

Chapter 3 The dwelling stock

Key points

- There were 582,790 dwellings in South East London in 2013. Since 2009 the average increase in the stock has been about 4,300 dwellings per year which is a lower rate of growth than in the early 2000s (circa 5,000 p.a.) but above the rate when the housing market recession was at its most severe (3,800 in 2008-09).
- When compared to the rest of the country, dwelling vacancy rates in South East London are low and they have been falling since 2010 as a result of the pressure of demand. The vacancy rate in 2012 was 2.2% overall and was significantly higher in the private sector (2.7%) than in the stock owned by social / affordable rented sector landlords (1.1%).
- 28% of the stock is owned by social landlords which is a higher proportion than in London as a whole (24%). 72% of the stock is in the private sector which is split between owner-occupation (circa 52%) and the private rented sector (circa 20%). By London standards the level of private renting is low, but the sector has been growing quickly. The number of households in the sector climbed from 12.1% to 19.7% between the 2001 and 2011 Censuses.
- Purpose built flats are the most common type of dwelling in South East London (36%), followed by terraced houses (24%) and semi-detached houses (22%). This is similar to London as a whole. In recent years the number of purpose built flats has been rising much faster than other dwelling types. About 80% of new builds since 2001 have been purpose built flats.
- South East London has a similar dwelling size profile to London as a whole with just over 54% of dwellings having one or two bedrooms. About a third of dwellings in the sub-region had three bedrooms and only 15% had four or more bedrooms.
- The sub-region has a diverse housing stock; but there are differences in profile by borough. Broadly there is distinction between Bexley and Bromley, with higher levels of owner-occupation in two or three-bedroomed detached and semi-detached houses; and Southwark and Lewisham, with higher proportions of social / affordable rented and private rented purpose built flats, generally with fewer bedrooms. Greenwich falls between the two groupings. Detached and semi-detached properties form 50% of the stock in Bexley and Bromley compared to only 23% in Greenwich, 17% in Lewisham and 9% in Southwark. Three-quarters of the dwelling stock in Southwark is flats, compared to only 29% in Bromley and 23% in Bexley. Lewisham (55%) also has a high proportion of flats but more of these are converted rather than purpose built.
- The age profile of the dwelling stock is an indicator of dwelling condition issues and the need for investment in repairs, maintenance and improvements. There is a relatively high proportion of older (pre-1944) dwellings in South East London compared to London as a whole, but also more post-1972 dwellings. Just under 40% of private dwellings in South East London were categorised as failing to meet the key decent homes standard compared to an average of 36% for England as a whole in 2006. The proportion of non-decent private sector homes was highest in Southwark and lowest in Bromley, but the differences between boroughs were relatively small.

Introduction

3.1 A large volume of information is available on the existing dwelling stock in South East London from sources such as local authority data, the South East London Partnership, DCLG Live Tables and the 2011 Census of Population. This chapter pulls out the key characteristics of the dwelling stock which are of significance in assessing the current and future housing requirements of the sub-region.

Number of dwellings

3.2 Local authority data and DCLG Live Tables indicate that there were 582,790 dwellings in South East London in 2013 (table 3.1). Bromley has the largest dwelling stock, followed by Southwark, with Bexley having the smallest stock.

3.3 The average rate of increase in the stock across South East London was just less than 5,000 dwellings per annum in the early 2000s, falling to 3,800 in 2008-09 when the housing market recession was at its most severe. Since then the rate of addition has increased to around 4,300 dwellings per annum. This represents an increase of about 0.75% of the stock per annum. There are significant differences in rates of addition between the boroughs, with Southwark having by far the highest rate (averaging 1.21% per annum from 2009-2013), followed by Lewisham (1.08%), Greenwich and Bromley (0.50%), and Bexley (0.34%). At borough level the rate of increase of the stock has fluctuated significantly from year to year over the past four years, especially in Greenwich (see Table 3.1). However at sub-regional level the rate has been much more consistent as a trough in one borough has been compensated for by a peak in another.

3.4 Housing stock additions in London as a whole have been more severely affected by the recession than those in South East London. In 2009-10 the rate of additions in South East London was well below that for London as a whole but in 2012-13 exceeded the London rate slightly. Rates of addition in South East London have exceeded the England average since 2009 by an increasing margin, as additions to the stock in England as a whole continued to remain at very low levels up to 2013.

Table 3.1 Dwelling stock and rates of addition

| | Dwelling stock | | % addition to dwelling stock per annum | | | | |
|-----------|----------------|------------|----------------------------------------|---------|---------|---------|-----------|
| | 2009 | 2013 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2009-2013 |
| Bexley | 94,370 | 95,660 | 0.46 | 0.25 | 0.21 | 0.44 | 0.34 |
| Bromley | 133,670 | 136,300 | 0.47 | 0.55 | 0.43 | 0.51 | 0.49 |
| Greenwich | 102,560 | 104,620 | 0.09 | 0.52 | 1.28 | 0.11 | 0.50 |
| Lewisham | 115,580 | 120,640 | 0.92 | 0.87 | 1.01 | 1.51 | 1.08 |
| Southwark | 119,660 | 125,570 | 1.47 | 1.52 | 0.85 | 1.01 | 1.21 |
| SE London | 565,840 | 582,790 | 0.70 | 0.77 | 0.76 | 0.74 | 0.74 |
| London | 3,308,000 | 3,404,060 | 0.86 | 0.65 | 0.74 | 0.62 | 0.72 |
| England | 22,694,000 | 23,235,720 | 0.64 | 0.60 | 0.59 | 0.54 | 0.59 |

Source: DCLG Live Tables 100, 122, 123

Vacant dwellings

3.5 Dwelling vacancy rates are generally low in London as a result of the pressure of demand, except in exceptional circumstances where dwellings are deliberately kept vacant

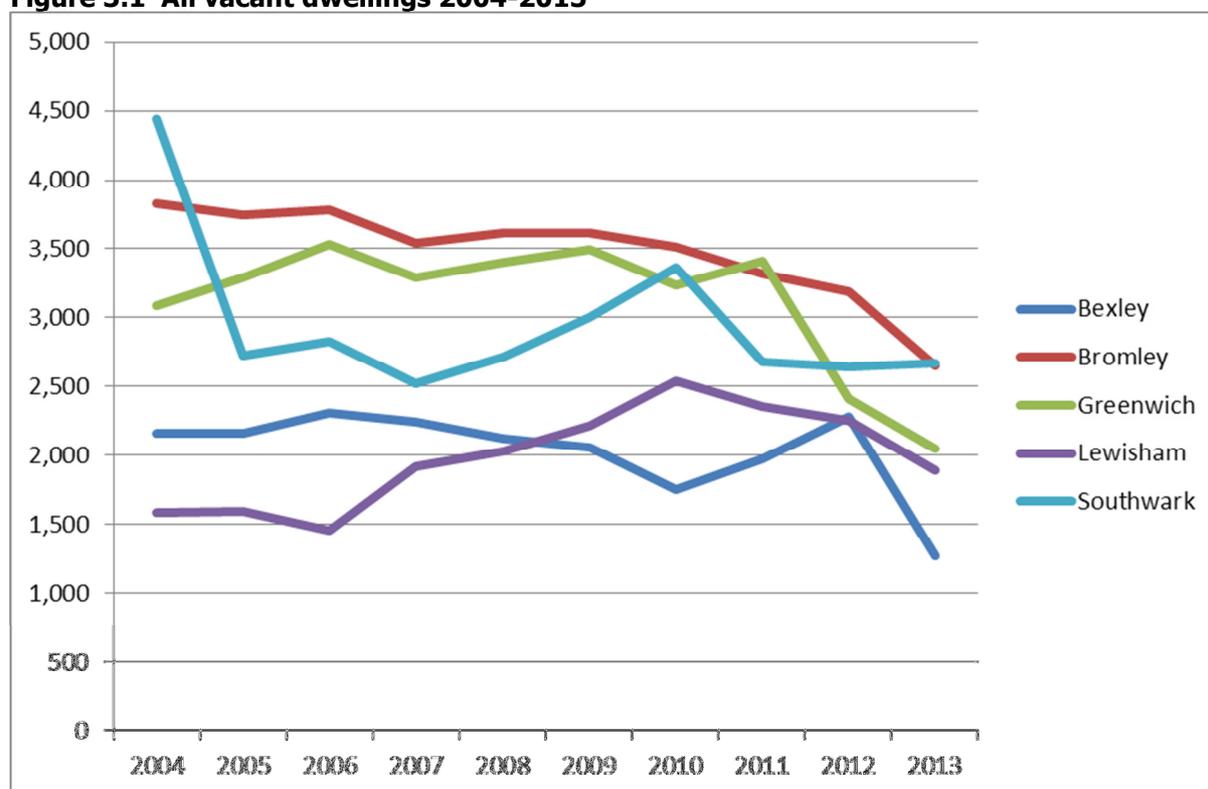
by owners. Over the three years since 2010 the proportion of vacant London homes has continued to fall sharply. In 2013 2.7% of dwellings in England were vacant, compared with 1.7% in London and 1.8% in South East London (Table 3.2). Southwark, Greenwich and Bromley had slightly higher rates than Bexley and Lewisham. Just under one in four vacant dwellings in South East London had been vacant for more than six months (0.57%).

Table 3.2 Vacancy rates 2011 and 2013

| | All vacant | | Long term vacant | | Social rented | | Private sector | |
|-------------------|------------|------|------------------|------|---------------|------|----------------|------|
| | 2010 | 2013 | 2010 | 2013 | 2010 | 2013 | 2010 | 2013 |
| Bexley | 1.85 | 1.33 | 0.71 | 0.55 | 1.20 | 3.47 | 1.96 | 0.97 |
| Bromley | 2.62 | 1.95 | 0.69 | 0.52 | 1.97 | 0.96 | 2.72 | 2.11 |
| Greenwich | 3.15 | 1.96 | 1.31 | 0.50 | 1.88 | 2.51 | 3.81 | 1.68 |
| Lewisham | 2.18 | 1.57 | 0.81 | 0.61 | 1.30 | 1.32 | 2.59 | 1.69 |
| Southwark | 2.77 | 2.12 | 1.34 | 0.66 | 1.50 | 1.02 | 3.84 | 2.97 |
| South East London | 2.53 | 1.81 | 0.97 | 0.57 | 2.82 | 1.62 | 2.42 | 1.88 |
| London | 2.40 | 1.74 | 1.03 | 0.64 | 1.80 | 1.52 | 2.58 | 1.81 |
| England | 3.23 | 2.73 | 1.31 | 0.93 | 1.57 | 1.38 | 3.59 | 3.03 |

Source: DCLG Live Tables 125 and 615

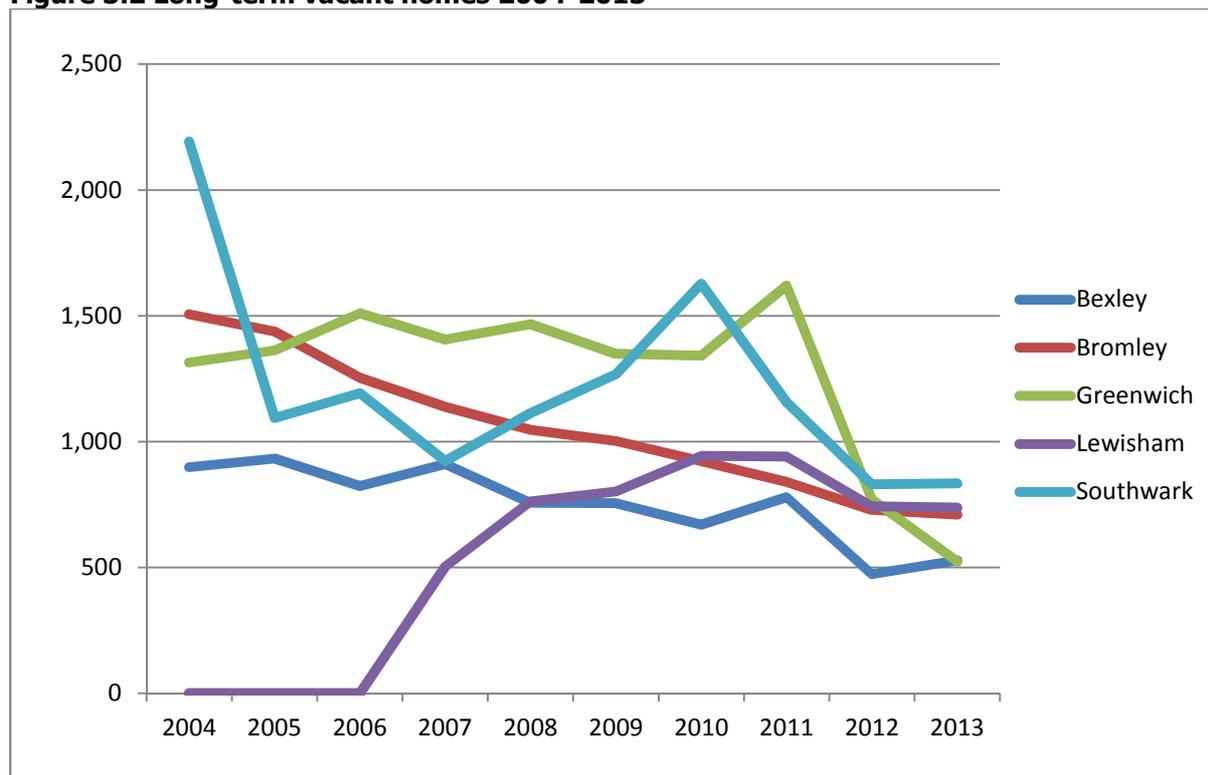
Figure 3.1 All vacant dwellings 2004-2013



Source: HSSA, LAHS and DCLG Live Table 615

3.6 The vacancy rate in 2013 was marginally higher in the private sector (1.9%) than in the stock owned by social / affordable rented sector landlords (1.6%). The private sector vacancy rate was similar to the London average (1.8%). Southwark (3.0%) and Bromley (2.1%) had the highest private sector vacancy rates in South East London and Bexley (1.0%) had the lowest (2.5%). In the social / affordable rented sector South East London had a marginally higher vacancy rate than the London average (1.6% compared to 1.5%). Bromley had the lowest rate at 1%. Bexley appears to be somewhat of an outlier, with a social / affordable sector void rate of 3.5%. However, a substantial proportion of this comprises long-term voids, related to the planned regeneration of parts of Thamesmead

Figure 3.2 Long-term vacant homes 2004-2013



Source: HSSA, LAHS and DCLG Live Table 615

Tenure

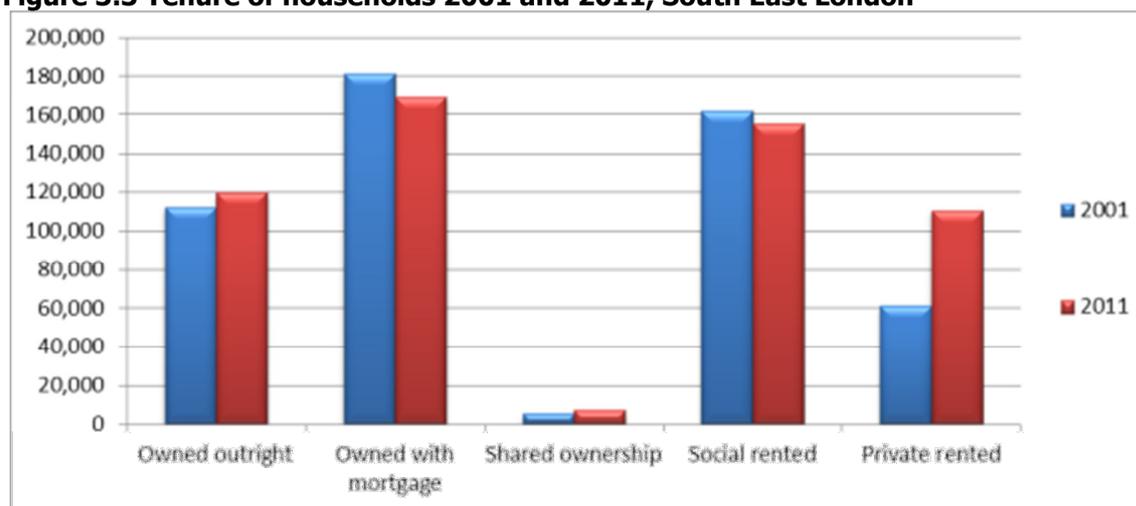
3.7 There are no data sources providing a detailed up-to-date breakdown of housing tenure since the Census 2011. A broad breakdown between social / affordable rented and private sector housing can be identified from Council Tax data, but crucially this does not distinguish between rented and owner occupied housing in the private sector. Across South East London as a whole, 29% of dwellings in 2013 were rented from social landlords and 71% were in the private sector (owned or rented). This was a higher proportion of social / affordable renting than the London average (24%) and the average for England (18%). But this overall level of social / affordable renting concealed significant differences between boroughs within the sub-region. The proportion of social / affordable rented (local authority or RP-owned) dwellings was highest in Southwark (44%) and Greenwich (40%), followed by Lewisham (32%). Bexley and Bromley (each 14%) had a markedly lower proportion of social / affordable rented housing, well below both the London-wide and national averages.

3.8 The Census provides detailed tenure data every ten years. This pertains to households rather than dwelling stock as empty properties are not counted. While most commentators consider the 2011 Census to be the most accurate to date, there were concerns about undercounting in the 2001 Census. Although this was redressed in some measure by ONS Mid-Year projections, this does mean that assumptions about the rate of change between 2001 and 2011 should be treated with a degree of caution. Figure 3.3 shows the shift in tenure that occurred between 2001 and 2011. Overall the number of households in owner-occupation fell slightly, due to a significant fall in the number of households owning with a mortgage. This was counterbalanced to a certain extent by an increase in those owning outright). This reflects both the ageing of longer standing owner-occupiers (who have paid off their mortgage) and a substantial reduction in the number of cohorts of younger owners (especially first-time buyers) coming into the sector, most of

whom would have had a mortgage. Those in shared ownership only made up 1.3% of the total in 2011. The social / affordable rented tenure also contracted during the period from 31% of households in 2001 to 27.7% in 2011.

3.9 The most significant growth concerns the number of households in the private rented sector (including those renting from relatives or living "rent free"). This was 60,978 in 2001 (11.7% of all households) and rose to 110,389 in 2011 (19.7% of all households), which represents an 81% increase. These changes reflect the increasing competition which potential owner occupiers faced from investors and the deteriorating affordability of housing and are in line with trends in most parts of England.

Figure 3.3 Tenure of households 2001 and 2011, South East London



Source: 2001 and 2011 Censuses

3.10 Table 3.3 shows a more detailed tenure breakdown from the 2011 Census. The proportion of social / affordable rented housing in 2011 was slightly lower (27.7%) than that derived from local authority Council Tax data for the same year (28.0%) and conversely the level of private sector housing was slightly greater. Just over a quarter of private sector housing (19.7% of all dwellings) was rented from private landlords. This is a lower figure than the London average (26.4%), largely because the latter is skewed upwards by very high levels of private renting in Kensington and Chelsea, Westminster and Camden. The proportion of owner-occupied housing in South East London (52.7%) was higher than the London-wide average (49.5%) but much lower than the average for England (64.1%).

Table 3.3 Tenure of households 2011, by borough

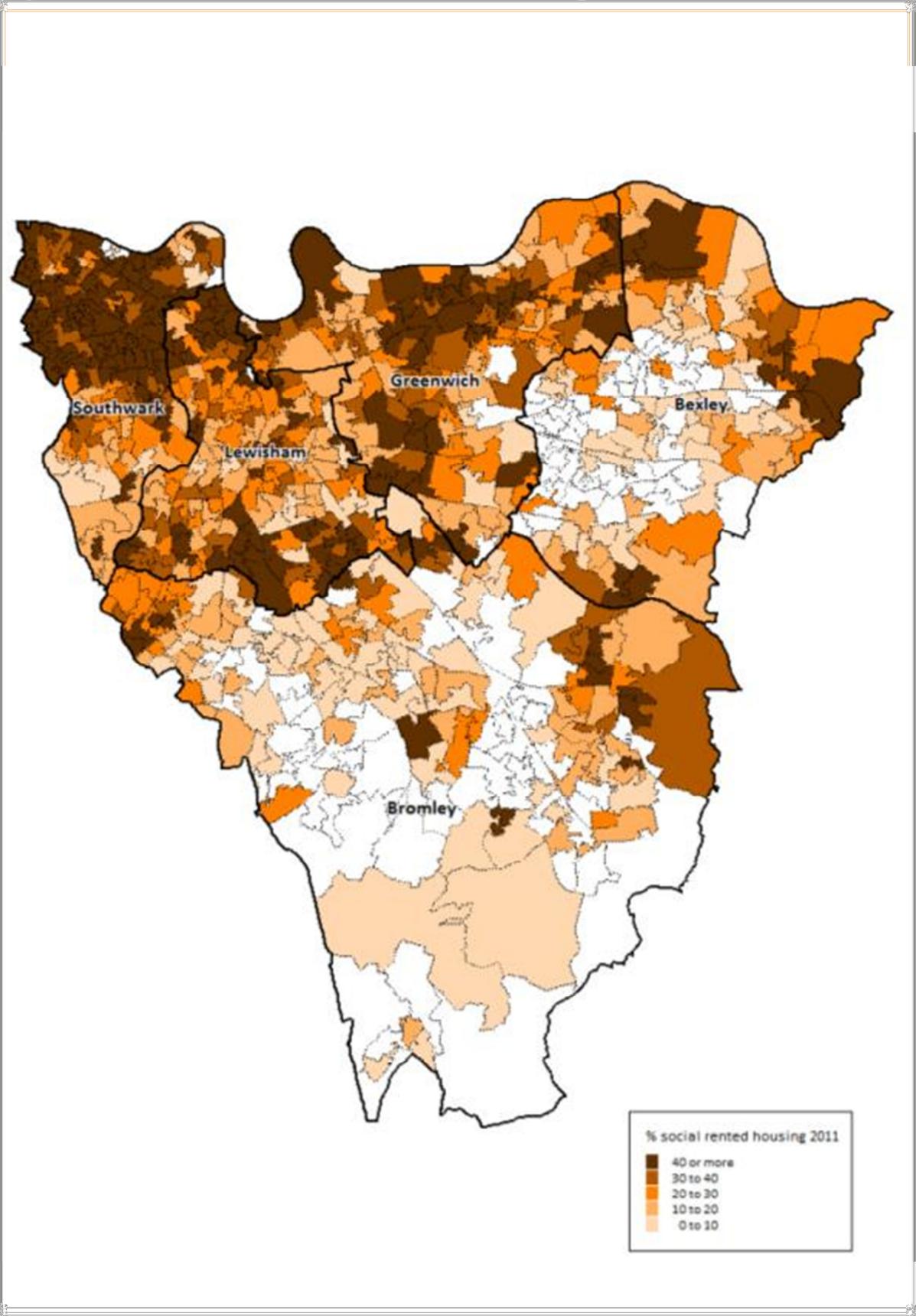
| | Percentage of all households | | | | | | | |
|-----------|------------------------------|----------------|---------------------|--------------|--------------------------------|----------------|---------------------------|-------------------------|
| | All owner-occupied | Owned outright | Owned with mortgage | Shared owner | All social / affordable rented | Private rented | Private landlord or agent | Other rented/ rent-free |
| Bexley | 73.3 | 32.5 | 40.0 | 0.8 | 14.4 | 12.2 | 10.5 | 1.7 |
| Bromley | 71.7 | 33.4 | 37.5 | 0.8 | 14.1 | 14.2 | 12.4 | 1.8 |
| Greenwich | 44.9 | 16.4 | 26.9 | 1.6 | 34.3 | 20.9 | 18.5 | 2.4 |
| Lewisham | 43.6 | 14.9 | 27.5 | 1.2 | 31.1 | 25.3 | 23.0 | 2.3 |
| Southwark | 31.3 | 9.8 | 19.5 | 2.0 | 43.7 | 24.9 | 22.2 | 2.6 |
| SE London | 52.7 | 21.3 | 30.1 | 1.3 | 27.7 | 19.7 | 17.5 | 2.3 |
| London | 49.5 | 21.1 | 27.1 | 1.3 | 24.1 | 26.4 | 23.7 | 2.6 |
| England | 64.2 | 30.6 | 32.8 | 0.8 | 17.7 | 18.2 | 15.4 | 2.7 |

Source: Census 2011, table KS402EW

3.11 Within South East London, the proportion of private rented housing in the stock is highest in Lewisham and Southwark (25.3% and 24.9% respectively). Greenwich (20.9%) also has a relatively large private rented sector. All three (but especially Southwark) have relatively small proportions of owner occupied housing. Bromley (14.2%) and Bexley (12.2%) both have relatively small private rented sectors, and conversely, much larger proportions of owner occupied housing than the other South East London boroughs.

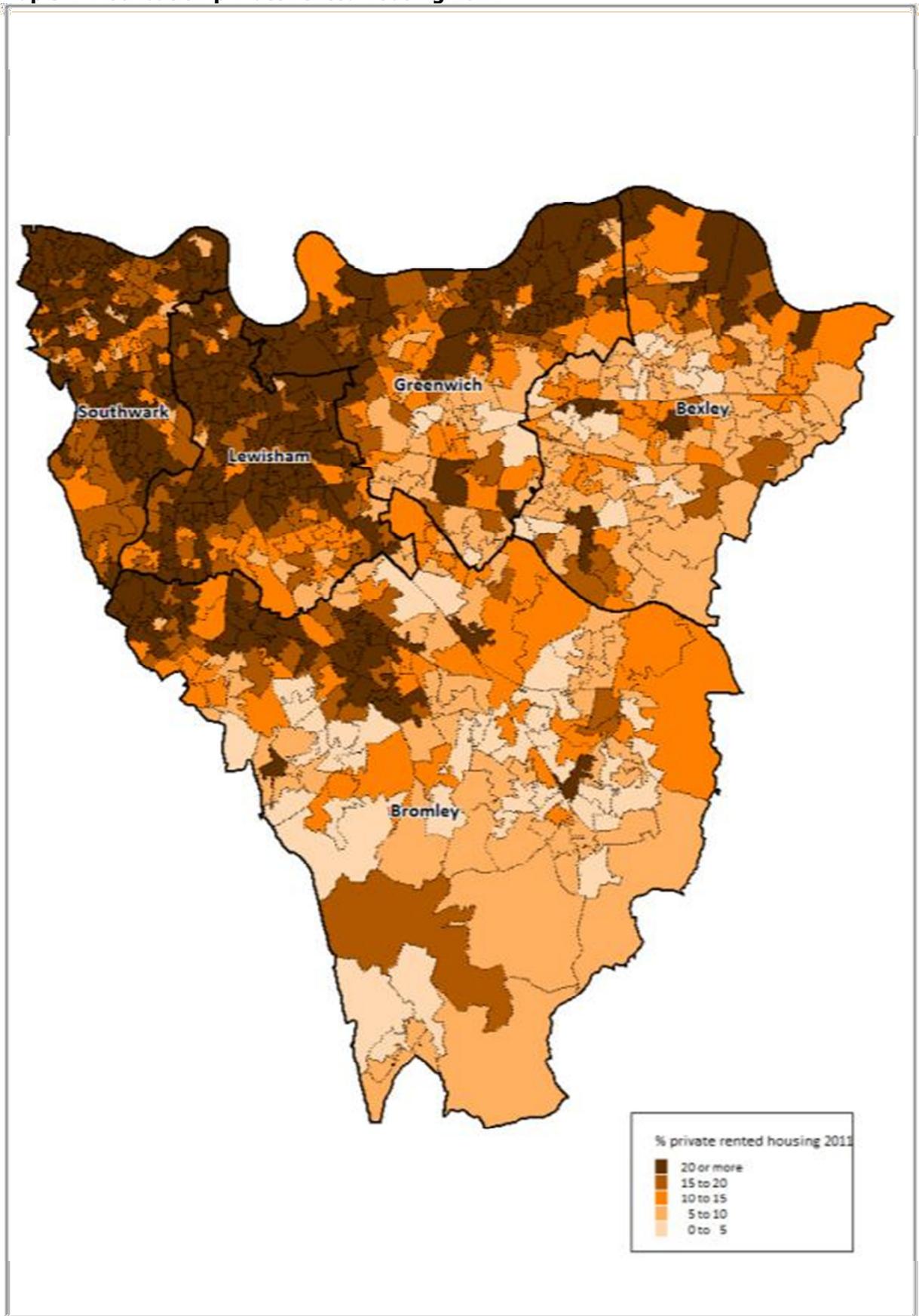
3.12 As Maps 3.1 and 3.2 show, rented housing is concentrated mainly in the northern part of the sub-region, in Southwark, Lewisham, Greenwich and the north of Bexley. There are also high levels of private renting in Penge, Beckenham and Bromley centre. Map 3.3 shows that owner-occupation is more prevalent in Bromley and Bexley.

Map 3.1 Distribution of social / affordable rented housing 2011



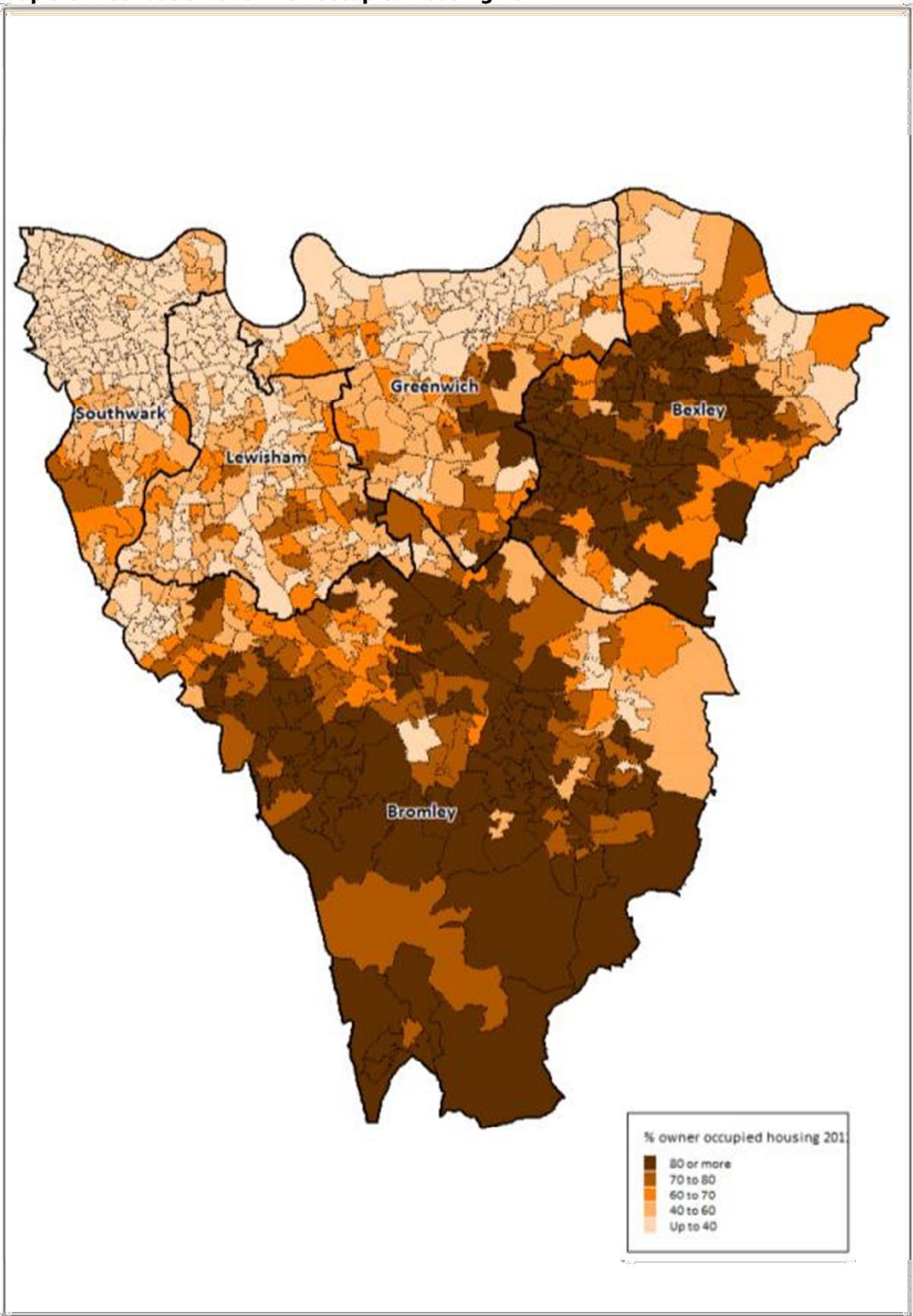
Source: Census 2011 Table KS402EW

Map 3.2 Distribution private rented housing 2011



Source: Census 2011 Table KS402EW

Map 3.3 Distribution of owner-occupied housing 2011

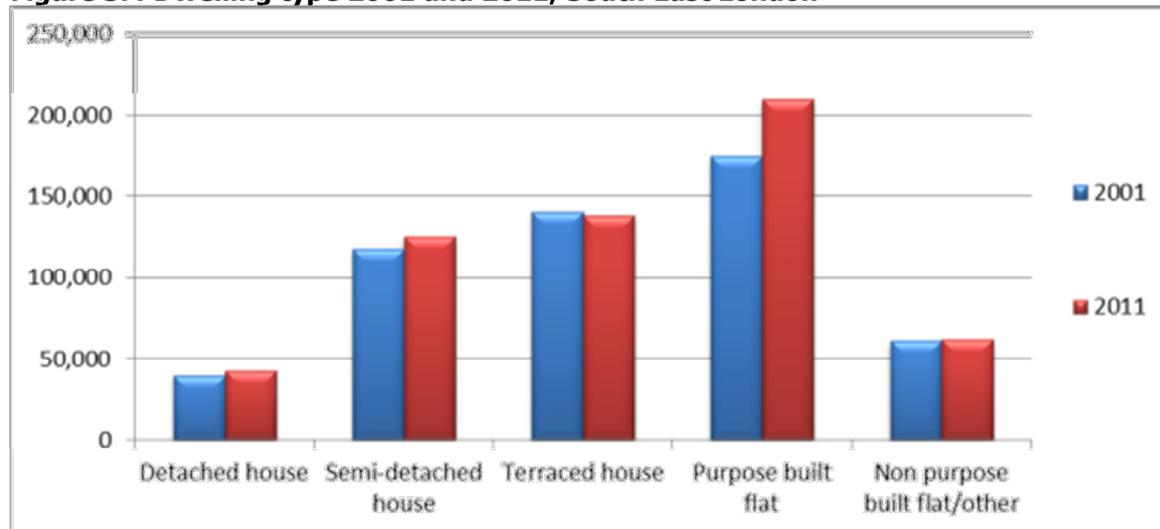


Source: Census 2011 Table KS402EW

Type of dwelling

3.13 Comparing 2001 and 2011 Census data, figure 3.4 shows the number of dwellings of each type in South East London. Purpose built flats are the most common type of dwelling in the sub-region, making up 36% of the total in 2011, followed by terraced houses (24%) and semi-detached houses (22%). According to the Census data the South East London stock grew by 43,514 in the ten year inter-census period and almost 80% of this growth (34,580 additional dwellings) was of purpose-built flats.

Figure 3.4 Dwelling type 2001 and 2011, South East London



Source: ONS, 2001 and 2011 Censuses

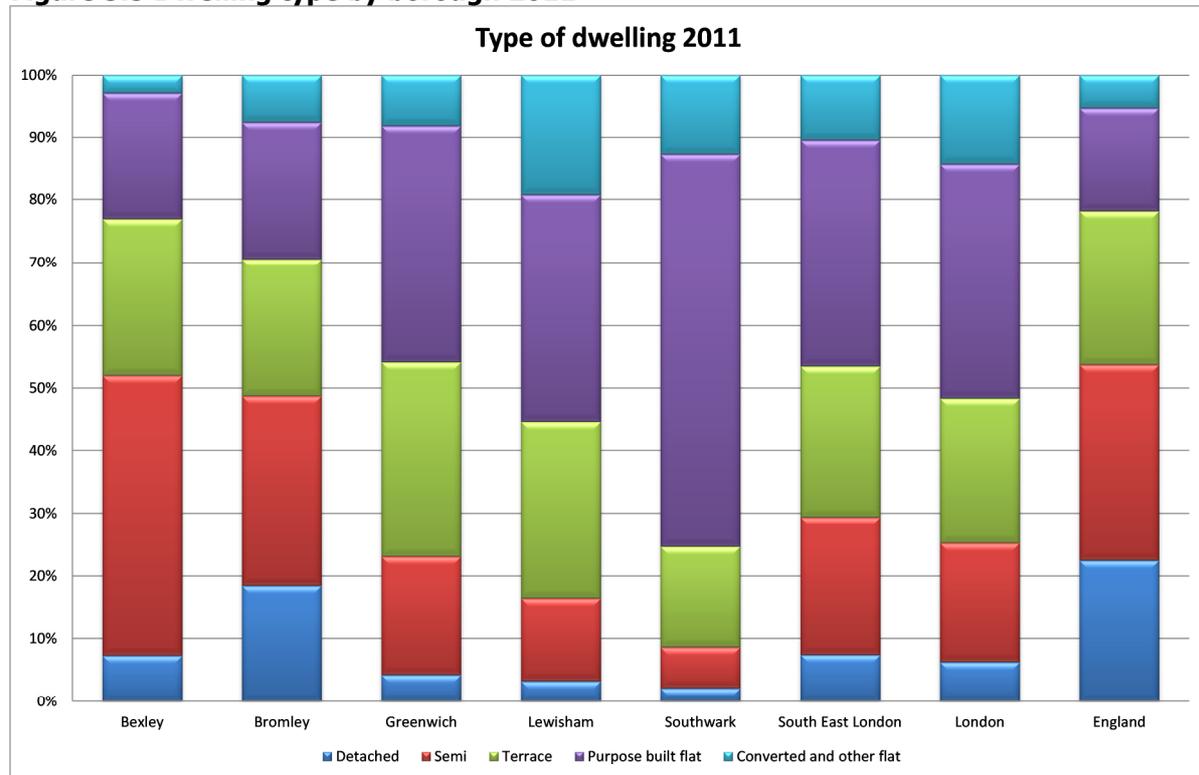
3.14 Since the 2011 Census flats have continued to make up the bulk of the new-build programme in South East London. To illustrate the point, flats made up 1,598 of the 1,833 new build sales in the sub-region in 2013 (87%) according to Land Registry Price Paid Data.

3.15 The breakdown of the stock by dwelling type in South East London (figure 3.5) has a broadly similar profile to that of London as a whole, although there are fewer converted flats in the sub-region than across London as a whole. However there are major differences in the stock profile by borough. Detached and semi-detached properties form about 50% of the stock in both Bexley and Bromley (a similar picture to the national average), compared to 23% in Greenwich, 17% in Lewisham and only 9% in Southwark. Three quarters of the dwelling stock in Southwark is in the form of flats, compared to only 29% in Bromley and 23% in Bexley. Lewisham (55%) also has a relatively high proportion of flats compared to the London average, but around one third of these (19% of all dwellings) are converted rather than purpose built flats. In Southwark only 13% of dwellings are converted flats.

3.16 There are significant differences in dwelling type by tenure. In 2011, detached and semi-detached houses in South East London were predominantly owner-occupied (80% or more of the total). Over two thirds of terraced dwellings were also owner-occupied, with the remainder equally split between registered providers (RPs) and private tenants. Three quarters of purpose-built flats were rented, with the largest proportion rented from local authority landlords. About two thirds of converted flats were rented, (40% from private landlords), but just over a third were owner-occupied, with the majority of owners having a mortgage, demonstrating the importance of this dwelling sector in the lower cost market. Figure 3.6 shows the same picture from the viewpoint of tenure. It reveals that the owner-occupied and local authority rented sectors have relatively mixed profiles in terms of

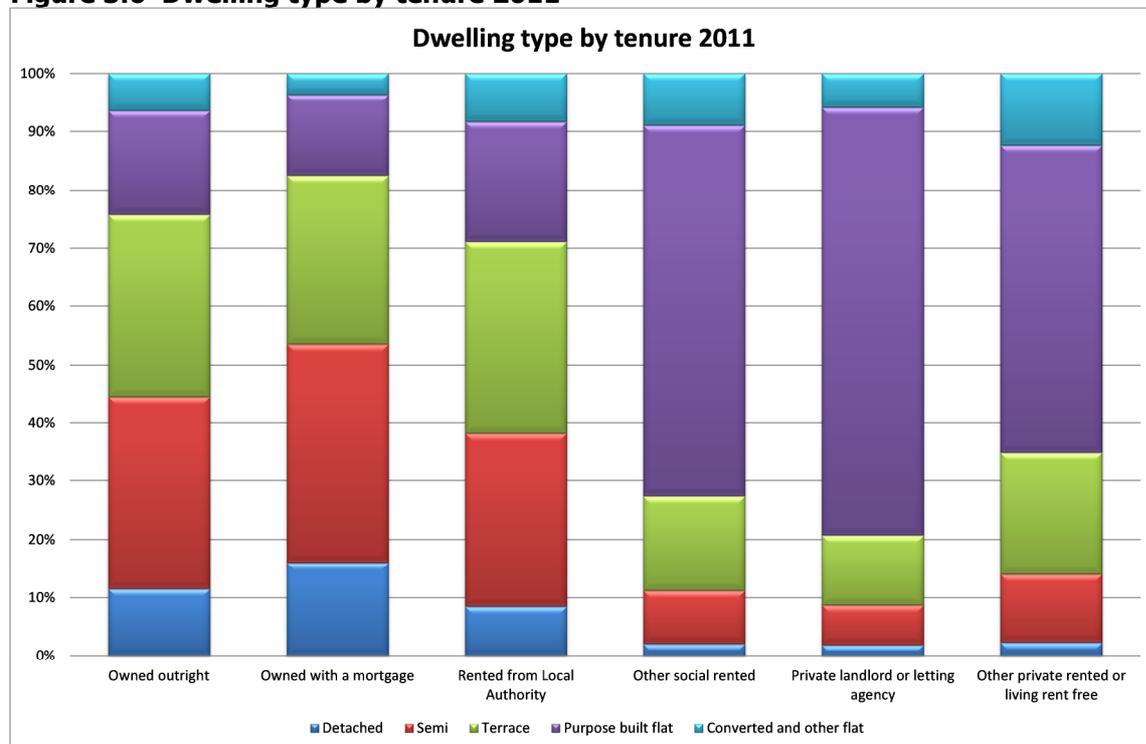
dwelling stock whereas the Registered Provider rented ('other social rented') and private rented sectors are dominated by purpose-built flats.

Figure 3.5 Dwelling type by borough 2011



Source: Census 2011 table LC4402EW

Figure 3.6 Dwelling type by tenure 2011



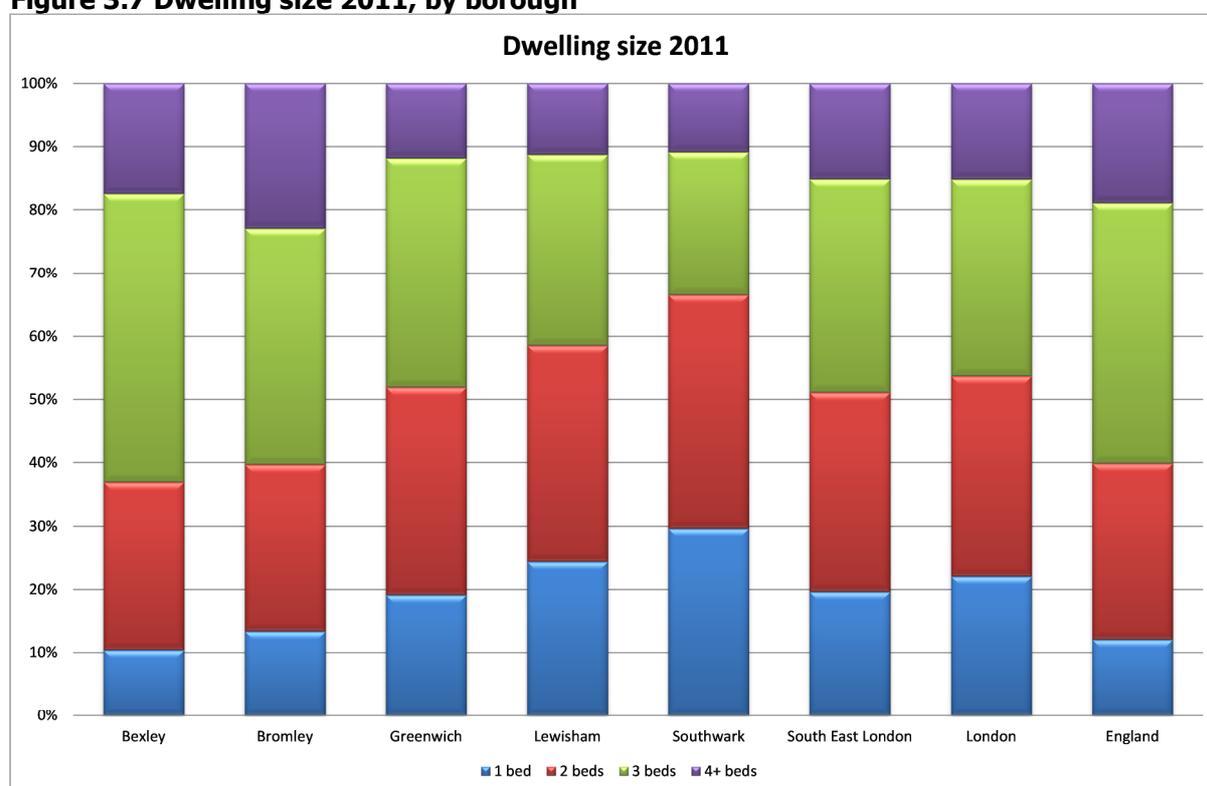
Source: Census 2011 table LC4407EW

Dwelling size

3.17 As Figure 3.7 shows, South East London had a similar dwelling size profile (in terms of the number of bedrooms) to London as a whole in 2011, with just over 50% of dwellings having one or two bedrooms. This is a higher figure than the national average (40%) but is not surprising given London's high land values. About a third of dwellings in South East London had three bedrooms and only 15% had four or more bedrooms.

3.18 Within South East London there are again major differences at borough level in terms of dwelling size. In Southwark, two thirds of dwellings had one or two bedrooms and 30% had only one bedroom. Only 11% of dwellings had four or more bedrooms. Lewisham also had a high proportion of one and two bedroom units (59%) but rather more three bedroom units than Southwark. Greenwich resembled the London-wide profile with just over 50% of one or two bedroomed units.

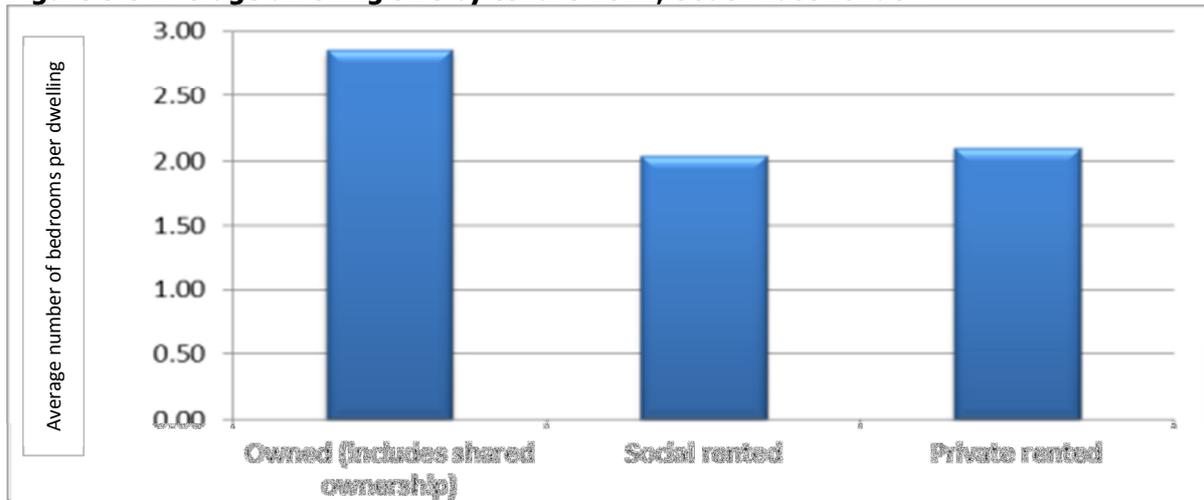
Figure 3.7 Dwelling size 2011, by borough



Source: Census 2011 table DC4405EW

3.19 As with dwelling type there are major differences in dwelling size by tenure. In the owner-occupied sector, two thirds of dwellings have three or more bedrooms. In the social / affordable rented sector, this proportion falls to just under one third, with another third having only one bedroom. The private rented sector breakdown is broadly similar. Figure 3.8 illustrates the point further by showing the average number of bedrooms for each of the three main tenures.

Figure 3.8 Average dwelling size by tenure 2011, South East London



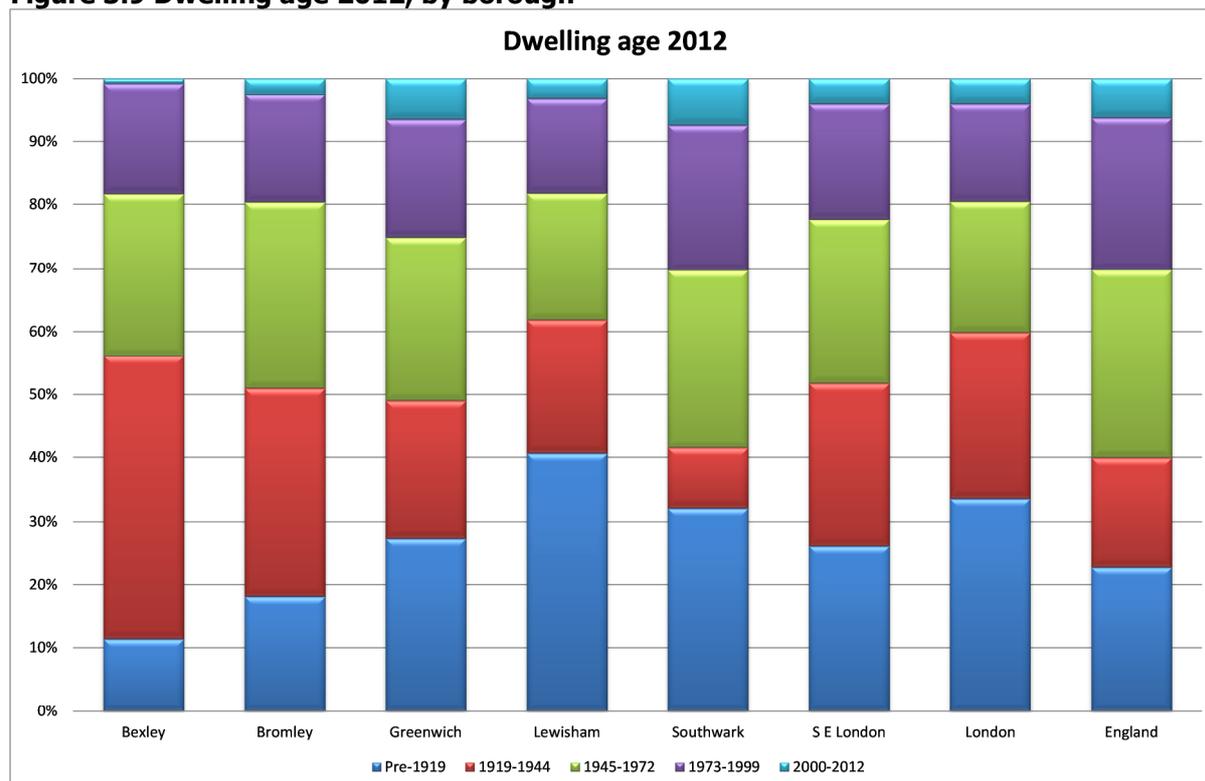
Source: Census 2011 table DC4405EW with calculation by Cobweb Consultants. It is assumed, for the purpose of this output, that all dwellings larger than 4 bedrooms have exactly five bedrooms.

Dwelling age

3.20 The age profile of the dwelling stock is a significant indicator of potential dwelling conditions and the need for investment in repairs, maintenance and improvements to the stock. The Valuation Office Agency produces estimates of the age of the dwelling stock (Figure 3.9). The picture is a complex one, with South East London differing from both the London-wide and national profiles. There were a greater proportion of older (pre-1919 and 1919-44) dwellings in South East London in 2012 than the national average (52% compared to 40% nationally) but a smaller proportion than in London as a whole (60%). South East London also had fewer post-1972 dwellings than England but more than London as a whole.

3.21 At borough level, Lewisham had the highest proportion of pre-1945 dwellings (62%), but Bexley (56%) and Bromley (51%) also had relatively high proportions of older dwellings. Looking specifically at pre-1919 stock, Lewisham still retained the highest proportion, but Southwark also had a relatively high share of pre-1919 stock (32%) with a very small proportion of inter-war dwellings. Both Greenwich and Southwark have relatively high proportions of post 2000 dwellings (8% and 7% respectively).

Figure 3.9 Dwelling age 2012, by borough



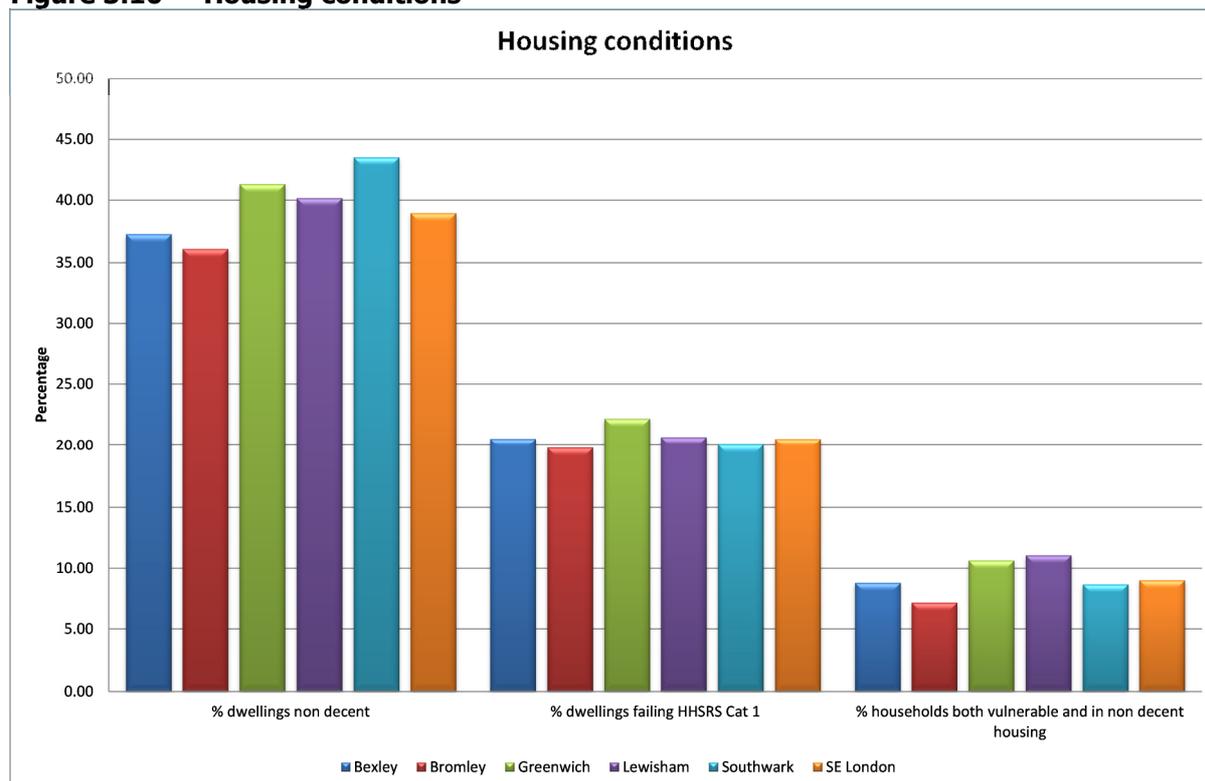
Source: Valuation Office Agency

Dwelling condition

3.22 A detailed study of private sector housing conditions in 2006 was carried out simultaneously across all five South East London boroughs. The study did not directly survey housing conditions in South East London, but modelled conditions using the association between various indicators derived from the English House Condition Survey 2006 and a variety of locally available datasets. The relatively small size of the EHCS (and its successor the English Housing Survey) means key indicators cannot be derived directly for South East London. The use of proxy indicators in this way introduces the potential for inaccuracy if the factors which influence house conditions in South East London differ from those which influence conditions nationally and across London and this must be borne in mind when interpreting the data.

3.23 Figure 3.10 compares the five boroughs and South East London as a whole on three key condition indicators. Just under 40% of private dwellings in South East London were categorised as failing to meet the key decent homes standard compared to an average of 36% for England as a whole in 2006. Nationally, the proportion of non-decent private sector dwellings has fallen to 25% in 2011, so the figure for South East London is also likely to have fallen.

Figure 3.10 Housing conditions



Source: Housing stock models update for the South East London Housing Partnership (Building Research Establishment, 2009).

3.24 The proportion of private sector dwellings failing the decency standard had increased slightly over the period since 2001, but this was attributable to a change in one of the key components of the decency standard (the inclusion of Housing Health and Safety Rating System (HHSRS) Category 1 Hazards rather than unfitness). The proportion of non-decent private sector homes was highest in Southwark (44%) and lowest in Bromley (36%), but the differences between boroughs were relatively small on this and the other condition indicators.

3.25 Overall, 21% of private sector dwellings had an HHSRS Category 1 rating (the most serious hazard category). This compares to 24% for England in 2006. Nationally the proportion of private sector dwellings with at least one Category 1 hazard has fallen to 16% and some improvement is also likely in South East London. On all the other criteria within the decent homes standard (where definitions had remained constant) the condition of the South East London stock had improved, including indicators relating to thermal comfort, disrepair and the absence of modern amenities.

3.26 9% of households were categorised as 'vulnerable' and were living in non-decent private sector housing. Vulnerable households were those in receipt of a range of means-tested benefits and benefits related to disability. This proportion varied from 11% in Greenwich and Lewisham to 7% in Bromley.

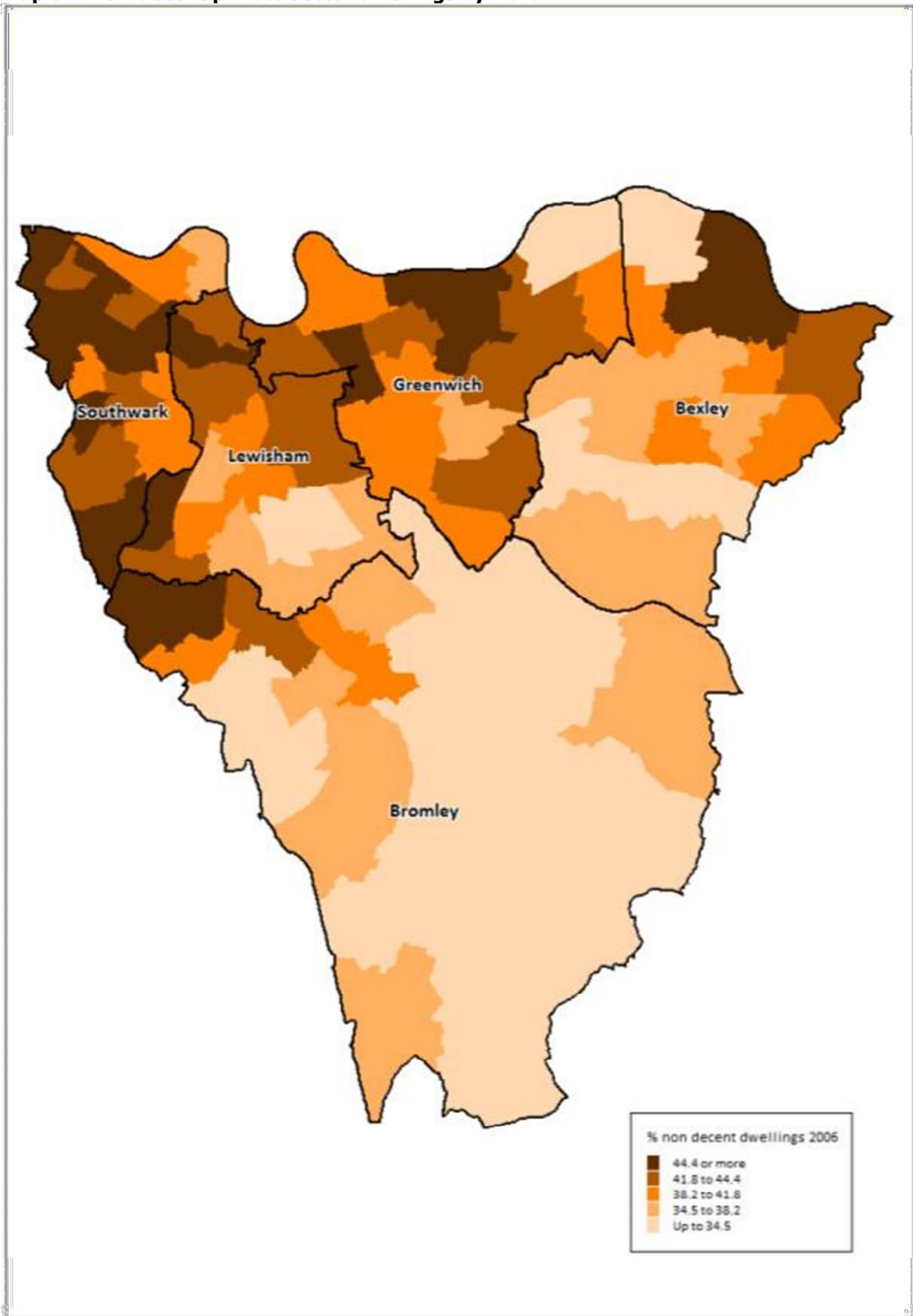
3.27 The study also provided results at ward level. Map 3.4 shows the proportion of non-decent private sector dwellings by ward. The main concentrations of poor condition private sector housing are found in the northern wards of Southwark, Lewisham and Greenwich, in Thamesmead and the north of Bexley, in Dulwich, and in Penge and other wards in the north of Bromley. Further details of housing conditions can be found in the study report

Housing stock models update for the South East London Housing Partnership (Building Research Establishment, 2009).

3.28 There is no South East London-based data to update this picture since 2009, but as noted earlier, national figures indicate a steady reduction in the proportion of non-decent private sector dwellings. In spite of the credit crunch, the recession, and the slowdown in turnover in the housing market between 2008 and 2011, current indications are that both the private renting and owner-occupier market are picking up, and that owners' investment in their homes – either in preparation for selling or post-buying – is likely to have continued to improve private sector conditions across the board.

3.29 Despite this, economic and demographic factors continue to make it difficult for some households such as older people and lower income owners (including sectors of BAME households) to afford to keep their dwellings in good condition. The reduction in the ability of local authorities to provide grant aid for improvements, adaptations and energy-saving measures will have had a negative impact on property conditions for these groups.

Map 3.4 Non-decent private sector dwellings by ward



Source: Source: Housing stock models update for the South East London Housing Partnership (Building Research Establishment, 2009).

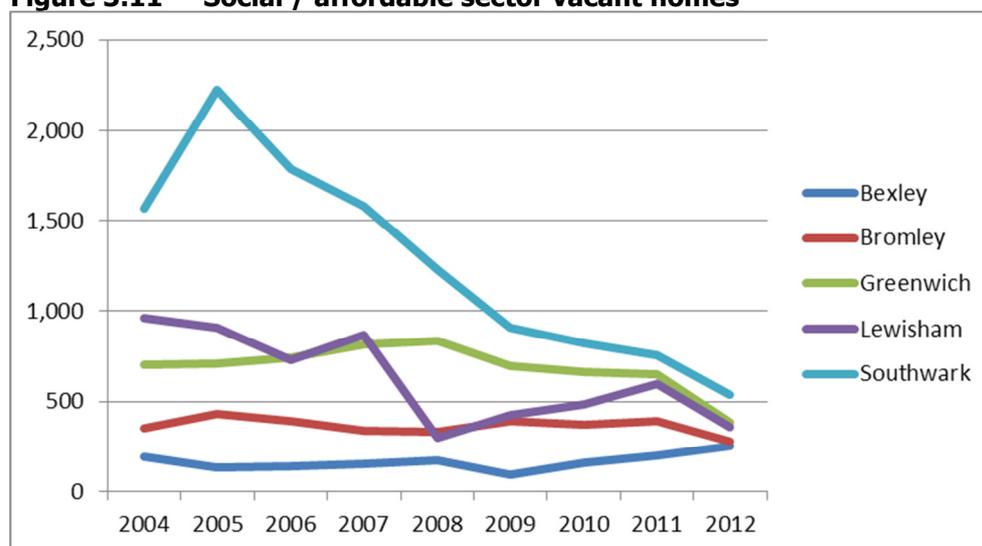
Social / affordable rented sector housing conditions

3.30 In the social / affordable rented sector, with the exception of Southwark, there are a minimal number of dwellings assessed as having Category 1 hazards under the Housing Health and Safety Rating System (HHSRS) according to the Local Authority Housing Statistics returns. Southwark has 596 properties in this condition, but it is understood that the vast majority are in major regeneration schemes, involving demolition and rebuilding. Under the old-style Decent Homes Standard (DHS) criteria, as at 2012 Greenwich had 2,450 properties that failed to meet the standard, Lewisham had 6,663, and Southwark had 16,558. Again, most DHS-failing properties were scheduled for regeneration works.

3.31 As Bexley and Bromley have transferred their stock to Registered Providers, there is no parallel information available for them as stock condition data for this sector is no longer reported on by local authority area.

3.32 The other significant factor associated with social / affordable sector stock condition is the number of vacant homes. Here, the picture is more mixed. As can be seen from figure 3.11, most authorities have managed to bring their overall social sector void level (including RP voids) down over the last ten years. However some voids are properties vacated to facilitate estate regeneration schemes. The sometimes variable progress in reducing void levels therefore reflects funding constraints and regeneration programme timings.

Figure 3.11 Social / affordable sector vacant homes



Source: DCLG Live Table 615

3.33 As regards long-term voids the trajectory is now downwards for all authorities, with the exception of Bexley. This is primarily due to regeneration plans for Thamesmead.

Conclusion

3.34 The picture which emerges for South East London is of a diverse housing stock. Broadly there is distinction between Bexley and Bromley, with higher levels of owner-occupation in two or three-bedroomed detached and semi-detached houses; and Southwark and Lewisham, with higher proportions of social / affordable rented housing in the form of purpose built flats, generally with fewer bedrooms. Greenwich tends to fall between the two groupings. Significantly, across South East London more generally the level of private

renting remains relatively low, although higher in Southwark and Lewisham and increasing generally across the sub-region. As a result there remain areas of (relatively) lower value owner-occupied housing offering opportunities for first time buyers and other lower income households. The next chapter turns to look at prices and rents within the housing market in more detail.