LONDON
CITY OF
TOMORROW

MONTAGU EVANS PRESENTS...

THE CITY OF TOMORROW: LONDON AT 10 MILLION

MORGAN REECE
ASSOCIATE

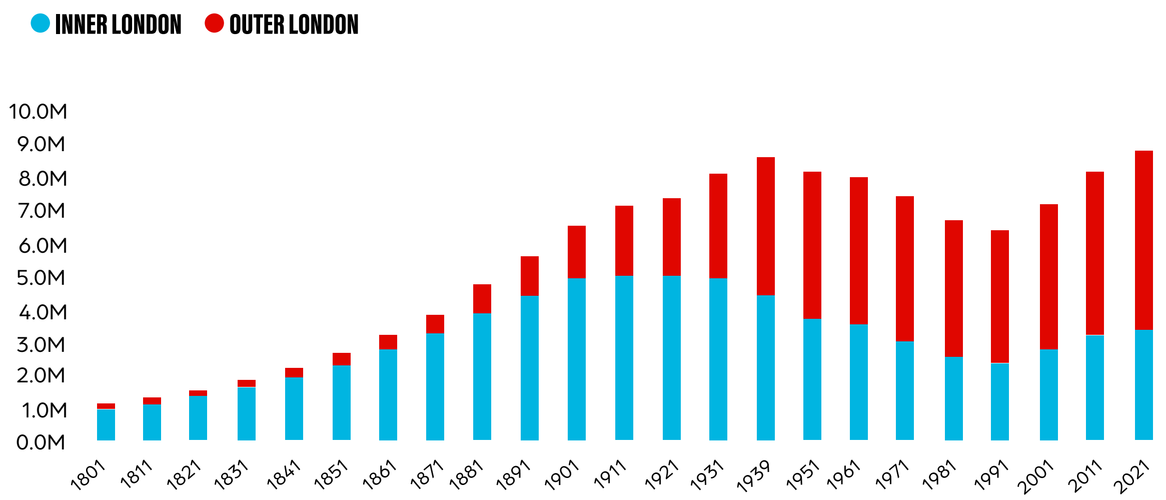
ANDREW SANDISON
ANALYST

A CITY OF TOMORROW: LONDON AT 10 MILLION

LONDON IS NOW HOME TO MORE PEOPLE THAN AT ANY OTHER POINT IN ITS HISTORY. FROM A PRE-WAR PEAK OF 8.6M, THE CITY EXPERIENCED A PROLONGED PERIOD OF DECLINE DURING THE SECOND HALF OF THE 20TH CENTURY - FALLING AS LOW AS 6.4M IN 1991.

More recently, despite significant numbers of Londoners relocating either temporarily or permanently during the pandemic, the recently-released 2021 Census confirms that the capital's population still totalled 8.8m on census day – 200,000 higher than was recorded in 1939. With the majority of those who left temporarily having now returned, it is highly likely that London's population is now in excess of 9m.

TOTAL POPULATION CHANGE 1801-2021



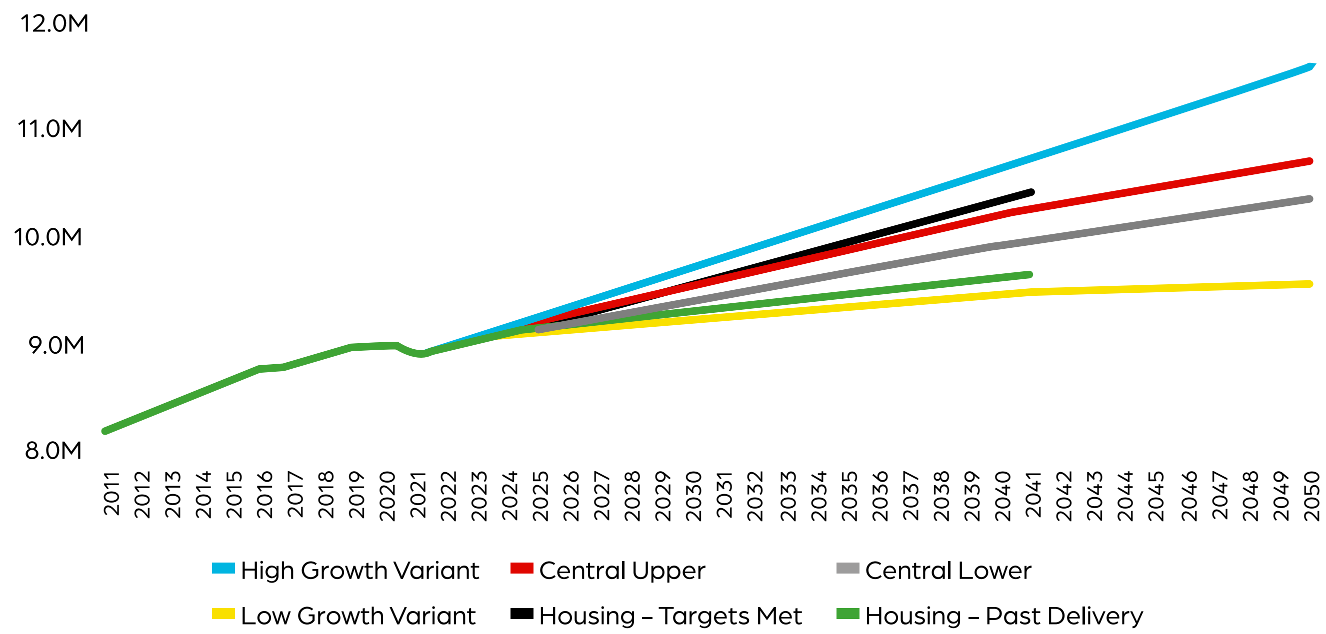
London owes its success on the world stage to its people, who in turn have created its unique culture and driven its economy forward to become (and remain) a key global centre for financial and professional services, as well as an increasingly important hub for tech, higher education and life sciences. A continuation of this rapid population growth will help to maintain London's economic status, but it is vitally important that growth is delivered such a way that is both environmentally and socially sustainable. To achieve this, it is important to understand both the speed of potential growth and its composition in terms of demographics.

THE ROAD TO 10 MILLION

According to GLA population projections, London could reach 10 million as soon as 2033 – based on the highest growth variant scenario. Perhaps more realistically, GLA's 'central' scenarios predict that the threshold will be reached some time between 2038 and 2042, based on forward projection of past trends.

This rate of growth is dependent on a number of factors. In particular, London's chronic shortage of housing could act as a significant brake on realising the city's true potential, which could in turn have a knock-on effect for economic growth.

GLA 2020-BASED POPULATION PROJECTION SCENARIOS FOR GREATER LONDON



A slower rate of growth would also have significant economic consequences. We estimate growth based on the 'Housing – Past delivery' scenario this could result in lost productivity of up to £19.2bn per annum by 2037 compared with the 'Housing Targets Met' scenario.

This is an economic price which can be ill-afforded from where we now stand, in late 2022, at the onset of what could be a major recession.

[1] The working age population under the 'Past Delivery' scenario would be 422,000 lower than under the 'Housing Targets Met' scenario. This equates to the labour force available to London businesses as being 308,000 smaller, taking into account economic inactivity, unemployment and out-commuters. With GVA per filled job in 2022 estimated by ONS at £83,220 in 2022 prices, this equates to lost productivity reaching £25.6bn per year by 2037, compared with if the 'Housing Targets Met' scenario had come to pass. An allowance of 25% for displacement has then been made on the assumption that some workers would choose to live outside of London and commute in instead if insufficient housing was available under the 'Past Delivery' scenario – resulting in lost productivity (to London) of £19.2bn per year.

THE CHANGING FACE OF LONDON

All growth scenarios reviewed also indicate significant demographic change, which will have major implications for the types of development delivered in the capital over the coming decades.

To explore this in more detail, we have segmented the population into seven age-based categories, each of which reflects a typical stage in life.

- **0-17** CHILDREN
- **18-21** STUDENTS / STARTING OUT
- **22-32** EARLY WORKING YEARS
- **33-54** MID WORKING YEARS
- **55-64** LATER WORKING YEARS
- **65-79** EARLY RETIREMENT YEARS
- **80+** LATER RETIREMENT YEARS

As the chart on the opposite page shows, the age cohort expected to grow the most by 2037 is 'Early Retirement Years' (aged 65–79), whilst the 'Later Retirement Years' (80+) population is also expected to grow by 170k. Nevertheless, London is expected to remain highly attractive to young people starting out in their careers, and the 'Early Working Years' cohort is expected to grow by 350k (plus a further 50k 'Student' aged young people). Nevertheless, the projections show slow growth in the Mid and Later working years population, and a decline in the number of children –– highlighting how the historic trend of families moving out of the city could continue into the future if suitable housing and infrastructure is not made available.

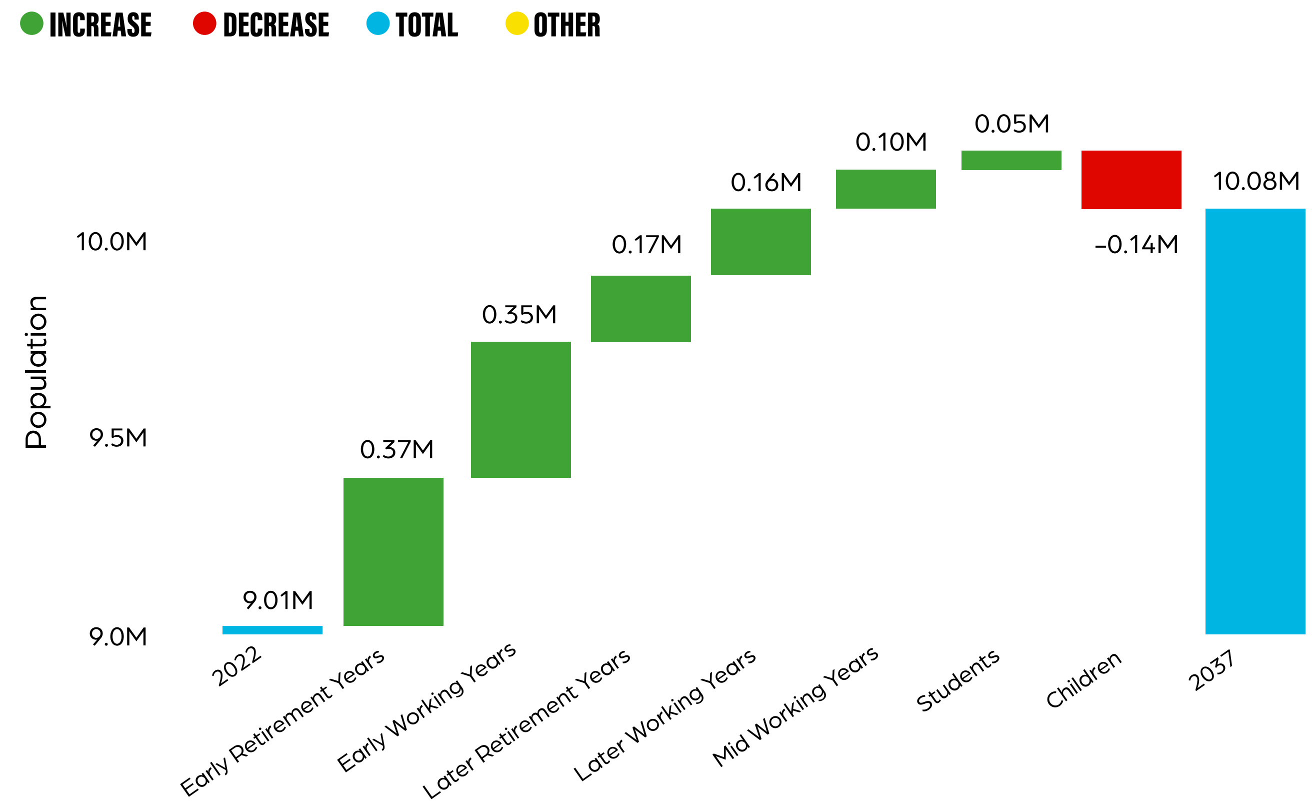
ROLE OF PLANNING AND DEVELOPMENT

With housing provision at the heart of these numbers, planning and development has an important role to play in shaping how London responds to this changing demographic profile – creating places which meet the needs of an ageing population whilst at the same time maintaining the city's attractiveness to young people and encouraging more families to remain.

As our London: City of Tomorrow campaign concludes, we have asked experts from across our business to reflect on London at 10 million, the demographic shift that accompanies this, and the practical steps which need to be taken now to deliver sustainable growth.

[2] Under the 'Housing Targets Met' scenario

POPULATION CHANGE BY SEGMENT (2022 TO 2037)



IN THIS REPORT WE WILL BE EXPLORING A NUMBER OF TOPICS, INCLUDING;

- LEARNING LESSONS FROM MEGACITIES AROUND THE WORLD
- VIABILITY AND IMPACT OF AFFORDABLE HOUSING IN LONDON
- THE IMPORTANCE OF HOUSING DELIVERY
- THE FUTURE OF TRANSPORT IN LONDON

LESSONS FROM THE MEGACITY

KATE BRENNAN

PARTNER

To truly understand a city, it is important to start with the foundations. The stories behind architecture, floor plans and design often create a lens through which we can glimpse its future.

Take the growth of loft living in New York as just one example. Originally, the area South of Houston Street in Manhattan was characterised by five-storey buildings with big windows and cast-iron frames, designed for industry and best use of daylight. By the late 1950s, artists had found and inhabited those spaces, creating the neighbourhood known as SoHo. Now more than 70 years later, developers and designers are developing new versions of these well-adapted, historic spaces and successfully reusing buildings that would have previously been considered unfit for residential purpose – an approach so successful it is being replicated in urban living schemes across the world.

Throughout our major cities, where working and living co-exist, we are seeing many other examples of continuity and change. Some might be more successful than others, but all offer lessons for London as its population continues to increase and we reach megacity status. The challenge, above all, is creating thoughtfully designed, affordable living space in ever increasing numbers.

HONG KONG

Hong Kong is a vibrant, colourful and hip place. With 7.5 million residents of various nationalities in a 426 sq mile territory, it is one of the world's most densely populated places as well as being a major global financial centre.

Historically, Hong Kong suffered from a critical shortage of housing which as a result caused house prices to soar. In 2020 it was named the world's most expensive real-estate market with average property prices of around HK$1.25 million . At the same time its minimum wage remains at the equivalent of £4.30 per hour . According to a report by UBS, a "skilled worker" here must be earning for around 21 years to afford even an average (650 sq ft) centrally located apartment.

Roughly 7% of land in Hong Kong is zoned for housing (compared to 75% in New York City). This shortage has led to young people, the elderly, and families paying hundreds of pounds per month for less than 100 square feet of micro living space, sometimes living in very poor conditions.

Property developers have responded to the demand for more affordable housing by increasingly designing floor after the government loosened regulations requiring natural light and ventilation.

Even with more (albeit lower quality) space coming forward, the social and psychological tolls for its population have not gone unnoticed with examples high levels of stress and mental health concerns being well-documented.

This highly compact accommodation model has also resulted in a population who like to spend a significant amount of time outside –socialising in communal spaces, open air exercise classes, shopping centres, tea houses and recreation centres.

All of these things are what helps to make Hong Kong a fabulous city and a wonderful blend of old meets new, but for residents themselves it is a precariously balanced trade off and I question the long-term success of this housing model.

NEW YORK

From one city to another equally vibrant one – New York, too, faces population growth challenges. Already one of the most densely packed urban spaces in the world, with 10,724 people on average per sq km, its population reached a record high of 8,804,190 as of April 1, 2020.

HERE, A NUMBER OF INITIATIVES ARE UNDERWAY TO ADDRESS THE IMPACTS OF FURTHER POPULATION SURGES THAT WE COULD LEARN FROM IN LONDON.

- To provide suitable living accommodation for everyone, developers need to be focusing on building ever higher, but also build between buildings using ground level space more effectively.
- Expanding the city reach to provide additional housing corridors and commuter links to the centre.
- More pedestrian walkways – both at ground level and Judge Dredd-style sky bridges creating passages across the city.
- An increase in the provision of vertical farming.
- Social changes where people might focus more on the social aspects of dining. New high rises could offer micro-apartments without kitchens and instead of cooking at home, residents access a communal kitchen area on each floor or potentially a group dining floor.
- Major road networks to be reduced, with certain thoroughfares to be reserved for services such as food deliveries, waste removal and taxis – with cars potentially being routed around the edge and public transport increasing.
- A greater focus on sustainability, particularly waste reduction and removal. NYC produces about 37,000 tons of waste daily, which has to be trucked out of the city, often for hundreds of miles.

CONCLUSION

For many megacities, social and environmental issues arise as a result of population growth. This includes issues around housing slums; crime; energy and material resources; homelessness and affordability; and traffic congestion, which are significantly affecting populations and their wellbeing.

Thinking about the future of London, we need to consider these challenges and learn these lessons.

This means coming back to the basics – who is going to be living here, why will they choose to live here and how are those needs and demands going to be met?

And then we need to be more creative in finding and delivering new opportunities, with sustainability at their core. Sensible, regulated zoning and use of space must be coupled with smart, innovative design. Ultimately, the key component for the success of any city is creating a sense of place that offers something meaningful for the people that occupy it at a given point in time.

So I will leave you with the rather ambitious plans of Neom, the 100-mile linear city in Saudi Arabia – costing an eye watering $500 billion. This futuristic metropolis will have no cars, no streets and zero net carbon emissions. It will aim to accommodate 1 million people and comes with a whole host of high tech and environmentally-friendly design inputs. I will follow any progress with interest...

[1] Defined by the United Nations as a city which has a population of 10 million or more people, there are 37 megacities in the world, including Tokyo, New York, Hong Kong, Paris, Berlin, and Bangkok among others.

[2] https://www.businessinsider.com/hong-kong-real-estate-market-agent-insight-2022-4?r=US&IR=T

[3] https://hongkongfp.com/2022/10/14/hong-kong-labour-union-says-hk40-minimum-wage-insufficient-proposes-increase-to-hk46/

PLANNING AND HOUSING DELIVERY

SAM STACKHOUSE
PARTNER

Central to the London population growth set out in this report, is the importance of housing delivery in terms of supporting wider affordability and retaining a workforce.

Housing delivery, however, doesn't just provide new housing stock; it assists in the recycling of existing housing and the rebalancing of households so that people are living in homes that meet their needs. In short, it creates fluidity in the housing market.

But for people to make the move, new housing must be of a quality that meets their needs. In recent years, we have seen the growth of Build to Rent, Purpose-Built Student Accommodation and Co-Living as alternative residential tenures which are centrally managed, secure and offer a genuine alternative to the HMO market. For older generations, we have seen the growth in retirement villages which provide a community for elderly people to integrate, care as and when their needs dictate and an environment without the burdens of maintaining a home themselves. In turn, the movement of the younger generation and the older eldergenerations from larger homes (whether that be HMO or single family occupied) into more suitable accommodation that meets their needs has wider benefits in terms of freeing up this stock for young families.

With this in mind, it is vitally important that a variety of housing types are being delivered to meet the needs of London's changing and growing demographic.

The challenge is that planning policy in a London context is typically and at best, lukewarm in supporting alternative housing tenures, which are often seen as the poor cousin to the traditional and familiar Build to Sell model. Demonstrating objective need for such tenures can be problematic (although this is maturing) and there are political challenges with many Town Halls often hesitant over such tenures on the basis that they do not typically deliver conventional affordable housing which is the priority need in most boroughs. Combined, this makes it a difficult environment to deliver new housing and so issues around need and affordability continue to spiral.

Planning policy can do better to boost housing supply (and that is without even going anywhere near the debate about reviewing Green Belt boundaries). Indeed, it needs to recognise that "residential" does not just mean Class C3 and that is an umbrella term that encompasses multiple tenures of living, all of which have a role in meeting the needs of the existing and future population of London.

It could go further, too, and consider actively allocating sites for schemes aimed at these particular demographics. Indeed, this approach as part of the plan-making process would provide transparency about where such development is being directed, ensure that there is a strategic approach to creating mixed and balanced communities, and show that they are not detrimental to affordable housing delivery on the basis that they would be planned for – not speculative or at the expense of any allocated build to sale residential development that would provide conventional affordable housing.

In turn, this approach would mean less planning risk and instil greater market confidence in a wider range of housing tenures, creating a stronger basis for housing delivery that better meets London's increasing and diverse needs.

THE ROLE OF TOWN CENTRES IN AN EMERGING MEGACITY

TOM COLE
ASSOCIATE

AS LONDON HEADS TOWARDS A POPULATION OF 10 MILLION, ONE FUNDAMENTAL QUESTION IS WHERE THIS GROWTH WILL BE ACCOMMODATED AND HOW FAR TOWN CENTRES CAN ACCOMMODATE THIS CHANGING POPULATION.

The potential for the capital to grow outwards is already limited – while it has been much-discussed, there is no strategic London-wide appetite for Green Belt release so existing centres and areas of opportunity within the capital need to be the focus for change.

This makes the competing requirements for the use of land within town centres even more significant, with the need to weigh housing delivery against wider objectives for centres like the future of retailing, broadening the role of town centres and regeneration initiatives.

The stakes are high, which requires a rethink about attitudes to development on all sides of the conversation.

At the same time, these decisions will need to take account of changes to population segmentation where our research shows significant growth in both 'early working years' and later living, each having very different needs for housing and what makes town centre living attractive in terms of services and the living environment.

1. **DEVELOPERS PUTTING FORWARD AUTHENTIC DEVELOPMENTS - IT'S ESSENTIAL THAT PLANS ARE GROUNDED IN AN UNDERSTANDING OF PLACE AND CERTAINLY MUST BE LOCALLY DISTINCTIVE.**
2. **COUNCILS BUYING INTO THE OPPORTUNITIES PRESENTED BY TOWN CENTRES, WITH A HUGE ROLE TO PLAY AS LANDOWNERS TOO.**
3. **GREATER ACCEPTANCE BY LOCAL COMMUNITIES OF GOOD DEVELOPMENT TO MEET THE SIGNIFICANT CHALLENGES WE FACE - CHANGE CAN BE AND IS A POSITIVE THING!**

The direct outcome of progress in these areas would be everyone reaping the benefits of accommodating housing growth in town centres and having a stake in this, whether this is a role in reversing the fortunes of a town centre or simply providing a better place for communities to live and be proud of.

TRAVELLING INTO THE FUTURE

SAMUEL BLAKE
PARTNER

MULTIMODAL SHIFT

When it comes to transport and infrastructure, meeting the needs of an emerging ten million-strong megacity like London needs a multilevel approach across a wide range of new and existing initiatives.

We continue to see the challenges facing large-scale transport projects. Crossrail 2 may still be alive but suffers the on-off vagaries of any other large, multibillion-pound project in the UK, HS2's extent is under discussion again and in London the Bakerloo Line extension has been kicked into the long grass until funding can be secured.

And while it may be true that peak time transport in the capital isn't yet back to pre-Covid-19 levels, with more people working more flexibly, spending time at home and travelling off-peak, our systems are still near capacity. Leisure and tourist travel is up compared to 2019 and this is increasing the pressure on the networks.

With one million more people expected to be living in the capital in the next twenty years, change is needed. From our perspective, there are key areas that need action and support in every political arena.

MORE WALKABILITY

A big part of the ideal situation is more people walking throughout the capital – a healthy, low impact means of transport not dependent on timetables and without any daily costs. Conditions need to be better though. Streets should be safer, pavements widened and, where suitable, fully pedestrianised – right from Oxford Street to local high streets. Low Traffic Neighbourhoods and pedestrianised streets have come under scrutiny since their acceleration during the pandemic, but they have created some now cherished gems, for example Walthamstow High Street.

LOCAL TRAVEL

From there, cycling, bus travel, and e-scooters should be a priority. Cycling has been much-discussed already, while buses become even more attractive the closer they come to zero carbon – despite consultation on closures, bus routes need to stay and remain frequent enough for people to rely on them as a primary mode of transport. And while e-scooters might be a nuisance at times, with legalisation and regulation greater use could free up capacity in the rest of the system with little impact on the public purse.

USING THE RIVER MORE

The Thames offers so many untapped opportunities for travel across the capital – not just shorter journeys in the centre but also for freight and linking the major new housing developments in the east. Barking Riverside is one example, but more must follow suit. The Thames is less used now than at any time in the 19th and 20th centuries and the Port of London Authority wants to see more use for freight, which emits half the carbon of equivalent road deliveries tonne for tonne.

NEW TRAM ROUTES

The KenEx tram proposals, linking Grays in Essex to Gravesend in Kent is an example of how new routes and modes can relieve pressure on longstanding pinch points in the system holding our economy back, in this case taking passengers away from car use on the Dartford Tunnel and QEII Bridge as well as the Blackwall Tunnel as London expands ever eastwards. Whilst still substantial, this proposal is estimated at less than 2% of the estimated cost of Crossrail 2.

LAST MILE CAPACITY

All these extra people will only create extra demand for freight and last mile deliveries across the capital too. We're already seeing quite acute pressure on land and land prices in London and this is only going to intensify; despite recessionary pressures, customer demand remains strong. Creative use of space within new mixed-use schemes to accommodate this in an acceptable way to developers and funders needs to become more established.

These suggestions have budgetary implications, of course, and new routes for funding are still needed; the age-old question of how to link the cost and the uplift generated by connectivity improvements remains imperfectly solved.

But given these funding constraints and long lead in times, we will not succeed with a small number of expensive, bold initiatives (although it would be great if they happen). Instead we need more subtle shifts across every part of the capital. More services, more connections, more ways of reaching the same destination more accessibly is the way to increase capacity where it's needed most, and this incremental change needs to accellerate now if we're going to be ready to hit the ten million mark.

LONDON'S CONSTRAINED PBSA SUPPLY

WILL HYSLOP
ASSOCIATE

Higher education institutions and the students that inhabit them are part of the lifeblood of every thriving metropolis. From leading edge academic thinkers who can partner with commercial interests in new research / emerging markets, through to new approaches in the creative arts, our cities are richer places with them.

For London-based universities to continue to thrive in a global market they need to maintain a steady level of year-on-year growth. Furthermore, it is vital London continues to attract and retain young, highly-skilled members of society which, in turn, support the wider economy. However, London has the greatest shortage of purpose built student accommodation (PBSA) against all other major UK cities with the student to bed ratio estimated to be as high as 3.5 : 1, substantially greater difference than the UK average of 2 : 1. This imbalance could weaken universities ability to attract future students and reach their full potential or further decrease London's stock of family homes to HMO accommodation.

As London snowballs towards a 10 million population, projected by the GLA to be as soon as 2033, its student population will naturally grow with it from the already c. 370,000 full-time students today (HESA 2020/21). With full-time domestic students alone projected to grow by c2.4% pa, this equates to almost a 47,000 increase in 5 years and just under 100,000 in 10 years. Furthermore, the GLA estimates that by 2037, an additional 50,000 'student-aged' young people will reside in London. It will be increasingly important to develop new PBSA, to meet the specific needs of students and reverse the loss of London's stock of family homes, support universities growth and enable the capital's economy to continue to benefit from a strong supply of highly skilled young professionals

However, substantial challenges in the deliverability of new student accommodation risks demand increasingly outstripping supply. This, in part, can be attributed to the increased scrutiny of PBSA schemes in the planning system, with applications now estimated to take c15 months to receive permission, three times the length it took in 2011. Despite a growing number of applications, the deliverability within an efficient timeframe to match demand is compromised. As such local authorities and the GLA, with the support of the sector, need to develop effective solutions to speed up the process.

As simple economics dictates a continued lag in supply places upward pressure on values, and with London being one the of most expensive cities in the world already, affordability within PBSA will becoming increasingly compromised. Current policy, in part, looks to address this through the requirement to provide "affordable student" and the need to have a nomination agreement from a university on the majority of beds within any new scheme. Although well intended, these policies have inadvertently created viability constraints and a further lag in delivery, as it can be challenging to get universities to formally support proposed schemes early in the process - understandably some institutions can be hesitant to commit to resource to a single scheme / provider when they find it hard to project their accommodation requirements years in advance.

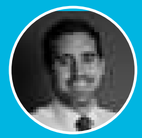
Despite this, improvements need not be seismic and subtle changes to this process would help. For example, Local Plan site specific allocations expressly supporting student housing; policy tweaks that would offer a less rigid support structures and some universities taking a slightly more progressive view on risk in relation to investment in their own student accommodation would all bring about positive change to the future development landscape of London's PBSA market.

It is important, however, to understand that unless there is some movement in both the deliverability and affordability of student accommodation, London's position as a leading academic centre could be undermined.

"WITH HOUSING PROVISION AT THE HEART OF THESE NUMBERS, PLANNING AND DEVELOPMENT HAVE AN IMPORTANT ROLE TO PLAY IN SHAPING HOW LONDON RESPONDS TO THIS CHANGING DEMOGRAPHIC PROFILE, CREATING PLACES WHICH MEET THE NEEDS OF AN AGING POPULATION WHILST AT THE SAME TIME MAINTAINING THE CITY'S ATTRACTIVENESS TO YOUNG PEOPLE AND ENCOURAGING MORE FAMILIES TO REMAIN".

SENIOR LIVING'S CRUCIAL ROLE

HARRY CHARMAN
SENIOR SURVEYOR



SAM STACKHOUSE
PARTNER

HOW SENIOR LIVING CAN PLAY A KEY ROLE IN LONDON'S HOUSING DELIVERY

Despite London being seen as a young city, there are still 1.1 million over 65's who live here, a figure that is set to rise significantly as London heads towards a city of 10 million. Our projections show that over the next 15 years the proportion of over 65's is expected to grow by 50%, with Early Retirement Years (65–79) and Later Retirement Years (80+) two of the fastest growing population segments.

Whilst many, particularly those younger retirees, are likely to still prefer to remain in their own homes or with families, the need for more dedicated senior living accommodation will only grow. To date there has been fairly limited senior living development across London which has meant that there are few options available.

At the same time, senior living development can play a crucial role in meeting the capital's wider housing supply, freeing up family sized housing stock by giving older inhabitants an attractive and appropriate next move. In a city where the supply of land is constrained, particularly for larger family housing typologies, ensuring the delivery of high-quality senior living accommodation will play an important role in the coming years and serve a wider public benefit.

WHERE IS THE GAP IN THE MARKET?

In recent years, senior living development in London has primarily been focused on ultra-high-end schemes located in Zones 1–2, which are inaccessible to the majority of over 65's in London due to affordability. These developments typically provide extensive amenities but have significant barriers to entry in terms of cost and consequently sales rates can be very slow.

By contrast, the mid-market within London is significantly less established, particularly in comparison to the wider South East. Few extra care and senior living developers are actively targeting sites due to a testing planning backdrop as well as challenging market dynamics.

There are some exceptions, particularly in outer London boroughs, where smaller retirement apartment schemes are being delivered. However, these schemes typically provide less integrated care and amenities. At present, there is a gap in the market for mid-market retirement living with care in London, so what is preventing greater delivery?

CONSTRAINTS TO DELIVERY

Viability for senior living schemes is typically more challenging due to higher build costs associated space with the provision of amenity, and slower absorption rates – typically occupiers want to see the finished product rather than reserving off-plan.

This is exacerbated by policies within the London Plan which still require affordable housing and CIL contributions (Mayoral CIL and in some cases local CIL) for senior living schemes to the same degree as typical residential schemes.

Affordable contributions typically expect on site delivery, and in many cases delivery of affordable C3 residential rather than affordable senior living, which can be a challenge for smaller sites given the need for separate cores. This, in itself, further constrains potential supply in the market.

We are therefore seeing a highly competitive land market where senior living developers struggle to compete with other land uses.

WHAT NEEDS TO CHANGE?

With London facing an acute housing and affordability crisis, finding ways to free up family housing would significantly benefit the city as a whole, as well as offering more choice to its older generations.

FOR US, THE KEY AREAS ARE:

• **Greater tenure diversity** in the market, with the potential expansion of affordable senior living tenures as well as further private rental options, to provide more choice to people with different income profiles and aspirations.

• **Greater consideration** for allocating sites for extra care / C2 Use Class.

• **A more flexible approach** to developer contributions which recognises that schemes, particularly those that provide additional care, offer a valuable service that should offset developer contributions.

• **Above all, a greater understanding and recognition** from policymakers of the operational model of living with care and the social and economic benefits that specialist senior living housing can bring to communities across London – as well as the consequences of inaction.

Above all, greater public sector support for senior living would enable developers to overcome viability challenges more easily, and it is clear that investment in the capital would be forthcoming if the conditions were right.

HEALTHCARE FOR AN AGEING DEMOGRAPHIC

ANNA RUSSELL-SMITH
PARTNER

THE CLEAREST TAKE-AWAY FROM THIS HOUSING RESEARCH HAS TO BE OUR AGEING DEMOGRAPHIC. AS LONDON BECOMES A CITY OF 10 MILLION, MORE PEOPLE WILL BE PASSING THE 65+ THRESHOLD AND WILL MAKE UP A GREATER PROPORTION OF OUR CAPITAL'S POPULATION THAN EVER BEFORE.

With an aging population comes challenges and increased pressure on the already stretched NHS and care system, putting more pressure on the number of available beds across London.

On the 1 December 2022 NHS England reported that the number of beds taken up by patients fit to be discharged was more than a quarter higher than the start of December 2021. This equates to more than 13,000 beds filled with patients who did not meet the criteria to be in hospital pushing the overall General and Acute adult bed occupancy rate to 95.4%.

A key question to ask when looking at the statistics is how will existing health and care infrastructure respond to the increased demand created as a result of an aging population? In light of the new hospital programme incurring delays and the public purse being subject to significant cuts is delivering a range of products which respond to the growing elderly population including extra care, senior living as well as traditional care homes to decrease the demand for care within hospitals a solution?

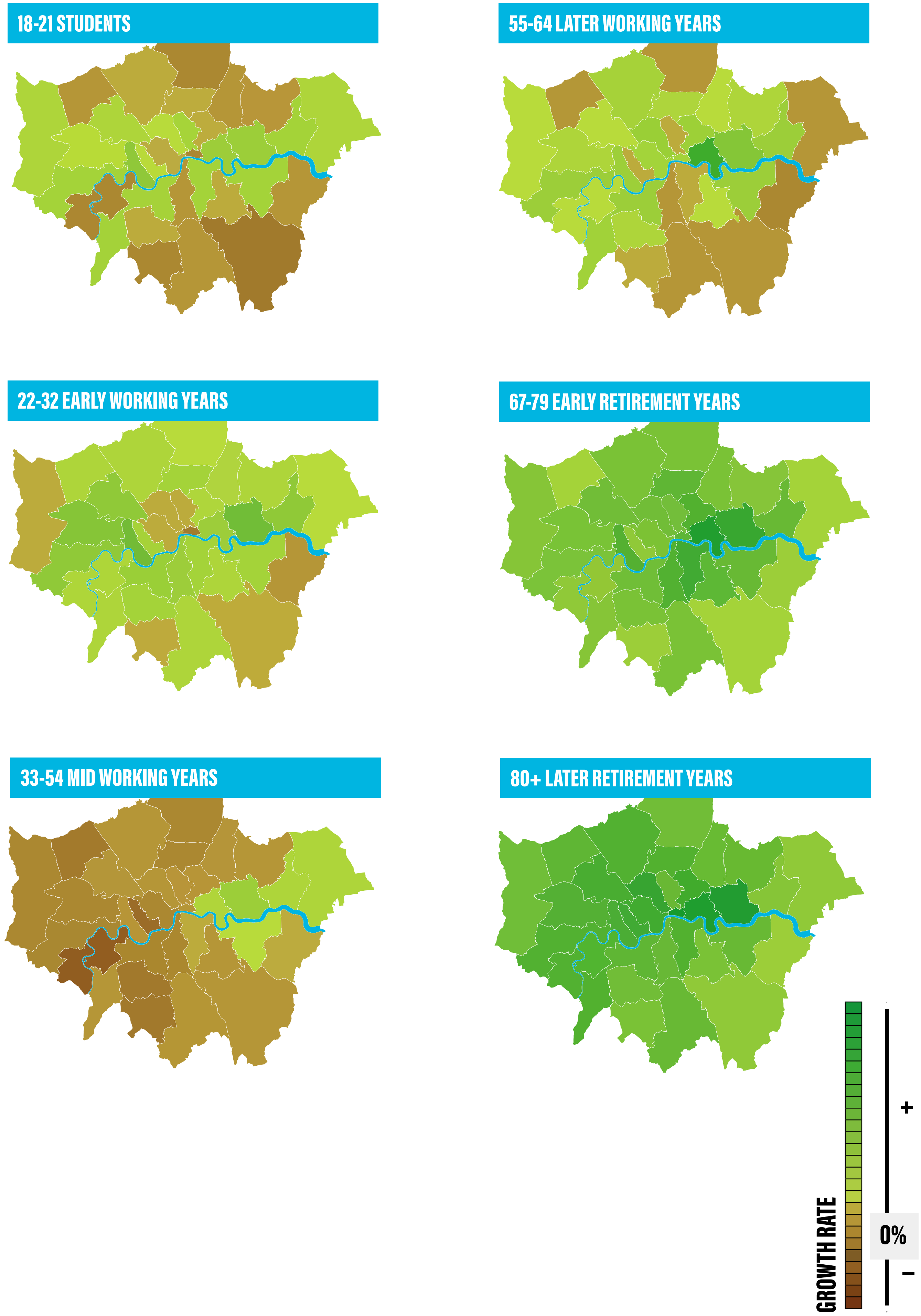
Although not a new concept, in light of the aging population in the capital extra care / senior living schemes could provide communities whereby the elderly can receive care, relative to their needs, and hopefully keep people healthier for longer and out of hospital. Therefore, reducing the demand and pressure on the need for acute care in hospitals.

In addition could the delivery of private rehabilitation centres assist in reducing bed blocking? These facilities provide 24-hour care for patients who, for example, are recuperating after surgery and getting people fit and healthy and quickly back in their homes.

The changing requirements of the population needs to be reflected within Development Management policies to ensure policy supports the delivery of alternative residential accommodation that will support healthy and vibrant communities where the elderly receive the required level of care and reduces the pressure on the NHS as the population ages.

The challenge is ensuring that the built environment responds to the significant change in age demographic from people across all social economic backgrounds. The above initiatives are not exhaustive but hopefully the built environment, by providing a range of housing products for the aging population, can go some way in responding to the challenges presented.

CHANGE BY BOROUGH - AGE GROUPS



HOUSING FOR THE NEXT GENERATION


ANNABELLE WILKINS
ASSOCIATE


SARAH CLARKE
SENIOR SURVEYOR

WITH LONDON'S POPULATION INCREASING SO RAPIDLY, IT'S CLEAR THAT PROVIDING ENOUGH NEW HOMES AT AN AFFORDABLE LEVEL IS GOING TO BE ONE OF THE KEY PLANNING AND DEVELOPMENT ISSUES OVER THE NEXT FEW YEARS.

With London's population increasing so rapidly, it's clear that providing enough new homes at an affordable level is going to be one of the key planning and development issues over the next few years.

As the capital's demographic ages, we need more tenures and ways of delivering them through the planning process . Healthcare provision, too, must evolve to meet the needs of these generations.

But focusing solely on older living would be detrimental to the health and success of the capital overall, and to its place a world city. We need to look to London's long-term future, which means thinking about the next generation and their needs and desires for living and working in the city.

Their fresh perspective, new ideas and an openness to change, as well as new levels of connectivity and global awareness, should inspire new solutions for our homes, especially as what we build now may still be in place 100 years.

It's vital we have a forward-thinking stance and are guided by the trends emerging from this cohort as current plans evolve.

Our recent NextGen Roundtable brought together developers, investors and managers of the city's housing (and other sectors) with advisors from Montagu Evans. The discussion considered what the City of Tomorrow needs to focus on from a younger perspective.

FOR US AS A GROUP, THERE WERE FIVE KEY AREAS THAT SHOULD BE FACTORED IN – WITH AFFORDABILITY AND SUSTAINABILITY CENTRAL TO EACH

LIVING & WORKING HABITS

Pandemic-induced working from home has triggered a longer-term shift of office workers to spending more time at home. This not only means we demand different qualities from the physical space – such as separate working areas, better connectivity, more outdoor space – but also from our local environment. As we spend more time in our local areas, we need more amenity space such as coffee shops, green space and local clubs (Fraja et al, 2021). Designing for the end user, now and in the future, is vital and with constraints on land supply this requires creativity.

COMMUNITY

People within cities are lonelier than the regions (YouGov, 2019) and the pandemic accelerated isolation for some. Linked to the above, housing must facilitate better community engagement. This is even more important in tall buildings.

WELLBEING

How our wealth and wellbeing is supported by our homes is increasingly important. There is more that can be done to measure and communicate how our homes fare on factors like natural light and air quality, and in future developers may compete on these.

AFFORDABILITY

Affordability of homes for the next generation, particularly in London, is a well-versed topic. We discussed how we can balance meeting long term goals with the immediate pressures of the cost of debt and cost of living crisis as well as rising build costs. New ownership models should be brought to the fore, both in planning and development.

FLEXIBILITY

Homes should be designed for reconfiguration and reuse. We have seen how rapidly our housing needs can change, so it is imperative that the homes we build now are fit for both now and the future.

ABOVE ALL, IT WAS CLEAR FROM THIS DISCUSSION THAT YOUNGER LONDONERS DEMAND MORE FROM THEIR HOUSING – FROM NATURAL LIGHT, ENERGY EFFICIENCY AND WIDER SUSTAINABILITY TO DESIGN, AMENITIES AND OPEN SPACE. ANY INCREASE IN HOUSING, WHETHER IT'S STUDENT HOUSING, BUILD TO RENT, OR BUILD TO SELL – MUST RESPOND TO THESE NEEDS FOR FUTURE DEVELOPMENT TO BE SUCCESSFUL.

MONTAGU EVANS
70 ST MARY AXE,
LONDON, EC3A 8BE
TEL: 020 7778 0981

WWW.MONTAGU-EVANS.CO.UK

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