



 **BOROUGH COUNCIL**

...Making the Difference...

2005 Housing Needs Survey

Summary Report

by



HOUSING • PLANNING
REGENERATION • CONSULTANTS

This report contains a summary of the results from an assessment of housing needs conducted by DCA between January and March 2005, on behalf of Hastings Borough 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 Borough.

The overall aims of the project were to:-

- ▶ Determine the levels of housing supply and demand in the Borough;
- ▶ Support the development of the Housing Strategy and Housing Investment Plans;
- ▶ Provide robust information at a local level in accordance with Planning Policy Guidance Note 3, (PPG3) to guide the location of new provision and support policies in the Local Development Framework;
- ▶ Support housing and community care strategies.

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

- ▶ A postal questionnaire to 7,900 households in 16 ward areas across the Borough;
- ▶ Face-to-face interviews with 150 households living in the private rented sector in the three central urban wards of Castle, Central St Leonards and Gensing, utilising the same questionnaire as the postal survey;
- ▶ 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 Housing Investment Programme (HIP – statistical appendix) 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, Gypsy and Traveller households and people with learning disabilities on a sub-regional basis across all five East Sussex Councils and the unitary authority of Brighton & Hove City Council. Each group were interviewed using a dedicated questionnaire.
- ▶ The Gypsy and Traveller specialist interviews across the sub-region are due to be undertaken later in 2005 and will involve interviews with households on permanent sites, unauthorised sites and in permanent housing using a dedicated questionnaire.

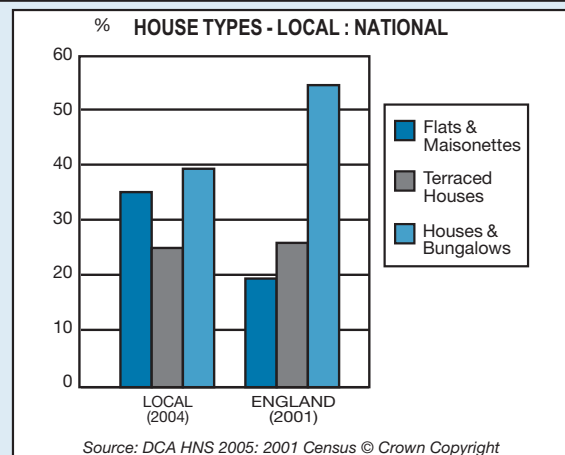
KEY FINDINGS OF THE SURVEY

- ▶ 86% of households live in accommodation suitable for their needs. Satisfaction varies from 96% in the owner occupied (no mortgage) sector to 75% in the private rented sector;
- ▶ The average price of flats and terraced houses are £91,998 and £135,860 at the 31st December 2004, having increased by 151% and 89% respectively since 2000, and because incomes are low affordability is an issue particularly for new forming households;
- ▶ With regard to concealed households, 49% cannot afford private rental and home ownership is beyond the reach of 62%, even though 14% of them earn over £27,300 pa, the national average;
- ▶ The social stock is 15.1%, lower than the national average of 19.3% and provides, on average, 453 net re-let units each year.
- ▶ Annually 1,049 affordable housing units are needed, 596 more than existing re-let supply, a new supply requirement of over 14 times current delivery levels;
- ▶ Trend-based population forecasts indicate that the retired population will increase by 34% by 2021. There is an inextricable link between ageing and disability. Almost 54% of those with a support need are over the age of 60, and over half of these households contain a person with a walking difficulty (53%).

THE HOUSING STOCK

The chart shows the characteristics of the Borough stock in 2004, compared to the national average level at the 2001 Census in each category.

Locally, 40% of the stock is houses and bungalows, well below the national average of 54%. The supply of terraced properties is 25%, just below the national average of 26%, but flats / maisonettes at 36% are well above the national average of 20%.



THE BOROUGH 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.

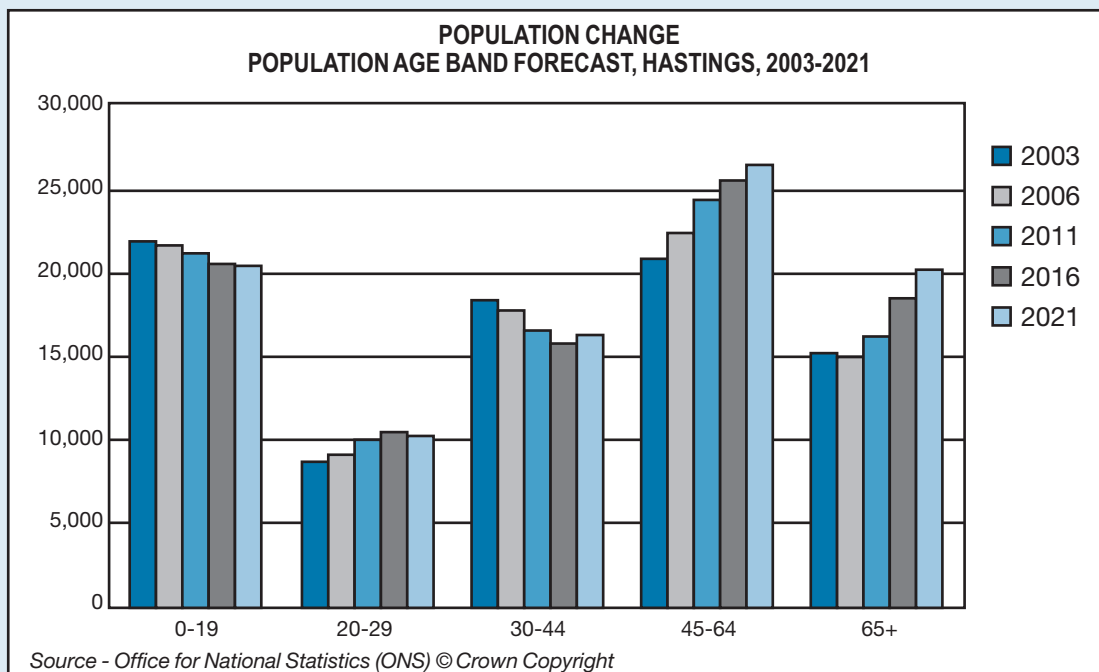
What about the future?

The population estimates, provided by East Sussex County Council, are the 2003 – based ONS sub-national population projections to 2021. The 2001 Census data has been taken into consideration in the production of these projections.

The projections suggest there will be an average rise in the population of Hastings Borough of approximately 0.6% per annum over the forecast period according to the forecast model. There are projected to be around 8,900 more people in Hastings Borough in 2021 than in 2003.

- ▶ The 0-19 age range shows a decrease (1,500; 7%). A steady fall is seen throughout the forecast period, with the largest decrease of 800 people (4%) being seen between 2006 and 2011.
- ▶ 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 (1,700; 20%), with the most significant increase seen between 2003 and 2011 (1,400; 16%).
- ▶ The 30-44 age group, the main economically active group shows a large decline overall (2,000; 11%). Numbers fall by 1,600 between 2003 and 2011 (9%), and a small rise is seen between 2016 and 2021.
- ▶ The 45-64 age group shows an overall rise in numbers. Over the forecast period there is an increase of 5,500 people (26%). A steady rise is seen throughout the forecast period, with an increase of 3,400 people between 2003 and 2011.
- ▶ The most significant feature here is the growth of the population in the over 65 age group with an increase of 5,100 people (34%) seen over the forecast period. Numbers rise throughout the forecast period, with a rise of 1,100 occurring in the current decade to 2011.
- ▶ The over 80 year old group will grow from 4,900 to 5,600 people in the area, an increase of 700 people (14%) up to 2021, and in view of this care and support needs should now be assessed in detail.

However, these projections do not take into account how policy might influence future population structure. This could be significant in Hastings where the Millennium Community housing, town centre developments including the University and new jobs created through the regeneration of the town are all likely to have an impact on the balance of different age groups in the population. East Sussex County Council will produce some new policy-based population forecasts once it is known how many new houses the Borough will need to accommodate up to 2026 – to be decided through the South East Plan.



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 seeking 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 the 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.

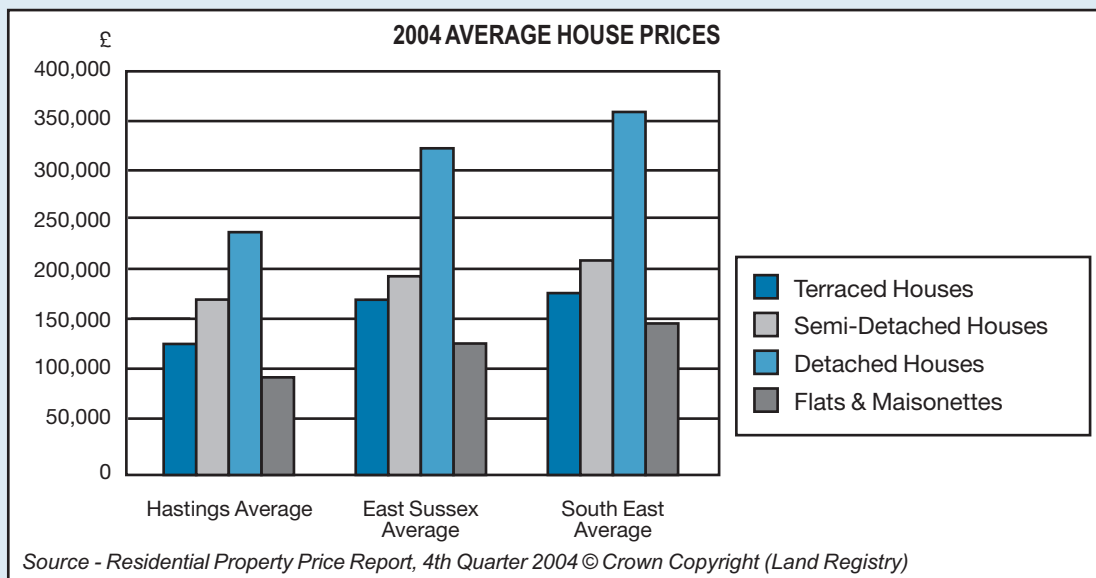
House prices in the South East Region show a slight fall, decreasing by 1.6% during the fourth quarter of 2004. The annual rate of house price inflation recorded in the Halifax Index for the South East Region at 31st December 2004 was 7.2%, well below the UK average of 15.1%, reflecting the lower level of increases in the South generally last year.

House prices in Hastings rose over the last year by 9.9% as calculated by the Land Registry, however a decrease of 6.9% was seen over the quarter to 31st December 2004, reflecting the national slow down in house price inflation.

The Hastings Borough Housing Market

The evaluation of the market in Hastings 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 access level (the cheapest available) properties.

The Land Registry recorded the average price for all dwellings in the Borough at £139,129. As shown in the graph below, the average semi-detached dwelling in the Borough was sold for £169,211, lower than the East Sussex average of £192,550, reflecting the level of prices for all property types in the Borough.



Whilst the overall house prices in the Borough have risen by 94% since 2000, the price of entry level stock, terraced houses and flats / maisonettes, has increased by 89% and 151% respectively between 2000 and 2004.

Based on a 95% mortgage availability and a 3-times gross income to lending ratio, an income of £15,500 is required to buy a one bedroom flat in West St Leonards / Maze Hill. A two bedroom flat requires an income of £24,100 in Central St Leonards / Bohemia and up to £34,200 in Hastings Old Town and terraced properties require an income of £38,500 in Hastings Town Centre.

We assess flats / maisonettes to be the main properties for first time buyers in view of their lower cost through a higher volume of sales. 62% of all concealed households have inadequate income to be able to buy and 49% cannot afford to rent privately based on the income of those households formed over the previous two years. The private rented sector has generally lower quality standards but is the housing preference of around 15% of existing households moving and 24% of concealed households forming.

KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork for the study took place in January and February 2005 and provides a detailed picture of the current and future housing needs and preferences in the Borough. The study consisted of a postal questionnaire to 7,900 households and face-to-face interviews with a further 150 households utilising the same questionnaire as the postal survey, in the three wards of Castle, Central St Leonards, and Gensing. 2,065 responses were achieved, providing statistical confidence at 95% ± 1.76% confidence interval. 6% of all households in the Borough participated in the survey.

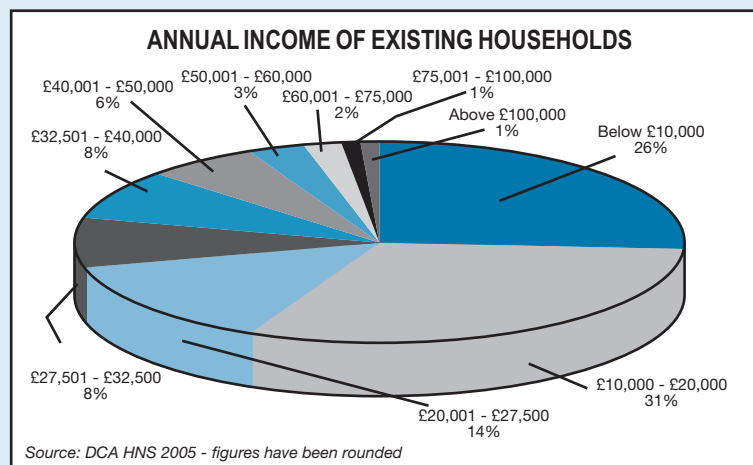
The “implied” numbers are our assessment of the total numbers after applying a sub area weighting factor to represent the total population. Below we present in summary form, the key findings from the survey with a particular emphasis on the needs of concealed households.

Adequacy of the Existing Stock

- ▶ The vast majority of households have access to all the basic amenities, although level of access varies across the tenures. One significant pattern to emerge was that private rented accommodation had a far lower level of access to all the nominated facilities than the all tenure average. Full central heating was available in 71% of properties; full double glazing in only 36% with very low levels of insulation.
- ▶ The perception of most residents is that their homes are well maintained and not in need of improvement.
- ▶ Some 86% of households indicated that their accommodation is adequate for their needs. 14 % (5,407 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 (91%). Of those requiring a move 64% (2,450 implied) indicated that the dwelling was too small.
- ▶ Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 37% of all households in the Borough and over-occupation affects 2%.

Costs of Present Housing and Household Income

- ▶ Around 12% paid less than £60 rent per week; 32% paid less than £70 p.w. and 56% paid less than £80. Of owner-occupiers with a mortgage, 19% pay less than £350 per month. Around 2% 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.
- ▶ 26% of households have incomes below £10,000, above the corresponding UK figure (22%). 21% of households in the Borough have incomes above £32,500, below the UK average (30%).



- ▶ 41% of households were in receipt of financial support (15,703 implied), of whom 51% (7,938 implied) were in receipt of Housing Benefit.

Moving Households

- ▶ 3,568 existing households and 1,967 new households will be moving or forming within Hastings Borough in the next three years.
- ▶ 2,963 existing and new forming households anticipate moving away from the Borough. In the case of existing households moving, the single most common reason given for moving outside the Borough was to move to a better area (58%). In the case of concealed households moving, choices were more focused on employment / access to work (64%), but still significant in terms of moving to a better area (42%)

Support Issues

- ▶ 25% of households in the Borough contain somebody with a disability or long-term illness (9,716 households implied). 54% of all disabled household members were over 60 years old, 25% over 75.
- ▶ The largest group affected by a named support need were those with a walking difficulty but who do not use a wheelchair, representing 53% (4,967 implied) of those with a support need.
- ▶ Around 5% of these households contained someone who was a wheelchair user, suggesting around 545 in Hastings Borough as a whole. Only 12% of wheelchair user households live in a property with suitable adaptation.
- ▶ Of household members with support needs, some 20% (1,008 implied) felt they needed care or support which is not currently provided.
- ▶ 10% of all dwellings (3,759 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 51% have handrails / grabrails, 38% have bathroom adaptations and 26% have ground floor toilet adaptations.

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 5% of households contained one or more households seeking independent accommodation giving a total of 1,967 cases over the next three years to 2008. Over 94% are the adult children of existing residents.

In the concealed households group:-

- ▶ 65% of the people in these concealed households are between 20 and 29 years of age and 8% are over 30;
- ▶ 16% of all concealed households are being formed with a partner living in a separate household elsewhere in the Borough;
- ▶ Only 13% of concealed households moving within the next year were registered on a housing waiting list, 61% being on the Hastings Joint Housing Register held by the Borough Council;
- ▶ 364 households already contain one child (203), two children (94) or had a child due (67).

Their needs and preferences for specific house types were:-

Type	Need %	Preference %	Current Stock %
Flat	58.6	32.5	35.5
Terraced	19.2	27.1	24.8
Semi-detached	17.1	27.1	19.9

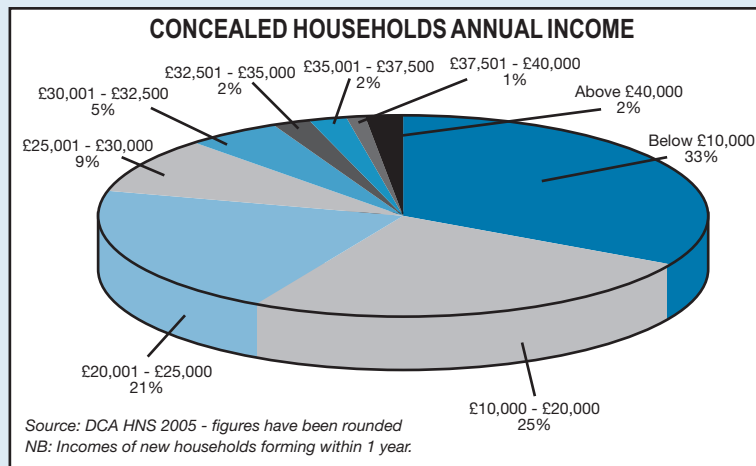
Size	Need %	Preference %	Current Stock %
One Bed	40.7	19.0	14.4
Two Bed	52.0	59.9	35.0
Three Bed	7.3	20.1	35.4

- ▶ A need for a specific house type is the requirement to suit the household's current situation, whereas a preference is the future desire and aspiration for a particular house type.
- ▶ Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher preference for semi-detached houses, and to a lesser degree terraced houses, than are present in the existing stock.

Concealed Households' Housing Costs and Incomes

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

- ▶ 33% of those wishing to rent could afford a weekly rent of no more than £60 and a further 18% no more than £70;
- ▶ 69% wanting to buy could not afford a mortgage of more than £400 per month;
- ▶ 33% have household incomes below £10,000 per annum, 46% earn between £10,000 - £25,000 and a further 14% between £25,001 and £32,500;
- ▶ 62% have inadequate income to be able to buy and 49% cannot afford to rent the cheapest flats and terraced houses in the private sector.



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. The following sub-areas were used in the housing market analysis:

Based on 95% mortgage availability and a 3-times gross income to lending ratio as recommended in the Good Practice Guidance 2000 and the 2004 SEERA Guidance it is estimated that a new purchaser would need an annual income of £15,500 to buy a one bedroom flat in West St Leonards / Maze Hill, rising to £28,600 in Beauport / Battle Road / Silverhill. A two bedroom flat requires an income of £24,100 in Central St Leonards / Bohemia rising to £30,100 in Beauport / Battle Road / Silverhill and Broomgrove / Halton. Although the average price of terraced properties according to the Land Registry survey is £135,860, entry sales levels vary across the Hastings Borough. Terraced properties require an income of £31,900 in Ore / Clive Vale and £38,500 in Hastings Town Centre.

The survey findings indicate that access to home ownership is beyond the reach of 62% of the concealed households identified in the DCA Survey based on entry level stock in the nine sub areas.

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 49% of these “concealed” households are not able to afford to rent even the cheapest available private housing in the Borough and 62% cannot access owner occupation, even though 14% of them earn above the national average income of £27,300.
- ▶ Most concealed household demand is for the smaller and affordable type of housing, particularly flats and terraced houses. There is a need 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	1,049
Total Supply from re-lets	453
Net annual outstanding need	596

- ▶ The total affordable housing need annually is for 1,049 units. Re-lets of the existing social stock average 453 units 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 596 units which projected over the six year period to 2011 is a total of 3,576 units.
- ▶ Based on the average new supply of around 41 units over the last three years, this level of annual need is over 14 times 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. The target for new affordable units should be re-assessed when the current Local Plan is reviewed, and this should then form the basis for negotiation with developers on individual housing schemes.
- ▶ A significant finding from the study is the projected 34% increase in the retired population and 14% in the over 80 year old 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.
- ▶ Existing and concealed elderly households express a need for 303 sheltered units over the three years to 2008. Additionally there is a potential in-migration of 779 elderly households moving to be beside their family in the Borough, 660 are in the affordable sector and 422 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 133 units of independent accommodation with visiting support worker, 36 units of independent accommodation with a live in carer and 29 residential / nursing home units over the next three years to 2008, but generally data was at too low a level to allow meaningful analysis.
- ▶ 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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