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CAN WE FIX IT?

CAN WE FIX ONE SMALL BUT SIGNIFICANT PART OF

LONDON'S BROKEN HOUSING MARKET?

A REPORT BY JAMES WALLMAN OF
THE FUTURE IS HERE.

COMMISSIONED BY 

INTRODUCTION

London's housing markets are broken. There are too many people for too few homes. It's not working for families, first-time buyers, owners, renters, couples and singles. This document doesn't aim to mend all these markets. It proposes an innovative, new solution to fix one of them, for a group of people that are often overlooked on housing lists. In the Parker Morris committee's seminal 1961 report *Homes for today and tomorrow*, for instance, they are only given two short paragraphs.

And yet they now make up 35% of London's households¹. They're one of our fastest growing types of household. From now until 2039, they will be responsible for one third (33%) of London's total household growth. That's 68,000 more of these households each year².

They are, perhaps as you already guessed, single person households. Within this often-forgotten group, there are some who are even more likely to be forgotten in the debate about housing in central London: the hard-working, middle income earning women and men who power London's essential and creative services.

They simply can't afford to rent a reasonably-sized space in Central London anymore — so they are leaving and opting for more space and a long, tiring commute instead.

This puts a strain on London's transport infrastructure, soaks up scarce family-housing in London's suburbs, and reduces the social diversity of central London communities.

We have a duty to fix this problem — for them, and for London. The question should not be 'can we fix it?', but 'how can we fix it?'

What we need — as outlined in the government's 2017 white paper, *Fixing our Broken Housing Market* — is to innovate and to take bold action.

As Prime Minister Theresa May wrote, to fix our broken housing markets we need to 'embrace innovative and efficient methods'.

The Secretary of State Sajid Javid agrees. "*We need radical, lasting reform,*" he wrote, and "*a new, positive mindset.*"

That's exactly what you'll find in this document: a new, innovative, positive approach to tackling one of London's key housing markets.

A handwritten signature in black ink that reads "James Wallman". The signature is fluid and cursive, with the first name "James" being more legible than the last name "Wallman".

Author, *Stuffocation* (Penguin, 2015) & founder/futurist, The Future Is Here
@jameswallman & james@thefish.co

LONDON'S BROKEN HOUSING MARKET

The Government's recent white paper sums up what everyone knows. Released in February 2017, its title is *Fixing our Broken Housing Market*.

Our capital's housing market is arguably the most broken of all. There are too few homes for too many people. And as supply and demand are getting further and further out of sync, the result is homes which are more expensive, relative to income, than at any previous time in history. The average house costs almost eight times average earnings, as Theresa May noted in *Fixing our Broken Housing Market*.

It's worst of all, of course, in London — for buyers and renters. House prices are up to ten times median earnings³. London rents are the fourth highest in the world⁴. Median London rents in Zones 1 and 2 are over 50% of gross salary⁵. These figures illustrate how hard it's becoming for ordinary Londoners to live in the centre of town.

It'll be worse in the future — unless we not only start building homes, but building the right sort of homes. Numbers on London's predicted rise and growth vary, and we still don't know the exact effects that Brexit will have. But a recent prediction suggests that the population of London could grow by 12.7% from 2015 to 2025, to a total of 9.8 million people⁶.

If we are to fix London's broken housing market, we should begin by recognising that London's housing market is made up of many different housing markets — what else could it be, in a diverse city of more than 8.5 million people living in 3.3 million households⁷? — and there is no 'one size fits all' silver bullet, single solution.

So London's 'housing solution' will contain many solutions. Each should consider the different ages, life-stages, lifestyles, and sizes of London households. The requirements of a family of five are quite different to those of a singleton in her early twenties.

We should then take two approaches.

First, we should address issues that affect all of London's housing markets. This is why, for instance, the Government's white paper wants local authorities to have up-to-date, ambitious housing plans.

Second, we should address the issues unique to individual housing markets. That is the purpose of this document: to propose a new, innovative solution that is relevant for 35% of London households⁸: single person households.

3 Department for Communities and Local Government, *Fixing our Broken Housing Market*, 2017.

4 CBRE, *Global Living Survey 2016*.

5 Office for National Statistics, *Housing Summary Measures Analysis: 2015*.

6 Hilary Osborne, *London population growth rate twice that of UK, official figures show*, Guardian, 12 October 2016. Accessed via <https://www.theguardian.com/uk-news/2016/oct/12/london-population-growth-twice-that-of-uk-official-figures-show> on 23 March 2017

7 Greater London Authority, *Housing in London*, 2015.

8 Office for National Statistics, *UK Census 2011*.

THE MIDDLE INCOME, SINGLES HOUSING MARKET

“We can’t just have people who are retired or with trust funds making decisions for our communities”

Maeve McCormack

London’s broken housing market is especially tough on one group of Londoners — hard-working, middle income-earning people that are single. Because of today’s rise in property values and rents, they simply can’t afford to live in central London anymore. They can choose between a rock and a hard place: a small corner of a shared flat or house in central London, or more space and a long, tiring commute. This isn’t good for them, and it isn’t good for London either.

Since many choose the outer London option, this causes them to live more isolated lives, far from where they work, and often far from their friends and work colleagues. These longer commutes negatively affect their wellbeing⁹.

This is also bad for Greater London and surrounding areas, because it increases pressure on our transport system, creating even worse commutes. It’s also bad for central London because, with an entire section of society no longer able to afford to live there, the core of London becomes less diverse. Central London is turning into a place for rich people who can afford to live there, poor people who have council housing, and old people who have lived there for a long time.

A stark example of this was reported in the news recently, when a councillor in Camden gave up her seat. Thirty-year-old Maeve McCormack, who earns around £50,000 from her work as a councillor and her job in PR¹⁰, stepped down because she cannot afford to buy a home in the area she represents, the Gospel Oak ward.

In her parting shot, McCormack voiced her concerns about what the price of housing means for central London in terms of local government. “*We can’t just have people who are retired or with trust funds making decisions for our communities,*” she said¹¹.

A colleague of McCormack’s, Theo Blackwell, reflected her concerns. “*People are being priced out,*” he said¹². “*It could end up with just the extremely wealthy and people who have lived here a long time.*”

9 Commuting has been shown to be bad for wellbeing. For instance, see Margo Hilbrecht, Bryan Smale & Steven E. Mock (2014) *Highway to health? Commute time and well-being among Canadian adults*, World Leisure Journal, 56:2, 151-163, DOI: 10.1080/16078055.2014.903723.

10 Matt Watts and Pippa Crerar, *London house prices: Labour councillor resigns because she ‘can’t afford to live in the capital*, Evening Standard, 20 March 2017. Accessed via <http://www.standard.co.uk/news/london/london-house-prices-councillors-can-t-afford-to-live-in-the-capital-a3493876.html> on March 22nd, 2017.

11 Ibid.

12 Matt Watts and Pippa Crerar, *London house prices: Labour councillor resigns because she ‘can’t afford to live in the capital*, Evening Standard, 20 March 2017. Accessed via <http://www.standard.co.uk/news/london/london-house-prices-councillors-can-t-afford-to-live-in-the-capital-a3493876.html> on March 22nd, 2017.

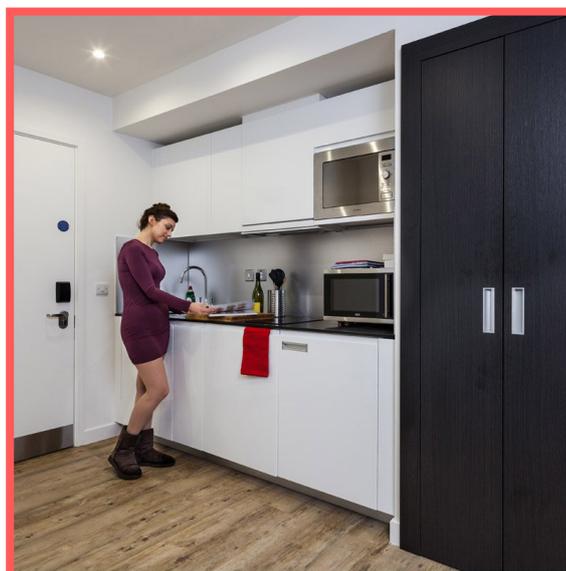
THE MIDDLE INCOME SINGLES HOUSING

“People are being priced out...It could end up with just the extremely wealthy and people who have lived here a long time.”

Theo Blackwell

The regrettable result is a city that is not only less diverse, but also less interesting and vibrant. This is especially concerning after Brexit — as these are two of the key qualities that our city trades on. It's now more important than ever that *#Londonisopen*, as the Mayor's recent post-Brexit campaign put it. It's essential that London appears to be a thriving, alpha, innovative, global city — the sort of place that can compete with New York and San Francisco for ideas and talent.

As key trends point to more people in London, and more single-person households, the future looks even more broken than it is today. If we're to come up with a solution, we should consider: what do these middle-income, single people want today, and how can we build that for them?



HOW DO SINGLES LIVE TODAY?

People in 2017 are very different from their ancestors. We still eat, drink, have friends, play games and go to work. But seven decades after the end of World War Two, thanks to the success of capitalism and the rising influence of technology, our city, its inhabitants, and our lifestyles are a world apart.

As a result, we are seeing a fundamental shift in values, attitudes, and behaviours. Here are five key trends that illustrate and influence the lives of Londoners today:

1. Stuffocation, light living, and access rather than ownership

We live in an era of overabundance. You can see this in the success of books like *he Life Changing Magic of Tidying and Stuffocation*¹³. You can see this in how we feel. Many of us, according to advertising agency Havas Worldwide, “*feel weighed down by our own excess,*” and “*a majority of us could live happily without most of the goods we own*”¹⁴. As well as our attitudes changing, our behaviour is changing too. Two-thirds of us make it a point to rid ourselves of unneeded possessions at least once a year¹⁵, and we have started to consume less. The average Brit used 15 tonnes of material in 2001, compared to just over 10 tonnes in 2013¹⁶.

One of the reasons why we are less bothered about owning things, is that we can now have all the benefits of access to goods, without the hassle of owning them. Spotify, for example, means you no longer need a radiogram or a roomful of CDs. Having a Kindle means that all your books will now fit into one small device. ZipCar and BMW’s DriveNow ensure you no longer need your own car. And London’s bicycle hire scheme means you no longer need to own one yourself.

2. Experientialism

Our society’s value system is shifting from materialism to ‘experientialism’: instead of looking for happiness and status in material goods, we are finding them in experiences instead¹⁷. As Henry McVey, CIO at one of the world’s leading investment firms, KKR, wrote in a recent report: “*we believe that a major decoupling within retail sales is now occurring, with consumers choosing to spend on ‘experiences’ rather than ‘things’*”¹⁸.

People who live in central London are more likely to be experientialists than the average person. They have chosen location and experiences — because of the myriad experiences the city offers — over space and stuff. For instance, consider what £1.25 million would buy you in Chelsea (a two-bed, 900-square-foot flat) against what it would buy you in Northamptonshire (a seven-bed, 6,000-square-foot, Grade II-listed detached country house with stables in an estate)¹⁹.

¹³ James Wallman, *Stuffocation*, Penguin, (2015).

¹⁴ Havas Worldwide, *The New Consumer*, 2014.

¹⁵ Ibid.

¹⁶ Office for National Statistics, *UK Environmental Accounts: How much material is the UK consuming?* 2016.

¹⁷ For more evidence on this, read James Wallman, *Stuffocation*, Penguin, (2015).

¹⁸ Henry H McVey, *Outlook for 2016: Adult Swim Only*, KKR, 2016. Accessed via <http://www.kkr.com/global-perspectives/publications/outlook-2016-adult-swim-only> on March 22nd, 2017.

¹⁹ Source: Rightmove.co.uk. Accessed December 2016.

HOW DO SINGLES LIVE TODAY?

3. Homo urbanus

In 1800, only 3% of people lived in cities. By 1900, 13% did. The tipping point came in 2007. Since then, more than 50% of humans live in cities. We are an urban species. Or, as *The Economist* once put it, ‘*Homo sapiens has become Homo urbanus*’²⁰.

Cities are where the jobs are, where the money is made — 50% of global GDP comes from the top 300 cities²¹ — and where new ideas are born. If you’re looking for the next global trend, you’re far more likely to find it in Shoreditch than in East Sussex. Moreover, the attitudes, aspirations, and behaviours of people in cities are quite different to those of people in rural areas.

“Young people today interpret their quality of life differently to a generation before...And they’re actually happier living in a smaller unit to do that.”²²

Rohan Silva

4. Amortality

Humans are living longer than ever before. A baby born today can expect to live to around 79 (male) or 83 (female)²³. Of the 2,000 or so children born each day in the UK, more than half are likely to be alive in 2116, as Lynda Gratton and Andrew Scott point out in their 2016 book, *The 100-Year Life: Living and Working in an Age of Longevity*²⁴.

As a result of longer lives, our cultural norms about life-stages are changing. According to cultural commentator (and co-founder of the Women’s Equality Party) Catherine Mayer, this is leading to an age of ‘amortality’²⁵, in which people live agelessly and “*rarely ask themselves if their behaviour is age appropriate because that concept has little meaning for them*”.

In this new era of longer lives, the answers are changing dramatically to questions which previously were obvious, such as: what’s the best age to have children? When should I retire? When should I settle down? Because in the much longer life, there really is no rush.

²⁰ *The world goes to town*; *The Economist*, 3 May 2007. Accessed via <http://www.economist.com/node/9070726> on March 23rd, 2017.

²¹ United Nations, *The World’s Cities in 2016: Data Booklet*, 2016. Accessed via

http://www.un.org/en/development/desa/population/publications/pdf/urbanization/the_worlds_cities_in_2016_data_booklet.pdf on March 22nd, 2017.

²² Marcus Fairs, *London could follow New York and lose its creative class, warns Rohan Silva*, *Dezeen*, 10 July 2015; accessed via

<https://www.dezeen.com/2015/07/10/creative-people-designers-new-york-move-los-angeles-cautionary-tale-london-warns-rohan-silva/> on March 22nd, 2017.

²³ Office for National Statistics, *National Life Tables, United Kingdom 2013-2015*, 2016.

²⁴ Lynda Gratton & Andrew Scott, *The 100-Year Life: Living and Working in an Age of Longevity*, London: Bloomsbury, (2016).

²⁵ Catherine Mayer, *Amortality: The Pleasures and Perils of Living Agelessly*, London: Ebury Press (2011).



HOW DO SINGLES LIVE TODAY?

5. Home alone? The century of the social singleton

One key impact of ‘amortality’ is the rise of singles. People will not only stay single for longer, but they will spend more of their lives single.

In the US, for instance, the proportion of single households has risen from 7% in 1940 to 27% today²⁶. There’s a similar story here. Single-person households now make up 13% of households in the UK, and 35% of households in London — rising to even higher levels in central London boroughs. The City of London has the highest proportion of one person households, at 56%, followed by Kensington and Chelsea (37%), Westminster (45%) and Camden (41%)²⁷. They are now the second most common household type after one couple households, with or without children²⁸. Single-person households will be the biggest sector by 2031 — when there will be 10.9 million of them²⁹.

Technology and social media are making it easier than ever to be single and still feel connected, as New York University sociologist Eric Klinenberg observed in his recent book, *Going Solo: The Extraordinary Rise and Surprising Appeal of Living Alone*³⁰. With a few clicks, you can now contact all of your friends and find someone to meet to have a drink, a picnic in the park, or visit an art gallery.

Klinenberg compares the rise of single living to demographic shifts, like the post-World War Two baby boom. “*The rise of living alone is a less publicly visible but equally dramatic transformation,*” he wrote, “*and it will be impossible to manage it well without bold policy initiatives*”³¹.

Consider these trends for a moment, and it’s clear that today’s middle income-earning singles want:

- **Less stuff**
- **More experiences**
- **Easy access to great experiences**
- **Access to goods, rather than owning as many as possible**
- **Short distance to work, services, social life**
- **To reduce their time-wasting commute to a minimum**
- **To live in the centre of town**

So, can we work out an affordable way to give them the sort of central London homes these people want and deserve?

26 Emily Badger, *The rise of singles will change how we live in cities*, Washington Post, 21 April 2015. Accessed via https://www.washingtonpost.com/news/work/wp/2015/04/21/how-the-rise-of-singles-will-change-how-we-live-in-cities/?utm_term=.e7f8b64275b6 on March 22nd 2017.

27 David Barrett, *Huge rise in the 'singleton' lifestyle*, The Telegraph, 29 May 2014. Accessed via <http://www.telegraph.co.uk/news/politics/10863343/Huge-rise-in-the-singleton-lifestyle.html> on 23 March 2017

28 *The rise of the single-person household*, Trend Monitor, 9 April 2015. Accessed via <https://trend-monitor.co.uk/the-rise-of-the-single-person-household/> on 23 March 2017.

29 Ibid.

30 Eric Klinenberg, *Going Solo: The Extraordinary Rise and Surprising Appeal of Living Alone* (New York: Penguin, (2012).

31 Ibid.

THE ANSWER IS

MICRO-HOMES

In a fantasy world, we would wave a magic wand and give everyone penthouse flats with wraparound views, concierge service — and why not throw in four-day weekends too?

Back in the real world, we have to consider the parameters we can play with — and we do mean play. As US innovation firm IDEO has shown, based on its 26-year archive and working with more than 100 companies³², the route to successful innovation requires a playful mindset that's prepared to challenge the status quo and consider lots of ideas. If people try out five or more different solutions, they are 50% more likely to find a successful way forward.

So what are the parameters we can play with to make it possible for middle income singles to live in central London? The principle issues appear to be:

- **location**
- **rent level**
- **land costs**
- **build costs**
- **density**
- **size of home**

We can discount number one and two and three. Location and cost of rent are the key problems. And given the fixed, static supply of land in London, and rising demand, land costs are likely to only go in one direction.

Build costs are also set to remain similar. Although manufactured, or modular, housing may off-set some of the issues with constructing more homes, their build costs seem to be similar. '*On a capital cost comparison, a modular constructed building is still generally proving more expensive than its traditional counterpart,*' according to a report in industry publication, *Building*³³.

Some worry about density, but central London is far less densely populated than it used to be. "*Much of the inner city is still empty compared to how it once was,*" observed Jonn Elledge in an urban data publication called *City Metric*. The population of what is now called Tower Hamlets peaked at 597,000 people in 1901. It had fallen to 142,000 by 1981, and is now around 297,000³⁴.

³² Katharine Schwab, *Ideo Studied Innovation In 100+ Companies—Here's What It Found*, *Fast Company*, 20 March 2017. Accessed via <https://www.fastcodesign.com/3069069/ideo-studied-innovation-in-100-companies-heres-what-it-found> on March 22nd, 2017.

³³ Alex Hyams, *Cost model: Affordable housing*, *Building*, 7 June 2016. Note however that using prefabricated components — variously called "modular building", "manufactured building", and "precision manufacture" — may reduce costs in the future. At Rogers Stirling Harbour + Partner's PLACE / Ladywell affordable and temporary housing development in Lewisham, build costs were 25% lower than standard build costs.

³⁴ Jonn Elledge, *Nearly half of London's boroughs still have fewer residents than they once did*, *City Metric*, 20 March 2017. Accessed via <http://www.citymetric.com/horizons/nearly-half-london-s-boroughs-still-have-fewer-residents-they-once-did-2891> on March 22nd, 2017.

THE ANSWER IS MICRO-HOMES

The only flexible element, therefore, is size. Some questions to think about when considering size:

- **Is smaller always worse — as so many commentators assume, and as implied by the space standards?**
- **Does location make up for smaller size?**
- **Would it make a difference if smaller spaces weren't older buildings retrofitted and turned into micro-homes, but designed as fully-functioning micro-homes from conception to completion — from the architects' first scribbled thoughts to their final design layouts, and then to purpose-built creation?**
- **What if smaller homes were to come with open, shared spaces that satisfy people's desire to entertain at home³⁵?**

The answers to all these questions can be found in the same solution that will unlock the centre of London for middle income singles: micro-homes.

The first, and most important, amenity micro-homes should provide is central London living — minimum commute time, maximum access to the experiences at the centre of town — at a price-point that's affordable for the people who've been priced out of the centre of town.

The second key amenity micro-homes should provide is the security and privacy that comes with your own home.

The third amenity micro-homes should offer is shared spaces. Each micro-home building should be home to open, shared spaces. Perhaps a laundry, a lounge, a library, a store, and also a coffee station. Ideally, it has a roof terrace or other social area. And certainly a kitchen-diner you can book to entertain your friends and family.

There are two ways to keep the cost of these micro-homes down, and therefore keep them available to middle-income London singles.

The first factor, as we've seen, is size. They should be the perfect mix between micro and functional. They should certainly be far smaller than the 37-square-metres (400-square-feet) the Greater London Authority currently advises³⁶. The key to making sure these small spaces are practical and desirable is through smart, sensitive, beautiful design.

That design should be inspired by William Morris: "*Have nothing in your house that you do not know to be useful, or believe to be beautiful.*" It should be inspired by yachts, caravans, hotel suites, and any place where smart designers extract more functionality out of limited space. And it should be inspired by the micro-homes popping up in cities such as Hong Kong and New York, and micro-home startups, like the US-based *Kasita*.

35 One of the reasons the RIBA made an argument that homes should have more space is based on surveys that show that Britons, when asked, say they want more space to socialise and entertain guests. Source: "*The Case for Space: the size of England's new homes*", RIBA, September 2011.

36 Guidance for space standards, or Gross Internal floor Area (GIA), in London is based on national guidelines, as noted in *London Housing Design Guide, 2010*; *Interim London Housing Design Guide*; and the *Supplementary Planning Guide, 2016*.

THE ANSWER IS MICRO-HOMES



Borrowing from *Kasita*³⁷, we can produce an update to Morris's ideal for a micro-home era:

“A micro-home in central London should offer its inhabitant outsized functionality in an undersized footprint. From ceiling to floor, every last cubic inch should be designed to maximize your experience. And on the other side of your front door, enticing shared spaces and the world’s most exciting city.”

The second way to keep costs down is capped rent. If these micro-homes were to be sold on the open market, no doubt they would be bought, sold, and flipped — as happens with so many new-builds in London and creates so many ‘lights-off developments’. Because of the micro-homes’ central locations and access to amenities — in short, their desirability — market demand will ensure their prices rise. That would mean they were no longer affordable for middle income singles. To solve this problem, we propose capped rent, with strict eligibility criteria for renters.

Perhaps with this sort of capped rent, middle income earners — like Camden councillor Maeve McCormack, instead of standing down because she can’t afford to buy in the area — might instead choose to rent a micro-home, run by a responsible landlord.

There is still an elephant in this idea of micro-homes though: what about the space standards?

WHERE DID THE SPACE

STANDARDS COME FROM?

When the space standards³⁸ were introduced, in the early 20th century, they were a very good idea. They were born in an era when profiteering slum landlords were squeezing as many people as they could into cramped, unpleasant conditions. This often resulted in unhygienic, unhappy conditions and unsatisfactory outcomes for children³⁹.

Concerns about the size of homes first arose during the reign of Queen Victoria, when industrialisation was drawing people from the countryside to the cities, and overcrowding became an issue⁴⁰. The best known, and most often referred to, space standards today were framed by the Parker Morris committee of 1961. As with its predecessors of 1919 and 1944, its primary focus was on families. This information comes from its report *Homes for today and tomorrow*⁴¹.

“The present housing standards... derive from the recommendations of the Dudley Committee in 1944... are framed largely in terms of minimum sizes of rooms. Housing standards have been framed in much this same way ever since the report of the Tudor Walters Committee in 1919. Against a background of larger families than are common now, and a need to guard against overcrowded or cramped conditions of living, it was natural for the Dudley Committee to retain minimum room sizes as one part of their recommendations.”

Once again, the committee’s primary focus was on families. This sample passage is indicative of how the committee viewed family life:

“The living room must provide space sufficient for two or three easy chairs, a settee, a television set, small tables, and places suitable for a reasonable quantity of other possessions such as a sewing box, toy box, radiogram and bookcase.”

The report did mention one person households, in two short paragraphs. This is the second of those paragraphs:

“Higher standards of living can be expected to give rise in the future to a demand from many single persons now living with their families or in lodgings for a self-contained home of their own. We believe that the self-contained bed-sitting room dwelling is likely to continue to be acceptable.”

The report recommends a minimum gross internal floor area of 320-square-feet, slightly less than 30-square-metres. Presumably this would also feature some similar pieces of furniture to those in the family home, such as an easy chair, a television set, and a radiogram.

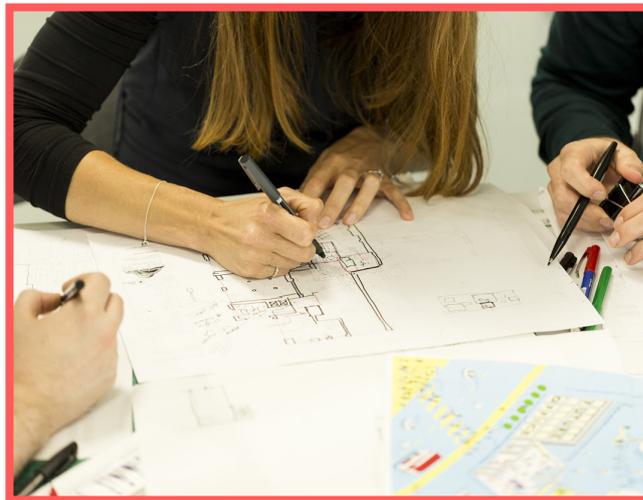
³⁸ The space standards are not a legal requirement. They are considered to be guidance. As such, they are useful for planners when considering permission.

³⁹ See, for instance, Claudia D. Solari and Robert D. Mare, *Housing Crowding Effects on Children’s Wellbeing*, Soc Sci Res. 2012 Mar; 41(2): 464–476.

⁴⁰ RIBA, *The Case for Space: the size of England’s new homes*, September 2011

⁴¹ Her Majesty’s Stationery Office, *Homes for Today and Tomorrow*, 1961.

HAVE PEOPLE'S LIVES CHANGED SINCE 1961?



Any conversation about the space standards held today tends to refer to the Parker Morris committee's *Homes for today and tomorrow*⁴². But life and the size and shape of households have changed considerably since then.

In 1961, for instance, people were far more home-bound than today. The Parker Morris committee's report was published only 16 years after World War Two had ended, and only seven years after the end of food rationing. Going out to dinner was a rare occurrence. Compare that with today. The average Briton now eats out 1.5 times a week⁴³. The average Londoner goes out four times a week⁴⁴.

Besides, the focus of the space standards has historically been on families. They were created to protect low-income families from cramped conditions, and to ensure families had room to spend time in their homes.

Single-person households simply weren't very relevant in 1961. They are today. To shackle the demands of a single person's home to the requirements of a family home is like comparing the lifestyle of a family with the lifestyle of a single person. This is why we believe the space standards are not fit for purpose for single people living in London in the 21st century.

⁴² For example, see RIBA, *The Case for Space*, 2011.

⁴³ Kate Hopcraft, *How Much Do Brits Spend Dining Out?*, 2015. Accessed via <http://openforbusiness.opentable.com/insider-information/how-much-do-brits-spend-dining-out/> on March 22nd, 2017.

More on how often Britons now eat out:

One in five UK adults eat meals out or order takeaways in each week. Between a fifth and a quarter of people in the UK dine out or at takeaway meals at least once a week. Also note that Millennials are more likely to eat out. The data show that the proportion of participants eating both meals out and take-away meals at home at least weekly peaked in young adults aged 19–29 years.

Source: Jean Adams et al., 'Frequency and socio-demographic correlates of eating meals out and take-away meals at home: cross-sectional analysis of the UK national diet and nutrition survey, waves 1–4 (2008–12)', *International Journal of Behavioral Nutrition and Physical Activity*, 2015, DOI: 10.1186/s12966-015-0210-8.

⁴⁴ Londoners ate 3.7 meals out a week in 2013, up from 2.2 meals per week in 2012. Source: Zagat London Restaurant Survey 2014.

HAVE PEOPLE'S LIVES CHANGED SINCE 1961?

The government agrees that the space standards are now out of date. This is in Step 1 of the List of Proposals in *Fixing our Broken Housing Market*.

“Making better use of housing by encouraging higher densities, where appropriate, such as in urban locations where there is high housing demand; and by reviewing space standards”⁴⁵.

It's clear that the way Londoners, especially single Londoners, live has changed dramatically since 1961. Instead of bulky radiograms and fat cathode ray tube televisions, they have iPods and flat-screen TVs. Instead of cooking at home, they are eating out. Rather than seek happiness and status through stuff, they focus on experiences. Instead of aspiring to own a two-car garage, they cycle, use Uber and Zipcar. And being in the centre of town, rather than at its edge, makes it easier to have more, and more diverse experiences.

It's also clear that it's time we not only reviewed space standards for singles, but also that we think about space standards for singles in a completely different way to the way we consider them for families.

Given the key reason for space standards for families is based on outcomes and wellbeing, we should consider: is there any evidence that indicates that living in a micro-home would be positive or negative for a single person's wellbeing?



WILL MICRO-HOMES LEAD TO LESS OR MORE HAPPINESS?

The purpose of the space standards was principally to protect families, since studies showed that cramped spaces were bad for children. But we are not proposing that families live in limited space. The current space standards make sense for them. What we're proposing are micro-homes for single adults. And we have come across no evidence to suggest that homes of this sort would be bad for their health.

In fact, we believe that they are likely to make single adults happier — as per the findings inherent in experientialism, that experiences are more likely to lead to happiness than material goods⁴⁶.

Since the concept of micro-housing is so new, there isn't enough data to say for sure if they are worse or better for people. But there are some interesting preliminary studies. A PhD student at the Department of Real Estate and Planning at the Henley Business School at the University of Reading, Chris Foye, decided to question one of the most dearly held housing beliefs — the concept that leads experts and governments to apply the space standards to all housing markets, and that leads people to believe that moving to a bigger home will make them happier.

“The relationship between size of living space and subjective well-being is commonly assumed to be positive,” wrote Foye⁴⁷. ‘The number of rooms per person was used as an indicator of quality of life in both the OECD *Better Life Index* (2011) and the *European Quality of Life Survey*’ (2012).

So Foye designed an experiment to ask: does more space make people happier?

First, he investigated two ways that more space will lead to more wellbeing. One way is that it will enable people to live more fulfilling lives. This is what the economist Amartya Sen refers to as ‘capabilities’. Another is because more space signals more status.

Foye's conclusion was simple: *“Moving for ‘larger accommodation’ has no positive impact on subjective well-being.”*

He found that there was a *“weak positive relationship between size of living space and subjective wellbeing, but only for men”*. We believe that this increase in subjective wellbeing is due to the additional status that comes with more space and a bigger house.

46 There is more than a decade's evidence that experiences lead to more happiness than material things. See, for instance: Tom Gilovich and Leaf Van Boven, *To Do or to Have? That Is the Question*, *Journal of Personality and Social Psychology* 85, no. 6 (2003); Leonardo Nicolao, Julie R. Irwin, and Joseph K. Goodman, *Happiness for Sale: Do Experiential Purchases Make Consumers Happier than Material Purchases?*, *Journal of Consumer Research* 36, no. 2 (2009); Elizabeth W. Dunn, Daniel T. Gilbert, and Timothy D. Wilson, *If Money Doesn't Make You Happy, Then You Probably Aren't Spending It Right*, *Journal of Consumer Psychology* 21, no. 2 (April 2011).

47 Tim Kasser, *The High Price of Materialism* (Cambridge: MIT Press, 2002); Tim Kasser et al., *Materialistic Values: Their Causes and Consequences*, in *Psychology and Consumer Culture: The Struggle for a Good Life in a Materialistic World*, eds. Tim Kasser and Allen D. Kramer, Washington: American Psychological Association, (2004); Leaf Van Boven, *'Experientialism, Materialism, and the Pursuit of Happiness*, *Review of General Psychology* 9, no. 2 (June 2005); Elizabeth Dunn and Michael Norton, *Don't Indulge. Be Happy*, *New York Times*, July 7, 2012; Elizabeth Dunn and Michael Norton, *Happy Money: The Science of Spending* (New York: Simon & Schuster, 2013); Travis Carter and Thomas Gilovich, *I Am What I Do, Not What I Have: The Centrality of Experiential Purchases to the Self-Concept*, *Journal of Personality and Social Psychology* 102, no. 6 (2012).

47 Chris Foye, *The Relationship Between Size of Living Space and Subjective Well-Being*, *Journal of Happiness Studies*, 2016. DOI 10.1007/s10902-016-9732-2.

WILL MICRO-HOMES LEAD TO LESS OR MORE HAPPINESS?

This research would appear to support the idea that micro-homes would, at the least, not diminish the wellbeing of middle income single Londoners. Moreover, the status that comes from living in the centre of London would likely lead to higher subjective wellbeing.

Also, note that the location and the additional communal facilities — roof terrace and space to entertain, for instance — that are one of the key amenities that we suggest should come with micro-home developments would increase a person's capabilities⁴⁸. Therefore, the likelihood is that, considered holistically, living in a micro-home will increase a person's subjective wellbeing.

Another researcher, a psychologist in the US who has been investigating tiny homes, believes they could be good for people.

“What’s cool about tiny homes is that the entire space is sort of a broadcast of some sort of value that you hold in relation to homes, sustainability, and how you’re living your life,” says Lindsay Graham, a research specialist at the Center for the Built Environment at UC Berkeley's College of Environmental Design.

We would agree. For Londoners, living in a micro-home would broadcast the sort of values you hold: being as close to the centre of town so that you can live the London life as best as possible.

Two other psychologists believe that ‘tiny home villages’ may well create more happiness. Because tiny homes encourage people to be outside of their own spaces, Brandon Irwin and Julia Day at Kansas State University believe they may help foster community and stimulate physical activity. They are currently travelling the US to visit tiny home villages and find out. Note that their work is principally about rural tiny home villages — but we believe it's simple to see how ‘vertical villages’ of micro-homes could do the same.

More research is required. However, based on existing studies, a reasonable hypothesis is that:

- **UPHOLDING THE CURRENT SPACE STANDARDS IS ESSENTIAL FOR FAMILIES.**
- **MICRO-HOMES WILL DELIVER THE SORT OF EXPERIENCES AND STATUS THAT IS GOOD FOR THE WELLBEING OF SINGLE ADULTS.**
- **THE CURRENT SPACE STANDARDS ARE NOT RELEVANT FOR URBAN SINGLES.**

WILL PEOPLE LIKE MICRO-HOMES?

Besides the scientific evidence that suggests that micro-homes will be good for overall wellbeing, there is practical evidence that suggests people will jump at the chance to live in micro-homes in great locations.

Whenever companies create micro-homes in cities around the world, they sell out.

There has been some controversy over Carmel Place in New York's 55 studio apartments. Between 260 and 360 square feet (25- and 28-square-metres), and designed with beauty and functionality in mind, they are far from cheap. But all of them are rented⁴⁹. Interestingly, 14 units were offered at lower, subsidized rents. A lottery was held to determine who would get to live there: 60,000 applied⁵⁰.

Within six months of opening a building called The Harper in Washington, D.C., 97% of its 144 units, measuring 250-400-square-feet (23-square-metres to 37-square-metres) were rented. The company has built, and is building, numerous similar developments.

And besides the clear evidence that micro-homes sell out in some US cities, there are already people happily living in micro-home-style accommodations in London.

The first units have been built in London, and they are significantly below the size as recommended in the current London Housing Design Guide⁵¹. In The Collective's new 550-unit co-living block in Willesden, North West London, the units range from 10-square-metres (108-square-feet) to 28-square-metres (300-square-feet).

We agree with The Collective's CEO, Reza Merchant — as apparently do the 550 block's residents (the oldest of whom is 44-year-old Eric Vonk). "*There has been a fundamental shift in the way people want to live,*" says Merchant, "*People nowadays don't like to commit. Ultimately experiences are what people value above material possessions.*"

Besides these early examples of the emergence of micro-homes, consider a house that sold in Chelsea in March 2017. Despite only being 250-square-feet (23-square-metres), it sold for £713,823⁵² — and it is in need of a complete renovation.

And besides these real-world examples of our taste for small, but well-located homes in London, there are already more than 500,000 people living in micro-home-like homes in the UK today.

49 As per the realtor City Realty's website, accessed on 17 March 2017. <https://www.cityrealty.com/nyc/murray-hill/carmel-place-335-east-27th-street/61313>.

50 Source: Michelle Cohen, '*Why Micro-Apartments in Carmel Place Are So Expensive*', 4 March 2016. Accessed via <https://www.6sqft.com/why-micro-apartments-in-carmel-place-are-so-expensive/> on March 22nd, 2017.

51 Guidance for space standards, or Gross Internal floor Area (GIA), in London is based on national guidelines, as noted in London Housing Design Guide, 2010; Interim London Housing Design Guide; and the Supplementary Planning Guide, 2016.

52 '*Tiny London house sells in Chelsea for £700,000-£100,000 more than expected*', <http://www.bbc.co.uk/newsbeat/article/39288622/tiny-london-house-sells-in-chelsea-for700000---100000-more-than-expected>, accessed 16 March 2017.

INTRODUCING A NEW

HOUSING CATEGORY: PB1A

From a certain perspective, the era of the micro-home is already here, because there are more than 500,000 people living in self-contained, micro-homes in the UK⁵³.

There are really two principle differences between micro-homes and the already existing purpose built units. One is the people who live in them. Those 500,000 inhabitants are students, living in purpose built student accommodation, or PBSA for short.

In recent years, the PBSA market has taken off ⁵⁴ — providing considerable, practical, real-world evidence that micro-homes are a great way for people to live.

The second difference is size. Those PBSAs in which these 500,000 students are living in tend to be around 12-square-metres. Why is it we think it's acceptable for students to live in 12-square-metre homes, but the next year when their studies are finished, they cannot live in less than 37-square-metres? What do we think suddenly happens to them that they urgently require three times the space?

It's clear that in a market-driven economy like London, where we believe in providing as much choice as possible, there should be room for an intermediate solution — and that the micro-home is the ideal intermediate solution.

To assist in planning decisions, we believe the Government and Greater London Authority (GLA) should embrace the concept of micro-homes as a new, 21st century vernacular for our city, and give them a new technical name to assist planners.

Rather than rely on skirting current building definitions by calling them *sui generis*, they should be given their own category: purpose-built single-person accommodation or PB1A for short.

There are further similarities and differences between PBSA and PB1A. PBSA is exclusively for young people, where PB1A are for single people of any age. Students pay market rent for PBSA, whereas PB1A — at least as micro-homes are envisaged here — are available by strict eligibility criteria and rent is capped. PBSA is a better, and very successful way to give students decent, affordable homes that reduces the number of houses with multiple occupation (HMOs), whereas PB1A would be a new way to make it possible for London's middle income workers to avoid HMOs and live in affordable, city-centre homes instead.

Creating the PB1A category would open the door for designers, developers, and landowners to develop brownfield sites and swiftly build affordable, city-centre homes, and unlock the centre of London to one of our most important, and growing, housing markets: middle income singles.

53 There are already 525,000 PBSA bedrooms in the UK. Planning consent has been obtained for almost 90,000. Permission has been sought for nearly 44,000 more. Source: Knight Frank, via Chris Tighe and Andy Bounds, *Student homes build reputation as property hotspot*, Financial Times, 25 October 2016.

54 Richard Ward, *UK's Purpose-built Student Accommodation Market Valued at £45.8bn*, StuRents.com, 6 January 2017. Accessed via <https://sturents.com/news/2017/01/06/uk-s-purpose-built-student-accommodation-market-valued-at-45-8bn/948/> on March 22nd, 2017.

SO, CAN WE FIX IT?

The history of humans and the history of London follow a meandering path from problem to solution. We have come across broken bridges like today's housing markets before. We have fixed them, and we have crossed them.

Success is never a guaranteed destination though. Successful change requires — as Theresa May and Sajid Javid both note — both a new, positive mindset as well as innovative methods.

That new, positive mindset requires us all to realise that new times need new solutions, and that what has informed our decisions since 1961 may well not be relevant for singles today.

Those innovative methods mean recognising that new demographic realities require new architectures, and that saying yes to micro-homes will make it possible for a vast and important group of Londoners to live here today.

Instead of locking single people — especially middle income singles — out of the centre of London, by reflecting their hopes, dreams, needs, and lifestyles, micro-homes will invite them back into the centre of town once more.

To make this happen, we need forward-looking commentators and policymakers to adopt new, positive mindsets and realise that:

- **THE SPACE STANDARDS SHOULD BE APPLIED WITH INTELLIGENCE;**
- **THE CURRENT VERSION WAS DESIGNED WITH FAMILIES IN MIND;**
- **THE CURRENT STANDARDS ARE IRRELEVANT FOR TODAY AND TOMORROW'S URBAN SINGLES.**

It isn't only The Future Is Here that believes this. The government clearly believes this is a sensible step forward, as is outlined in Step 1 of the List of Proposals in *Fixing our Broken Housing Market*:

*"Making better use of housing by encouraging higher densities, where appropriate, such as in urban locations where there is high housing demand; and by reviewing space standards."*⁵⁵

SO, CAN WE FIX IT?

And this is in Step 4:

“Encouraging the development of housing that meets the needs of our future population”.⁵⁶

The GLA is also positive about micro-homes. Its policy:

*“does not preclude development of single person homes of less than 37 sq m but makes clear that these should be of otherwise exemplary design and make significant contributions towards achievement of the Plan’s wider objectives. These one person units must be exceptional in the context of overall housing provision and clearly justified by local circumstances - for example, demonstrable need for single person dwellings as part of the overall housing mix in a scheme, or in a particular location. Such units must clearly embody exemplary design standards in line with the standards in this SPG and design policies in chapter 7 of the London Plan; the extent to which such a proposal meets these standards should be assessed by a design officer or design panel review. They should also be clearly marketed as one person dwellings”*⁵⁷

“these should be of otherwise exemplary design and make significant contributions towards achievement of the Plan’s wider objectives...”

GLA

We need landowners to adopt this same new, positive mindset, and appreciate that by creating micro-homes they will not only be bringing a key sector of society back into town, but will also create a long-term, ongoing, reliable and recession-proof income stream.

We need developers to embrace these innovative methods: to work with architects to borrow ideas from yachts, caravans, tiny home pioneers, and PBSAs to create compelling, beautiful, functional, aspirational homes.

By the way, we won’t need to work hard to attract middle income-earning singles to come to London. They will jump at the chance to live in great locations in London’s micro-homes.

IN CONCLUSION

We do not believe that micro-homes will solve the problems in all of London's housing markets. But just because we can't fix all of London's housing markets with one catch-all solution doesn't mean we shouldn't fix one of these housing markets with an innovative solution.

Instead of applying a 20th century idea aimed at protecting families in a blanket way that penalises 21st century singles, instead of complaining that there's no other option left for middle income Londoners except a long commute from their work and their life in central London, we should ask ourselves — can we fix it?

And the answer is clear: yes, we can — if we build micro-homes which are available not to buy, but only for rent. If we build micro-homes whose rent is capped. If we build micro-homes which are only available only under strict terms of eligibility. If we build micro-homes that let the middle income singles of today and tomorrow live their modern, exciting lives, close to all the experiences that London offers.

Other cities around the world are facing similar problems. We can wait to see how they do it, and copy them — and let London become a 'me-too' city. Or, we can embrace the concept of micro-homes, and be first to innovate with a solution to one of the pressing issues of today and tomorrow: how to give our ever-increasing numbers of single-person households decent, affordable homes in the centre of town.

If we all come together, we can fix one significant and rising sector of our city's housing market, with one big idea: micro-homes — a new way to give London's middle income singles affordable, city-centre homes in the 21st century.

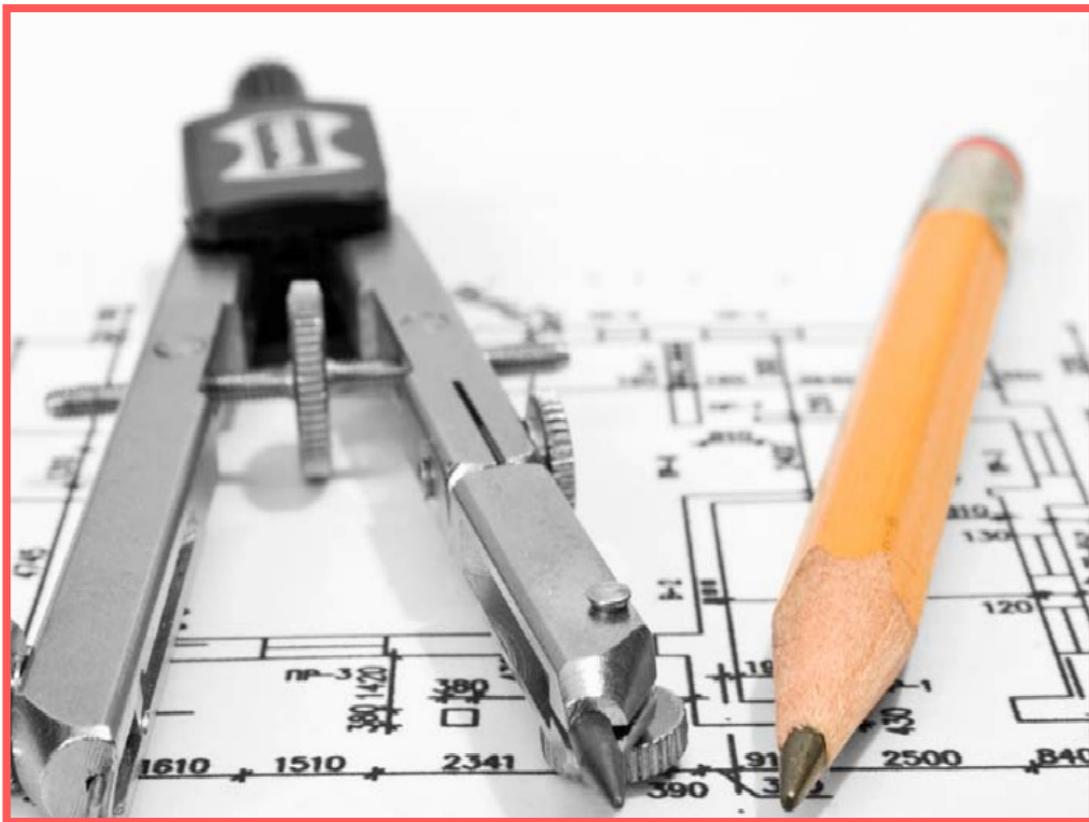


APPENDIX

The Future Is Here

The Future Is Here (www.thefish.co) was founded by futurist James Wallman to assist people, organisations, and businesses to forge more productive and positive paths to the future.

Wallman has long-held the belief that far smaller homes will create a better future. He outlined this belief in his best-selling book, *Stuffed*, which was first published in 2013, then by Penguin in 2015. He has since promoted this idea widely, for instance in a talk at the Royal Society of Arts in London; a keynote talk at the National Housing Group's annual conference, and a meeting with, and proposal to, the policy unit at 10 Downing Street.



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