

EAST HERTS COUNCIL

EXECUTIVE – 3 NOVEMBER 2015

REPORT BY EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

DISTRICT WIDE HOUSING NEEDS SURVEY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To report the key findings of the Housing Needs Survey 2015 carried out on behalf of the Council by David Coultie Associates (DCA). That the Housing Needs Survey results be approved and published to guide the emerging Housing Strategy 2016-21.

RECOMMENDATION FOR DECISION: that:

(A)	the District Wide Housing Needs Survey to be published and used as information to guide the emerging Housing Strategy 2016-21, be approved.
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1.0 Background

1.1 Affordable Housing is a key priority for the Council. The Housing Strategy 2013-2016 outlines the key issues and the need to continue to develop new affordable housing to meet the needs of East Herts residents.

1.2 A new Housing Strategy 2016-2021 is being developed to outline the Council's position on delivering the housing agenda. This is a non-statutory document but an important Strategy that provides residents, partner stakeholders and developers with key information on housing issues both nationally and how the Council is responding locally.

1.3 The Council commissioned David Coultie Associates to carry out the District Wide Housing Needs Survey on behalf of the Council during 2014/15. The Housing Team can utilise the data from the Housing Needs Survey (HNS) to provide robust information on

current trends for the emerging Housing Strategy 2016-21 as well as provide detailed information at a local level on housing needs across tenures.

2.0 Report

2.1 Background

2.2 The last Housing Needs Survey (HNS) was carried out in 2004 and then there was a significant gap as the required format by government recommendation of Strategic Housing Market Assessments (SHMA) were carried out to support the development of Local Plans in lieu of HNS.

2.3 The Housing Team supported the need to carry out an up-to-date Housing Needs Survey as it looks at specific housing needs issues. A SHMA establishes the overall Objectively Assessed Need (OAN) for housing (both market and affordable) whereas the HNS is looking for trends of concealed families and specific needs and aspirations of individual residents and households in the housing market.

2.4 The study consisted of:

- a postal survey of 9,055 households across 17 sub areas.
- in depth analysis of the local housing market to assess house prices through an internet search of local estate agents in relation to the delivery, cost and supply of market access level properties.
- the supply and rental costs in the local private rented sector.
- Secondary data analysis, including the 2001 and 2011 Censuses, District Population Growth Forecasts, Local Development Plan, Nomis, Land Registry, Housing Strategy and the Housing Register.

2.5 The survey received a 25% response rate and there was a representative sample across the sub areas of the District.

2.6 David Couttie Associates provided the Housing Needs Survey report and will present the key findings to the Executive.

3.0 Key Findings

3.1 Housing Need

- 3.2 The HNS looks at both existing households and concealed households. Concealed households are people who are living within a household but who want to move to their own accommodation and form a separate household (e.g adult children living with their parents).
- 3.3 Some key findings from the report are; from existing households there is a need for 1332 affordable units of which 1062 will be seeking affordable rented and 270 shared ownership over three years. There is a high percentage of households desiring bungalows for downsizing.
- 3.4 From concealed households there are 935 households seeking to move to affordable accommodation with 783 seeking affordable rental and 152 shared ownership over three years. The main focus is on flats as an accommodation preference for households.
- 3.5 The HNS indicates that there is a need for affordable housing to be split according to the following property sizes of 80% to be 1 and 2 beds to meet the needs of single, couple and small family households. 20% for 3 bed family accommodation needs.
- 3.6 The HNS indicates that market housing requirements are towards a mix of unit sizes with 60% seeking the 1 and 2 bed units and 40% seeking 3 and 4 bed units.
- 3.7 The Housing Needs Register numbers and the rate of re-lets will mean that demand will always outstrip supply in the affordable sector and demonstrates the high levels of need (see page 109, Table 12-11).
- 3.8 The same demand for market housing applies from existing households needing to move, concealed households and in-migrating households which is not met by the turnover of existing stock and out-migrants freeing up properties (see page 122, Table 13-15).
- 4.0 Demographic Change
- 4.1 The East Herts population is forecast to increase with a particularly significant increase in persons over 65 years old and also 75 years old. There is also forecast a growth within the working population age group.

4.2 These demographic changes have an impact on the size and tenure of properties required. Those of working population are most likely to seek higher quality market housing whilst the increase in older persons will impact on both the need for suitable market and affordable sheltered and supported accommodation.

5.0 Economic and Affordability Issues

5.1 East Herts is a high value and high demand area for market and affordable housing. There is a huge salary spectrum in the District. 21.4% of households earn below £20,000 well below the national average of £27,000 however 29.3% of households earn over £60,000.

5.2 The average house prices in the District are around 25% higher than the national average. In the five year period 2009-2014, the average property price in East Herts has increased by around 20%.

5.3 In East Herts the average house price is around £325,000 according to the National Housing Federation, just over 13 times the average income for the District.

5.4 This spectrum of earnings impacts on affordability of housing and access to properties. There is a desire for home ownership and shared ownership but of concealed households 25.2% of households have no savings and 90.9% have less than £25,000 which restricts access to housing of all tenures.

5.5 Affordability is a key barrier for concealed households accessing housing due to a lack of accessible funds. Households have a low level of funds available to pay rent or mortgage per month with 48.4% willing to pay between £451 and £550pcm. This does restrict the housing market available to them significantly.

5.6 Analysis of the entry level prices for 1,2 and 3 bedroom properties and income levels, suggest that 98% of concealed households cannot afford to buy in the private market across the district.

5.7 Shared Ownership properties provide an opportunity for this concealed group to access property. The affordability of this tenure varies across locations in the District with Bishops Stortford being the most affordable.

- 5.8 The rental market is a key tenure of both private rent and affordable rent but affordability is a key consideration.
- 5.9 In East Herts the local housing allowance (housing benefit payable to people who live in privately rented accommodation) does not meet the full amount of private sector rent for the majority of homes resulting in a shortfall of rent due.
- 5.10 There is an increase in the number of households seeking private rent who do not require housing benefit and therefore there is a falling number of landlords willing to accept households in receipt of housing benefit.

6.0 Vulnerable Households

- 6.1 The HNS asked a series of questions to understand physical or mental health issues and long term illness and their impact on housing needs.
- 6.2 The key finding was that 16.5% of households contain somebody with a disability/limiting long term illness. The main demographic affected were over 65 years old and the key issue being around walking/mobility issues.

7.0 Summary

- 7.1 The HNS provides a snapshot of information about the needs and aspirations of residents in the District. The HNS was well received and gained a good response rate.
- 7.2 The HNS demonstrates the complexity of meeting housing needs for a wide range of residents with a range of needs, aspirations and financial circumstances.
- 7.3 Key messages that the HNS provide to shape the emerging Housing Strategy 2016-21 focus on:
- 7.4 Older persons and their changing needs with age. Older residents in market and affordable homes are seeking an attractive downsizing offer which would release larger family homes to the market. Older residents with care or support needs are looking for specialised quality accommodation across the District to have family support.

7.5 The delivery of smaller units across the tenures but especially focusing on affordable units. There is a need for smaller units for newly forming households, concealed households and to allow access to home ownership through market or shared ownership due to affordability.

8.0 Implications/Consultations

Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper A**.

Background papers

None

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