

**WESTMINSTER HOUSING COMMISSION**

**MEETING 4  
24<sup>th</sup> MAY – HOUSE OF LORDS  
MINUTES**

---

**ATTENDANCE**

**The Commission**

Richard Best	Chair	RB
Natalie Elphicke	Joint Head of Affordable Housing Group, Denton Wilde Sapte Solicitors	NE
Cllr Angela Harvey	Cabinet Member for Housing, Westminster City Council	AH
Kelvin MacDonald	Director of Policy and Research, Royal Town Planning Institute	KM
Nick Raynsford, MP		NR
John Socha	Vice Chairman, National Landlords Association	JSocha
Jeremy Swain	Chief Executive, Thames Reach Bondway	JS
Anu Vedi	Chief Executive, Genesis Housing Group	AV
Mike Youkee	Head of Housing Initiatives, Quintain Estates and Development plc	MY
Sir George Young, MP		GY
David Lunts	Director of Policy and Partnerships, Greater London Authority	DL

**Apologies**

Kate Barker  
Sarah-Jane Curtis  
Sir John Egan  
Sir Terry Farrell  
Prof Chris Hamnett

**Panel Members**

Chris Cobbold	DTZ	CC
Elizabeth Austerberry	DTZ	EA
Marc Vlessing	Pocket	MV
Vivian Rosser	Assettrust	VR
John Lewis	English Partnerships	JL
Kate Davies	Notting Hill Housing	KD

**RB** highlighted the importance of this session in terms of the Housing Commission's work. The "middle group" –i.e those who are unlikely to get any social housing but who cannot afford to buy on the market- is particularly important and particularly disadvantaged by living in such an expensive part of the world. Though the private rented sector is extremely large (36%), it still may not satisfy peoples' needs for more than a temporary period. This "intermediate" group, which gets "priced out", considering the importance it has for the City, may require special attention.

***Chris Cobbold & Elizabeth Austerberry, DTZ Pbeda***

**Key themes covered:**

- 1) What is the Westminster housing market?
  - i) Westminster "is not an island" –there are a range of housing choices
  - ii) Westminster is a city on the move: huge in-commuting, outflow, in-migration, high private rented sector turnover
- 2) What is the intermediate market potential in Westminster?
  - i) Covering target market
  - ii) current provision
- 3) Policy implications
  - i) In terms of Key Workers: they are choosing to live elsewhere
  - ii) It is not diversifying the patterns of households
  - iii) It is not helping families
  - iv) It is not doing much to free up social housing
- 4) Models for development

EA illustrated the Westminster context in terms of the possible target groups and described products that would fit each group

***Marc Vlessing, Pocket***

MV introduced the product developed by Pocket:

- Concentrates only on smaller infill sites in boroughs, such as Westminster, where the average developer would try and build below the formal housing threshold and, as a consequence, the borough would not get affordable housing on those sites.
- Mainly targeted at single people and couples, which also seems to be where the greatest demand comes from.
- £150k (a lot less than the example given by DTZ of £280k).
- Aimed at people on salaries of £25-£30k. These units are sold through a 106 agreement and unlike shared equity products, remain affordable in perpetuity.

MV cited a potential development at Frampton St in Westminster, as an example of Pocket's product:

- 13 1-bed flats (40m<sup>2</sup> each) at £150k (compared to the £240k borough average)

MV concluded with the following suggestions for Westminster to consider:

- Westminster should set absolute targets for the provision of intermediate housing
- There is no current policy about intermediate provision: Westminster should create a presumption in favour of intermediate housing on sites that are not suitable for family units and should define priorities in mixed use developments between employment use and affordable housing.
- The greatest demand in London for key worker housing comes from singles and childless couples: Westminster should therefore encourage intermediate housing developments geared toward this end of the market. This is also an area where the private rented sector can play an important role.
- Research suggests that many key workers are suspicious of shared ownership. It is perceived as poor value for money. The emphasis should therefore be on developing intermediate market solutions through small developments that can be bought outright (giving people the sense of ownership they want) and the definition / eligibility criteria for intermediate housing should be widened, in order to include more of the people who create more balanced and mixed communities.

### ***Vivian Rosser, Assettrust***

The presentation covered characteristics of the intermediate market (shared ownership) and Assettrust's shared ownership offering.

Intermediate market (shared ownership)

- Historically small market, little performance data
- Rapidly growing demand : gulf between income and open market values
- Now a prime first time buyer product
- Traditional product 25%-50% shares too expensive
- Homebuy and Key Worker living products don't enfranchise enough people
- In Westminster, 24-44 age group moving out

Shared ownership offering

- Shares from 12 ½% (current average 35%)
- Fix rents on unsold equity for 3 years (and fixed rate mortgage)
- Service charge subsidies at outset
- No restrictions by the developer on client group – Council decides who can use nominations to release rented homes.
- Low cash deposits – costs compare well with market renting
- Retain people in Westminster – mid salary staff identified by employers

### ***John Lewis, English Partnerships***

Presented EPs "First Time Buyers Initiative".

- A shared equity product
  - ⇒ Minimum buyer equity share=50%
    - Buyer equity share=3 or 3.5 x income guideline
    - Buyers cannot choose to acquire a lower share
  - ⇒ Buyers can acquire more equity from EP (minimum 10% tranches)
- Buyers pay charges to EP on un-purchased equity

- ⇒ 0% for the first 3 years
- ⇒ Stepped up from 1% in year 4 to 3% in year 6

- Delivered nationally as part of DCLG HomeBuy

#### Target group:

- Lower-middle income group (£25k pa)
- Stable incomes with growth prospects
- Not currently a homeowner
- Currently in rented accommodation or temporary housing
- 50:50 key workers:other groups

#### Delivery channels:

- EP current programme
  - ⇒ c5,000 – 6,000 homes nationally
- Surplus public sector land
  - ⇒ c3,000 homes nationally
- Private sector schemes
  - ⇒ c6,000 homes nationally

### ***Kate Davies, Notting Hill Housing***

#### ***Shared ownership is no longer Low Cost***

- £200,000 flat
  - 75% share - £43,000 p.a.
  - 50% share - £29,000 p.a.
  - 25% share - £24,000 p.a.
  - 10% share - £20,000 p.a.

#### ***Market rented housing***

AST (rolling)  
Opportunity to own  
Can take homeless people  
Move on from social housing

#### What Local Authorities Can Do

Intermediate Housing Strategy  
Planning  
Land  
Database/ Market Research

## Q&A session

**GY** referred to figures produced by DTZ: 17,000 people can afford market rent and would like to buy but cannot afford to. **GY** asked **CC** what the logic was behind the imperative of enabling these people, who can afford market rent, to buy. He pointed out that if this section were taken out, the intermediate market would be much smaller. He then addressed **MV** with two questions:

- 1) The products offered by Pocket are sold to those on salaries of £25k p.a. What is to stop someone on this salary offering a market price by getting the extra money from other sources (e.g. family ) therefore ensuring that the difference between market value and value offered by Pocket, disappears?
- 2) Why are there so many difficulties with the planners?

**MV** responded to the first question by arguing that the price of the flats will be capped by virtue of the fact that they can only be sold to key workers whose household income is of below X. This means that in perpetuity the prices will always be at a discount to the local market. Although it is possible to bid up the unit price, he did not believe that this could occur in reality. The discount will be entrenched in the mechanism.

In response to the planning question, **MV** stated that the overwhelming majority of the boroughs have a disjointed attitude and approach to intermediate housing.

**CC** responded to **GY**'s question by saying that those in the private rented sector who are able to afford market rents but cannot afford to buy, actually could afford to buy outside of Westminster. Additionally, a large proportion is happy to rent in view of returning to their country of residence, for example. If this is the area to intervene in, then there has to be a robust rationale about why those who could buy elsewhere should be helped. The essential point is: why subsidise people who are able to buy somewhere else in London?

**RB** added that in somewhere like York, housing can be provided without huge subsidies to meet the needs of these people in the middle ground. These do not want to rent in the private market but they have to and are "stuck". Achieving this in Westminster was a very different matter.

**DL** asked **MV** what the commercial driver was that prevented Pocket from just building on the open market. If Pocket was not constrained by planning policy or not chasing subsidy, why not build small units and sell them for what it can?

**MV** responded by saying that he was constrained by planning policy: those 13-14 one-bed flats could not be built without a 106 agreement that required them being affordable to a certain target group.

**RB** added that Pocket schemes were not providing any social rented housing but rather, they were reaching the intermediate market.

**MV** responded that in commercial terms, he was making as much money on this scheme as he would if he had built 9 private dwellings. The only increased risk is

the sales risk: 13 units need to be sold with a restriction on them and to a new market. This is more difficult than selling on the open market.

**DL** asked how the price was determined.

**MV** responded that this was something which was determined with the planning and housing officers based upon the London Plan and the UDP's affordability criteria. He added that Pocket had their own policies in-house: sites will be developed only if they can deliver a unit which is 20% cheaper than the local market, and that can be afforded by those on salaries between £20k-£30k

**NR** made an observation of what the presentations have shown. Namely, that there is a very considerable scope for meeting a range of different needs with different products. He made three additional points:

First, he referred to KD's point regarding the rigid rules relating to key workers and mentioned the importance of greater flexibility. Second, he mentioned the dead weight costs of subsidy where some recipients could have paid their own way; and he pointed out that it is wrong to assume that housing for the intermediate market can be achieved without subsidy. Third, he highlighted the importance of targeting the right people, so that the right product can be found for individual needs. He added that this area was what has been done poorly in the past.

The key question is: how can we be better at marketing and understanding the market? Also, given that Westminster is central to London, is it wrong for a significant portion of people to find their housing solution away from Westminster? Should we be thinking of Westminster's contribution within the wider London context or should we be reinforcing the "silo" mentality, which states that this is a problem that WM has to address?

**NR's** view was that Westminster should be seen in the wider context. He added that a certain amount of movement is a good thing provided that Westminster does not become only populated by the very rich and the very poor, and the people in the middle are forced to leave.

**MY** addressed two issues. The first was in relation to the Pocket model: **MY** mentioned PPS3 which gives LAs power to specify the size of affordable housing and the private market sector, and he added that Government no longer accepts that "low cost market" is an affordable housing product. Given the size of the units offered by Pocket and the fact that they are probably defined as "low cost market housing", **MY** commented on the fact that this may result in problems in the future with planners.

The second issue was addressed to **JL**: the first time buyer initiative demonstrated a carrot and sticks approach. The structure of the initiative implied a positive encouragement through increasing housing costs for people to staircase up and move on.

**NR** pointed out that this approach was sensible for those who have a prospect of increasing income and not for those who buy on the market and are on a fixed salary

and who will not be able to deal with escalating cost. He reiterated that it is the differentiation between different market sectors that is so important. i.e getting the “right fit”, and not offering people a product that they cannot cope with a few years down the line.

**JL** picked up on MY’s point and agreed that this was about capturing future value in terms of reinvesting into further supply. He stressed that it was about attracting funds from financial institutions. If this were seen as a “third tenure” the private sector could start investing in it, for the long term.

**MV** went back to the issue of low cost market. He stressed that when entering negotiations with the boroughs, it is pointed out that this will be entrenched within a 106 agreement and therefore it is intermediate, affordable housing. He highlighted a distinction to be made between this legally bound affordable housing and just low cost market housing. MV added that the issue on flat size was worrying. He mentioned work being done by David Levit on behalf of GLA: intermediate housing does need to be ring-fenced, protected on this issue of flat sizes. MV supported minimum sizes and decency standards but added that prescribing too heavily would mean killing the market.

**AH** asked the panel members to comment on provision of family homes: Westminster would like to attract and retain families and the Council had an over-supply of studio and one-bed flats. Referring to the Pocket models, which are mainly targeted to singles and couples, AH asked whether Pocket was thinking of developing some schemes into this area.

**MV** responded that this was impossible to do without subsidy. If you have more than 15% of the development skewed towards two or three-bedroom flats, the affordability argument is lost.

**VR** reiterated that Assettrust are investors, not developers –they do not buy land and build. Therefore, they would be looking to the supplier, which is working through the planning system. He pointed out the value issue in Westminster and highlighted the fact that even with low equity shares to start off with, family housing is by nature going to be very expensive.

**RB** asked **JL** what proportion of the 15,000 English Partnership shared ownership homes by 2010 would be for families.

**JL** responded that no percentage had been set, and that the offer was for first-time buyers –defined in the way that the market perceives them to be. This meant that the focus was mainly on small units. JL added that in terms of percentages, the regional housing boards criteria would advise on where the investment should be made. However, JL stressed that the first time buyer initiative was not really positioned for family housing because it would seem that this type of housing tends to need more long term shared ownership. There seems to be no product that offers this.

**KD** thought that family housing in Westminster was not realistic unless you were very wealthy. She added that finding a cheaper borough to meet this need was not

hard. Social housing is the only way that poorer families can live in Westminster. Most families probably prefer to have more space than is available here. She added that helping first-time buyers buy the small units could mean that if prices kept going up the way they have been, buyers may eventually be able to buy a family home in the borough. However, coming straight into home ownership with a 3-bed need would probably be out of the question.

**AV** made an observation on the Housing and Regeneration Review, and the opportunity to extract better value out of public subsidy, from the £3b that the Housing Corporation was giving out. There is a big potential in terms of creating, or getting better value out of public subsidy and sustaining communities, particularly in terms of larger units.

He then asked CC for clarification on figures in the presentation given by DTZ: referring to the fact that 1 in 3 people are in the PRS and 1 in 10 people actually live and work in Westminster, he asked what the household turnover was and what the trend has been (excluding student housing).

**CC** responded that turnover was particularly high in the private rented sector (PRS). Patterns of migration, which are associated with the PRS, suggest that these are very much linked to life stages: the influx is mainly constituted by people in the 20-35 age group, who are attracted to the kind of lifestyle in central London, and are willing to share a property. In terms of out-movement, there is a slight bias toward an older group: people wanting to get on the property ladder and therefore move out. CC added that another major element of turnover is constituted by international migration. But whereas we have numbers of those moving in, we know very little about people moving out of the UK. CC concluded by stating that mobility in the social rented sector and within the owner-occupier sector was considerably less – especially in the former.

**AH** pointed out that the population churn in WM was of about 25% a year.

**NR** asked whether the definition that has been used covers leaseholders. He highlighted that there was a segment of the population that was not churning fast: these are the owner-occupiers. He warned against the risk of stereotyping the PRS by seeing it only as a high turnover sector, while in fact there are parts that certainly aren't.

**NE** picked up on NR's question regarding leaseholders. She highlighted the important role that leaseholders can play, and the benefits of franchiseable long leasehold which had been an important part of mobility of ownership and had in fact provided intermediate market solutions in other parts of the country. She was interested as to whether there had been any exploration into the possible benefits of long leasehold as an option, or whether shared ownership was seen as the best way forward.

**RB** mentioned the large landlords meeting, which was held on May 23<sup>rd</sup> at Grosvenor. He highlighted that there are about 12,000 homes that are included in the private rented category, which are just flats that were sold. Those with long leaseholds should be classified as in the owner-occupier sector.

**CC** mentioned that the source of household type data is the 2001 Census: individual leaseholders may classify themselves as owner-occupiers and he thought that the 36% did not include leaseholders.

**NR** pointed out that the problem was augmented by the technical legal language that describes long leaseholders as tenants.

**RB** thought that the 36% did include leaseholders.

**NE:** Leasehold is an important type of tenure for housing families because it is quite a flexible product in terms of lease and the ability to negotiate. Overall, it is an important part of the overall legal avenues that we have for creating a more flexible market.

**GY** raised the issue, touched upon by CC and KD, around persuading and encouraging existing social tenants to move on. He asked the extent to which portable discounts were a relevant policy for this. And if so, how would you have a policy that was targeted to what was needed and didn't have too much dead weight?

**CC** responded that portable discounts did have a role. You can put a value on the value of each freed up unit of social housing and you can tailor the discount to reflect something of that value. Subsequently, you can strike a balance in value for money terms between that and how much is given.

**GY** asked whether you could put a value on a re-let social unit.

**KD** responded it was around £50k. She mentioned past cash incentive schemes (CIS / TIS), and felt that it would be a very good government investment to do more of these schemes. Recycled capital grant could be very significant. She pointed out that the turnover in stock is less than 3% -illustrating that people are not moving out without an incentive. A portable discount is not only an incentive to move out, but also makes home ownership more affordable. At the moment, social homebuy gives people a discount if they buy 100% of £16k, and 50%, £8k and so on: this is what could be negotiated through an estate agent when buying on the open market, therefore it didn't seem very attractive. If however, discounts of £30k, £40k or £50k worth of were given, there would be much more take-up because the attraction of Right to Buy was precisely the size of the discount. KD mentioned Steve Wilcox's research: if 30% of the value were discounted, it would be neutral for the Treasury. So if the current arrangement represents a lower discount, it would not be value for money.

**RB** asked Rosemary Westbrook (RW), Director of Housing at Westminster City Council, to explain the scheme which the Council has adopted to pay people who wish to leave.

**RW** responded that the scheme equated to what KD had illustrated: the payment for releasing a 3-bed and above family unit was £50k. The payments for 1 and 2 beds are of £20k and £30k. There is a premium for family-sized units.

**NR** asked if this was just a financial offer or whether it also was something along the lines of what KD described as an “advisory service”, designed to help people think about ways to buy. Conversely, if people were just going to take the money, how would they be able to find alternative accommodation?

**RW** clarified that though there is advice around the cash incentive scheme, it is not of the specific kind that KD described. Essentially, it is simply a cash payment that allows someone to buy a property. RW pointed out that some people take the money when they have already made the decision to move out of London.

**GY** asked if it’s fully subscribed and RW responded that it helps with the supply figures, to help push the emphasis towards more family units, because this is where the major pressures are.

**NR** questioned whether not looking into individual circumstances and advising people on how to use their discount meant having a lot of dead weight: ie, giving money to people who were going to leave anyway.

**RB** responded that you will never know, but what is known is that the place is worth 350k for example, and for £50k you can get it now, instead of perhaps in 25 years time.

**NR** reiterated his earlier point: given that there are a wide range of different products which have different subsidy requirements, the issue is to ensure that products are tailored to the right groups, because otherwise there will be a dead weight, and this would translate into not maximising opportunity.

**RW** responded that what the Council is looking at, is the cost of providing additional supply. The equation made is the input of grant into providing a new social housing, rented unit –a three or four bed- and it’s more than double a £50k payment.

**NR** pointed out that if a £35k subsidy was discovered to be enough to achieve a level of turnover for the kind of re-let needed, adding £50k was not going to give the value for money which would be achieved by subsidising at 35k, instead of £50k.

**RW** said that the move of the subsidy at that level has been in response to the fact that the Council was not getting enough larger properties coming forward: it wasn’t meeting the value people were looking for.

**MV** referred to the point raised by NR and responded that one real way to incentivise people on council housing estates to move out, would be to look at the opportunity to build intermediate housing on vacant land on their estates. He added that Pocket had done this for the Corporation of London and identified 120 flats on 12 estates. By building this product on their estate, it gives people a route to move out.

**DL** responded to this by pointing out that in his earlier discussion, MV had said that buyers were not willing to be part of social housing schemes: is this a different market?

**MV** cited Peabody's estates as an example and said that building on such estates would be well received.

**KM** stated that in a way it seemed that planning was working because we were getting products that we wouldn't be getting without use of planning powers. He stated his support for a more articulated policy which dealt with the intermediate market in planning terms and asked how planners could be persuaded that this is a valid response to an identified need which they must build in their thinking. KM asked MV whether he thought that on the national level, policy was sufficient.

**MV** responded that it didn't appear that planners were interested in national policy, because they implement local policy. He added that we need stronger regional planning in relation to the intermediate market, to direct local boroughs and manage the process effectively. He cited a range of international examples of where this works effectively and added that he welcomed the Mayor being able to call in smaller schemes and hold the boroughs to account.

**DL** said that planning needed to be more assertive in setting standards, aspirations and targets for the intermediate market but he added that if more assertive planning powers were granted to the Mayor, they are unlikely to apply to the very small sites. He addressed MV and JL with two questions:

- 1) Though Pocket models focus on small in-fill sites, is there a substantial potential demand and market in larger sites too, such as large commercial sites?
- 2) In terms of private investment markets, could REITs help or hinder financing in the market?

**MV** responded that it probably wasn't realistic to argue that larger sites capable of generating great numbers of social housing, should be focused on to provide intermediate housing because boroughs had a statutory duty to house the homeless.

***The private rented sector session followed.***

## Private rented sector Q&A session

### Panel Members

Simon Loomes	The Portman Estate	SL
David Aarons	Central Suburban Properties	DA
Jacky Peacock	Brent Private Tenants Rights Group	JP
Robert Miller	University of London	RM
Alan Collett	Allsop	AC

The panel members introduced themselves.

**RB** reiterated the issue that came up in the previous session around whether the 36% figure is in fact distorted because it may include a lot of leasehold property – whereas elsewhere equivalent accommodation would be regarded as owner-occupation. He invited SL to give some thoughts on the sector.

**SL** introduced the work of Portman Estates and raised a number of points. He explained that Portman is bringing back properties on assured shorthold tenancies (ASTs), to keep control of the stock: long leasehold properties were being refurbished and let on ASTs Portman Estate wanted to protect commercial mix, as opposed to sticking to residential. And he said that receipts from enfranchisement were back to their capital program.

**NR** asked SL who Portman Estates was catering for.

**SL** responded that the average rent was £18k p.a. Flats are let to very few families though there are family units. SL added that generally, people stay for two years and then move to other jobs. They spend very little time in the properties and professionals are often funded by the companies they work for. Refurbished properties are let quickly, whereas the older stock is more difficult to let. 1/3 of the tenants are on HB. Wealthier tenants are generally older.

**GY** asked whether Portman Estates would let at lower rates, in exchange for more medium to long-term guaranteed income.

**SL** responded that there would be an issue with managing the behaviour of some tenants.

**RB** asked DA to introduce his company and the work they did.

**DA:** Central Suburban Properties manages 300 units, 100 of which are in Westminster. The average rent is charged at £100 plus per week. He explained that HB is unattractive to landlords because it involves too much risk He felt the process is not well managed and is generally inefficient: this is because it tallies once a year, causing problems with arrears, which in turn generates more risk. He also raised the Issue regarding the behaviour of tenants and the risk that tenants may damage the property.

**DA** added that a lump sum payment for 5 years might be attractive. He also mentioned the 2004 Housing Act and the space standards that the Council is adopting: landlords are evicting tenants on low rents so they can convert the rooms and re-let them at a higher rate. There is an issue around pushing room standards too hard (e.g. requiring 110-130 sq ft, which represents a change from 5 years ago)

**Jake Mathias**, Private Sector and Energy Manager at WCC, clarified that there was a period of grace for those who refurbished their properties under the previous standards.

**SL** said that Georgian buildings often could not meet the required room standards or energy ratings.

**NR**: there are other options aside from double-glazing

**JP** introduced the work of Brent Private Tenants' Rights Group. The organisation gives support for smaller landlords who may only have one property and do not know how to behave as landlord; it gives support for people coming into work. She raised two additional key points:

- Many properties aimed at homeless households or secured for rent deposit schemes are former Local Authority properties
- Often landlords who accept rent deposits are not good landlords. Tenants would rather go down the homelessness route to get greater security.

**NE** asked whether longer ASTs would be acceptable

**SL** responded that there would be no problem with this.

**DA** said that 6 months was a sensible period.

**RB** asked **RM** to give an over-arching perspective on student population and how things were working out in terms of accommodation

**RM** gave the following overview:

- 18% of students are in halls of residence
- 46% are in the private rented sector.
  - ⇒ The vast majority of these rent with their friends under ASTs
  - ⇒ A small number are lodgers

**RM** added that with the advent of the Buy-to-Let phenomenon, the number of landlords on registration schemes had increased (now up to 5,000, which represents a big increase).

The average rent paid is £90-£100 per week in zone 2, and between £130-£140 in zone 1. The university encourages students to live further out, as the majority who live in zone 2 tend to generally be more satisfied. Landlords who own properties further out, need to work harder. The average journey time is 30-40 minutes.

**RM** illustrated other characteristics of the student population: firstly, students tend to live in smaller groups than they used to. Furthermore, expectations are changing: parents are more involved, and there is less stigma attached to students seeking a tenancy.

Mention of UNITE options: these provide high quality choices but are very expensive.

The University of London guarantees a place in the halls of residence (in the centre) for first year students and there is an issue of being able to manage expectations when they then move out to a private accommodation elsewhere.

**RB** asked AC to conclude with some thoughts

**AC** gave an “investor” angle and highlighted the following points. Firstly, AC pointed out that landlords want to maximise returns. Secondly, AC added that landlords need options: if investors were offered a 5-year lease, this would translate into capital becoming illiquid –therefore losing flexibility. Thirdly, however, voids are the single biggest cost.

Further two points were raised: the first one was regarding HMOs: in response to the Housing Act, landlords will reduce the number of people in properties, but tenants will sublet. The second point related to HB: in a high value area, accepting tenants on HB was not worth the trouble because this would mean taking away yield.

AC concluded by citing an example of one of Allsop’s clients, Shell, and stated that the average age of people letting is falling together with household size.

***The Commissioners’ closed session followed***