of families out-growing small homes.** A number of focus group participants had experience of being on the housing waiting list. Residents spoke of frustration and

confusion at how the system works and the best avenues to find help.

3. Development was commonly perceived as not being for local people. Whilst most participants were not opposed to new housing, it was seen to be important that Waltham Forest prioritises the 'right' type of growth

- **Rapid change over the last ten years is contributing to perceptions of a divide between long-term and new residents:** Participants often viewed development as being for the benefit of new residents, rather than existing communities.
- **Participants were more likely to be positive towards development if it was viewed to address local challenges.** Participants highlighted a lack of family-sized housing as a key challenge.
- **Wider social infrastructure is also important:** A key concern is a belief that community and public services are not keeping up with demand, and that more people moving into the area will exacerbate this challenge.
- **Participants were sceptical about Shared Ownership as an affordable product,** with some existing Shared Ownership tenants noting that it had become less affordable over time.

4. There were several asks that were consistent across all focus groups. This included:

- **A better understanding of council decision-making:** residents we spoke to would like to see the Council consider how it listens, communicates, and demonstrates. They would like to be able to understand how and why decisions about housing are made.
- **Review the use of the term 'affordable' housing:** The use of the word 'affordable' is an emotive issue, as the majority of participants felt that the London Plan definition of affordable housing is not affordable for them.
- **Support for people already living in the borough:** There is a perception that housing decisions are focused on bringing people into the Borough, particularly those with higher incomes.



1

THE HOUSING CRISIS IN WALTHAM FOREST

THE EVIDENCE POINTS TO URGENT
CHALLENGES FOR BOTH PRIVATE
RENTERS AND MORTGAGE
HOLDERS – ACCELERATED BY THE
COST OF LIVING CRISIS

The housing crisis in Waltham Forest: Urgent challenges for both private renters and mortgage holders – accelerated by the Cost of Living Crisis

1.

Waltham Forest has experienced the fastest house price growth in London. Recent price growth has been underpinned by house sales, with increases in the price of flats growing at a slower rate than houses. This reflects high demand for family-sized houses in the borough and a lack of new houses being built compared with flats.

2.

Rising prices have been enabled by ten years of historically low interest rates. This has meant that despite increases in house prices, buyers' monthly repayments have remained low – enabling residents to borrow more. However, the Bank of England's recent interest rises mean that residents with high amounts of borrowing could face imminent financial challenges when their fixed-term deals expire.

3.

The growth of the private rental sector is the most significant tenure change over the last decade. Private rents in the borough have increased above the outer London average. Residents now spend a higher proportion of their income on rent compared to a decade ago. Despite this, official data is likely to underestimate the scale of the problem with alternative sources suggesting that rents grew by 10% in 2022, with bidding wars and multi-year tenancies becoming increasingly common.

4.

Housing is integral to addressing poverty and inequality – making it an economic issue. The evidence shows that housing costs are typically residents' primary overhead. Due to the Cost of Living Crisis and inflation, rising housing costs coupled with the cost of other essential goods means that even multi-earner, professional households could fall into poverty in 2023.

5.

These challenges are already leading to increased pressure on statutory local authority services such as homelessness alleviation. The most common reason for residents being at risk of homelessness is no longer being able to stay with family and friends, and private rental tenancies ending. For households that are not homeless, many are living in increasingly overcrowded housing – especially in the south of the borough.

6.

There is evidence to suggest that the housing crisis is contributing to demographic change in Waltham Forest. Waltham Forest has seen high levels of in-migration from more expensive boroughs such as Hackney and Haringey. Whilst the south of the borough still contains Waltham Forest's most diverse communities, the north of the borough has become more diverse since 2011. Conversely, the proportion of ethnic minority residents has fallen in many south and central neighbourhoods.



A GROWING UNAFFORDABILITY CHALLENGE

1A: UNAFFORDABILITY CHALLENGE

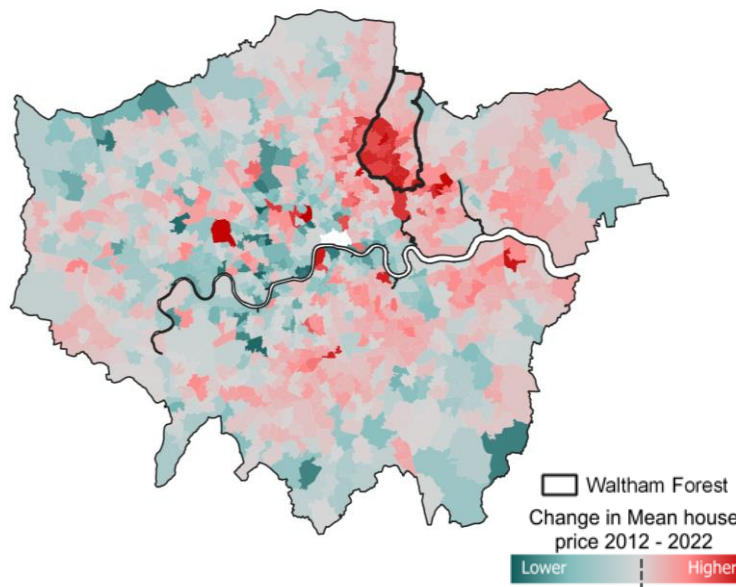
The fastest house price growth in London...

Most residents in Waltham Forest own their home either through a mortgage or outright (50.6%). The most common housing tenure in the borough is owning with a mortgage or loan (30.4% of all households).

Waltham Forest has experienced the highest rate of house price growth of all London boroughs, with house prices increasing by 118% since 2011. This is considerably higher than the London (+65%) and Outer London (+74%) averages over the same period.

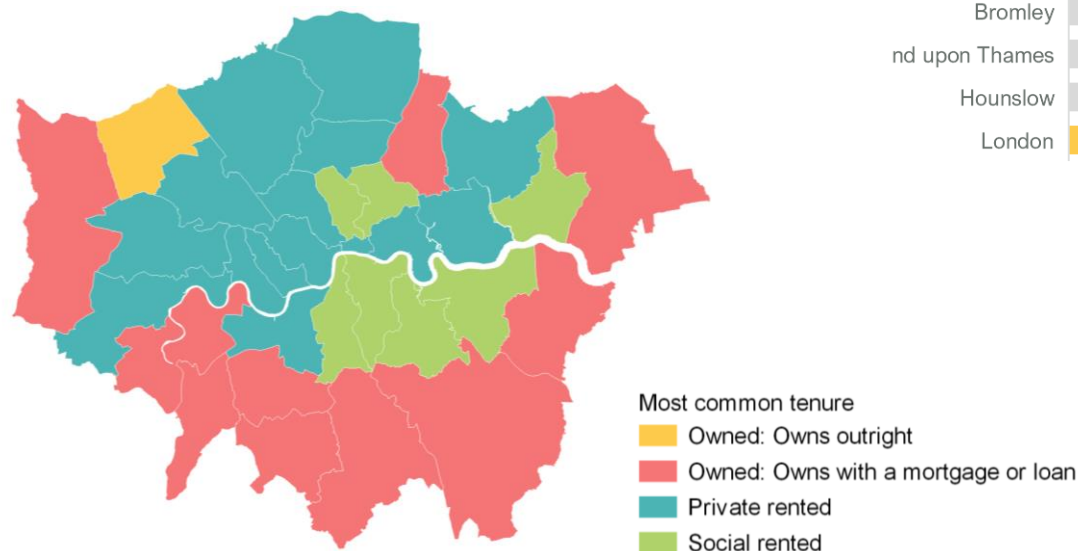
Small area house price analysis has shown that the most significant growth has been in the south west of the borough, inside of the North Circular/A406.

Mean house price change, 2011-2021*



Waltham Forest	118%
Barking and Dagenham	92%
Enfield	89%
Bexley	82%
Redbridge	81%
Haringey	81%
Havering	80%
Brent	79%
Kingston upon Thames	78%
Hillingdon	77%
Sutton	76%
Croydon	75%
Harrow	74%
Outer London	74%
Barnet	73%
Ealing	72%
Greenwich	72%
Merton	72%
Bromley	71%
nd upon Thames	68%
Hounslow	67%
London	65%

Modal housing tenure, 2021



1A: UNAFFORDABILITY CHALLENGE

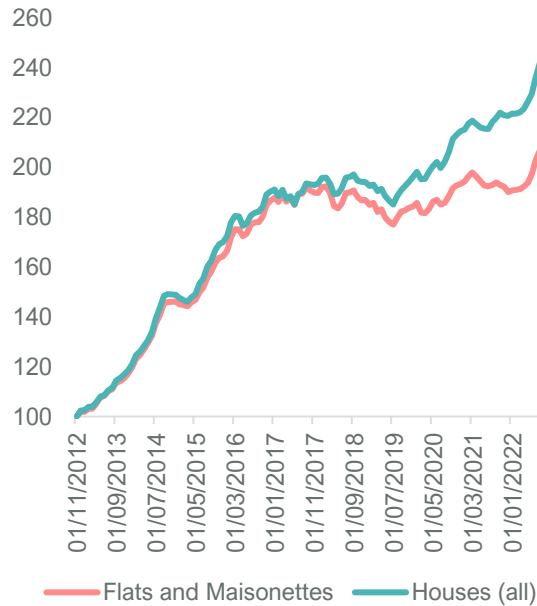
...This is increasingly driven by houses rather than flats meaning a more nuanced understanding of affordability is required

52% of homes in the borough are houses (either terraced, semi-detached, or detached). Analysis of sold prices on the Land Registry shows that sale price growth of houses has become decoupled from flats since 2017; with the value of houses growing at a much faster rate. Between 2012 and 2022, the average house in Waltham Forest grew by 141% compared to +106% for flats. In October 2022, the average price of a flat was £391,136, whereas the average house price stood at £794,298.

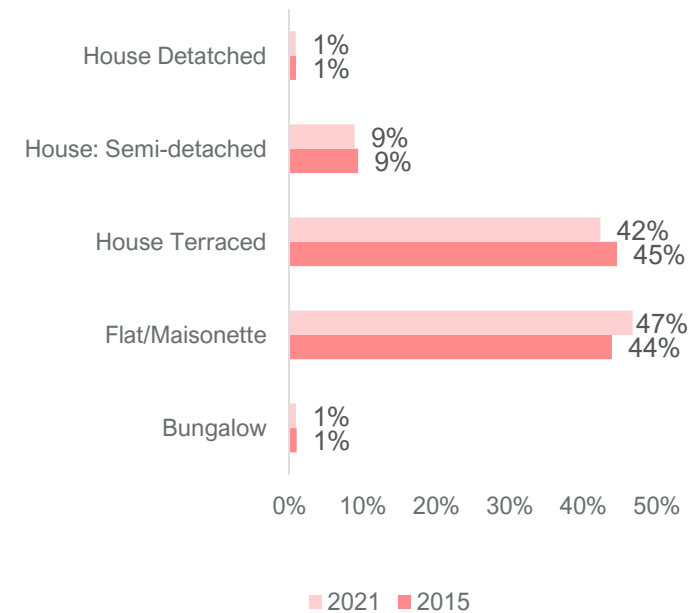
This reinforces the importance of development to address affordability, and supply and demand challenges. The growth in house prices is likely to be partly attributed to a lack of new build houses across London over the last ten years. Between 2015 and 2021, there was a net increase of 5,680 flats or maisonettes in Waltham Forest, compared to +500 new houses.

Due to the last decade of development, flats and maisonettes are now the most common property type (47% of all properties) – taking over from terraced housing which was the modal typology in 2015.

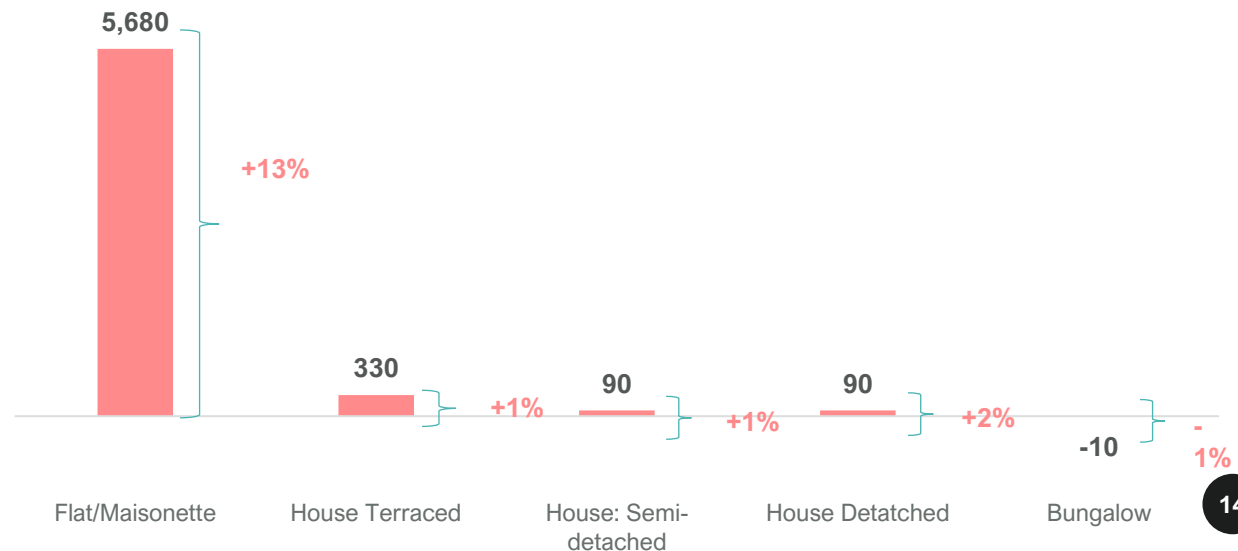
Land registry sales – indexed change for flats and maisonettes and average of all house types in Waltham Forest, 2012=100



Change in stock of properties in Waltham Forest by proportion of overall housing stock, 2015-2021



Absolute change in stock of properties in Waltham Forest, 2015-2021



1A: UNAFFORDABILITY CHALLENGE

Rising prices have been sustained by cheap borrowing which could leave residents more exposed to a downturn

Source: Council of Mortgage Lenders

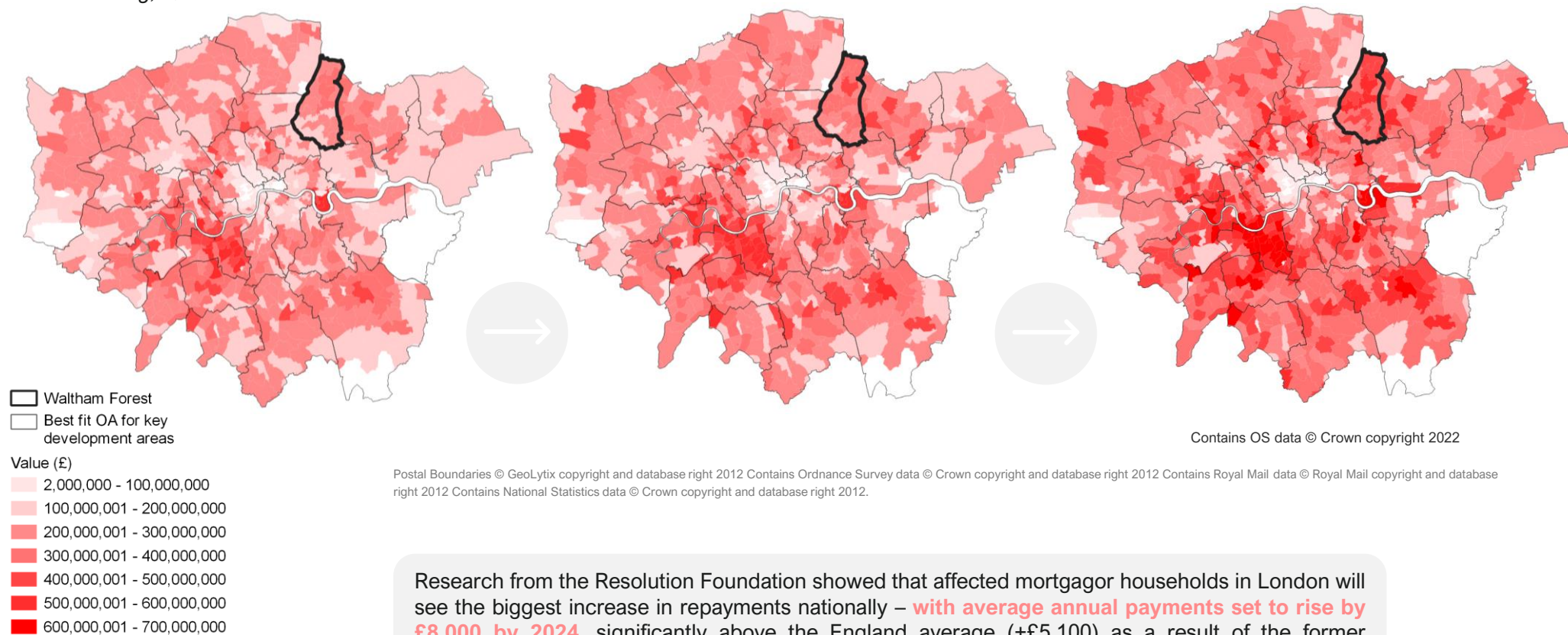
30.4% of households in Waltham Forest own their property with a mortgage loan or through shared ownership. The maps below show outstanding residential mortgage lending by postcode over time. This indicates that borrowing in Waltham Forest is considerably higher than it was in 2013 post Financial Crisis. This reflects the role of cheaper borrowing in fuelling house price growth across London.

This is reinforced locally when analysing the value of residential mortgage loans between 2013 and 2021. Parts of Waltham Forest have seen some of the sharpest increases in mortgage debt in London – mirroring the growth in house prices. As a result, there is a risk that as Fixed Term mortgages expire, residents could be paying hundreds of pounds extra every month due to higher interest rates.

Value of residential mortgage loans outstanding, Q2 2013

Q3 2016

Q4 2021



Research from the Resolution Foundation showed that affected mortgagor households in London will see the biggest increase in repayments nationally – **with average annual payments set to rise by £8,000 by 2024**, significantly above the England average (+£5,100) as a result of the former Chancellor's 'mini budget'.

1A: UNAFFORDABILITY CHALLENGE

3,500 more households are now renting privately with the average resident spending almost half of their net salary on rent

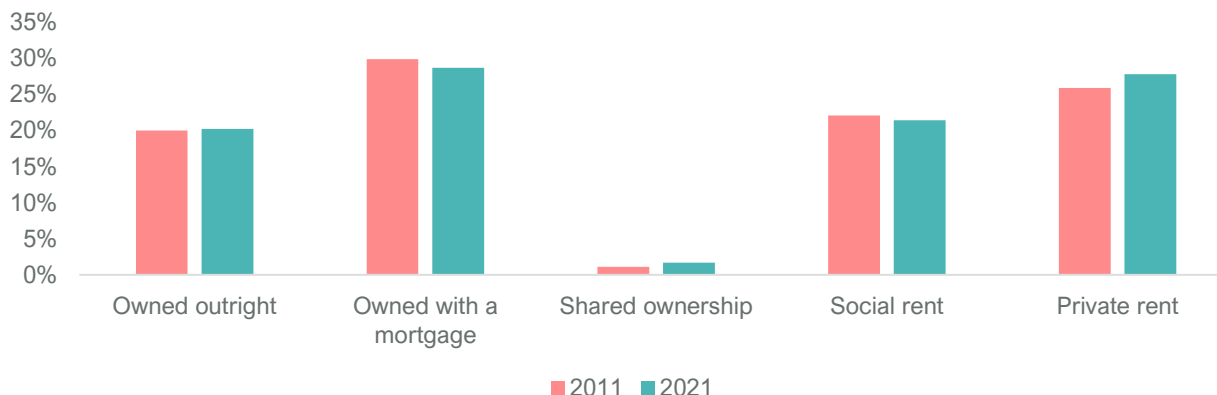
Private rents are increasing across London. In 2021-22, mean private rents in Waltham Forest were £1,381 per calendar month. This is lower than the Outer London (£1,497) and London (£1,629) averages. Whilst Waltham Forest is still cheaper than other areas, prices have increased at a much faster rate than most outer London boroughs.

Alternative evidence sources suggest that the ONS data is too heavily lagged to reflect the reality facing private renters in Waltham Forest. Evidence from the Financial Times has shown that a historic undersupply of private rental properties coupled with a post-pandemic return to cities caused prices to sky-rocket in 2022. Anecdotal evidence has also shown that properties are being let for hundreds of pounds over the listing price, with tenants signing longer multi-year contracts; often at inflated prices. This was reinforced by the engagement on Page 84.

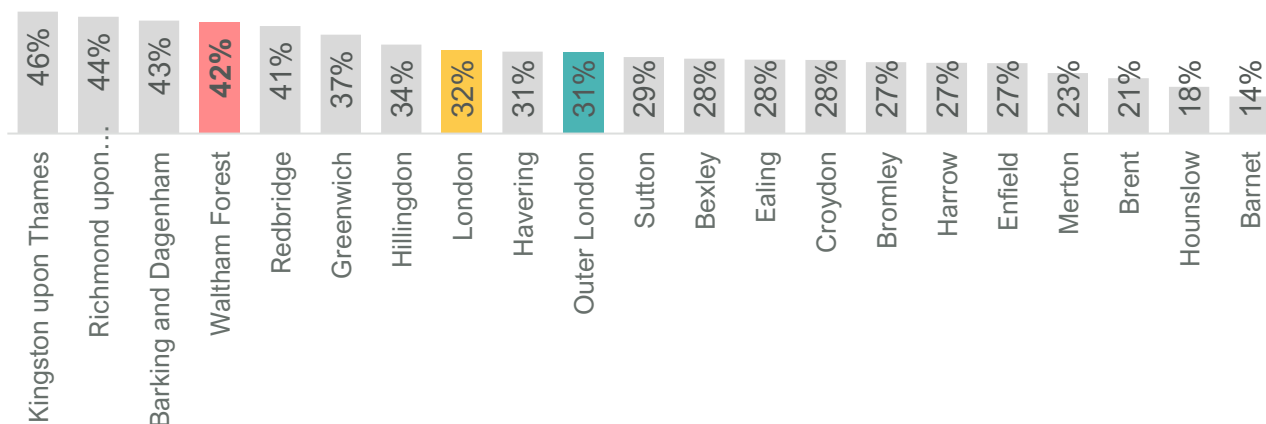
Historic data has shown that the average resident in 2019 was spending 7% more of their basic pay on rent than they were in 2011 – which is likely to be even higher today.

Source: VOA Private Rental Market Statistics, Financial Times

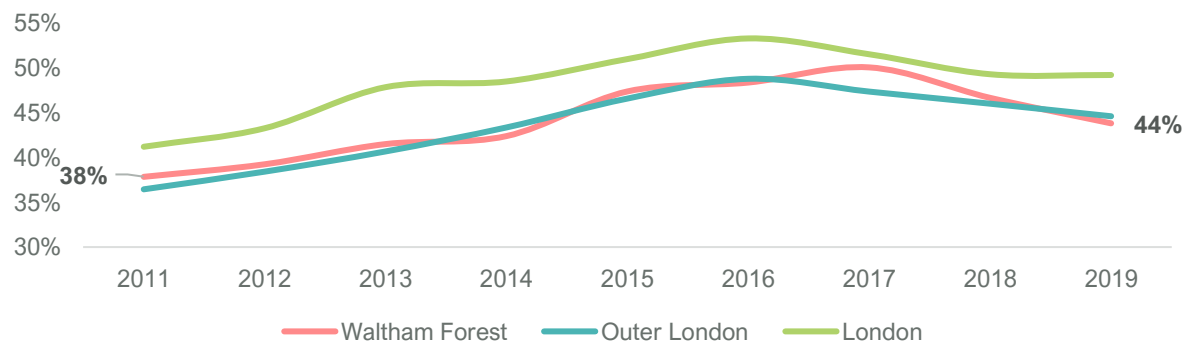
Change in tenure, 2011 vs. 2021



Change in private rents, Q1 2012-Q1 2019



Proportion of average basic pay spent on rent for average property (mean of all sizes), 2011-2019





**THIS IS ACCENTUATED
BY COST OF LIVING
CHALLENGES WHICH IS
INCREASING DEMAND
FOR COUNCIL
SERVICES**

1B: COST OF LIVING

Inflation is bringing this challenge to the fore and tenure makes a big difference to disposable income

Housing affordability is typically defined by a ratio of average sale prices to average gross earnings. This provides limited insight into who homes are affordable to, and the human impact of housing unaffordability.

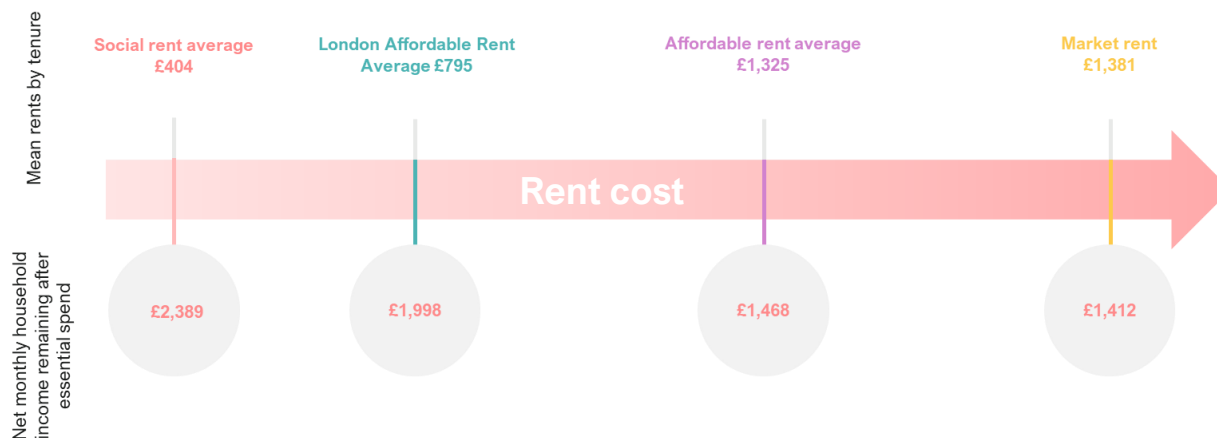
To bridge this gap, PRD have modelled the impact of different average housing tenures on resident disposable incomes using average rent data from LBWF and the ONS. The purpose of this is to provide a better understanding of what gross pay actually buys once all essential spend (such as housing, taxes, food, transport and fuel, plus other Minimum Income Standards expenditure) have been considered. More information on this modelling can be found [here](#). This has been undertaken for three example households in the borough:

Example 1: A nurse and a teacher, both earning approximately £35,000 and working in the borough

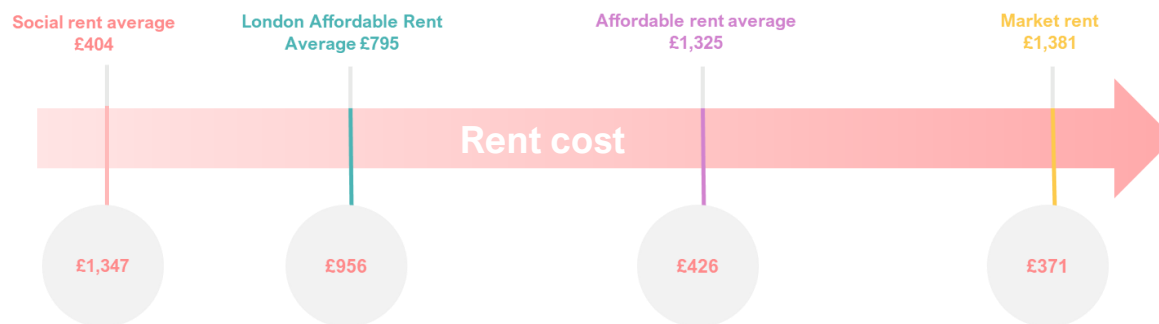
Example 2: A nurse and a teacher, both earning approximately £35,000, with two children, one requiring childcare full time and the other attending after school club

Example 3: A mechanic earning £30,100 living alone in the borough

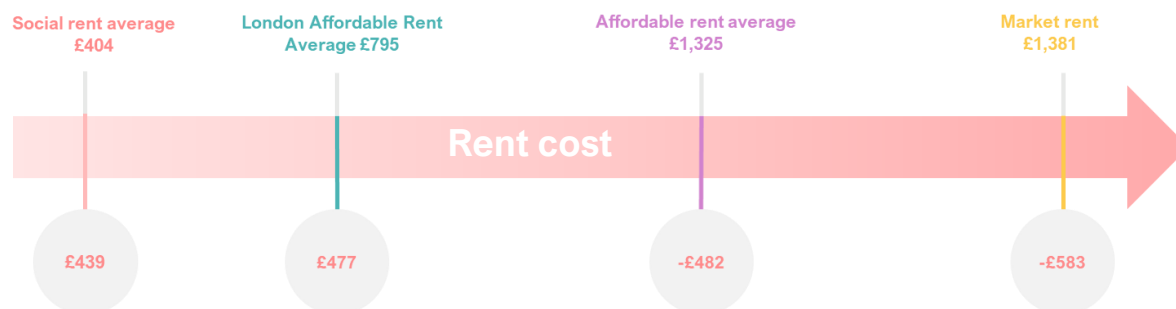
£ leftover at the end of the month after all essential spend has been considered across different tenures – example 1



£ leftover at the end of the month after all essential spend has been considered across different tenures – example 2



£ leftover at the end of the month after all essential spend has been considered across different tenures – example 3



1B: COST OF LIVING

Housing is the most significant essential overhead but other costs are important for a holistic understanding of affordability

Source: PRD Cost of Living Model

In addition to housing costs, there are wider factors related to housing and infrastructure provision that are relevant for resident prosperity.

Based on average costs for a family consisting of two adults and a child in the modelled example presented below, it is clear that housing costs are typically the biggest annual overhead – especially for those living in the private rental sector. However, other factors such as childcare and energy bills also represent key essential overheads for residents.

*Estimated average essential annual spend for a family of 2 adults and 1 child living in Waltham Forest **



*Note: Excludes travel costs. This also does not include building management fees/service charges for leaseholders. ARMA (the Association of Residential Managing Agents) estimates the average service charge bill in London at around £1,800 to £2,000 a year.

The quality of the existing housing stock is a major challenge. Pre-energy crisis, Waltham Forest had the third highest fuel poverty in London...

Fuel poverty in England is measured using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if: *“they are living in a property with energy efficiency rating of band D or below and when they spend the required amount to heat their home, they are left with a residual income below the poverty line”*.

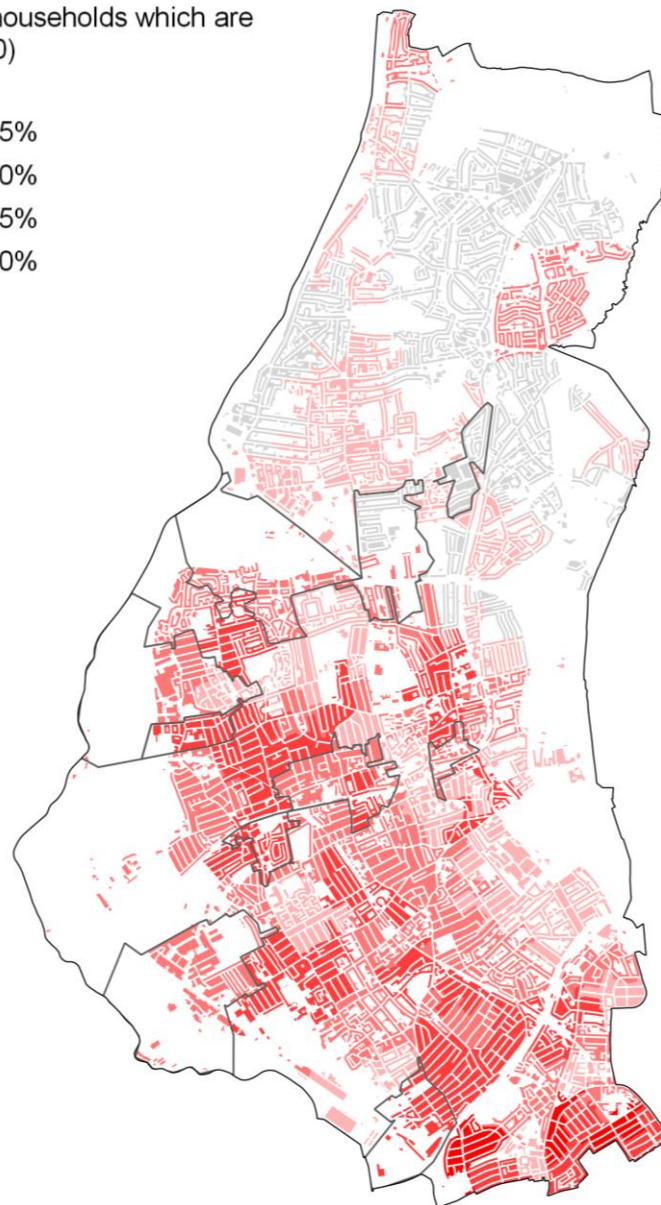
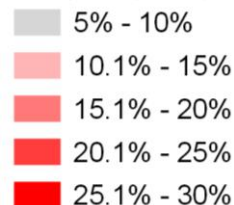
The latest data on fuel poverty was produced by the Department for Business Energy and Industrial Strategy (BEIS) in 2022, using 2020 data. This showed that Waltham Forest had the 31st highest fuel poverty rate (16.4% of households) of all local authorities nationally.

The majority of the borough’s fuel poor households live in the south and central parts of the borough – which is where much of the Victorian terraced stock is located. Conversely, fuel poverty is significantly lower in the north of the borough. This is likely to reflect the higher proportion of properties built in the 1930s or later which have a better energy efficiency rating, and the higher average incomes.

Fuel poverty by LSOA, 2020

Best fit LSOA for key development area

Proportion of households which are fuel poor (2020)



17,075 households are fuel poor within Waltham Forest

18% of households within the key development area LSOAs are fuel poor

16% of households within Waltham Forest are fuel poor

1: COMMISSION CONTEXT

...Which is likely to have worsened significantly over the last 12 months

In September 2022, the government announced the 'Energy Price Guarantee' scheme in response to the continued rise in the price of energy.

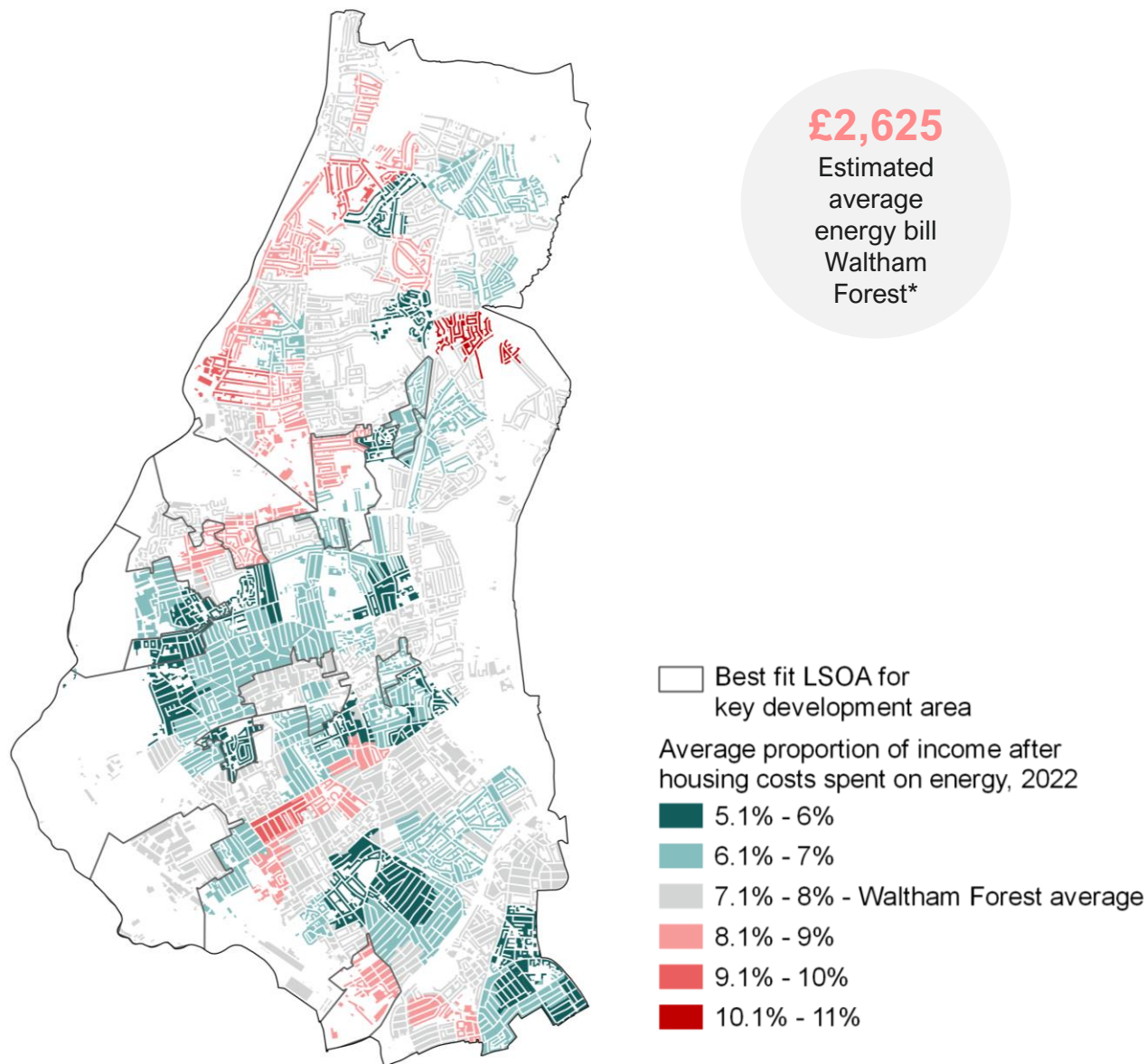
Under the scheme, which began on the 1st October 2022, a typical household in England, Scotland and Wales will pay an average of £2,500 a year for their energy bills.

The energy price cap sets a maximum price that energy suppliers can charge consumers for each kilowatt hour (kWh) of energy they use. How much a household pays depends on how much energy they use.

BEIS capture data on energy usage at local level. By applying the October price cap to 2022 usage, it is possible to estimate how rising prices will affect different areas, and we have calculated the approximate proportion of income after housing costs is spent on energy. The largest proportions of income after housing costs spent on energy are likely to be in the north west of the borough, as well as neighbourhoods in parts of Highams Park, Leyton and Lea Bridge. This is likely to reflect areas where there is low energy efficiency housing stock and areas with lower average incomes.

Source: Ofgem, ONS gas and electricity usage

Estimated proportion of income spent on energy costs by LSOA*



*Note: Based on the Energy Price Guarantee from 1st October 2022 electricity and gas tariffs and standing charges. Usage is based on 2022 data and actual usage will depend on average temperatures and behaviour change. Income is based on 2018 ONS Income After Housing costs uplifted to 2022 using change from ONS average weekly earnings

1B: COST OF LIVING

Bringing this all together: modelled essential spend examples

Source: PRD Cost of Living Model, 2021 Census

By bringing together all essential spend evidence, it is possible to understand the financial resilience of example households across Waltham Forest. Using benchmark earnings data for different occupations from the ONS it is possible to understand the 'real' income leftover at the end of each month, once all essential costs have been considered.

The modelling suggests that even multi-earner professional households could have no money leftover at the month. This shows that affordability needs to be considered in the round – and there are other key housing-related outgoings which could fall within the scope of the Commission to address several of the causes of the borough's unaffordability challenge.

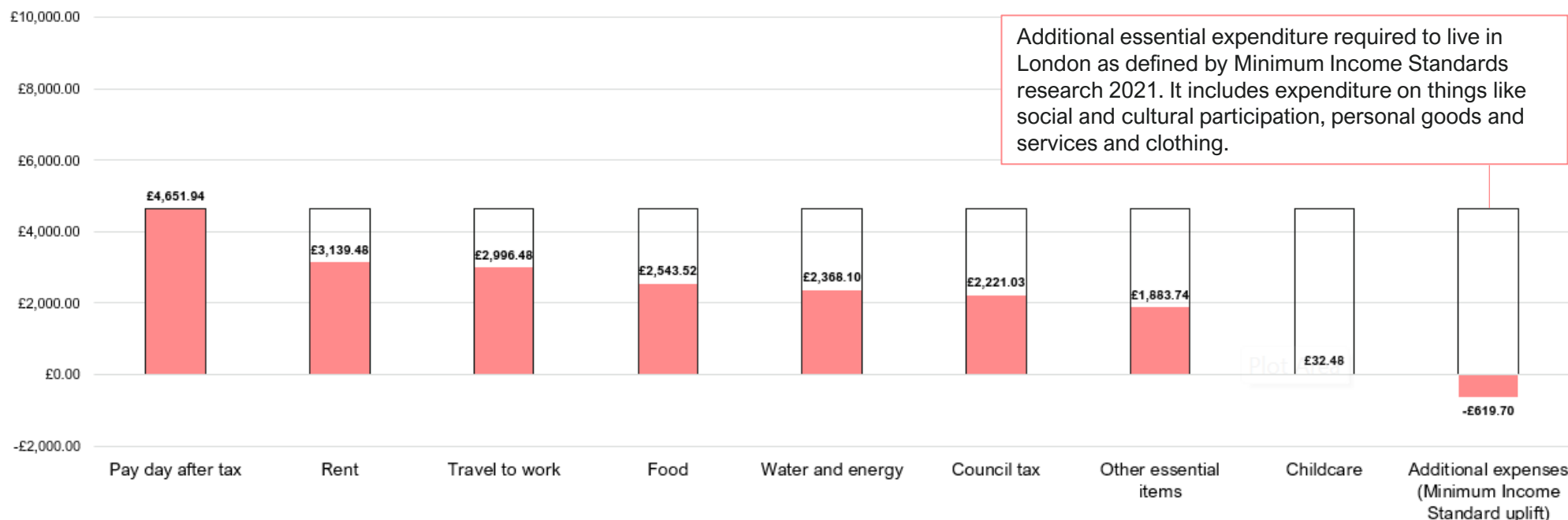
- Teacher and Doctor
- Annual earnings: £35,074 & £40,257
- Children aged 2 and 4, paying for full time childcare
- Private renting a 2-bedroom house

35,700
households
within
Waltham
Forest have
dependent
children

30.9% of
households
in Waltham
Forest live
within homes
which are
two bed

3,900
children are
aged 2 in
Waltham
Forest, 3,619
aged 4

Income remaining after...



1B: COST OF LIVING

This affordability crisis is already contributing to a growing homelessness challenge...

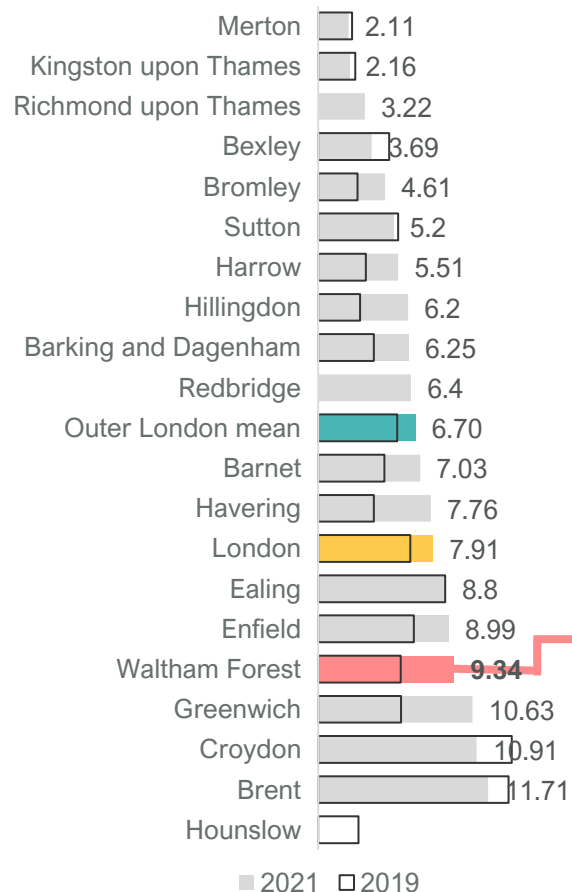
The factors outlined on the previous pages are culminating to put more pressure on Waltham Forest's statutory services, such as homelessness alleviation.

Local authorities have duties to prevent and relieve homelessness for all homeless applicants who are eligible based on their immigration status.

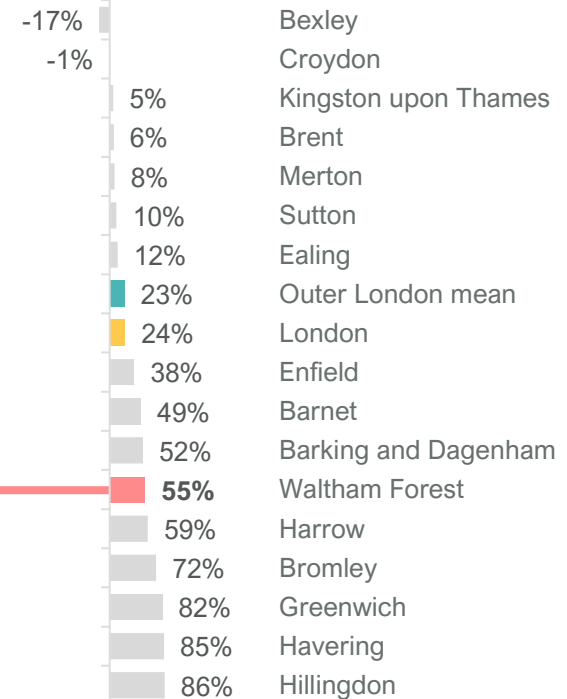
The proportion of residents in Waltham Forest who have been assessed as homeless has increased significantly since 2019. There has been a 55% growth in the number of households who were recorded homeless in 2022 compared with 2019 levels.

The primary reason for being owed a prevention duty is people no longer being able to live with a family member or friend.

Households assessed as homeless per (000s), 2019 v 2022



Change in households assessed as homeless, 2019-2022



In 2022 in Waltham Forest:

1,757 (99.4%) of households assessed were owed a duty by LBWF

42.6% owed a prevention duty as family/friend can no longer host

24.4% owed a prevention duty due to end of private tenancy*

913 people in temporary accommodation (as of November 22)

*Most common reason for end of private tenancy was the landlord wishing to sell or re-let the property

1B: COST OF LIVING

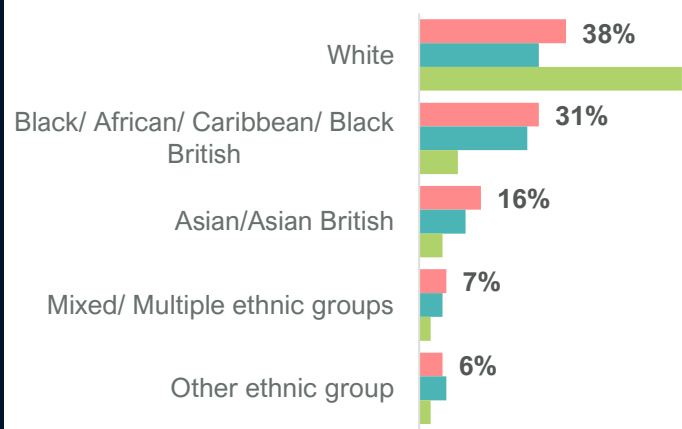
Black residents are disproportionately at risk of homelessness

People identifying as Black, African, Caribbean or Black British represent a disproportionate proportion of people owed a at risk of homelessness in Waltham Forest in comparison to the London average.

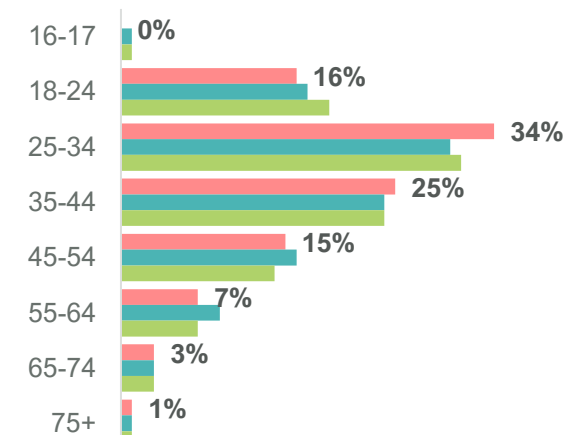
Almost a third of residents owed a homelessness relief or prevention duty in Waltham Forest in 2022 are Black, African, Caribbean or Black British, whilst they make up only 15% of the Waltham Forest population.

There are a greater proportion of households at risk of homelessness who are female single parent families than the London and England averages, at 31% of applicants.

Ethnic group of applicants assessed as owed a prevention or relief duty, April to June 2022

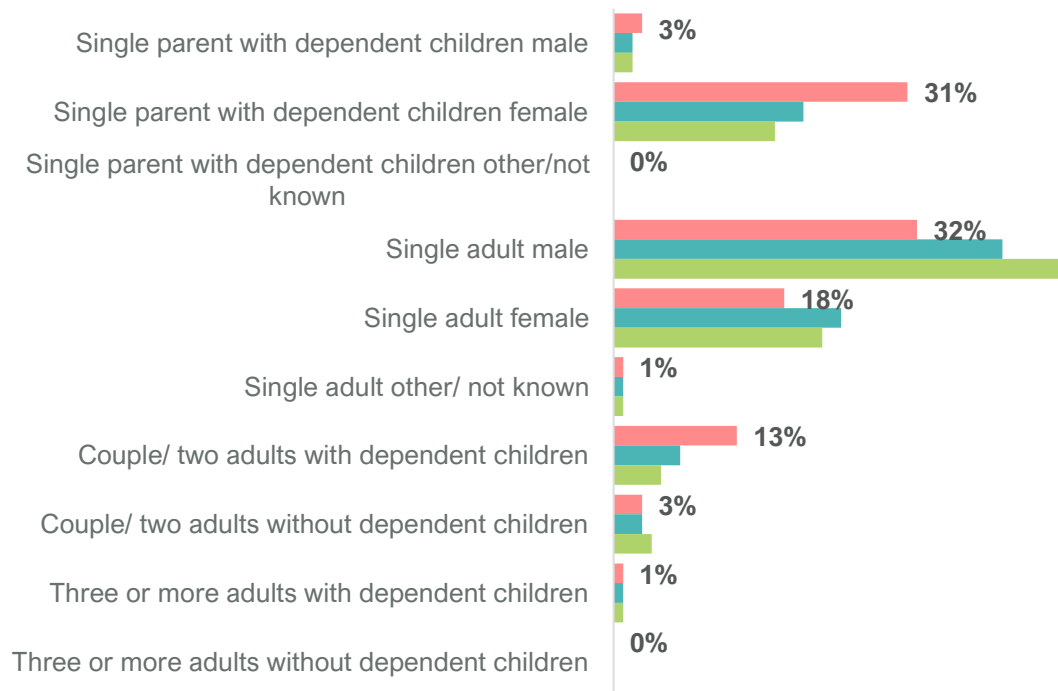


Age of applicants assessed as owed a prevention or relief duty, April to June 2022



■ Waltham Forest ■ London ■ England

Type of household for applicants assessed as owed a relief duty, April to June 2022



1B: COST OF LIVING

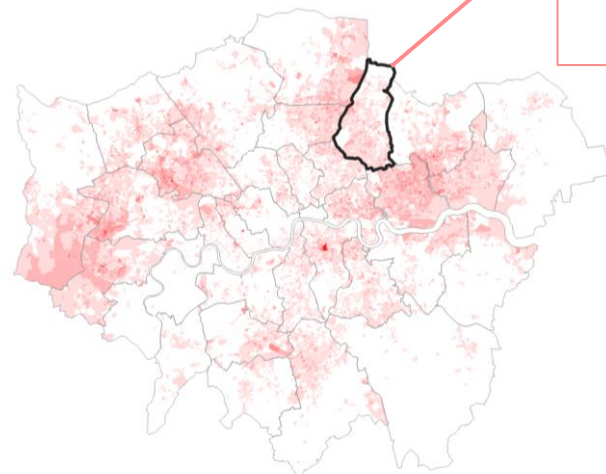
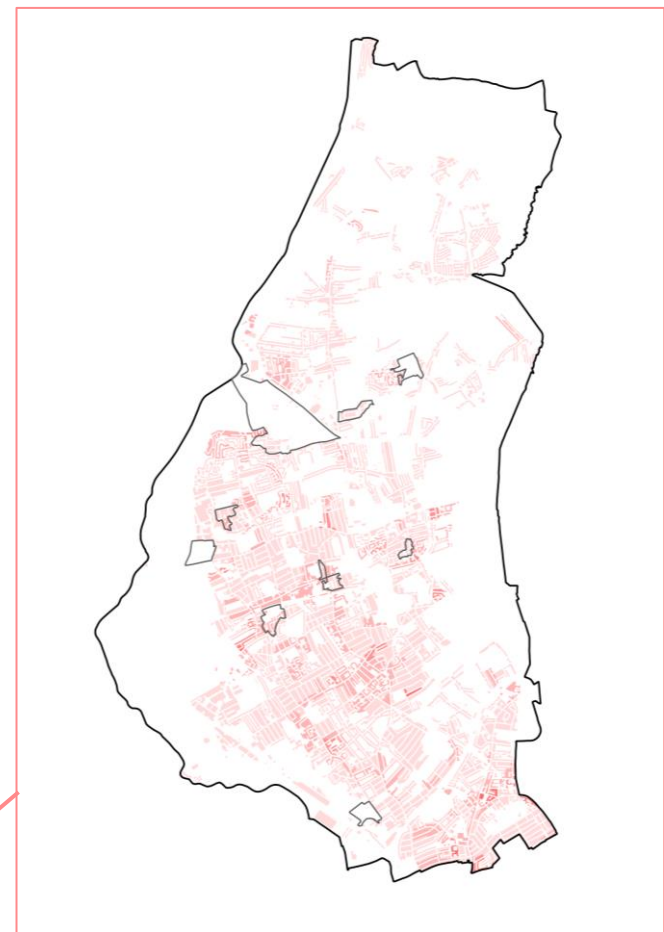
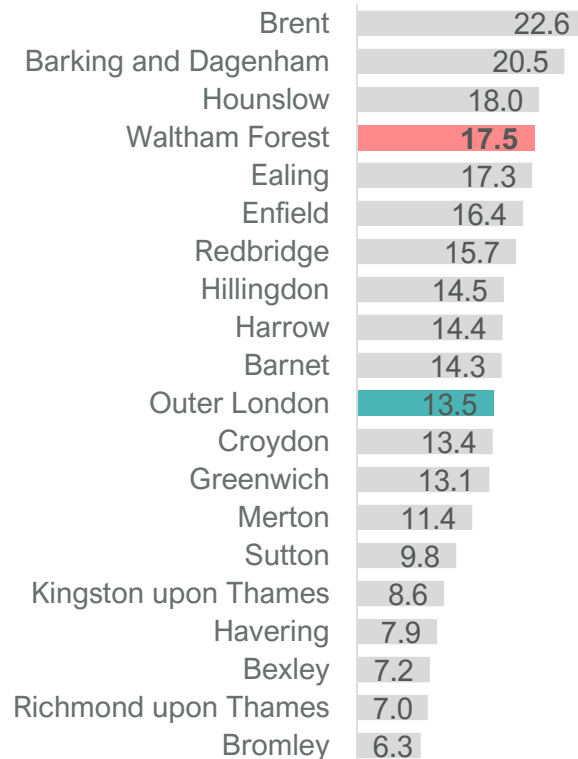
Many residents also live in overcrowded housing – especially in the south of the borough

Overcrowding is another indirect impact of housing unaffordability. A household is overcrowded if it has fewer bedrooms than it needs to avoid undesirable sharing, based on the age, sex and relationship of household members.

18% of households within Waltham Forest are overcrowded. This is significantly higher than the Outer London average (13.5%). National statistics showed that BME households were significantly more likely to be overcrowded than white British households. Nationally, the households with the highest rates of overcrowding were in the Bangladeshi (24%), Pakistani (18%), Black African (16%), Arab (15%) and Mixed White and Black African (14%) ethnic groups.

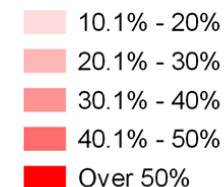
This picture is likely to be mirrored in Waltham Forest with the borough's most diverse neighbourhoods in the south having the highest proportion of overcrowded households in 2021.

Proportion of households overcrowded, 2021



Waltham Forest

Proportion of households overcrowded





**THERE IS EVIDENCE OF
THE HOUSING CRISIS
CONTRIBUTING TO
DEMOGRAPHIC
CHANGE ACROSS THE
BOROUGH**

1C: DEMOGRAPHIC CHANGE

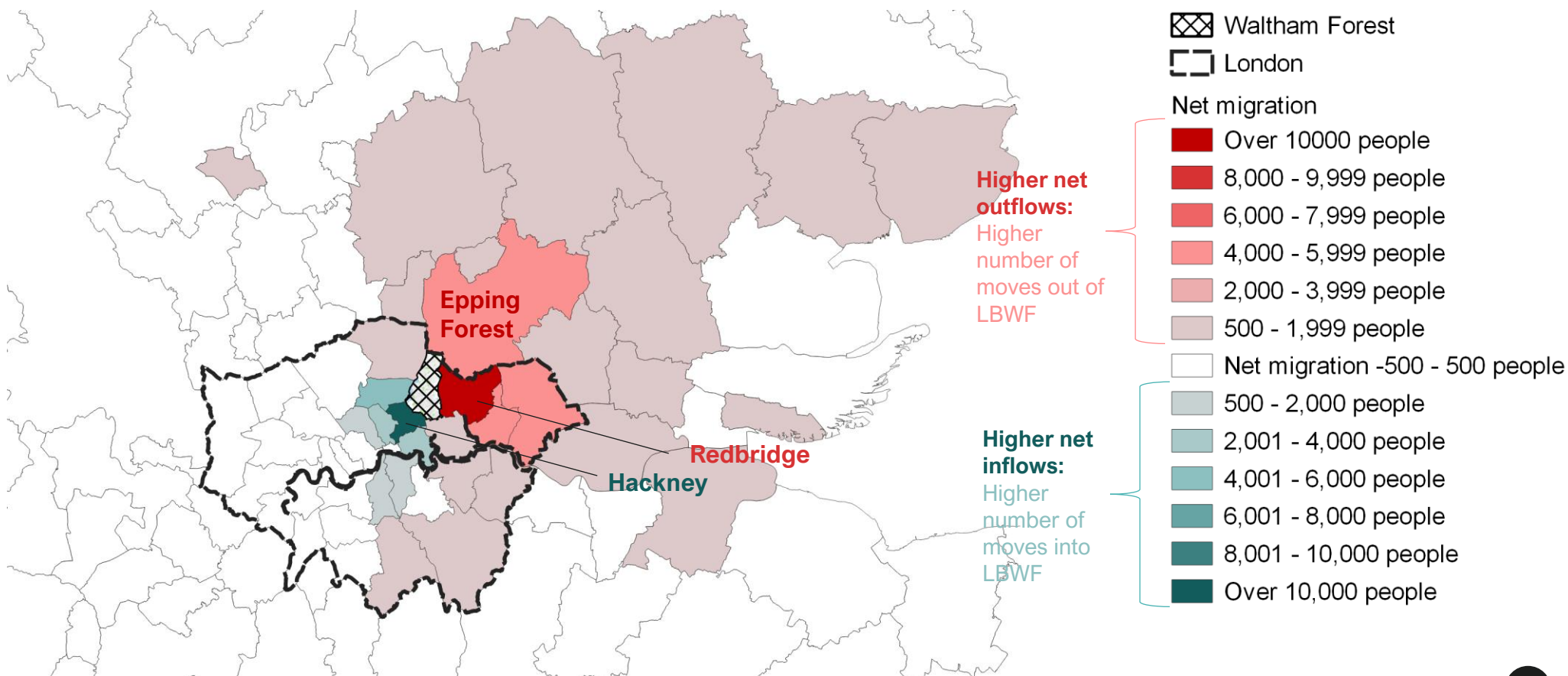
Significant migration into Waltham Forest from more expensive adjacent boroughs over the past decade

Source: ONS Internal Migration Estimates

Waltham Forest has received significant internal migration from more expensive boroughs and had a net outflow to cheaper peripheral London boroughs. Coded analysis of multiple years of data shows that there have been a net gain of 10,449 moves into Waltham Forest from Hackney since 2012. This is likely to be people moving to the borough to access more affordable housing. The largest net outflows of residents are to adjacent local authority areas Redbridge (-10,175) and Epping Forest (-5,119).

Whilst it is not possible to track the movement patterns of individual households, this can be estimated by triangulating several sources of data. Using the highest outflow destinations presented here, it is possible to estimate the types of households that have moved in and out of the borough between Census years.

Net internal migration between local authority areas, 2012-2020



1C: DEMOGRAPHIC CHANGE

The most significant change has been in the south of the borough, where populations are typically more transient

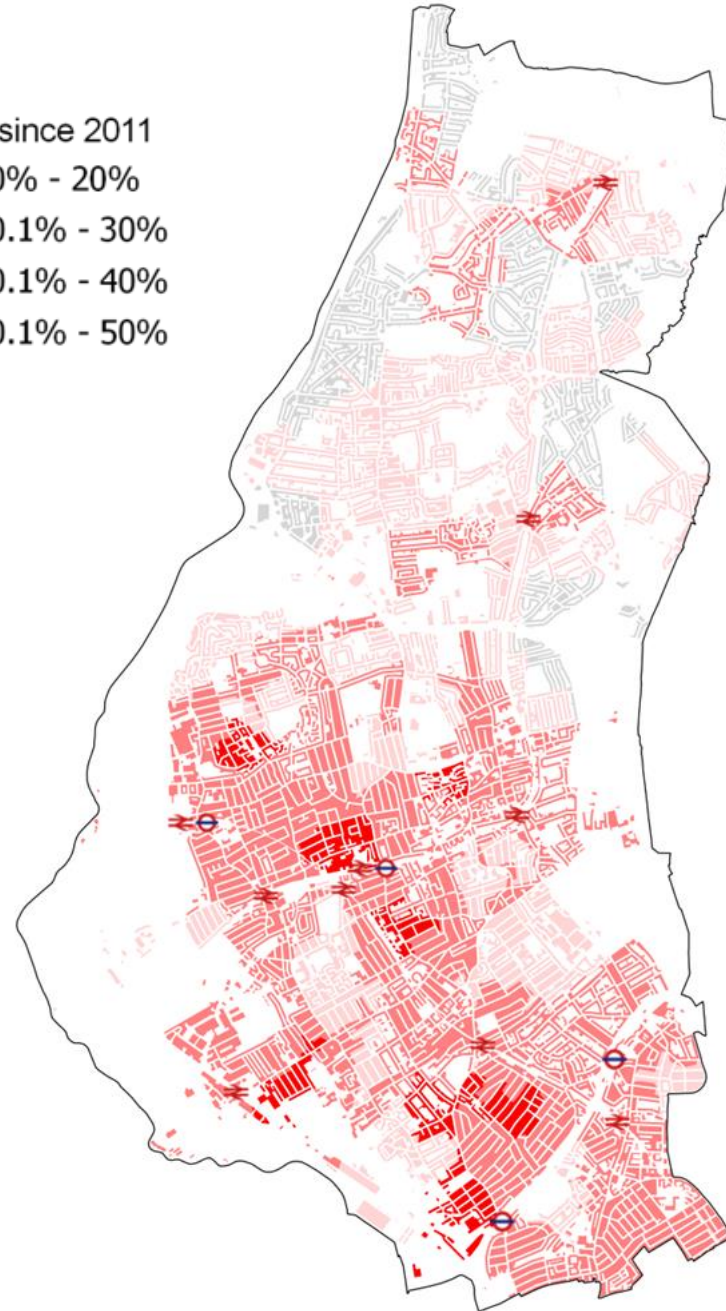
Waltham Forest's changing communities can be better understood through CDRC's Residential Mobility Index. This measures estimated population churn and provides important insight into the borough's long-term communities. The estimates are derived from linking administrative and consumer data such as electoral registers, consumer registers, and Land Registry.

The biggest changes have been in neighbourhoods in the south and centre of the borough which typically have more transient communities. This is having significant impacts on the borough's demographics, with long-standing patterns changing quickly.

Population churn, 2011-2021

Churn since 2011

- 10% - 20%
- 20.1% - 30%
- 30.1% - 40%
- 40.1% - 50%



Detailed ethnicity change tables, 2011-21

	2011	2021	Absolute change	% change
White	134,799	147,024	10,828	+9%
White: English/Welsh/Scottish/Northern Irish/British	92,999	94,766	1,767	+2%
White: Irish	3,959	4,230	271	+7%
White: Gypsy or Irish Traveller	369	198	-171	-46%
White: Roma	-	1,397	-	-
White: Other White	37,472	46,433	8,961	+24%
Mixed/multiple ethnic group	13,766	17,983	4,217	+31%
Mixed/multiple ethnic group: White and Black Caribbean	4,568	5,135	567	+12%
Mixed/multiple ethnic group: White and Black African	2,403	2,777	374	+16%
Mixed/multiple ethnic group: White and Asian	2,602	3,875	1,273	+49%
Mixed/multiple ethnic group: Other Mixed	4,193	6,196	2,003	+48%
Asian/Asian British	54,389	55,545	1,156	+2%
Asian/Asian British: Indian	9,134	9,134	0	0%
Asian/Asian British: Pakistani	26,347	28,740	2,393	+9%
Asian/Asian British: Bangladeshi	4,632	5,166	534	+12%
Asian/Asian British: Chinese	2,579	2,626	47	+2%
Asian/Asian British: Other Asian	11,697	9,879	-1,818	-16%
Black/African/Caribbean/Black British	44,791	41,647	-3,144	-7%
Black/African/Caribbean/Black British: African	18,815	18,759	-56	0%
Black/African/Caribbean/Black British: Caribbean	18,841	17,587	-1,254	-7%
Black/African/Caribbean/Black British: Other Black	7,135	5,301	-1,834	-26%
Other Ethnic Group	10,504	16,229	5,725	+55%
Other ethnic group: Arab	3,776	2,884	-892	-24%
Other ethnic group: Any other ethnic group	6,728	13,345	6,617	98%
Total	258,249	278,428	20,179	8%

Ethnic group by proportion of the Waltham Forest population, 2011 & 2021

Ethnic Group	Proportion of total residents	
	2011	2021
Asian, Asian British or Asian Welsh	21%	20%
Black, Black British, Black Welsh, Caribbean or African	17%	15%
Mixed or Multiple ethnic groups	5%	6%
White	52%	53%
Other ethnic group	4%	6%

1C: DEMOGRAPHIC CHANGE

This has contributed to demographic shifts. Waltham Forest has more White residents than in 2011 which has largely been driven by migration from Europe

Over the last ten years, all ethnic groups across Waltham Forest have grown in absolute terms, except Black/African/Caribbean/Black British residents.

The number of Black residents has decreased by over 3,000 people since 2011, equating to a fall of 7%. More detail on this is provided on Pages 30 and 31.

The biggest absolute change has been a growth of White residents. The proportion of people who identify as White now accounts for 53% of the population. The majority of this growth has been driven by people who identify as ‘Other White’ (+24%) which is largely driven by the increase in Waltham Forest’s eastern European population.

The biggest ‘Other White’ group was White Romanian. In 2021, there were 6,725 White Romanians living in the borough.

1C: DEMOGRAPHIC CHANGE

The south and central parts of the borough are most diverse, but this is changing

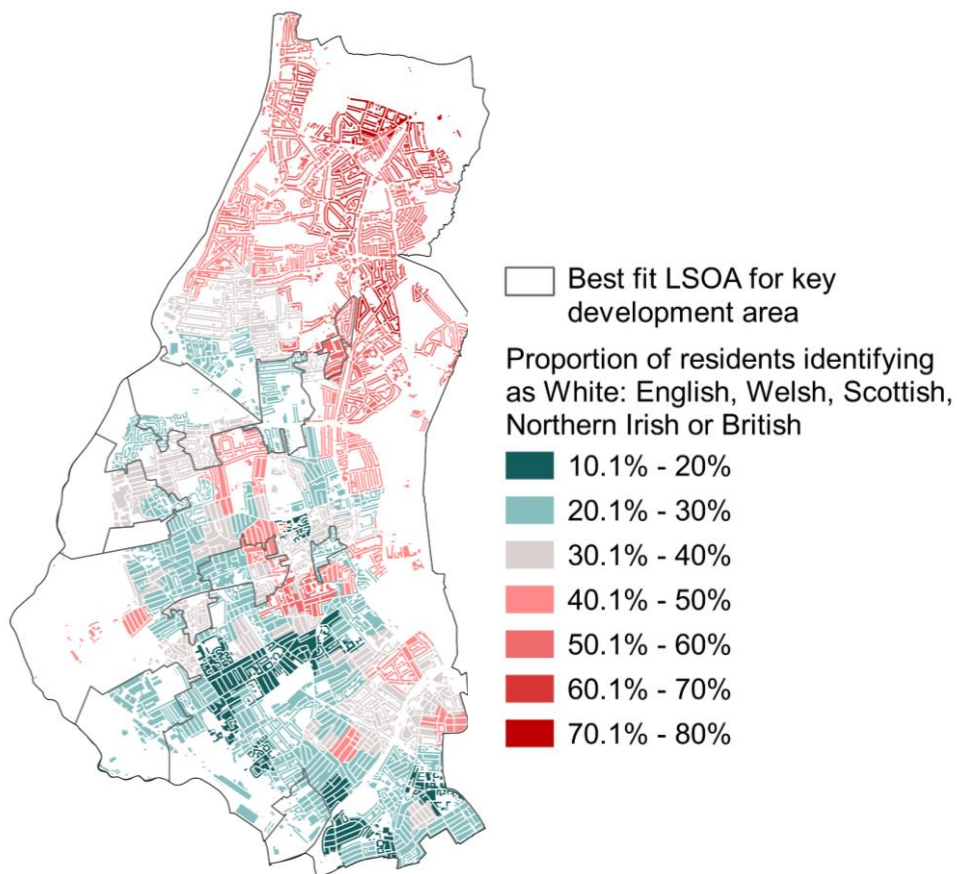
Census 2021

South and central parts of Waltham Forest are more diverse, with smaller proportions of White residents, than communities in Chingford and Highams Park.

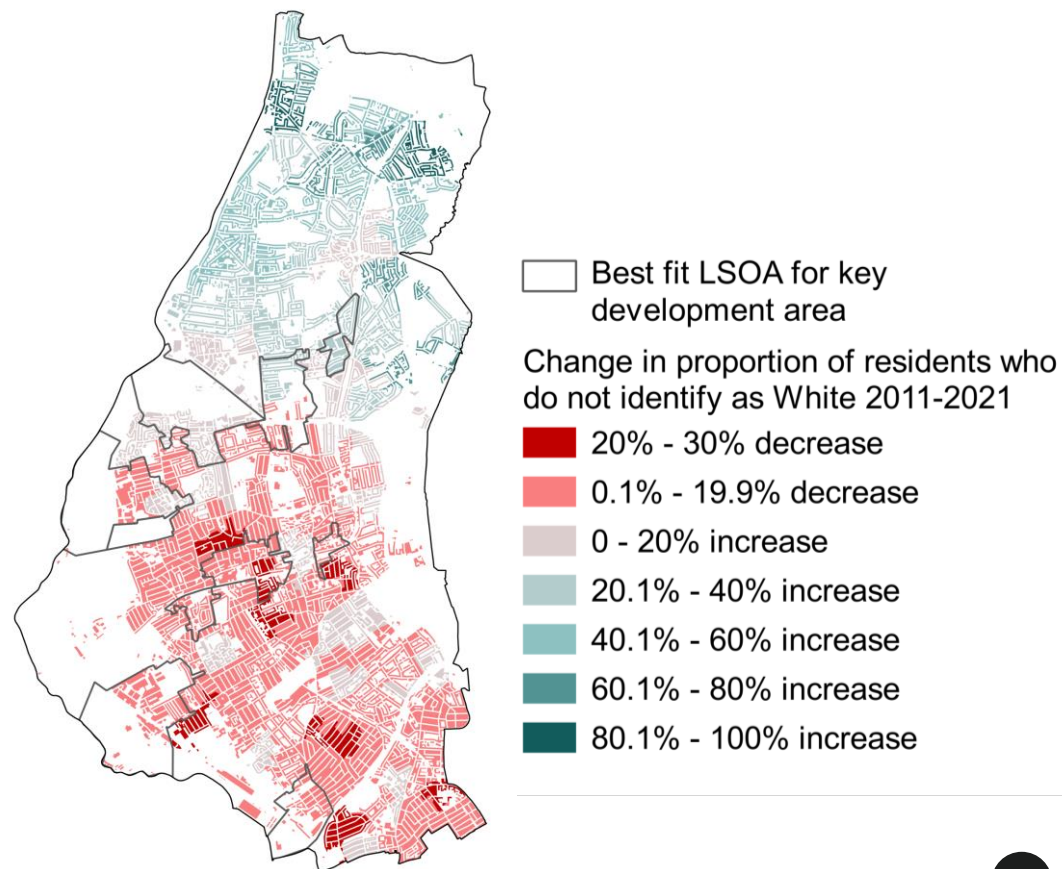
However, since 2011, the proportion of residents who do not identify as White in the south and central parts of the borough have declined.

Conversely, the proportion of residents identifying with non-White ethnic groups has increased in Chingford and Highams Park.

Proportion of residents identifying as White: English, Welsh, Scottish, Northern Irish, or British, 2021



Change in proportion of residents identifying as non-White 2011-2021



1C: DEMOGRAPHIC CHANGE

...with evidence to suggest that Black families may be moving to more affordable areas

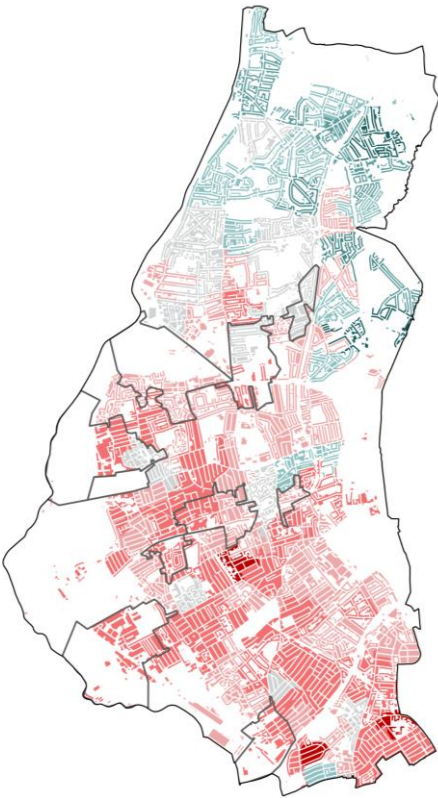
Source: Census 2021

There is evidence that Black, Black British, Black Welsh, Caribbean or African households may have moved to more affordable adjacent local authority areas. Whilst the proportion of Black, Black British, Black Welsh, Caribbean or African households fell in Waltham Forest between 2011 and 2021 (-2%, 3,144 residents), there was a growth in Black households in Barking and Dagenham, Havering and Epping Forest.

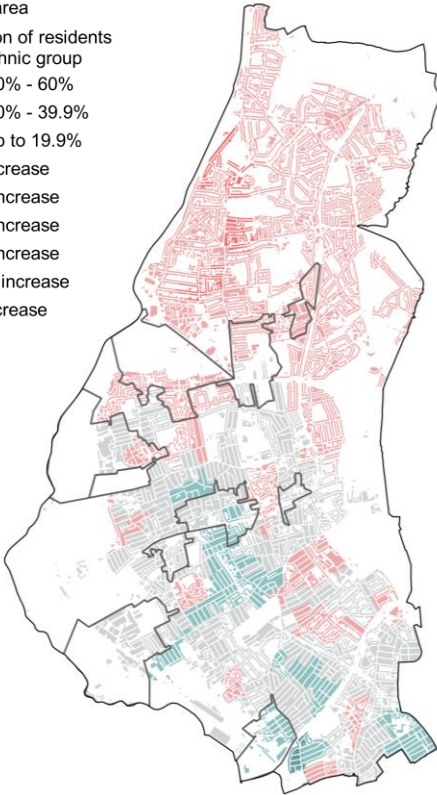
For residents who identify as Black, Black British, Black Welsh, African or Caribbean there has been a significant decrease within most neighbourhoods in south and central Waltham Forest, with over 40% decrease in areas of Walthamstow and Leyton Temple Mills Borders. Conversely, there has been a significant growth in the proportion of White residents within the areas around Walthamstow Central and in Leyton.

Ethnic Group	Change in proportion of total residents identifying with ethnic group 2011-2021				
	Barking & Dagenham	Havering	Redbridge	Waltham Forest	Epping Forest
Asian, Asian British or Asian Welsh	10%	6%	6%	-1%	2%
Black, Black British, Black Welsh, Caribbean or African	1%	3%	-1%	-2%	1%
Mixed or Multiple ethnic groups	0%	2%	0%	1%	1%
White	-13%	-12%	-8%	1%	-6%
Other ethnic group	2%	1%	3%	2%	2%

Black, Black British, Black Welsh, African or Caribbean



White British



2

EVIDENCE SESSION 1: WHAT SHOULD WALTHAM FOREST BUILD?

THE COUNCIL HAS CAPTURED RISING LAND VALUES AND DEVELOPER INTEREST TO DELIVER MORE AFFORDABLE HOMES. NOW, THERE IS AN OPPORTUNITY TO REFINE FOCUS, IN RESPONSE TO CHANGES WITHIN THE BOROUGH, AND A BETTER UNDERSTANDING OF WHAT IS AFFORDABLE FOR RESIDENTS.



WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

**WALTHAM FOREST HAS A STRONG
AND DIVERSE DEVELOPMENT
TRACK RECORD OVER THE LAST
TEN YEARS WHICH HAS DELIVERED
TANGIBLE IMPACTS FOR
RESIDENTS. HOWEVER, MARKET
HOUSING IS NOT ADDRESSING
FUNDAMENTAL AFFORDABILITY
CHALLENGES**

2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

Waltham Forest has a strong and diverse development track record over the last ten years which has delivered tangible impacts for residents. However, market housing is not addressing fundamental affordability challenges

1.

Waltham Forest has delivered thousands of new homes which has supported the borough to grow. The borough's performance against its housing target has been stronger than the London average, and areas of high development are now home to thousands of new residents. This growth has also been supported by the intensification of the borough's existing housing stock – where conversion of houses into flats has delivered hundreds of additional homes across Waltham Forest.

2.

The borough has overseen the most diverse tenure delivery in London. Over a third of delivery in Waltham Forest has either been low cost rent or intermediate housing. As a result, areas of high change have significantly more diverse tenure mixes than low churn areas, providing greater choice to people across the income distribution than what would have otherwise existed.

3.

Recent social housing delivery has supported hundreds into new homes – reducing the council's housing waiting list. Many beneficiaries of new build social rent properties had been on the housing waiting list for several years. In the majority of cases, new build properties have provided more rooms than residents' existing accommodation – giving families more space.

4.

Most of the market housing that has been delivered is unaffordable to the average Waltham Forest resident. Even a studio flat in one of the borough's high growth areas is likely to require an income above what the average Waltham Forest resident earned in 2022. As a result, high change areas with high levels of market and intermediate housing are home to a higher proportion of residents in professional service occupations. These are typically higher paid occupations, reflecting the fact that these homes are most accessible to higher earners.

5.

Subsidised rent is an important tenure to address affordability challenges. Average rents for London Affordable Rent and Discounted Market Rent are more closely aligned with local incomes – making them an important tenure as part of the overall housing mix.

2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

Strong delivery track record over the last ten years...

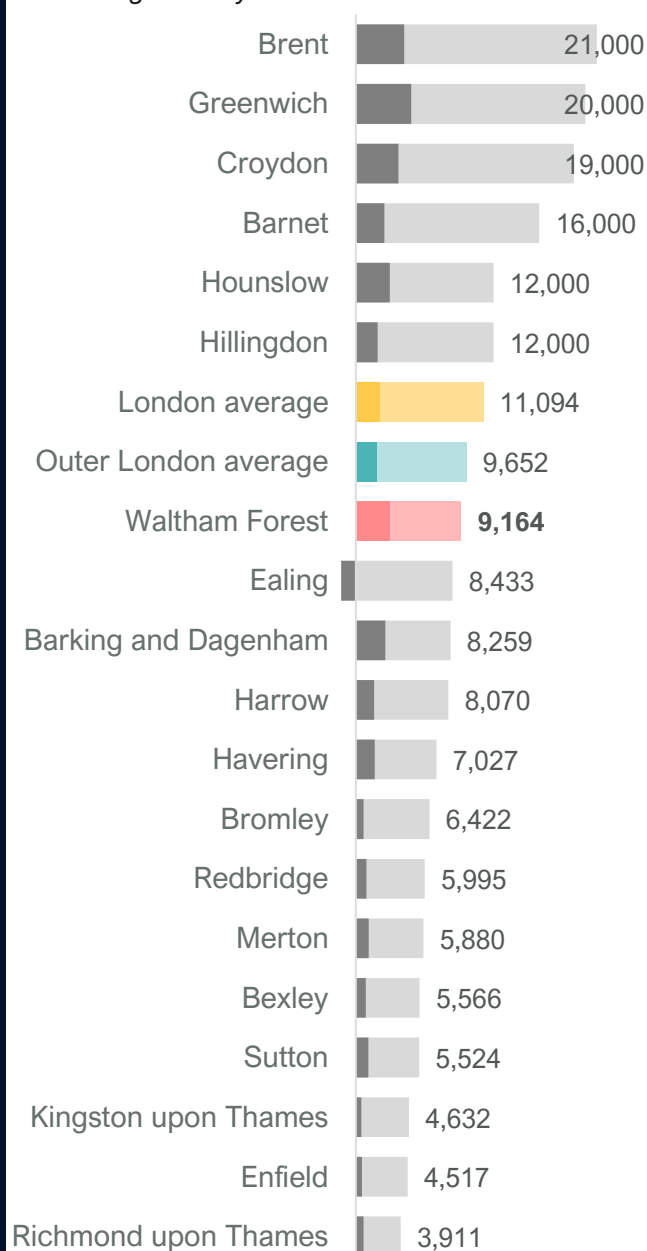
Between 2011/12 and 2021/22, Waltham Forest has delivered 9,164 homes – the seventh highest delivery in Outer London. Over this period, the borough has had a significant amount of success in delivering new affordable homes.

2,916 (32%) of new homes delivered in the borough have been affordable – the 5th highest delivery in absolute terms of all Outer London boroughs. As set out in Chapter 1, most new delivery has either been flats or maisonettes.

Waltham Forest has also been more successful than the London average in terms of meeting its housing target. Since 2011, Waltham Forest has met 93% of its housing targets compared with the London average of 89%.

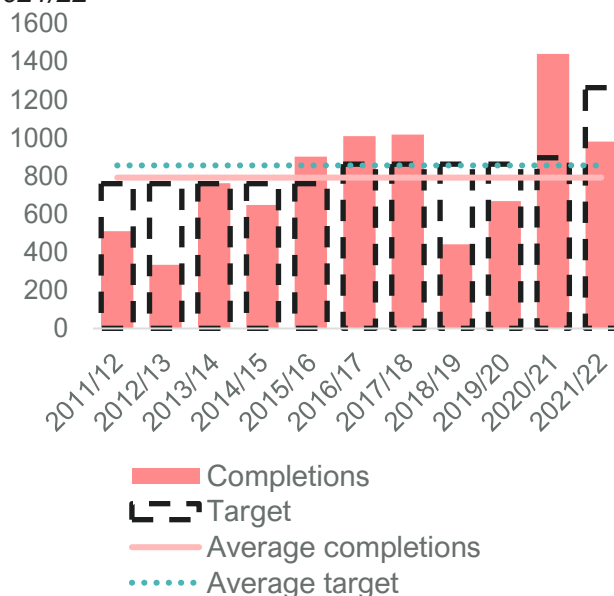
As London's housing crisis has deepened, housing delivery targets for Waltham Forest have increased significantly with the annualised net completion target increasing by 66%. The new London Plan (2021) has a net housing completions target of 12,640 homes between 2019/20 and 2028/29.

Housing delivery 2011/12 – 2021/22

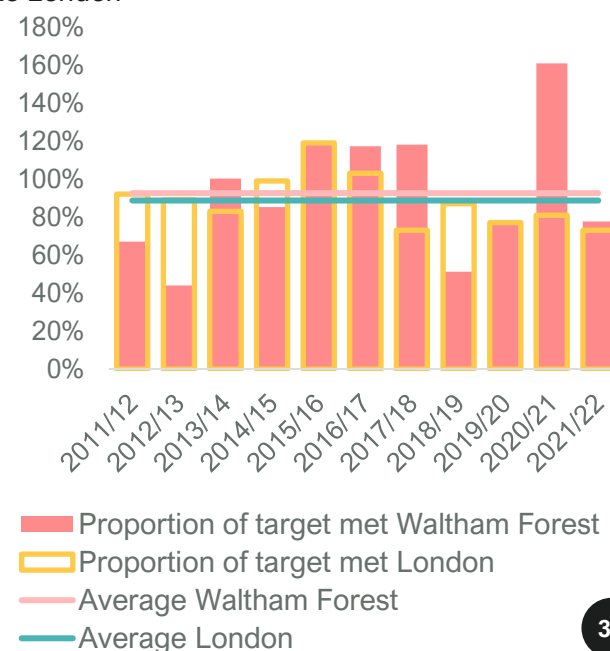


■ Total net units ■ Net affordable homes

Waltham Forest housing completions, 2011/12-2021/22



Waltham Forest performance against target relative to London



2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

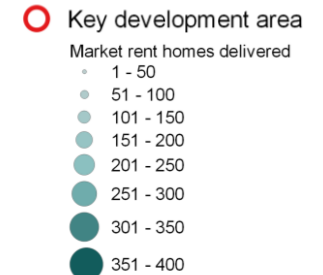
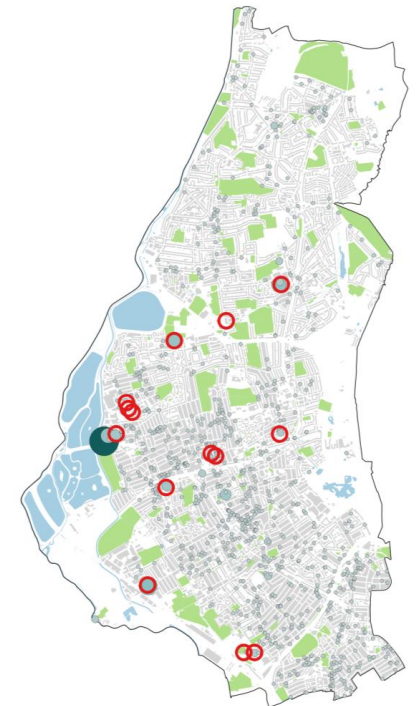
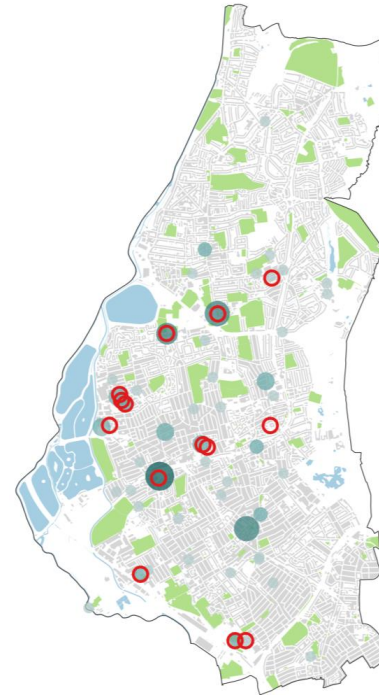
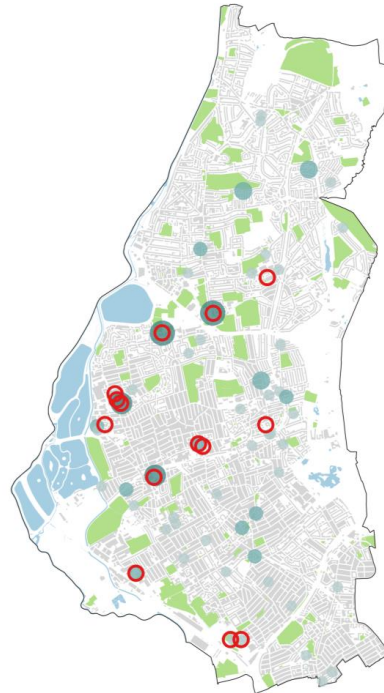
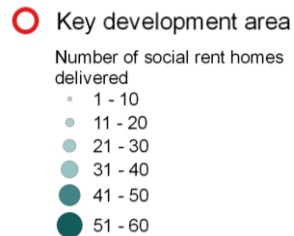
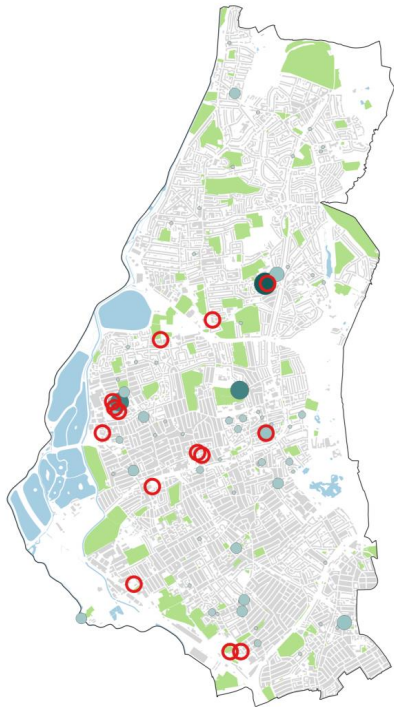
...Across a broad range of tenures and locations...

Social rent housing completed between 2011 and 2021

LAR/AR housing completed between 2011 and 2021

Intermediate rent housing completed between 2011 and 2021

Market rent housing completed between 2011 and 2021



2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

New development has enabled significant population growth...

Population change varies significantly across the borough.

Unsurprisingly, many of the key sites of housing development have experienced above average population increases:

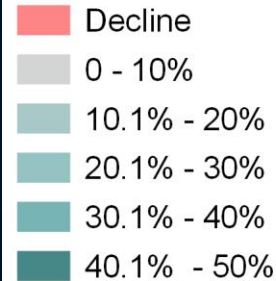
- The area around Lea Bridge has grown by 986 (+59%) residents since 2011
- The area around Walthamstow Dog Track has grown by 1,122 (+33%) residents since 2011
- The area around Highams Park has grown by 854 (+30%) residents since 2011
- The area around North Higham Hill has grown by 928 (+26%) residents since 2011
- The area around Sutherland Road has grown by 1,069 (+26%) residents since 2011
- The area around Leyton/Temple Mills borders has grown by 477 (+22%) residents since 2011
- The area around Walthamstow Central has grown by 965 (+17%) residents since 2011
- The area around St James Street has grown by 283 (+11%) residents since 2011
- The area around Wood Street has grown by 150 (+9%) residents since 2011

Source: Census 2021

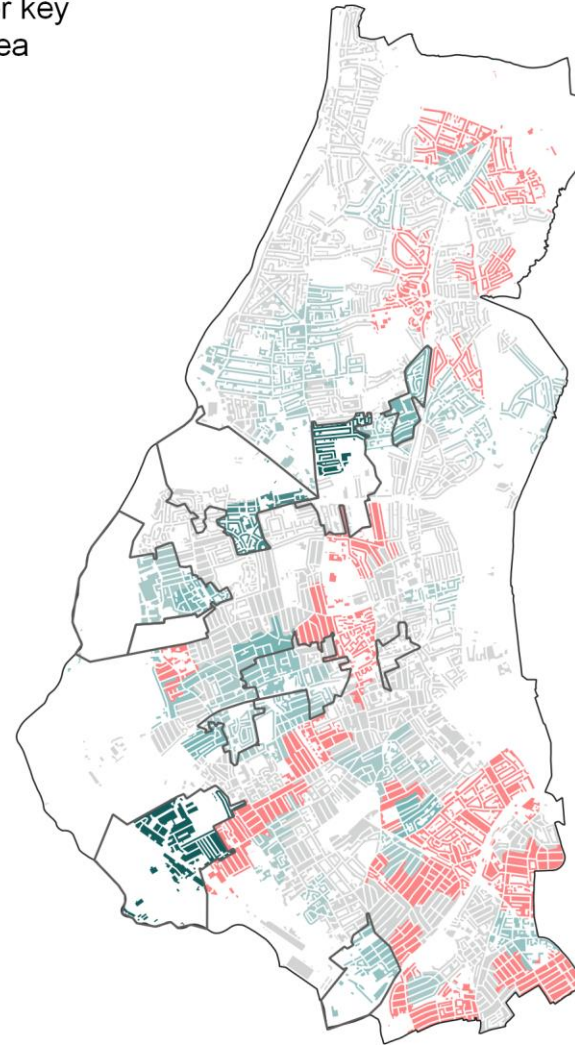
% population change by LSOA, 2011-2021*

□ Best fit LSOA for key development area

Population change



Waltham Forest growth = **7.8%**



6,834 additional residents (+25%) in key development areas between 2011 and 2022

2,005 additional residents (+4%) in low churn growth neighbourhoods between 2011 and 2022

Note: The LSOA for Blackhorse Road has changed since 2011, so the change cannot be calculated

Contains OS data © Crown copyright 2022

2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

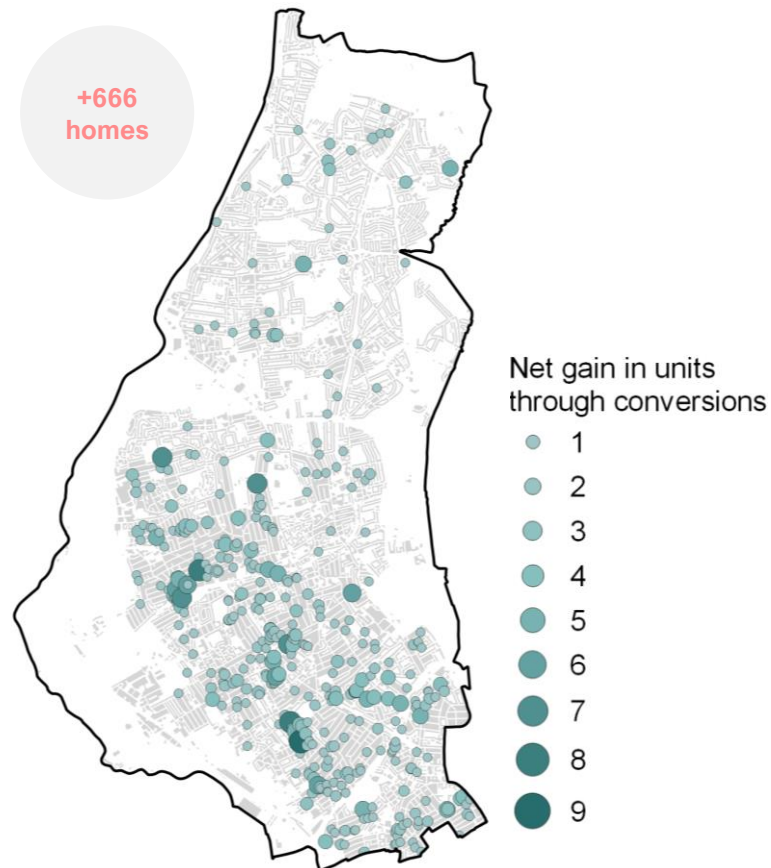
As has the intensification of the existing housing stock, which has supported the growth of the private rental sector

In addition to new development, intensification of the borough's existing (primarily Victorian) stock has also underpinned population growth in Waltham Forest. The conversion of houses into multiple flats has delivered an additional 666 homes since 2011. The majority of conversions have occurred in the borough's urban core in Leyton, Leytonstone, and Walthamstow.

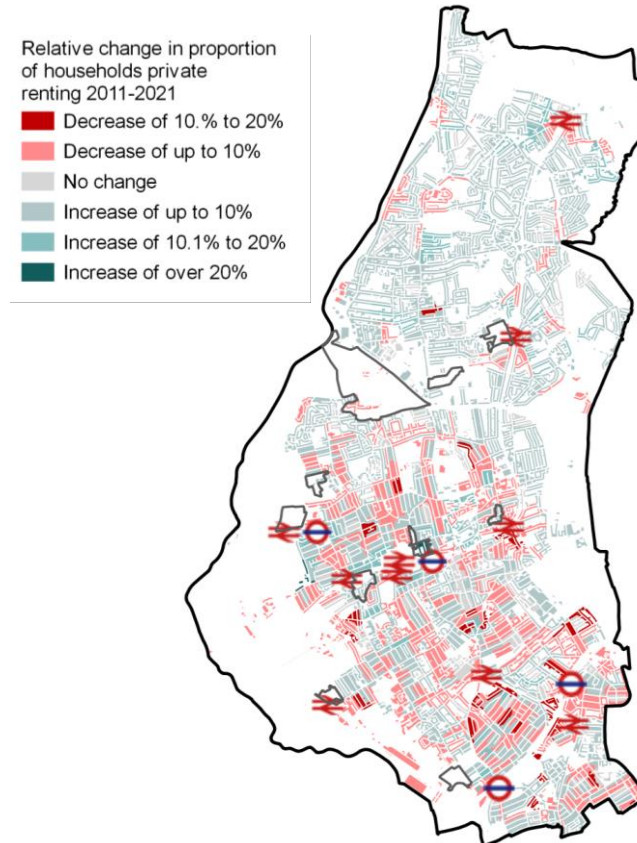
Intensification of the existing stock has supported the growth of the private rental sector. Renting in existing or converted (rather than new build) properties is likely to be cheaper on average for both the landlord and tenant as wider costs such as service charges and ground rents are likely to be lower.

Source: 2021 Census, LBWF Planning data

Homes gained through conversions between 2011 and 2021



Relative change in proportion of households renting privately, 2011-2021



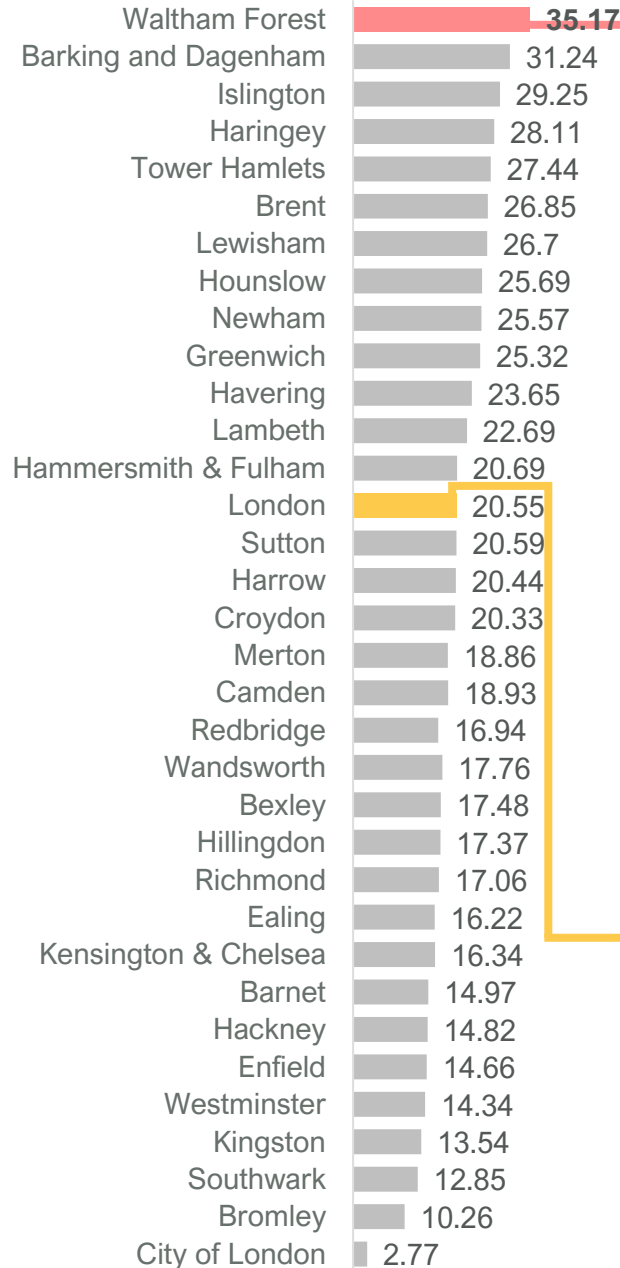
2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

The most diverse tenure delivery in London since 2011

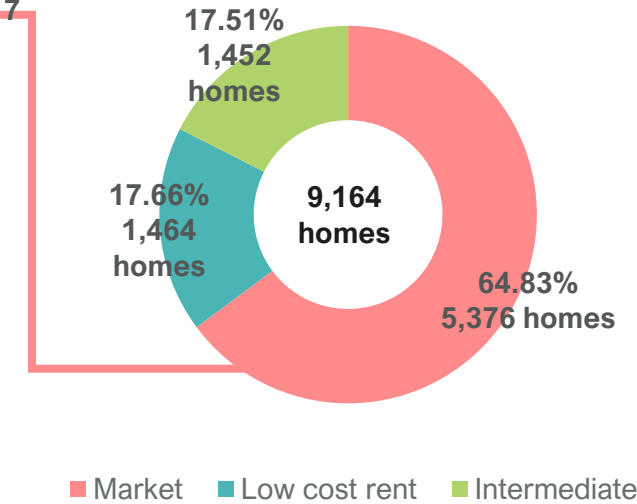
Using data from the London Planning Datahub, it is possible to understand how Waltham Forest's tenure delivery compares with other Outer London Boroughs.

This shows that between 2011 and 2022, Waltham Forest had the lowest proportion of market housing of anywhere in London (65% of total delivery). As a result, low cost rent (18%) and intermediate (18%) accounted for a much larger proportion of total delivery than the London average (10% each).

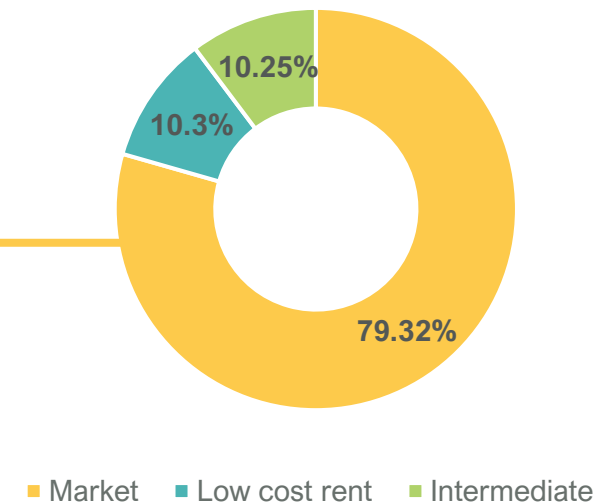
Proportion of affordable (low cost rent and intermediate) housing delivered, 2011/12 – 2021/22 (%)



Proportion of housing delivered 2011/12 – 2021/22 by type, Waltham Forest



Proportion of housing delivered 2011/12 – 2021/22 by type, London



2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

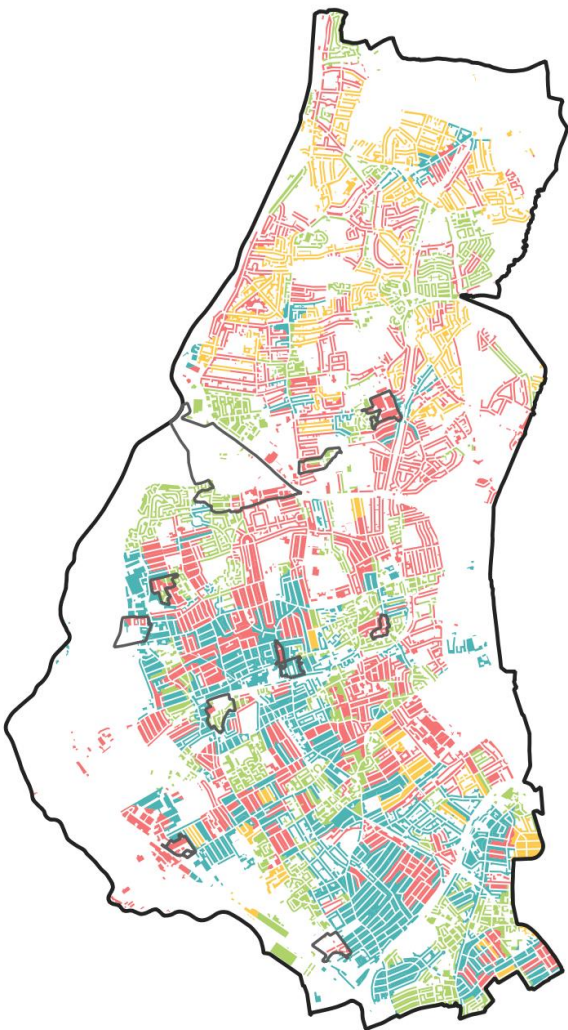
As a result, high growth areas are home to a more diverse tenure mix

Areas of low population churn have been used in this evidence base to provide a reference case for what might have happened across the borough without the development of the last five years.

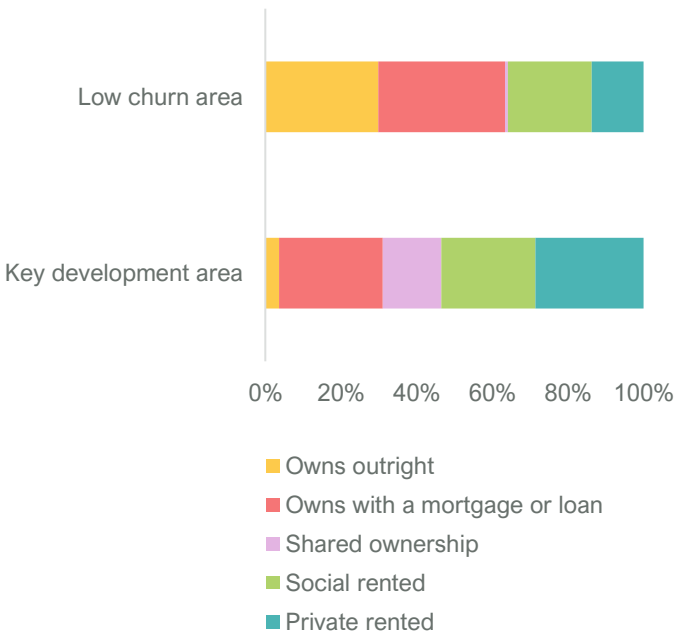
Analysis of most common (modal) tenure shows that high growth areas typically host a more diverse tenure mix. This can provide a greater variety of options from across the income distribution.

For example, 16% of residents in high growth areas live in Shared Ownership properties compared to 1% in low churn areas. Whilst this reflects that intermediate tenure delivery has increased significantly in recent years, high growth areas also have higher proportion of social and private rental tenants.

Modal housing tenure in Waltham Forest by Output Area, 2021



Proportion of households by tenure, 2021



Best fit OA for key development areas

Most common tenure

- Owned: Owns outright
- Owned: Owns with a mortgage or loan
- Private rented
- Social rented

2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

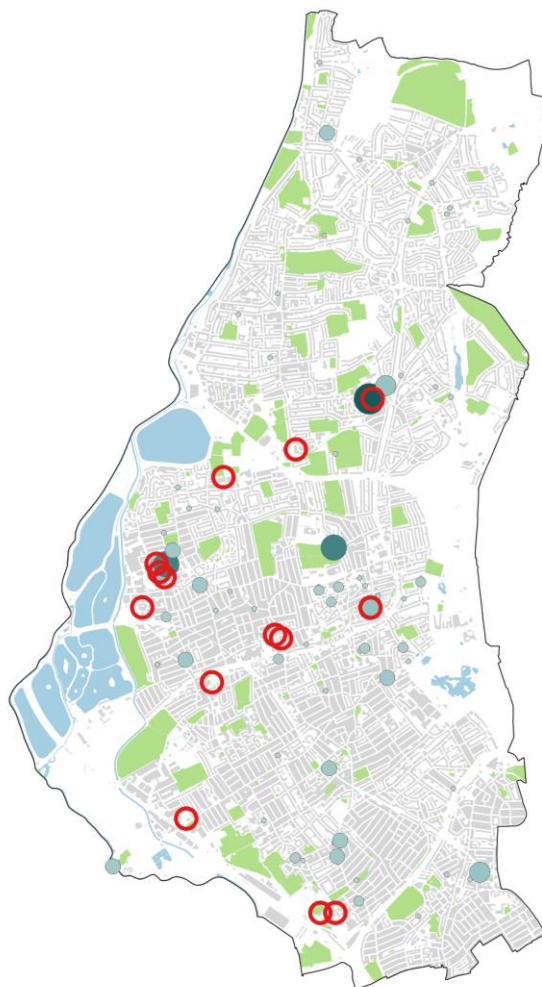
Whilst there has been a net gain of social rent properties, the number of local authority owned homes has declined

There are 105,820 dwellings in Waltham Forest. Private sector dwellings are the most common tenure type in the borough and this has contributed to most of LBWF's recent housing growth.

There are two types of regulated registered providers of social housing in England – local authorities and Private Registered Providers. As of 2021, 9% of dwellings in Waltham Forest were Local Authority-owned, equating to 9,699 homes. The number of local authority-owned dwellings has fallen by 6% since 2011, with 700 lost since 2012 through the renewed Right to Buy.

Private Registered Provider (PRP) dwellings have seen steady increases over this time period (+15%). DLUCH statistics classify PRPs as “providers of social housing in England that are registered with the ONS and are not local authorities”. This includes housing associations, for profit providers, and charities.

Social rent completions between 2011 and 2021

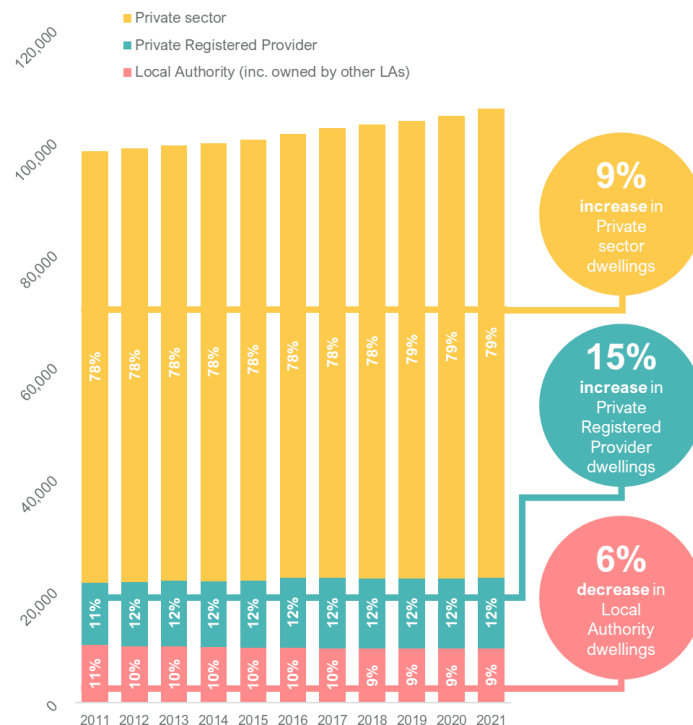


○ Key development area

Number of social rent homes delivered

- 1 - 10
- 11 - 20
- 21 - 30
- 31 - 40
- 41 - 50
- 51 - 60

Number of dwellings by tenure, 2011-2021



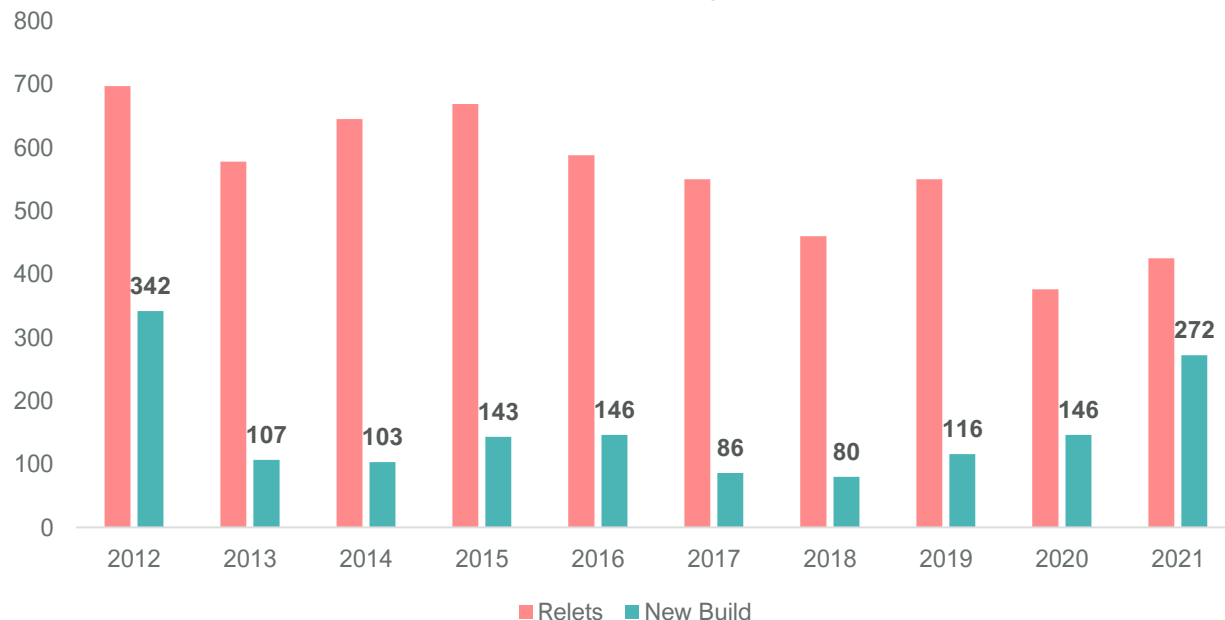
2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

New delivery has provided hundreds of new social rent homes to Waltham Forest residents, most of whom were on the waiting list for several years

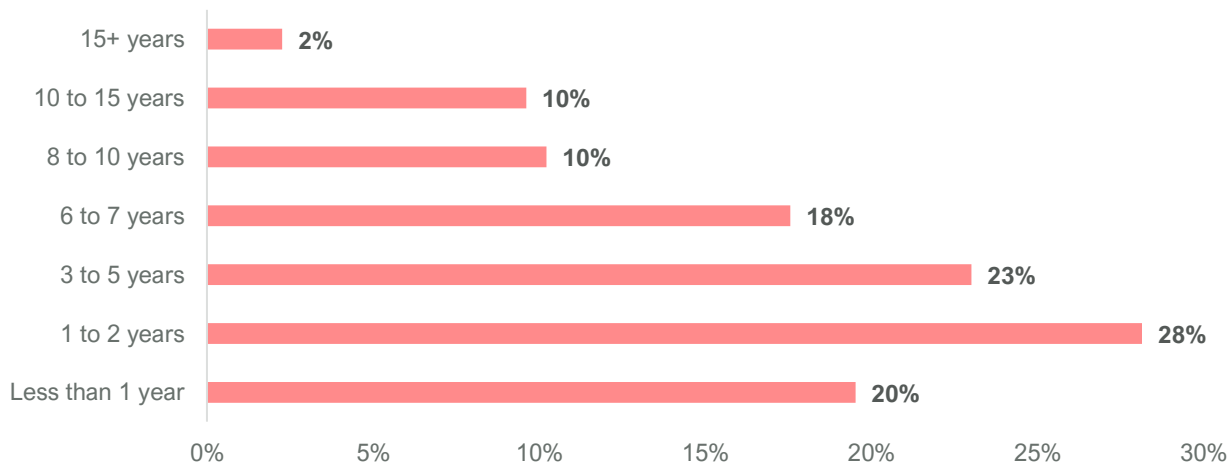
New development has also played an important role in managing the council's housing waiting list. Between 2012 and 2021, data from LBWF showed that new builds have provided over 1,500 homes to housing waiting list tenants, comprising over a fifth of total lets over the period.

Many of these residents moving into new properties had been on the housing waiting list for many years. Almost 40% of residents have been on the housing waiting list for five years or more – reflecting the important role in new development addressing long-term need.

Contribution of new builds for overall social housing allocations 2012-2021



Length of time tenants of new build social rental properties had been on the housing waiting list, 2012-2012



2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

Tenants of new social housing reflect the borough's diversity, and new builds have delivered more larger family-sized homes

Tenants of new build social rental properties in the borough are highly diverse. Over a third (35%) of residents in new-build social rent housing are Black, Black British, Black Welsh, Caribbean or African.

New build social housing is providing more space for families in the borough. Of the new-build social lets that have been tenanted since 2012, a higher proportion (76%) are 2+ bedrooms compared to 47% within the existing social housing stock.

Most people moving into the new build social housing are moving from smaller accommodation. Almost half (48%) of tenants in new-build social rent properties gain bedrooms compared to their previous accommodation. New properties are therefore providing much-needed family-sized homes across the borough.

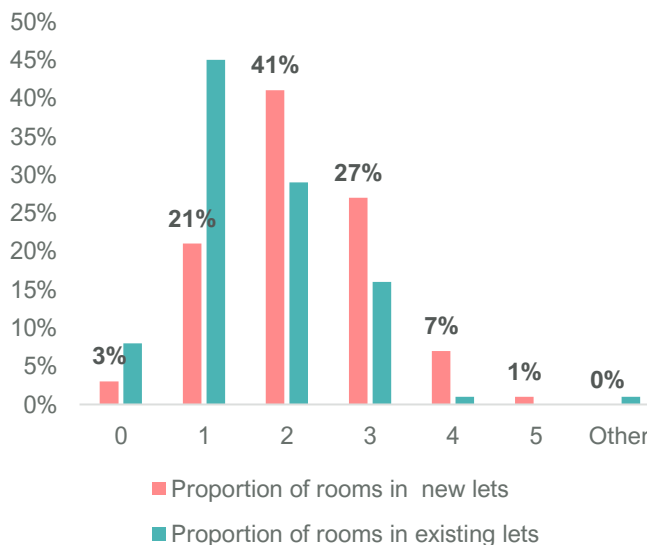
**Note: Additional evidence on the tenants of new social housing will be prepared for the second meeting of the Commission*

Source: LBWF Data, 2021 Census

Ethnicity of tenants of newly built social rent property, 2012-2021

Ethnic Group*	Proportion of residents identifying with group in...	
	Waltham Forest (2021 Census)	Tenants of newly built social rent property
Asian, Asian British or Asian Welsh	20%	15%
Black, Black British, Black Welsh, Caribbean or African	15%	35%
Mixed or Multiple ethnic groups	6%	5%
White	53%	27%
Other ethnic group	6%	0%
None, not recorded, or prefer not to say	N/a	17%

Number of rooms in newly built social rent property, 2012-2021



Change in number of rooms in newly built social rent property vs tenants previous accommodation, 2012-2021

Change in number of bedrooms	Proportion new lets	Proportion existing lets
-4	0%	0%
-3	0%	0%
-2	1%	1%
-1	4%	6%
0	23%	24%
1	30%	26%
2	16%	12%
3	2%	2%
4	0%	0%

2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

However, much market housing is unaffordable to the average Waltham Forest resident

Source: ASHE, LBWF planning data

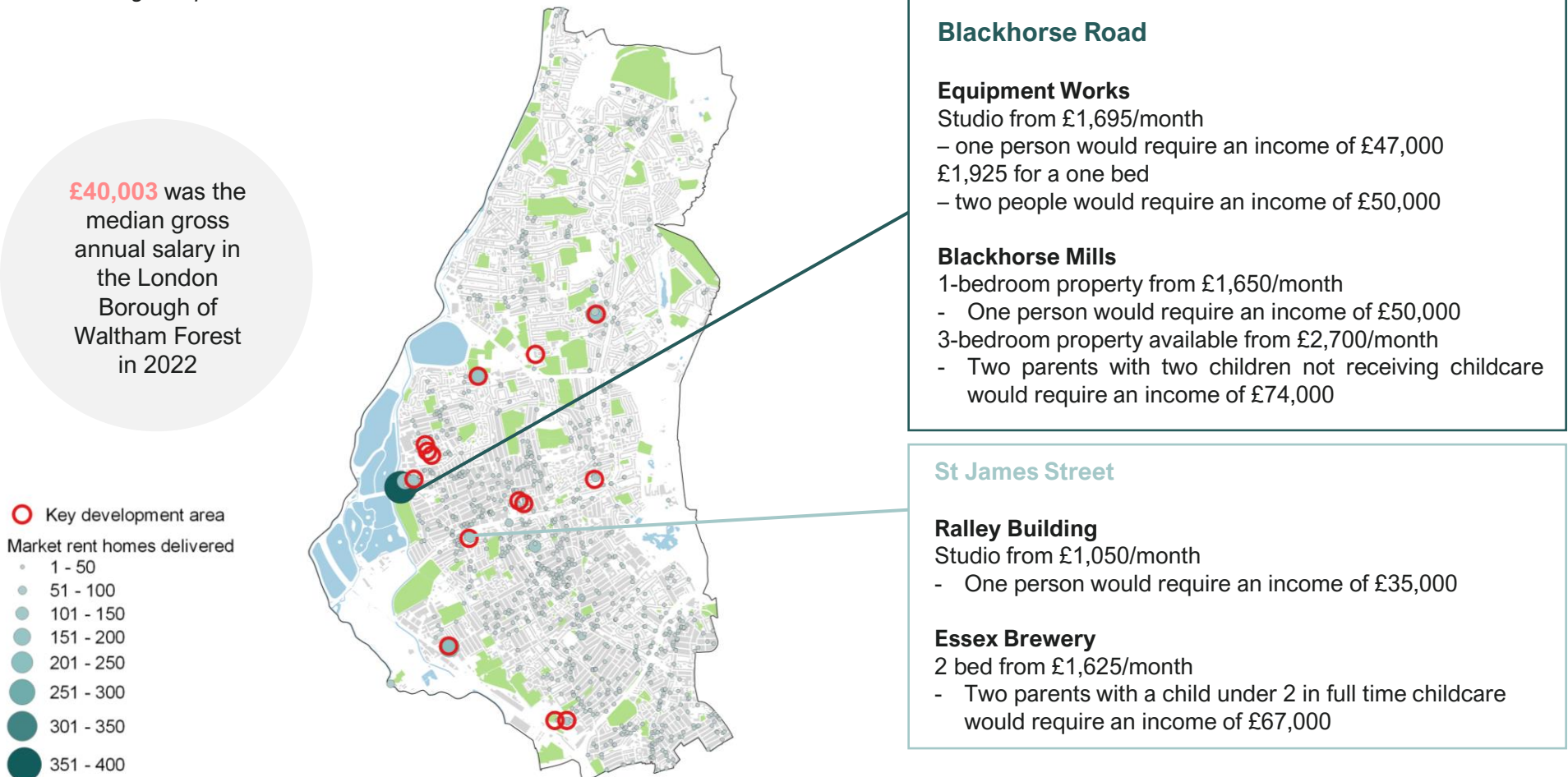
Using the disposable income modelling presented on Page 18, it is possible to understand the minimum combined household income required to afford to live in example market rent housing within new developments in the borough, and afford all other essential items.

Note: this is the minimum amount required to not fall into arrears at the end of the month, and the

affordability criteria to rent the example properties presented may require a higher household income.

This shows that many of the major market rate developments delivered since 2011 require an income which exceeds the median gross annual salary in the borough in 2022.

Market housing completed between 2011 and 2021



2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

...And high growth areas are more likely to be home to residents in higher paying professional occupations

Residents living in high growth areas are more likely to be economically active, and work in typically high-paying occupations.

Looking at changes in the proportion of residents in higher managerial, administrative and professional occupations provides an indicator of “gentrification”. Waltham Forest has seen the second highest increase in the proportion of residents in these occupations within London.

There is a greater than average proportion of residents within higher managerial, administrative and professional occupations within the high change areas, compared to the Waltham Forest average. For example, within Blackhorse Road, 31% of residents are within these occupations compared to the Waltham Forest average of 14%.

The high change area at the Leyton/Temple Mills border has 27% of residents in these occupations, whilst surrounding communities have 10% or under.

Source: Census 2021

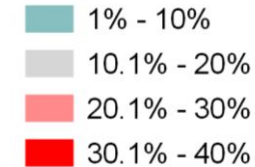
70% growth in proportion of residents in higher managerial, administrative and professional occupations between 2011- 2021, **2nd highest in London** after Newham

Blackhorse Road, **31%**

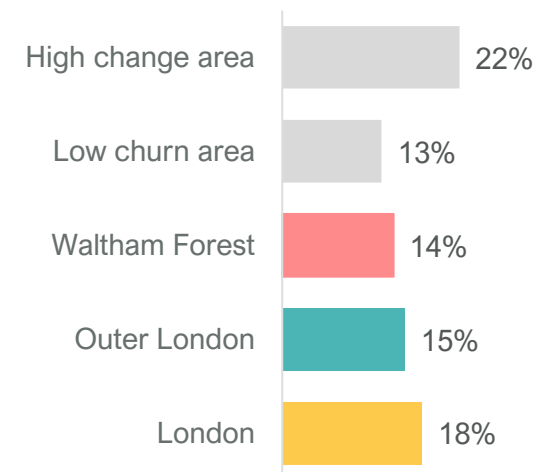
Leyton/ Temple Mills border: **27%**

Best fit OA for key development area

Proportion of residents aged 16+ in higher managerial, administrative and professional occupations



Proportion of population in higher managerial, administrative and professional occupations



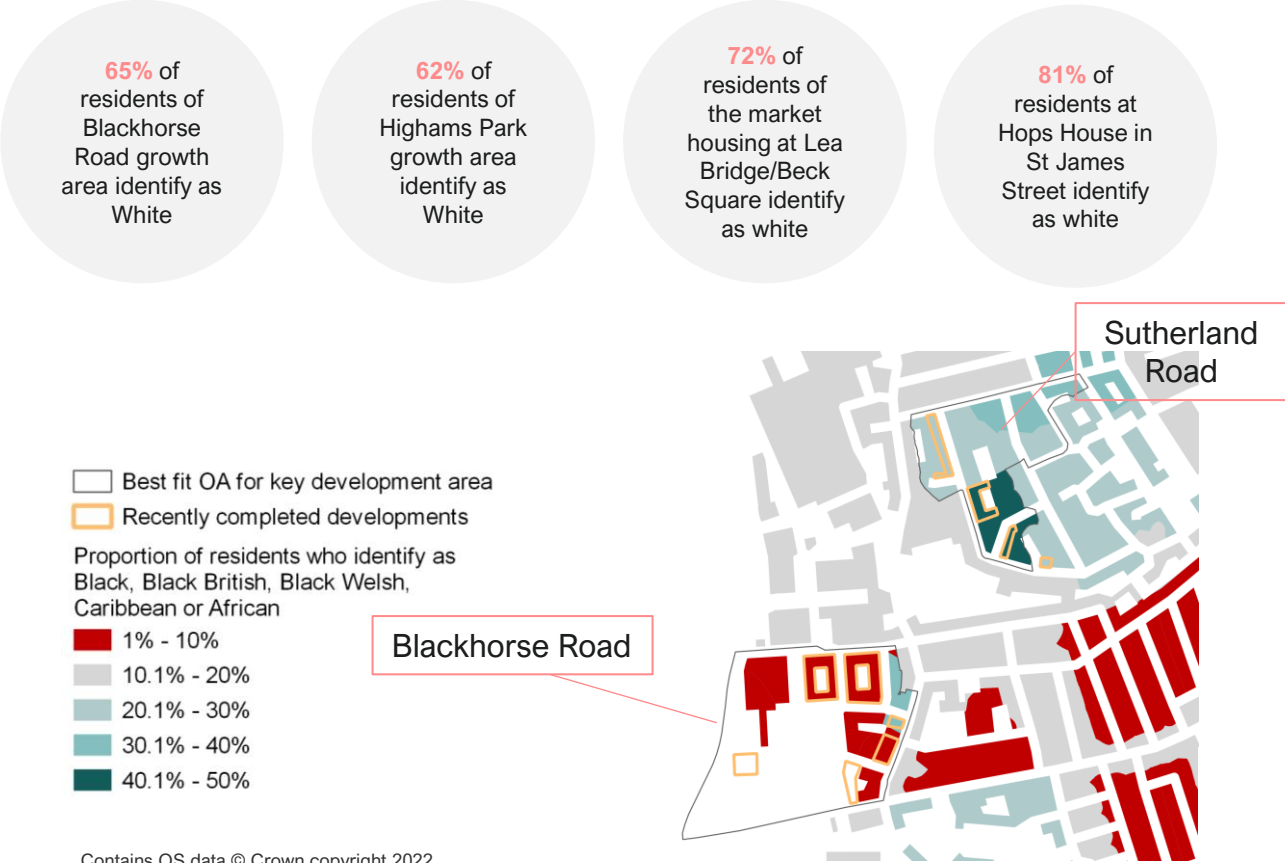
2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

Whilst high-development areas broadly reflect the borough average, Census data shows that major market and intermediate developments tend to be predominantly white

Whilst page 30 showed many of the areas of high change have experienced declines in the proportion of residents identifying as Black, Black British, Black Welsh, Caribbean or African, there is a greater proportion of residents of these ethnicities living within the new development areas than Waltham Forest as a whole. This may reflect a historically high proportion of residents identifying with these groups from within the neighbourhoods where the new developments are taking place.

This is not even across neighbourhoods. Within Blackhorse Road only 9% of residents identify as Black, Black British, Black Welsh, Caribbean or African. In contrast, 32% of residents in Sutherland Road identify as Black, Black British, Black Welsh, Caribbean or African.

Ethnic Group	Proportion of residents identifying with group in...	
	Waltham Forest	High change areas
Asian, Asian British or Asian Welsh	20%	17%
Black, Black British, Black Welsh, Caribbean or African	15%	18%
Mixed or Multiple ethnic groups	6%	8%
White	53%	51%
Other ethnic group	6%	6%



2A: WHAT HAS BEEN BUILT AND WHO HAS BENEFITTED?

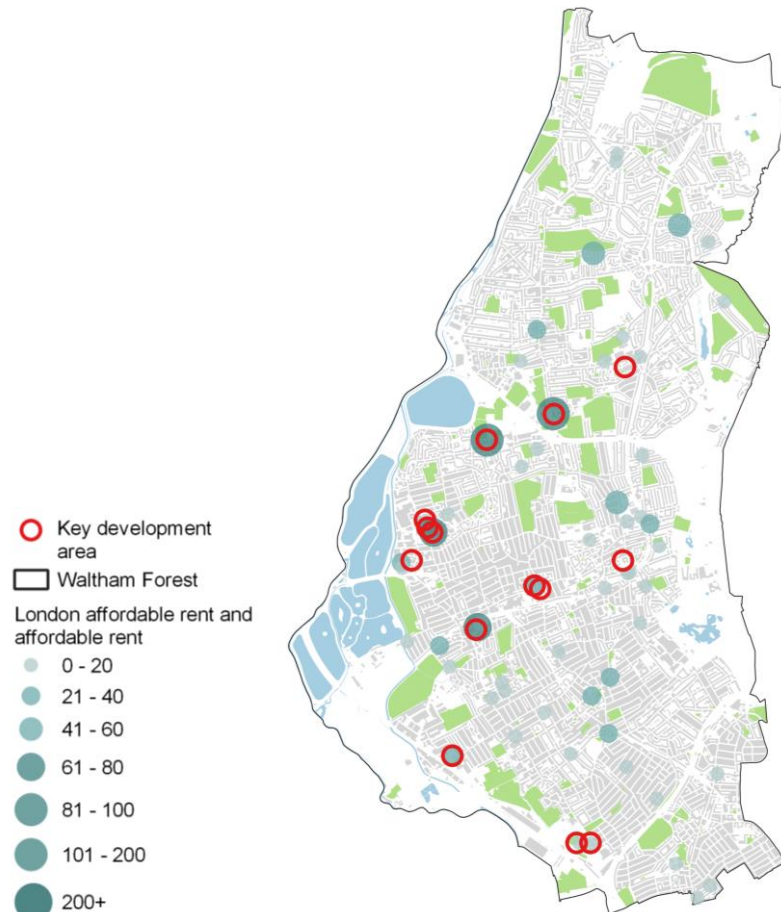
Both London Affordable rent and Affordable Rent help to bridge the affordability gap locally

Source: LBWF

Significant affordable rent/London Affordable Rent homes have been delivered across Waltham Forest since 2011. The largest delivery is in Stadium Place, Billet Road (North Higham Hill), Sutherland Road, and St James Street.

By using benchmark rent data from LBWF, PRD has modelled the affordability of this tenure. This analysis shows that this tenure provides important intermediate options for households on slightly below average incomes.

Affordable rent/LAR completed between 2011 and 2021



London Affordable Rent: London Affordable Rent is a non-binding target introduced by Mayor Sadiq Khan

- 1 bed - £168/week, £728/month – one person would require earnings of £28,000
- 2 bed - £178/week, £771/month – two people would require earnings of £33,000
- 3 bed - £188/week, £814/month – two people with two children would require earnings of £33,000 (if they aren't paying for childcare)
- 4 bed - £198/week, £858/month – two people with three children would require earnings of £49,000 (if they aren't paying for childcare)

Affordable rent: Introduced by the government in 2011, these rents are typically set at 80 per cent of the market value

- 1 bed - £220/week, £953/month – one person would require earnings of £33,000
- 2 bed - £270/week, £1,170/month – two people would require earnings of £40,000
- 3 bed - £330/week, £1,430/month – two people with two children would require earnings of £50,000 (if they aren't paying for childcare)
- 4 bed - £398/week, £1,725/month – two people with three children would require earnings of £65,000 (if they aren't paying for childcare)



FUTURE CONSIDERATIONS FOR WHAT WALTHAM FOREST SHOULD BUILD

**IN ADDITION TO AFFORDABILITY,
THERE ARE WIDER DEMAND AND
DEMOGRAPHIC FACTORS THAT
WILL SHAPE FUTURE NEED**

There are also wider demand and demographic factors that will shape future need

1.

A high quality, affordable, and secure private rental sector to respond to need and demand. In addition to the council's private landlord licencing scheme, improving the size, quality, and affordability of the PRS accommodation will be important. Build to rent is a growing priority for developers, and evidence suggests that demand for private rental properties is likely to be highest in the best connected parts of the borough.

2.

Demographic shifts show that Waltham Forest has a need for larger family-sized houses but development has largely not responded to this change. The average household size of the borough has increased, as has the proportion of households with dependent children. Overall, the average size of property is smaller than the average household in the borough, meaning a shortage of family-sized housing is likely to continue to be an issue.

3.

Parts of the borough have ageing populations, pointing to a need for more specialist housing. Specialist housing for older residents can help to encourage a more healthy churn of the borough's properties and better meet specific needs of older people.

4.

Getting the right intermediate tenures. Reviewing Waltham Forest's planning data suggests that a significant amount of affordable housing delivery has been through Shared Ownership. The Affordable Housing Commission offers the opportunity to review this tenure as part of the overall mix of schemes. Evidence from the GLA and affordability modelling presented here suggests that Shared Ownership is only likely to be affordable to higher-earning eligible residents. As a result, securing a more diverse range of intermediate tenures could be considered as part of the borough's future strategy.

5.

In addition to the delivery of new houses, there are wider policy factors which shape the supply and demand for housing in the borough. The number of short-term lets has increased significantly since 2015, with no planning permission required if a home is listed for less than 90 days. Similarly, the number of overseas individuals owning property in the borough has increased.

2B: FUTURE CONSIDERATIONS

1(a). Waltham Forest's growing private rental sector points to the need for a proactive strategic approach

The evidence presented in previous slides pages shows a growing (and increasingly expensive and insecure) private rental sector. In 2020, LBWF launched a new selective licensing scheme. It applies to all privately rented properties let to either an individual, a single family or two unrelated sharers. In addition to licensing, increasing the supply of more secure and affordable rental homes will be important to alleviate pressure on the private rental sector.

Build to Rent (BTR) is becoming an increasingly popular option for developers. Build-to-rent homes are homes developed and built specifically for the rental market, rather than to sell. There are already a range of BTR developers present in Waltham Forest. This includes Fizzy Living in Blackhorse Road and L&Q PRS in St James St. The British Property Federation states that the sector is set to grow from 76,800 to over 380,000 by 2032.

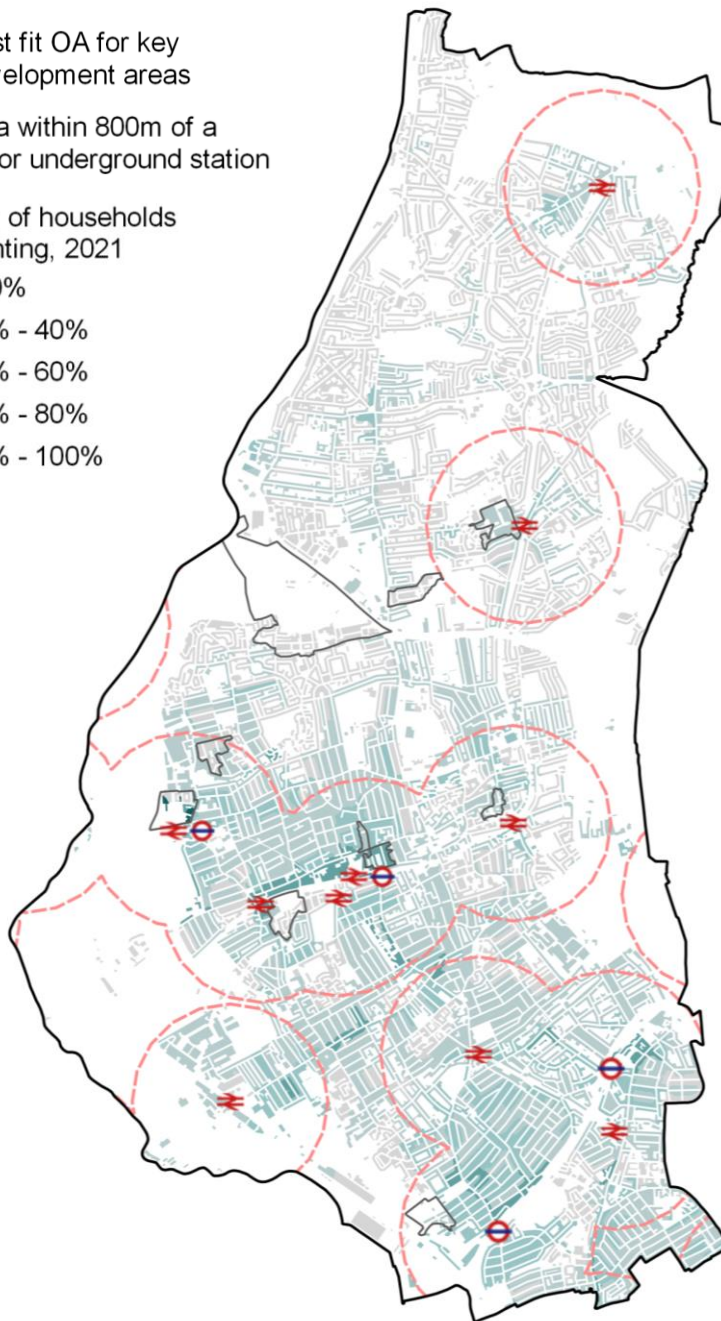
The evidence shows that high connectivity will be important to the viability and attractiveness of new private rental accommodation. In 2021, 73% of the borough's private renters lived within 800m of a TfL or National Rail Station.

Proportion of people

- Best fit OA for key development areas
- Area within 800m of a rail or underground station

Proportion of households private renting, 2021

- 0 - 20%
- 20.1% - 40%
- 40.1% - 60%
- 60.1% - 80%
- 80.1% - 100%



73% of private renters live within 800m of a station, compared with 63% of all Waltham Forest residents

32% of households living in OAs within 800m of a station are private renters

2B: FUTURE CONSIDERATIONS

1(b). Already growing rapidly, the withdrawal of Help to Buy is forecast to accelerate Build to Rent investment

Market analysis shows that Build to Rent investment has increased significantly in recent years. Due to changes to government policy, there is evidence that housebuilders and investors are looking to pivot investment strategies. Savills have forecast that this could accelerate with the withdrawal of Help to Buy which closed to new applications in October 2022.

Savills expect that the growing demand for investment in build to rent homes could fill most, if not all, of this gap in delivery left by the withdrawal of Help to Buy – increasing BTR's share of all completions from 6% to 12%. This would deliver 13,000 additional homes per year over the three years to 2026 compared to the last three years, reducing the size of the gap to just 4,000 homes per year.

In terms of affordable housing delivery, the preferred route for most BTR providers is to deliver discount market rent alongside the BTR product. This could be anywhere between 60-80% discount to market rent. This is attractive to investors because they are not required to be an RP to own and manage the stock. However, as the GLA no longer funds grant on discount market rent, viability can be an issue.

Savills BTR market insight, Q3 2022

£5bn

was invested into UK Build to Rent during the 12 months to Q3 2022 and investment in Q3 alone is up 75% year on year (Savills)

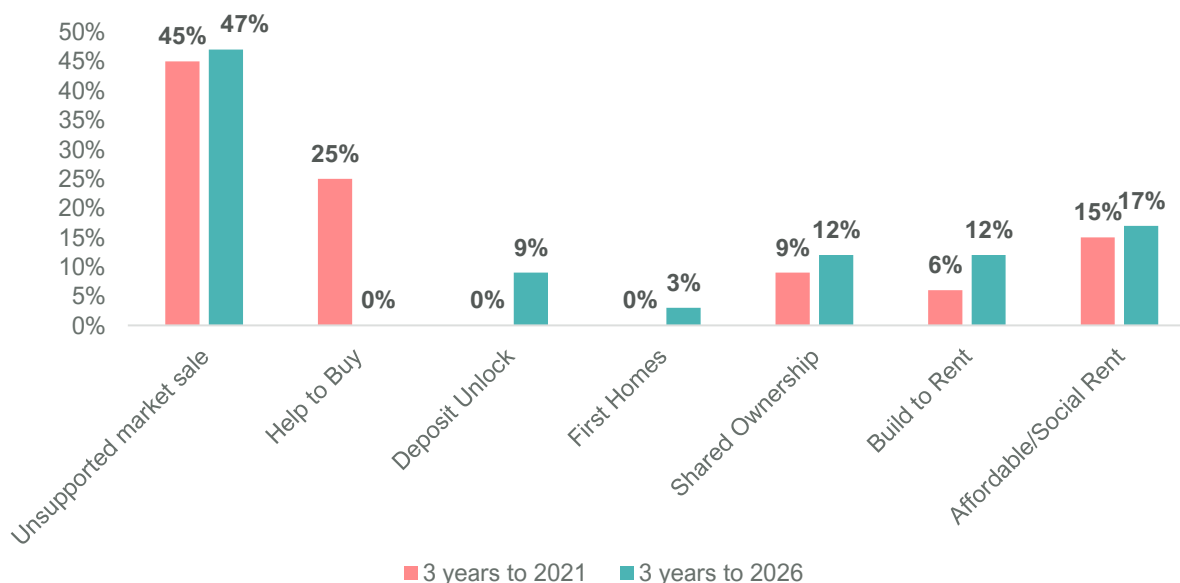
76.8k

Completed BTR homes nationally (as of Q3 2022) with a further 49,800 homes under construction

2x

Before the disruption of the pandemic, Build to Rent volumes had doubled over the three years to 2020. Savills anticipate this to double again by 2026.

Forecast completions after Help to Buy



Source: Savills

2B: FUTURE CONSIDERATIONS

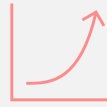
1(c). Factors shaping Build to Rent investment strategies mean that the south of the borough is likely to be the focus of BTR market activity

PRD has undertaken primary and secondary research into the London BTR market. From this, we have presented the key factors influencing a site's suitability for BTR. Many of these factors can be mapped, such as concentrations of target demographics, and connectivity levels. This analysis reinforces the rationale behind the borough's existing BTR market which is mainly concentrated around stations.

This is not to suggest that BTR could not work elsewhere in the borough. As the market gathers momentum (as is forecast to be the case), the product may diversify and other options may come forward (such as smaller developments with a less significant amenity offer which could be let at cheaper rates).

Information from officers suggest that speculative applications are already being received in less typical locations within the borough such as Leytonstone.

Factors influencing BTR viability and investment decisions



High land and rental values are important. This, plus the target demographics of developers, mean that BTR developments often come forward in areas of high connectivity.



For BTR developments to be viable, they need to be near fully-let all of the time. Due to high management costs, BTR typically requires larger sites.

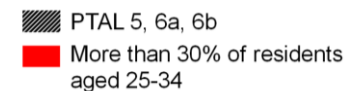
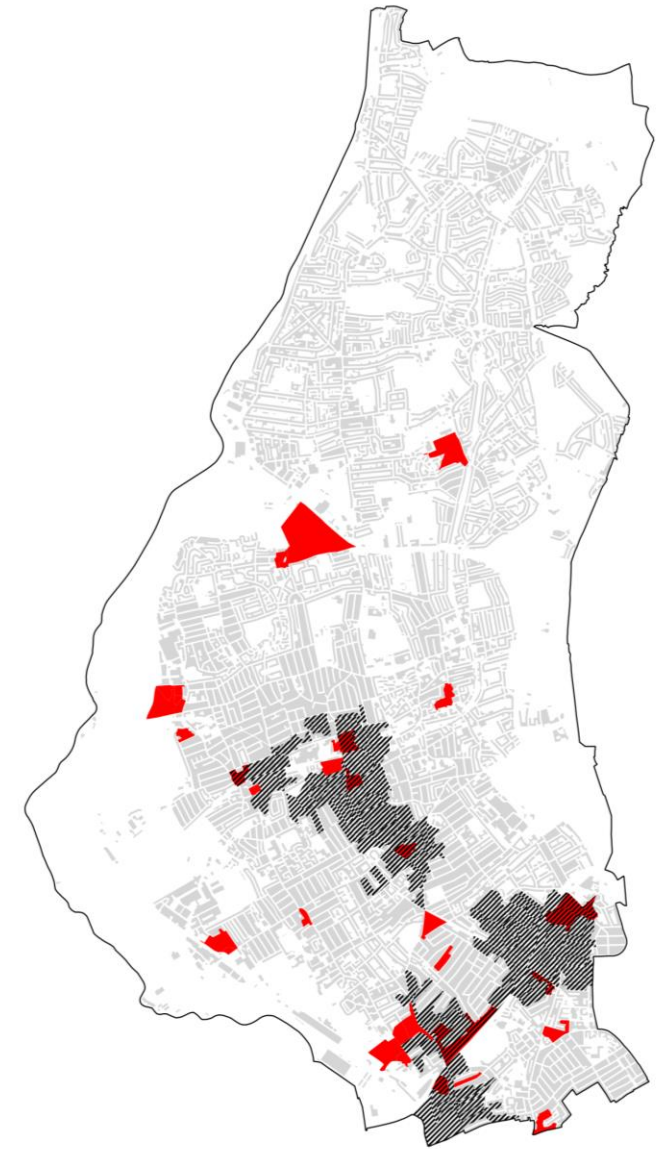


High amenity is also important to attract high occupancy and developments often include concierge and other facilities such as roof terraces or communal areas. This also increases management cost.



The average age of people looking to move into a first home in the UK was between 25 and 35 years old in 2016, but now the average first-time buyer is 37 years old – meaning the PRS is often targeting this market

Areas of high connectivity and areas with high concentration of typical renter age profile



2B: FUTURE CONSIDERATIONS

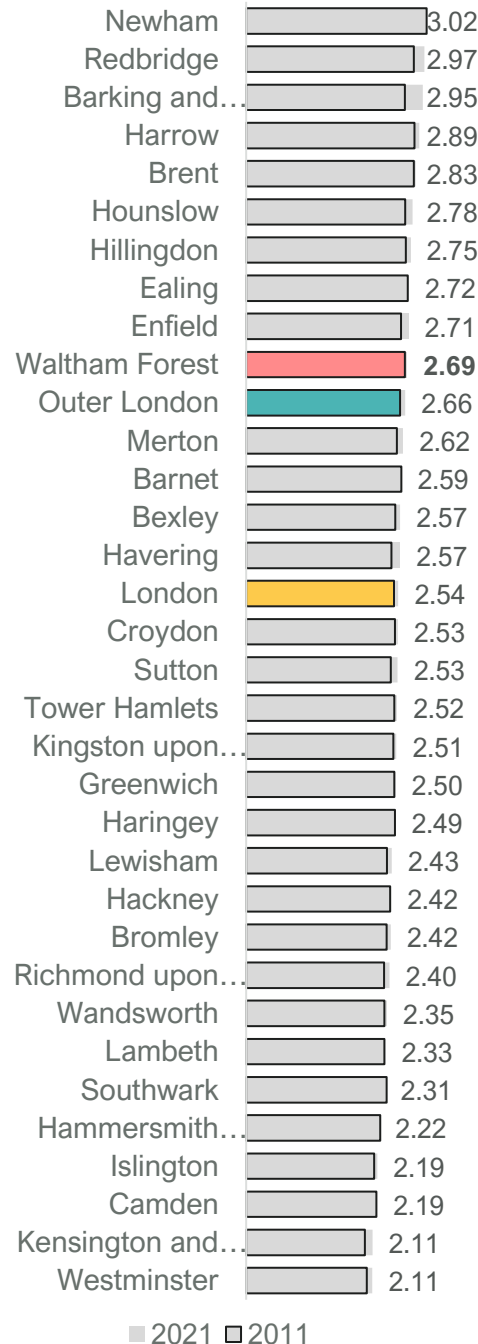
2(a). Demographics: Increase in household size and more families in the borough – with several high growth areas supporting this growth...

The number of people per household has increased across London since 2011, with highest growth in Outer London boroughs which on average have more people per household – reflecting the proportion of larger houses and demographics residing in these areas.

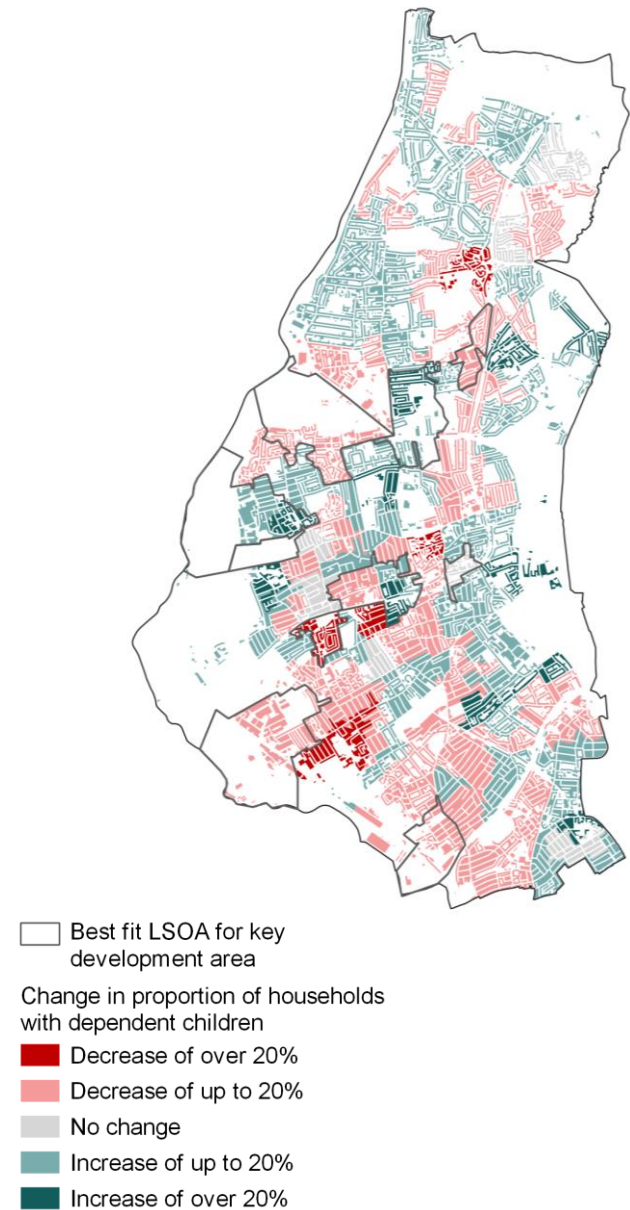
Waltham Forest mirrors the Outer London average, with 2.69 people per household. The average household size in the borough has grown over the last decade – increasing by 1.5% since 2011.

The household composition has also changed. Across the borough, 6% more households now have dependent children compared to 2011. Some of the most significant increases in the proportion of households with dependent children have been in the Sutherland Road and Walthamstow Dog Track high growth areas. Over half of households (57%) of residents in Stadium Place have dependent children.

Number of people per household 2011 & 2021



Change in proportion of households with dependent children, 2011-2021



2B: FUTURE CONSIDERATIONS

2(b) However, high growth areas have mainly delivered housing for smaller households, meaning more family-sized housing is still required

Over the last ten years, the average number of bedrooms delivered in new development across Waltham Forest is lower than the average housing size.

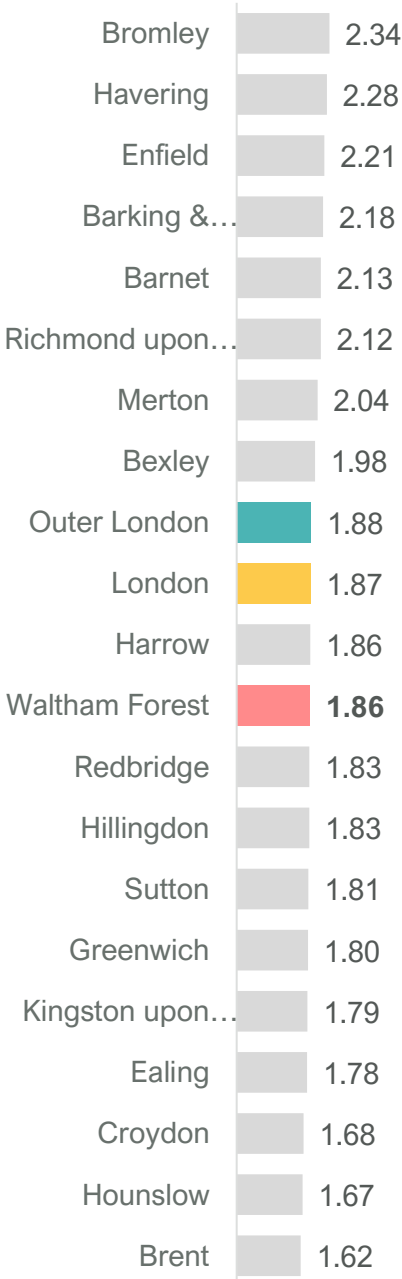
This is reflected in the household composition of high growth areas. In high growth areas, two thirds (66%) of households contain two people or less, compared with 55% in Waltham Forest as a whole.

There is evidence to suggest that development has largely not met the needs of the borough's larger households. Whilst 27% of Waltham Forest households contain 4 or more people, this is only 17% in high growth areas.

This is likely to be driven by viability modelling associated with new development. UK-wide research from Zoopla showed that the type of property affects the price per square foot (£psft). The research showed that nationally, the average cost per square foot for a flat was £389. Conversely, for a 2-bed house this falls to £270 per sqft.

Source: Census 2021, London Planning Data Hub

Average bedrooms delivered in new development
2011/12 – 2021/22



	Proportion of households in...	
Number of people per household	Waltham Forest	High change areas
1	26%	29%
2	29%	37%
3	18%	18%
4	15%	9%
5 or more	12%	8%
Average number of people per household	2.7	2.4
Households with dependent children	35%	32%

2B: FUTURE CONSIDERATIONS

3(a). Sheltered accommodation need is predominantly in the north of the borough which can help to use Waltham Forest's stock more efficiently

Evidence from LBWF's Sheltered Housing Review showed that the majority of current sheltered housing residents are aged between 65 and 85.

Within the north of the borough there is a high proportion of residents aged 65 and over. This older population will require housing which suits their needs, either through adaptations to their existing homes, or moving to specialist older people's housing and care homes.

However, there are barriers both to the building of specialist housing and demand from older residents. Frequently, there is a lack of knowledge around housing options and the costs involved, or housing is not offered in an attractive and affordable location.

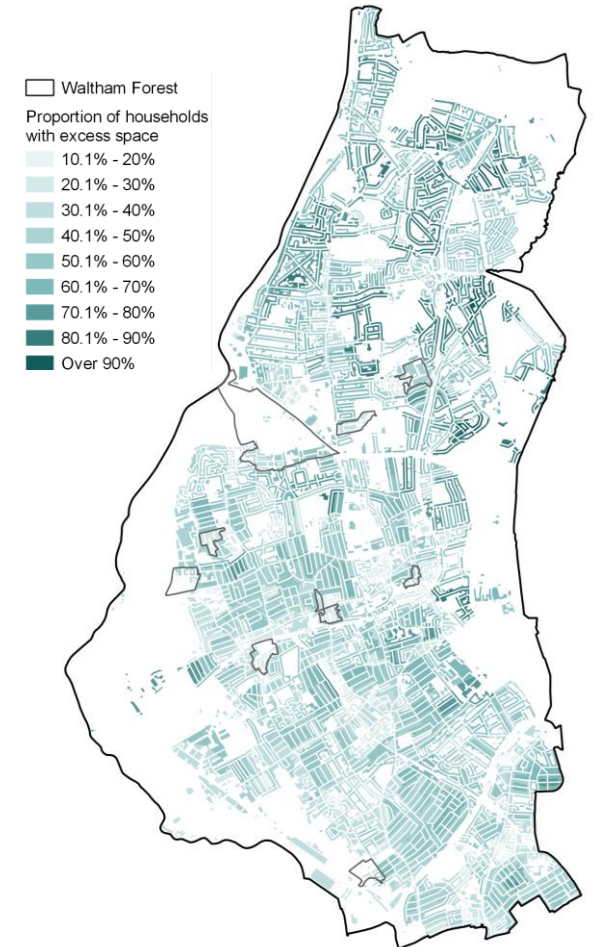
The areas with high proportions of older people in the north of the borough also have a high proportion of households with excess space. Addressing these barriers and providing the right homes for older people would mean that some of the borough's larger homes could become available for families and better serve local need.

Source: Centre for London, Census 2021

Proportion of households aged 65 or over, 2021



Proportion of households with excess space, 2021



Barriers to building specialist housing:

- High land prices – hard to develop properties which are affordable for older people but meet their requirements
- Competition – higher returns can often be generated from student or general needs housing
- Staffing – retirement communities and extra care settings require staff which has higher costs in London
- Planning and regulatory factors slowing granting of planning permission

2B: FUTURE CONSIDERATIONS

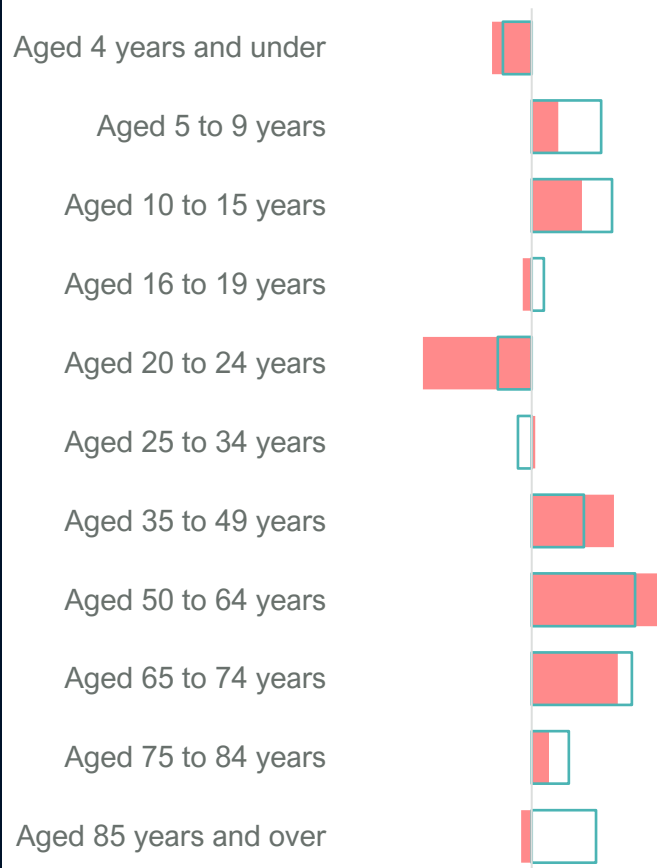
3(b). Whilst not an immediate challenge, opportunity to form a proactive strategy in terms of awareness and engagement to plan for the next ten years

Analysis across Waltham Forest's age profile suggests that need for specialist housing is unlikely to be as urgent for Waltham Forest as other outer London boroughs. The proportion of residents aged 65+ in Waltham Forest is 3% lower than the Outer London average, and this group has also seen lower growth since 2011.

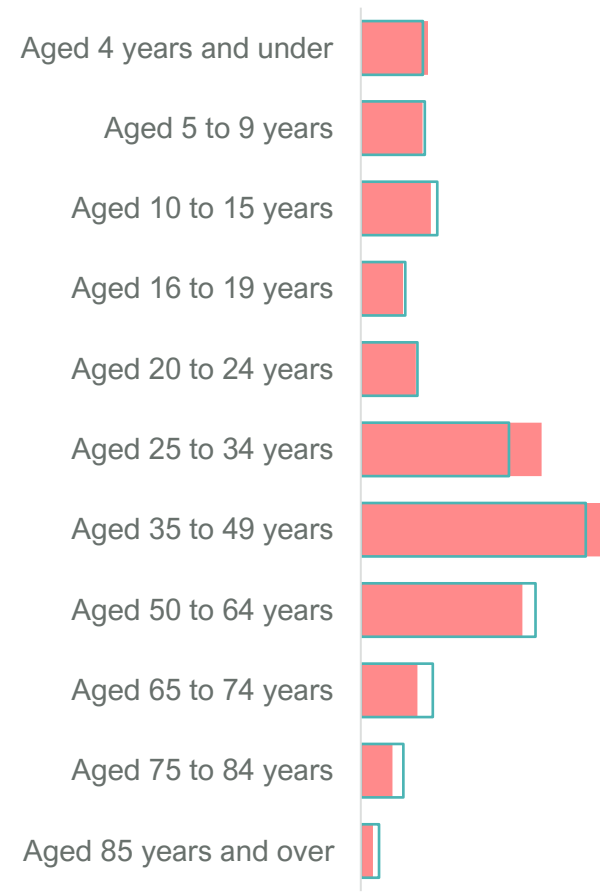
Despite this, proactive future planning could be part of the borough's longer-term strategy to socialise the options around Sheltered Accommodation and build the pipeline. Whilst LBWF does not have as big of an ageing population as other boroughs, LBWF has seen significant growth in the proportion of residents aged 50-64 (above the Outer London average).

A recent report by Centre for London suggested that local authorities should: *"work with housing associations, as well as local community and voluntary groups, to reach "rising" older people (those in their fifties, sixties or seventies) with information about future housing choices – including both home moves and adaptations."*

Change in proportion of residents by age group 2011-2021



Proportion of residents by age group 2021



■ Waltham Forest ■ Outer London

11.1%
increase in
people aged
65 years
and over

9% increase
in people
aged 15 to
64 years

1.8%
increase in
children
aged under
15 years

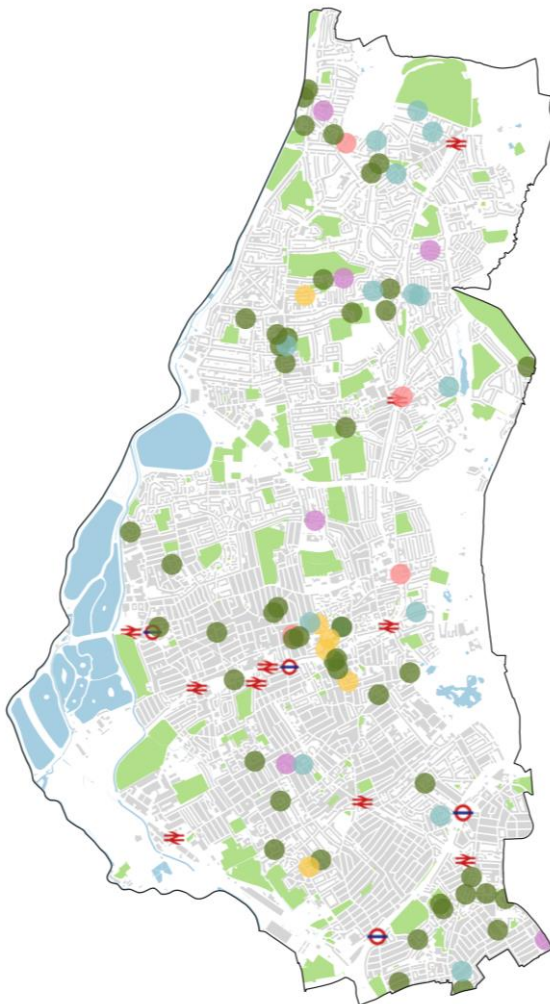
55-59 age
bracket
experienced
the highest
growth

2B: FUTURE CONSIDERATIONS

3(c). Waltham Forest's modelling shows that the borough currently has a small shortfall of sheltered accommodation – with a priority to address low 'extra care' provision

The council's modelling suggests that 254 additional sheltered accommodation units are required to meet the needs of LBWF's changing demographics. This need is based on an assumption of 12,200 residents aged over 75 living in Waltham Forest. The 2021 Census suggests that this need estimate is likely to still be broadly accurate (showing there are 12,398 residents aged over 75 in Waltham Forest).

The 2020 Sheltered Housing Review stated that: "extra Care provision is relatively low and development of this is a priority, even if a very conservative view is taken of overall need." Extra Care accommodation is usually rented from a housing association (though private providers and leasehold models do exist elsewhere) and involves the provision of care on the premises. It is sometimes previously referred to as "enhanced" or "very" sheltered housing, or "assisted living". Extra care facilities usually consist of purpose-built, accessible building design that promotes independent living and supports people to age in place.



Specialist housing provision for older residents

- Age exclusive housing
- Almshouse
- Care home
- Housing with care
- Retirement housing

Type of provision	Number of homes	Proportion of total
Sheltered (rented from housing association)	850	47%
Sheltered (rented from Council)	455	25%
Leasehold (bought from a private company or from a housing association)	259	14%
Rented from a Community Benefit Society	188	10%
Almshouses (rented from a charity)	68	4%
Total	1,820	100%

Forecast Sheltered accommodation need, 2019

Type of provision	Number of homes	% of total
Sheltered housing	1,525	73%
Enhanced sheltered housing	244	12%
Extra care	305	15%
Total	2,074	100%
Shortfall based on current provision	254	

2B: FUTURE CONSIDERATIONS

4(a). The right intermediate tenures

The London Plan states that, for an intermediate dwelling to be considered affordable, spend on housing costs (including mortgage repayments, rent and service charge) should not exceed 40% net annual household income.

The increasing cost of shared ownership has led to a review by some local authorities who are no longer developing shared ownership as part of their intermediate affordable housing offer.

The London Borough of Camden for example, prioritises the development of Intermediate rent to those in incomes that are no less than £20,000 and no more than £60,000 and the council seeks to ensure that the majority of intermediate rent homes in each scheme is affordable to households with gross annual incomes between £31,530 and £42,040 (adjusted annually by wage inflation).

Wider anecdotal research has revealed issues with selling Shared Ownership properties. Owners have reported challenges with finding buyers to meet the affordability criteria, with delays reported in Housing Associations screening applicants.

The GLA review into intermediate housing

30%

The new London Plan sets out a requirement for a minimum of 30% of affordable housing to be delivered as intermediate homes which meet the Mayor's definition of genuinely affordable.

£90k

Intermediate ownership products, such as shared ownership and Discounted Market Sale (where it meets the definition of affordable housing), should be made affordable to households on gross incomes of up to £90,000 a year.

71%

Of households moving in to Shared Ownership were headed by a person of white ethnicity. Households headed by a person of Asian or Asian British, Black, Caribbean or Black British, and other ethnic groups are underrepresented.

25-44

Is the most represented age group. The majority of households moving into shared ownership in 2017/18 comprised households with no children.

+60%

Increase in market value of Shared Ownership properties between 2013/14 and 2017/18. These costs have been met by increased deposit sizes and higher mortgage borrowing.

2B: FUTURE CONSIDERATIONS

4(b) Modelling suggests Shared ownership is likely to benefit wealthier residents who are at the top end of the required income thresholds

The cost of living crisis and rising mortgage costs mean that the affordability challenges with Shared Ownership have become more acute. To understand the true affordability of schemes, we have modelled affordability based on an understanding of all essential spend.

This shows that the cost of shared ownership properties varies significantly between schemes. In general, properties are unaffordable for single people earning an average income within Waltham Forest despite many being one bedroom properties.

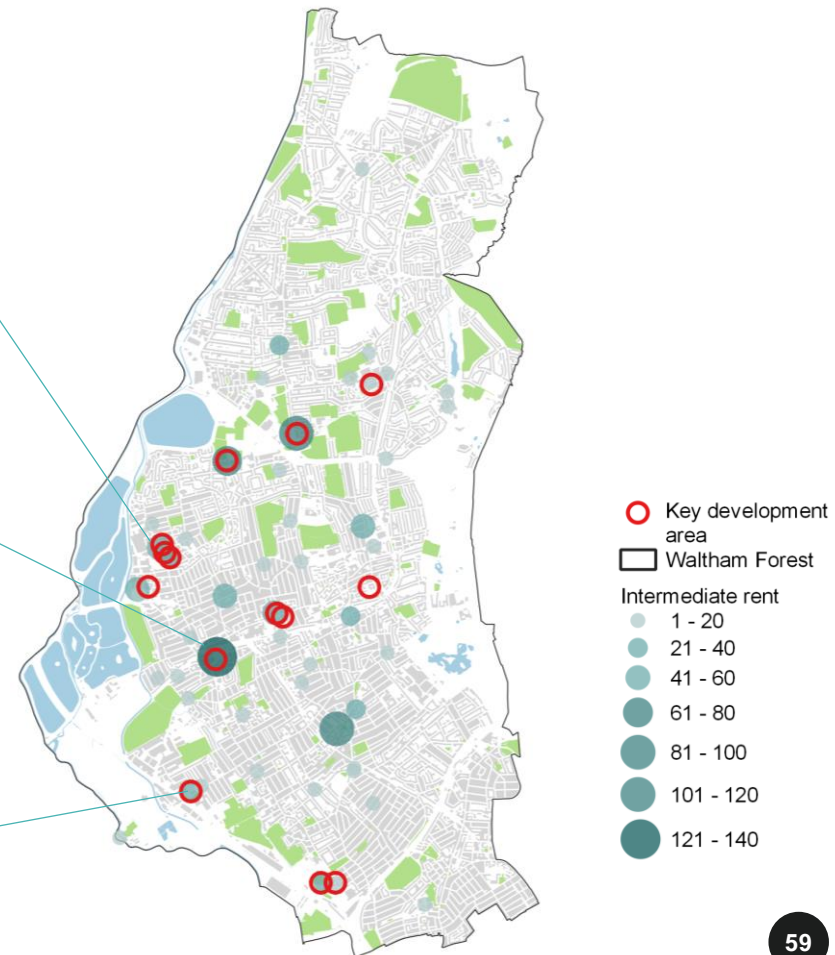
Whilst couples and families may be able to afford the properties at current monthly prices, households will be vulnerable to future price rises. Additionally, whilst smaller than for properties owned outright, significant savings are required to put down a deposit.

Cordage Works (25% share)
2 bedroom, £1,721 per month
Savings of £6,250 required for a deposit
To be affordable (less than 40% of gross income spent on housing)...
A single income household would require gross earnings of £79,200
A dual income household would require earnings of £34,800 each

Jazz Yard, St James Street (25% share)
1 bedroom £1,320 per month
Savings of £5,063 required for a deposit
To be affordable (less than 40% of gross income spent on housing)...
A single income household would require gross earnings of £57,000
A dual income household would require earnings of £25,200 each

2 bedroom, £1,637 per month:
Savings of £6,250 required for a deposit
To be affordable (less than 40% of gross income spent on housing)...
A single income household would require gross earnings of £74,400
A dual income household would require earnings of £33,000 each

Motion (30% share)
2 bedroom, £1,487 per month
Savings of £14,400 required for a deposit
To be affordable (less than 40% of gross income spent on housing)...
A single income household would require gross earnings of £66,000
A dual income household would require earnings of £29,400 each



2B: FUTURE CONSIDERATIONS

5. Demand-side factors: important to addressing affordability challenges

Another factor constraining supply of available properties is short-term lettings such as Airbnb and overseas ownership of homes. The number of Airbnb listings in London peaked in 2020, reaching 87,235 before falling back to 69,351 in 2022. This has increased significantly across Waltham Forest in recent years and around 700 entire properties in the borough were listed online in September 2022. The highest concentration of short-term lets are south of the A406, close to the borough's transport hubs.

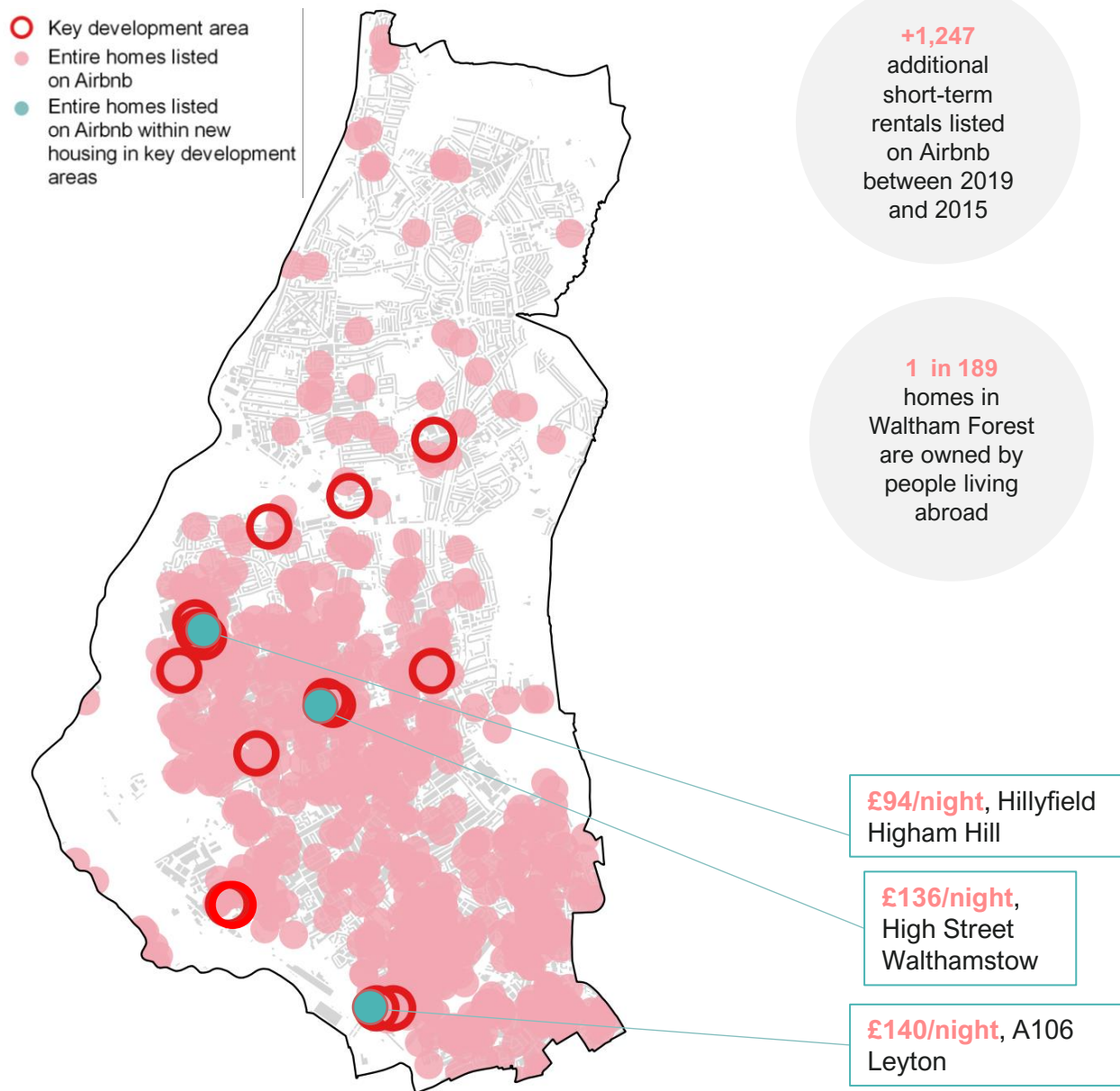
Properties in London can be booked from a single-night stay up to a maximum of 90 nights in a calendar year without planning permission. GLA research shows that the majority of actively listed Airbnb properties (77%) were estimated to be occupied for under 90 nights in the year. However, data on occupancy is poor making enforcement challenging. The Mayor of London is lobbying Government to introduce a statutory registration system for short-term lettings.

Land Registry titles in LBWF registered to individuals with an overseas correspondence address, 2010-2021



Source: Inside Airbnb, Centre for Public Data

Entire homes listed on Airbnb in LBWF, Sept 2022



Contains OS data © Crown copyright 2022

3

EVIDENCE SESSION 2: HOW SHOULD WALTHAM FOREST BUILD?

THE CHANGING FINANCIAL
CLIMATE MEANS THAT
PRIORITISATION IS REQUIRED TO
SECURE THE AFFORDABLE HOUSING
THAT WALTHAM FOREST NEEDS

The changing financial climate means that prioritisation is required to secure the affordable housing that Waltham Forest needs

1.

The vast majority of affordable housing nationally has been delivered by Registered Providers and S106. While direct delivery by local authorities has increased in recent years, this still accounts for less than 10% of all affordable homes delivered. There are smaller providers which are likely to be increasingly relevant to affordable housing delivery in Waltham Forest. This includes for-profit RPs that are not encumbered by high maintenance costs associated with their existing stock, and charities that specialise in tenures such as specialist housing.

2.

There are challenges facing both RPs and Section 106 which could restrict ability to accelerate the delivery of affordable homes. Many RPs in Waltham Forest and nationally are dealing with wider cost pressures associated with their existing stock such as damp, mould, and cladding issues. Whilst S106-related delivery is not encumbered with the same challenges, this method relies on a buoyant housing market to sustain high rates of affordable delivery.

3.

The challenging financial context will make historic methods of delivering affordable housing more difficult. House prices are forecast to decrease and build costs to increase over the coming years, meaning viability assessments are likely to conclude that high levels of affordable housing may be less viable in the short-term. At the same time, borrowing costs for Local Authorities and RPs have increased significantly.

4.

Funding the net zero transition could also constrain ability of the Local Authority and RPs to deliver higher quantities of affordable homes. Achieving net zero and addressing the climate emergency are local and national policy priorities. Domestic emissions contribute over half of total emissions in Waltham Forest. Proposed regulatory changes by government could restrict any property rated EPC D or below from being leased. This will require significant investment in the borough's existing affordable housing stock to meet this change, and additionally wider enhancements to achieve net zero by 2050.

5.

Developing a consolidated lobbying ask to government, as well as responding to the challenging economic context. This report has identified several lines of enquiry that the commission may want to consider. This recognises that many of the challenges outlined here represent pan-London challenges which could form the basis of Waltham Forest's lobbying ask to government. The report also sets out potential local responses to the two most pressing delivery challenges: net zero and build costs and viability pressures.

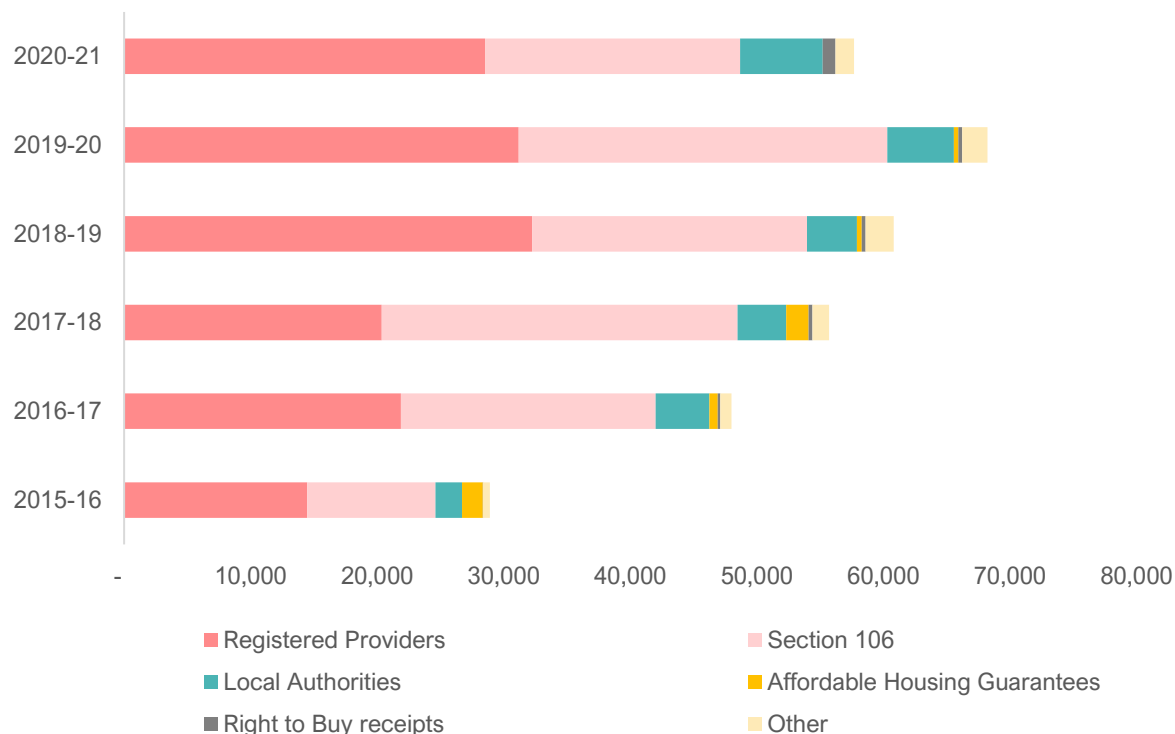
3: FINANCING AFFORDABLE HOUSING DELIVERY

Affordable housing delivery has been heavily reliant on Registered Providers and S106

Registered Providers and Section 106 has played a dominant role in delivering additional affordable housing over the last five years. The role of Local Authority delivery is growing but remains small relative to RPs and S106.

Section 106 agreements were introduced in the Town and Country Planning Act 1990. They are an attempt to reconcile private profit with community gain by placing requirements on developers linked to community benefit/ compensation for development. The broad intention is to mitigate the impact of any developments by ensuring that developers contribute towards necessary infrastructure. Agreements may include wider community benefits e.g., *ensuring local people get access to job opportunities*. Over time, the planning framework has been modified and negotiations now mainly focus on affordable housing. There is a standard formula (CIL (Community Infrastructure Levy) linked to floor space. Approaches to the use of S106 vary reflecting political priorities, market conditions, grant aid and housing need in England.

Funding and delivery of additional affordable housing in England, 2015/16-2020/21



47%

by RPs

41%

by S106

8%

by Local
Authorities

2%

by Affordable
Housing
Guarantees

1%

by Right to Buy
receipts

1%

by other
means

3: FINANCING AFFORDABLE HOUSING DELIVERY

Smaller (but still relevant) providers of affordable housing

Other partners which may be relevant to future affordable housing development in Waltham Forest have been included (right).

For Profit RPs: These are regulated by the Regulator of Social Housing (RSH) and commonly backed by Institutional capital. Examples include: L&G, Sage (Blackstone), McCarthy Stone (shared ownership), ReSI – retirement and shared ownership REIT

- Increase from 25 providers in 2015 to 50 in 2022 in England
- Savills research (2022) estimates for-profit providers will own 141,000 homes by 2027, and that providers already registered would grow their stock by c. 141,400 new homes
- Originally focused on S106 but increasingly investing in direct development
- New For Profit RPs have less existing stock than more established RPs, therefore, potentially less encumbered by net zero costs and refurbishing older stock
- Potential to play a growing role in delivering new housing but role of regulation will be key

Charities that are not RPs:

- Housing providers can be charities but not RPs
- Often more focused on supported living or specialist housing rather than general needs housing but engaging these providers could be important to meet the borough's specialist housing need outlined on Pages 55-57

3: FINANCING AFFORDABLE HOUSING DELIVERY

Delivery through planning gain is reliant on a buoyant housing market

Source: Newbridge Advisors

In 2011-12 affordable housing levered through S106 Planning Obligations in England accounted for just 5% of all affordable housing delivery. This increased year on year to 2019-20 where it accounted for 48% of all affordable housing, declining marginally in the two most recent years.

Therefore, we can conclude that planning gain is continuing to make an important contribution to the delivery of affordable housing in England. Despite this, it is clear that whilst S106 has been successful in unlocking significant affordable housing delivery, it has benefitted from stable market conditions. As set out on the following pages, the changing market conditions could hinder the ability of securing affordable housing through planning gain in the short-term.

Approach	Pros	Cons
Registered providers	<ul style="list-style-type: none"> Broad base of providers with low cost capital Motivated to build high quality housing for long term ownership by the RP Less politically influenced than public sector Strong relationships with GLA / HE for grant 	<ul style="list-style-type: none"> Sector risks e.g. <i>cladding, damp & mould, development can stifle delivery</i> Over exposure to development can increase risk of under Regulation by RSH Lenders regard exposure to market sale and shared ownership as risky
Section 106	<ul style="list-style-type: none"> Ability to tap into developers' delivery capacity and build cost efficiencies Capitalises on high values to cross-subsidise affordable housing Negotiated in line with viability with review mechanisms on larger schemes 	<ul style="list-style-type: none"> Reliant on a buoyant housing market If developers stall, so does delivery of affordable housing Viability based meaning it is subject to reduction in the number of units delivered Quality can be challenging for RPs S106 made up c. 50% of RP delivery in 2021 yet preference is for land-led schemes
Local Authorities	<ul style="list-style-type: none"> Potential to use publicly owned land which has low existing use / 'book' value Access to low cost of capital Less able access new land 	<ul style="list-style-type: none"> Political interference and changing priorities Debt capacity constraints within Housing Revenue Account (HRA) Challenges over resources and skills

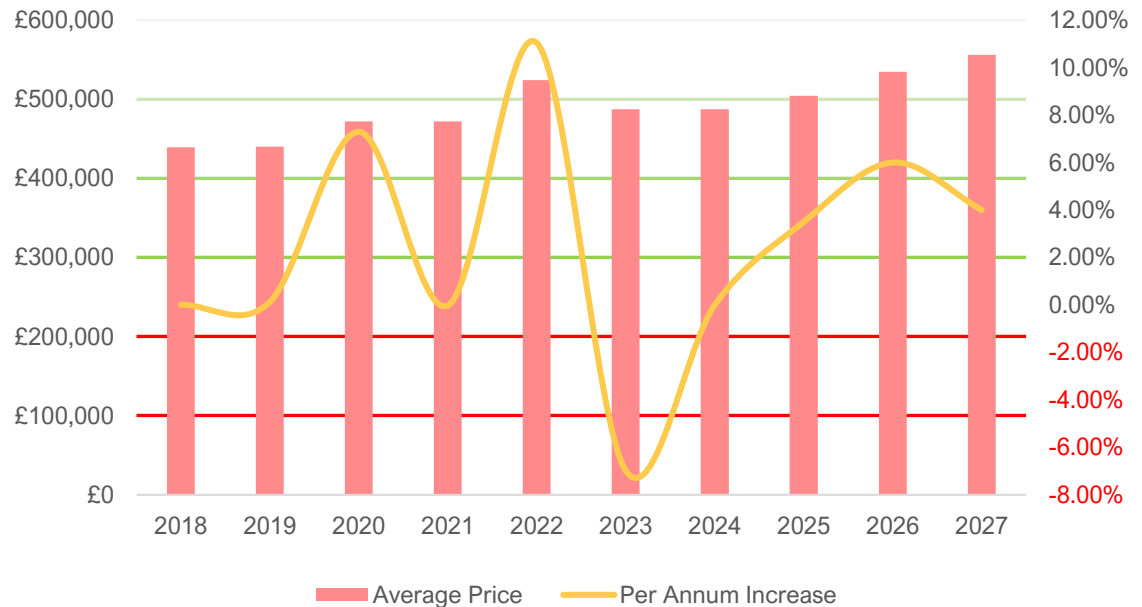
3: FINANCING AFFORDABLE HOUSING DELIVERY

The changing economic context (1): falling house prices, coupled with rising build costs could affect affordable housing delivery through planning gain

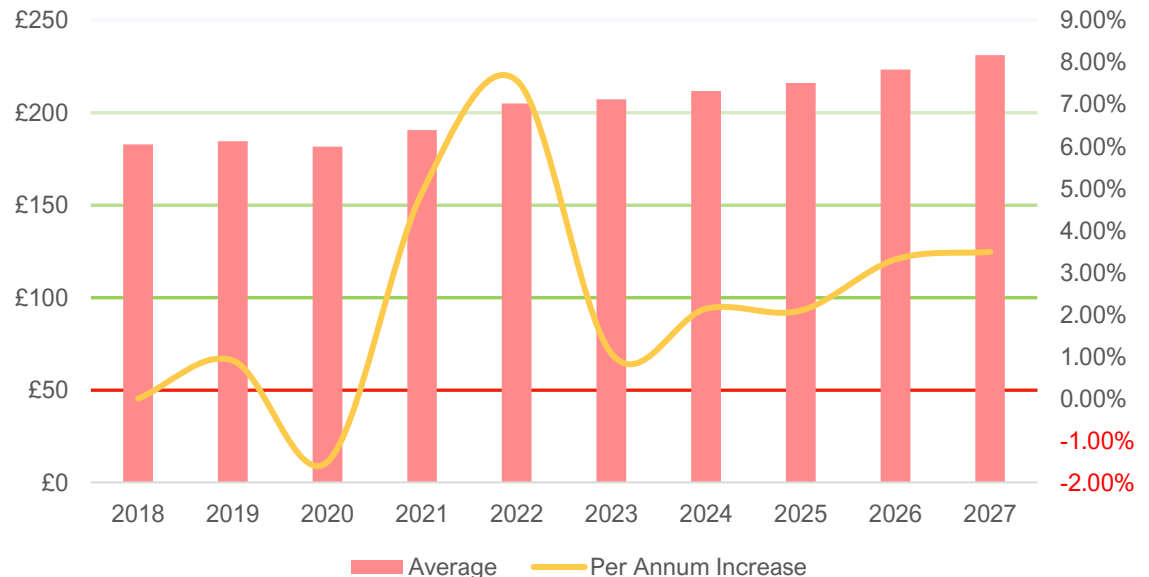
The graphs (*right*) display the past five years' data on house prices and build cost movements, and the forecasted five year performance. It demonstrates the challenges faced by developers and developing RPs in the current market.

A review of LBWF's planning documents suggested that viability concerns/viability assessments were the key reason that sites did not include required levels of affordable housing. A viability review was stipulated in all schemes that were not policy compliant. In most instances no additional housing/contributions were provided.

Waltham Forest Average House price, 2018-2027



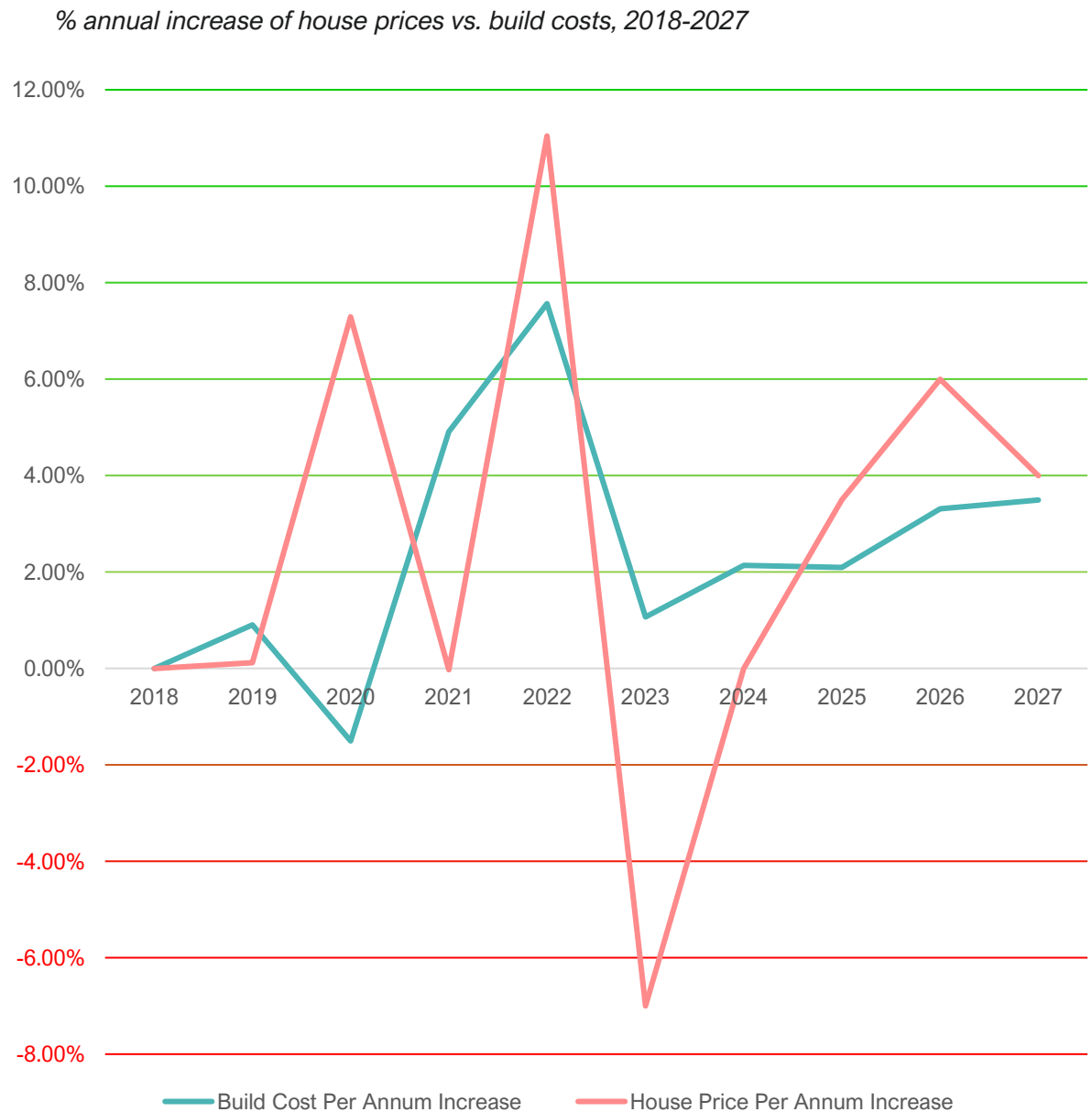
London Build costs, 2018-2027



3: FINANCING AFFORDABLE HOUSING DELIVERY

The changing economic context (2): short-term divergence between price and build costs

The graph (*right*) compares annual increases in house prices and build costs. There is a clear diversion between price and cost in 2023 as affordability challenges continue on account of factors including mortgage costs rising.

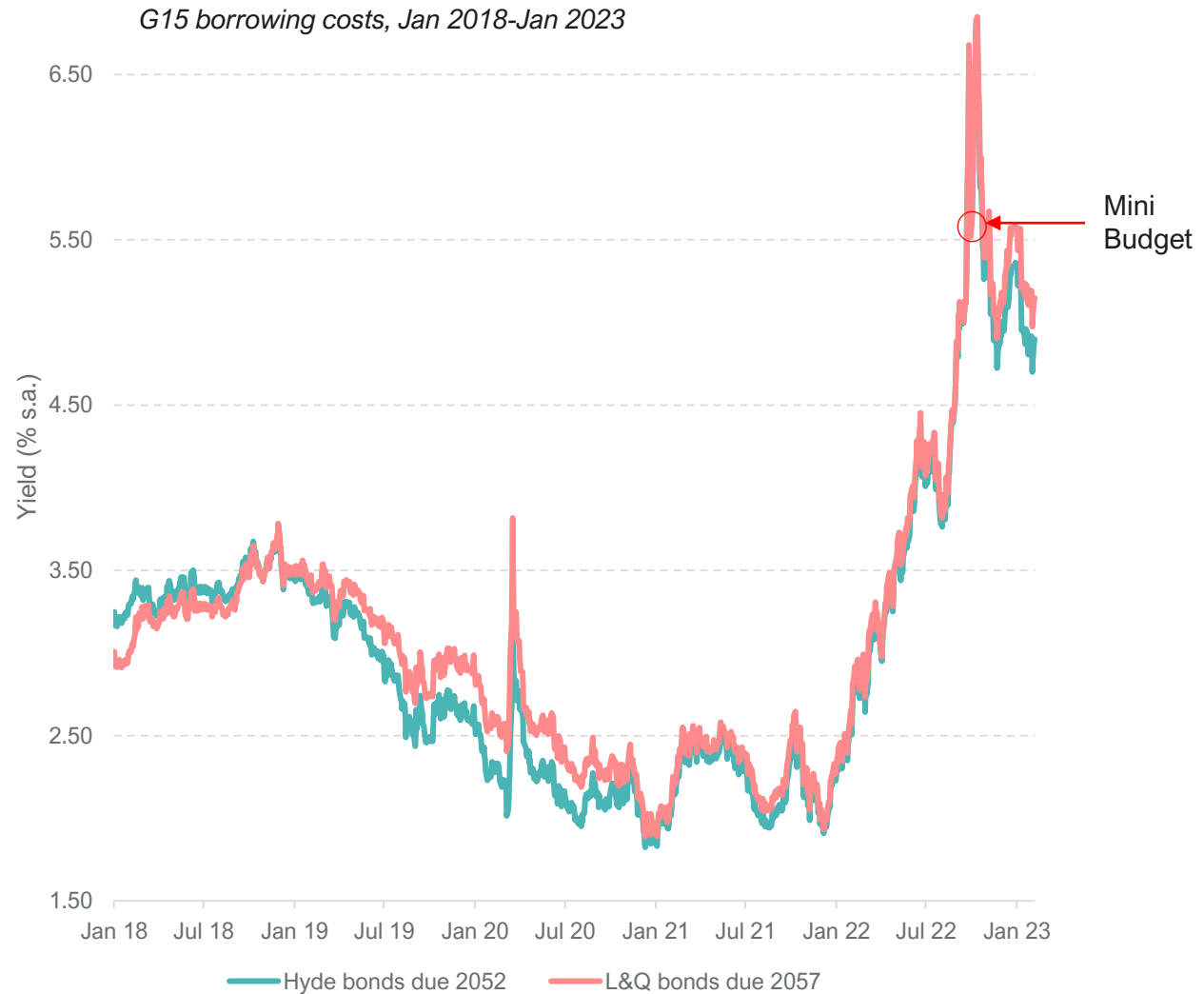


3: FINANCING AFFORDABLE HOUSING DELIVERY

Registered Provider borrowing costs have increased significantly

Registered Providers have access to a low cost of capital by using their existing asset base, stable income streams and regulation to attract bond and bank debt. The graph (right) shows the cost of finance for Hyde and L&Q as an example of how finance costs have moved over recent years.

RPs face costs for net zero works, improvements to quality of stock and service standards, plus tenant engagement. These investments do not necessarily create additional income streams, therefore, finance available for development is reduced.



3: FINANCING AFFORDABLE HOUSING DELIVERY

Local authority borrowing costs have also increased significantly after a decade of historic lows

Local Authorities can borrow from a range of sources but the majority is from Public Works Loan Board.

PWLB rates have been low since the financial crash due to Quantitative Easing (QE) but, as with RPs, the cost of finance has seen a sharp increase since 2022. Local Authorities face the same challenges for improving existing stock and tenant services which reduces funding available for development.

Local Authorities are also more susceptible to increases in build costs.

PWLB Maturity rates, 1994-2023



3: FINANCING AFFORDABLE HOUSING DELIVERY

The implications of the changing financial climate: new development economics

To provide an example of the challenge in providing affordable housing we have created a development appraisal of 100 homes on 2 acres of land assuming 35% affordable with no grant.

The table (*right*) summarises the surplus and deficit per unit that can be generated across this example scheme. This demonstrates, at a high level, the challenges with delivering policy compliant levels of affordable housing once all costs (including profit and finance) are considered.

As a sensitivity, Newbridge Advisors tested how many affordable homes can be included in the development to reach a surplus of £0 (breakeven point), it came to 17 homes, half of the London Plan policy compliant 35%.

Example development appraisal of 100 homes with 35% affordable in Waltham Forest: build costs only

All costs included				Total
	Private	Shared Ownership	Social Rent	
Price	£487,423	£316,825	£219,340	£1,023,589
Build cost	£272,095	£272,095	£272,095	£816,285
Surplus per unit	£215,328	£44,730	-£52,755	£207,303
Total surplus	£14,047,305	£471,375	-£1,297,197	£13,221,484

Example development appraisal of 100 homes with 35% affordable in Waltham Forest: all costs included

All costs included				Total
	Private	Shared Ownership	Social Rent	
Price	£487,423	£316,825	£219,340	£1,023,589
Build cost	£440,759	£440,759	£440,759	£1,322,277
Surplus per unit	£46,664	-£123,934	-£221,419	-£298,688
Total surplus	£3,044,225	-£1,306,045	-£5,444,512	-£3,706,333

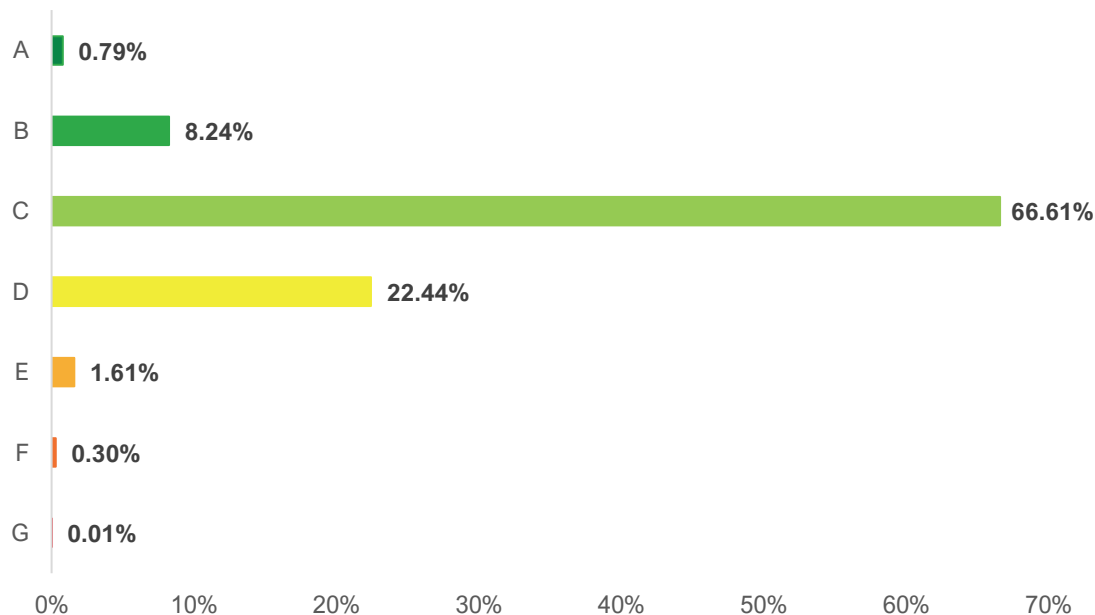
3: FINANCING AFFORDABLE HOUSING DELIVERY

Funding net zero transition could also constrain ability of the Local Authority and RPs to deliver higher quantities of affordable homes

In 2019, the Government committed to bring all greenhouse gas emissions to net zero by 2050, but LBWF have committed to achieve this by 2030. Housing accounts for over 50% of local carbon emissions in Waltham Forest. To make an impact on these emissions the borough has committed to looking at more energy efficient options. By 2030 the borough has a publicly-stated aim for its social housing to have an EPC rated B, this is in line with London Council's targets.

The current Government Minimum Energy Efficiency Standards ("MEES") regulations state no property with an EPC rating below 'E' can be leased. The Government are consulting on moving this target to below a 'C' rating. Resulting in nearly 25% of properties requiring retrofitting. There are approximately 367 housing association properties Waltham Forest do not yet have any data for, meaning the costs presented here are likely to represent conservative estimates.

Energy Performance Certificates across Waltham Forest's affordable housing stock*



*Note: includes both Local Authority and Housing Association stock.

24% of the borough's affordable housing would require retrofitting to achieve EPC Band C

£30m estimated cost of retrofitting existing affordable housing properties to achieve a band C EPC rating

£245m estimated cost to reach net zero in existing affordable housing stock by 2050

3: FINANCING AFFORDABLE HOUSING DELIVERY

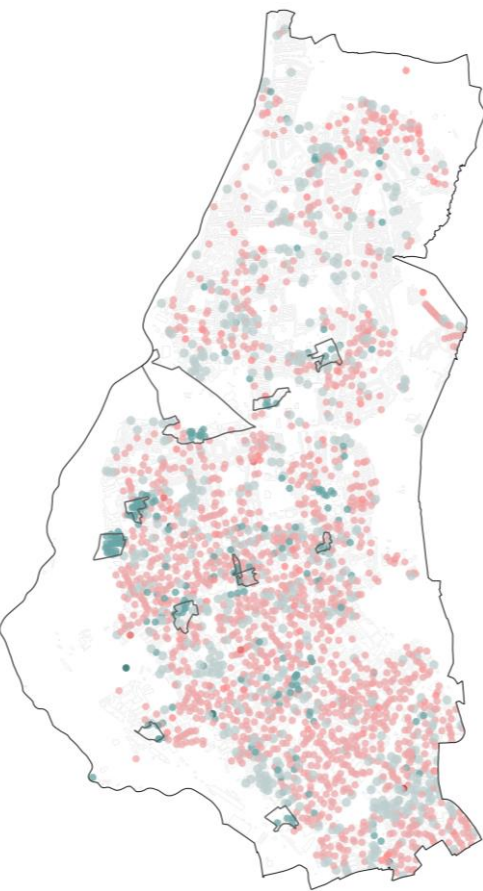
Improving the efficiency of stock could also make a big impact for residents

Source: Department of Levelling Up Housing and Communities, Energy and Climate Intelligence Unit

Waltham Forest's exposure to fuel poverty is predominantly driven by inefficient housing stock. The average energy efficiency score is 66 which equates to Band D. The average EPC rating of newly built properties is Band B. Analysis from the Energy and Climate Intelligence Unit shows that the EPC rating of a property has a significant impact on energy bills. This shows that even with significant government support, energy costs for a Band D property are likely to be almost £700 higher than a Band C.

This will shorten the payback times for improvements to domestic property efficiency such as insulation, which could make a significant difference in areas already suffering from high rates of fuel poverty in the south and central parts of the borough.

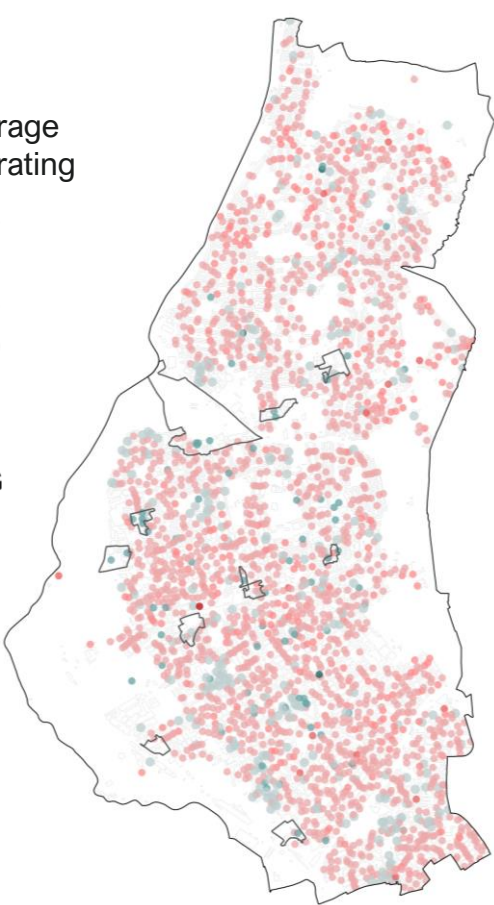
Flats and maisonettes



Average EPC rating

- A
- B
- C
- D
- E
- F
- G

Bungalows and houses



Energy costs for different EPC bands based on the October 2022 price cap

EPC Band	Gas costs (£/yr)	Elec costs (£/yr)	Dual fuel (£/yr)	Extra costs:			
				Total costs	House hold bill	Gov't support	Due to gas crisis
C	£1,877	£1,850	£3,726	£2,100	£1,626	£2,734	N/a
D	£2,359	£2,048	£4,407	£2,470	£1,937	£3,267	+£680
E	£2,729	£2,247	£4,976	£2,778	£2,198	£3,711	+£1,249
F	£2,914	£2,578	£5,492	£3,051	£2,441	£4,102	+£1,765

66
Mean energy efficiency score – all properties (Band D)

83
Mean energy efficiency score new properties (Band B)

3: FINANCING AFFORDABLE HOUSING DELIVERY

Responding to this context: Actions and lobbying points for the Commission to consider

Newbridge Advisors have asked a small pool of property related professionals about what they would ask Government to do to increase volumes of affordable housing delivery. Amongst the many suggestions we received, the three items on the left-hand side were the most common.

From this and the evidence presented within this report, we have identified potential responses and priorities that the Commission/LBWF could pursue to respond to the challenging delivery context. In addition to lobbying government, the evidence presented here shows how there are likely to be trade-offs between unit delivery, tenure delivery, and net zero over the next decade and beyond.

The intention of these potential actions is for the Commission to consider what these trade-offs might be to prioritise what is most important in a Waltham Forest context.

Potential lobbying priorities

a. Increasing in **volume and flexibility** of affordable housing grant funding;

b. Provision of **funds to ensure fire safety** on existing stock, allowing the end of the leaseholder crisis and costs falling directly to RPs; and

c. Increase in **revenue funding allocated to local authorities** to support the planning system alongside the loosening of financial regulations attached to the use of HRA and General Fund accounts.

Issues and opportunities for LBWF to consider to respond to the changing economic climate

Build costs and viability pressures:

1. Encourage constant engagement with a full range of potential housing providers, including For Profit RPs to maintain momentum on housing delivery;
2. Consider providing an 'under-write' on schemes to deliver the outcomes that Waltham Forest is seeking. This would support delivery momentum as opposed to stalling
3. Engage with institutions across the Borough to unlock schemes e.g. off-take of key worker intermediate rental housing by NHS Trusts
4. Flexibility on tenure or quantum of housing to avoid schemes being stalled
5. Flexibility on phases in the near-term but implement review mechanisms to capture the rising market

Carbon reduction and cost of energy:

6. Maximise available grant funding and lobby for continued (and more accessible) funding from Government
7. Partner with others to make resources go further
8. Explore initiatives beyond housing such as district heating networks to facilitate wider schemes to transition to net zero
9. Creation of a 'consortium' of RP's, developers and other Authorities to lobby Government to allocate grant funding to support achieving EPC C and Net Zero

4

EVIDENCE SESSION 3: HOW CAN WALTHAM FOREST MAXIMISE IMPACT FOR RESIDENTS?

RESIDENT ENGAGEMENT CAPTURED
THE LIVED EXPERIENCE OF TEN
YEARS' OF RAPID CHANGE. FOCUS
GROUPS IDENTIFIED A RANGE OF
PRIORITIES FOR THE COMMISSION
TO CONSIDER



WHAT WE HEARD FROM RESIDENTS

THE LIVED EXPERIENCE OF TEN
YEARS' OF RAPID CHANGE

1. The lived experience of ten years of rapid change

1.

Across all tenures, residents feel that they have a lack of choice in where they live – exacerbated by rising prices and increased demand

- Focus groups were asked why they chose to live in Waltham Forest. Participants highlighted family ties, community networks, and place infrastructure (such as green spaces) as the main reasons for living in the borough.
- Many long-term residents also highlighted they moved to Waltham Forest as it was previously a more affordable part of London. Data has shown that this has changed rapidly over the last decade. Declining affordability is resulting in a narrowing of choice for both private tenants and homeowners - creating a situation where residents say they are unable to move onto/up the housing 'ladder'.
- Residents living in social housing noted a lack of choice and challenges swapping their homes. This was particularly acute for residents with additional needs.

2.

The Cost of Living Crisis is bringing affordability challenges into sharper focus. Whilst rising costs are affecting most residents, it is impacting different tenures in different ways

- Waltham Forest was universally viewed as being an increasingly unaffordable place to live. Participants noted concerns about rising bills such as fuel, heating, and council tax – in addition to high housing costs.
- Participants provided insight into the challenges facing private renters. This was frequently defined by months of viewings, pressure to make quick decisions, and the insecurity of tenure.
- The data showed that Waltham Forest has one of the highest rates of overcrowding in Outer London. Several people spoke to us about their experience of overcrowding which tended to be as result of families out-growing small homes. Whilst social housing residents had attempted mutual exchange, none had experienced any success.
- A number of focus group participants had experience of being on the housing waiting list. Residents spoke of frustration and confusion at how the system works and the best avenues to find help.

3.

Development was commonly perceived as not being for local people. Whilst most participants were not opposed to new housing, it is important that Waltham Forest prioritises the 'right' type of growth

- Rapid change over the last ten years is contributing to perceptions of a divide between long-term and new residents. Participants often viewed development as being for the benefit of new residents, rather than existing communities.
- Participants were more likely to be positive towards development if it was viewed to address local challenges. Participants highlighted a perceived lack of family-sized housing. It was also believed that the conversion of houses into flats and Houses of Multiple Occupancy was contributing to a lack of family homes. A key concern is a belief that community and public services are not keeping up with demand, and that more people moving into the area will exacerbate this challenge.
- Participants were sceptical about Shared Ownership as an affordable product, with some existing Shared Ownership tenants noting that it had become less affordable over time.
- Local businesses are vital to Waltham Forest's economy. There is evidence to suggest that more can be done to maximise value from ground floor uses in new developments by making spaces more attractive/viable to independent local businesses.

4A: CHOICE IN WALTHAM FOREST

Why people live in Waltham Forest (1) : family ties, community, and place infrastructure

Participants gave a number of reasons for living in the borough ranging from having grown up in the area and having strong family ties to Waltham Forest.

Others explained that it was related to their children's school and/or friend networks.

Green and community infrastructure was also highlighted as key attractors to living in Waltham Forest. Participants praised the area's spaces and places, such as Walthamstow Wetlands and the proximity to Epping Forest, as well as the links to Central London and community provision.

I live near the forest, there is greenspace on my doorstep. It feels like the right place to live.

General Online Focus Group

I have to stay here - my children go to school here, they are studying for their GCSE's I can't even think about moving until after they've finished those.

Lea Bridge Focus Group Participant

We moved to Waltham Forest in 2010 to start a family. It has good schools and a diverse community which meant we could easily fit in.

General Online Focus Group

There is a lot happening in the area, new things opening, new places to go.

Lea Bridge Focus Group Participant

4A: CHOICE IN WALTHAM FOREST

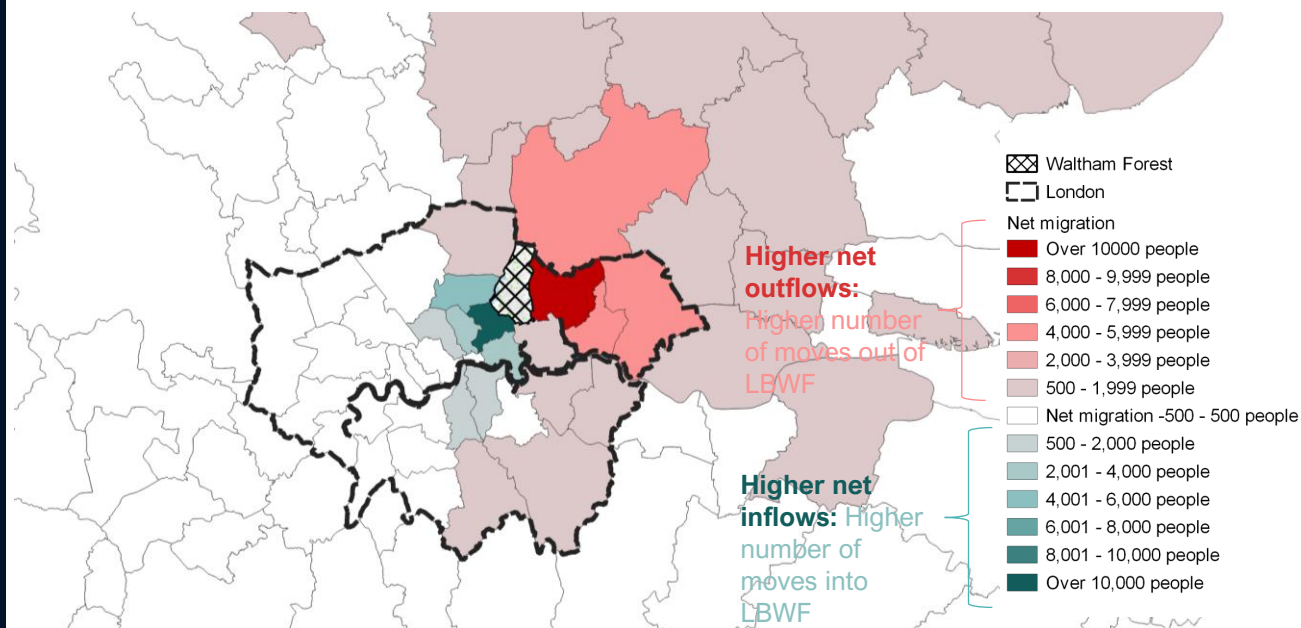
Why people live in Waltham Forest (2): a previously affordable London borough

Many participants chose to live in Waltham Forest as it was viewed to be affordable when they moved to the area.

This pattern is reinforced by the quantitative evidence presented to the Commission on internal migration to the borough. This showed that Waltham Forest has seen significant net migration inflows from more expensive adjacent boroughs such as Hackney and Haringey.

Despite this, many of these participants noted that this has changed, and the borough is no longer seen as affordable.

Net internal migration between local authority areas, 2012-2020



I moved here when it was relatively affordable, before the door closed on affordable housing here. I've marvelled at how rents and house prices have gone up since.

Private Housing Focus Group Participant

When I moved in it was cheaper you got a lot for your money, that's changed now.

People who have health issues and / or additional needs Focus Group

4A: CHOICE IN WALTHAM FOREST

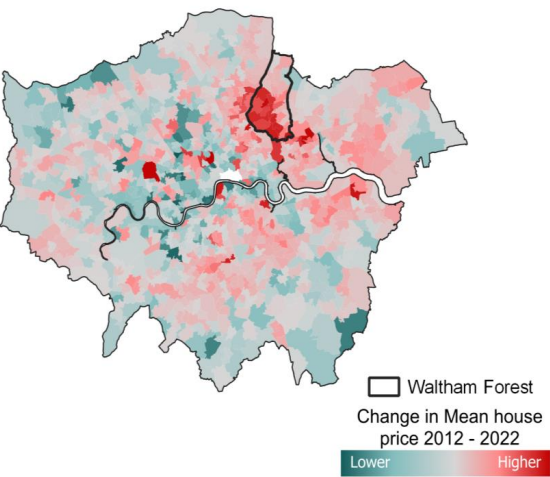
What the data shows: Waltham Forest's changing position in London

This perceived affordability shift is reinforced by the data. The evidence shows that Waltham Forest is one of the fastest changing boroughs in London in affordability terms. Between 2011 and 2021, Waltham Forest experienced the fastest house price growth of any borough in London.

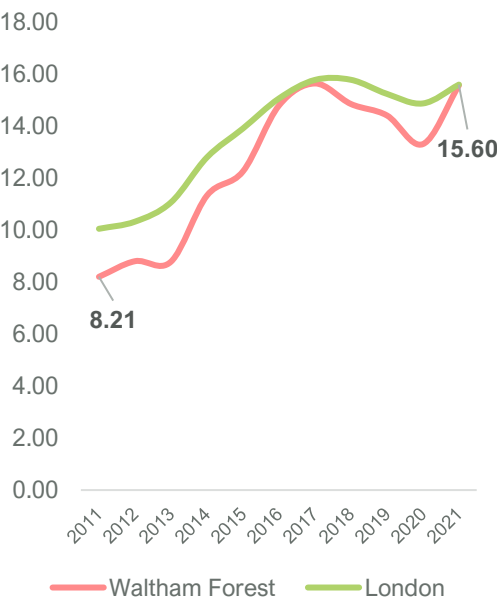
This has changed the borough's position in London. In 1995, median house prices in Waltham Forest were the third lowest in the capital. However, by 2022, they were the fourteenth lowest.

Earnings have not kept pace with this shift. In 2011, Waltham Forest's average house price was around eight times local earnings – significantly below the London average (ten times). The last decade has seen this gap narrow, with both Waltham Forest and London's house prices now over 15 times median workplace earnings.

Mean house price change, 2011-2021*



Housing affordability ratio, 2011-2021



Median house price for London boroughs, 1995-2022

	Median House Price (1995)	Median House Price (2022)
1	Kensington and Chelsea (£172,500)	Kensington and Chelsea (£1,400,000)
2	Westminster (£127,500)	Westminster (£1,009,000)
3	Camden (£113,000)	Hammersmith and Fulham (£825,000)
4	Hammersmith and Fulham (£109,000)	Camden (£795,000)
5	Richmond upon Thames (£108,000)	Richmond upon Thames (£772,000)
6	City of London (£105,000)	City of London (£730,000)
7	Islington (£95,000)	Wandsworth (£677,825)
8	Wandsworth (£85,500)	Islington (£655,375)
9	Barnet (£85,125)	Barnet (£600,000)
10	Kingston upon Thames (£81,000)	Hackney (£600,000)
11	Harrow (£80,000)	Haringey (£562,250)
12	Bromley (£76,750)	Brent (£550,000)
13	Ealing (£75,000)	Lambeth (£546,000)
14	Merton (£74,500)	Merton (£543,500)
15	Hounslow (£73,000)	Kingston upon Thames (£542,500)
16	Hillingdon (£71,000)	Harrow (£540,000)
17	Southwark (£71,000)	Ealing (£530,000)
18	Brent (£68,000)	Southwark (£530,000)
19	Redbridge (£67,873)	Tower Hamlets (£530,000)
20	Tower Hamlets (£67,500)	Waltham Forest (£491,000)
21	Sutton (£67,000)	Bromley (£490,000)
22	Haringey (£66,500)	Redbridge (£485,000)
23	Havering (£66,250)	Hillingdon (£460,000)
24	Lambeth (£66,188)	Hounslow (£458,250)
25	Enfield (£66,000)	Enfield (£450,000)
26	Bexley (£62,000)	Lewisham (£450,000)
27	Hackney (£61,925)	Greenwich (£433,000)
28	Greenwich (£61,500)	Newham (£426,444)
29	Croydon (£60,000)	Sutton (£425,000)
30	Lewisham (£55,950)	Havering (£420,000)
31	Waltham Forest (£55,000)	Croydon (£400,000)
32	Barking and Dagenham (£49,000)	Bexley (£395,000)
33	Newham (£46,850)	Barking and Dagenham (£350,000)

4A: CHOICE IN WALTHAM FOREST

Declining affordability is resulting in an erosion of choice for private tenants and owner occupiers. Increased prices are resulting in residents unable to move up the housing ladder

We spent time listening to people about how much choice they have had in terms of where they call home. Most people we spoke to felt they had little to no choice in where they live. Among those living in social housing, there was a perception that they had no choice about where they could live and that they had to accept what they were offered.

Among those living in the private sector, the concept of choice was linked to affordability. There was a belief that choice is being taken away and/or narrowed as prices rise, with options becoming more limited.

Many of those living in the private sector feel that being able to climb the property ladder is becoming more difficult. Even if participants' own houses had grown in value, it was often not keeping pace with increases in price for bigger homes or homes in different areas. This meant that for some, the concept of moving up the property ladder was not seen as viable.

You can't choose the type of home you live in; the rents mean you can't choose what you need only what you can afford.

**Lea Bridge Focus Group Participant
– living in Private Rent
Accommodation**

We bought our house through right to buy, it has increased in value. But so has everywhere else. We want to move to Chingford, but we can't afford it.

**Walthamstow Central Focus Group –
Homeowner**

There is no choice because everything goes so quickly. Homes are going before their advertised. Agents tell you to offer rents above, but you can't afford to.

**Wood Street Focus Group – Living In
Private Rented Accommodation**

4A: CHOICE IN WALTHAM FOREST

Perception of a lack of choice and challenges swapping homes for residents living in social housing...

Those in social housing spoke specifically of feeling stuck, as their family grows and they outgrow their property. Some participants and interviewees highlighted challenges with feeling forced into making such a big decision around changing properties so quickly.

Some participants stated that if they experience issues such as anti-social behaviour and / or crime they feel they don't have the option to move.

A number of participants spoke about trying mutual exchange, but no participant reported a successful swap through this method.

You don't get a choice. You have to take what you're offered or tough.

Social Housing Focus Group Participant

I'm trying to do a Council swap but it's impossible. No-one wants to live where I live, I don't want to live where I live

Lea Bridge Focus Group Participant

I've tried and tried with mutual exchange. I thought I'd found a swap and then they never replied to my calls and emails. It's exhausting

General Online Focus Group

When you try and swap people have an unachievable wish list - they want parking, they want their own garden. I have a shared communal garden I don't use. I don't get anywhere.

Stadium Place Focus Group Participant

4A: CHOICE IN WALTHAM FOREST

...Which was more acute for residents with additional needs

The challenges highlighted on the previous page were even more significant for residents with additional needs.

Issues highlighted included their property not being suitable in terms of access or size to properly meet their needs.

We are in a home that's too small for us. We can't afford the 50% increase in rent to move somewhere bigger. We have an autistic son, but learning needs are not recognised as a medical issue. We've been on the list since 2017.

General Focus Group – Living in Social Housing

I have Parkinson's I need access to a car, otherwise I'm trapped at home. Offering me a place without parking is useless.

People who have health issues and / or additional needs focus group – living in social housing

I've retired due to ill health. ESA and PIP are tiny, tiny amounts. I've got my own home but am I not going to be able to keep it.

People who have health issues and / or additional needs focus group – living in social housing

4A: LIVED EXPERIENCES OF THE DATA

Waltham Forest was universally viewed as an expensive place to live; with concerns over all cost pressures – not just housing

In every discussion we asked people if Waltham Forest was an expensive place to live and the universal answer was 'yes'. People spoke of seeing prices in the area rise significantly in what they considered to be a relatively short amount of time.

Those living in social housing did emphasise that they were grateful for their lower and subsidised rents. However, they also expressed concerns about significant raises in fuel costs, as well as forthcoming Council tax increases.

Waltham Forest was also considered to be an expensive place to live amongst renters and home owners. This group acknowledged that the issue extends beyond Waltham Forest, with people describing it as a "London issue".

Among most groups there is frustration about the term 'affordable' housing. This was due to a large discrepancy between what is deemed affordable in planning terms, and what residents are able to pay.

Calling it affordable housing is a slap in the face to people living here.

Social Housing Focus Group Participant

Don't get me wrong I'm grateful that my rate is low compared to private rent. But what's important to me is what I can afford.

Social Housing Focus Group Participant

I would not class my property as affordable with the increases in rent and service charges.

Stadium Place Focus Group

You need to be able to show you're earning 3 times your rent, which means what you can afford is very, very limited.

Lea Bridge Focus Group – Private Rented Accommodation

4A: LIVED EXPERIENCES OF THE DATA

What the evidence shows: urgent challenges for private renters: increased competition and rising rents

Rent data from the ONS is too heavily lagged to capture changes in Waltham Forest's rental market. Evidence from Rightmove showed that rents in Outer London in Q4 of 2022 were up 15% on the previous year. Housing Commission Session 1 evidence showed that the average amount of basic pay a Waltham Forest resident spends on rent increased markedly from 2011-2019.

Participants living in private rented accommodation spoke of the challenges in finding a new rental. This included months of viewings, bidding wars, and agents requiring instant decisions.

The scale of demand for rental properties in the borough meant that some tenants believed that they had very little security of tenure – as there was likely to be someone else who would be willing to pay higher rents, weakening their negotiation with landlords.

Proportion of average basic pay spent on rent for average property (mean of all sizes), 2011-2019



There is a historic undersupply of PRS properties compared to demand which is driving up prices

9.44% year-on-year rent rise in Q2 2022 in London as a whole

+£124 per calendar month increase in London on average

The problem is demand is so high that if you tell your landlord, you can't afford it, there will be someone waiting to pay what you can't.

General Online Focus Group Participant – Private Renter

We had 3 months to find a new place to live, there was nothing. We'd call agents and it would be gone before it was listed. Or they asked to come to viewings at 10 minutes' notice when we're both at work... You have to make a decision know almost nothing, you don't get to meet the landlord before signing a lease

Wood Street Focus Group Participant

4A: LIVED EXPERIENCES OF THE DATA

Focus groups reinforce that overcrowding is a by-product of a lack of choice

A number of people spoke to us about their experience of overcrowding. This tended to be as a result of families out-growing small homes.

Those living in social housing who are impacted by overcrowding are trying mutual exchange. As referenced on Page 12, none of the people who participated in these discussions had witnessed a successful exchange experience.

In the private sector, people felt that not being able to afford a larger home, a family home, was a factor in their decision making particularly around having and raising children.

I shared a room with my sister into our 30s. She recently moved out, because she could afford to... Our house has 4 full grown adults living in it. It's not meant for that it's meant for 2 adults and 3 or 4 children.

**General Focus Group Participant –
Living in Social Housing**

I'm in a one bed flat, when I moved in my child was a baby. He's now almost 3, he needs his own room. I can't find the money to move to a two bed.

**Private Accommodation Focus
Group**

We're on top of each other, its affecting the children's sleeping patterns, which is affecting their schooling.

**General Focus Group Participant –
Living in Social Housing**

We can afford where we live now. We can't afford somewhere bigger. Which means we won't be having children, we can't raise children where we are now.

**Wood Street Focus Group
Participant – Private Renter**

Housing situations should move with people's lives as they change. As people have children, as children move out. I'm not going to have children because I can't afford a bigger house.

**Social Housing Focus Group
Participant**

4A: LIVED EXPERIENCES OF THE DATA

What the data shows: a consistently high housing waiting list. Whilst new development has supported 1,500 residents into homes, some residents are confused about how the allocation system works

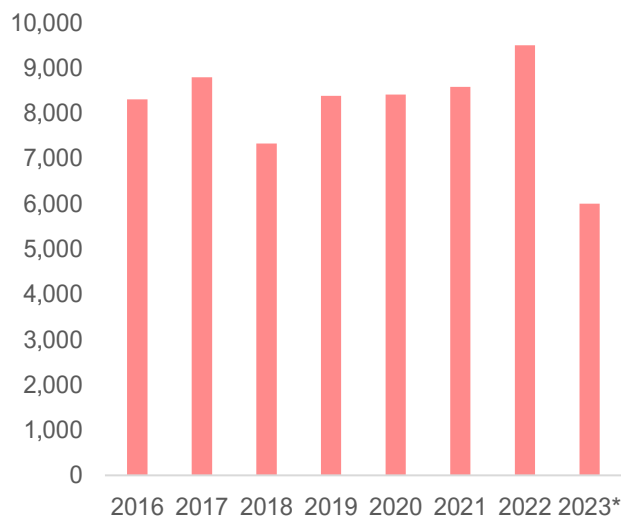
Since 2016, Waltham Forest's housing waiting list has not fallen below 7,000 residents. Between 2020 and 2022, the waiting list grew year-on-year. This is currently around 6,000 people. Applicants are now required to re-register annually meaning the exact number varies. Without new development this number is likely to be significantly higher. Over 1,500 residents have been placed into homes as a result of new development over the last decade

A number of focus group participants had experience of being on the housing waiting list. Residents spoke of frustration and confusion at how the system works and how to find help.

We spoke to people who had experience of homelessness and sofa surfing whilst waiting for housing. There is an appreciation that there are more people than available homes, but clarity and consistency from the council was a key area for concern.

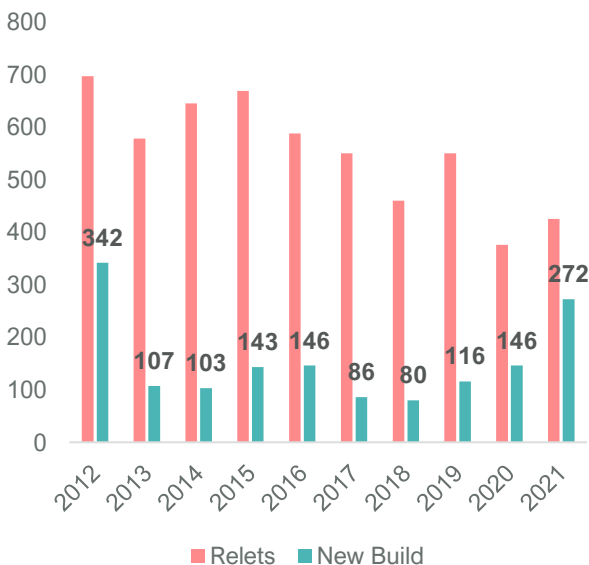
Source: DLUCH, Source: LBWF Affordable Housing Commission Focus Groups, LBWF

Housing waiting list in Waltham Forest, 2016-2022



*2023 is a to date figure

Contribution of new builds for overall social housing allocations 2012-2021



“You try and talk to someone on the phone, and they either don't want to or can't help you. All I want to know is where I stand.”

Wood Street Focus Group

“Be transparent, show us what you're doing and why you're doing it.”

Lea Bridge Focus Group

4A: PERSPECTIVES ON DEVELOPMENT

Who is development for?: Rapid change is feeding perceptions of a divide between old and new residents, gentrification, and displacement

In addition to rapid house price change, Waltham Forest has also undergone significant demographic change. Data from the Census showed that there has been a 70% growth in proportion of residents in higher managerial, administrative and professional occupations between 2011- 2021. This is the second highest growth in London after Newham.

A consistent question among focus group participants was “*who is development for?*”.

There is a perception that development in Waltham Forest is focused on bringing people into the area, specifically people with higher incomes, rather than meeting existing demand from within the local community.

There is a perception that development is changing the make up of local communities. Although bringing different people into the borough is not seen as a bad thing, the displacement of existing people and communities was a cause of concern.

We keep waiting to be provided for, finally get these developments and the prices are out of reach of most of the people in this borough.

General Focus Group Participant

Who is living in new housing? Not built for those in need, flats being bought for investments by people who don't live in them.

Social Housing Focus Group Participant

Teachers can't afford to live locally. Who is living in these luxury flats? They're not locals.

Walthamstow Central Focus Group Participant

People are moving out and young professionals are moving in.

Young People Engagement Session

4A: LIVED EXPERIENCES OF THE DATA

Delivering the ‘right’ development (1): unlocking affordable housing and improving the local economy

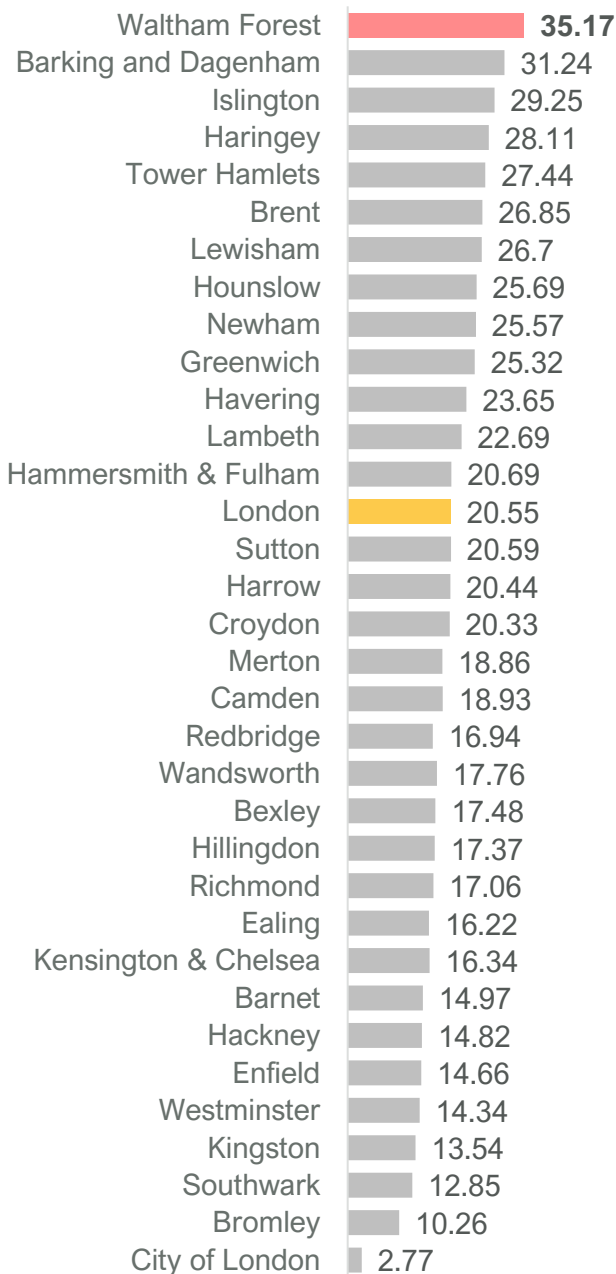
Perspectives on development tended to fall into two distinct camps:

- Those who acknowledge and support (to an extent) the need for limited development and want to see development that tackles housing and other challenges in their community.
- The second group is those who do not think a case can be made for further development in the area.

There was a level of acceptance about professionals moving into the area and development, if it's being used to deliver social housing and bring money into the local economy. The data shows that Waltham Forest has been the most successful local authority in London over the last ten years in terms of the proportion of affordable homes secured from development.

There is concern about new homes being bought by private landlords for profit and about landlords owning swathes of the local area. They would also like to see council hold developers to account and deliver promised social affordable housing.

Proportion of affordable (low cost rent and intermediate) housing delivered, 2011/12 – 2021/22 (%)



The Council house waiting list is years long and we need new housing. We need these houses to be built.

People who have health issues and / or additional needs focus group

There is no visibility about what's available. They promise affordable homes, but what's being built is luxury flats are luxury prices. Not homes for local people.

Lea Bridge Focus Group

"I understand you need the first class passengers to make the flight viable. The problem is you're only delivering for the first class passengers here."

Social Housing Focus Group

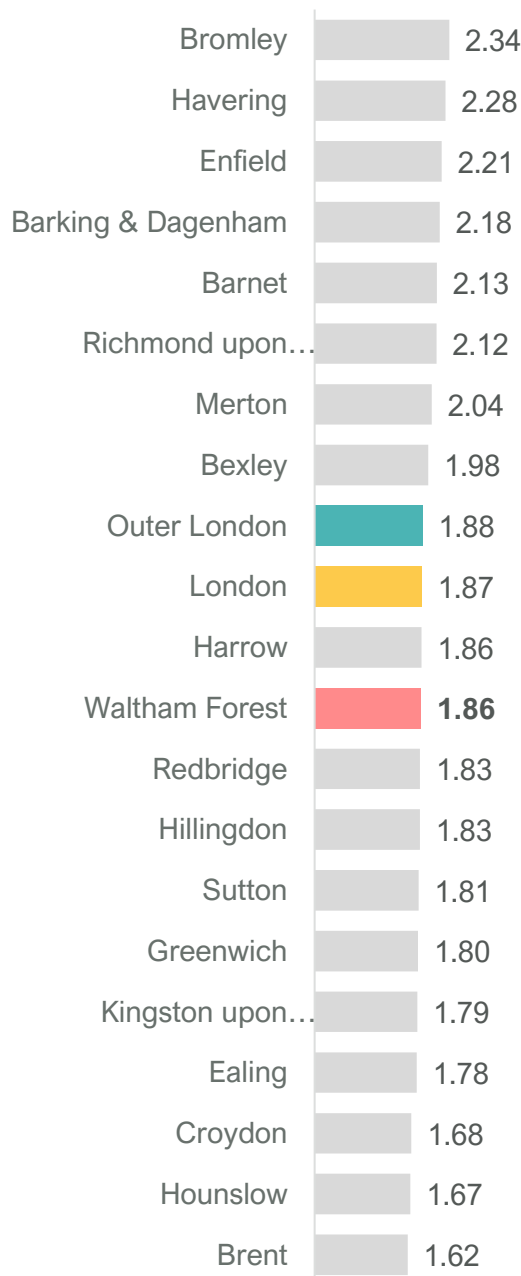
4A: PERSPECTIVES ON DEVELOPMENT

Delivering the ‘right’ development (2): meeting demand for more family sized housing

The evidence shows that the average household size in Waltham Forest grew by 1.5% between 2011 and 2022, and the proportion of households with dependent children grew by 6%. Development in Waltham Forest has delivered an average of 1.86 bedrooms per unit which is broadly in-line with the London and Outer London averages.

A number of people spoke of the need for a bigger home to accommodate their family. There is a perception that family homes (3 and 4 bedrooms) are “like gold dust” and not available to people living in the borough. There is also a perception that these types of homes are not being built, as well as concern that larger houses are being converted into flats and houses of multiple occupancy.

Average bedrooms delivered in new development
2011/12 – 2021/22



Family sized houses are in demand. A resident approached me and said that if I ever consider downsizing, I should let them know

Resident Association Resident

Its flats, its studios, its pocket homes. Where are the 3 and 4 bedroom family homes?

General Focus Group Participant – Private Accommodation

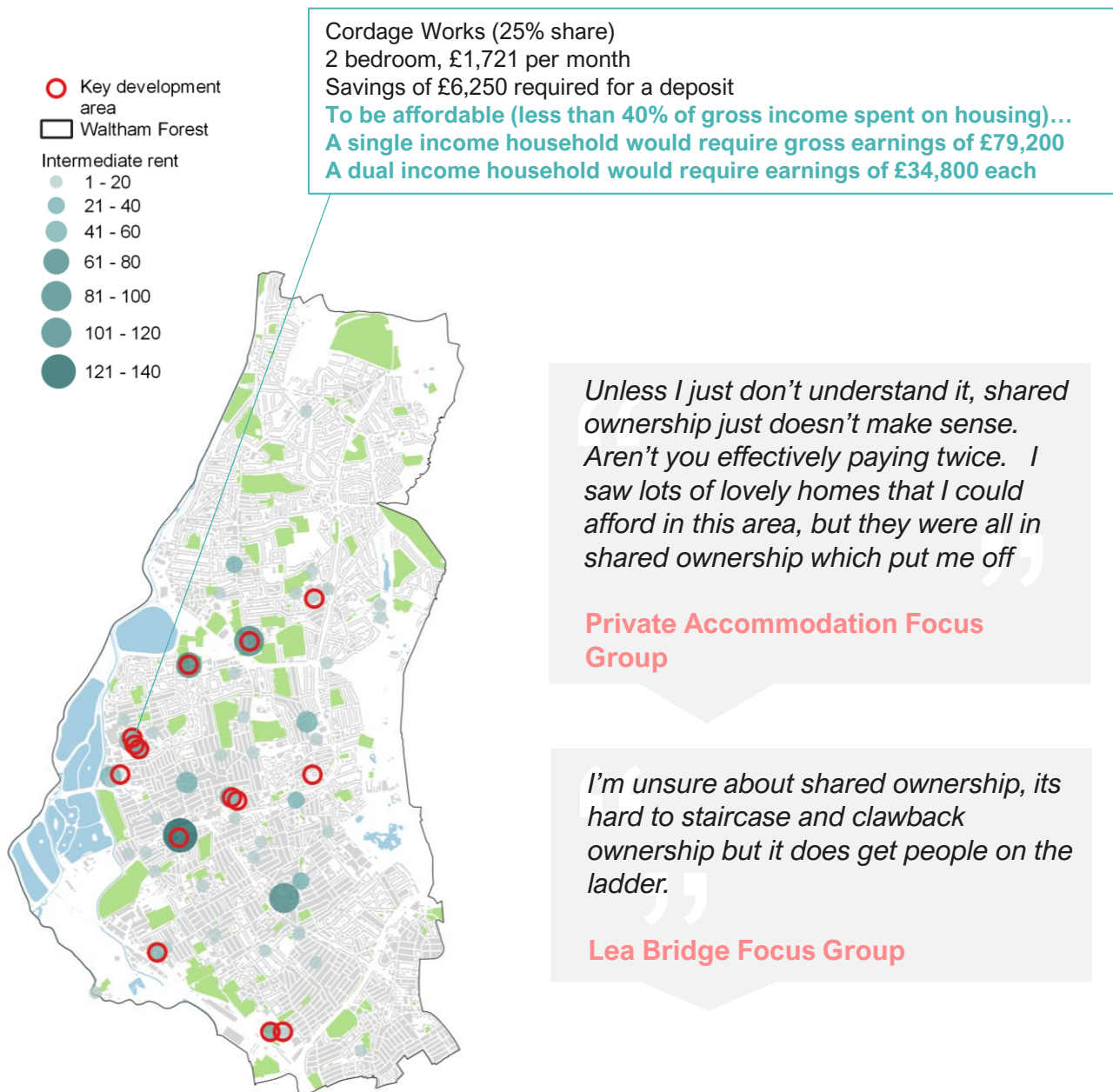
4A: LIVED EXPERIENCES OF THE DATA

Delivering the 'right' development (3): securing the right intermediate tenures

Affordability modelling undertaken for the 2nd Affordable Housing Commission session, and wider research by the GLA showed that shared ownership is only likely to be affordable to those at the upper end of the eligibility thresholds.

There was an underlying perception that shared ownership does not work for the people living in Waltham Forest, and a belief that it gets more expensive overtime due to rising service charges and other costs. There was limited knowledge of other schemes to help people to get on the housing ladder.

Modelled example of Shared Ownership income requirements, 2023



4A: PERSPECTIVES ON DEVELOPMENT

Delivering the 'right' development (4): ensuring community services keep pace with the needs of a growing population

A common key concern was that community and public services are not keeping up with demand, and that more people moving into the area will only exacerbate the situation. Participants cited the challenges of getting a GP appointment, access to a dentist, and concern about availability of school places.

Across the period 2011 to 2022, LBWF has levered a range of strategies to support employment in the borough. Most schemes include a plan linked to employment and training and overtime these requirements became more comprehensive. In 2021/2022 £844,136.83 was spent on employment related projects supporting initiatives in creative leadership, affordable workspace and job brokerage. CIL Monies have also been used to upgrade all play and park facilities in the borough and are clearly playing an important role in local infrastructure.

Source: LBWF Affordable Housing Commission Focus Groups, LBWF Planning Data

£43.5m
collected in CIL
between 2014
and 2022

£42.4m
collected in
S106 between
2010/11 and
2022/23

Delivered major
infrastructure
projects such as
**Lea Bridge
Station**

"I have mental health issues and it takes years to get an appointment. It's becoming harder and harder and it will only get worse the more people that move here."

**General Focus Group Participant –
Private Accommodation**

"It's another block, after another block. There are more flats but no extra GPs, schools, supermarkets etc."

Lea Bridge Focus Group Participant

"I work for a Youth Club... The club recently received funding from the council because of the dividends they received from the new blocks."

Young people's engagement

4A: PERSPECTIVES ON DEVELOPMENT

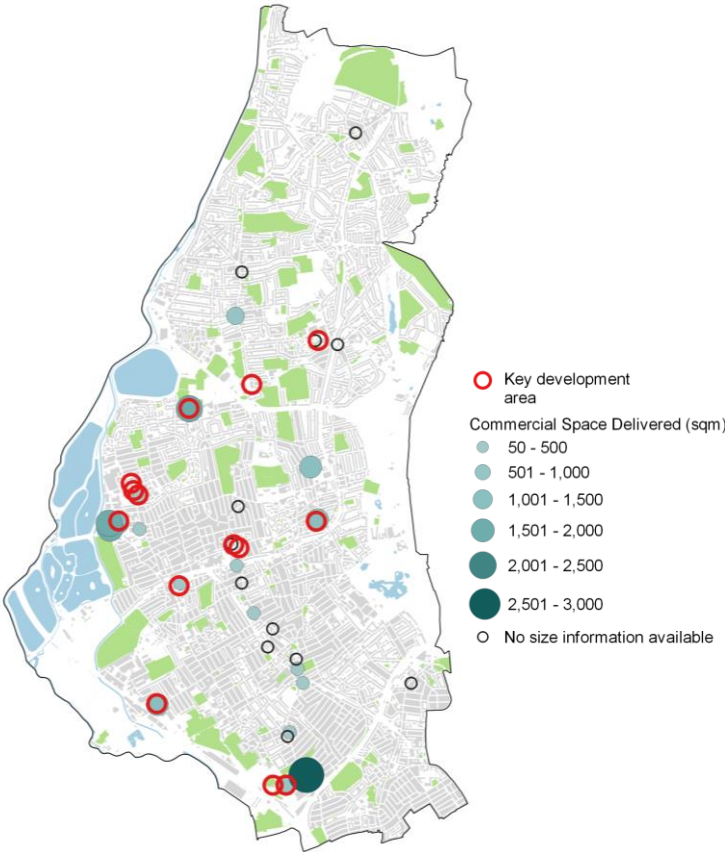
Delivering the ‘right’ development (5): maximising value from ground-floor uses

The ethnographic evidence showed that Waltham Forest’s network of street-fronting, independently owned, small shops has traditionally been key to a thriving eco-system of local work opportunities and entrepreneurship. New developments have an important role to play in supporting this, and many high-development areas have also included active ground floor uses (*see map, right*).

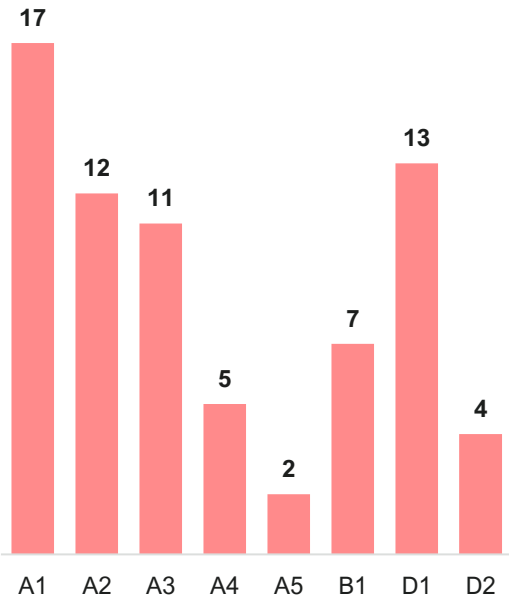
Interviews conducted as part of the ethnographic research suggested that the large unit sizes provided as part of new developments can be too large for local businesses to take on. Size issue is coupled with lack of fit-out — including sometimes missing flooring, plumbing, electrics, HVAC (heating, ventilation and cooling). These can sometimes not be provided by developers which can create barriers to small businesses from occupying the space.

The majority of commercial space delivered has been A Class space (typically shops and services). B1 use class refers to offices and light industrial space compatible with a residential area. D1 refers to non-residential educational institutions such as creches and nurseries, and D2 includes assembly and leisure such as cinemas.

Commercial floorspace delivered in the borough’s high growth areas, 2011-2021



Number of ground floor units by each use class



Sector	Businesses
Construction	2
Financial and professional services	3
Hospitality, leisure and recreation	20
ICT, media and creative services	3
Manufacturing - food	1
Other	4
Public admin, education and health	2
Retail	12

Source: LBWF Ethnographic Evidence, LBWF planning data



TRANSLATING FEEDBACK INTO ACTION

**WHAT WALTHAM FOREST BUILDS
WAS CONSIDERED BY RESIDENTS
TO BE ONLY PART OF THE
SOLUTION. FOCUS GROUPS
IDENTIFIED A RANGE OF PRIORITIES
FOR THE COMMISSION TO
CONSIDER**

What Waltham Forest builds was considered by residents to be only part of the solution. Focus groups identified a range of priorities for the Commission to consider

1.

Shared priorities and tenure-specific actions

- There were several asks that were consistent across all focus groups. This included:
 - A better understanding of council decision-making: residents we spoke to would like to see the Council consider how it listens, communicates and demonstrates how and why decisions about housing are made.
 - Review the use of the term 'affordable' housing: The use of the word "affordable" is an emotive issue, as the majority of participants felt that the London Plan definition of affordable housing is not affordable for them.
 - Put people before profit: There is a belief that the council could and should play more of a role in delivering housing.
 - Be bold: There was a desire to see the council "be bold" in terms of their thinking and how they hold developers to account.
 - Support for people already living in the borough: There is a perception that housing decisions are focused on bringing people into the Borough, particularly those with higher incomes.
- Priorities for social housing residents included improving choice through mutual exchange to make swapping easier, and building more high-quality social housing. Social housing tenants also believed the accessibility of support could be made more straightforward and there could be greater transparency in terms of the council's housing priorities/eligibility criteria.
- Priorities for residents in the Private Rental Sector included greater security of tenure, and concerns about landlords increasing rents with little or no warning. There was an aspiration to see more protection and regulation for people who rent in the private sector. People put forward ideas such as rent control and learning from changes to tenants' rights in Scotland.
- Priorities for owner occupiers were centred on concerns about mortgage repayments and increased protection for leaseholders.

2.

Wider strategy and policy levers to improve resident's experience of housing

- Themes from the focus groups and ethnographic research have been triangulated against key resident concerns. This has included a range of potential actions the Commission may want to consider. This includes:
 - Addressing perceptions that development is not 'for' local people by going further in developing evaluation criteria to ensure clear and targeted local communications on the benefits of development.
 - Addressing perceived lack of clarity about the council's/communities' priorities through community-level dialogue partners.
 - Addressing disparity between affordable housing policy definition and what residents can afford.
 - Addressing the perceived lack of choice amongst social housing tenants and rushed decision-making by alleviating 'immediate decision' pressures.
 - Support tenants by establishing local mechanisms to report infringements by private landlords.

4B: RECOMMENDATIONS FROM RESIDENTS

General feedback (1): acknowledging that the status quo is not working for many residents

PRD asked participants to share their ideas for change and what they would like the members of the commission to consider and explore.

There were five “asks” that were consistent across all groups.

Better communication:

residents we spoke to would like to see the Council consider how it listens, communicates and demonstrates. They would like to be able to understand how and why the Council makes decisions about housing.

*You need to show your working, you need to show us how you make decisions that are impacting on people and where they live – **Lea Bridge Focus Group***

*We don't understand how housing strategy is being developed, it feels like a plan. It feels like people deciding what they want London to look like. – **Walthamstow Central Focus Group Participant***

*The Council need to look at how you measure housing need and tell us how you're doing it . – **Wood Street Focus Group***

Review the use of the term

‘affordable’ housing: This is linked to how discussions around affordability are framed. The use of the word “affordable” is an emotive issue, as the majority of participants felt that affordable housing is not affordable for them. When it was discussed in focus groups sessions, it was felt that average salaries (not market values) should define affordability.

*Two adults working fulltime would struggle to afford affordable - **Social Housing Focus Group Participant***

*The market value element skews affordability of course private landlords are going to go for the maximum they can charge – **Private Housing Focus Group Participant***

Put people before profit: On the whole participants understood that developers, builders, landlords and others in the private sector have a need to make profit. There is a belief that the Council could and should play more of a role in delivering housing in the area both affordable and social, and the council should do more to hold developers to account.

*Could the Council be providing something for people in the private sector to rent, something that is affordable. Something that has rents and regulations to protect the tenant – **Private housing focus group***

*If developers won't build more council housing, the council should – **General Focus Group participant***

*A regular process to holding housing associations and developers to account. Standards, customer service, repairs – **Stadium Place Focus Group participant***

4B: RECOMMENDATIONS FROM RESIDENTS

General feedback (2): prioritise and respond accordingly

Be bold: There was a desire to see the Council “be bold” in terms of their thinking and how they hold developers to account.

“It’s obviously a popular area to build, the council should be making more of that and holding developers to account. Make them deliver”

Lea Bridge Focus Group Participant

Support for People Already Living in the Borough: There is a consistent perception that housing decisions are focused on bringing people into the Borough, particularly those with higher incomes. The people we spoke to would like to see more of a focus on those who are already living in the area.

“The Council should focus on the quality of housing and people living in the area not newcomers”

General Focus Group Participant – Living in Social Housing

“It feels like the Council are importing richer people into the borough but aren’t doing much to provide for people in the borough”

General Focus Group - Living in Private Rented Accommodation

4B: RECOMMENDATIONS FROM RESIDENTS

Feedback from residents who live in, or are waiting for social housing (1): improve choices through new housing and easier ways of exchanging

There was some variation in “ask” primarily depending on people’s housing situation. For those living in, or waiting for social housing, priorities for change include

Improve mutual exchange:

Those who are in unsuitable properties, primarily due to overcrowding, are open to the idea of mutual exchange. However, it is felt that the current mutual exchange system is not fit for purpose and not helping people find the homes they and their families need.

Could the Council run a Waltham Forest mutual exchange service? The websites have properties from all over the country, you can spend days looking and find nothing local.

Social Housing Focus Group Participant

Mutual exchange just doesn’t work. Someone has to do something if that is going to be the way that families like mine are going to find bigger homes.

Lea Bridge Focus Group Participant

Build more social housing:

There is an awareness that the waiting list for social housing is significant, participants spoke of spending years on the waiting list. It was felt that to address this the Council needed to ensure that more social housing is built in Waltham Forest. Both in terms of the Council building homes themselves and hold developers to account to deliver more social housing.

People need homes without new builds, without new social housing there will be more people who don’t have roofs over their heads.

People who have health issues and / or additional needs focus group

The Council needs to be asking for a bigger allocation of social housing.

Blackhorse Road Focus Group Participant

4B: TRANSLATING FEEDBACK INTO ACTION

Feedback from residents who live in, or are waiting for social housing (2): improve communication and resident support

There was some variation in “ask” primarily depending on people’s housing situation. For those living in, or waiting for social housing, priorities for change include:

Improve the accessibility of support: People in social housing, and waiting for social housing, raised concerns about finding and accessing support when they have issues and challenges. Rent reduction forms, being able to find out how much rent you own online, get repairs made and other issues were consistently raised as challenges.

Re-evaluate and communicate priorities: Focus group participants were confused about the waiting list, who is prioritised for social housing and why. There was a belief that how the waiting list works should be reconsidered to align with current need.

I have no knowledge about how council housing works/ or if it is possible to apply for a property outside the borough. These services should be easily accessible.
Housing Options Open Day

Housing officers change like socks, you find someone who can help you and then they’re gone and you have to start again.
Wood Street Focus Group Participant – Social Housing

We got in touch with the council to get some advice regarding eviction, we got zero response. It was only when we contacted a councillor, that we got somewhere. It was disappointing that it didn’t come from the team we initially contacted.
Stadium Place Residents Association

There are a lot of people who are in work, who are struggling who are in poverty. Do they qualify for social housing?
People who have health issues and / or additional needs focus group

We have been on the housing register since 2017. We are private renting one bedroom flat, but due to my now almost 13 years old disabled Severe Autistic child behaviour and my reduced hours at work and Increased Cost of living, because we all need to share the only Bedroom in the flat. Our situation is extremely urgent.
Email received from focus group participant after the discussion

4B: RECOMMENDATIONS FROM RESIDENTS

Feedback from residents who live in Private Rental sector: tenure security, support, and options for home ownership

There was some variation in “ask” primarily depending on people’s housing situation. For those living in the private rental sector, priorities for change include:

Creating security of tenure:

For this group one of the main concerns was security of tenure, and concerns about landlords increasing rents with little or no warning. There was an aspiration to see more protection and regulation for people who rent in the private sector. People put forward ideas such as rent control and learning from changes to tenants’ rights in Scotland.

When it comes to dealing with challenging landlords there’s nothing between being nice and taking them to court.

Wood Street Focus Group Participant

Don’t assume everyone wants to own their home. Either you’ve made it and you’ve got a mortgage. Or you’re renting and you’re in a precarious position.

Private Sector Focus Group Participant

Deliver the right type of housing :

The participants want to see local development, with a focus on affordability for local people and enabling them to move onto the housing ladder.

I’m pregnant, we need to move somewhere bigger. None of the luxury flats being build are going to help us move.

People who have health issues and / or additional needs focus group

You’ve got to be a couple on £50,000 each to afford to get a mortgage in this area. What’s being built in Waltham Forest is not tackling that.

Lea Bridge Focus Group

4B: RECOMMENDATIONS FROM RESIDENTS

Feedback from owner occupiers: mortgage support, and inter-generational inequality

There was some variation in “ask” primarily depending on people’s housing situation. For owner occupiers, priorities for change include:

Support and advice: Whilst owning your own home / having a mortgage on a home is seen as providing a level of security. There is concern that they may not qualify for help and support as mortgages and other bills are increasing. There was also feedback from leaseholders that the council could play a more proactive role in holding developers to account.

Options for their children: For parents and carers with their own home, who felt secure in their tenure, their biggest concern was how their children would ever afford to own a home. There was a perception among this group that development should be focused on supporting local young people to get on the housing ladder.

My mortgage and bills are going up, I’m just about making ends meet. I used to subsidise my dad’s rent, he’s passed away, but there’s no way I could even contemplate that now. What help is available to home owners.

People who have health issues and / or additional needs focus group

A regular process to holding housing associations and developers to account. Standards, customer service, repairs

Stadium Place Focus Group

Think about young people, there should be scheme to help local young people onto the housing ladder.”

Highams Park Focus Group Participant

My children have moved to Portsmouth and Southend because they couldn’t afford to live here. Shouldn’t we be keeping them in the area.

People who have health issues and / or additional needs focus

4B: TRANSLATING FEEDBACK INTO ACTION

Maximising impact: potential priorities and actions (1) – engagement and communication

Themes from the focus groups and ethnographic evidence have been triangulated against key resident concerns.

This has included a range of potential actions the Commission may want to consider, in addition to proposals to scale-up delivery.

Challenge identified by residents

Increasing perception that development is not being delivered 'for them' or for 'local residents'

1.

Perceived lack of clarity around the council's priorities and plans

2.

Affordable housing not considered to be affordable to local people

3.

Potential action

Go further in developing evaluation criteria to ensure clear and targeted local communications on the benefits of development. This could keep track of the kinds of improvements the Borough seeks to secure from new development and housing policy, in order to communicate where and how improvement has happened.

Seek for community-level dialogue partners, such as community organisers, community hubs or citizen assemblies (renumerated by, but not working for, the council) to enable two-way dialogue for complex issues and trends regarding housing in the Borough, and establish locally derived solutions, leveraging informal and formal local resources.

Separate planning policy affordability definitions with communication with residents – instead focusing on ability to pay. When using 'affordability' as a term, seek to centre users' ability to pay, as opposed to meaning a reduced market rate. Calculating affordability in terms of the market rather than people's ability to pay has rendered the term a significant flash point for the community.

4B: TRANSLATING FEEDBACK INTO ACTION

Maximising impact: potential priorities and actions (2) Improving choice and wider impact of development

Challenge identified by residents

Lack of choice and speed of decision to accept social housing options

4.

An over-heated and under-regulated private rental market

5.

Potential action

Seek strategies to alleviate 'immediate decision' pressures on residents, especially in the context of social housing offers. For example, establish a minimum deliberation period; provide better training for officers; provide users with more detailed, clear information regarding the property (especially some likely projection of bills) in writing in advance in order to allow time for translation, if required

Establish mechanisms within the Borough to report infringements by private landlords. There is a strong perception of increasing lack of control over spaces, especially when the landlord is a large private company.

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