

## Probable impacts of the Lower Lea Valley Developments (particularly the Olympics phase) on tenants in privately rented accommodation.

“It is easier for the world to accept a simple lie than a complex truth”  
Alexis de Tocqueville 1805-1859

[Some of the source links may have altered or have been removed since March 2007. Martin Slavin Jan 2011 ]

STATEMENT OF CASE Martin Slavin 27th July 2006

### 1 Previous Olympic Games developments have produced a ‘gentrification’ effect on the housing market in areas surrounding the games locations.

*Gentrification is a process in which low-cost, physically deteriorated neighborhoods experience physical renovation and an increase in property values, along with an influx of wealthier residents who displace the neighborhood's original inhabitants.*

*Resulting rent increases and reduced supply of low-cost rental housing can displace lower-income and working class residents—often including members of minority groups.*

*It highlights the instability of renting: people might be forced to move away from newly-desirable areas because the landlords increase rents. Usually this conflict is limited to the local level; many who live outside urban areas may not be aware of it.*

Extract from ‘Gentrification’ <http://en.wikipedia.org/wiki/Gentrification>

#### Mexico 1968

...ordinary Mexicans questioned the investment required to stage the Games which they saw as an unnecessary extravagance when there were severe social problems to be solved with many people living in conditions of poverty and poor housing. The opposition prior to the event resulted in violent clashes between protesting students and units from the police and army. Some 250 students were killed.

Page 380, **Urban development through hosting international events: a history of the Olympic Games**, Brian Chalkley and Stephen Essex, *Planning Perspectives*, 14 (1999) 369–394 *Download PDF from:*  
<http://ioccc.ca/documents/Chalkley-1999.pdf>

#### Seoul 1988

During the five years preceding the Games, 48,000 buildings, housing 720,000 people, were destroyed for redevelopment. Most of the demolished structures were single-story houses built with virtually no public investment; they were replaced with high-rise public housing projects widely criticized for disrupting the vitality and texture of the urban environment. Ninety percent of the 720,000 evictees did not receive replacement housing within the redevelopment site.

In the 1980s, Seoul adopted a “joint development” or “partnership renewal” model of slum improvement. Responding to strong opposition from residents to previous evictions, this new model created a development “cooperative” between property owners and construction companies to redevelop land targeted for renewal.

Although tenants accounted for a majority of the households in Substandard Housing Redevelopment districts, the joint development program did not recognize the interest of tenants and squatters in the redevelopment process.

According to Korean urban planner Kwang-Joong Kim, “Seoul’s new housing produced by the SHR programme was in essence a commodity that was too remote for the displaced people to reach

Page 172, **Staged Cities: Mega-events, Slum Clearance, and Global Capital**, Solomon J. Greene, Source:  
<http://www.law.yale.edu/documents/pdf/LawJournals/greene.pdf>

See also; Hyung-Hook Kim, **Experiences of Eviction in Seoul**, *Read online at:*  
[http://www.idrc.ca/en/ev-32047-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-32047-201-1-DO_TOPIC.html)

## Barcelona 1992

The 1992 Olympics in Barcelona unleashed development forces which led to a huge escalation in costs. Official figures show that tens of thousands of low-income people and small businesses were forced out of the city as a direct result of the Olympics.

**Bread Alert!** Volume 2, Number 4 March 1, 1998  
[http://www.breadnotcircuses.org/breadalert\\_v2n4\\_p1.html](http://www.breadnotcircuses.org/breadalert_v2n4_p1.html)

In the case of the Barcelona Games 'the market price of old and new housing rose between 1986 and 1992 by 240 percent and 287 percent respectively' (Brunet, 1993 in Wilkinson, 1994:23). A further 59,000 residents left Barcelona to live elsewhere between the years of 1984 and 1992 (Brunet, 1993 in Cox et al., 1994)

Page 108, **Mega Events and Human Rights**, Brent Ritchie, University of Canberra, Michael Hall, University of Otago, NZ and Sheffield Hallam University, UK. In: **HOW YOU PLAY THE GAME** Papers from The First International Conference on Sports and Human Rights, 1-3 September 1999, ISBN 1 86365 566 2, Published 2000, *Download PDF*  
<http://www.hrca.org.au/wp-content/uploads/2008/05/how-you-play-the-game-fin.pdf>

## Atlanta 1996

In Atlanta public housing units were renovated to improve the image of the area. Most of the original residents of these units were unemployed and could not afford the subsequent increase in rent. They were therefore evicted. Further displacement of residents occurred when private landlords upgraded flats in areas close to the city, in anticipation of an influx of people with spending power. In this way, well-located housing became too expensive for the working class. The process of gentrification was thus sped up by preparation for the Games.

Page 93, **Olympic Games and the Citizens: A Look at the Potential Impact of Hosting the Games**, Charlene Houston. In: **HOW YOU PLAY THE GAME**. *PDF source see above*

## Sydney 2000

The compilation of the personal experiences of tenants from a range of socio-economic backgrounds and geographic areas, backed up by results of extensive surveys conducted by the Tenants' Union, Rentwatchers and other groups, produced indisputable evidence of a widespread social problem of housing and homelessness that increased in the years before the Olympics. Whether the Olympics constituted the major cause or one of the many causes, the onus was on all levels of government to address the obvious crisis in housing by protecting tenants' rights and preserving affordable rental accommodation.

Page 106, **Housing and homelessness in the Olympic City, in 'The Best Olympics Ever?', Social Impacts Sydney 2000'**, Helen Jefferson Lenskyj, State University Press of New York, 2002, pbk, ISBN 0 7914 5474 6

## Athens 2004

Nearly 140 Roma (formerly known as Gypsy) from the Marousi community have been forcibly evicted and several other Roma communities threatened with forced eviction in the Greater Athens area in the last two years, as preparations for the Olympic Games have gained momentum. Local organisations in Greece such as the Greek Helsinki Monitor report that a majority of the Roma families who were forcibly evicted from their homes have not been provided with adequate compensation, reparation or resettlement. Even when resettlement and compensation have been granted to Roma families of the Marousi community, only Greek Roma have been eligible, with non-Greek Roma who have legal residency status (such as Albanian Roma) excluded from the process.

**Centre on Housing Rights and Evictions (COHRE), Housing Rights Bulletin** Vol 1 No 3 August 20 2004.  
*Download PDF from;* <http://www.cohre.org/evictions-monitor.htm>

## Beijing 2008

Now, as China steamrollers its way to modernity, it is as if a lid has been lifted off a pot of constructive energy that has been simmering for nearly half a century. The destruction of hutongs has been taking place for a number of years, but since Beijing was awarded the Olympics, the rate at which they are now being cleared has increased exponentially. For thousands of Beijing's residents, this "urban makeover" is coming at an incredible cost. According to UNESCO, in the past three years a third of the 62km<sup>2</sup> area that makes up the central part of the old city has now been destroyed. This has displaced close to 580,000 people – one and a half times the total population of Washington D.C.

**Sean Gallagher** 12 - 6 - 2006;  
[http://www.opendemocracy.net/arts-photography/hutong\\_destruction\\_3632.jsp](http://www.opendemocracy.net/arts-photography/hutong_destruction_3632.jsp)

## 2 This is caused by the anticipated and actual improvements to those areas arising from massive infrastructural investments.

"The most ambitious Olympic hosts have seen the Games as an opportunity to bring forward long-term plans, to accelerate the pace of change and, particularly in the case of Sydney, to pioneer the implementation of new planning concepts. It is interesting that this kind of event-led approach to urban policy does not fit neatly into any of the accepted styles or models of town planning..... It is neither traditional regulative planning nor trend

planning. It is not led by government investment or by the dictates of private companies. Still less is it a response to the demands of local public opinion. Indeed, one of the dangers of hosting a major international event is that it might overshadow or marginalize the needs of local people. In this respect, Olympic planning brings with it similar dangers to schemes such as waterfront revitalization and docklands regeneration .”

page 391, **Urban development through hosting international events: a history of the Olympic Games** Brian Chalkley and Stephen Essex, *Download PDF from:* <http://iocc.ca/documents/Chalkley-1999.pdf>

“If the aspect of the Olympic bid [for Manchester] which attracted the greatest publicity was the one associated with spectacle and promotional activities, the practical orientation was targeted more modestly towards the attraction of grants from a range of state agencies. In other words, the bid committee looks more a locally based *grant coalition* than a US style growth coalition. The approach was not one which aims towards freeing up areas for private sector development, nor was it directed towards developing a strategy aimed at sustaining the position of existing local businesses. On the contrary, the aim was to use public expenditure on a massive scale to construct new ‘partnerships’ between developers and ‘sport’ (i.e. generally state subsidised sport). In a neat inversion of mainstream discussions of ‘leverage’ in local economic development (which stress the extent to which public spending can draw out private sector investment), in this case – with the help of seedcorn funding from local firms and infrastructural support from the local authority – the aim was to lever money raised by the public sector into the private sector.”

Page 112, **City of revolution, Restructuring Manchester**, Edited by Jamie Peck and Kevin Ward, Manchester University Press, 2002, ISBN 0 7190 5887

...over the last two decades the mega-event has been used as an inner-city redevelopment planning tool. This role, in combination with the pressures created by millions of ..... visitors, has tended to create four main forms of housing impacts:

- (1) on-site impacts;
- (2) post-announcement speculative impacts;
- (3) pre-event tourist accommodation supply impacts; and
- (4) post-event impacts.

Page 5, **Urban Mega-Events, Evictions and Housing Rights: The Canadian Case**, Kris Olds, Department of Geography, National University of Singapore, 2004 *Read online at:* [http://www.idrc.ca/en/ev-32007-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-32007-201-1-DO_TOPIC.html)

### **3 The most vulnerable sector of the local populations who have suffered negative impacts on their housing choices in other Olympic cities are the poor with insecure tenure on their homes.**

The widespread negative social impacts of hallmark events and mega projects on host cities have been extensively documented and analysed (Hall, 1989, 1994, 1998; Olds, 1998; Rutheiser, 1996). A study commissioned by Shelter New South Wales, a peak housing body, examined the impact of six international events on local communities – the America’s Cup in Freemantle, the Brisbane Expo (trade fair), Sydney’s Bicentennial, the Barcelona Olympics, the Atlanta Olympics, and Melbourne’s bid for the 1996 Olympics- as well as the potential impact of the 2000 Olympics on Sydney. The report provided irrefutable evidence that, in the absence of appropriate policy measures, hallmark events had a negative impact on housing, particularly on low income private renters. Monitoring the housing market, strengthening existing planning controls and residential tenancy legislation, controlling private rentals, and increasing the supply of low cost accommodation were identified as key policy recommendations (Cox, Darcy & Bounds, 1994).

Page 89, **Housing and homelessness in the Olympic City, in ‘The Best Olympics Ever?, Social Impacts Sydney 2000’**, Helen Jefferson Lenskyj., State University of New York Press, 2002, ISBN 0 7914 5474 6 ,pbk.

#### **These impacts will include**

##### **A On-site impacts**

Olympic evictions at Clays Lane                      Julian Cheyne                      24 May 2005

The University of East London is evicting students from its Park Village estate at Clays Lane, Stratford, East London. The estate is to be handed over to the London Development Agency and will be part of the site for the Olympic Village if London gets the 2012 Olympics. The students are being removed even though the decision on the Olympics won't be made until 6th July and if London doesn't get the Olympics the estate will be let out again through a housing agency. If London does get the Olympics then the LDA says it will demolish the estate within six months even though the rest of the Village site won't be available for construction till 2007. Notice to quit for the students expires on 19th June. The estate consists of two tower blocks and a large number of four or six person houses. It is in perfectly good condition!

[http://www.squatter.org.uk/index.php?option=com\\_content&task=view&id=27&Itemid=2](http://www.squatter.org.uk/index.php?option=com_content&task=view&id=27&Itemid=2)

## B Post-announcement speculative impacts.

Buy-to-let investors are racing to invest in east London ahead of 2012. The Olympics are going to result in substantial investment in infrastructure, such as transport, in east London. That is going to make the area more accessible, popular and fashionable with renters and homeowners, pushing up prices. East London will see a big upgrade in facilities as a result of the Olympics.

But property experts are warning less experienced investors not to be rushed into a purchase. It is generally accepted that property values will rise faster than the national average as the games approach. Previous Olympics bear this out. The games were held in Athens last year and between 1999 and 2004 prices rose 63% in the capital compared with 55% for the whole of Greece, according to Halifax. The areas closest to the action do best because they benefit most from the improved facilities and better transport links. House prices in Homebush Bay, a derelict industrial area redeveloped for the 2000 Sydney Olympics, rose 70% in the five years before the games, compared with 50% growth in Sydney as a whole and 39% for all of Australia.

<http://www.housepricecrash.co.uk/forum/lofiversion/index.php/t21379.html> Jan 2 2006

Olympic gold touch for East End homes Jane Padgham, Evening Standard  
11 August 2005

THE 2012 Olympics may be seven years away, but London's successful bid to host the Games is already boosting the price of property in the East End. Estate agent Haart said that while the cost of a home in London declined by 0.1% in July, prices near the proposed Olympic complex shot up. In east and south-east London they jumped by 3% and 5% respectively during the month. In contrast, prices in North London slumped by 4.7%. Haart managing director Russell Jervis said: 'It appears the 'Olympic effect' on house prices has already started. The trend in growth of housing and economic prosperity in the areas that are set to benefit from the regeneration is only set to continue as prices are realigned to the west of London.' Adley Street, in Hackney, was recently named as one of the addresses where property prices are expected to rise by up to 50% over the next five years. It is an unassuming row of Victorian terrace houses.

Jervis advised potential buyers to act now if they want to snap up a home in the area. 'As soon as London won, the calls started coming in,' he said. 'We predict that property prices will increase by around 5% in Newham over the year, specifically due to the benefits from reinvestment.' Today's report also confirmed that last month's London bombings failed to shake property sales and activity has picked up to normal levels for this time of year.

Source: [http://www.thisismoney.co.uk/mortgages/house-prices/article.html?in\\_article\\_id=402928&in\\_page\\_id=57](http://www.thisismoney.co.uk/mortgages/house-prices/article.html?in_article_id=402928&in_page_id=57)

## C Pre-event labour and tourist accommodation supply impacts

Immigrant workers bring a buy-to-let boom for Paragon Evening Standard May 26 06

A WAVE of eastern European immigrant workers is giving a boost to London's buy-to-let housing market, claims the boss of one of Britain's largest specialist mortgage lenders. Paragon's book of buy-to-let advances more than doubled to £ 1.33 billion at the end of its first half on 31 March while its mortgage pipeline - loans agreed but not yet drawn down - is 110% ahead at £ 1.2 billion. Chief executive Nigel Terrington said: "There was a big shift in eastern European immigration last year, giving strong tenant demand." Interim pre-tax profits rose 13% to £ 34.5 million from a total loan book up 18.8% to £ 7.23 billion. The half-year dividend is up 32.7% to 6.9p and the share repurchase programme increased to £ 30 million.

Buy-to-let boom 28 5 06

Buy-to-let lending increased in the first four months of 2006, with a gradual rise in house prices and rising rents, according to a report from UCB Home Loans. This followed an all-time record for a six-month period, with lenders advancing 130,400 new mortgages in the second half of 2005. The momentum continued into 2006, as demand from tenants has increased. UCB said increasing house prices have forced prospective first-time house buyers to stay in rented accommodation for longer. University towns such as Cambridge, Oxford and Edinburgh, have remained very popular for students looking to rent.

In London, UCB Home Loans found that buy-to-let represents up to 75% of some mortgage brokers business. Areas of east London are popular for those looking to buy-to-let, and increasing activity has already been seen in some of the areas that look to benefit from the regeneration due to take place alongside the 2012 Olympics.

<http://ftadviser.com/default.aspx?m=11173&amid=96534>

## D Post event impacts

Following the closure of Expo '86[Vancouver], many residential hotels attempted to attract back previous residents. Some of the hotels initially attempted to continue catering to tourists but they met with mixed results. By spring 1988 only one hotel which was formerly renting to long-term Downtown Eastside residents had remained a tourist hotel. Many hotels borrowed money to renovate and failed to recoup this cost. Consequently, several of the hotels where residents were evicted went into receivership and some were sold.

The rent levels in lodging houses returned to pre-Expo rates after Expo '86 closed and the vacancy rate (as of October 1987) was approximately equal to the rate recorded over one year before Expo opened (Olds, 1988). Between 1986 and 1992, residential hotels continued to be demolished or closed down in the Downtown Eastside (cf. Hulchanski, 1989). Between 1985 and 1989, approximately 1150 units were lost, leaving approximately 9000 units in 1989.

This loss trend continues to the present day, with pressures being exerted on the stock from a variety of redevelopment initiatives in the downtown area including Pacific Place, the urban mega-project which is being built on the Expo site (Beazley, 1992; Hasson & Ley, 1994; Olds, 1995). Some efforts are being made to develop non-profit housing in the Downtown Eastside to offset the loss of lodging houses (Hulchanski et al., 1991).

Indeed, an ironic impact of the Expo '86 evictions was that it spurred Downtown Eastside Residents Association on to become involved in affordable housing development and they now manage over 600 units of housing in the community (one project is called Solheim Place, in honour of Olaf Solheim who died after being evicted). However, given inadequate and steadily decreasing funds for non-profit housing programmes in Canada, future trends will most likely have a negative impact upon existing Downtown Eastside residents.

Pages 14-15, **Urban Mega-Events, Evictions and Housing Rights: The Canadian Case**, Kris Olds, Department of Geography, National University of Singapore, 2004. *Read online at:*  
[http://www.idrc.ca/en/ev-32007-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-32007-201-1-DO_TOPIC.html)

**4 In East London it is those who live, often in overcrowded privately rented accommodation under short let tenancies, who are the most vulnerable. With rents rising in a boom market they are likely to experience rent increases above the average for London and/or be given notice by landlords seeking to profit from property values rising faster than regional rates. This is a population which already has an annual 'churn rate' of 40% .**

Olympic Borough borough rental statistics

Households	Hackney	Newham	Tower Hamlets	Waltham Forest	Total
All	86,042	91,821	78,530	89,788	346,181
Rented from: Private landlord or letting agency: Count	12,632	15,399	12,215	13,256	53,502
Rented from: Private landlord or letting agency: Percentage	14.68%	16.77%	15.55%	14.76%	15.45%

Source; 2001 Census

By far the majority of tenancies (89.8%) are Assured Shorthold Tenancies. Page 37

On average, tenants remain in the same property for a period of 15.8 months and when tenancies are ended, in the majority of cases (82.3%) it is the tenant who initiates the ending of the tenancy. Page 39 [The tenancies are ended by the landlord/agent in 17.7% of cases]

Source; **Association of Residential Letting Agents survey 2<sup>nd</sup> Quarter 2006**  
<http://www.arla.co.uk/btl/btlsurvey0206.htm>

Tenant demand in London accelerated to twice the long run average with rising rents pushed by migrant labour amongst other factors.

Source; **Royal Institute of Chartered Surveyors, Lettings Market survey** 26 May 2006  
<http://tinyurl.com/hoza8>

Right across the private rented sector, ARLA members report an historically high demand for rental property. Six out of ten agents in London report more demand than rental stock available.

*Source: Association of Residential Letting Agents News, 6 March 2007*

<http://www.arla.co.uk/news/060307.htm>

## Housing stress and homelessness

*Without doing more intensive research it is not possible to accurately describe the full extent of the number of privately renting households in the four Olympic boroughs which are vulnerable to homelessness as a result of being unable to pay rents which are rising faster than regional rates because of the Olympic 'gentrification' effect. However one can form an impression of the nature of the problem by looking at some of the statistical data about housing stress amongst ethnic minority populations in East London and within the whole of London .*

*Extracts below from: Causes of Homelessness Amongst Ethnic Minority Populations*

Research Sept 2005 proposed by: Dr Marie-Claude Gervais and Hamid Rehman

Office of the Deputy Prime Minister: London

*[This is a survey from nine local authority areas of high concentrations of ethnic minority populations within England]*

### Risk factors across ethnic minority communities

People from ethnic minority backgrounds generally live in more deprived material and physical circumstances than their White counterparts. A complex cycle of deprivation – that includes poverty, unemployment, low educational achievements, overcrowding, stress, ill-health and social isolation, among others – affects a greater proportion of ethnic minority individuals than White people and can result in widespread social exclusion in some communities. These factors reduce the housing options of ethnic minority households and make them disproportionately vulnerable to homelessness.

The most common cause of homelessness amongst South Asian couples with children was being forced to leave private rented accommodation. Ethnic minority households felt that they were being asked to leave because their landlord wanted to capitalise on escalating house prices by selling their properties or renting them at a higher price after carrying out renovations. Overcrowding was also common in South Asian households.

Summary page 2

#### 2.2.2 Being told to leave by private landlords

In the sample, the most common cause of homelessness amongst South Asian families where both parents are present was being told to leave by private landlords. Families were forced into homelessness as their private landlords wanted to repossess their accommodation, either for their own use, to rent at a higher price, or to sell the property. All such cases were found in London, probably due to the rise in the housing market and the lack of affordable housing in the capital. In fact, service providers in the North of England had come across very few such cases. Most of the South Asian cases of homelessness there were the result of domestic violence.

"I lived in this house for several years. This house condition wasn't very good, but still I decided to stay because I had no other alternative. Eight months ago, the landlord sent a letter and he wanted to raise the rent from £600 a month to near £2000. Of course, we can't afford that so he said you leave house. He wanted the house for his own use and wanted to do some alteration. So then I have no other choice. They take proceedings against me." (Bangladeshi homeless household)

None of these cases were linked to rent arrears. The tenants had been keeping up with their payments until the rents were suddenly and substantially increased. In the above cases, the accommodation the tenants had to leave was in a poor condition, but this was tolerated because the rent was affordable. However, in a few cases, the rented property was in such a bad state (with serious disrepair, damp, insects or vermin) that the tenants requested improvements to their property. When this happened, landlords took action to force the tenants out.

Voluntary and charitable organisations confirmed the frequency with which such evictions by unscrupulous landlords happen. They suggested that this kind of evictions affect Bangladeshi and refugee households more often than the White population or other ethnic groups. "You've got a lot of private rented accommodations that are just awful. People come in and say we've got insects, we've got mice and rats. And you look in the room and there's cockroaches all over the floors, mice walking on the back of sofas and, I mean, you would not believe some of the place I go to... Fire safety, banisters, lights shaking, no smoke alarms, doors that are boarded up. You have a real battle to get the landlord to put things

right. You slap an order on the landlord to do it, they still don't do it, so environmental health carry out the work and give the big bill to the landlord. But then people are homeless and they still have to be rehoused." (Voluntary organisation)

It remained unclear, in the interviews with both ethnic minority homeless households and voluntary organisations, whether the greater occurrence of evictions in these communities was an outcome of discrimination or harassment on the part of the landlord, or whether it is mainly due to the fact that heavy reliance on the private rented sector in the Bangladeshi and refugee groups made them more vulnerable to such evictions.

**Page 25 – 26, Causes of Homelessness Amongst Ethnic Minority Populations**

Research September 2005,

Download PDF from: <http://www.communities.gov.uk/documents/corporate/pdf/145141.pdf>

*Extracts below from:* Greater London Authority

Association of London Government

London boroughs

**London & sub-regional strategy, Support studies project**

Final report August 2005

Download PDF from: <http://www.london.gov.uk/gla/publications/housing.jsp>

*[The statements and figures refer to the whole of London unless stated otherwise]*

Bangladeshi and Pakistani households live predominately in the East.[ Barking and Dagenham, Corporation of London, Hackney, Havering, Newham, Redbridge, Tower Hamlets, Waltham Forest]

64.7% of Bangladeshi and 42.3% of Pakistani households live in this area.

Page 35

...the heads of household in Bangladeshi households are more likely than others to be unemployed. Over a fifth of household heads in this group are unemployed; nearly three times the average for London.

Page 78

61.1% of all Bangladeshi households have a gross income of £10,000 or less Page 88

Overcrowding is particularly prevalent amongst Bangladeshi, Pakistani and Black African households, with 32.8%, 21.2% and 20.9% of households in each of these groups overcrowded respectively.

Page 106

Analysis by ethnicity suggests that household income is a key determinant in explaining the variation in migration trends. Households that have recorded lower incomes, such as Bangladeshi and Black Other households, are most likely to move locally.

Overcrowded households are also more likely to move locally than other households.

East London households are the most likely to move locally.

15.6 PAGE 273-274

62.1% of private rented households [that moved in the last ten years] previously rented from a private landlord.

Table 16.2 Page 276

**5 Although the London Development Agency and the four Olympic Boroughs are committed to building up to 42,200 affordable homes in the region, up to 2016, the provision of suitable new affordable homes in the region is unlikely keep pace with the displacement of private rental tenants.**

Different mixes have been set for private market housing and affordable housing, as needs in affordable housing are for larger units. This difference looks quite sensible and corresponds to identified needs. However, the mix for social housing and intermediate housing, which are the two components of affordable housing, shows that these needs are actually only met through social housing, where big units (3 bedrooms and more) are well represented. In fact, the mix for intermediate housing is exactly the same as it is for market housing, which can be taken as a clue that the spirit of this kind of housing is closer to market housing than social housing. It is doubtful whether the mix as it is set out, will manage to offer an adequate solution to local people in housing needs.

As with all major developments across London, the Olympic zone will seek to achieve mixed communities.

Therefore, housing will be a mix of private market housing and affordable housing. In line with the London Plan, 50% of all new units should be affordable. Within affordable housing, a balance of 70% social housing and 30 %

intermediate housing should be the norm. But the whole concept of affordability, which is key to all housing planning documents, is questionable. How much does it cost? Will it still be affordable in a few years' time, given that social housing rents are increasing faster than incomes? Is it really accessible to people in housing needs? Evidence in the Elephant and Castle area shows that 96.2% of housing needs could only be met through social housing. Whom will intermediate housing be for? The concept of affordable housing suggest that all such housing is for lower income households, with costs throughout comparable to that of local authority housing; but much of 'affordable housing' is far less affordable than this.

Furthermore, with reference to the Olympic site, the declared intention that 50% of all housing will be affordable, is tricky. Firstly, homes demolished in Clays Lane for the construction of the Olympic Village are all affordable dwellings to be replaced by a 50-50 split of new housing. Therefore, the net result here is not in favour of affordable housing. Secondly, planning permissions make it clear that in the area that will fall under the Olympic application and the Stratford City application, the conditions of the latter, if granted, should apply. On housing, the Stratford City proposal is to achieve only 30% affordable housing. What, then, will happen after the Games when the time comes to change the Village into a local community? How much affordable housing will be required under the terms of this order of priorities? If the Stratford City application target of 30% applies, will there be more affordable housing in the rest of the Olympic Zone or will the global rate of affordable housing decrease? Thirdly, the JPAT suggests in its report that the different types of low cost housing that form intermediate housing will have to be precisely considered and should include student accommodation. There is no doubt students need specific affordable housing, but to include it in the 50% affordable housing, is to further reduce the amount of homes accessible to longstanding local people. Student accommodation should be built but not included in the calculation of affordable housing, all the more so since the Games will lead to demolition of actual student homes and this loss has not been taken into consideration.

One last and major worry comes with the requirement of an individual, detailed 'open-book' financial appraisal for each site. The target of 50% affordable housing is a target for the whole area and "is subject to availability of housing subsidy, remediation costs, and local market conditions". On every site an "open book" will be kept in order to determine its capacity to meet the 50% target. Thus the actual level of affordable housing will be decided site by site on criteria of financial sustainability. Other cases, in the Elephant and Castle for example, tend to show that these appraisals usually lead to fewer affordable houses as they state there is not enough funding for 50-50 developments.

To recapitulate, after the Games, there will be indeed more housing. But there is concern that there will be less than 50% affordable housing overall. Intermediate housing might be oriented towards the lower middle classes, and social housing, which will be no more than 35%, will be more expensive than it is today. Considering that the area has an important part of its population on low incomes, future housing does not seem to be made for local people. There is a risk that the most vulnerable families will move away from the area, as occurred in the run up to the Games in Barcelona.

**Hardly Heroic: Olympics Housing Plans** Fabien Vaujany Rising East Online January 2006  
<http://www.uel.ac.uk/risingeast/archive03/essays/vaujany.htm>

- The South East has the second highest regional net need for affordable housing in England.
- The South East has the largest potential market for intermediate housing in England.
- While comprehensive comparisons are not possible, the work commissioned by the South East County Leaders to project infrastructure costs associated with new development seems to have underestimated the costs of affordable housing;
- Section 106 only provides a very small number of new affordable housing without public grant in the South East, and cannot be relied upon to deliver the increased affordable housing required;
- A land value tax is an attractive option for capturing value uplifts associated with investment and improvements in local areas. As well as providing an opportunity for a new revenue stream, it could also incentivise development and contribute towards broader development objectives;
- Any such tax is currently a number of years off and there are immediate public investment requirements that need to be met if the increases in affordable housing are to be delivered.

*Extracts from:* Pages 3-4, **Meeting Housing needs in the South East**, Anthony Vigor & Peter Robinson, Working Paper 5, IPPR, 2005.

*PDF from:* <http://www.ippr.org.uk/publicationsandreports/publication.asp?id=285>

**6 I am not aware of the LDA having in place policies to monitor or ameliorate the effects of this gentrification market during the planning and construction phases in the region before the construction of an adequate supply of affordable housing is available.**

**7 This possibility of the displacement of poorer privately renting tenants needs to be properly evaluated and addressed at the earliest opportunity to avoid us all becoming spectators of the downward pressure on the local underclass which has occurred in Beijing, Athens, Sydney, Atlanta and Barcelona.**

A Social Impact Assessment should include policies for the periodic detailed public monitoring, in the four Olympic boroughs from now until 2016, of indicators of;

accommodation supply, prices and churn in the privately rented market  
Homelessness

There should be established an appropriate form of pro-active intervention in the privately rented market to alleviate increased homelessness.

## Postscript.

*There is currently a multifaceted crisis in housing supply, particularly of affordable social housing. This has arisen from decades of the privatisation of the existing social housing stock combined with gross underfunding of new building. Into this crisis comes the Olympic games 'gentrification' effect to compound the crisis at the poor end. But agencies dealing with the homeless are currently trying desperately to deal with another unplanned for effect of the 'enlargement' of the housing market.*

When the European Union expanded in May 2004 certain limitations were placed on the entitlements of citizens from 8 out of 10 of the accession countries i.e. Poland, Lithuania, Estonia, Latvia, Slovenia, Slovakia, Hungary and the Czech Republic. Nationals from these so-called Accession 8 (A8) countries can come to the UK to work but they have limited access to social provisions and benefits. In the last 2 years the number of people from these countries entering the UK has increased.

Many of Homeless Link's members, especially in London, have reported an increase in the number of homeless clients from A8 countries. The influx of these clients has placed an additional strain on resources for many agencies. Homelessness organisations also find it difficult to support clients because of language barriers or because if they are not working and registered on the workers registration scheme they are often not entitled to housing benefits, which are needed to access accommodation.

<http://www.homeless.org.uk/inyourarea/london/policy/a8>

“It is difficult to anticipate the future of housing rights because the reality of the housing-rights movement is characterized by improvised reactions to both coercive government pressure and dogmatic capitalist intervention. In this respect, the future of the housing-rights movement is in the hands of socially conscious groups and the affected parties themselves.”

Hyung-Hook Kim, **Experiences of Eviction in Seoul**, Chapter 5 in, ' **Evictions and the Right to Housing**, Experience from Canada, Chile, the Dominican Republic, South Africa, and South Korea'. Edited by Antonio Azuela, Emilio Duhau, and Enrique Ortiz, IDRC 1998, ISBN 0-88936-861-9

Read online at; [http://www.idrc.ca/en/ev-9374-201-1-DO\\_TOPIC.html#begining](http://www.idrc.ca/en/ev-9374-201-1-DO_TOPIC.html#begining)

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