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## Tenure change in London's suburbs: spreading gentrification or suburban upscaling?

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# Tenure change in London's suburbs: spreading gentrification or suburban upscaling?

## Abstract

*This article looks at the distribution of social upscaling across London linked to changes in tenure between 2001 and 2011. Against a background of discussions of suburban decline, it shows that there are a number of Outer London areas which have seen upscaling trajectories linked to the Private Rented Sector. The analysis reveals that this particular type of upscaling was made possible by the variegation in the Outer London landscape: within a space dominated by early to mid-20<sup>th</sup> century semi-detached and terraced (row) housing, areas of distinctive architecture and excellent accessibility offer a diluted version of the metropolitan milieu gentrifiers seek in the inner city. Buy To Let gentrification in Outer London can thus be understood as an overspill by those uninterested in, or unable to access, ownership and priced out of high house price Inner London.*

## Keywords

Buy To Let, gentrification, private renting, London, suburbs

## Introduction

In this article we look at social upscaling<sup>1</sup> linked to tenure change in London between 2001 and 2011. The article focuses on what constitutes the most significant departure from the 1981-2001 gentrification landscape in London: upscaling to the Private Rented Sector in Outer London. The context is the changing social structure of London and related concerns with gentrification. Much has been made of the decline of London's working class population and the rise of the middle classes, happening both through displacement and occupational changes (Butler et al 2008; Hamnett 1986). This has been contested by Manley & Johnston (2014), who look specifically at the inter-censal period 2001-2011 (that this article primarily concerns itself with), and who find that the city's working class population was stable numerically. Their challenge to the received wisdom of a declining working class population has itself been contested; while it may hold for the period concerned, a decreasing working class population holds over a longer period (Davidson & Wyly 2015; Hamnett 2015).

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<sup>1</sup> The terms upscaling and downscaling are used in this paper to denote changes in the social composition of an area, with upscaling corresponding to the replacement of low by high socio-economic status individuals and downscaling the reverse.

Cognisant of potential temporal differences, this article looks at social upscaling in Outer London.

As the focus of this article is social upscaling in the suburbs it begs the question; can gentrification be considered an applicable concept? The gentrification literature has traditionally focused on the inner city where gentrifiers have a 'metropolitan habitus' (Butler with Robson 2003), giving them a particular appreciation of a bundle of attributes that oftentimes coincide with an inner-city location. For Clark (2005) this spatiality is conceptually flawed, "[as centrality being] necessary for explaining a particular case is different from [it] being a necessary relation basic to the wider process" (264). He argues, disputes over definitional details of gentrification, including its spatial scope, detract from its potential to illuminate two broader issues within any given society; the gap between the rich and the poor, and the nature of the regulation of property markets. This extension of the spatial scope of gentrification links to the planetary urbanism debate, which conceptualises cities as blurred entities, multi-centred rather than mono-centric. This in turn has led to the conceptualisation of 'planetary gentrification' (Lees et al 2016), and to a parallel reconceptualization of suburbia (Keil 2013), including as a relational space (Mace 2013), and with some asking if we are moving to a post suburban era (Phelps & Wu 2011). However, aware of the 'global' character of urbanisation we can still focus on, "the city as a category of practice" (Wachsmuth 2014: 87). In the case of Outer London for example, Mace (2010) looks at how established residents adapt to change in order to maintain a sense of belonging.

When looking at upscaling in Outer London, Clark (2005) readily facilitates the application of gentrification to the suburbs. However, this risks underemphasising the cultural perspective, including the interplay between individuals, including gentrifiers, and place (eg Butler with Robson 2003; Savage et al 2005). Differing emphases reflect a longstanding division in the gentrification literature between explanations driven by a political economy and a cultural approach; however, these are not necessarily mutually exclusive (Lees 1994). In this article both are recognised, it is explained how Buy To Let investors have been able to use the general value gap opened by the deregulation of the Private Rented Sector to close rent gaps in certain Outer London areas. However, the spatial distribution of rent gap realisation within Outer London is partially explained by the valued characteristics of certain suburban areas, in particular 'period architecture' and access to the centre.

The article is developed as follows. In the next section the approach taken to identify tenure change and socio-economic upscaling is set out. We show how a considerable

decrease in ownership and rise in private renting, often with Buy To Let as a mechanism, is linked to socio-economic upscaling. Next we look at whether upscaling is causing displacement of lower socio-economic groups and then propose a way to account for the significant presence of upscaling in Outer London, especially in the guise of upscaling to the Private Rented Sector: this upscaling is the result of an overspill into areas affording a semblance of metropolitan milieu in Outer London by tenants from the higher socio-economic groups uninterested, or unable to access, ownership and priced out of high house price Inner London. This can be seen as an extension to the Private Rental Sector of the ownership-centred discussions of spatially displaced demand (Hamnett 2009) and super-gentrification (Butler and Lees 2006).

## **Identifying social and tenure change in London**

### **Upscaling and downscaling in London**

In the following section we continue by setting out our evidence of upscaling and downscaling in London. Although we are focused on upscaling, downscaling has been the primary concern elsewhere (Hunter 2016). Drivers of downscaling include national government action such as changes to housing benefit that are pushing households from more expensive Inner, to less expensive, Outer London (Fenton 2011; Hamnett 2010). Local government programmes replacing existing public housing with mixed tenure estates have had a similar effect (London Tenants Federation et al 2014 cited in Lees et al 2016). Finally, the effects of the 2008 crash have had more detrimental effects in Outer London (Lupton et al 2013: 7).

We have measured social change through the Office for National Statistics' 'Socio-economic Classification' (hereafter NS-SeC). The NS-SeC dataset allocates Household Reference Persons aged 16-74 to eight major occupational categories on the basis of their occupation title and of information on their employment status, whether they are employed or self-employed and whether or not they supervise other employees. These eight categories are: [1] higher managerial, administrative and professional occupations; [2] lower managerial, administrative and professional occupations; [3] intermediate occupations; [4] small employers and own account workers; [5] lower supervisory and technical occupations; [6] semi-routine occupations; [7] routine occupations, and; [8] never worked and long-term unemployed.

At the London wide level, the NS-SeC figures for 2001-2011 reveal relative stability in the city's social composition (reflecting the analysis of Manley and Johnston 2014). However, when Inner and Outer London are compared, the figures seem to support

the idea of suburban decline: while in Inner London, the increase in groups 1&2 was more than twice as large as that of groups 5,6&7, in Outer London the increase in groups 5,6&7 was close to four times that of groups 1&2. Zooming in to the micro level brings into relief further variations.

The smallest census geography for which the tenure and social data presented above is available is the Output Area, with an average population of 300 in England and Wales. This study looks at the 23,406 Output Areas in London whose boundaries have remained unchanged between 2001 and 2011. An Output Area was deemed to have experienced social upscaling if the absolute number of both arrivals and departures was larger than a threshold set at 7% of the total number of Household Reference Persons aged 16-64 in the Output Area in 2001<sup>2</sup>. Arrivals always had to include members of the first two NS-SeC categories, and the departures members of the categories 5,6 &7. Under certain conditions, groups 3&4 were allowed to co-vary with either arrivals or departures. In line with other treatments of this dataset, students, those who never worked and the long-term unemployed were excluded from the analysis (Hamnett 2015; Manley and Johnston 2014). Social downscaling trajectories were identified using the same criteria as upscaling, except that in this case the first two NS-SeC categories had to feature among the departures and groups 5,6&7 among the arrivals.

Between 2001 and 2011, 5.4% of the Output Areas in Greater London could be clearly linked to upscaling (1,262 of 23,406), rising to 5.7% in Inner London as compared to 5.1% for Outer London. The data on downscaling shows a more contrasted picture: downscaling accounted for 5.9% of all Output Areas in Inner London, against 10.6% in Outer London. Of the 2,009 Output Areas linked to downscaling between 2001 and 2011, 71% (1,423) were in Outer London. Thus, while the Output Area level view of social change in London points to a concentration of downscaling in Outer London, it also reveals similar levels of upscaling in both Inner and Outer London. In absolute terms, there was even more upscaling in Outer London than in Inner London (687 Output Areas against 575). Most interesting is how this pattern of social change intersects with the large changes in tenure, especially in Outer London.

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<sup>2</sup> Household Reference Persons (HRPs) aged 16-64 have been used throughout the analysis to alleviate some of the issues arising from the comparison of the 2001 and 2011 NS-SeC Census datasets. Details on the procedure developed to identify upscaling and downscaling and to distinguish between particular tenure trajectories – as well as reports of the robustness tests conducted – can be found in Paccoud (2017).

## Tenure shifts linked to upscaling

This change in tenure is potentially significant given the traditional dominance of owner-occupation in the suburbs. In the UK in general, the last 25 years have seen a strong return of the Private Rented Sector. While 76% of households privately rented in 1918, only 9% did so in 1991 – this increased to 12% in 2001, and to 18% in 2011 (ONS 2013). This translates into a 1.7 million rise in the number of households private renting between 2001 and 2011. The return of the Private Rented Sector was precipitated by the 1988 Housing Act, which allowed landlords to more easily retake possession of their property and limited the length of tenancies, but it can also be linked to the Buy To Let mortgage introduced in 1996. Buy To Let refers to the purchase of a dwelling that is then put on the private rental market. The period from 2003 to 2008 has been called the ‘Buy To Let boom’: “by 2007 Buy To Let accounted for 12 per cent of the value of all mortgage advances in the UK” (BHSF, 2013: 15). Sprigings (2008) comes closer to a figure of 30% by focusing on Buy To Let mortgages as a percentage of house purchase mortgages only.

London was at the forefront of these changes: 2001-2011 saw large increases in the number of persons private renting from a landlord or a letting agency in both Inner (498,037) and Outer London (540,513). This translates into an increase of 12.7 percentage points in the proportion of private renters in Inner London (from 17.8% in 2001 to 30.5% in 2011) and an increase of 10.9 percentage points in Outer London (from 10.9% in 2001 to 21.8% in 2011). These results are similar even when looking at households instead of persons (increases of 179,163 and 163,946 households in the Private Rented Sector for Inner and Outer London respectively), indicating that the increase in private renters is not mainly due to overcrowding in certain parts of the Private Rented Sector.

At the Output Area level, this broad tenure movement was associated with a number of different tenure trajectories. To identify these, tenure types were aggregated into three main categories (owners, social renters and private renters) and a similar absolute number threshold of 7% of the 2001 Output Area usual resident population was used to identify significant changes in an Output Area’s tenure composition between 2001 and 2011. Six trajectories, accounting for 74% of all of the tenure changes that could be clearly identified in upscaling Output Areas<sup>3</sup>, have only one origin or destination tenure category. These will be the focus of the analysis that follows as they represent the ideal type trajectories, of which the others are hybrid

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<sup>3</sup> For details on the criteria used to distinguish between tenure trajectories and on the large proportion of upscaling OAs in which tenure changes are unclear (464 out of 1262 OAs), see Paccoud (2017)

forms. These tenure changes in upscaling Output Areas are best understood as pairs, with one outcome featuring ownership as final tenure destination and the other the Private Rented Sector:

Pairing one - the replacement of social tenants by individuals either privately renting (Social Rent to Private Rent; 104 Output Areas), or owning (Social Rent to Owning; 9 Output Areas). This can occur through the sale, under the Right to Buy, of properties to tenants of social rented properties owned by councils or Housing Associations. Given the parallel increase in NS-SeC, this would mean that once purchased these are either sold on to another owner or put for rent by the new owner. Alternatively – and what seems more likely given that only large scale changes at the Output Area level are picked up here – these tenure changes could result from the refurbishment or redevelopment of a council estate in which a large proportion of dwellings are then destined for sale or for the Private Rented Sector.

Pairing two - sole increases in individuals private renting (Private Rent+; 200 Output Areas) or owning (Owning+; 53 Output Areas), achieved if subdivision or rebuilding/densification leads to more units of that type, without the data showing a change in the other two tenure types. Where the final destination is the Private Rented Sector, Buy To Let investments are likely to have played a large role.

Pairing three – the replacement of owner occupiers by individuals private renting (Owning to Private Rent; 169 Output Areas). This can occur if an owner decides to put the dwelling on the Private Rented Sector or if it is acquired by a Buy To Let investor when sold. Though not exactly a tenure shift, it is also important to consider the case of upscaling Output Areas in which home-owners were the majority in 2001 and where there was no major disruption in the tenure mix (Sweat Equity Upscaling; 55 Output Areas). In these Output Areas, any social change must be predominantly accommodated within the ranks of the area's homeowners – presumably through lower NS-SeC owner occupiers selling to incoming higher NS-SeC individuals – though some of it could also be incumbent upscaling.

What emerges from all these figures are two broad categories of tenure trajectories linked to upscaling: those halves of the pairs which have ownership as final tenure destination (Sweat Equity Upscaling; Owning+; Social Rent to Owning) and those which have the Private Rented Sector as final tenure destination (Owning to Private Rent; Private Rent+; Social Rent to Private Rent). The latter tenure trajectories are what can be labelled as 'Buy To Let Upscaling', and these have a large numerical advantage in

Greater London: Buy To Let Upscaling occurred in 473 Output Areas between 2001 and 2011, as compared to 117 for what can be called Ownership Upscaling.

## **Displacement**

By definition, these trajectories involve the replacement of lower NS-SeC by higher NS-SeC individuals but has this caused the displacement of the lower NS-SeC population? The issue is that there are a variety of ways in which displacement can be understood (Marcuse 1985) and the perspective on displacement chosen will have consequences for the ability to identify and measure this displacement. Here, a broader view that includes both direct and indirect displacement has been selected (Davidson and Lees 2005; Hackworth 2002). From this perspective, the six tenure changes described above can be seen as linked to two specific displacement mechanisms.

The first is the replacement of individuals socially renting by individuals either owning or private renting (or both). While a broad census-based approach is unable to tell whether these social tenants have been offered a social tenancy elsewhere, a sharp loss in social tenancies in the Output Area indicates that rehousing, if any was offered, was unlikely to have been in that same Output Area (at least for the majority of these tenants), and thus points to a high potential for direct displacement. This mechanism likely was at work in Social Rent to Private Rent and Social Rent to Owning Output Areas.

The second can be seen as a form of Marcuse's (1985) pressure of displacement in which the neighbourhood trajectory does not cause any directly observable displacement but sets in motion a dynamic which is likely to affect remaining low income populations. This occurs when the arrival of higher income individuals leads to an increase either in house prices, rents, or both simultaneously. This is an indirect displacement mechanism similar to that described in Boddy (2007: 99). While this pressure will predominantly affect the remaining low income renters, as landlords increase rents and social housing providers consider selling off stock, low income owners who cash in on increasing house prices will likely not be able to remain in the Output Area – a form of Marcuse's (1985) exclusionary displacement. This is likely to occur in all the other tenure changes.

If displacement is either likely to have occurred or to occur in the near future, these upscaling trajectories might be considered as different forms of gentrification occurring in the Greater London context. In the next section we consider to what extent this holds.



## **The spatial distribution of upscaling and downscaling linked to tenure shifts in London**

### **A search for a diluted metropolitan milieu?**

The presence of upscaling Output Areas and the occurrence in these of tenure trajectories likely associated with displacement seems at first sight a clear manifestation of gentrification. Even trajectories ending with the Private Rented Sector can be understood in this way, as has been argued in studies highlighting the multiplicity of tenure trajectories in gentrifying areas (DeGiovanni and Paulson 1984; Engels 1999; Paccoud 2017). For the six tenure changes described above, Outer London upscaling outnumbers that in Inner London (324 vs 266 OAs). That this significant a proportion of upscaling occurs in Outer London makes the move from 'upscaling and displacement' to gentrification more difficult; creating difficulties for both cultural and economic focused explanations of gentrification.

As concerns economic explanations of gentrification, an England-wide investigation drawing on the rent and value gaps (Clark 1992; Hamnett and Randolph 1984; Smith 1979) found that upscaling to the Private Rented Sector occurred in more urban, central and disadvantaged areas than upscaling to ownership (Paccoud 2017). While this pattern also broadly holds in the case of Greater London – with upscaling to the Private Rented Sector in higher density and more disadvantaged areas than upscaling to ownership – it is nonetheless surprising that half of the upscaling to the Private Rented Sector occurred in Outer London. While the opening of the general value gap following the deregulation of the Private Rented Sector will have provided the opportunity for investors to attempt to close rent gaps in Outer London, it is not immediately clear how such areas could prove attractive to high NS-SeC tenants who would usually prefer the metropolitan milieu of Inner London.

While gentrifiers and suburbanites may share many middle class values (Tonkiss 2006), they are distinguished by the things they value differently. For gentrifiers, what they value in distinction from suburban 'counterparts' is often linked to an inner-city location – they value 'being where it's at'. This suggests, ultimately, a divide between gentrifiers and suburbanites that is distinctly spatial in its character. However, for 'gentrifiers' priced out of Inner London, parts of Outer London offer some compensations; notably, 'urban' features such as period architecture and good public transport links to the centre. 'Urban' features in Outer London reflect the nature of

London's expansion achieved through the incorporation of much older settlements such as Romford and Richmond. The coming of the railways saw the expansion of a Victorian housing stock in Outer London (eg in Bromley and Walthamstow). The next wave of development in the 1920s and 30s produced the greatest quantity of housing. This period of housing would not be attractive to overspill gentrifiers but significantly it reinforced variegation in the quality of the built form. In the 1930s in Wimbledon and Mill Hill, new homes sold for £3500 - £4500, while in Sidcup, three bedroom houses sold for as little as £395 (Jackson 1973: 189). This has left a dual legacy: the housing stock is from a variety of periods, and; the quality of the built environment varies widely (Mace 2013). The aim of the remainder of the article is to test the extent to which the idea of a search for a 'compensatory' 'metropolitan milieu lite', on the part of those overflowing from the saturated Inner London housing market, provides a means to explain the distribution of upscaling through tenure shifts in Outer London. Before doing this, it is useful to separate out the upscaling linked to a tenure shift which can be considered a historical continuity from that which is really new.

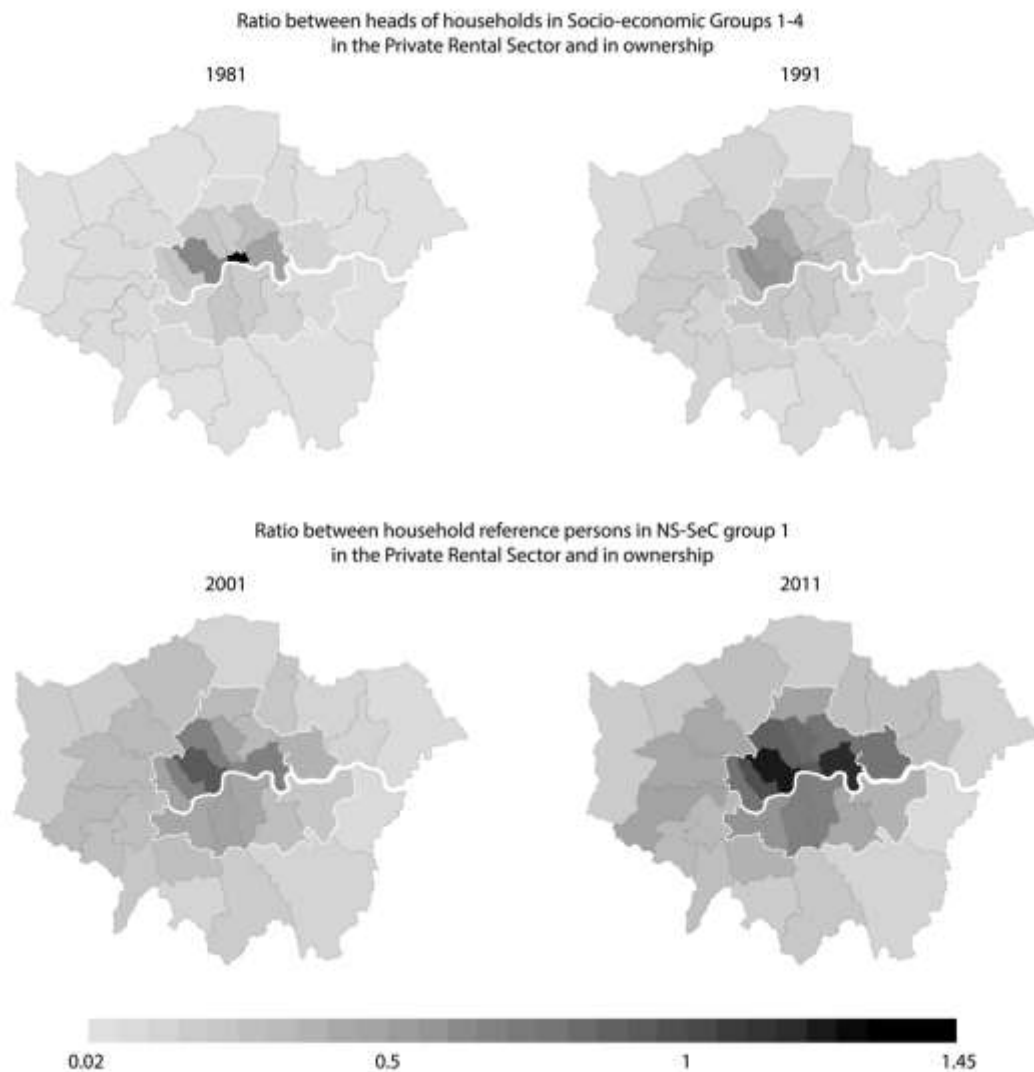
### **Patterns of tenure choice for high socio-economic groups 1981-2011**

The approach taken here is to compare the location of the upscaling tenure shifts that have occurred between 2001 and 2011 to the longer-term spatial distribution of socio-economic groups by tenure type. Taking into account differing house price areas, this shows that upscaling linked to the Private Rental Sector in Outer London between 2001-2011 constitutes the most significant departure from the 1981-2001 trend. We then continue by setting out data to show the extent of the connection between this upscaling and the characteristics of the areas concerned.

The maps in Figure 1 show the distribution of households of the highest socio-economic categories (Socio-economic Groups 1,2,3&4 for 1981 and 1991 and NS-SeC group 1 for 2001 and 2011<sup>4</sup>) across tenures at the borough level in London. More specifically, the maps show the ratio between the heads of these households that were in the Private Rented Sector and those that were owner-occupiers for each of these dates. These four maps are an illustration of the return of the Private Rental Sector since 1991, with a continuous increase in the number of high socio-economic group households adopting, or pushed into this tenure relative to ownership.

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<sup>4</sup> After a review of UK social classifications in 1994, the NS-SeC was developed to replace – from the 2001 Census onwards – Social Class based on Occupation and Socio-economic Groups.



**Figure 1.** The distribution of households of the highest socio-economic categories (Socio-economic Groups 1,2,3&4 for 1981 and 1991 and NS-SeC group 1 for 2001 and 2011) by tenure for London boroughs

Important – though not particularly surprising – is that in each one of these years, households of the highest socio-economic categories were much more likely to be in the Private Rented Sector in Inner London and in owner occupation in Outer London. However, this picture is rendered more complex by the variable distribution of house prices across both Inner and Outer London, which introduces differences linked to tenure *within* both Inner and Outer London.

The 2001 tenure figures for NS-SeC group 1 were crossed with the Office for National Statistics' 'House Price Statistics for Small Areas' provided at the Medium Super Output

Area<sup>5</sup> to reveal two things. First, and not surprisingly, across London high house price areas (over £150,000 in 2001) tended to accommodate the majority of households with a group 1 household reference person: 68% of those in owner occupation and 76% of those in the Private Rented Sector. Second, there was a concentration of these households in the Private Rented Sector in high house price Inner London (52% compared to 24% in high house price Outer London), which is not the case for owner occupation (32% compared to 36% in high house price Outer London) (Table 1 below). In summary, up until 2001, higher socio-economic groups have tended to be in the Private Rental Sector in high house price Inner London and in ownership in high house price areas, with equal weight given to Inner and Outer London.

London, 2001	All Household Reference Persons (HRPs) 16-74	HRPs 16-74 – NS-SeC group 1	HRPs 16-74 – owner occupier	HRPs 16-74 – owner occupier and in NS-SeC group 1	HRPs 16-74 – private renter	HRPs 16-74 – private renter and in NS-SeC group 1
% in High house price (HP)						
inner London	27	37	20	32	39	52
% in High HP Outer London	24	31	31	36	22	24
% in High HP London				68		76
% in Low HP inner London	17	11	12	10	16	10
% in Low HP Outer London	31	21	37	23	23	14
% in Lower HP London				33		24

**Table 1.** The distribution of households of the highest NS-SeC category in 2001 according to tenure, median house price and London geography

<sup>5</sup> A 'Medium Super Output Area' is a collection of Output Areas. There are 7201 of these in England and Wales, with a population of between 5000 and 15,000. The figure used is the 2001 median sale price for all dwelling types.

Returning to the tenure shifts linked to upscaling which occurred between 2001 and 2011 at the Output Area level, the most significant departure from the 1981-2001 trend is upscaling linked to the Private Rental Sector in Outer London. Upscaling to ownership occurred in high house price areas, historically linked to ownership in higher socio-economic groups (83 out of 117 Output Areas, just over 70%). But in contrast, only 35% of all upscaling to the Private Rental Sector occurred in high house price Inner London where the majority of high socio-economic group private renters were found in 2001 (168 out of 473 Output Areas) (see Table 2). The remainder of the analysis will focus on the significance of a ‘metropolitan milieu lite’ in explaining the distribution of the overspill of high NS-SeC tenants outside of high house price Inner London.

	2001 House Price >£150,000		2001 House Price <£150,000		Total output areas
	Inner London	Outer London	Inner London	Outer London	
Output Areas with upscaling to the Private Rental Sector (2001-2011)	168	114	68	123	=473
Output Areas with upscaling to ownership (2001-2011)	21	62	9	25	<u>=117</u>
					<u>590</u>

**Table 2.** The distribution of 2001-2011 Output Area level upscaling linked to tenure shifts by median 2001 house price and London geography

### Upscaling to the Private Rental Sector in Outer London 2001-2011

In the discussion above, the metropolitan milieu looked for by gentrifiers was linked to three characteristics of place: centrality, accessibility and distinctive architecture. While centrality is by definition only available in Inner London, it has been shown that accessibility and distinctive architecture do exist in certain parts of Outer London. The question is thus whether upscaling to the Private Rented Sector has been concentrated in areas with these particular elements. In the analysis that follows distinctive architecture has been proxied by areas with more than 25% of the housing stock built before 1900 and excellent accessibility by the areas within a 750m buffer around an underground, rail or light rapid transit station<sup>6</sup>.

<sup>6</sup> The data on the age of the housing stock is provided at the Lower Super Output Area level by the Consumer Data Research Centre on the basis of information from the Office for National Statistics and Valuation Office Agency. An LSOA is collection of OAs – there are 34,753 LSOAs in England and Wales,

There are two ways in which this can be answered. The first is to compare the proportion of the surface of an area which is defined by excellent accessibility and distinctive architecture to the proportion of the upscaling to the Private Rented Sector this type of area accounts for (Table 3 below). For example, 51% of the surface of high house price Inner London is made up of areas with both of these features, and these areas account for 61% of all upscaling to the Private Rented Sector in high house price Inner London. The figures in the table clearly show that areas with both accessibility and distinctive architecture concentrate more of this type of upscaling than the proportion of the surface they cover would suggest. More significantly, the importance of these factors increases as one moves from high house price Inner London (a ratio of 1.2 between proportion of upscaling and proportion of surface) to low house price Inner London (a corresponding ratio of 2) and then to Outer London (with ratios of 3.6 and 3.3 for high and low house price areas respectively). This comparison of surface and importance for upscaling thus seems to indicate that areas with high accessibility and distinctive architecture are over-represented in upscaling to the Private Rented Sector, especially in Outer London. However, the fact remains that they accommodated less than a fifth of all upscaling of this type in Outer London.

	2001 House Price >£150,000		2001 House Price <£150,000	
	Inner London	Outer London	Inner London	Outer London
Areas with excellent accessibility and distinctive architecture				
As a percentage of the total surface	51	5.4	25.9	6
As a percentage of all upscaling to the Private Rented Sector	61.3	19.3	52.9	19.5
Upscaling / surface	1.2	3.6	2	3.3

**Table 3.** A comparison of the surface and proportion of upscaling accounted for by areas with excellent accessibility and distinctive architecture by median 2001 house price and London geography

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with an average of 1500 residents. The rail-based transport stations come from the Ordnance Survey's VectorMap District database.

To get a more rounded picture of the characteristics which allow Buy To Let gentrification to take hold outside of high house price Inner London, it is necessary to compare this upscaling with the downscaling which took place alongside shifts to the Private Rented Sector. Table 4 (below) shows the distribution of upscaling and downscaling for the four London spaces as well as the ratio between these two types of Output Areas, a figure which provides some information on the relative attractiveness of these spaces for high NS-SeC tenants. Indeed, a high ratio between upscaling and downscaling indicates that most shifts to the Private Rental Sector in that type of space were accompanied by the arrival of high rather than of low NS-SeC tenants. Given that landlords will look to secure tenants able to afford higher rents (Paccoud 2017), a high ratio is an indication that these spaces had the characteristics needed to attract high NS-SeC tenants.

The figures in Table 4 reveal the stark difference in the ratio between upscaling and downscaling between high house price Inner London (the ‘habitual’ space for high NS-SeC tenants) and the rest of London. Some of this difference can undoubtedly be explained by the fact that high house price Inner London includes places that resonate in the urban imaginary: Brixton, Angel, Islington and Hoxton/Shoreditch.

	2001 House Price >£150,000		2001 House Price <£150,000		Total output areas
	Inner London	Outer London	Inner London	Outer London	
Shift to the Private Rental Sector					
Upscaling (2001-2011)	168	114	68	123	
Downscaling (2001- 2011)	71	210	130	473	
Upscaling / Downscaling	2.37	0.54	0.52	0.26	

**Table 4.** *The distribution of upscaling to downscaling ratios for shifts to the Private Rental Sector by median 2001 house price and London geography*

However, outside of high house price Inner London where the upscaling to downscaling ratio is high for all types of areas, areas with both high accessibility and distinctive architecture consistently have the highest ratios (Table 5 below). For example it is 0.8 for low house price Inner London areas with both these characteristics, as opposed to 0.3 for areas with only high accessibility and 0.5 for areas with only distinctive architecture. These figures seem to confirm the importance of these two ‘metropolitan milieu’ conferring characteristics of place in the ability of Buy To Let investors to attract high NS-SeC tenants to areas outside of high house price Inner London. Moreover, the figures also seem to indicate that it is distinctive architecture which is the more important of the two. There is an indication of this in the fact that outside of high house price Inner London areas with distinctive architecture tend have equal or higher upscaling to downscaling ratios than areas with high accessibility alone.

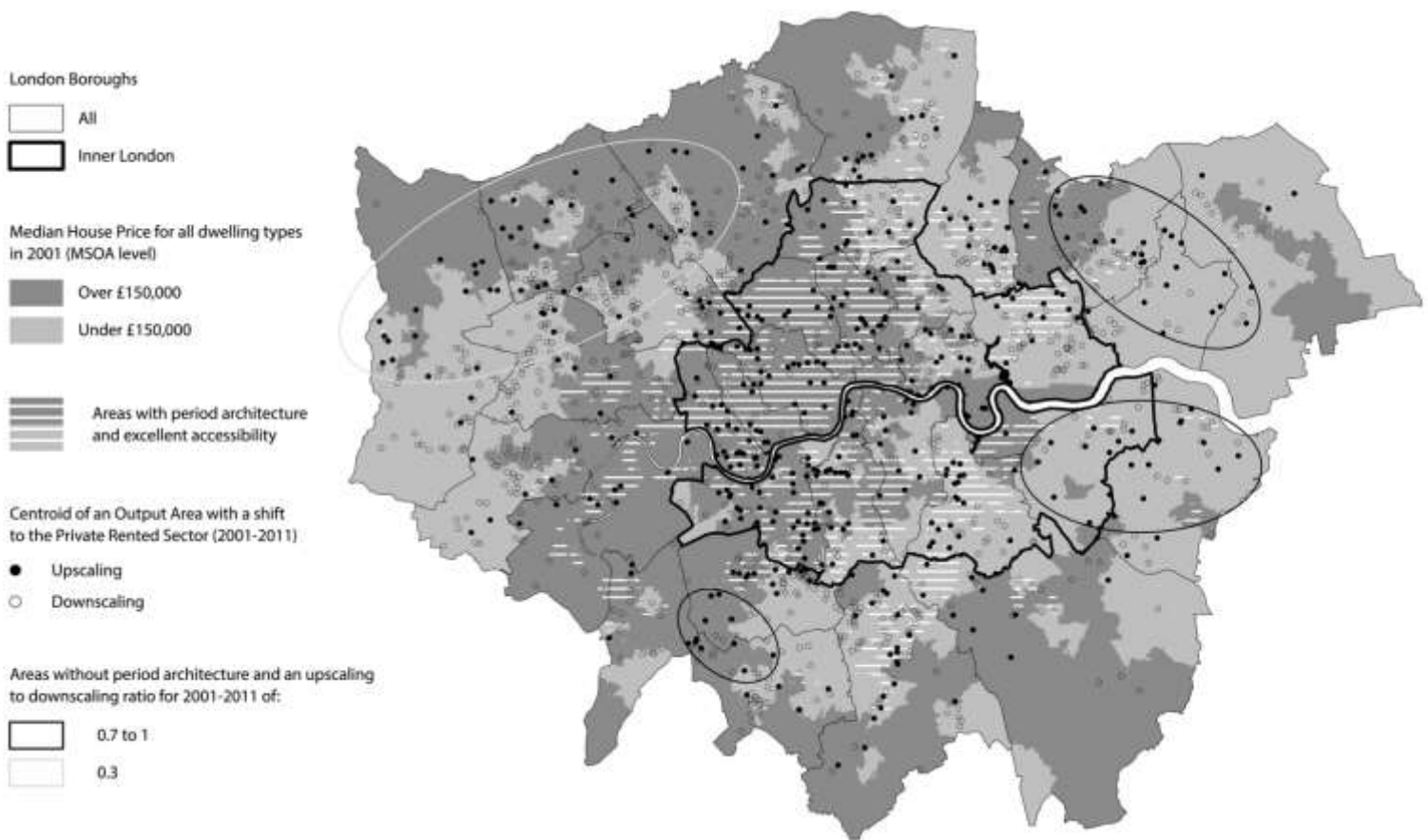
	2001 house price >£150,000		2001 house price <£150,000	
	Inner London	Outer London	Inner London	Outer London
All output Areas	2.4 (168/71)	0.5 (114/210)	0.5 (68/130)	0.3 (123/473)
Output Areas with both high accessibility and distinctive architecture	2.8 (103/37)	0.8 (22/27)	0.8 (36/43)	0.4 (24/62)
Output Areas with distinctive architecture only	1.6 (16/10)	0.6 (3/5)	0.5 (8/15)	0.3 (8/24)
Output Areas with high accessibility only	3.2 (42/13)	0.6 (58/92)	0.3 (13/46)	0.2 (39/195)
Output Areas with neither high accessibility nor distinctive architecture	0.6 (7/11)	0.4 (31/86)	0.4 (11/26)	0.3 (52/192)

**Table 5.** Upscaling to downscaling ratios (with the number of upscaling and downscaling Output Areas) by type of area, median 2001 house price and London geography

As the figures show not all upscaling shifts to the Private Rented Sector took place in areas with these two features, especially in Outer London. However, since most of this upscaling was strongly outnumbered locally by downscaling, it does not undermine the



importance of distinctive architecture and high accessibility for suburban Buy To Let gentrification. More interesting are the 58 Output Areas in places with relatively high upscaling to downscaling ratios in which the primary dwelling type is 20<sup>th</sup> century terraces (East Redbridge and Barking and Dagenham), semi-detached housing (East Greenwich and Bexley) or a combination of these (in the area near the intersection of the boroughs of Merton, Sutton and Kingston upon Thames). The question is whether these areas offer something in the way of distinctive architecture or point to the operation of a different logic. Areas like these remain to be fully explained but variegation in the Outer London landscape provides an important perspective on the geography of Buy To Let gentrification outside of the ‘regular’ spaces of the Private Rented Sector (as shown in Figure 2 below). These are areas which gave high NS-SeC tenants the opportunity to distinguish themselves from the average ‘suburban’ homeowner.



**Figure 2.** The geography of Output Area level upscaling and downscaling to the Private Rented Sector in London, 2001-2011

## Conclusions

The article looks at the distribution of socio-economic upscaling across London linked to changes in tenure between 2001 and 2011. Against a background of discussions of suburban decline, it shows that there are a number of Outer London areas which have seen upscaling trajectories. This suburban upscaling represents a significant departure from the 1981-2001 trend of high NS-SeC tenure choice because it is accompanied by tenure shifts to the Private Rental Sector. The analysis reveals that this particular type of upscaling was made possible by the variegation in the Outer London landscape: within a space dominated by early to mid-20<sup>th</sup> century semi-detached and terraced (row) housing, areas of distinctive architecture and excellent accessibility offer a diluted version of the metropolitan milieu gentrifiers seek in the inner city. Indeed, areas with both distinctive architecture and connectivity to the centre account for a much larger share of upscaling to the Private Rented Sector than the small surface they cover in Outer London would suggest. These are also the areas which consistently featured the highest upscaling to downscaling ratios, an indication that these were the characteristics most likely to attract high NS-SeC tenants outside of high house price Inner London.

Buy To Let gentrification in Outer London can thus be understood as an overspill into areas affording a semblance of metropolitan milieu in Outer London by high NS-SeC tenants uninterested, or unable to access, ownership and priced out of high house price Inner London. This interpretation reconciles the economic and cultural approaches to gentrification. From the economic side, it explains how Buy To Let investors have been able to use the general value gap opened by the deregulation of the Private Rented Sector to close rent gaps in certain Outer London areas. From the cultural side, it puts the idea of metropolitan milieu, and its London translation as period architecture and access to the centre, at the forefront of the analysis.

From a suburban perspective the important point is that this indicates a level of displacement by higher or lower socio-economic groups. Although we cannot evidence the destination, or the motivation of those departing it raises the possibility that some residents are being displaced from suburban London and this certainly warrants further research. Therefore, while much attention is currently on suburban decline, partly generated by the displacement of poorer households to parts of Outer London as well as by the relatively stronger performance of an ever more gentrified Inner London, the data presented here suggests we also need to pay greater attention to the

potential displacement of lower socio-economic groups from the suburbs and to the broader impacts and implications of suburban upscaling.

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