

FUTURE HOUSING IN THE OLYMPIC SITE

October 2005

Right in line with 1992 Barcelona's "regeneration Games" and the environmental and sustainable 2000 Olympics in Sydney, London 2012 bidders stated these Olympic Games would be a "catalyst for delivering sustainable communities and affordable homes to transform east London" and a world wide best practice in the "regeneration of an entire community for the direct benefit of everyone who lives there"¹. In other words, the Olympics Games would be the very perfect event the area – widely described as poor, derelict, repulsive and dangerous – has been waiting for. And convinced IOC members have given them to the Lower Lea Valley.

Officially, they will speed up the regeneration and leave behind great sporting facilities, thousands of new homes – many of them affordable, for local people, better transport connections, permanent jobs, new schools, family health services and other community facilities, as well as a new large park, all of this with great consultation and involvement of local communities². This looks positive for housing as many new homes will be built. But what kind of homes will they be? Who will benefit of this major transformation of the housing landscape? Will local people have their word? Will they be able to live and remain in the area?

DERELICT? DEPRIVED?

The area is one of the most deprived of the country, according to 2004 Indices of Deprivation. Newham is the poorest borough in London. In the 137,310-inhabitants³ Inner Impact Zone⁴, unemployment goes up to 11.4% (as compared to 6.5% in London and 5% in England), 34.7% of people have no qualifications and the population is much younger than the average. This explains why issues around education, training, employment and youth facilities are

¹ London Candidate File, <http://www.london2012.com/en/news/publications/Candidatefile>

² London Development Agency (LDA) website, www.lda.gov.uk

³ Unless other indication, figures come from the report made by the JPAT on the Olympic Planning Applications. The JPAT (Joint Planning Authorities Team) gathers the four planning authorities concerned with the Olympics and was created to process the Planning Applications. The report can be found on their website, <http://www.olympicsjpat.org.uk/>

⁴ The Inner Impact Zone gathers the 12 wards with territory in or adjacent to the "Lower Lea Valley Masterplan Area" as defined in the Olympic Application. This Masterplan Area includes the Olympic Site but extends also towards the south to the Thames.

important in the regeneration and frequently outlined in Olympics-related documents. Whether these facilities and training will happen and employment will actually be for local people is not guaranteed so far and will be something to look at carefully in the years to come. But it is already worth noticing that, although 44.3% of the population are “white British”, which means more than the half is not, and some 100 different languages are spoken around the area, the issues around ethnic minorities, gathered under the expression BME (Black and Minority Ethnic), do not appear in the Olympic Application.

But although statistically there are high levels of deprivation, local residents and businesses in the area feel the official bid has permanently and unfairly labelled them. The bid team has permanently conveyed an image of derelict area⁵ – exaggerating the reality, think local activists. In fact, it is not only them who are contesting this dramatisation of the situation, it is also some figures that can be found in the Planning Application made by the London Development Agency at the beginning of 2004. Whereas the bid document is more of a promotional report, the planning application is the document through which the London Development Agency asked for permission to the relevant planning authorities, the four London boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest, to carry on with the developments linked with the Games. Therefore, it gives more details of what will be done in the area, what will be the consequences and the improvements brought. But this planning application, for which permission was given a year ago, does not set it all in stone. It will be followed by other applications on specific issues of the delivery.

The Development Specification Framework, the main document of the application, gives an insight at what is the actual land use in the Oly1⁶ site area, which is the Olympic site where the Legacy developments will take place. The site runs through the four boroughs. According to the data given in the document, 17.54 hectares (ha) of the total 236.79 ha of the area are described as “industrial and non industrial derelict”. This represents only 7.4% of the site. This figure is in contradiction to the widely-spread idea that the whole site is derelict and abandoned and that there is nothing going on there.

HOMES AFTER 2012, HOW MUCH AND WHERE?

The benefit for the community was one of the four main pillars of London’s bid. Amongst the “significant improvements” that will be brought to local people is housing, with the Olympic Village, a future “new, desirable and sustainable residential community”⁷, as a highlight.

When the legacy phase is over, hopefully around 2016, there will be 9,076 new units in the Olympic Zone. Considering that 150 units will be lost with the destruction of Clays Lane Estate, in Newham, the real housing gain will be 8,926 for the area. Legacy housing spreads as follows:

⁵ “The area is characterised by a large area of derelict industrial land”, LDA website

⁶ The Olympic applications are actually five different applications, named Oly1 to Oly5. Oly2 to 4 are for the construction and use of temporary coach drop-offs and parking, Oly5 for a permanent ramp in West Ham to improve access and Oly1 corresponds to the “facilities for the Olympic Games and Associated Events, Infrastructure and Permanent Legacy Uses within the Olympic Site” – Development Specification and Framework of the Olympic planning applications.

⁷ London Candidate File, <http://www.london2012.com/en/news/publications/Candidatefile>

	Hackney	Newham	Tower Hamlets	Total
New homes	49	8,108	919	9,076

The Olympic Village, altogether, will provide 4,317 new homes in Newham. Part of it will be built on the site of the current Clays Lane Estate and the rest, some 2,100 homes, will be actually located in Stratford City North and will therefore be part of this regeneration project as well.

WHAT TYPE OF HOMES?

The first table shows the mix of homes sizes in affordable and market housing for the Olympic area. The second one gives an insight at this mix for social and intermediate housing.

	Market housing	Affordable housing	All housing
1 bedroom	20%	20%	20%
2 bedrooms	44%	41%	42,5%
3 bedrooms	29%	23%	26%
4 bedrooms and more	7%	16%	11,5%
Total	100%	100%	100%

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 sides 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. There's a doubt that the mix as it is set will manage to offer an adequate solution to local people in housing needs.

	Affordable housing	Intermediate housing	Social housing	All housing
1 bedroom	20%	20%	20%	20%
2 bedrooms	41%	44%	40%	42,5%
3 bedrooms	23%	29%	20%	26%
4 bedrooms and more	16%	7%	20%	11,5%
Total	100%	100%	100%	100%

HOMES FOR WHOM?

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 planning documents when talking about housing, is very questionable. How much does it cost? Will it still be affordable in a few years as social housing rents are increasing faster than incomes?⁸ 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 carries the idea that it is homes for the lower incomes households – in fact, people frequently have the idea that affordable housing costs are those of Council housing today, which could not be less true.

Furthermore, in the Olympic site, this statement of 50% of all housing to 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 is not in favour of affordable housing. Secondly, planning permissions make it clear that in the area that will fall under Olympic application and Stratford City application, the last one, if granted, should apply. On housing, the Stratford City proposal is to achieve only 30% affordable housing. What will happen then after the Games when the time comes to change the Village into a local community? How much affordable housing will there be? If Stratford City application target of 30% apply, 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 as well. There is no doubt students need specific affordable housing, but by including it into the 50 % affordable housing, it eventually reduces even more the amount of homes actually accessible to 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”⁹. On every site an “open book” will be realised 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 housing as they state there is not enough funding for 50-50 developments.

MOVING PEOPLE OUT

To sum up, after the games, there will be indeed more housing. But there is concern that there will be less than 50% affordable housing overall. Intermediate might be oriented towards the lower part of 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.

⁸ On this issue of rent restructuring, read London Tenants Federation Newsletter, Issue 5, Summer 2005.

⁹ Olympic Planning Applications

In fact there is an important risk of seeing the most vulnerable families moving away from the area, as it has happened for example with the Games in Barcelona. Figures show that in every city that has held the Olympics recently, property values have increased dramatically¹⁰. In Barcelona, the so-called best model for Olympics urban regeneration, house prices rose 131 % in the 5 years before the event (83% for the whole country). In Athens, the increase was 63%, against 55% for Greece. Moreover, the rise of prices is even more important in the area where the Olympic Park is built, as Sydney's case shows: 50% across the city, 70% in the main Olympic site. Another characteristic is that there is a massive boost in houses prices before the event, not so much after. However, new housing will come after the games, not before, creating an important pressure on vulnerable groups in the meantime. According to Tim Crawford, group economist at Halifax, "homeowners in Hackney and Stratford could potentially reap similar benefits to other Olympic precincts over the longer term."¹¹ What about tenants?

All things put together, the regeneration might just lead to a change in the composition of the local communities, through a classic process of gentrification other Olympic cities – or any place holding big events – have experienced. The bid said the Olympics would be a one-in-a-life opportunity for the local community. This might prove true eventually: it just depends on what the local community looks like.

OLYMPIC PARTICIPATION

The Games are meant to lead a regeneration that is not only made for local people, but also with local people. Conversations with local people tend to suggest that this could not be more false. Officially, everyone supported the bid. However, those trying to challenge some issues of the bid, those raising concerns and worries, those wanting to actually discuss the bid, those not taking everything for granted have been ignored or strongly criticized.

In an event in the ICA in August¹², people living in the area explained that the campaigning for the Olympics has been felt by those interested in it as very aggressive and undemocratic, neglecting local communities. Supporting London 2012 has been presented as some kind of national duty, a mark of patriotism and anyone questioning it – which is far different than opposing it – would become, in a way, a traitor. In fact, many aspects were not even discussed, leaving apart lots of details very important for local life which will be broken, as shows *The Bid*, a documentary from Agitate Films on "the other side of the Olympic story"¹³, or Noemi Rodriguez's short film *All that glitters. No London 2012*¹⁴, a group of local citizens opposed to the Olympics in the Lower Lea Valley, feels that movements against Olympics have been ignored, prevented from getting media coverage and popular support, and eventually crushed. Even more, it seems negative information has been hidden.

The future destruction of Clays Lane Estate gives a good illustration of this. The estate is run by a cooperative, the second largest of its kind in Europe. It is frequently used for reinsertion of people in social life and local residents' feeling is that it has been successful thanks to a strong local community. Residents know they will have to move somewhere else as their

¹⁰ Halifax Bank study, <http://www.findaproperty.com/story.aspx?storyid=7643>, 7th July 2005

¹¹ Quoted in the same article

¹² *Olympic Mega-projects*, screenings and discussions, Institute of Contemporary Art, August 25th 2005.

¹³ The film can be seen on their website, <http://www.agitatefilms.co.uk>

¹⁴ www.noLondon2012.org

homes will be demolished and the land used for the Olympic Village. In the two public formal consultations made for the planning applications, the Coop has underlined the lack of work with the residents on relocation and the failure to take local people's needs into consideration. It has been made clear in the consultation residents, some 500 people concerned, wanted to stay together, at least by small groups. However, between the two rounds of consultation, involvement of residents has not been successful¹⁵. It has not been improved since then, as residents said in the ICA event. In 2004, as JPAT report on Planning Application states, meetings and surveys on options for relocation were to be held with the Co-Operative. One year later, Clays Lane residents know nothing more than that they will have to go. Conditions and destination of removal are still very vague and people are kept in uncertainty. They are still protesting¹⁶.

The same thing could be said with business relocation, for which all the work done until last summer seems to have been done with the idea that London would not actually get the Games, making it necessary to start discussions again, according to local a business owner. Travellers' sites in the area will also be removed, but it seems that, so far, people concerned have not been strongly involved.

THIS IS ONLY THE BEGINNING

Although Olympic Planning Application gives a general framework for the Olympic regeneration, this is only a first step. In the months to come, there will be a lot of documents to look at and other opportunities for the local community to speak up and, hopefully, influence the future of the area.

The planning permission given by the four planning authorities comes with an important number of 'Grampian conditions'. This means that until certain conditions are fulfilled, the development cannot go ahead. Amongst the Grampian conditions set in the planning permission are various relating to housing or participation.

One of them is the approval by the planning authorities of an Affordable Housing Strategy. This strategy will have two parts. The first one will be submitted before the construction of the Olympic Village starts and "shall relate to the permanent affordable housing to be provided, in due course, by conversion of the Olympic Village"¹⁷. The second, before the legacy development starts, will "relate to the affordable housing to be provided as part of the Legacy Development". The strategy will give the detailed proposals for affordable housing in terms of number, sizes, types, design, spatial distribution, etc. The strategy will have to explain how the objectives presented above (50 % affordable housing, 70-30 % mix between social and intermediate housing, mix of sizes) and others regarding special needs (wheelchairs users, elderly), Lifetime Home Standards ("as far as possible") and spatial distribution will be achieved, in particular regarding financial issues. The strategy will be reviewed every two years following a first review that "shall be submitted no later than one year prior to the letting of contract for the permanent conversion of the Olympic Villages or at the same time as the Affordable Housing Delivery Strategy Part 2 is submitted, whichever is earlier".

¹⁵ This comes written in JPAT Olympic Application report, where some of the answers to the consultation are partly given.

¹⁶ A demonstration took place on October 27th.

¹⁷ Olympic Planning Applications.

It has to be pointed out that once again, a possible restriction in the total amount of affordable housing and the amount of social housing can happen if “it has been demonstrated through an open book development appraisal that this is not financially viable”. To finish with, at any time during the legacy phase, no less than 40% of all completed homes should be affordable, unless the 500th unit has not been completed.

The Residential Relocation Strategy will identify “reasonable relocation needs” and preferences of all displaced residents, identify “alternative residential relocation possibilities” and provide “appropriate arrangements” for their relocation, including support and assistance in moving and full up-to-date information relating to the Olympics. It is underlined that residents will be properly consulted and closely involved during the whole process. Furthermore, there will have to be a “mechanism to enable residents access an independent source for confidential advice”. The strategy will be revised annually. The Travellers’ Relocation Strategy will follow exactly the same principles for “displaced lawfully residents living on the Clays Lane and Waterden Crescent Travellers sites”.

The Community Involvement Framework, to be reviewed every two years, will be the strategy for managing community involvement. A principle for this participation will be that “all sections of the community” will be involved “in all phases of the Olympic development and Legacy development”, with some room to manoeuvre however, as this will be done “as far as reasonably practical”. A Community Involvement Advisory Panel will be responsible for “guiding the design, management and implementation of the Framework”. This Panel will work with key stakeholders and “contain a representative from each of the four Boroughs and representatives of the community”. But it is important to note that “membership [will have] to be approved by the Local Planning Authorities”, which means a risk of seeing non-democratic and accountable community representatives in the Panel.

OLYMPICS, STRATFORD CITY AND THAMES GATEWAY

Another Grampian condition is the approval of a Stratford City Co-ordination & Implementation Strategy. Its role is to guarantee that both plans will be implemented in a “coordinated and appropriate manner”, achieving a successful delivery of both plans. In particular, it will ensure that in the area concerned by both the Olympic Application and the Stratford City application the second will apply if conditions and obligations are different, unless these differences are necessary for the Olympics to be organized or mean “adverse environmental effect (including socio-economic effects)”, in which case a modification will have to be submitted. Therefore, regarding the legacy issues, the strategy of the Stratford City regeneration will be the one to consider.

The question of the relationship between different huge projects going on in the area seems essential. The Stratford City regeneration is one of these. A look at the Regeneration Strategy for Stratford City gives a strong feeling that the whole philosophy for the area is oriented towards high value uses which raises worries about the future of local people. According to this document, one of the main reasons for the concentration of problems in Stratford area are the high levels of social housing and poor quality private rented housing. It suggest clearly the solution is not in building affordable housing but rather in increasing ownership (is being a tenant a cause for problems?) and providing high vale employment, which will probably not be accessible to the majority of local unemployed. Stratford City, like all the major

regeneration, claims the ambition of making a “location of choice for people across the income range”¹⁸. But with only 37% of all the created floor space dedicated to housing – approximately the same superficies that of future offices – and less than 1% to local shops, what choice will there be for the poorest households? And what will be the consequences of Stratford City on the Olympic Plan, particularly on affordable housing since, as mentioned before, the balance between the different types of housing is less favourable to affordable housing in Stratford City?

The other major plan concerning the Olympic area is the very wide, both in time and space, Thames Gateway. The bid team, as well as politics, have underlined that the Games will be a part of Thames Gateway: “the Olympics development programme will integrate with the regeneration work continuing in the Thames Gateway”¹⁹. They have solidified existing plans²⁰ and will be a “key catalyst to regenerate Stratford, the Lower Lea Valley and the wider east London area”²¹. For LDA chief executive Michael Ward, they will “kick-start the regeneration of the wider Thames Gateway”²².

However, despite a close link being made between the Olympics and Thames Gateway, the Olympic application remains silent on how exactly it is going to take the Thames Gateway plan into consideration. Basically, the main consequence it is said the Olympics will have on Thames Gateway is that of a speed booster. As the Candidate File states, “it has taken less than eight months to secure outline planning permission for the Olympic Masterplan including the Olympic village and the legacy Masterplan – a process that would normally take several years”. So the Olympics change the timescale of the regeneration, making an already on-going regeneration process happen faster by bringing in higher investment and an example to follow: “It is hoped that the Olympic Bid will encourage further investment in the Thames Gateway from the private sector and if successful also provide a milestone that infrastructure improvements will have to meet. The bid process itself has been used as a means too encourage the setting of deadlines [...] it is hoped that the Olympic Bid can galvanise local authorities, government and regeneration agencies to create the governance platform to develop the region”²³.

This might look positive but on the other hand, it does not change the content of the regeneration. “All the plans for the Lower Lea valley are created on the basis that you end up with the same thing as if the Olympics didn’t happen”²⁴. But now, “the priority has to be the Olympics”²⁵ and this may mean a slowing down for other projects in the area. Therefore, as some voices have said, it is questionable whether the money spent on the Olympics would not be better used on direct investment in the area to the benefit of local communities, in order to regenerate east London without the inconvenience the Olympics will bring. Furthermore, the acceleration of the planning process pace is arguably a barrier to a genuine consultation with residents and a more profound involvement of local communities.

¹⁸ Stratford City Regeneration Strategy, Outline Planning Application.

¹⁹ Deputy Prime Minister John Prescott, quoted by housebuilder.com

²⁰ Former housing and planning minister Nick Raynsford, in an article on housebuilder.com

²¹ London 2012 Candidate File

²² Inside housing, 23rd May 2003.

²³ Mike Raco, “Whose gold rush? The social legacy of a London Olympics”, in *After the gold rush. A sustainable Olympics for London*, Institute for Public Policy Research and Demos, 2004

²⁴ Jeff Channing, director of the ODPM’s Thames Gateway directorate, in an article on housebuilder.com

²⁵ LDA spokesman quoted by Inside housing, 29th July 2005.

As Mike Raco puts it, “Olympic Games will not be able to solve the social and economic problems of East London alone and that it will need to be embedded into a wider range of projects if it is to deliver a progressive social legacy.”²⁶ When it comes to the consequences and the relation with Thames Gateway, there is not any global document assessing what they might be, just as it has been planned for Stratford City regeneration. This seems like a lack that might blight existing plans and cause important disillusion on the future.

Fabien Vaujany
fabien@echanges-partenariats.org

²⁶ Mike Raco, “Whose gold rush? The social legacy of a London Olympics”, in *After the gold rush. A sustainable Olympics for London*, Institute for Public Policy Research and Demos, 2004