

Chichester District Council
extending horizons for the whole community



Housing Needs Survey 2005 Summary Report





Parklands Estate, Chichester

Housing Needs Summary Report

This report contains a summary of the results from an assessment of housing needs conducted by David Couttie Associates in 2004 on behalf of Chichester District 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:

- **Determine the levels of housing supply and demand in the District in terms of both affordability and accessibility.**
- **Support the annual Housing Investment Programme (HIP) bid and development of the Housing Strategy.**
- **Provide robust information at a local level in accordance with Planning Policy Guidance 3 (PPG3) to guide the location of new housing provision and to support policies in the Local Development Framework.**
- **Co-ordinate housing and community care strategies.**

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

- A postal questionnaire to 13,650 households in 25 ward sub-areas across the District.
- A housing sales 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.
- A 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.

Key findings of the Survey

- 89% of households live in accommodation suitable for their needs. Satisfaction ranges from 71% in the private rented sector to 97% in the owner occupied no mortgage sector.
- The average cost of flats and terraced houses is £167,000 and £188,500 respectively and affordability is a major issue, particularly for new forming households.
- 80% of concealed households* cannot afford private rental and home ownership is beyond the reach of 95% of them, even though a quarter earn over £25,000 pa which is the national average income.
- The social stock is 14.5%, below the national average of 19.3% and provides only 153 relet units each year.
- Annually 778 affordable housing units are needed, 625 more than existing supply from relets, a new supply requirements nearly five times current delivery levels.
- There is a requirement to develop a more balanced housing stock in both sectors with a need for more small unit flats and terraced houses, particularly in the private sector.
- The retired population will increase by 43% to 21% of the population by 2021. There is an inextricable link between ageing and disability and almost three quarters of those with a support need are over 60 and over 67% of them have a walking difficulty.

*People living within existing households who would like to set up home independently, such as adult children or lodgers.



Affordable rented and shared ownership housing at St. Agnes Place, Chichester

The Housing Stock

The chart shows the characteristics of the District stock in 2004, compared to regional and national average levels.

Table 1 - Type of accommodation

% of households	CHICHESTER DISTRICT	WEST SUSSEX	SOUTH EAST	ENGLAND
Detached House	38.8%	31.1%	29.3%	22.5%
Semi Detached	28.1%	26.7%	28.5%	31.6%
Terraced	17.9%	22.2%	23.1%	25.8%
Flat/maisonette	14.1%	19.0%	18.1%	19.3%
Caravan / Temp Structure	0.8%	0.6%	0.7%	0.4%
Shared Dwelling	0.3%	0.4%	0.4%	0.4%
TOTAL	100%	100%	100%	100%

Source: Census 2001 - Crown Copyright

Figures are rounded and therefore do not add up to their totals

Locally, the proportion of houses and bungalows (nearly 85%) is well above the national average of 80%. The supply of terraced properties is 18%, below the national average of 26%, and flats/maisonettes at 14% are below the national average of 19%.



The District Population - Future Projections

An important feature in measuring housing need is to forecast what is likely to happen over the next ten years 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 movement of people into and out of the area. The number of households change over time in response to these factors and is also affected by changes in the pattern of marriages and divorces and the general economic climate.

What about the future?

The population data provided by West Sussex County Council are based on the 1991 ONS-based projections, and reflect policies in the 2001 Deposit Draft Structure Plan and in District Council Local Plans. The 2001 Census data has not been taken into consideration in the production of these projections as it was not available at the time of the survey.

The 1991 based projections indicate that the population will increase by approximately 10,600 people, at a 10% increase over the 20 years to 2021, increasing at an average annual rate of approximately 0.5%. The impact of this is as follows:

- The 0-19 age range shows a small decline overall (100; 0.4%). A rise is seen up to 2006 (1,100; 5%), with a fall seen for the remaining forecast period (1,200; 5%).
- The 20-29 age range includes many new households forming and will have implications for future affordable housing need both in the short and longer term. Overall this age group shows an increase (700; 6%). Numbers fluctuate throughout the forecast period. The main increase is seen between 2006 and 2016 (1,000; 9%).

- The 30-44 age group, the main economically active group shows a decline overall (3,100; 14%). There is a small increase in population between 2001 and 2006 (200; 1%), with numbers then falling throughout the rest of the forecast period, with the largest fall occurring between 2006 and 2011 (1,600; 7%).
- The 45-64 age group shows a significant overall rise in numbers. Over the forecast period there is an increase of 5,800 people (21%). Numbers increase throughout the forecast period with the largest rise occurring between 2001 and 2006 (2,300; 8%).
- The most significant feature here is the growth of the population in the over 65 age group. A large increase of 7,000 individuals is seen over the forecast period, the largest increase is projected to occur between 2011 and 2016 (2,800; 10%).
- The “older” retirement group, those 80 and over grows by 28%, 2,100 more people by 2021. This group represents 9,600 people in the area by 2021 who are much more likely to have care and support needs which should now be assessed in detail.

Table 2 - Population Age band Forecast, Chichester District 2001-2021

Age band	2001 Census	2001	2006	2011	2016	2021	Change
0 - 19	23,718	24,500	25,600	25,300	24,900	24,400	-100
20 - 29	9,900	10,900	10,900	11,400	11,900	11,600	+700
30 - 44	20,108	21,900	22,100	20,500	19,100	18,800	-3,100
45 - 64	28,198	27,800	30,100	32,300	33,300	33,600	+5,800
65+	24,516	24,900	25,800	27,300	30,100	31,900	+7,000
Total	106,440	109,900	114,100	116,800	119,300	120,500	+10,600
% change			+3.8	+2.4	+2.1	+1.0	+9.6

Source: Census 2001 - Crown Copyright

Figures are rounded and therefore do not add up to their totals.

Percentage change is measured between year bands, not the base population. This is a better representation of the incremental change.



Housing Association homes in The Hornet, Chichester

The Housing Market

Understanding the housing market is critical. Although the market works well in meeting the needs of many groups it does not provide for those with sufficient income to compete in it. House price information is the basis on which the “affordability” of housing is measured in relation to local incomes, and we are seeking to identify who needs help in order to enter the market. We are especially keen to understand the needs of “concealed households” in the area, i.e. households living with friends and relatives, and the help they require to meet their housing needs.

National and Regional Context

UK house price inflation for the year ending 31st March 2004 was recorded by the Halifax Index at 18.5%. House price inflation in the first quarter of 2004 continued to rise in most UK regions with an overall increase of 5.1% for the quarter, above the 3.9% gain in the fourth quarter of 2003.

House prices in the South East Region show an increase of 3.7% for the first quarter of 2004 and the annual rate of house price inflation recorded by the Halifax Index for the South East Region was 7.3% in the year to 31st March 2004.

The Chichester District Housing Market

The evaluation of the market in Chichester District is based on specially prepared information taken directly from the Land Registry database for the year to 31st March 2004 and an analysis of local estate agency sales looking at first time buyers (the cheapest available) properties. The Land Registry recorded the average price for all dwellings in the District at £291,657. The average price of a semi-detached dwelling was £224,702, which is higher than the West Sussex average of £199,073 and are also higher than the average for the South East Region.

Table 3 - Average House Prices bu Sub-Areas - All Buyers 2004

Property Type	Chichester City		Wards South of the A286 *(1)		The Bournes and Lavant Valley *(2)		The Northern Wards *(3)		Selsey	
	Average Price £	% of sales	Average Price £	% of sales	Average Price £	% of sales	Average Price £	% of sales	Average Price £	% of sales
Terraced	198,614	26.9	207,052	10.3	193,596	22.5	204,311	13.0	151,590	9.6
Semi-detached	224,305	31.4	229,842	33.6	228,164	29.5	228,529	23.3	190,588	38.5
Detached	348,009	13.9	388,464	37.9	426,728	38.2	525,552	58.2	220,926	40.4
Flats & maisonettes	166,375	27.8	175,518	18.2	128,555	9.8	125,425	5.5	104,491	11.5
All Properties	216,549	100.0	297,023	100.0	290,832	100.0	430,145	100.0	199,838	100.0

Source: Land Source: Land Registry Residential Property Price Report 1st Quarter 2004.

*[Footnote] - Consisting of the wards:

1. Donnington, North Mundham, Sidlesham and East and West Witterings.
2. Lavant, Fishbourne, Bosham, Southbourne, Westbourne, Funtington, Boxgove and Tangmere.
3. Harting, Stedham, Bury, Petworth, Wisborough Green, Plaistow, Fernhurst, Easebourne, Midhurst and Rogate

Based on a 95% mortgage and a 3-times gross income to lending ratio, an income of £29,000 is needed for a first time buyer to buy a one bedroom flat in Selsey. This rises to £50,400 in the northern wards. A two bedroom flat requires an income of £39,000 in Selsey and up to £55,900 in the Chichester city area. A typical two-bedroom terrace would require an income of £56,100 in Selsey, up to £58,600 in the Chichester city area.

First time buyers are therefore most likely to be looking for flats or maisonettes as the main route into home ownership. Although these properties are relatively inexpensive when compared to other property types in the district, 90% of those looking to secure accommodation have inadequate income to be able to buy and 78% cannot afford to rent privately even the smallest one bedroomed flat in Selsey. In Chichester city and the more rural areas this rises to 80%. For those looking for family accommodation the situation is worse as property costs are higher. Private rent is not the housing preference of the majority of households but even where it is, lack of supply and high rents may force some households to leave the District.





Affordable rented houses in The Hornet, Chichester

Key findings from the Housing Survey

The fieldwork for the study took place in April and May 2004 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 13,650 households in 25 ward sub-areas across the District and 4,623 responses were achieved.¹ This means 10% of all households in the District participated in the survey.

The “implied” numbers are an assessment of the total numbers after applying a weighting factor at sub-area level, linking the total population of the sub-area to actual responses received. Below are presented, in summary form, the key findings of the survey with a particular emphasis on the needs of concealed households.

¹This provides a statistical confidence at 95% + 1.18 sampling error rate.

Table 4 - Gross Annual Income of Households responding to Housing Need Survey

Annual Income	%	UK 2002-2003*
Below £10,000	16.2	20.9
£10,001 - £20,000	23.1	28.7
£20,001 - £25,000	11.1	9.9
£25,001 - £30,000	10.0	8.5
£30,001 - £40,000	11.9	32.0
£40,001 - £50,000	8.7	
£50,001 - £60,000	5.8	
£60,001 - £75,000	4.7	
£75,001 - £100,000	4.1	
Over £100,000	4.4	

(* Household income levels per DSS Family Resources Survey 2002 – 2003).

Adequacy of the Existing Stock

The vast majority of households has 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 89% of households say that their accommodation is adequate for their needs.
- 11% (4,976 implied) say that it is inadequate. The largest single issue for those reporting an inadequacy which could be resolved without moving was improvement/repairs (77%).
- Of those requiring a move, 71% (2,951 implied) indicated that the dwelling was too small.
- Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 20% of all households and over-occupation affects 2%.

Cost of Present Housing and Household Income

- Around 23% of rented households pay less than £60 per week and some 56% less than £80. Of owner-occupiers, 59% of respondents paid no mortgage (outright owners) with a further 19% paying less than £450 per month. Around 10% of owner-occupier households pay in excess of £750 per month.
- Over 16% of households have incomes below £10,000, well below the corresponding UK figure (28%). 40% of households in the District have incomes above £30,000.
- 25% of households were in receipt of financial support, which equates to 11,400 implied households, of whom 43% households were in receipt of Housing Benefit.

Moving Households

- 9,886 existing households are currently seeking to move or will do so in the next five years. 4,020 existing households and 2,514 new households will be moving within the Chichester District.
- 4,475 existing and new forming households anticipate moving away from the District. In the case of existing households moving, the single most common reason given for moving outside the District was lack of affordable housing (30%), followed by retirement (25%), nearness of family (24%) and employment (23%). The most common reasons given by all concealed households moving was employment (56%), lack of affordable housing (35%) and education (13%).

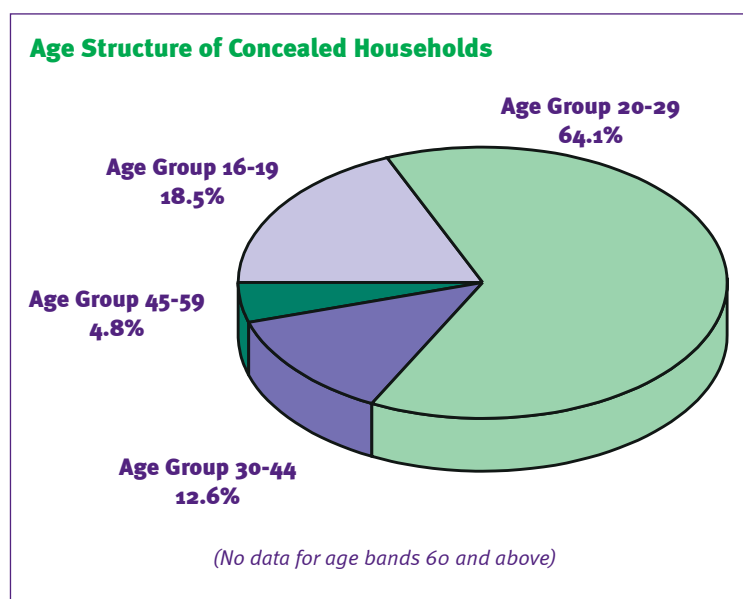


Concealed Households

Concealed households are people who are forced to live within another household for economic reasons. We found that around 5% of households contained one or more households seeking independent accommodation giving a total of 2,514 cases over the next five years to 2009. Over 84% are the adult children of existing Chichester District residents.

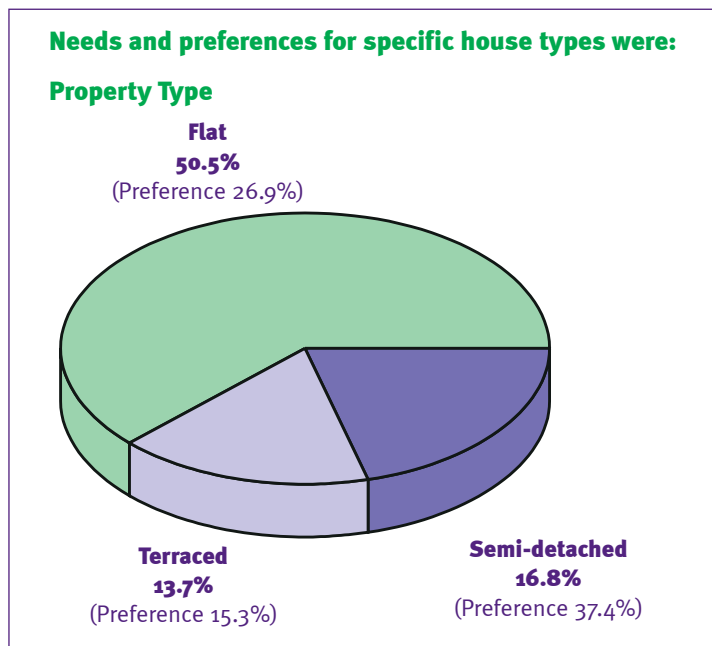
In the concealed households group:

- 64% of the people in these concealed households are between the ages of 20 and 29 and 17% are over the age of 30.

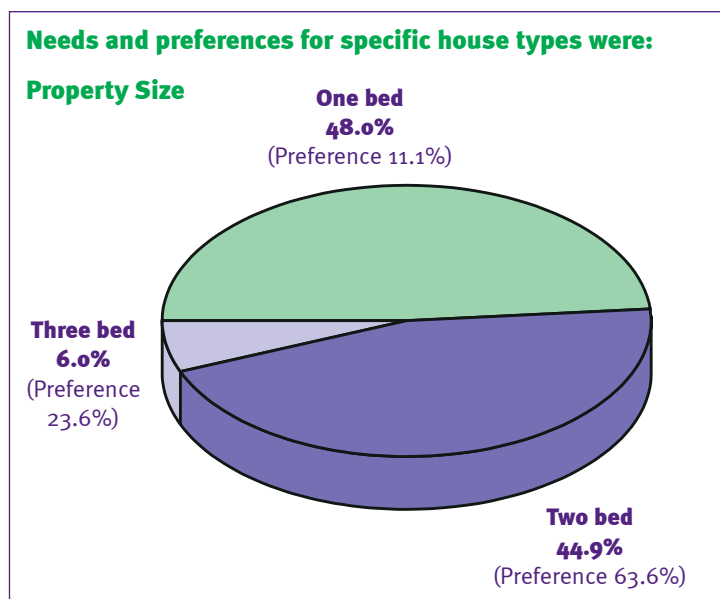


- 628 (28%) of households are being formed with a partner living in a separate household elsewhere in Chichester District.
- 19% of all concealed households moving (484 implied) were registered on a housing waiting list, 98% being on the Chichester District Council list. The proportion rose to 21% (159 implied) among concealed households intending to move within one year.

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



- 59% (1,480 implied) of the concealed household want to owner occupy and 22% (501 implied) prefer housing association rent. 8% want either private rented accommodation (211 implied) or housing association shared ownership accommodation (209 implied). 2% (53 implied) were interested in key worker rent/purchase accommodation.



Concealed Households' Housing Costs and Incomes

Key points of the affordability of housing for newly forming households are:

- 61% could afford a weekly rent of no more than £70 and 96% no more than £100.
- 55% could not afford a mortgage of more than £400 per month.
- 25% have household incomes below £10,000 per annum, 53% earn between £10,001-£20,000 and a further 4% between £20,001 and £25,000.
- 95% have inadequate income to be able to buy and 80% cannot afford to rent privately even the smallest one bed flat.

Table 5 -Housing Needs Survey - Annual Income of Concealed Households

Annual Income	All concealed households planning to move	
	%	Total Nos (inferred from survey responses)
Below £10,000	25.3	636
£10,001 - £20,000	54.2	1,363
£20,001 - £25,000	9.2	231
£25,001 - £30,000	5.1	128
£30,001 - £32,500	2.3	58
£32,501 - £35,000	0.0	0
£35,001 - £37,500	0.5	13
£37,501 - £40,000	0.0	0
£40,001 - £60,000	2.6	65
Above £60,000	0.8	20
Total		2,514

Affordability and Access to Market Housing

The data indicates strongly that there is an affordability problem arising from the difference between local incomes and the supply of property which can be accessed with these incomes.

Although the average price of terraces according to the Land Registry survey is £188,490, access sales levels vary across the Chichester District. The lowest access price for a 2-bed property starts at around £155,600 in the Bournes and Lavant Valley and £158,500 in Selsey. This rises to £177,300 in the northern wards.

The survey findings indicate that income levels for some 95% of concealed households are below the level necessary to be able to access the local housing market.

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 area regeneration strategies, site development briefs for the delivery of both private sector and affordable sectors, balancing housing markets and in longer-term business planning.



Swanfield Estate, Chichester

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 problems of affordability and the level of concealed household numbers 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 80% of these concealed households are not able to afford to rent even the cheapest available housing in the District and 95% cannot afford owner occupation.
- Most concealed household demand is for the smaller and affordable type of housing, particularly flats and terraced houses. There is a shortfall of numbers 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, the Government Guidance issued in March 2000.

- The assessment of annual affordable housing need and supply establishes following position:

Total annual need	778
Total supply for re-lets	153
Net annual outstanding need	625
Minus the new affordable housing supply	128
Annual Shortfall	497

- The total affordable housing need annually is for 778 units. Re-lets of the existing social stock average 153 units. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 625 units which projected to 2011 is a total of 4,375 units. The new supply of affordable rent and low cost housing averages 128 units over the last three years. This equates to 46% of affordable supply and is a very important contribution to addressing the level of need.
- The annual shortfall is five times the average new delivery level from acquisitions, 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 so a target of up to 40% of new units from the total of all eligible sites in the District should form the basis of negotiation for subsidised affordable housing.
- A significant finding from the study is the projected 28% increase in the over-80 year old population between 2001 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.

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.
- Facilitate better matching of adapted property and disabled people through the housing register.
- Consider the use of Lifetime Homes standards for all new housing.

Chichester District Council
extending horizons for the whole community



Produced by Housing Enabling

Chichester District Council
East Pallant House
1 East Pallant, Chichester
West Sussex PO19 1TY