



When the golden dust settles: housing in Hackney, Newham and Tower Hamlets after the Olympic Games

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Authors: Thomas McCarthy, Marc Lancaster

Summary

In 2005 London was awarded the 2012 Olympic Games. Won with a promise of regeneration and rejuvenation in the heart of east London, a site in the Lower Lea Valley was selected and work began on creating an Olympics to be proud of.

Previous Olympics in other cities around the world have seen records broken on the tracks, fields, roads and courses; yet they have often failed to deliver a lasting legacy that genuinely benefits those around those golden stadiums, especially when it comes to housing. Worse, there have been reports of Games pushing up property prices and rents, and of local people being evicted to make way for visitors paying premium prices.

For this reason, Shelter was kindly provided funding by the Oak Foundation to explore and prevent the negative impacts of the Olympics on those living within the main host boroughs of Hackney, Newham and Tower Hamlets. In the event, these concerns about the potential impact of the London 2012 Olympic Games were not realised. Shelter advisers on the ground noted very few cases where individuals had been negatively affected by the Olympics, and the delivery of 11,000 new homes to the area will represent a significant step forward in tackling the housing shortage within these boroughs.

However, our research did reveal much deeper, systemic problems with the housing situation in east London. These factors are placing immense pressure on the three local authorities we looked at, and as a result are having major impacts on the people who live there. This report therefore seeks to explore the housing challenges experienced in Hackney, Newham and Tower Hamlets, with a particular focus on the private rented sector, housing supply, and welfare reforms. It makes a number of recommendations around improving the private rented sector, building more affordable homes, and mitigating the impacts of welfare reforms, which are outlined in brief below.

This final report of the project is based on evidence obtained from national and local government statistics, freedom of information (FOI) requests, and our experience of providing direct advice to nearly 3,000 people in these boroughs during the last five years.

Our recommendations

Improving the private rented sector

Shelter recommends that:

- Hackney, Newham and Tower Hamlets Councils should continue to work with institutional investors, housing associations and large corporate landlords in the private rented sector to encourage the offer of a Stable Rental Contract, which gives tenants the option of a five year tenancy, during which period rent increases would be limited to an inflation index.
- Hackney, Newham and Tower Hamlets should use their engagement with landlords through homelessness, leasing, accreditation and licensing schemes to broker Stable Rental Contracts.
- The Greater London Authority (GLA) should trial the Stable Rental Contract as part of the London Rental Standard and promote its use in large scale developments. The commitment made by Get London Living to use longer term tenancies in the Athletes' Village should be promoted as part of this.
- Hackney, Newham and Tower Hamlets should take tough enforcement action against rogue landlords. Crucially, this action should be publicised through local media. Local authority press officers should work with politicians to publicise the tough stance the authority is taking and highlight every successful prosecution.
- The boroughs should take advantage of recent changes in the organisation of public health. The new funding opportunities and Health and Wellbeing Boards can both be used to facilitate a multi-agency response to problems in the private rented sector. Political leadership is as important as new funding routes in achieving this however: senior managers and politicians should also give enforcement teams the political support needed to take tough action.
- Hackney, Newham and Tower Hamlets should reinstate specialist tenancy relations officer functions, and maximise the resources and support available to their local enforcement teams in order to respond to rogue landlords.
- Enforcement action must be balanced with the need to protect tenants from retaliatory eviction. Proactive and well-publicised street-by-street stock condition surveys, for example, would allow enforcement action that could not be 'blamed' on the tenant. A publicised, named point of contact for tenants to take confidential advice on options would also give tenants some reassurance.

Safeguarding the Olympic housing legacy

Shelter recommends that:

- Local government, the GLA and Triathlon Homes should ensure that the Olympic Delivery Authority (ODA) delivers on the pledge that 35% of legacy housing will be genuinely affordable.
- Local government and housing associations should use rigorous restraint in the use of the new Affordable Rent tenure for social housing: 80% of market rent is beyond the reach of most east Londoners.
- The housing legacy of the Games should spread beyond the Olympic Park: the national and local government action that created the Olympic Park development should be seen as a beacon for the large-scale housing development required nationally.
- Decisions on homeless applications should be made as early as possible in the process in order to ensure suitable accommodation can be located where necessary.
- Hackney, Newham and Tower Hamlets should use the private rented sector for discharge of their homelessness duty with great restraint. A private tenancy will not represent a sustainable solution to the housing needs of many applicants. Where the private sector is used, fixed term tenancies of at least two years should be offered and steps should be taken to ensure the accommodation would remain affordable.
- Where out of area placements are unavoidable, Housing Options services should work with other agencies such as floating support services to help applicants make genuinely informed choices.
- Hackney, Newham and Tower Hamlets should work with London Councils and the GLA to enforce the Pan-London Agreement by which London boroughs should not 'outbid' each other by offering a higher price for properties; and inform authorities when they are accommodating people in their areas.
- Hackney, Newham and Tower Hamlets should develop clear and transparent policies around the use of the private rented sector for homeless applicants.

Responding to the homelessness crisis in east London

Shelter recommends that:

- The GLA and the boroughs should lobby central government to restore the link between actual market rents and Local Housing Allowance.
 - Hackney, Newham and Tower Hamlets should record every approach made to their homelessness services. Accurate figures on the true extent of housing need are essential to inform local development plans, ensure adequate provision of resources for the local authorities most under pressure, and monitor the extent of repeat homelessness.
- Kindly funded by the Oak Foundation for the past four years, Shelter has been able to provide outreach advice and casework to 631 private tenants across Hackney, Newham and Tower Hamlets. In addition, Shelter's London services have advised more than 2,300 other people in these boroughs.

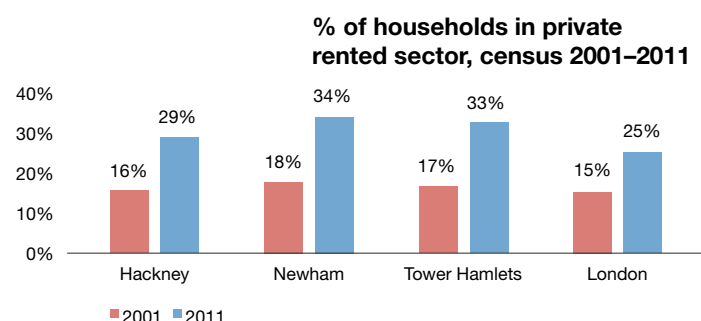
Housing shifts in Hackney, Newham and Tower Hamlets, and Shelter's policy recommendations

1. Improving private renting

Hackney, Newham and Tower Hamlets have all seen significant changes to their local private rented sectors over the last five years. This section of the report aims to highlight these trends, and their implications for private renters, as well as recommendations around how renters in these areas can receive a better deal, and how standards can be improved.

Securing a better deal for renters

In Hackney, Newham and Tower Hamlets there have been significant increases in the proportions of people renting privately since 2001. These changes have been much larger than those found in the rest of London. 34% of Newham residents rent from a private landlord, 33% of Tower Hamlets residents and 29% of Hackney residents.

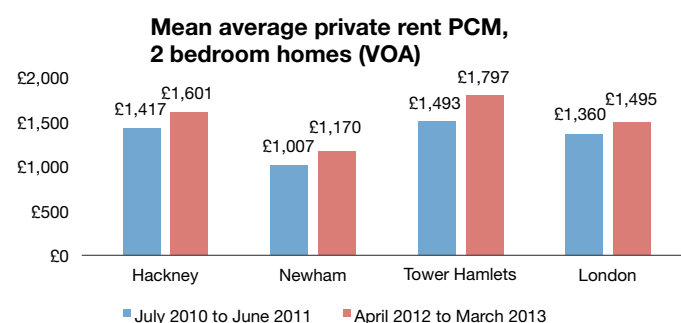


Rents have risen steeply alongside the increased demand. On average, Hackney has seen a 13% increase in private rents, Newham 16%, and Tower Hamlets 20%¹. In comparison, London² as a whole has seen increases of 10%; and within inner London boroughs, 7%. Over

1. VOA, 2011–2013. Data before this date is less reliable and taken from several different sources. The time periods are governed by publication dates of Valuations Office Agency rental data, and show averages in the 12 months July 2010 to June 2011 compared to figures for the 12 months April 2012 to May 2013. If we take the midpoints of the periods being compared, this is 31 December 2010 compared to 31 September 2012 – a 21-month time period.

2. The London figures should be treated with some caution as they are not mix-adjusted for geographic differences between the sample periods. VOA sample includes rents from tenancy renewals and new lets, and is the actual, rather than advertised, rent.

an 18 month period, if assessing a two bed property³ these equate to actual rent increases of £184 a month for Hackney, £163 per month in Newham, and £304 in Tower Hamlets.



Most strikingly, lower quartile rents (those in the cheapest 25% of properties) are not significantly lower than average rents, and have risen by similar proportions. Average lower quartile rents are £1,325 in Hackney, £950 in Newham and £1,430 in Tower Hamlets. This indicates that residents on lower incomes find it hard to afford their rent – and therefore hard to remain in their home area. When compared with local wages, it is clear that these increases take the cost of private renting far beyond the realms of affordability. A two bedroom property would take up 50% of a median full time wage in Newham, 57% in Tower Hamlets and 59% in Hackney⁴. This compares to 50% as a London average. Given that 35% is taken as the point at the upper limits of affordability, all of these boroughs are highly unaffordable for most local residents. The major causes of these decreases in affordability are rising rents combined with stagnant wages.

The demographics of those renting in these boroughs have also changed dramatically in recent years. The proportion of private renters with dependent children is above the London average in Newham, having increased by 6% over the course of a decade. Hackney and Tower Hamlets diverge slightly here, with the numbers of private renters with dependent children lower than the London averages, although still significant.

Since 2001, across London as a whole the profile of private renters has got older. In 2001 44% of renters were over 35, but by 2011 that amount had increased to 50%. Looking at these three boroughs, Newham has

3. The standard reference point used for a young family.

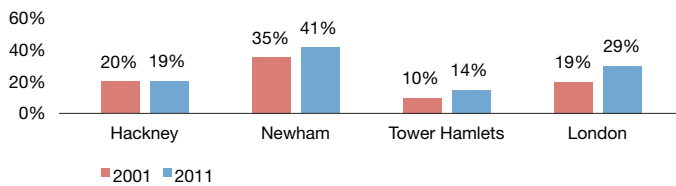
4. Even these figures underestimate how unaffordable these rents are. Take-home pay is more commonly used as the criteria to assess this, which would actually deliver a higher % of income being taken up by rental costs.

Graph 1. Source: Census 2001 and 2011, ONS Crown copyright
Graph 2. Source: Private Rental Market Statistics (2013), Valuation Office Agency

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the highest proportion of older privately renting residents, with 49% over 35, whilst Hackney has 38% and Tower Hamlets 32%.

% of households in private rented sector with dependent children, census 2001–2011*



Both the numbers of renters with dependent children, and the numbers of renters over 35, indicate that private renting is becoming the new normal in east London. It is the only choice for a growing population of young families and working people on average incomes at a settled stage of their lives. At the same time, private sector rents are rising at rapid rates and have become unaffordable for most local people. People need the private rented sector to give them a stable, decent home: yet typical private sector tenancies offer fixed terms of just six or 12 months. As a result, thousands of east Londoners have no prospect of settling and making their rented house a home – which is even more critical for families with children, in terms of wellbeing and education.

Shelter believes that a new rental offer, the [Stable Rental Contract](#)⁵, should be offered to private renters using the current legal framework. This would give renters five years in their home during which they could not be evicted without a good reason, allowing landlords to increase rents annually by no more than the current inflation rate. This would make rent increases more predictable and manageable for renters, and begin to tackle the soaring rent costs seen across all three boroughs. In addition, it would help more vulnerable renters or those with families settle down in their home, providing them with greater security and stability. This model has been adopted by Get London Living within the Olympic Park Development, which Shelter welcomes, and is explored in more detail below. This is a good start, but we would like to see the Stable Rental Contract promoted far more widely so as to benefit the maximum number of renters.

Shelter recommends that:

- Hackney, Newham and Tower Hamlets should work with institutional investors, housing associations and landlords in the private rented sector to encourage the offer of Stable Rental Contracts, particularly among larger, more professional operators.
- Hackney, Newham and Tower Hamlets should use their engagement with landlords through homelessness services, leasing, accreditation and licensing schemes to broker Stable Rental Contracts.

5. [Shelter, A Better Deal, 2012](#)

- The GLA should trial the Stable Rental Contract as part of the London Rental Standard and promote its use in large scale developments. The commitment made by Get London Living to use longer term tenancies in the Athletes’ Village should be promoted as part of this.

Improving property conditions and enforcement

Too many privately rented properties across London are in poor condition and represent a serious risk to private renters. According to a Shelter/YouGov survey carried out in 2012⁶, 27% of London landlords and letting agencies had not carried out repairs or dealt with poor conditions in their properties. In addition, 28% of renters were living in homes that had damp, and that figure rose to 43% among families. Vulnerable private tenants fare even worse. In 2009, nearly half of the private rented households in receipt of means-tested or disability benefits were in properties that failed to meet even the Decent Homes Standard⁷.

While renters have the right to live in homes which meet the statutory minimum housing standards (as defined by the Housing Health and Safety Rating System and the Decent Homes Standard), they often do not complain because they are afraid of being evicted. This was demonstrated by a piece of recent research from The Tenants’ Voice⁸, which revealed 71% of tenants had paid for repairs themselves rather than risk asking their landlords, and 61% of tenants were wary about complaining to their landlord.

This reluctance can partly be explained by looking at the legal mechanics around evicting private renters. Section 21 of the Housing Act (2004) grants landlords the power to evict tenants who are no longer in the fixed term period of their contract without stating a specific reason, leading to what is often termed ‘no fault’ evictions.

6. In November 2012 Shelter and British Gas commissioned YouGov to survey 4,327 adults in England living in the private rented sector, including 735 adults living in the private rented sector in London. Fieldwork was undertaken between 16 November and 10 December 2012. The survey was carried out online. The figures have been weighted and are representative of the English private rented sector (aged 18+). All figures are taken from this survey unless otherwise stated.

7. To be classed as a Decent Home, a property must: meet the current legal minimum for housing (the Housing Health and Safety Rating System); be in a reasonable state of repair; have reasonably modern facilities and services; and have efficient heating and effective insulation. The Decent Homes Standard is a national set of standards which provides a set of criteria for assessing the quality of homes.

8. The Tenants’ Voice, ‘A third of tenants have been evicted or threatened with eviction after complaining to their landlords’, www.thetenantsvoice.co.uk/news/a-third-of-tenants-have-been-evicted-or-threatened-with-eviction-after-complaining-to-their-landlords/ [accessed: October 2013]

Graph 3. Source: Census 2001 and 2011, ONS Crown copyright

Case study: the Allen family

In February 2010 John* and Ellen* started renting a room in a shared flat. They were reluctant – the ‘flat’ was in fact a series of interconnected outbuildings at the back of a terraced house – but they were desperate to find somewhere to live and the landlord agreed to take them without a deposit. The landlord made it clear from the beginning that he would only accept cash payments.

The corrugated roof leaked, the breezeblock walls were damp and the gaps between the roof and the walls in the corridor connecting the rooms made the room constantly cold. The kitchen – with its single hob connected to bottled gas – was tiny, and there was one shower in a cubicle next to the kitchen. Sharing with six other people was a problem.

John worked at a local supermarket earning not much more than the minimum wage. Ellen could not find work. The landlord refused to give receipts or a written tenancy agreement so they couldn’t get Housing Benefit. After paying £650 a month rent, there wasn’t much left – not enough to save for a deposit to rent somewhere else, so they were stuck.

In mid-2013, through joint work with the Planning and Council Tax departments, the council’s Private Sector Housing Team identified that this property was being let out illegally. A Prohibition Order was served. Shelter is now helping John, Ellen and their two-month-old son to make a homeless application. The council is taking action against the landlord – including for letting without a licence.



Renters, and especially families that are settled in their local area, are therefore afraid of complaining in case they are forced out of their home. In high demand rental markets, such as the boroughs that are the focus of this report, tenants are even more likely to fear the use of section 21 if they report poor conditions. The Department for Communities and Local Government *Private Landlord Survey* found that 78% of landlords (who own 84% of dwellings in the private rented sector) expected to re-let their properties if they became vacant tomorrow. Fifty nine per cent of these landlords would expect to re-let at a higher rent and only 1% at a lower rent.⁹ In this type of market, where demand is high and landlords can attract high rental incomes, there are few incentives to improve properties, and tenants’ consumer bargaining power to negotiate for better conditions is significantly reduced. In addition, 40% of London renters worried that their landlord would not keep the accommodation in good order – higher than all regions but the north-west.¹⁰ In reality therefore tenants have very little power

to exercise their statutory rights, and poor conditions often go unreported.

Alongside this, there has been an increase in rogue landlords across the capital. A Shelter freedom of information (FOI) request carried out in 2011/12¹¹ aimed to uncover the complaints received nationwide by local authorities relating to their private rented sector¹², and the

11. Shelter submitted an FOI request to all English local authorities. This asked 12 questions about complaints received concerning private rented accommodation and subsequent enforcement action against private landlords. Out of the 326 local authorities contacted we received 322 responses. The statistics relate to trends in the past three years from 2008/09 to 2010/11. All figures relate to local authorities who returned valid data for the questions Shelter requested information on. Response rates for each question varied.

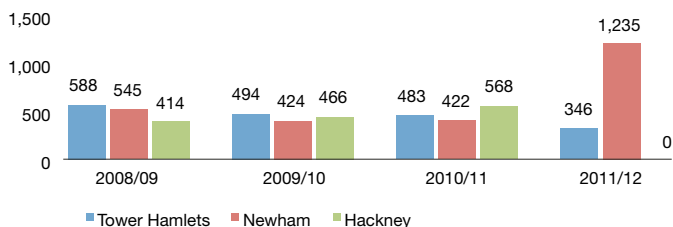
12. This should not necessarily be taken as a proxy for the amount of problems in the sector. Besides administrative differences in the ways problems are recorded and not all complaints being logged, we know that very few tenants actually complain to their local authorities regarding the problems they are facing – either because they fear retaliatory eviction or because they do not think complaining will make a difference.

9. DCLG, *Private Landlord Survey*, 2010

10. YouGov 2011, base: 541 private renting GB adults. Fieldwork: 2–5 December 2011.

levels of action being taken by councils. Across London, complaints have been rising. Newham registered a large increase in the amount of complaints received about private landlords in 2011/12, compared with previous years¹³. However, in terms of actual prosecutions against landlords, Hackney made just two in 2011/12, with three pending. Newham made 31. Tower Hamlets did not return any data on this question in the FOI request.

Complaints against landlords, FOI request



Shelter has found that the lack of tenancy relations officer posts have left private renters unclear about which council team to approach about harassment and illegal eviction. Tenancy relations officers have the expertise and enforcement powers to serve injunctions and press for prosecutions for more serious landlord problems.

In a time of increasing resource constraints, adequately supporting enforcement teams will always be challenging. However, some local authorities have been able to uncover new, innovative sources of funding. The new preventative health environment presents an exciting opportunity for local authorities to think innovatively about tackling the rogue landlords and poor conditions that are putting renters at risk. Health and Wellbeing Boards can be used to facilitate a multi-agency response to poor private sector housing.

It has never been more important for local government to use its own powers and find innovative approaches to improving the private rented housing stock in east London and forcing out bad landlords. On 1 January 2013 Newham began rolling out the first borough-wide selective licensing scheme. It is too early to comment on the impact of this policy on residents living in poor conditions, although as of November 2013 the council had carried out 1,849 enforcement visits, issued 75 cautions and prosecuted 110 landlords for housing offences. Four ‘portfolio’ landlords, between them managing over 100 properties, have been refused permission to continue to manage slum properties. 30,000 of an estimated 37,000 rented properties in the borough have now been licensed. Newham moved to selective licensing after running an accreditation scheme for ten years which, in spite of resourcing and political

13. This is likely to be a positive thing rather than an indication of worsening practices. As the local borough stepped up activity in preparation of its licensing scheme, it is likely renters increasingly saw the local authority as a public body responsible for managing the private rented sector, and also able to help take action on complaints.

Graph 4. Source: FOI request, Shelter (2012). On 23 July 2012 Shelter submitted a Freedom of Information request to all English local authorities. This asked 12 questions concerning complaints received about private rented accommodation and subsequent enforcement action against private landlords.

will, was unable to engage more than a small minority of landlords. Shelter will be publishing a formal review of Newham’s licensing scheme in spring 2014. Hackney council is also running its own consultation currently as to whether selective licensing should be rolled out within the borough, which Shelter has contributed to.

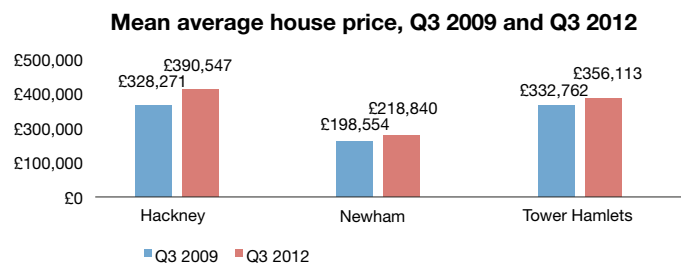
Shelter recommends that:

- Hackney, Newham and Tower Hamlets should take tougher enforcement action against rogue landlords. Crucially, this action should be publicised through local media. Local authority press officers should work with politicians to use the local press to publicise the tough stance the authority is taking and highlight every successful prosecution. Shelter welcomes the work Newham are already doing in this area.
- Local authorities take advantage of recent changes in public health offering new funding opportunities and Health and Wellbeing Boards, both of which can be used to facilitate a multi-agency response. Political leadership is as important as new funding routes: senior managers and politicians should also give enforcement teams the political support needed to take tough action.
- Hackney, Newham and Tower Hamlets should reinstate specialist tenancy relations officer functions, and maximise the resources and support available to their local enforcement teams in order to respond to rogue landlords.
- Enforcement action must be balanced with the need to protect tenants from retaliatory eviction. Proactive and well-publicised street-by-street stock condition surveys is one way to allow enforcement action that cannot then be ‘blamed’ on the tenant. A publicised, named point of contact for tenants to take confidential advice on options would also give tenants some reassurance.

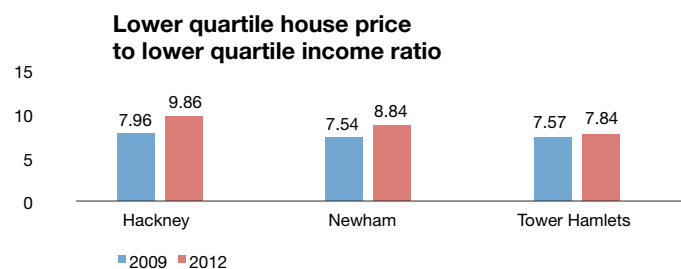
Safeguarding the Olympic housing legacy

Building more genuinely affordable homes is the long-term solution to the housing crisis in Hackney, Newham and Tower Hamlets, and nationally. Building enough genuinely affordable homes would significantly ease pressures on rents, housing benefit and the cost of living more widely.

The shortfall in supply and ever growing pressures on the housing market have meant house prices have surged in the past three years, with increases of 19% in Hackney, 10% in Newham and 7% in Tower Hamlets. These rises are symbolic of the wide housing crisis facing the boroughs, and the ever increasing shortage of affordable homes.¹⁴



These increases in house prices have not been matched by increases in wages. Affordability, especially for those on lower quartile incomes, is becoming ever more elusive, with house prices at around eight to 10 times higher than incomes in the three boroughs, and rising. With more and more people unable to get on the housing ladder, there will also be wider ramifications for the cost of renting as pressure on this tenure increases.



2. The Olympic park record on house building

The building of 11,000 new homes as part of the Olympic legacy is going some way towards meeting these issues. The quantity of supply is impressive, and provides an example of how when land management, planning and infrastructure powers are all brought together, alongside political will and commitment, homes can be built across

14. DCLG.

Graph 5. Source: Department for Communities and Local Government (2009 and 2012), Table 581

Graph 6. Source: Department for Communities and Local Government (2009 and 2012), Table 576

multiple boroughs on a major scale. A total of 11,000 homes will be built in total as part of the Olympic legacy. 2,818 homes will be available in the East Village, where residents have already started to move in. 49% of these homes will be let as private rented accommodation by a single institutional investor, Qatari Diar Delancey (QDD) – now known as Get London Living. Triathlon Homes, a partnership between East Thames Housing, Southern Housing and First Base, will manage the remaining homes. 675 of these will be let at social rents, mostly through the housing register; there are 356 homes available for intermediate rent; and there are 348 properties available for shared ownership.

Moreover, private renting tenancies adopted by the major institutional investors in East Village have been impressive. Get London Living will be offering longer term tenancies, with predictable rent increases and strong tenancy rights. This approach is market leading and should be seen as a guiding light for other institutional investors moving into the private rented sector. Our report *A better deal: towards more stable private renting*¹⁵ highlights the positive benefits tenants, and landlords, can receive through the adoption of longer term tenancies, and we are keen for these to be rolled out more widely. Having a leading institutional investor take this approach will help make the case for adopting this form of tenancy agreement elsewhere.

The ODA has pledged that 35% of legacy housing will be affordable. However, the 675 homes in East Village are likely to be the last homes let on social rents in the Olympic Park, with the new Affordable Rent tenure due to be used for the social housing yet to be built. Shelter recognises the financial constraints in which housing associations are operating. Nevertheless, it is striking that the intermediate rents on one bedroom flats in the East Village, set at 80% of market rent, would demand 52%, 46% and 41% of median wages in Hackney, Newham and Tower Hamlets respectively. Rents at this level are unlikely to meet the needs of many households eligible for social housing for a secure and affordable home.

Shelter recommends that:

- Local government, the GLA and Triathlon Homes should ensure that the ODA delivers on the pledge that 35% of legacy housing will be genuinely affordable.
- Local government and housing associations should use rigorous restraint in the use of the new Affordable Rent tenure for social housing: 80% of market rent is beyond the reach of most east Londoners.
- The housing legacy of the Games should spread beyond the Olympic Park: the national and local government action that has led to the Olympic Park development should be seen as a beacon for the large-scale housing development required nationally.

15. Shelter, *A Better Deal*, 2012.

Responding to the homelessness crisis in east London

As welfare reforms have begun to bite and the recession has put more and more people under financial pressures, so the housing crisis in the capital has deepened. The full impact of welfare reform is yet to arrive as Discretionary Housing Payments¹⁶ have temporarily cushioned many recipients, typically for six to 12 months, and the introduction of the benefit cap¹⁷ has been staggered.

However, the impacts are now beginning to be felt. During the last three months Shelter advisers have seen more and more families who, as a result of welfare reforms, are making plans to rent overcrowded accommodation or to leave east London – and so their home neighbourhoods, their families and their established networks – for good.

3. Homeless acceptances and temporary accommodation

Homeless acceptances in London as a whole have doubled since 2009. While the figures for Hackney and Tower Hamlets have been fairly flat over the four years, in Newham there has been a large increase in acceptances since late 2012¹⁸. Indeed, the pressures on Newham's Housing Options Service appear unique in their intensity. During the three months April to June 2013, Newham made 935 decisions on homeless applications. In London, only Barking and Dagenham came anywhere close to this level of demand with 481 decisions. In comparison, Hackney made 302 decisions and Tower Hamlets made 215.

With such pressures on east London authorities, it is perhaps not surprising that cases like those of the Rahman family are common. Shelter has repeatedly been told by

16. Discretionary Housing Payment is a payment provided at the discretion of local authorities to provide extra help with housing costs on top of Housing Benefit.

17. The benefit cap was introduced across England, Scotland and Wales between April 2013 and October 2013, and places a limit on the total amount of welfare benefits that can be claimed.

18. Whilst there is likely to have been a significant increase, statistical changes in recording, administrative errors or process changes may be a factor in this rather large increase.

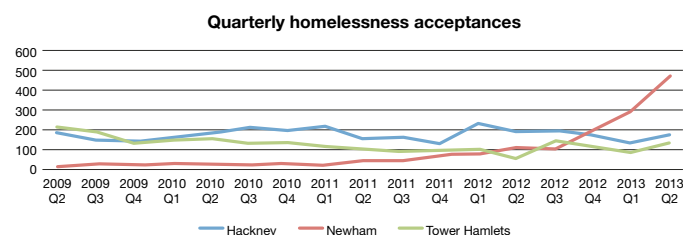
Graph 7. Source: Quarterly homelessness acceptances statistics (2009–13), Department for Communities and Local Government

Graph 8. Source: Quarterly homelessness acceptances statistics (2009–13), Department for Communities and Local Government

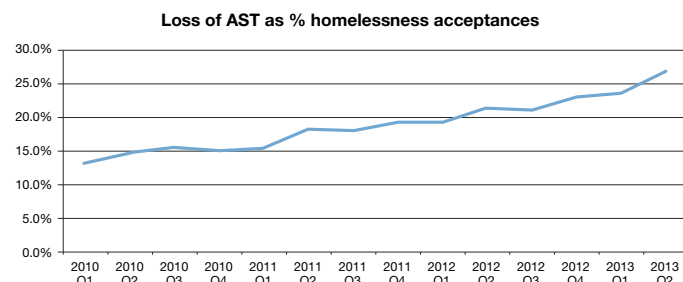
Graph 9. Source: Quarterly homelessness acceptances statistics (2009–13), Department for Communities and Local Government

Graph 10. Source: Mortgage and landlord possession statistics (2009–12), Ministry of Justice

people using our advice surgeries that Housing Options staff have told them there is nothing that can be done until a bailiff's warrant is due to be exercised. Our advisers also regularly hear from homeless people that they have been deterred from making formal homeless applications by triage systems that warn them of inevitable out-of-London placements or intentional homelessness decisions.

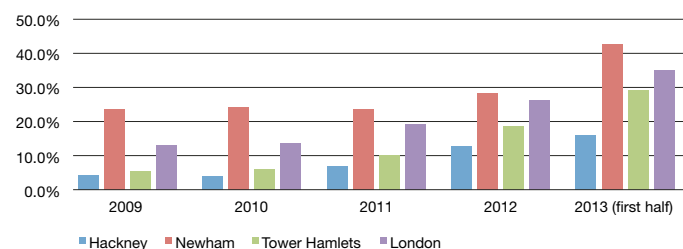


Nationally, the number and proportion of acceptances where homelessness has arisen due to the loss of private rented tenancy continue to rise significantly. Over the last twelve months, loss of private rented accommodation has for the first time become the most common reason for homelessness, with 27% of those presenting as homeless giving it as the trigger. Just two years ago, 14% of statutory homelessness cases were attributed to the same factor.



Loss of an Assured Shorthold Tenancy has always been a leading cause of homelessness in Newham. However the national increase has been replicated in all three boroughs since 2009. This indicates a growing need for those privately renting to see greater security of tenure, and also more affordable rents to ensure they can continue to pay the costs.

Per centage of homelessness acceptances, where reason for loss of last settled accommodation is termination of assured shorthold tenancy or rent arrears



With short term tenancies, high costs, poor conditions and a lack of clear, enforceable rights, there is also a risk that people who rent on Assured Shorthold Tenancies may experience repeat homelessness, with children

Case study: the Rahman family

Mohammed* and Fatima* rented a two bedroom house in east London for 14 years. Their son Abdul was born there 11 years ago. In April this year, their landlord served notice on the family after he found he would be able to rent it out for far more than the £212 per week Local Housing Allowance rate the family were paying.

Because Mohammed has no savings and had retired from work, local estate agents told him that he would not be able to find anything. He approached Housing Options and they told him to come back when he had been issued a Possession Order. Mohammed didn't like the idea of being taken to court, and he didn't like causing his landlord problems. But he felt he had no choice as he had been advised this by the council.

When he went back in July with the Possession Order, Housing Options took a homeless application. He was told to return when the court issued a bailiff's warrant. The warrant arrived in August and Mohammed took it to the council. He was given a letter explaining the council had a duty to provide him with suitable accommodation and was given an appointment to come back on the eviction date of 4 September. On 4 September, one day after Abdul started secondary school, Mohammed and Fatima went with their suitcases to Housing Options as they had been advised by the council.

When the officer told them that they were being offered accommodation in Birmingham, they were shocked and scared. There must have been a mistake: they had lived in the area for 20 years and all their family were in east London. Abdul had just started a new school. They were getting older and needed to



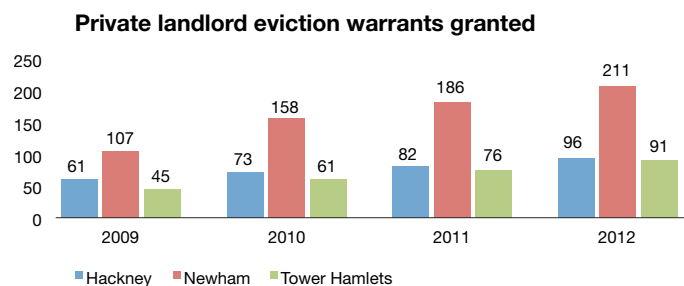
be near their family, and the area was their home. The officer told them that this was the only offer available and if they would not accept it, they would be declared intentionally homeless.

They refused the offer on the grounds that it would move them miles away from their family, friends and Abdul's new school. Since then the family have been homeless, moving from friend to friend. At the time of writing, they have been staying in one room with a friend. Shelter is now helping the family and has asked for a review of the decision.

facing regular moves as a result. It is important that this is monitored by the boroughs.

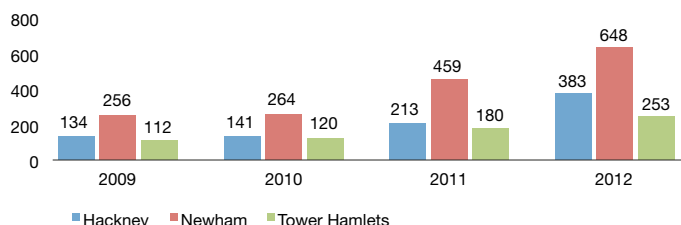
Over the past three years Hackney, Newham and Tower Hamlets have also recorded increasing numbers of private rental eviction warrants granted, with Newham's rises particularly marked. These increases have also been faster than those registered on a London wide basis.

Eviction warrants under the accelerated possession procedure, which generally relate to evictions of private renting households who are at the end of the legal process, have also been increasing in all three boroughs. With legal access increasingly limited as a result of legal aid changes, and more and more people privately renting in all three of these boroughs, it is likely that the numbers of private landlord warrants will continue to increase over the coming years.



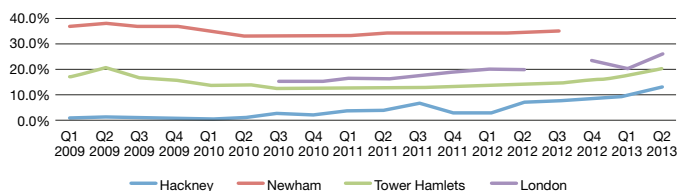
Changes in the Localism Act 2011 now give local authorities the option of offering private rented housing to those homeless people they have a duty to accommodate. This report shows that the private rented sector does not always provide families with the stability they need, and too often standards are not up to scratch.

Accelerated procedure landlord warrants



Since 2009, the table below shows Newham has offered a relatively high percentage of homeless households temporary accommodation¹⁹ (TA) out of area. The percentage of out of area TA offers has increased in Hackney and Tower Hamlets over the last few years, although is still below the London average. This is expected to keep on increasing as other welfare reforms continue to be rolled out and impact on those living in these areas.

Percentage of households in TA that are out of local authority area



A Shelter FOI request to all London councils carried out in 2013²⁰ found that 11,513 homeless households were placed in TA outside their home borough in 2012. Of those, 580 were placed outside of London, with 120 moved 20 miles or more away from the capital. In spite of the fact that the Pan-London Agreement has committed local authorities to restraint in placing their homeless families in other London boroughs, our advisers in Hackney, Newham and Tower Hamlets have regularly come across families moved, often from west London boroughs to those in the east, with little preparation or warning.

Welfare reform, runaway rents, the housing crisis and the recession have all contributed to rising homelessness in east London. These factors, and the new homelessness powers of the Localism Act, have presented local authorities with difficult choices about how to respond to the crisis: private rented accommodation is harder

19. It should be noted that the temporary accommodation may be only a small distance outside the home local authority, and that the household may have connections to the area.

20. Shelter obtained these figures under the Freedom of Information Act. We asked all 33 London boroughs to provide the total number of households to whom the local authority accepted a duty to accommodate under sections 188, 190, 193 or 200 of the Housing Act 1996 in the period between 1 January 2012 and 31 December 2012. We asked, of those: how many were placed out of borough within London; and how many were placed out of borough outside London. 31 out of 33 London boroughs responded. One borough declined the request on cost grounds.

Graph 11. Source: Mortgage and landlord possession statistics (2009–12), Ministry of Justice
 Graph 12. Source: Quarterly homelessness acceptances statistics (2009–13), Department for Communities and Local Government

to find or to lease, and TA has become unaffordable for many families.

Shelter recommends that:

- The GLA and the boroughs should lobby central government to restore the link between actual market rents and Local Housing Allowance.
- Hackney, Newham and Tower Hamlets should record every approach made to their homelessness services. Accurate figures on the true extent of housing need are essential to inform local development plans, to ensure adequate provision of resources for the local authorities most under pressure and to monitor the extent of repeat homelessness.
- Decisions on homeless applications should be made as early as possible in the process in order to ensure suitable accommodation can be located where necessary.
- Hackney, Newham and Tower Hamlets should only use the private rented sector to discharge homelessness duty with great restraint. For many applicants, the private rented sector will not represent a sustainable solution to their housing need. Where the private sector is used, fixed term tenancies of at least two years should be offered and steps should be taken to ensure the accommodation would remain affordable.
- Where out of area placements are unavoidable, Housing Options services should work sensitively with statutory services and agencies such as floating support services to help applicants make genuinely informed choices.
- Hackney, Newham and Tower Hamlets should work with London Councils and the GLA to enforce the Pan-London Agreement by which London boroughs should not ‘outbid’ each other by offering a higher price for properties; and inform authorities when they are accommodating people in their areas.
- Hackney, Newham and Tower Hamlets should develop clear and transparent policies around the use of the private rented sector for homeless applicants.

Conclusion

Shelter began work in Hackney, Newham and Tower Hamlets with the intention of monitoring and mitigating the potential negative housing impacts of the 2012 London Olympic Games. However, it quickly became clear once work had begun that, whilst the Games would deliver new housing supply to the area, there were bigger, longer term challenges that not even a project on the scale of the Olympics could address.

Welfare reforms, greater pressures on the private rented sector, and the recession have all taken their toll in recent years, all with dangerous effects on the lives of those living in these boroughs.

This report has sought to understand in greater detail what impacts these changes have had, the pressures they have placed on the three local authorities, and what policy interventions may be necessary for Hackney,

*Names used in this report have been changed to protect the identities of the case studies.

Newham and Tower Hamlets to improve the housing situation and livelihoods of their residents.

Some wider, longer term factors are of course out of the control of these local authorities – and Shelter will continue to conduct further research and campaigning to make the case for national policy change. In spring 2014, for example, Shelter will be publishing a report on property conditions and standards in the private rented sector, and how these could be improved. A review of the experience to date of landlord licensing and accreditation schemes will be incorporated into this work. At around the same time Shelter will also launch the results of a major review of how we can build the 250,000 homes a year we need as a country. These are the kind of large-scale reforms needed to ease the intense housing crises faced at a local level by boroughs like Hackney, Newham and Tower Hamlets.

In the meantime though, there are still a range of levers at the disposal of local authorities which could help to improve the situation. We hope that the recommendations set out in this report will help Hackney, Newham and Tower Hamlets to make best use of those levers – and that the report can also act as helpful guidance for other local authorities facing similar housing issues.

Shelter helps millions of people every year
struggling with bad housing or homelessness –
and we campaign to prevent it in the first place.

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or homelessness on their own.

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Shelter
88 Old Street
London EC1V 9HU

0300 330 1234
shelter.org.uk

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