

A portrait of aspirant homeowners in London

LSE London report with Pocket Living and Metropolitan Workshop - March 2020

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Why this research?

The challenge of housing affordability in London is now one of the top concerns of politicians and public alike. While the issue most obviously affects those on very low incomes, middle-income households are also priced out of the market—especially if they aspire to own their own homes. The nominal cost of buying an average home in the capital has risen by more than 600% in the last 15 years, while the proportion of homeowners has fallen from 57% to 51% (the lowest in the country). Crucial workers such as teachers, chefs and doctors but also accountants and creatives for London’s thriving industries who do not manage to buy homes in the capital may simply move elsewhere, diluting the capital’s skills base and weakening its communities and productivity.

Pocket Living caters almost exclusively for this market, providing affordable (defined as 80% of market price) new housing for first-time buyers in London. Most of its buyers and prospective buyers come from London’s enormous pool of young employed singles and couples. Now sharing flats or living with their parents, they long to buy their own homes. Their experience has much to tell us about the life of renters in the capital and what they hope to find in a long-term home.

This research was conducted by LSE London, a research unit at the London School of Economics, and Metropolitan Workshop architects, together with Pocket Living (who funded the project). The aim was to better understand the housing careers and aspirations of the young Londoners who underpin the economy of our city in order to inform the housing debate and ensure that this crucial demographic is not forgotten.

In July 2019, researchers surveyed individuals who had registered their interest in a Pocket home. The link to an online questionnaire was sent to 14,096 people, of whom 925 responded (6.6% response rate). We also hosted a focus group at the London School of Economics in September 2019. Given the range of expertise in the research team, we probed both social science questions (demographic, financial and economic factors) as well as aspects of design.

This report presents our main findings about

- the housing aspirations of young London professionals
- the factors that influence their housing choices
- the housing journeys of young Londoners before they buy a home

What we know already

The affordability crisis in London has fundamentally been generated by the failure over decades to build sufficient homes for a growing population in the capital. As the most global city in the UK, London is an attractive destination for students, entrepreneurs and graduates. For decades the capital has experienced large inflows of young people, both from elsewhere in the UK and from abroad.

Figure 1 shows a strong net inflow of people in their twenties (indeed, mostly under 25). Historically this inflow has been offset by outflows of older households, often families. However, since the mid-2000s the pattern has changed somewhat, with outflows from London slowing. Because of these changes in internal migration and increased international flows (at least until recently), overall population has risen rapidly. Partly as a result, homes for younger working households are far less available - and more costly - than before the financial crisis.

The high price of housing in London has constrained people’s ability to form independent households. In particular there has been a fall in the proportion of young people living alone, and an even bigger rise in the proportion of young people sharing with other adults - up by more than a quarter in the decade from 2001 to 2011 (Table 1). The 2021 census is expected to show a continuation of this trend.

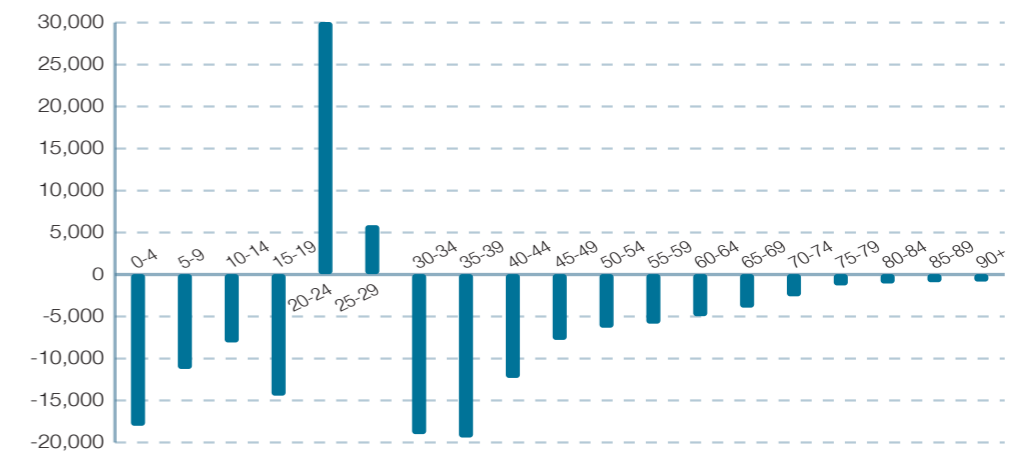


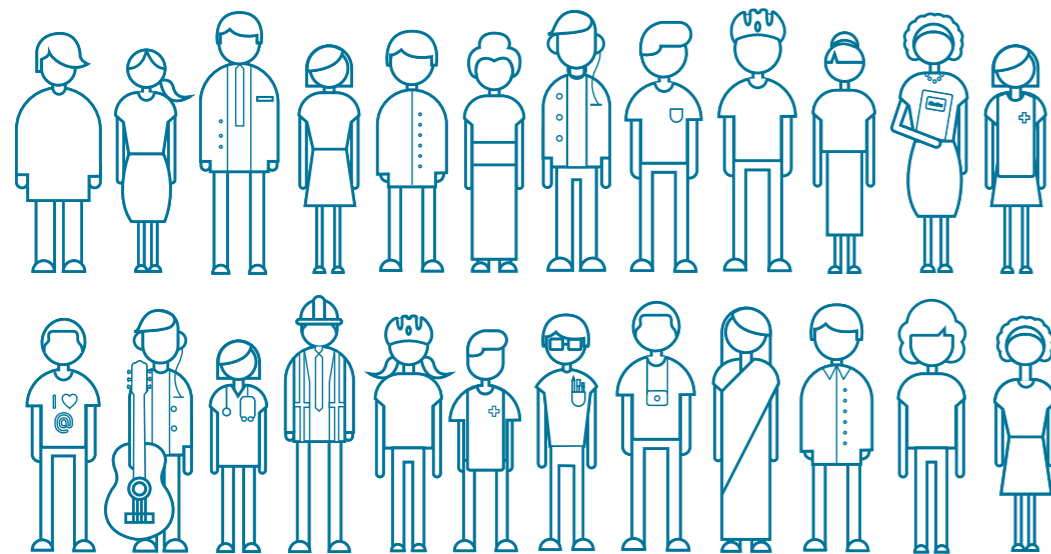
Figure 1 - Net Internal migration flows to London by age group 2018 Source: ONS 2019

Household Type	2001	2011	Change	Percent change
Single living alone	225,978	202,525	-23,453	-10%
Single living in multi-adult household	130,315	166,588	36,273	+28%

Table 1 - Housing situation 2001 - 2011 Source: ONS 2011, 2016

Who are the aspirant homeowners?

This study investigates an important and under-researched cohort of prospective first-time buyers in London. While the sample is not representative of all such buyers (respondents are taken from the single source of those registered for a Pocket Living home), it is rare to have primary data from such a cohort. The respondents in this report are mostly young, childless, employed people on professional salaries, who aspire to get on the housing ladder.



Where they came from and where they live now: Embracing the urban

Respondents ranged from life-long Londoners to those who came from the other side of the globe. About a third of the respondents grew up in London (30%), with 35% coming from elsewhere in the UK. Some 17% were from another EU country and 13% had grown up outside the EU. Compared to London's population as a whole, those born in the EU are overrepresented in this sample (17%, vs 11% of London's population as a whole¹) and non-UK, non-EU nationals are underrepresented (13% in this sample, vs 25% of London's population as a whole).

Pocket is currently most active in six of London's 33 boroughs (Ealing, Southwark, Haringey, Redbridge, Croydon and Barking), and has completed schemes in 12 other boroughs. We expected to find higher concentrations of registrants in boroughs with existing or planned schemes, with a smattering even in boroughs without a Pocket presence (perhaps because they are working elsewhere or hope that Pocket will come to their borough), and this was indeed the pattern. The local authorities most represented were Southwark (9%), Haringey (9%), Wandsworth (8%), Hackney (7%) and Lambeth (7%), all boroughs where Pocket is, or has been, active. This is clearly a group that values urban life: respondents were more likely to live in inner London (57%) than outer (39%), with only a small minority (4%) currently living outside the capital. By contrast, 47% of London's overall population aged 21-40 lives in outer London².

Our survey provides a unique window into first-time buyers' housing journeys in London, which we illustrate using direct quotes from respondents.³ Our respondents are concentrated in inner London and recognised that they were fortunate to live centrally. Asked what they liked about their homes, dozens responded with the single word 'location.' Indeed, location and accessibility were the features most often mentioned.



“ (I like the fact that it's a 2 minute walk to the train station, close to Tesco and Sainsbury's. ”

“ It is in a good location, less than ten minutes walk from two different stations. ”



The typical respondent:

Young, single, female

Three quarters of respondents were aged between 20 and 39 years old, and 62% were women. Although Pocket registration is open to both single people and couples, the former dominated: 73% were single. This profile reflects the characteristics of the Pocket offer: most flats are standard 38m² one-beds. The annex gives details of eligibility for purchasing a Pocket home.

There was a small minority of respondents in their 50s and a couple were older still. One 50-something focus-group participant, who was in the process of buying his first home, said he was hugely relieved to finally become a homeowner as he couldn't afford to rent his current home after he retired.



“ Mainly shared housing with at least 3 housemates. Moved a lot in the first 5 years but found a place in a good area with cheap rent and nice people to live with but it's now feeling like a student house despite us being in our 30s and 40s. (female, 34, single) ”

Employment

Pocket registrants know they will have to service a mortgage on a new home, so it is not surprising to find that 87% of survey respondents were in full-time employment and a further 6% were self-employed. Almost all (97%) worked in London. On the whole the respondents were well established: the median time working in London was seven years, and a few said they had been working in the capital for 20 years.

The median time working in London is 7 years and at least half have lived in more than 3 properties



Our survey did not ask respondents to specify their profession but did ask what sector they worked in. In the early 2000s, it was public-sector workers who were seen to be in need of intermediate housing—especially ‘key workers’ such as nurses, teachers and police officers (Llewellyn Davies et al 2003). In our survey just over half the respondents (55%) worked in the private sector, with 10% in the not-for-profit sector. Some 29% worked in the public sector, about double the proportion of public-sector workers in the capital overall at 14% (ONS 2019b). The survey thus hints at the continuing problem of housing affordability for public-sector employees but equally suggests that the original 1990s definition of ‘key workers’ may have been too restrictive.

The household income limit for a Pocket home is set by the GLA in the Annual Monitoring Report and is £90,000/year, but the average income of a Pocket buyer is closer to £42,000/year. On average our respondents earned much less—more than three quarters had individual pre-tax incomes of below £50,000, and 35% earned between £30,001 and £40,000. Those who were married or in a civil partnership on average had slightly higher individual incomes than single people (Figure 2).

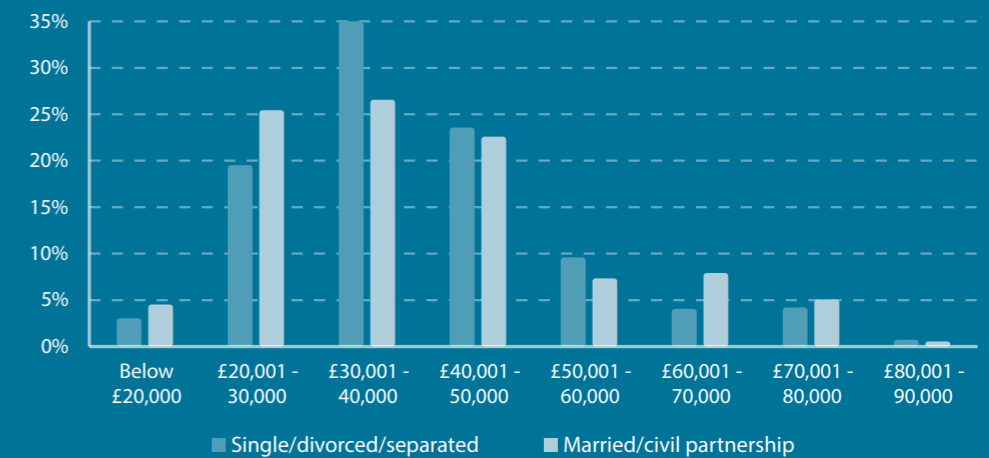


Figure 2: Respondents' individual incomes by marital status

First-time buyers' finances: Researching, saving, planning...

As well as having the country's highest house prices, London has its highest rents, as shown in the amounts respondents were paying (Figure 3). Even though about half the respondents were living in shared accommodation the median rent payment was £700 per month, and a few people reported paying more than £1700.

Those participants who were able to live in the family home usually spent significantly less on housing than those renting. Of the 164 respondents who lived with their parents, about a quarter did not report paying any rent; including those living rent-free, more than three-quarters paid £400 or less per month. The median rent payment for those living at home was about £175/month.

The internationally accepted rule of thumb is that housing to be considered affordable should cost a third or less of household income (although the Mayor of London's guidelines say that 40% is acceptable). By either definition most of our sample could afford their current rent, with 68% saying that their housing costs accounted for a third or less of their take-home pay. Those who lived alone paid the most: 48% of respondents living in a flat or house by themselves said they spent more than a third of their income on rent, while those living with partners or in shared houses tended to devote a smaller share.

Respondents living in inner boroughs (City of London, Lewisham) tended to pay slightly more rent than those living in outer boroughs (Bromley, Bexley).

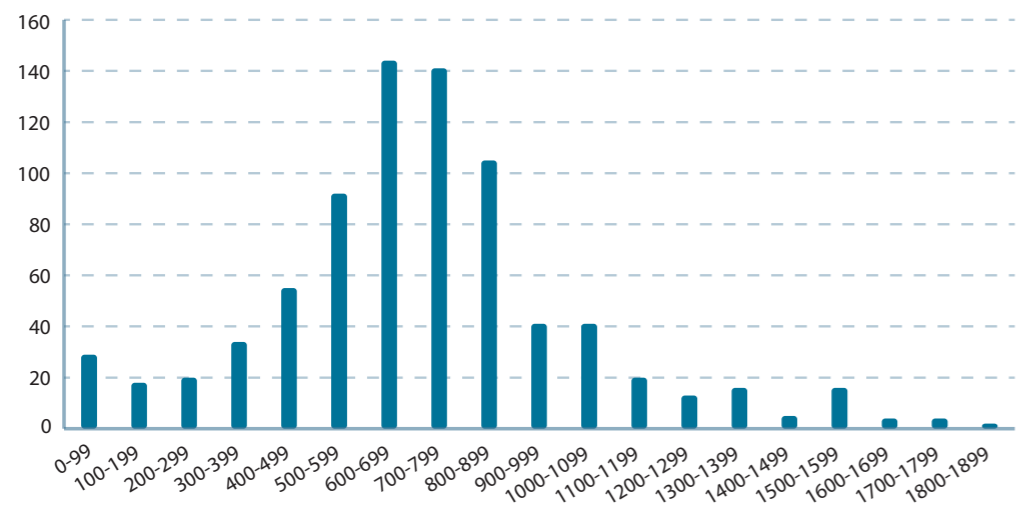


Figure 3: Distribution of monthly individual rents (£)



... and hopefully buying

90% of respondents said they were actively saving to purchase a property. The median period they had been saving was four years, but some respondents had been saving for up to 15. People in most income brackets saved between 10% and 20% of their take-home pay (Figure 4) but a significant minority saved more, with about a fifth saying they were able to save more than a third of their take-home pay. Those living with parents could save considerably more than others, with 44% saying they put aside more than 30% of their take-home pay.

41% of respondents said they were making regular sacrifices in order to save for a home. A fifth said that if after five years they had not managed to buy, they would give up on their dream of home ownership—but 39% said they would not do so under any circumstances.

Respondents thought it would take about three years to save enough for a deposit, and their savings target was generally set at £25,000-£30,000. This is only about a quarter of the average down payment of a first-time buyer in London, which was £148,800 in 2019 (GLA 2019). Asked how they would fund their deposit, 28% said they would use savings only, while 26% expected to use a combination of regular savings and Help to Buy. About a fifth expected to count on help from their parents in addition.

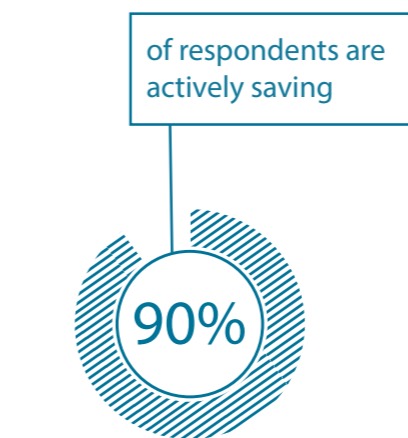
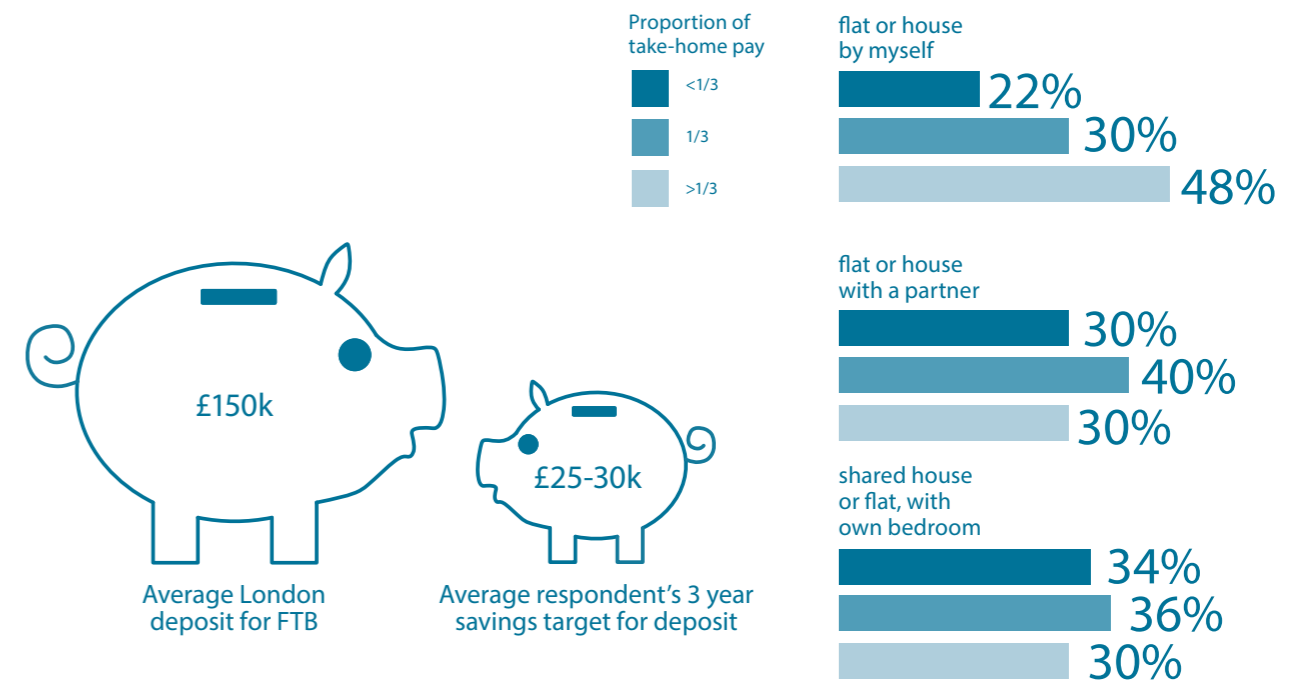


Figure 4: Living situations and rent as % of take-home pay:



What aspirant homeowners want in a home:

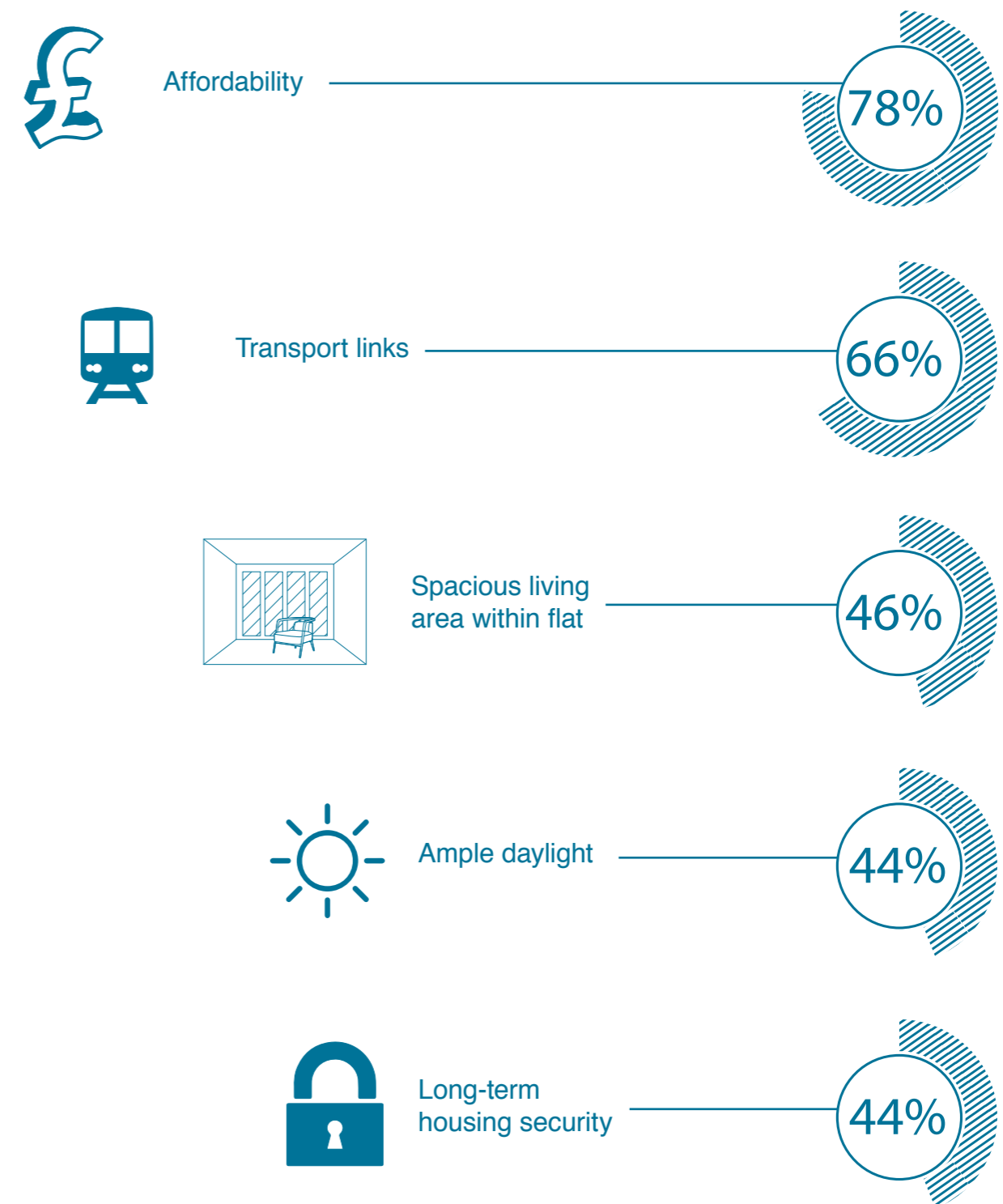
Affordable accessibility

Our survey asked people which factors they considered important when choosing a new home. The survey listed 22 criteria related to design, price and location. The one most often picked was 'affordability', which 78% of respondents said was very important; this was followed by 'transport links' (66%) and at some distance 'spacious living area' (46%). This is consistent with recent LSE London research into residents of high-density housing in London (a broadly similar demographic), which showed that transport and price were the two most important factors they considered in choosing where to live (Scanlon et al 2018). These considerations—transport links, affordability and space—are also in line with findings of other research into the priorities of first-time buyers (see for example Palframan et al 2018).

Affordability was the single most important criterion for our sample—unsurprising, given that they had all registered interest in an affordable-housing scheme. According to the Office for National Statistics, London was the least affordable region for prospective first-time buyers. In 2017, prospective FTBs in their 20s could expect to spend 13 times their earnings buying a property in the capital, compared with 5.5 times in the North East. The average lower-quartile price for all dwellings across the capital as a whole in March 2019 was £354,050, and for flats and maisonettes was £315,000. These numbers are higher in inner London, where most of our sample live and want to stay.

Transport links were the second most important factor—meaning, for most, accessibility to public transport, as 59% of respondents said they used the tube for all or part of their journey to work. A further 22% cycled (some combining the bike with public transport). About two-thirds said their commute took between 30 and 60 minutes (in line with the London average of 46 minutes, according to the Department for Transport [2019]), and 46% spent over £100 per month on commuting.

Top 5 'very important' factors when choosing a home:



Spacious living

'Spacious living area within flat' was the factor third most likely to be identified as very important. The importance accorded to spacious rooms reflects many respondents' less-than-satisfactory experience in their current homes: 60% said their bedrooms and other private spaces were too small, and 21% said they had to store some of their possessions elsewhere (often at their family home or with friends).

To get an idea of how much space respondents have in their current accommodation, we asked them what items of furniture fit in their bedrooms, as we thought few would be able to provide figures for floor areas. Most bedrooms could accommodate at least two items of furniture apart from the bed, but some were too small for even a single additional piece.

In our focus group, participants discussed the lack of space in their current homes. Some said they were forced to ruthlessly limit possessions because of space considerations.

“ Because I don't have a lot of space, I don't buy much. I always ask myself, do I need it? Can I store it? ”

are storing possessions with family and friends

21%

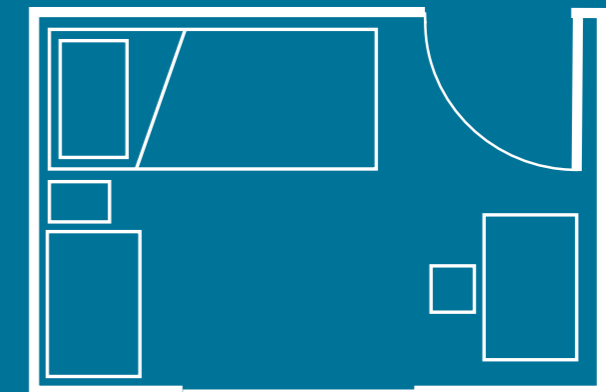


Many respondents living in shared homes had less than 10m² of private space

as well as a bed many respondents can only fit two items of furniture in their room

Typical respondent bedroom sizes

6 m² single bedroom

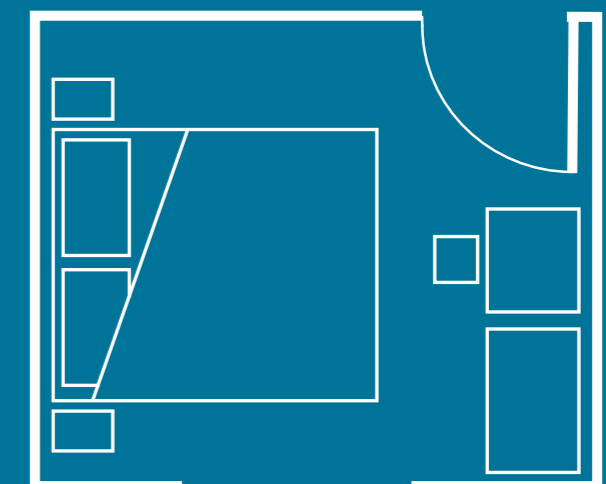


Minimum sizes of bedrooms in new homes: national standard

Single = 7.5m² min.

Double = 11.5m² min.

10 m² double bedroom



Creating a feeling of space: An architect's view

A sense of space can be achieved by designing a little extra width to the apartment entrance hallway and allowing a view upon entering through to an external window. Full-height windows are a cost-effective way of admitting extra daylight to make rooms feel more spacious.

An open plan kitchen, dining and living space can help apartments feel bigger. Apartment layouts of traditional cellular rooms often lead to corridors which are better omitted and the area given over to living spaces.

The clever design of storage is important. As a practice we try to design homes with slightly more storage than the statutory minimum if we can. In particular, utility cupboards and storage areas should be big enough to be useful. A cluttered home with nowhere to store the vacuum cleaner and suitcases will feel small.

Residential developers do not generally build homes larger than the statutory minimum area and minimum ceiling heights to promote density and allow their homes to be affordable. While areas can serve as an indicator of space, poor design of this space can reduce usable area. Given that many respondents are living in single rooms in buildings that weren't designed for sharers, a purpose-built and well-designed smaller flat can be a huge step forward.

Attitudes to other housing options: How much do social spaces matter?

Our respondents seemed to have taken a mental step towards home ownership and showed little interest in long term rental options, even those targeted specifically at young professionals. Only 28% said they would definitely consider a purpose-designed rental flat (build to rent) and 6% would consider co-living. There was also a lukewarm feeling about shared ownership, perhaps reflecting its hybrid legal status, the cost of the rental element, and lack of clarity about the distribution of responsibilities between shared owners, landlords (usually housing associations) and building managers (Cowan et al 2015).

London's current housing policy supports the development of purpose-built private rental blocks, which are seen to offer higher quality and better management than traditional buy-to-let. Few of our respondents had personal experience with the build-to-rent offer: despite their growing profile there are still relatively few schemes in London. Operators of bespoke build-to-rent developments see shared social space as a powerful marketing tool: build-to-rent operators and co-living schemes offer rooftop gardens, co-working spaces, dining and food-preparation rooms, cinemas and residents' cafes, all shared. But having access to shared social space did not rank high for our sample, with only 5% saying 'high-quality shared social space' was an important thing they looked for in a home. Partly because of the provision of these facilities, monthly rents in build-to-rent blocks tend to be higher than buy-to-let rents (Scanlon et al 2018). This may lessen their appeal for our respondents, who were prioritising saving for a deposit.

Although shared social spaces were not a priority for respondents, this does not mean they reject neighbourliness. Asked whether they would take part in Pocket-organised community activities, more than 80% of respondents said they would possibly or definitely be interested; just 2% rejected the idea. This suggests a willingness to engage in community-building activities, further evidenced by high attendance at events that Pocket organises for soon-to-be residents in their developments.



“ The best I've heard about shared ownership is 'meh' and the worst is 'don't ever do it'. ”

“ I'd like to buy a place outright but don't have enough deposit and to get shared ownership means still paying rent - I can't afford either on my average salary. ”



Aspirant homeowners' housing journeys: Sharing, moving and compromising

Moving to a Pocket home would be a step change in most respondents' housing situation, as fewer than a third of them were living in separate households (that is, in a home alone or with a partner). Almost half were sharing a private rented house or flat—usually with two or three other people, though a few shared with more than five—or lodging with unrelated people, even into their 40s (Figure 5).

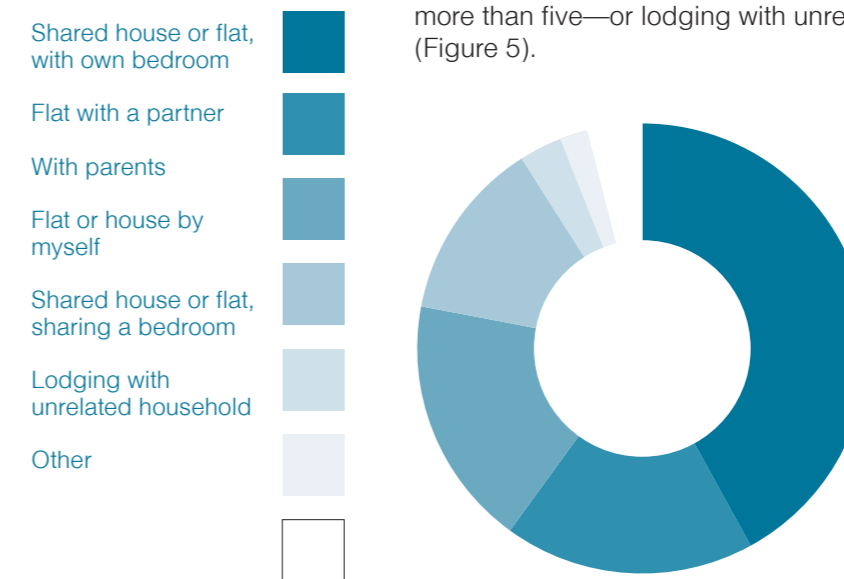


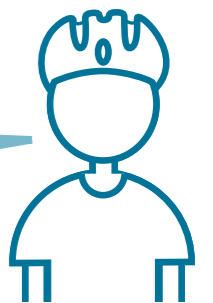
Figure 5: Current living situations

Sometimes these sharing arrangements blossomed into real friendships, but many said they disliked sharing their homes, especially with people they didn't previously know.



“ Mainly shared housing with at least 3 housemates. Moved a lot in the first 5 years but found a place in a good area with cheap rent and nice people to live with but it's now feeling like a student house despite us being in our 30s and 40s. (female, 34, single) ”

“ I have lived in rented accommodation, sharing with other people. At least 3 of these properties I chose to move out of because sharing with people that I would not otherwise choose as friends had a significant impact on my mental health. ”



Possibly related to the fact that they were sharing accommodation, many said their flats, bedrooms or kitchens were too small. There were complaints about the layout of rented properties (especially the lack of communal space), and the quality of furniture or décor.



“ There isn't enough kitchen storage space, only 1 personal cupboard per person which is too little. There is space for more cupboards but the landlord isn't interested in installing them. Some rooms aren't that big, don't have shelves and the overall storage space isn't that big. Better/cleverer storage would be nicer. I don't like not having underbed storage. I wish we could ask the landlord to store furniture we don't need. Even though desks and a chair were provided for each room, there isn't really space for them as we've all brought chests of drawers. The desks and chairs now take up space in the living room. ”

“ The living room has been cannibalised for another bedroom so unless you hang out in the kitchen it's a bit soulless. ”



of living rooms in shared rental accommodation have been converted into bedrooms*



* Ellson 2019

Some 18% of respondents were still living with their parents (a common choice in London for those able to do so). This was more frequent amongst younger people—29% of respondents in their 20s lived in the parental home—but a few were doing so even in their 40s. Respondents who lived in the family home were grateful they could do so, saying it allowed them to save money, but at the same time resented the feeling of dependency it created and felt aggrieved that even as adult professionals they could not afford to live independently. Some had moved into independent accommodation but later returned to their parents' home when affordability became a problem.



“ I'm stuck here for work, (designer) I'm 30 and I live in my mum's box room. I can't save quickly and I can't afford market rent. ”

“ I am 27 and currently live in my mum's (housing association) house sharing a room with my sister. It's shameful that I am living this way at this age. I can't afford to rent at the moment and save for a home. ”



Just over half of those living with their parents said they paid some rent, but for some there was one clear benefit to living at home:



“ It's free :) ”

Currently about half of London dwellings are houses or bungalows, and a substantial proportion of the city's flats are conversions. 58% of respondents either live in houses or are in conversions that were originally built as houses. Only about a third of respondents live in purpose-built blocks of flats. While this reflects the profile of London's housing stock, which is dominated by streets of Victorian and Edwardian terraced and semi-detached homes, it does indicate that most are housed in buildings that weren't designed for multiple occupation. This continual subdivision of older houses is not new but it is the primary rental option for so many young Londoners and for much longer than they ever anticipated.

Apart from those living with parents, our survey sample were almost all renters, with a large majority renting from a private landlord (88%). Private-sector tenancies offer limited tenure security, and respondents' residential histories have often involved regular (often unwanted) moves. The median length of stay in their current home was only about two years. On average respondents had already lived in three properties in London, but some said they had lived in more than ten different properties. Because of too-frequent moves and landlords' restrictions, many respondents said their rented flats didn't feel like proper homes. Some added that they felt like they hadn't really grown up.

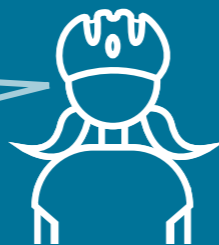


Median length of stay in rental home



“ (My journey so far has been) 2 years in one freezing leaking house with 2 friends, with a very bad landlord who wouldn't fix anything; 8 months in an otherwise very nice flat with a terrible damp problem; 2 months in a house-share that the landlord abruptly took back to move into herself; 1 year in a very nice flat with 3 friends; 3 years in a very nice house-share flat with 2 friends and partner, but impossible to get anything fixed ”

“ It's been terrible. Constantly renting and moving from one place to another. The longest I've lived in one place is just under 3 years. This is due to work commitments but also because of issues that have arisen with either the landlords or the housemates. I've never had anywhere I could call home or felt that I wanted to make a home. It's all just so temporary. ”



“ (My journey so far has been) Dalston in 1999, then Barnes, Balham, Colliers Wood, Blackheath, Kilburn, Bloomsbury, Clapham Junction (male, 45, single) ”

Many respondents described poor conditions in the properties they rented, and/or said they were dissatisfied with the service they received from private landlords and agents. They talked about poor responsiveness on repairs and high fees. On the other hand, a few said they loved their current landlords.



“ High rents, steep landlord charges, tiny rooms, damp, awful neighbours, dreadful sound proofing, weed smoke in the communal areas, litter dumping in communal areas. ”

“ Water leaks through the ceiling when it rains (landlord never fixes properly), small, poorly insulated (freezing in winter, boiling summer), damp and mould issues, no taps in bath so can only use it as a shower, not allowed to put anything on the walls (including posters!), top up meters which make gas incredibly expensive - can only afford to put heating on for two hours max in the winter. ”



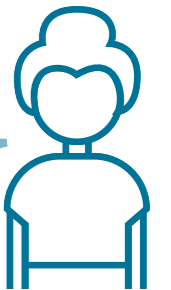
“ My landlord is lovely and the house is a great size with a garden. ”

Tenants often felt they were throwing money away by paying rent, and said it would be cheaper to make monthly payments on a mortgage—if only they could scrape enough for a deposit. Many felt a strong sense of unfairness, saying they had studied and worked hard and become successful in their professional lives, but even so they couldn't get on the housing ladder in London.



“ (I've) paid more than £106,000 in rent. Can't save for a deposit to buy anywhere, despite having worked the whole time I've been in London and earning an above-average wage. ”

“ Have always lived in shared accommodation renting a room as unable to afford renting a whole property. Even now as a qualified accountant working in the field I have to keep living in shared accommodation if I am to have any hope of one day managing to put a deposit together for a property. Especially as a single applicant. I feel hopeless. (female, 36) ”



“ Rent, rent and rent! Extortionate rents! ”

Are young Londoners committed to *this* city?

Asked where they would like to be living in the future, most respondents wanted to stay in London at least for the medium term. Looking ahead five years, the group hoped to remain in the capital, with 57% preferring inner London and 28% preferring outer. Interestingly, the desire to live in inner London was more pronounced among older respondents than younger ones.

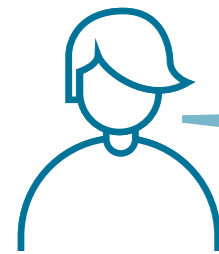
Over the longer term (10 years) more saw themselves away from London, but still nearly two-thirds said they would prefer to stay: the main change was that fewer said they wanted still to live in inner London in ten years' time. As for long-distance moves, only 5% of respondents wanted to move abroad in five years' time but 15% were attracted by this option when looking 10 years ahead.

How realistic are these aspirations? Our focus group participants were well aware of the challenges.

“ Will I ever own a home? With the rent I pay, I can't save much—it would take me 40 years to save enough. ”



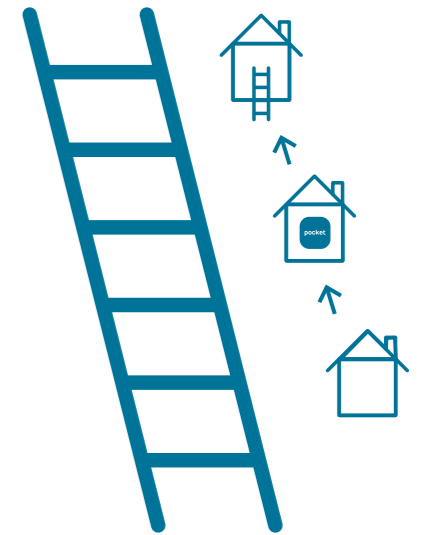
Some saw moving overseas (or at least buying overseas) as an alternative to London's high prices.



“ I'll live in London as long as I can as a renter and save to buy abroad. It's my only option at the moment to be honest. ”

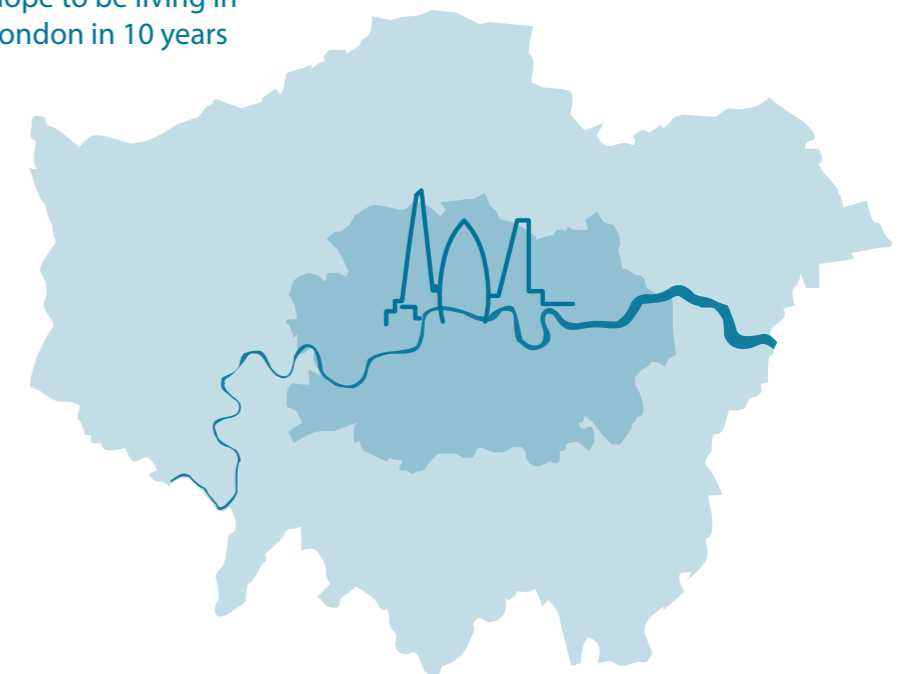
Our respondents generally saw a Pocket purchase as a stepping stone into owner occupation rather than a permanent lifetime home. The highest proportion said they expected to stay between three and six years in a Pocket home; only about 13% said they planned to stay for more than ten.

The highest proportion of respondents expect to stay in Pocket home between 3 and 6 years



85% Hope to be living in London in 5 years

62% Hope to be living in London in 10 years



Conclusions

This study gives unique insight into an important and under-researched cohort: prospective first-time buyers in the capital. We need to know about their needs and experiences if cities like London, New York and San Francisco are to thrive. The survey provides the most nuanced and detailed picture available of how prospective homeowners in the capital live now, and how they wish to live.

The research casts light on the compromises people make to be in London. Many live in poor-quality flats or houses, sharing with other adults (not always friends or even people they like) well into adulthood. Since 2001, there has been a 28% increase in single adults living in multi-adult households. Their homes are cramped—many sharers have less than 10m² of private space, and 60% say their private spaces are too small. They are expensive, with a median rent of £700 per person for a room in a shared house. Respondents didn't expect to rent as long as they have — the average is 7 years but some have rented for up to 20 years.

Not all our respondents are poorly housed in physical terms—some live in comfortable homes in accessible neighbourhoods. But regardless of the quality of the dwelling, these young Londoners find long-term renting unsatisfactory: they lead peripatetic lives, keeping possessions in bags under the bed and negotiating the use of communal space, moving not when they decide to but rather when it suits their housemates or their landlords.

What are the alternatives? These households would not qualify for social housing, nor would most of them expect it. The nascent Build to Rent sector offers well-designed flats with tenure security and professional management and can work well for those who are happy to be tenants, but rents are generally higher than local buy-to-let properties, making it harder for prospective home buyers to save for a deposit. Co-living suits a younger age group but offers even less space than shared flats.

These alternatives hold little appeal for our respondents. They do not want to be secure tenants; they want to be London homeowners. However there is a mismatch between their aspirations and the housing on offer. They would buy in Zone 3 or 4, but even in these areas house prices are well beyond their means. 90% of our respondents are actively saving, but the gap between the average deposit for first-time buyers in London (£149,000) and what they expect to save (£30,000) is enormous. Without help of some kind—eg through Help to Buy and/or affordable schemes like Pocket—they fear they will never be able to purchase in the capital.

They do have choices. They could move beyond London's boundaries and commute; they could leave the area entirely. They have chosen to remain in the city, many sharing or living with parents in to their 30s or even 40s to save for a deposit. Some will of course manage to acquire a Pocket home or buy a shared-ownership flat; a few may find their circumstances transformed by an unexpected inheritance. But many—perhaps most—will eventually have to choose between renting into the long term or moving out of the neighbourhoods where they now live, and possibly out of London entirely. The choice is particularly stark for those hoping to buy on a single income, like most of our respondents. It is notable that our sample was dominated by single women, who made up only 8% of first-time buyers in the country in 2015/16 (vs 18% for single men). The gender aspects of demand for intermediate housing could be worth exploring further.

Does it matter that these people can't afford to buy homes in the capital? After all, everyone's choices are constrained by their resources, and ordering and illuminating our choices is one of the functions of a market. But market forces alone may not generate the best outcomes for our communities and the city as a whole. Those individuals who are able to purchase affordable homes clearly benefit: they can leave behind the insecurity of renting and put down roots. As important, society at large benefits from having young people and middle-income people living in urban centres. It supports the economy: London needs workers like teachers and police officers, chefs and nurses in order to function as a city. It also fosters genuinely mixed communities rather than an unbalanced combination of the very rich and the very poor, it enables the growth of creative and business clusters, and allows urban workers to live low-carbon, sustainable lifestyles. All these are good for the whole community. All of London stands to lose if we cannot help those most committed to making their lives here to meet their housing aspirations.

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Endnotes

1. LSE London analysis of GLA Datastore figures on country of birth of Londoners, from 2011 Census
2. LSE London analysis of GLA Datastore figures on age of Londoners by year, from 2011 Census
3. Unless otherwise indicated, quotes are from free-text responses to the survey questions, 'Please tell us something about your housing journey in London so far'; 'What do you like about your current home?' and 'What do you dislike about your current home?'

Annex: Who qualifies for a Pocket home

Pocket's allocation criteria reflect the official definitions of affordable housing from the National Planning Policy Framework (MHCLG 2019b) and the requirements of local authorities. To qualify as NPPF-compliant affordable housing, the homes must go to households with local connections and with incomes under a certain ceiling; they must also carry a discount of at least 20% as compared to market prices or rents. Anyone may register interest with Pocket, but to qualify for a home, individuals must either live or work in London. While registrations are accepted from individuals living anywhere in the capital, Pocket's agreements with the boroughs where it develops stipulate that buyers can only purchase homes in the borough where they currently live, or where they work. The GLA provides debt funding to Pocket to underwrite land acquisition from its affordable-homes fund. Pocket is not active in every borough.

Both single people and couples can register, although singles are always prioritised over couples in the allocation process. Registrants must be 'first-time buyers' (that is, they can't own any other property when they apply) and have a household income of under £90,000 (the ceiling for eligibility for affordable housing under the 2019 draft London Plan). The average income of a Pocket buyer is much lower, at £40,000. Help to Buy is available on some schemes.

Buyers are not permitted to resell within the first year, and when they do sell the property on they must find a buyer who meets the same eligibility criteria. All Pocket schemes are car-free, and the homes do not provide individual gardens.



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