

# **Housing Market Assessment for the Estates Regeneration Areas**

**Produced by the London Borough of Merton**

**February 2017**



## Table of Contents

1.	Executive Summary	3
2.	Introduction	11
3.	Methodology	12
4.	Policy Context for this Housing Market Assessment	14
5.	London Housing Market Report	31
6.	Socioeconomic analysis: London Borough of Merton	41
7.	Housing needs: London Borough of Merton	49
8.	Summary and implications for future housing need	57
9.	Spatial Dynamics of the estates and their immediate surroundings	59
10.	Socioeconomic analysis: Eastfields	59
11.	Housing needs study: Eastfields	73
12.	Summary and implications for future housing need	81
13.	Housing Market Analysis: Eastfields	83
14.	Socioeconomic analysis: High Path	92
15.	Housing needs study: High Path	109
16.	Summary and implications for future housing need	117
17.	Housing Market Analysis: High Path	119
18.	Socioeconomic analysis: Ravensbury	127
19.	Housing Needs Study: Ravensbury	142
20.	Summary and implications	151
21.	Housing Market Analysis: Ravensbury	152
22.	Housing need of particular groups within the population	161
23.	Conclusions	165

## **1. Executive Summary**

### **1.1. Introduction**

**1.2.** The purpose of this Housing Market Assessment for Merton's Estates Local Plan is to develop a clearer understanding of local housing needs in the context of the three estates in Merton's Estates Local Plan: Eastfields, High Path and Ravensbury.

**1.3.** Evidence has been gathered from up to date census data, GLA population projections, government and local planning policy, Merton's Annual Monitoring Report (AMR) and information on the socio-economic analysis and housing needs study produced by consultants for each estate.

**1.4.** The report uses evidence provided by Clarion Housing Group on the existing housing need within the estates, assesses the evidence of housing need in London and Merton, to give a clear understanding of housing need in the local area in the context of the Estates Local Plan.

### **1.5. Defining the housing market area and Objectively Assessed Need**

**1.6.** The GLA consider that London should be defined as a housing market area in its own right due to the complex interactions between boroughs and across the Greater London area. It is clear that the increase in homes enabled by the Estates Local Plan will help Merton meet its share of London's housing need, identified by the most recent London wide HMA as 42,000 to 49,000 new homes in London per annum.

**1.7.** The three estates combined cover an area of 16.85 hectares of Merton's 376,247, which is less than 0.005% of the total area of the borough.

**1.8.** As the Estates Local Plan only covers a small part of Merton, will involve the loss of existing homes prior to new homes being built, and will be delivered over a 10-15 year period, it will result in a relatively modest average annual net gain in new homes over the 15-year lifetime of the Plan of circa 150 additional homes per year. The size and scale of the estates themselves will not solely enable Merton to meet its objectively assessed housing need. To identify a specific objectively assessed housing need for Merton that fits within London's objectively assessed housing need Merton Council is undertaking a new borough-wide Local Plan, which will replace Merton's Core Planning Strategy 2011 and Merton's Sites and Policies Plan 2014. The new borough-wide Local Plan will complement the emerging London Plan, due to be published by 2019.

**1.9.** As at February 2017 the council is working on a significant amount of housing research to support the emerging London Plan and borough wide Local Plan, including a Strategic Housing Land Availability Assessment (SHLAA) with the 32 other boroughs and the Greater London Authority (GLA). During 2017 the council will also undertake a Strategic Housing Market Assessment for the whole borough which will identify the borough's Objectively Assessed Need and complement the SHLAA.

## **1.10. Housing market drivers**

**1.11.** Merton Council's Estates Local Plan has been created specifically to guide the regeneration of these three housing estates. These three estates currently provide approximately 1,200 homes in the context of the whole borough's approx. 86,000 homes.

**1.12.** Merton's Estates Local Plan is not a borough-wide Local Plan and therefore this is not a borough-wide Strategic Housing Market Assessment. A borough-wide Strategic Housing Market Assessment will be completed by late 2017 to inform Merton's emerging borough-wide Local Plan.

**1.13.** This report includes work carried out by Clarion Housing Group on the socioeconomic analysis and housing needs identified for the three estates, including age, household size, need for specialist and supported housing and the associated influence on housing need including size, type and tenure of new homes.

**1.14.** This report also provides London-wide and borough-wide demographic and household projections and socio-economic analysis to set the context for Merton's Estates Local Plan. It also demonstrates how specialist housing groups such as gypsies and travellers have been considered in formulating the Estates Local Plan.

**1.15.** Unique factors influencing the housing market assessment of the three estates include:

- The housing needs of existing residents (type, size, tenure, specialist requirements) as enshrined in the 10 Commitments between Merton Council and Clarion Housing Group and set out in Clarion Housing Group's offer to residents.
- Merton Council's resolutions in July 2014 to explore regeneration via the creation of an Estates Local Plan and in November 2016 to submit the Estates Local Plan to the Secretary of State have been made on the basis of the three estates being linked as part of a single regeneration programme.
- The viability of the whole Local Plan, recognising that the regeneration of three estates are linked for viability purposes with the larger estate at High Path providing the financial viability to enable the smaller estates to go ahead.
- The specific characteristics of the neighbourhoods in which each estate sits (e.g. street layout, building heights etc.) and the associated influence on development of different types of housing.

**1.16.** Given these significant variables, the Estates Local Plan does not contain policies on the tenure, scale and mix of housing to be built per estate over the next 10-15 years. These matters are considered at planning application stage and will be determined using the most up-to-date adopted strategic development plan policies in place at the time of the planning application (including the London Plan).

**1.17.** Any applications that come forward for the estates will be subject to the Mayor's 40% affordable homes target, subject to viability. They will also be subject to the "Homes for

## **1.18. Summary of findings**

### **1.19. London Borough of Merton**

#### **1.20. Summary of socioeconomic analysis**

- The population of Merton is forecast to grow by approximately 13% from between 2016 and 2031 (GLA 2015 round population projections).
- Merton has a younger population than the England average, in particular with a greater proportion of those aged 0 to 4 years old and 24 to 29 years old.
- The 2011 Census recorded 234 countries of birth for residents in Merton.
- The east and south of the borough have higher levels of deprivation and poorer health outcomes than the rest of the borough.
- The average median income for Merton is £31,938 (2014).
- Merton enjoys high levels of employment with over 80% of the borough’s residents of working age being economically active.

#### **1.21. Summary of housing need**

- There is a large gap between income and housing affordability.
- Over 50% of homes in the borough are either owned outright or with a mortgage. 30% are privately rented and 16% are rented from a housing association.
- The number of households in Merton is projected to increase from 78,757 in 2011 to 99,000 in 2021 (15%).
- For many households, access to suitable affordable housing is difficult and the demand for social housing far exceeds supply.
- Merton’s Housing Strategy gives indicative household size proportions required as 33% one bed, 32% two bed and 35% three bed.
- Average household size (GLA long term trend 2015) is project to decrease from 2.49 in 2017 to 2.37 in 2032.
- The greatest increase in household type in Merton is projected to be a 40% increase in households with ‘a couple and one or more other adults with no dependent children’ between 2017 and 2032. This is followed by ‘other households’ for example multiple adults in a house share, which is project to increase by 32% during the same period.
- The annual average house price in Merton rose 13.3% from £464,605 to £526,216 between July 2015 and July 2016.
- There are 197 individuals registered with Merton Council’s self-build and custom build register.

- A robust housing supply has been identified for the next 15 years, as set by the current housebuilding target set by the GLA.
- The average price of dwellings in Merton in Quarter 4 of 2013 was £331,253, which was noticeably higher than the national average but slightly lower than the City-wide average.
- Despite seasonal fluctuations, house sales levels were notably higher in 2013 than 2008.
- Merton sales levels have increased by 124.9% between 2008 and 2013 compared to 126.5% in Outer London and 140% across London.

## **1.22. Eastfields and the surrounding local area**

### **1.23. Summary of socioeconomic analysis for Eastfields**

- Approximately 55% of the homes on Eastfields are affordable accommodation, the rest are privately owned.
- Eastfields has a relatively high percentage of children aged 0-15 years old, with Peter Brett Associates reporting 364 children in this age group living on the estate, which makes up over a quarter of the population in the area, well above the Merton average.
- Eastfields has a greater proportion of Black and Minority Ethnic groups (53.4% of residents).
- 95.5% of Eastfields residents have resided in the UK from 5 years or more, which is greater than the average across the rest of the borough.
- Eastfields has a greater proportion of lone parent households compared to the local area and the rest of the borough.
- Eastfields is located in an area of the borough which is known to have greater levels of deprivation and a lower skills profile, but in itself is not considered to be far worse off than surrounding neighbourhoods.
- Economic activity in Eastfields is 15% lower than in Merton and 12% lower than the average across the rest of the ward of Figge's Marsh.
- Income has a crucial effect on the level of choice a household has when determining their future accommodation. On Eastfields Peter Brett Associates estimated net weekly household income was around £400, well below the national average of £423 per week.
- The site has a Public Transport Accessibility Level rating of 2, which is rated as 'poor'.
- 8% of residents in Eastfields are economically active and unemployed, in Merton the average is 7%. Youth unemployment is relatively high (7%) compared to the rest of the borough (4%).

#### **1.24. Summary of housing need**

- The most common property type in Eastfields is purpose built flats, followed by terraced houses.
- The greatest proportion of dwellings are 3 bedrooms (40.7%) followed by 1 bedroom (30.8%).
- Most of the dwellings in the surrounding area are three bedroom terraced houses.
- The majority of properties on the Eastfields site are social rented, and the majority of properties in surrounding streets are owned.
- The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be one and two bedroom properties (40% and 37% respectively), 21% of the provision will be three bed properties and 1% will be four bed properties.
- 67% of the proposed new dwellings will be for private sale or rent and 33% will remain affordable.

#### **1.25. High Path and the surrounding local area**

#### **1.26. Summary of socioeconomic analysis**

- Between 2001 and 2011 the number of people aged 15 to 29 years old increased on High Path compared to those aged 75 years old and over, which fell.
- The site has a relatively high proportion of children compared with the average for the borough, and those aged 25 to 44 years old.
- The Black and Minority Ethnic population within High Path was 42.7% of residents in the 2011 Census compared to 35.1% average for the borough.
- High Path has a greater proportion of lone parent households compared to the rest of the borough and neighbouring streets.
- High path has a similar proportion of cohabiting couples and one person households to the surrounding local area.
- High Path is within the top 30% most deprived Lower Super Output Areas in terms of income and living environment.
- High Path has fewer residents with level 4 qualifications or above compared to the surrounding streets towards Wimbledon town centre.
- Gross annual household income in High Path is £27,756, which is 35.3% below the London equivalent. High Path is a particular pocket of income deprivation in Merton.
- Public Transport Accessibility Level for High Path is 5, which is defined as very good.
- Unemployment is higher on High Path compared to the surrounding area, with an

economic activity rate of 73% in High Path compared to 82% for the Abbey ward.

### **1.27. Summary of housing need**

- Approximately 60% of the housing on High Path is Clarion Housing Group tenanted properties and the remainder are privately owned. In the surrounding area the majority of properties are privately owned.
- The majority of properties in High Path are two bedroom (45.9%) followed by one bedroom (32.4%). The majority of properties in the surrounding area are two bed properties, followed by three bed properties.
- The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be two bed and one bed properties (44% and 35% respectively).
- 10% of the proposed new homes will be studio flats and 10% will be three bed dwellings.
- 79% of the proposed dwellings will be for private sale or rent and 21% will remain affordable.

### **1.28. Ravensbury and the surrounding local area**

#### **1.29. Summary of socioeconomic analysis**

- Between 2001 and 2011 the proportion of residents in the Ravensbury estate aged 45 to 59 increased and the proportion of those aged 15 and younger decreased.
- Ravensbury estate has a greater proportion of children aged 0 to 4 years old than surrounding areas, but a similar number of those aged 5 to 14 years old.
- The proportion of Black and Minority Ethnic population living within Ravensbury in 2011 was 38.4%, higher than the 35.1% average for the rest of the borough.
- There is a greater proportion of lone parent households living on the estate compared to the rest of Merton, but only marginally more than in the surrounding area.
- GLA population projections for Ravensbury ward show that there will be a fall in those aged 0 to 9 years old and 30 to 39 years old, but an increase in those aged 50 years old and over.
- In the 2011 Census 17.1% of Ravensbury residents considered themselves to have a long term health condition or disability.
- 31% of children aged 0 to 15 years old living in Ravensbury ward live in income deprived households.
- In the 2011 Census the number of people of working age in the Ravensbury LSOA reporting no qualifications was 23% (Merton average is 6%).
- Mean gross annual household income in the Ravensbury Estate is £22,811, which is



46.8% below the London equivalent.

- Transport accessibility in the Ravensbury estate and surrounding areas is reliant on the tram and buses. Ravensbury is also a 15 minute walk to Morden station for the London Underground Northern Line.

### **1.30. Summary of housing need**

- Approximately 85% of the properties on the Ravensbury estate are Clarion Housing Group tenanted and the rest are privately owned.
- The Ravensbury site contains a greater proportion of purpose built flats than the borough-wide and national averages, with very few detached or semi-detached houses.
- The majority of homes in the surrounding area are two or three bedroom dwellings.
- In 2011 23% of residents in Ravensbury Ward owned their homes outright, 33% owned their homes with a mortgage, 25% social rented and 18% private rented.
- The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be three bed properties, followed by one and two bed properties (36%, 28% and 25% respectively).
- 45% of the proposed dwellings will be for private sale or rent and 55% will remain affordable.

### **1.31. Housing need for particular groups**

**1.60.** The potential future needs of particular groups has been considered within this HMA, and extra detail has been provided on the specific requirements of:

- Older people
- People with disabilities
- People wishing to build their own homes
- Students
- Members of the armed forces
- Gypsies and travellers
- Young people

**1.61.** This evidence has been used to define the objectively assessed need within the estates and the surrounding local areas.

### **1.62. Conclusion**

**1.63.** Using evidence gathered from census data, GLA population projections and information provided by Clarion Housing Group, this Housing Market Assessment details the local

housing needs in the context of the three estates in Merton's Estates Local Plan: Eastfields, High Path and Ravensbury.

- 1.64.** This report has included figures for each estate using the London Density Matrix to give an idea of the potential capacity of each site. However the Mayor's Housing SPG 2016 has extensive guidance on densities, particularly guiding away from the rigid mechanistic application of the London Plan density matrix. The SPG clearly states that large site characteristics and quality design and environment can and result in more homes.
- 1.65.** Therefore the Estates Local Plan does not propose a specific density range for inclusion in the Local Plan, as it is considered that this could be misleading. The Plan's strong emphasis on quality urban design as well as space standards of individual dwellings from the London Plan are likely to successfully deliver a higher number of new homes than the London Plan density matrix indicates
- 1.66.** In reality, the mix of types, sizes and tenures will be strongly influenced by the needs of existing residents (including existing overcrowding and under-occupation) development viability and amendments to national and regional affordable housing regime during the 10-15 lifetime of the regeneration project.
- 1.67.** Overall, the size and scale of the estates and areas covered by this Housing Market Assessment does not cover the whole of Merton, and in order to identify a specific Objectively Assessed Need (OAN) for Merton that fits within London's OAN, Merton Council is undertaking a new borough-wide Local Plan, which will replace Merton's Core Planning Strategy 2011 and Merton's Sites and Policies Plan 2014. This new borough-wide Local Plan will complement the emerging London Plan, due to be published by 2019.

## 2. Introduction

2.1. The purpose of this document is to establish the housing need for the three estates undergoing regeneration: Eastfields, High Path and Ravensbury. Evidence has been gathered from government and local planning policy, Merton's Annual Monitoring Report (AMR) and documents submitted by Clarion Housing Group on the socio-economic analysis and housing needs study for each estate. These sources have been quantified against the most up to date census data and GLA population projections for the borough and specific neighbourhoods of each estate over the next 15 years.

2.2. Overall, the purpose of this document is to use evidence provided by Clarion Housing Group on the existing housing need within the estates and combine it with evidence of housing need in the local area.

2.3. The structure of the document will be as follows:

- Methodology
- Policy context
- London Borough of Merton
  - Socioeconomic Analysis
  - Housing Needs
  - Housing Market Analysis (Peter Brett Associates)
- Eastfields
  - Socioeconomic Analysis
  - Housing Needs
  - Housing Market Analysis (Peter Brett Associates)
- High Path
  - Socioeconomic Analysis
  - Housing Needs
  - Housing Market Analysis (Peter Brett Associates)
- Ravensbury
  - Socioeconomic Analysis
  - Housing Needs
  - Housing Market Analysis (Peter Brett Associates)
- Housing need of particular groups

### 3. Methodology

3.1. The methodology for a SHMA has been adapted to fit the purpose of this study. The NPPF states that:

3.2. *Local planning authorities should have a clear understanding of housing needs in their area. They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

*Meets household and population projections, taking account of migration and demographic change;*

*Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and caters for housing demand and the scale of housing supply necessary to meet this demand.”*

3.3. Following the spirit of the methodology outlined in the NPPF and NPPG, we have adapted the borough-wide methodology in order to get a clear understanding of housing need with respect to the three estates. The three estates have been set within the London-wide context of demographics, income, household compositions, tenure, travel to work and other factors. The main body of this report concentrates on the detailed work carried out by Peter Brett Associates on behalf of Clarion Housing Group, which focuses on the socioeconomic characteristics of the existing households within the estates and the housing need.

#### 3.4. **Merton Regeneration Project (extract from Clarion Housing Group’s Socio-economic Analysis study)**

3.5. As part of the process of assessing the housing stock in Merton for investment in improvements to meet and exceed the Decent Homes Standards, Clarion Housing Group identified High Path, Eastfields, and Ravensbury (collectively referred to as the “Merton Regeneration Project”) as having a potentially limited life, justifying larger scale regeneration to ensure long-term sustainability.

3.6. London Borough of Merton (LBM) Council Cabinet members received a report in November 2013 which provided an update to on-going discussions between LBM Planning Officers and Clarion Housing Group on the development of their regeneration plans for, High Path, Eastfields and Ravensbury.

3.7. In July 2014, in response to proposals from Clarion Housing Group, LBM Council resolved to

start preparing an Estates Plan DPD. LBM Planning Officers and Clarion Housing Group explored a number of matters including identifying occupants for decant and housing nominations; the masterplanning outline and process; and devising of an agreed baseline position aimed at achieving deliverable schemes.

- 3.8.** As at February 2017 Clarion Housing Group have done a significant amount of work with existing residents, including sharing an existing residents offer in May 2015 and consulting residents on the type, size and tenure of the homes that they will need to remain in the estates. Clarion Housing Group and Merton Council have worked very closely together on the Estates Local Plan and on the business case for the regeneration.
- 3.9.** The Estates Local Plan has been through more than 3 months of public consultation in addition to the work Clarion Housing Group have done with residents. It will be submitted to the Secretary of State at the end of March 2017. At the time of writing there are limited proposed changes from the pre-submission version of the plan published in December 2016. Subject to successful examination by the Secretary of State, it is expected that the plan will be adopted by Merton Council in late 2017.
- 3.10.** Figure 1 shows the size and location of the three estates within the borough of Merton. Merton covers 376,247 hectares, and of this the estates cover 16.85 hectares, which is less than 0.005% of Merton's total land area.



**Figure 1: The location of Eastfields, High Path and Ravensbury estates**

## 4. Policy Context for this Housing Market Assessment

### 4.1. Government Policy

4.2. The National Planning Policy Framework 2012 (NPPF) sets out government's policy on planning matters in England and Wales. All local plans should be in conformity with national policy. Although the NPPF is not usually used to help assess detailed local planning applications, it can be used to inform planning decisions when the Local Plan is silent, out-of-date or there is any conflict between local or national policy.

4.3. The Mayor's London Plan 2016, consolidated with alterations since 2011, contains planning policies that guide all London boroughs on issues for the benefit of the whole of London such as the number of new homes to be built in London, the size of town centres, and transport issues. All other planning documents have to be in general conformity with the Mayor's London Plan. With the appointment of the new Mayor in May 2016 the London Plan is currently being updated. Consultation on the Draft London Plan will begin in Autumn 2017 followed by examination in public in Summer 2018, and adoption in Autumn 2019.

4.4. The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. It supports strong, vibrant and healthy communities by providing the supply of housing required to meet the needs of present and future generations. Regarding the production of Strategic Housing Market Assessments (SHMAs) the NPPF includes the following relevant sections:

4.5. Paragraph 47 of the National Planning Policy Framework (NPPF) states:

*To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period.*

4.6. Paragraph 159 of the National Planning Policy Framework (NPPF) states:

*Local planning authorities should have a clear understanding of housing needs in their area. They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

*Meets household and population projections, taking account of migration and demographic change; addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with*

*children, older people, people with disabilities, service families and people wishing to build their own homes); and caters for housing demand and the scale of housing supply necessary to meet this demand.”*

- 4.7.** Given this context, the key objective of Strategic Housing Market Assessments (SHMAs) is to provide the robust and strategic evidence base required to establish the full Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed.
- 4.8.** Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.
- 4.9.** Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014 and has been updated in March 2015. Previous SHMA Guidance (2007) and related documents were rescinded at that time, so the approach taken in preparation of this report is focussed on meeting the requirements of PPG.
- 4.10.** The Housing and Planning Act 2016 contains proposals to further the Government’s policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first time buyers. The Bill defines a Starter Home as a new dwelling, only available for purchase by qualifying first-time buyers, which is to be sold at a discount of at least 20% of the market value and for less than the price cap (of £450,000 in Greater London), and is subject to restrictions on sale or letting. The Bill includes clauses stating that local authorities will have a general duty to promote the supply of Starter Homes through planning.
- 4.11.** This proposed duty to promote the supply of Starter Homes alongside other statements from Government ministers suggesting that Starter Homes will be considered as ‘affordable housing’ has led to speculation that the promotion of Starter Homes will restrict the supply of affordable housing for rent for reasons such as a preference among developers to develop Starter Home property for sale rather than affordable housing for rent. Draft Regulations on the Act at anticipated to be published in spring 2016 and ahead of the enactment of the Housing and Planning Act. Once the Government publishes the details of Starter Homes in subsequent legislation, Merton Council and any partners involved in the Estates Local Plan will consider their provision as part of any relevant planning application regarding the three estates.
- 4.12. London Housing Strategy 2014**
- 4.13.** The London Housing Strategy references the 2013 London Strategic Housing Market Assessment (SHMA) estimated need of 48,841 homes per year between 2014/15 and 2034/35. The updated Strategic Housing Land Availability Assessment (SHLAA) used for the

Strategy “finds firm evidence of capacity for 42,000 new homes a year between 2015 and 2025”. The SHLAA uses this evidence of capacity to propose minimum housing delivery targets for the boroughs. Of the 48,840 homes per year assessed need in the SHMA, the strategy sets targets of 48% to be market housing, 20% intermediate and 32% social rent.

**4.14.** The Mayor of London submitted written evidence at the committee stage for the Housing and Planning Bill (HPB 28, 2015). The Mayor stated his support for Starter Homes, but said that they needed to work alongside rather than displace shared ownership properties such as “First Steps”, which “offers part-buy, part-rent homes to working households, including key workers such as teachers and police officers, who would not be prioritised for traditional affordable housing but would struggle to buy on the open market”. He also stated his support for councils selling high value homes with the proviso that; “any money raised in London should be reinvested within London to fund new housing where it is most needed. Overall, there needs to be a net increase in new affordable housing in the capital resulting from the sale of high value council homes, with at least a 2-for-1 replacement commitment required to help address the severe shortage of homes in the capital.”

#### **4.15. London Specific Strategic Housing Market Assessments**

**4.16.** The Strategic Planning Authority for London is the Greater London Authority (GLA). The GLA have produced a London SHMA (2013) covering the whole of Greater London which has been used to underwrite the evidence base for the Further Alterations to the London Plan (FALP) 2014. The GLA are currently undertaking a new SHMA to inform the new London Plan.

**4.17.** The GLA’s 2015 Draft Interim Housing Supplementary Planning Guidance lists how London planning authorities should proceed in assessing their housing needs (paragraph 3.19). These include:

- Consider housing market area geographies that extend beyond single borough boundaries.
- Consider different demographic scenarios, ideally using GLA household projections for consistency.
- Make allowance for backlog need and other factors that increase the number of homes required.
- Take account of market signals.
- Consider how the economy and jobs growth will influence housing need.
- Take into account wider needs.
- Specific needs.

#### **4.18. Estate Regeneration Statement (February 2016)**

**4.19.** The Estate Regeneration Statement, published by the government, sets out how estate



regeneration fits within a national policy context and puts forward some guiding principles, including the following:

- Schemes must deliver regeneration through the redevelopment of existing social housing estates.
- Ultimately, schemes will need to be viable, so financial considerations need to be paramount in early planning, including which partners or joint ventures could potentially be included to support or fund proposals. To maintain the trust of existing residents and to ensure transparency, submitters of proposals for regeneration should expect to make public the results of the viability assessments underpinning their proposals at all stages of the development process.
- What preparatory work has been undertaken, such as land assembly, identification of land ownership, initial construction work, or identification of infrastructure links or opportunities?
- Design – what levels of design are the proposals targeting? Do they rely on large-scale masterplans or smaller-scale initiatives? Indicate how far proposals have reached in terms of options appraisals and consolidating specific designs. Are these designs innovative and do they directly respond to the needs of the local community?
- Community engagement – an indication of the level of community support, and what sort of consultation has been undertaken, and with whom.
- How arrangements for existing residents are expected to operate – such as for leaseholders, tenants, owner-occupiers and non-resident property owners. Indicate what alternative housing arrangements may be needed.
- What tenure mix is proposed, including affordable housing provision?
- Ultimately schemes should deliver a net increase in new housing supply and be value for money.
- Are wider societal benefits demonstrated by the proposal, such as positive effects on local employment, health, poverty and education and training?
- Is there a delivery plan in place, with a workable and reasonable timetable?
- What non-housing projects are involved as part of the concept to make the estate a more attractive place to live? For example, associated infrastructure schemes.

**4.20.** This policy will be considered in terms of the Objectively Assessed Need for the three estates and neighbouring areas.

**4.21. Estate Regeneration National Strategy (DCLG December 2016)**

**4.22.** The Government recognises the benefits that Estate Regeneration can bring to neighbourhoods including a better quality of life and new opportunities for residents. The national strategy aims to support local partners to improve and accelerate local estate regeneration to deliver more and better quality housing, drive local growth and improve opportunities for residents. It highlights three key principles that underpin successful

estate regeneration:

- Community engaged as partners.
- Support and leadership of the local authority.
- Willingness to work with the private sector to access commercial skills and lever in investment.

**4.23.** The national strategy comprises:

- Resident engagement and protection: sets out Government expectations for ensuring that residents are at the centre of re-shaping their estates, in partnership with authorities and developers, and are protected during the lifetime of an estate regeneration scheme.
- Role of the local authority: sets out the importance of wider place making, strategic use of public sector land, design and effective use of the planning system.
- Financing and delivering estate regeneration: provides options for building a sound financial base, including setting out the key challenges, advice on particular aspects and de-mystifying the processes and terminology.
- Good practice guide: steers schemes through all the key stages, from developing the initial idea through to build out and delivery; includes checklists on process design and quality to ensure important issues or stages are not overlooked; provides a framework for overall sequencing.
- Better social outcomes: reports on Government's work with four estates on mapping public spend in estates, in the broader context of looking at how estate regeneration schemes can be part of a place based approach to tackling poor life chances.
- Alternative approaches: provides advice on community-led housing development as an effective means of putting the community at the heart of housing delivery.
- Case studies: illustrate and highlight particularly positive elements from a range of schemes, including design and quality, community engagement and strategic and innovative financing.

**4.24. Homes for Londoners: Draft Good Practice Guide to Estate Regeneration (Mayor of London December 2016)**

**4.25.** The Draft Good Practice Guide to Estate Regeneration lists the following key considerations in order to meet the needs of all:

- The housing needs of existing residents and options for re-provision.
- The balance of tenures and housing typologies needed to reflect housing needs of the wider local area which may be set out in the local plan.
- How the mix of new housing should reflect changing demographics of the area including housing for older people, family housing and accommodation for younger

people.

- Addressing the specific needs of people with disabilities and an ageing population through inclusive design.
- The extent to which different tenures, including market rent, low-cost home ownership and intermediate models, should be provided and at what scale and pace to meet local need.
- A tenure-blind approach and how tenures are integrated.
- The impact of an increase in homes and range of housing on social infrastructure such as education and health facilities.

#### **4.26. Housing White Paper (February 2017)**

**4.27.** The white paper “Fixing our broken housing market” sets out a broad range of reforms that government plans to introduce to help reform the housing market and increase the supply of new homes. The Government proposes to amend the National Planning Policy Framework to make it clear that plans and individual development proposals should:

- Make efficient use of land and avoid building homes at low densities where there is a shortage of land for meeting identified housing requirements.
- Address the particular scope for higher-density housing in urban locations that are well served by public transport (such as around many railway stations); that provide scope to replace or build over low-density uses (such as retail warehouses, lockups and car parks); or where buildings can be extended upwards by using the ‘airspace’ above them.
- Ensure that the density and form of development reflect the character, accessibility and infrastructure capacity of an area, and the nature of local housing needs.
- Take a flexible approach in adopting and applying policy and guidance that could inhibit these objectives in particular circumstances, for example, avoiding a rigid application of open space standards if there is adequate provision in the wider area. (Para 1.53, Housing White Paper).

**4.28.** The Housing White Paper encourages the development of housing that meets the needs of our future population. In particular, offering older people a better choice of accommodation to help them to live independently for longer and help reduce costs to the social care and health systems.

**4.29.** The Government is introducing a new statutory duty through the Neighbourhood Planning Bill on the Secretary of State to produce guidance for local planning authorities on how their local development documents should meet the housing needs of older and disabled people. Guidance produced under this duty will place clearer expectations about planning to meet the needs of older people, including supporting the development of such homes near local services.

**4.30.** The government is committed to exploring these issues further and finding sustainable solutions to any problems that come to light. To do this they will draw on the expertise of a wide range of stakeholders including housebuilders, mortgage lenders, clinical commissioning groups, housing associations and local authorities, and most importantly older people and the groups that represent them. This conversation will generate a range of ideas and incentives and other innovations for the Government to consider:

- Improved information and advice for older people about housing choices, including advice on adaptations.
- Supporting custom build for older people.
- Looking at how community living could work, as well as innovative models of housing with support available.

**4.31. Regenerating Housing Estates.**

**4.32.** The Government's national strategy on estate regeneration was published in December 2016. Through a combination of practical advice and guidance, it sets out how best to deliver high-quality, well-designed estate regeneration, including advice on financing and delivering schemes, the role of local authorities, and how to engage and protect residents.

**4.33.** To support this strategy the government proposes to amend the National Planning Policy Framework to encourage local planning authorities to consider the social and economic benefits of estate regeneration when preparing their plans and in decisions on applications, and to use their planning powers to help deliver estate regeneration to a high standard.

**4.34. Affordable Housing.**

**4.35.** The white paper sets out the government's proposals to build more homes to tackle the housing shortage. This includes proposals to help households who are currently priced out of the housing market to buy or rent a home of their own.

**4.36.** In December 2015 the government consulted on changes to the National Planning Policy Framework. This included a proposal to broaden the definition of affordable housing, to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. In doing so this approach would seek to retain all types of housing that are currently considered affordable housing.

**4.37.** Following the consultation the government intends to take forward proposals to expand the definition of affordable housing in planning policy, but propose to make two further changes:

- To introduce a household income eligibility cap of £80,000 (£90,000 for London) on starter homes.
- To introduce a definition of affordable private rented housing, which is a

particularly suitable form of affordable housing for Build to Rent Schemes. The government is separately consulting on a range of measures to promote Built to Rent developments.

#### **4.38. Local Planning Policy**

**4.39.** Development in Merton is currently guided by planning policies in:

- The Mayor’s London Plan 2011
- Merton’s Core Planning Strategy 2011 (Local Plan)
- The South London Waste Plan 2012 (Local Plan)
- Sites and Policies Plan (2014) (Local Plan)
- Policies Map (2014) (Local Plan)

**4.40.** These five documents - Merton’s Local Plan and the Mayor’s London Plan - make up the statutory development plan, containing the planning policies that guide development in Merton.

#### **4.41. London Borough of Merton’s Core Planning Strategy (2011)**

**4.42.** The London Borough of Merton’s (LBM) Core Planning Strategy (2011) is the key document in the Borough’s Local Development Framework (LDF), setting out the development plan and the spatial vision for the area. The Core Strategy is in general conformity with the adopted London Plan.

**4.43.** A key priority, as outlined in the Core Strategy, is to “support local community life through education and employment opportunities, cultural and sporting assets, community services, healthcare, recreational activities and other infrastructure that meets local needs.”

**4.44.** The Core Planning Strategy framework for regeneration and development includes the areas that will be affected by estate regeneration. These include:

- Colliers Wood / South Wimbledon: creating a new town centre at the heart of the Wandle Valley;
- Mitcham: promoting well designed new homes and local businesses;
- Morden: creating a more distinctive town centre with new apartments that complements the surrounding neighbourhoods.

#### **4.45. London Borough of Merton’s Sites and Policies Plan (2014)**

**4.46.** The LBM Sites and Policies Plan was adopted in July 2014, also forms part of the LDF. This sets out detailed planning policies to help assess planning application in LBM and site allocations for development between 2014 and 2024.

- 4.47.** The Sites and Policies Plan prepared by LBM Council following local research, detailed public consultation, giving residents, landowners, community groups and other interested parties the opportunity to comment on the councils prepared options for 20 detailed planning policies, approximately 40 sites and land designations.
- 4.48. The relevant policies in the Sites and Policies Plan include:**
- 4.49.** DM H1 - Supported care housing for vulnerable people or secure residential institutions for people housed as part of the criminal justice system (Links to Core Planning Strategy policy CS 8 Housing Choice). The policy aims to provide a variety of accommodation with different levels of support or care that is both appropriate to the needs of the potential residents and that is sensitive to the surrounding residential environment.
- 4.50.** DM H2 - Housing mix Links to Core Planning Strategy Policy CS 8 Housing Choice. This aims to create socially mixed communities (families with children, single people, older people etc. for all sectors of the community by providing a choice of housing with respect dwelling size and type in the borough. Residential development proposals will be considered favourably where they contribute to meeting the needs of different households such as families with children, single person households and older people by providing a mix of dwelling sizes, taking account of the borough level indicative proportions concerning housing mix.
- 4.51.** The council is keen to encourage socially mixed, sustainable communities with a greater choice and better mix in the size, type and location of housing. Schemes should seek to reflect the diversity of the local population, local needs and provide an appropriate mix of smaller and larger units including houses and flats to meet a mix of different households such as single households, families with children and older people.
- 4.52.** In the wider planning context there are a number of documents that make up the statutory Development Plan for the borough. These are as follows:
- The Mayor’s London Plan 2016
  - Merton’s Core Planning Strategy 2011
  - South London Waste Plan 2012
  - Sites and Policies Plan 2014
  - Policies map 2014
- 4.53.** The above five documents make up the Statutory Development Plan for the borough. These contain the planning policies that guide development in Merton. Merton’s Estates Local Plan, once adopted, will sit alongside these documents and form part of Merton’s Local Plan.
- 4.54. Methodology for the Housing Market Assessment**
- 4.55. Travel to work areas**

- 4.56.** Housing market areas reflect “the key functional linkages between places where people live and work” and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns:

*Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use). Planning Practice Guidance 2014, paragraph 11*

**4.57. Administrative Boundaries and Housing Market Areas**

- 4.58.** The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note also established that functional housing market areas should not be constrained by administrative boundaries; nevertheless it suggested the need for a “best fit” approximation to local authority areas for developing evidence and policy (paragraph 9):

*“The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.”*

- 4.59.** This “best fit” approximation has also been commended by the PAS OAN technical advice note, which suggests (paragraph 5.21):

*“It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis is becomes impossibly complex. There may also be ‘cliff edge’ effects at the HMA boundary, for example development allowed on one side of a road but not the other.”*

**4.60. Defining the Housing Market Area**

**4.61. Functional Housing Market Areas**

- 4.62.** The definition of a functional housing market area is well-established as being “...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay” (Maclennan et al, 1998).

**4.63. Planning Practice Guidance**

- 4.64.** Planning Practice Guidance (PPG) on the Assessment of Housing and Economic Development Needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas

in which people both live and work:

*A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case the housing market areas overlap.*

*The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate. **Planning Practice Guidance 2014, paragraph 10***

**4.65.** Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:

- House prices and rates of change in house prices.
- Household migration and search patterns.
- Contextual data (e.g. travel to work area boundaries, retail and school catchment areas).

**4.66. Defining the Housing Market Area**

**4.67.** The GLA consider that London should be defined as a housing market area in its own right due to the complex interactions between boroughs and across the Greater London Area. It is clear that the increase in homes enabled by the Estates Local Plan will help Merton meet its share of London's housing need, identified by the most recent London wide HMA as 42,000 to 49,000 new homes per annum.

**4.68.** As at February 2017 the council is working on a significant amount of housing research to support the emerging London Plan and borough wide Local Plan, including a Strategic Housing Land Availability Assessment (SHLAA) with the 32 other boroughs and the GLA. During 2017 the council will also undertake a Strategic Housing Market Assessment for the whole borough which will identify the borough's Objectively Assessed Need and complement the SHLAA.

**4.69. Objectively Assessed Need: Analysing the evidence to establish overall housing need**

**4.70.** *The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans. **Planning Practice Guidance (PPG), paragraph 4***



#### **4.71. National Context for England**

**4.72.** The NPPF requires Local Planning Authorities to “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area” and “identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change” (paragraphs 47 and 159).

**4.73.** PPG further identifies that “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need ... The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth” (paragraphs 15-16).

#### **4.74. Household Growth**

**4.75.** The 2012-based CLG household projections show that the number of households in England will increase from 22.3 million to 27.5 million over the period 2012 to 2037. This represents a growth of 5.2 million households over 25 years, equivalent to an annual average of 210,000 households each year, and this provides the starting point estimate of overall housing need for England.

**4.76.** It should be noted that the annual average of 210,000 households is already much higher than current housing delivery: CLG data for April 2013 to March 2014 identifies that construction started on 133,900 dwellings and 112,400 dwellings were completed during the year. Therefore, to build sufficient homes to meet annual household growth would require housebuilding to increase by 57% – so providing for household growth in itself would require a significant step-change in the number of homes currently being built

#### **4.77. International Migration**

**4.78.** The 2012-based CLG household projections are based on the ONS 2012-based sub-national population projections. These projections identify an average net gain of 151,600 persons each year due to international migration, and a net loss of 6,400 persons each year from England to other parts of the UK. Therefore, the 2012-based projections are based on net migration averaging 145,100 persons each year.

**4.79.** However, these estimates for future international migration may be too low. Oxford University research (March 2015) showed net international migration to be 565,000 persons over the 3-year period 2011-14, an average of 188,300 per annum; and net migration to England averaged 211,200 persons annually between the Census in 2001 and 2011. Both figures suggest that the 2012-based SNPP may underestimate international migration, which would have knock-on implications for projected population growth.

**4.80.** As previously noted, longer-term projections typically benefit from longer-term trends and

therefore ORS routinely consider migration based on trends for the 10-year period 2001-11. On this basis, our trends are based on a period when net migration to England averaged 211,200 persons each year: 66,100 persons higher than assumed by the 2012-based SNPP, which represents an additional 29,000 households each year based on CLG average household sizes. Therefore, the approach taken for establishing migration based on longer-term trends would increase household growth for England from 210,000 households to 239,000 households each year on average.

#### **4.81. Market Signals**

**4.82.** The NPPF also sets out that “Plans should take account of market signals, such as land prices and housing affordability” (paragraph 17) and PPG identifies that “the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”.

**4.83.** The market signals identified include land prices, house prices, rents, affordability and the rate of development; but there is no formula that can be used to consolidate the implications of this data. Nevertheless, the likely consequence of housing affordability problems is an increase in overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation. PPG identifies that these indicators “demonstrate un-met need for housing” and that “longer term increase in the number of such households may be a signal to consider increasing planned housing numbers” (paragraph 19).

**4.84.** The Census identified that the number of concealed families living in England increased from 161,000 families to 276,000 families over the decade 2001 to 2011, which represents a growth of 115,000 families over 10 years. Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections.

**4.85.** Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 115,000 families in England over the period 2001-11, over three quarters (87,100) have family representatives aged under 55, with substantial growth amongst those aged 25-34 in particular. This is a clear signal of the need to increase the planned housing numbers in order to address the increase in concealed families over the last decade and also factor in their impact on current and future average household sizes.

**4.86.** Addressing the increase in concealed families would increase projected household growth by 87,100 over the 25-year period, an average of 3,500 households each year over the period 2012-37 (or higher if the need is addressed over a shorter period). Therefore, adjusting for longer-term migration trends and taking account of the market signals uplift

for concealed families yields an average household growth for England of 242,500 each year.

**4.87. Process for Establishing Objectively Assessed Need**

**4.88.** The Objective Assessment of Need identifies the quantity of housing needed (both market and affordable) over future plan periods. It starts with a demographic process to derive housing need from a consideration of population and household projections. This section therefore considers the most appropriate demographic projection on which to base future housing need.

**4.89.** To establish the Objectively Assessed Need (OAN), external market and macro-economic constraints are applied to the demographic projections ('Market Signals') in order to ensure that an appropriate balance is achieved between the demand for and supply of dwellings. Nevertheless, it is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors should subsequently be considered by the local planning authorities as part of the plan-making process in order to establish the appropriate Housing Requirement and planned housing number. This process is illustrated in Figure 2.

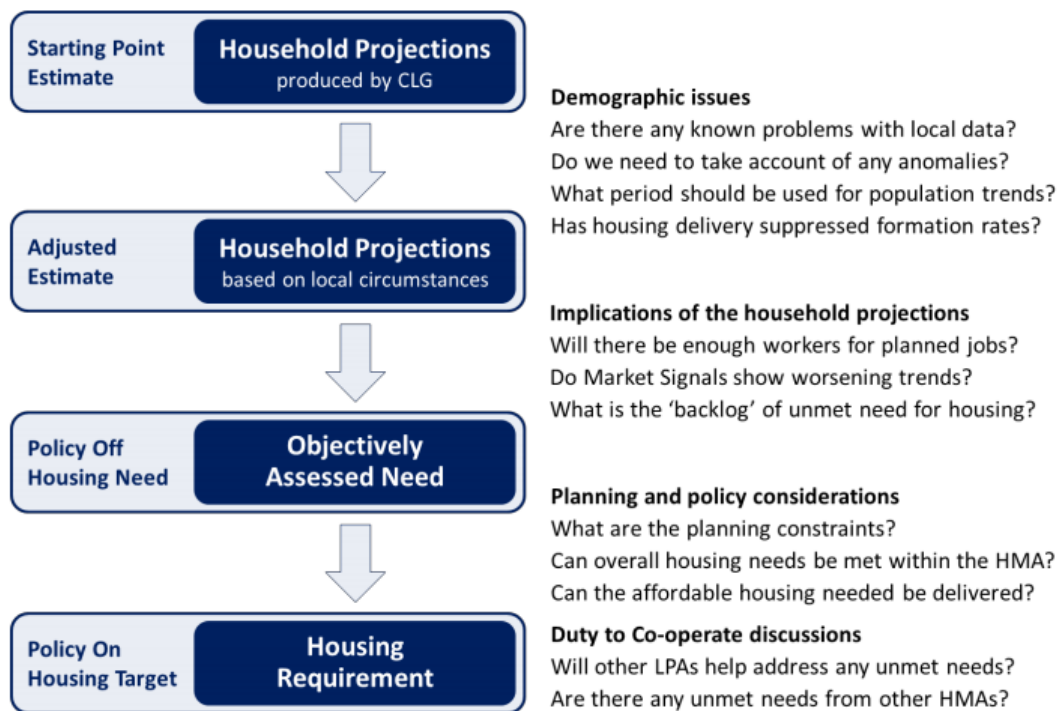


Figure 2: Process for establishing the housing number for the housing market area. Source: Opinion Research Services, based on NPPF and PPG

**4.90. Population and Household Projections based on Local Circumstances**

**4.91.** Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

- 4.92.** *Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates ... Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. **Planning Practice Guidance 2014, paragraph 17***
- 4.93. Official Household Projections**
- 4.94.** Planning Practice Guidance published in March 2014 places emphasis on the role of CLG Household Projections as the appropriate starting point in determining objectively assessed need. However, the Guidance does allow for the use of sensitivity testing of CLG Household projections to ‘test’ whether these are appropriate, allowing for alternative assumptions to be used.
- 4.95.** In the case of London we consider it appropriate to acknowledge the role of the GLA’s own household projections. As discussed above, the projections undertaken by the GLA are more specific to London than those undertaken by CLG. Therefore, they form a potentially more credible basis for planning in London than CLG’s projections.
- 4.96.** Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. **Planning Practice Guidance 2014, section 3**
- 4.97.** *Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.*
- 4.98.** *Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. **Planning Practice Guidance 2014, section 3***
- 4.99.** This SHMA uses the GLA long-term trend migration scenario as the basis for its central estimates. However, it is important to recognise that no one scenario will provide a definitive assessment of the future population and therefore we have sensitivity tested the figures using the short-term trend analysis from the GLA.
- 4.100.** This report uses GLA household projections to establish the projected number of additional households.
- 4.101. Establishing the Future Need and Demand for Housing**
- 4.102.** Modelling future need and demand for housing requires a consideration of the future housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and

population over the full planning period can be delivered. Further, it needs to be produced in a way that is consistent, strategic and robust.

- 4.103.** The National Planning Policy Framework contains a presumption in favour of sustainable development, and states that Local Plans should meet objectively assessed needs for market and affordable housing based on household and population projections that take account of migration and demographic change:
- 4.104.** *At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking. Local planning authorities should positively seek opportunities to meet the development needs of their area. Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole. **National Planning Policy Framework (NPPF), paragraph 14***
- 4.105.** *To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area. **National Planning Policy Framework (NPPF), paragraph 47***
- 4.106.** *Local planning authorities ... should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.*
- 4.107.** *The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change. **National Planning Policy Framework (NPPF), paragraph 159***
- 4.108. Employment Trends**
- 4.109.** While demographic trends are key to the assessment of OAN, it is also important to consider current Employment Trends and how the projected growth of the economically active population fits with the future changes in job numbers.
- 4.110.** *Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.*
- 4.111.** *Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or*

*infrastructure development could help address these problems.* **Planning Practice Guidance 2014, paragraph 18**

#### **4.112. Conclusions on Objectively Assessed Need**

**4.113.** Of course, it is important to remember that “establishing future need for housing is not an exact science” (PPG paragraph 14). Whilst the OAN must be underwritten by robust evidence that is based on detailed analysis and informed by reasonable assumptions, the final conclusions should reflect the overall scale of the housing needed in the housing market area without seeking to be spuriously precise.

**4.114.** The three estates are very small areas within the context of the whole of Merton. There are approximately 1,200 existing homes out of Merton’s 87,000 homes and even when redeveloped, the estates will only represent a small proportion of Merton’s total housing stock.

**4.115.** The size and scale of the estates themselves will not solely enable Merton to meet its objectively assessed housing need. To identify a specific objectively assessed housing need for Merton that fits within London’s objectively assessed housing need.

**4.116.** Since this is not a borough-wide local plan there are many unique factors influencing the housing market assessment of the three estates. These include:

- The housing needs of existing residents (type, size, tenure, specialist requirements) as enshrined in the 10 Commitments between Merton Council and Clarion Housing Group and set out in Clarion Housing Group’s offer to residents.
- The viability of the whole Local Plan, recognising that the regeneration of three estates are linked for viability purposes with the larger estate at High Path providing the financial viability to enable the smaller estates to go ahead.
- The specific characteristics of the neighbourhoods in which each estate sits (e.g. street layout, building heights etc.) and the associated influence on development of different types of housing.

**4.117.** Given these significant variables, the Estates Local Plan does not contain policies on the tenure, scale and mix of housing to be built per estate over the next 10-15 years. These matters are considered at planning application stage and will be determined using the most up-to-date adopted strategic development plan policies in place at the time of the planning application (including the London Plan).

**4.118.** However, as the Estates Local Plan only covers a small part of Merton, will involve the loss of existing homes prior to new homes being built, and will be delivered over a 10-15 year period, it will result in a relatively modest average annual net gain in new homes over the 15-year lifetime of the Plan of c150 additional homes per year.

**4.119.** Therefore this Housing Market Assessment for the three estates will not identify an Objectively Assessed Need for the entire borough’s housing market area.

- 4.120.** Merton Council is undertaking a new borough-wide Local Plan, which will replace Merton's Core Planning Strategy 2011 and Merton's Sites and Policies Plan 2014. The new borough-wide Local Plan will complement the emerging London Plan, due to be published by 2019.
- 4.121.** As at February 2017 the council is working on a significant amount of housing research to support the emerging London Plan and borough wide Local Plan, including a Strategic Housing Land Availability Assessment (SHLAA) with the 32 other boroughs and the GLA. During 2017 the council will also undertake a Strategic Housing Market Assessment for the whole borough which will identify the borough's Objectively Assessed Need and complement the SHLAA.
- 4.122.** Any applications that come forward for the estates will be subject to the Mayor's 40% affordable homes target, subject to viability. They will also be subject to the "Homes for Londoners" Draft Affordable Housing and Viability Supplementary Planning Guidance 2016.

## **5. London Housing Market Report**

- 5.1.** Current guidance states that market signals should be taken into account when considering assessed housing need:
- 5.2.** *The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.* Planning Policy Guidance (CLG, March 2014), Paragraph 19
- 5.3.** *A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections ... Plan makers should set this adjustment at a level that is reasonable.* Planning Policy Guidance (CLG, March 2014), Paragraph 20
- 5.4.** This section summarises the key trends in London's housing market, including prices, affordability, repossessions and new housing construction as produced by the GLA for their London datastore in March 2015.
- 5.5. Summary:**
- London's economy continues to grow, while the unemployment rate has levelled out at 6.3%.
  - Lending to first time buyers has fallen 8% in the last year.
  - Average London house prices grew by 7% in the last year, and now stand at £531,000.
  - Expectations of future house price growth have increased again in recent months.
  - The annual growth rate of average private sector rents in London increased to

4.2%, while rent levels are around twice the national average.

- The monthly costs of owner occupation remain relatively low for those who manage to buy.
- Mortgage arrears in the UK have risen slightly in the last three months, while mortgage possession orders have continued to fall – but landlord possession orders have risen.
- New housing orders have fallen, while both new starts and completions have risen sharply Experian data provided to the GLA showed that London’s economic output (measured as ‘Gross Value Added’) grew in real terms by 2.9% in the year to September 2015, down from 4.5% in the year to September 2014 but higher than the 2.3% growth in the rest of the UK. (Figure 3)

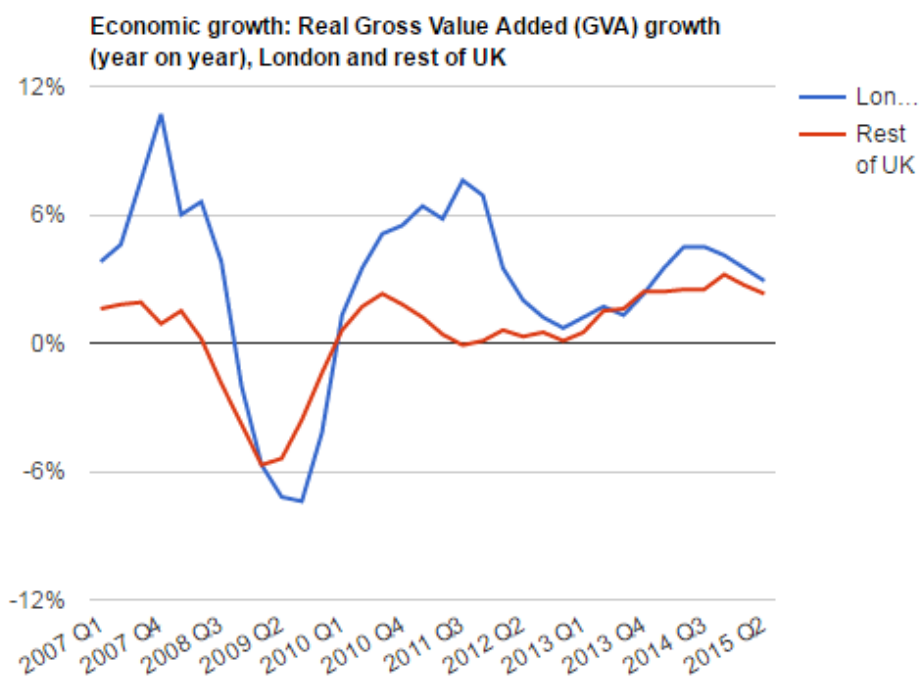


Figure 3: Source GLA London Datastore, Experian data

- 5.6. ONS/NOMIS labour market statistics show that after falling sharply in 2014 London’s unemployment rate has been relatively steady over the last year, standing at 6.3% in January 2016. The unemployment rate in England has also levelled out in recent months at 5.0%. (Figure 4)



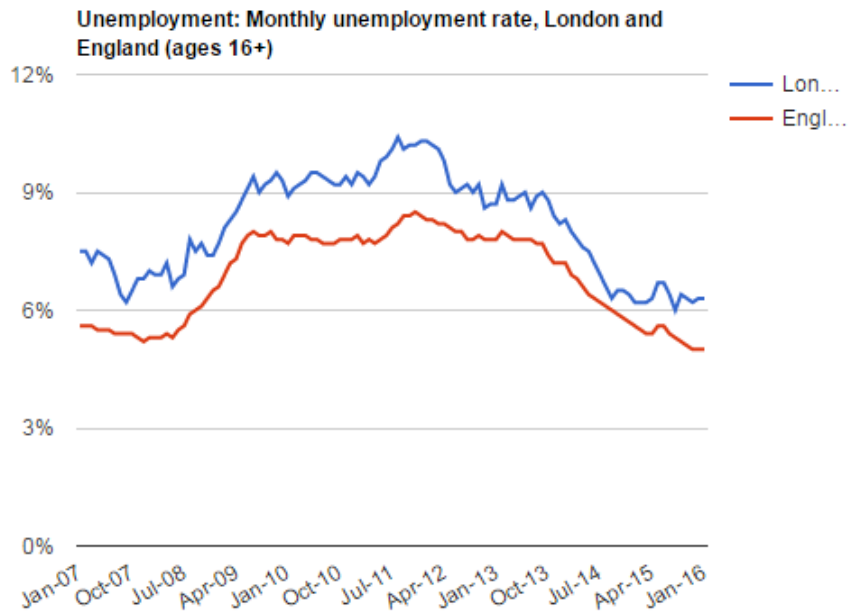


Figure 4: Source GLA London Datastore, ONS/NOMIS data

5.7. CML mortgage lending statistics show that 45,600 new mortgages were advanced to first time buyers in London in 2015, down 6% from the year before. The number of loans to home owners fell 3% in 2015, reaching 35,900. (Figure 5)

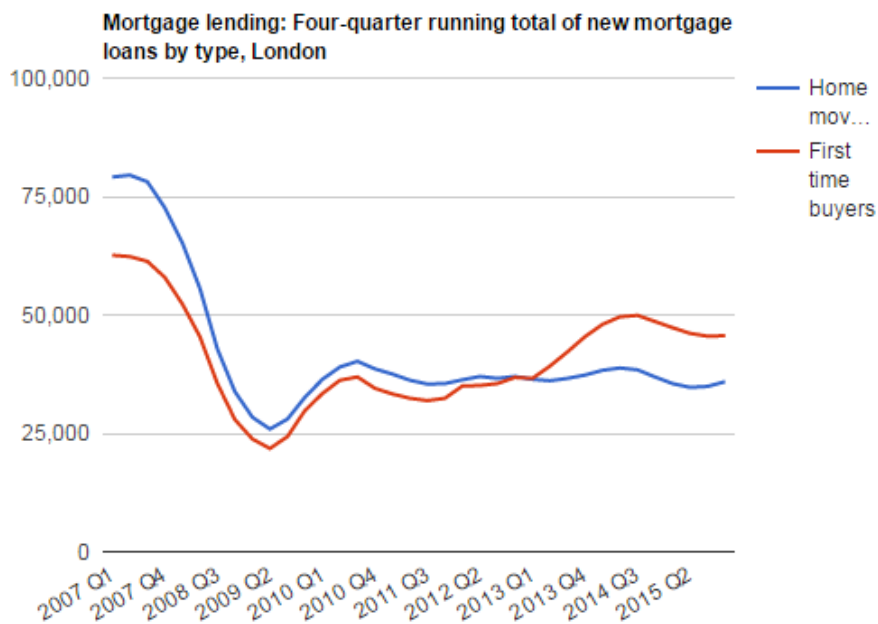


Figure 5: Source GLA London Datastore, CML Mortgage Lending Statistics

5.8. ONS House Price Index data shows that average house prices in London rose by 9.4% in 2015, down from a peak annualised growth rate of 20.1% in May 2014 but up from the recent low of 4.4% in April 2015. Average prices in England as a whole grew 7.3% in the last year. Prices are now growing at a fairly similar rate in London and its neighbouring East and South East regions. London's average house price in December 2015 was £536,000. (Figure 6)

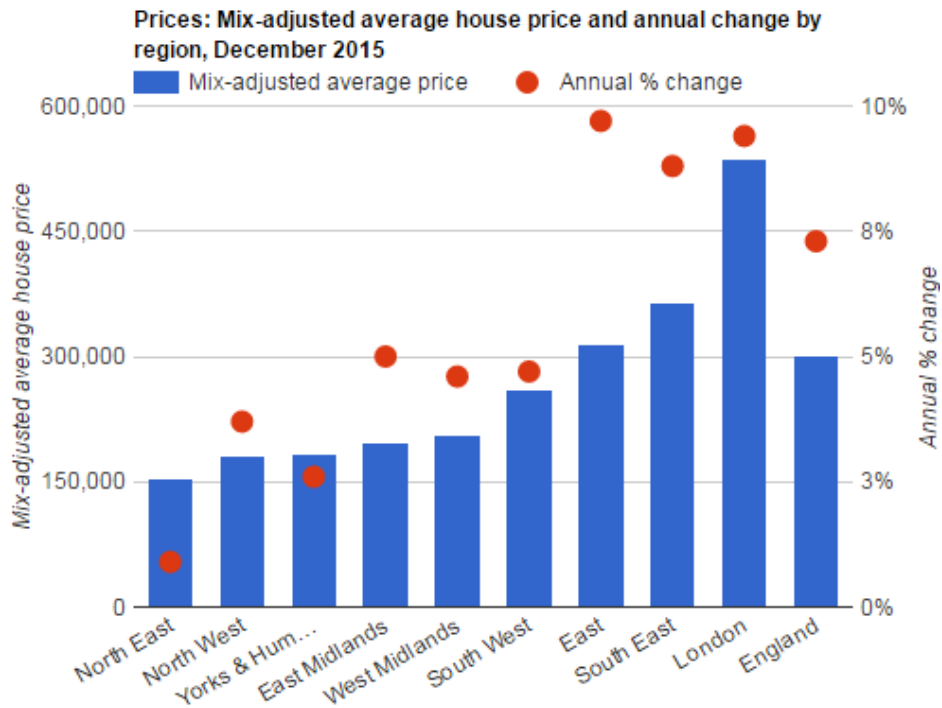


Figure 6: Source GLA London Datastore, ONS House Price Index Data

5.9. Combined data from the ONS House Price Index (seasonally adjusted by the GLA), Nationwide and Halifax showed a relatively consistent picture of quarterly growth in average London prices in the last quarter 2015. Halifax and Nationwide report that prices grew by 3.5% and 3.6% respectively in Q4, while ONS put the growth rate at 2.5%. (Figure 7)

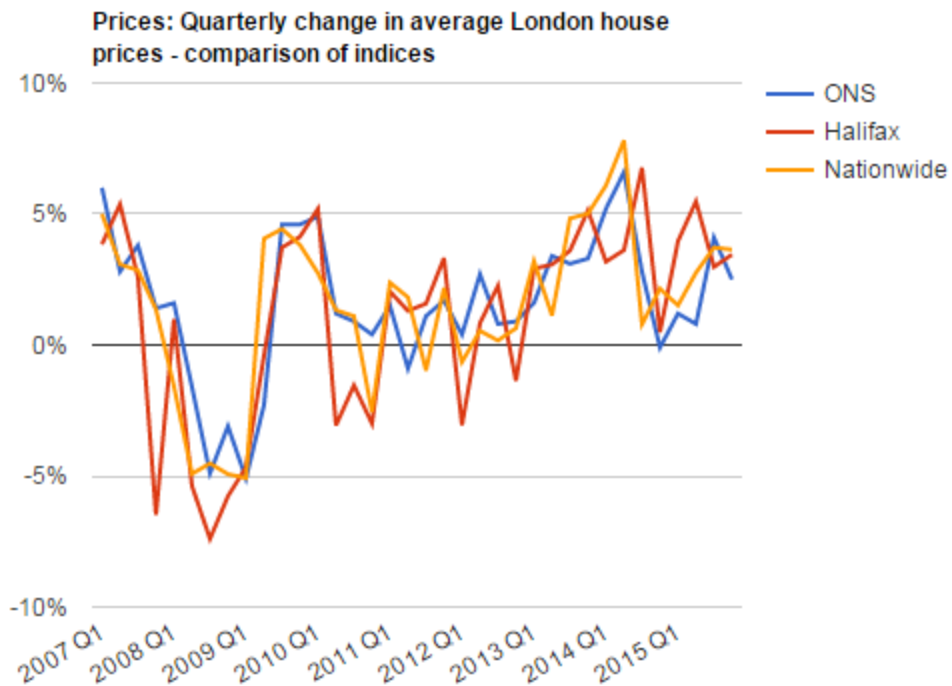


Figure 7: Source GLA London Datastore, ONS House Price Index, Nationwide and Halifax data

5.10. Knight Frank and Markit House Price Sentiment Index data showed that expectations of future house price growth increased in London in October and November 2015, but have been relatively steady at a high level over the last year. A value above 50 (in Figure 8) indicates that survey respondents (around 1,500 homeowners each month) on balance expect house prices to increase over the next 12 months.

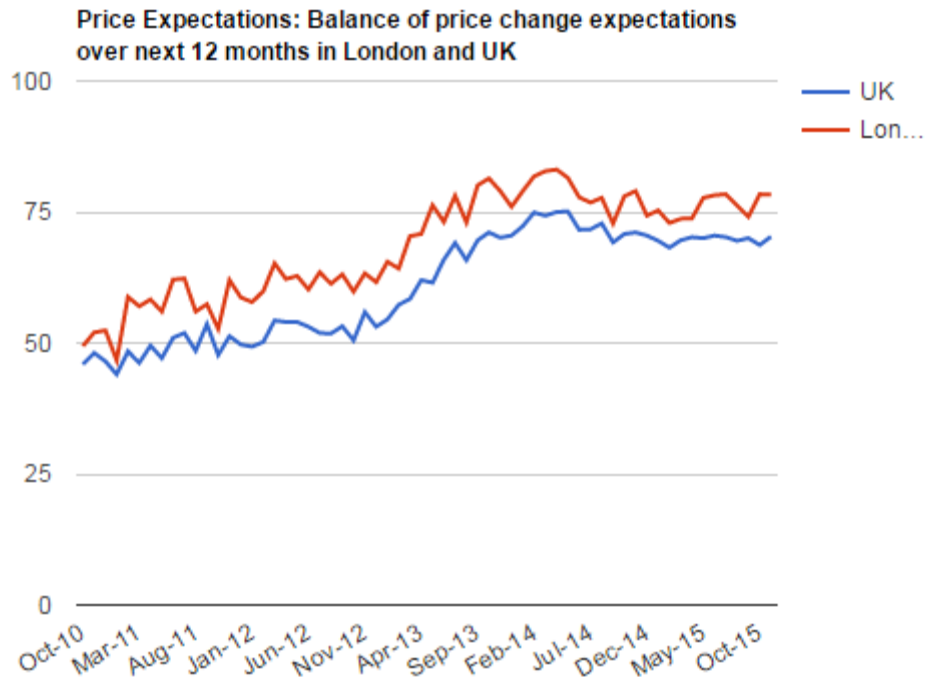


Figure 8: Source GLA London Datastore, Knight Frank/Markit House Price Sentiment Index data

5.11. The ONS index of private sector rents indicates that average rents grew by 4.1% in London in the year to September 2015, compared to 1.9% in the rest of England. With consumer price inflation running at -0.1%, London's rents grew by 4.2% in real terms, only slightly down from a record rate of 4.3% in the year to August. (Figure 9)

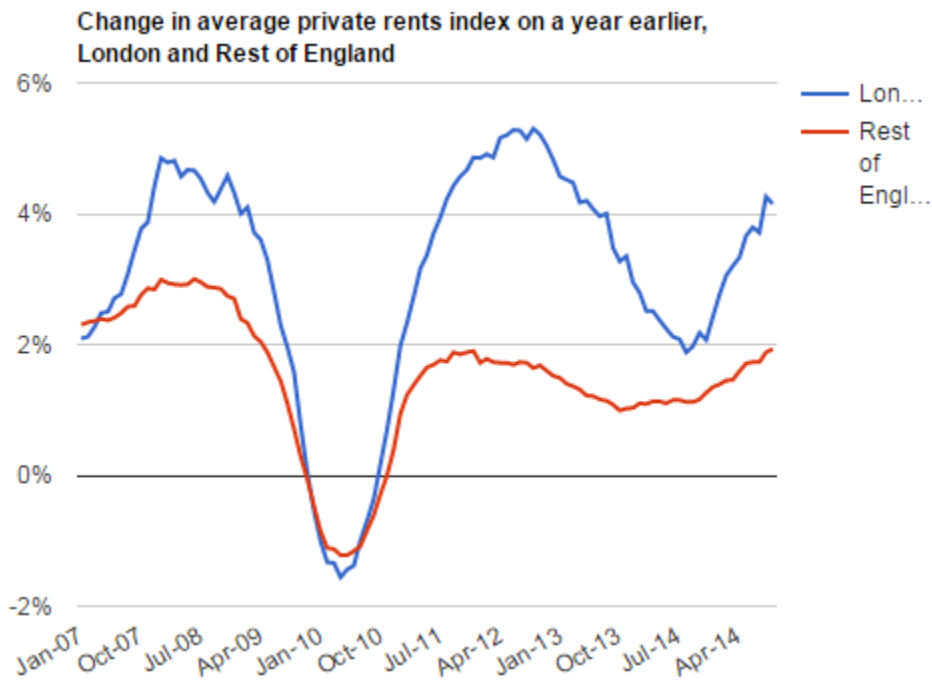


Figure 9: Source GLA London Datastore, ONS experimental index of private rents data

5.12. Statistics from the Valuation Office Agency show that average private sector rents in London are more than twice the national average for all property sizes. (Figure 10)

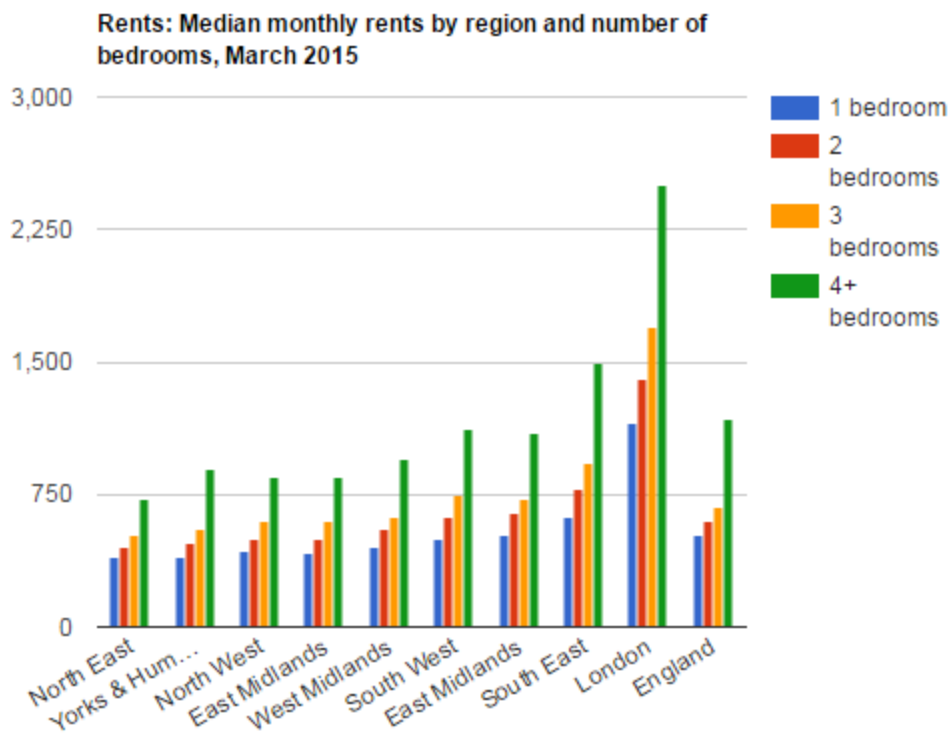


Figure 10: Source GLA London Datastore, Valuation Office Agency private rental market statistics data

5.13. According to CML mortgage lending statistics the median deposit requirement for first time buyers in London has remained steady at around 25% in 2015 after falling to 23% in late 2014. High deposit rates are a barrier to owner occupation but for those who already own

mortgage costs have fallen sharply in the last year, reaching an average of just 19% of income in Q3. (Figure 11)

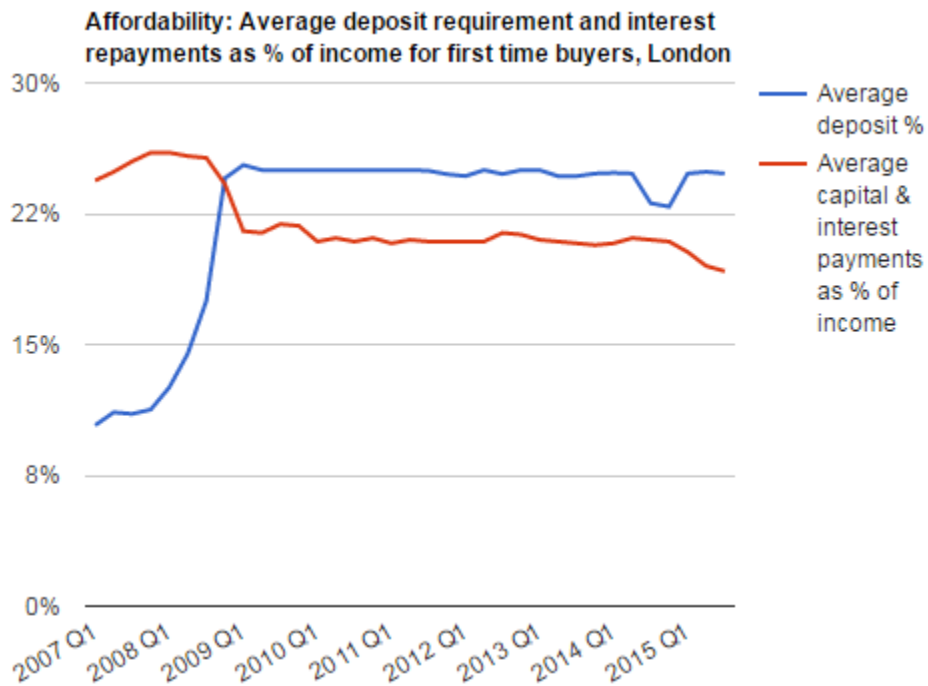


Figure 11: Source GLA London Datastore, CML Mortgage Lending Statistics data

5.14. FCA Mortgage lending statistics data showed that the proportion of mortgage accounts in the UK in possession or in arrears of more than 2.5% of total balance rose slightly to 1.15% in Q2 2015, up from 1.14% in Q2. The proportion of accounts in the deepest arrears (10% or more) remains relatively high at 0.34%. (Figure 12)

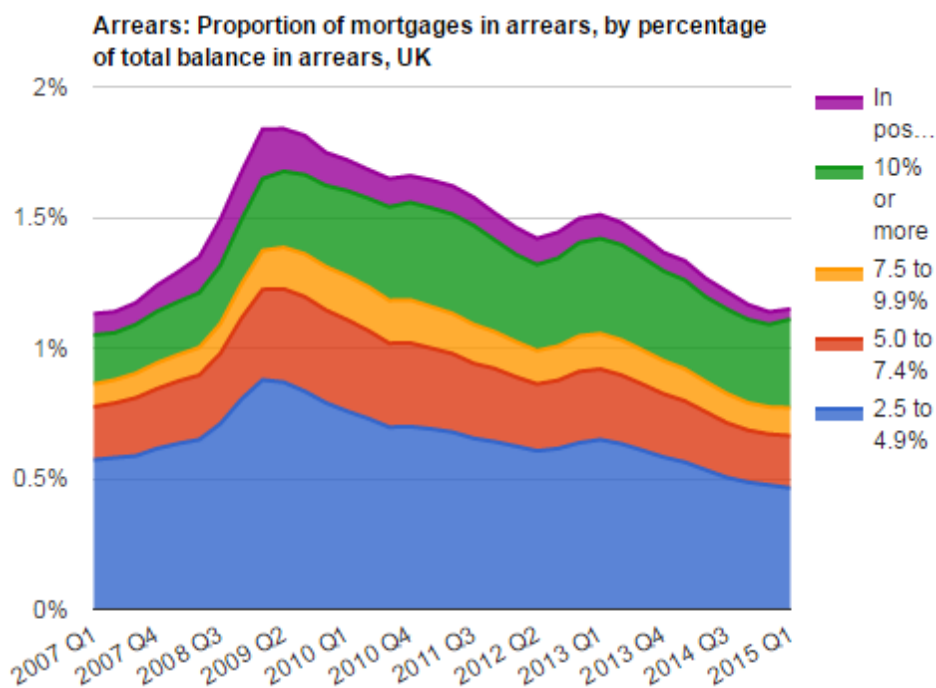
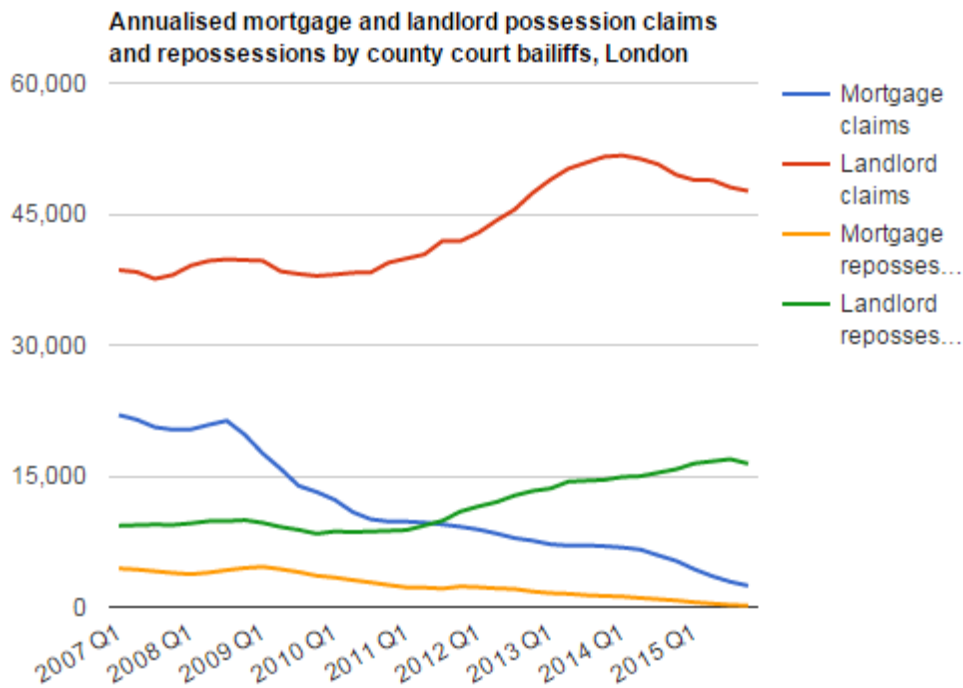


Figure 12: Source GLA London Datastore, FCA Mortgage Lending Statistics data

**5.15.** According to Ministry of Justice, Mortgage and landlord possession statistics 16,575 homes were repossessed by county court bailiffs in 2015 in London, 99% of which were rented properties repossessed by social or private landlords. 163 mortgaged homes in London were repossessed in 2015, down 78% from 2014 and the lowest figure on record, while 16,412 rented homes were repossessed from tenants, up 4%. There were also 2,433 claims for mortgage possession and 47,628 claims for landlord possession in the last year (both down from the previous year), but not all claims end in possession. (Figure 13)



**Figure 13:** Source GLA London Datastore, Ministry of Justice, Mortgage and landlord possession statistics data

**5.16.** ONS data shows that there was around £3.9bn in orders for new housing construction in London in 2015, down 13% from 2014. That total comprised approximately £3.6bn of orders for private housing and approximately £0.4bn for housing association and public housing. (Figure 14)

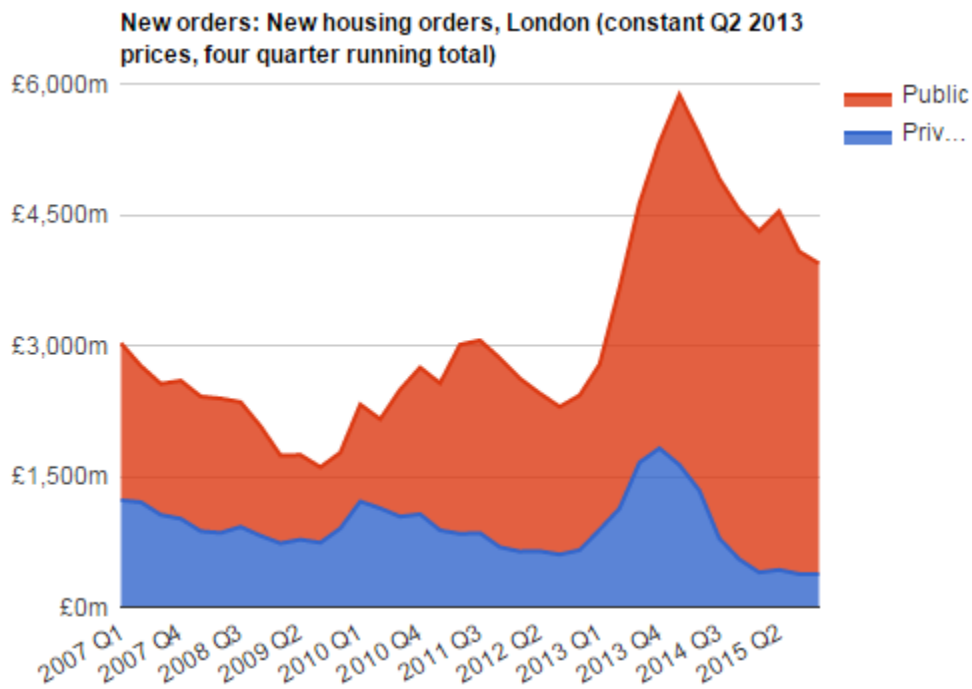


Figure 14: Source GLA London Datastore, ONS new orders in the construction industry statistics

5.17. DCLG Housing Live Table data showed that annualised new build housing starts in London rose to 24,230 in 2015, up 34% in the last year and their highest level since the early 1990s. (Figure 15)

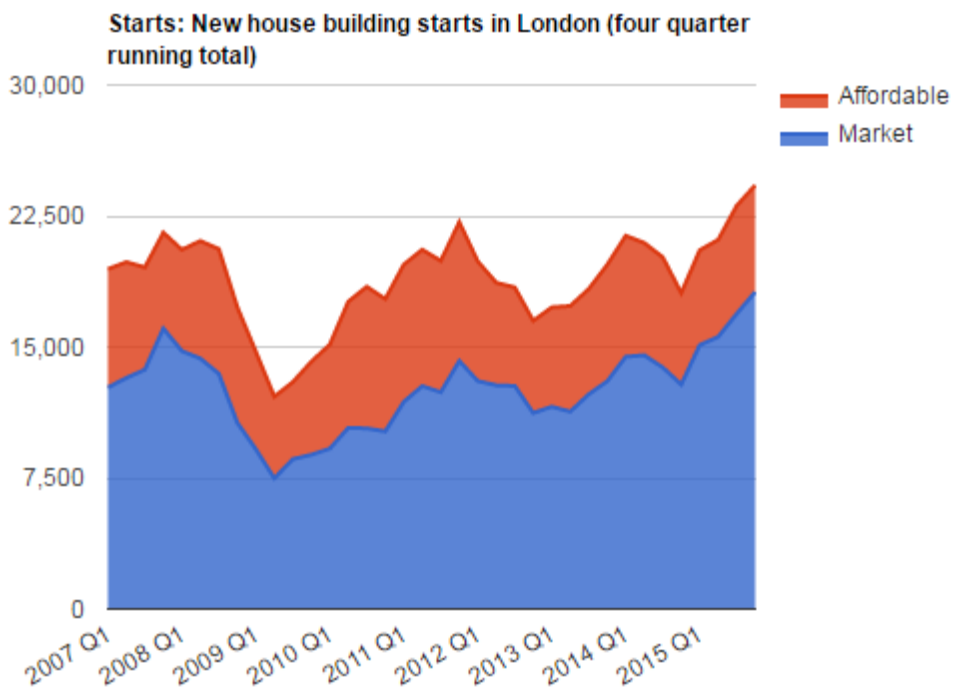


Figure 15: Source GLA London Datastore, DCLG Housing Live Table 253a

5.18. New completions have also risen 35% in the last year in London to reach 24,620 in 2015 according to DCLG data. (Figure 16)

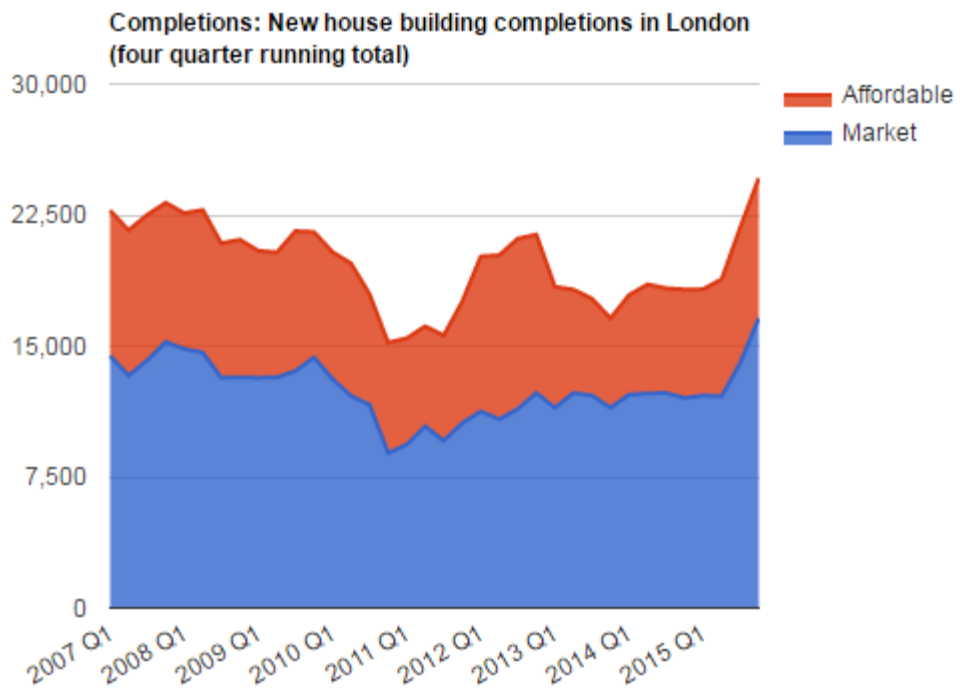


Figure 16: Source GLA London Datastore, DCLG Housing Live Table 253a



## 6. Socioeconomic analysis: London Borough of Merton

6.1. In this section the social and economic character of Merton is considered within the wider London context.

### 6.2. Population

6.3. Merton is an outer London borough situated to the south west of central London. The population of Outer London is forecast to grow by approximately 15% from 2016 to 2031 and Merton's population is expected to grow by approximately 13% during the same period (see Figure 17 and Figure 18).

Outer London	2016	2021	2026	2031
Short term projection	5,275,427	5,599,290	5,892,643	6,148,542
Long term projection	5,263,810	5,550,838	5,806,696	6,030,577

Figure 17: Source: GLA 2015 round population projections

Merton	2016	2021	2026	2031
Short term projection	207,888	218,913	228,707	236,841
Long term projection	207,868	218,059	226,837	234,243

Figure 18: Source: GLA 2015 round population projections

6.4. GLA trend projection results for migration in Merton show that net domestic migration is negative, indicating that numbers of people moving to the borough from other areas of the UK has been outnumbered by those leaving. International migration in the borough is projected to be positive in both short term and long term scenarios (Figure 19).

Merton	2041
Net Domestic (Total)	-2365
Net International (Total)	540
Net Domestic (Short Term Trend)	-1139.91
Net International (Short Term Trend)	496.45
Net Domestic (Long Term Trend)	-1796.15
Net International (Long Term Trend)	818.28

Figure 19: Source: GLA 2015 round population projections

6.5. Within Greater London inflows from abroad have outnumbered outflows between 2002 and 2014, likely a result of the enlargement of the European Union. Net domestic outmigration also fell during this period, possibly attributed to the effects of the financial crisis. Projections for Greater London are for an initial increase in net domestic migration followed by a sustained decline (Figure 20).

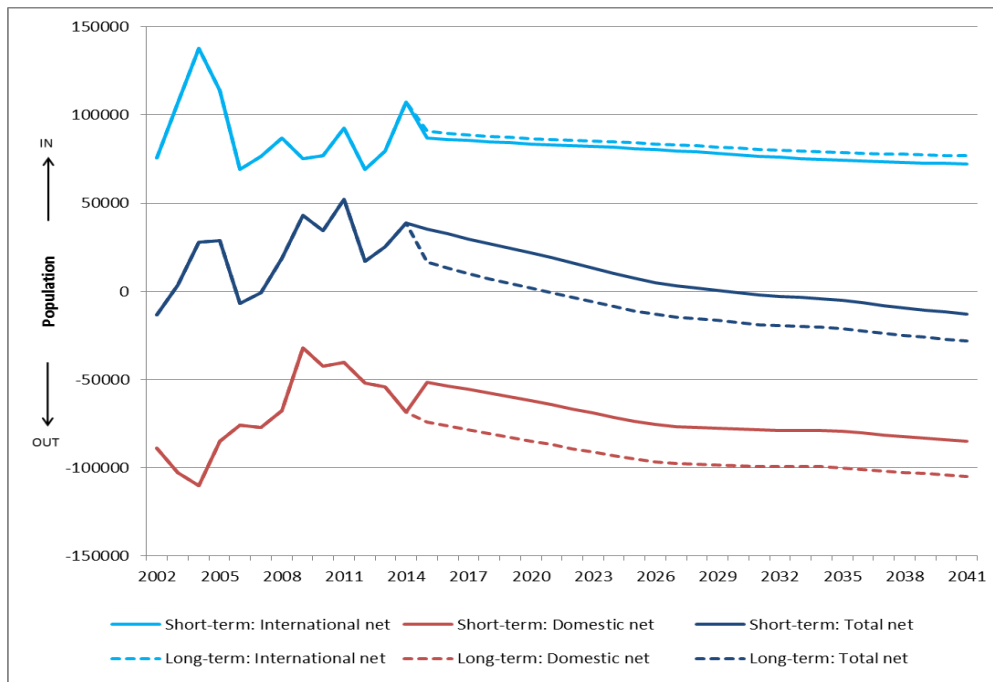


Figure 20: Source: ONS Mid-Year Estimates, GLA 2015 round population projections, GLA estimates

6.6. Within the borough of Merton Figure 21 shows the projected change in population per ward from 2011 to 2036.

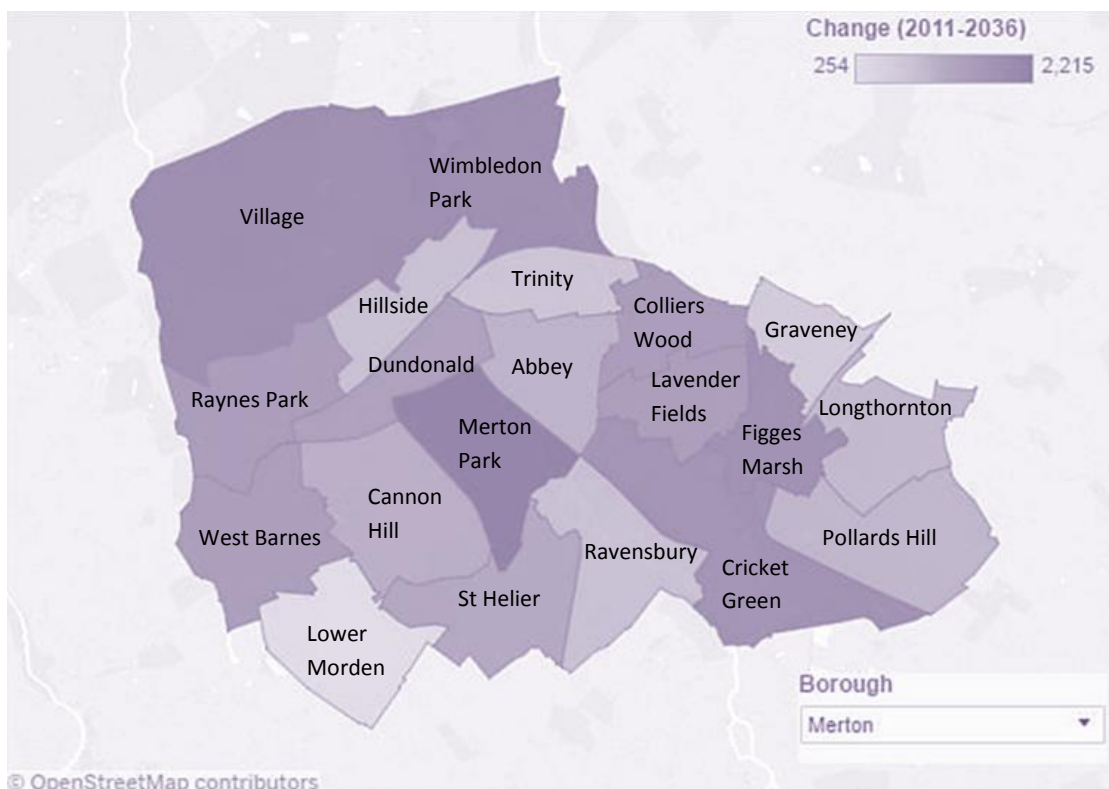


Figure 21: Projected population change by ward 2011 to 2036

## 6.7. Age profile

6.8. Similar to other local authorities in London, Merton has a younger population compared to England (Figure 22). For both male and females, Merton has a much higher proportion of children aged 0-4 years and adults aged 24-29 years compared to England. The number of children (0-19 years) is forecast to increase by 2,200 (4.4%) between 2014 and 2020. The number of people aged over 65 is also forecast to increase significantly over this period, rising by over 2,100 people (9.2%). Conversely, the number of young adults aged between 25 and 35 is forecast to decrease. These trends are significant in terms of service implications, in particular for education and social care, which are explored further in other chapters of the JSNA. These demographic shifts are similar to what is happening in London as a whole, except for the decrease in the 25-35 age group.

6.9. The forecast decrease in young adults aged 25 to 35 is reflected in the age dependency ratio (the ratio between the working age and non-working age populations) in the borough. We see a decrease in the proportion of the working age population from 69% in 2011 to 67.5% in 2014. This reflects not only the fall in the number of people aged between 25 and 35, but also the increase in the younger and older residents. The reason for the fall in the 25-35 age group is not clear. It could reflect people moving away from Merton to seek work or because of the increased cost of housing in the borough.

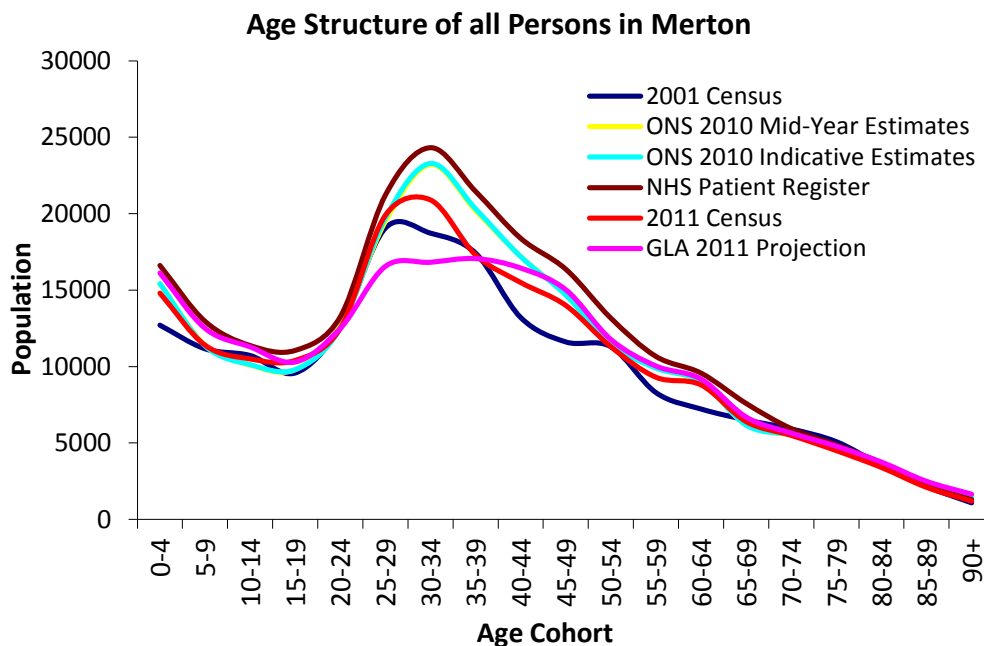


Figure 22: The age structure of all persons in Merton. Source: GLA London Datastore

## 6.10. Ethnicity

6.11. The 2011 Census recorded 234 countries of birth for residents in Merton. Excluding countries in the United Kingdom the top 10 countries of birth were Poland, Sri Lanka, South Africa, India, Pakistan, Ireland, Ghana, Jamaica, Germany and Australia.

**6.12.** The GLA population projection data for 2013 shows the Merton's BAME population to be 74,650 (36.8%) At Census 2011, the percentage for BAME groups was 35.1%. This was lower than the percentage for London (40.2%). Residents from a Black, Asian and minority ethnic background will increase to about 39% in 2017 from 35% in 2011.

**6.13. Health equality**

**6.14.** The east and south of the borough have higher levels of deprivation and poorer health outcomes than the rest of the borough. While residents of Merton enjoy overall high life expectancy, people in the more deprived areas live shorter lives. If people in east Merton had the same rate of deaths as west Merton in 2013, there would have been around 113 fewer deaths. Of these 113 deaths, 80 were in people under 75 years of age, considered to be premature deaths and often preventable.

**6.15.** Similar to life expectancy and income, Merton does well overall for other influences on health such as employment, education, skills and training, housing, environment and crime compared to London and England. The inequalities seen in life expectancy and deprivation are apparent across these other influences on health.

**6.16. Deprivation**

**6.17.** The 2015 Indices of Multiple Deprivation (IMD) show that Merton ranks as 'very low' in terms of overall social deprivation compared to other London boroughs, 7th least deprived out of the 33 London boroughs and ranked 212 out of 354 (where 1 is the most deprived) for the rest of England. This overall lack of deprivation does, however, hide stark inequalities in the borough between deprived wards in the east of the borough and the more affluent wards in the west (see Figure 4).

**6.18.** Deprivation is evident in the eastern wards of Figge's Marsh, Cricket Green, Lavender, Graveney and Ravensbury and to a lesser extent in the western wards of Trinity, Abbey and Hillside. Free school meals eligibility is rising in Merton schools (Merton average 2015, 15.7% – school census 2015).



Figure 23: Indices of deprivation by ward. Source: Open Data Communities 2016

6.19. Life expectancy for men ranges from 76.5 years in Ravensbury Ward in the more deprived east to 84.6 years in Wimbledon Village in the least deprived west, a gap of 8.1 years. The east of the borough has much higher levels of serious illness and early deaths from illnesses such as cancer and heart disease. Figure 24 shows the distribution of Lower Sub Output Area (LSOA) data for each ward. The top of the vertical line represents the highest IMD score (most deprived) for the ward and the bottom of the vertical line is the lowest IMD score (least deprived) for the ward; the shaded box represents the interquartile range (the IMD scores for the middle 50% of LSOAs in the ward); the short horizontal bar is the ward score. (Source: Open Data Communities).

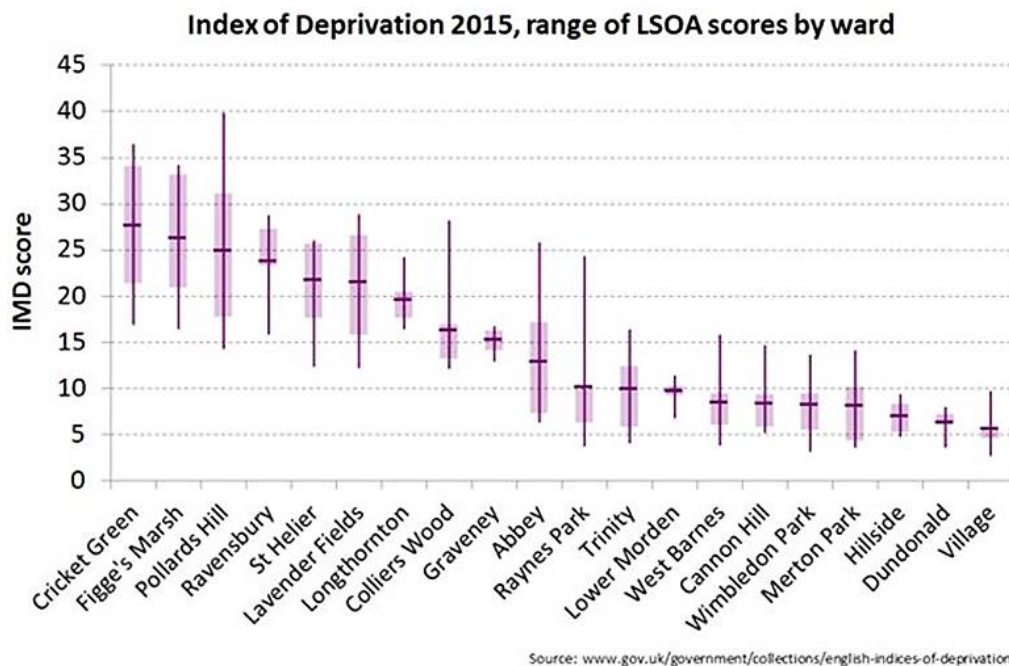


Figure 24: Index of deprivation by ward (<http://dclgapps.communities.gov.uk/imd/idmap.html>)

## 6.20. Income and pay

6.21. Gross weekly pay is a measure of the kind of work that people who live in Merton undertake, and is related to the deprivation of the borough overall. In general, wealthier areas attract residents who have higher paid jobs. In London, excluding the City of London, the median gross weekly pay for all fulltime workers varied from £789.80 in Kensington and Chelsea to £544.00 in Brent. The median gross weekly pay in Merton was 14th highest of the London boroughs (based on 32 boroughs, with the City of London excluded due to the small number of residents) at £535.50. Merton has fewer low paid residents than average for London (19% compared to 21%), but a much greater proportion of people doing low paid jobs (24% against 17% in London).

6.22. In general men were working in higher paid jobs than women, even when considering fulltime work. The range in median gross weekly pay for men varied from £854.90 (Kensington and Chelsea) to £550.70 (Newham). Median gross weekly pay for men in Merton was £547.20 (11th highest in London). For men, 79.9% in Merton were in employment, higher than in London overall at 76.5% and Great Britain (76.1%).

6.23. Median gross weekly pay for women varied from £678.70 (Richmond) to £501.60 (Barking and Dagenham). Median gross weekly pay for women in Merton was £518.30 (15th highest in London). In Merton, 68.4% of women aged 16-64 years were in employment, higher than in London overall (62.3%) but lower than in Great Britain (65.8%). Figure 25 shows the gross weekly pay for full time workers in Merton.

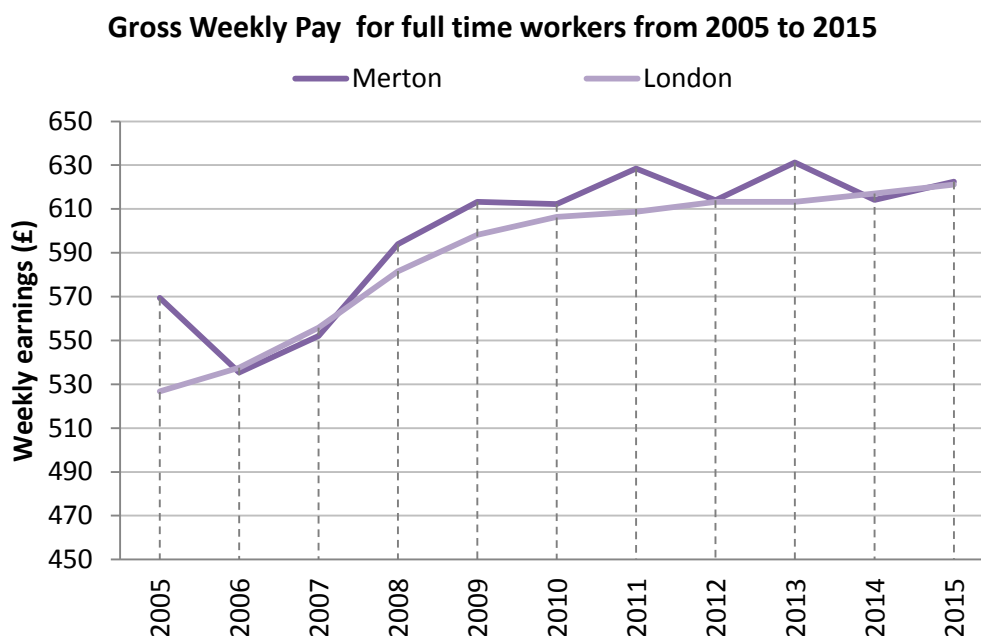


Figure 25: Gross weekly pay in Merton

6.24. The average median income for Merton is £31,938 (2014). When we compare house prices with average income, like most borough in London and the south east of England we can

see there is a large gap between income and housing affordability.

**6.25.** The GLA Pay-check 2011 dataset illustrates there are large disparities in the distribution of income within Merton. In general the west of the borough is more affluent especially Wimbledon Park, Village, and Hillside wards. These wards have a median income range of £41-£50k. By comparison many wards such as Figge’s Marsh, Pollards Hill, St. Helier, and Cricket Green have a median income range of £24k-28k.

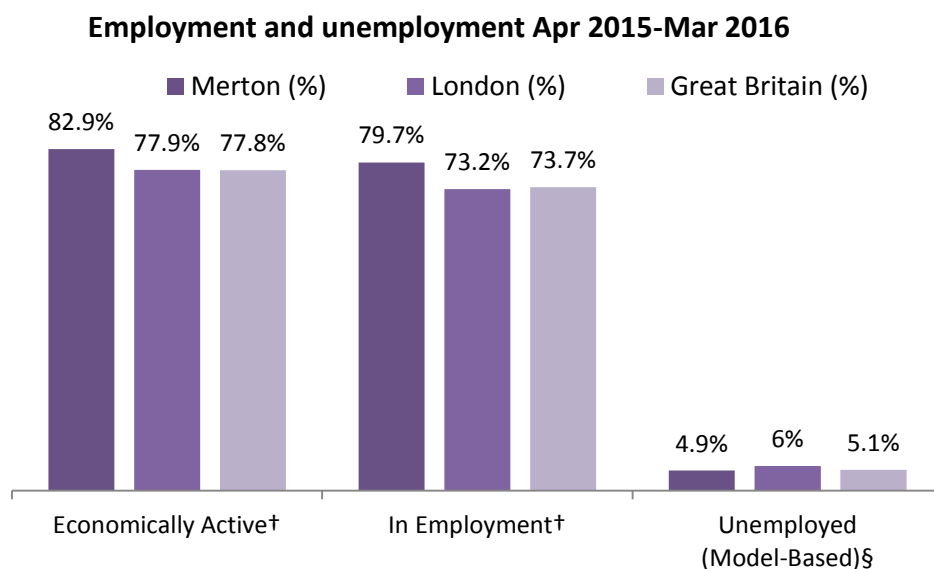
**6.26. Occupations and qualifications**

**6.27.** The occupations of those who are employed are broken down into four major categories: managers and professionals; administrative, secretarial and skilled trades; personal service, sales and customer service; and machine workers and elementary occupations.

**6.28.** The distribution of occupations in Merton was close to the London distribution (professional and managerial: 54.4% Merton, 55.4% London; administrative and trades: 17.8% Merton, 18% London; service and sales: 14.1% Merton, 14% London; machine workers and elementary: 12.7% Merton, 13.4% London)

**6.29. Out of Work Benefits**

**6.30.** Merton enjoys high levels of employment with over 80% of the borough’s residents of working age being economically active. Figure 26 shows employment and unemployment in Merton in the financial year 2015/16.



**Figure 26: Employment and unemployment in Merton 2015-2016**

**6.31.** Out of work benefit claims have fallen in recent years and are lower than average (6.7% compared to 9.3% in London). Meanwhile, the proportion of people claiming Housing Benefit in the private rented sector in the borough is average for London (28%) but this has

come about because of two contrasting trends with the proportion remaining stable in Merton over the last 5 years whilst it has been falling in London as a whole.

### 6.32. Tenure of households in Merton

6.33. The 2011 Census shows that there are 78,757 households within Merton with the following tenure split:

- Owner-occupied: 47,360 (60.1%)
- Social housing: 11,102 (14.1%)
- Renting Privately: 19,503 (24.8%)

Figure 27 shows the tenure split for households in Merton in 2014.

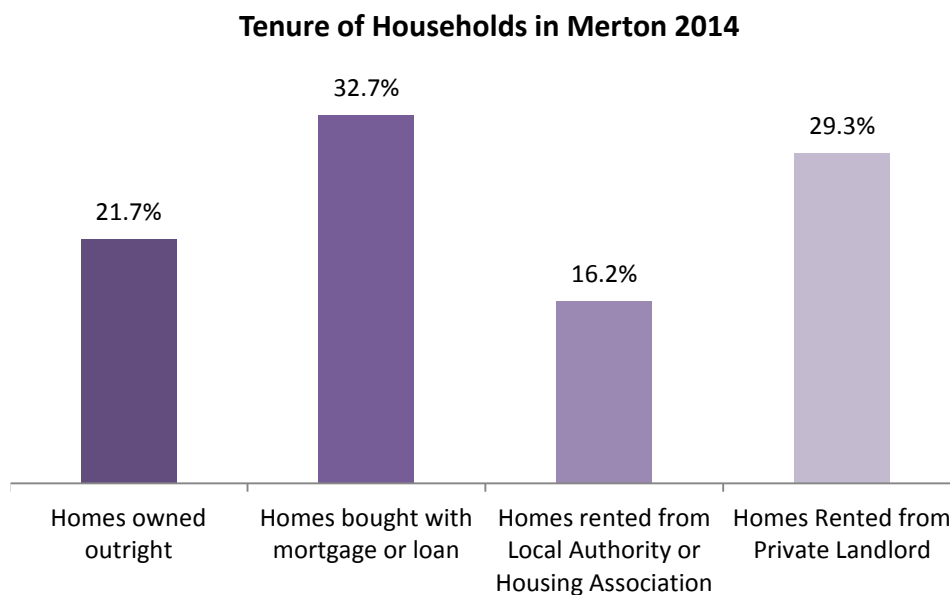


Figure 27: Source - GLA London Datastore 2014 <http://data.london.gov.uk/dataset/housing-tenure-households-borough>

### 6.34. Projected change in households in Merton

6.35. The number of households in Merton is projected to increase to 99,000 (15%) by 2021, an average annual household growth of 2.2%. This is ranked the fourth highest household growth in England<sup>1</sup> with much of the increase expected to be in single person households. Lone parent households are also set to increase by 9%. Merton's social housing stock is amongst the lowest in London at 14% of total stock. The London average is around 22% with social housing stock as high as over 59% in large boroughs such as Southwark. 58% of social housing and 63% of private rented homes are flats, compared with only 24% in the owner-occupied sector.

<sup>1</sup> National Statistics, Department for Communities and Local Government (2013). Household Interim Projections 2011 to 2021, England and its Local Authorities.



**6.36.** With projected increases in people aged over 65 years (an estimated 11% increase between 2011 and 2017),<sup>2</sup> one of the key concerns is the increase in older people living alone. This has implications for health and social care since 57% of the ‘fuel poor’ are aged 60 plus. Although the number of homeless households in Merton is amongst the lowest in London, homelessness is on the increase, with homelessness applications rising from 188 in 2010-11 to 279 in 2011-12 and the number of households accepted as statutory homeless increasing from 89 in 2010-11 to 101 in 2011-12.

**6.37.** The Council’s Housing Strategy recognises that housing is much more than a roof over our heads: it is a fundamental part of our lives and contributes to health, ability to work, children’s education, and overall wellbeing. There are common themes running through the strategy, particularly regarding homelessness:

- Responding to Social Housing Reform to meet needs
- Preventing and addressing homelessness
- Meeting the needs of vulnerable and minority groups
- Regenerating housing and shaping neighbourhoods

**6.38.** For many households, access to suitable affordable housing is difficult; the demand for social housing far exceeds supply. Rising house prices lead to difficulties in accessing home ownership, and the welfare reforms have created new challenges. The role of the private rented sector is increasingly important, and there is an increasing pressure for this sector to provide good quality housing for those unable to access social or affordable home ownership.

## **7. Housing needs: London Borough of Merton**

### **7.1. The need for different types of homes**

**7.2.** In the Sites and Policies Plan (2014) it research identified that in London and in Merton there is an overwhelming need in London and in Merton for all types and sizes of new homes, which must be balanced against the need for supporting infrastructure. Assessment of historical provision in the borough indicates a disproportionately greater delivery of smaller homes compared to larger homes: 84% of dwellings completed in the borough between April 2000 and March 2011 consisted of 1 or 2 bedroom units.

**7.3.** In assessing development proposals the council will take account of Merton’s Housing Strategy (2011-2015) borough level indicative proportions which are set out in Figure 28:

<b>Number of Bedrooms</b>	<b>Percentage of units</b>
One	33%
Two	32%
Three +	35%

**Figure 28: Source: London Borough of Merton’s Housing Strategy**

<sup>2</sup> SHLAA 2014

**7.4.** This mix is informed by a number of factors, including Merton’s Strategic Housing Market Assessment (SHMA 2010), deliverability, viability, affordability, land availability and data concerning waiting lists.

**7.5.** The borough level indicative proportions concerning housing mix will be applied having regard to relevant factors including individual site circumstances, site location, identified local needs, economics of provision such as financial viability and other planning contributions. Where a developer considers a site unsuitable to apply the borough level indicative housing mix set out above the developer will be responsible for demonstrating why this is the case.

**7.6. Projection for future average household size in Merton**

**7.7.** Figure 29 shows the projected changes in household size in Merton at five year intervals to 2032. It shows that there will be an increase in the number of private household population, but the average household size will decrease.

<b>Merton</b>	<b>2017</b>	<b>2022</b>	<b>2027</b>	<b>2032</b>
<b>Private Household Population</b>	207,785.51	216,942.52	224,649.12	231,197.58
<b>Households</b>	83,625.83	88,387.91	93,153.44	97,728.30
<b>Average Household Size</b>	2.49	2.45	2.41	2.37

**Figure 29: GLA households long term trend interim 2015 base for average household size in Merton**

**7.8.** Figure 30 shows the change in housing needs for the particular groups. Between 2017 and 2032 the greatest projected increase is for households with a couple and one or more other adults with no dependent children. This is closely followed by other households, then one couple with no dependent children. ‘Other households’ are defined as a multi person household that is neither a couple household nor a lone parent household. Examples include, lone parents with only non-dependent children, brothers and sisters and unrelated (and non-cohabiting) adults sharing a house or flat. This category does not include households with dependent children. The smallest increase is projected to be for households with three dependent children and one person female households.

Category	Total 2017	Total 2022	Total 2027	Total 2032	Total increase	% increase
A couple and one or more other adults: No dependent children	7733.39	8703.38	9723.65	10793.63	<b>3060.24</b>	<b>39.50%</b>
Other households	9168.65	10033.58	11010.78	12122.12	<b>2953.47</b>	<b>32.21%</b>
Households with one dependent child	12136.89	13247.57	13987.86	14317.82	<b>2180.93</b>	<b>17.97%</b>
One person households: Male	10679.96	11118.15	11779.92	12575.10	<b>1895.14</b>	<b>17.74%</b>
One family and no others: Couple: No dependent children	17096.59	17798.25	18632.57	19549.21	<b>2452.62</b>	<b>14.35%</b>
Households with two dependent children	10378.73	11035.65	11429.36	11544.72	<b>1166.00</b>	<b>11.23%</b>
Households with three dependent children	4453.05	4636.53	4726.31	4712.48	<b>259.43</b>	<b>5.83%</b>
One person households: Female	11978.58	11814.82	11862.99	12113.23	<b>134.65</b>	<b>1.12%</b>

Figure 30: GLA 2015-based household projections for Merton

## 7.9. House Price Dynamics in Merton

7.10. The housing market in Merton will be analysed in more detail later in this document. Figure 31 shows median house prices in Merton in 2014 and how they vary across the borough. The annual average house price in Merton rose 13.3% from £464,605 (July 2015) to £526,216 (July 2016).

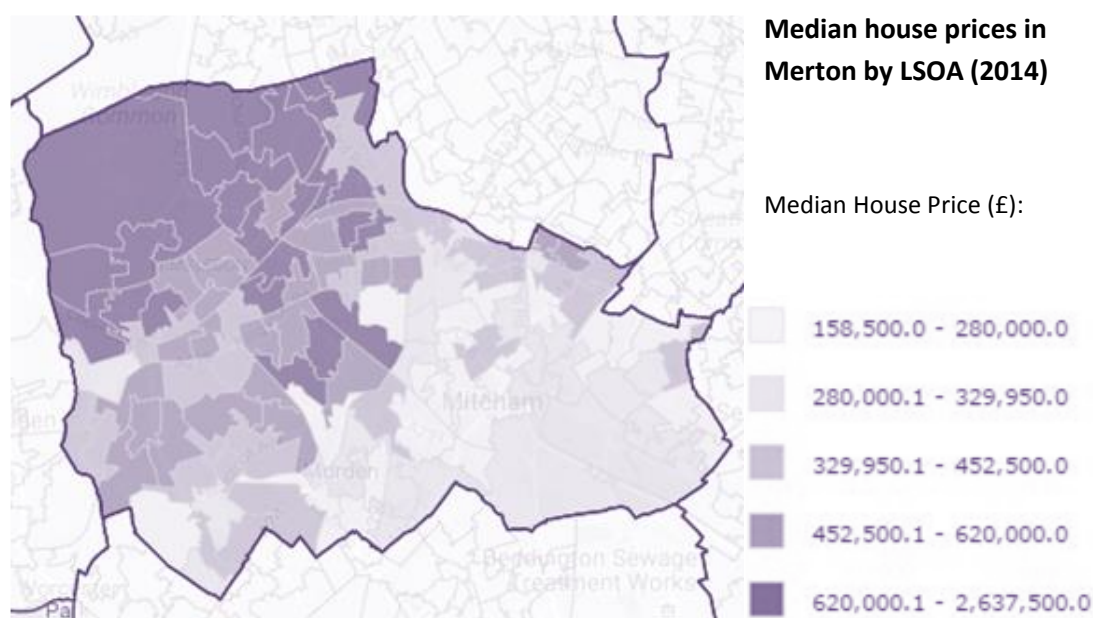


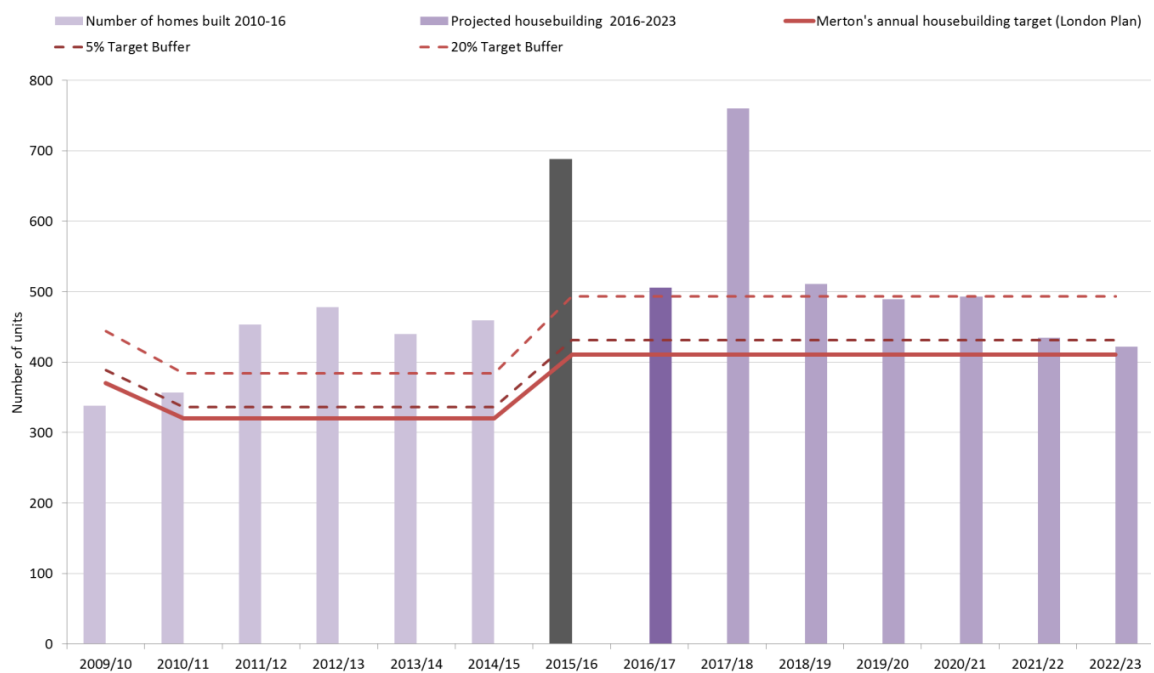
Figure 31: Source: Land registry 2016

## 7.11. Self-build and custom build

**7.12.** As at February 2017 there are 197 individuals registered on the self and custom build register for Merton Council. The vast majority (over 90%) are looking for an individual self-build. None of the entries have come from existing residents of the three estates. The council has discussed opportunities for self-build with the regeneration team at Clarion Housing Group. Once the needs of existing residents have been met and the development of all three estates is viable, there may be opportunities in late phases to consider self and custom build housing opportunities. However, since it is essential that the needs of existing residents are met first and that the three estates are viably regenerated, there are unlikely to be opportunities within this project for self and custom build.

**7.13. The supply of new housing in Merton**

**7.14.** As outlined in the Annual Monitoring Report 2015/16 for Merton, a robust housing supply has been identified for the next 15 years. The construction of new homes in the borough will continue to meet the current housebuilding target of 411 additional housing units per annum set by the Greater London Authority (GLA) through to 2023 (Figure 32). The housing target is expected to change later this year following a review of the targets in line with the findings of the GLA’s Strategic Housing Land Availability Assessment 2017. Figure 33 shows the distribution of planned new homes across the borough.



**Figure 32: Merton’s Housing Trajectory from 2009 to 2023**



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**Figure 33: Merton Housing Trajectory to 2031**

**7.15. Context of the Estates Regeneration in meeting the Objectively Assessed Need in Merton**

**7.16.** According to GLA 2015 based long term population projections, the projected housing need in the borough is for approximately 14,000 additional homes over the next 15 years (from 2017 to 2032). In order to meet this target approximately 1,000 new homes will need to be built in the borough each year. This is more than double the current housebuilding target set by the GLA. The average annual housebuilding in the borough over the last 15 years was 507 new homes. This does not include smaller schemes that we expect to come forward for planning permission during this period.

AMR Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>New Homes</b>	791	427	435	774	338	357	453	478	440	459	688
<b>GLA Target</b>	430	430	370	370	320	320	320	320	320	320	411

**Figure 34: Housebuilding in Merton over the last 15 years**

**7.17.** The projected housebuilding in the borough to 2030 is 7,570 homes, which is an average of

504 new homes per annum. According to the latest figures received from Clarion Housing Group the Estates will contribute a total of 1516 homes over the next 15 years (this is shown in Figure 35). Homes built as part of the estates regeneration account for approximately 40% of the projected housebuilding for that period.

Monitoring Year	Units Including Estates Regeneration	Units Excluding Estates Regeneration
2015-2016	688	688
2016-2017	506	506
2017-2018	780	760
2018-2019	700	578
2019-2020	708	556
2020-2021	655	493
2021-2022	617	435
2022-2023	594	422
2023-2024	591	430
2024-2025	326	200
2025-2026	340	214
2026-2027	328	206
2027-2028	277	156
2028-2029	258	228
2029-2030	193	173
<b>Total</b>	<b>7,561</b>	<b>6,045</b>

Figure 35: Projected housebuilding in Merton over the next 15 years including and excluding new homes proposed by the estates regeneration.

**7.18.** Given the rate of housebuilding in the borough over the past 15 years and the projected housebuilding over the next 15 years, it is unlikely that Merton will be able to provide the additional 1,000 homes per annum required to meet the projected increase in demand.

**7.19. London Borough of Merton Housing Market Report**

**7.20.** This section summarises the work done by Peter Brett Associates.

**7.21. The cost of housing**

**7.22.** An effective housing needs study is founded on a thorough understanding of local housing – what it costs and how this varies. This section describes the changes in the housing market that have been recorded in the Borough of Merton for context. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist.

**7.23. Borough-wide price trends**

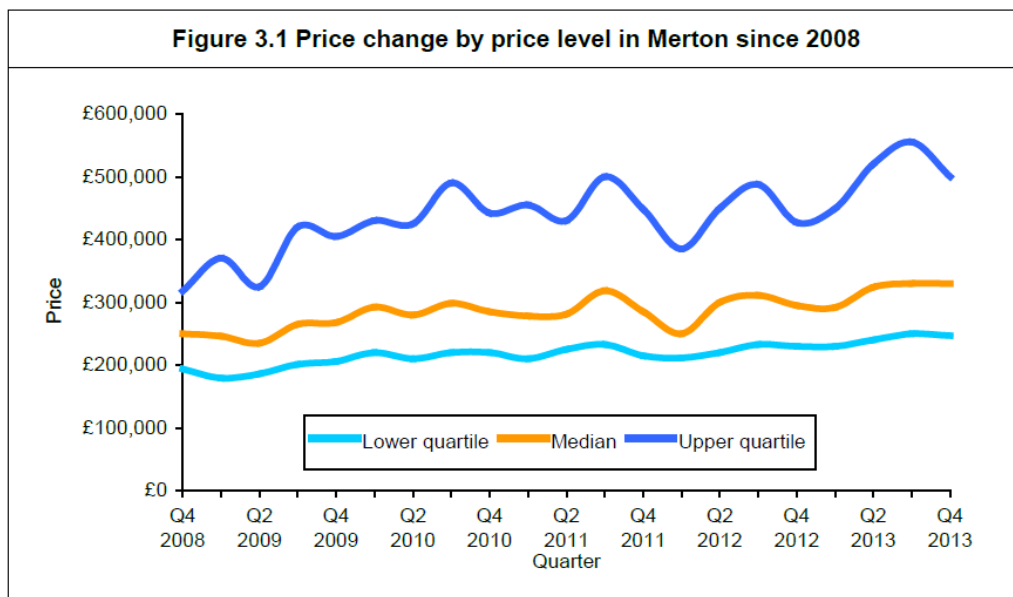
**7.24.** The most recent house price data available from the Department of Communities & Local

Government (DCLG) is from the fourth quarter of 2013. This is presented for Merton, Outer London, London and England as a whole in Figure 36. The prices recorded for the fourth quarter of 2008 are also presented and the change in mean price over the last five years is shown. The figure indicates that the average price of dwellings in Merton in Quarter 4 2013, at £331,253, was noticeably higher than the national average but slightly lower than the City-wide average. The figure shows that between 2008 and 2013 average prices have increased at a faster rate in Merton than they have nationally but at a slower rate than they have across the City. This is depicted in Figure 37.

<i>Location</i>	<i>Mean price Oct- Dec 2008</i>	<i>Mean price Oct- Dec 2013</i>	<i>Percentage change recorded 2008-2013</i>
Merton	£331,253	£447,636	35.1%
Outer London	£279,714	£363,816	30.1%
London	£342,790	£472,787	37.9%
England	£207,372	£251,935	21.5%

Source: Land Registry via CLG

Figure 36: Source - Peter Brett Associates



Source: Land Registry via CLG

Figure 37: Source - Peter Brett Associates

7.25. Figure 38 shows the indexed change in the number of property sales since the fourth quarter of 2008 for Merton, Outer London, London and England. The figure suggests that in Merton the pattern follows that recorded for England and London as a whole that, despite seasonal fluctuations, sales levels are notably higher now than they were in 2008. Overall in Merton sales level have increased by 124.9% between 2008 and 2013, compared to 126.5% in Outer London, 140.0% across London and a rise of 63.2% nationally.

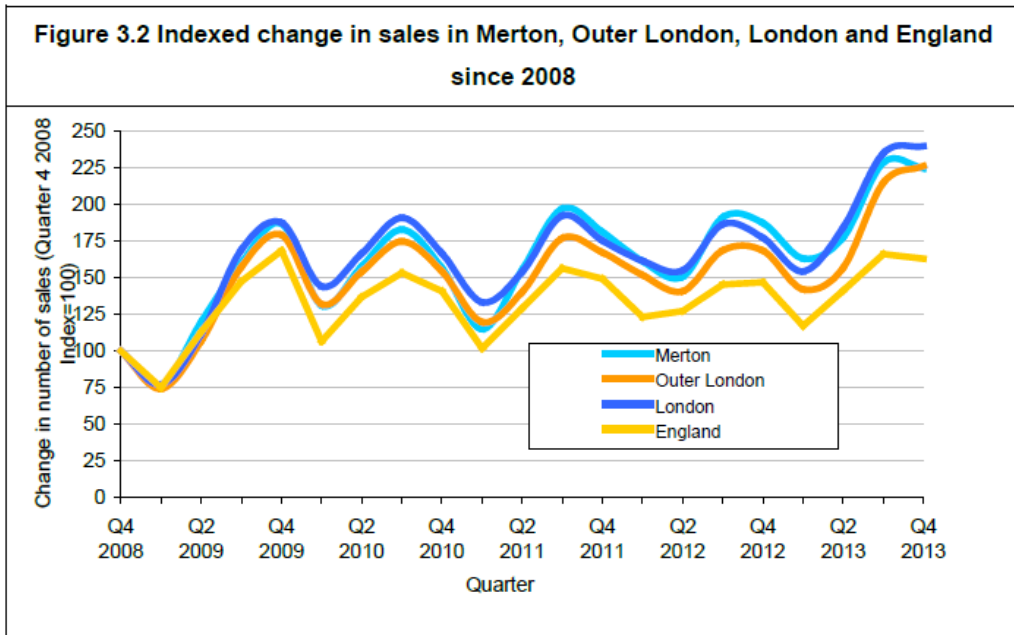


Figure 38: Source - Peter Brett Associates

7.26. It is useful to briefly review housing market activity over a longer period to consider the influences on property price changes. Figure 39 shows the variation in median prices and property sales levels since 2003 in Merton. The data suggests that property prices remained relatively stable over the last eight years despite property sales declining dramatically for part of that period (Summer 2007 to Summer 2009).

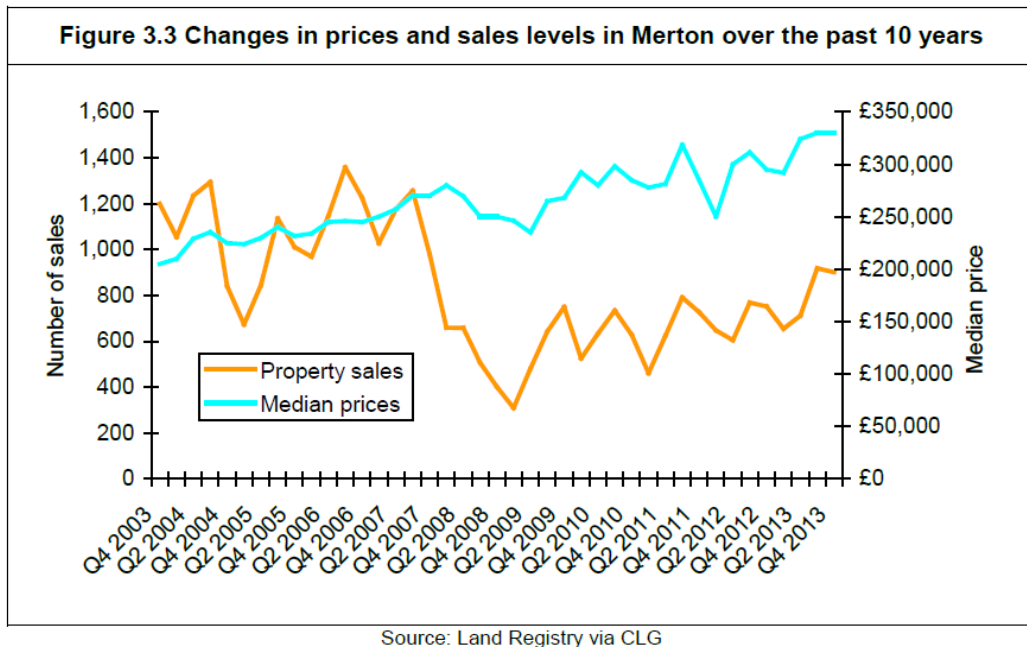


Figure 39: Source - Peter Brett Associates



## **8. Summary and implications for future housing need**

### **8.1. Summary of socioeconomic analysis**

- The population of Merton is forecast to grow by approximately 30% from between 2011 and 2014 (GLA 2015 round population projections).
- Merton has a younger population than the England average, in particular with a greater proportion of those aged 0 to 4 years old and 24 to 29 years old.
- The 2011 Census recorded 234 countries of birth for residents in Merton.
- The east and south of the borough have higher levels of deprivation and poorer health outcomes than the rest of the borough.
- The average median income for Merton is £31,938 (2014).

### **8.2. Summary of housing needs**

- There is a large gap between income and housing affordability.
- Merton enjoys high levels of employment with over 80% of the borough's residents of working age being economically active.
- Over 50% of homes in the borough are either owned outright or with a mortgage. 30% are privately rented and 16% are rented from a housing association.
- The number of households in Merton is projected to increase from 78,757 in 2011 to 99,000 in 2021 (15%).
- For many households, access to suitable affordable housing is difficult and the demand for social housing far exceeds supply.
- Merton's Housing Strategy gives indicative household size proportions required as 33% one bed, 32% two bed and 35% three bed.
- Average household size (GLA long term trend 2015) is project to increase from 2.49 in 2017 to 2.37 in 2032.
- The greatest increase in household type in Merton is projected to be a 40% increase in households with 'a couple and one or more other adults with no dependent children' between 2017 and 2032. This is followed by 'other households' for example multiple adults in a house share, which is project to increase by 32% during the same period.
- The annual average house price in Merton rose 13.3% from £464,605 to £526,216 between July 2015 and July 2016.
- There are 197 individuals registered with Merton Council's self-build and custom build register.
- A robust housing supply has been identified for the next 15 years, as set by the current housebuilding target set by the GLA.
- The average price of dwellings in Merton in Quarter 4 of 2013 was £331,253, which

was noticeably higher than the national average but slightly lower than the City-wide average.

- Despite seasonal fluctuations, house sales levels were notably higher in 2013 than 2008.
- Merton sales levels have increased by 124.9% between 2008 and 2013 compared to 126.5% in Outer London and 140% across London.

## 9. Spatial Dynamics of the estates and their immediate surroundings

9.1. This section summarises the work undertaken by Peter Brett Associates on each estate and compares it with Census data to give an idea of how it fits within trends in the local area. It is designed to give a sense of the housing need within a 500 metre radius area as well as the site itself to contextualise the evidence produced for Clarion Housing Group’s socio-economic analysis and housing needs studies. The socioeconomic context of the area is an indication of the potential housing need.

## 10. Socioeconomic analysis: Eastfields

### 10.1. Population

10.2. In the 2011 Census the reported resident population in the Eastfields site was around 975 people. In comparison with the 2001 Census the population on the site fell 3.4%, but in the rest of the borough of Merton the population increased by 6.3% during this period. Figure 40 illustrates the age composition of the population in Eastfields in the 2001 and 2011 Censuses. It shows an increase in people aged 15 to 29 and a fall in those aged under 15, and aged over 71. The number of residents of pensionable age (5.8%) in 2011 is lower than the average in Merton (11.6%). There are a proportionally greater number of children in the area, with 29.4% compared to the 21.7% living in the whole of the borough.

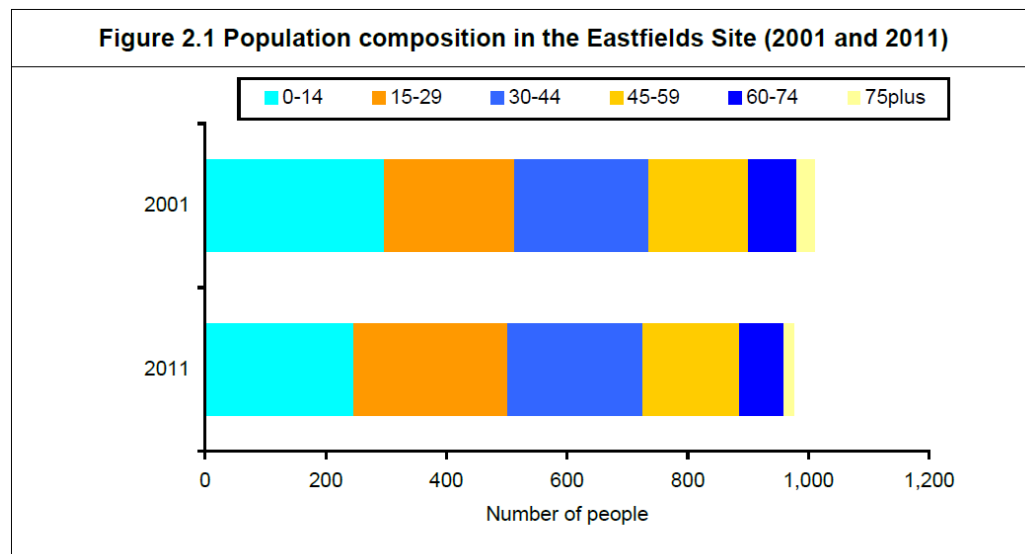


Figure 40: Source - Peter Brett Associates

10.3. Figure 41 shows that Eastfields has a greater proportion of children aged 0 to 4 years old than its immediate neighbours, but there are a similar number of children aged 5 to 14 years old on the site compared to the local area (Figure 42).



Figure 41: Percentage of residents aged 0 to 4 years old. Source: DataShine



Figure 42 Percentage of children aged 5 to 14 years old. Source: DataShine

**10.4.** Figure 43 shows the projected population change for Figge’s Marsh over the next 15 years. The population of Figge’s Marsh is projected to grow by 959,000 people between 2017 and 2032. The population of persons aged 0 to 9 years old is projected to fall over the next fifteen years, and the number of persons aged 30 to 39 years old is projected to only grow by 0.24%. By contrast the biggest population increase in the ward will be in the age groups of those aged 60 years old and over. This is shown in Figure 44.

<b>Figge’s Marsh ward</b>	<b>2017 population</b>	<b>2022 population</b>	<b>2027 population</b>	<b>2032 population</b>
<b>Population</b>	12,073	12,504	12,861	13,032
<b>Births</b>	243	240	241	239
<b>Deaths</b>	64	58	57	59
<b>Natural Change</b>	179	182	184	180
<b>Net Migration</b>	-95	-91	-135	-145
<b>Net Change</b>	84	91	48	35

Figure 43: GLA 2015 based ward population projections for Figge's Marsh ward

<b>Age group within Figge's Marsh Ward</b>	<b>2017 population</b>	<b>2032 population</b>	<b>Percentage difference</b>
<b>0-9 years old</b>	2,154	2,112	-1.95%
<b>10-19 years old</b>	1,354	1,575	16.32%
<b>20-29 years old</b>	1,847	1,973	6.82%
<b>30-39 years old</b>	2,121	2,126	0.24%
<b>40-49 years old</b>	1,679	1,763	5.00%
<b>50-59 years old</b>	1,352	1,434	6.07%
<b>60-69 years old</b>	863	1,084	25.61%
<b>70-79 years old</b>	476	665	39.71%
<b>80-90 years old</b>	196	259	37.76%

Figure 44: GLA 2015 based ward population projections for Figge's Marsh ward

## **10.5. Ethnicity**

**10.6.** The 2011 Census indicates that the Black and Minority Ethnic (BAME) population within Eastfields increased to 53.4% of the residents since 2001. This is notably higher than the rest of the borough where 35.1% of the total population is classified as BAME. Figure 45 shows the ethnic breakdown of Eastfields residents in 2011.

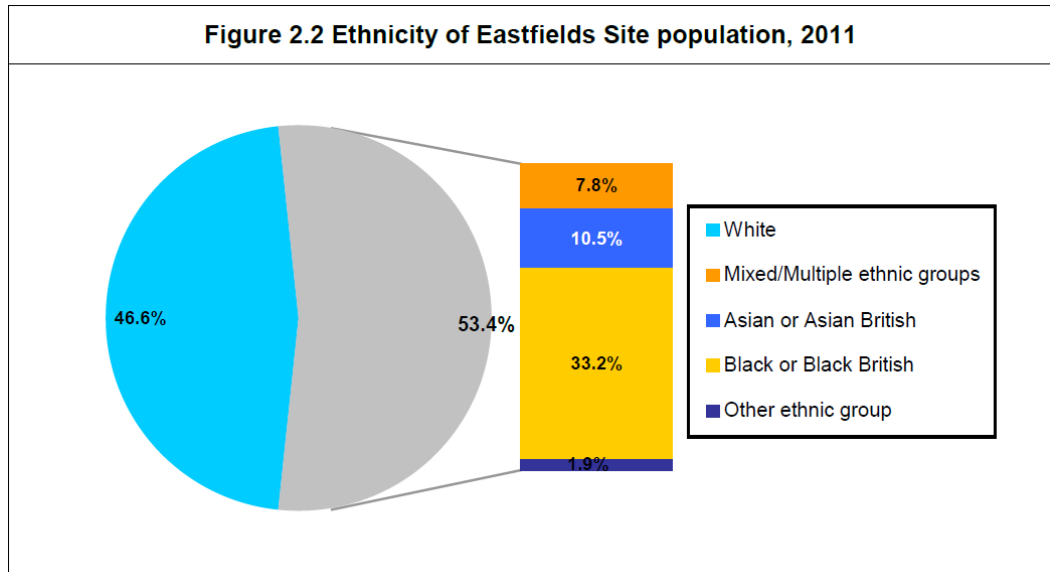


Figure 45: Source - Peter Brett Associates

**10.7. Length of residency in the UK**

**10.8.** In terms of length of residency in the UK the 2011 Census recorded that just 1.1% of Eastfields residents had lived in the UK for less than two years, which is lower than the Merton average of 2.6%. The majority of Eastfields residents have resided in the UK for over 5 years (95.5%) which is more than the 91% across the rest of the borough.

**10.9. Household composition**

**10.10.** Eastfields has a greater proportion of lone parent households compared to the rest of the borough. In the 2011 Census 22.1% of households on the estate were reported to be lone parent households compared to 12.2% across the rest of Merton. The proportion of lone parent households is also generally greater than in the immediate local area (Figure 46) and the number of households that are composed of cohabiting couples and married couples with dependent children is lower than in the immediate area (Figure 47 and Figure 48).



Figure 46: Household composition, Lone Parent. Source: Census data 2011 visualised by Datashine



Figure 47: Household composition, married couple with dependent children. Census data 2011, visualised by Datashine

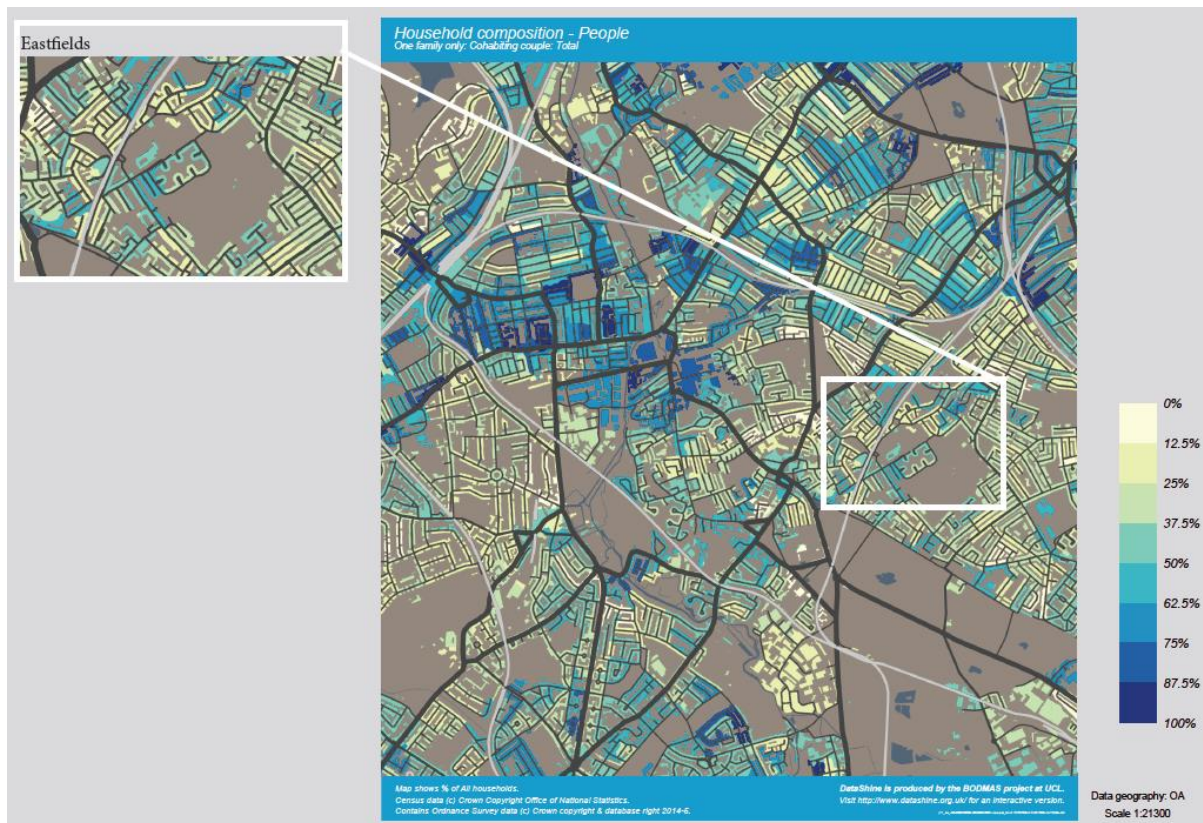


Figure 48: Household composition, cohabiting couple. Source Census data 2011, visualised by Datashine

### 10.11. Deprivation

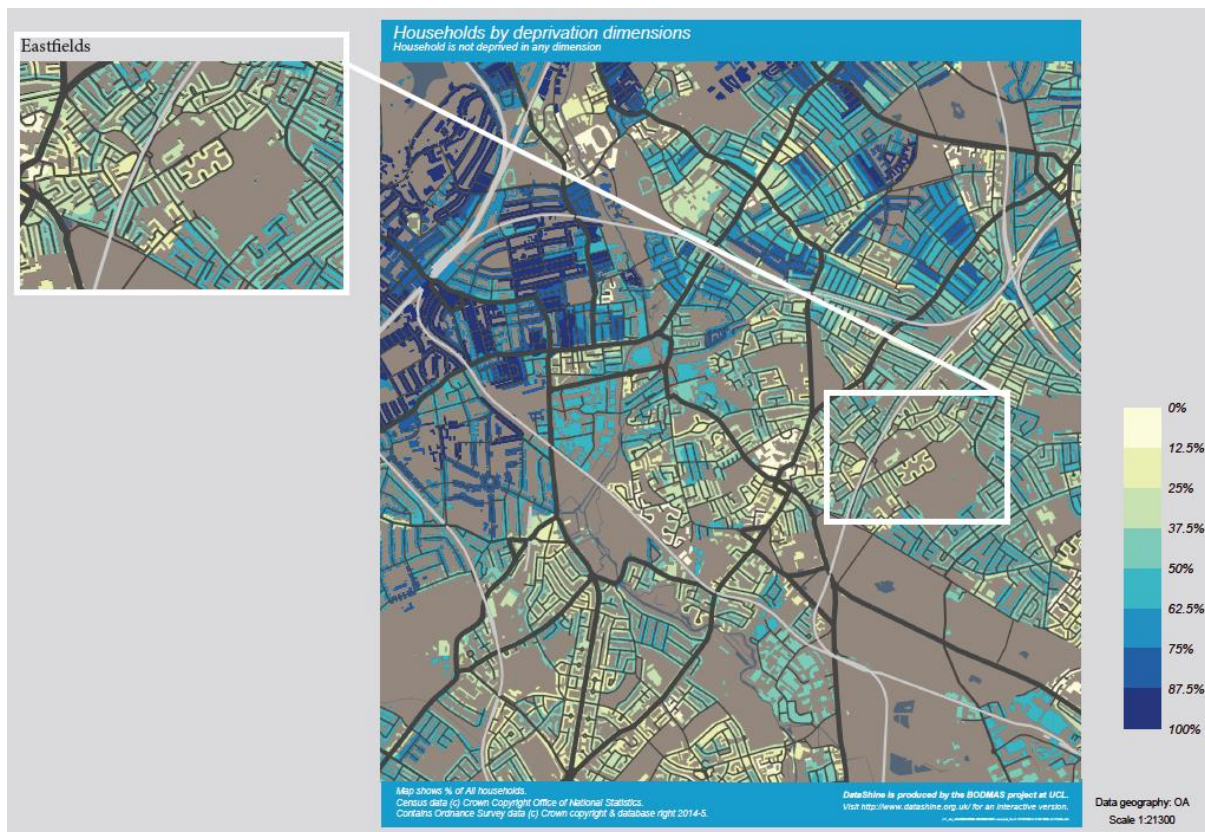
10.12. 2011 Census data shows that 14.8% of Eastfields residents consider themselves to have a long-term health condition or disability, which is slightly higher than the 12.6% of residents in the rest of the borough. CLG Indices of Multiple Deprivation (IMD) classify the London Borough of Merton as one of the least deprived boroughs in London and across the country. However there are stark differences between localities within the borough with the East of the borough generally more deprived than the West. At Lower Super Output Area (LSOA) the Eastfields area is one of the top 20% most deprived areas across all domains<sup>3</sup>, ranked 6,053 or the 32,482 LOSAs nationally.

10.13. Merton's health profile for Figge's Marsh ward shows 30% of children aged 0 to 15 years old live in income deprived households and 22% of people aged 60+ years old live in pension credit households. 35% of residents aged 65 and over live on their own, which is comparable to the average for Merton (33%) and London (35%). In terms of older people living with a long-term limiting disability, 29% reported that they were limited a lot, 26% limited a little and 45% not limited. For the 45% of residents aged 65 and over who reported that their day-to-day activities were not limited, this is slightly lower than the rest of Merton (49%) and London (47%). The source of this data is a combination of 2011 Census data, 2010 Local Health data and GLA 2013 population projections.

<sup>3</sup> The quality of the living environment; income; employment; health and disability; barriers to housing and services; crime; and education and training.



**10.14.** Figures 49 and 50 show how the Eastfields estate compares locally in terms of deprivation and health. Even though Eastfields residents are reported in the 2011 Census as being in an area of deprivation and not reporting very good health, there is not a great difference compared to surrounding neighbourhoods. Peter Brett Associates reported that overall only 24.5% of households in the Eastfields Site were classified as not deprived in any dimension compared to 46.5% of households across the Borough and 42.5% of households nationally. Whilst 33.6% of households in the Eastfields Site were deprived in one dimension some 41.9% of households were deprived in more than one dimension. This multi-dimension deprivation is much greater than that recorded across Merton (21.0%) and England as a whole (24.6%).



**Figure 49: Households not deprived in any dimension. Source Census data 2011, visualised by Datashine**



Figure 50: Residents reporting very good general health. Source: Census data 2011, visualised by DataShine

### 10.15. Qualifications

10.16. In the 2011 Census the number of people of working age in the Eastfields LSOA reporting no qualifications was 22.4%, which is far above the borough average of 6%. The area also has a high percentage of school leavers. Peter Brett Associates reported that on Eastfields only 25% of residents of working age hold a degree level qualification. This is well below the 50% average for the London Borough of Merton and Greater London, indicating that the local population has a low skills profile.

10.17. Figure 51 shows how the local area of Eastfields, which is situated in the East of the borough, has a low skills profile compared to the West of the borough (Wimbledon). In Figure 51 it shows that the estate itself has relatively fewer residents with level 4 qualifications or above compared to some of the surrounding streets.



Figure 51: Highest level of qualification, Level 4 and above. Source Census data 2011, visualised by Datashine

## 10.18. Income

10.19. Rates of economic activity in the London Borough of Merton are considered to be higher than Greater London and national averages. Peter Brett Associates reported that according to the Annual Population Survey (APS), in 2013 an estimated 81% of LBM's working age population were either in employment or seeking work, which is above the national average of around 77%. They also reported that OSCI estimates of economic activity in Eastfields were only 66% - which is significantly Lower than the average across the ward of Figge's Marsh of 74%. Figure 52 shows the economic activity of residents of working age on the Eastfields estate compared to Merton and the rest of England.

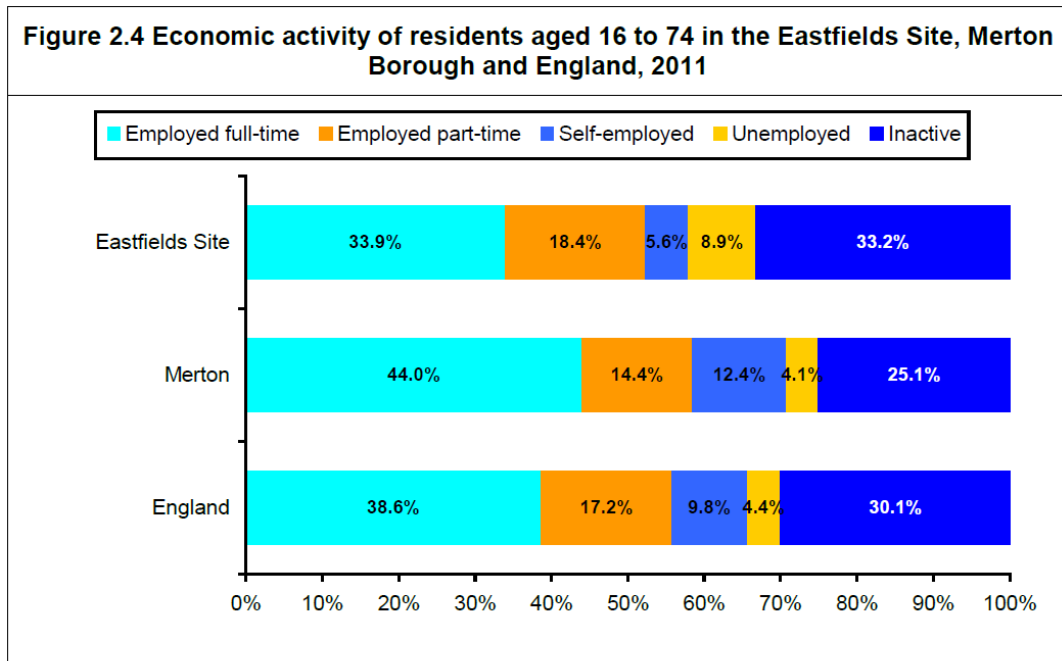


Figure 52: Source - Peter Brett Associates

**10.20.** Peter Brett Associates reported that CACI Paycheck estimates that mean gross annual household income in the Eastfields Site is £25,847, which is 39.7% below the London equivalent (£42,878). The median household income is noticeably lower at £20,303 (compared to £34,739 across London). The lower quartile figure is £11,706 (£18,613 for London). The CACI data also indicates that there is a significant range of incomes, with 49.4% of households having an income of less than £20,000, and 6.2% of households having an income in excess of £60,000. There are more low income households and fewer high income households than across London as a whole. Net weekly household income (after housing expenses) on Eastfields is estimated at around £400. This is well below the national average of about £423.

**10.21. Transport and Accessibility**

**10.22.** Eastfields sits within a wider area which has a predominantly residential street network, to the east of Mitcham Town Centre. The railway line, school grounds and cemetery land create physical barriers in the wider area which restricts accessibility by any means into the estate.

**10.23.** Eastfields is approximately 400m or a 3-4 minute walk to the Mitcham Eastfields station, which opened in 2008 providing direct rail services to central London and into Surrey. It is also served by buses along Tamworth Lane, Grove Road and Woodstock Way. Bus services are limited, with only two routes (463 and 152) serving the railway station. Although accessibility has been significantly improved with the opening of the station, the isolated location of the Eastfields area, the limited number of trains stopping and the limited number of bus routes mean that the Public Transport Accessibility Level (PTAL) rating of '2' (or 'Poor'). PTALs are a theoretical measure of the accessibility of a given point to the

public transport network, taking into account walk access time and service availability. Eastfields is however located near to areas with good (3/4) and very good (5) PTAL ratings. A map of PTAL ratings for the local area is shown in Figure 53.

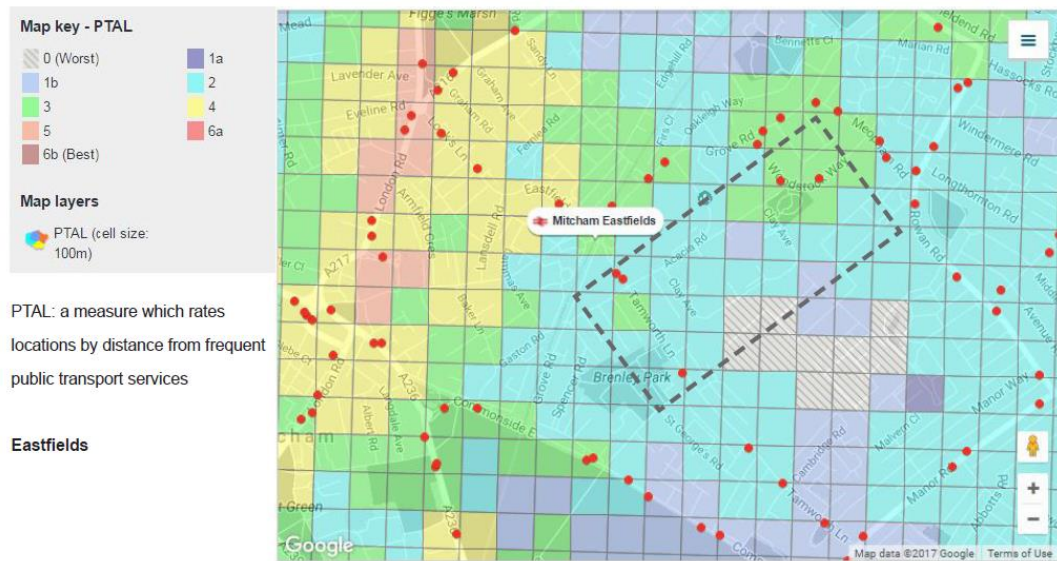


Figure 53: PTAL rating for Eastfields. Source: Transport for London

#### 10.24. Travel to work

10.25. Census data on methods of transport used to travel to work depicted in Figures 54 and 55 shows that Eastfields has a low percentage of travel by tram and rail compared to surrounding areas. The strongest focus of commuter transport is on the Northern Line and Wimbledon Overground lines in areas west of Eastfields. Areas to the north and northeast of Eastfields are heavy users of the train stations in Streatham. In Mitcham town centre there is a strong reliance on buses for travelling to work, and these seem the most preferable use of transport for some living in Eastfields. However, there is not much data available for Eastfields, perhaps because of the relatively high levels of unemployment on the estate (for reference, see the following section on unemployment).



Figure 54: Method of travel to work by underground, metro, light rail and tram. Source: Census data 2011, visualised by Datashine

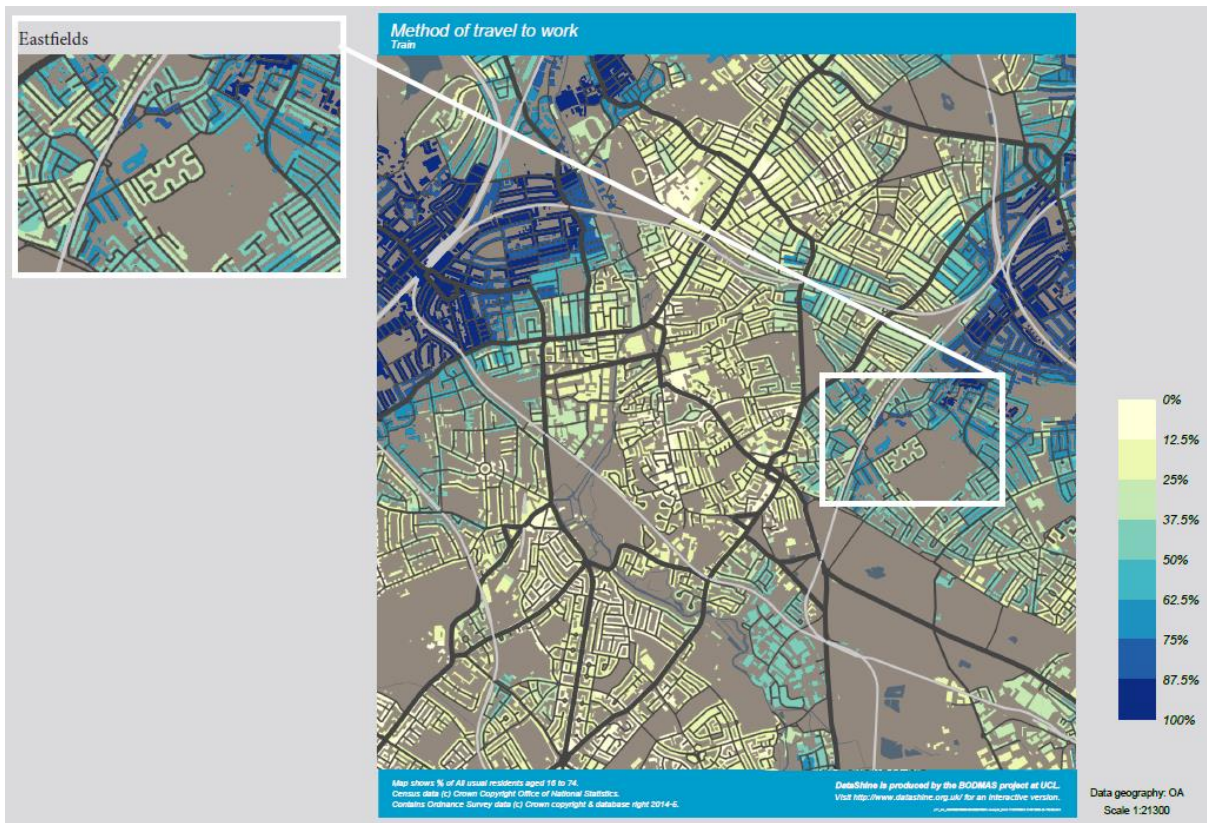


Figure 55: Method of travel to work by train. Source: Census data 2011, visualised by Datashine

**10.26.** Figure 56 shows commuting data from the 2011 Census by Middle Super Output Area (MSOA) originating from Eastfields. The data includes all journeys recorded to other boroughs where 6 or more journeys are made. The population of the Eastfields MSOA commutes to 19 other boroughs, which is far greater than the number of people from other boroughs commuting to the Eastfields area. The commuting data for people arriving in Eastfields' MSOA is for 158 people from neighbouring wards in Merton and one in Streatham (see Figure 57).

<b>Destination of commuters from Middle Super Output Area of Eastfields (Merton 014)</b>	<b>Total Commuters</b>
Merton	570
No Fixed place of work	414
Wandsworth	368
Mainly work at/from home	247
Westminster	218
Lambeth	200
Croydon	171
Sutton	133
City of London	94
Southwark	74
Camden	61
Work within same MSOA	53
Kensington and Chelsea	50
Kingston upon Thames	45
Islington	25
Hammersmith and Fulham	20
Tower Hamlets	16
Hackney	11
Surrey Heath	9
Waltham Forest	9
Hillingdon	8
Epsom and Ewell	8
Richmond upon Thames	6

**Figure 56: Travel to work destinations from the MSOA of Eastfields. Source: Census data 2011**

<b>Origin of commuters to Middle Super Output Area of Eastfields (Merton 014)</b>	<b>Total Commuters</b>
Within the same MSOA	53
Lambeth	34
Merton	71
Croydon	0

**Figure 57: Travel to work origins to the MSOA of Eastfields. Source: Census data 2011**

## 10.27. Unemployment

10.28. Levels of unemployment in the London Borough of Merton are relatively low at just 7% of the resident population (NOMIS figures) compared to the national average of 10%. The figure for the LOSA of Eastfields residents that are economically active and are unemployed is just over 8%. Figure 58 shows the percentage of residents that are economically active in the area. It can be seen that Eastfields has a higher proportion of residents who are not economically active compared to neighbouring streets, with the exception of Mitcham town centre to the east, which also has a high proportion of residents who are not economically active.

10.29. In terms of youth unemployment Figure 59, produced by Peter Brett Associates, shows that youth unemployment (proportion of people aged 19-24 years old that are claiming Job Seekers Allowance, expressed as a percentage of all 18-24 year olds) is relatively high. They estimated that 7% of the youth on Eastfields are unemployed, compared to just under 4% of 18-24 year olds nationally. Relatively high levels of youth unemployment are also apparent in neighbouring areas.



Figure 58: Total economically active residents. Source: Census data 2011, visualised by Datashine



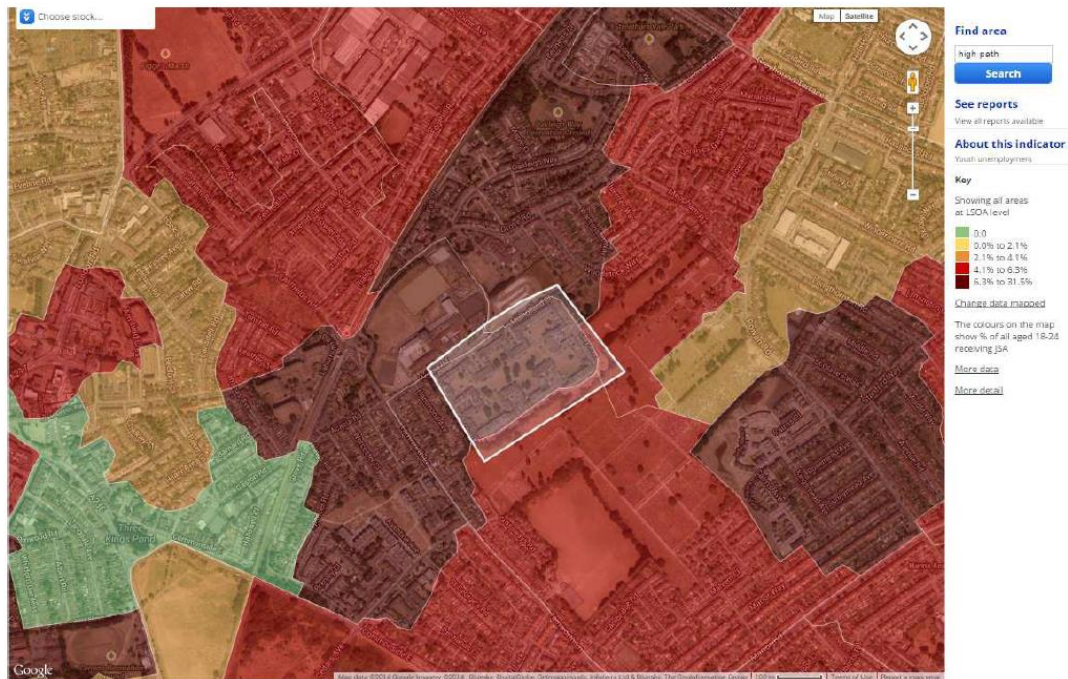


Figure 59: Youth unemployment in and around Eastfields. Source: OSCI Community Insight, 2014

### 10.30. Other Benefits

10.31. According to data produced by the Department of Work and Pensions the London Borough of Merton has one of the lowest rates of income support claimants. Merton also has relatively low numbers of children living in out-of-work families (only 16% of children, compared to a Greater London average of 22%).

10.32. Peter Brett Associates reported that figures from HM Revenue and Customs (HRMC) show that in February 2014 the proportion of children living in poverty<sup>4</sup> in the Figge's Marsh ward was estimated at 28% (after housing costs), amounting to 870 children in the ward. This is significantly higher than the LBM average of 25%.

## 11. Housing needs study: Eastfields

### 11.1. Introduction

11.2. Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. Peter Brett Associates have analysed the housing stock on Eastfields to provide an understanding of the current market balance and existing occupation patterns. A range of data sources, including information provided by the Registered Social Landlord (RSL), Clarion Housing Group, will be used to provide an overview of the housing stock in the study area and a comparison to the regional and national situation will be presented where the data is available.

<sup>4</sup> Defined as the proportion of children living in families in the receipt of out of work benefits or in receipt of tax credits where their reported income is less than 60 per cent of median income.

### 11.3. Housing quality

11.4. The estate was designed by Richard MacCormac and was built in the 1970s and consists of 465 homes. The Eastfields homes are a combination of three storey houses with integral garages and flats in three storey 'walk up' blocks each having one or two bedrooms. The homes are all of 'Wimpy no-fines' construction, clad with enamel panels. The Eastfields estate has an inward looking layout distinct from the surrounding neighbourhood. The surroundings have a suburban residential character dating predominantly from the inter-war era, with some earlier late 19<sup>th</sup> Century development in Grove Road.

### 11.5. Accommodation profile

11.6. Figure 60, produced by Peter Brett Associates compares the type of accommodation in the Eastfields Site in the 2011 Census with that recorded for the Borough of Merton and England. The Eastfields Site contains a far greater proportion of purpose built flats than Borough-wide and national averages, with very few detached or semi-detached houses. The most common property type in the Eastfields Site is purpose built flats followed by terraced houses.

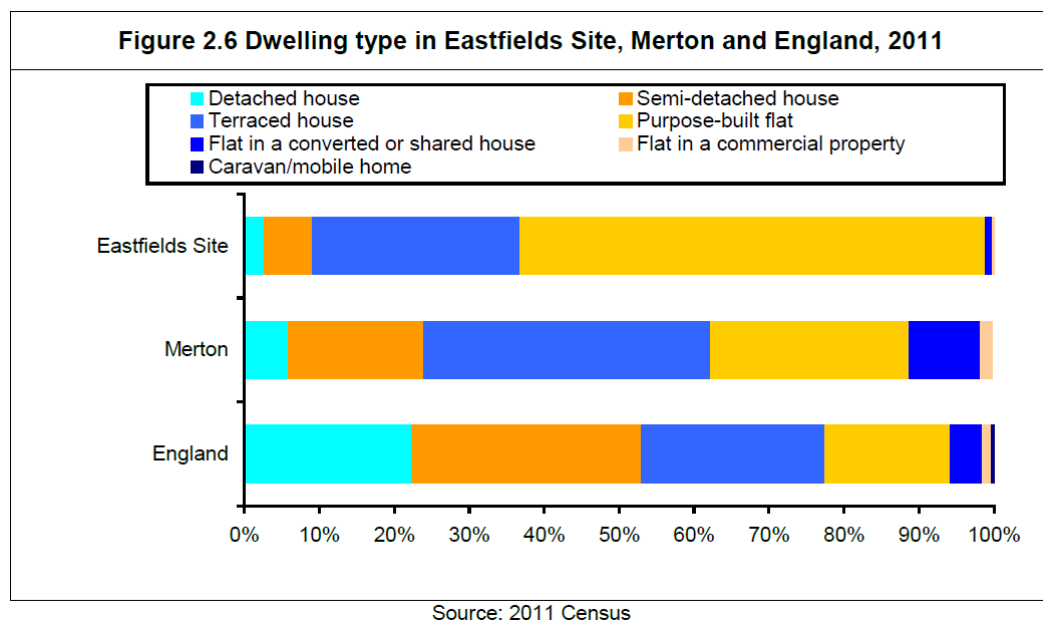


Figure 60: Source - Peter Brett Associates

11.7. Figure 61, produced by Peter Brett Associates compares the size of accommodation (in terms of bedrooms) in the Eastfields Site as indicated by Clarion Housing Group, with that in Merton as a whole and England as recorded by the Census. The figure indicates that the Eastfields Site has a greater proportion of one bedroom properties than Merton and England as a whole. Overall, in the Eastfields Site, three bedroom homes are most common followed by one bedroom dwellings.

Table 2.1 Size of dwelling stock in Eastfields Site, Merton and England, 2011			
Property size	Eastfields Site	Merton	England
No bedrooms	0.0%	0.3%	0.2%
1 bedroom	30.8%	16.0%	11.8%
2 bedrooms	25.3%	28.7%	27.9%
3 bedrooms	40.7%	37.5%	41.2%
4 or more bedrooms	3.1%	17.5%	19.0%
Total	100.0%	100.0%	100.0%

Source: Circle Housing 2014; 2011 Census

Figure 61: Source - Peter Brett Associates

### 11.8. Comparison with neighbouring areas

11.9. Figures 62, 63 and 64 show the dwelling size of neighbouring properties in the area. There are only a small number of one and two bedroom dwellings just to the north and east of the site. The surrounding dwellings mainly have three bedrooms, which appears to be characteristic of the streets in that area of east Merton.



Figure 62: Dwellings with one bedroom. Source: Census data 2011, visualised by Datashtine



Figure 63: Dwellings with two bedrooms. Source: Census data 2011, visualised by Datashine



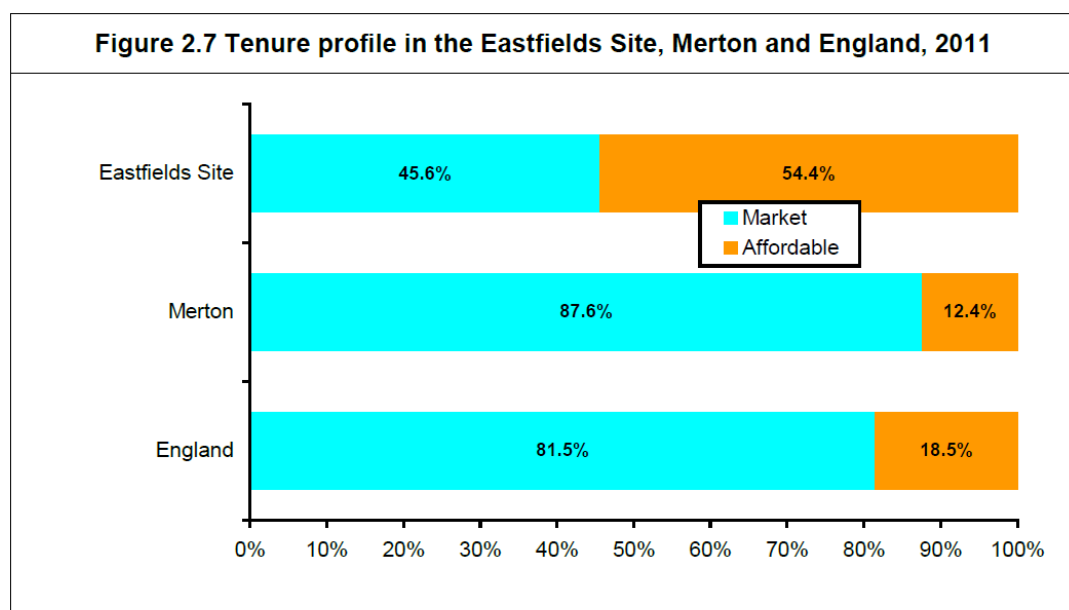
Figure 64: Dwellings with three bedrooms. Source: Census data 2011, visualised by Datashine

### 11.10. Tenure

11.11. Figure 65, produced by Peter Brett Associates compares the tenure of households in the Eastfields Site as documented by Clarion Housing Group in 2014 with that recorded for Merton and England in the Census in 2011. The data indicates that 54.4% of households in the Eastfields Site reside in affordable accommodation, a significantly higher figure than is recorded across the Borough and nationally. Figure 66 then shows the size of accommodation within each tenure, which indicates that affordable accommodation, is notably smaller on average than the market housing within the Eastfields site.

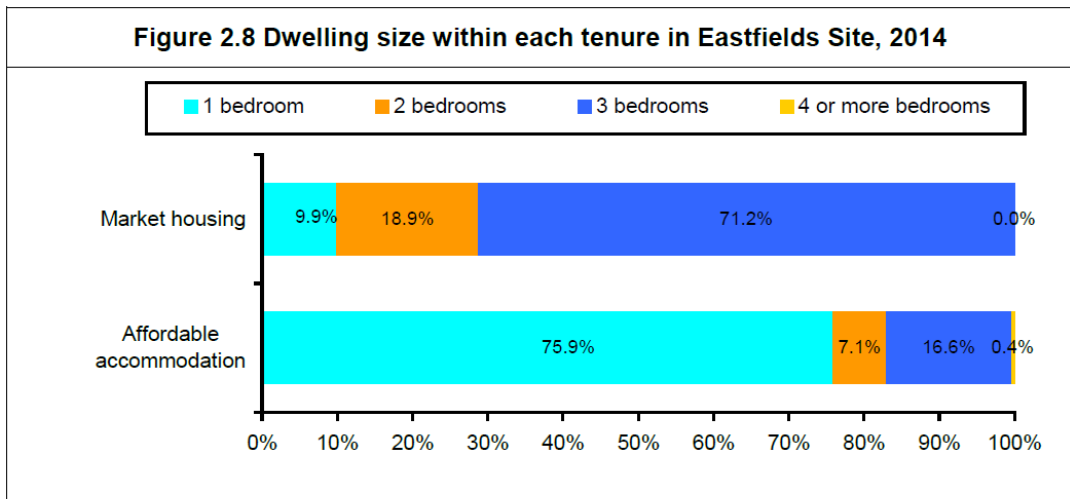
11.12. Within the ward of Figges Marsh the 2011 Census showed that 18% of residents owned their homes outright, 29% owned their property with a mortgage, 28% social rented and 23% private rented.

11.13. Figures 67 to 70 visualise the tenure of properties in the local area. They show that there are very few private rented and shared ownership properties in the area, and that Eastfields holds the majority of social rented property in the area. Figure 68 shows that there are a majority of properties in neighbouring residential areas that are owned, these are mainly to the east and the south of the estate.



Source: Circle Housing 2014; 2011 Census

Figure 65: Source - Peter Brett Associates



Source: Circle Housing 2014

Figure 66: Source - Peter Brett Associates



Figure 67: Tenure - Private rented. Source: Census data 2011, visualised by Datashine



Figure 68: Tenure - Owned. Source Census data 2011, visualised by Datashine

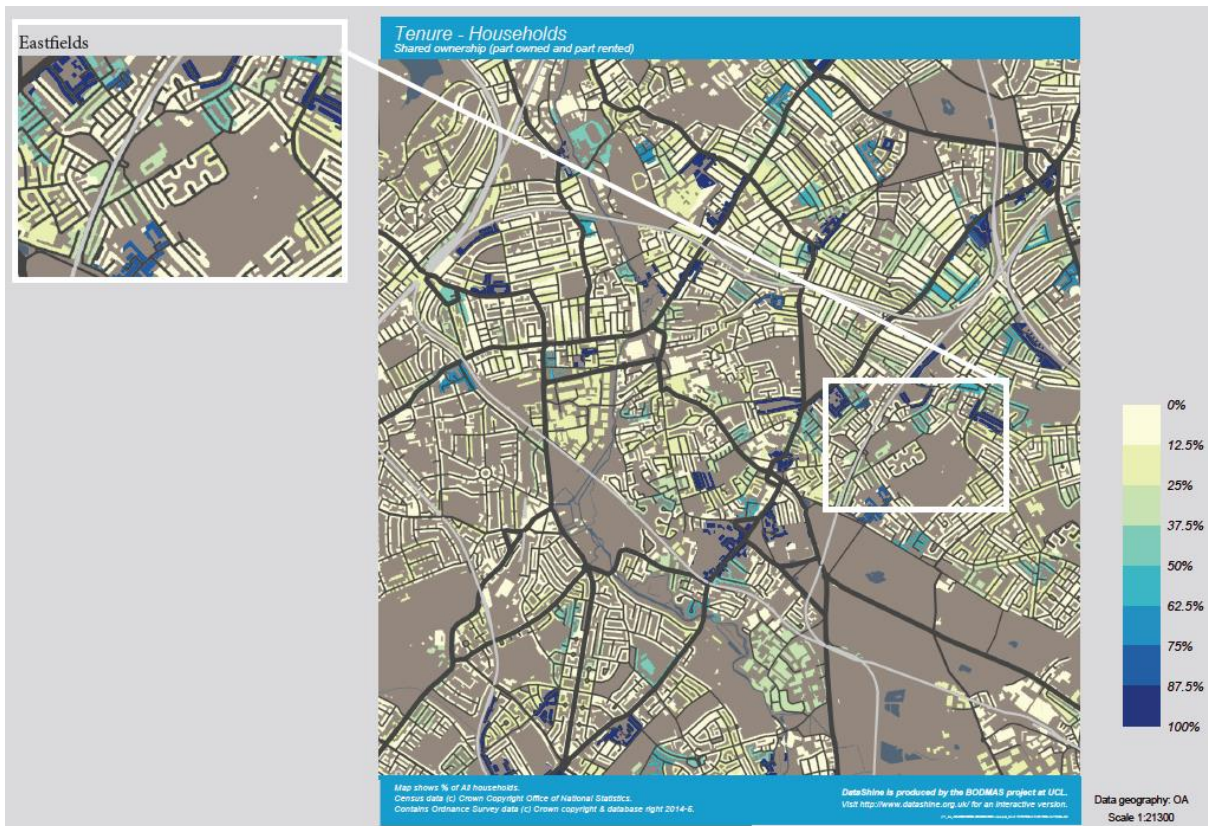


Figure 69: Tenure - Shared ownership (part owned and part rented). Source: Census data 2011, visualised by Datashine



Figure 70: Tenure - Social rented. Source: Census data 2011, visualised by Datashine

#### 11.14. Proposed housing units on Eastfields Estate

11.15. There are currently 465 homes on within the Eastfields site, all of which will be demolished. According to the latest figures from Clarion Housing Group 773 homes will be built, resulting in a net gain of 308 additional homes. All of the existing affordable housing will be re-provided, with no net loss of affordable habitable rooms or floorspace. There will be an uplift of 154 affordable habitable rooms. An indicative accommodation schedule provided by Clarion is listed in Figures 71 and 72.

	1 bed	2 bed	3 bed	4 bed	6 bed	Total Units	Total Habitable Rooms
<b>Private</b>	197	194	127	0	0	<b>518</b>	<b>1599</b>
<b>Affordable</b>	110	96	37	8	4	<b>255</b>	<b>752</b>
<b>Total</b>	<b>307</b>	<b>290</b>	<b>164</b>	<b>8</b>	<b>4</b>	<b>773</b>	<b>2338</b>

Figure 71: Proposed accommodation schedule for Eastfields. Source: Clarion Housing Group 2017

	By Unit	By Habitable Rooms
<b>Private (Sale or Rent)</b>	67%	68%
<b>Affordable</b>	33%	32%

Figure 72: Proposed tenure split for Eastfields. Source: Clarion Housing Group 2017



## 12. Summary and implications for future housing need

### 12.1. Summary of socioeconomic analysis for Eastfields

- Eastfields has a relatively high percentage of children aged 0-15 years old, with Peter Brett Associates reporting 364 children in this age group living on the estate, which makes up over a quarter of the population in the area, well above the Merton average.
- Eastfields has a greater proportion of Black and Minority Ethnic groups (53.4% of residents).
- 95.5% of Eastfields residents have resided in the UK from 5 years or more, which is greater than the average across the rest of the borough.
- Eastfields has a greater proportion of lone parent households compared to the local area and the rest of the borough.
- Eastfields is located in an area of the borough which is known to have greater levels of deprivation and a lower skills profile, but in itself is not considered to be far worse off than surrounding neighbourhoods.
- Economic activity in Eastfields is 15% lower than in Merton and 12% lower than the average across the rest of the ward of Figge's Marsh.
- Income has a crucial effect on the level of choice a household has when determining their future accommodation. On Eastfields Peter Brett Associates estimated net weekly household income was around £400, well below the national average of £423 per week.
- The site has a Public Transport Accessibility Level rating of 2, which is rated as 'poor'.
- 8% of residents in Eastfields are economically active and unemployed, in Merton the average is 7%. Youth unemployment is relatively high (7%) compared to the rest of the borough (4%).

### 12.2. Summary of housing need

- The most common property type in Eastfields is purpose built flats, followed by terraced houses.
- The greatest proportion of dwellings are 3 bedrooms (40.7%) followed by 1 bedroom (30.8%).
- Most of the dwellings in the surrounding area are three bedroom terraced houses.
- Clarion Housing Group has proposed upwards of 700 new homes (gross) on the site.
- The majority of properties on the Eastfields site are social rented, and the majority of properties in surrounding streets are owned.

- The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be one and two bedroom properties (40% and 37% respectively), 21% of the provision will be three bed properties and 1% will be four bed properties.
- 67% of the proposed new dwellings will be for private sale or rent and 33% will remain affordable.

**12.3. The number and mix of new homes**

**12.4.** Eastfields is located within an area with a low Public Transport Accessibility Level and a suburban character. Applying the London Plan density matrix, a range of 464-644 (gross figure) new homes are anticipated on this site, assuming that a regeneration proposal won't result in less than the 464 existing homes on Eastfields.

**12.5.** However, the Mayor's Housing SPG 2016 has extensive guidance on densities, particularly guiding away from the rigid mechanistic application of the London Plan density matrix. The SPG clearly states that large site characteristics and quality design and environment can and result in more homes.

**12.6.** Clarion Housing Group's proposals for Eastfields, via their detailed masterplanning of the site, indicate that upwards of 700 new homes could be built on site.

**12.7.** Therefore the Estates Local Plan does not propose a specific density range for inclusion in the Local Plan, as it is considered that this could be misleading. The Plan's strong emphasis on quality urban design as well as space standards of individual dwellings from the London Plan are likely to successfully deliver a higher number of new homes than the London Plan density matrix indicates

**12.8.** Development proposals should contribute to the provision of a greater choice and mix of housing types, sizes and tenures, including affordable housing provision, in accordance with relevant Local Plan policies (e.g. Core Planning Strategy Policy CS8 and CS9 and Sites and Policies Plan Policies DM H1, H2 and H3). Proposals should seek to provide a mix of housing types, sizes and tenures to meet the needs of all sectors of the community. In reality, the mix of types, sizes and tenures will be strongly influenced by the needs of existing residents (including existing overcrowding and under-occupation) development viability and amendments to national and regional affordable housing regime during the 10-15 lifetime of the regeneration project.

## **13. Housing Market Analysis: Eastfields**

**13.1.** This section summarises the work undertaken by Peter Brett Associates.

### **13.2. The cost of housing**

**13.3.** An effective housing needs study is founded on a thorough understanding of local housing – what it costs and how this varies. This section describes the changes in the housing market that have been recorded in the Borough of Merton for context. Subsequently it assesses the entry-level costs of housing in the area around the Eastfields Site. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist.

### **13.4. House Prices**

**13.5.** Figures from the Land Registry show that in July 2014, median house prices in LBM and Greater London are 55% higher than those in Eastfields. The median house price on Eastfields is £207,700. This is well below the figure for LBM and Greater London as a whole of around £322,000.

**13.6.** Low residential property values are an indication of weak demand for housing, which can be attributed to low incomes in the area and poor perceptions of Eastfields and the surrounding area as a place to live.

**13.7.** According to Census information the LSOA is characterised by a high percentage of social housing (32%), well above the national average (18%). At the site, a high percentage of households in Eastfields were also identified as ‘overcrowded’. An estimated 37% of houses have at least one room fewer than needed for their household requirement. The national average is 9%.

**13.8.** Eastfields also has a high proportion of dwellings with fewer than two rooms. These make up around 22% of all dwellings on the site, the LBM average of 6%.

**13.9.** Figure 73 shows changes in prices and sales levels in Merton over the past 10 years.

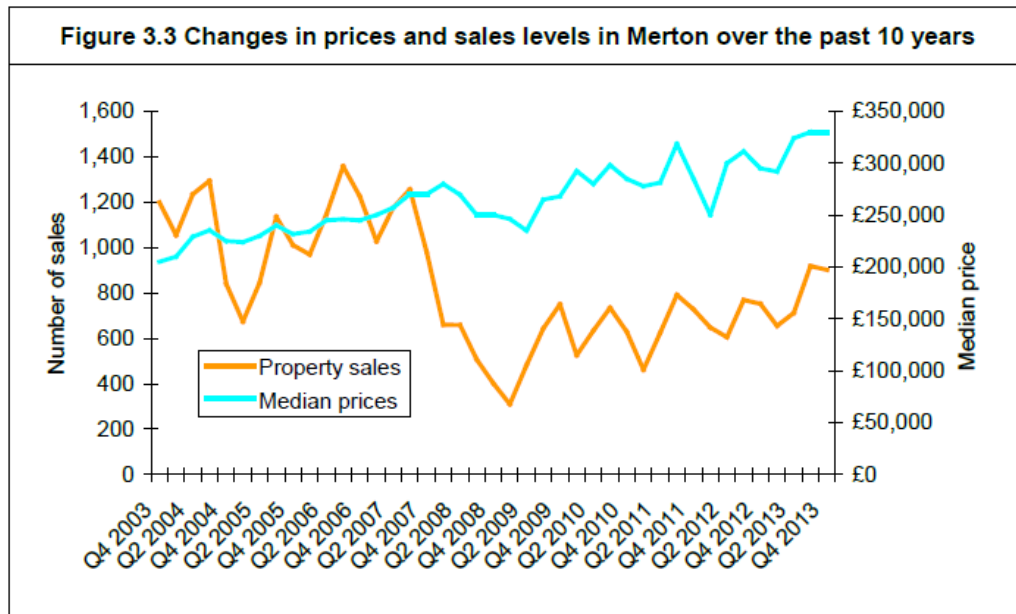


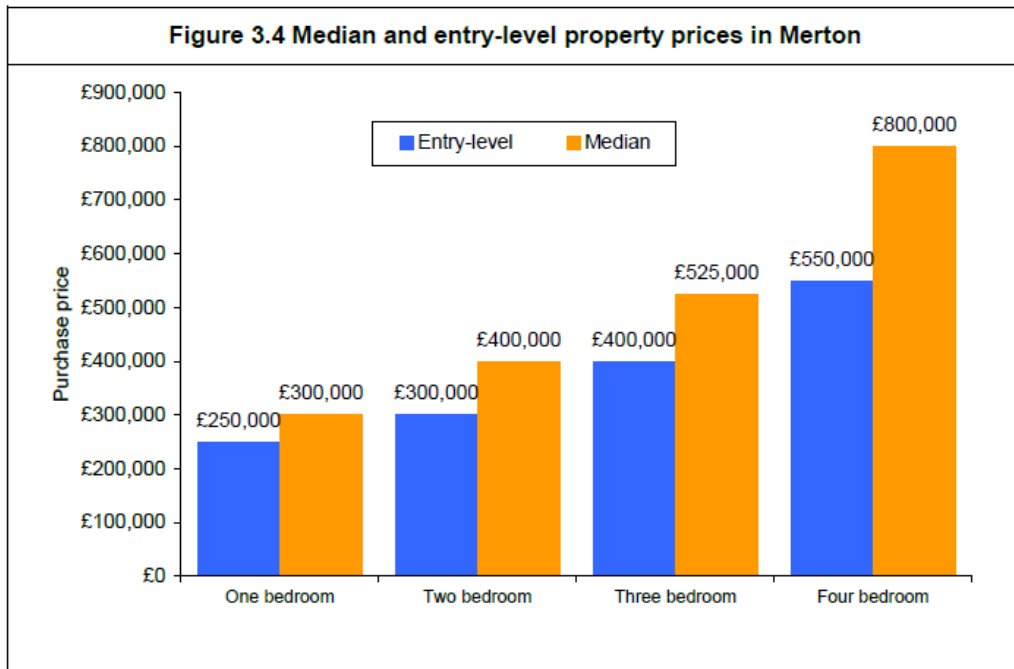
Figure 73: Source - Peter Brett Associates

**13.10. The cost of housing**

**13.11.** To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this study we have therefore undertaken a price survey to assess the current cost of housing both across the Borough (for context) and in the housing market area in which the Eastfields Site resides.

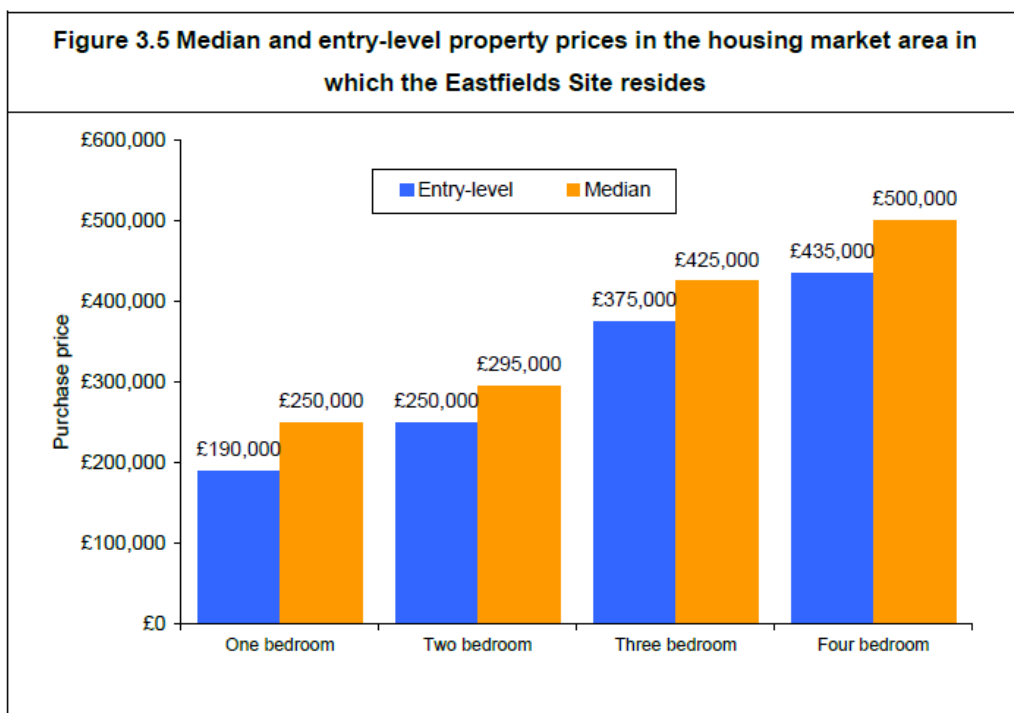
**13.12.** Median and entry-level property prices by number of bedrooms were obtained via an online search of properties advertised for sale during January 2015. The results of this online price survey are presented in Figures 74 and 75. In accordance with the Planning Practice Guidance, entry-level prices are based on lower quartile prices.

**13.13.** Overall the price survey showed that prices in the housing market area around the Eastfields Site are notably cheaper than the Borough-wide average. Figure 75 indicates that entry-level prices in the housing market area in which the Eastfields Site resides range from £190,000 for a one bedroom home up to £435,000 for a four bedroom property. Median prices are generally around 15-20% higher than entry-level prices. In terms of market availability the analysis showed that three bedroom properties are most commonly available to purchase, followed by two bedroom homes, with one bedroom homes most scarce.



Source: Online estate agents survey January 2015

Figure 74: Source - Peter Brett Associates



Source: Online estate agents survey January 2015

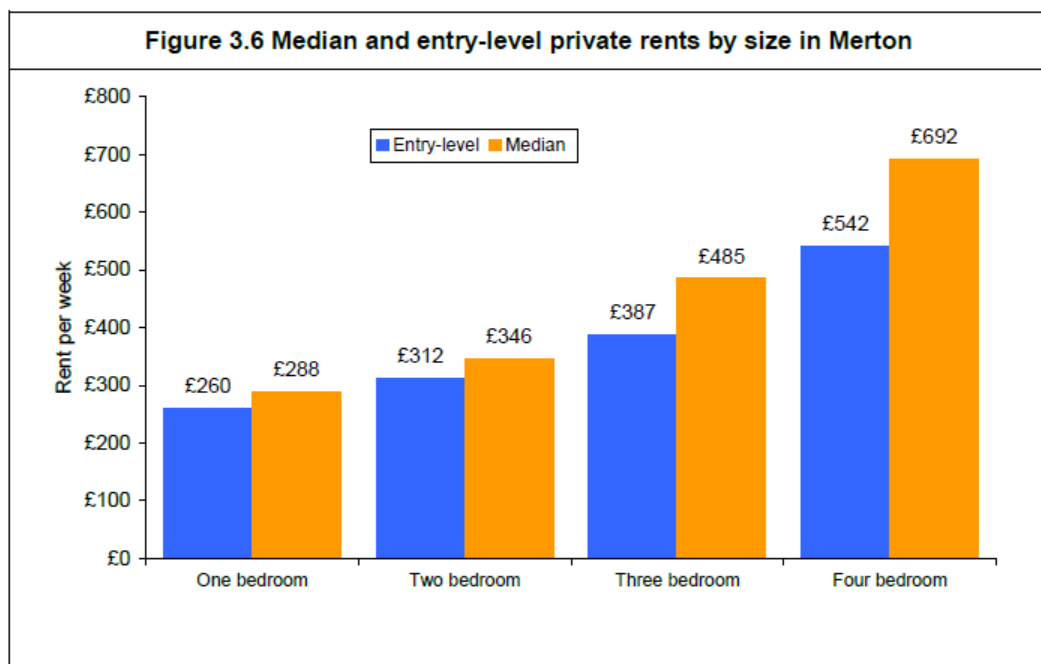
Figure 75: Source - Peter Brett Associates

### 13.14. Private rents

13.15. The entry-level and median price for private rented accommodation by property size across the Borough of Merton is presented in Figure 76 with the equivalent information for the housing market area in which the Eastfields Site resides presented in Figure 77. As with

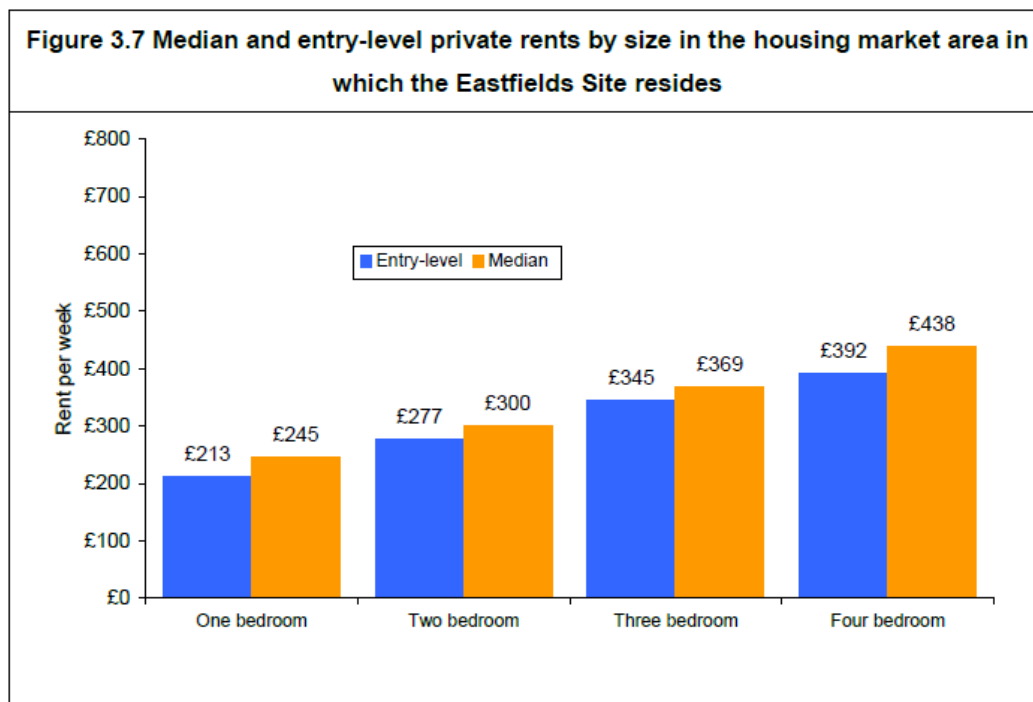
property prices, private rents are cheaper in the Eastfields Site area than the Borough as a whole. The data indicates that entry-level rents in the housing market area in which the Eastfields Site resides range from £213 per week for a one bedroom home up to £392 per week for a four bedroom property.

**13.16.** The figures show that as with owner-occupation, the smallest difference is between the cost of a three and four bedroom entry-level home (in terms of percentage increase in cost). The difference between the cost of two and three bedroom accommodation is less marked in the private rented sector than for owner-occupation, although it still represents a noticeable increase (some £68 per week). In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent.



Source: Online letting agents survey January 2015

**Figure 76:** Source - Peter Brett Associates



Source: Online letting agents survey January 2015

Figure 77: Source - Peter Brett Associates

### 13.17. Social rents

13.18. The cost of Merton Priory (the title of the Clarion Housing Group RSL in the Borough) social rented accommodation by dwelling size in Merton can be obtained from the Homes & Communities Agency's Statistical Data Return dataset. Figure 78 below illustrates the cost of Merton Priory social rented dwellings. As can be seen the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the social rented and market sectors.

<b>Table 3.2 Average social rent (per week)</b>	
<i>Bedrooms</i>	<i>Merton Priory</i>
One bedroom	£85
Two bedrooms	£100
Three bedrooms	£113
Four bedrooms	£124

Source: HCA's Statistical Data Return 2013

Figure 78: Source - Peter Brett Associates

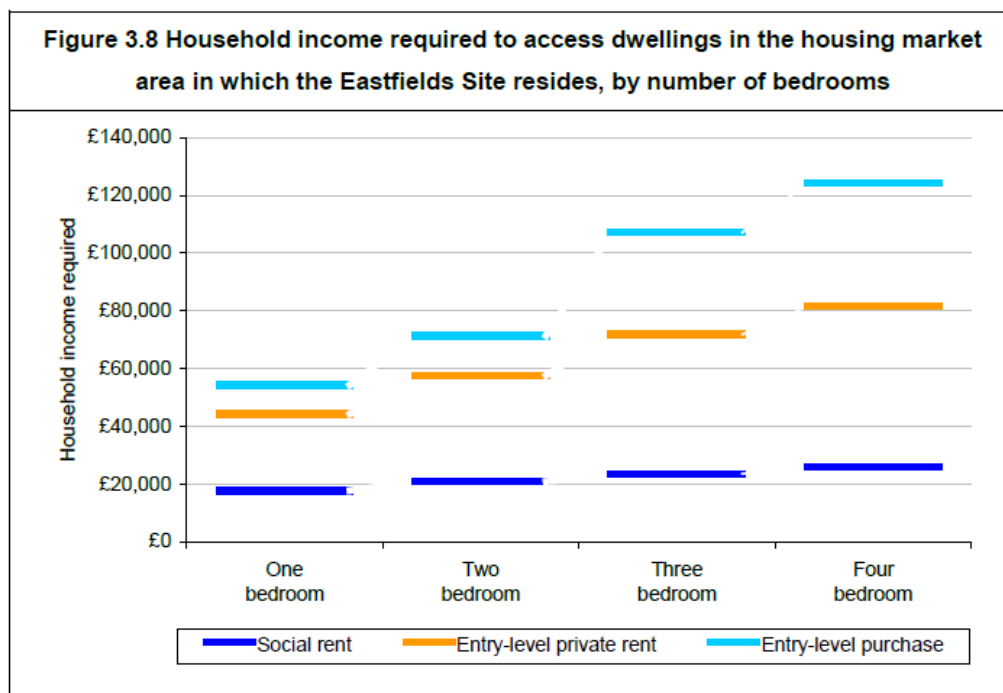
### 13.19. Analysis of housing market 'gaps'

13.20. Housing market gaps analysis has been developed to allow easy comparison of the costs of different tenures. Figure 79 shows the housing ladder that exists for different sizes of property in the Eastfields Site area. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price by 3.5 to get an annual income figure (to reflect

the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by four to produce a comparable figure. This latter step was carried out for both social and market rents. These approaches are in accordance with the standard base affordability test for rented accommodation - no more than a quarter of gross income on rent.

**13.21.** The figure shows a comparison of the likely income requirements per household for different types of housing. Measurement of the size of the gaps between these ‘rungs of the ladder’ helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

**13.22.** The figure indicates that for all property sizes the gap between social rent and market rent is bigger than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are particularly large; an additional £55,750 per year is required to access a four bedroom private rented home over the cost of a four bedroom social rented property in the Eastfields Site area, with a further £42,750 per year required to move to an owner-occupied home.



Source: Online survey of property prices January 2015; HCA's Statistical Data Return 2013

Figure 79: Source - Peter Brett Associates

**13.23.** Figure 80 shows the size of the gaps for each dwelling size in the Eastfields Site area. The figure indicates, for example, that three bedroom market entry rents are 205.3% higher (in terms of income required) than the cost of social rented accommodation in the Eastfields Site area. The very large gap recorded between social rents and market entry rents for all dwelling sizes in both areas indicates that intermediate housing could potentially be useful for a large number of households. The significant gap between market entry rents and market entry purchase indicates notable potential demand for part-ownership products for households in this gap.



<b>Table 3.3 Scale of key housing market gaps</b>		
<i>Property size</i>	<i>Social rent/market rent</i>	<i>Rent/buy gap</i>
One bedroom	150.6%	22.5%
Two bedrooms	177.0%	24.0%
Three bedrooms	205.3%	49.3%
Four bedrooms	216.1%	52.4%

Source: Circle Housing – Eastfields Site Housing Needs Study, 2015

Figure 80: Source - Peter Brett Associates

### 13.24. Intermediate options

13.25. A range of intermediate tenures are available for households, the cost of these currently is also therefore profiled.

### 13.26. Affordable Rent

13.27. Affordable Rent is a relatively new product that has been introduced to help fill the gaps that exist in the current housing market. It is a social tenure intended to house households on the Housing Register. It is not an intermediate product, but a new form of social rented accommodation that will coexist with the existing tenure. Due to its different cost level, detail will be presented on its relative affordability in comparison with social rent where this is possible. Affordable Rents can be set at up to 80% of open market rents, implying there is a flexibility as to what they may cost.

13.28. The Homes & Communities Agency (HCA)'s Statistical Data Return also details the Affordable Rent levels charged in Merton. Figure 81 indicates the average Affordable Rent charged by Merton Priory. A comparison with median market rents indicates that the Affordable Rent levels are around 50% of lower quartile market rents in the area.

<b>Table 3.4 Average affordable rent (per week)</b>	
<i>Bedrooms</i>	<i>Merton Priory</i>
One bedroom	£103
Two bedrooms	£135
Three bedrooms	£162
Four bedrooms	£213

Source: HCA's Statistical Data Return 2013

Figure 81: Source - Peter Brett Associates

### 13.29. Shared ownership

13.30. Figure 82 presents the estimated costs of shared ownership housing in Merton. The prices presented in the figure were obtained from the online estate agent survey. It is important to note that there were few shared ownership properties available at the time of the estate agent survey, so the open market value for these properties may be subject to refinement. The weekly costs of purchasing the property with a 25% and 40% equity share is presented as these are the most commonly available options. The weekly costs are based

on an interest rate of 4.19% paid on the equity share owned and rent payable at 2.5% on the remaining equity. Both shared ownership products are more expensive than the Affordable Rent, but notably cheaper than entry-level private rent.

<b>Table 3.5 Estimated cost of shared ownership accommodation</b>			
<i>Bedrooms</i>	<i>Open market value</i>	<i>Weekly cost of shared ownership with a 25% equity share</i>	<i>Weekly cost of shared ownership with a 40% equity share</i>
One bedroom	£200,000	£112	£122
Two bedrooms	£275,000	£155	£168
Three bedrooms	£395,000	£222	£241
Four bedrooms	£500,000	£281	£305

Source: Online survey of property prices January 2015

Figure 82: Source - Peter Brett Associates

### 13.31. Help-to-buy

13.32. Help-to-Buy is based on selling a home for a proportion of the market value (at least 80%) with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. Figure 83 presents the estimated costs of Help-to-Buy in Merton. The open market values are the same as for the shared ownership ones presented above. The monthly costs are based on an interest rate of 4.59% paid on the equity share owned. Help-to-Buy with an 80% share is more expensive than the shared ownership options, but is cheaper than market housing.

<b>Table 3.6 Estimated cost of Help-to-Buy accommodation</b>		
<i>Bedrooms</i>	<i>Open market value</i>	<i>Weekly cost of Help-to-Buy with a 80% equity share</i>
One bedroom	£200,000	£141
Two bedrooms	£275,000	£194
Three bedrooms	£395,000	£279
Four bedrooms	£500,000	£353

Source: Online survey of property prices January 2015

Figure 83: Source - Peter Brett Associates

### 13.33. Local Housing Allowance

13.34. Local Housing Allowance (LHA) has been brought in to replace Housing Benefit outside of the social rented sector. It is designed to make up the shortfall in people's ability to pay for their housing. Households unable to afford all of their rent are entitled to LHA to make up the difference so long as the rent does not exceed the LHA cap for the Broad Rental Market Area (BRMA) as determined by the Valuation Office Agency. Figure 84 sets out the weekly LHA cap that applies to the Eastfields Site area, which is located within the Outer South London BRMA. A comparison with the cost of the intermediate options presented and the LHA cap indicates that all products except three and four bedroom Help-to-Buy have a weekly cost lower than the LHA cap. This means that households should easily be able to

remain in these homes should their income drop and they no longer are able to afford the full housing cost, as they would be entitled to LHA for help.

<b>Table 3.7 Local Housing Allowance Cap (per week)</b>	
<i>Bedrooms</i>	<i>Outer South London BRMA</i>
One bedroom	£161
Two bedrooms	£202
Three bedrooms	£268
Four bedrooms	£331

Source: Valuation Office Agency 2015

Figure 84: Source - Peter Brett Associates

## **14. Socioeconomic analysis: High Path**

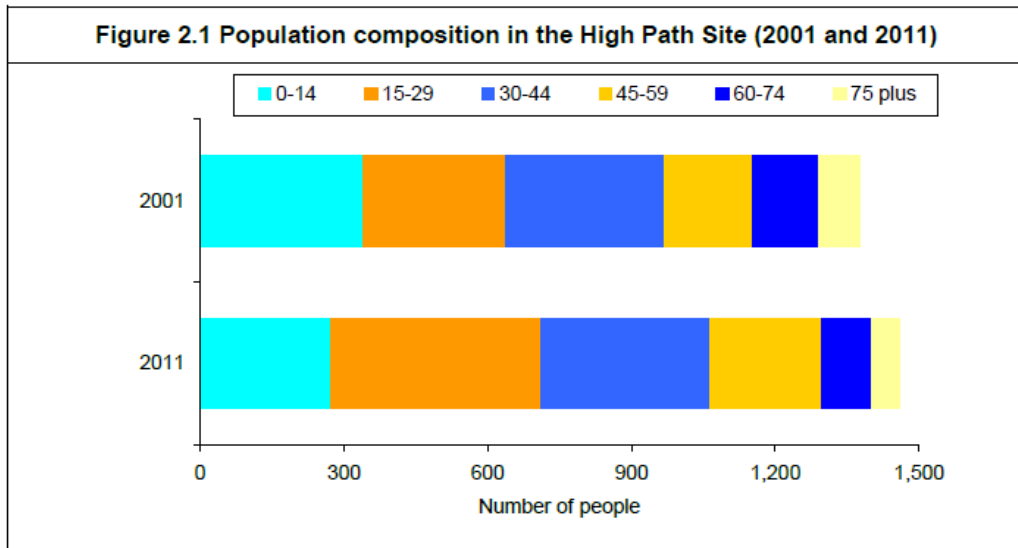
### **14.1. Population**

**14.2.** In the 2011 Census the reported resident population in the High Path site was around 1,450 people. In comparison with the 2001 Census the population on the site rose by 5.5% from around 1,375 people, and in the rest of the borough the population increased by 6.3% during this period. Figure 85 illustrates the age composition of the population in High Path in the 2001 and 2011 Censuses. It shows that since 2001 the number of people aged 15 to 29 years old has increased in contrast to those aged 75 years old and over, which has fallen.

**14.3.** The 2011 Census indicates that the population density in the High Path Site is around 145.9 people per hectare, compared to 53.1 people per hectare across London. This means that an estimated 24% of housing on High Path is classified as 'overcrowded' (defined as having at least one room fewer than needed for household requirements), which is well above the national average of 9%.

**14.4.** The High Path site contains a lower proportion of population of pensionable age than the average in the rest of the borough, 8.2% and 11.6% respectively. There is a larger than average proportion of the population that is of working age, 69.9% on the estate compared to 66.8% in Merton. Lower Super Output Area estimates are that 1,300 of the 1,700 odd population of High Path are of working age. Abbey ward, in which High Path is located, has a relatively high number of children aged 0 to 4 years old compared to other wards in the borough. GLA population estimates from 2012 estimated that 882 children in this age group resided in Abbey ward, which is just over 5% of all children of this age in the borough.

**14.5.** Figure 86 shows the relatively high proportion of children aged 0 to 4 years old in the High Path area compared with surrounding neighbourhoods. There is a similar pattern of children of this age group on the High Path estate as with the streets in just to the north and west of the site. Figure 87 shows the high proportion of residents of 25 to 44 years recorded in the last census. High Path and the surrounding areas have a high proportion of residents within this age group



Source: 2001 & 2011 Census

Figure 85: Source - Peter Brett Associates



Figure 86: Percentage of residents aged 0 to 4 years old. Source: Census data 2011, visualised by Datashine

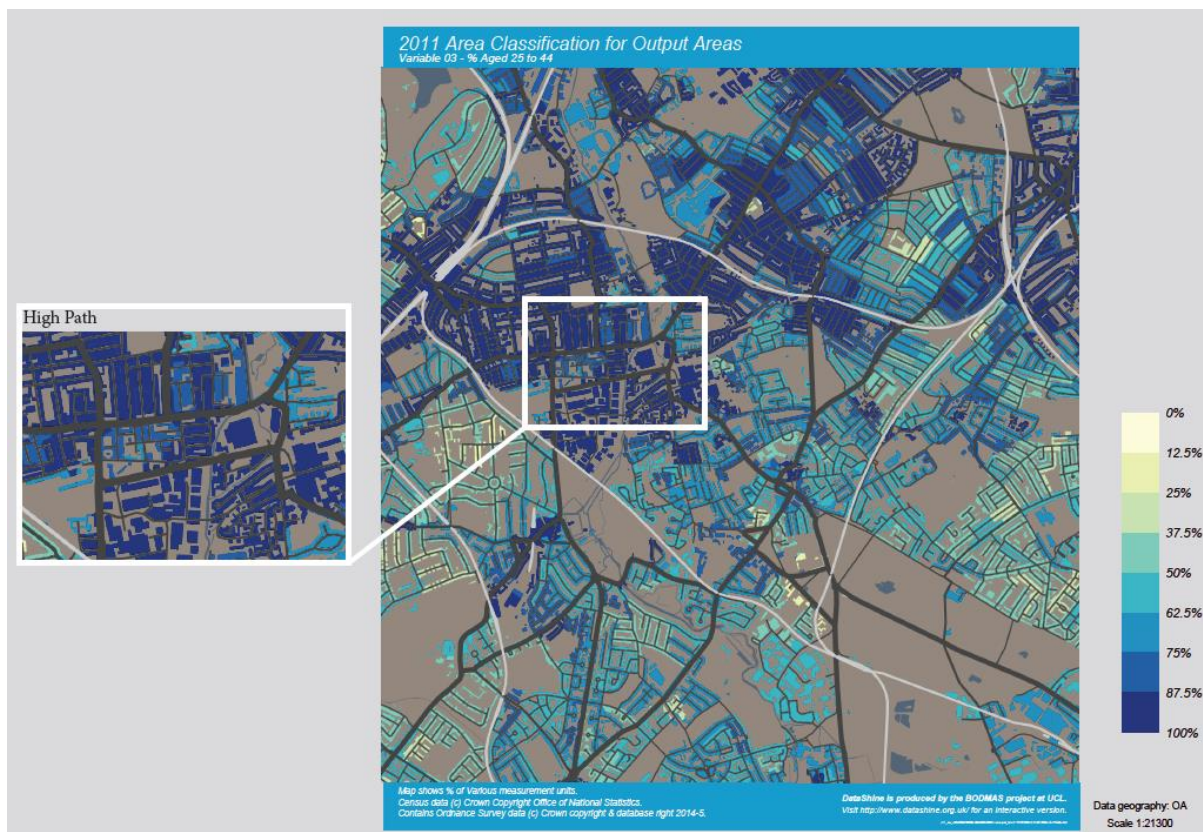


Figure 87: Percentage of residents aged 25 to 44 years old. Source: Census data 2011, visualised by Datashine

14.6. According to GLA population projections the population of Abbey ward will grow from 10,774 in 2017 to 11,423 in 2032 (Figure 88). The projections are that there will be a fall in the number of persons aged 0 to 9 years old and those aged 30 to 39 years old. There will only be a small increase in persons aged 20 to 29 years old. The greatest increases are seen in the age groups of 10 to 19 year olds and those aged 50 years and over. This is shown in Figure 89.

	2017 population	2022 population	2027 population	2032 population
<b>Abbey Ward</b>				
<b>Population</b>	10,774	10,971	11,217	11,432
<b>Births</b>	206	195	192	191
<b>Deaths</b>	57	50	49	50
<b>Natural Change</b>	149	144	143	141
<b>Net Migration</b>	-100	-102	-90	-93
<b>Net Change</b>	49	42	53	48

Figure 88: GLA 2015 population projections for Abbey ward

Age group within Abbey Ward	2017 population	2032 population	Percentage difference
0-9	1,424	1,314	-7.72%
10-19	717	890	24.13%
20-29	2,012	2,036	1.19%
30-39	2,773	2,604	-6.09%
40-49	1,665	1,776	6.67%
50-59	975	1,212	24.31%
60-69	609	844	38.59%
70-79	365	480	31.51%
80-90	206	240	18.93%

Figure 89: GLA 2015 population projections for Abbey Ward

#### 14.7. Ethnicity

14.8. The 2011 Census indicates that the Black and Minority Ethnic (BAME) population within High Path has increased to 42.7% of the residents since 2001. This is higher than the rest of the borough where 35.1% of the total population is classified as BAME. Figure 90 shows the ethnic breakdown of High Path residents in 2011. The Asian or Asian British group represents the largest proportion of BAME residents within High Path, comprising 19% of the total population.

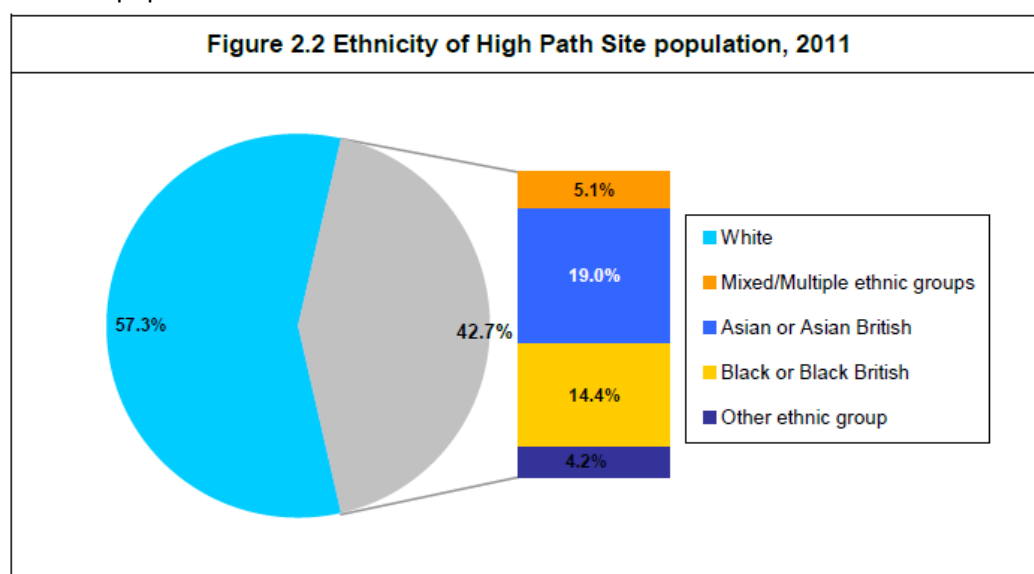


Figure 90: Source - Peter Brett Associates

#### 14.9. Length of residency in the UK

14.10. In terms of length of residency in the UK the 2011 Census recorded that 2% of the population of High Path residents had lived in the UK for less than two years, which is lower than the average in Merton of 2.6%. The majority of the population in High Path, 92.8%, have resided in the UK for more than 5 years, which is greater than the Merton average of 91%.

**14.11. Household composition**

**14.12.** High Path has a greater proportion of lone parent households compared to the rest of the borough. In the 2011 Census 18.4% of households on the estate were reported to be lone parent households compared to 12.2% across the rest of the borough (Figure 91). The proportion of lone parent households is also greater than in the immediate local area (Figures 92 and 93) and the proportion of married couples with dependent children is lower than in the immediate surrounding area. The number of cohabiting couples and one person households (Figures 94 and 95) is similar to the surrounding local area. Figure 91 also shows that older person only households (non-single person households) constitute 1.3% of all households in the area compared to the borough average of 4.9%.

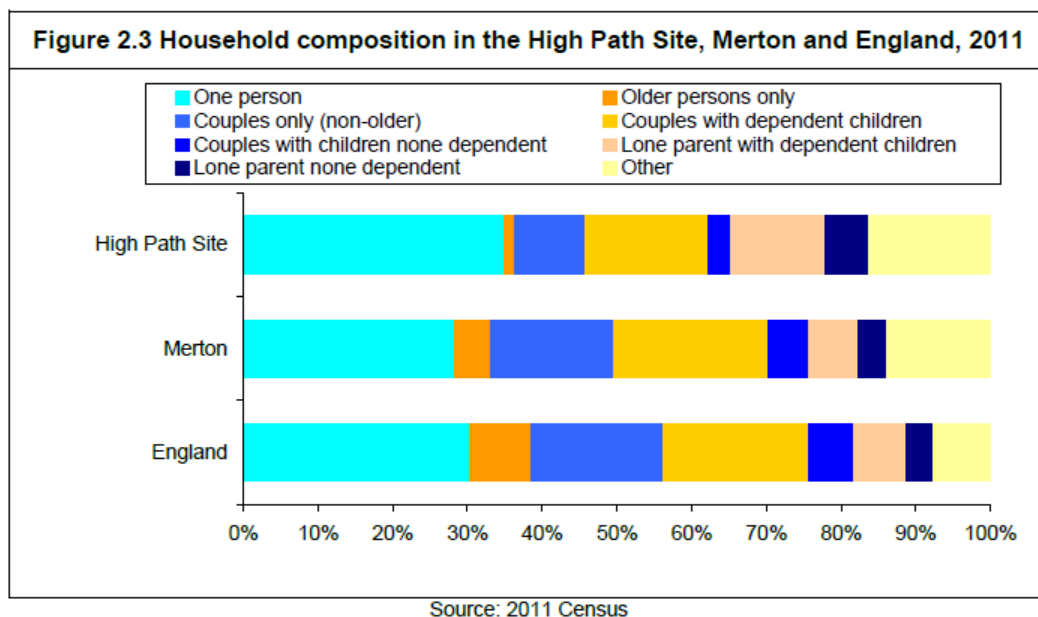


Figure 91: Source - Peter Brett Associates





Figure 92: Household composition - lone parent family. Source: Census data 2011, visualised by Datashine

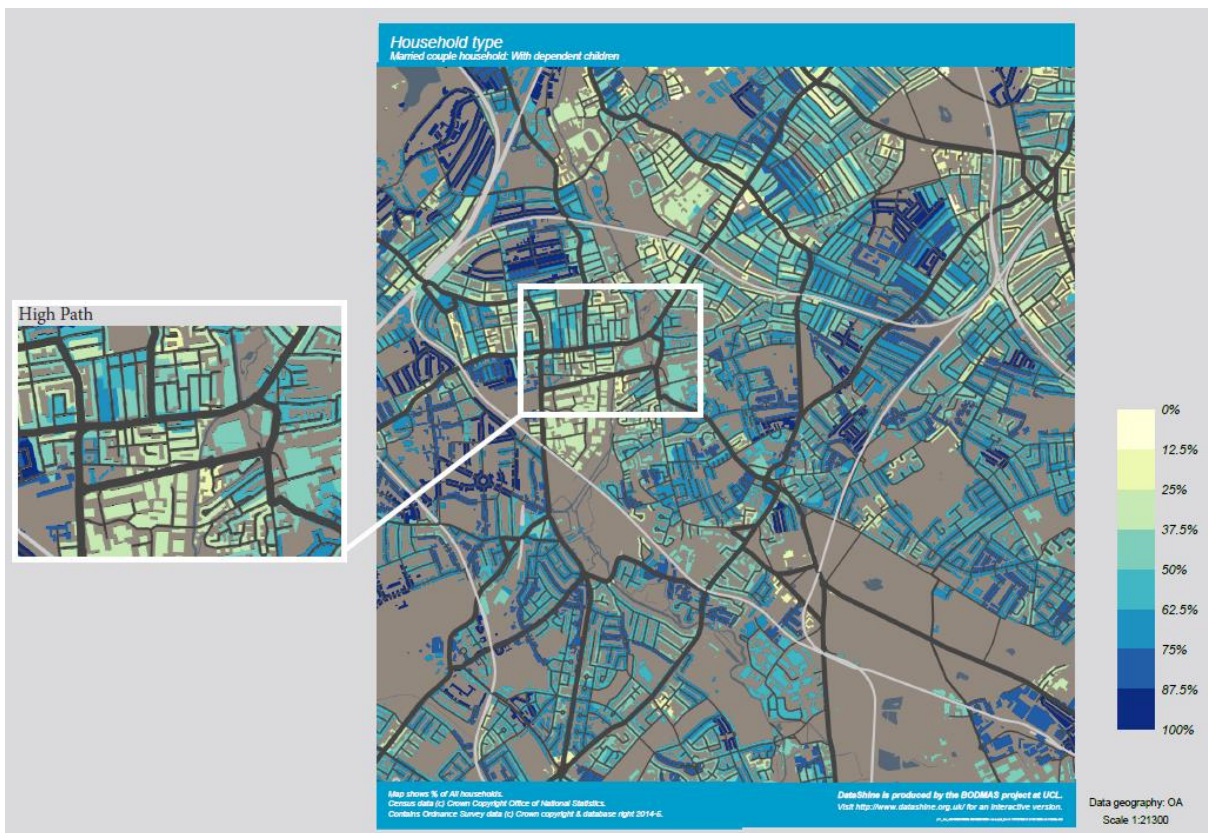


Figure 93: Household composition - married couple with dependent children. Source: Census data 2011, visualised by Datashine



Figure 94: Household composition - cohabiting couple. Source: Census data 2011, visualised by Datashine



Figure 95: Household composition - one person household. Source: Census data 2011, visualised by Datashine

### **14.13. Deprivation**

- 14.14.** 2001 Census data shows that 15.6% of High Path residents consider themselves to have a long-term health problem or disability, which is slightly higher than the 12.6% of residents in the rest of the borough. CLG Indices of Multiple Deprivation (IMD) classify the London Borough of Merton as one of the least deprived boroughs in London and across the country. However there are stark differences between localities within the borough with the East of the borough generally more deprived than the West. At Lower Super Output Area (LSOA) the immediate area of High Path ranks as one of the most deprived parts of the borough, this data is visualised in Figure 96.
- 14.15.** In comparison to national figures High Path is within the top 30% most deprived LSOAs according to the IMD, particularly in terms of income and living environment. Overall, only 29.9% of households in the High Path site were classified as not deprived in any dimension compared to 46.5% of households in Merton. Whilst 34% of households in High Path were deprived in one dimension, some 36.1% of households were deprived in more than one dimension. This multi-dimension deprivation is much greater than that recorded across Merton (21.0%) and England as a whole (24.6%).
- 14.16.** Peter Brett Associates reported that High Path has a significantly higher percentage of pensioners living in poverty. Office for National Statistics data estimated 45% of pensioners on High Path are in receipt of Pension Credit, which is above the national average of around 22%. There is also a higher than average proportion of households with dependent children, with 37% on the estate compared to 29% across the rest of the borough. Approximately 37% of these are lone parent households which is much higher than the borough average of 6%. Of these lone parent households, 69% were not in employment, compared to the borough average of 51%.
- 14.17.** Merton's health profile for Abbey ward shows 16% of children aged 0 to 15 years old live in income deprived households and 21% of people aged 60+ years old live in pension credit households. 46% of residents aged 65 and over live on their own, which is higher than the average for Merton (33%) and London (35%). In terms of older people living with a long-term limiting disability, 28% reported that they were limited a lot, 27% limited a little and 45% not limited. For the 45% of residents aged 65 and over who reported that their day-to-day activities were not limited, this is slightly lower than the rest of Merton (49%) and London (47%). The source of this data is a combination of 2011 Census data, 2010 Local Health data and GLA 2013 population projections.

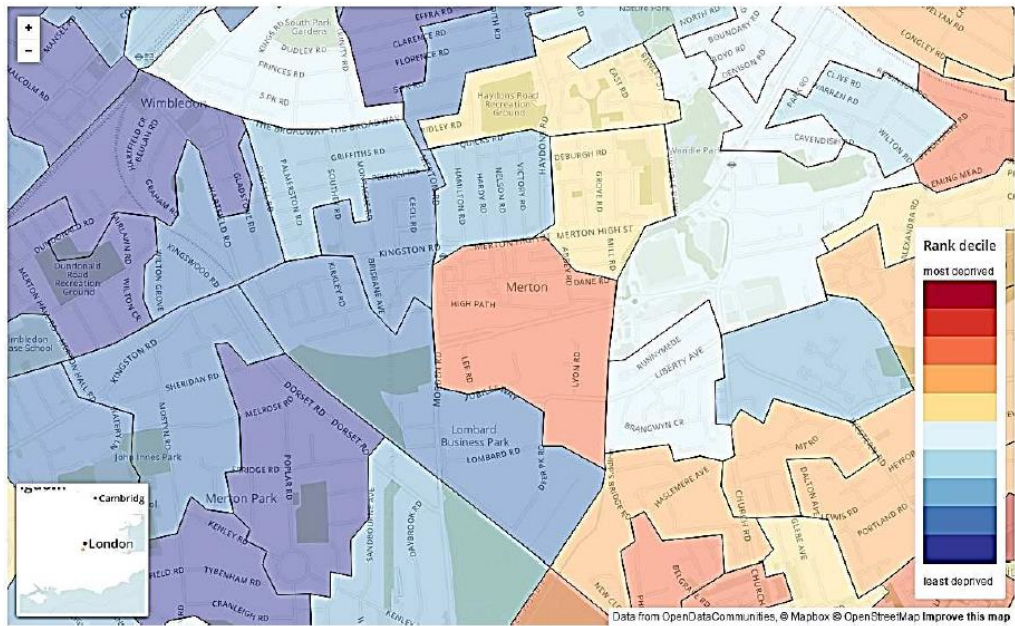


Figure 96: Index of Multiple Deprivation, High Path. Source: Peter Brett Associates - CLG Deprivation Mapper 2014

14.18. Figures 97 and 98 show how High Path compares locally in terms of deprivation and health. They show that High Path contrasts greatly with its immediate surroundings in terms of levels of deprivation and proportion of residents reporting very good general health.



Figure 97: Households not deprived in any dimension. Source: Census data 2011, visualised by Datashine



Figure 98: Households reporting very good health. Source: Census data 2011, visualised by Datashine

### 14.19. Qualifications

14.20. In the 2011 Census the number of people aged 16 years old or more reporting no qualifications was 18% of the residents, which is more than the borough average of 6%. Figure 99 shows how the High Path estate has fewer residents with level 4 qualifications or above compared with the surrounding streets, particularly on the west side of the estate.



Figure 99: Highest level of qualification - level 4 and above. Source: Census data 2011, visualised by Datashine

#### 14.21. Income

14.22. Rates of economic activity in the London Borough of Merton are considered to be higher than Greater London and national averages. Peter Brett Associates reported that according to the Annual Population Survey (APS), in 2013 an estimated 81% of LBM’s working age population were either in employment or seeking work, which is above the national average of around 77%. They also reported that OSCI data estimates of economic activity in High Path were 73%, just below the percentage for Abbey ward at 82%. Figure 100 shows the economic activity of residents of working age on the High Path estate compared to Merton and the rest of England.

14.23. Peter Brett Associates reported that CACI Paycheck estimates that mean gross annual household income in the High Path site is £27,756, which is 35.3% below the London equivalent (£42,878). The median household income is noticeably lower at £22,251 (compared to £34,739 across London). The CACI data also indicates that there is a significant range of income with 45.4% of households having an income of less than £20,000 and 7.6% of households having an income in excess of £60,000. There are more low income households and fewer high income households than across London as a whole. Figure 101 shows the distribution of household income in High Path compared with the rest of London.

14.24. Peter Brett Associates reported that in the output areas immediately around High Path, net weekly income after housing costs range from around £490 to £1,200. This further

highlights High Path as a particular pocket of income deprivation in Merton; this is shown in Figure 102.

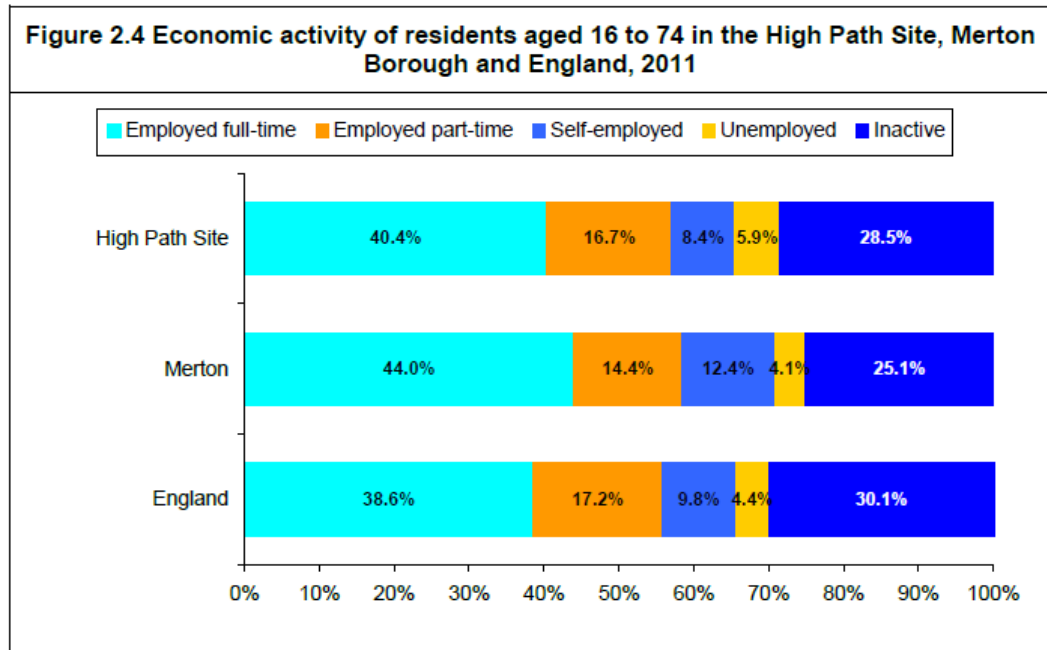


Figure 100: Source - Peter Brett Associates

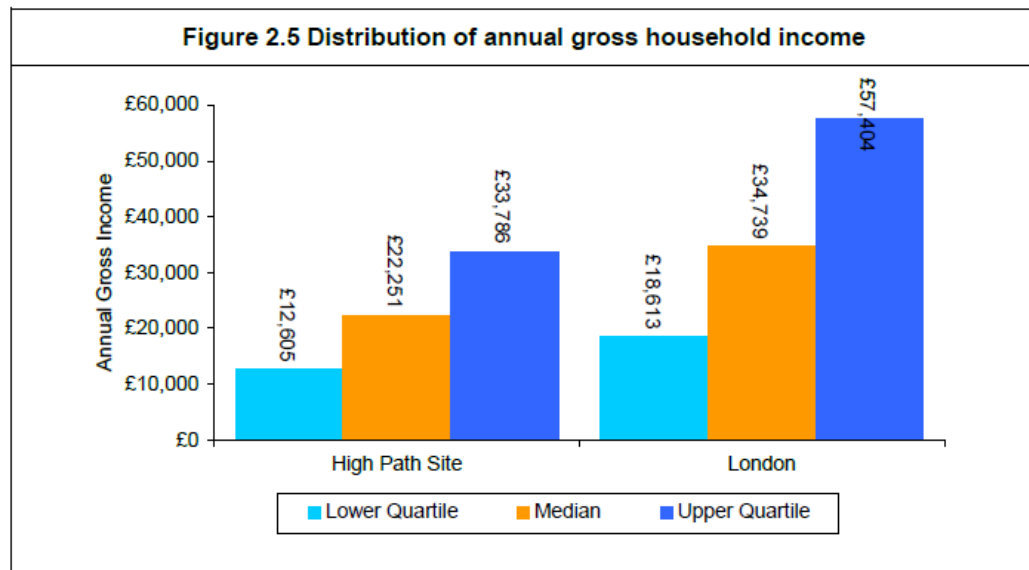


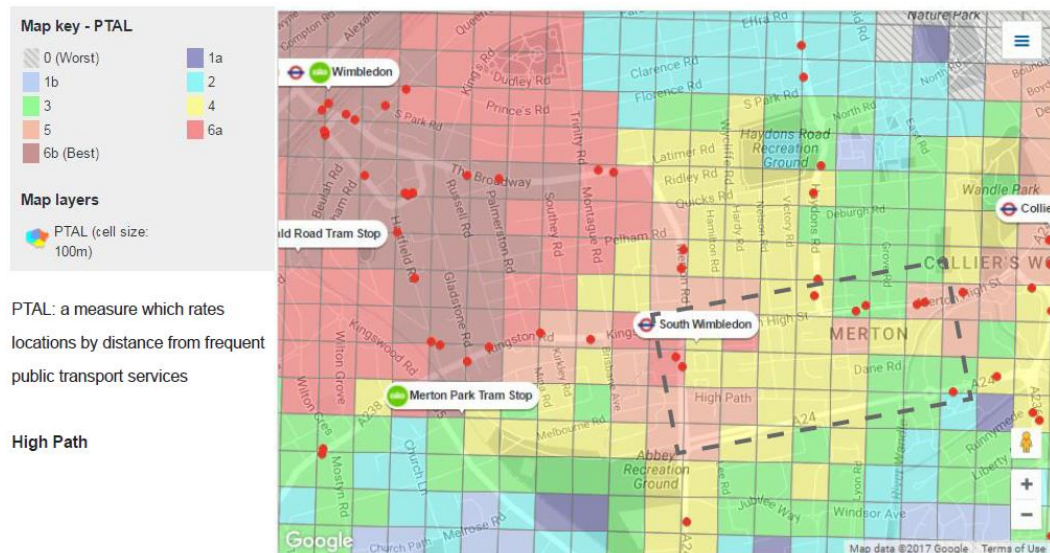
Figure 101: Source - Peter Brett Associates



**Figure 102: Net weekly household income estimate after housing costs. Source: Peter Brett Associates, OSCI Community Insight 2014**

### 14.25. Transport and Accessibility

**14.26.** Public transport links are excellent with the area having a PTAL Level of 5. South Wimbledon underground station is located on Merton High Street, there are two Tramlink stops approximately 10 minutes' walk to the south and west. There is also a relatively dense network of bus routes serving Merton High Street, primarily linking Wimbledon and Colliers Wood. Wimbledon is 20 minutes' walk away or a short bus ride, with mainline rail, tram and district line connections. Figure 103 shows PTAL ratings on the High Path estate.



**Figure 103: PTAL rating for High Path. Source: Transport for London**

### 14.27. Travel to work

**14.28.** Census data on methods of transport used to travel to work shows that High Path, similar to the surrounding area, has a very high percentage of travel by underground, rail and tram. This can be seen in Figure 104.





**Figure 104: Method of travel to work: underground, metro, light rail and tram. Source: Census data 2011, visualised by Datashine**

**14.29.** Figure 105 shows commuting data from the 2011 Census by Middle Super Output Area (MSOA) originating from High Path. The data includes all journeys recorded to other boroughs where 6 or more journeys are made. The population of the High Path MSOA commutes to 22 other boroughs/other locations, and commuters from 14 other boroughs commute to the High Path MSOA (Figure 106). There are a high proportion of people who live and work within the borough of Merton.

<b>Destination of commuters from Middle Super Output Area of High Path (Merton 012)</b>	<b>Total Commuters</b>
Merton	783
No fixed placed of work	597
Wandsworth	354
Westminster	315
Mainly work at/from home	282
City of London	149
Camden	134
Kingston upon Thames	111
Sutton	105
Lambeth	96
Work within same MSOA	94
Croydon	80
Hammersmith and Fulham	77
Kensington and Chelsea	72
Southwark	71
Islington	55
Tower Hamlets	47
Hackney	20
Lewisham	13
Hounslow	10
Mole Valley	9
Epsom and Ewell	7
Richmond upon Thames	7
Newnham	7
Reigate and Banstead	6
Offshore installation	6

**Figure 105: Travel to work destinations from the MSOA of High Path. Source: Census data 2011**

Origin of commuters to Middle Super Output Area of High Path (Merton 012)	Total Commuters
Merton	402
Sutton	304
Telford and Wrekin	227
Mid Sussex	166
Work within same MSOA	94
Wandsworth	60
Croydon	59
Shropshire	21
Lewisham	11
Lewes	9
Bromley	9
Epsom and Ewell	8
Hammersmith and Fulham	7
Lambeth	6
Kingston upon Thames	6
Reigate and Banstead	6

Figure 106: Travel to work origins to the MSOA of High Path. Source: Census data 2011

### 14.30. Unemployment

14.31. Levels of unemployment in the London Borough of Merton are relatively low at just 7% of the resident population (NOMIS figures) compared to the national average of 10%. The figure for the LSOA of High Path that are economically active and are unemployed is just under 8%, which is similar to the rate for Greater London and nationally. At a local level OSCI data estimates that High Path has an economic activity rate of 73%, which is below the average ward rate of 82%. Data also shows that those residing in High Path are less likely to be self-employed. This can be seen in Figure 107 which shows the contrast of economically active residents between the High Path estate and surrounding residential roads.

14.32. Figure 108 shows the level of youth unemployment on High Path and in the surrounding area. Peter Brett Associates estimated that 6% of the youth on High Path are unemployed, compared to 4% of 18 to 24 year olds at a national level.



Figure 107: Economic activity - total economically active. Source: Census data 2011, visualised by Datashtine

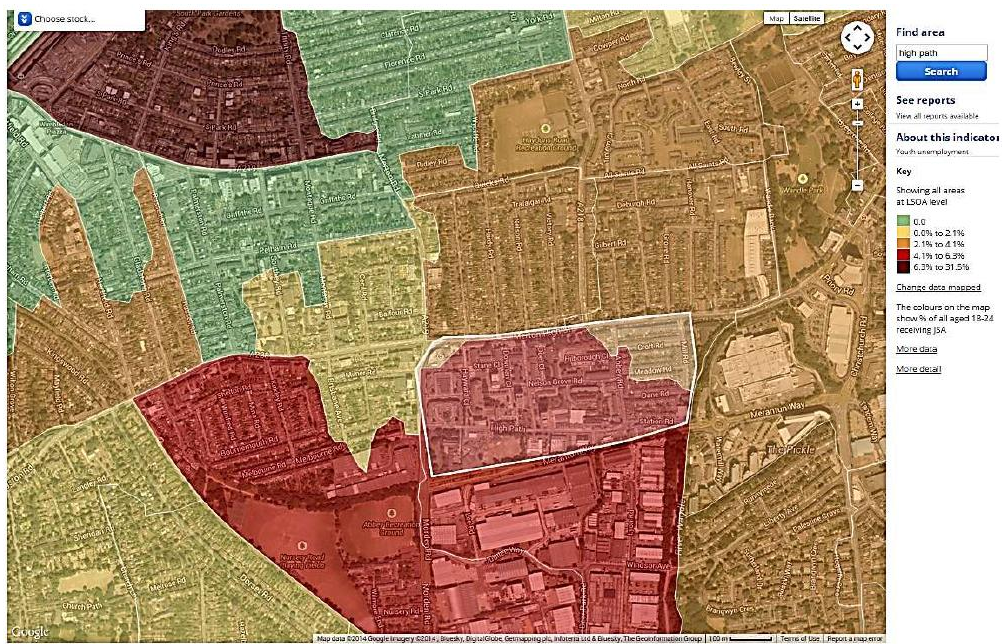


Figure 108: Youth unemployment in the High Path site. Source: Peter Brett Associates, OSCI Community Insight 2014

## 15. Housing needs study: High Path

### 15.1. Introduction

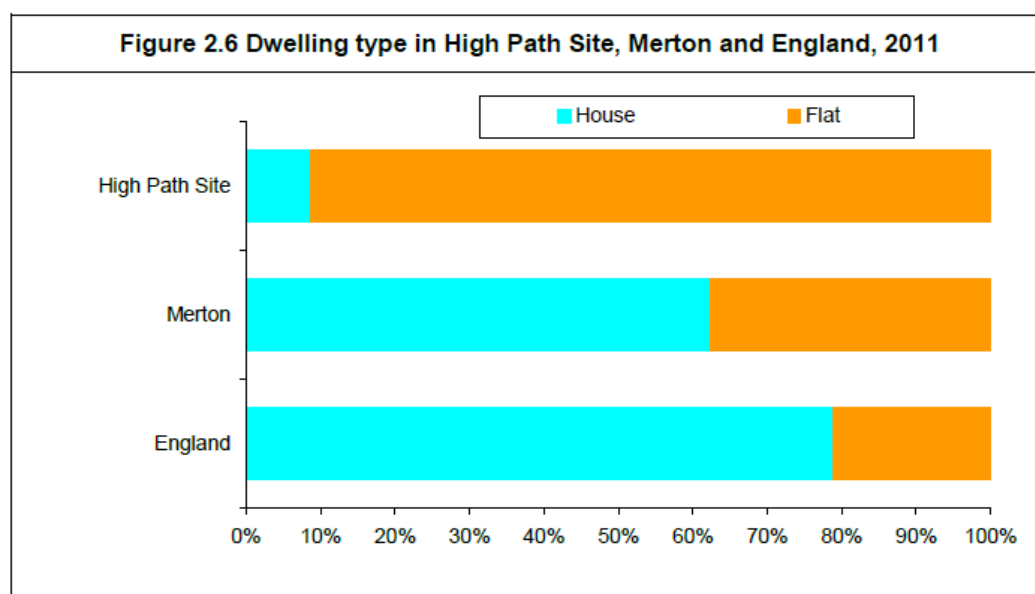
15.2. Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. Peter Brett Associates have analysed the housing stock on Eastfields to provide an understanding of the current market balance and existing occupation patterns. A range of data sources, including information provided by the Registered Social Landlord (RSL), Clarion Housing Group, will be used to provide an overview of the housing stock in the study area and a comparison to the regional and national situation will be presented where the data is available.

### 15.3. Housing Quality

15.4. The estate comprises 608 homes and is characterised by a mix of architectural styles and building typologies. The estate was built between 1950s and 1980s, after the clearance of artisan cottages on land formerly part of the Merton Place estate. The first phase of the estate, just north of St John the Divine Church consists of four storey blocks arranged around courtyards. At the centre of the area are three high rise towers and adjacent to Merton High Street the scale gradually decreases down to 2 and 3 storey houses. Almost 60% of the housing are Clarion Housing Group tenanted properties and the remainder are privately owned.

### 15.5. Accommodation Profile

15.6. Figure 109, produced by Peter Brett Associates compares the type of accommodation in the High Path site in the 2011 Census with that recorded for the Borough of Merton and England. The High Path Site contains a far greater proportion of flats than Borough-wide and national averages.



Source: Circle Housing 2014; 2011 Census

Figure 109: Source - Peter Brett Associates

15.7. Figure 110, produced by Peter Brett Associates compares the size of accommodation (in terms of bedrooms) in the High Path Site as indicated by Clarion Housing Group, with that in Merton as a whole and England as recorded by the Census. The figure indicates that there is a greater proportion of one and two bedroom homes than is found across the Borough and nationally, with proportionally fewer larger properties.

Table 2.1 Size of dwelling stock in High Path Site, Merton and England, 2011			
Property size	High Path Site	Merton	England
No bedrooms	0.0%	0.3%	0.2%
1 bedroom	32.4%	16.0%	11.8%
2 bedrooms	45.9%	28.7%	27.9%
3 bedrooms	21.4%	37.5%	41.2%
4 or more bedrooms	0.3%	17.5%	19.0%
Total	100.0%	100.0%	100.0%

Source: Circle Housing 2014; 2011 Census

Figure 110: Source - Peter Brett Associates

15.8. Comparison with neighbouring areas

15.9. Figures 111 to 115 show the dwelling size of neighbouring properties in the area. There is a very low incidence of studio flats in the area and a few more one bedroom properties. The majority of properties in the area have two bedrooms, as can be seen in Figure 113. There are a few three bedroom properties in the area (Figure 114), but very few four bedroom properties (Figure 115).



Figure 111: Dwelling size - no bedrooms. Source: Census data, visualised by Datashtine



Figure 112: Dwelling size - one bedroom. Source: Census data 2011, visualised by Datashine



Figure 113: Dwelling size - two bedrooms. Source: Census data 2011, visualised by Datashine



Figure 114: Dwelling size - three bedrooms. Source: Census data 2011, visualised by DataShine

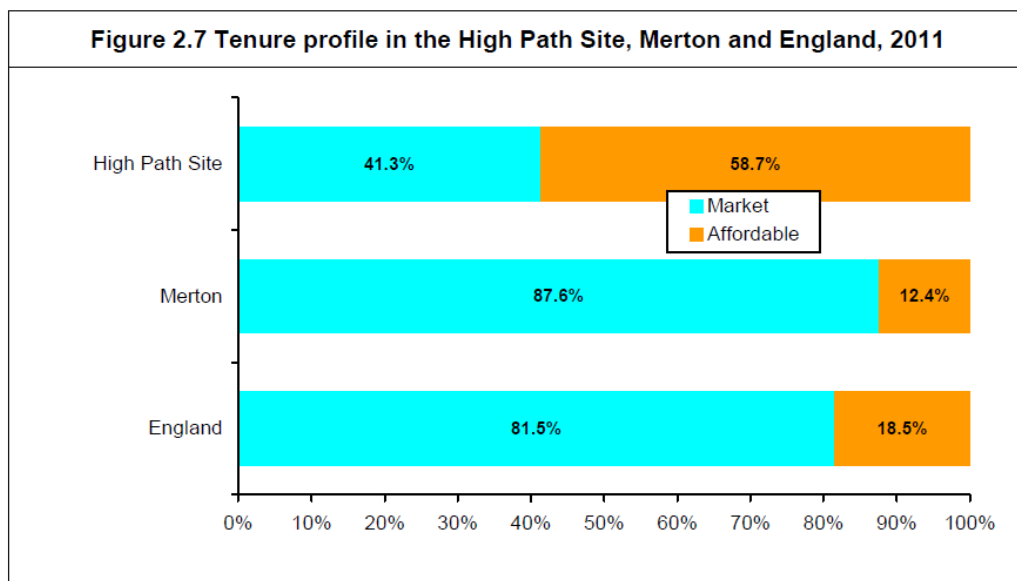


Figure 115: Dwelling size - four bedrooms. Source: Census data 2011, visualised by DataShine



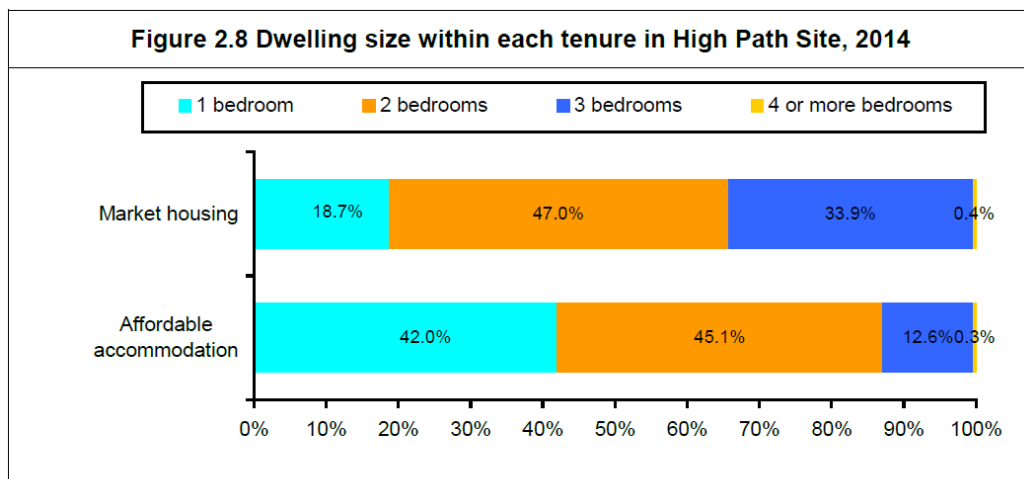
**15.10. Tenure**

**15.11.** Figure 116, produced by Peter Brett Associates compares the tenure of households in the High Path Site as documented by Clarion Housing Group in 2014 with that recorded for Merton and England in the Census in 2011. The data indicates that 58.7% of households in the High Path Site reside in affordable accommodation, a significantly higher figure than is recorded across the Borough and nationally. Figure 117 then shows the size of accommodation within each tenure as recorded in 2014 by Clarion Housing Group. The data indicates that there is a greater proportion of one and two bedroom homes in the affordable sector than in market housing within the High Path Site.



Source: Circle Housing 2014; 2011 Census

Figure 116: Source - Peter Brett Associates



Source: Circle Housing 2014

Figure 117: Source - Peter Brett Associates

- 15.12.** The 2011 Census showed that within Abbey Ward 23% of residents owned their home outright, 33% owned their home with a mortgage, 25% social rented and 18% rented privately.
- 15.13.** Figures 118 to 121 visualises the tenure of properties in the local area. They show that there are very few shared ownership properties in the areas surrounding the High Path estate, but a high incidence in particular areas within the estate. There is also a low proportion of social rented properties in the areas surrounding the estate, and even within the estate to the east side. Within the estate there are a number of privately rented and privately owned properties. In the immediate area surrounding the estate the majority of properties are privately owned.



**Figure 118: Tenure - Social rented. Source: Census data 2011, visualised by Datashine**



Figure 119: Tenure - Private rented. Source: Census data 2011, visualised by Datashine



Figure 120: Tenure - Owned. Source: Census data 2011, visualised by Datashine



Figure 121: Tenure - Shared ownership (part owned and part rented). Source: Census data 2011, visualised by Datashine

#### 15.14. Proposed housing units on High Path Estate

15.15. There are currently 608 homes in High Path, all of which will be demolished. Clarion has proposed 1527 new homes on the site, resulting in a net gain of 919 additional units. All of the existing affordable housing will be re-provided, with no net loss of affordable habitable rooms or floorspace. The scheme will provide an uplift of 62 affordable habitable rooms. An indicative accommodation schedule provided by Clarion is shown in Figures 122 and 123.

	Studio	1 bed	2 bed	3 bed	4 bed	Total Units	Total Habitable Rooms
<b>Private</b>	159	437	543	109	4	1252	3118
<b>Affordable</b>	0	100	123	48	4	275	781
<b>Total</b>	<b>159</b>	<b>537</b>	<b>666</b>	<b>157</b>	<b>8</b>	<b>1527</b>	<b>3899</b>

Figure 122

	By Unit	By Habitable Rooms
<b>Private (Sale or Rent)</b>	79%	76%
<b>Affordable</b>	21%	24%

Figure 123

## **16. Summary and implications for future housing need**

### **16.1. Summary of socioeconomic analysis for High Path**

- Between 2001 and 2011 the number of people aged 15 to 29 years old increased on High Path compared to those aged 75 years old and over, which fell.
- The site has a relatively high proportion of children compared with the average for the borough, and those aged 25 to 44 years old.
- The Black and Minority Ethnic population within High Path was 42.7% of residents in the 2011 Census compared to 35.1% average for the borough.
- High Path has a greater proportion of lone parent households compared to the rest of the borough and neighbouring streets.
- High path has a similar proportion of cohabiting couples and one person households to the surrounding local area.
- High Path is within the top 30% most deprived Lower Super Output Areas in terms of income and living environment.
- High Path has fewer residents with level 4 qualifications or above compared to the surrounding streets towards Wimbledon town centre.
- Gross annual household income in High Path is £27,756, which is 35.3% below the London equivalent. High Path is a particular pocket of income deprivation in Merton.
- Public Transport Accessibility Level for High Path is 5, which is defined as very good.
- Unemployment is higher on High Path compared to the surrounding area, with an economic activity rate of 73% in High Path compared to 82% for the Abbey ward.

### **16.2. Summary of housing need for High Path**

- Approximately 60% of the housing on High Path is Clarion Housing Group tenanted properties and the remainder are privately owned. In the surrounding area the majority of properties are privately owned.
- The majority of properties in High Path are two bedroom (45.9%) followed by one bedroom (32.4%). The majority of properties in the surrounding area are two bed properties, followed by three bed.
- Clarion Housing Group has proposed upwards of 1,500 new homes (gross) on the site.
- The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be two bed and one bed properties (44% and 35% respectively).
- 10% of the proposed new homes will be studio flats and 10% will be three bed

dwellings.

- 79% of the proposed dwellings will be for private sale or rent and 21% will remain affordable.

**16.3. The number and mix of new homes**

**16.4.** High Path and most of the surrounding area streets are predominately residential. High Path is located within an area with a good Public Transport Accessibility (PTAL). Development proposals must make more efficient use of land by providing schemes which are higher than the current density and result in improving the urban design quality of the estate. Development proposals should accord with the London Plan density matrix and any other emerging or updated relevant policy requirements. As outlined in the London Plan, the density matrix should be used flexibly and in conjunction with other development plan policy requirements. Applying this matrix and taking account of the existing number of homes, indicates a range of 608-1,802 (gross figure) new homes for this site, and the council's expectation is for development proposals to be at the higher end of this range.

**16.5.** However, the Mayor's Housing SPG 2016 has extensive guidance on densities, particularly guiding away from the rigid mechanistic application of the London Plan density matrix. The SPG clearly states that large site characteristics and quality design and environment can and result in more homes.

**16.6.** Clarion Housing Group's proposals for High Path, via their detailed masterplanning of the site, indicate that upwards of 1,500 new homes could be built on site.

**16.7.** Therefore the Estates Local Plan does not propose a specific density range for inclusion in the Local Plan, as it is considered that this could be misleading. The Plan's strong emphasis on quality urban design as well as space standards of individual dwellings from the London Plan are likely to successfully deliver a higher number of new homes than the London Plan density matrix indicates.

**16.8.** Proposals should also consider transport capacity, employment connectivity, the location and characteristics of the site and social infrastructure when determining an appropriate density. Development proposals should contribute to the delivery of a sustainable neighbourhood by building more and better quality homes and demonstrate how the density responds to the local context, particularly in terms of design. Proposals should demonstrate graphically how density is sympathetic to the surrounding townscape and distributed in appropriate locations in a mix of buildings to deliver a variety of well-designed new homes and public spaces.

**16.9.** The LBM policy states that wherever practicable, different types of residential development (e.g. apartments, maisonettes and houses) should be arranged across the estate in a way that reinforce local character. Development proposals will be expected to contribute to optimising the latest borough and London housing supply requirements in order to meet local and strategic need. Development proposals should contribute to the provision of a greater choice and mix of housing types and sizes and tenures, including affordable

housing provision to meet the needs of all sectors of the community, in accordance with relevant National, Local and London Plan policies. Development proposals will be expected to provide replacement homes and should include a mix of 1, 2 3 and 3+ bed units, in a variety of house types to meet residents' individual needs. In reality, the mix of types, sizes and tenures will be strongly influenced by the needs of existing residents (including existing overcrowding and under-occupation) development viability and amendments to national and regional affordable housing regime during the 10-15 lifetime of the regeneration project.

- 16.10.** As stated in LBM's analysis for the Estates Local Plan, the site has high PTAL levels and could sustain a much higher density whilst still providing high quality homes and amenity spaces subject to meeting all other relevant policy considerations.

## **17. Housing Market Analysis: High Path**

This section summarises the work undertaken by Peter Brett Associates.

### **17.1. The cost of housing**

- 17.2.** To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this study we have therefore undertaken a price survey to assess the current cost of housing both across the Borough (for context) and in the housing market area in which the High Path Site resides.

### **17.3. House Prices**

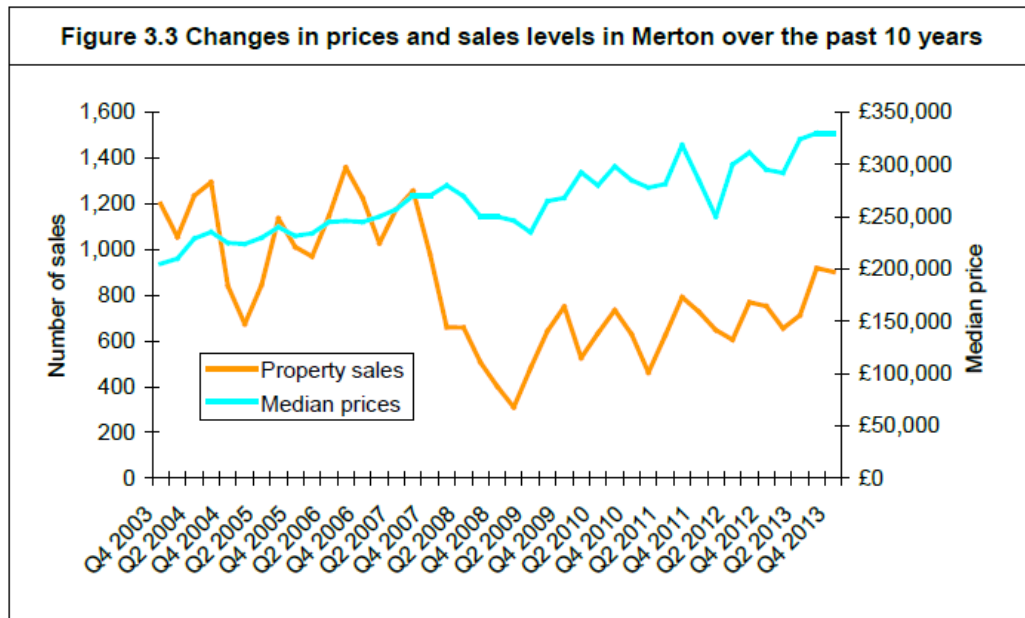
- 17.4.** Land Registry data shows that that median house prices in LBM and Greater London were 7% higher than those in the LSOA of High Path in July 2014. The median house price in the LSOA of High Path is £300,000, which is below the figure for LBM and Greater London as a whole of around £322,000.

- 17.5.** While this is relatively affordable compared to Greater London, the High Path area is one of the least affordable parts of LBM. The OSCI estimate that the median house price on High Path is approximately £318,000.

- 17.6.** Median and entry-level property prices by number of bedrooms were obtained via an online search of properties advertised for sale during January 2015. The results of this online price survey are presented in Figures 124 and 125. In accordance with the Planning Practice Guidance, entry-level prices are based on lower quartile prices.

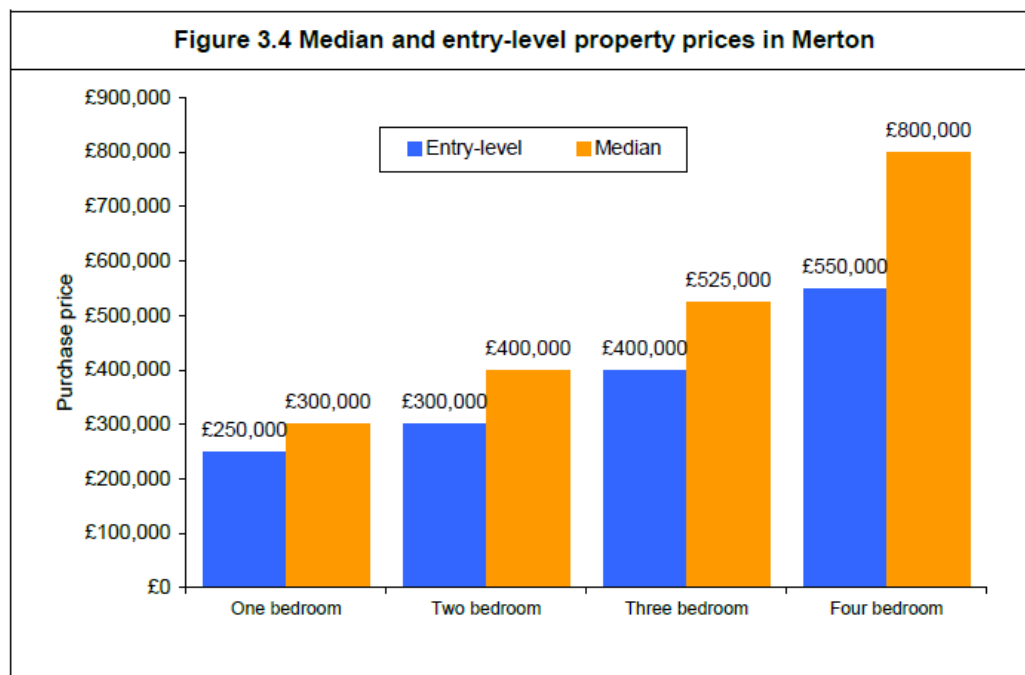
- 17.7.** Overall the price survey showed that prices in the housing market area around the High

Path Site are more expensive than the Borough-wide average. Figure 126 indicates that entry-level prices in the housing market area in which the High Path Site resides range from £300,000 for a one bedroom home up to £765,000 for a four bedroom property. Median prices are generally around 10-15% higher than entry-level prices. In terms of market availability the analysis showed that two bedroom properties are most commonly available to purchase, followed by three bedroom homes, with four bedroom homes most scarce.



Source: Land Registry via CLG

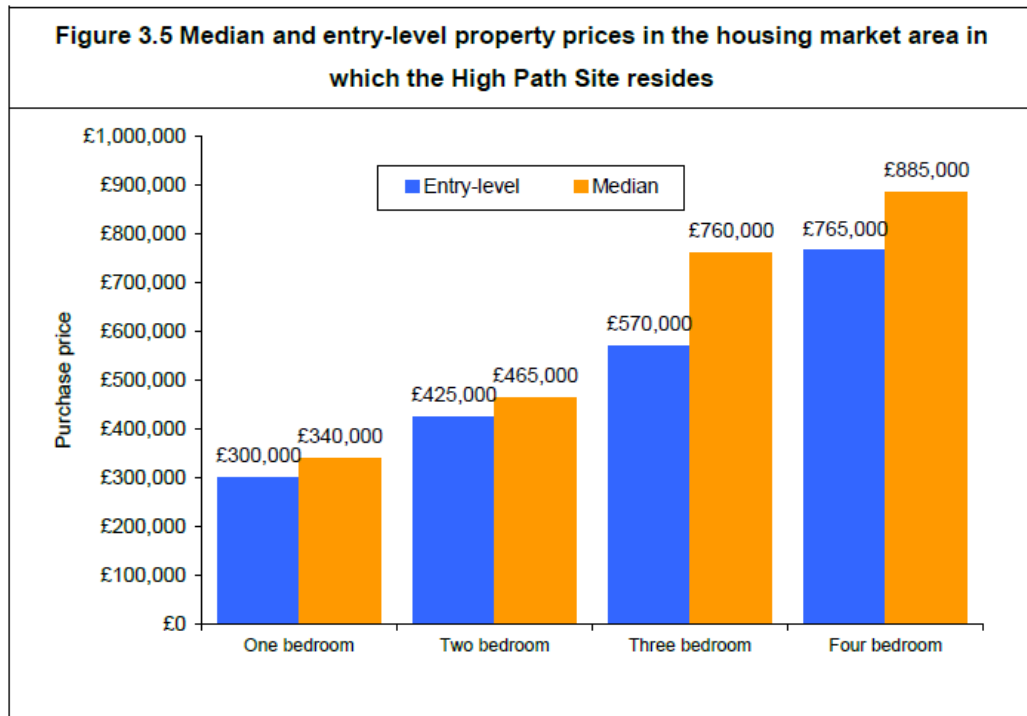
Figure 124: Source - Peter Brett Associates



Source: Online estate agents survey January 2015

Figure 125: Source - Peter Brett Associates





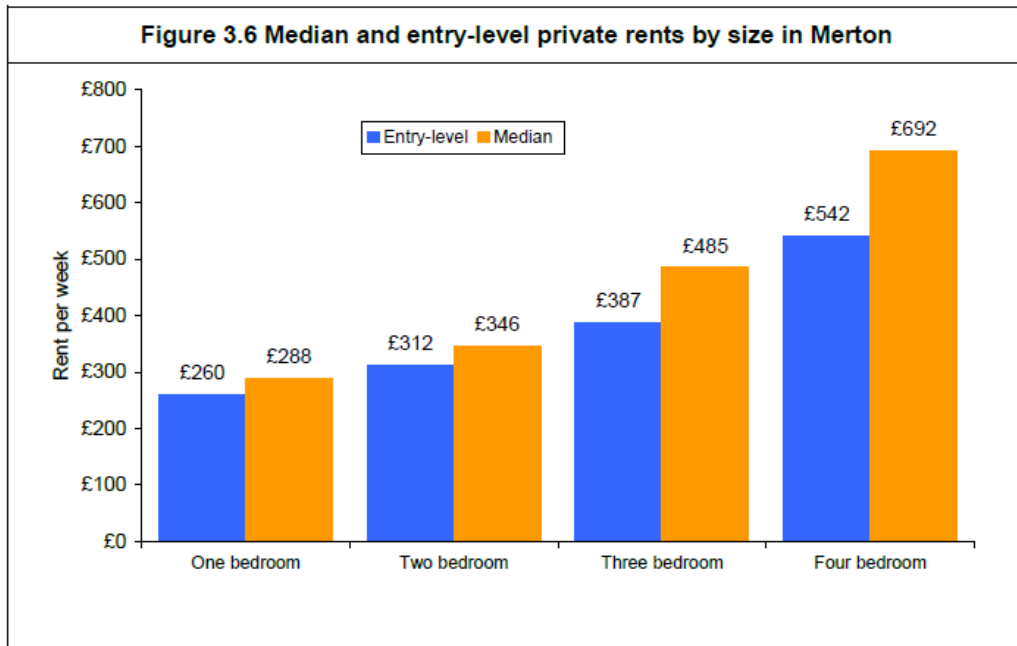
Source: Online estate agents survey January 2015

Figure 126: Source - Peter Brett Associates

**17.8. Private rents**

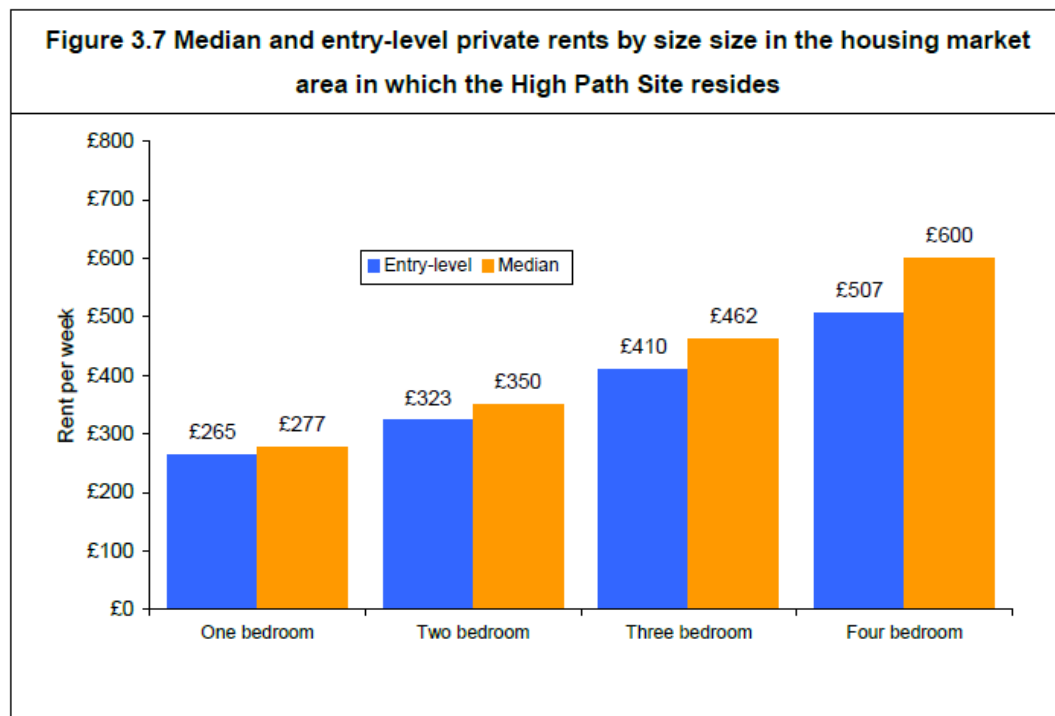
**17.9.** The entry-level and median price for private rented accommodation by property size across the Borough of Merton is presented in Figure 127 with the equivalent information for the housing market area in which the High Path Site resides presented in Figure 128. Unlike with property prices, private rents in the High Path Site area are very similar to the Borough as a whole. The data indicates that entry-level rents in the housing market area in which the High Path Site resides range from £265 per week for a one bedroom home up to £507 per week for a four bedroom property.

**17.10.** The figures show that as with owner-occupation, the smallest difference is between the cost of a three and four bedroom entry-level home (in terms of percentage increase in cost). The difference between the cost of two and three bedroom accommodation is less marked in the private rented sector than for owner-occupation, although it still represents a noticeable increase (almost £90 per week). In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent.



Source: Online letting agents survey January 2015

Figure 127: Source - Peter Brett Associates



Source: Online letting agents survey January 2015

Figure 128: Source - Peter Brett Associates

### 17.11. Social rents

17.12. The cost of Merton Priory (the title of the Clarion Housing Group RSL in the Borough) social rented accommodation by dwelling size in Merton can be obtained from the Homes & Communities Agency's Statistical Data Return dataset. Figure 129 below illustrates the cost of Merton Priory social rented dwellings. As can be seen the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant

potential gap between the social rented and market sectors.

<b>Table 3.2 Average social rent (per week)</b>	
<i>Bedrooms</i>	<i>Merton Priory</i>
One bedroom	£85
Two bedrooms	£100
Three bedrooms	£113
Four bedrooms	£124

Source: HCA's Statistical Data Return 2013

Figure 129: Source - Peter Brett Associates

### 17.13. Analysis of housing market 'gaps'

17.14. Housing market gaps analysis has been developed to allow easy comparison of the costs of different tenures. Figure 130 shows the housing ladder that exists for different sizes of property in the High Path Site area. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price by 3.5 to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by four to produce a comparable figure. This latter step was carried out for both social and market rents. These approaches are in accordance with the standard base affordability test for rented accommodation - no more than a quarter of gross income on rent.

17.15. The figure shows a comparison of the likely income requirements per household for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

17.16. The figure indicates that for other than for one bedroom properties the gap between social rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are particularly large; an additional £80,000 per year is required to access a four bedroom private rented home over the cost of a four bedroom social rented property in the High Path Site area, with a further £113,000 per year required to move to an owner-occupied home.

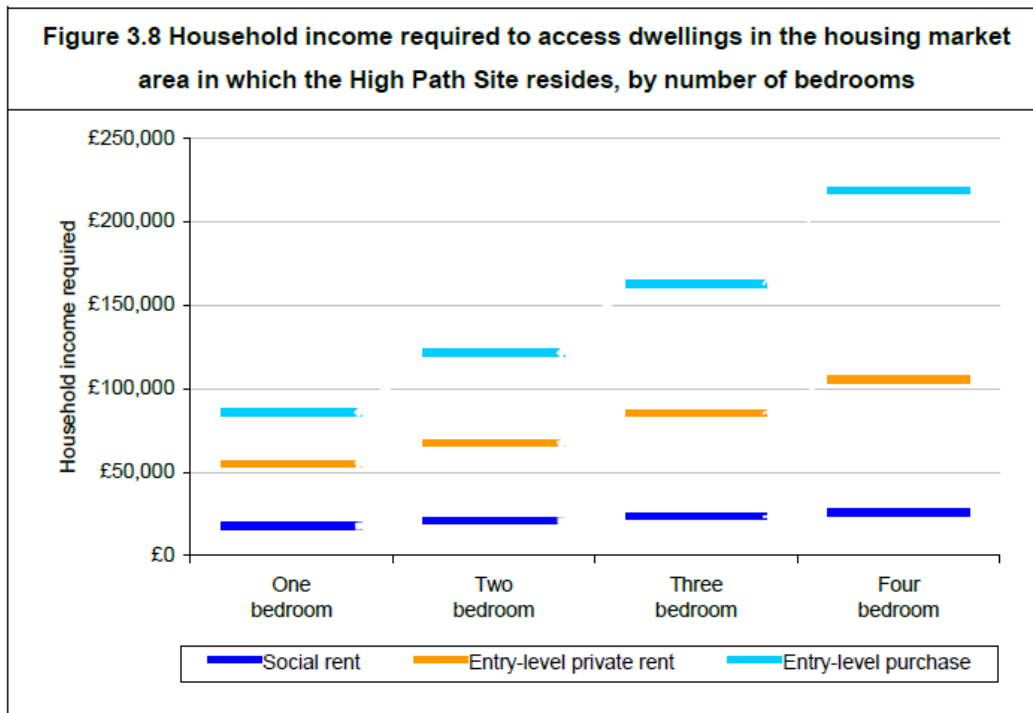


Figure 130: Source - Peter Brett Associates

17.17. Figure 131 shows the size of the gaps for each dwelling size in the High Path Site area. The figure indicates, for example, that three bedroom market entry rents are 262.8% higher (in terms of income required) than the cost of social rented accommodation in the High Path Site area. The very large gap recorded between social rents and market entry rents for all dwelling sizes in both areas indicates that intermediate housing could potentially be useful for a large number of households. The significant gap between market entry rents and market entry purchase indicates notable potential demand for part-ownership products for households in this gap.

Property size	Social rent/market rent	Rent/buy gap
One bedroom	211.8%	55.5%
Two bedrooms	223.0%	80.7%
Three bedrooms	262.8%	91.0%
Four bedrooms	308.9%	107.3%

Source: Circle Housing – High Path Site Housing Needs Study, 2015

Figure 131: Source - Peter Brett Associates

**17.18. Intermediate options**

17.19. A range of intermediate tenures are available for households, the cost of these currently is also therefore profiled.

**17.20. Affordable Rent**

**17.21.** Affordable Rent is a relatively new product that has been introduced to help fill the gaps that exist in the current housing market. It is a social tenure intended to house households on the Housing Register. It is not an intermediate product, but a new form of social rented accommodation that will coexist with the existing tenure. Due to its different cost level, detail will be presented on its relative affordability in comparison with social rent where this is possible. Affordable Rents can be set at up to 80% of open market rents, implying there is a flexibility as to what they may cost.

**17.22.** The Homes & Communities Agency (HCA)'s Statistical Data Return also details the Affordable Rent levels charged in Merton. Figure 132 indicates the average Affordable Rent charged by Merton Priory. A comparison with median market rents indicates that the Affordable Rent levels are around 50% of lower quartile market rents in the area.

<b>Table 3.4 Average affordable rent (per week)</b>	
<i>Bedrooms</i>	<i>Merton Priory</i>
One bedroom	£103
Two bedrooms	£135
Three bedrooms	£162
Four bedrooms	£213

Source: HCA's Statistical Data Return 2013

Figure 132: Source - Peter Brett Associates

**17.23. Shared ownership**

**17.24.** Figure 133 presents the estimated costs of shared ownership housing in Merton. The prices presented in the figure were obtained from the online estate agent survey. It is important to note that there were few shared ownership properties available at the time of the estate agent survey, so the open market value for these properties may be subject to refinement. The weekly costs of purchasing the property with a 25% and 40% equity share is presented as these are the most commonly available options. The weekly costs are based on an interest rate of 4.19% paid on the equity share owned and rent payable at 2.5% on the remaining equity. Both shared ownership products are more expensive than the Affordable Rent, but notably cheaper than entry-level private rent.

<b>Table 3.5 Estimated cost of shared ownership accommodation</b>			
<i>Bedrooms</i>	<i>Open market value</i>	<i>Weekly cost of shared ownership with a 25% equity share</i>	<i>Weekly cost of shared ownership with a 40% equity share</i>
One bedroom	£200,000	£112	£122
Two bedrooms	£275,000	£155	£168
Three bedrooms	£395,000	£222	£241
Four bedrooms	£500,000	£281	£305

Source: Online survey of property prices January 2015

Figure 133: Source - Peter Brett Associates

### 17.25. Help-to-buy

17.26. Help-to-Buy is based on selling a home for a proportion of the market value (at least 80%) with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. Figure 134 presents the estimated costs of Help-to-Buy in Merton. The open market values are the same as for the shared ownership ones presented above. The monthly costs are based on an interest rate of 4.59% paid on the equity share owned. Help-to-Buy with an 80% share is more expensive than the shared ownership options, but is cheaper than market housing.

<b>Table 3.6 Estimated cost of Help-to-Buy accommodation</b>		
<i>Bedrooms</i>	<i>Open market value</i>	<i>Weekly cost of Help-to-Buy with a 80% equity share</i>
One bedroom	£200,000	£141
Two bedrooms	£275,000	£194
Three bedrooms	£395,000	£279
Four bedrooms	£500,000	£353

Source: Online survey of property prices January 2015

Figure 134: Source - Peter Brett Associates

### 17.27. Local Housing Allowance

17.28. Local Housing Allowance (LHA) has been brought in to replace Housing Benefit outside of the social rented sector. It is designed to make up the shortfall in people's ability to pay for their housing. Households unable to afford all of their rent are entitled to LHA to make up the difference so long as the rent does not exceed the LHA cap for the Broad Rental Market Area (BRMA) as determined by the Valuation Office Agency.

17.29. Figure 135 sets out the weekly LHA cap that applies to the High Path Site area, which is located within the Outer South West London BRMA. A comparison with the cost of the intermediate options presented and the LHA cap indicates that all products except three and four bedroom Help-to-Buy have a weekly cost lower than the LHA cap. This means that households should easily be able to remain in these homes should their income drop and they no longer are able to afford the full housing cost, as they would be entitled to LHA for help.

<b>Table 3.7 Local Housing Allowance Cap (per week)</b>	
<i>Bedrooms</i>	<i>Outer South West London BRMA</i>
One bedroom	£208
Two bedrooms	£270
Three bedrooms	£324
Four bedrooms	£408

Source: Valuation Office Agency 2015

Figure 135: Source - Peter Brett Associates

## 18. Socioeconomic analysis: Ravensbury

### 18.1. Population

18.2. In the 2011 Census the reported resident population in the Ravensbury site was around 250 people. In comparison with the 2001 Census the population on the site fell by 2%, but in the rest of the borough of Merton the population increased by 6.3% during this period. Figure 136 illustrates the age composition of the population in Ravensbury in the 2001 and 2011 Census. It shows an increase of people aged 45 to 59 years old and the number of people aged under 15 years old has fallen. The number of residents of pensionable age on the Ravensbury estate is lower than the average of the rest of the borough (8.2% in Ravensbury and 11.6% in Merton). There is a larger than average proportion of residents of working age living on the estate (69.9% in Ravensbury and 66.8% in Merton). Peter Brett Associates also reported that OSCI estimates show that Ravensbury has a higher proportion of children aged between 0 and 15 years old, about 1% higher than the national average.

18.3. The 2011 Census indicates that the population density in the Ravensbury Site is around 58.1 people per hectare, compared to 53.1 people per hectare across London and 4.1 people per hectare in England.

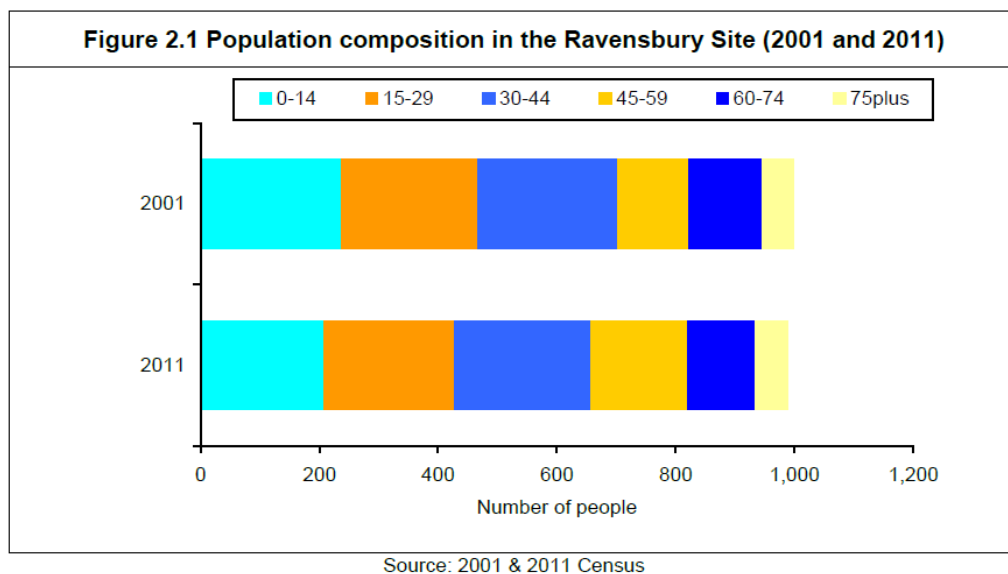


Figure 136: Source - Peter Brett Associates

18.4. Figures 137, 138 and 139 show that Ravensbury has a greater proportion of children aged 0 to 4 years old than most of the surrounding streets, and a similar number of children aged 5 to 14 years old and people aged 25 to 44 years old.



Figure 137: Percentage of residents aged 0 to 4 years old. Source: Census data 2011, visualised by Datashine



Figure 138: Percentage of residents aged 5 to 14 years old. Source: Census data 2011, visualised by Datashine



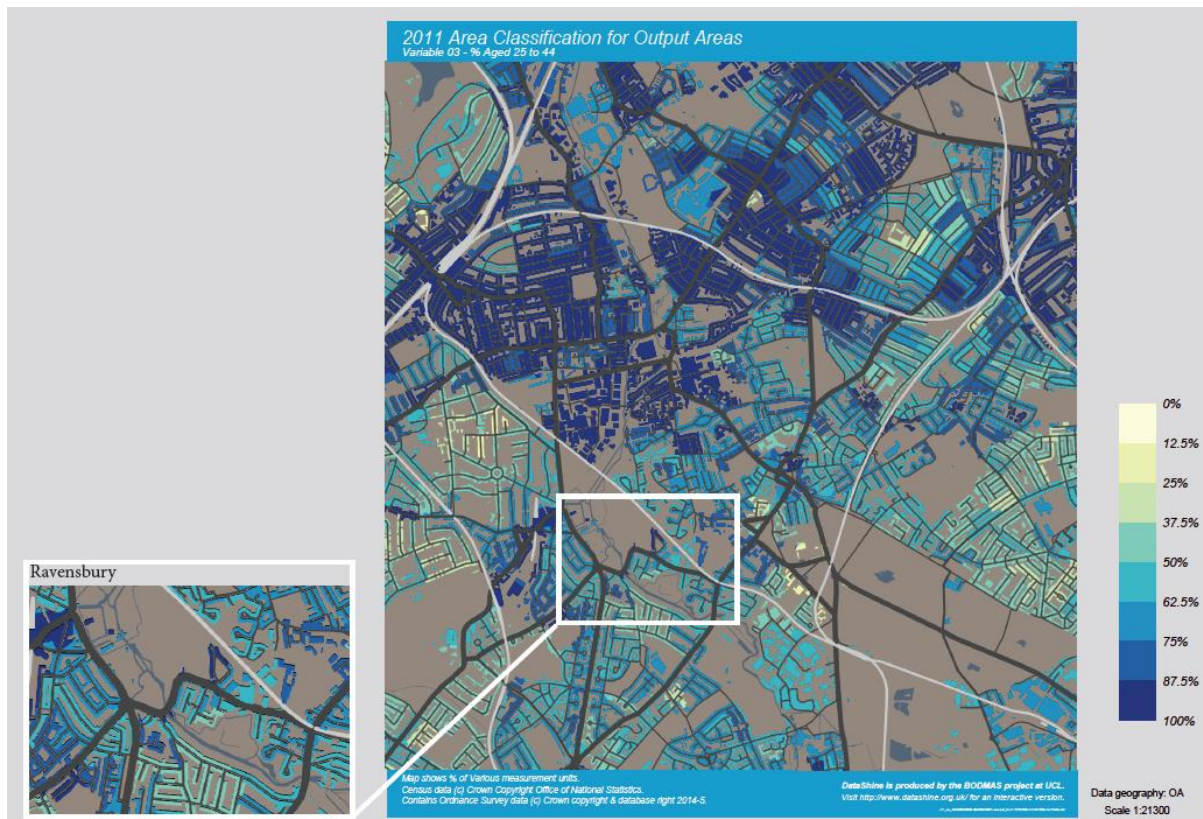


Figure 139: Percentage of residents aged 25 to 44 years old. Source: Census data 2011, visualised by Datashine

18.5. According to GLA population projections the population of Ravensbury ward will increase from 10,082 people in 2017 to 10,832 in 2032 (Figure 140). There is a projected fall in persons aged 0 to 9 years old and persons aged 30 to 39 years old. The greatest increase is projected to be in persons aged 20 to 29 years old and 50 years old and over. This is shown in Figure 141.

	2017 population in thousands	2022 population in thousands	2027 population in thousands	2032 population in thousands
<b>Ravensbury Ward</b>				
<b>Population</b>	10,082	10,239	10,574	10,832
<b>Births</b>	160	152	153	156
<b>Deaths</b>	85	77	76	79
<b>Natural Change</b>	75	75	77	77
<b>Net Migration</b>	-61	-24	-2	-49
<b>Net Change</b>	14	51	75	28

Figure 140: GLA 2015-based ward population projections for Ravensbury ward

Age group within Ravensbury Ward	2017 population in thousands	2032 population in thousands	Percentage difference
0-9	1462	1360	-6.98%
10-19	1243	1281	3.06%
20-29	1216	1380	13.49%
30-39	1541	1443	-6.36%
40-49	1477	1479	0.14%
50-59	1371	1485	8.32%
60-69	792	1181	49.12%
70-79	608	763	25.49%
80-90	330	405	25.15%

Figure 141: GLA 2015-based ward population projections for Ravensbury ward

## 18.6. Ethnicity

18.7. The 2011 Census indicates that the Black and Minority Ethnic population within Ravensbury increased to 38.4% of the residents since 2001. This is marginally higher than in the rest of the borough where 35.1% of the total population is classified as BAME. Figure 142 shows the ethnic breakdown of Ravensbury residents in 2011. The 'Asian or Asian British' represents the largest BAME group in the Ravensbury Site (comprising 17.3% of total population).

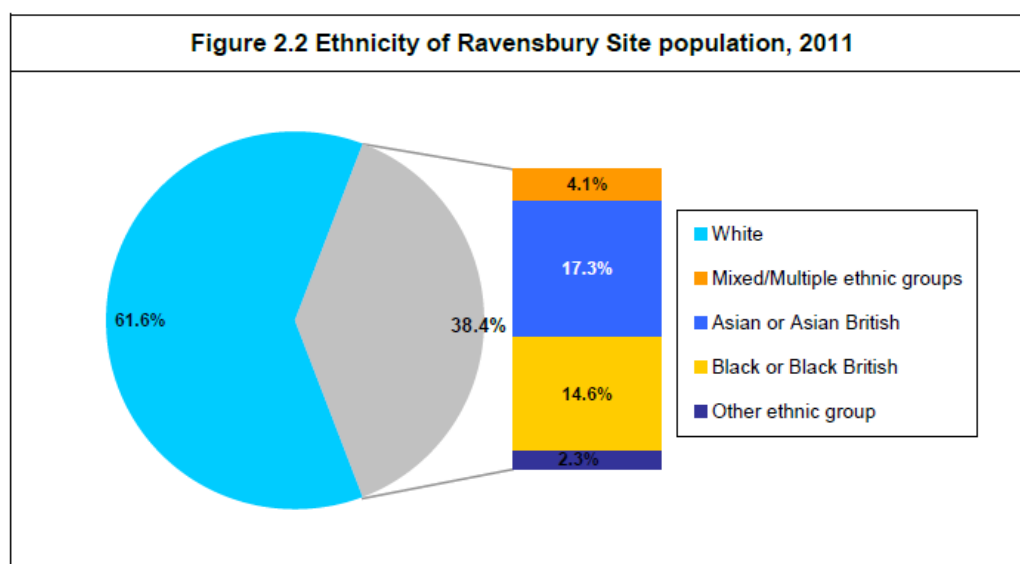


Figure 142: Source - Peter Brett Associates

## 18.8. Length of residency in the UK

18.9. In terms of length of residency in the UK the 2011 Census recorded that just 1% of Ravensbury residents had lived in the UK for less than two years, which is lower than the

Merton average of 2.6%. The Majority of Ravensbury residents (95.7%) have resided in the UK for more than 5 years, which is greater than the 91% in the rest of the borough.

**18.10. Household Composition**

**18.11.** Ravensbury has a greater proportion of lone parent households compared to the rest of the borough (Figure 143). In the 2011 Census 16.8% of households in Ravensbury were reported to be lone parent households compared to 12.2% across the rest of Merton. The proportion of lone parent households is only slightly greater than in the immediate local area (Figure 144) and the number of households that are composed of married couples with dependent children is not that different (Figure 145). There are a greater number of cohabiting couples resident on the west side of the estate compared to the surrounding residential streets (Figure 146).

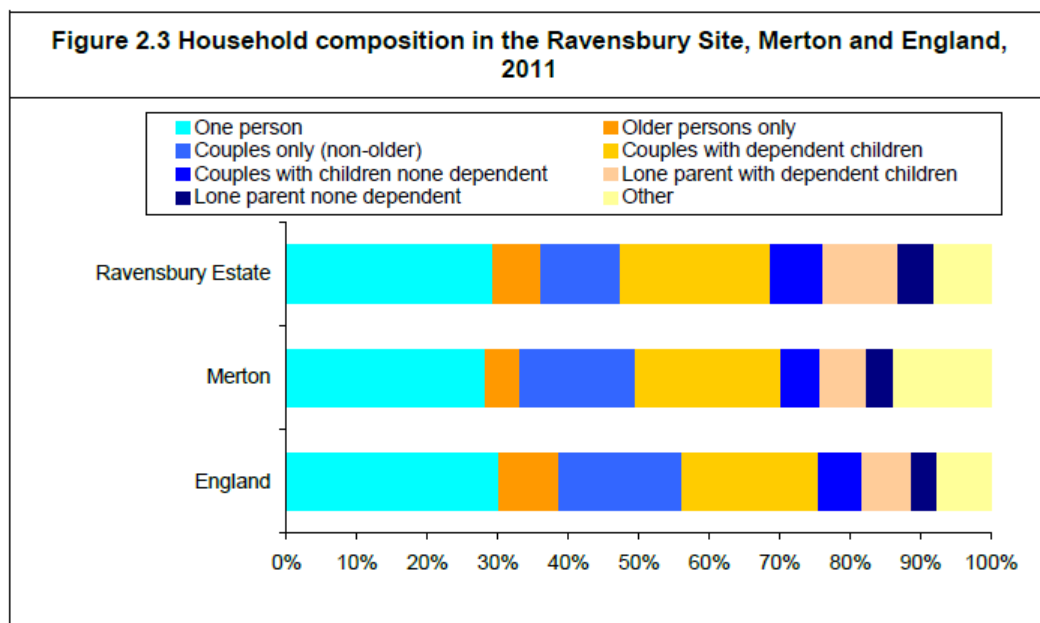


Figure 143: Source - Peter Brett Associates



Figure 144: Household composition - lone parent family. Source: Census data 2011, visualised by Datashine

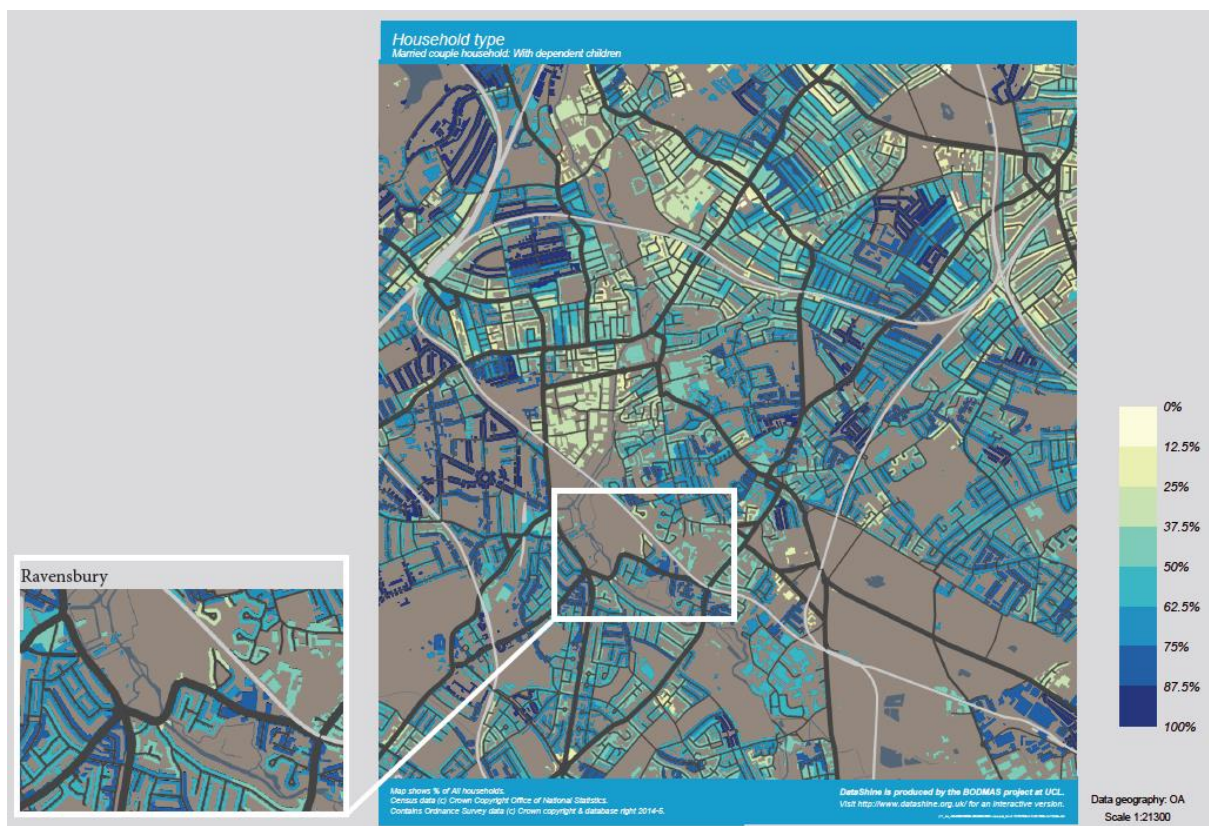


Figure 145: Household composition - married couple with dependent children. Source: Census data 2011, visualised by Datashine



Figure 146: Household composition, cohabiting couple. Source: Census data 2011, visualised by Datashine

## 18.12. Deprivation

18.13. 2011 Census data shows that 17.1% of Ravensbury residents consider themselves to have a long-term health condition or disability, which is higher than the 12.6% of residents in the rest of the borough. CLG Indices of Multiple Deprivation (IMD) classify the London Borough of Merton as one of the least deprived boroughs in London and across the country. However there are stark differences between localities within the borough with the East of the borough generally more deprived than the West. At Lower Sub-Output Area (LSOA) the Ravensbury site is one of the top 20% most deprived areas nationally in terms of quality of living environment, and the LSOAs to the west of the Ravensbury site rank within the top 10% most deprived living environments (Figure 147).

18.14. Figures 148 and 149 show how the Ravensbury estate compares locally in terms of deprivation and health. Even though Ravensbury residents are reported in the 2011 Census as being in an area of deprivation and poor health, there is not a great difference compared to surrounding areas. Overall only 33.6% of households in the Ravensbury Site were classified as not deprived in any dimension compared to 46.5% of households across the Borough and 42.5% of households nationally. Whilst 32.6% of households in the Ravensbury Site were deprived in one dimension some 33.8% of households were deprived in more than one dimension. This multi-dimension deprivation is much greater than that recorded across Merton (21.0%) and England as a whole (24.6%).

### 18.15. Child Poverty

18.16. Peter Brett Associates reported that the Department of Work and Pensions (DWP) data shows that LBM has one of the lowest rates of income support claimants within the population of usual working age. The Borough also performs well in terms of the percentage of children living in out-of-work families. Only 16% of children in LBM fall under this category which is below the Greater London average of 22%.

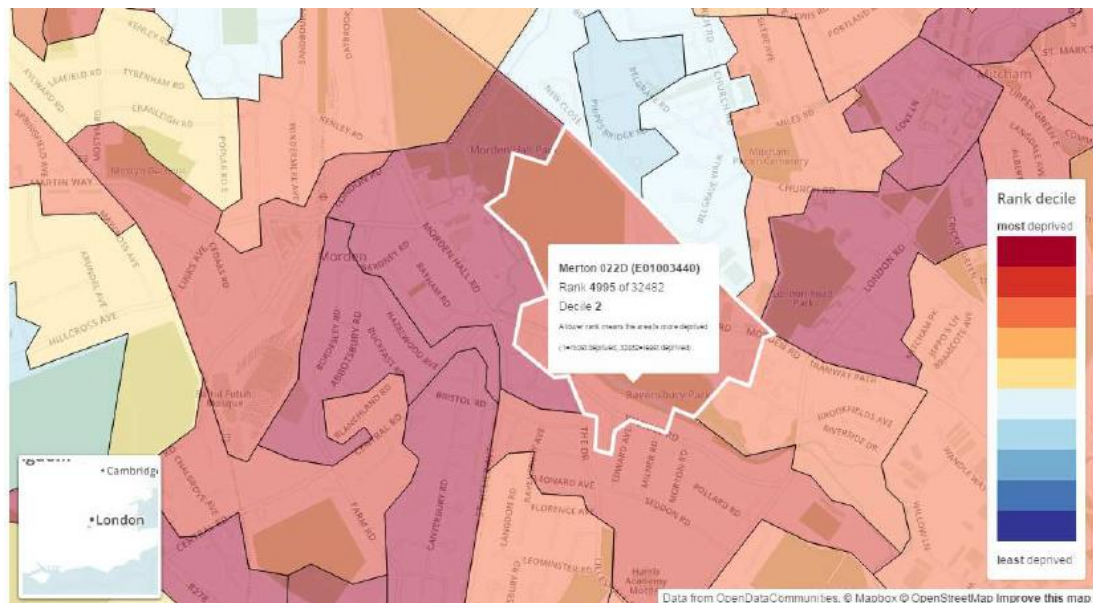


Figure 147: Deprivation in the Living Environment. Source: Peter Brett Associates, Deprivation Mapper, CLG 2014

18.17. Merton's health profile for Ravensbury ward shows 31% of children aged 0 to 15 years old live in income deprived households and 20% of people aged 60+ years old live in pension credit households. 32% of residents aged 65 and over live on their own, which is comparable to the average for Merton (33%) and London (35%). In terms of older people living with a long-term limiting disability, 29% reported that they were limited a lot, 27% limited a little and 44% not limited. For the 44% of residents aged 65 and over who reported that their day-to-day activities were not limited, this is lower than the rest of Merton (49%) and London (47%). The source of this data is a combination of 2011 Census data, 2010 Local Health data and GLA 2013 population projections.



Figure 148: Households not deprived in and dimension. Source: Census data 2011, visualised by Datashine



Figure 149: Households reporting very good general health. Source: Census data 2011, visualised by Datashine

## 18.18. Qualifications

18.19. In the 2011 Census the number of people of working age in the Ravensbury LSO reporting no qualifications was 23%, which is far above the borough average of 6%. The area however is on par with the qualification levels in surrounding neighbourhoods, which can be seen in Figure 150.



Figure 150: Highest level of qualification - level 4 and above. Source: Census data 2011, visualised by Datashtine

## 18.20. Income

18.21. Rates of economic activity in the London Borough of Merton are considered to be higher than Greater London and national averages. Peter Brett Associates reported that according to the Annual Population Survey (APS), in 2013 an estimated 81% of LBM's working age population were either in employment or seeking work, which is above the national average of around 77%. They also reported that OSCI estimates of economic activity in Ravensbury were only 68%, which is significantly lower than the average across the ward of Ravensbury as a whole, which is 74%. This is shown in Figure 151.

18.22. Peter Brett Associates reported that CACI Paycheck estimates that the mean gross annual household income in the Ravensbury Site is £22,811, which is 46.8% below the London equivalent (£42,878). The median household income is noticeably lower at £18,088 (compared to £34,739 across London). The lower quartile figure is £10,775 (£18,613 for London). The CACI data also indicates that there is a significant range of incomes, with 55.4% of households having an income of less than £20,000, and 3.8% of households



having an income in excess of £60,000. There are more low income households and fewer high income households than across London as a whole. Net weekly household income (after housing expenses) in Ravensbury is around £410, according to OSCI estimates. This is below the national average of about £423. This is shown in Figure 152.

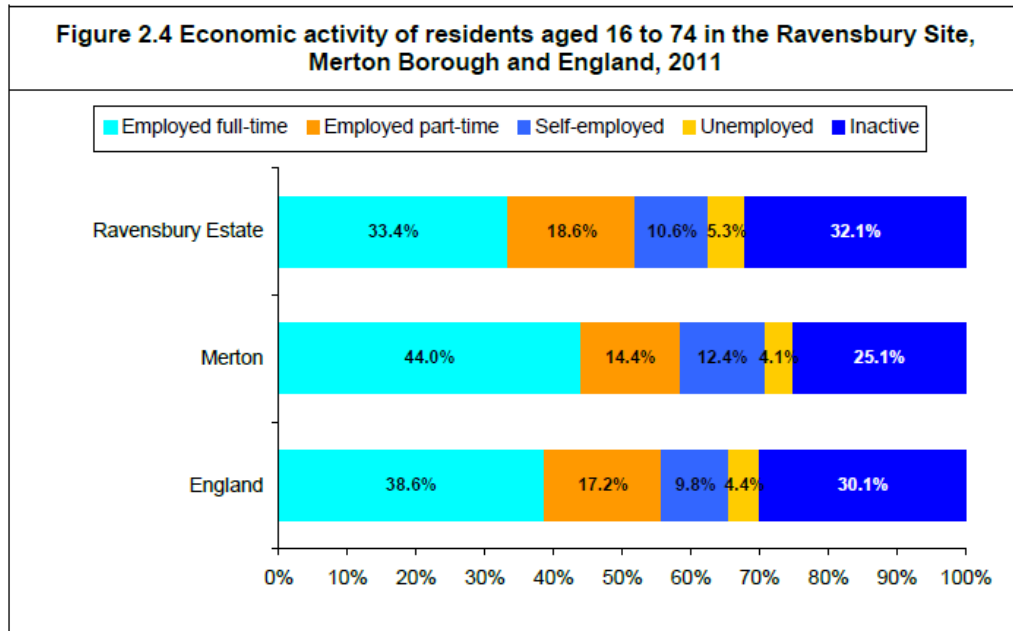


Figure 151: Source - Peter Brett Associates

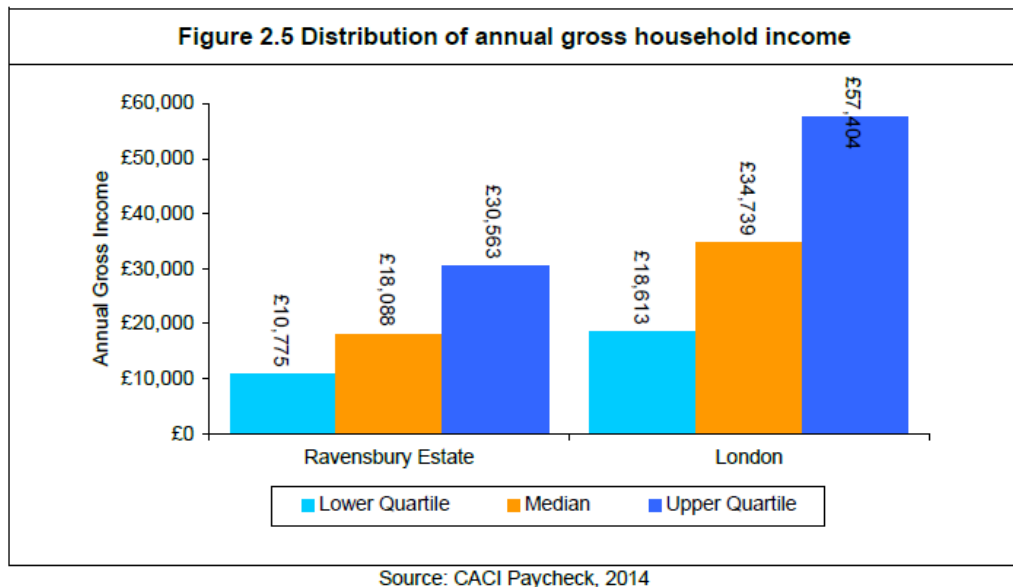


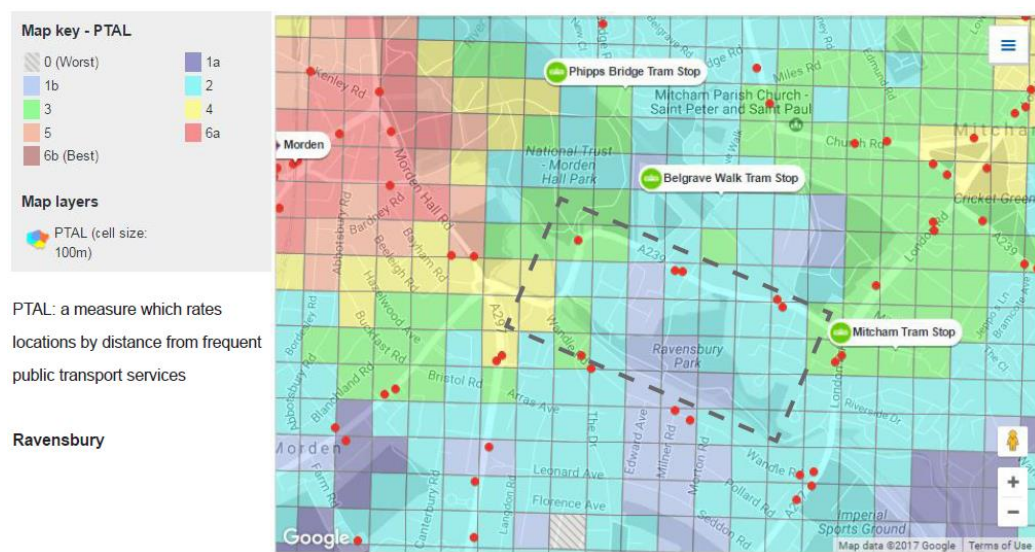
Figure 152: Source - Peter Brett Associates

### 18.23. Transport and Accessibility

18.24. LBM's site analysis concluded that there are positive and negative aspects to transport connectivity for Ravensbury. The Tramlink network is quite close, with three stations at Belgrave Walk, Phipps Bridge and Mitcham. However, the routes to the closed two stops

are unattractive and entail walks along secluded narrow and long footpaths that have exceptionally poor surveillance. It is approximately 15 minutes' walk to Morden Tube station, which also has 11 bus routes serving it. The 201 is the only bus route that passes the estate, though the more frequent 118 passes nearby along Wandle Road.

**18.25.** The PTAL ratings for within the estate compared to that for Morden Road on the outside of the estate serve to show how a lack of a direct street to Morden Road reduces accessibility. Within the estate the PTAL is 1b. On Morden Road it is 3. This is partly due to the increase accessibility to the 118 bus route on Wandle Road. A direct pedestrian footbridge across the River Wandle at the end of Ravensbury Grove would also improve the accessibility and PTAL rating of the estate and create better accessibility to buses for residents. A map of PTAL ratings for the local area is shown in Figure 153.



**Figure 153: PTAL ratings for Ravensbury. Source: Transport for London**

**18.26. Travel to work**

**18.27.** Census data on methods of transport used to travel to work shows that most residents travel by underground, rail or tram, similar to surrounding areas (Figure 154). Figure 155 shows commuting data from the 2011 Census by Middle Super Output Area (MSOA) originating from Ravensbury. The data includes all journeys recorded to other boroughs where 6 or more journeys are made. The population of Ravensbury MSOA commutes to 24 other boroughs, and receives commuters from 16 other boroughs (Figure 156).



Figure 154: Method of travel to work - underground, metro, light rail and tram. Source: Census data 2011, visualised by Datashine

<b>Destination of commuters from Middle Super Output Area of Ravensbury (Merton 022)</b>	<b>Total Commuters</b>
Merton	617
No fixed placed of work	532
Wandsworth	314
Mainly work at/from home	307
Sutton	262
Westminster	225
Work within same MSOA	153
Kingston upon Thames	114
Lambeth	102
City of London	80
Croydon	64
Camden	55
Southwark	46
Hammersmith and Fulham	37
Islington	26
Kensington and Chelsea	25
Epsom and Ewell	20
Tower Hamlets	13
Hackney	12
Mole Valley	10
Hillingdon	7
Richmond upon Thames	7
Reigate and Banstead	7
Hounslow	6
Lewisham	6
Crawley	6
Brent	6
Ealing	6

**Figure 155: Travel to work destinations from the MSOA of Ravensbury**

Origin of commuters to Middle Super Output Area of Ravensbury (Merton 022)	Total Commuters
Sutton	1152
Merton	973
Croydon	712
Wandsworth	175
Work within same MSOA	153
Lambeth	136
Reigate and Banstead	132
Epsom and Ewell	117
Kingston upon Thames	87
Tandridge	84
Waltham Forest	32
Bromley	29
Elmbridge	16
Mole Valley	14
Southwark	7
Guildford	6
Lewisham	6
Richmond upon Thames	6

Figure 156: Travel to work origins to the MSOA of Ravensbury

## 18.28. Unemployment

18.29. Levels of unemployment in the London Borough of Merton are relatively low at just 7% of the resident population (NOMIS figures) compared to the national average of 10%. The figure for the LOSA of Eastfields residents that are economically active and are unemployed is just over 8%. Figure 157 shows the percentage of residents that are economically active in the area. It shows that the percentage of residents that are economically active are similar to the surrounding streets. This increases in Morden town centre where more residents are recorded as being economically active. At LSOA level, in the immediate area of Ravensbury has a population is some 1,879 people, of which, 182 (or 63%) are of the usual working age (i.e. 16-64), below the percentage of 68% for the rest of the borough.

18.30. Figure 158, produced by Peter Brett Associates shows the economic activity status of all residents aged 16 to 74 in the Ravensbury Site, compared to the regional and national equivalents as recorded in the 2011 Census. The data indicates that almost a third (32.1%) of those aged between 16 and 74 are not economically active, notably higher than the figure for Merton as a whole (25.1%). Residents in the Ravensbury Site are also more likely than the Borough-wide and national averages to be unemployed and are less likely to be in full-time employment.



Figure 157: Economic activity - total economically active. Source: Census data 2011, visualised by Datashine

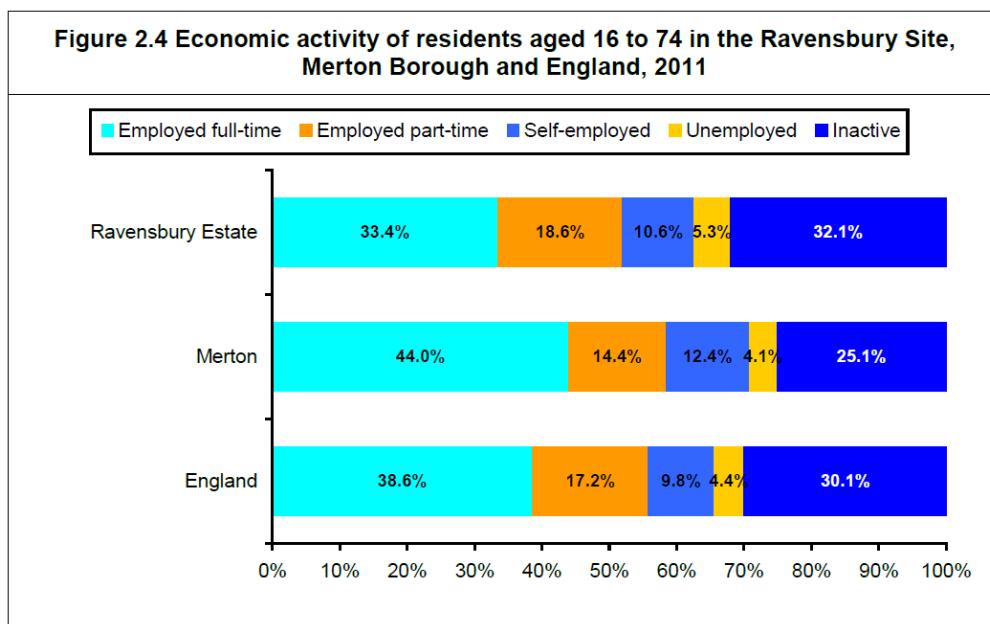


Figure 158: Source Peter Brett Associates

## 19. Housing Needs Study: Ravensbury

19.1. This section summarises the work undertaken by Peter Brett Associates.

### 19.2. Introduction

- 19.3.** Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. Peter Brett Associates have analysed the housing stock on Eastfields to provide an understanding of the current market balance and existing occupation patterns. A range of data sources, including information provided by the Registered Social Landlord (RSL), Clarion Housing Group, will be used to provide an overview of the housing stock in the study area and a comparison to the regional and national situation will be presented where the data is available.
- 19.4. Housing Quality**
- 19.5.** The Ravensbury Estate was built in the early 1950s and consists of 192 dwellings in a mixture of semi-detached and terraced houses, flats and maisonettes. The flat block and the terraced houses have a brick construction. The semi-detached houses are of Orlit concrete construction. Orlit is a prefabricated reinforced concrete method of construction that was common after the Second World War. Approximately 85% of the properties are Clarion Housing Group tenanted and the rest privately owned.
- 19.6.** London Borough of Merton Council's analysis of the neighbourhood profile of local area identified a number of areas of improvement and enhancement required for Ravensbury and the immediate surroundings. This included a need to refurbish some of the existing homes to meet the requirements of older residents and disabled users; improvements to the public realm such as a safer pedestrian crossings over London Road; and a better use of neglected amenity buildings in Ravensbury Park.
- 19.7. Accommodation Profile**
- 19.8.** Figure 159, produced by Peter Brett Associates compares the type of accommodation in the Ravensbury Site in 2011 with that recorded for the Borough of Merton and England. The Ravensbury Site contains a far greater proportion of purpose built flats than Borough-wide and national averages, with very few detached or semi-detached houses. The most common property type in the Ravensbury Site is purpose built flats followed by terraced houses.
- 19.9.** Figure 160, produced by Peter Brett Associates compares the size of accommodation (in terms of bedrooms) in the Ravensbury Site as indicated by Clarion Housing Group, with that in Merton as a whole and England as recorded by the Census. The figure indicates that there is not much diversity of size across the Ravensbury Site with almost all homes containing one or three bedrooms.

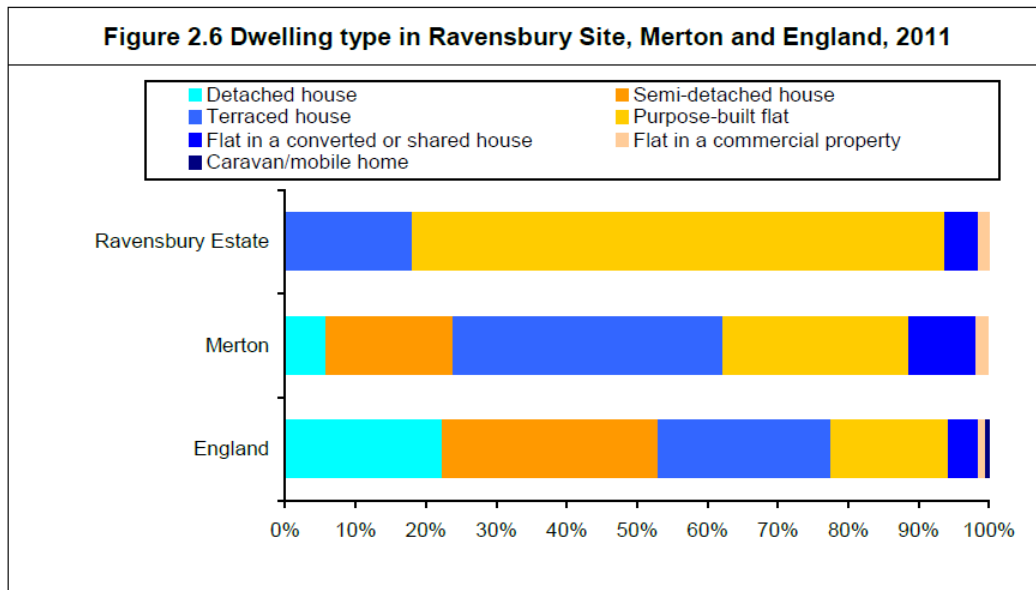


Figure 159: Source - Peter Brett Associates

**Table 2.1 Size of dwelling stock in Ravensbury Site, Merton and England, 2011**

Property size	Ravensbury Site	Merton	England
No bedrooms	0.0%	0.3%	0.2%
1 bedroom	28.7%	16.0%	11.8%
2 bedrooms	1.0%	28.7%	27.9%
3 bedrooms	70.3%	37.5%	41.2%
4 or more bedrooms	0.0%	17.5%	19.0%
Total	100.0%	100.0%	100.0%

Source: Circle Housing 2014; 2011 Census

Figure 160: Source - Peter Brett Associates

### 19.10. Comparison with neighbouring areas

19.11. Figures 161 to 164 show the dwelling size of neighbouring properties in the area. There are only a small number of studio and one bedroom dwellings in the local area. The majority are two bedroom or three bedroom dwellings.





Figure 161: Dwelling size - no bedrooms. Source: Census data 2011, visualised by Datashine



Figure 162: Dwelling size - one bedroom. Source: Census data 2011, visualised by Datashine



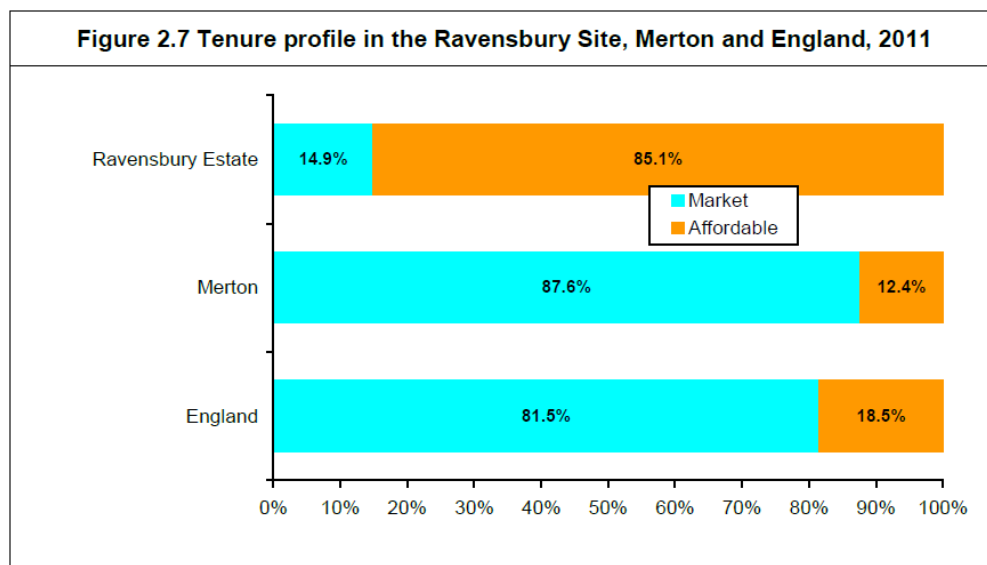
Figure 163: Dwelling size - two bedrooms. Source: Census data 2011, visualised by Datashine



Figure 164: Dwelling size - three bedrooms. Source: Census data 2011, visualised by Datashine

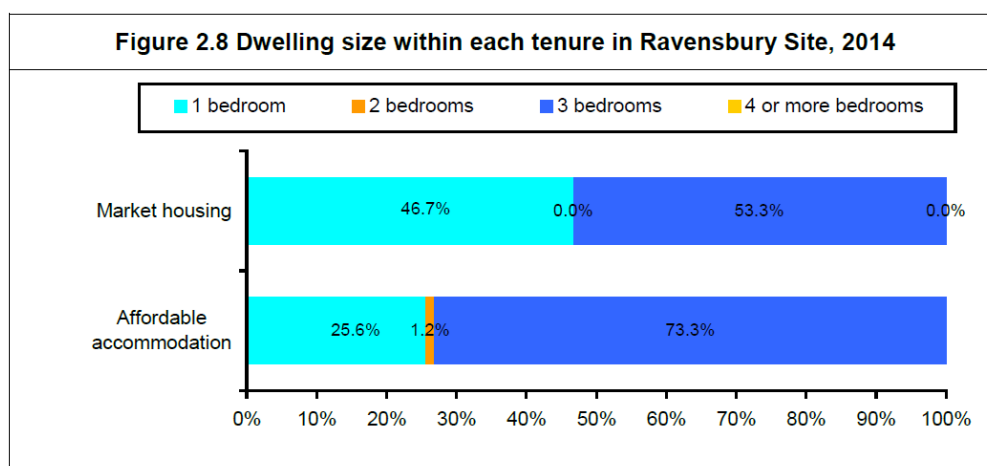
**19.12. Tenure**

**19.13.** Figure 165, produced by Peter Brett Associates compares the tenure of households in the Ravensbury Site as documented by Clarion Housing Group in 2014 with that recorded for Merton and England in the Census in 2011. The data indicates that 85.1% of households in the Ravensbury Site reside in affordable accommodation, a significantly higher figure than is recorded across the Borough and nationally. Figure 166 then shows the size of accommodation within each tenure, which indicates that there is a greater proportion of three bedroom homes in the affordable sector than in market housing within the Ravensbury site.



Source: Circle Housing 2014; 2011 Census

**Figure 165: Source - Peter Brett Associates**



Source: Circle Housing 2014

**Figure 166: Source - Peter Brett Associates**

**19.14.** The 2011 Census showed that in Ravensbury Ward 23% of residents owned their homes outright, 33% owned their homes with a mortgage, 25% social rented and 18% private rented.

19.15. Figures 167 to 170 show that there is a low percentage of private rented and shared ownership properties in the local area, and the majority of properties are owned or social rented.



Figure 167: Tenure - Private rented. Source: Census data 2011, visualised by Datashine



Figure 168: Tenure - Owned. Source: Census data 2011, visualised by Datashine

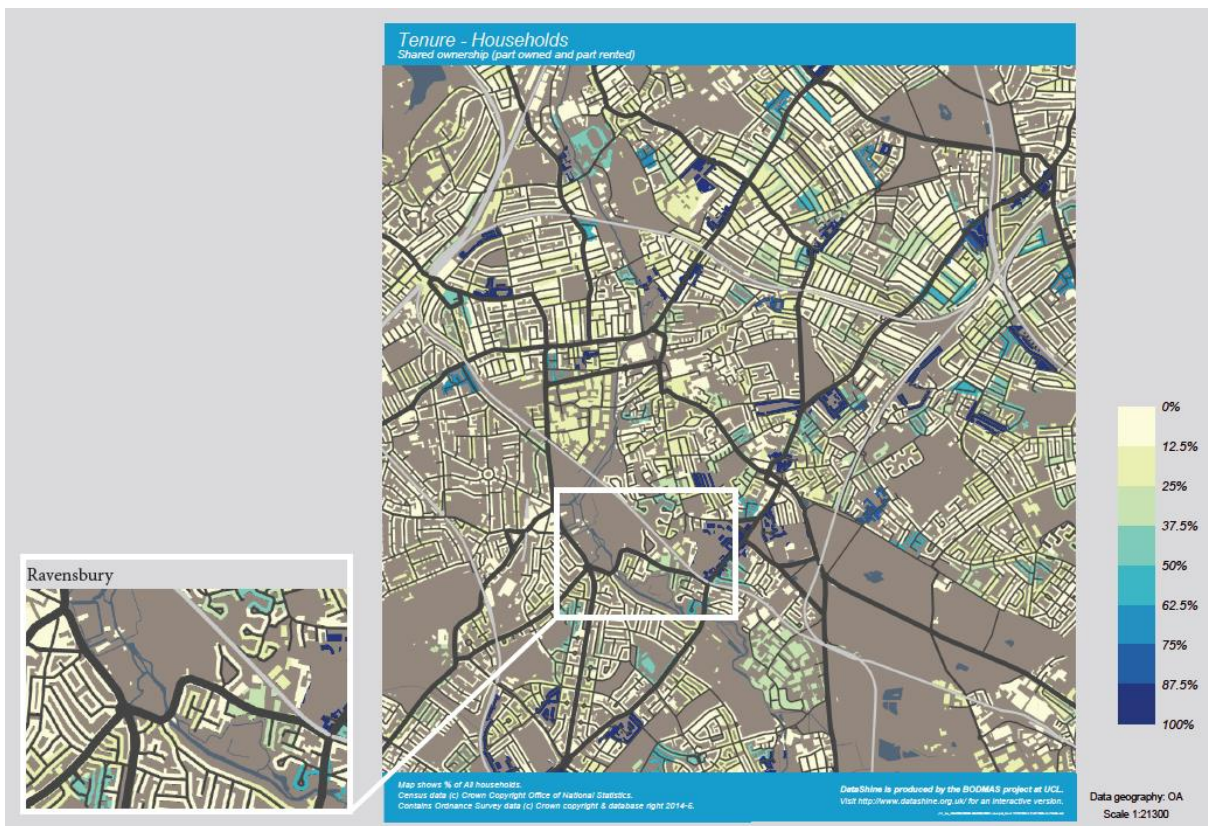


Figure 169: Tenure - Shared ownership (part owned and part rented). Source: Census data 2011, visualised by Datashine



Figure 170: Tenure - Social rented. Source: Census data 2011, visualised by Datashine

**19.16. Proposed housing units in Ravensbury Estate**

**19.17.** At present there are 192 homes on the Ravensbury site, 97 of which will be demolished. Clarion has proposed 194 new homes, resulting in a net gain of 289 additional units. All of the existing affordable housing will be re-provided, with an uplift of 49 affordable habitable rooms. An indicative accommodation schedule outline of the housing mix is listed in Figures 171 and 172.

	Studio	1 bed	2 bed	3 bed	4 bed	Total Units	Total Habitable Rooms
Private	0	23	27	33	4	87	316
Affordable	0	32	21	37	17	107	428
<b>Total</b>	<b>0</b>	<b>55</b>	<b>48</b>	<b>70</b>	<b>21</b>	<b>194</b>	<b>744</b>

Figure 171

	By Unit	By Habitable Rooms
Private (Sale or Rent)	44.8%	42.5%
Affordable	55.2%	57.5%

Figure 172

## **20. Summary and implications**

### **20.1. Summary of socioeconomic analysis for Ravensbury**

- Between 2001 and 2011 the proportion of residents in the Ravensbury estate aged 45 to 59 increased and the proportion of those aged 15 and younger decreased.
- Ravensbury estate has a greater proportion of children aged 0 to 4 years old than surrounding areas, but a similar number of those aged 5 to 14 years old.
- The proportion of Black and Minority Ethnic population living within Ravensbury in 2011 was 38.4%, higher than the 35.1% average for the rest of the borough.
- There is a greater proportion of lone parent households living on the estate compared to the rest of Merton, but only marginally more than in the surrounding area.
- GLA population projections for Ravensbury ward show that there will be a fall in those aged 0 to 9 years old and 30 to 39 years old, but an increase in those aged 50 years old and over.
- In the 2011 Census 17.1% of Ravensbury residents considered themselves to have a long term health condition or disability.
- 31% of children aged 0 to 15 years old living in Ravensbury ward live in income deprived households.
- In the 2011 Census the number of people or working age in the Ravensbury LSOA reporting no qualifications was 23% (Merton average is 6%).
- Mean gross annual household income in the Ravensbury Estate is £22,811, which is 46.8% below the London equivalent.
- Transport accessibility in the Ravensbury estate and surrounding areas is reliant on the tram and buses. Ravensbury is also a 15 minute walk to Morden station for the London Underground Northern Line.

### **20.2. Summary of housing needs for Ravensbury**

- Approximately 85% of the properties on the Ravensbury estate are Clarion Housing Group tenanted and the rest are privately owned.
- The Ravensbury site contains a greater proportion of purpose built flats than the borough-wide and national averages, with very few detached or semi-detached houses.
- The majority of homes in the surrounding area are two or three bedroom dwellings.
- In 2011 23% of residents in Ravensbury Ward owned their homes outright, 33% owned their homes with a mortgage, 25% social rented and 18% private rented.
- Clarion Housing Group has proposed 194 new homes (289 gross) on the site.

- The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be three bed properties, followed by one and two bed properties (36%, 28% and 25% respectively).
- 45% of the proposed dwellings will be for private sale or rent and 55% will remain affordable.

### **20.3. The number and mix of new homes**

**20.4.** Ravensbury is located within an area with a low level of Public Transport Accessibility. Taking account of these factors, and application of the London Plan matrix a range of 106-288 (gross figure which excludes land occupied by housing to be retained or refurbished) new homes are anticipated on this site. The council's expectation is for development proposals to be at the higher end of this range.

**20.5.** However the Mayor's Housing SPG 2016 has extensive guidance on densities, particularly guiding away from the rigid mechanistic application of the London Plan density matrix. The SPG clearly states that large site characteristics and quality design and environment can and result in more homes.

**20.6.** Clarion Housing Group's proposals for Ravensbury, via their detailed masterplanning of the site, indicate that 194 new homes could be built on site.

**20.7.** Therefore the Estates Local Plan does not propose a specific density range for inclusion in the Local Plan, as it is considered that this could be misleading. The Plan's strong emphasis on quality urban design as well as space standards of individual dwellings from the London Plan are likely to successfully deliver a higher number of new homes than the London Plan density matrix indicates

**20.8.** Development proposals should contribute to the provision of a greater choice and mix of housing types and sizes and tenures, including affordable housing provision, in accordance with relevant Local Plan policies (e.g. Core Planning Strategy Policy CS8 and CS9 and Sites and Policies Plan Policies DM H1, H2 and H3. Proposals should seek to provide a mix of housing types, sizes and tenures to meet the needs of all sectors of the community. In reality, the mix of types, sizes and tenures will be strongly influenced by the needs of existing residents (including existing overcrowding and under-occupation) development viability and amendments to national and regional affordable housing regime during the 10-15 lifetime of the regeneration project.

## **21. Housing Market Analysis: Ravensbury**

**21.1.** This section summarises the work undertaken by Peter Brett Associates.

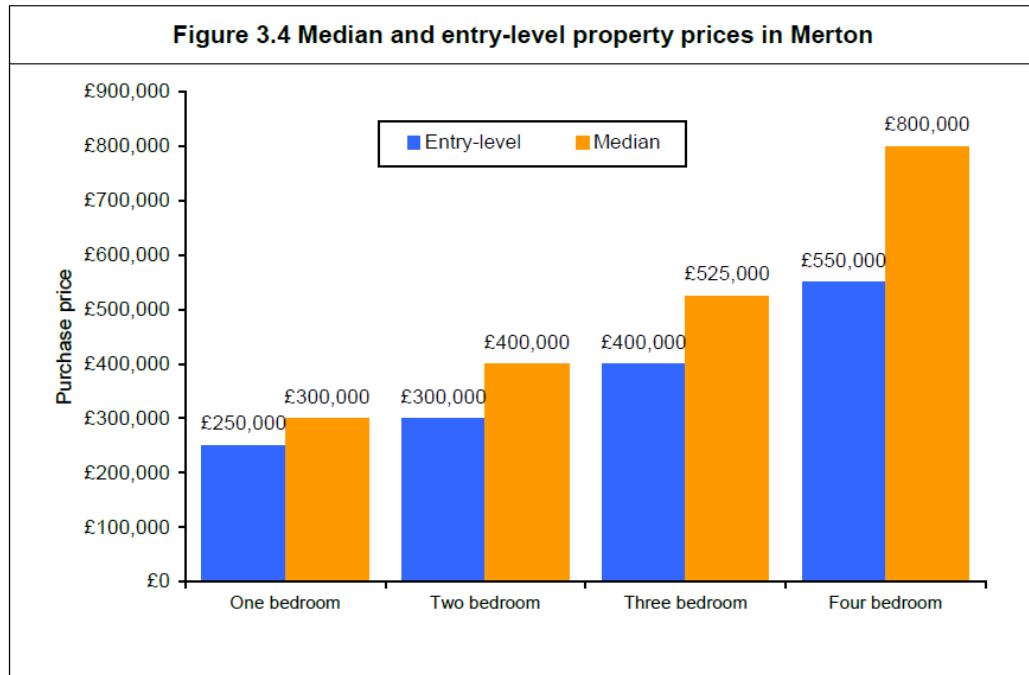
### **21.2. Introduction**



- 21.3.** Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. This section uses the most recently available data to document the current socio-economic profile in the Ravensbury Site.
- 21.4.** Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including information provided by the Registered Social Landlord (RSL), Clarion Housing Group, will be used to provide an overview of the housing stock in the study area and a comparison to the regional and national situation will be presented where the data is available.
- 21.5. The cost of housing**
- 21.6.** To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this study we have therefore undertaken a price survey to assess the current cost of housing both across the Borough (for context) and in the housing market area in which the Ravensbury Site resides.
- 21.7.** Median and entry-level property prices by number of bedrooms were obtained via an online search of properties advertised for sale during January 2015. The results of this online price survey are presented in Figures 173 and 174 In accordance with the Planning Practice Guidance, entry-level prices are based on lower quartile prices.
- 21.8.** Overall the price survey showed that prices in the housing market area around the Ravensbury Site are markedly cheaper than the Borough-wide average. Figure 174 indicates that entry-level prices in the housing market area in which the Ravensbury Site resides range from £190,000 for a one bedroom home up to £420,000 for a four bedroom property. Median prices are generally around 5-15% higher than entry-level prices. In terms of market availability the analysis showed that two bedroom properties are most commonly available to purchase, followed by three bedroom homes, with one bedroom homes most scarce.
- 21.9. House Prices**
- 21.10.** Land Registry data shows that in July 2014 the median house price in LBM was £322,000, which is in line with the average for Greater London, but 11% higher than that the LSOA of Ravensbury (£287,000).
- 21.11.** Although the LSOA has relatively lower house prices in comparison to other parts of the Borough, Ravensbury it is one of the least affordable areas. A lack of supply of housing limits the opportunities for low income groups and young people who wish to remain in the area.

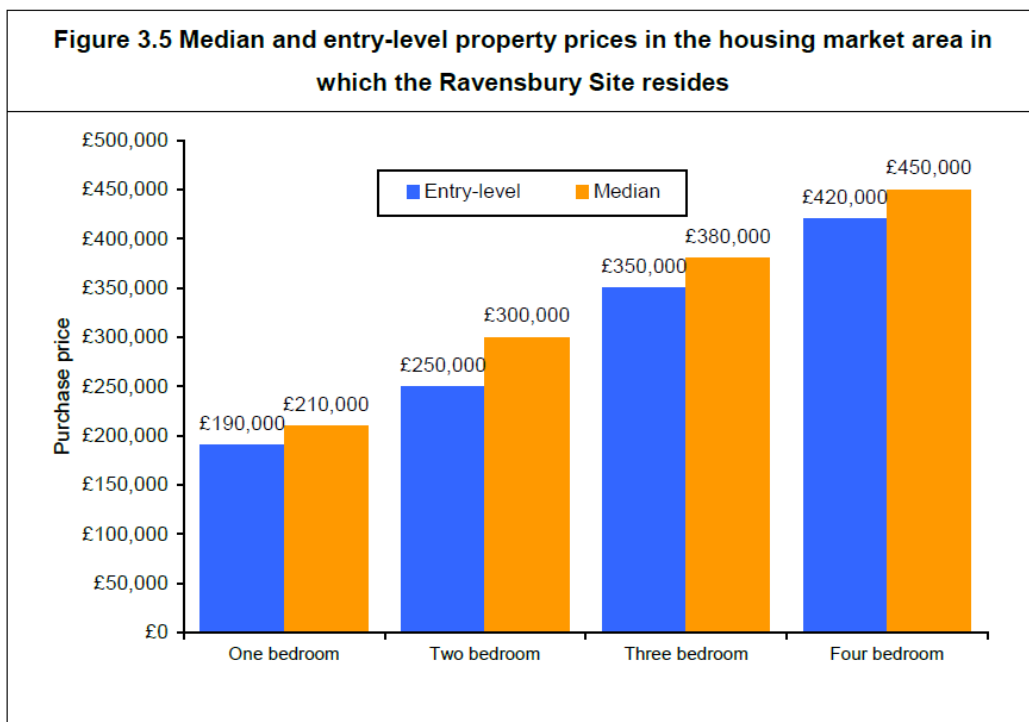
**21.12.** According to Census information, the LSOA is characterised by a high percentage of social housing (25%), well above the national average (18%).

**21.13.** At site level, a high percentage of households on Ravensbury were also identified as ‘overcrowded’. An estimated 19% of houses (or 74 houses) have at least one room fewer than needed for their household’s requirement. The national average is 9%.



Source: Online estate agents survey January 2015

Figure 173: Source - Peter Brett Associates



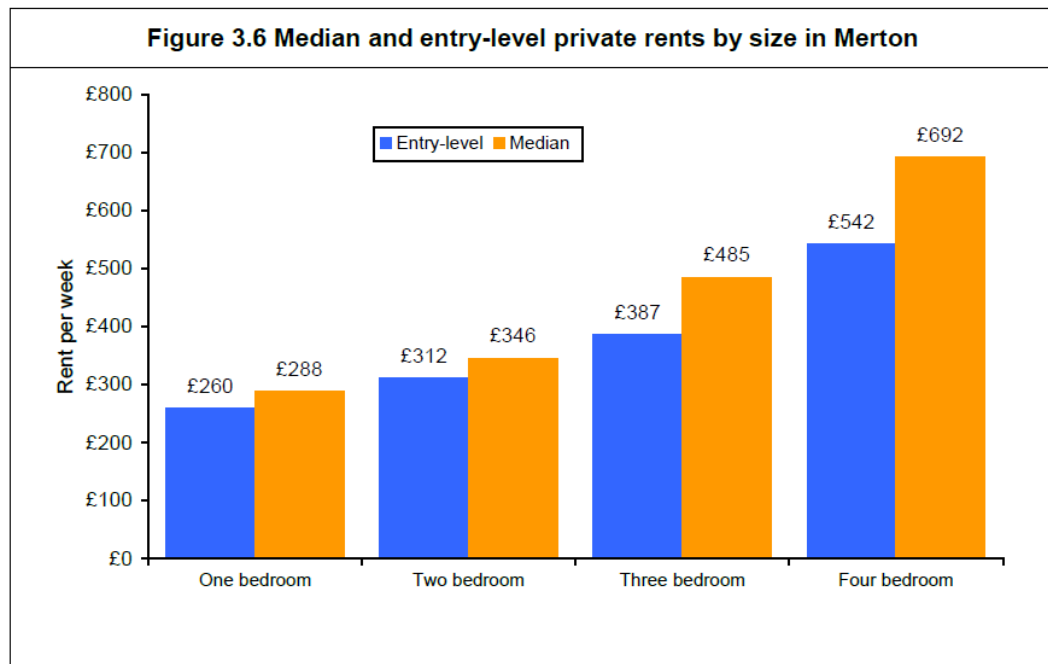
Source: Online estate agents survey January 2015

Figure 174: Source - Peter Brett Associates

### 21.14. Private rents

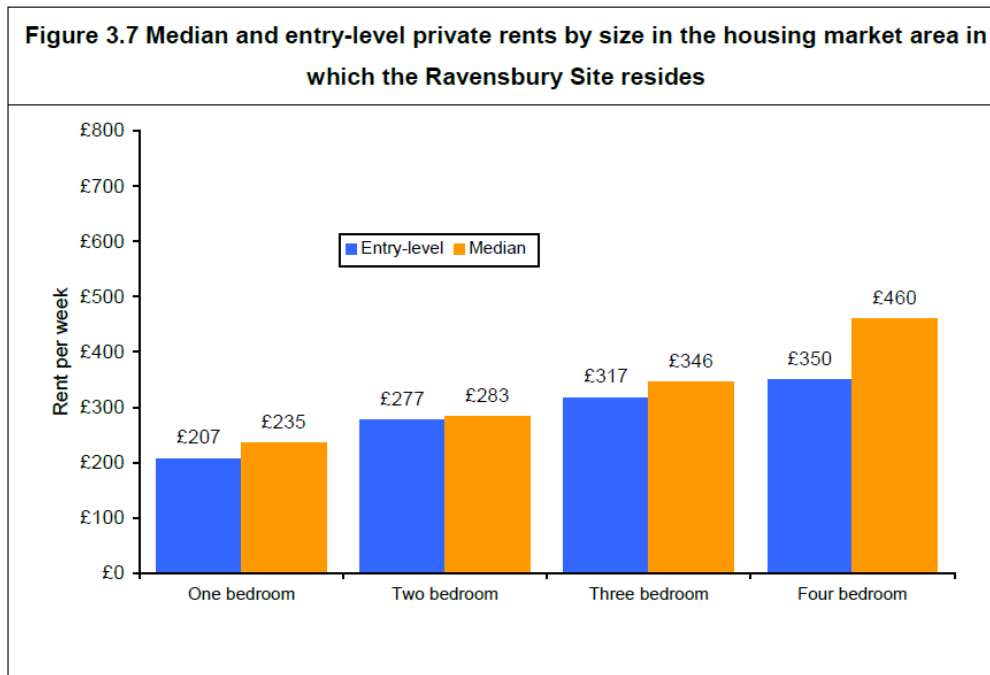
21.15. The entry-level and median price for private rented accommodation by property size across the Borough of Merton is presented in Figure 175 with the equivalent information for the housing market area in which the Ravensbury Site resides presented in Figure 176. As with property prices, private rents are cheaper in the Ravensbury Site area than the Borough as a whole. The data indicates that entry-level rents in the housing market area in which the Ravensbury Site resides range from £207 per week for a one bedroom home up to £350 per week for a four bedroom property.

21.16. The figures show that as with owner-occupation, the smallest difference is between the cost of a three and four bedroom entry-level home (in terms of percentage increase in cost). The difference between the cost of two and three bedroom accommodation is less marked in the private rented sector than for owner-occupation, although it still represents a noticeable increase (some £40 per week). In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent.



Source: Online letting agents survey January 2015

Figure 175: Source - Peter Brett Associates



Source: Online letting agents survey January 2015

Figure 176: Source - Peter Brett Associates

### 21.17. Social rents

21.18. The cost of Merton Priory (the title of the Clarion Housing Group RSL in the Borough) social rented accommodation by dwelling size in Merton can be obtained from the Homes & Communities Agency’s Statistical Data Return dataset. Figure 177 below illustrates the cost of Merton Priory social rented dwellings. As can be seen the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the social rented and market sectors.

Table 3.2 Average social rent (per week)	
Bedrooms	Merton Priory
One bedroom	£85
Two bedrooms	£100
Three bedrooms	£113
Four bedrooms	£124

Source: HCA’s Statistical Data Return 2013

Figure 177: Source - Peter Brett Associates

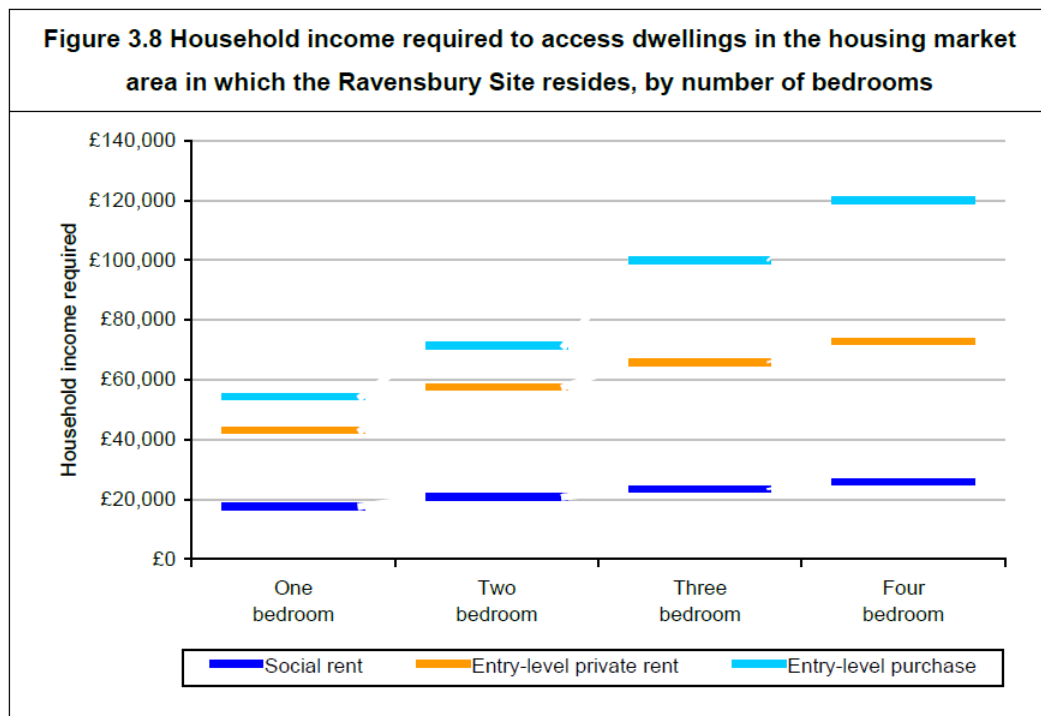
### 21.19. Analysis of housing market ‘gaps’

21.20. Housing market gaps analysis has been developed to allow easy comparison of the costs of different tenures. Figure 178 shows the housing ladder that exists for different sizes of property in the Ravensbury Site area. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price by 3.5 to get an annual income figure (to reflect

the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by four to produce a comparable figure. This latter step was carried out for both social and market rents. These approaches are in accordance with the standard base affordability test for rented accommodation - no more than a quarter of gross income on rent.

**21.21.** The figure shows a comparison of the likely income requirements per household for different types of housing. Measurement of the size of the gaps between these ‘rungs of the ladder’ helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

**21.22.** The figure indicates that for all property sizes the gap between social rent and market rent is bigger than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are particularly large; an additional £47,000 per year is required to access a four bedroom private rented home over the cost of a four bedroom social rented property in the Ravensbury Site area, with a further £47,200 per year required to move to an owner-occupied home.



**Figure 178: Source - Peter Brett Associates**

**21.23.** Figure 179 shows the size of the gaps for each dwelling size in the Ravensbury Site area. The figure indicates, for example, that three bedroom market entry rents are 180.5% higher (in terms of income required) than the cost of social rented accommodation in the Ravensbury Site area. The very large gap recorded between social rents and market entry rents for all dwelling sizes in both areas indicates that intermediate housing could potentially be useful for a large number of households. The significant gap between market entry rents and market entry purchase indicates notable potential demand for part-

ownership products for households in this gap.

<i>Property size</i>	<i>Social rent/market rent</i>	<i>Rent/buy gap</i>
One bedroom	143.5%	26.1%
Two bedrooms	177.0%	24.0%
Three bedrooms	180.5%	51.7%
Four bedrooms	182.3%	64.8%

Source: Circle Housing – Ravensbury Site Housing Needs Study, 2015

Figure 179: Source - Peter Brett Associates

#### 21.24. Intermediate options

21.25. A range of intermediate tenures are available for households, the cost of these currently is also therefore profiled.

#### 21.26. Affordable Rent

21.27. Affordable Rent is a relatively new product that has been introduced to help fill the gaps that exist in the current housing market. It is a social tenure intended to house households on the Housing Register. It is not an intermediate product, but a new form of social rented accommodation that will coexist with the existing tenure. Due to its different cost level, detail will be presented on its relative affordability in comparison with social rent where this is possible. Affordable Rents can be set at up to 80% of open market rents, implying there is a flexibility as to what they may cost.

21.28. The Homes & Communities Agency (HCA)'s Statistical Data Return also details the Affordable Rent levels charged in Merton. Figure 180 indicates the average Affordable Rent charged by Merton Priory. A comparison with median market rents indicates that the Affordable Rent levels are around 50% of lower quartile market rents in the area.

<i>Bedrooms</i>	<i>Merton Priory</i>
One bedroom	£103
Two bedrooms	£135
Three bedrooms	£162
Four bedrooms	£213

Source: HCA's Statistical Data Return 2013

Figure 180: Source - Peter Brett Associates

#### 21.29. Shared ownership

21.30. Figure 181 presents the estimated costs of shared ownership housing in Merton. The prices presented in the figure were obtained from the online estate agent survey. It is important

to note that there were few shared ownership properties available at the time of the estate agent survey, so the open market value for these properties may be subject to refinement. The weekly costs of purchasing the property with a 25% and 40% equity share is presented as these are the most commonly available options. The weekly costs are based on an interest rate of 4.19% paid on the equity share owned and rent payable at 2.5% on the remaining equity. Both shared ownership products are more expensive than the Affordable Rent, but notably cheaper than entry-level private rent.

<b>Table 3.5 Estimated cost of shared ownership accommodation</b>			
<i>Bedrooms</i>	<i>Open market value</i>	<i>Weekly cost of shared ownership with a 25% equity share</i>	<i>Weekly cost of shared ownership with a 40% equity share</i>
One bedroom	£200,000	£112	£122
Two bedrooms	£275,000	£155	£168
Three bedrooms	£395,000	£222	£241
Four bedrooms	£500,000	£281	£305

Source: Online survey of property prices January 2015

Figure 181: Source - Peter Brett Associates

### 21.31. Help-to-buy

21.32. Help-to-Buy is based on selling a home for a proportion of the market value (at least 80%) with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. Figure 182 presents the estimated costs of Help-to-Buy in Merton. The open market values are the same as for the shared ownership ones presented above. The monthly costs are based on an interest rate of 4.59% paid on the equity share owned. Help-to-Buy with an 80% share is more expensive than the shared ownership options, but is cheaper than market housing.

<b>Table 3.6 Estimated cost of Help-to-Buy accommodation</b>		
<i>Bedrooms</i>	<i>Open market value</i>	<i>Weekly cost of Help-to-Buy with a 80% equity share</i>
One bedroom	£200,000	£141
Two bedrooms	£275,000	£194
Three bedrooms	£395,000	£279
Four bedrooms	£500,000	£353

Source: Online survey of property prices January 2015

Figure 182: Source - Peter Brett Associates

### 21.33. Local Housing Allowance

21.34. Local Housing Allowance (LHA) has been brought in to replace Housing Benefit outside of the social rented sector. It is designed to make up the shortfall in people's ability to pay for their housing. Households unable to afford all of their rent are entitled to LHA to make up

the difference so long as the rent does not exceed the LHA cap for the Broad Rental Market Area (BRMA) as determined by the Valuation Office Agency. Figure 183 sets out the weekly LHA cap that applies to the Ravensbury Site area, which is located within the Outer South London BRMA. A comparison with the cost of the intermediate options presented and the LHA cap indicates that all products except three and four bedroom Help-to-Buy have a weekly cost lower than the LHA cap. This means that households should easily be able to remain in these homes should their income drop and they no longer are able to afford the full housing cost, as they would be entitled to LHA for help.

<b>Table 3.7 Local Housing Allowance Cap (per week)</b>	
<i>Bedrooms</i>	<i>Outer South London BRMA</i>
One bedroom	£161
Two bedrooms	£202
Three bedrooms	£268
Four bedrooms	£331

Source: Valuation Office Agency 2015

**Figure 183: Source - Peter Brett Associates**



## **22. Housing need of particular groups within the population**

**22.1.** The NPPF states that SHMAs should address “the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, services families and people wishing to build their own homes)”. This section provides extra detail on the requirements of some of these groups.

### **22.2. Families**

**22.3.** According to GLA population projections 2013, the number of children and young people aged 0 to 19 years old are 50,148, which is 25% of the total population and is forecast to increase by around 2,200 (4.4%) by 2020. In particular, there is forecast to be an increase of over 3,000 (6%) children aged 7 to 13 years old.

**22.4.** Between 2017 and 2032 the greatest projected increase is for households with a couple and one or more other adults with no dependent children (GLA 2015-based household projections for Merton). This is closely followed by other households, then one couple with no dependent children. ‘Other households’ are defined as a multi person household that is neither a couple household nor a lone parent household. Examples include, lone parents with only non-dependent children, brothers and sisters and unrelated (and non-cohabiting) adults sharing a house or flat. This category does not include households with dependent children. Overall households with at least one dependent child are projected to increase by 35% between 2017 and 2032.

### **22.5. Older people**

**22.6.** The proportion of people aged 65 and over in Merton is predicted to grow by 14.7% (from 24,723 to 28,357) in the next 10 years. The number of people (aged 65 and over) predicted to have dementia is forecast to grow by 51% from (1782) in 2015 to (2683) in 2030, (source: Projecting Older People Population Information).

**22.7.** SHMAs across London have similarly concluded that the context of older persons housing provision can be summarised as follows:

- There is a rising population of older people.
- Many older households are equity rich and are able to exercise housing choice.
- A move away from residential institutions towards providing care support in someone’s home through adaptation and visiting support.
- An increased diversity of specialist housing to reflect different levels of care support.

**22.8.** The growth in the older population will lead to an increase in the need for specialist provision of housing for the elderly, for example, registered care housing, sheltered housing, and wheelchair accessible housing.

## **22.9. People with disabilities**

**22.10.** The challenge for the borough is to be able to forecast future housing needs, to inform potential providers of what is required, and to feed into and underpin the borough's housing strategies. In particular, people with learning disabilities surviving into older age will potentially have significant increased need for accommodation to support them to remain as independent as possible.

**22.11.** With increasing age will come:

- Increasingly complex social and health needs requiring more sophisticated solutions for supported living, including a greater need for sheltered and extra care accommodation for people with learning disabilities as well as older people who have dementia or other disabilities, as population projections show these client groups to be on the increase; and
- More people with learning disabilities outliving their parents and family carers which will increase the need for supported living as well as a potential increase in the need for tenure-based housing.

**22.12.** The focus for Merton over recent years has been on the resettlement of people living in NHS long stay accommodation and introducing the transformation change including personalisation in social care to support a better quality of life for people with learning disabilities. Support is needed to help people with learning disabilities remain independent and living in their own homes. Availability of housing and supported housing that can support an ageing population of people with learning disabilities is required and effective support is needed, both services and legal, to assist people to maintain tenancies.

**22.13.** There are a small number of people with learning disabilities who do not live with their families and for whom housing or supported living will not meet their needs. In this instance a protected environment offered by a registered care home is ideal. Over the past 10 years there has been a significant shift in commissioning patterns where more people with learning disabilities are living in the community so that registered care may only be needed for a very small number of people in the future.

**22.14.** As of March 2010, Merton Council funds approximately 1,200 units of supported accommodation for vulnerable client groups (including older people). The council also provide permanent housing solutions for a number of vulnerable people needing move-on accommodation, through an annual quota system set out in Merton's Allocations Policy.

**22.15.** The type of accommodation needed to meet the requirements of these households will vary from specially designed or adapted homes through supported dwellings to ordinary properties in the open community. Also the individuals' requirements in terms of level of support are quite likely to change through time with some condition being degenerative whilst others are likely to ease.

**22.16. People wishing to build their own homes**

**22.17.** The NPPF states that “Local Authorities should plan for . . . people wishing to build their own homes” (paragraph 50). This is otherwise referred to as self-build or custom-build development.

**22.18.** Local authorities are required to establish and maintain a register of those interested in building or commissioning their own home, which was introduced by the Self- and Custom-Housebuilding Act in 2015.

**22.19.** As at February 2017 there are 197 individuals registered on the self and custom build register for Merton Council. The vast majority (over 90%) are looking for an individual self-build.

**22.20. Students**

**22.21.** According to the London Strategic Housing Market Assessment (2013) Students differ from the wider household population in several respects, for example:

- They are not identified separately in official household projections.
- Their numbers are subject to different influencing factors, including demographics but also the national policy around fees and visa restrictions, the exchange rate and the relative standing of London’s educational institutions.
- Students tend to have very low incomes relative to housing costs, but only temporarily.
- Students may live by themselves, as part of a conventional household, together with other students in a self-contained dwelling, or with other students in halls of residence.
- Students in London occupy both purpose-built and general-purpose accommodation.

**22.22.** A projection of the growth in full-time students in London to 2026/27 and the corresponding requirement for additional purpose-built student accommodation has been produced by the Mayor’s Academic Forum.

**22.23.** In the London plan student accommodation needs are identified as a strategic issue, with a pressing need for more homes in London and a need to boost significantly the supply of housing. Student housing is vital in supporting the attractiveness and growth potential of London’s universities.

**22.24.** However, for the past ten years Merton has seen a very low level of demand for student housing. Since 2004 only one development for student housing has taken place in the borough and there is no developer interest received to date by the council during regular engagement with developers and landowners. Reasons given are the distance from existing universities, the perceived lack of attractiveness of Merton to student interests (Merton is

seen as more of a family oriented borough). There is some evidence of house sharing by students in the borough. The council welcomes student housing, as it does all other forms of housing, but has yet to see any interest or take up of this.

**22.25. Members of the armed forces**

**22.26.** According to the London Strategic Housing Market Assessment (2013) the relatively small number of armed forces members and their families means that sample sizes are small. The perceived tenure requirements of the armed forces households are that the vast majority require market housing (either owner occupied or private rented), but a few require social rented housing.

**22.27. Gypsies and travellers**

**22.28.** The council will undertake a borough-wide gypsy and traveller needs assessment with the borough-wide SHMA. This will guide borough-wide need for caravan pitches over the next 10 years. However, this estate regeneration project requires certain densities of development to fund the re-housing of existing residents and the creation of new homes that cannot viably support low density caravan pitches. The needs of any existing gypsies and travellers living within the estate will be managed in accordance with the existing residents' offer.

**22.29. Young people**

**22.30.** SHMAs across London have similarly identified several needs that should be considered for housing to accommodate young people. For example young people tend to have a high reliance on rented housing, including shared private rented housing. If renting is unaffordable young people may choose to reside with their parents. In terms of housing need, consideration of bedroom sizes and property types, along with high standards for Houses in Multiple Occupation (HMOs) will help younger households to access housing.

## **23. Conclusions**

### **23.1. Objectively Assessed Need**

### **23.2. London Borough of Merton**

**23.3.** There are variations in levels of deprivation between the east and west of the borough, which will affect housing affordability. The average price of dwellings in Merton is noticeably higher than the national average but slightly lower than the average in London. Sales levels in the borough have continued to rise since 2008, along with house prices. There are currently 197 individuals registered with Merton Council's self-build and custom build register.

**23.4.** Population projections suggest that the projected housing need in the borough is for approximately 14,000 additional homes over the next 15 years (from 2017 to 2032). Average household size is projected to decrease from 2.49 persons to 2.37 persons. In terms of household composition the greatest increase will be the 40% increase in households with 'a couple and one or more other adults with no dependent children', followed by the 32% increase in 'other households', which include, for example, multiple adults in a house share.

**23.5.** Merton's Housing Strategy gives indicative household size proportions required as 33% one bed, 32% two bed and 35% three bed. Government policy also encourages a mix of housing size and tenure. To identify a specific objectively assessed housing need for Merton that fits within London's objectively assessed housing need Merton Council is undertaking a new borough-wide Local Plan, which will replace Merton's Core Planning Strategy 2011 and Merton's Sites and Policies Plan 2014. The new borough-wide Local Plan will complement the emerging London Plan, due to be published by 2019.

### **23.6. Eastfields estate and the surrounding local area**

**23.7.** Eastfields has a greater proportion of children and lone parent households compared to the surrounding local area and the rest of the borough. Economic activity is lower than the average for the ward and the borough, and there are greater levels of deprivation in the local area than the rest of the borough. Peter Brett Associates estimated that net weekly household income was well below the national average, the area has higher levels of unemployment and low skills profiles.

**23.8.** The greatest proportion of dwellings on the estate are 3 bedrooms (40%) followed by 1 bedroom (30%), which is similar to three bedroom terraces found in the surrounding area. The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be one and two bedroom properties (40% and 37% respectively), 21% of the provision will be three bed properties and 1% will be four bed properties. 67% of the new dwellings will be for private sale or rent, and 33% will remain affordable.

### **23.9. High Path estate and the surrounding local area**

**23.10.** High Path has a greater proportion of children and lone parent households compared with the average for the borough, and those aged 25 to 44 years old. The Black and Minority Ethnic population on the estate is also relatively higher than the rest of the borough. There are however, similar proportions of cohabiting couples and one person households compared to the local area. The estate itself has lower skills levels and lower gross annual household income than the surrounding local area, and the rest of the borough. Unemployment on High Path is also higher compared to the local area.

**23.11.** The majority of properties in High Path are two bedroom (45%) and one bedroom (32.4%), and those in the local area are mainly two and three bed terraces. The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be two bed and one bed properties (44% and 35% respectively). 10% of the provision will be of studio flats and 10% will be three bed dwellings. 79% of the new dwellings will be for private sale or rent, and 21% will remain affordable.

### **23.12. Ravensbury estate and the surrounding local area**

**23.13.** Ravensbury has a greater proportion of young children than the local area, and between the 2001 and 2011 Census the population aged 45 to 59 increased. The proportion of Black and Minority Ethnic population living within the estate was marginally higher than in the rest of the borough. A similar proportion of lone parent households reside on the estate compared to the local area, although it is greater than the rest of Merton. Population projections estimate an increase in those of retirement age living on the estate (aged 50 years and older). The mean gross annual household income in Ravensbury estate was estimated to be 46.8% below the London equivalent.

**23.14.** The majority of homes on the site are 3 bedroom properties, followed by one bedroom flats (70% and 29% respectively). The site has a lesser mix of dwelling sizes than the rest of the borough. In the surrounding local area most properties have two or three bedrooms. The proposed accommodation schedule received from Clarion Housing Group indicates that the majority of new homes will be three bed properties, followed by one and two bed properties (36%, 28% and 25% respectively). 45% of the new dwellings will be for private sale or rent, and 55% will remain affordable.

### **23.15. Housing need for particular groups**

**23.16.** This report has considered how specialist housing groups such as gypsies and travellers have been considered in formulating the Estates Local Plan. The specific housing needs of these groups are safeguarded in planning policy, to which any scheme that comes forward for the estates regeneration will be subject to.

### **23.17. Note on housing market drivers**

**23.18.** There are unique factors influencing the housing market assessment of the three estates

include:

- The housing needs of existing residents (type, size, tenure, specialist requirements) as enshrined in the 10 Commitments between Merton Council and Clarion Housing Group and set out in Clarion Housing Group's offer to residents.
- Merton Council's resolutions in July 2014 to explore regeneration via the creation of an Estates Local Plan and in November 2016 to submit the Estates Local Plan to the Secretary of State have been made on the basis of the three estates being linked as part of a single regeneration programme.
- The viability of the whole Local Plan, recognising that the regeneration of three estates are linked for viability purposes with the larger estate at High Path providing the financial viability to enable the smaller estates to go ahead.
- The specific characteristics of the neighbourhoods in which each estate sits (e.g. street layout, building heights etc.) and the associated influence on development of different types of housing.

**23.19.** It is vital to note that Merton Council's Estates Local Plan has been created specifically to guide regeneration on these three housing estates. It is not a borough-wide Local Plan therefore this is not a borough-wide Strategic Housing Market Assessment. The estates regeneration is expected to come forward over a 10-15 year period, and therefore the Estates Local Plan cannot be prescriptive, given the need for flexibility to allow each scheme to be responsive to market drivers and market conditions. Although indicative figures for potential dwellings on each site according to the London Density Matrix have been given, each scheme will be assessed at the point that it comes forward on the merits of its design. All proposed accommodation schedules provided by Clarion Housing Group may also be subject to change to be responsive to factors such as viability and future housing need.