

Appendix Two

Evidence Base for designating pilot areas for licensing the private rented housing sector within the London Borough of Tower Hamlets.

1 Introduction

1.1 The Consumer and Business Regulations Service have looked at the following evidence in order for licensing of the private rented housing sector in the Borough to be considered.

- The growth of Private Rented Sector (PRS) in the Borough
- The levels of Anti-Social Behaviour (ASB) to the Police and Council
- The amount of fly tipped material collected

2 The Growth of PRS in the Borough

House Prices and Rental costs

2.1 Information provided by the Corporate Research Unit states that the average house price paid in April 2013 was £370,500, which was below the London average of £377,800. House prices as in the rest of London and the southeast have been increasing steadily over the past months, which makes the housing market in Tower Hamlets a prime site for investment with 'buy to let' properties.

2.2 On average, over 2013, 300 properties were sold every month in the Borough.

2.3 The median rental market price for private properties in Tower Hamlets was higher than the London median price. Rents are higher for Studios, 49% and 1 and 3 bedroom properties, 27% and 30% respectively compared to the rest of London.

2.4 In 2013, the average private rent increase was 16.7% compared to a London average increase of 8.9%

2.5 In 2012/13, median private rental prices for 2 and 3 bedroom properties were £1,647 and £1,950 respectively. A 1 bedroom property had a median price of £1,399 while a Studio was £1,233. A single room had a medium rental price of £542 a month.

2.6 Tower Hamlets remains a desirable place to invest in for buy to let properties as the return on the investment is growing faster than the rest of London.

Household type per Ward

- 2.7 The 2011 census took place on the 23rd March 2011, data has been extrapolated by the Corporate Research Unit to enable household type to be matched against tenure. The census data demonstrates that the Borough is the fastest growing local authority in the country with an increase of 26% in population between 2001 and 2011.
- 2.8 The average population ward size in Tower Hamlets is twice the national average. Millwall is the largest ward and Spitalfields and Banglatown is the smallest ward.
- 2.9 Tower Hamlets has an average household size of 2.5, with Mile End East having the largest household size of 2.85 and St Katherine's and Wapping the smallest with 2.07.
- 2.10 The following table shows the 2011 census as a breakdown for tenure within each Ward.

Table One: Tenure within each ward (percentages rounded)

Ward	Percentage Owned	Percentage Private Rented	Percentage Social Rented
Bethnal Green North	23	31	46
Bethnal Green South	22	33	45
Blackwall and Cubitt Town	29	43	29
Bow East	26	31	43
Bow West	33	28	39
Bromley by Bow	19	26	56
East India and Lansbury	21	21	57
Limehouse	28	31	41
Mile End East	19	28	53
Mile End and Globe Town	27	27	46
Millwall	30	50	21
Shadwell	27	30	43
Spitalfields and Banglatown	27	41	32
St Dunstons and Stepney Green	25	21	54
St Katherine's and Wapping	42	38	20
Weavers	25	31	43
Whitechapel	23	44	33

2.11 The 2011 census also provided data on the percentage and type of household within each ward.

Table Two: Percentage and type of household within each ward

Ward	Household with dependent children	Household with no dependent children	Single Adult household	One Family household	Other household types
Bethnal Green North	25	75	34.1	20.4	20.6
Bethnal Green South	27.7	72.3	36	17.9	18.4
Blackwall and Cubitt Town	23.8	76.2	35.1	24.9	16.2
Bow East	22.6	77.4	35.1	24.5	17.8
Bow West	26.9	73.1	30.5	23.7	19
Bromley by Bow	38.4	61.6	30.2	17.9	13.5
East India and Lansbury	39.5	60.5	31.3	18.8	10.3
Limehouse	30.8	69.2	32.9	21.6	14.7
Mile End East	34.7	65.3	29.5	17.4	18.3
Mile End and Globe Town	27.9	72.1	32.4	19.5	20.2
Millwall	20.3	79.7	38.3	27.1	14.2
Shadwell	29.7	70.3	34.4	21.6	14.4
Spitalfields and Banglatown	19.5	80.5	37.6	20.6	22.3
St Dunstons and Stepney Green	33.3	66.7	33.4	19.6	13.7
St Katherine's and Wapping	16.8	83.2	42.4	25.8	15
Weavers	22	78	35.8	29.4	21.9
Whitechapel	22	78	34.4	18.7	24.9

2.12 The above data demonstrates that the private rented sector is stronger in Millwall, Blackwall and Cubitt Town, Whitechapel and Spitalfields and Banglatown Wards and the majority of households that do not

have dependent children are within St Katherine's and Wapping, Spitalfields and Banglatown, Whitechapel, Weavers and Millwall Wards.

- 2.13 The data held by the change of name of the Council Tax demand, gives an indication of the amount of 'churn' of residents moving property or moving into the area. It is normal practice for the tenant to be responsible for paying the Council Tax and therefore they need to register their details with the Council. The following table demonstrates the 'churn' in Council Tax payers within a ward. This data is from 1st April 2011 until 31st January 2014.

Table three: Council Tax 'churn' per ward (1/4/11 to 31/1/14)

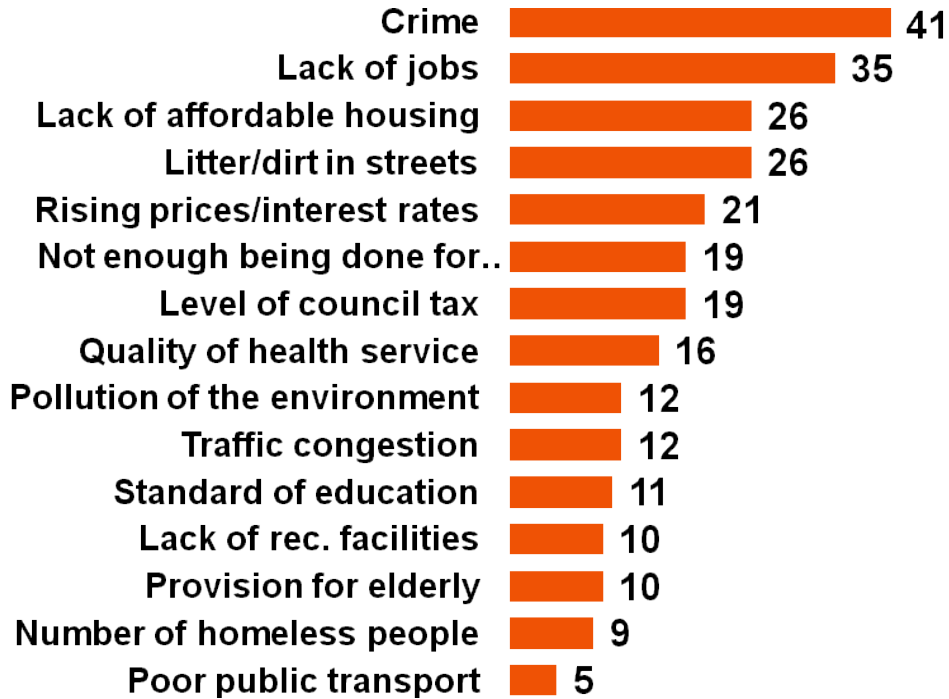
	Number of Changes per property									
	2	3	4	5	6	7	8	9	10	11
Bromley by Bow	915	357	142	40	7					
Blackwall and Cubitt Town	1982	1010	466	104	18	4				
Bethnal Green North	844	337	128	26	13	3			1	
Bethnal Green South	857	512	206	49	18	1	1	1		
Bow East	1283	625	218	41	7	4				
Bow West	862	361	141	43	4	2				
East India and Lansbury	890	308	87	25	4	1				
Limehouse	1180	484	187	23	11					
Mile End East	745	399	134	32	7	4				
Mile End and Globe Town	805	365	136	43	12	3	2			
Millwall	2295	1257	491	143	33	9	3	1		1
St. Dunstons and Stepney Green	863	314	124	42	7	2				
Shadwell	1100	445	170	35	4	1				
St. Katherine's and Wapping	1214	525	163	30	6	2				
Spitalfields and Banglatown	712	443	229	52	19					
Whitechapel	1172	693	337	75	11	1				
Weavers	856	467	167	53	7	1				

3 The levels of ASB and crime reported to the Police and Council

- 3.1 ASB can ruin lives and make areas feel unsafe for communities. The Council takes ASB seriously and has employed Teams of Tower Hamlets Enforcement Officers to deal with street ASB and works with the social landlords to control ASB on estates. The Council is instrumental in bringing partners together under the umbrella of the Community Safety Partnership. In addition the Council funds a number of Police Officers to ensure that certain work streams that revolve around ASB and adequately resourced.
- 3.2 During the Annual Residents Survey 2012/13 1192 interviews were undertaken at 105 sampling points to individuals over 18 years of age.

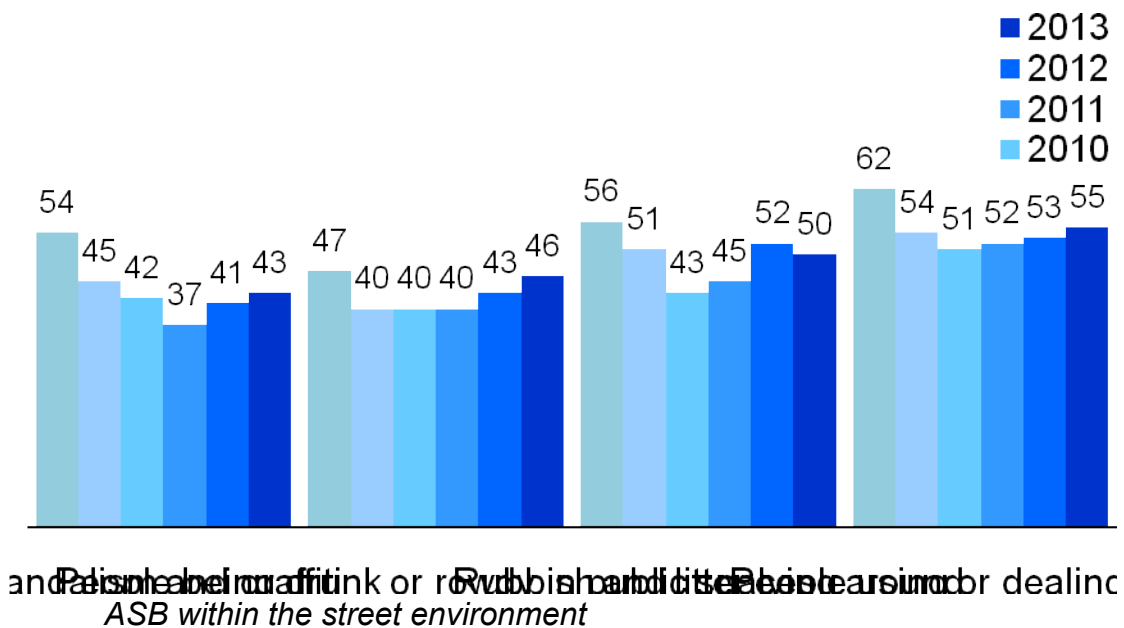
The main concerns highlighted by residents are detailed in the chart below.

Table Four: Annual Residents Survey 12/13 – resident’s personal concerns



3.3 Within the Annual Residents Survey, residents were asked about what they thought of their local area in relation to ASB. The following results were obtained.

Table Five: ASB related concerns – problems in the local area



3.4 The Councils ASB data has been reviewed for complaints of ASB on the street, the tables below 2012/13 and 2013/14 (end October) are linked to ward areas. The data for 2013/14 shows a lot more ASB in the street indicating that ASB is more likely to occur on the streets during the summer months.

3.5 In compiling the data the location field shows that if the incident occurred in a residence or in the street. The types of complaints that have been received in this category are detailed below.

- Drinking in public/communal areas
- Noise from neighbours
- Door Knocking/Banging
- Smoking on stairwells
- Urinating on communal lift
- Loitering in area
- Dropping litter
- Loud music

Table Six: ASB complaints from residential property v street environment 2012/13

2012/2013					
Ward	Residential	Street	% Residential	% Street	Total
BBB Bromley by Bow	45	29	61%	39%	74
BCT Blackwall and Cubitt Town	71	98	42%	58%	169
BGN Bethnal Green North	88	52	63%	37%	140
BGS Bethnal Green South	140	108	56%	44%	248
BWE Bow East	85	39	69%	31%	124
BWW Bow West	79	42	65%	35%	121
EIL East India and Lansbury	61	28	69%	31%	89
LMH Limehouse	149	81	65%	35%	230
MEE Mile End East	39	37	51%	49%	76
MGT Mile End and Globe Town	113	64	64%	36%	177
MLW Millwall	56	39	59%	41%	95
SDS St. Dunstons and Stepney Green	109	78	58%	42%	187
SHD Shadwell	87	57	60%	40%	144
SKW St. Katherine's and Wapping	84	44	66%	34%	128
SPB Spitalfields and Banglatown	100	86	54%	46%	186
WHI Whitechapel	161	104	61%	39%	265
WVR Weavers	174	124	58%	42%	298
Total	1641	1110	60%	40%	2751

Table Seven: ASB complaints from residential property v street environment 2013/14 (end October)

2013/2014					
Ward	Residential	Street	% Residential	% Street	Total
BBB Bromley by Bow	24	31	44%	56%	55
BCT Blackwall and Cubitt Town	40	114	26%	74%	154
BGN Bethnal Green North	84	55	60%	40%	139
BGS Bethnal Green South	59	88	40%	60%	147
BWE Bow East	47	33	59%	41%	80
BWW Bow West	58	57	50%	50%	115
EIL East India and Lansbury	29	32	48%	52%	61
LMH Limehouse	100	76	57%	43%	176
MEE Mile End East	36	29	55%	45%	65
MGT Mile End and Globe Town	113	63	64%	36%	176
MLW Millwall	32	46	41%	59%	78
SDS St. Dunstons and Stepney Green	58	67	46%	54%	125
SHD Shadwell	47	44	52%	48%	91
SKW St. Katherine's and Wapping	50	36	58%	42%	86
SPB Spitalfields and Banglatown	63	86	42%	58%	149
WHI Whitechapel	106	110	49%	51%	216
WVR Weavers	118	74	61%	39%	192
Total	1064	1041	51%	49%	2105

3.6 The data demonstrates that there is an approximate 60% to 40% split of residential to street environment ASB complaints over the recoding period, with Weavers and Whitechapel having the most complaints.

3.7 When examining the noise data, complaints have been recorded in relation to residential, commercial and street. It is the residential and street noise which of interest in relation to the PRS sector. The complaints recorded re from 2012/13 and 2013/14 (end October). Around 76% of the complaints can be attributed to residences with 7% on the street.

Table Eight: 2012/13 Noise complaints by location

2012/2013					
Ward	Commercial	Residential	Street	TOTAL	% Residential
BBB Bromley by Bow	13	239	12	264	91%
BCT Blackwall and Cubitt Town	47	193	23	263	73%
BGN Bethnal Green North	52	321	17	390	82%
BGS Bethnal Green South	25	259	17	301	86%
BWE Bow East	39	251	25	315	80%
BWW Bow West	51	245	15	311	79%
EIL East India and Lansbury	32	183	14	229	80%
LMH Limehouse	36	234	25	295	79%

MEE Mile End East	29	203	19	251	81%
MGT Mile End and Globe Town	27	196	13	236	83%
MLW Millwall	74	178	26	278	64%
SDS St. Dunstans and Stepney Green	38	200	18	256	78%
SHD Shadwell	38	222	13	273	81%
SKW St. Katherine's and Wapping	36	178	25	239	74%
SPB Spitalfields and Banglatown	99	242	30	371	65%
WHI Whitechapel	79	293	26	398	74%
WVR Weavers	80	401	47	528	76%
TOTAL	795	4038	365	5198	78%

Table Nine: 201/14 (end October) Noise complaints by location

2013/2014					
Ward	Commercial	Residential	Street	TOTAL	% Residential
BBB Bromley by Bow	10	154	5	169	91%
BCT Blackwall and Cubitt Town	46	103	9	158	65%
BGN Bethnal Green North	47	227	17	291	78%
BGS Bethnal Green South	34	148	16	198	75%
BWE Bow East	141	152	28	321	47%
BWW Bow West	31	161	20	212	76%
EIL East India and Lansbury	42	126	8	176	72%
LMH Limehouse	42	248	23	313	79%
MEE Mile End East	33	121	10	164	74%
MGT Mile End and Globe Town	19	183	11	213	86%
MLW Millwall	75	144	14	233	62%
SDS St. Dunstans and Stepney Green	27	130	13	170	76%
SHD Shadwell	25	143	2	170	84%
SKW St. Katherine's and Wapping	28	116	11	155	75%
SPB Spitalfields and Banglatown	72	163	27	262	62%
WHI Whitechapel	64	199	16	279	71%
WVR Weavers	66	332	39	437	76%
TOTAL	802	2850	269	3921	73%

- 3.8 The following wards have the highest number of residential complaints from noise: Weavers, Bethnal Green North Whitechapel and Limehouse.

PRS Housing Complaints and actions

- 3.9 The Councils Health and Housing Team also receive complaints direct from the private rented tenants concerning their housing conditions. The following table identifies the number of complaints over a 5 year period.

Table Ten: PRS complaints by ward 2010 – 2014(End December)

	2010-2011	2011-2012	2012-2013	2013-2014	Total
BBB Bromley by Bow	39	34	40	31	144
BCT Blackwall and Cubitt Town	36	46	47	56	185
BGN Bethnal Green North	22	19	26	22	89
BGS Bethnal Green South	31	27	23	25	106
BWE Bow East	37	25	44	38	144
BWW Bow West	33	27	59	54	173
EIL East India and Lansbury	6	15	46	40	107
LMH Limehouse	33	25	40	33	131
MEE Mile End East	35	25	60	46	166
MGT Mile End and Globe Town	39	20	33	36	128
MLW Millwall	32	30	66	46	174
SDS St. Dunstons and Stepney Green	9	16	44	43	112
SHD Shadwell	40	25	40	30	135
SKW St. Katherine's and Wapping	4	7	17	20	48
SPB Spitalfields and Banglatown	35	23	30	23	111
WHI Whitechapel	48	33	49	52	182
WVR Weavers	16	19	27	27	89
TOTAL	495	416	691	622	2224

3.10 The Health and Housing Team also carrying out housing standard inspections in relation to the complaints to ensure that landlords undertake relevant repairs to ensure that the property is fit for habitation.

Table Eleven: Number of PRS Housing inspections undertaken by Ward

	2010-11	2011-12	2012-13	2013-14	Total
BBB Bromley by Bow	25	11	2	6	44
BCT Blackwall and Cubitt Town	4	4	3	25	36
BGN Bethnal Green North	22	17	22	5	66
BGS Bethnal Green South	13	24	38	14	89
BWE Bow East	45	29	29	12	115
BWW Bow West	41	37	44	27	149
EIL East India and Lansbury	9	4	4	12	29
LMH Limehouse	4	1	9	7	21
MEE Mile End East	30	5	7	20	62
MGT Mile End and Globe Town	5	11	17	25	58
MLW Millwall	15	5	3	17	40
SDS St. Dunstons and Stepney Green		3	22	41	64

SHD Shadwell	25	29	27	18	99
SKW St. Katherine's and Wapping	3	3	6	7	19
SPB Spitalfields and Banglatown	25	24	49	10	108
WHI Whitechapel	72	71	61	44	248
WVR Weavers	35	17	33	11	96
TOTAL	373	295	376	301	1345

3.11 In addition the Health and Housing Team undertake enforcement action by serving notices under the Housing Act to enforce repairs to be undertaken.

Table Twelve: Number of enforcement actions undertaken in the PRS

	2010-11	2011-12	2012-13	2013-14	Total
BBB Bromley by Bow	9	24	4	2	39
BCT Blackwall and Cubitt Town	4	5	2	3	14
BGN Bethnal Green North	16	6	2	2	26
BGS Bethnal Green South	25	2	11	11	49
BWE Bow East	10	46	12	5	73
BWW Bow West	16	52	27	25	120
EIL East India and Lansbury	3	1			4
LMH Limehouse	8	2	1		11
MEE Mile End East	18	10	5	2	35
MGT Mile End and Globe Town	49	9	1	2	61
MLW Millwall	12	7		3	22
SDS St. Dunstons and Stepney Green	6	4	2	14	26
SHD Shadwell	18	4	4		26
SKW St. Katherine's and Wapping	5		1		6
SPB Spitalfields and Banglatown	9	3	1		13
WHI Whitechapel	26	8	5	2	41
WVR Weavers	17	2	7	6	32
TOTAL	251	185	85	77	598

3.12 The following numbers of mandatory houses in multiple occupation licences have been granted.

Table Thirteen: Mandatory licences issued

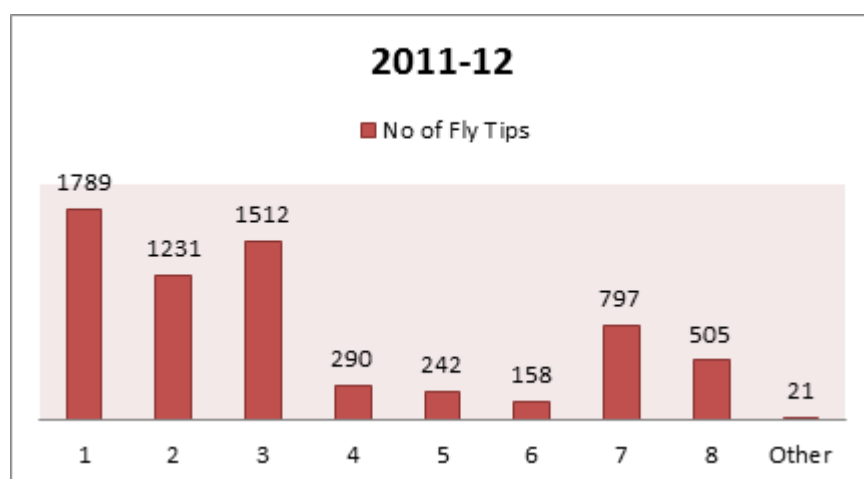
	2010-11	2011-12	2012-13	2013-14
BBB Bromley by Bow			2	1
BCT Blackwall and Cubitt Town	2	4	6	3
BGS Bethnal Green South		4	1	
BGN Bethnal Green North	2		6	4
BWE Bow East			4	3

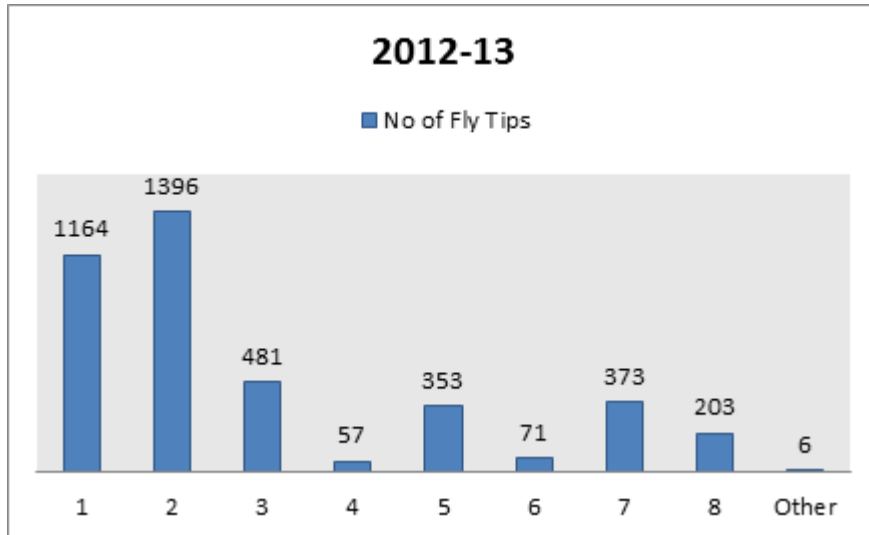
BWW Bow West	2	6	7	6
EIL East India and Lansbury			2	2
LMH Limehouse		3		
MEE Mile End East	2		1	1
MGT Mile End and Globe Town			2	1
MLW Millwall	3	6	8	4
SDS St. Dunstons and Stepney Green	5	2	5	4
SHD Shadwell	1	1	2	1
SKW St. Katherine's and Wapping	10	1	1	
SPB Spitalfields and Banglatown	2	2	5	3
WHI Whitechapel		7	6	5
WVR Weavers		3	3	2
	29	39	61	40

4 The amount of fly tipped materials collected

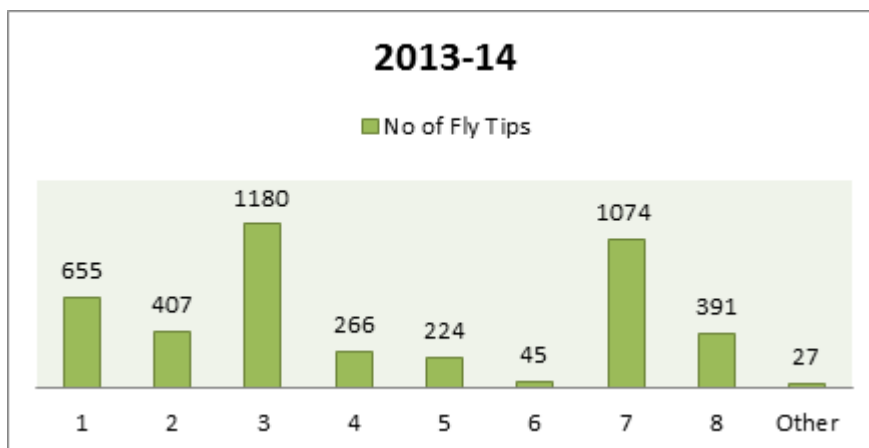
- 4.1 Fly tipped materials has historically been linked to the PRS, with new residents moving into an area and with those leaving have no formal waste removal processes in place.
- 4.2 Local Authorities report their enforcement activities in relation to fly tipping and litter to DEFRA via a reporting mechanism called Fly capture.

Table 14: Fly capture data compared by LAP and number of fly tips





For 2013/14 – monitoring period is April to January 2014



4.3 The following LAPS stand out as being problematic for fly tips, 1, 2, 3, and 7.

The Head of Public realm has stated that there are substantial problems in Fieldgate Street and the surroundings roads and they receive regular complaints from residents regarding waste being dumped by private landlords. Veolia remove over 2.5 tonnes of fly tipped waste per day with the annual cost of disposal alone is £98,280.00. The waste mainly consists of household goods such as wardrobes, kitchen units, and renovation material.

5 Summary

5.1 The information outlined above does show that there is a potential link between ASB and PRS. It is proposed that once relevant wards are identified, a Housing consultancy is used to:

- 1) Carry out a limited street survey to identify residents views about ASB and linking it to the PRS
- 2) Prepare a report that will enable a consultation exercise to be undertaken in the relevant wards to determine all stakeholders' views.

5.2 Once this has been carried out, the matter will be brought back to Cabinet for final determination to whether to seek Secretary of States approval to introduce a Selective Licensing Scheme.

5.3 The following table has been produced to identify the top five priority ranking of each ward, from the parameters discussed in the report to support introducing 'selective licensing' in pilot wards. The wards are the pre 22nd May 2014 boundaries

Issue	W HI	S P B	W V R	ML W	BC T	SK W	BG S	B E	LM H	SD S	MG T	B W	BG N	ME E	EI L	S H D
% in PRS	2	4	-	1	3	5	-	-	-	-	-	-	-	-	-	-
Household with no dependent children	4	2	4	3	-	1	-	5	-	-	-	-	-	-	-	-
Council Tax 'churn' 4 changes in 2.5 years	3	4	5	1	2	-	-	-	-	-	-	-	-	-	-	-
ASB Complaints 2012/13	2	5	1	-	-	-	3	-	-	4	-	-	-	-	-	-
ASB Complaints 2013/14 (end Oct)	1	5	2	-	4	-	-	-	3	-	3	-	-	-	-	-
Noise Complaints 2012/13	2	4	1	-	-	-	-	-	-	-	-	5	3	-	-	-
Noise Complaints 2013/14 (end October)	5	-	1	-	-	-	-	2	3	-	-	-	4	-	-	-
PRS Complaints 2010-2014 (end dec)	2	-	-	3	1	-	-	-	-	-	-	4	-	5	-	-
No of PRS inspections 2010/14	1	4	-	-	-	-	-	3	-	-	-	2	-	-	-	5
Enforcement Actions 2010-2014 (end dec)	5	-	-	-	-	-	4	2	-	-	3	1	-	-	-	-
Fly Tipped Totals 2011- 2014 (end Jan)	1	2	-	-	-	-	2	-	3	1	-	-	-	-	3	-
Total parameters in the top 5	11	8	6	4	4	2	3	4	3	2	2	4	2	1	1	1

5.4 The analysis of the initial data suggested that the following areas that should be considered further for setting up pilot areas in relation to PRS licensing are:

- Whitechapel, Spitalfields and Banglatown, Weavers
- Millwall, Blackwall and Cubitt Town
- Bow East and Bow West

5.5 The estimated number of properties affected in the indicated pilot areas are detailed in the table below.

Ward	Properties	Percentage PRS	Estimated number of PRS
Whitechapel		44%	2,578
Spitalfields and Banglatown		41%	1,604
Weavers		31%	1,741
Millwall		50%	5,370
Blackwall and Cubitt Town		43%	3,697
Bow East		31%	2,062
Bow West		28%	1,399

5.6 An estimated 18,451 properties could be affected by a PRS licensing scheme.