Towards a suburban renaissance

Paul Hunter, Deputy Director, the Smith Institute
Start of the story
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But focus always on the implications of an urban renaissance on inner cities not what it means for city suburbs?

- Population growth
- Poverty rates
- Labour markets
- Housing markets
Research looking at three cities: but focus today on London
After population decline, seen people returning to London

Inner and outer London population growth
$1988=100$
But shifting spatial patterns in poverty and deprivation

<table>
<thead>
<tr>
<th>Suburbanisation of poverty, London 2001/02-2012/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Table showing changes in poverty rates in London" /></td>
</tr>
</tbody>
</table>

Source: DWP, Households Below Average Income
But shifting spatial patterns in poverty and deprivation

Suburbanisation of poverty, London 2001/02-2012/3

<table>
<thead>
<tr>
<th></th>
<th>2001/02</th>
<th></th>
<th>2012/13</th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before housing costs (BHC)</td>
<td>After housing costs (AHC)</td>
<td>AHC (Millions)</td>
<td>BHC</td>
<td>AHC (Millions)</td>
</tr>
<tr>
<td>London</td>
<td>16%</td>
<td>25%</td>
<td>1.9</td>
<td>16%</td>
<td>28%</td>
</tr>
<tr>
<td>Inner</td>
<td>21%</td>
<td>33%</td>
<td>0.96</td>
<td>18%</td>
<td>34%</td>
</tr>
<tr>
<td>Outer</td>
<td>13%</td>
<td>20%</td>
<td>0.94</td>
<td>14%</td>
<td>24%</td>
</tr>
<tr>
<td>Difference</td>
<td>8pp</td>
<td>13pp</td>
<td></td>
<td>4pp</td>
<td>10pp</td>
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</tbody>
</table>

Source: DWP, Households Below Average Income
Housing benefit

Changes to working age benefit claims

Client group rate change in London, 2004–14
Job growth in the last decade

578,000 additional jobs in inner London (up 31%)

81,000 in outer London (up 6%)
Not all top end jobs located centrally

Job growth in London: by status and work location 1997-2016

Low pay in London

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<th>2014</th>
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<tr>
<td>Outer</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Inner</td>
<td>5%</td>
<td>8%</td>
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Source: Author's analysis of ASHE 2003 and 2014 data.
Job growth benefitting those in urban not suburban areas

Number of jobs performed by inner and outer London residents

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<thead>
<tr>
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<th>2016</th>
<th>Change</th>
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<tr>
<td>Inner London</td>
<td>800,00</td>
<td>1,187,000</td>
<td>387,000</td>
<td>48%</td>
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<tr>
<td>Outer London</td>
<td>1,670,000</td>
<td>2,024,000</td>
<td>354,000</td>
<td>21%</td>
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Slower house price growth in suburbs
1995-2014
Affordable (private) housing found in the suburbs

Relative affordability in London (house prices to earnings), 2014

Source: Based on data from DCLG, House price statistics for small areas
## Tenure change

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# Tenure change

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<th>Urban centres</th>
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<td>• Strong emphasis on urban regeneration (incentives for public and private investment)</td>
<td>• Less policy focus on suburbs and less public and private investment in regeneration</td>
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<td>• Business (re)location to urban areas</td>
<td>• Fewer employment opportunities per head in suburban areas</td>
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<td>• Rapid increase in jobs located in urban areas</td>
<td>• Stagnating numbers of jobs (and falling relative to population)</td>
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<td>• Significant population growth</td>
<td>• Slower rates of population growth</td>
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<td>• Relatively higher housing costs in urban areas compared with poorer suburbs than a decade ago</td>
<td>• Relatively lower housing costs and growth in the proportion of city region’s total social housing stock</td>
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<td>• Wealthier urban populations/lower concentrations of poverty</td>
<td>• Rising number of areas classed as most deprived within the city</td>
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Policy directions

• Welfare reform: caps on benefits, push to suburbs?
• Housing reform: RTB 2; little/no grant for sub-market housing
• Migration: Growing population and pressures on housing
• Agglomeration: Job growth in urban areas - supported by government – e.g. infrastructure projects
• Devolution: UK governance highly centralised, but if there is devolution will be at city or local level?
Tax base

Tax raised within the three city regions

Camden
City of London
Greenwich
Hackney
Hamersmith and Fulham
Islington
Kensington and Chelsea
Lambeth
Lewisham
Southwark
Tower Hamlets
Wandsworth
Westminster
Barking and Dagenham
Barnt
Bexley
Brent
Bromley
Croydon
Ealing
Enfield
Harlingey
Harrow
Havering
Hillingdon
Hounslow
Kingston upon Thames
Merton
Newham
Redbridge
Richmond upon Thames
Sutton
Waltham Forest

Tax generated (£ billion)

Bolton
Bury
Manchester
Oldham
Rochdale
Salford
Stockport
Vesville
Trafford
Vegan

Birmingham
Coventry
Dudley
Sandwell
Walsall
Wolverhampton

Tax generated (£ billion)
Suburban revolt?
Political unrest? Brexit vote and wider discontent

“The boroughs nearer the city get all the money. The further out you get, the smaller the share of the pot you get. That’s how it feels.”

Focus group participant
Towards a suburban renaissance

• If there is real pressure, what might be needed?
• Unlikely to want to return to past
• Question, how to make most of suburban assets
• Three key areas?
  – Demand (growing the suburban economy)
  – Connectivity (between suburbs and centre)
  – Density (but sympathetic to suburban environment)
Demand

• Is agglomeration the only option? Polycentric cities – failure of Outer London Commission!
• Diseconomies of agglomeration? Congestion, cost?
• Where we work – home working yet to take off
• Future lifestyles – demise of (suburban) high street shops and rise of leisure activities?
Connectivity
• Possible to open up suburbs to make them more ‘permeable’
• Investment in orbital not radial transport projects
• Future of driving (thinking longer term)
Density

• How increase density of suburbs to meet household growth and support public and private infrastructure and services?
• How the high street is used?
• Densification around current transport modes?
• Denser suburban family housing?
Time for change?
20 years since Richard Roger’s urban taskforce
Towards a suburban renaissance

100 years on from Metroland