

Notes on London housing crisis

Inflated prices and a dire shortage of new housing in London

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Southeast London council guilty of house fire deaths

Last month, London's Southwark Council was found guilty of egregious safety breaches that led to the deaths by fire of six Lankanal House Council Estate residents. The court assessed a paltry sum of £300,000 for the violations.

The charges resulting from the 2009 inferno include a failure to carry out a suitable and sufficient risk assessment, failure to take general fire precautions—including in relation to safety of employees—and a failure to ensure that premises were subject to a suitable system of maintenance.

The deaths may have been prevented had appropriate fire safety measures been taken in a recent upgrade of the estate. Additionally, there is evidence that the property may not have had regular visits by London Fire Brigade (LFB), which meant that when LFB arrived on the scene of the blaze they had little knowledge of the property layout, including emergency exits and potential fire hazards. The residents that died were left trapped in their units.

A Freedom of Information request found there are 114 London tower blocks rated high risk by local councils, yet only four of these received the four annual familiarisation visits recommended by the LFB's own guidelines. The information showed that 21 of the highest risk buildings received zero visits.

In recent years, London Fire Brigade has been gutted with relentless cuts, including the 2014 closure of 10 fire stations across London, which resulted in the loss of 552 firefighters and 14 fire engines.

London house prices second most overvalued in the world

According to UBS Wealth Management's housing "bubble" Index—a report of 18 housing markets around the world—London is the second most bubble risk city in the world, after Vancouver, Canada, with a 50 percent price increase since 2011.

London is also the second least affordable city after Hong Kong when house prices are compared with average earnings. Houses in London are 15 percent higher than the market peak in 2007, while real incomes have fallen a staggering 10 percent over the past 10 years.

London's inflated prices are likely to continue due to the dire shortage of new housing. The housing crisis is spreading beyond London with the North and Midlands becoming increasingly unaffordable. Home ownership in England stands at its lowest level since 1986.

London borough of Westminster tops homelessness hotspots

Analysis by the Shelter homeless charity found that more than 255,000 people are homeless in England and that the nation's top homelessness hotspot is Westminster, the London borough in which the UK Parliament is located. Of the 50 homelessness hot spots identified, 32 are in London.

Westminster is the capital's wealthiest borough,

where a one bedroom apartment rents for an average £456 per week. 7,794 residents live in temporary accommodation and one in 25 residents is homeless. According to the Greater London Authority, the median income in London is £39,100, which means that most London boroughs are becoming completely unaffordable for the city's workers.

Shelter's analysis—based on government data and information from social services—does not include “hidden” homelessness such as staying with friends. Greater London Authority reports that rough sleeping has doubled in the past five years.

The Department for Communities and Local Government said the agency “does not recognise” Shelter's figures,” before claiming that “the actual level of homelessness is less than half of what it was 2003.”

London medical student sleeps rough to raise awareness

Over Christmas last year, Aberdeen medical student James Beavis lived on the streets for 31 days to raise funds for homeless charity Crisis and to raise awareness about the conditions of homeless residents in the capital city.

More than 8,000 people sleep rough in London, with 80 percent of them reported to have some form of mental illness.

In his blog documenting the experience, Beavis observed “the reality is that society has dehumanised homeless people. They are seen as intimidating—but during my time on the streets, it's not the homeless community I've felt afraid of; it's some of the general public who have made me feel intimidated and vulnerable. I've been spat on, and endlessly ignored. There have been times when not a single person has looked at me for at least two hours.”

A recent study by Crisis found that the homeless are nearly 17 times more likely to be a victim of violence and 15 times more likely to suffer verbal abuse.

UK rents expected to rise 20 percent by 2022

The February United Kingdom Residential Market Survey by the Royal Institution of Chartered Surveyors (RICS) reveals that rents are expected to rise by 20 percent over the next five years, further squeezing lower income tenants and potentially pushing homeless people and those on welfare benefits out of the rental market.

The survey shows a growing shortage of rental properties, with an increasing margin, for the 38th consecutive month.

One-third of the RICS survey respondents said they believe that rental access has fallen among tenants on housing benefits and 55 percent said they would consider letting properties to households on benefits and/or the homeless if the government guaranteed deposits and rent, as well as provided ongoing support for landlords and tenants. Some 29 percent of respondents cited housing benefit caps as the key reason those on lower incomes are being pushed out of the rental market.

Rents in London are by some distance the most expensive in the UK. According to HomeLet's latest Rental Index, rents on new tenancies in Greater London rose by 2 percent over the year to December to reach an average of £1,508.



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