

Ms S Hurcombe  
Assistant Scrutiny Manager  
City Hall  
The Queen's Walk  
London  
SE1 2AA

Affinity Sutton Group  
Second Floor  
Martello House  
315 Portland Road  
Hove  
East Sussex  
BN3 5SZ

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Dear Ms Hurcombe

### **Consultation on Overcrowding in London**

Affinity Sutton Group is one of the largest independent providers of affordable housing in England. We comprise five Registered Social Landlords - Broomleigh, Downland, William Sutton Homes, specialist BME association, Aashyana, and BHT - a property management company called Grange and a specialist buildings maintenance provider, Community Building Services.

We work in over 120 local authorities including 16 London Boroughs, in which we have over 17,000 of the 55,000 properties we own and manage. These include General Needs, Supported Housing, Keyworker and Leasehold and Part Buy/Part Rent Properties.

We have an active new homes development programme and in the last two years have completed over 700 homes in the Capital.

We welcome the opportunity to contribute to the debate on how to tackle Overcrowding in London:

**1. What are your views on the proposition that “increasing the supply of larger family homes would effectively tackle the housing problems of more Londoners in overcrowding”?**

Increasing the supply of larger family homes will tackle the housing problems of Londoners in overcrowded households only if Local Authority allocations policies significantly increase the priority afforded to overcrowded families wishing to transfer. When allocations policies ensure that all new and newly void family homes go to those previously living in the most severely overcrowded conditions, building larger properties will have an impact on overcrowding in the capital.

CBL systems need to be adapted to enable chain moves whereby larger homes are taken on by overcrowded households before the newly-released properties are advertised and made available to those in housing need. The Ahmad Case confirmed that Local Authorities are within their rights to do this:

*“Newham are also delighted to rehouse any secure tenant who is willing to move from accommodation which is now too large, most of whom will not fall within any of the reasonable preference groups...No-one suggests that these are unlawful.”* Pt.14 Judgments - R (on the application of Ahmad) (Respondent) v Mayor and Burgesses of London Borough of Newham (Appellants)

Some Local Authorities are already doing this and where we retain the ability to do some direct lettings outside of nomination or choice based lettings agreements, we try to re-house our residents who are in overcrowded properties. We also actively match those on our transfer list who wish to downsize with those who are overcrowded.

## **2. What are the obstacles to increasing the supply of larger family homes?**

The main issues affecting the supply of larger family homes are land values and expectation of land values - in short, fewer homes would be provided if more 3 + bedroom homes are included in a development and this will not generate as high a value as owners and developers expect. Developers have tended towards provision of smaller homes to make it work financially for them.

Lack of availability of land and viable opportunities

When developing new homes we must continue to provide and combine a mix of housing types and size and also tenure. The current planning system allows Local Authorities to require mixed tenure provision and we liaise with the Local Authority regarding the mix of property sizes. Facilitated by increased funding from 2008 we have been building projects with more larger family homes.

Good design is critical for all homes but in particular for larger homes in high density areas, where internal space and local amenities are at a premium.

## **3. The Mayor has plans to tackle overcrowding in social rented housing by:**

- **Introducing a target that 42 per cent of new social rented homes should be three bedrooms or more; and**
- **Implementing the Mayor’s action plan to reduce social housing**

**How effective are these measures likely to be compared with other potential policy initiatives such as introducing a temporary moratorium on the building of small homes?**

*Increasing the supply of family-sized homes –*

As stated above, this will reduce overcrowding provided allocations policies make the best use of new homes. Back-filling the voids created by the vacating overcrowded household with those in greatest housing need at the top of the waiting list will inevitably have an impact on void times but ultimately result in better use of stock.

*Setting a higher target for new family homes –*

While we support this concept, housing associations will find this a challenging target. Most existing planning consents will not have prioritised family size homes and the associated land value will therefore reflect smaller units, often flats, at higher densities. It will be difficult to compete for land if private developers are not also required to provide 42% family dwellings.

*Temporary moratorium on the building of small homes -* We suspect that developers will hold back some development if any moratorium is temporary, or will push for financial incentives to include more larger homes.

*Providing opportunities for under-occupiers who wish to downsize –*

Provided the homes released are ring-fenced in the first instance for allocation to overcrowded families, any opportunity for tenants to downsize will help to tackle overcrowding. Priority should be given to those wishing to downsize but should allow one extra bedroom above needs.

Full use should be made of schemes such as Seaside & Country Homes, the whole range of mutual exchange services and Choice Based Mobility which all contribute to making better use of existing stock. Financial support should be available to cover costs for those downsizing and in particular to cover 'hand holding' costs (often the most important element) to persuade older under-occupying residents to downsize.

Furthermore, if boroughs ensure that their smaller properties are desirable they could use the Seaside & Country Homes model (offering two-bed properties to singles and couples under-occupying giving priority based on the number of bedrooms being released) to reduce overcrowding. If 10% of under-occupying social tenants in London took up this opportunity 6,400 larger properties could be released to house overcrowded families this year.

Under-occupiers in family sized homes tend to be those whose children have grown up and moved out. Better use of the over-supply nationwide of retirement accommodation could be made by relaxing restrictions to allow under-occupiers aged say, over 55, to move in thus freeing up their family sized homes for overcrowded families.

*Providing alternative options for overcrowded households and making best use of allocation schemes to meet needs –*

Financial support to carry out extensions, internal remodelling and loft conversions on properties where this is possible (preferable to uprooting overcrowded families) and for the purchase of space-saving furniture would help in many cases.

Capital grants to enable smaller, less popular units to be converted into bigger units, for example, adjacent flats knocked-through.

**4. What would be the impact of prioritising the building of a greater number of larger homes on other aspects of London's housing needs?**

Building a greater number of larger family homes would help secure a chain of moves, releasing smaller existing social housing for new households. However, it is important that we do not return to building estates with very high child densities that may create the sort of problems identified by David Page in "Building for Communities". We also should not forget the importance of building smaller properties to encourage under occupiers to move: Some new builds should be targeted at the client group who generally under-occupy (ie older people), so that there is an attractive offer to encourage a move. Smaller accommodation could also be used to house young adults in overcrowded households, independently but in close proximity to the main family unit.

In summary, we believe that a higher proportion of family homes being built will help to address the problem of overcrowding in London provided that allocations policies are consistent and make the best use of both new and existing stock. We believe that attention should not be diverted from initiatives which are already helping under-occupying tenants to downsize and that assist overcrowded families to extend their homes and better use the space they have.

We hope that you find these comments of use in developing your approach.

Yours faithfully,

**Kathy Ellis**  
Strategic Research  
Affinity Sutton Group

01273 431923  
kathy.ellis@affinitysutton.com