

2004 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 David Couttie Associates (DCA) on behalf of Worthing Borough Council.

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

The overall aims of the project were to:-

- ▶ Determine the levels of housing supply and demand in the Borough;
- ▶ Support the annual Housing Investment Programme bid and other funding and development of the Housing Strategy;
- ▶ Provide robust information at a local level in accordance with PPG3, to guide the location of new provision and support Local Plan Policies and Development Briefs;
- ▶ Co-ordinate housing and support strategies.

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

- ▶ A postal questionnaire to 8,475 households in 13 wards across the Borough;
- ▶ A housing market survey using 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 and Worthing Housing Register data on the flow of social stock and need, 1991 / 2001 Census, household and population projections and other national research.

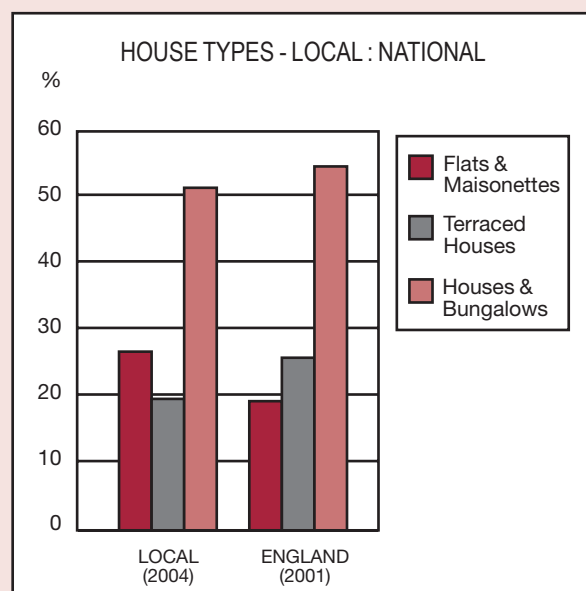
KEY FINDINGS OF THE SURVEY

- ▶ 88% of households live in accommodation adequate for their needs. Levels of satisfaction with housing range from 72% in the private rented sector to 96% for owner occupiers with no mortgage;
- ▶ Flats and terraced houses cost £116,000 to £157,000. Affordability is a major issue due to the local house price / income relationship, particularly for new forming households;
- ▶ 66% of concealed households cannot afford private rental and home ownership is beyond the reach of 89%, even though a third of them earn over £25,000 pa, the national average income.
- ▶ Social housing provides only 9.4% of all dwellings, less than half the national average of 19.3% and provides only 291 vacancies each year;
- ▶ Annually 705 affordable housing units are needed, 414 more than existing supply from relets;
- ▶ The population of retired people will increase to 26% by 2021 from 23% currently. Almost two thirds of those with a support need are over 60, and over half of them have a walking difficulty.

THE HOUSING STOCK

The chart compares the type of Worthing's housing in 2003, with national averages based on the 2001 Census.

Locally, the proportion of houses and bungalows (51%) is below the national average of 54%. the supply of terraced properties is 19%, below the national average of 26%, and flats / maisonettes at 29% are above the national average of 20%.



THE BOROUGH POPULATION - FUTURE PROJECTIONS

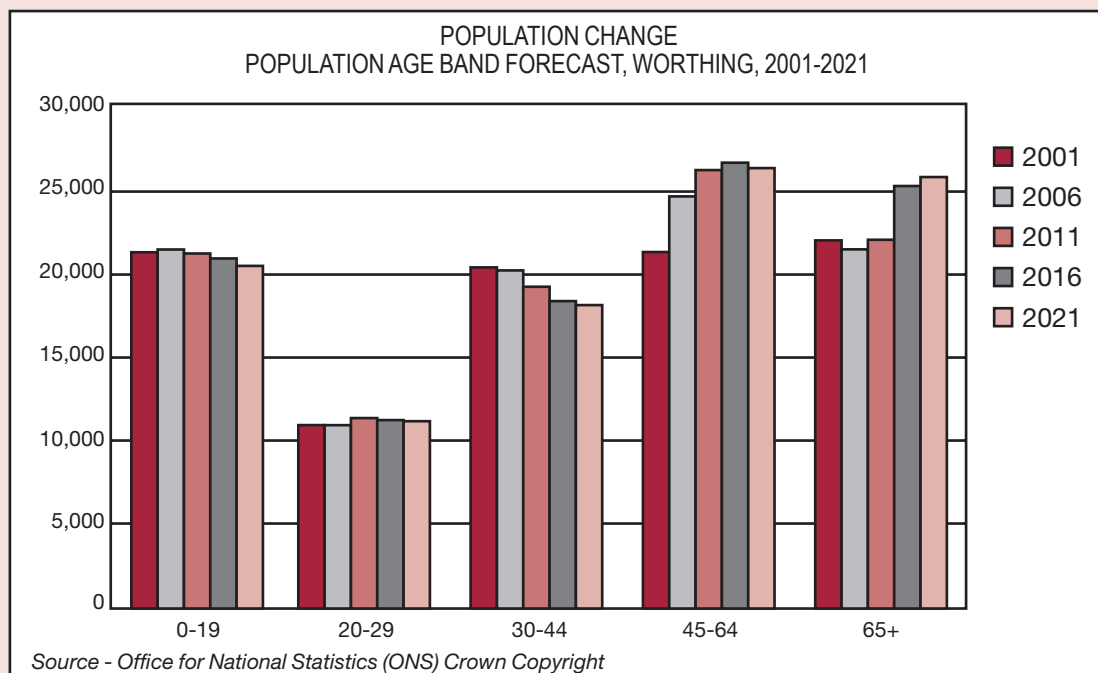
An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a number of factors - numbers of births and deaths, how the population is ageing, and the 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?

This assessment of housing need draws on population data provided by West Sussex County Council based on the 1991 Office of National Statistics Dwelling based projections and reflecting policies in the West Sussex 2001 Deposit Draft Structure Plan. Data from the 2001 Census data has not been taken into consideration in the production of these projections.

The projections indicate that the population will increase by approximately 1,100 people, 1% over the 20 years to 2021, increasing at an average annual rate of approximately 0.1%.

- ▶ The 0-19 age range shows a decrease overall (1,900; 8%). A rise is seen up to 2006 (400; 2%), with a fall seen for the remaining forecast period (2,300; 10%).
- ▶ Numbers in the 20-29 age group remain fairly constant, with a slight fall projected of just 1% (100). As this age range comprises new households forming this will have implications for future affordable housing need both in the short and longer term.
- ▶ The 30-44 age group, the main economically active group, decreases in numbers, with 4,500 less individuals (21%). The largest fall is projected to occur between 2006 and 2011 (1,900; 9%).
- ▶ The 45-64 age group shows a significant overall rise in numbers. Over the forecast period there is an increase of 4,500 people (20%), with a peak in 2016.
- ▶ A significant feature is the growth of the population in the over 65 age group, 3,200 individuals over the forecast period. The largest increase is projected to occur between 2011 and 2016 (1,600; 7%).
- ▶ The "older" retirement group, those aged 80 and over, falls, but only slightly, by 1%, 100 less people by 2021. Over a third of people with a disability are over 75 (34%). Over half have a walking difficulty, with likely requirements for adaptations and support services. The link between ageing and frailty is therefore significant. This group represents 8,300 people in the area whose care and support needs should now be assessed in detail.
- ▶ Household formation is forecast to rise at over 3 times the level of population growth due to a large increase in single person households, through elderly people living longer, separation and divorce and young people forming single person households.



The housing market is the context against which all the housing needs of the area are set. In particular, housing costs are 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. We then relate this data 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 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 showed an increase of 3.7% during 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 Worthing Borough Housing Market

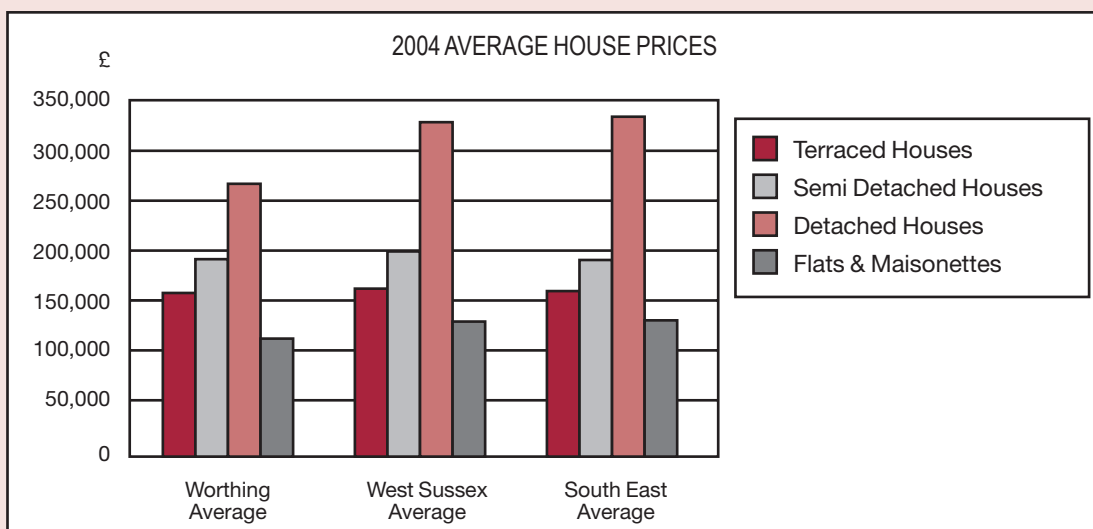
The evaluation of the market in Worthing is based on specially prepared information taken directly from the Land Registry database for the year to 31st March 2004 and an analysis of local estate agency sales looking at access level (the cheapest available) properties. The Land Registry recorded an average price for all dwellings in the Borough of £172,681.

The average semi-detached dwelling was sold for £193,456 lower than the West Sussex average of £199,073. The graph shows semi-detached house prices in the Borough are lower than the average for West Sussex but slightly higher than the average for the South East Region, reflecting the level of prices for all property types in the Borough.

Based on 95% mortgage availability and 3-times gross income to lending ratio, an income of £25,700 is needed to buy a one bedroom flat in West Worthing rising to £30,100 in Central Worthing. A two bedroom flat requires an income of £30,100 in West Worthing up to £39,300 in North Worthing. A two bedroom terrace would require an income of £40,400 in North Worthing and West Worthing rising up to £57,400 in South West Worthing.

The gross income needed to rent a one bed flat ranges from £18,240 per annum to £24,000 per annum. The cost of renting a 2-bed flat would need an income of £22,800, up to £26,400.

We assess flats / maisonettes to be the main access property for first time buyers in view of their lower cost and high volume of sales in the Borough. 89% of newly forming households do not have enough income to be able to buy and 66% cannot afford to rent privately even the smallest one bed flat. These figures are based on the costs of the cheapest properties available at the time of the study and the smallest units. In practice these would not meet the needs of all newly forming households, some of whom already have children. In addition private rented housing is not the preference of the majority of households. Even where they do prefer rented housing a lack of supply may cause some households to have to leave the Borough to meet their needs.



KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork of the study took place in April 2004 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 8,475 households in 13 wards across Worthing. 2,490 responses were received, providing statistical confidence at 95% ± 1.60% sampling error rate. 6% of all households in the Borough participated in the survey.

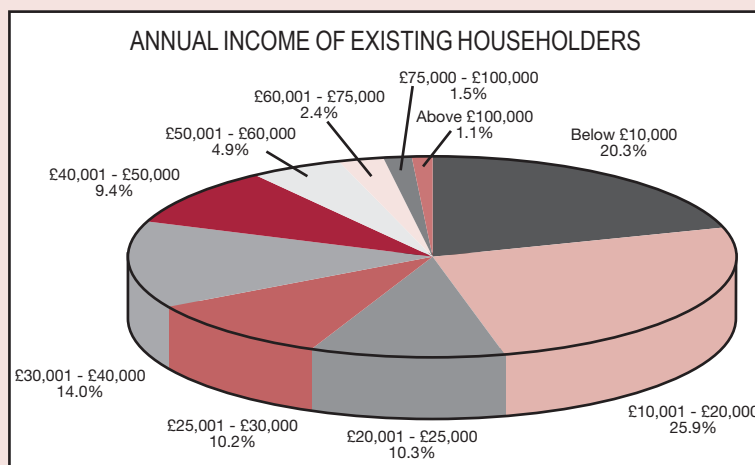
The “implied” numbers are our assessment of the total numbers after applying a weighting factor at ward level, linking the total population of the ward to actual responses received. Below we present in summary form the key findings from the survey with a particular emphasis on the needs of concealed 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 88% of households say that their accommodation is adequate for their needs. 12% (5,165 implied) say 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 (85%). Of those requiring a move 73% (3,328 implied) indicated that the dwelling was too small.
- ▶ Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 10% of all households and over-occupation affects 2%.

Costs of Present Housing and Household Income

- ▶ Around 19% of households in rented housing pay less than £60 per week and some 35% pay less than £70. Of owner-occupiers, 52% of respondents pay no mortgage (outright owners) with a further 23% paying less than £450 per month. Around 9% of owner-occupier households pay in excess of £750 per month.
- ▶ Over 20% of households have incomes below £10,000, the same as the corresponding UK figure (20.9%). 33% of households in the Borough have incomes above £30,000.



- ▶ 31% of households are in receipt of financial support (13,536 implied), of whom 35% (4,665 implied) are in receipt of Housing Benefit.

Moving Households

- ▶ 10,063 existing households are currently seeking to move or will do so in the next five years. 4,723 existing households and 2,096 new households will be moving within Worthing.
- ▶ 3,102 existing and new forming households anticipate moving away from the Borough. In the case of existing households, the single most common reason given for moving outside the Borough was the lack of affordable housing (28%). Employment reasons (including better employment and moving closer to work) together accounted for 40.8% of reasons given for moving amongst existing households and 61.4% of reasons given by new households. Education facilities were a more significant reason for moving outside the Borough for new households (24%) than for existing households (9%).

A SUMMARY OF THE MAIN FINDINGS

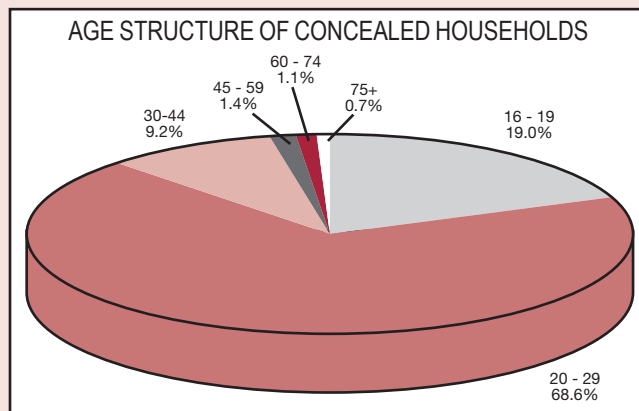
Support Issues

- ▶ 18% of households in the Borough contain somebody with a support need (estimated to include 8,033 households), of which 15% had two members. 63% of all disabled household members are over the age of 60, 36% over 75.
- ▶ The largest group (3,548 implied) affected by a named support need are those with a walking difficulty, representing 48% of those with a support need.
- ▶ Around 10% of these households include someone who is a wheelchair user, suggesting around 913 wheelchair users in the Borough as a whole. However only 29% of households including a wheelchair user live in a suitably adapted property, suggesting a mismatch between houses adapted and those where wheelchair users live.
- ▶ Of household members with support needs, some 47% felt they needed care or support leaving around 30% with outstanding support needs (1,405 implied).
- ▶ 9% of all dwellings (3,902 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 51% have handrails / grabrails, 40% have bathroom adaptations and 34% had adaptations to improve access to the property.

CONCEALED HOUSEHOLDS

Concealed households are people who cannot afford to be in the housing market and are living within another household. We found that around 5% of households included one or more households seeking independent accommodation giving a total of 2,096 new households over the next five years to 2009. Over 89% are the adult children of existing Worthing residents.

- ▶ 69% of the people in these concealed households are between 20 and 29 years of age and 12% are over 30.



- ▶ 647 (31%) of households are being formed with a partner living in a separate household elsewhere in Worthing Borough.
- ▶ 4% of all concealed households (19 implied) moving within the next year were registered on a housing waiting list, all being on the Worthing Borough Council's Housing Register.

Their needs and preferences for specific house types were:

Type	Need %	Preference %
Flat	66.3	43.2
Terraced	12.1	28.2
Semi-detached	6.9	20.5

Size	Need %	Preference %
One Bed	54.0	18.8
Two bed	43.1	59.1
Three Bed	2.9	22.1

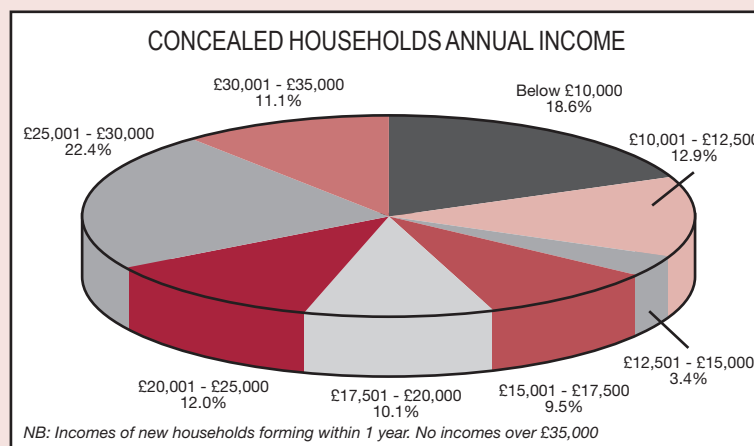
- ▶ Important differences exist between the levels of preference expressed for property types and the existing supply, especially in relation to the preference for flats and terraced houses.
- ▶ 70% (1,461 implied) of the concealed households want to buy their own housing and 15% (311 implied) prefer to rent in the private sector. 9% (191 implied) want Housing Association rented accommodation and 6% (133 implied) were interested in Housing Association shared ownership.

A SUMMARY OF THE MAIN FINDINGS

Concealed Households' Housing Costs and Incomes

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

- ▶ 27% could afford a weekly rent of no more than £60 and 80% no more than £100;
- ▶ 47% could not afford a mortgage of more than £300 per month;
- ▶ 19% have household incomes below £10,000 per annum, 36% earn between £10,001 - £20,000 and a further 12% between £20,001 and £25,000;
- ▶ 89% have inadequate income to be able to buy and 66% cannot afford to rent privately even the smallest one bed flat.



Affordability and Access to Market Housing

The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and supply of stock with below average prices.

Based on availability of a mortgage for 95% of the purchase price of a property and 3-times gross income to lending ratio it is estimated that a new purchaser would need an annual income of £25,700 to buy a one bedroom flat in West Worthing, rising to £30,100 in Central Worthing. A two bedroom flat requires an income of £30,100 in West Worthing, up to £39,300 in North Worthing.

The private rented sector can be accessed at £380 a month in Central Worthing; £425 in West Worthing and £500 in South West Worthing for a one bedroom flat, the smallest unit. For a 2-bed flat, rents range from £475 in West Worthing, rising to £550 in Central Worthing and in Central and South East Worthing.

The survey findings indicate that income levels of around 89% of the concealed households are below the income level necessary to be able to purchase a property and 66% by our assessment are priced out of the private rental market in the Borough.

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 housing, local housing market assessments and long-term business planning.

CONCLUSIONS

- ▶ Although a considerable spread of incomes is evident in Worthing, 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 66% of these “concealed” households are not able to afford to rent even the cheapest available housing in the Borough and 89% cannot access owner occupation.
- ▶ Most demand from concealed households is for smaller, affordable housing units, particularly flats and terraced houses, to meet the needs of newly forming households. There is a shortfall of flats in the existing stock which needs to be addressed to ensure there is an adequate mix of house types and sizes and conform with the principle set out in the Government’s Planning Policy Guidance 3 Housing, issued in March 2000.
- ▶ The annual affordable housing need and supply assessment is as follows :-

Total annual need	705
Total Supply from re-lets	291
Net annual outstanding need	414

- ▶ The total affordable housing need annually is for 705 units but re-lets of the existing social stock average only 291 units. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 414 units which projected over the year period to 2011 is a total of 2,898 units. Only 9.4% of the stock is affordable rent, less than half the national average of 19.3%. Right to Buy sales are on average two thirds of new delivery limiting the social stock growth to less than 20 units a year.
- ▶ Whilst the survey indicates that 100% of all new affordable housing would need to be rented to meet this gap, this is clearly unrealistic and is not desirable in terms of maintaining balanced communities with a sustainable mix of tenures.
- ▶ The annual shortfall is six times the current level of 64 new units being delivered through acquisitions, new build or conversions, resulting in growing levels of unmet need each year. 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 suitable sites. A general apportionment of 75% RSL rented units and 25% low cost market housing should be considered for future negotiation in meeting overall targets.
- ▶ A significant finding from the study is the projected 14% increase in the over 65 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 support needs of this particular group of people.
- ▶ In total, the data suggests a combined requirement for sheltered accommodation from older people currently living in the Borough (333 households) and those who may in-migrate to be with their family (1,117 households) of 1,495 units, 642 in the affordable sector and 633 in the private sector.
- ▶ 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.

September 2004