The market and the plan: Housing, urban renewal and socio-economic change in London

Jamie Keddie *, Fran Tonkiss

London School of Economics and Political Sciences, Houghton Street, London WC2A 2AE, United Kingdom

A R T I C L E   I N F O

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A B S T R A C T

This article examines recent processes of urban renewal and housing provision in London, led by market agents and shaped by the 2004 London Plan. Against the backdrop of housing and regeneration policies in London over the last three decades, the discussion analyses the socio-economic and physical transformation of Bermondsey in inner London as a case of ‘gentrification without displacement’, via the conversion of industrial and commercial building stock to housing, together with new-build or in-fill gentrification. The London Plan’s emphasis on densification, and the re-positioning of local government from an oppositional to entrepreneurial stance in respect of private development, has helped promote the conditions for such physical and socio-economic changes characterised less by the displacement of lower-income populations than by patterns of micro-segregation in housing and consumption spaces. In this context, Bermondsey offers one version of the mixed income and mixed tenure ‘communities’ that are central to current urban and housing policies.

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Introduction

London’s development in the first decade of the 21st century tells a tale of at least two cities. Shaped by the first strategic plan for the city-region in more than 50 years, and spurred by a new urban government under an activist Mayor, Ken Livingstone, London was oriented to growth in both economic and population terms: building on its world city status as the nation’s economic engine, and as a city that was once again – after a long post-war demographic decline – attracting new residents. These dual logics of growth, however, were uneven in their effects, as streams of economic investment valorised certain urban spaces while marginalising others, and the need to absorb a growing population created pressures in particular parts of the city, and on existing local populations. In a pattern familiar from the spatial history of London’s development, impacted spaces of deprivation and bubbles of prosperity could be found in close proximity.

In the discussion that follows we trace some of these patterns of polarisation as they play out in inner London. Our focus is on housing. The first part of the discussion considers the political economy of housing and urban renewal in London. Shaped by the ‘reforms’ of the 1980s that altered the landscape of public housing supply throughout the UK, the politics of housing in London is marked by governmental attempts to steer private development for public benefit. Current strategies of urban regeneration in London typically are oriented to developments involving a mix of commercial and residential uses. While the new housing in this model is bound, under the London Plan, to include a proportion of affordable supply, capturing the value of development relies on housing provision that is mostly built and marketed to attract new types of resident (younger, professional households in owner-occupation or private rental) to areas of renewal, and so change their use, composition and image.

We consider these strategies of renewal via a critical case study: the Borough of Southwark in inner south London, and the neighbourhood of Bermondsey on its northern edge. In this local context, a history of entrepreneurial urban policy over three decades becomes visible. An area of former docks and processing industries, Bermondsey now contains spaces to serve London’s global functions, interspersed among what remains of a local working-class population. In taking this riverside area of Southwark as a case study, we explore how the spatial and economic logic of the London Plan maps onto local spaces. In an urban neighbourhood experiencing significant socio-economic change and physical renewal, we identify a distinctive pattern of...
gentrification without displacement, in which the production of new kinds of housing stock in converted or new-built units creates parallel housing markets for high and low-income residents, and a ‘mixed’ community sorted by micro-segregations in local space.

The market and the London Plan: the political economy of housing in London

In the political economy of housing and urban development, two processes stand out in London during the period 2000–10. While the first is market-driven and the second policy-led, the two are closely related. The first is the role of accelerated housing market growth in the British economy as a whole, and in London in particular. House prices, which had started growing from a low in the second quarter of 1996, peaked in the third quarter of 2007 before a series of inconclusive corrections. While the UK has not been subject to the kind of sub-prime collapse that occurred in the US and in certain other European countries (although British banks were vulnerable to tainted securities based on bottom-feeding mortgage lending in foreign markets), the unchecked growth in consumer credit that continued during the 2000s was in large part based on a housing bubble that freed up capital for consumption from the rapidly – if temporarily – appreciating asset. By 2006, the ratio of outstanding mortgage debt in Britain to GDP had risen to more than 80%, up from just over 50% in 1990 at the end of the previous house-price boom, higher than for the US and more than twice the ratio in Japan (IMF, 2008: 105). Britain is one of a small number of OECD economies where total household debt is greater than GDP (IMF, 2008: 105). Britain is one of a small number of OECD economies where total household debt is greater than GDP (IMF, 2008: 105). Britain is one of a small number of OECD economies where total household debt is greater than GDP (IMF, 2008: 105). Britain is one of a small number of OECD economies where total household debt is greater than GDP (IMF, 2008: 105).

The overheating housing market compounded a system in which house prices move very quickly while housing supply moves only slowly. Housing provision in Britain is constrained by a shortage of available land for sale and development, and retarded by large house-builders operating in a system of competitive monopoly and an often tortuous planning system. These limits to market supply have been reinforced in the last two decades by the absence of any substantive public housing provision. A series of policy reforms over the 1980s transformed the housing sector in Britain. In the first of these, the Thatcher government’s Housing Act of 1980 gave public tenants the ‘Right to Buy’ their homes at discount in a context where no real market comparator existed, starting a process under which significant housing stock moved out of the public estate into private ownership. A further Housing Act (1985) provided for the transfer of properties from public ownership to Registered Social Landlords (RSLs – usually housing associations), while from 1989 local government authorities – including the 32 local borough councils in London – were heavily restricted by new financing laws in their use of funds from council house sales to build new homes for public tenants. As public supply dried up, and a significant minority of tenants exercised their right to buy their homes, there was both contraction and residualisation of public housing, with increasing affordability problems and housing shortages for those on low-medium incomes. Any sizeable supply of what was now called ‘social’ housing would in future be provided by third sector housing associations, subsidised by central government but frequently working in partnership with private developers.

In these ways, major trends in housing markets in the last two decades were steered by deregulatory policy: liberalisation in the financial sector allowed for the growth of ‘innovative’ mortgage deals and consumer credit for an expanding market of buyers, while liberalisation in the housing sector re-made the mix between public and private supply. As Britain’s financial and political centre, and its leading housing market, London was the crucible for these trends. Moreover, London’s global city status saw foreign capital play an important role in both feeding liberal credit flows and inflating the city’s housing market (see Atkinson & Bridge, 2005; Butler & Lees, 2006).

The second key process shaping the political economy of housing between 2000 and 2010 was policy-driven in a more regulatory vein, and centred specifically on London. The establishment of the Greater London Authority (GLA) under a directly-elected Mayor in 2000, and the publication of the Mayor’s first London Plan in 2004, represented a new form of strategic government for the city that sought to harness highly valued markets in private housing and commercial investment for longer-term and more social development ends. Beyond simple distinctions between market and planning approaches to the urban economy, the London Plan stands as an exemplary case of planning for the market. Economic development is viewed as a process that might be steered within a strategic spatial frame: notably for the physical renewal of devalued parts of the city, and the rational supply of the various kinds of housing that London’s growing population and diversifying households demand, particularly at the affordable end of the market. The London Plan set ambitious targets for new housing, distributed across the city but with distinct concentrations in the inner boroughs and on brownfield sites.

At the broadest level the London Plan carves up the city spatially with a fairly blunt blade – the ‘central activity zone’ (CAZ) is the economic heart of the city, while a series of local centres are tagged under a descending hierarchy as ‘metropolitan’, ‘urban’ or ‘suburban’, with associated target ranges for densification. It also identifies ‘opportunity areas’, including those parts of London where development should be encouraged to drive physical and social renewal. Such sites typically evince that mix of relative deprivation and development potential which promises a substantial uplift in value, given the right catalytic boost. London is peppered with such places: parts of inner London, or well-connected areas in the outer city, that cannot capitalise on their proximity to the centre; their young population

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1 Figures for 2005.
2 Between 1980–81 to 2005–06, more than 1.7 million council homes were sold in England under the Right to Buy (Hills, 2007).
with the peculiar high unemployment and high skill profile of those who have little economic opportunity other than for education or training schemes; or their rundown building stock ripe for rent-gap renewal. A certain combination of welfarism and boosterism has characterised urban policy in London since the 1980s – when the Thatcher government first vowed to ‘do something about those inner cities’ – but the London Plan makes a spatial shift from the piece-meal targeting of local regeneration projects to the city understood as an integrated spatial system.

This kind of ‘market welfarism’ in urban policy has at its centre the public-private partnership. In a strong version such partnerships are formally instituted through joint ventures or hybrid agencies, but public and private interests are more routinely mediated through the planning system. As the primary planning authorities in London, local borough councils pursue their objectives for development through negotiations with the various actors that come together in the guise of a private sector developer: investment funds, house-builders, property and construction firms, housing associations and architectural practices. These disparate private interests cannot operate (or cannot operate easily) in the planning system without the borough’s support; the borough in turn relies on private investment to deliver its priorities for local development. This public-private dance is especially pronounced in respect of housing. Local governments are dependent on private developers to produce most new affordable as well as market housing in their areas, while developers must play a local planning system that seeks to maximise affordable provision and to claw back other planning obligations from private provision.

Within its overall ambitions for housing growth across the city, the 2004 London Plan set a target for 50% affordable housing in new developments of more than 10 units (see also ODPM, 2005). This forms part of a larger political push for mixed tenure and mixed income communities in Britain’s towns and cities (ODPM, 2003; cf. Cheshire, 2009; Lees, 2008; Lupton, 2009). Even setting aside the debate over how ‘affordability’ is to be defined in London’s swollen housing market, in practice this target has been a moving one, as local authorities seek to secure investment on their patch and developers seek to limit their costs on housing units that undercut the market. The official trend also appears to be downward: London’s second Mayor, Boris Johnson, elected in 2008, published a draft revised London Plan in October 2009 that removes the London-wide percentage figure for affordable homes and instead gives each local council a numerical target. If all these units were built, the effect would be to reduce the overall share of affordable homes on new housing in the city to 40%.

This urban political economy – of planning for the market, public-private interaction, trade-offs between profitable investment and planning gain – plays out spatially in particular ways. Local government actors work within a different spatial logic from their private counterparts. The former are embedded in definite parts of the city, while private developers represent more or less ‘disembedded’ interests – from housing associations which may have local or city-wide remits to investment funds underwritten by remote foreign capital. London in 2010 has a privately-driven system of regeneration in which affordable housing is produced as a by-product of investments in market housing, within the limits imposed by the demands of economic viability and profitability. This political economy also has material effects in the changing urban landscape in London, legible in patterns of spatial restructuring and shifts in social mix. In the next part of the discussion, we consider how these socio-spatial patterns become visible in one part of inner London.

The integrated periphery: urban renewal in Bermondsey

The case we have selected to consider here is Bermondsey, an inner London neighbourhood on the south bank of the Thames in the London Borough of Southwark (Fig. 1).

This northern edge of Southwark, comprising the riverside areas of Bankside, Bermondsey and Rotherhithe, contains perhaps the best-known example of cultural regeneration in London – Tate Modern at Bankside, established through a mixture of public and private funds in 2000 and housed in Herzog and de Meuron’s re-design of the former Bankside Power Station. It also hosts City Hall, designed by Foster and Partners and home to the GLA; both developments have been catalysts for further commercial and residential development in their radius. North Southwark more generally has seen intensive regeneration, frequently through private sector investment in mixed commercial and residential developments. The new housing is at high density and has brought significant numbers of new residents into the area. Much of it is on former industrial sites and surrounds some of the oldest social housing in this part of London. Such a mix – with post-industrial housing development in close proximity to quite different housing typologies, tenures and values – tells a particular spatial story of urban renewal through housing, and offers a further spin on the continuing drama of urban gentrification in London. Urban renewal has been driven by the area’s integration into London’s global economic geography, through its adjacency – just across the river – to the financial centre of the City of London (which, as a Corporation, stands separately from the 32 London Boroughs).

The integration of Bermondsey into the City’s economy is not in itself new. Its position on the river and opposite the City has had a profound impact on Bermondsey’s industrial development and spatial organisation over time (Dimoldenberg, 1977; Johnson, 1969), and served a crucial role in facilitating London’s industrial and mercantile functions. Despite the prosperity of its docks, few Bermondsey residents felt the benefits of the wealth created there; employment was irregular and casual and by the mid-19th century it was home to some of the worst slums in the city (De la Mare, 2008). Riverside employment continued to dominate Bermondsey until the mid-20th century; however, the London docks were facing obsolescence by

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3 Over the five year period of 2003/4 to 2007/08, 22% of new housing was for social rent and 13% as intermediate housing, giving a total of 35% affordable housing (Bowie, 2010).

4 To the south of a dense concentration of wharves and riverside warehouses lay the ‘stink industries’ (Ackroyd, 2000: 689) – factories and processing plants containing the noxious and dangerous activities that were banished to the southern banks of the Thames.
the 1950s and gradually declined in significance until the last dock closed in 1981. In common with other parts of London, deindustrialisation in Bermondsey created landscapes of abandoned industrial buildings and falling land values as the population declined. It was in these post-industrial spaces that two parts of Bermondsey would start to gentrify – the former wharves at Bermondsey Riverside in the 1980s, and further south at Bermondsey Street in the 1990s. This disintegrated periphery came to serve London’s economy in a new mode – not as sites of employment and industry, but as sites of high-end housing and consumption. The gentrification of Bermondsey from the mid-late 1980s evinces that same mix of market valorisation and political boosterism that is characteristic of the entrepreneurial city generally during this period and London in particular.

Bermondsey Riverside

The gentrification of Bermondsey began in the 1980s in riverside wharves and warehouses. It did not therefore take the form described in Glass’s (1963) classic account, where residential stock in working-class areas is ‘rehabilitated’ by middle-class incomers to the inner city. Rather, former industrial buildings opened up spaces for new patterns of urban living (Zukin, 1988). The renewal of Bermondsey Riverside also departs from the gentrification template in being led by a government-designed private agency, rather than by a vanguard fraction of the urban middle class. In 1981 Bermondsey Riverside (stretching 1.5 miles along the Thames from London Bridge to Rotherhithe) was vested to the London Docklands Development Corporation (LDDC), which had been created the same year in response to the seemingly intractable decline of population and employment in London’s former dockside areas on both sides of the Thames (Fig. 2).

The areas designated to the LDDC were put outside the planning jurisdiction of their local authorities, seen by central government as acting too slowly to reverse decline. The agency’s role in the development of Canary Wharf as a secondary financial centre to the City of London is well-known; more broadly, it aimed to stimulate private investment in recycling old spaces to respond to changing economic conditions. The most prominent result of this approach on the south side of the Thames is at St Saviour’s Dock, to the east of Tower Bridge. With the LDDC’s support, in 1985 a consortium led by Sir Terence Conran bought the large riverside site at Butler’s Wharf, and proceeded to convert it into a complex of luxury apartments, student accommodation, offices, museums and restaurants. Further high-end residential conversions followed at adjacent warehouses, supplemented by a limited amount of new-build. Its designation as a conservation area in 1973 protected the area’s historic fabric; the LDDC permitted selective demolition only of certain historical buildings in poor repair or of indifferent quality, and new-build was required to reflect the dominant style and observe the original street

Fig. 1. Bermondsey within the London Borough of Southwark.
patterns (Tiesdell, Taner, & Heath, 1996). In this way, the renewal of Bermondsey Riverside maintained the narrow street network of the original wharves, the tight unbroken warehouse frontages, and the catwalks and bridges that link the buildings. This stretch of the Thames underlines the river’s renaissance in London; no longer a redundant industrial thoroughfare turned open sewer, but a desirable backdrop for leisure and living – at the same time, its restored fabric contrasted strongly with the physical condition of public estates further away from the river.

As a quango combining planning and development functions, the LDDC’s relationship with the local authority was uneasy from the start, and deteriorated after a left-wing Labour Party faction took control of Southwark Council in 1982, later refusing to cooperate with the corporation. A clash over how vacant land at Bermondsey Riverside should be used was at the heart of the animosity. Southwark’s Labour leaders were aware of their borough’s potential for gentrification, given the proximity to the City of London, and local government used what powers it had to hold-out against the perceived threat to its core working-class voters. Its planning policy prohibited change of use from industrial or commercial to residential (McCarthy, 1996), while the council sought to deter office development in its ‘City fringe’ through setting business rates which were, by 1983, the highest of any inner London borough (Carter, 2008). In contrast, the LDDC aimed to sell land for speculative development of offices and private housing (Buck, Gordon, Hall, Harloe, & Kleinman, 2002). The conflict culminated in 1986 when the LDDC objected to the council’s draft North Southwark Local Plan at public inquiry, a plan later rejected by central government. Future land use in the docklands area would be steered by the LDDC and not by the local planning authority (Thornley, 1990). The council’s response to the rejection of its planning policy was to dissociate itself from ongoing changes to its riverside areas, leaving opposition to local community groups and effectively giving the LDDC free rein to develop Southwark’s docklands as it saw fit (Clark, 1986).

Regardless of Southwark Council’s opposition to its model of urban renewal, and notwithstanding some concessions made in the face of community opposition (Clark, 1986; Brindley, Rydin, & Stoker, 1996), the LDDC was largely free to realise its vision of Bermondsey Riverside as an area primarily for new middle-class residents, whether living in converted warehouses or new-build market

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**Fig. 2.** Key sites in Bermondsey: 1: Bermondsey Riverside, 2: St Saviour’s Dock, 3: Bermondsey Street conservation area, 4: The Blue, 5: Bermondsey Spa. An ordnance survey/EDINA supplied service.
The return of Bermondsey Riverside to Southwark Council’s planning jurisdiction in 1992 coincided with a political shift in the borough’s leadership, from left-wing hold-out to a front-line of emerging New Labour politics (Buck et al., 2002). Rather than seeking to discourage private sector investment, the Council adopted an entrepreneurial approach to partnership with developers, whether to construct overspill business premises for City firms or to meet the associated demands for higher-income housing. Adopting the template of its old adversary, the Council used public regeneration funds and planning discretion to lever private investment. This political shift would see the gentrification frontier in Bermondsey move beyond the old redoubt of the LDDC to take in new spaces of renewal and conversion.

Bermondsey Street

The gentrification of Bermondsey Riverside in the 1980s was driven by an investment-led regeneration strategy: the area around Bermondsey Street was gentrified later and somewhat differently. Designated as a Conservation Area in 1972, it was expanded in 1991 and 1993 to its present boundaries (Fig. 2).

Once a bustling high street and centre for leather tanning and food processing, during Bermondsey’s post-industrial decline Bermondsey Street mainly served as a location for small industries – including print workshops, distribution centres and (clustered at the south end) antique dealerships – and as an undistinguished thoroughfare for service vehicles between London Bridge and the Old Kent Road. Bordering the Conservation Area are several balcony-block council housing estates, mainly built in the early post-War period. The mid-1990s saw small-scale property developers and professionals in the creative industries move into the area, drawn by the availability of cheap space in former warehouses and in the mansard-roofed houses where leather trade by-products were once manufactured. Once this bridgehead was established, the cachet of loft-living, the extra space that former industrial buildings typically offered, and the area’s proximity to the City of London made Bermondsey Street an attractive location for professional workers (see also Hamnett, 2009a; Hamnett & Whitelegg, 2007). The trend for converting industrial space into homes was accelerated when, following lobbying from a newly founded community association, Southwark Council removed Bermondsey Street’s zoning classification as an employment area and accepted proposals for new developments with a ‘live-work’ element. Empty industrial buildings could now be recycled as residential conversions.

The gentrification of Bermondsey Street offers a different version of the interaction between government and private development from the stand-off at Bermondsey Riverside a decade earlier. Here Southwark Council did not place itself in opposition to attempts to bring middle-class housing to a former industrial area, but supported it through changes in planning regulations. A former director of planning at the council explained:

We looked at Bermondsey Street and it had no future as an industrial area and we looked at the buildings and came to the conclusion that we wanted it to be a mixed area, we wanted to retain the character which was there, but if there are buildings which were not able to be used effectively as manufacturing, industrial or office use, we’d give them consent for residential if they maintained the building and carried out improvements.5

The loosening of planning regulations and the new creative kudos leant by the incomers attracted big-name property developers who transformed the area with larger residential developments at higher densities. A member of the local area partnership described the changes this brought:

The larger property developers moved in […] and changed the area again as their residential developments were at much higher densities, you know, moving away from the loft living ideal. […] But] you needed much higher populations to sustain the cafés, the restaurants, the specialist shops, the food shops which are such a part of Bermondsey Street and really make the area come alive. There’s a buzz to the area now, there’s that critical mass of people, new and old, meaning that they can support the new shops and restaurants.

The gentrification of Bermondsey Street follows a more typical model which sees the lifestyle choices of particular middle-class actors whetting the interest of housing developers (Hackworth & Smith, 2001). The result is a distinctive mix of housing: early warehouse conversions, recent ersatz replicas and other new-build properties – all side-by-side with the few remaining 18th and 19th-century townhouses and 20th-century public housing estates (Figs. 3 and 4. See also Hutton, 2008).

The Blue and Bermondsey Spa

The gentrification of Bermondsey is incomplete with a large low-income population remaining. At the time of the last Census in 2001, a majority of households in Bermondsey lived in social rented housing and were more likely to do so than elsewhere in Southwark or in London as a whole. The regeneration of Bermondsey Riverside and later Bermondsey Street has ‘re-centred’ the area away from its older working-class core at The Blue, further to the east (Fig. 2):

You used to go down The Blue and see everyone you knew, have a catch up and find out what was going to people, it was a really lively, bustling place, so much going on […] It was the proper heart of Bermondsey.

The words of a long-standing resident captures the sense of a lost urban vitality – of a ‘really, lively bustling place, so much going on’ – that another, more recent resident finds in the gentrified spaces further west: ‘There’s a buzz to the area now, there’s that critical mass of people’. These very local geographies of centre and margin have shifted, as redundant spaces have been revived and the old centre peripheralised. The Blue lies in the middle of a large council

5 All interviews conducted by Jamie Keddie as part of his doctoral research on how regeneration and local housing policies are perceived by long-term residents of Bermondsey.
housing tract, and is composed of a dilapidated group of shops and a 1960s development which includes a small square hosting the remains of a local market (Figs. 5 and 6).

It was once Bermondsey's principal shopping location, but has suffered heavily from competition from large supermarkets nearby and the decline of the area's working-class population. Now it forms a 'proletarian island' (Hall, 2007: 80) with its predominantly white, working-class residents seeing threats from two social groups: on one side, from gentrifiers, perceived to be making housing unaffordable for local people and changing the character of the neighbourhood; and on the other from newly arrived council housing tenants, whether decanted from the large estates being redeveloped elsewhere in Southwark, or
immigrants to the UK, both competing with long-term residents for scarce social housing.

Such a sense of encroachment is unlikely to be discouraged by the most recent regeneration scheme in the area, Bermondsey Spa, which will bring a mix of housing types to a previously mono-tenure part of Bermondsey. The latest in a series of market developments on formerly council-owned land, the Bermondsey Spa scheme has seen the borough sell 15 disparate pockets of land for the private development of 2000 homes, 40% of which are affordable. The scale of the scheme underlines the council’s transition from outright opposition to private housing investment in the 1980s, to being a key player in the mixed economy of urban renewal and housing delivery in early 21st century London.

Two local councillors described the attitudinal shift:

The nature of housing development, as a council, means the most effective way to bring forward affordable housing is as a proportion of the market housing on private developments.

The council’s definitely changed its attitude in that respect since the 1990s, in terms of how it sees itself and relating to the rest of London, even to the river, you know, not as a barrier between ourselves and the City but something which links us. We used to see ourselves as primarily a south London borough, facing south away from the City and very anti-Thatcher with that. [...] Those sorts of attitudes weren’t getting the council any money. Money for regeneration wasn’t just handed out because you thought you needed it, you had to make a case for investment. It was all well and good complaining, but the realities of politics became about partnership and negotiation, not opposition, trying to do things alone.

Bermondsey Spa is also significant in realising some principal ambitions of the London Plan. Along with intensifying land use and diversifying housing types, the scheme demonstrates the leverage of benefits for existing residents of the area, including affordable housing provision and Section 106 (S106) agreements\textsuperscript{6} to fund a childcare and healthcare centre on site. The recognition that the impact of private housing on the surrounding area should be mitigated is in contrast to the liberalised approach towards regeneration witnessed at Bermondsey Street and Riverside. While attracting private sector investment remains a critical driver of housing renewal in itself, it may also be levered for a broader strategy of urban renewal – as the former director of planning explained about Bermondsey Spa:

We marketed it [to developers] in quite a careful way to make sure we got what we wanted out of it: new social housing, improvement of the local vicinity and some community facilities. [...] It’s about getting the community on your side, and making a greater equation between the private development and it being the means of achieving what they wanted [...] Our approach was: ‘what do you want? They will give you it’ and they will accept the new market housing.

In this respect Southwark can claim some significant success: the most recent figures show that in 2007/08 the Council negotiated £15.3m in S106 agreements, the fifth highest in London, including £2.2m developer contributions towards affordable housing and £1.9m for community facilities; 246 affordable units were completed via developer contributions out of a borough total of 775. The highest sums were secured in the north of the borough in London.

\textsuperscript{6} Under Section 106 (S106) of the 1990 Town and Country Planning Act, planning obligations can be negotiated to mitigate the impact of development on local areas. Under the current planning regime in London, S106 agreements frequently require private developments (whether commercial, residential or industrial) to provide agreed public amenities directly, or to transfer funds to the local authority to use in pursuit of its own development priorities for housing, transport, education and skills, public realm and the urban environment.
Plan defined ‘opportunity areas’, with £4m negotiated in Bermondsey (LBS, 2008). However, the affordable housing brought forward as a by-product of private developments is a small proportion of the almost 2000 units estimated to be required in this part of London each year to ease housing pressure in the capital. Southwark, a once recalcitrant local authority, has been effective in using private investment to directly provide or finance affordable housing, even if at a ratio markedly lower than the *London Plan*’s target of 50% for all developments.

**Gentrification without displacement**

As the LDDC’s entrepreneurial template for market-led regeneration has become the orthodoxy of urban renewal, tensions remain among long-term residents yet to feel the ‘trickle down’ benefits of regeneration. The population of Southwark has been increasing in the last two decades – for the first time in 40 years – and the majority of the new residents are from the higher socio-economic groups (Carter, 2008); the population share of low income residents has therefore reduced, although not their overall number (Buck et al., 2002). Davidson and Lees, (2005: 1177) use Census data to track population changes in London’s riverside areas during the 1990s: along Southwark’s riverside, the professional and managerial population increased by 208.8% between 1991 and 2001 (as compared with a 75.9% increase in ‘non-riverside areas’), while lower-grade service and manual occupations, together with the economically inactive, decreased by 2.8% (by 22.9% in ‘non-riverside’ areas). This provides a distinctive picture of gentrification processes in this part of London. Hamnett (2009b) analyses property values across the city following

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Fig. 5. Housing uses at the Blue. An ordnance survey/EDINA supplied service.
the mid-1990s upturn. Identifying a pattern of ‘spatially displaced demand’ that is especially pronounced in the period since 2000, Hamnett argues that middle-class buyers have gradually been forced into more peripheral markets in lower-income areas. While the hierarchy of London property values remains firmly in place, with inner areas of West London at the peak, it is East London that saw the most accelerated price rises after 2000. The effect of these serial displacements sees middle-income buyers out-competing lower-income groups in both the home owner and rental sectors in London’s cheaper housing markets.

In Bermondsey the story is less one of displacement than of a large overall population increase facilitated by the conversions of industrial and commercial stock to housing, and dominated by gentrifiers. The ‘gentrifying classes’ now outnumber lower-income residents, but the latter have seen only a small population decline. While incoming populations may displace some earlier residents through the on-selling of former public housing units and of private rental stock, there is relatively little evidence of this in the Census figures to date, or indeed to be experienced on the ground. Rather, gentrifying populations are taking up new housing stock supplied through conversions or new-build, creating local patterns of ‘micro-segregation’ without physical displacement. While higher and lower-income groups do not compete for housing stock, however, there is competition in respect of consumption, leisure and public spaces – that is, over the more symbolic ‘ownership’ and occupation of local space. As one older local says of Bermondsey Street:

You can’t go there and buy any of the things you need, none of the shops there are any use to me. […] The traditional shops have gone now. There used to be a post office, a bank, grocers, there’s still a barbers but he’s the last. Now I tell you what there is though – there’s a ‘pooch boutique’, designer clothes for your dog! What purpose does that serve? Really, you’d need more money than sense to go there.

Bermondsey now scores relatively well on official measures of multiple deprivation – not necessarily because those living in poor quality environments, in poor health or in economic need are so much less ‘deprived’ than they were 20 years ago, but because their population share is now substantially outweighed by the definitely non-deprived.

The pronounced impact of market-led regeneration over the 1980s and 1990s is already evident in these altered demographics; the specific impact of policies on affordability during the 2000s and the broader impact of the London Plan will become more visible through the 2011 Census data. But Bermondsey can still be regarded as a success story of sorts. In less than 30 years it has been transformed from a decaying and depopulating industrial periphery to a growing and highly valorised area of residence, work and leisure. Formerly a low-income enclave, it has become by any standard measure a ‘mixed community’ – evincing as it now does a mix of incomes, of tenures, and of uses. This quantitative mix, however, is marked by stark income polarities and distinct spatial geographies at a micro-scale. There is certainly an equity argument to be made for the retention of a significant stock of public housing in what has become a high-rent neighbourhood, and micro-segregation may well be preferable to displacement as an effect of gentrification, but it is worth examining what our images of urban success look like now (see Atkinson, 2008).

**Conclusion**

This story of urban change in one part of inner London reflects the recent history of the city’s wider development, not
only in the decade since 2000, but in terms of a narrative of restructuring and regeneration that has unfolded since the 1980s. Bermondsey is a local landscape recognisable in many post-industrial cities, where an industrial heritage has been preserved to form a distinctive site for consumption. As London has shifted from a manufacturing to a service economy, so Bermondsey has shifted from a homogenous community employed by local industry to an area inhabited by more diverse live-work and leisure social groups. Just as its former dockside industry was integral to London’s industrial economy, it now provides spaces of residence and consumption appropriate to London’s global city functions. However, Bermondsey’s story does not simply follow a standard gentrification plot, in which a lower-income residential community is out-competed by affluent incomers, and cheap housing stock is renewed and re-valorised. While portions of Bermondsey’s established population have taken the opportunity to leave, when provided with the right to buy (and then sell on) their council housing, the area’s gentrification has largely proceeded via the conversion of old industrial and commercial buildings, and higher-end new-build, rather than through the upgrade and tenure transfer of working-class housing. This has produced a spatial logic less of displacement than of local patterns of ‘micro-segregation’ in which a (sometimes very polarised) mix of incomes and tenures is retained. Meanwhile, the old social centre of the neighbourhood has been peripheralised, as economic investment – both public and private – has created new centres of value and amenity. The spatial strategy instituted under the London Plan can be read against the neoliberal urban policy of the 1980s and early 1990s, as a strategy of planning for the market – where a strategic city government without significant investment powers seeks to steer private investment and development. At the same time, the Plan’s emphasis on densification can be seen to re-order urban space in ways that – in the case of Bermondsey – alter a standard gentrification script, and re-cast the question of urban ‘mix’.

References


