

Fixing the Housing Crisis: Performance Indicators

www.FiftyThousandHomes.london

January 2018

Our Goal: 50,000 homes a year by 2020



Our goal is to get 50,000 new homes a year for London by 2020.

These include homes of all types. **We call on government to invest more money to get homes built, on the Mayor to release land for development, on the Boroughs to embrace density, and on developers to collaborate on skills.**

We are a group of demand side led businesses and employers, supported by civil society organisations, exerting pressure on the Mayor and government to deliver the homes we need. We needed to measure success against robust and timely data.

By 2020, for 50,000 new homes to be built a year in London.

Are we getting closer to the goal?



We commissioned Grant Thornton to produce baseline analysis, to be updated annually, charting progress towards building 50K homes.

We will track the build out rate and attrition rate of market and affordable homes, across London.

- **Market housing:** for-profit developments built by private companies
- **Affordable housing:** housing provided for people on low incomes by government agencies or non-profit organisations. This includes all developments that do not go onto the open market, including affordable housing, affordable rent, shared rent, shared ownership etc

We will keep the Mayor and Government focused on delivery

Criteria



The following analysis is based on:

- schemes of 10 units and above
- new developments/schemes that excludes 'refurbishments' and 'new behind façade'
- Applications, permissions and completions included in the period 2010-2017
- Attrition rates are calculated by identifying units that have been given **permission** and have either been **completed** or are **under construction** (U/C). Rates are based on any permissions given between 2010-2014 (January-June). The section 91 Town and Country Planning Act 1990* three year rule has been applied to the analysis. Therefore, any permission given after 2014 has not been included as construction could still yet commence.

*Please note analysis has not taken in to account where: The local planning authority may wish to consider whether a variation in the time period could assist in the delivery of development. For example, a shorter time period may be appropriate where it would encourage the commencement of development and non-commencement has previously had negative impacts. A longer time period may be justified for very complex projects where there is evidence that 3 years is not long enough to allow all the necessary preparations to be completed before development can start.

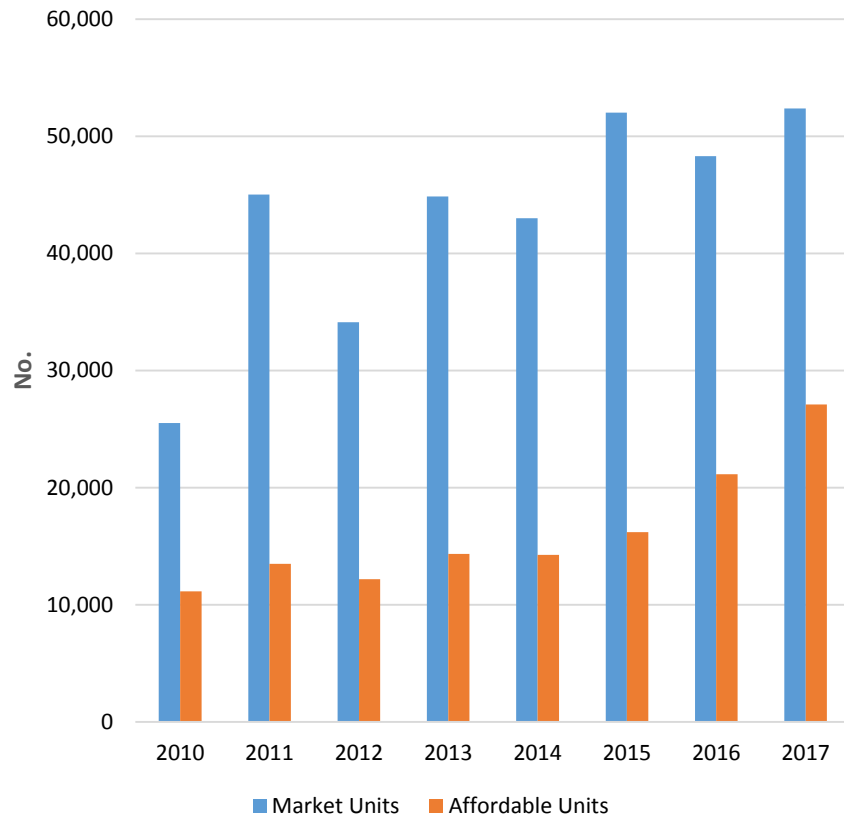
Applications



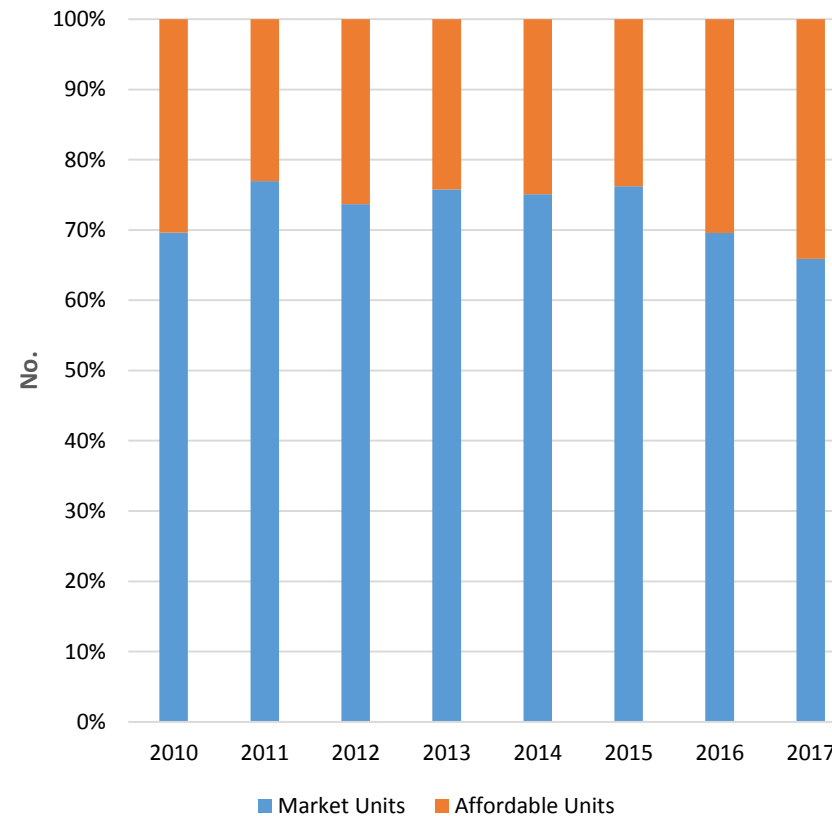
FIFTY THOUSAND HOMES



Applications: Units



Applications: Units



- Every year since 2013 more than 50K applications have been made to London Boroughs
- In 2017 a record 79,493 applications have been made – indicating a real appetite to build. This is a 14% increase on 2016. Applications to build affordable homes shot up by almost a third

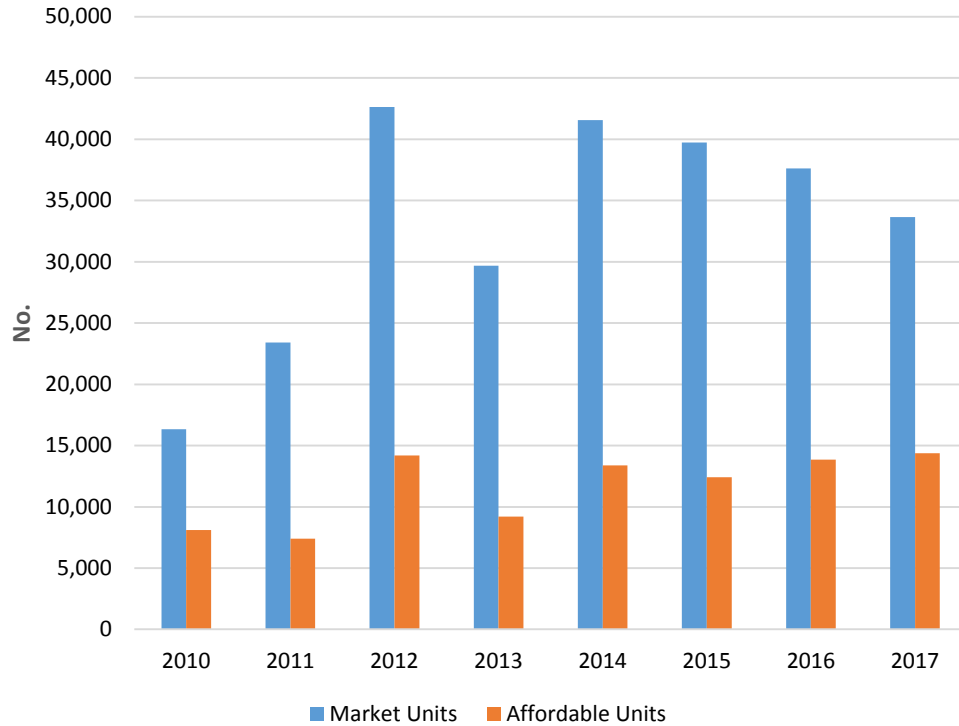
Permissions



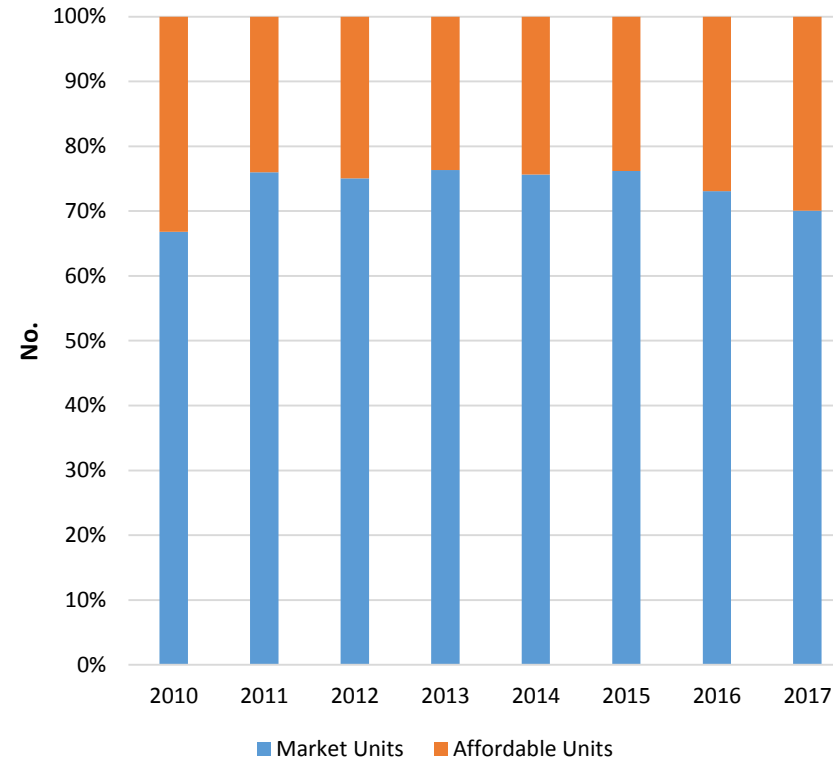
FIFTY THOUSAND HOMES



Permissions: Units



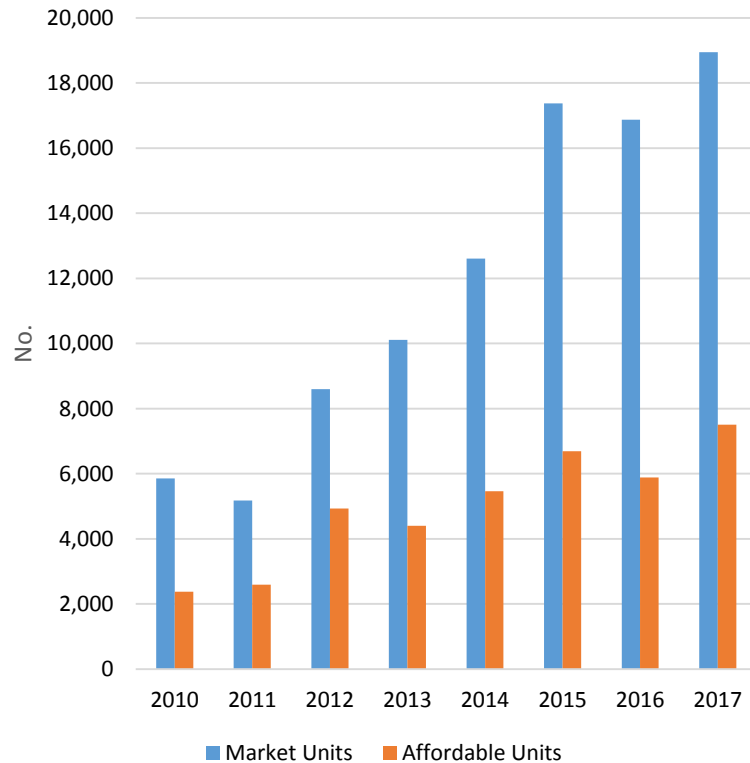
Permissions: Units



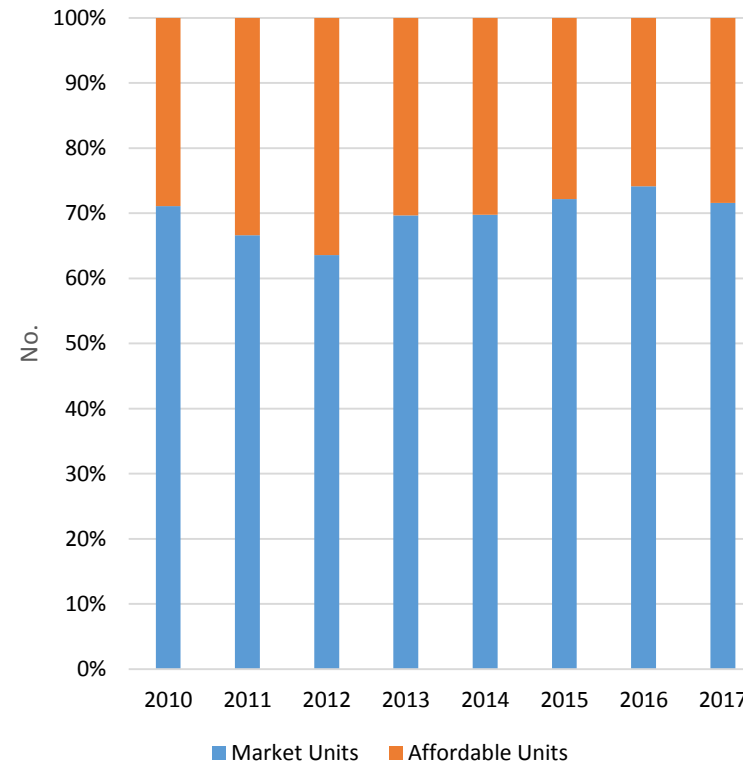
- Last year the number of permissions granted fell below 50K for the first time since 2013, to 48K. The number of affordable home permissions rose slightly, but market rate permissions granted dropped 11%

Completions

Completions: Units



Completions: Units



- In 2017 more homes were built than in any previous year in our study. Total completions stand at 26,458
- There was an increase of 33% in the number of affordable homes built and an uplift of 11% for market rate

Attrition



FIFTY
THOUSAND
HOMES

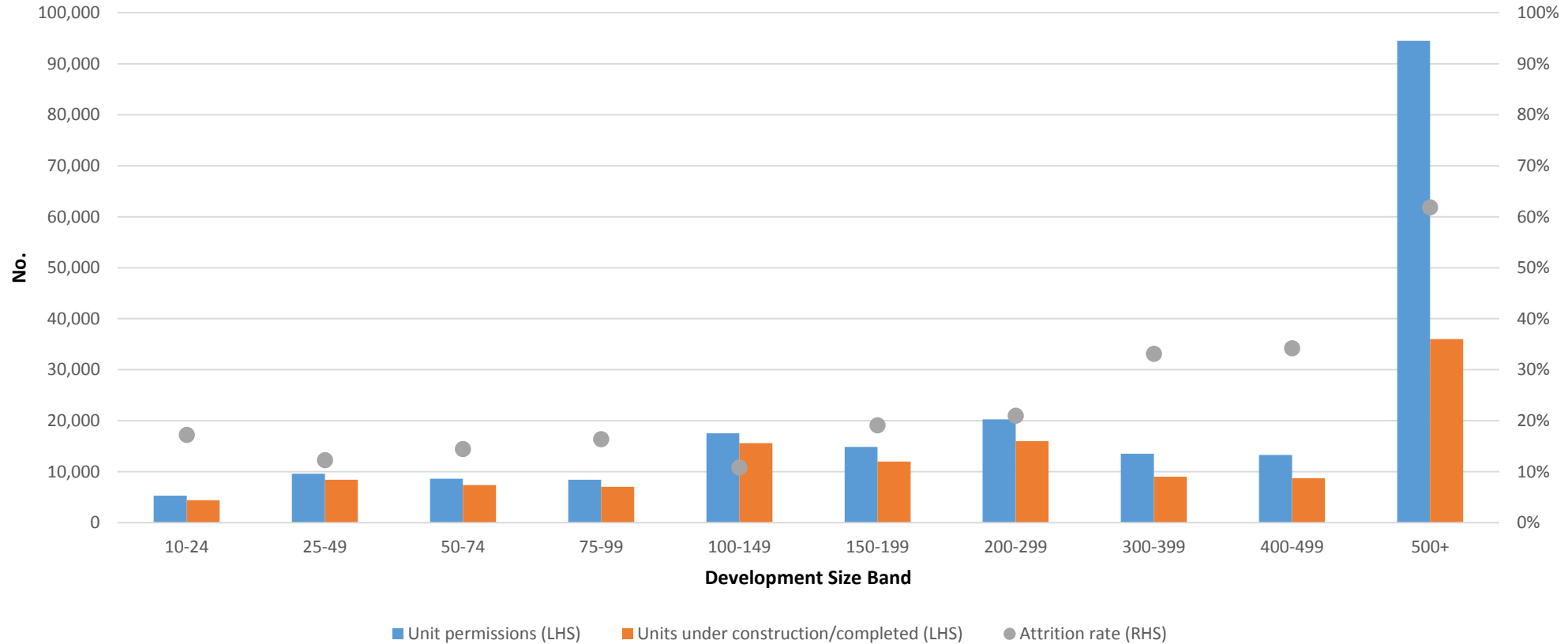


| Permission Year | Unit permissions (LHS) | Units under construction/completed (LHS) | Attrition rate (RHS) |
|-----------------|------------------------|--|----------------------|
| 2010 | 24,425 | 17,939 | 27% |
| 2011 | 30,800 | 21,007 | 32% |
| 2012 | 56,800 | 29,764 | 48% |
| 2013 | 38,877 | 26,209 | 33% |
| 2014 | 54,941 | 29,701 | 46% |
| Total | 205,843 | 124,620 | 39% |

- **Worryingly, the number of homes lost between permission being granted and construction starting, is now almost one in two. Up from one in four in 2010**

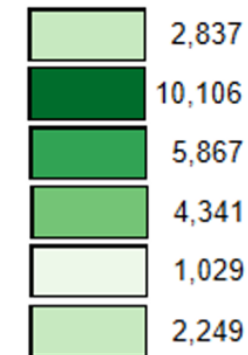
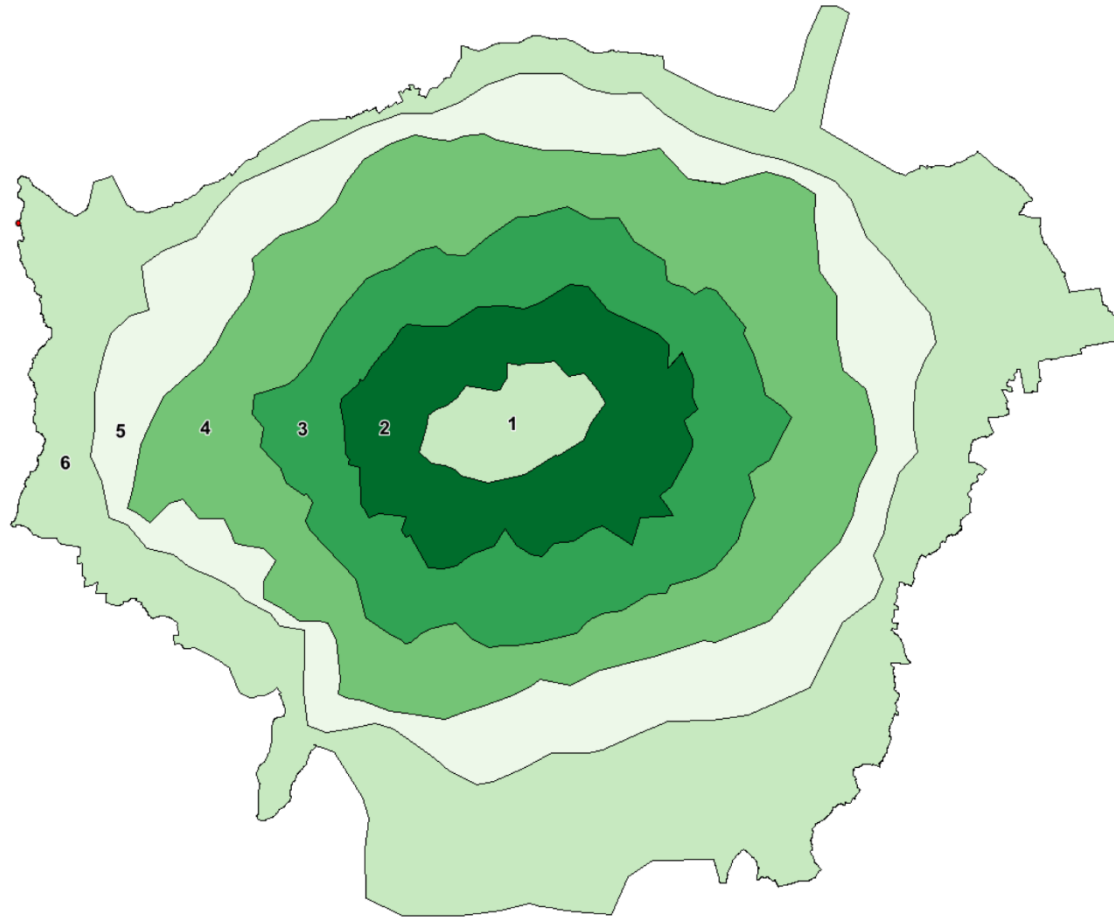
Attrition by size band

Unit attrition rate by size band



Sites of 100-149 homes still appear to be the 'sweet spot' with the lowest attrition rates (circa 11%)

Completions in 2017 by TFL Zone



Outer London is barely building. TFL Zones 1-3 build three quarters of London's new homes. Boroughs in Zones 5 and 6 built just over 3,000 homes (13%) in 2017, despite making up half of London's total landmass.

Inner London builds more than outer



FIFTY
THOUSAND
HOMES



| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | % of 2017 total |
|--------|-------|-------|-------|-------|-------|-------|--------|--------|-----------------|
| ZONE 1 | 766 | 112 | 1,069 | 1,736 | 1,581 | 1,957 | 1,510 | 2,837 | 11% |
| ZONE 2 | 4,290 | 3,478 | 3,672 | 5,974 | 6,585 | 8,354 | 10,516 | 10,106 | 38% |
| ZONE 3 | 735 | 1,606 | 3,478 | 1,974 | 3,960 | 4,321 | 4,799 | 5,867 | 22% |
| ZONE 4 | 1,499 | 1,745 | 1,897 | 1,998 | 3,313 | 5,200 | 2,537 | 4,341 | 16% |
| ZONE 5 | 433 | 548 | 2,310 | 1,612 | 995 | 2,243 | 2,119 | 1,029 | 4% |
| ZONE 6 | 508 | 287 | 1,101 | 1,182 | 1,646 | 1,838 | 2,404 | 2,249 | 9% |

- Inner London is still building around half of London's new homes
- Zone 5 is particularly lagging, building half the number in 2017 than they did in the previous 12 months
- Zone 1 represents just 3% of London's landmass but experienced near 90% year on year growth in housing output in 2017

Founding Partners



Working together to ensure the London business community speaks with 'one voice' on the housing crisis in order to secure our competitive future



FIFTY THOUSAND HOMES



Campaigning to get London building the homes we need to compete



www.FiftyThousandHomes.london