

## House&Home City Living Special



A two-person micro-flat in Manila

**Property** | Micro-living may be the only solution to the squeeze in cities caused by rising prices and population growth. By *George Hammond*

**R**omabelle Advincula lives in central Manila with three housemates — or, more accurately, roommates. The four, all in their mid-twenties, all university educated and working in skilled jobs, share a single room with one double bed and one bunk-bed. Advincula has the top bunk. “The advantages with the set-up are minimal cost, companionship, and help is always there . . . The downside of this arrangement is you can’t have privacy,” she says. The apartment is around 45 square metres — a quarter the size of a tennis court.

In Manila, the capital of the Philippines and the world’s densest city, a room of one’s own is a luxury; many young professionals simply rent a bed space in a shared dormitory.

To professionals in London, New York and other world cities, such conditions might seem unbearably claustrophobic — nevertheless, they are a reality. The pace of urbanisation over past decades has been dramatic and continues to accelerate. City dwellers only exceeded half of the world’s total in 2007, according to the World Bank, but they will make up more than two-thirds of that number by the middle of this century, says the UN.

That poses problems: how can city planners accommodate growth without compromising quality of life; and how can they house those attracted to cities without destroying the attraction?

In Manila, one answer has been to cram more into less. There are inevitable trade-offs. Jeremiah Raro, a recent graduate, shares a room with his cousin.

They share one sink with the other four apartments in the building. There is no kitchen. Raro, who pays around £37 per month for his share of the apartment, says: “I don’t consider it my ‘home’: it’s just a place where I can sleep after work, and stay for a little while before work.”

Even in less densely populated cities, there is a palpable sense that space is squeezed. “City populations are growing; space is finite. We need a solution to that,” says Reza Merchant, chief executive of The Collective, a UK co-living apartment operator.

The Collective’s answer is a 546-bedroom tower on the banks of the Grand Union canal in west London. Inside, there is a cinema, a co-working space and a “secret garden”; a blackboard is chalked up with the week’s events: Monday morning yoga on the terrace through to “self-care Sunday”. In co-living developments such as this, private space is limited to tiny bedrooms, with amenities and living space shared by all.

“We want to create a global network of places where you not only have a roof over your head, you have a sense of belonging and a sense of love,” says Merchant, whose company has 7,500 rooms planned at sites in London, New York and Germany.

“People do complain that their room

**‘I don’t consider it “home”; it’s just a place where I can sleep after work, and stay a little while before work’**



Manila from the air — Bernhard Lang

is too small — they don’t want to get rid of their worldly possessions,” says Tia Tuovinen who is responsible for “community wellbeing” at The Collective Old Oak, which operates a partnership with a storage company. En suite rooms here are 11 sq m, for which residents — or “members” as they are called — pay £1,083 per month.

The UK government’s space standard, introduced in 2015, stipulates a minimum floorplan of 37 sq m for any new one-bedroom flats. A number of non-traditional developments — categorised as “micro-living” — do not meet that standard, but can be permissible where they help to meet housing need.

Had The Collective designed a conventional apartment block, there would be “a fraction of the number of people” in the building, says Merchant. By a



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rough calculation, the 16,000 sq m building could accommodate 432 flats that met the minimum space standard. Opting for co-living means the building holds well over 100 extra flats – a significant stream of rental income.

Members at The Collective Old Oak might wish for bigger bedrooms, but with an average rent of more than £1,000 per month, living here is a lifestyle choice. In the borough of Ealing, where the building is located, the median monthly rent for a room is £628, according to the latest government figures.

In New York, the co-living model is gaining traction. At the end of last year, the city launched ShareNYC, a programme that allowed developers of affordable co-living projects to apply for financing.

At the top end of the New York market, some developers take the view that small is beautiful. Hundreds of feet above downtown Manhattan, on the 64th floor of Rafael Vinoly's 125 Greenwich Street skyscraper, a one-bedroom flat – measuring a modest 44 sq m – is for sale at \$1.23m. “The new luxury is being close to work and being in the centre of everything,” says Alessandro Pallaoro, at Bizzi & Partners Development, which worked on the building. “I found that people who are looking at these apartments do not want to commute. Sometimes people will sacrifice a bit of space for that.”

Other residents might be compelled to live in smaller homes by necessity. In Merlin House in Kilburn, north London, offices have been converted into 12 one-bedroom apartments, under rules that

allow developers to turn offices into homes without planning consent. The new homes are not required to meet space standards. These so-called “permitted development rights” (PDR) were introduced by the government in 2013, and led to the creation of 42,000 new homes in the three years from 2015, according to official statistics.

Such conversions create housing that is cheap, but cramped. The Merlin House flats have no amenity spaces nor play areas, and none meets the minimum national space standards, according to research by the Royal Institution of Chartered Surveyors. The Labour party says it would end PDR should it win the next general election.

“There’s been a lot of anxiety around whether these flats are too small for the people living in them. What those com-



(Clockwise from far left) The Collective Old Oak; studio apartment at 125 Greenwich Street, New York; a Pocket home on Bollo Lane, west London  
Matt Livey

plaints miss is that PDR does what it says on the tin: it creates the cheapest housing in that area,” says Anthony Breach, an analyst at the think-tank Centre for Cities. “The goal should not be that everybody has 37 sq m; it should be that everyone can live decently.”

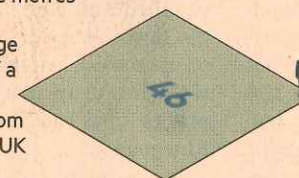
Those two things are intimately related, argues Marc Vlessing, chief executive of Pocket Living, a London-based developer that builds homes of or just above minimum space standards. Conversions such as Merlin House, he says, “do wonders for government delivery numbers – they soak up a lot of inefficient office space and turn it into residential. [But] I think a lot of schemes in London have created units which are inadequate.”

At Pocket Living's 70-apartment scheme in Lambeth, south London, one-bedroom flats of 38 sq m are for sale starting at £265,000. They are pitched at first-time buyers with a household income of £45,000 or less. “Our view was that an ever-larger group of people were never going to get their foot on the ladder, and so could never trade up. That assessment was right,” says Vlessing.

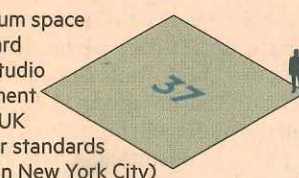
**Size matters**

Square metres

Average size of a one-bedroom flat in UK



Minimum space standard for a studio apartment in the UK (similar standards apply in New York City)



Ensuite room at the Collective's Old Oak co-living development in London



Smallest studio we could find in Tokyo



Minimum requirement for a single-occupancy prison cell\*



\*According to guidelines set by European Committee for the Prevention of Torture (CPT)  
FT graphic  
Sources: Riba; City of New York; The Collective; CPT

The concept has won support from both sides of the political divide: London's Conservative former mayor Boris Johnson pledged £26m to Pocket Living in 2013 in the form of a 10-year loan; his Labour successor Sadiq Khan doubled that amount.

Pocket Living's flats in Lambeth are modest but by no means cramped. In many cities, they would be considered spacious. In Japan, 25 sq m is the minimum recommended area for one person, but some Tokyo residents live in flats not much larger than 8 sq m.

“Some say smaller units would be more affordable, but there's an issue with adequacy,” says Leilani Farha, the UN's special rapporteur on the right to housing. “The issue is who's going to live there, for how long and under what circumstances?”

Corporate dorms and co-living schemes might be suitable for particular life-stages, but preclusive to others. Raising a family in Old Oak would be

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impossible, and Merchant describes the development as “a stepping stone.” The question is, to where?

In London, the median gross annual wage is £35,716 while the average home costs £467,500, more than 13 times that, according to government figures. “The aspiration of owning a house in your late-twenties where you can roost and grow is kind of gone,” says Vlessing.

Stretched affordability is not unique to wealthy cities in the northern hemisphere, says Farha. “Look anywhere in the world: you'd have the same graph: a steep incline in housing costs over time, and a horizontal line that is wages.”

The decoupling of wages and housing is in part a function of “the financialisation of housing”. She points the finger particularly at private equity groups that have bought up swaths of residential property since the financial crisis.

In London, another problem is a lack of independent one-bedroom flats and a reliance on house and flat-shares, says Breach. The result is that “people with middle-class careers feel like they're still at university: arguing about the washing up and the queue for the shower”.