

Should scarce public and charitable resources be tied up in providing cheap, rented homes for low-income tenants in unaffordably expensive central London?

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7/17/2013

Anne Power and colleagues recently published a [report](#) that explores what it is like to be a social housing tenant in expensive areas of London and what the benefits of spending scarce resources on low-income families in these areas are. Among other findings, they argue that though cheap social-rented housing contributes to social integration in high-cost areas, adding to this stock will be extremely difficult and it may be necessary to rehouse large, overcrowded families outside the very high pressure areas of central London.



Divided City is a new report published on 10th July by LSE Housing and Communities about the function and value of low-cost, social-rented homes in high cost areas of inner and central London. It explores the role of mixed income, mixed ethnic, mixed education areas in the organic growth of viable communities. It particularly focuses on the role of traditional community-oriented housing associations that operate on a not-for-profit basis play in helping neighbourhoods to function.

The key questions we wanted to answer were:

- *What is it like to be a social housing tenant in an ultra-expensive area of London?*
- *Should housing associations tie up scarce resources in the most expensive housing areas in the country? What benefits does housing low income families in high cost areas bring?*

The study is based on a survey commissioned by Octavia Housing, a hundred year old housing charity, that we carried out in 2012-13, based on 50 interviews with Octavia's tenants who live in the City of Westminster and the Royal Borough of Kensington and Chelsea. The tenants live in a very wide mix of rental properties, some subdivided traditional terraced street properties, even large historic properties in places like Notting Hill and South Kensington. Most live in purpose-built blocks of flats that were built by councils and later transferred to housing associations.

We selected a cross section of tenants reflecting different ages, household sizes, ethnic origins and types of housing stock, in order to reflect as accurately as possible what Octavia's tenants thought about the key issue of living in high cost areas as low income tenants.

Our key findings can be summarised under the following headings:

- Tenants derived multiple benefits from living in high-cost areas: better schools, more parks, better transport connections and generally a better ordered neighbourhood environment.
- The vast majority of tenants like the areas where they live, and fully three quarters expressed positive views about living where they do.
- Most tenants had lived in Octavia housing for a long time in their areas. Only 15% of those we interviewed had lived less than 5 years in Octavia housing and 85% had lived over 5 years, with fully half having lived for more than 20 years in the areas. Some had lived their whole lives in these two boroughs. There was a real sense of continuity and belonging as a result.

– Tenants argued strongly for the benefits of a social mix and the problems of low-income tenants being segregated into poorer areas. They strongly opposed the idea of displacing communities and moving low-income people to poorer cheaper areas, thereby concentrating social problems.

Three fifths of the tenants list the **advantages of living in a high-cost area**, the strongest benefit being better services and more facilities. Generally, these areas are popular and over three quarters of tenants are happy with the fact that they live in a mixed community. Tenants cite many examples of the problems and poor conditions that collect in poorer areas, particularly in large council estates and mention the fact that the strong social mix in their areas offers many positive role models for residents as well as encouraging higher standards of services.

On the other hand, tenants worry about the **intense population pressure** on the areas and the transience that this causes. They see this at both ends of the scale, with gentrification and higher income people pricing particularly local traders and shop keepers out of the area, but also eventually putting pressure on low-income tenants. At the same time, they see large inflows on new immigrants looking for low-paid jobs, putting pressure on local job markets, community resources, competing for school spaces and other local services. The biggest fears that tenants articulate concerne the community instability that these twin pressures at the top and bottom of the income scales cause. Many tenants express the general sense of loss of community.

At the same time, tenants worry a lot about **job insecurity and work prospects**. Several had recently lost their jobs and many had experiences of trying to secure work, but finding themselves trapped between short-term, part-time, low pay and expensive, inflexible childcare. These problems and pressures coloured people's views of the future, which they saw as very uncertain.

We asked tenants about having a **social landlord in charge of their homes**. Tenants were overwhelmingly positive about this. The particular benefits that they cited most often were:

- The fact that repairs are the responsibility of the landlord in a situation where they could not afford the cost of maintenance;
- Having a secure tenancy which gives tenants a firm base from which to organise their lives;
- Enjoying conditions that are much better than in the private rented sector and seeing Octavia as a caring landlord.

The way Octavia as a social landlord runs its rented housing is possibly the simple factor that makes the biggest difference to people's lives and sense of well-being. It is a foundation stone in community cohesion.

At the same time, tenants are acutely aware of the **public funding cuts** and overwhelmingly believe that Octavia and other housing associations should prioritise their existing stock and existing communities, rather than squeeze resources in order to try and produce additional units in a market where this is simply too costly. We gathered chapter and verse on how the cuts were already biting, for example the closure of an old people's day centre, where two isolated elderly tenants were regular attendees; the loss of disability allowance in a chronic case where a legal appeal reinstated the entitlement, only after the loss of several hundred pounds and months of anxiety; parents with children reporting extra charges for after school activities that they could no longer afford; tenants' inability to work because of the cost of childcare and travel, combined with short-term, flexible hours on minimum wages.

Tenants' views on the **future indicate two dominant fears**:

- Would there be enough opportunities, activity and openings for young people?
- Would there be work and housing at all for the next generation?

Job insecurity and the long-run recession dominated many tenants' thinking about future hopes and fears. Early this year we re-visited seven of the tenants that we had interviewed in 2012, in order to see how changes in housing policy and public spending cuts was playing out in tenants' lives. Our conclusion from these detailed life stories is

that people feel very much more pressured than a year ago. In several cases tenants are simply ground down by juggling very limited funds for their families and seeing openings close up. One particular tenant activist, mother of three young children, springs to mind. In a year, she has shifted from being very involved, very positive about the neighbourhood and about her role in it, to feeling completely hemmed in by her inability to work part-time and manage childcare, while juggling high heating bills and extra charges as cuts take effect.

Several important lessons can be drawn from *Divided City*. Firstly, cheap social-rented housing contributes to **social integration in high-cost areas**, but there is no escaping the reality that adding to this stock will be extremely difficult; maintaining it will only be possible if Octavia invests heavily in the upgrading and energy efficiency of the property it already owns.

Secondly, **social investment in mixed communities**, which feel so fragile and under pressure, is becoming more important, not less, as conditions change and inequality grows. But retrofitting older, particularly terraced, hard-to-heat properties is vital to low-income families being able to meet their energy bills, as well as making the properties themselves viable at low cost.

Thirdly, it may be necessary to **rehouse large, overcrowded families outside the very high pressure areas** of central London. But the counter-balance is that families bring vitality to inner London's communities. Low-income families are frequent users of local services, providing vital links in the community. This generates a sense of cohesion and sociability that is worth preserving. The rich ethnic mix and the fact that high-income and low-income people are sharing the same streets and facilities creates a uniquely diverse and dynamic atmosphere.

Finally, central and inner London, particularly Westminster and Kensington and Chelsea, need a **low-cost workforce in order to deliver essential services**. They also need to retain bridges between communities and income levels in what would otherwise become an extremely divided city.

***Divided City? The value of mixed communities in expensive neighbourhoods* – a new report from LSE Housing and Communities based on a survey of low-income tenants in high-cost central London by Katie Bates, Laura Lane, Anne Power and Nicola Serle.**

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.

About the Author

Anne Power is Professor of Social Policy and Head of LSE Housing and Communities, Centre for Analysis of Social Exclusion.