

2005 Housing Needs Survey



Summary Report
by



HOUSING • PLANNING
REGENERATION • CONSULTANTS

HOUSING NEEDS SURVEY

This report contains a summary of the results from an assessment of housing needs conducted by DCA on behalf of Rother District Council as part of a Sub-Regional Study conducted with all five East Sussex Councils and the unitary authority of Brighton & Hove City Council.

The purpose of the study was to examine the housing requirements (needs, aspirations and demands) for the communities and households of the District.

The overall aims of the project were to:-

- ▶ inform the development of each Council's Housing Strategy and other relevant strategies and plans;
- ▶ provide robust information to support Housing and Planning policies;
- ▶ assist in the provision of data in relation to the number, type and location of affordable new homes required over the next three years and beyond;
- ▶ inform the decisions concerning future housing provision in relation to household aspirations;
- ▶ provide data in relation to the number of dwellings requiring adaptation or extension;
- ▶ support the Council's contribution to County-wide and Regional joint strategic planning;
- ▶ contribute to the evidence base for development plans and in particular, to assist policy formulation in respect of the delivery of affordable housing through the planning system.

In this summary you will find the main findings from a study undertaken through:-

- ▶ A postal questionnaire to 4,950 households in 6 sub-areas across the District;
- ▶ A housing market survey utilising the Land Registry and Halifax House Price databases and a telephone survey of estate agents on the supply and cost of private rented housing;
- ▶ Secondary data analysis drawing upon HIP and Housing Register data on the flow of social stock and need, the 2001 Census, household and population projections and other national research.
- ▶ Face to face interviews with older people, young people, Black and Minority Ethnic (BME) households, and people with learning disabilities on a sub-regional basis across the five East Sussex Councils and the unitary authority of Brighton & Hove Council. Each group was interviewed using a dedicated questionnaire.

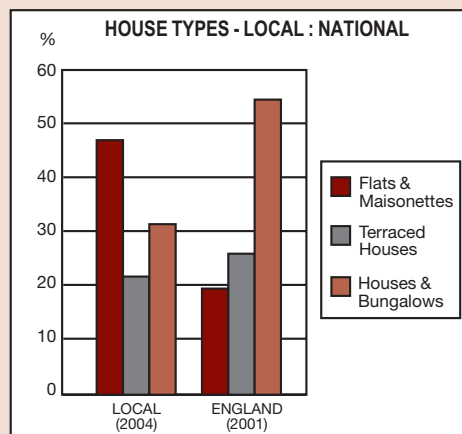
KEY FINDINGS OF THE SURVEY

- ▶ 91% of households live in accommodation suitable for their needs. Satisfaction varies from 97% in the owner occupied (no mortgage) sector to 65% in the private rented sector;
- ▶ The average price of flats and terraced houses are £127,267 and £174,884 respectively and affordability is a major issue, particularly for new forming households;
- ▶ 76% cannot afford private rental and home ownership is beyond the reach of 83% of concealed households. Only 5% of them earn over £27,300 pa; the national average;
- ▶ The social stock is 11.3%, lower than the national average of 19.3% and provides 337 re-let units each year, of which 130 are sheltered housing relets. Annually 593 affordable housing units are needed, 256 more than existing re-let supply;
- ▶ There is a requirement to develop a more balanced housing stock in both sectors with a need for more flats and terraced houses, particularly in the private sector;
- ▶ The retired population will increase significantly by 35.5% by 2021. There is an inextricable link between ageing and disability. 70% of those with a support need are over 60, and over half (52%) have a walking difficulty.

THE HOUSING STOCK

The chart shows the characteristics of the District stock in 2005, compared to the national average level at the 2001 Census in each category.

Locally, the proportion of houses and bungalows (64.8%) is higher than the national average of 54%. The supply of terraced properties is 13.3%, lower than the national average of 26%, and flats / maisonettes at 21.5% are just above the national average of 20%.



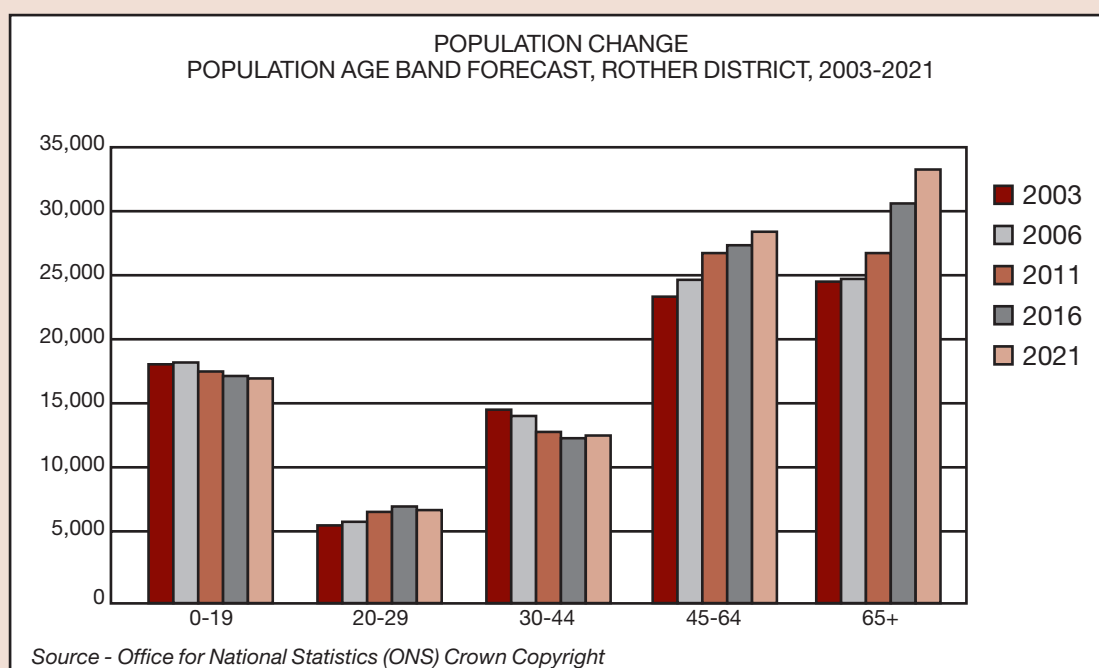
THE DISTRICT POPULATION - FUTURE PROJECTIONS

An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a number of factors - numbers of births and deaths, how the population is ageing, and the migration of people into and out of the area. The number of households rises and falls over time in response to these and is also affected by changes in the pattern of marriages and divorces and the general economic climate.

What about the future?

The population estimates are based on East Sussex County Council projections (2003). The 2001 Census data has been taken into consideration in the production of these projections.

- ▶ The 2003 based projections indicate that the population will increase by approximately 12,100 people, 14.1% over the 18 years to 2021, rising to 98,000 by 2016, increasing at an average annual rate of approximately 0.8%.
- ▶ The 0-19 age range shows a decrease overall (1,000; 5.5%). The largest fall occurs between 2006 and 2011 (600; 3.3%).
- ▶ The 20-29 age range comprises new households forming and will have implications for future affordable housing need both in the short and longer term. Overall this age group shows a rise (1,500; 27.8%), with the most significant increase seen between 2006 and 2011 (800; 13.8%) followed by a slight fall between 2016 and 2021 (100; 1.4%).
- ▶ The 30-44 age group, the main economically active group shows a decrease overall (2,000; 13.8%). The largest decrease occurs between 2006 and 2011 (1,200; 8.6%).
- ▶ There is a growth of the population in the 45-64 age group. Over the forecast period there is an increase of 5,000 people (21.5%) A steady rise is seen throughout the forecast period, with an increase of 2,000 people between 2006 and 2011.
- ▶ The most significant feature here is the growth of the population in the over 65 age group with an increase of 8,700 people (35.5%) over the forecast period. Numbers rise throughout the forecast period, with a large rise of 6,300 occurring in the current decade to 2011.



The housing market is the context against which all the housing needs of the area are set. In particular, house price information is the basis on which the “affordability” of housing is measured for low-income households. In essence, we are seeking to establish who cannot afford to enter into the market. This data is then related to the problems faced by the “concealed households” in the area, i.e. households living with friends and relatives unable to gain access to the housing market.

National and Regional Context

UK house price inflation for the year ending 31st December 2004 was recorded by Halifax Index at 15.1% and the Land Registry at 11.7%. House price inflation in the fourth quarter of 2004 slowed in most regions with an overall increase of 0.1%, well below the 2.7% gain in the third quarter of 2004.

House prices in the South East Region show a small fall, decreasing by 1.6% during the fourth quarter of 2004 the first quarterly decrease since the second quarter of 2003. The annual rate of house price inflation recorded in the Halifax Index for the South East Region at 31st December 2004 was 7.2%, well below the UK average of 15.1%.

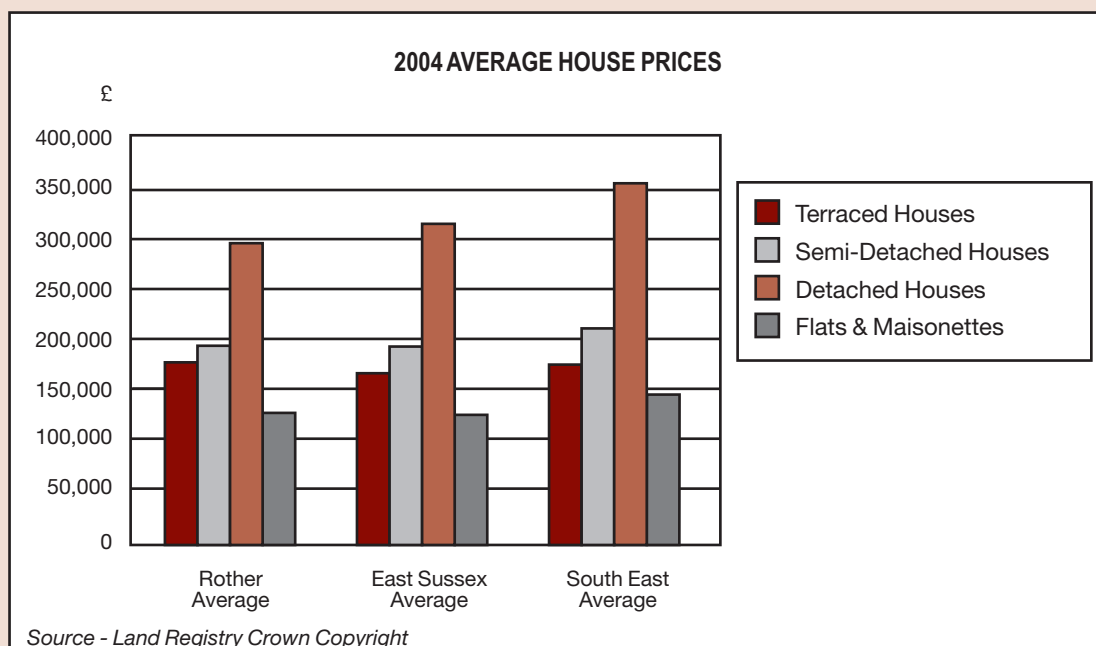
The Rother District Housing Market

The evaluation of the market in Rother District is based on specially prepared information taken directly from the Land Registry database for the year to 31st December 2004 and an analysis of local estate agency sales looking at entry level properties.

The Land Registry recorded the average price for all dwellings in the District at £209,134. The average semi-detached dwelling was sold for £193,140, a similar level to the East Sussex average of £192,550. The graph shows that house prices in the District are comparatively similar to the average for East Sussex.

An income of £25,100 is required to buy a one bedroom flat in Bexhill. A two bedroom flat requires an income of £36,900 in Battle and Battle Rural and potentially up to £56,200 in Ticehurst Rural, although there is a very small stock for this type in the area. Terraced properties require an income of £37,600 in Bexhill and £48,500 in Battle and Battle Rural.

We assess flats/maisonettes to be the main entry level for first time buyers in view of their lower cost and high volume of sales. 83% has inadequate income to be able to buy and 76% cannot afford to rent privately. Additionally the private rented sector is small and is not the housing preference of the majority of households. Even where this is the case lack of supply may cause some households to have to leave the District to meet their requirements.



KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork for the study took place in March 2005 and provides a detailed picture of the current and future housing needs and preferences in the District. The study consisted of a postal questionnaire to 4,950 households in 6 sub-areas across the District. 1,753 responses were achieved in total, providing statistical confidence at 95% \pm 1.91% confidence interval. 4.5% of all households in the District participated in the survey.

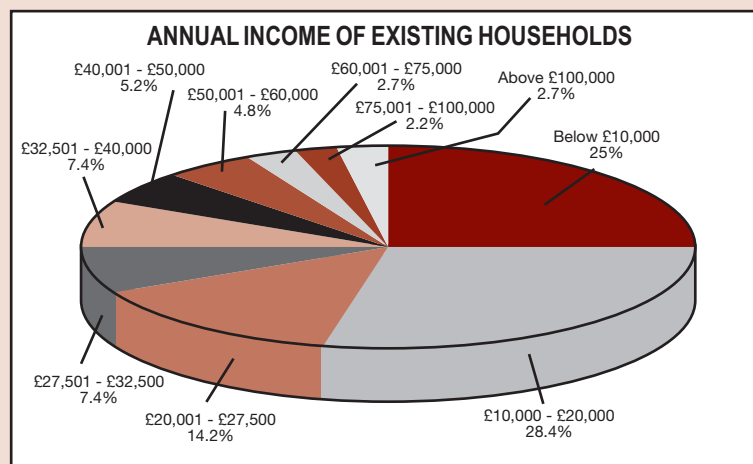
The “implied” numbers are our assessment of the total numbers after applying a sub area weighting factor to represent the total population. Below we present in summary form, the key findings from the survey with a particular emphasis on the needs of concealed households.

Adequacy of the Existing Stock

- ▶ The vast majority of households have access to all the basic amenities and the perception of most residents is that their homes are well maintained and not in need of improvement.
- ▶ Some 90.8% of households indicated that their accommodation is adequate for their needs. 9.2% (3,560 implied) indicated that it is inadequate. The largest single issue for those reporting an inadequacy which could be resolved in-situ (without moving) was that the dwelling needed improvement / repairs (87.4%). Of those requiring a move 67.7% (2,082 implied) indicated that the dwelling was too small.
- ▶ Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 16.9% of all households and over-occupation affects 1.2% (460 households).

Costs of Present Housing and Household Income

- ▶ A total of 18.8% (1,532 implied) paid less than £60 p.w.; 30.5% (2,489 implied) paid less than £70 p.w. and 50.6% (4,134) paid less than £80. Of owner-occupiers, with a mortgage 68.1% (18,680 implied) pay less than £250 per month. Around 3.3% (900 implied) of owner-occupier households pay in excess of £1,250 per month. The level of payment was well spread across the bands up to £1,000 per month.
- ▶ 25.0% (7,493 implied) of households have incomes below £10,000, below the corresponding UK figure (28%). 36.1% of households in the District have incomes above £27,500 (9,715 implied), well above the UK average (27%).



- ▶ 33.9% of households were in receipt of financial support (6,275 implied), of whom 34.3% (4,523 implied) were in receipt of Housing Benefit or 50.2% of renters in the sample.

Moving Households

- ▶ 2,790 existing households and 1,523 new households will be moving within Rother District in the next three years.
- ▶ 2,794 existing and new forming households anticipate moving away from the District. In the case of existing households moving, the single most common reason given by existing households moving outside the District was to move to a better area (46.6%). In the case of concealed households moving, choices were more focused on employment (65.7%), lack of affordable housing (19.0%) and better education facilities (12.6%).

Support Issues

- ▶ 20.7% of households in the District contain somebody with a support need (8,024 households implied), of which 16.4% had two members affected. 33.5% of all household members were over 60, 36.2% over 75.
- ▶ The largest group (4,007 implied) affected by a named support need were those with a walking difficulty, representing 52.3% of those with a support need.
- ▶ Around 7.6% of these households contained someone who was a wheelchair user, suggesting around 585 in Rother District as a whole. 23.0% of wheelchair user's households live in a property with suitable adaptation.
- ▶ Of household members with support needs, some 14.7% (468 implied) felt they needed care or support which is not currently provided. These findings will have implications at both a regional and District-wide level.
- ▶ 11.7% of all dwellings (4,544 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 54.3% have handrails / grabrails, 46.1% have ground floor toilet adaptations, and 42.4% have adaptations to the access to the property.

CONCEALED HOUSEHOLDS

Concealed households are people living within a household wanting to move to their own accommodation and form a separate household. We found that around 3.9% of households contained one or more households seeking independent accommodation giving a total of 1,523 cases over the next three years to 2008. Over 94.6% are the adult children of existing residents.

In the concealed households group:-

- ▶ 60.6% (998 implied) of the people in these concealed households are between 20 and 29 years of age and 29.1% are over 30 (640 implied);
- ▶ 559 (36.7%) of households are being formed with a partner living in a separate household elsewhere in the District;
- ▶ Only 11.6% (176 implied) of concealed households moving within the next year were registered on a housing waiting list, 76.0% of concealed households registered on a waiting list (134) are registered on the Rother District Council List.

Their needs and preferences for specific house types were:-

Type	Need %	Preference %	Current Stock %
Flat	59.0	27.8	21.5
Terraced	27.9	35.8	13.3
Semi-detached	5.3	20.2	18.0

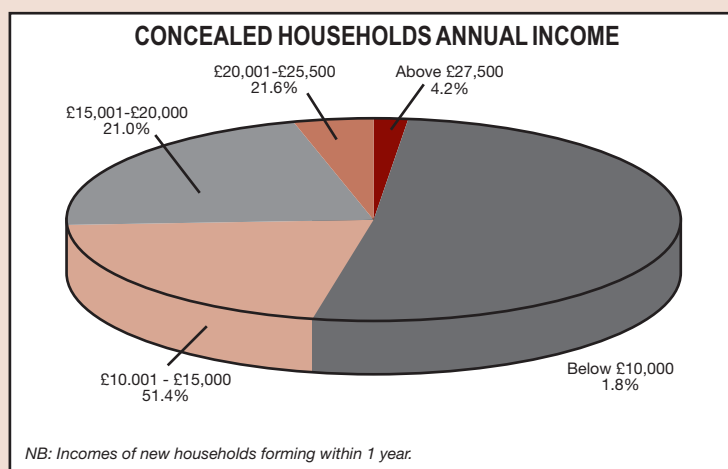
Size	Need %	Preference %	Current Stock %
One Bed	43.6	8.7	11.0
Two Bed	54.3	80.6	34.4
Three Bed	2.1	10.7	35.9

- ▶ Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher preference for terraced houses and flats than are present in the existing stock.

Concealed Households' Housing Costs and Incomes

Key factors relating to immediately forming households' ability to meet housing costs are that:-

- ▶ 34.9% of those wishing to rent could afford a weekly rent of no more than £60 and a further 29.4% no more than £80;
- ▶ 51.7% wanting to buy could not afford a mortgage of more than £400 per month;
- ▶ 53.2% have household incomes below £15,000 per annum, 21.0% earn between £15,001 - £20,000 and a further 21.6% between £20,001 and £27,500, giving a total of 95.8% with an income below £27,500.



Affordability and Entry to Market Housing

The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available.

Based on 95% mortgage availability and a 3-times gross income to lending ratio it is estimated that a new purchaser would need an annual income of £25,100 to buy a one bedroom flat in Bexhill, rising to £37,200 in Rye/Rye Rural. A two bedroom flat requires an income of £36,900 in Battle and Battle Rural and up to £56,200 in Ticehurst Rural. A two bedroom flat in Bexhill requires an income of £38,800. Terraced properties require an income of £37,600 in Bexhill and £48,500 in Battle/Battle Rural.

Although the average price of terraced properties according to the Land Registry survey is £174,884, entry levels for 2-bed property start at £118,650 in Bexhill, rising to £153,300 in Battle / Battle Rural.

83% have inadequate income to be able to buy and 76% cannot afford to rent privately even the smallest one and two bedroom flats and terraced houses.

Housing Stock Balance Analysis

The nature and turnover of the existing housing stock is vitally important in meeting current and future housing demand in all tenures. The information gained from a separate detailed stock flow analysis will be of major benefit to the development of site development briefs for the delivery of both private sector and affordable sectors, balancing housing markets and in longer-term business planning.

CONCLUSIONS

- ▶ Although a considerable spread of incomes is evident, a number of people live on relatively low incomes. Consequently, the two most important issues are the problem of affordability and the level of “concealed” households living within an existing household, the vast majority of whom are not recorded on a register of housing need.
- ▶ The house price and income study shows that 76% of these “concealed” households are not able to afford to rent even the cheapest available private housing in the District and 83% cannot access owner occupation. Only 5% of them earn over the national average income of £27,300.
- ▶ Most concealed household demand is for the smaller and affordable type of housing, particularly flats. There is a shortfall of flats in the existing stock which should be addressed to ensure there is a mix of house types and sizes available in line with the principles in PPG3 Housing and to provide balanced housing markets.
- ▶ The assessment of annual affordable housing need and supply reveals the following:-

Total annual need	593
Total Supply from re-lets	396
Net annual outstanding need	256

- ▶ The total affordable housing need annually is for 593 units. Re-lets of the existing social stock average 396 units, of which an average of 153 are sheltered flats and bungalows, and is the major means of addressing the scale of need identified. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 256 units which projected over the six year period to 2011 is a total of 1,536 units.
- ▶ The level of annual need is much higher than the number of units likely to be able to be delivered from new delivery and conversions, resulting in growing levels of unmet need each year. However, it is vital to attempt to deliver as many units as possible and a target of 40% of new units from the total of all sites in the District should form the basis for negotiation of subsidised affordable housing.
- ▶ A significant finding from the study is the projected 35.5% increase in the retired population between 2003 and 2021. In view of the relationship between increasing age and dependency, consideration will need to be given to the related housing and care needs of this particular sector if the needs of this group of people are to be effectively addressed. These findings will impact at both District-wide and regional/county levels.
- ▶ Existing and concealed elderly households express a need for 290 sheltered units over the three years to 2008. Additionally there is a potential in-migration of 497 elderly households moving to be beside their family in the District, 406 are in the affordable sector and 250 in the private sector. There may be some similar out-migration and the flow of the existing sheltered stock should address some of the need.
- ▶ The Survey identified a need for 132 units of independent accommodation with visiting support worker, 86 units of independent accommodation with a live in carer and 139 residential / nursing home units over the next three years to 2008.
- ▶ To address the requirements of disabled people there is a need to:-
 - ▶ Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people;
 - ▶ Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.

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