

# DRAFT LONDON HOUSING STRATEGY 2017

## ZACCHAEUS 2000 TRUST RESPONSE

The Zacchaeus 2000 Trust is an anti-poverty charity providing frontline services on Social Security benefits, housing and homelessness. We combine outreach, advice and casework, with additional support services to help Londoners on low-income and/or at risk of homelessness to address multiple issues. We make strategic choices to work intensively over a longer period with a smaller group of people to achieve lasting outcomes for our clients. We work across London reaching vulnerable people who often have complex needs and struggle to access other services.

Z2K has long called for increased investment in decent, secure and genuinely affordable housing for Londoners, and a decade or so ago, we felt that some progress was finally being made towards this objective, as homelessness declined and the number of homes built increased.

That all changed in 2010. Homelessness began to rise again and many more people have been faced with the threat of eviction. In response to the Coalition Government's caps on Housing Benefit and two-thirds cuts in the capital budget for new social housing, Z2K established the *NextDoor* project, which aimed to help those threatened with eviction and homelessness. Having identified the significant problems single homeless people were experiencing, we also set-up a Private Rented Access Scheme (PRAS), which has now brokered sustainable tenancies for nearly 300 people.

Z2K welcomes this new draft Housing Strategy. After nearly a decade of drift and obfuscation from City Hall, this is a genuinely bold and progressive strategy. We are particularly pleased to note the ambition for half of all new homes built to be affordable. That said, there are still areas where Z2K thinks policy does not go far enough, or even where it takes the wrong course, and this is where we have focussed our attention in this response, drawing upon the problems of housing and homelessness our advisors see every day.

### Introduction

London has been stuck in a housing crisis for a generation or more. Some commentators have denied the crisis exists, and until fairly recently most others have chosen to ignore it. But today that crisis is undeniable. Its impact is now felt not only by those suffering at its sharp end, it is felt too by the young professionals paying out half of their income or more to rent a room in the private rented sector (PRS) and the working families who can't get their foot on the property ladder. If anything, the evidence suggests these trends will get worse not better in the years ahead.

While we would accept the general premise that there will always be more demand for affordable housing in London than there are homes to meet that demand, it is clear that the policies pursued by central Government since 1979 have made this crisis much worse than it would otherwise have been. In particular, the forced sale of local authority-owned housing through the Right to Buy and the *de facto* prohibition on new council housebuilding were absolutely disastrous.

More recently, the Coalition Government's cuts both to investment in new social housing and the Housing Benefit available to help those on low incomes living in the PRS have reversed the limited progress made by its predecessor and the Mayor of London between 2005 and 2010. The extra funding announced since 2016 still only brings capital investment up to the levels of a decade ago. The cuts to Housing Benefit are unprecedented – the Local Housing Allowance (LHA) rate in most London Broad Rental Market Areas is now well below the average of actual rents.

Z2K's staff support hundreds of those experiencing the most acute housing problems every year, addressing the multiple challenges they face as a result of years of policy-making that has not addressed their basic rights. Many are homeless. Others are overcrowded or living in poor quality and even outright dangerous conditions. Most are struggling to pay the rent from their very limited incomes. Very few of these clients will realise the dream of the decent, secure and affordable home they need and deserve. Given the nature of our work, this submission focusses on those parts of the draft strategy which we think are most relevant – affordable housing and homelessness. It also explains why we argue for more to be included in the final strategy to help overcrowded families.

## **Housing Supply**

The strategy is right to aim for a significant increase in the number of new homes built in London each year. As the graph in figure 3.1 illustrates the number of new homes built in London is still a long way short of the numbers achieved in the early-Post War years, and this can be attributed to the dramatic decline in the number built by local authorities. The aim of building around 50,000 new homes a year is one Z2K would support if it were guaranteed that half of those would be genuinely affordable to Londoners. However, higher targets of up to 66,000 have been mentioned by the Mayor since the draft strategy was first published – two-thirds of which would be affordable.

Z2K would caution against moving rapidly to such ambitious targets. While we strongly support council housing, there is little doubt that quality was lost in the race for numbers in the 1960s and 1970s. Whole communities have suffered as a result of the design compromises made in those years. London's housing boom over the past two decades has already created places where the quality of privately-built new housing has proved questionable. Many ill-conceived and poorly managed high-rise or deck-access council estates had to be torn down or fundamentally remodelled within 20 or 30 years of opening. We should not repeat the mistakes of the past.

The Mayor's recent announcement that outer-London will bear its share of the burden of new housing development is therefore very welcome, as is the commitment of funding to the transport infrastructure needed to support such residential expansion. There is a real risk, however, that a housing target in excess of 50,000 a year will simply result in individual borough targets which drive over-development and make it difficult to ensure sustainable communities. There are already many parts of inner-London where it is difficult to get onto an NHS GP's register or get children into a local school. Essential infrastructure like this must keep pace with development. It is also vital that new housing is considered as part of a wider picture. For example, much more play-space for children of all ages needs to be included in new residential developments.

## **New Affordable Homes**

Given that the numbers of private homes currently being completed is not far short of the 25,000 a year implied from the housing strategy, Z2K welcomes the stronger focus on the policies and investment needed to deliver the three-fold increase in the number of new affordable homes. We also strongly support the aim to make those homes much more affordable to ordinary Londoners. The Government's commitment of a total of £3.15 billion for new affordable housing in the Capital is a positive step. However, we are concerned about the apparently "back-loaded" profile of that funding as set out in Table 1 of the draft strategy and the implications that this has for the delivery of the homes London's homeless and overcrowded families urgently need.

We feel it is important to put these numbers in context. Mayor Ken Livingstone's London Plan set a target of 30,000 new homes a year, of which 50 per cent were to be affordable (35 per cent social

rented homes and 15 per cent shared ownership.) While neither of these targets was met during his term as Mayor, the significant additional public funding made available in the 2007 Comprehensive Spending Review meant that the number of new affordable homes completed grew rapidly after he left office and did exceed the target in 2011/12. A full breakdown is set out below.<sup>1</sup>

	Affordable Rent	Social Rent	Intermediate Rent	Affordable Home Ownership	Total
2008/09		6,321	470	4,967	11,758
2009/10		7,229	743	4,867	12,839
2010/11		8,766	1,254	3,058	13,078
2011/12	349	10,880	787	4,375	16,391
2012/13	277	4,785	343	2,709	8,114
2013/14	2,214	3,284	435	2,776	8,709
2014/15	9,610	3,031	80	5,154	17,875
2015/16	2,654	738	0	1,489	4,881
2016/17	2,574	505	0	1,855	4,934

Mayor Boris Johnson’s London Housing Strategy aimed for 42,000 new homes to be delivered each year – a big increase. However, only 17,000 (40 per cent) of those were supposed to be affordable, and most of those were actually much less affordable, either at rents of more than £200 a week or a purchasing price of more than £250,000. Of even greater concern is the fact that thousands of housing association properties previously let at social rents were “converted” into Affordable Rents – usually around 50 per cent higher than previously charged. While the policy of reducing the level of grant available per unit was driven by the Coalition Government, Mr Johnson failed to mitigate its impact in London, for example allowing RSLs to charge 80 per cent of market rents in some areas.

The issue of rent levels is not an abstract one. It means that some working households cannot afford to move into these homes at all, while some of those that do end up experiencing financial hardship as a consequence. Households in receipt of Housing Benefit would previously have been cushioned against the impact of these higher rents, but the lower £440 a week family Benefit Cap in London means that many of these tenants will end up with a shortfall that they will have to meet out of income previously used to pay for food, clothing or utility bills. A number of boroughs and housing associations report particular delays in letting Affordable Rent properties.

Z2K challenged the pretence that these Affordable Rent properties were actually affordable to low-income Londoners. We also dispute the inclusion of Shared Ownership flats offering 25 per cent share for £100,000 or more as affordable, when their owners have to pay rent and service charges on the remaining 75 per cent. By 2010, the shared ownership model in London was clearly broken. Instead of finding an alternative, in a desperate attempt to sell such flats, the former Mayor increased the income threshold to £90,000 a year. This approach – subsidising the home ownership aspirations of wealthy households - was a misuse of the very limited public money available.

- **Z2K therefore fully supports the Mayor’s return to a definition of “affordable” based on rent levels of up to a maximum of one-third of average local incomes.**

<sup>1</sup> [https://www.london.gov.uk/sites/default/files/affordable\\_housing\\_starts\\_and\\_completions\\_-\\_end\\_of\\_oct\\_2017.pdf](https://www.london.gov.uk/sites/default/files/affordable_housing_starts_and_completions_-_end_of_oct_2017.pdf)

Z2K welcomes the Mayor's commitment to secure more affordable housing through the planning system. The GLA is right to identify the Financial Viability Assessment (FVA) process as being one of the key obstacles to this objective, and we welcome the recent Supplementary Planning Guidance (SPG) on Affordable Housing & Financial Viability, particularly the offer for schemes offering 35 per cent up-front to be exempt from the requirement for an FVA. However, it is clear there are some boroughs that consistently under-deliver affordable housing in their areas through the planning system. We hope the Mayor will in time strengthen this SPG and utilise his powers to "call-in" and determine applications offering unjustifiably low levels of affordable housing.

- **The final strategy and London Plan must make it clear that the Mayor will robustly utilise his powers to "call-in" planning applications to secure 35 per cent affordable housing.**

### Council House-building

Z2K believes that the quality of management and maintenance of council housing has improved considerably since its nadir in the late-1980s and early-1990s. Thanks to the Decent Homes Programme started under the Labour Government and continued under the Coalition Government, most council housing has also been brought up to a decent standard, with more modern amenities. The ending of the centralised Housing Revenue Account subsidy regime should ensure that boroughs have the resources needed to ensure existing stock never again falls into such disrepair.

In 2009, after a moratorium of nearly a decade, the-then Housing Minister, John Healey MP, allowed local authorities to bid for Social Housing Grant for the first time. Several hundred new council homes were built across London as a result. More importantly, he began consulting on plans to end the centrally-controlled Housing Revenue Account (HRA) subsidy system and partially restore the freedom for local authorities to borrow against their value of their remaining council housing assets. A version of this proposal was eventually put into effect by the Coalition Government, but lingering restrictions have limited the number of new council homes that have been built in London so far. While some boroughs now have ambitious plans, others do not seem to want to build again.

- **The Mayor should encourage greater take-up of Social Housing Grant by the London boroughs**

### Listening to the views of social housing tenants and leaseholders

While this welcome rebirth of council housing has been taking place, the guiding ethos and practices of many of London's larger housing associations have changed for the worse. The always questionable claim that they need to include homes for sale on the open market within their new schemes has morphed again into development programmes that seem to be targeting their new homes at middle-income earners. We are also conscious that some of the promises made to council tenants and leaseholders whose homes were transferred to housing associations under the Decent Homes programme, have not always been honoured in the letter, let alone the spirit.

Z2K was pleased to note the section in the draft strategy about the effectiveness of the accountability mechanisms for social tenants. While the terrible fire at Grenfell Tower illustrates just how unresponsive some social landlords have become, Z2K has also noticed an increasingly unhelpful attitude by some of London's larger housing associations towards both repairs issues and rent arrears. We share the Mayor's view that the Social Housing Regulator has not done enough quickly enough to challenge those demonstrating systemic performance failings. We are not persuaded the only reason for this is because the regulator's revised remit has been drawn narrowly, but either way, we agree that a more effective complaints mechanism is needed.

- **Z2K supports the introduction of a Commissioner for Social Housing Residents and also believes the Mayor should require housing associations to be delivering an acceptable level of service to their existing residents before they can access grant funding.**

Estate Regeneration has become one of the most controversial issues in London. Z2K recognises there have been many very good – and necessary – examples of redevelopment on local authority and housing association estates. However, most of those were undertaken with levels of central government funding support that are far in excess of anything likely to be provided today. The reliance on private investment to deliver such regeneration projects makes their value much more debatable. The emphasis today is clearly on increasing the number of flats, rather than making the estates themselves more attractive places for people to live.

There are only two such schemes in Westminster, where the majority of our clients come from – Ebury estate and Church Street. Both are apparently mired in opposition from existing residents, who rightly question if/when they will be allowed to return and the terms under which those homes are made available. Others doubt the promises about what their new homes and neighbourhood will look like if they do. We have also followed closely the debates on similarly controversial projects in other boroughs, most notably the Heygate and Aylesbury estates in Southwark, Cressingham Gardens in Lambeth, the West Hendon estate in Barnet and the West Kensington & Gibbs Green estates in Hammersmith & Fulham. We understand why tenants and leaseholders are so opposed to such plans in many places, and feel the policies set out in the draft Good Practice Guide to Estate Regeneration do not go far enough to protect existing residents or others in housing need.

- **Z2K believes that the existing residents of an estate have the biggest stake in its future, and so, the decision on demolition/rebuild-style regeneration schemes should be made by a ballot of tenants and resident leaseholders. The Mayor should make this a requirement.**

## Homelessness

Homelessness is usually understood through both the number of those sleeping rough on the streets of London and those families and vulnerable single people to whom local authorities have accepted a duty as being in priority need. The number of rough sleepers grew in the 1980s and then began to fall in the 1990s and early 2000s as a result of the dedicated efforts to resolve this issue. Despite former Mayor Boris Johnson’s promise to end rough sleeping in London entirely by the end of 2012, the number of people found on the Capital’s streets was 43 per cent higher in 2011/12 than in 2010/11. Agencies report the figure was 6,437 in 2012/13; 7,581 in 2014/15; 8,096 in 2015/16 and 8,108 in 2016/17.<sup>2</sup> More work is needed to turn around the rise in rough sleeping.

- **Z2K welcomes the renewed focus on this issue on the draft strategy**

Rough sleeping is really just the tip of the iceberg. While London’s boroughs accept a full homelessness duty to thousands of vulnerable single people each year, there are tens of thousands of others who are not deemed vulnerable enough to be in priority need and so are “sofa surfing” with friends. Z2K has helped many single people whose applications were refused or who would stand no prospect of success. As part of our *Next Door* project, we have set up a Private Rented Access Scheme (PRAS) to enable clients to move in to settled accommodation. Either because of their history or their inability to pay a deposit and/or a months’ rent up front, most of these clients face a major obstacle to being accepted as tenants by private landlords on their own.

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<sup>2</sup> <https://data.london.gov.uk/dataset/chain-reports>

This project initially utilised Social Fund Crisis Loans to provide “Rent in Advance” with Z2K providing a deposit guarantee. However, following the abolition of the Social Fund in 2013, officers at Westminster City Council (WCC) agreed to use Local Welfare Assistance (LWA) funding for rent in advance. Clients must be entitled to the one-bedroom rate of LHA, which means they now have to be at least 35 years old. In the past four years, *Next Door* has placed nearly 300 people who were either rough sleepers, staying in hostels or sofa surfing. However, until now, few other London boroughs have been willing to either use this model or create something similar. We therefore welcome the Government’s recent announcement of £20 million for private rented access schemes across England. The Mayor of London should offer greater support for this kind of approach.

- **The strategy should encourage local take-up of DCLG’s £20 million for Private Rented Access Schemes and offer additional funding for this work if it is needed.**

The number of homeless households to whom a duty was owed increased significantly between the mid-1990s and 2005. Following the expansion of homeless “prevention” approaches after 2005, the number of acceptances in London more than halved and has increased only a little above these levels. In contrast, the number of statutorily homeless households placed in temporary accommodation (TA) by their borough grew rapidly in the first half of the 2000s, reaching a peak of 63,800 in London in late-2005. Following concerted action, including a target for authorities to halve the numbers of homeless households in TA, that number fell to 36,020 in 2010. It has now risen back to 54,180 in the most recent quarterly statistics – a 50 per cent increase.<sup>3</sup>

We estimate that these families include around 80,000 children. Research carried out by Shelter in 2004 showed the devastating impact on children’s health, education and well-being of extended periods in temporary accommodation.<sup>4</sup> Z2K therefore welcomes the draft strategy’s emphasis on both encouraging London’s boroughs to work more collaboratively in securing TA, and also identifying properties closer to their home area, as has been required since the Supreme Court’s judgment in the case of *Titina Nzolameso* – a former Z2K client. We believe the Mayor could go even further by exposing and challenging bad practice.

- **The Mayor should make it clear he will call-out those boroughs still placing vulnerable families and single people unnecessarily far from the support networks they depend upon.**

An even more acute problem is the number of homeless families in Bed and Breakfast (B&B) accommodation. B&B rooms are not suitable for children for extended periods. In 2003, following campaigning by London MPs, this practice was outlawed for anything longer than six weeks. By 2010, the number in B&B beyond this legal limit had reduced to just 70 families nationwide. The most recent statistics show that, across England, 1,200 homeless families were placed in B&B longer than six weeks at the end of June.<sup>5</sup> This figure is nearly double what it was in June 2014. Hackney, Redbridge and Southwark all had more than 100 homeless families unlawfully in B&B beyond six weeks. We recognise that DCLG really should be doing more, but the Mayor should use his position to impress upon those boroughs that this is unacceptable.

- **The Mayor should publicly challenge those boroughs with homeless families unlawfully in B&B for more than six weeks.**

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<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/648084/Statutory\\_Homelessness\\_and\\_Prevention\\_and\\_Relief\\_Statistical\\_Release\\_April\\_to\\_June\\_2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648084/Statutory_Homelessness_and_Prevention_and_Relief_Statistical_Release_April_to_June_2017.pdf)

<sup>4</sup> [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0012/40116/Living\\_in\\_Limbo.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0012/40116/Living_in_Limbo.pdf)

<sup>5</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/648084/Statutory\\_Homelessness\\_and\\_Prevention\\_and\\_Relief\\_Statistical\\_Release\\_April\\_to\\_June\\_2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648084/Statutory_Homelessness_and_Prevention_and_Relief_Statistical_Release_April_to_June_2017.pdf)

While Z2K believes that boroughs themselves are responsible for these breaches of the law, it is only fair to acknowledge the role that central Government has played in exacerbating the issue. The freeze on Housing Benefit subsidy for temporary accommodation at 90 per cent of the 2011 rate of Local Housing Allowance plus £40, is one of the main factors behind the difficulties London boroughs have had in finding self-contained properties for homeless families. Put simply, private landlords in many boroughs can now make much more from letting a family-sized home to young professionals than leasing it to the local authorities. This will only get worse as the “freeze” on the Temporary Accommodation Management Fee (TAMF) is carried over into the new “Flexible Homelessness Support Grant” (FHSB), and the money available doesn’t reflect the numbers in TA.

- **We hope the Mayor will therefore also use his position to expose the unfairness of the TAMF and FHSB for London if homelessness continues to rise.**

### Homelessness Reduction Act 2017

Z2K welcomes the Government’s decision to allow Bob Blackman’s Private Members Bill to get onto the Statute Book earlier this year. The new duties to help those threatened with homelessness 56 days before the end of their tenancy and to take steps to relieve homelessness of all households irrespective of whether they are in priority need or even “intentionally homeless” build on the more preventative strategic approach introduced by the Homelessness Act 2002, through national and local homelessness strategies. Disappointingly, at DCLG’s encouragement, the good intentions of the 2002 legislation were twisted into a sustained effort by many authorities to prevent people making a homelessness application. The 2017 Act must be more positively implemented.

It is clear, however, that these new duties impose significant additional burdens on local authorities in London. While welcome as far as it goes, the recent announcement of an additional £12 million “new burdens” funding – bringing the total sum to £73 million over three years - still falls some way short of the expected cost of the new duties across England as a whole. For example, the recently published allocation of funding shows that most London boroughs will receive between £250,000 and £500,000 a year for the three years – a total of around £30 million for the whole period.<sup>6</sup> This is a long way short of London Councils’ estimate that the additional costs are up to £77 million a year.<sup>7</sup>

- **The Mayor should challenge ministers to commission an independent analysis of the costs of the 2017 Act, and allocate funding accordingly**

## **Overcrowding**

Overcrowding is on the rise again in London. The most recent estimate is that 224,000 households live in overcrowded accommodation in the Capital, an increase of 65,000 in the past decade. The London Housing Strategy 2013 stated there are 106,000 overcrowded households in social housing in London, 12,000 of whom are severely overcrowded.<sup>8</sup> In total, around 400,000 children in London (24 per cent) are growing up in overcrowded homes. According to the Census, the boroughs with the highest proportion of households in social housing affected are:<sup>9</sup>

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<sup>6</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/652195/New\\_burdens\\_allocation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652195/New_burdens_allocation.pdf)

<sup>7</sup> <https://www.londoncouncils.gov.uk/node/32890>

<sup>8</sup> [https://www.london.gov.uk/sites/default/files/Draft%20London%20Housing%20Strategy%20April%202014\\_0.pdf](https://www.london.gov.uk/sites/default/files/Draft%20London%20Housing%20Strategy%20April%202014_0.pdf)

<sup>9</sup> [https://www.london.gov.uk/sites/default/files/archives/Overcrowding\\_Action\\_Plan.pdf](https://www.london.gov.uk/sites/default/files/archives/Overcrowding_Action_Plan.pdf)

	All households (council)	Number of households with more than 1 person per	% of total households with more than 1 person per	Number of households with more than 1.5 persons per room	% of total households with more than 1.5 persons per room
Brent	23,880	2,767	11.59%	1,248	5.23%
Ealing	22,275	2,437	10.94%	949	4.26%
Hackney	43,669	5,239	12.00%	2,235	5.12%
Haringey	27,891	3,018	10.82%	1,353	4.85%
Kensington & Chelsea	20,562	2,193	10.67%	1,002	4.87%
Newham	33,505	4,331	12.93%	1,911	5.70%
Southwark	56,637	6,247	11.03%	2,873	5.07%
Tower Hamlets	41,237	7,557	18.33%	3,474	8.42%

Independent research shows that growing up in overcrowded conditions can have a serious impact on the health, well-being and educational prospects of children. For example, infectious diseases spread more readily in overcrowded conditions, which leads to missed days in school. And it can be extremely difficult for children in an overcrowded family to find the quiet space needed to study at home. Overcrowding is especially difficult for teenage girls sharing bedrooms with their brothers, and the stress caused within such environments often impacts adversely on parents.

It is now seven years since the former Mayor published his action plan to tackle overcrowding in social housing.<sup>10</sup> While the strategy noted the increases in the supply of new social housing following the 2007 Spending Review and renewed the commitment to the target of 42 per cent of new social housing being of three or more bedrooms, it focussed on tackling under-occupation as the key means of reducing overcrowding. Its central target was that there should be *“No more than 5,500 severely overcrowded households in social housing in London by 31 December 2016.”*

There is no official estimate of the numbers of children who were due to benefit from this policy, but a target of 5,500 households almost certainly represented fewer than 10 per cent of the 391,000 overcrowded children in London at that point in time. Worse still, the then Mayor used the target as a justification for his refusal to challenge the Coalition Government’s controversial policies of the Bedroom Tax and Fixed Term Tenancies, which were designed to force existing tenants to downsize.

Z2K recognises that the state is not alone responsible for the overcrowding in social housing. At the same time, however, London’s housing crisis is about real people and the solutions must be focussed on those people. We feel that the weakness of the previous Mayor’s target to reduce severe overcrowding was one of the reasons why insufficient three- and four-bedroom affordable homes were built during his tenure. We hope therefore the new Mayor will agree to include an ambitious new target to reduce the total number of families living in overcrowded conditions.

- **The strategy should set a target to reduce the number of overcrowded families in social housing by a quarter by 2020 and by a half by 2024.**
- **It should also commit to refresh the former Mayor’s London Overcrowding Action Plan and invite ideas on the additional policies required to achieve this objective.**

<sup>10</sup> Overcrowding in Social Housing : A London Action Plan (GLA, 2010)

## Private Rented Sector

Z2K recognises that the Mayor's powers in relation to the Private Rented Sector (PRS) are very limited. However, we also believe that it is potentially a powerful position to inform the policies of central and local government. We were therefore extremely disappointed that the previous incumbent did so little to support the millions of Londoners renting from a private landlord. The sum total of his intervention was the London Rental Standard, which delivered little if anything of real value to hard-pressed tenants.

We are therefore pleased to note the strong statements in this strategy in support of greater security of tenure, a national registration scheme for the PRS and the devolution of decision-making on "selective" licensing schemes from Whitehall to City Hall. We also welcome the Mayor's statement that he would support restrictions to limit "unacceptable rent increases" as a positive first step towards addressing the increasing unaffordability of private renting to those on low-incomes. However, we feel the situation has now become so acute that more decisive action is needed to prevent low-income households being driven out of inner-London.

- **The Mayor should back the call for rent controls that link increases to inflation.**

### Build-to-Rent

Z2K does not have a preference for home ownership over renting or *vice versa*. Our key concern is that people have the degree of security they need to make the place they live in a real home, and to enjoy the many advantages of being part of a sustainable community. We recognise that, while the PRS never provided a decent, secure and affordable home for all, for a century or so, institutional investment meant generations of Londoners did at least have a roof over their heads, and for some it was a genuinely settled home. For that reason and others, we understand the benefits of encouraging an expansion of institutional investment.

That said, Z2K is uneasy about the rapid growth of the "Build-to-Rent" sector in London over the past decade. We believe too many of the developments permitted so far have failed to include an appropriate proportion of genuinely affordable homes. Even where the local planning authority has the desire to ensure "Build-to-Rent" schemes include affordable housing too, the difficulties of scrutinising and challenging rental income values has made it hard to ensure targets are met.

The Mayor has clearly tried to address this in his recently-approved Supplementary Planning Guidance on Affordable Housing & Viability. Even this document, however, accepts that "*where a developer is proposing a Build-to-Rent development .... The affordable housing offer can be entirely Discounted Market Rent (DMR)*". The Mayor's preferred DMR model - the London Living Rent - is specifically designed for households on middle incomes who want to be able to build up savings to buy a home.

Z2K understands the logic of this approach for developers pursuing Build-to-Rent schemes, but we believe the failure to include social housing for homeless and overcrowded families is too great a price to pay. We will never make meaningful progress in tackling London's now chronic housing crisis, unless we ensure all new developments play their part in meeting need. Z2K also concerned about the number of housing associations now pursuing this model themselves, with small flats at barely sub-market rents offering security of tenure only slightly greater than an AST.

- **As such, if Build-to-Rent schemes are not to include genuinely affordable homes, then we believe the Mayor of London should discourage them.**