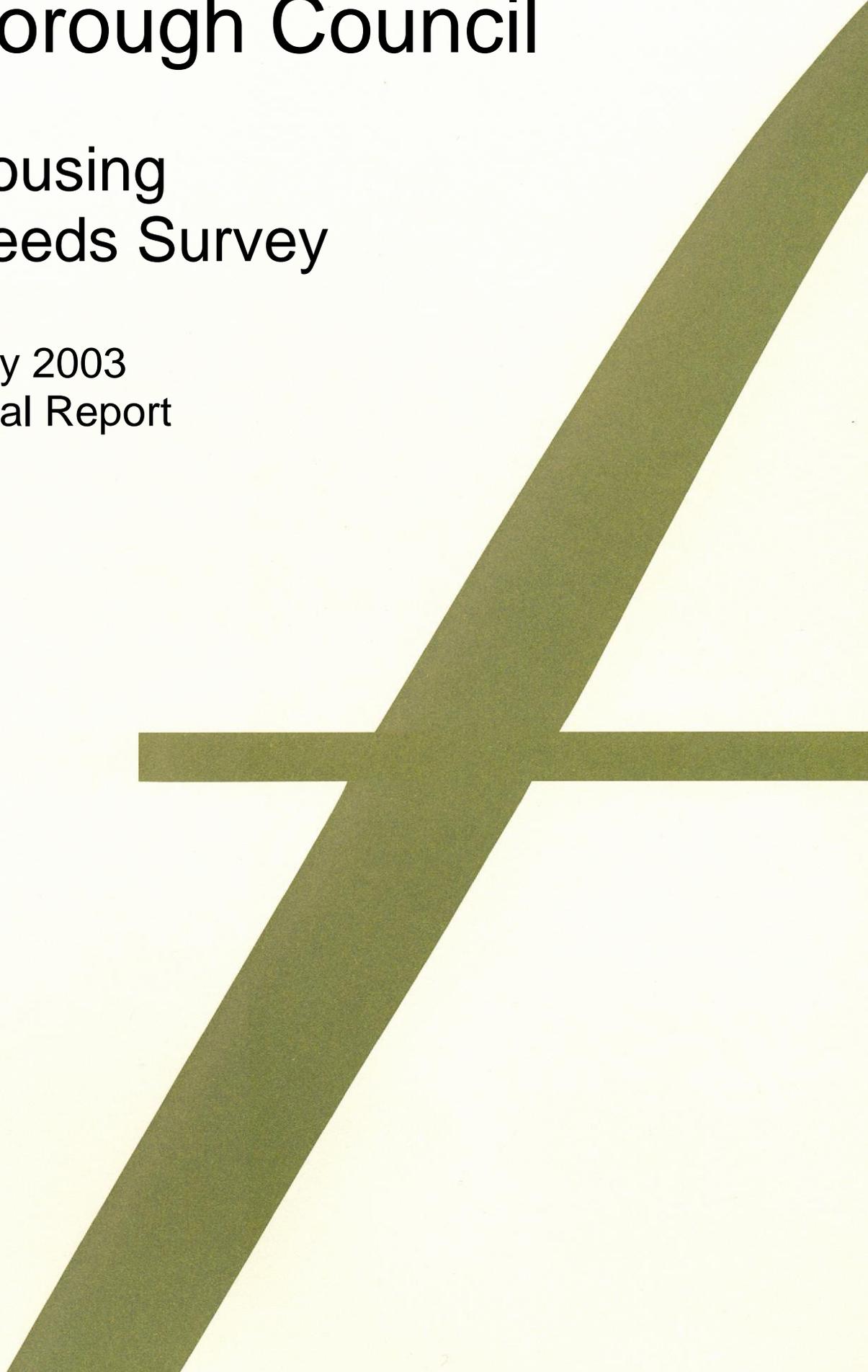




Southend-on-Sea Borough Council

Housing Needs Survey

May 2003
Final Report





2002 HOUSING NEEDS SURVEY

MAIN REPORT

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1. INTRODUCTION

1.1 Nature of this report

This report contains the first comprehensive survey of housing need carried out on behalf of Southend-on-Sea Borough Council by *Fordham Research*. It has been structured to closely follow guidance set out by the (then) *Department of Transport, Local Government and Regions* (now *The Office of the Deputy Prime Minister*) in '*Local Housing Needs Assessment: A Guide to Good Practice*' (July 2000). Following this approach the survey provides key estimates on the numbers and types of households in housing need and how needs levels are likely to change in the future. This information is coupled with an analysis of the supply of affordable housing to estimate the requirement for additional affordable housing. The survey closely follows guidance set out by the *Department of Transport, Local Government and Regions* in *Local Housing Needs Assessment: A Guide to Good Practice* published in July 2000 (hereafter referred to as the *Guide*).

1.2 Why do a Housing Needs Survey?

The reasons for carrying out Housing Needs Surveys are well documented in DTLR advice. The following is taken from *Local Housing Needs Assessment: A Guide to Good Practice* – (DTLR Housing Research Summary Number 117, 2000):-

'.....Every local authority has a responsibility to produce a housing strategy based on up-to-date assessments of aggregate housing needs in their area. These strategies are reflected in authorities' annual Housing Investment Programme (HIP) submissions to central government, and an assessment of their quality contributes to DTLR decisions on HIP resource allocation. Local housing needs assessment also plays a crucial role in underpinning land-use policies relating to affordable housing, a policy area increasingly emphasised by central government. In addition, information on local needs is required to guide new provision investment (mainly involving RSL's) and to inform local authority policies on stock conversion, demolition and transfer.....'

The survey reported here addresses the question of housing need at Borough level, and for sub-areas of Southend-on-Sea. Since, both for Housing Investment purposes and Local Plan reasons, the need has only to be established at the Borough level, there is no general requirement to achieve a high level of geographical detail. However, for housing management purposes there is much to be gained from geographical information and have therefore sought to provide this. This report presents the results of the analysis in terms of seventeen sub-areas (based on wards in the Borough).

1.3 Status of this report in relation to the Guide

This report was commissioned after publication of *Local Housing Needs Assessment: A Guide to Good Practice* (reviewed in the next chapter). The Guide has advocated an approach to housing needs assessment that is closely modelled upon the *Fordham Research* approach (and quite different from other approaches). It has therefore not been difficult to adapt our existing approach to the requirements of the Guide.

Throughout this report key methodological quotes from the Guide are highlighted in boxes. This is to help the reader understand and reinforce the reasoning behind some of the analysis carried out.

1.4 Summary

Housing Needs Surveys have become, over the past decade, a standard requirement for local authorities across Britain. The publication of *Local Housing Needs Assessment: A Guide to Good Practice* by DTLR in July 2000 has now standardised the form of such assessments. They are designed to underpin housing and planning strategies by providing relevant data for them. The data involved requires some considerable analysis to be of use, and this report is devoted to that analysis. The Guide's approach is substantially based on the *Fordham Research* one although some minor adjustments have had to be made to accommodate the Guide's requirements.

2. KEY POINTS FROM LOCAL HOUSING NEEDS ASSESSMENT: A GUIDE TO GOOD PRACTICE

2.1 Introduction

The basis for carrying out housing needs assessment has been standardised by the appearance of the Guide (formally: *Local Housing Needs Assessment: A Guide to Good Practice – DTLR Housing, July 2000*). Since the Guide will, from now on, provide the test of a good Housing Needs Survey, it is important to summarise its key features. This chapter is devoted to that purpose.

2.2 Outline of *Local Housing Needs Assessment: A Guide to Good Practice*

(i) Introduction

This Guide, published in July 2000, has gone a long way to filling the gap which has been apparent ever since, in Circular 7/91, the Government told councils they could seek affordable housing provided that there was evidence of housing need (without ever explaining what ‘need’ meant). The Guide now provides such a definition and so it is good to see the gap filled.

There are still a number of detailed difficulties with the advice, but they are minor compared with the gaps that have been filled. The following summary focuses upon the key issues, and in particular those which affect affordable housing.

(ii) Definition of housing need

The definition of housing need controls which households are defined as being in need, and indirectly affects what constitutes affordable housing. Affordable housing is, in principle, designed to address the identified housing need. The Guide defines a household in housing need as one which is living in housing that is not suitable for its requirements and who cannot afford to resolve this unsuitability within the private sector housing market.

DTLR guidance [Appendix 2 (page 116)]

‘Housing need refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance.’

'Unsuitable housing' is a term coined by *Fordham Research* when we started undertaking needs surveys in 1993. The term is used throughout the Guide to refer to households who are potentially in need. The second part of the test is whether a household in unsuitable housing can afford market prices to buy or rent.

(iii) Procedure

An 18 staged procedure is set out in the Guide. This is aimed at producing an estimate of the net need for new affordable housing. Thus the Guide is very much geared to the requirements of planning for clear indications of the affordable housing requirement. The following table reproduces the stages from the key table of the Guide.

Table 2.1 Basic Needs Assessment Model: (from Table 2.1 of DTLR *Local Housing Needs Assessment: A Guide to Good Practice*)

Element and Stage in Calculation

B: BACKLOG OF EXISTING NEED

1. Backlog need existing households
2. *minus* cases where in-situ solution most appropriate
3. *times* proportion unable to afford to buy or rent in market
4. *plus* Backlog (non-households)
5. *equals* total Backlog need
6. *times* quota to progressively reduce backlog
7. *equals* annual need to reduce Backlog

N: NEWLY ARISING NEED

8. New household formation (gross, p.a.)
9. *times* proportion unable to buy or rent in market
10. *plus* ex-institutional population moving into community
11. *plus* existing households falling into need
12. *plus* in-migrant households unable to afford market housing
13. *equals* Newly arising need

S: SUPPLY OF AFFORDABLE UNITS

14. Supply of social relets p.a.
15. *minus* increased vacancies & units taken out of management
16. *plus* committed units of new affordable supply p.a.
17. *equals* affordable supply
18. Overall shortfall/surplus

Source: Local Housing Needs Assessment: A Guide to Good Practice DTLR 2000

NB This table has been adapted from Table 2.1 of the Guide, by removing the suggested data sources.

There is a considerable amount of analysis involved in producing output for these stages. Most of the stages were already part of the *Fordham Research* approach and so it has been relatively easy to adapt our approach to fit the Guide's framework. For example one of the most noticeable is that the backlog total of need is divided by 5 to produce a synthetic annual estimate. This can then be added to the annual projected change in need to produce, after various further stages, the annual requirement for new affordable housing. This annualisation of current need backlog does not take any appreciable time to do, and so adapting to that feature of the Guide is straightforward.

(iv) Conclusions

The Guide goes a long way towards filling a key gap in affordable housing policy. It provides a coherent definition of housing need, and a great deal of advice on how to implement it. It is comforting from the *Fordham Research* point of view that the Guide has very strong similarities with the methodology previously used by *Fordham Research* before the Guide was published.

The detailed procedure which the Guide sets out also draws heavily from the *Fordham Research* approach, but differs in a number of details. We have adapted our approach to meet these features. The result is that we are able to conform fully to the Guide. Since Inspectors at planning inquiries will no doubt be using this source, it should mean that Affordable Housing Round Tables will be less contentious than before.

2.3 Detailed discussion of key stages in the procedure

Some of the stages in the Guide procedure are fairly straightforward. Others involve a considerable amount of analysis to achieve. This section provides some discussion of key aspects of the various stages in the Table 2.1 procedure.

Stage 1 – Backlog need existing households

This is basically an assessment of the suitability of households' current housing. Table 4.2 of the DTLR document shows a classification of unsuitable housing. Analytically this is the main part of the overall assessment of housing need. This is replicated below:

Table 2.2 A classification of unsuitable housing (from Table 4.2 of DTLR *Local Housing Needs Assessment: A Guide to Good Practice*)

Main category	Sub-divisions
1. Homeless or with insecure tenure	i. Under notice, real threat of notice, or lease coming to an end ii. Living in temporary accommodation (e.g. hostel, B&B, with friends or relatives) iii. Accommodation too expensive
2. Mismatch of household and dwelling	iv. Overcrowded v. Home too large (difficult to maintain) vi. Households with children living in high rise flats or maisonettes vii. Sharing a kitchen, bathroom or WC with another household viii. Household containing person with mobility impairment or other special needs living in unsuitable dwelling (e.g. accessed via steps or containing stairs)
3. Dwelling amenities & condition	ix. Lacks a separate bathroom, kitchen or inside WC x. Subject to major disrepair or unfitness
4. Social requirements	xi. Harassment or threats of harassment from neighbours or others living in the vicinity xii. Relationship breakdown xiii. Family unable to live together because of lack of accommodation xiv. Need to give or receive support including living closer to family/friends xv. Need to live closer to employment and/or other essential facilities xvi. Want to live independently

Source: *Local Housing Needs Assessment: A Guide to Good Practice DTLR 2000*

In Chapter 7 of this report most of the 16 sub-divisions shown above are assessed. There are however a number which are not considered in the main housing suitability analysis. These are described below.

ii. Living in temporary accommodation

Households living in temporary accommodation are certainly in unsuitable housing, however, these needs are considered separately from the needs of existing households and hence do not form a part of the unsuitable housing classifications used in this report (see Chapter 7).

(iv) Relationship breakdown

It is difficult to see how this can form part of a backlog of housing need. Relationship breakdown can undoubtedly cause a household to be unsuitably housed, however, this is mainly going to be part of any projection of future need (see Chapter 8). In any case the numbers at any point in time are likely to be relatively small and difficult to assess through a household based survey.

xvi. Want to live independently

This would not normally be considered to be an unsuitable housing category. Households wanting to live independently (potential households) are able to be in housing need, however, these needs are considered separately from the needs of existing households and hence do not form a part of the unsuitable housing classifications used in this report. Further information on this aspect is presented in Chapters 7 and 8 of this report.

Stage 2 – cases where ‘in-situ’ solution most appropriate

For each of the unsuitable categories described above an assessment is made about whether or not a move to different housing is the most appropriate solution. This is assessed by looking at household’s statements about moving home and can be found in Chapter 7.

Stage 3 – times proportion unable to afford to buy or rent in market

This is the assessment of affordability; dealt with in some detail in Chapter 7.

Stage 4 – Backlog (non-households)

This is potential and homeless households. The main bulk of backlog need will usually be existing households. However some homeless households in temporary accommodation (see above) will also be in need. In addition it is assumed that potential households with an indication of the need to move immediately are part of the backlog. Any potential household with a need to move at a point in the future is considered as part of the projection of need. The potential households data is considered more fully in the relevant sections of this report (Chapters 7 & 8).

Stages 5 to 7

These are purely calculations and are considered in Chapter 7 of this report.

Stages 8 to 13 – Newly arising need

This is the projection of future need which distinguishes four components that may contribute to newly arising need. Chapter 8 of the report discusses this in more detail.

Stages 14 to 17 – Supply of affordable housing

The main source of supply of affordable housing is relets of existing social housing. This is assessed by considering general patterns of supply in the social rented stock over the last three years from HIP information and is dealt with in Chapter 9 of this report.

2.4 Summary

The DTLR Guide provides a detailed basis for housing needs assessment. It culminates in an assessment of the net annual need for new affordable housing. The method put forward in the Guide is, in most important respects, similar to the approach previously used by *Fordham Research*. However our approach has been fine tuned so as to conform as closely as possible to the Guide.

3. SURVEY WORK AND VALIDATION

3.1 Introduction

The survey employed a hybrid survey approach with both personal interviews and postal questionnaires covering all areas and tenure groups in the Southend-on-Sea Borough. Samples for both components of the survey were drawn, at random, from the Council Tax Register. This chapter reports on the outcome and validation of the survey results.

3.2 Survey outcome

The survey set out to complete 500 personal interviews over the whole of the Council area, and in total 500 were completed. In addition 8,250 postal questionnaires were sent out from which 2,090 households returned a survey form – allowing for non effective addresses (i.e. there were 48 postal questionnaires which could not be delivered) this represents a response rate of 25.5%. In combination a total of 2,590 responses were used in the subsequent analysis and allows us to complete accurate and detailed analysis of needs across the Borough. Before data was analysed in detail the survey results were weighted for any measurable bias (comparisons with existing sources). The procedure for this is presented below.

3.3 Base household figures and weighting procedures

Using all available data sources, it is necessary to weight the data from the Housing Needs Survey to be representative of households in Southend-on-Sea. This has been achieved using estimates of the numbers of households in each tenure group as well as estimates of the numbers of resident households in each of seventeen sub-areas (made up of wards). Employing this standard statistical procedure ensures that an accurate and representative picture of housing need can be estimated.

Given that it is based on a sample of the population, there is a need to ensure that the coverage of the housing needs survey is, in fact, fully representative of households in the area. Bias in the sample can arise from two sources: (i) sampling bias and (ii) non-response bias. In the case of (i) we know that such a bias occurs as the sample was deliberately drawn in such a way as to achieve a reasonable amount of data in each sub-area (and not all sub-areas are the same size). In the case of (ii) we assume that there is some non-response bias. Such bias is a feature of all social surveys and therefore needs to be taken into account.

3.4 Derivation of base figures

A number of sources can be used to estimate the current number of households in the Borough, the main ones being the Council Tax Register information and Council's H.I.P. statement. At the time of the survey there were 75,389 properties on the Council Tax Register of which an estimated 1,896 were vacant. This makes for a total of 73,493 occupied dwellings. Information presented in the Council's H.I.P indicated that as of April 2001 there were an estimated 75,231 dwellings of which 1,893 were vacant, making a total of 73,338 occupied dwellings. There is a good correspondence between these sources but as the Council Tax Register information was closer to the time of the survey we have used this to inform our estimate of the total number of households in the Borough. The total number of households in Southend-on-Sea is therefore estimated to be 73,500 (rounded).

In deriving an overall estimate of the total number of households in Southend-on-Sea however, account is also taken of additional households in multiple occupation. Information from the survey suggests that there were an additional 495 households in the dwelling stock due to sharing (a total of 743 HMO households). Taking account of these households the total number of households in Southend-on-Sea is estimated to be therefore 73,995 households (73,500+495).

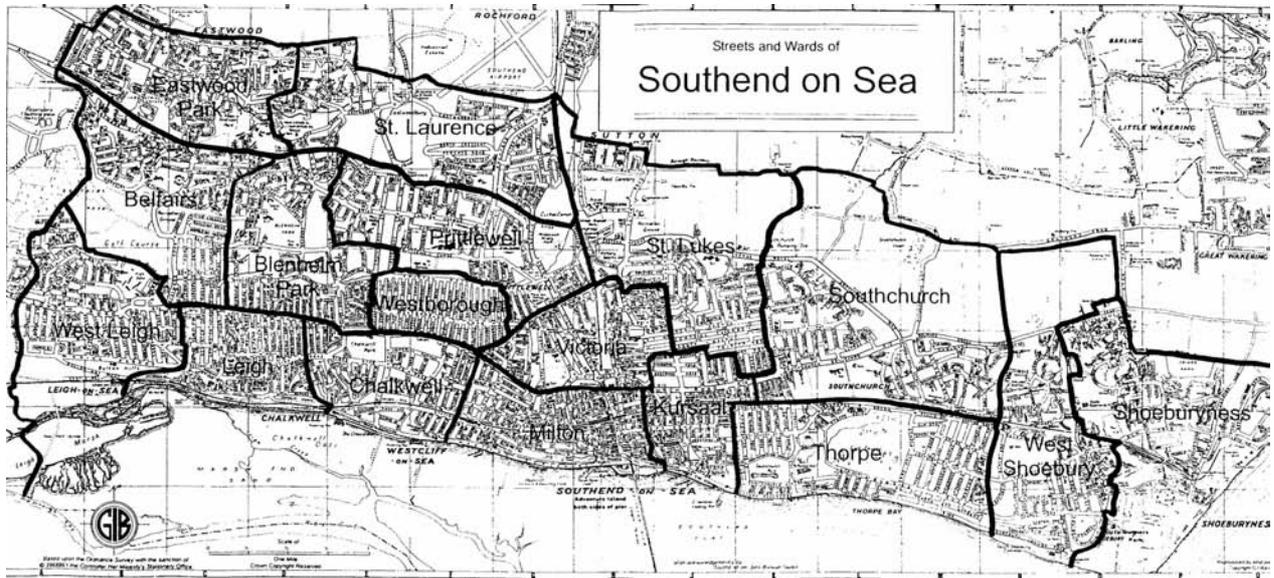
The estimate of around 74,000 households compares with a latest Government projection figure of around 78,000. On the basis of H.I.P. and Council Tax figures it seems likely that the Government's figures are an overestimate. Publication of 2001 Census data will help confirm the correct number of households in the Borough. In terms of the housing needs assessment this discrepancy whilst significant in terms of numbers is unlikely to have any significant impact on the results (if 78,000 were correct the estimated requirement for affordable housing would probably be around 5% higher (i.e. 78,000/74,000)).

3.5 Sub-area and tenure estimates

The survey data has been weighted to an estimated profile of the housing stock by tenure and sub-area. The number of households in each sub-area is derived from the Council Tax Register provided by the Council. Each sub-area was based on wards as detailed in the map below.

The methodology behind weighting is quite simple. We estimate the number of households in each sub-area and within each tenure group and then match our data to the estimated profile of households in the Borough. Therefore if we estimate that 10% of the total number of households come from sub-area X then we know that the data needs to be weighted in such a way as the results reflect that 10% of households come from this sub-area. The same procedure is carried out for tenure groups.

Figure 3.1 Southend-on-Sea Borough Council – Housing Needs Survey – Study area



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table below shows the estimated distribution of households by these sub-areas.

Table 3.1 Number of households in each sub-area

<i>Sub-area</i>	<i>Estimated total number of households</i>	<i>% of households</i>	<i>Number of returns</i>	<i>% of returns</i>
<i>Eastwood Park</i>	3,986	5.4%	165	6.4%
<i>Belfairs</i>	4,015	5.4%	158	6.1%
<i>West Leigh</i>	3,790	5.1%	174	6.7%
<i>St. Laurence</i>	4,407	6.0%	140	5.4%
<i>Blenheim Park</i>	4,205	5.7%	154	5.9%
<i>Leigh</i>	4,726	6.4%	145	5.6%
<i>Prittlewell</i>	4,403	5.9%	152	5.9%
<i>Westborough</i>	4,531	6.1%	156	6.0%
<i>Chalkwell</i>	4,206	5.7%	174	6.7%
<i>St. Lukes</i>	4,752	6.4%	140	5.4%
<i>Victoria</i>	4,872	6.6%	162	6.3%
<i>Milton</i>	5,159	7.0%	122	4.7%
<i>Kursaal</i>	4,588	6.2%	134	5.2%
<i>Southchurch</i>	3,938	5.3%	145	5.6%
<i>Thorpe</i>	4,018	5.4%	158	6.1%
<i>West Shoebury</i>	4,055	5.5%	170	6.6%
<i>Shoeburyness</i>	4,346	5.9%	141	5.4%
TOTAL	73,995	100.0%	2,590	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Estimates of tenure were then made. Information for this came from the Council H.I.P. form and survey results. The estimates of tenure are as follows:

Table 3.2 Number of households in each tenure group

<i>Tenure</i>	<i>Estimated total number of households</i>	<i>% of households</i>	<i>Number of returns</i>	<i>% of returns</i>
<i>Owner-occupied (no mortgage)</i>	24,052	32.5%	932	36.0%
<i>Owner-occupied (with mortgage)</i>	31,372	42.4%	1,043	40.3%
<i>Council</i>	6,468	8.7%	203	7.8%
<i>Housing Association</i>	2,690	3.6%	92	3.6%
<i>Private rented/other</i>	9,413	12.7%	320	12.4%
TOTAL	73,995	100.0%	2,590	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

3.6 Other characteristics

Throughout this report many of the housing needs variables (e.g. unsuitable housing, household income) are tabulated along with sub-area and tenure. In addition to these two variables, comparisons are made with household type and special needs; the two tables below show the numbers of households in each of these groups with accompanying notes.

Table 3.3 Number of households in each household type group

<i>Household type</i>	<i>Estimated total number of households</i>	<i>% of households</i>	<i>Number of returns</i>	<i>% of returns</i>
<i>Single pensioner</i>	12,889	17.4%	462	17.8%
<i>2 or more pensioners</i>	9,470	12.8%	359	13.9%
<i>Single non-pensioner</i>	12,986	17.6%	424	16.4%
<i>2 or more adults, no children</i>	20,888	28.2%	733	28.3%
<i>Lone parent</i>	3,469	4.7%	117	4.5%
<i>2+ adults, 1 child</i>	5,860	7.9%	201	7.8%
<i>2+ adults, 2+ children</i>	8,433	11.4%	294	11.4%
TOTAL	73,995	100.0%	2,590	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

NB A pensioner is taken as a male aged 65 or over or a female aged 60 or over. An adult is taken to be any other person aged 16 or over.

Table 3.4 Number of households with and without special needs

<i>Special needs</i>	<i>Estimated total number of households</i>	<i>% of households</i>	<i>Number of returns</i>	<i>% of returns</i>
<i>Special needs</i>	10,154	13.7%	356	13.7%
<i>No special needs</i>	63,841	86.3%	2,234	86.3%
TOTAL	73,995	100.0%	2,590	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

NB Special needs households are defined as having one or more members who fall into one or more of the following categories:

- *Frail elderly*
- *A physical disability*
- *A learning disability*
- *A mental health problem*
- *Vulnerable young people and children leaving care*
- *Severe sensory disability*
- *Other*

3.7 Summary

The survey employed a hybrid approach, achieving 500 interviews and 2,090 postal surveys. In combination the total number of responses used for the analysis was 2,590. This is a significant amount of data and enables reliable analysis of housing need in accordance with DTLR guidance. The survey data was weighted by tenure and sub-area so as to be representative of all households within the Southend-on-Sea Borough.

4. LOCAL HOUSING MARKET STUDY

4.1 Introduction

This chapter sets out the results of an analysis of housing market prices and rents in the Southend-on-Sea Borough area. After a brief consideration of the reasons for the study and the nature of housing market analysis we proceed from a wide perspective, looking at Land Registry data for Southend-on-Sea and surrounding districts, to a more local one, through a survey of estate agents in the Borough.

The effect is to provide a context for the property price situation in Southend-on-Sea and then a sequence of analysis based on information collected from estate/letting agents. This leads to figures which show the minimum price/rent of housing for a range of dwelling sizes. The latter provides an essential link in the chain of analysis of housing need, since it establishes entry level costs for housing in Southend-on-Sea.

A more detailed account of the analysis in this Chapter is set out in Appendix A1.

4.2 Reasons for housing market study

The level of market prices and rents is a key factor in this study for two main reasons:

- (i) Market prices and rents indicate the cost of housing in the Southend-on-Sea Borough area. A major reason for government interest in prices is to address the needs of households which cannot afford this cost. Hence the existence of social rented housing and low-cost home ownership options, which represent partial ownership. Thus it is important to establish the entry levels to both ownership and private renting.
- (ii) The price/rent information indicates the contours of the housing market in the Borough wide. This is important for the Council when considering not only the level of subsidy required to produce new social rented and other non-market priced housing, but also the degree to which it should attempt to manage the newbuild market in line with government guidance.

This chapter is devoted to identifying the first of the above elements: the cost of housing.

4.3 Background to housing market analysis

The background analysis of housing markets using Land Registry data is addressed in more detail in Appendix A1, but as a preliminary to the present phase of the work it is desirable to draw attention to some key features of housing markets:

- (i) **Housing markets are quite complex.** Housing markets can be defined, at the larger scale, by such features as journey to work areas. In the case of free-standing market towns these may appear as fairly neat circular areas. In most of Britain, however, the high density of population means that housing market areas overlap. In the extreme case of London, its market area extends for some purposes as far away as York, Milton Keynes, Bristol and the South Coast. At the same time there are well defined market areas within London (east v west; north v south of the river).
- (ii) **Property prices vary within market areas.** Depending on the attractiveness of the area, property prices may vary considerably within a few miles or even, in large cities, within a few hundred yards. This is due to the history of the area and the nature of the housing stock. These variations are important from the point of view of housing cost analysis, which underpins the study of subsidised forms of housing. It is important to know what the entry level costs of housing are. These can only be established by close study of detailed local price variations.
- (iii) **Newbuild is only a small fraction of the market.** In almost all parts of Britain, newbuild is a small fraction of the total housing market. The majority of all sales and lettings are second hand. The important point to note in this is that second - hand housing is normally much cheaper than newbuild. Only at the luxury end of the market is this not true. Thus entry level housing will normally be second hand.

These features of the housing market are worth bearing in mind when considering the detailed evidence produced in the following sub-sections of this chapter.

4.4 Government guidance on the study of housing markets

The Guide makes several references to market studies:

DTLR guidance [Section 7.3 (page 94)]

'The relevance of data on private sector housing costs stems primarily from the role of such data in facilitating analyses of affordability, which are central to most local housing needs assessment models. The essential feature of such models is that they measure the extent to which a given group of households can afford to meet their housing needs through the private market. Generally, most attention is focused on the price of properties for sale. However, some models also take account of private sector rent levels.'

DTLR guidance [Section 7.3 (page 95)]

'Typically, local authorities can draw on two or three sources of house price information. These include; direct contacts with local estate agents; county-wide monitoring by county councils; local or regional data available in published or unpublished form from the major national mortgage lenders (particularly Halifax and Nationwide); and data from the Land Registry.'

DTLR guidance [Section 4.3 (page 58)]

'An alternative approach to defining current threshold prices is to derive appropriate figures in consultation with local estate agents. Although it appears more subjective, this latter approach has a number of advantages. Firstly, it enables properties in poor condition to be screened out. Secondly, it is better able to reflect the whole market rather than being limited to the market share of the mortgage lender concerned. Lastly and most importantly, the properties can be specified in terms of size and type, matched to particular household types.'

The last of these three extracts points to the measurement of entry level house prices from the minimum price assessment, which was taken from *Fordham Research* practice, as it is something we have done for many years in such analysis.

These extracts say, in summary:

- (i) Housing market information is essential to the assessment of affordability
- (ii) There are various secondary and primary sources for such information
- (iii) There are some advantages to the primary data route: obtaining information directly from estate agents, since that reflects the true entry cost of housing and is not particular to one mortgage source

The best route to meeting these requirements is a combination of secondary data (the Land Registry, which covers all transactions) and estate agents survey.

In keeping with comments above, we concentrate upon price variations rather than the study of the whole market. This is because in terms of affordability of local housing, the important factor is its price, not its location relative to wider housing markets.

4.5 Assessment of general market price levels

The first step is to assess general price levels. This involves looking at Land Registry data showing property prices in Southend-on-Sea, and for the adjoining council areas.

We obtained data showing how prices compared during the first quarter of 2002. The figure below shows how prices in the Borough of Southend-on-Sea and the adjoining authorities compare in total, and for the main property types.

Figure 4.1 Property prices in Southend-on-Sea and surrounding Council areas (1st quarter 2002)

			Basildon		
<i>d</i>	£219,542	107.5%	<i>d</i>	£204,237	100.0%
<i>sd</i>	£127,964	103.7%	<i>sd</i>	£123,418	100.0%
<i>t</i>	£91,110	96.0%	<i>t</i>	£94,875	100.0%
<i>fm</i>	£65,557	101.4%	<i>fm</i>	£64,630	100.0%
<i>o</i>		102.7%	<i>o</i>		100.0%

			Castle Point		
<i>d</i>	£156,965	76.9%	<i>d</i>	£195,152	95.6%
<i>sd</i>	£110,801	89.8%	<i>sd</i>	£125,858	102.0%
<i>t</i>	£92,742	97.8%	<i>t</i>	£95,980	101.2%
<i>fm</i>	£70,184	108.6%	<i>fm</i>	£73,147	113.2%
<i>o</i>		92.4%	<i>o</i>		102.9%

			Southend		
<i>d</i>	£204,237	100.0%	<i>d</i>	£195,729	95.8%
<i>sd</i>	£123,418	100.0%	<i>sd</i>	£123,245	99.9%
<i>t</i>	£94,875	100.0%	<i>t</i>	£108,916	114.8%
<i>fm</i>	£64,630	100.0%	<i>fm</i>	£66,424	102.8%
<i>o</i>		100.0%	<i>o</i>		102.3%

			Rochford		
<i>d</i>	£195,729	95.8%	<i>d</i>	£195,152	95.6%
<i>sd</i>	£123,245	99.9%	<i>sd</i>	£125,858	102.0%
<i>t</i>	£108,916	114.8%	<i>t</i>	£95,980	101.2%
<i>fm</i>	£66,424	102.8%	<i>fm</i>	£73,147	113.2%
<i>o</i>		102.3%	<i>o</i>		102.9%

			Thurrock		
<i>d</i>	£195,152	95.6%	<i>d</i>	£195,152	95.6%
<i>sd</i>	£125,858	102.0%	<i>sd</i>	£125,858	102.0%
<i>t</i>	£95,980	101.2%	<i>t</i>	£95,980	101.2%
<i>fm</i>	£73,147	113.2%	<i>fm</i>	£73,147	113.2%
<i>o</i>		102.9%	<i>o</i>		102.9%

Key: **d** refers to detached properties, **sd** to semi-detached, **t** to terraced, **fm** to flats/maisonettes, **o** to overall properties

First columns indicate prices per property type while second column shows relative property prices in areas adjoining Southend, weighted by Southend-on-Sea sales. The overall % figure (in bold) in the second column indicates the Southend-sales weighted average of all property prices in each area relative to that in Southend.

Source: HM Land Registry, Property Price Data, 2002

For analytical purposes the overall average prices have to be standardised by weighting to reflect the distribution of sales in Southend-on-Sea. The weighted and unweighted patterns of price can be quite different, as demonstrated in the more detailed analysis set out in Appendix A1.

It is clear that the Southend-on-Sea borough area is surrounded by areas of similar prices, of which Castle Point is the least expensive.

We will now move into closer focus, using primary data gathered from estate agents in Southend-on-Sea. This is the best way to get local information, since the prices can be taken to represent the true costs of housing, taking repairs costs into account.

4.6 Estate Agents information

(i) General

We carried out a detailed survey of estate agents in the Borough area. The methodology and approach used to carry out this survey are discussed in more detail in Appendix A1. A total of eighteen estate and letting agencies gave information about the local housing market.

Southend-on-Sea is a relatively compact and largely built up area, however it is important to gain an understanding of price variations within the whole area. The agencies' locations were therefore carefully chosen to give the widest possible coverage across the Borough; each was able to provide a significant amount of information about the market in their part of the Borough. Although the majority of agents contacted were based in the Southend area of the Borough we also collected information from agents based elsewhere, for example in Leigh-on-Sea, Thorpe Bay, Eastwood, Shoeburyness and Westcliff.

The clear view from the agents was that the property market in Southend-on-Sea remains buoyant. Prices inside the Council boundary are still rising and there was general agreement that the demand for housing outweighed the supply. These views emerged almost universally, and there seemed to be no significant variation depending on where the agents were located.

Appendix A1 provides further analysis of Land Registry data on price movements in Southend-on-Sea over the last four quarters. This is consistent with the above findings, suggesting that prices were generally rising steadily over the past year.

(ii) Detailed estate agents survey results: second-hand

If we take averages of the prices identified by individual agents for each dwelling size and price level, the property price results for all areas of the Borough are as presented in the table below.

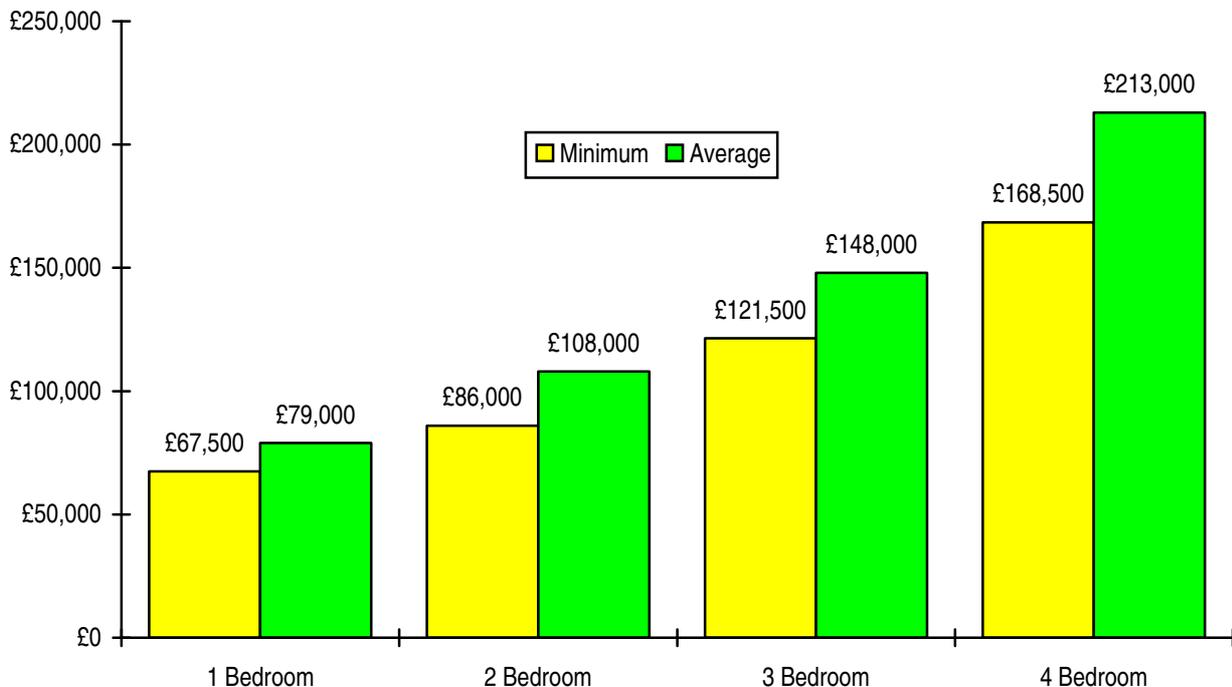
Table 4.1 Minimum and average property prices/rents in Southend-on-Sea (all areas) (as of June 2002)

<i>Property size</i>	<i>Minimum price</i>	<i>Average price</i>
<i>1 bedroom</i>	£67,500	£79,000
<i>2 bedrooms</i>	£86,000	£108,000
<i>3 bedrooms</i>	£121,500	£148,000
<i>4 bedrooms</i>	£168,500	£213,000
<i>Property size</i>	<i>Minimum rent (£, pcm)</i>	<i>Average rent (£, pcm)</i>
<i>1 bedroom</i>	£330	£390
<i>2 bedrooms</i>	£450	£510
<i>3 bedrooms</i>	£590	£640
<i>4 bedrooms</i>	£710	£780

Source: Fordham Research Survey of Estate Agents 2002

The figure below shows how minimum prices compare to average prices in the Borough.

Figure 4.2 Minimum & average property prices in Southend-on-Sea (all areas) (as of June 2002)



Source: Fordham Research Survey of Estate Agents 2002

(iii) Newbuild prices

We also attempted to collect price data in respect of newbuild prices. We obtained information on selling prices from five agents dealing with different developments. However, each of these appeared to be 'executive' accommodation and was priced right at the top of the market. It has therefore been necessary to make some informed estimates about the likely cost of newbuild housing in the Borough based on both discussions with estate agents/developers and our experience elsewhere in the Country.

Table 4.2 Newbuild prices in Southend-on-Sea (all areas)

<i>Property size</i>	<i>Newbuild prices (all areas)</i>
<i>1 bedroom</i>	£100,000
<i>2 bedrooms</i>	£125,000
<i>3 bedrooms</i>	£175,000
<i>4 bedrooms</i>	£245,000

Source: Fordham Research Survey of Estate Agents 2002

(iv) Second-hand price variations within the Southend-on-Sea Borough area

There was a degree of variation within the Borough with some agents highlighting areas as being particularly expensive. Prices within Leigh and Thorpe Bay for example tended to be more expensive than those in the other identifiable locations. The analysis of Land Registry data set out in Appendix A1 provides a good deal of support for this conclusion.

4.7 Appropriate price level for the affordability test

The previous section showed the results obtained by averaging the figures from estate agents for minimum and average prices in each of the four bedroom size categories.

However it is necessary to consider what price level is the most appropriate to use for assessing whether or not a household is able to access the housing market – both in dealing with any price variations within the area, and also determining the appropriate price measure (i.e. minimum or average prices/costs).

Firstly, we use the minimum prices, as these will represent the 'entry level' into the housing market. For consistency we will also use minimum private rental costs as part of the affordability test.

DTLR guidance [Section 4.3 (page 57)]

'The most commonly used affordability test involves comparing estimated incomes of unsuitably housed households against 'entry level' house prices'.

DTLR guidance [Section 4.3 (page 57)]

'approaches which compare maximum prices payable against average house prices are certainly questionable'.

Analysis of the minimum and average property prices in the Borough showed some differences between the figures from agents based in Leigh on Sea and Thorpe Bay and to those within the rest of the Borough. This raises the issue of the appropriate price assumptions to use in assessing overall Borough-wide affordability, it could be objected that a household who could afford market priced housing by moving a reasonable distance should not be assessed as being in housing need.

To overcome this objection, a single price/rent regime has been applied throughout the Borough to assess affordability in our needs survey. Prices and rents obtained from agents covering the Southend, Shoeburyness, Eastwood and Westcliff areas have therefore been applied to all households throughout the Borough.

4.8 The minimum entry levels of price and rent

The table below therefore shows the minimum prices and rents to be used to assess affordability in Southend-on-Sea. The minimum prices are significantly below those quoted for the whole of the Borough. The average prices (using the selected areas prices) and an estimation of newbuild prices are also included for comparison.

Normally the data suggests that rent levels are less sensitive to location than house prices. All the rents collected showed little variation across the Borough and it was therefore felt to be unnecessary to make any adjustment to the minimum and average rents previously shown.

Table 4.3 Minimum and average property prices/rents in Southend-on-Sea (prices obtained for selected areas) (as of June 2002)

<i>Property size</i>	<i>Minimum price</i>	<i>Average price</i>	<i>Estimated newbuild prices</i>
<i>1 bedroom</i>	£58,500	£67,500	£85,000
<i>2 bedrooms</i>	£69,500	£94,500	£100,000
<i>3 bedrooms</i>	£98,000	£125,500	£140,000
<i>4 bedrooms</i>	£141,500	£178,500	£205,000
<i>Property size</i>	<i>Minimum rent (£, pcm)</i>	<i>Average rent (£, pcm)</i>	
<i>1 bedroom</i>	£330	£390	
<i>2 bedrooms</i>	£450	£510	
<i>3 bedrooms</i>	£590	£640	
<i>4 bedrooms</i>	£710	£780	

Source: Fordham Research Survey of Estate Agents 2002

4.9 Summary

We considered property price and rent variations within Southend-on-Sea. This was done in order to establish benchmarks for entry level (always second-hand housing), average second-hand, and new-build costs of housing. The Borough area emerged as being very similarly priced area in comparison to the surrounding districts, with Castle Point appearing to have the lowest prices.

Within the Borough there appear to be higher prices in a few more desirable locations. We excluded these more expensive areas from our calculation of the entry level costs of housing, since they slightly distort the overall entry level cost. We found that the minimum cost of housing to buy varied from £58,500 to £141,500 depending on size.

5. FINANCIAL INFORMATION

5.1 Introduction

This chapter considers the current financial situation of households in the Borough. This information is required along with that in the previous chapter to feed into a detailed assessment of affordability. The main measures used were annual gross income (excluding benefits), weekly net income (including non-housing benefits) and the amount of savings.

DTLR guidance [Section 3.6 (page 39)]

'An accurate estimate of household income is one of the most important pieces of information that has to be obtained from a housing needs survey.'

5.2 Household income

Survey results for average household income for Southend-on-Sea are shown below. Household income is taken to include income of the head of household and their partner (if applicable) but not other members of the household such as a son or daughter.

Table 5.1 Average household income

<i>Household income</i>	<i>Average household income</i>	<i>95% confidence interval (±)</i>
<i>Annual <u>gross</u> household income (excluding all benefits)</i>	£20,793	£784
<i>Weekly <u>net</u> household income (including non-housing benefits)</i>	£349	£10

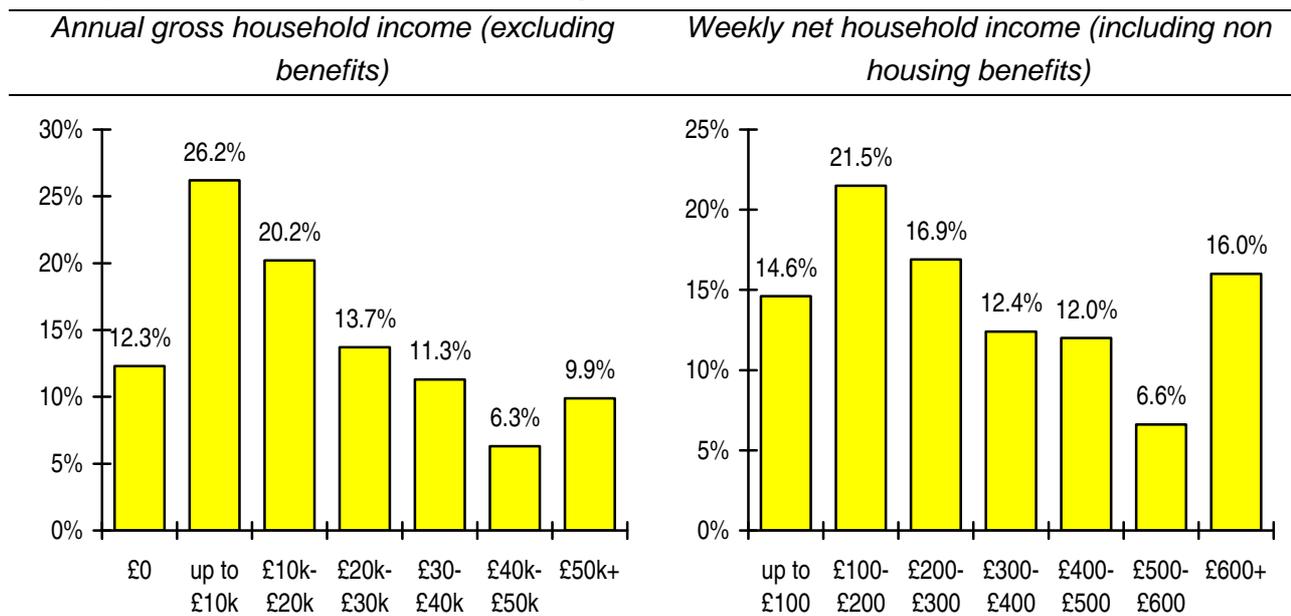
Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Gross income: Is that received by the head of household and spouse/partner from employment (wages and salaries) and investments (including interest and dividends from investments and private pensions) before any deductions for income tax and National Insurance are made.

Net income: Is gross income minus National Insurance contributions and tax at the appropriate rate. The main tax allowances were applied.

From *Family Spending (1998-99)* updated to the present, we estimate that average gross earned household income in England is around £23,000. On a regional level the figure for the South East would be around £26,000 and for the East of England Region of around £23,000. The figure of just under £21,000 in Southend-on-Sea is therefore below both national and regional figures. There is however no reason why average income data for Southend-on-Sea should correspond with either of the above figures which are included for illustrative purposes only.

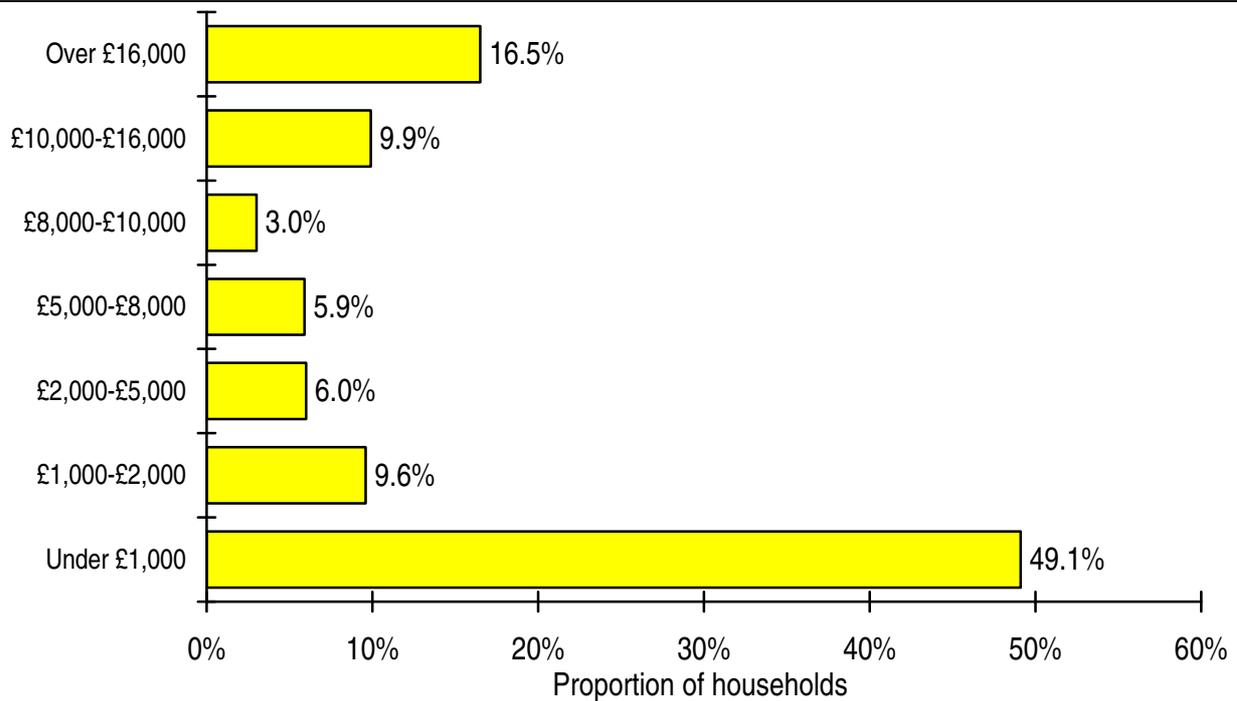
Figure 5.1 Distribution of annual gross household income (excluding benefits) and weekly net household income (including benefits)



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

5.3 Household savings

The distribution of savings is shown in the figure below. Some 49.1% of households indicated they had less than £1,000 in savings. Another noticeable feature from the figure below is that 16.5% of households have savings over £16,000. The average level of savings per household is £5,572 (it should be noted that this figure might be much higher – the last ‘band’ in the savings question was ‘over £16,000 – households in the highest band have had their savings level assumed to be £20,000).

Figure 5.2 Household savings

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

5.4 Household characteristics and income

The four tables below show average household income (with and without benefits) and savings by tenure, household type, sub-area and special needs.

As might be expected, the households with the lowest average incomes are those who rent from the Council. Whilst owner-occupiers with no mortgage have an average household income considerably lower than those with a mortgage, this group contains many older people who have redeemed their mortgages. Single pensioner and lone parent households show average incomes considerably below the Borough average. All non-pensioner household groups with two or more adults show average incomes above the Borough average.

In terms of sub-area, *Victoria* shows the lowest average income (at £12,079) whereas *West Leigh* demonstrated the highest average income level (at £30,091). Finally, it can be seen that special needs households have a much lower average gross income at £8,420 compared to £22,762 for non-special needs households.

Table 5.2 Household income by tenure

<i>Tenure</i>	<i>Average gross annual household income (excluding benefits)</i>	<i>Average net weekly household income (including non housing benefits)</i>	<i>Average amount of savings</i>
<i>Owner-occupied (no mortgage)</i>	£15,297	£293	£10,042
<i>Owner-occupied (with mortgage)</i>	£32,172	£486	£4,571
<i>Council</i>	£4,653	£135	£1,417
<i>Housing Association</i>	£6,522	£173	£2,233
<i>Private rented</i>	£12,084	£230	£1,301
<i>ALL HOUSEHOLDS</i>	£20,793	£349	£5,572

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 5.3 Household income by household type

<i>Household type</i>	<i>Average gross annual household income (excluding benefits)</i>	<i>Average net weekly household income (including non housing benefits)</i>	<i>Average amount of savings</i>
<i>Single pensioner</i>	£5,236	£147	£3,552
<i>2 or more pensioners</i>	£12,997	£290	£11,974
<i>Single non-pensioner</i>	£16,577	£266	£3,745
<i>2 or more adults, no children</i>	£30,038	£468	£7,029
<i>Lone parent</i>	£6,041	£153	£1,732
<i>2+ adults, 1 child</i>	£31,174	£481	£2,826
<i>2+ adults, 2+ children</i>	£35,781	£544	£4,167
<i>ALL HOUSEHOLDS</i>	£20,793	£349	£5,572

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 5.4 Household income by sub-area

<i>Sub-area</i>	<i>Average gross annual household income (excluding benefits)</i>	<i>Average net weekly household income (including non housing benefits)</i>	<i>Average amount of savings</i>
<i>Eastwood Park</i>	£21,721	£363	£6,943
<i>Belfairs</i>	£20,959	£355	£6,431
<i>West Leigh</i>	£30,091	£474	£7,873
<i>St. Laurence</i>	£17,865	£310	£5,209
<i>Blenheim Park</i>	£19,503	£331	£6,499
<i>Leigh</i>	£24,201	£392	£6,167
<i>Prittlewell</i>	£24,916	£402	£5,546
<i>Westborough</i>	£20,240	£336	£3,873
<i>Chalkwell</i>	£26,773	£425	£5,363
<i>St. Lukes</i>	£16,329	£294	£5,599
<i>Victoria</i>	£12,079	£234	£3,296
<i>Milton</i>	£19,132	£320	£4,861
<i>Kursaal</i>	£15,454	£272	£4,127
<i>Southchurch</i>	£21,821	£372	£7,633
<i>Thorpe</i>	£24,914	£411	£6,599
<i>West Shoebury</i>	£23,525	£389	£5,520
<i>Shoeburyness</i>	£17,779	£306	£4,468
ALL HOUSEHOLDS	£20,793	£349	£5,572

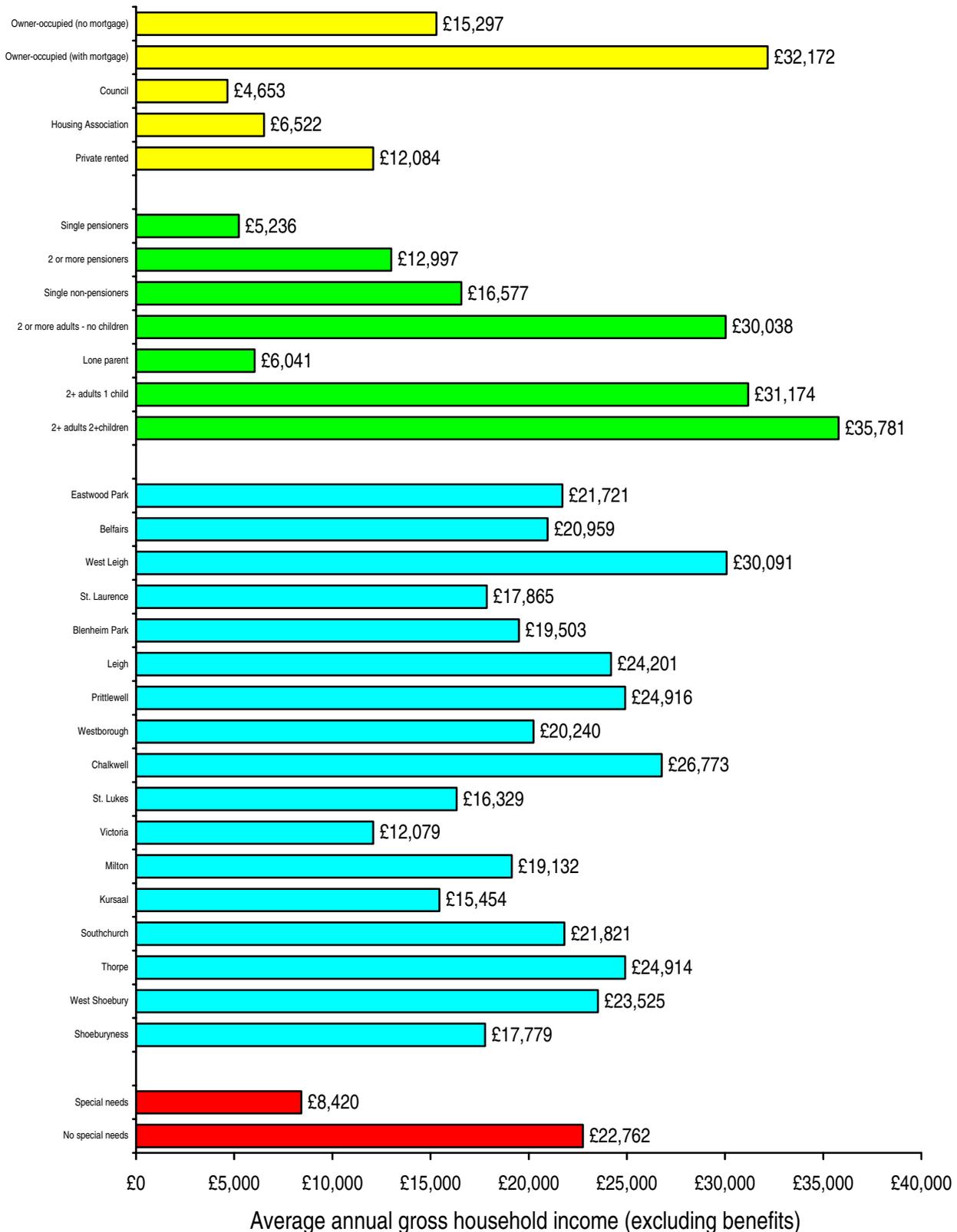
Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 5.5 Household income by special needs

<i>Special needs</i>	<i>Average gross annual household income (excluding benefits)</i>	<i>Average net weekly household income (including non housing benefits)</i>	<i>Average amount of savings</i>
<i>Special needs</i>	£8,420	£208	£5,099
<i>No special needs</i>	£22,762	£371	£5,648
ALL HOUSEHOLDS	£20,793	£349	£5,572

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 5.3 Household characteristics and average annual gross household income (excluding benefits)



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

5.5 Summary

The collection of financial information is a fundamental part of any Housing Needs Survey. The survey estimates that average annual gross household income (excluding benefits) in the Borough is £20,793 pa; this compares with a national average of around £23,000 and a South East regional average of around £26,000 (or £23,000 in the East of England Region). The average conceals wide variations among tenure, household type, sub-area and special needs.

6. AFFORDABILITY

6.1 Introduction

The previous two chapters studied the local housing market and the financial situation of households. The results from these two chapters are brought together to make an assessment of affordability for each individual household. The issue of affordability is crucial in assessing both backlog and newly arising needs in the Borough. This chapter concentrates on the assessment of affordability for existing households but also considers the slightly different methods used when assessing the needs of potential households (i.e. household formation).

6.2 Mortgage affordability

The definition of mortgage affordability is shown below:

Mortgage affordability: A household is not eligible for a mortgage if it has a gross household income less than one third its mortgage requirement.

The mortgage requirement is based on taking the level of savings away from the estimated property price and then checking the income level of the household in relation to the likely amount of mortgage remaining. A worked example of the mortgage affordability test is shown below:

A household containing a couple with one child would require, at minimum, a two bedroom property. The minimum cost of such a property in Southend-on-Sea is estimated to be £69,500. If the couple have £3,500 in savings then they would require a gross household income of £22,000 (one third of (£69,500-£3,500)).

DTLR guidance [Section 4.3 (page 57)]

The first step in this approach [mortgage affordability] involves converting a household's income into an estimated mortgage capacity. This is the calculation of the size of mortgage which could be supported on the basis of a household's recorded income. The standard multiple usually applied is three times the gross annual household income'.

DTLR guidance [Section 4.3 (page 57)]

'Ideally, levels of savings can also be taken into account in relation to the payment of a deposit and the consequent reduction of mortgage required. Under current conditions, 100% mortgages are commonly available and it may no longer be appropriate to apply separate affordability 'hurdles' based on savings and deposit requirements. A single lending multiplier related to the full purchase price may be appropriate'.

6.3 Private rental affordability

The definition of private rental affordability is shown below:

Private rental affordability: A household is unable to afford private rented housing if renting privately would take up more than 30% of its net household income.

The use of a 30% limit on the proportion of household income spent on housing is arbitrary, but reflects common usage.

DTLR guidance [Section 4.3 (page 58)]

'These rent:income ratios are normally calculated comparing rent with net income.....A threshold level of 25-30 per cent of net income may be adopted.....Where the appropriate entry level [property] price equates to a higher proportion of a household's income, the household is deemed to be in need of subsidised housing'

A worked example of the rental affordability test is shown below:

A household containing a couple with no children will require at minimum a one bedroom property. The minimum weekly rental for this is £76. This means that the household must have a weekly net income of at least £253 ($£76 \div 0.3$) to be able to afford the property.

It should be noted that the mortgage affordability assumptions are based on gross income whilst the rental affordability is based on net income.

DTLR guidance [Section 4.3 (page 59)]

'One point worth remembering is the fact that the two main approaches to calculating affordability discussed above use different income measures. Where the focus is on a household's mortgage capacity and its maximum price payable, the appropriate measure is gross household income. For models based on housing costs as a proportion of household incomes, the starting point is net household income'

It should also be noted that for the purpose of the rental affordability test housing benefit is not included in the net income assessment. Inclusion of such benefit would make the affordability assessment valueless because any rent up to the threshold for benefit will be affordable.

6.4 Combined affordability

The analyses of mortgage and private rental affordability establish whether or not a household can afford each of those types of housing. It is however, important to assess the numbers who cannot afford either option. This is the measure of combined affordability, which is defined below:

Combined affordability:

A household is unable to afford private sector housing if:

It has a gross household income less than one third its mortgage requirement

AND

Renting privately would take up more than 30% of its net household income.

6.5 Equity and affordability

Using the above methodology a survey will normally find a number of owner-occupiers who appear unable to afford market housing; for example older persons households owning outright whose income is insufficient to afford to buy or rent. It is important to consider whether or not these households might be able to use their existing equity to solve their housing problems. There are a number of problems when looking at the scope of equity to solve housing needs. These are discussed below.

The initial problem with the measurement of equity is that many households simply do not know how much equity they have available. Even where we can be fairly confident that such information is accurate there are further problems relating to types (sizes) of housing required and other costs of moving home. In many cases the use of equity might not be appropriate (certainly trading down may not be an option). It is also worth noting that over the early part of a mortgage (say the first 15 years of 25) the vast majority of payments are interest and little capital is actually repaid. The equity of rising property prices is only of use if a household moves to an area of lower prices. Finally, to move home there are a number of other costs that must be considered, some of which may be 'up-front' costs. These will include estate agent fees, solicitors fees, removal costs and in most cases stamp duty.

To overcome these problems all owner-occupiers were asked '*If you had to move to a different home, could you afford a home of a suitable size in the Southend-on-Sea Borough Council area?*' Where an owner-occupier has said that they could afford (even though they have failed the main affordability test) they are assumed to be able to afford market housing.

6.6 Potential household affordability

The Housing Needs Survey ascertained whether or not potential households (namely persons who currently live as part of another household and commented on further in the following chapter) would be able to access the private sector housing market by asking the following question to the survey respondent.

'In your opinion, will they be able to afford suitable private sector housing in the Southend-on-Sea Borough Council area (this can either be rented (excluding the use of housing benefit) or bought)?'

This would appear to be broadly in line with DTLR guidance which says:

DTLR guidance [Section 4.4 (page 62)]

'It is difficult to estimate the incomes of future newly forming households. Unless potential household members are interviewed specifically, it is not practical to collect complete income data relating to this group through a housing needs survey. Even where the fieldwork includes concealed household interviews, there are doubts as to the value and reliability of any income data which might be collected.'

DTLR guidance [Section 4.4 (page 60)]

'One way around this problem is to substitute a subjective judgement about future housing prospects in place of a formal affordability test'

The DTLR Guide goes on to suggest that the affordability profile of newly forming households (in the recent past) could be used as a check on the more subjective measure used (and which is detailed above). This however can only work in areas where recently-forming households can provide a reasonable estimate of the profile for households forming in the future. In those areas of the country where there are acute shortages of housing and prices are high, newly forming households from the recent past will be biased towards those that can afford or are able to access the housing market. Those that cannot afford (and so who will be in need) will either delay the formation of their household or move away from the Council area altogether (and thus not contribute towards the projection for the area). In consequence, the profile of recently-forming households will be biased towards those that can afford and this would result in a non-representative composition of the projection of housing need. This difficulty is recognised by the DTLR in the Guidance.

DTLR guidance [Section 2.4 (page 25)]

'Use should also be made of data from surveys on the number and characteristics of households which have actually newly formed over the recent period (1-2 years), where these households have moved from a previous tenure of living with parents/relatives/friends/other. These are likely to be more reliable, although even here care is needed. Some potential households may not have been able to form owing to [a] lack of suitable, affordable housing'.

6.7 Summary

Having collected detailed information on the local housing market and the financial situation of households it is important to use appropriate affordability measures to assess their ability to afford market priced housing in the Borough. For existing households a combined affordability test is used to assess whether they can afford either a mortgage or rent for a property of a suitable size. Only if a household cannot afford either will they be considered to be unable to afford. The equity available to owner-occupiers is also taken into account in determining the overall numbers of households unable to afford. The affordability of potential households is assessed using the judgements of respondents; an approach in line with DTLR Guidance and one which does not over-state need arising from household formation.

7. BACKLOG OF EXISTING NEED

7.1 Introduction

This chapter of the report assesses the first part of the 'Basic Needs Assessment Model' – Backlog of Existing Need. This begins with an assessment of housing suitability and affordability and also considers backlog non-households (potential and homeless households) before arriving at a total backlog need estimate.

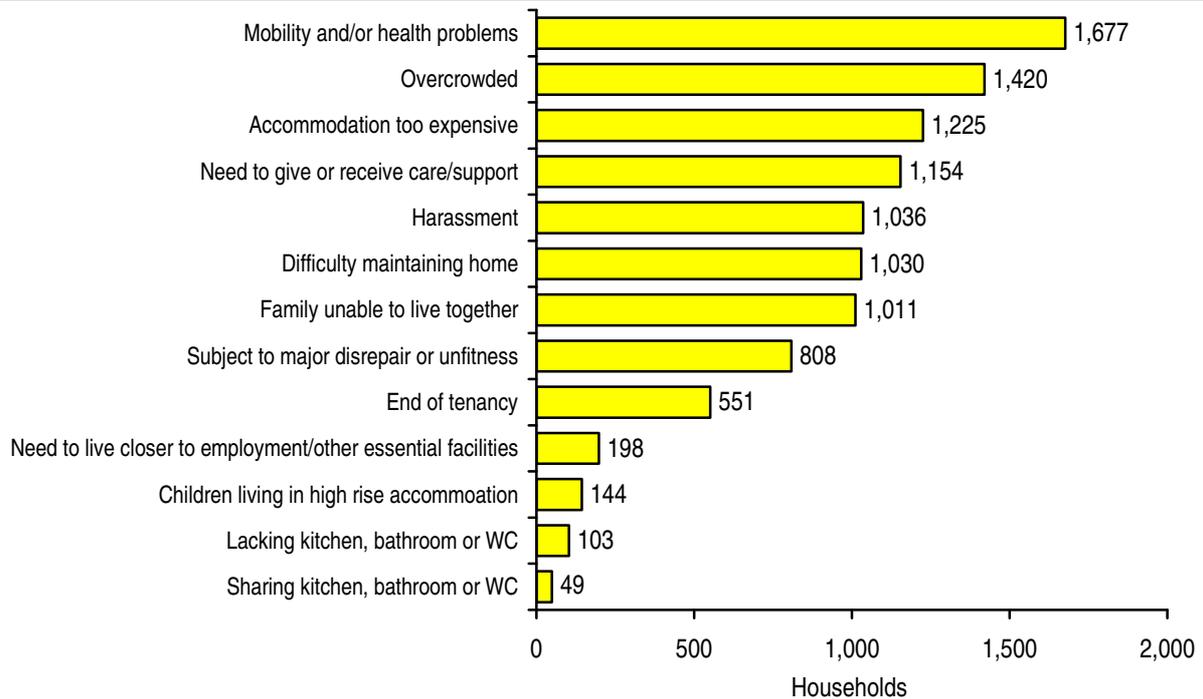
7.2 Unsuitable housing

This section looks at households whose current accommodation is in some way unsuitable for their requirements. It is estimated that a total of 7,039 households are living in unsuitable housing. This represents 9.5% of all households in the Borough.

The figure below shows a summary of the number of households living in unsuitable housing (ordered by the number of households in each category). The main reasons for unsuitable housing are mobility and/or health problems and overcrowding.

There are thirteen possible reasons for unsuitable housing and these are based on a mixture of objective and subjective responses. The objective responses are for overcrowding and children living in high rise accommodation and are based on household and dwelling characteristics, the category 'family unable to live together' uses a combination of subjective and objective data. The subjective categories are all of the others included in the figure and were based on households' responses to a series of questions about their housing circumstances. Any household stating a 'serious problem' in any of these categories is considered to be living in unsuitable housing.

It is for this reason that some categories appear to show low figures when compared with other known sources. For example the category 'subject to major disrepair or unfitness' suggests a total of 808 households whilst the 2002 H.I.P. return estimates there to be 9,608 unfit dwellings in the Borough. Given that survey respondents are not trained surveyors such a discrepancy is to be expected (the results would certainly suggest that the number of households in unsuitable housing has not been overstated).

Figure 7.1 Summary of unsuitable housing categories

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The figure above shows the number of households in each of the unsuitable housing categories. However, it is not possible to add up these categories to arrive at the number of households in unsuitable housing. This is because it is possible for a household to fall into more than one of the categories listed. This allows us not only to consider the numbers unsuitably housed but also the number of factors that have led to the unsuitability. This is shown in the table and figure below.

Table 7.1 Number of unsuitability problems

<i>Number of problems</i>	<i>Number of households</i>	<i>% of all households</i>	<i>% of households in unsuitable housing</i>
<i>None</i>	66,956	90.5%	-
<i>One</i>	4,953	6.7%	70.4%
<i>Two</i>	1,278	1.7%	18.2%
<i>Three</i>	547	0.7%	7.8%
<i>Four or more</i>	260	0.3%	3.7%
TOTAL	73,995	100.0%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The vast majority of these households (70.4%) only fall into one of the unsuitable housing problem categories.

7.3 Characteristics of households in unsuitable housing

The tables and figure below show unsuitable housing by tenure, household type, geographical location and special needs. Patterns emerging show that households who rent accommodation are most likely to be in unsuitable housing, as are lone parent households. By sub-area, *Kursaal* shows the highest level of unsuitable housing (at 20.3%) compared with *West Leigh* which showed the lowest (at 1.1%). Results also indicate that special needs households are significantly more likely to be living in unsuitable housing than other households.

Table 7.2 Unsuitable housing and tenure

Tenure	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Estimated number of h'holds	% of group in unsuitable housing	% of unsuitable housing in group
Owner-occupied (no mortgage)	1,162	22,889	24,052	4.8%	16.5%
Owner-occupied (with mortgage)	2,095	29,277	31,372	6.7%	29.8%
Council	1,160	5,308	6,468	17.9%	16.5%
Housing Association	458	2,232	2,690	17.0%	6.5%
Private rented	2,164	7,249	9,413	23.0%	30.7%
TOTAL	7,039	66,956	73,995	9.5%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 7.3 Unsuitable housing and household type

Household type	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Estimated number of h'holds	% of group in unsuitable housing	% of unsuitable housing in group
Single pensioner	771	12,118	12,889	6.0%	11.0%
2 or more pensioners	519	8,951	9,470	5.5%	7.4%
Single non-pensioner	1,409	11,577	12,986	10.9%	20.0%
2 or more adults, no children	1,644	19,244	20,888	7.9%	23.4%
Lone parent	1,048	2,421	3,469	30.2%	14.9%
2+ adults, 1 child	749	5,111	5,860	12.8%	10.6%
2+ adults, 2+ children	899	7,534	8,433	10.7%	12.8%
TOTAL	7,039	66,956	73,995	9.5%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 7.4 Unsuitable housing and sub-area

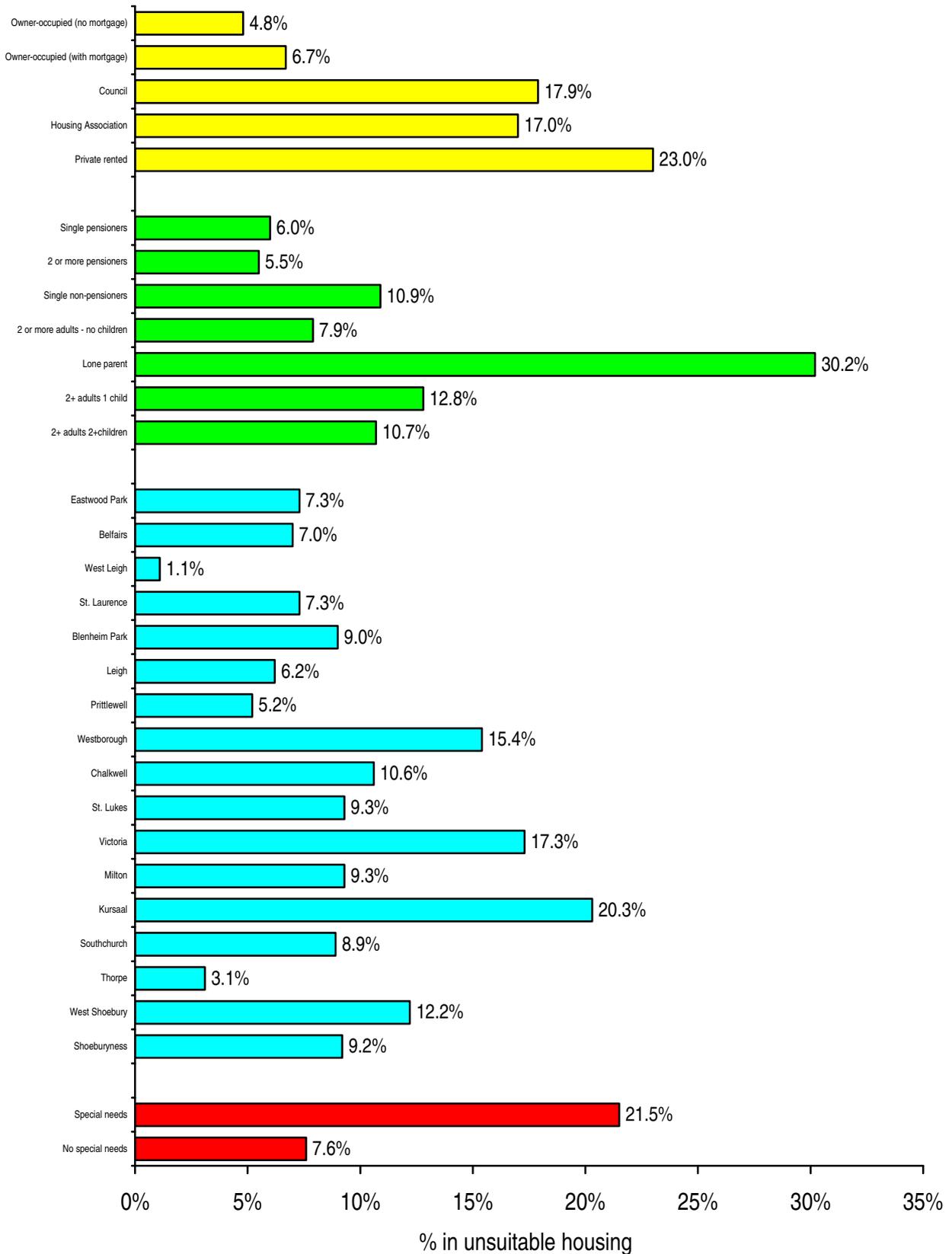
Sub-area	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Estimated number of h'holds	% of group in unsuitable housing	% of unsuitable housing in group
Eastwood Park	289	3,696	3,986	7.3%	4.1%
Belfairs	282	3,732	4,015	7.0%	4.0%
West Leigh	41	3,749	3,790	1.1%	0.6%
St. Laurence	320	4,087	4,407	7.3%	4.5%
Blenheim Park	377	3,828	4,205	9.0%	5.4%
Leigh	295	4,431	4,726	6.2%	4.2%
Prittlewell	227	4,176	4,403	5.2%	3.2%
Westborough	697	3,834	4,531	15.4%	9.9%
Chalkwell	444	3,762	4,206	10.6%	6.3%
St. Lukes	443	4,309	4,752	9.3%	6.3%
Victoria	843	4,029	4,872	17.3%	12.0%
Milton	482	4,677	5,159	9.3%	6.8%
Kursaal	933	3,655	4,588	20.3%	13.3%
Southchurch	349	3,589	3,938	8.9%	5.0%
Thorpe	124	3,894	4,018	3.1%	1.8%
West Shoebury	493	3,562	4,055	12.2%	7.0%
Shoeburyness	400	3,946	4,346	9.2%	5.7%
TOTAL	7,039	66,956	73,995	9.5%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 7.5 Unsuitable housing and special needs

Special needs	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Estimated number of h'holds	% of group in unsuitable housing	% of unsuitable housing in group
Special needs	2,180	7,975	10,154	21.5%	31.0%
No special needs	4,859	5,8982	63,841	7.6%	69.0%
TOTAL	7,039	66,956	73,995	9.5%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 7.2 Summary of characteristics of households in unsuitable housing

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

7.4 Migration and 'in-situ' solutions

The survey has highlighted that 7,039 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households current accommodation and also that some households would prefer to move from the Borough in order to resolve their housing problems.

The extent to which 'in-situ' solutions might be appropriate are assessed by looking at any moving intention of the unsuitably housed household. The Housing Needs Survey asked households whether they need or are likely to move to a different home within the next five years. Any household in unsuitable housing who stated that they need/are likely to move is considered not to have an appropriate 'in-situ' solution.

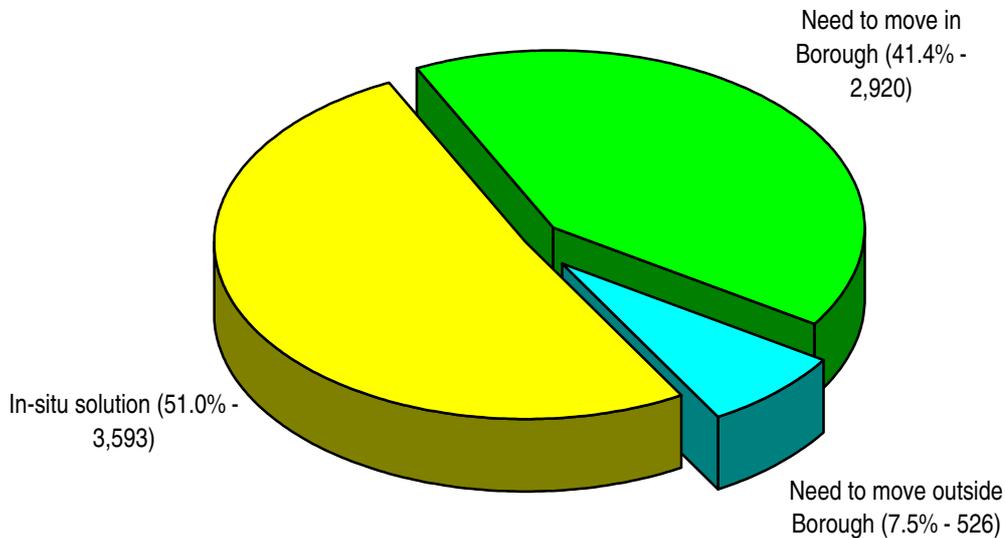
DTLR guidance [Section 4.3 (page 56)]

'The extent to which in situ solutions could be feasible can be examined by a survey...[using]...a judgement on whether the unsuitably housed main household intends to move. Where this is the case, it may be taken to indicate that an in situ solution is not appropriate.'

The survey data estimates that of the 7,039 households in unsuitable housing 3,446 (or 49.0%) would need to move to resolve their housing problems. This means an estimated 3,593 (51.0%) may be best helped with an 'in-situ' solution (e.g. through repairs or adaptation of their current home).

Of the 3,446 households who need/are likely to move a further question was asked about where they would be looking to live. Households who would be looking to move from the Borough are then excluded from further analysis. In total 84.7% would be looking to remain in the Borough (2,920 households) and 15.3% (526 households) would be looking to move out of the Borough.

Figure 7.3 Households in unsuitable housing and in-situ requirements



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

7.5 Affordability

Using the affordability methodology set out in Chapter 6 it is estimated that there are 2,001 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to different accommodation within the Borough). This represents around 2.7% of all existing households in the Borough. The results reveal that 68.5% of households living in unsuitable housing (and needing to move within the Borough) cannot afford market housing (2,001/2,920).

The tables and figure below focus on characteristics of the 2,001 households who are estimated to currently be in housing need.

The results show that households in rented accommodation are most likely to be in housing need; 13.6% of private renting tenants, 7.0% of Housing Association tenants and 5.9% of Council tenants are assessed to be in need. This compares with 0.3% of all owner-occupiers who were assessed to be in need. Results also show that lone parent households are noticeably more likely to be in need than other households; 19.5% of all lone parent households were assessed to be in need compared to 2.7% of all households across the Borough.

In terms of sub-area, *Victoria* demonstrated the highest level of housing need with 6.8% of all households in need. Special needs households showed levels of housing need nearly one and a half times the Borough average.

Table 7.6 Housing need and tenure

Tenure	Housing need				
	<i>In need</i>	<i>Not in need</i>	<i>Estimated number of h'holds</i>	<i>% of group in need</i>	<i>% of need in group</i>
<i>Owner-occupied (no mortgage)</i>	60	23,992	24,052	0.2%	3.0%
<i>Owner-occupied (with mortgage)</i>	89	31,283	31,372	0.3%	4.5%
<i>Council</i>	381	6,087	6,468	5.9%	19.1%
<i>Housing Association</i>	188	2,502	2,690	7.0%	9.4%
<i>Private rented</i>	1,282	8,131	9,413	13.6%	64.1%
TOTAL	2,001	71,994	73,995	2.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 7.7 Housing need and household type

Household type	Housing need				
	<i>In need</i>	<i>Not in need</i>	<i>Estimated number of h'holds</i>	<i>% of group in need</i>	<i>% of need in group</i>
<i>Single pensioner</i>	66	12,823	12,889	0.5%	3.3%
<i>2 or more pensioners</i>	77	9,393	9,470	0.8%	3.8%
<i>Single non-pensioner</i>	575	12,411	12,986	4.4%	28.7%
<i>2 or more adults, no children</i>	183	20,705	20,888	0.9%	9.1%
<i>Lone parent</i>	677	2,792	3,469	19.5%	33.8%
<i>2+ adults, 1 child</i>	197	5,663	5,860	3.4%	9.8%
<i>2+ adults, 2+ children</i>	226	8,207	8,433	2.7%	11.3%
TOTAL	2,001	71,994	73,995	2.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 7.8 Housing need and sub-area

<i>Sub-area</i>	<i>Housing need</i>				
	<i>In need</i>	<i>Not in need</i>	<i>Estimated number of h'holds</i>	<i>% of group in need</i>	<i>% of need in group</i>
<i>Eastwood Park</i>	0	3,986	3,986	0.0%	0.0%
<i>Belfairs</i>	28	3,987	4,015	0.7%	1.4%
<i>West Leigh</i>	19	3,771	3,790	0.5%	1.0%
<i>St. Laurence</i>	127	4,280	4,407	2.9%	6.4%
<i>Blenheim Park</i>	56	4,149	4,205	1.3%	2.8%
<i>Leigh</i>	62	4,663	4,726	1.3%	3.1%
<i>Prittlewell</i>	79	4,323	4,403	1.8%	4.0%
<i>Westborough</i>	302	4,230	4,531	6.7%	15.1%
<i>Chalkwell</i>	66	4,140	4,206	1.6%	3.3%
<i>St. Lukes</i>	146	4,606	4,752	3.1%	7.3%
<i>Victoria</i>	332	4,540	4,872	6.8%	16.6%
<i>Milton</i>	300	4,859	5,159	5.8%	15.0%
<i>Kursaal</i>	250	4,338	4,588	5.4%	12.5%
<i>Southchurch</i>	110	3,828	3,938	2.8%	5.5%
<i>Thorpe</i>	23	3,994	4,018	0.6%	1.2%
<i>West Shoebury</i>	72	3,983	4,055	1.8%	3.6%
<i>Shoeburyness</i>	28	4,318	4,346	0.6%	1.4%
TOTAL	2,001	71,994	73,995	2.7%	100.0%

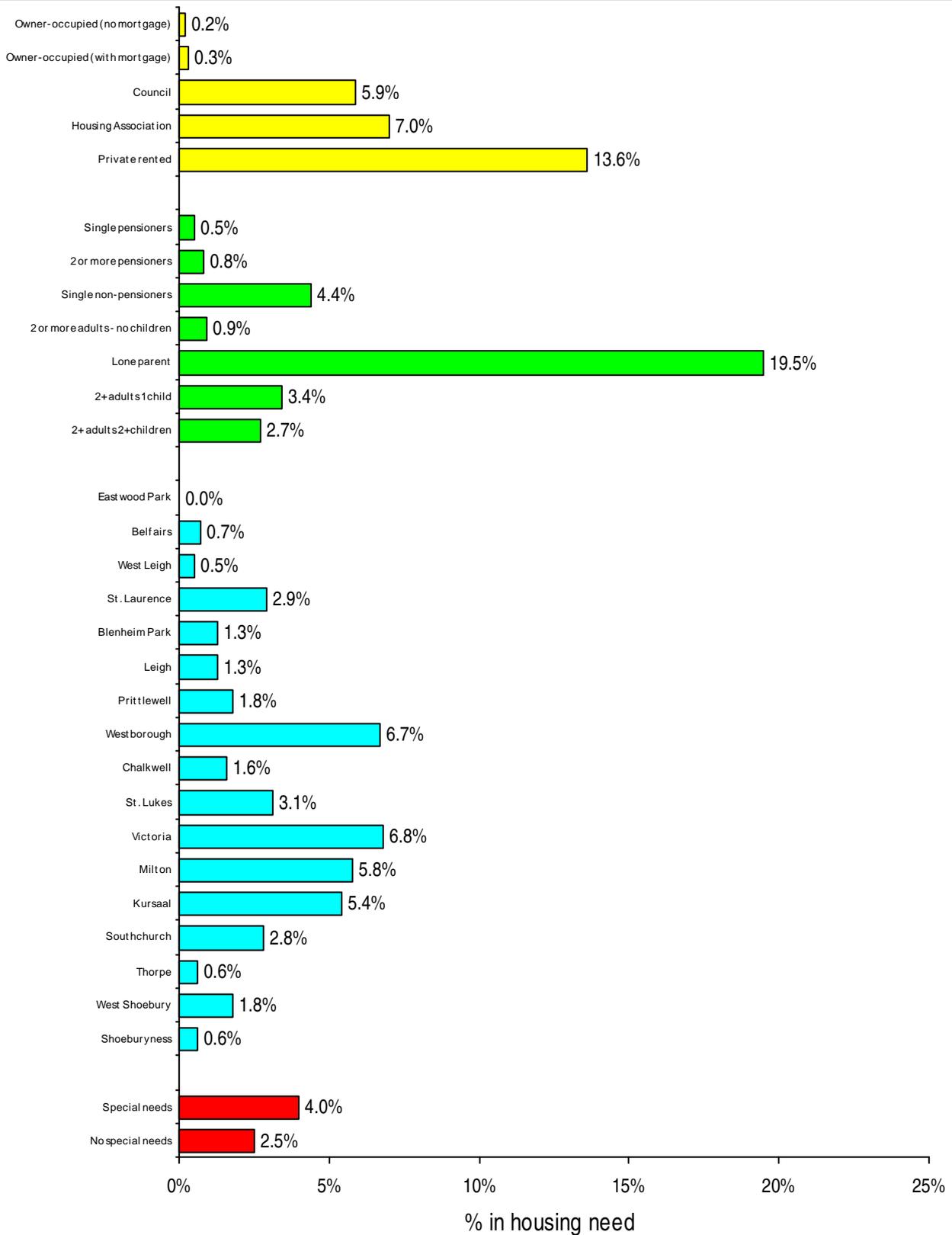
Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 7.9 Housing need and special needs

<i>Special needs</i>	<i>Housing need</i>				
	<i>In need</i>	<i>Not in need</i>	<i>Estimated number of h'holds</i>	<i>% of group in need</i>	<i>% of need in group</i>
<i>Special needs</i>	402	9,752	10,154	4.0%	20.1%
<i>No special needs</i>	1,599	62,242	63,841	2.5%	79.9%
TOTAL	2,001	71,994	73,995	2.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 7.4 Summary of characteristics of households in housing need



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

7.6 Housing need and the need for affordable housing

There is a further issue relating to existing households in need. For households in social rented accommodation it is likely that a move will release a social rented home for re-letting and therefore there will be no requirement for additional affordable housing to be provided. It has been decided to remove all households in need currently living in social rented accommodation from the estimates of additional requirement. This reduces the backlog figure by 569 households to 1,432. A discussion of size mis-match in the social rented sector can be found in Chapter 10.

7.7 Potential and homeless households (backlog (non-households))

The final elements of backlog need are potential and homeless households. Potential households in need are persons who currently live as part of another household (typically with parents) but state that they need or are likely to move to independent accommodation and are unable to afford to do so. The homeless households in need are that element of homelessness which would not have already been accounted for in the main sample survey or the methodology so far employed.

(i) Potential households

In the case of potential households we are wishing to separate any backlog of needs from future (newly arising) needs. In this chapter we define the backlog as potential households who need or are likely to move now and are unable to afford suitable market housing. Such households will also need to have stated that they would be looking to remain living in the Borough. Projecting the need from potential households can be found in Chapter 8.

DTLR guidance [Section 4.4 (page 60)]

'Determining... potential households can be achieved by asking the main household respondent for their opinion as to whether the people concerned need separate accommodation...'

DTLR guidance [Section 4.4 (page 60)]

'It is not recommended that respondents are asked to anticipate the situation more than 1-2 years ahead...Forward requirements...should be derived by first estimating likely annual rates of new household formation.'

In terms of assessing the backlog need from potential households we only analyse data from those who need/are likely to move home now. We have also taken account of the fact that some of these households will join up with other person(s) when setting up home independently.

DTLR guidance [Section 4.4 (page 60)]

'Many single person potential households may decide to set up their new home with a partner or friend(s). Since most potential households are single people, there is a danger that the volume of new household formation will be overstated if this is not taken into account, and that the projected composition of newly forming households will be skewed unrealistically towards single, childless units'.

The table below summarises the number of potential households within the Borough and those that are considered within the backlog element of the needs assessment.

Table 7.10 Derivation of the number of potential households

<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
<i>Number of potential households in the Borough</i>	10,456	10,456
<i>Minus those not needing/likely to move now</i>	-9,751	705
<i>Minus those joining up with other persons</i>	-199	506
<i>Minus those moving out of the Borough</i>	-24	482
TOTAL POTENTIAL HOUSEHOLDS		482

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The survey estimates that there are 10,456 potential households in the Borough, of these 705 need or are likely to move now. When taking account of those joining up with other persons this figure is reduced to 506, of which 482 would like or expect to remain in the Borough.

Not all of these potential households will necessarily be in need. Some may be able to afford suitable private sector accommodation. The potential households were then asked whether or not they could afford to access the private sector housing market without resorting to housing benefit.

The table below shows the number of potential households and their affordability.

Table 7.11 Numbers and affordability of potential households

<i>Able to afford market housing</i>	<i>Number of households</i>	<i>% of households</i>
<i>Yes – can afford to either rent or buy</i>	285	59.3%
<i>No - cannot afford either</i>	196	40.7%
TOTAL	482	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

It is estimated that of the 482 potential households who need or are likely to move now (within the Borough), 40.7% cannot afford local private sector housing (196 households). The table below shows the sub-area breakdown of these households.

Table 7.12 Location of potential households in need (per annum)

<i>Sub-area</i>	<i>Number of households</i>	<i>% of households</i>
<i>Eastwood Park</i>	0	0.0%
<i>Belfairs</i>	0	0.0%
<i>West Leigh</i>	10	5.1%
<i>St. Laurence</i>	0	0.0%
<i>Blenheim Park</i>	42	21.4%
<i>Leigh</i>	0	0.0%
<i>Prittlewell</i>	0	0.0%
<i>Westborough</i>	0	0.0%
<i>Chalkwell</i>	0	0.0%
<i>St. Lukes</i>	32	16.3%
<i>Victoria</i>	0	0.0%
<i>Milton</i>	26	13.3%
<i>Kursaal</i>	31	15.8%
<i>Southchurch</i>	0	0.0%
<i>Thorpe</i>	13	6.6%
<i>West Shoebury</i>	26	13.3%
<i>Shoeburyness</i>	16	8.2%
TOTAL	196	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

(ii) Additional homeless households in need

The Housing Needs Survey is a 'snapshot' survey which assesses housing need at a particular point in time. There will, in addition to the existing and potential households in need, be some homeless households who were in need at the time of the survey and should also be included within any assessment of backlog need. To assess these numbers we have used information contained in the Councils P1(E) Homeless returns.

The main source of information used is Section E6: *Homeless households accommodated by your authority at the end of the quarter*. The important point about this information is the note underneath 'This should be a "snapshot" of the numbers in accommodation on <date>, not the numbers taking up accommodation during the quarter.' This is important given the snapshot nature of the survey. Data compiled from P1(E) forms for the four quarters to December 2001 are shown in the table below.

For the 'snapshot' purpose of this survey we shall take an average figure for the last four quarters as our guide to the amount of additional homelessness.

Table 7.13 Homeless households accommodated by authority at the end of quarter (Section E6, P1(E) form)

Category	Quarter to date			
	31/3/01	30/6/01	30/9/01	31/12/01
Directly with a private sector landlord	0	0	0	0
Private sector accommodation leased by authority	0	0	0	0
Private sector accommodation leased by RSLs	22	17	13	12
<u>Within Council's own stock</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>3</u>
<u>RSL stock on assured shorthold tenancies</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Hostel</u>	<u>47</u>	<u>53</u>	<u>52</u>	<u>53</u>
<u>Women's refuges</u>	<u>9</u>	<u>5</u>	<u>4</u>	<u>6</u>
<u>Bed and breakfast</u>	<u>50</u>	<u>48</u>	<u>28</u>	<u>38</u>
<u>Other</u>	<u>31</u>	<u>36</u>	<u>34</u>	<u>27</u>
Homeless at home	0	0	0	0
TOTAL	161	160	133	139

Source: Southend-on-Sea Borough Council, P1(E) forms for year ending 31st December 2001

Not all of the households in the above table should be considered to be an additional need to be added to our assessment of existing and potential households in need. This is because, in theory, they would have been part of our sample for the Housing Needs Survey. Households housed in private sector accommodation should already be included as part of the housing need – such household addresses should appear on the Council Tax file from which the sample was drawn. Also those *homeless at home* are likely, in the main, to be existing or potential households who need to move home now and hence would have already been counted.

Households housed in the RSL stock should already be included, however because we took the additional needs arising from the social rented sector to be zero and the fact that lettings to households in temporary accommodation are included as part of the supply (see Chapter 9) it seems sensible to also included this element as part of the backlog of housing need.

After considering the various categories, we have decided there are six which should be included as part of the extra homeless element. These have been underlined in the table above. The data shows that of an average of 148 homeless households accommodated by the local authority, 132 should be included. This number of homeless households is used as our estimate of the homeless element.

132 extra households in need

7.8 Total backlog need

Having been through a number of detailed stages in order to assess the backlog of need in Southend-on-Sea we shall now bring together all pieces of data to complete the 'B: BACKLOG OF EXISTING NEED' element of the Basic Needs Assessment model encouraged by the DTLR. This is shown in the following section.

The table below summarises the first stage of the overall assessment of housing need as set out by the DTLR. The data shows that there is an estimated backlog of 1,760 households in need (see stage 5). The final stage is to include a quota to progressively reduce this backlog. This is a somewhat novel concept introduced by the DTLR guidance. A reduction in the backlog of need of 20% per year has been assumed in Southend-on-Sea. The table therefore shows that the annual need to reduce backlog is 352 dwellings per annum.

DTLR guidance [Section 2.4 (page 25)]

'It is also unrealistic to expect to meet all of any backlog in the planning period. It is recommended that all authorities apply a standard factor of 20% here for comparability (this implies eliminating the backlog over a 5 year strategy period). LA's may then make policy judgements to determine the practical rate at which this backlog can be reduced.'

Table 7.14 Basic Needs Assessment Model – Stages 1 to 7

<i>B: BACKLOG OF EXISTING NEED</i>		
<i>Element</i>	<i>Notes</i>	<i>Final number</i>
1. Backlog need existing households	Number of households currently living in unsuitable housing	7,039
2. <i>minus</i> cases where in-situ solution most appropriate	In situ (or outside Borough) solution most appropriate for 4,119 households	Leaves 2,920
3. <i>times</i> proportion unable to afford to buy or rent in market	68.5% = 2,001 – also remove 569 social renting tenants	1,432
4. <i>plus</i> Backlog (non-households)	Potential = 196 Homeless = 132	328
5. <i>equals</i> total Backlog need		1,760
6. <i>times</i> quota to progressively reduce backlog	Suggest 20% as in DTLR report	20%
7. <i>equals</i> annual need to reduce Backlog		352

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

This information can also be summarised by sub-area. The results show that *Milton* and *Westborough* have the highest need (1.2% of households per annum). In contrast the sub-areas of *Eastwood Park* and *Belfairs* has the lowest need with less than 0.1% of all its households in need per annum.

Table 7.15 Geographical distribution of total backlog need

<i>Sub-area</i>	<i>Existing h'holds</i>	<i>Potential h'holds</i>	<i>H'less h'holds</i>	<i>Total backlog need</i>	<i>Divide by 5 (annual est.)</i>	<i>Total number of h'holds</i>	<i>% of sub-area in need (p.a.)</i>	<i>% of need in sub-area (p.a.)</i>
<i>Eastwood Park</i>	0	0	7	7	1	3,986	0.0%	0.3%
<i>Belfairs</i>	0	0	7	7	1	4,015	0.0%	0.3%
<i>West Leigh</i>	19	10	7	36	7	3,790	0.2%	2.0%
<i>St. Laurence</i>	58	0	8	66	13	4,407	0.3%	3.7%
<i>Blenheim Park</i>	56	42	8	106	21	4,205	0.5%	6.0%
<i>Leigh</i>	62	0	8	70	14	4,726	0.3%	4.0%
<i>Prittlewell</i>	53	0	8	61	12	4,403	0.3%	3.4%
<i>Westborough</i>	269	0	8	277	56	4,531	1.2%	15.9%
<i>Chalkwell</i>	66	0	8	74	15	4,206	0.4%	4.3%
<i>St. Lukes</i>	69	32	8	109	22	4,752	0.5%	6.3%
<i>Victoria</i>	197	0	9	206	41	4,872	0.8%	11.6%
<i>Milton</i>	266	26	9	301	60	5,159	1.2%	17.0%
<i>Kursaal</i>	219	31	8	258	52	4,588	1.1%	14.8%
<i>Southchurch</i>	25	0	7	32	6	3,938	0.2%	1.7%
<i>Thorpe</i>	23	13	7	43	9	4,018	0.2%	2.6%
<i>West Shoebury</i>	22	26	7	55	11	4,055	0.3%	3.1%
<i>Shoeburyness</i>	28	16	8	52	11	4,346	0.3%	3.1%
TOTAL	1,432	196	132	1,760	352	73,995	0.5%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

NB The homeless figures have been split pro-rata depending on the estimated total number of households in each sub-area.

7.9 Summary

This chapter reported on the components contributing to the backlog need element of the needs assessment model. In total it is estimated that 7,039 households are currently living in unsuitable housing (9.5% of all households). Further analysis indicates that households renting properties, lone parent households and those with special needs are more likely to be living in unsuitable housing. Of those in unsuitable housing 49.0% needed to move to different accommodation to solve the problem, representing 3,446 households. Of these 2,920 would be looking to remain living in the Borough.

Of the 2,920 households living in unsuitable housing (and requiring a move within the Borough) an assessment of affordability was made involving the consideration of local property prices, size requirement and their financial situation. It is estimated that 68.5% could not afford local market housing of a suitable size making for an estimated 2,001 existing households in housing need (2.7% of all households). When looking further forward to the additional affordable housing requirements of these households we remove households currently living in social rented housing to produce a final figure of 1,432.

The final element of backlog need considered the needs arising from potential and homeless households. Survey results identified a further 196 potential households in housing need (i.e. unable to afford market housing and need/likely to move now within the Borough). Using data available from the Council it has been estimated that there are 132 homeless households who should be included as an additional element of the backlog of housing need. These two elements together make for 328 additional households in need.

Bringing together all the factors of the backlog of housing need (as defined by the DTLR and followed by *Fordham Research*) it is estimated that there is an overall backlog of need of 1,760 affordable homes. Annualised, assuming a 20% reduction per year suggests an annual need to reduce the backlog of 352 dwellings.

8. NEWLY ARISING NEED

8.1 Introduction

In addition to the Backlog of existing needs discussed so far in this report there will be newly arising need. This is split, as per DTLR guidance into four categories. These are as follows:

1. New households formation (× proportion unable to buy or rent in market)
2. Ex-institutional population moving into the community
3. Existing households falling into need
4. In-migrant households unable to afford market housing

The guidance also suggests that each of these should be calculated on an annual basis. The following sections deal with each of these points in detail.

8.2 New household formation

This is based on potential households who have stated that they need or are likely to move over the next three years (within the Borough) and who cannot afford to access the private sector housing market (the data excludes those households stating that they need/are likely to move now). The table below shows details of the derivation of new household formation.

DTLR guidance [Section 4.4 (page 62)]

'Stage 9 in the basic needs assessment model... involves estimating the proportion of newly forming households who will be unable to afford to access housing in the private market'.

Table 8.1 Derivation of the number of newly forming households

<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
<i>Number of potential households in the Borough</i>	10,456	10,456
<i>Minus those needing to move now or in 3-5 years time</i>	-5,078	5,378
<i>Minus those joining up with other persons</i>	-1,427	3,951
<i>Minus those moving out of the Borough</i>	-1,234	2,717
TOTAL NEWLY FORMING HOUSEHOLDS		2,717

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The survey estimates that there are 5,378 potential households who need or are likely to move within the next three years, this figure becomes 3,951 when allowance is made for households joining up with other persons. Further reducing this figure to represent those who would be looking to remain in the Borough we are left with a total of 2,717 households (906 per annum).

It is also possible to consider our estimate against demographic sources of household formation rates. The DTLR Guide states:

DTLR guidance [Section 7.2 (page 94)]

'Gross household formation is the number of household heads moving from a previous address of 'living with others'. For example, the 1996 Survey of English Housing estimated that there were 448,000 such moves in England, representing 2.22% of all households'.

Applying this estimate of gross household formation (which excludes a migration element) to the total number of households in Southend-on-Sea (73,995 households) would suggest 1,643 newly forming households per annum. This compares to 1,317 per annum from the above estimates when migration is excluded. Thus there is good correspondence between the estimated rate of new household formation derived from the survey and estimates based on other sources. If anything the survey figures are likely to be an underestimate.

Having identified estimates of new household formation rates it is now important to consider their affordability. The table below shows these households and their stated affordability. Chapter 6 gives more information about the assessment of potential households' affordability.

Table 8.2 Numbers and affordability of potential households (per annum) – newly arising need

<i>Able to afford market housing</i>	<i>Number of households</i>	<i>% of households</i>
<i>Yes – can afford to either rent or buy</i>	418	46.1%
<i>No – cannot afford either</i>	488	53.9%
TOTAL	906	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Of the 906 households, an estimated 488 (53.9%) are unable to afford to access the private sector housing market (based on a question relating to the main householders view about the potential households ability to afford market housing without the use of housing benefit). The table below shows the annual distribution by sub-area.

Table 8.3 Location of potential households in need (per annum) – newly arising need

<i>Sub-area</i>	<i>Number of households</i>	<i>% of households</i>
<i>Eastwood Park</i>	80	16.5%
<i>Belfairs</i>	21	4.3%
<i>West Leigh</i>	14	2.8%
<i>St. Laurence</i>	49	10.1%
<i>Blenheim Park</i>	42	8.7%
<i>Leigh</i>	18	3.6%
<i>Prittlewell</i>	13	2.7%
<i>Westborough</i>	33	6.8%
<i>Chalkwell</i>	8	1.7%
<i>St. Lukes</i>	54	11.0%
<i>Victoria</i>	19	3.9%
<i>Milton</i>	50	10.2%
<i>Kursaal</i>	0	0.0%
<i>Southchurch</i>	27	5.5%
<i>Thorpe</i>	9	1.8%
<i>West Shoebury</i>	21	4.2%
<i>Shoeburyness</i>	30	6.0%
TOTAL	488	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

8.3 Ex-institutional population moving into the community

This is quite a difficult group to analyse and would normally comprise households moving into the community from prisons, hospital etc. The DTLR guidance suggests information from Community Care Plans could be used for this element of newly arising need. However it is most probable that all of this element would be picked up in each of the next two stages of the projection. In addition the numbers in this group are most likely very small in comparison with other elements of housing need. Therefore to avoid any possible double-counting and because this group is relatively small, it has been decided in the case of Southend-on-Sea to give this element of newly arising need a value of zero.

8.4 Existing households falling into need

This is an estimate of the number of existing households currently living in Southend-on-Sea who will fall into housing need over the next three years (and then annualised). The basic information for this is households who have moved home within the Borough in the last three years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household unable to afford but moving to private rented accommodation may have to claim housing benefit or otherwise spend more of their income on housing than would be considered affordable (or indeed a combination of both).

DTLR guidance [Section 4.4 (page 63)]

'The basic needs model also identifies two other ways [the second is the next section] in which new needs may arise in a locality. The first of these refers to existing households, previously satisfactorily housed, who fall into need during the period (per year, conventionally).'

A filter is put on the data to exclude any household moving to owner-occupation because these households at the time of the move (which is when we are interested in) could afford market housing. Households previously living with parents, relatives or friends are also excluded as these are likely to double-count with the potential households already studied.

The data also excludes moves between social rented properties. Households falling into need in the social rented sector will have their needs met through a transfer to a different social rented property (and will hence release a social rented property for someone else in need). The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of 'transfers' and so the additional needs arising from within the social rented stock will be net zero (size mis-match in the social rented sector is discussed in Chapter 10).

Finally the data excludes a group of households who have stated that their previous move could have been avoided if repairs or adaptations had been carried out to their previous home.

Table 8.4 Derivation of newly arising need from households currently living in the Borough

<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
<i>Number of households moving in past three years</i>	19,823	19,823
<i>Minus moves from outside Borough</i>	-6,569	13,254
<i>Minus households forming in previous move</i>	-1,902	11,352
<i>Minus households moving to owner-occupation</i>	-6,620	4,732
<i>Minus households transferring within social rented housing</i>	-1,108	3,625
<i>Minus households whose move could be avoided</i>	-390	3,235
TOTAL APPLICABLE MOVES		3,235
<i>Times proportion unable to afford</i>		74.7%
TOTAL IN NEED (3 years)		2,417
ANNUAL ESTIMATE OF NEWLY ARISING NEED		806

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table above shows that a total of 3,235 household moves are considered as potentially in need. Using the standard affordability test for existing households it is estimated that 74.7% of these households cannot afford market housing (as with the main analysis of existing households in need the affordability test is based on the size requirements and financial situation of those households having made a 'potentially in need' move over the past three years). Therefore our estimate of the number of households falling into need within the Borough excluding transfers is 2,417 households ($3,235 \times 0.747$) over the three year period. Annualised this is 806 households per annum. The table below gives a breakdown of this by sub-area.

Table 8.5 Location of newly arising need (households currently living in Southend-on-Sea) – per annum

<i>Sub-area</i>	<i>Number of households</i>	<i>% of households</i>
<i>Eastwood Park</i>	9	1.1%
<i>Belfairs</i>	27	3.3%
<i>West Leigh</i>	6	0.8%
<i>St. Laurence</i>	33	4.1%
<i>Blenheim Park</i>	19	2.4%
<i>Leigh</i>	31	3.9%
<i>Prittlewell</i>	17	2.2%
<i>Westborough</i>	125	15.5%
<i>Chalkwell</i>	44	5.4%
<i>St. Lukes</i>	77	9.6%
<i>Victoria</i>	89	11.0%
<i>Milton</i>	96	11.9%
<i>Kursaal</i>	58	7.2%
<i>Southchurch</i>	46	5.7%
<i>Thorpe</i>	17	2.1%
<i>West Shoebury</i>	72	8.9%
<i>Shoeburyness</i>	40	5.0%
TOTAL	806	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

8.5 In-migrant households unable to afford market housing

This is the final element of newly arising need. Households falling into need in this group are households currently living outside the Borough who are expected to move into the Borough but cannot afford suitable private sector housing. The basic information for this is similar to the above section except that it deals with households who are expected to move home to the Borough in the next three years (based on past move information) and these households' affordability. Again a filter is put on the data to exclude any household moving to owner-occupation because these households at the time of the move (which is when we are interested in) could afford market housing. Households whose moves could be avoided through repairs or adaptations are also excluded.

This data does not exclude transfers as none of these households could have transferred within Southend's stock at the time of the move. Household formation is not an issue as none of these households could be double-counted because they do not currently live within the Borough.

DTLR guidance [Section 4.4 (page 63)]

'Households moving into the district and requiring affordable housing can be identified by HN surveys, again using data on recent movers'.

The table below shows the derivation of the in-migrant element of newly arising need.

Table 8.6 Derivation of newly arising need from households currently living outside the Borough

<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
<i>Number of households moving in past three years</i>	19,823	19,823
<i>Minus moves from within Borough</i>	-13,254	6,569
<i>Minus households moving to owner-occupation</i>	-3,956	2,633
<i>Minus households whose move could be avoided</i>	-31	2,601
TOTAL APPLICABLE MOVES		2,601
<i>Times proportion unable to afford</i>		62.5%
TOTAL IN NEED (3 years)		1,625
ANNUAL ESTIMATE OF NEWLY ARISING NEED		542

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

In total the table above shows that 2,601 'potentially in need' moves took place in the past three years from outside the Borough. The survey data also shows us that 62.5% of these households cannot afford market housing (as with the main analysis of existing households in need the affordability test is based on the size requirements and financial situation of those households having made a 'potentially in need' move over the past three years). Therefore our estimate of the number of households falling into need from outside the Borough is 1,625 households ($2,601 \times 0.625$) over the three year period. Annualised this is 542 households per annum. The table below gives a breakdown of this by sub-area.

Table 8.7 Location of newly arising need (households currently living outside Southend) – per annum

<i>Sub-area</i>	<i>Number of households</i>	<i>% of households</i>
<i>Eastwood Park</i>	22	4.1%
<i>Belfairs</i>	16	3.0%
<i>West Leigh</i>	15	2.8%
<i>St. Laurence</i>	31	5.7%
<i>Blenheim Park</i>	0	0.0%
<i>Leigh</i>	10	1.8%
<i>Prittlewell</i>	34	6.3%
<i>Westborough</i>	15	2.8%
<i>Chalkwell</i>	51	9.4%
<i>St. Lukes</i>	11	2.0%
<i>Victoria</i>	87	16.1%
<i>Milton</i>	86	15.9%
<i>Kursaal</i>	63	11.6%
<i>Southchurch</i>	16	3.0%
<i>Thorpe</i>	16	3.0%
<i>West Shoebury</i>	24	4.4%
<i>Shoeburyness</i>	45	8.3%
TOTAL	542	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

8.6 Summary

The data from each of the above sources can now be put into the Basic Needs Assessment Model as is shown in the table below. It indicates that additional need will arise from a total of 1,836 households per annum.

Table 8.8 Basic Needs Assessment Model – Stages 8 to 13

<i>N: NEWLY ARISING NEED</i>		
<i>Element</i>	<i>Notes</i>	<i>Final number</i>
8. New household formation (gross, p.a.)		906
9. Times proportion unable to buy or rent in market	53.9% cannot afford market housing	Leaves 488
10. plus ex-institutional population moving into community		0
11. plus existing households falling into need		806
12. plus in-migrant households unable to afford market housing		542
13. equals Newly arising need	9+10+11+12	1,836

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

This information can also be summarised by sub-area.

Table 8.9 Location of newly arising need – per annum

<i>Sub-area</i>	<i>From household formation</i>	<i>From existing households</i>	<i>From in-migrant households</i>	<i>Total</i>	<i>% of newly arising need</i>
<i>Eastwood Park</i>	80	9	22	111	6.0%
<i>Belfairs</i>	21	27	16	64	3.5%
<i>West Leigh</i>	14	6	15	35	1.9%
<i>St. Laurence</i>	49	33	31	113	6.2%
<i>Blenheim Park</i>	42	19	0	61	3.3%
<i>Leigh</i>	18	31	10	59	3.2%
<i>Prittlewell</i>	13	17	34	64	3.5%
<i>Westborough</i>	33	125	15	173	9.4%
<i>Chalkwell</i>	8	44	51	103	5.6%
<i>St. Lukes</i>	54	77	11	142	7.7%
<i>Victoria</i>	19	89	87	195	10.6%
<i>Milton</i>	50	96	86	232	12.6%
<i>Kursaal</i>	0	58	63	121	6.6%
<i>Southchurch</i>	27	46	16	89	4.8%
<i>Thorpe</i>	9	17	16	42	2.3%
<i>West Shoebury</i>	21	72	24	117	6.4%
<i>Shoeburyness</i>	30	40	45	115	6.3%
TOTAL	488	806	542	1,836	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

9. SUPPLY OF AFFORDABLE HOUSING

9.1 Introduction

This chapter looks at the supply of affordable housing in Southend-on-Sea (from both the Council and RSLs). We shall begin by highlighting the general patterns of supply in the social rented stock over the past three years before making a judgement about which supply figures should feature as part of the needs assessment model.

DTLR guidance [Section 2.4 (page 26)]

'The most important source of supply is typically relets of existing social housing. A basic projection should assume continuance of the same rate of net relets as in the last year or an average over the last 3 years.'

9.2 The Social Rented stock

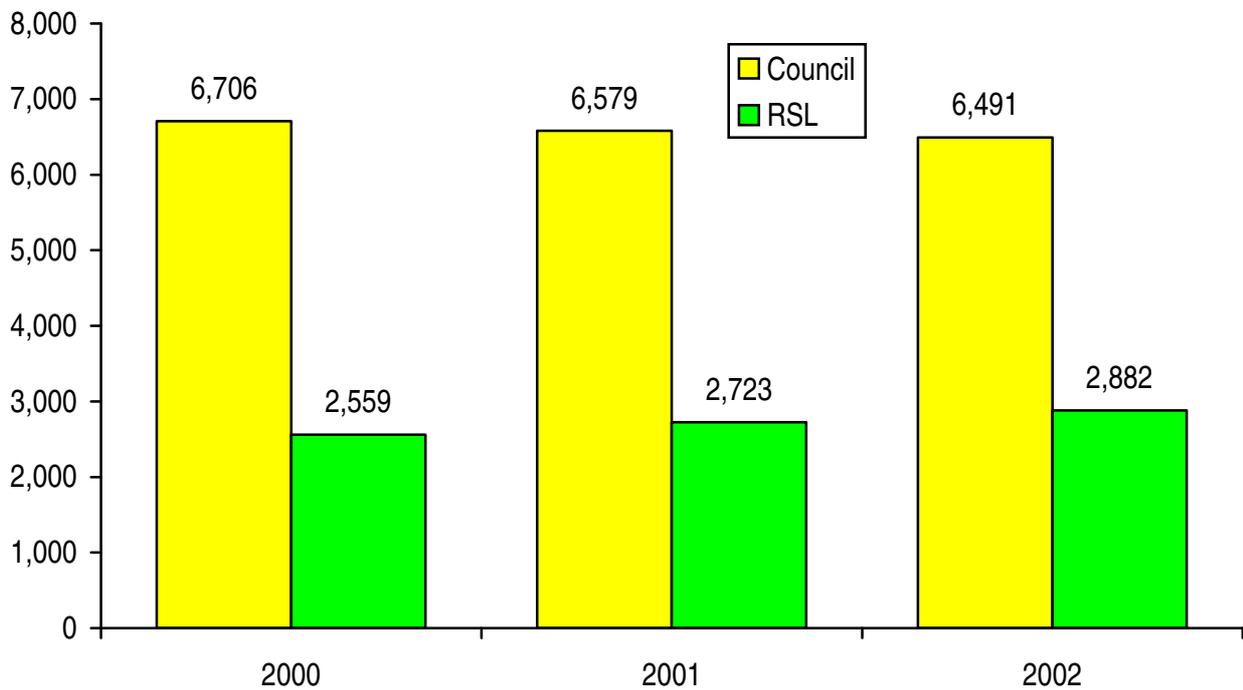
We have studied information from the Councils Housing Investment Programme for three years (from 2000 to 2002 inclusive). The table and figure below show the changing levels of stock for the Council and RSLs within the Borough.

Table 9.1 Council and RSL stock numbers (2000 – 2002)

Year	Council stock	RSL stock
2000	6,706	2,559
2001	6,579	2,723
2002	6,491	2,882
CHANGE	-215	+323

Source: Southend-on-Sea Borough Council H.I.P. 2000 - 2002

The table shows that the Council stock is decreasing (215 less units in 2002 than in 2000) presumably mainly due to right-to-buy, whilst the RSLs stock has increased by a slightly greater amount. This would suggest that over time there has been a slight increase in the overall availability of affordable housing – although there may now be more or less of certain types of dwellings (e.g. less larger properties). However for the overall assessment of supply this is not a major issue.

Figure 9.1 Council and RSL stock numbers (2000-2002)

Source: Southend-on-Sea Borough Council H.I.P. 2000 - 2002

9.3 The supply of affordable housing

Below are a series of tables for the period 1999-2002 with regard to the actual supply of social rented housing. A further table averages the data for the three years.

Table 9.2 Analysis of past housing supply – 1999-2000

Source of supply	New lettings			TOTAL
	Homeless	Housing Register	Other	
RSL	31	163	193	387
Other	10	0	24	34
LA	68	451	2	521
TOTAL	109	614	219	942

Source: Southend-on-Sea Borough Council H.I.P. 2000

Table 9.3 Analysis of past housing supply – 2000-01

Source of supply	New lettings			TOTAL
	Homeless	Housing Register	Other	
RSL	19	110	211	340
Other	4	0	32	36
LA	59	409	0	468
TOTAL	82	519	243	844

Source: Southend-on-Sea Borough Council H.I.P. 2001

Table 9.4 Analysis of past housing supply – 2001-02

Source of supply	New lettings			TOTAL
	Homeless	Housing Register	Other	
RSL	25	104	179	308
Other	5	0	15	20
LA	109	366	0	475
TOTAL	139	470	194	803

Source: Southend-on-Sea Borough Council H.I.P. 2002

Table 9.5 Analysis of past housing supply – Average for three years

Source of supply	New lettings			TOTAL
	Homeless	Housing Register	Other	
RSL	25	126	194	345
Other	6	0	24	30
LA	79	409	1	488
TOTAL	110	534	219	863

Source: Southend-on-Sea Borough Council H.I.P. 2000 - 2002

The tables above show the trends in supply for the past three years. The data in the tables is for both the Council and RSLs (plus a small other group included on the H.I.P. form). The figures show a general decrease in the supply of relets over the three year period. Overall the supply of relets for the last three years indicates an average of 863 per year. As the trend over the last three years is for a decline in the number of relets, the use of an average based on the previous three years may overstate the future available supply of affordable housing. The average of 863 per year is 60 units above the supply from the year 2001-02. In this case therefore it is considered appropriate to follow the Guide suggestion and assume continuance of the same rate of relets as in the last year. Thus the overall supply of relets for the last year indicates 803 per year.

The data above does not include transfers from LA to LA housing nor from LA to RSL housing. The data does however include transfers from RSLs to LA – it is important to remove these from subsequent calculations as the methods for estimating newly arising needs in the previous chapter excluded any additional need from this group. The table below shows the number of transfers from RSL to LA housing in recent years. It should be noted that H.I.P. forms for 2001 and 2002 do not collect this information, so the average is based two years from 1998 to 2000.

Table 9.6 Number of transfers from RSLs to LA housing (1998-2002)

<i>Year</i>	<i>Transfers from RSL to LA housing</i>
1999-2000	30
2000-01	-
2001-02	16
AVERAGE	23

Source: Southend-on-Sea Borough Council H.I.P. 1999 - 2002

The table above shows that on average over the three year period 23 households transferred from RSL to LA housing per year.

9.4 New dwellings

Our estimated supply of affordable housing is therefore 780 dwellings (803-23). However from this figure we also need to deduct lettings made to new dwellings. As one of the main purposes of the survey is to estimate any surplus or shortfall of affordable housing, it is important to avoid double-counting by not including likely future supply through additions to the stock from RSLs (although these new properties will themselves in time produce some relets). This is also a view taken in DTLR guidance.

DTLR guidance [Section 2.4 (page 26)]

'...it may be more helpful to combine committed and shortfall figures [shortfall including committed new provision] to obtain an overall affordable need estimate, which can then be related to overall planned housing requirements and provision'.

Information contained in the H.I.P. return for 2002 (Section N) indicates an average of 83 new RSL completions per year between 1999-00 and 2001-02. Therefore our estimated supply of affordable housing is 697 per year (780-83).

9.5 Vacant dwellings

As of April 2002, there were 206 vacant dwellings in the social rented stock this represents around 2.2% of all social rented stock in the Borough. This is considered to be a high frictional vacancy rate as is suggested by DTLR Guidance.

DTLR guidance [Section 2.5 (page 28)]

'The change in vacancies is a key factor in the net stock approach. The general principle is that there should be a target vacancy rate to allow normal movement in the housing stock. Typical recommended allowances would be 4 per cent for the private sector with 2 per cent being more appropriate for the social sector.'

A vacancy rate of 2.0% of the social rented stock in Southend-on-Sea would be around 188 dwellings (18 less dwellings than the current number of vacants). Assuming these could be brought back into use over a five year period, this would make for an additional 4 units per year to contribute to the supply of affordable housing.

The estimated supply of affordable housing in Southend is therefore 701 (697+4) units per year.

9.6 Changes in the supply of affordable housing

This covers stages 15 and 16 of the 'Basic Needs Assessment Model'. Stage 15 is 'minus increased vacancies & units taken out of management', Stage 16 is 'plus committed units of new affordable supply'.

In the case of Stage 15, it would not be sensible to remove from the supply equation the number of properties taken out of management. It is much more sensible to estimate the likely reduction in relets as a result of such losses.

In the case of Stage 16 it seems more logical to exclude committed units as the purpose of the analysis is to show a surplus or shortfall of affordable housing. Including committed units might in some cases show a surplus of affordable housing where in fact the new housing is required to prevent a shortfall. However, we must remember that new affordable housing will in time produce additional relets (in the same way as relet opportunities are lost when dwellings are 'taken out of management').

In practice, the number of dwellings included at each of stages 15 and 16 will be small compared with the number highlighted as relets. Because the final figure would only include the net difference between these (i.e. stages 15 & 16) we can see that there will be very little overall impact (if any) on the estimate of the supply of affordable housing. It has therefore been assumed that these two parts of the 'Basic Needs Assessment Model' will net to zero.

Therefore, it has been estimated that future supply of affordable housing will be in the region of 701 dwellings per year.

9.7 Supply by sub-area

Given that the housing need data has all been calculated on a sub-area basis, it is necessary to also make estimates of future supply by sub-area. The Council has provided partial information on the supply of re-lets by sub-area for 2002 relating to Local Authority relets and LA nominations to RSL dwellings. However the supply estimate above also includes RSL lettings from non-nominations for which there is no information by sub-area.

To derive a suitable profile of supply by sub-area the LA relet and LA nomination information supplied by the Council has been applied to that part of the supply estimate derived above. For the RSL lettings from non-nominations component of the supply a profile has been assumed on the basis of the current location of RSL property within the Southend-on-Sea. This approach does not take account of the size of property - larger properties tend to turnover less frequently and so supply in areas with higher proportions of larger homes may have a lower supply. There is also the issue of more and less popular areas – it is possible for example that properties in certain areas are more popular than in other areas and consequently turnover less rapidly. Finally the household type and age distribution of households in RSL accommodation may influence future relets – if a sub-area generally has a younger and potentially more mobile population again we might expect a higher relet turnover rate.

It is difficult to assess the relative impact of the above on this component of the future supply of affordable housing, however basing the numbers of relets on the proportions of RSL properties in each sub-area will show supply levels that are of the right order. The table below shows our estimate of the annual number of relets by sub-area.

Table 9.7 Estimated supply of affordable housing by sub-area (per annum)

<i>Sub-area</i>	<i>Supply</i>	<i>% of supply</i>
<i>Eastwood Park</i>	13	1.9%
<i>Belfairs</i>	32	4.6%
<i>West Leigh</i>	5	0.7%
<i>St. Laurence</i>	31	4.4%
<i>Blenheim Park</i>	38	5.4%
<i>Leigh</i>	2	0.3%
<i>Prittlewell</i>	19	2.7%
<i>Westborough</i>	3	0.4%
<i>Chalkwell</i>	12	1.7%
<i>St. Lukes</i>	50	7.1%
<i>Victoria</i>	151	21.5%
<i>Milton</i>	9	1.3%
<i>Kursaal</i>	107	15.3%
<i>Southchurch</i>	68	9.7%
<i>Thorpe</i>	4	0.6%
<i>West Shoebury</i>	56	8.0%
<i>Shoeburyness</i>	101	14.4%
TOTAL	701	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

9.8 Summary

Relets of existing social housing are the most important source of supply and information provided by the Council has been used to assess the position in the Southend-on-Sea Borough. Analysis of H.I.P. excluding transfers within the social rented stock for the last year indicates a supply of relets of 803 per year. Taking account of transfers from RSLs to the Council, lettings made to new dwellings and the pool of vacant units that could be brought back into use, the supply estimate is reduced by 102 units per annum. In total therefore it is estimated that the annual supply of affordable housing from the current stock would amount to 701 units per year. It is assumed that increased vacancies and units taken out of management and committed units of new affordable supply will net to zero. The table below shows the summary of the likely future supply of affordable housing in Southend-on-Sea.

Table 9.8 Basic Needs Assessment Model – Stages 14 to 17

<i>S: SUPPLY OF AFFORDABLE UNITS</i>		
<i>Element</i>	<i>Notes</i>	<i>Final number</i>
14. Supply of social relets p.a.	Excludes transfers within social rented stock	701
15. <i>minus</i> increased vacancies & units taken out of management	Assume nets to zero '0' with point 16 below	0
16. <i>plus</i> committed units of new affordable supply p.a.	Assume nets to zero '0' with point 15 above	0
17. <i>equals</i> affordable supply	14-15+16	701

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

10. BASIC NEEDS ASSESSMENT MODEL

10.1 Introduction

The table on the following page shows the final figures in the '*Basic Needs Assessment Model*'. This brings together the three key elements that have been calculated in the preceding chapters, namely; the Backlog of Existing Need, Newly Arising Need and the Supply of Affordable Units. The overall output from these three analytical stages represent the estimated net affordable housing requirement across the Borough.

10.2 Total housing need

The backlog of existing need suggests a requirement for 352 units per year and the newly arising need a requirement for 1,836 units per annum. These two figures together total 2,188 units per annum. The total estimated supply to meet this need is 701 units per year. This therefore leaves a shortfall of 1,487 units per year if the Council were able to meet all of the current and projected need over the next five years. The figure of 1,487 represents 2.0% of the estimated total number of households in the Borough (73,995).

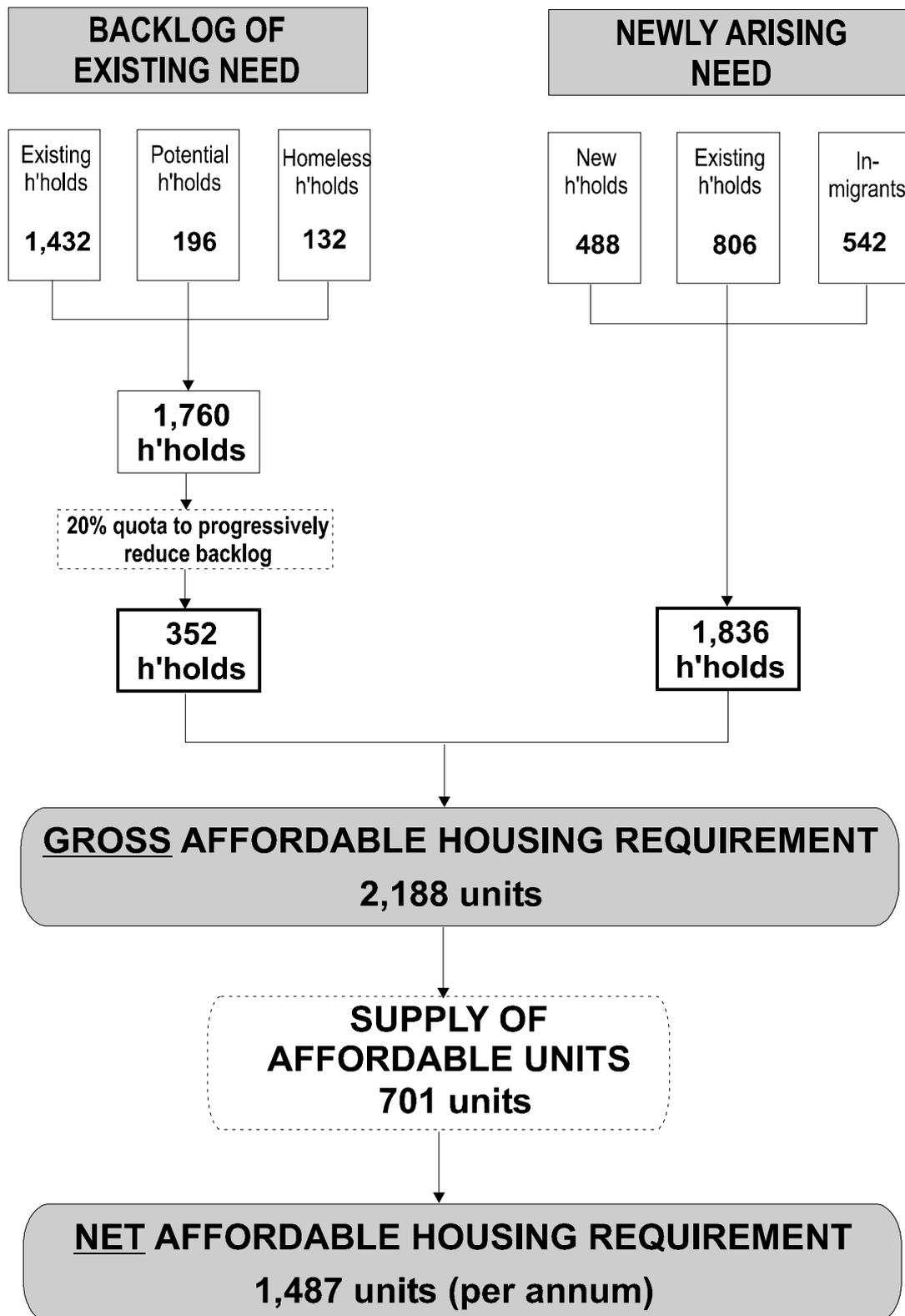
It is estimated that around 83 new RSL units per year will be built in the future (based on past trends). This would reduce the shortfall to 1,404, however, as these dwellings are not yet built they have not been included within the figures.

Table 10.1 Basic Needs Assessment Model

<i>B: BACKLOG OF EXISTING NEED</i>		
<i>Element</i>	<i>Notes</i>	<i>Final number</i>
1. Backlog need existing households	Number of households currently living in unsuitable housing	7,039
2. <i>minus</i> cases where in-situ solution most appropriate	In situ (or outside Borough) solution most appropriate for 4,119 households	Leaves 2,920
3. <i>times</i> proportion unable to afford to buy or rent in market	68.5% = 2,001 – also remove 569 social renting tenants	1,432
4. <i>plus</i> Backlog (non-households)	Potential = 196 Homeless = 132	328
5. <i>equals</i> total Backlog need		1,760
6. <i>times</i> quota to progressively reduce backlog	Suggest 20% as in DTLR report	20%
7. <i>equals</i> annual need to reduce Backlog	(per annum)	352
<i>N: NEWLY ARISING NEED</i>		
8. New household formation (gross, p.a.)		906
9. <i>times</i> proportion unable to buy or rent in market	53.9% cannot afford market housing	Leaves 488
10. <i>plus</i> ex-institutional population moving into community		0
11. <i>plus</i> existing households falling into need		806
12. <i>plus</i> in-migrant households unable to afford market housing		542
13. <i>equals</i> Newly arising need	9+10+11+12 (per annum)	1,836
<i>S: SUPPLY OF AFFORDABLE UNITS</i>		
14. Supply of social relets p.a.	Excludes transfers within social rented stock	701
15. <i>minus</i> increased vacancies & units taken out of management	Assume nets to zero '0' with point 16 below	0
16. <i>plus</i> committed units of new affordable supply p.a.	Assume nets to zero '0' with point 15 above	0
17. <i>equals</i> affordable supply	14-15+16 (per annum)	701
18. Overall shortfall/surplus	7+13-17 (per annum)	1,487

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 10.1 Basic Needs Assessment Model – summary



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

10.3 Basic needs assessment model and sub-area

The following table shows housing need and sub-area. The data shows that over the next five years all sub-areas are expected to face a shortage of affordable housing. In particular *Milton* and *Westborough* show the highest shortfalls as a proportion of their existing households (5.5% and 5.0% respectively). In contrast *Shoeburyness* shows the lowest shortfall as a proportion of existing households (0.6%). It should be noted that this table refers to where housing need arises not necessarily where households preferences would be – nor does the table show where housing need should necessarily be met.

Table 10.2 Basic Needs Assessment Model and sub-area

<i>Sub-area</i>	<i>Annual need to reduce backlog</i>	<i>Newly arising need</i>	<i>Affordable supply</i>	<i>Overall shortfall/ (surplus)</i>	<i>Estimated number of h'holds in sub-area</i>	<i>Percent shortfall/ (surplus)</i>
<i>Eastwood Park</i>	1	111	13	99	3,986	2.5%
<i>Belfairs</i>	1	64	32	33	4,015	0.8%
<i>West Leigh</i>	7	35	5	37	3,790	1.0%
<i>St. Laurence</i>	13	113	31	95	4,407	2.2%
<i>Blenheim Park</i>	21	61	38	44	4,205	1.0%
<i>Leigh</i>	14	59	2	71	4,726	1.5%
<i>Prittlewell</i>	12	64	19	57	4,403	1.3%
<i>Westborough</i>	56	173	3	226	4,531	5.0%
<i>Chalkwell</i>	15	103	12	106	4,206	2.5%
<i>St. Lukes</i>	22	142	50	114	4,752	2.4%
<i>Victoria</i>	41	195	151	85	4,872	1.7%
<i>Milton</i>	60	232	9	283	5,159	5.5%
<i>Kursaal</i>	52	121	107	66	4,588	1.4%
<i>Southchurch</i>	6	89	68	27	3,938	0.7%
<i>Thorpe</i>	9	42	4	47	4,018	1.2%
<i>West Shoebury</i>	11	117	56	72	4,055	1.8%
<i>Shoeburyness</i>	11	115	101	25	4,346	0.6%
TOTAL	352	1,836	701	1,487	73,995	2.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

10.4 Size requirement of affordable housing

(i) Basic need assessment model

The table below shows an estimate of the size requirement of households in housing need along with estimates of the likely future supply of housing for each of four property sizes (1 to 4+ bedrooms).

Table 10.3 Net shortfall/(surplus) of all housing need (per annum for five years to 2007)

Size requirement	Housing need				Shortfall/ (surplus)
	Backlog need	Newly arising need	Total need	Supply	
1 bedroom	143	955	1,098	479	619
2 bedrooms	139	581	720	167	553
3 bedrooms	69	264	333	49	284
4+ bedrooms	1	36	37	6	31
TOTAL	352	1,836	2,188	701	1,487

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table above shows a shortfall of affordable housing for all sizes of accommodation. The main shortfall is for one bedroom accommodation (619 per annum) although the shortfall relative to the supply is greatest for three bedroom accommodation, where the shortfall means that only 14.7% of households needing this size would be able to secure suitable affordable housing.

(ii) The social rented sector

In Chapter 7 of the report we highlighted that there were 569 households in need in the social rented sector. Further analysis shows that 321 households are expected to fall into need in the social rented sector per annum. Although there is no need for additional affordable dwellings to be built as a result of these needs (as a move will create a void in the social rented stock) it is quite likely that a requirement for additional dwellings will arise due to the mismatch between sizes required and those released by these households. The table below shows the estimated annual need by size for the social rented sector (as with other households the backlog figure of 569 is divided by 5, this produces an annual estimate of 114). A total of 435 households in need per annum are therefore estimated to come from the social rented sector (114+321).

Table 10.4 Size requirement for households in social rented housing

<i>Dwelling size</i>	<i>Size required</i>	<i>Size released</i>	<i>Shortfall/(surplus)</i>
<i>1 bedroom</i>	279	237	42
<i>2 bedrooms</i>	98	104	(6)
<i>3 bedrooms</i>	51	94	(43)
<i>4+ bedrooms</i>	7	0	7
TOTAL	435	435	0

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The data shows a large shortage of one bedroom accommodation and a large surplus of three bedroom accommodation. There is also a smaller shortage of four bedroom accommodation and a smaller surplus of two bedroom accommodation. The shortages shown are considerably smaller than those shown in the previous analysis (particularly in the case of the one bedroom requirement).

(iii) Size requirement and potential demand

The above analysis suggests the largest shortfalls are for one and two bedroom accommodation. These are the facts from the survey taking into account the minimum size requirements of each household in the survey. However, it is also worth looking at what the situation might be if the analysis were carried out based on what sizes of accommodation households might demand (rather than the strict requirement criteria used in the report). To do this we have looked at the gross need in each size group and compared this to the demands of households stating that they need or are likely to move (for each of the backlog and newly arising needs groups for which we have information). For example of all households requiring a minimum of one bedroom some 53.6% have actually said that they need two bedrooms. The table below shows our estimate of affordable requirements by size based on expressed demands (in this case the supply is the supply added to the dwellings released by social tenants on transferring).

Table 10.5 Size requirements based on expressed demand (per annum)

<i>Dwelling size</i>	<i>Size demanded</i>	<i>Supply</i>	<i>Shortfall/(surplus)</i>
<i>1 bedroom</i>	528	716	(188)
<i>2 bedrooms</i>	1,220	271	949
<i>3 bedrooms</i>	760	143	617
<i>4+ bedrooms</i>	115	6	109
TOTAL	2,623	1,140	1,487

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Taking account of the demands of households the table above shows shortfalls for all sizes of accommodation except one bedroom accommodation (which shows a surplus of 188 units). The shortfalls for two, three and four bedroom accommodation are much larger than that shown in the previous analysis.

(iv) Overall size requirements

It is difficult to suggest whether or not the Council would wish to meet households demands or purely their immediate needs. In truth, the Council would probably be looking to meet both needs and also households aspirations and hence we produce a final table which shows the mid-point requirement somewhere between the minimum needs and households expectations. This is shown in the table below.

Table 10.6 Overall size requirements based on mid-point between minimum needs and expressed demand (per annum)

<i>Dwelling size</i>	<i>Sizes needed</i>	<i>Sizes demanded</i>	Shortfall/(surplus)
<i>1 bedroom</i>	661	(188)	237
<i>2 bedrooms</i>	547	949	748
<i>3 bedrooms</i>	241	617	429
<i>4+ bedrooms</i>	38	109	73
TOTAL	1,487	1,487	1,487

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

This table continues to show shortfalls of affordable housing across all dwelling sizes. The main shortfall is for two bedroom accommodation which is greater than that shown by the analysis based on minimum size requirements, as are the shortfalls for three and four bedroom accommodation. The shortfall for one bedroom accommodation is however much smaller than the analysis based on minimum size requirements. We would recommend this pattern of new affordable housing as being the most appropriate if the Council wishes to meet both the needs and demands of households requiring affordable housing in the future.

10.5 Putting the results in context

When figures from various parts of the Basic Needs Assessment model are put together it is clear that there is a significant need for affordable housing in the Borough. The level of need (at 1,487 per annum) is particularly stark given likely rates of newbuild in the Borough in the future. Based on information contained within Section F of the 2002 H.I.P. return it is estimated that future build rates are likely to be in the region of 676 dwellings per annum. Clearly even if all such dwellings were built as affordable housing not all housing needs will be met.

It is therefore most probable that the private rented sector will be used as a sink to make up for the shortfall of affordable housing (or continue to be used as a sink). Additionally, it is likely that a number of potential households will not form or will out-migrate to form. Hence, it is clear that the affordable needs of all households in the Borough cannot be met within any reasonable time period.

The figure of need (at 1,487 per annum) does not mean that this number of homes need to be built. It is the number of affordable homes that need to be provided. Although newbuild is one way (and probably the most major way) of increasing the supply of affordable housing it would in theory be possible to meet some of the need though better utilisation of the existing stock (both in the public and private sectors). We do not however think that providing housing benefit in the private rented sector represents a suitable long-term solution to households housing problems although in the short term such a solution seems unavoidable. This is also the view taken by DTLR.

DTLR guidance [Section 7.3 (page 96)]

'...the private rented sector is highly stratified in many areas, and the part of it occupied by tenants dependent on benefits may be atypical and/or inappropriate in terms of households requiring long term accommodation of a reasonable standard.'

10.6 Summary

The Housing Needs Survey in Southend-on-Sea followed closely guidance from The DTLR in 'Local Housing Needs Assessment: A Guide to Good Practice'. This involved estimates of the 'Backlog of existing need', 'Newly arising need' and future supply to estimate the current surplus or shortfall of affordable housing in Southend-on-Sea. Using this model it is estimated that for the next five years there is a shortfall of affordable housing in the Borough of around 1,487 affordable homes per year.

11. MARKET HOUSING REQUIREMENTS

11.1 Introduction

This chapter addresses issues related to the housing market. Clearly the focus of the study is on those aspects of the wider housing market which required most attention from the local authority point of view. The main focus of local authority attention is of course on the social rented element but also to certain aspects of the private rented sector (benefit landlords; houses in multiple occupation) and the various initiatives under the heading of low-cost home ownership (LCHO).

However the 2001 H.I.P. Guidance is quite clear that the local authority should consider the whole market:

DTLR 2001 H.I.P. Guidance para 8

'The Housing Policy Statement 'The Way Forward for Housing' which was issued in December stressed the importance of authorities' strategic housing role. A proactive strategic approach is essential if housing problems are to be tackled in a co-ordinated and sustainable way and housing is to make its contribution to the achievement of wider cross-cutting objectives. This needs to be underpinned by a good understanding of the operation of housing markets in the area, across all tenures, and robust data on housing needs and stock condition. It also requires meaningful and effective involvement of council tenants and other residents'. [Our emphasis]

The three elements emphasised in the above paragraph include two that are subject to detailed government guidance and one that is not:

- (i) Operation of the housing markets in an area across all tenures (no guide)
- (ii) Robust data on housing needs [DTLR Guide July 2000]
- (iii) [Robust data on] stock condition [DTLR Guide August 2000]

There is no specific government guidance on housing markets, although there are some comments in the housing need DTLR Guide, discussed below.

11.2 The study of housing market areas

The normally assumed framework for studying the housing market are housing market areas (HMAs). However the meaning of a housing market area is not always very clear. The topic has not been very well served in existing studies. For example the promising sounding 'Understanding local housing markets' (Bob Blackaby for the Chartered Institute of Housing and the Council of Mortgage Lenders, 2000) does not say much of practical use in housing needs surveys.

At the other extreme, a technical report for the Glasgow and Clyde Valley Structure Plan (dated September 1999) sets out a very detailed method of assessing 'self containment' of market areas through the study of property sales. This involves amalgamating settlements which have low levels of self containment with the aim of producing a set of the most self contained market areas. This method is only feasible if a large sample of individual sales is available, and is not very practical for large scale use away from the particular data situation in Scotland.

The DTLR Guide to Housing Needs Assessment contains a small section on housing market areas, which provides some useful comments.

DTLR guidance [Section 7.5 (all on page 98)]

(i) 'Although local housing needs assessments are generally carried out within the confines of existing district boundaries, it is increasingly recognised that districts as areal units are often imperfect representation of housing market areas'.

(ii) 'A functional housing market area may be defined as '... the geographical area in which a substantial majority of the employed population both live and work and where those moving housing without changing employment choose to stay''

(iii) '...it might be that two or three neighbouring authorities would, as a group, approximate better to a housing market area than a single district. ...carrying out a cross-boundary needs assessment could give rise to administrative and funding difficulties'.

(iv) '[The] HMA for potential social housing clients may be narrower than that for higher income owner occupiers'

The points made in the DTLR extracts may be summarised as saying:

- (i) HMAs are, typically, larger than local authority areas
- (ii) HMAs for social housing are smaller than normal HMAs (and, therefore, may be more contiguous with local authority areas)

In relation to housing needs analysis it is difficult to see what relevance HMAs have. The material question is local property price variations, which typically show wide variation within each local authority area. Moreover, given the much lower incomes of those in housing need, their HMA will be smaller, and may well fall within the scale of a district. The final point on the housing needs aspect is that local authorities are the determinants of strategy for both affordable housing and investment in existing affordable housing, and so from that point of view the local authority boundary is of fundamental importance.

11.3 Nature of housing markets

We will first sketch some of the characteristics of housing markets, since these are important background to considering the situation in Southend-on-Sea.

(i) Supply and demand

Housing markets depend upon the presence of willing sellers and buyers, the principle of the operation of such markets is not difficult to understand. Less obviously there are quasi-markets which have many of the same aspects as ordinary ones, as when people put their names on registers to queue for social rented housing. Even when they are made an offer of housing, there is often a keen awareness in the social rented sector of which areas of a town are worth going to and which are not, and which social rented estates are good and bad. This leads to quasi-market behaviour by would be tenants. It also leads to responses by councils to moderate the quasi-market pressures that result from some areas being in demand and others not. For example some councils insist that applicants for social housing put their names down for every area of the council and not just for a few, in order to prevent overheating of the social rented market.

(ii) Market areas and sub-markets

Whether for reasons of geography or type of housing or attractiveness of the general context of an area (including its landscape value and its social character) there can be very widely varying prices within even quite small distances. As a result there are different price and rent levels. There is always some degree of variation of property prices within even the smallest area, due the variations in the type of the buildings, the levels of maintenance of them, and the attractiveness of their siting and decoration.

This is reflected in the types of estate agents and other organisations which act as middlemen in the sale and purchase and rent of dwellings. There may be as many as three or more tiers of estate agents in an area, selling more and less expensive dwellings. Depending on the numbers of dwellings coming up for sale or rent, the agents will have a larger or smaller catchment. Each dwelling is unique in its location, and so will attract a slightly different price or rent from its neighbours. This is also the case, in a rather different way, in the social rented sector, where dwellings of different age and type may attract quite different rents even if they are next door to one another.

In order to provide a useful picture of the market in an area it is necessary to generalise a bit from the individual dwellings, and establish broad levels of price and rent.

(iii) Housing cycles

For at least 200 years and probably longer, in countries such as Britain, there have been cycles in property prices and rents. This is due to various reasons, including the state of the national economy, but substantially to the fact that, in an unregulated market, the demand for housing can run ahead of the supply, producing a property price inflation. This encourages the production of more housing in a cycle that ends in a price collapse when the ability of buyers to fund the rate of growth of both property prices and volumes of sales is exceeded. The most recent of this 'boom and bust' cycles was in the late 1980's, and is thus within the memory of most people. It was not until the mid 1990's that the market returned to a reasonably even keel. The memory of those events is still sufficiently alive for scare stories of 'house price collapse' to feature regularly in the newspapers particularly as over the past few years property prices in the area have risen substantially.

The reasons for earlier price collapses lay more with the rates of new-build in a growing stock. The overall stock in Britain is not now rapidly growing, and so the reasons for price collapse lie more in the general inflation of prices and incomes and in the lending practices of mortgage lenders. The Government issued dire warnings of a property price collapse during the late 1980's, when mortgage sources escalated the multiple of income used for mortgages from the normal $\times 3$ to $\times 4$ and even $\times 5$. This was one of the key reasons for the instability which duly led to a collapse.

The present situation, although it follows a long period of price rises, is not the same as the late 1980's. Even in the most overheated parts of the country the mortgage multiple has not risen above $\times 3.5$. Thus it does not appear that a price collapse of the 1980's kind is at all imminent. National economic changes could change this position, but there is no imminent prospect of that either.

(iv) The role of new-build housing

The new-build market attracts a significant amount of attention, but is actually very small by comparison with the existing second-hand market. Only in exceptional places like new towns and particular villages does the new-build market provide the majority of the housing units for sale. Normally the new-build market is a very small minority of the total number of dwellings for sale at any one time, and an even smaller fraction of the supply of market rental units.

Moreover, the new-build market is much higher priced than the second-hand one, when like dwellings are compared, and is therefore separated from it. It is also the case for example in big cities and in sought after villages, that many old dwellings may be much higher priced than any new ones. However this is a different, luxury, market and one with relatively small numbers of sales. The majority of sales are of relatively standard properties, and there the new-build to second-hand price differential is normally very clear.

The new-build sector tends to be the most volatile, since at times of market boom, prices rise rapidly, and housebuilders make high profits. At times of market decline or collapse, new-build can reduce dramatically and firms go into insolvency in great numbers. Thus the new-build market is a sort of barometer to the state of the market.

11.4 Reasons for local authority interest in housing markets

Traditionally, local authorities have not had much reason to analyse housing markets. The projections from which requirements for new housing were derived came from demographic trends, not market ones. There is enough pressure of demand in most parts of Britain to ensure that once a requirement is assessed, and translated into potential sites, it will be built as housing.

A different branch of the local authority is concerned with stock condition, and thus with repairs grants and disabled facilities grants and the like. These apply to the private housing market, but do not require any understanding of its dynamics.

Over the past decade, during which public investment in housing has fallen dramatically, a further set of reasons has arisen:

- (i) *A part of the private rented sector* has tended to gravitate to 'benefit landlords' who specialise in providing modest accommodation for households on housing benefit (and also asylum seeker accommodation where rent levels are not limited by benefit levels). This is quite distinct from the main private rented market in an area where occupants are not benefit dependent and hence, rent levels are not influenced by benefit levels but merely respond to market forces. It is quite common for the benefit-led part of the private rented sector to exhibit higher than normal levels of housing need and poor stock condition. It is therefore an area of concern to local authorities. The most acute and difficult part of this tenure is the HMO (house in multiple occupation) which again typically features high levels of housing need and poor stock condition.

- (ii) *Low-cost home ownership* initiatives have attempted to allow some households who cannot afford full ownership to acquire partial ownership. Typically the incoming household buys half the equity and the remainder is owned by an RSL. The new-build units are valued at market prices and so an awareness of market prices is required.

These two factors require some market awareness, but there is a third aspect of public sector concern which requires a more comprehensive understanding:

- (iii) *Mix of market housing on new-build sites*. There has been a growing concern about the tendency of housebuilders to concentrate upon building larger dwellings on new-build sites, since these tend to be more profitable than smaller dwellings. Such a profile of construction often attracts more households from outside the area to live on these new sites. It is quite often the case that the locally generated market demand is more for smaller than larger dwelling types.

It is therefore important for local authorities to know what the pressure of demand for different dwelling sizes is, in relation to the supply, in order to negotiate an appropriate mix on new sites.

There is a further reason for which local authorities may be concerned with housing market areas. This arises where a new settlement is planned whose catchment spans several districts. In terms of our own involvement, this has included the A1(M) settlement (Stevenage BC and North Herts DC), Elstow (Bedford BC and Mid Bedfordshire DC) and the expansion of Didcot (South Oxfordshire DC and Vale of White Horse DC). In all these cases, it was necessary to look at a wider housing market in assessing the demand and housing need relevant to those new settlements. The focus of local authority interest does not really extend, in these cases, beyond justifying a given amount of affordable housing as part of the new settlement, and ensuring that the dwelling mix is reasonably in accordance with the profile of local market demand. Although this represents a different reason for local authority interest in the market, it does not raise any new issues.

It therefore seems that the DTLR instruction to councils to study the whole market and all tenures within it, has a limited range of practical implications. A concern with the private rented sector and low-cost home ownership involve some awareness of the market, but the negotiation of housing mix on new-build sites requires a much wider analytical understanding of supply and demand in an area. It is this latter dimension that will be the focus of the remainder of this chapter.

11.5 Aspiration vs. Outcome

Surveys of the kind carried out here typically ask the respondent household whether they are likely to move, and if they do where and to what type of dwelling. This information can then be matched with income information to assess whether these aspirations are realistic.

A problem which typically is not addressed in such studies is what relationship the stated aspirations have to actual outcomes. There do not appear to have been 'longitudinal' studies of how household aspirations have evolved to the point of decisions over housing moves.

In the case of those who cannot afford the market, it is doubtful as to what extent aspirations to move into the owner-occupied sector can be taken as serious evidence of likely outcomes. In the case of those who can afford the market (many of whom will already be owner-occupiers) there is more chance that aspirations will be realised. Thus there is a greater chance that they are a reliable indication of what housing decisions will be made.

It is also possible that the indicated rate of aspirational moves differs from evidence of past moves. Often in such surveys the rate of moves shown in aspirational data is lower than the rate of past moves. It is possible that the point of a survey could coincide with a sudden change in mobility patterns, but this is unlikely. It is more likely that many housing moves are unforeseen. As a result aspirational evidence may be an understatement of what will actually happen. In the case of Southend-on-Sea the 'aspirational' moves represent around 92% of past moves.

In this survey we asked households (both existing and potential) whether or not they need or are likely to move over the next five years. Households stating that they needed or were likely to move were also asked about their size requirement and also their preferred tenure. This latter piece of information forms the basis for the following analysis.

11.6 Aspirational housing demand – general methodology

The aim of the analysis is to show any surpluses or shortfalls of housing by size for each of two main tenure groups:

- Owner-occupied
- Private rented

It is mainly the owner-occupied group in which we are interested. Households currently in or expecting to move to owner-occupied properties will often be able to afford a dwelling which is larger than their requirements (in terms of number of bedrooms). This is less likely to happen in the private rented sector.

The model looks at households (both existing and potential) who have said that they need or are likely to move in the next five years and matches their tenure and size preferences with available stock. The available stock is calculated simply by looking at the tenures and sizes of dwellings freed up by existing households who say they need or are likely to move (plus a small element for vacancies arising through death). In truth it is likely that the numbers of dwellings available may be greater than those assumed here if vacant properties can be brought back into use, however the general methodology for assessing surplus or shortfall is fairly sound. It is also highly likely that many of the households saying that they need or are likely to move will not and that additional households who did not state a need to move or likelihood of moving will actually do so. This will only affect the analysis if the characteristics of these two groups differ significantly. It becomes more of an issue if the results were to be disaggregated (e.g. by sub-area) but this does not affect the analysis in this case which is only conducted Borough-wide.

The assumptions made are relatively simple. We assume that households aspiring to owner-occupied housing are able to afford it. The analysis does not consider the use of housing benefit in any detail although it must be assumed that in some cases in the private rented sector housing benefit will need to be used to make the accommodation affordable.

11.7 Aspiration demand – the results

The results in this section are split into two parts. The first is an analysis of what households would like to happen and the second is what households expect to happen. In both cases the size requirement was the same (based on a single question about households perceived requirements).

The overall results for both of these analyses are shown in the tables below. Figures in brackets () indicate a surplus of housing of a particular type. Where data shows a surplus, this does not mean for example that properties are left vacant it merely highlights a lack of demand for a type and size of dwelling relative to the availability. In the tables below there are considerable ‘surpluses’ of private rented housing shown – this means that households do not want this tenure although (presumably) some will have to accept it due to the shortage of owner-occupied or affordable housing.

Table 11.1 Shortfall/(surplus) – what households would like

	<i>Owner-occupied</i>	<i>Private rented</i>	TOTAL
<i>One bedroom</i>	1,205	(1,264)	(59)
<i>Two bedrooms</i>	5,888	(1,798)	4,090
<i>Three bedrooms</i>	209	(669)	(460)
<i>Four or more bedrooms</i>	454	(239)	215
TOTAL	7,756	(3,970)	3,786

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 11.2 Shortfall/(surplus) – what households expect

	<i>Owner-occupied</i>	<i>Private rented</i>	TOTAL
<i>One bedroom</i>	93	54	147
<i>Two bedrooms</i>	4,221	(209)	4,012
<i>Three bedrooms</i>	3	(572)	(569)
<i>Four or more bedrooms</i>	476	(214)	262
TOTAL	4,793	(941)	3,852

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Where an individual tenure group shows surpluses of a size of housing it is often possible to adjust the results slightly to reflect a more realistic pattern of shortfall or surplus of housing. For example it is assumed that households who would like/expect one bedroom accommodation would be prepared to accept larger accommodation (it is also assumed that they can afford it). The tables below shows the adjusted surplus/shortfall position.

Table 11.3 Shortfall/(surplus) – what households would like

	<i>Owner-occupied</i>	<i>Private rented</i>	TOTAL
<i>One bedroom</i>	1,205	(1,264)	(59)
<i>Two bedrooms</i>	5,888	(1,798)	4,090
<i>Three bedrooms</i>	209	(669)	(460)
<i>Four or more bedrooms</i>	454	(239)	215
TOTAL	7,756	(3,970)	3,786

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 11.4 Shortfall/(surplus) – what households expect

	<i>Owner-occupied</i>	<i>Private rented</i>	TOTAL
<i>One bedroom</i>	93	0	93
<i>Two bedrooms</i>	4,221	(155)	4,066
<i>Three bedrooms</i>	3	(572)	(569)
<i>Four or more bedrooms</i>	476	(214)	262
TOTAL	4,793	(941)	3,852

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The data for what households would like has not been adjusted, however in terms of households expectations the small shortage for one bedroom accommodation in the private rented sector has been met by the surplus of two bedroom dwellings. The results indicate shortages of owner-occupied dwellings but surpluses of private rented dwellings. The apparent shortage in the owner-occupied sector is around 62% of that shown by what households would like. Possibly due to the envisaged shortage of owner-occupied homes in the Borough many more households would expect to move to rented housing – although there remains a surplus of private rented housing.

11.8 Bringing the data together

The first data analysis concentrated on households aspirations (what they would like to do) whilst a second analysis concentrated of households' expectations. The two showed different results but with some similar trends (e.g. the shortages of smaller owner-occupied housing). It is important that we try to bring these two analyses together in a coherent manner.

The first aspect to look at is the overall shortage of private sector housing in the area over the next five years. The 'like' approach showed a shortage of 3,786 homes and the expectations approach a shortage of 3,852 homes. It is difficult to suggest whether or not the Council should be looking to meet all aspirations or indeed all expectations. It seems sensible in coming to an overall conclusion to suggest that the correct targets would be somewhere in between (i.e. taking account of both what households would like but also to ensure supply of the types of housing they will be expecting). Therefore we bring the results together by taking an average value from each analysis. The table below shows the final (best fit) situation.

Table 11.5 Adjusted shortfall/(surplus) – combining aspirations and expectations

	<i>Owner-occupied</i>	<i>Private rented</i>	TOTAL
<i>One bedroom</i>	395	0	395
<i>Two bedrooms</i>	3,076	0	3,076
<i>Three bedrooms</i>	65	0	65
<i>Four or more bedrooms</i>	283	0	283
TOTAL	3,819	0	3,819

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table shows shortages of owner-occupied properties of all sizes, most notably smaller one and two bedroom homes. Some 80.5% of the shortfall in the owner-occupied sector appears to be for two bedroom dwellings. The private rented sector shows no shortage or surplus although previous analysis indicates that some of the households who would like owner-occupied housing will have to resort to the private rented sector.

11.9 The private sector and affordable housing requirements

Now we have estimated a private sector requirement, we can along with our estimates of the need for affordable housing suggest what the overall shortfall situation will be including both the market and social sector. This can also be done in terms of size requirement. The table below shows our overall shortfall of housing estimate for the five year period to 2007.

Table 11.6 Shortfall of all housing by type of housing (2002 – 2007)

	<i>Owner-occupied</i>	<i>Private rented</i>	<i>Affordable housing</i>	TOTAL
<i>One bedroom</i>	395	0	1,185	1,580
<i>Two bedrooms</i>	3,076	0	3,740	6,816
<i>Three bedrooms</i>	65	0	2,145	2,210
<i>Four or more bedrooms</i>	283	0	365	648
TOTAL	3,819	0	7,435	11,254

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table shows that there is an estimated shortfall of 11,254 dwellings over 5 years if all market and affordable needs are to be met. The affordable housing requirement accounts for 66.1% of this shortfall.

It does not follow that this number of new homes need to be built (i.e. 11,254 or 2,250 per annum). This is because the analysis in the private sector does not take account of migration. The analysis here concentrates on households currently living in the Borough and their size requirements. The main purpose of this analysis is to show the typical size breakdown of accommodation required by these households. It is likely that a number of these households will choose to out-migrate due to a lack of appropriate housing and so to exclude such households would show a false picture of what is actually required. In terms of the need for affordable housing, again, it does not follow that 7,435 new homes need to be built. In many cases households requiring affordable housing will currently be in some form of accommodation (notably the private rented sector). Hence whilst they do not have a suitable long-term housing solution there is in fact no need in principle for additional dwellings to be built. However, unless additional affordable housing can be provided (or housing per se) then it is likely that in the long-term the private rented sector will continue to be used as a sink for households in housing need (either through the use of housing benefit or through households paying too much for their accommodation).

11.10 What will happen if these homes are not provided?

The scale of new provision required (as suggested in this survey) is large and it is likely that not all of this provision will be achieved – or indeed the size balances suggested might not be met. This begs the question ‘What will happen if new provision falls short of these suggested levels?’ This is not easy to answer although we can suggest a series of possibilities. It is also interesting (if less important) to consider what might happen if it were possible to meet all the needs/requirements suggested above.

Firstly, under-provision in the social rented sector may lead to increases in homelessness, households living in overcrowded or otherwise unsuitable homes (e.g. poor quality basic facilities). There could be further impact on local businesses who cannot employ staff due to the lack of affordable housing, household formation rates may be lower than suggested by the survey (as households are unable to access independent housing) which may lead to larger households in the social rented sector or households might simply leave the area. Households already living in social rented housing may be less likely to move and hence have an additional knock-on effect on the future supply of affordable housing. It is also possible that a shortfall will fuel additional demand for private rented housing (probably with housing benefit).

In terms of under-provision in the owner-occupied sector, the likely outcomes are similar, including reduced household formation rates and increased out-migration. In addition a continued shortage of owner-occupied housing may have an impact on property prices in the area. Again a shortage of owner-occupied dwellings might fuel an increase in demand for private rented homes (the cost of which may also show significant rises).

In addition, the balance of sizes of dwellings built will be of great importance in both affordable and private sector. It is most likely in the private sector that developers will attempt to build more larger dwellings than suggested by the figures in this chapter. This would have the obvious effect of limiting the supply of homes for local people and would probably increase out-migration of households looking for smaller dwellings and increase in-migration of better off households. This could well have the effect of polarising the social structure of the Borough.

If on the other hand, the numbers of dwellings built were to approach (or even exceed) the numbers suggested this does not mean that the needs/requirements would disappear, it is more likely that the ready supply of housing would increase in-migrant households (or at least households seeking to in-migrate) such that a requirement for additional housing to meet all needs/demands would still exist. In truth, this latter scenario is unlikely to happen so the local authority should concentrate on as closely matching the proportions in each size group within each tenure groups with any additional housing opportunities coming forward.

11.11 Summary

The latest DTLR Guidance (the H.I.P. round) emphasises that councils should look at the full range of housing tenures in forming their Housing Strategies although no specific reasons are given as to why this is desirable. There are several possibilities, which include the role of the private rented sector in meeting housing need, the sustainability of new housing, and the various grants which are made for the improvement and adaptation of private sector housing. There is also the question of housing market areas as compared with property price areas. The former are typically larger than local authority areas in the case of owner-occupiers, though much smaller in the case of low income households such as those in housing need.

However, there is a good reason to examine market demand, which is to provide a basis for negotiating the housing mix on new-build sites. Typically the locally generated demand will be for smaller dwellings, whilst in-migrant demand will be triggered as more larger dwellings are built. This is an important area of public intervention in the planning process. We have examined the situation in Southend-on-Sea and we found, indeed, a shortfall of owner-occupied dwellings (concentrated on smaller one and two bedroom homes). From the point of view of locally generated demand, it is clear that mainly small (one or two bed) dwellings are required. We looked at the data both for what the respondents would 'like' and what they would 'expect'. In both cases the outcome was a shortage of smaller owner-occupied dwellings.

12. AFFORDABLE HOUSING: HISTORY & EVOLUTION

12.1 Introduction

The term 'affordable housing' has been in use for about a decade and is a creation of Government advice. However, Government advice, most recently in the form of PPG3 (2000), provides no coherent definition of what affordable housing is. This omission has made it very difficult to obtain affordable housing that actually achieves the purpose of addressing housing need.

This Chapter highlights the evolution of government guidance that has given rise to this situation and considers, in greater depth, some of the problems that still remain.

12.2 History of the term 'affordable housing'

The idea of affordable housing had its origins in the late 1980s when the then Secretary of State for the then DoE introduced 'exceptions' policies. This was an attempt to meet the needs of local rural people who could not afford the village prices inflated by incoming second home buyers. Exceptions policies were focussed on the rural housing situation, and it was not until Circular 7/91 that the first general policy on affordable housing emerged. This followed attempts by several authorities (notably Bridport in 1989) to set affordable housing targets outside the rural context.

Under Circular 7/91 affordable housing became a general term for housing that is not of full market price. It indicated that the creation of affordable housing depended on negotiation with landowners and developers and that claims for affordable housing must be based on assessments of housing need. PPG3 (1992) shortly followed, formalising the system that largely remains in place today.

A further four years elapsed before Government advice on the issue was revised with the introduction of Circular 13/96. The key features of this advice were:

- The introduction of site thresholds below which affordable housing could not be sought (set extremely high at about 40 dwellings)
- The introduction of 'the market' into the notion of 'affordable housing' by requiring affordable housing to include 'low-cost market' housing

The second of these features was especially problematic as low-cost market housing (which is newbuild) is normally 20-30% more expensive than adequate 'entry level' second-hand housing in a given area. That is because newbuild is inherently more expensive: it is a luxury product. Thus what was to be recognised as 'affordable housing' no longer needed to be 'cheap' in relation to the local housing market and housebuilders could avoid providing housing that met the identified needs. These two developments together were sufficient to threaten the efficacy of the process as a means of addressing housing need.

The incoming 1997 Government produced fresh guidance, first in draft form and then formally as Circular 6/98. This Circular is still in force and differs little from 13/96. It did, however, lower the site thresholds to more workable levels (15-25 dwellings in most cases) but did not attempt to define housing need or affordable housing.

Subsequently, in March 1999 a revised PPG3 was issued in draft. This said very little about affordable housing but did promise formal advice on housing needs assessments, which has now been published.

The current state of guidance is that Circular 6/98 is still in force and supplemented by PPG3 (2000). Broadly, three aspects to the current guidance can be identified:

- A growing concern with housing mix (extending the range of dwelling types in the total housing stock or in new developments) with mixed communities favoured over separation of house types/sizes into distinct parcels.
- 'Exceptions' policies stemming from the earlier focus specifically on rural exceptions. By their nature these tend to be small scale, heavily subsidised and make little, if any, concession to notions of mix.
- An emphasis on affordability as it is recognised that there are significant numbers of households living in poor housing conditions and who cannot afford any market housing solutions, and require some form of subsidy to become adequately housed.

It is the last of these issues that can sensibly be addressed by Housing Needs Surveys and, as such, the analysis of the current circular and PPG3 that follows focuses on this.

12.3 Circular 6/98: Planning and Affordable Housing

Set out below are some of the key elements from the Circular relating to aspects of affordability.

(a) Low-cost market housing and tenure

The Circular states:

'.....Planning policy should not be expressed in favour of any particular form of tenure. Therefore the terms 'affordable housing' or 'affordable homes' are used in this Circular to encompass both low-cost market and subsidised housing (irrespective of tenure, ownership whether exclusive or shared or financial arrangements) that will be available to people who cannot afford to rent or buy houses generally available on the open market (see also paragraphs 9(a) and 15). This document refers to other housing as general market housing.....'. (para 4)

The paragraph enjoins against tenure distinctions while making one (i.e. by distinguishing *low-cost market* from *general market* housing). Attempting to adhere to these contradictory positions is problematic for local authorities seeking to produce straightforward policy wording rooted in a common understanding of tenure. Further, by keeping low-cost market housing in the definition of 'affordable', when this product has consistently been shown to cost at least 20-30% more than ordinary housing available on the market, makes the term 'affordable housing' one that is meaningless in practice.

The Circular states further:

'.....Where the local planning authorities are able to demonstrate a lack of affordable housing to meet local needs, based on up-to-date surveys and other data of local need, they should:

a) include in the plan a policy for seeking an element of affordable housing on suitable sites. The policy should define what the authority regards as affordable, but this should include both low-cost market and subsidised housing, as both will have some role to play in providing for housing need.....' (para 9 (part))

The statement above asserts that low-cost market housing 'has some role to play' in meeting housing need. This statement however, is flawed. Low-cost market prices are still well above market entry level prices (dominated by the second-hand market) and even if the discount were twice as big as any that we have encountered, the households in housing need cannot afford it. That is because, although there is a wide range of income observed among those in housing need, the vast majority have low or no incomes.

Even if the term 'need' were substituted with 'requirement' and thus included the market, it is unlikely that more than a small fraction of councils would overall have any requirement for a discounted market product. Such areas might include councils with high property prices or areas where there are no smaller dwellings (which low-cost market ones normally are). This role for low-cost market housing is limited to a relatively small number of councils and thus limits the focus of policy to a narrow, if in some circumstances locally significant, matter of housing mix.

(b) Measurement of housing need

This is addressed most fully in paras 5-7. Thus:

'.....Assessments [of housing need] will need to be rigorous, making clear the assumptions and definitions used so that they can withstand detailed scrutiny. Double counting of those in need must not occur and full account must be taken of affordable housing already available. Assessment should usually include factors such as: local market house prices and rents, local incomes, the supply and suitability of existing local affordable housing (including both subsidised and low-cost market housing) the size and type of local households, and the types of housing best suited to meeting those local needs. Assessments should be kept up to date during the plan period.....' (para 6)

Much of this is eminently supportable. Assessments should of course be rigorous etc. The missing element however, is any hint of what might constitute a definition of housing need. DTLR have now filled this gap with publication, in July 2000, of *Local Housing Needs Assessment: A Guide to Good Practice*, which is commented on further in 14.6 below.

(c) Thresholds and targets

Paragraph 9b of the Circular comments on the criteria to assess suitable sites and states:

'....it will be inappropriate to seek any affordable housing on some sites. In practice the policy should only be applied to suitable sites, namely:

- (a) housing developments of 25 or more dwellings or residential sites of 1 hectare or more, irrespective of the number of dwellings;*
- (b) in Inner London, housing development of 15 or more dwellings or residential sites of 0.5 of a hectare or more, irrespective of the number of dwellings; and*

- (c) *in settlements in rural areas with a population of 3,000 or fewer, the local planning authority should adopt appropriate thresholds. These should be based on assessments which include local needs and the available supply of land for housing, and should be adopted only through the local plan process.*

There is then text, which says that, in areas of constraint, thresholds between 15 and 25 may be adopted and in rural areas such as (c) there could be lower thresholds.

These points have been subject to wide debate but there is not so sharp a problem with them as with the definitional and conceptual gaps in the Circular. It should be noted that the Circular does not allow for an Authority-wide percentage target, although many Inspectors have permitted them as they make considerable sense in the context of windfalls, which make numerical targets unreliable. In the case of thresholds there are cases where the constraints on sites can justify lower targets than permitted in the Circular.

(d) Subsidy and other points

The Circular says nothing about the level of subsidy involved in affordable housing, or even whether there is one. Is it to achieve an affordable rent? Is it to achieve more affordable housing than would be achieved by Social Housing Grant alone? All kinds of answers are possible but none are addressed in the advice.

There are also many further sections in the Circular. They include the securing of affordable housing and the treatment of 'commuting off' (where the rules have been tightened up). It also emphasises that, though not precluded from accepting a developer offer of commutation, the council may only accept and not seek it.

12.4 PPG3 (2000)

The PPG has a claim on attention due to its advocacy of sustainable communities and makes reference, in the key objectives (para 1), to the need to plan for the 'whole community'. It is however, no more explicit on the issue of what housing need and affordability actually mean than is Circular 6/98. Thus it has resolved few of the problems produced by implementation of the original guidance over a decade ago.

A number of key themes, of relevance to the housing need analysis, can be identified from PPG3 (2000).

Table 12.1 Summary of PPG3 (2000)**Assessing local housing need**

<i>Reference</i>	<i>Comments</i>
<i>Paras 12 & 13</i>	Here the Guidance makes reference to developing a more strategic approach to tackling housing need suggesting stronger use of Regional Housing Statements in the development of local housing strategies. It also urges councils to assess the range of needs for different types and sizes of housing across all tenures in their area. This should include affordable housing and housing to help meet the needs of special needs groups. It concludes by recognising that utilising the existing stock to meet needs may be a cheaper route to providing affordable housing than newbuild.

Delivering affordable housing

<i>Reference</i>	<i>Comments</i>
<i>Paras 14 - 17</i>	These remain largely unchanged from Circular 6/98, emphasising for example that affordable housing should be calibrated to rigorous assessments of housing need.

Providing exception housing in rural areas

<i>Reference</i>	<i>Comments</i>
<i>Para 18 & Paras 2-3 of Annex B</i>	Exception policies remain the same although Para 2 of Annex B states that affordable housing on exceptions sites should not be cross-subsidised by general market housing or high-value housing on mixed developments. The guidance retains the emphasis on the need for 'village appraisals' to assess the need for exceptions sites which does not greatly alter existing practice.

Monitoring of affordable housing

<i>Reference</i>	<i>Comments</i>
<i>Paras 19 & 20</i>	These paragraphs urge councils to monitor delivery of affordable housing. They state that the record of the council in achieving affordable housing will be assessed as part of the strategic housing role, which is more forthright than any previous guidance. In para 20 it is stated that affordable housing secured through legal agreement must be made transparent by being put on the record in various ways. That falls into line with requirements on other planning gain to be transparent about what has been agreed.

Source: PPG3 (2000)

12.5 Summary of the development of affordable housing guidance

The sections above have sought to chart the development of guidance on affordable housing. It is worth mentioning that since PPG3 (2000) the Housing Green Paper has subsequently been published (April 2000) followed by the Housing Policy Statement '*The way forward for housing*' in December of the same year. Both documents address a wide range of housing issues and make a number of interesting proposals. From the present point of view one of important features of it is how little is said about low-cost market housing.

There is reference to the requirement to assess housing need (including para 3.7 of Green Paper and throughout the Housing Policy Statement see paras 1.8, 4.6, 5.2, 5.3, 5.12 for example) and to the idea that need should enter into regional housing statements (para 3.20 of Green Paper). The latter is a bit tricky, since there will be no coherent evidence at regional level of the degree of housing need, but only of a projected total housing requirement. Low-cost market is not even mentioned in relation to a 'Starter Homes' initiative (para 4.39 of Green Paper and 2.12 of Housing Policy Statement).

Reference is made to a wide range of low-cost home ownership initiatives such as shared ownership (para 8.10 of the Green Paper) but with no mention of low-cost market. This may, obliquely, mean that DTLR has come to appreciate the problem it has created by introducing 'low-cost market' into the debate.

12.6 The key problems with current affordable housing guidance

There are a number of important missing links in current guidance that mean in practice a council may achieve much less affordable housing than is warranted by the housing needs situation. What housing need actually meant was a key problem until DTLR published guidance on the matter. Other problems that still exist include:

- *the definition of affordable housing*
- *the scale of the target for affordable housing*
- *the nature of the subsidy required from landowners/developers*

Each are commented on further below, beginning with the housing need guidance.

(a) The definition of housing need

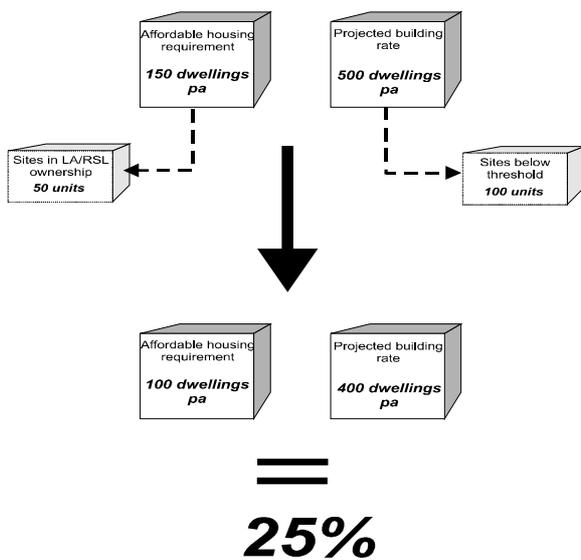
The DTLR publication *Local Housing Needs Assessment: A Guide to Good Practice* (published in July 2000) provides a coherent definition of housing need, and a great deal of advice on how to implement it. The Guide defines housing need as follows:

'Housing need refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance.' [Glossary: A2.2]

The main output is an estimate of the net need for new affordable housing and is, therefore, very much geared to the requirements of planning for clear indications of the amount of affordable required.

The Guide also suggests a means whereby the annual estimated requirement for new affordable housing can lead to a target for affordable housing. This is summarised below.

Figure 12.1 Summary of DTLR affordable housing target approach



Source: *Local Housing Needs Assessment: A Guide to Good Practice DTLR 2000*

This example does show signs of having been ‘cooked’ to produce a ‘normal’ picture. The reality is likely to be that if target percentages calculated in this way may exceed 100%, which would be unworkable.

The Guide also cautions that such targets should have regard to site viability and to the availability of funds (SHG). The latter issue is difficult to plan for until a given site comes up for development, since funding is not known many years in advance. In the case of site viability, it is again a matter which has to be looked at when a site is granted permission, since viability will change as rapidly as property prices do. Despite these concerns, the inclusion of the need definition means that the Guide goes a long way towards filling a key gap in affordable housing policy.

(b) No coherent definition of affordable housing

The commentary above has sought to demonstrate that the definition of affordable housing itself is damaged almost beyond repair by the unreasoned insistence that low-cost market housing must be included. The absurdity of the current Government guidance is illustrated by the following table of relative costs (based on about 50 of our District wide needs surveys).

Newbuild market priced housing	145
Low-cost market housing	130
Average second-hand market housing	120
Minimum (entry level) second-hand market housing	100
Shared ownership	90
Social rented housing	60

The datum for this example is ‘minimum priced market housing’ (either to buy or privately rent) since this is the threshold access point to the market. If the cost of that form of housing is taken as 100, then newbuild prices, for example, are typically 45% higher.

These relativities vary in detail across the country, but are generally of this order. It is obvious from this that low-cost market housing belongs in a completely different category from any non-market priced form of housing. There will be many households which can afford to access the market (via second-hand housing, which is of course the majority of all housing) but who cannot afford the ‘affordable’ low-cost market type. In consequence a coherent definition of affordable housing could thus only be arrived at by dropping the idea of low-cost market housing in this context. It could remain as an issue of housing mix for newbuild market housing, but that is quite a different issue.

(c) How targets relate to need

The Circular guidance provides no indication of how any target is to be related to any identified level of need and there are only tentative suggestions in the Guide (as noted above). This means that targets have not been closely geared to amortising need within the Plan period or indeed at all.

It may be that in the future a more systematic way of relating targets to need will be achieved, but in the meantime, custom and practice remain the chief guide. *Fordham Research* has monitored this process and the trend, over the past decade has been upwards. Ten years ago affordable housing targets were typically around 10%. Currently it is 40% plus, although few such policies have yet entered adopted plans.

(d) What level of subsidy is involved

There is no indication of what subsidy, if indeed any, is involved in the provision of affordable housing by a landowner/developer. It is though commonly accepted by developers that some degree of subsidy will be involved.

Certainly, housebuilders and landowners have accepted in practice that a land subsidy is involved and it is quite normal for them to offer sites at around 50% of market land price, though the figure is quite variable. In contrast, the *Fordham Research* experience is that, in order to achieve affordable rents, a land price of zero true land price is commonly required. 'True land price' refers to the price net of planning gain. It is assumed that the RSL which takes on the affordable housing obligation pays its share of the relevant servicing cost of the land. However it cannot normally afford to pay anything over and above that (which would be a true land price) without prejudicing the rent levels. The issue of affordable housing costs (whether rented or otherwise) is discussed in some detail in the next chapter.

The true test of the level of subsidy required would be the achievement of affordable rent levels within the government subsidy for building affordable housing (the TCI). However custom and practice have meant that a land subsidy is normally the touchstone. Where land values are low, a land subsidy may not be enough to achieve an affordable rent. This issue thus requires to be considered separately for each case.

12.7 Summary

In summary current government advice does not establish a clear means of achieving affordable housing that meets defined housing needs. Part of the problem in deriving coherent policies from housing needs surveys has been removed by the publication of *Local Housing Needs Assessment: A Guide to Good Practice*. However it is still not clear what types of affordable housing will meet need, nor what targets should be used or what subsidy should be expected from housebuilders/landowners. In the next chapter an approach is proposed based on housing costs, which seeks to get round this problem.

13. WHAT TYPES OF AFFORDABLE HOUSING?

13.1 Introduction

Having considered the level of housing need in the Borough this chapter studies what types of affordable housing might be most appropriate to meet this need. In principal there are three main types of housing which can be considered (low-cost market, shared ownership and social rented). Each of these is considered in relation to the size requirement for additional affordable housing.

13.2 Background

The survey estimates the costs of housing for each type of affordable housing and in each size group (by number of bedrooms) - in terms of estimated outgoings per week. The starting point is the cost of minimum priced market housing. It is obvious that any housing which costs more than the minimum cost of market housing cannot be considered as affordable in the local context, any housing available at a cost below this level will be affordable to some households in need although it is important to estimate the proportions able to afford at any particular level of outgoings.

The analysis in this chapter is based on the incomes of households in need (both backlog and newly arising) for whom we have income information. The income measure used is the weekly net income including non-housing benefits. The problem with the actual survey data collected is that income levels are calculated in a series of 'bands' which create apparent peaks and troughs in income levels. This means that using actual survey data to study small changes in the costs of housing can have unrealistic affects on the results of the data – hence it is necessary to model the data when looking at the affordability of different options.

Our experience is that there are a greater proportion of households in need with income levels towards the bottom end of the scale and hence the modelling needs to take account of this. Results from the survey suggest that the mean income of households in need is £136 per week, however a total of only 44.4% of all households in need have incomes at or above this level. To adjust for this fact we set a proportion of households as being unable to afford any form of housing (without housing benefit). This proportion is taken to be 11.2% (this is taken as 44.4% of households with incomes above the mean and 44.4% with incomes below and hence the final 11.2% have income levels affectively set at zero).

Additionally, our experience is that where a large enough sample of data is available (i.e. from many authorities grouped together) there do not appear to be any noticeable peaks or troughs of income in the group of households in need who are close to the threshold of affordability.

The table below shows our estimates of the minimum cost of market housing in the Borough and the annual requirement by size (derived in Chapter 10). Where the outgoings for owner-occupied housing are cheapest these figures are used and vice versa for private rented accommodation – in fact in Southend-on-Sea the outgoings for private rented accommodation were lower in all cases except two bedroom property.

Table 13.1 Basic information required for assessment of types of affordable housing required

<i>Size requirement</i>	<i>Approximate outgoings for market housing (per week)</i>	<i>Annual need for additional affordable housing</i>
<i>1 bedroom</i>	£76	234
<i>2 bedrooms</i>	£99	747
<i>3 bedrooms</i>	£136	429
<i>4+ bedrooms</i>	£164	73
TOTAL	-	1,483

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

An example of how this data could be used would be to suggest that one bedroom housing might be made available at 10% below the minimum market price – this does not mean that 10% of households in the one bedroom category could afford such housing (this is because 11.2% of household have been set at the very bottom of the income scale). A 10% reduction in cost would allow a further 8.9% to afford housing $((100\% - 11.2\%) \times 10\%)$.

13.3 Using the available data

This section now considers how the data might be used in practice. The data is used to suggest what mix of affordable housing (by size) would be most sensible in the context of Southend-on-Sea. For this three main tenure groups are used.

- Low-cost market housing
- Shared ownership
- Social rented

The analysis assumes that any household able to afford low-cost market housing will have this as a solution. Any household unable to afford low-cost market housing but able to afford shared ownership will have this as a solution and finally any household unable to afford either of the first two options will only have their needs met by social rented housing.

For the purposes of the analysis, it is assumed that low-cost market housing is available at a 20% discount on our average newbuild prices and that shared ownership costs are based on the same market valuation with a 50% equity share and paying 4% rent on the unsold equity.

It should be remembered that these figures are only indicative, as the costs of housing change it would be necessary to update these figures (both for minimum market and newbuild prices). In the case of shared ownership each individual scheme proposed will need to be assessed by comparisons with the market costs at that time – individual schemes may be more or less affordable than our example shown here.

The table below shows the approximate costs for these two forms of housing. An estimate of the costs of minimum priced market housing are also included.

Table 13.2 Approximate outgoings for different types of affordable housing

Size requirement	Approximate outgoings (£/week)		
	Low-cost market housing	Shared ownership	Minimum priced market housing
1 bedroom	£97	£75	£76
2 bedrooms	£114	£88	£99
3 bedrooms	£160	£123	£136
4+ bedrooms	£235	£180	£164

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

It can be seen from the table above that for all dwelling sizes, the cost of low-cost market housing is more expensive than the minimum market (second-hand) prices. Therefore it is clear that this type of housing will not meet any housing need. However, the estimated outgoings for shared ownership for one, two and three bedroom dwellings are less than those for market priced housing, it is therefore likely that some households in need will be able to have their needs met through this type of housing.

The table below shows the estimated breakdown of additional affordable housing requirements by size and type of housing per annum (the survey estimated that there is a shortfall of 1,487 dwellings per annum).

Table 13.3 Amount of annual requirement for each type of affordable housing

Dwelling size	Type of housing			TOTAL
	Low-cost market	Shared ownership	Social rented	
1 bedroom	0	3	234	237
2 bedrooms	0	74	674	748
3 bedrooms	0	36	393	429
4+ bedrooms	0	0	73	73
TOTAL	0	113	1,374	1,487

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table shows that in total around 7.6% of the requirement could be shared ownership, the remainder should be social rented housing. The table below shows this table as a percent of the total requirement.

Table 13.4 Proportion of annual requirement for each type of affordable housing

Dwelling size	Type of housing			TOTAL
	Low-cost market	Shared ownership	Social rented	
1 bedroom	0.0%	0.2%	15.8%	15.9%
2 bedrooms	0.0%	5.0%	45.3%	50.3%
3 bedrooms	0.0%	2.4%	26.4%	28.9%
4+ bedrooms	0.0%	0.0%	4.9%	4.9%
TOTAL	0.0%	7.6%	92.4%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The data in this table could be used to inform the mix of housing on a site. For example if 100 affordable homes were to be built, the data would suggest that around 5 should be 2 bedroom shared ownership whilst 45 should be 2 bedroom social rented.

It should be stressed that whilst the analysis shows levels of outgoings affordable to specific proportions of households in housing need, this does not directly translate into the proportions of new housing that should be of particular types of affordable housing. The relevance of particular types of housing can only be assessed in a site-by-site basis at the point of planning application.

13.4 How affordable is social rented housing?

Having highlighted that the majority of households in housing need can only afford social rented housing it is of interest to look at the likely cost (in terms of outgoings) for such housing. This is difficult to estimate in the light of rent restructuring (commented on in the following section), we have therefore compared our results with Housing Corporation benchmark rents (for 2001-2002 and updated by 4%). The estimated 'benchmark' rents for 1, 2, 3 and 4 bedroom homes are therefore £58, £71, £82 and £93 per week in Southend-on-Sea. We estimate the number of households in need able to afford rents at this level and also how many more households could afford them if rents were available at below these levels. The table below shows the proportion of households able to afford rents for each of the four sizes and if the same properties were available at £5 and £10 below the benchmark levels.

Table 13.5 Percentage of those in need who can afford social rented housing without use of Housing Benefit

<i>Dwelling size</i>	<i>Housing cost</i>		
	<i>At benchmark</i>	<i>£5 below</i>	<i>£10 below</i>
<i>1 bedroom</i>	3.4%	4.3%	5.2%
<i>2 bedroom</i>	12.6%	14.9%	17.1%
<i>3 bedroom</i>	10.2%	11.1%	12.1%
<i>4 bedroom</i>	1.9%	2.0%	2.2%
AVERAGE	28.0%	32.3%	36.6%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The data shows that at 'benchmark' rent levels 28.0% of those in housing need will be able to afford housing without the need for housing benefit. By reducing rent levels by £10 per week a further 8.6% of households would be able to afford this type of housing. Therefore it can be seen that there certainly is some benefit to keeping rent levels down in terms of the number of households who may be able to afford housing without housing benefit. This issue should be considered when deciding to set locally affordable rent levels.

13.5 Rent restructuring

Since July 2001, the DTLR has been consulting on proposals to 'restructure' social housing rents. The formal launch of the rents restructuring policy was in April 2002. The proposals include:

- Average rents held at around their present level
- Some rents increasing to reflect improvements in quality as a result of extra investment
- Some rents changing to remove unjustifiable difference between rents charged for homes owned by RSLs and local authorities

The DTLR believe social sector rents, while remaining affordable, need to be 'restructured' so they are fair. Rents should reflect more closely the size, quality and location of homes, taking account of property values so that tenants would pay a comparable rent for a comparable home. Property values are not the only consideration and rent calculations could take account of other factors including local earnings and running costs. The proposals for achieving these aims are that:

- Restructuring should be phased over 10 years to help minimise disruption and hardship for tenants and landlords
- Any changes in rents should be limited to no more than £2 per week in any year
- Particular attention should be paid to the possible impact on vulnerable groups such as pensioners
- Changes should complement a choice-based approach to lettings policies and prepare the way for possible long-term changes to housing benefit

We do not know what effect rent restructuring will have on the costs of new social housing in Southend-on-Sea but the analysis contained in this chapter will assist the Council in assessing and monitoring how affordable rent levels actually are.

13.6 Summary

The housing needs survey provides a wealth of data about what types of affordable housing can actually meet housing need. Our analysis suggests that low-cost market housing cannot meet any housing need whilst shared ownership might be able to help a fraction of households in need (around 7.6%), for the remainder only social rented housing will be of any use.

The data also suggests that setting new RSL rents in line with estimated 'benchmarks' would mean that 28.0% of households in need could afford housing without the use of housing benefit – reducing rents to £10 per week below benchmark would allow a further 8.6% of households in need to afford such housing without the assistance of housing benefit.

14. AFFORDABLE HOUSING POLICY

14.1 Introduction

Using previous discussion and analysis we can now proceed to make some suggestions concerning future policy and practice in relation to affordable housing. We therefore address a set of four key issues, which are the main outputs which councils can reasonably expect from the analysis of a housing needs survey. They are:

- (i) The target level(s) and site thresholds that might be applied
- (ii) The 'price' (types) of affordable housing
- (iii) Issues arising in constructing an affordable housing policy
- (iv) The basis for negotiating affordable housing once a policy stance is adopted

14.2 Target levels - background

Historically target levels have been about 25-30%, and are moving towards 40%+ in plans currently in the pipeline. *Fordham Research* has carried out two national surveys of current trends, since there is no coherent government guidance on the point. The following tables summarise some typical targets.

Table 14.1 Examples of affordable housing targets: standard practice

<i>Local Authority</i>	<i>% target</i>
<i>Crawley Borough Council</i>	30%
<i>High Peak Borough Council</i>	20-25%
<i>Macclesfield Borough Council</i>	25%
<i>Melton Borough Council</i>	20%
<i>Poole Borough Council</i>	20-30%
<i>South Tyneside Borough Council</i>	25%
<i>Stockport Metropolitan Borough Council</i>	25%
<i>Wrekin Council</i>	33%

Source: Fordham Research Ltd survey of Inspectors reports and adopted plans 1999

It can be seen that 25-30% is common in adopted plans. The decisions on targets for these would have been taken 5 or so years ago. Turning to the more recent era of affordable housing targets, the following is the position. The survey was conducted in early 2001; the notes relate to events since about mid-2001.

Table 14.2 Example of affordable housing targets: latest practice

<i>Local Authority</i>	<i>% target</i>
<i>Harrogate BC</i>	no formal target: 50% negotiating target on identified sites ❶
<i>Kerrier BC</i>	targets vary up to 100%
<i>North Shropshire DC</i>	40% for the forthcoming Local Plan
<i>Plymouth CC</i>	55% target for the new Plan policy
<i>Redditch BC</i>	32% on large sites
<i>Rutland County Council</i>	some targets of 40%
<i>South Somerset DC</i>	40% in Draft Local Plan
<i>Tewkesbury BC</i>	Site targets of 20-35%
<i>LB Croydon</i>	40% in Supplementary Planning Guidance ❷
<i>LB Richmond upon Thames</i>	40% target in draft UDP ❸
<i>LB Waltham Forest</i>	40% target installed in new draft UDP

Source: Fordham Research Ltd survey of Inspectors reports and adopted plans 2001

- Notes:
- ❶ 40% achieved on one larger site
 - ❷ now approved by an Inspector at S78 appeal
 - ❸ now approved by Inspector

As will be seen from the notes, the targets in the table above are not adopted ones. They show the sorts of targets that are likely to feature in plans adopted from now on. In most parts of Britain it is easy to justify a target of at least 40%. That is because the need for new affordable housing (as measured by the per annum method of the DTLR Guide) will far exceed the supply.

14.3 Threshold levels - background

There is more certain guidance on the issue of site thresholds. The box below replicates the advice contained within Circular 6/98.

Circular 6/98 [Section 10 (pages 4-5)]

'It will be inappropriate to seek any affordable housing on some sites. In practice the policy should only be applied to suitable sites, namely:

a) housing developments of 25 or more dwellings or residential sites of 1 hectare or more, irrespective of the number of dwellings;

b) in Inner London, housing developments of 15 or more dwellings, or residential sites of 0.5 of a hectare or more, irrespective of the number of dwellings; and

c) in settlements in rural areas with a population of 3,000 or fewer, the local planning authority should adopt appropriate thresholds. These should be based on assessments which include local needs and the supply of land for housing, and should be adopted only through the local plan process.

The Secretary of State considers that it may be appropriate for local planning authorities in those areas where the higher threshold (at [a] above) would apply, and who are able to demonstrate exceptional local constraints, to seek to adopt a lower threshold (between the levels at [a] and [b] above). Such constraints must be demonstrated, and proposals to adopt a lower threshold must be justified through the local plan process. However, with the exception of settlements in rural areas with populations of 3,000 or fewer, he does not consider that it would be appropriate for local planning authorities to seek to adopt thresholds below the lower level of 15 dwellings or 0.5 of a hectare'.

The footnote to the above quote from Circular 6/98 goes some way to explaining the situation that might demonstrate 'exceptional local constraints'.

Circular 6/98 [Section 10 – footnote (page 4)]

A good understanding of needs and of the land available for housing in the plan area over the plan period will be important in setting threshold levels for settlements in rural areas with populations of 3,000 or fewer and for justifying exceptional local constraints. Local planning authorities should demonstrate the exceptional nature of the particular constraints they experience. This should include factors such as: the number and types of affordable housing best suited to meeting their needs; the size and amount of suitable sites that are likely to be available for affordable housing, and how these relate to levels of need for affordable housing...'

From the various quotes it is therefore clear that the Council should adopt a standard threshold of 25 dwellings (1 hectare) unless exceptional local constraints can be demonstrated.

14.4 Suggested target and threshold levels

The Guide to Housing Needs Surveys has its own proposals on how targets should be calculated (discussed in Chapter 11 of this report). We have commented previously that the suggestion in the Guide appeared somewhat naïve, and was likely to lead to very high targets. In many areas it is likely that targets using this method would regularly be in the regions of 60-70% and could exceed 100%. However, it is still worth pursuing the suggested DTLR method to show the expected result. The table below shows an estimate of the likely suggested percentage target from following the DTLR method.

Table 14.3 Calculation of affordable housing target: following DTLR methodology

<i>Element</i>	<i>Dwellings (per annum)</i>
<i>Affordable housing requirement</i>	1,487
<i>Minus affordable supply from non-S106 sites (estimated) ❶</i>	-50
EQUALS	1,437
<i>Projected building rate (estimated) ❷</i>	676
<i>Minus sites below threshold (assumed)</i>	0
EQUALS	676
Therefore Target is	1,437/676
EQUALS	212.6%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

- Notes:**
- ❶ Estimate of supply from non-S106 sites from Section N of 2002 H.I.P. return: Total additional LA/RSL dwellings planned and proposed between 2002/03 and 2003/04 minus those provided through planning policy
 - ❷ Information on projected building rate estimated from Section F of 2002 H.I.P. return. Based on estimated growth in the number of households in the area.

Given the results of this table it is clear that at the general level, a suggestion regarding an overall percentage target can only reasonably emanate from a combination of custom and practice on the one hand, and on the other the likely yield of a range of percentage targets in a given local authority area. In our view there is no real point in varying the target from site to site or from locality to locality; the target is only likely to be varied downwards as a result of this practice.

The table above suggests that any target in Southend-on-Sea would be perfectly justifiable. Custom and practice indicates target levels that are around 40% and rising. A target of 50% would therefore be justifiable in the Borough.

There is more certain guidance on the issue of site thresholds. The Government advice contained in Circular 6/98 and PPG3 (2000) provides a threshold standard of 25 dwellings/ha. It also recognises that, in special circumstances, lower thresholds of 15 dwellings/0.5 ha may be proposed.

Given the amount of additional housing required it would seem reasonable to assume that the Council would want to secure affordable housing on all sites regardless of size. Hence we would suggest that a site threshold of 15+ dwellings/0.5 ha on all allocated and windfall sites would be perfectly justified.

14.5 The basis for negotiating affordable housing

In addition to affordable housing policy discussed above, there is the question of the terms under which affordable housing is to be negotiated. When a given percentage for affordable housing has been agreed with a developer on a qualifying site (i.e. one which is suitable and above the size threshold), it will be necessary to agree the terms on which it is to be transferred to an RSL.

This directly affects the level of subsidy involved, and also the affordability of the housing. However the level of subsidy is not clear, since the use of housing benefit will blur the situation. A key issue is to avoid social exclusion and ghettoisation. People in work can obtain housing benefit, but not to the full level and this means that, if social rents are high, employed people are discouraged from entering new affordable housing or may have to give up work to do so, while existing tenants are inhibited from entering work.

On any given site an RSL or any other body which the Council has agreed to as a recipient of the affordable housing, will be able to calculate the weekly outgoings cost of the dwellings involved. The data in Chapter 12 indicates what types of affordable housing might actually be affordable and also indicates the affordability of 'benchmark' rent levels. It will be for the developer, RSL and council to agree what forms of tenure actually achieve affordable housing.

14.6 Issues of viability and fundability

It is sometimes argued that the viability of the scheme, and the ability of the public authorities to fund whatever share they are due to pay of the cost of the affordable housing, are matters which should be considered at the plan policy stage.

This is a quite mistaken view. The issue of viability should be approached at the planning application stage. That is because market conditions may change very considerably in the years which may elapse between decisions on a plan policy and the actual planning application on a site. The market situation may further vary during the life of larger projects, and this has to be taken into account in the S106 framework.

The same applies to the issue of availability of funds. The problem is that these are only made available to local authorities within a very short timescale: three years. This is much shorter than the life of a plan, and shorter than the life of larger housing site developments as well. As a consequence, and regardless of the current level of availability of public funds, it is impossible to be sure what level of funding will be available through the life of the plan, or through the life of larger projects. As a result the issues can, like those of viability, only be addressed sensibly at the planning applications stage. Moreover, there will again need to be provision in the S106 for the varying availability of funding during the life of larger projects.

This brings us to consider a wider issue; in areas where, and at times when, land values for land with planning permission for housing are relatively low, the question of a potential 'trade-off' between planning gain requirements and viability may arise. That is, should the required planning gain package be reduced where it would otherwise jeopardise the financial viability of the scheme? In principle, it should not be. There is no provision for trade-off within the area of conventional planning gain: all of the gain is required in order to meet the impact of the proposed scheme, and so none of it can be dropped without creating a 'planning loss'. If the scheme cannot be developed viably whilst dealing with its impact, it should not proceed.

This situation does not, however, apply in the case of affordable housing, which as discussed in Chapter 11, was a creation of the State, rather than a matter of meeting an impact. Scope for trade-off therefore exists solely within the field of affordable housing. Where scheme viability may be compromised by the levels of affordable housing sought, the actual scale of subsidy provided by the landowner/developer can in principle be reduced through:

- (i) A lower proportion of affordable housing
- (ii) A lower discount per unit (although this might imply a higher level of weekly outgoings)

The issue is one which needs to be considered at the planning applications stage, and perhaps earlier, in cases where, due for example to the existence of a contaminated brownfield site, or a location in an area of low land prices, where there is some reasonable doubt as to whether the site could meet the cost of subsidising an appropriate fraction of affordable housing. The state of the housing market at the time of the planning application is also relevant. The two elements require to be considered together in cases where viability arises as an issue.

14.7 Summary

We have considered the likely supply of housing sites in the light of the requirement for affordable housing. The scale of target and site size thresholds are both, ultimately, matters for policy decision by the Council. However, our analysis suggests that a 50% target level of affordable housing would be justified, as would a site threshold of 15+ dwellings/0.5 ha. Additionally data contained in the previous chapter suggests that the vast majority of any affordable housing should be social rented.

15. SPECIAL NEEDS HOUSEHOLDS

15.1 Introduction

The DTLR Guide points out that collecting data on special needs households has been a part of the housing needs survey process for some time, and is of increasing importance:

DTLR guidance [Section 4.5 (page 64)]

Increasingly, local authorities will wish to develop methods for estimating requirements for specialist or supported housing. This is likely to follow from the implementation of the Government's Supporting People proposals, under which authorities will distribute cash-limited revenue budgets to fund the provision of care and support for a variety of service user groups

Information was collected on the survey form with regards to the needs and requirements of special needs households. This chapter details the main survey findings. This survey defines special needs households as having one or more members who fall into one or more of the following categories:

- *Frail elderly*
- *A physical disability*
- *A learning disability*
- *A mental health problem*
- *Vulnerable young people and children leaving care*
- *Severe sensory disability*
- *Other*

For each person with special needs they could respond to as many of the above categories as is applicable. This means that we are able to define households by both the number of people with special needs and those with multiple special needs.

15.2 Incidence of special needs

Overall there are an estimated 10,154 households in Southend-on-Sea with one or more special needs member. This represents 13.7% of all households. The table below shows the numbers of households with different types of special needs.

'Physically disabled' is the main category of special needs. There are 5,517 households with physically disabled household members and 2,857 with 'frail elderly' household members. These categories represent 54.3% and 28.1% of all special needs households respectively.

Table 15.1 Special needs categories

<i>Categories</i>	<i>Number of households</i>	<i>% of all households</i>	<i>% of special needs households</i>
<i>Frail elderly</i>	2,857	3.9%	28.1%
<i>Physical disability</i>	5,517	7.5%	54.3%
<i>Learning disability</i>	1,067	1.4%	10.5%
<i>Mental health problem</i>	2,085	2.8%	20.5%
<i>Vulnerable young people & children leaving care</i>	127	0.2%	1.3%
<i>Severe sensory disability</i>	1,010	1.4%	9.9%
<i>Other</i>	1,422	1.9%	14.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The number of households in each category add up to more than the estimated total number of households with special needs because households can have more than one person with a special need and people can have more than one of the categories of special need.

In addition to the above information we are able to look at the number of people in each household with a special need and also households containing persons with multiple special needs. The results for these are shown below.

Table 15.2 Number of people with special needs

<i>Special needs</i>	<i>Number of households</i>	<i>% of households</i>
<i>No special needs persons</i>	63,841	86.3%
<i>One special needs person</i>	9,062	12.2%
<i>Two special needs persons</i>	1,042	1.4%
<i>Three special needs persons</i>	51	0.1%
TOTAL	73,995	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Table 15.3 Households with people with multiple special needs

<i>Special needs</i>	<i>Number of households</i>	<i>% of households</i>
<i>No special needs persons</i>	63,841	86.3%
<i>Single special need only</i>	7,546	10.2%
<i>Multiple special needs</i>	2,608	3.5%
TOTAL	73,995	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The two tables above show that the majority of special needs households (89.2%) only contain one person with a special need and that the majority of households with a special needs member do not have multiple special needs (74.3%). However some 1,093 households in Southend-on-Sea are estimated to have two or more people with a special need whilst some 2,608 households contain someone with multiple needs.

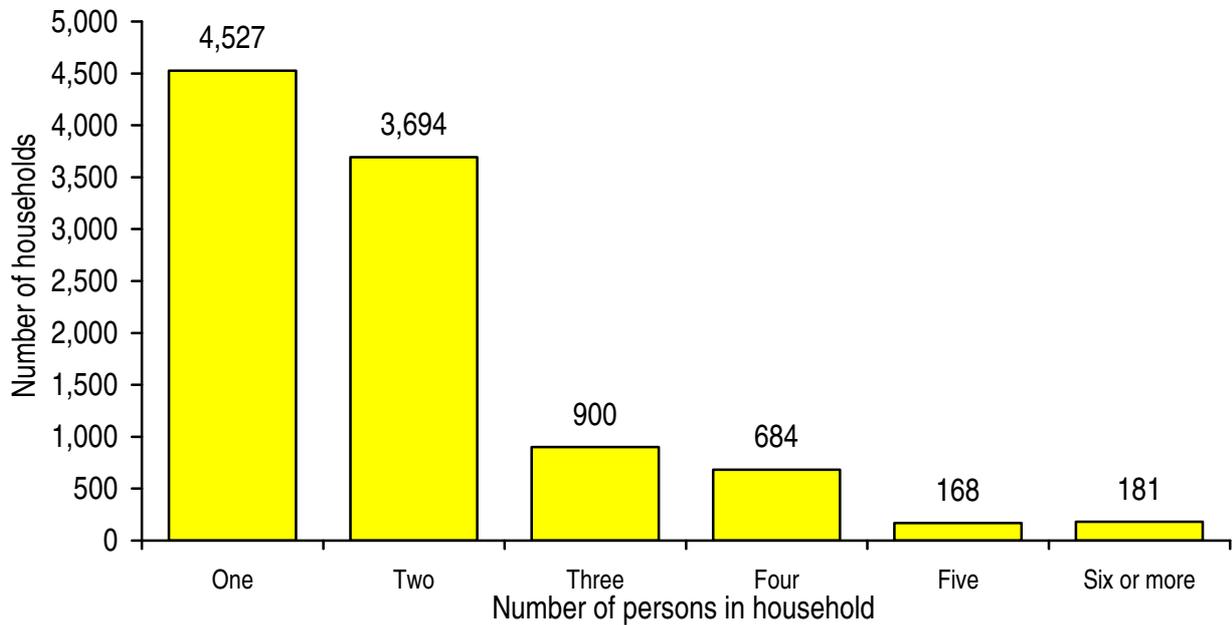
15.3 Household size

The number of persons in special needs households is shown in the table and figure below. The results below indicate that households with special needs are more likely to live in smaller, one or two person, households. Of all special needs households, 44.6% are living alone and a further 36.4% are living in two person households. The average household size of special needs households is 1.9 persons per household compared with 2.3 persons per household for non special need households and 2.2 persons per household for all Southend-on-Sea households.

Table 15.4 Size of special needs households

<i>Number of persons in household</i>	<i>Special needs households</i>				
	<i>Special needs</i>	<i>No special needs</i>	<i>Number of h'holds</i>	<i>% of total h'holds with special needs</i>	<i>% of those with a special need</i>
<i>One</i>	4,527	21,349	25,876	17.5%	44.6%
<i>Two</i>	3,694	21,600	25,294	14.6%	36.4%
<i>Three</i>	900	8,574	9,474	9.5%	8.9%
<i>Four</i>	684	8,810	9,494	7.2%	6.7%
<i>Five</i>	168	2,731	2,899	5.8%	1.7%
<i>Six or more</i>	181	778	959	18.9%	1.8%
TOTAL	10,154	63,841	73,995	13.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 15.1 Size of special needs households

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

15.4 Tenure

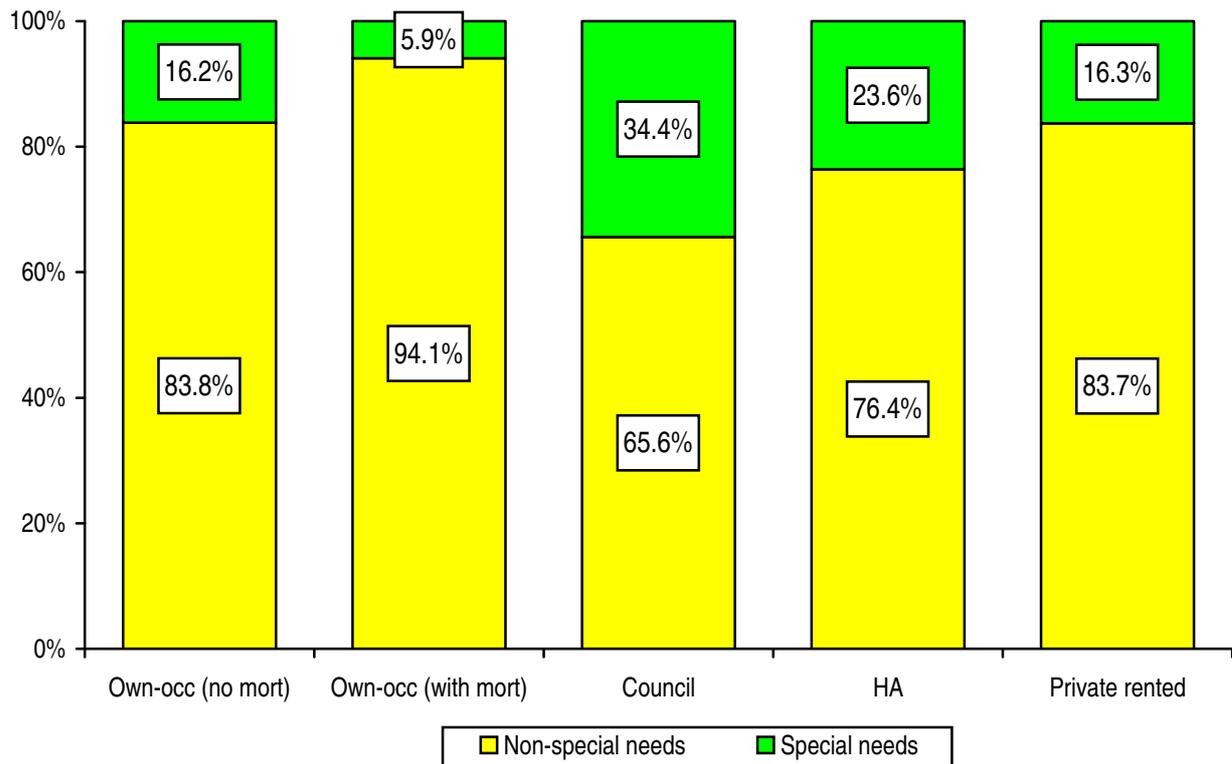
The table and figure below show the housing tenures of households with special needs. The total of 5,757 special needs households that are in owner-occupation represent 56.7% of the total of all special needs households in Southend-on-Sea. A further 21.9% of special needs households are living in accommodation rented from the Council and 6.3% from Housing Associations. The table also indicates that although 13.7% of all households contain special needs members, 34.4% of all Council rented households contain special needs members.

Table 15.5 Special needs households and tenure

Tenure	Special needs households			% of total h'holds with special needs	% of those with a special need
	Special needs	No special needs	Number of h'holds		
Owner-occupied (no mortgage)	3,901	20,151	24,052	16.2%	38.4%
Owner-occupied (with mortgage)	1,856	29,516	31,372	5.9%	18.3%
Council	2,225	4,243	6,468	34.4%	21.9%
Housing Association	635	2,055	2,690	23.6%	6.3%
Private rented	1,537	7,876	9,413	16.3%	15.1%
TOTAL	10,154	63,841	73,995	13.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 15.2 Special needs households and tenure



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

15.5 Age

The table below shows the number of special needs households with and without older people. The results show that 59.7% of all special needs households contain older people compared to 32.8% of non-special needs households. Although 13.7% of all households contain special needs members, 22.6% of all households containing older people only had special needs members.

Table 15.6 Special needs households with and without older people

Age group	Special needs households			% of total h'holds with special needs	% of those with a special need
	Special needs	No special needs	Number of h'holds		
No older people	4,091	42,870	46,961	8.7%	40.3%
Both older & non older people	1,012	3,663	4,675	21.6%	10.0%
Older people only	5,051	17,308	22,359	22.6%	49.7%
TOTAL	10,154	63,841	73,995	13.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

15.6 Geographical distribution

The table below provides information of the geographical distribution of households containing special needs members across the survey sub-areas of the Southend-on-Sea Borough. The survey showed that 28.3% of households in the *Victoria* sub-area contained one or more special needs households with just 8.2% of all households in the *West Leigh* sub-area.

Table 15.7 Special needs households and sub-area

Sub-area	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
Eastwood Park	427	3,558	3,986	10.7%	4.2%
Belfairs	503	3,511	4,015	12.5%	5.0%
West Leigh	309	3,481	3,790	8.2%	3.0%
St. Laurence	621	3,785	4,407	14.1%	6.1%
Blenheim Park	606	3,599	4,205	14.4%	6.0%
Leigh	492	4,233	4,726	10.4%	4.8%
Prittlewell	589	3,814	4,403	13.4%	5.8%
Westborough	621	3,910	4,531	13.7%	6.1%
Chalkwell	432	3,774	4,206	10.3%	4.3%
St. Lukes	834	3,918	4,752	17.6%	8.2%
Victoria	1,377	3,495	4,872	28.3%	13.6%
Milton	658	4,501	5,159	12.8%	6.5%
Kursaal	882	3,706	4,588	19.2%	8.7%
Southchurch	359	3,578	3,938	9.1%	3.5%
Thorpe	421	3,597	4,018	10.5%	4.1%
West Shoebury	497	3,558	4,055	12.3%	4.9%
Shoeburyness	524	3,822	4,346	12.1%	5.2%
TOTAL	10,154	63,841	73,995	13.7%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

15.7 Improvements to accommodation & services

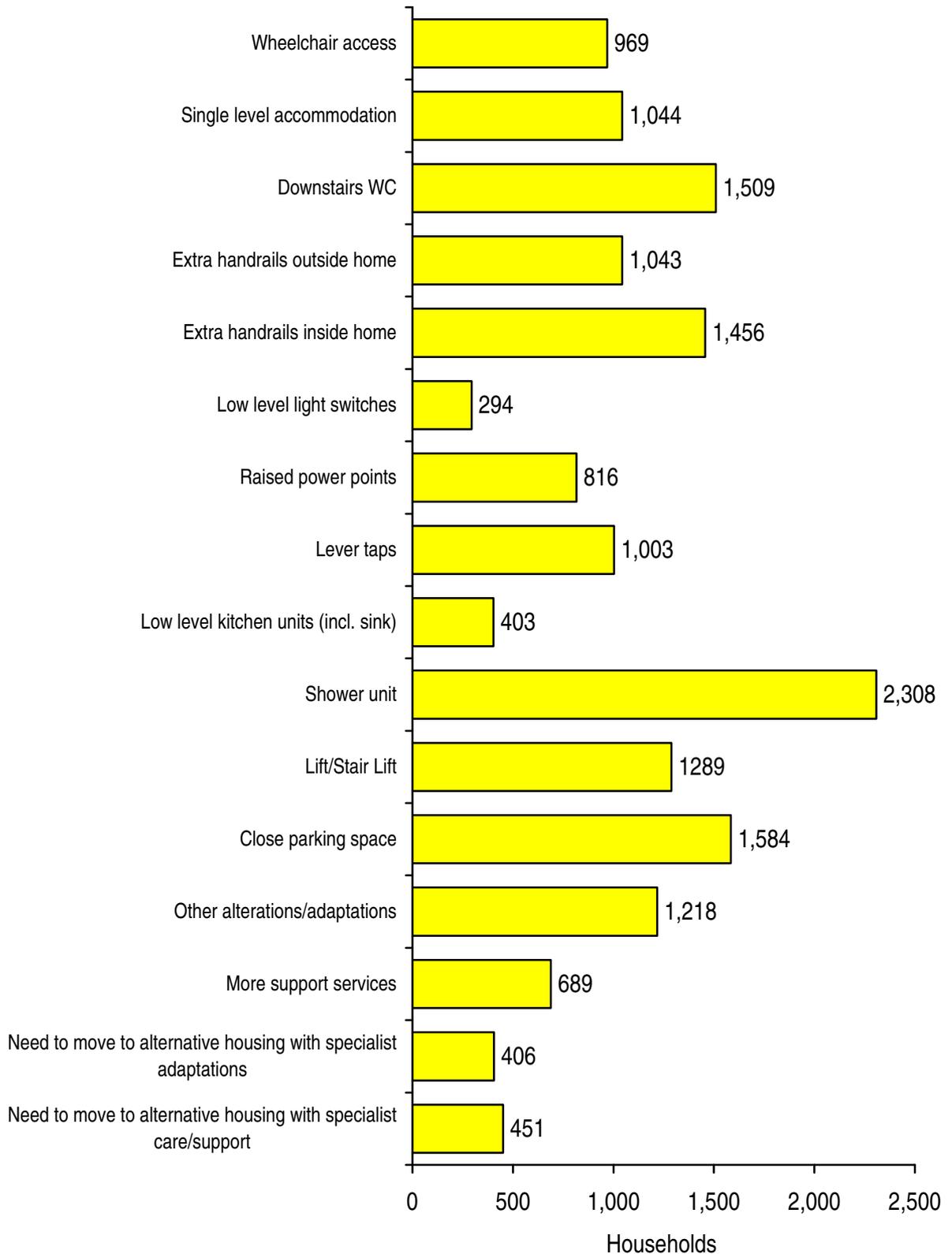
Special needs households were asked to indicate if there was a need for improvements to their current accommodation and/or services. As detailed in the figure below the most commonly-cited improvements *needed* were:

- Shower unit (2,308 households – 22.7% of all special needs households)
- Close parking space (1,584 households – 15.6% of all special needs households)
- Downstairs WC (1,509 households – 14.9% of all special needs households)

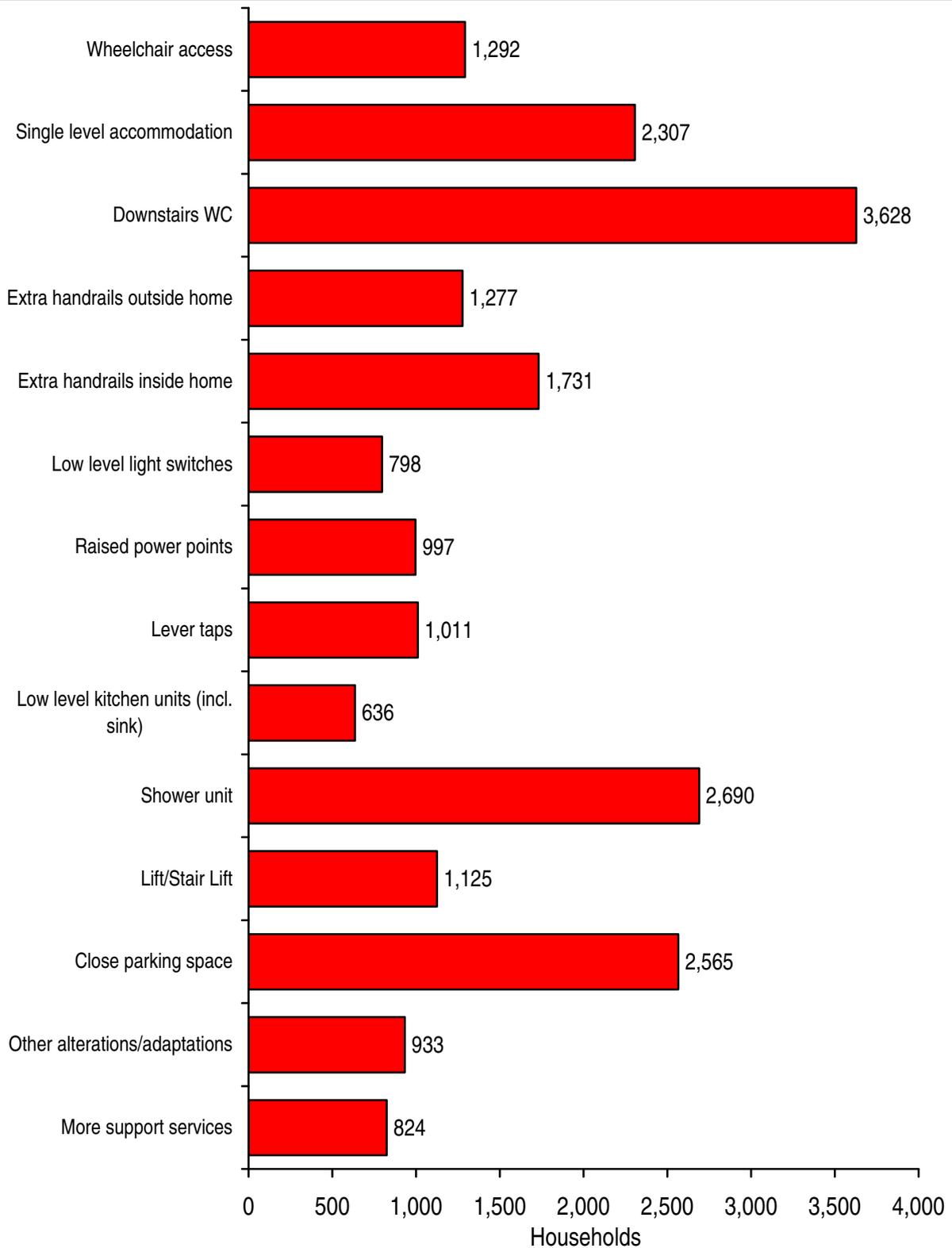
Special needs households were also asked to indicate whether they *already had* the accommodation or service improvements identified. As detailed in the second figure below the most commonly-cited improvements *already had* were:

- *Downstairs WC* (3,628 households – 35.7% of all special needs households)
- *Shower unit* (2,690 households – 26.5% of all special needs households)
- *Close parking space* (2,565 households – 25.3% of all special needs households)
- *Single level accommodation* (2,307 households – 22.7% of all special needs households)

Figure 15.3 Improvements needed to accommodation/services for special needs households



Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

Figure 15.4 Accommodation/service improvements already had by special needs households

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

15.8 Summary

Some 13.7% of all the Borough's households (10,154) contain special needs members. '*Physically disabled*' is the main category of special needs. There are 5,517 households with a '*physically disabled*' person and a further 2,857 with '*frail elderly*' household members. These categories represent 54.3% and 28.1% of all special needs households respectively.

Special needs households are disproportionately constituted of only one person which has implications for caring patterns. Although many special needs households are in the private sector, a high proportion are found in the social rented sector (34.4% of Council households and 23.6% of all Housing Association households contain a person with special needs). Special needs households are characterised by greater than average age, below average household size and below average household income.

16. KEY WORKERS

16.1 Introduction

The issue of key workers arose as a major concern only relatively recently. It was given prominence in PPG3 (2000). This, plus a rapid increase in market house prices and rents in the South of England, has brought the issue into high prominence.

PPG3 (2000) states that local authorities should:

'assess the range of needs for different types and sizes of housing across all tenures in their area. this should include affordable housing and housing to help meet the needs of specific groups.....'
[para 13]

The list that follows, in para 13, is long and rather curious:

- | | |
|--------------------------|---|
| (i) the elderly | (vii) those who need hostel accommodation |
| (ii) the disabled | (viii) key workers |
| (iii) students | (ix) travellers |
| (iv) young single people | (x) occupiers of mobile homes |
| (v) rough sleepers | (xi) occupiers of houseboats |
| (vi) the homeless | |

The quotation from PPG3 suggests that local authorities should pay attention to those in housing need and in addition the eleven groups listed above. Clearly, however, the eleven types of household cover a wide range in terms of their housing needs. Broadly speaking it seems possible to arrange them into three groups from a housing point of view:

Table 16.1 Types of special housing group

<i>Type</i>	<i>Types of housing requirement</i>	<i>Reference number of group</i>
A	Those likely to be in housing need on the DTLR Guide definition	(v) (vi) (vii)
B	Those who may require specialised forms of housing	(i) (ii) (ix) (x) (xi)
C	Those who are commonly not in housing need, nor require specialised accommodation but who often cannot afford housing at market prices	(iii) (iv) (viii)

These disparate groups have quite different requirements. However it would be reasonable to treat students, young single people, and key workers as belonging to a group that is not necessarily in unsuitable housing, but certainly is unable to afford market prices in many parts of the country (whether to rent or buy).

16.2 What is meant by a key worker?

This has become quite a conundrum. People have assumed that the term referred to public service workers such as health workers and teachers who were being priced out of the South East's rapidly rising market. However the term has been extended to other groups, such as bus drivers, who are equally subject to this vice.

On the whole, households in the key worker category will not be in housing need. That is because they are not selected to be in unsuitable housing, the first of the two DTLR tests.

Clearly there are many households who have an apparently quite healthy income and are not in any ordinary sense in housing need, who have been rendered incapable of buying or renting in the market by what has happened in the south of England over the past few years.

There has been much dispute over which of these workers are 'key', and much depends of local circumstances. The report of the Mayor's Housing Commission in London took the view that key workers were people on relatively low pay but who were vital to the economic well-being of a 'World City'. Thus the term was extended to include workers in tourism and related services. It could equally well be argued that key workers include managing directors of companies in areas seeking new firms and where there is not sufficient executive housing.

The following table summarises some possible definitions of key workers.

Table 16.2 Definitions of key workers

<i>Source of definition</i>	<i>Definition</i>
1. University of Cambridge	People who cannot afford to buy or rent suitable market housing but who are not eligible for assistance with their housing costs.
2. ODPM – Starter Homes initiative	Particularly teachers, police, nurses and other health workers, whose services are essential to local communities and who need to live within a reasonable ‘travelling to work’ distance of those communities.
3. Housing needs survey questionnaire	People working in health care, social services, education, public transport, emergency services or local government. This category can be further refined to take account of affordability issues.
4. Greater London Authority	People in employment who are unable to afford suitable market housing

It is clear from the above table that no one definition is either correct or indeed universally agreed. For the purposes of this report we shall concentrate only on the third of the categories shown in this table.

It should be noted that any analysis for Southend-on-Sea can only be related to such persons who live in the Borough; it is possible that some key workers travel to the Borough for work from outside the area (possibly due to a lack of affordable housing), although such households are particularly important it is not possible to analyse their requirements through this survey. Additionally, many of the key workers highlighted in the study may actually work elsewhere and would therefore be considered as a key worker in a different local authority area.

16.3 Key worker households – definition 3

In total it is estimated that there are 20,401 key workers living in Southend-on-Sea. The table below shows the categories of key workers within the Borough. The main category of key workers is health care followed by education.

Table 16.3 Categories of key worker

<i>Key worker category</i>	<i>Total number of person</i>	<i>% of persons</i>
<i>Health care</i>	6,440	31.6%
<i>Social services</i>	1,534	7.5%
<i>Education</i>	6,201	30.4%
<i>Local Government</i>	3,237	15.9%
<i>Public Transport</i>	1,340	6.6%
<i>Emergency services</i>	1,648	8.1%
TOTAL	20,401	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

We have, using survey data, highlighted three key worker groups. These are:

- Households containing anyone who is a key worker
- Households where the head of household (survey respondent) is a key worker
- Household where all working occupants are key workers

The numbers of households in each of these groups are as follows:

Table 16.4 Number of key worker households (under three different definitions)

<i>Definition of key worker</i>	<i>Number of households</i>	<i>% of households</i>
<i>Anyone a key worker</i>	16,880	22.8%
<i>Head of household is a key worker</i>	12,781	17.3%
<i>All working occupants are key workers</i>	9,017	12.2%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The analysis that follows concentrates only on the first of the categories in the table (any occupant is a key worker).

The table below shows the current tenure of key worker households. The results are compared with all households. The table shows that the majority of key worker households are already owner-occupiers (83.6%), a further 4.4% are in social rented housing whilst 12.1% are living in the private rented sector.

Table 16.5 Tenure of key worker households

<i>Tenure</i>	<i>Key worker household</i>		<i>All household</i>	
	<i>Number of households</i>	<i>% of households</i>	<i>Number of households</i>	<i>% of households</i>
<i>Owner-occupied (no mortgage)</i>	2,762	16.4%	24,052	32.5%
<i>Owner-occupied (with mortgage)</i>	11,342	67.2%	31,372	42.4%
<i>Council</i>	479	2.8%	6,468	8.7%
<i>Housing Association</i>	262	1.6%	2,690	3.6%
<i>Private rented</i>	2,034	12.1%	9,413	12.7%
TOTAL	16,880	100.0%	73,995	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The above analysis suggests that the housing of key workers in Southend-on-Sea may not be a significant problem as the majority are already in owner-occupation and fewer key workers are living in the private rented sector when compared with the Borough as a whole.

Again however it must be stressed that this analysis is only for households currently living in the Borough, there may be a significant number of households with work links or potential work links in the area who have been unable to find suitable housing due to the cost of housing in the Borough.

On the basis of the above table there are 2,775 key worker households who do not currently own their own home, of these 741 are currently living in affordable housing. It is this 2,775 group which requires further attention.

Of the 2,775 households in rented accommodation it is estimated that 1,456 cannot currently afford suitable market housing (641 in social rented housing and 815 in the private rented sector). We can now look at the housing aspirations of the 1,456 households. Of the 1,456 households a total of 780 have stated that they need or are likely to move in the next 3 years. The table below shows where these households would like to move to.

Table 16.6 Where Key Worker households would like to live

<i>Where like to live</i>	<i>Number of households</i>	<i>% of households</i>
<i>In Southend-on-Sea</i>	547	70.1%
<i>Elsewhere in Essex</i>	126	16.1%
<i>In Greater London</i>	0	0.0%
<i>Elsewhere in the UK</i>	54	7.0%
<i>Abroad</i>	53	6.8%
TOTAL	780	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table shows that 547 key worker households would like to remain living in the Southend-on-Sea Borough Council area. The table below shows the tenure preferences of these households.

Table 16.7 What type of housing would Key Workers like

<i>Tenure preference</i>	<i>Number of households</i>	<i>% of households</i>
<i>Owner-occupation</i>	192	35.1%
<i>Council</i>	235	42.9%
<i>Housing Association</i>	120	22.0%
<i>Private rented</i>	0	0.0%
TOTAL	547	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table shows that the majority of key worker households would like to move to or remain in social rented housing. A significant proportion would like owner-occupation whilst no households want to move to private rented accommodation.

Overall, the number of households who contain key workers who cannot afford market housing, want to move within Southend-on-Sea and show a preference for owner-occupation is small. The figure of 192 households in the table above represents only 0.3% of all households in the Borough. On this evidence there is no need to specifically target such groups for 'affordable' home ownership options.

16.4 The need for key worker housing

The analysis so far has looked at the numbers of key worker households and their aspirations for home ownership. The results suggested that currently the numbers of key workers with an aspiration for home ownership that might need to be met through specialist types of housing are really quite small. However, this does not mean that there are no needs for housing for key workers in the Borough. The best way to look at key worker housing requirements is through the Basic Needs Assessment model. The table below shows the requirement from key workers as part of this model. It should be noted that the supply has not been included. In many ways the results of this analysis may help to influence the future supply of housing for this group and so to include a supply estimate would be rather fictional.

Table 16.8 The basic needs assessment model and key workers

<i>Key worker household</i>	<i>Housing need</i>		
	<i>Backlog need</i>	<i>Newly arising need</i>	<i>Total need</i>
<i>Not key worker</i>	292	1,333	1,625
<i>Key worker</i>	60	503	563
TOTAL	352	1,836	2,188

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The results of this analysis are very interesting. In terms of the need for affordable housing it is clear that a significant proportion are key worker households (25.7% of the gross need). This clearly demonstrates a need for housing for key workers.

16.5 What types of affordable housing?

The previous section showed that around a quarter of the gross need for affordable housing in the Borough is expected to arise from key worker households. This however does not lead to a conclusion that specific types of housing should be provided for key worker households. It is typically thought that the needs for key workers should be met through initiatives such as low cost market housing and shared ownership. However this is often based on anecdotal evidence rather than hard facts.

In Chapter 13 of the report it was suggested that around 7.6% of all housing need could be met through shared ownership whilst none could be met through low cost market housing. Unless the financial characteristics of key worker households differ markedly from the population in general it is unlikely that any different trend would be suggested for this group.

In the case of key worker households in Southend-on-Sea it does appear as if income levels are generally higher than for the population of households in need in general. The average (mean) income of all households in need is £136 per week. For key worker households the figure is much higher (at £197 per week). Armed with this information it has been possible to re-run the programmes to estimate what proportion of need can be met through shared ownership. For key workers the figure rises to 13.5%. Therefore whilst home ownership options such as shared ownership are more affordable to key worker households than for other households the largest proportion of the requirement for such households will still be social rented accommodation.

16.6 Summary

The survey briefly studied the issue of key workers in the Borough. Although definitions of key workers are not clear we have for the main analysis made an assessment based on the employment category of working household members (in addition to studying households ability to afford market housing). In total it is estimated that there are 20,401 key workers in the Borough belonging to 16,880 separate households.

The survey suggests that a considerable proportion of the gross housing need (measured using the Basic Needs Assessment model) is from key worker households. However, this does not lead to a conclusion that key workers should not be considered to have any particular form of tenure. It is typically thought that the needs for key workers should be met through initiatives such as low cost market housing and shared ownership. This is almost certainly not the case in Southend-on-Sea although key worker households did have slightly better levels of affordability for options such as shared ownership.

If the Council wish to meet the needs of key worker housing then they should mainly be looking at traditional affordable housing options such as social rent (either from the existing stock or dwellings added to the stock). Although some housing needs could be met through other initiatives the evidence here would suggest that this number will be small.

GLOSSARY

Affordability

A measure of whether households can access and sustain the costs of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers. Rental affordability is defined as the rent being less than a proportion of a household's net income (in this case 30% of net income).

Affordable housing

Housing of an adequate standard which is cheaper than that which is generally available in the local housing market. In theory this can comprise a combination of subsidised rented housing, subsidised low-cost home ownership (LCHO) including shared ownership, and in some market situations cheap housing for sale.

Annual need

The combination of new needs arising per year plus an allowance to deal progressively with part of the backlog of need.

Backlog of need

Those actual and potential households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Bedroom Standard

The bedroom standard is that used by the General Household Survey, and is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, boxrooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A concealed household is an adult individual, couple or lone parent living as part of another household of which they are neither the head nor the partner of the head.

Disaggregation

Breaking a numerical assessment of housing need and supply down, either in terms of size and/or type of housing unit, or in terms of geographical sub-areas within the Borough.

Grossing-up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves multiplying the reciprocal of the sampling fraction by the reciprocal of the response rate.

Household

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay.

Housing need

Households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance.

Housing Register

A database of all individuals or households who have applied to a LA or RSL for a social tenancy or access to some other form of affordable housing. Housing Registers, often called Waiting Lists, may include not only people with general needs but people with special needs or requiring access because of special circumstances, including homelessness.

Lending multiplier

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are three times a first income and one times a second income.

Migration

The movement of people between geographical areas, primarily defined in this context as local authority districts. The rate of migration is usually measured as an annual number of households, living in the district at a point in time, who are not resident in that district one year earlier.

Net annual need

The difference between annual need and the expected annual supply of available affordable housing units (e.g. from the re-letting of existing social rented dwellings).

Newly arising need

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing, together with other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Over-crowding

An overcrowded dwelling is one which is below the bedroom standard. (See 'Bedroom Standard' above).

Potential households

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation, rather than continuing to live with their 'host' household.

Random sample

A sample in which each member of the population has an equal chance of selection.

Relets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Social rented housing

Housing of an adequate standard which is provided to rent at below market cost for households in need by Local Authorities or Registered Social Landlords (RSLs).

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics, based for example on sub-areas and applying a different sampling fraction to each sub-sector.

Under-occupation

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost.

APPENDIX A1 FURTHER PROPERTY PRICE INFORMATION

A1.1 Introduction

This Appendix provides further detail in support of the housing market analysis set out in Chapter 4. It contains information on prices obtained from the analysis of Land Registry property price data, and explains the methodology and approach used in our survey of local estate agents.

This survey is a key step which enables us to make an assessment of minimum and average property prices in the Southend-on-Sea. The market survey could only however shed limited light on small geographical differences in prices between different parts of the Borough, and could not put Southend-on-Sea in a local context compared with other nearby Local Authorities.

We can look at the wider context of prices in the surrounding areas, and also the differences between areas within Southend-on-Sea, using information available from the Land Registry. This data is valuable in giving further background to the local housing market. Even so, it cannot replicate or replace the data collected directly from estate/letting agencies. The reasons for this are explained below.

Following this, we explain the approach we used in conducting the survey of agents.

A1.2 The need for primary data

There are four main reasons why Land Registry data cannot be used to calculate prices for use in the affordability model. These are:

1. The information can only usefully give a guide to average prices. For a Housing Needs Survey we take the view that it is necessary to estimate the *minimum price* for which dwellings in satisfactory condition are available.
2. No information is available about the condition of the dwellings whose price is being obtained. Clearly a property which needs major repairs is unlikely to be suitable for a first-time buyer with a limited budget, even if the initial price is relatively low.

3. A more serious limitation of this source is that records are kept by property type (i.e. detached, semi-detached, terraced, flat) and not in terms of the numbers of bedrooms. This information is, in our view, essential to provide an accurate assessment of need.
4. The Land Registry data cannot produce information about rental prices, which again ought really to be considered in carrying out a satisfactory analysis of affordability. There may be a small, but significant, number of households who cannot afford to buy market housing (owing to a lack of deposit) but who could afford suitable private rented housing (having a high income). The affordability of such households cannot be adequately considered using only sale price information.

Despite these drawbacks the information available is certainly of interest to give some feel to the local context of property prices, and more specifically to provide comparison between prices in different areas.

A1.3 Estate agents survey: Methodology

The methodology employed to find purchase and rental prices takes the following steps:

- We establish the names and telephone numbers of local estate agents. This includes well known national estate agents as well as those operating specifically in the local area (allowing for good comparative measures of smaller and larger agencies). The estate agents selected are intended to be those dealing primarily with housing at the lower end of the market (e.g. not specialist agencies dealing with up-market properties)
 - These are then contacted by telephone and asked to give a brief overview of the housing market in the Borough - including highlighting areas of more and less expensive housing
 - The questioning takes a very simple form (this tends to improve efficiency without jeopardising results - people often lose interest when asked a series of detailed questions and quality of response is diminished). All agents are asked 'in their opinion'
- 1) What is the minimum and average price for a one bedroom dwelling in good condition (i.e. not needing any major repair) and with a reasonable supply (not one off properties occasionally coming onto the market)?
 - 2) This process is repeated for 2,3 & 4 bedroom dwellings.
 - 3) The same questions are then asked about private rented accommodation.

- Once several estate and letting agencies have been contacted, the results are tabulated and averages calculated to give an accurate estimation of minimum and average purchase and rental prices in the Borough. Any outlying values are removed from calculations.
- The estimated purchase and rental prices are then inserted into the analysis to estimate the numbers able to afford a dwelling depending on the minimum number of bedrooms that the household requires.

A1.4 Details of survey

In June 2002, *Fordham Research* carried out a housing market survey in the Southend-on-Sea Borough area. We successfully contacted a total of 18 estate and lettings agents covering the area.

These were:

Appointmoor Estate Agents
Bairstow Eves Ltd
Castle Estates
Dedman Estates
Douglas Allen & Co
Gardner's Estate Agents
Global Estates
Global Lettings and Management
Griffin Residential
Haart
Hair & Son
Hunt Roche (x2)
Penneck Estate Agents
PHD Lettings and Estates
Randall Property Services
Regis Direct
Spicer McColl

Their co-operation and assistance is gratefully acknowledged.

The agencies' locations were carefully chosen to give the widest possible coverage across the Borough area. Each was able to provide a significant amount of information about the market in their part of the Borough.

A1.5 Land Registry data

The Land Registry compiles information on all residential land transactions. Analysis of this data is made available for recent quarterly periods, for geographical areas including Council areas, and more highly disaggregated data postcode areas, and by four main dwelling types.

This data is thus very versatile, and can potentially provide a valuable picture of housing market behaviour in quite specific detail. However, an eye needs to be kept on the size of sample when using disaggregated data for smaller areas and/or periods.

We used the data to provide several useful views of the housing market in and around Southend-on-Sea. These are considered below.

A1.6 Comparing prices in neighbouring areas

Firstly, we used the Land Registry data to examine how prices in Southend-on-Sea compared to those in adjoining local authority areas. The table below shows average sale prices for the Local Authorities adjoining Southend-on-Sea (from the most recent quarter available from the Land Registry).

Table A1.1 Average property prices by Local Authority (1st quarter 2002)

Number of sales in brackets

<i>Property type</i>	<i>Southend</i>	<i>Thurrock</i>	<i>Castle Point</i>	<i>Basildon</i>	<i>Rochford</i>
<i>Detached</i>	£204,237 (122)	£195,152 (94)	£156,965 (159)	£219,542 (189)	£195,729 (106)
<i>Semi-detached</i>	£123,418 (261)	£125,858 (173)	£110,801 (190)	£127,964 (197)	£123,245 (145)
<i>Terraced</i>	£94,875 (189)	£95,980 (301)	£92,742 (39)	£91,110 (320)	£108,916 (43)
<i>Flat/Maisonette</i>	£64,630 (360)	£73,147 (232)	£70,184 (35)	£65,557 (132)	£66,424 (30)
Overall	£105,501 (932)	£107,472 (800)	£123,128 (423)	£124,715 (838)	£139,796 (324)
% of Southend-on-Sea figure	100.0%	101.9%	116.7%	118.2%	132.5%

Source: HM Land Registry, Property Price Data, 2002

The overall price figure (i.e. Southend-on-Sea at £105,501) suggests quite wide variations between areas. Southend-on-Sea appears to be the least expensive; Rochford, Basildon and Castle Point all have significantly higher prices.

However, looking at the distribution of sales by property type we can see that there are major differences. Flats/Maisonettes are the largest group in Southend-on-Sea, whilst in the remaining Local Authority areas either terraces or semi-detached properties dominate the figures. It is therefore more meaningful if we focus on the relative prices for each dwelling type, and produce a standardised overall average relative price, which is weighted by the pattern of sales in Southend-on-Sea. This is shown in the table below.

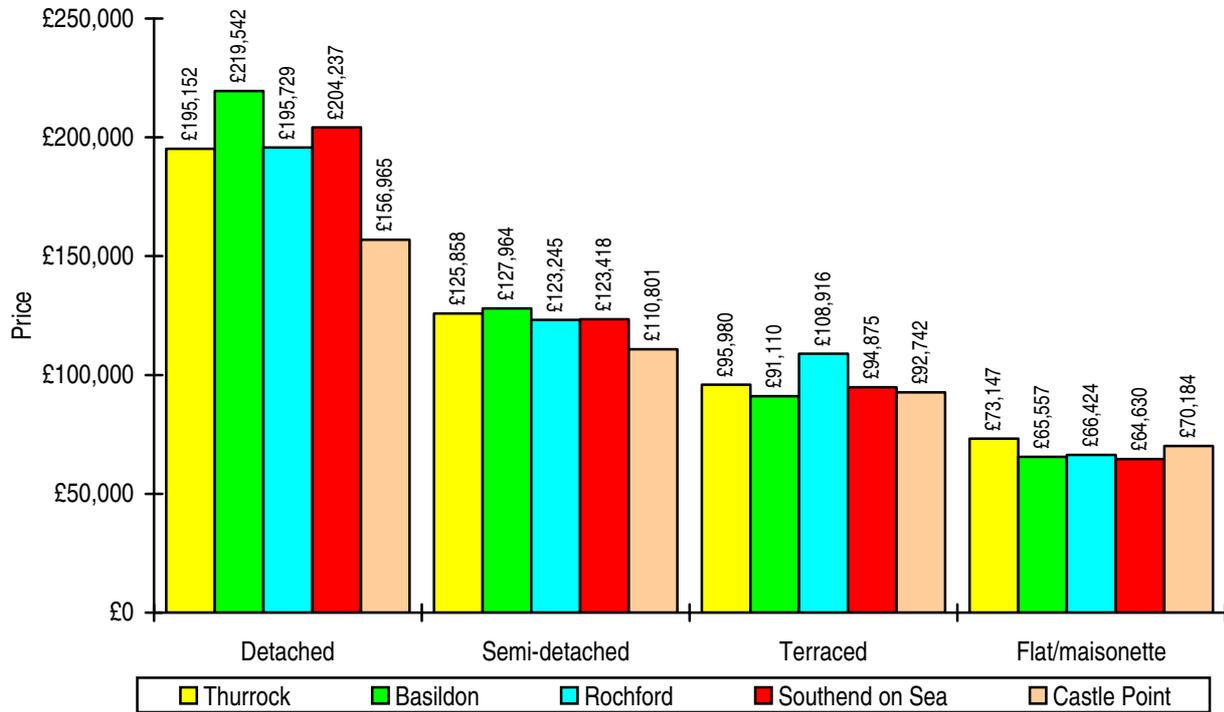
<i>Overall averages weighted by Southend-on-Sea Sales</i>					
<i>Property type</i>	<i>Southend</i>	<i>Thurrock</i>	<i>Castle Point</i>	<i>Basildon</i>	<i>Rochford</i>
<i>Detached</i>	100.0%	95.6%	76.9%	107.5%	95.8%
<i>Semi-detached</i>	100.0%	102.0%	89.8%	103.7%	99.9%
<i>Terraced</i>	100.0%	101.2%	97.8%	96.0%	114.8%
<i>Flat/Maisonette</i>	100.0%	113.2%	108.6%	101.4%	102.8%
<i>Weighted average</i>	100.0%	102.9%	92.4%	102.7%	102.3%

Source: HM Land Registry, Property Price Data, 2002

When the relative prices are weighted by Southend-on-Sea sales to give an overall figure, Southend-on-Sea emerges as the intermediately priced area on average. The averages have fallen significantly and it can be seen that the lowest price area on average has altered. Castle Point is now less expensive than Southend-on-Sea appears to be the least expensive at only 92.4% of Southend-on-Sea figures. The other Districts are now slightly more expensive than Southend, with Thurrock in first place. However the differences are very slight.

The figure below showing property prices in Southend-on-Sea and adjoining areas has been ordered by property type and the relative overall averages shown in the table above (from highest to lowest).

Figure A1.1 Property prices in Southend-on-Sea and surrounding areas (1st quarter 2002)



Source: HM Land Registry, Property Price Data, 2002

A1.7 Results for Southend-on-Sea as a whole

We will now examine in more detail information from the Land Registry for Southend-on-Sea. The table below shows data for sales in the last five quarters (to March 2002). The data shows steady increases in prices for all dwelling types, except that flat/maisonette prices drop slightly in the first quarter of 2002.

Table A1.3 Average property prices in Southend-on-Sea

<i>Property type</i>	<i>Number of sales in brackets</i>				
	<i>Jan - Mar 2001</i>	<i>Apr - Jun 2001</i>	<i>Jul - Sept 2001</i>	<i>Oct - Dec 2001</i>	<i>Jan - March 2002</i>
<i>Detached</i>	£171,120 (115)	£178,248 (169)	£190,655 (201)	£191,984 (179)	£204,237 (122)
<i>Semi-detached</i>	£107,581 (223)	£114,236 (333)	£116,448 (360)	£121,950 (419)	£123,418 (261)
<i>Terraced</i>	£79,673 (270)	£83,558 (296)	£85,454 (308)	£93,015 (305)	£94,875 (189)
<i>Flat/ maisonette</i>	£56,317 (364)	£62,645 (415)	£63,968 (458)	£67,091 (464)	£64,630 (360)
OVERALL	£88,149 (972)	£98,018 (1,213)	£102,381 (1,327)	£106,044 (1,367)	£105,501 (932)

Source: HM Land Registry, Property Price Data, 2002

A1.8 Differences within Southend-on-Sea

General methodology

The general methodology is quite straightforward. We have drawn up a list of which postcodes are prominent within the Borough and roughly mapped where in the Borough these postcodes are. The table below gives a brief description of which postcodes apply to which areas of the Borough.

It should be noted that the local authority boundaries are not coterminous with postcodes. Therefore some properties in a postcode will be outside the Borough; in addition it appears likely that some parts of the Borough are in a postcode zone which is prominently located outside the Borough, and are therefore excluded from analysis.

This means that the data by sub-area must only be regarded as indicative of the actual variations within The Southend-on-Sea Borough area.

Table A1.4 Approximate sub-areas and postcodes

Area no.	Postcode(s)	Description of area
1	SS9 3, 4, 5; SS0 0, SS0 9	Eastwood Park, Belfairs and Blenheim Park
2	SS9 1, 2, 3, SS0 8	West Leigh, Leigh and Chalkwell
3	SS0 7, 9; SS1 1, 2; SS2 5, 6	Westborough, Victoria and Milton
4	SS1 2, 3; SS2 4, 5;	St. Lukes, Southchurch, Kursaal and Thorpe
5	SS3 8, 9.	West Shoebury and Shoeburyness

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

The table above shows seventeen different postcodes in 5 different broad sub-areas. This gives us the opportunity to compare prices across the whole of Southend-on-Sea.

Results by sub-area

The data is available for the sub-areas shown below:

Table A1.5 Average property prices by sub-area (1st quarter 2002)

Property type	Number of sales in brackets				
	Area 1	Area 2	Area 3	Area 4	Area 5
<i>Detached</i>	£191,298 (35)	£223,810 (29)	£146,575 (6)	£230,510 (36)	£204,928 (14)
<i>Semi-detached</i>	£116,737 (97)	£150,793 (57)	£115,791 (79)	£120,709 (50)	£101,669 (28)
<i>Terraced</i>	£92,997 (49)	£126,584 (25)	£86,846 (92)	£85,073 (58)	£90,841 (31)
<i>Flat/ maisonette</i>	£56,971 (71)	£76,488 (105)	£57,182 (174)	£57,188 (88)	£57,785 (14)
Overall	£105,638 (252)	£121,674 (216)	£79,676 (351)	£104,744 (232)	£107,365 (87)

Source: HM Land Registry, Property Price Data, 2002

In the table below the prices for each area are shown as a percentage of the average price overall. The figures show that the prices for Area 2 (West Leigh, Leigh and Chalkwell) are the most expensive. When looking at the property types in the different areas of Southend-on-Sea it can be seen that the prices of flats or maisonettes and terraces outside Area 2 are fairly similar across the Borough but the differences become more marked when considering detached and semi-detached properties. The data for Area 3 shows the effect of the small number of detached sales and high number of flat / maisonette sales on the overall average, as this then appears to be the lowest priced area in the Borough.

The table below shows the relative property prices by sub area as percentage of the average prices. It is necessary to bear in mind that the number of sales in some cells of the table is really quite small.

Table A1.6 Property prices as a percentage of the average prices by sub-area (1st quarter 2002)

<i>Property type</i>	<i>Area 1</i>	<i>Area 2</i>	<i>Area 3</i>	<i>Area 4</i>	<i>Area 5</i>
<i>Detached</i>	91.0%	106.4%	69.7%	109.6%	97.5%
<i>Semi-detached</i>	95.7%	123.6%	94.9%	98.9%	83.3%
<i>Terraced</i>	101.1%	137.6%	94.4%	92.5%	98.7%
<i>Flat/maisonette</i>	92.4%	124.1%	92.7%	92.8%	93.7%
Overall	95.1%	125.1%	91.3%	96.2%	92.4%

Source: HM Land Registry, Property Price Data, 2002

APPENDIX A2 FURTHER DETAILS FROM DTLR GUIDANCE

A2.1 Introduction

The Housing Needs Survey report follows the 'Basic Needs Assessment Model' set out by DTLR. However the DTLR Guide (which runs to 171 pages) also contains more detailed information about Housing Needs Surveys, some of which may be relevant in the case of Southend-on-Sea. This appendix considers some of the other information contained within the Guide and has been written following comments on other Housing Needs Surveys carried out by *Fordham Research* since publication of the Guide.

A2.2 The use of secondary data

(i) Housing Registers

The DTLR guide suggests that there may be other methods for collecting information required as part of a Housing Needs Survey (other than through primary questionnaire based research). One of the main sources for this is the Housing Register.

DTLR guidance [Section 2.4 (page 24)]

'For many of the elements of this calculation [the Basic model] there may be more than one potential source of information. This may be valuable for cross-checking estimates, but there are likely to be some differences.'

DTLR guidance [Section 2.4 (page 24)]

'Housing Registers have traditionally been the main immediate and ongoing source of information of need and demand for social housing. Where housing needs surveys are available, they are likely to be most useful for monitoring and updating demand [need] estimates over time between surveys.'

DTLR guidance [Section 2.4 (page 24)]

'for monitoring new need, it is essential to monitor the number of new applications and the number of existing applicants whose application is deleted or suspended on re-registration.'

The DTLR guide (from the quotes above) recognises that the Housing Register is really a secondary source of information and is best used as a means of monitoring changes over time (as needs data becomes more out of date). It also recognises that in monitoring the Housing Register it is important not to look at the total numbers registered but the dynamics of the List. It has been a common misconception that a static Housing Register means that there is no increase in housing need in an area.

Information provided in '*Housing Need and the Need for Housing – Fordham et al (1998)*' suggests '*It has been our observation over a period of years that Housing Register totals are often remarkably stable over time. This is despite the fact the Registers are typically rapidly changing: upwards of a third or half the Housing register households may change each year. This is a striking feature, and potentially significant*'.

(ii) Household projection data

At first hand it seems logical that household projection data might be able to provide information about the likely future change in the need for affordable housing. This however is often not the case. This is because such projections are not usually broken down into a useable form (e.g. containing separate information about household formation and dissolution (mainly through death), and in/out-migration trends). In fact most projections are based on populations (i.e. births, deaths and migration) and then household estimates derived by applying headship rates to the data. It is separate data about household formation which would be particularly useful for a Housing Needs Survey. This fact is recognised by DTLR.

DTLR guidance [Section 7.2 (page 93-94)]

'It is important to distinguish net and gross household formation. In the past some local needs assessments undertaken by consultants have used net household growth as a basis for projecting forward gross household formation. This is not strictly correct, although there may be a relationship between these numbers'

Household projection data can however be useful in deriving an estimate of the number of households in an area at the time of carrying out a survey – although other information sources can also be used (e.g. H.I.P. returns or the Register (usually Council Tax) from which the original survey sample was drawn).

A2.3 Concealed/potential households

This section concerns the methods used to highlight the numbers of potential households in the survey and also the measure of affordability for these households. This has been a topic of much debate (even within the DTLR's own guidance).

(i) Numbers of potential households

The first point concerns the actual numbers of potential households in the survey. Methods of collecting this data are slightly contradictory in the DTLR guidance.

DTLR guidance [Section 4.4 (page 60)]

*'Potential households are... those adults and families who currently live in other household units but **wish** or **intend** to move out and live separately'. (our emphasis)*

DTLR guidance [Section 4.4 (page 60)]

*'Determining... potential households can be achieved by asking the main household respondent for their opinion as to whether the people concerned **need** separate accommodation...'. (our emphasis)*

The Housing Needs Survey asked households if they needed or were likely to move home (in a given time period). The guide suggests that it should be possible to validate figures by looking at past trends in the numbers of households forming. There are problems with this (particularly as such a group are likely to be particularly mobile) however it is agreed that the survey has scope to check the numbers of households forming in the past with those forming in the future.

DTLR guidance [Section 4.4 (page 61)]

'A... reliable approach to this issue is to base the profile of new households on the characteristics of identified newly forming households in the recent past. This draws on information about the former housing circumstances of recent movers identified in the survey – i.e. those households who had recently moved into their current home and who were not previously head or partner of an existing household'.

The Guide, however, also advises caution with this approach.

DTLR guidance [Section 2.4 (page 25)]

'... even here care is needed. Some potential households may not have been able to form owing to [a] lack of suitable, affordable accommodation'.

A2.4 Updating survey results

Updating of surveys is an important issue: a survey costs a lot of money and cannot be repeated very frequently. It is not always obvious to a council that any immediate practical advantage will follow from a survey: it is more a matter of meeting a Government requirement. However, the pressure on councils arising from Best Value and Business Planning, means that the data from such surveys is becoming more and more valuable. What follows is a review of what the DTLR Guide (July 2000) says on the matter and our own comments on what can usefully be done.

(i) What the Guidance says

The Guide says (Section 3.4) that surveys should be repeated 'every five to seven years'. It adds (p 52) that Councils should consider commissioning surveys every 3-5 years. This allows a wide range of choice for re-doing the full survey. The best choice will depend on local judgement as to the rate of change of key circumstances in each Borough.

In addition to the question of when to redo the main survey, there is the question of what should be done to update the information during the 3-7 year gap between surveys. The Guide points out, in the same section, that while demographic changes are fairly predictable over a five year period, issues such as migration, property prices and incomes can be more volatile.

The Guide then points out that main surveys are very expensive, thus putting a premium on other means of updating. It canvasses the idea of postal update surveys, but adds that other approaches, such as updating the original dataset with new price information '*may be more robust than a postal survey update*'. Various suggestions are made in other parts of the Guide about projecting key information.

DTLR Circular 6/98 (on affordable housing) also contains a relevant comment. In relation to local plan policies on affordable housing, and how to define effectively that it is affordable to those in housing need, it says:

'Definitions [of affordability] should be framed to endure of the life of the plan, for instance, through reference to the level of local incomes and their relationship to house prices or rents, rather than to a particular price or rent' para 9 (a)

As can be seen, this advice is geared to establishing reference to some index which can be updated during the 5-10 period of a local plan. Thus for example it could be a number such as that affordable rents must not exceed X% of current incomes. This is another aspect from which the updating of housing needs information can be crucial, since Housing Needs Surveys are the sole reliable source of household income information.

(ii) Updating in the context of this survey

Following the Guidance, it does not seem sensible to pursue the course of a postal update. *Fordham Research* has used them in the past, to provide a broad brush check that the information in the Housing Needs Survey has not fallen significantly out of date. Such postal surveys can do this, but they cannot be used to literally update the primary data.

What we have done instead, often in the context of surveys done before the DTLR Guide was published, is to update the survey for the change in Government guidance, and at the same time undertake the property price/rent survey again and project the incomes in the original Housing Needs Survey to check whether prices have moved ahead faster than incomes (as they normally have). In that case, we can say with confidence that the housing needs situation will not have got any better, and will probably have got worse than at the time of the original survey.

This kind of analysis is quite feasible and provides updated information for housing strategies and planning inquiries that cannot reasonably be challenged.

The further possibility, that is currently being investigated by *Fordham Research*, arises from a suggestion in our book *'Housing Need and The Need for Housing'* (Ashgate 1998, pages 288-89). The suggestion was to link key categories of unsuitable housing from the Housing Needs Survey to those used in the Housing Register. This proposal was repeated in the DTLR Guide (p 103, bottom bullet point). It offers a way of automatically updating the housing needs evidence between surveys. The practicalities of doing so are currently being investigated by *Fordham Research* in a Housing Corporation sponsored project. When the results are available, it may be possible to carry out more systematic updates of a Housing Needs Survey during its life-span.

(iii) Summary

Keeping survey data as up-to-date as possible is an important consideration for any Local Authority carrying out housing needs surveys. There are many ways suggested of keeping results up-to-date (without carrying out full scale surveys) but the easiest and most defensible appear to be to monitor changes in the local housing market and income levels to predict whether or not housing in a local area has become more or less affordable.

APPENDIX A3 STATISTICAL PROCEDURES APPLIED TO SURVEY DATA

A3.1 Introduction

The survey data used to assess levels of housing need in Southend-on-Sea was based on a hybrid survey approach that combined both a personal interview survey with a postal survey. Of the two survey approaches, non-response is more common in postal surveys and in order to overcome a number of problems that this generates a standard imputation procedure was employed. Set out below is a summary of the difficulties arising from missing data and the imputation procedure used to minimise these problems in Southend-on-Sea.

A3.2 Non-response and missing data

Missing data is a feature of all housing needs surveys: mainly due to a respondent's refusal to answer a particular question (e.g. income). For all missing data in the survey imputation procedures were applied. In general, throughout the survey the level of missing data was minimal. The main exception to this was in relation to financial information, where there was some item non-response.

Non-response can cause a number of problems:

- The sample size is effectively reduced so that applying the calculated weight will not give estimates for the whole population
- Variables which are derived from the combination of a number of responses each of which may be affected by item non-response (e.g. collecting both respondent and their partners income separately) may exhibit high levels of non-response
- If the amount of non-response substantially varies across subgroups of the population this may lead to a bias of the results

To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

The specific method used was to divide the sample into subgroups based on relevant characteristics and then 'Probability Match' where a value selected from those with a similar predicted value was imputed. The main subgroups used were tenure, household size and age of respondent. Additional specific sub-groups include recent movers, special needs households and households containing potential households.

APPENDIX A4 ADDITIONAL SURVEY INFORMATION

A4.1 Introduction

This Appendix studies information collected in the housing needs survey but not analysed as part of the main assessment of housing need. This includes additional information about the Housing Register, the current location of potential households and Black and Minority Ethnic Group analysis.

A4.2 The Housing Register

It is of interest to briefly compare the estimates of need from this survey with estimates from the Housing Register. The survey estimates that some 1,440 existing households are currently registered on the Housing Register (excluding those currently living in social rented housing) and a further 528 potential households. This makes a total of 1,968 households, this compares with an estimate from the 2002 H.I.P. return of 1,814 which has been rising over time. This suggests that the survey estimates are of the right magnitude.

The table below shows the current housing needs situation for both existing and potential households in relation to registration on the Housing Register. The table shows that there are a total of 2,952 households who are either in housing need or registered on the Housing Register. Of all households on the Housing Register it is estimated that 32.8% are also in housing need as defined in this report. Of the 1,628 households defined as in need, 39.6% are registered on the Housing Register. These figures suggest that the Councils Housing Register does not fully reflect housing need as defined in this report and by the Government although there is certainly a clear link (given that overall only 2.7% of existing households are currently estimated to be in housing need).

Table A4.1 Housing need and registration on Housing Register

<i>On Housing Register?</i>	<i>Housing need</i>		TOTAL
	<i>In need</i>	<i>Not in need</i>	
Yes	645	1,324	1,968
No	983		983
TOTAL	1,628	1,324	2,952

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

A4.3 Location of potential households

Tables 7.10 and 8.1 show that there are an estimated 10,456 potential households in the Borough (before taking into account 'coupling', when households need or are likely to move and migration patterns). It is of interest to look at the geographical distribution of these households in relation to the total number of households in each sub-area. This is shown in the table below.

Table A4.2 Number of potential households and sub-area

<i>Sub-area</i>	<i>Potential households</i>			<i>Potential households as % of total potential households</i>
	<i>Number of potential households</i>	<i>Number of h'holds in group</i>	<i>Potential households as % of group</i>	
<i>Eastwood Park</i>	776	3,986	19.5%	7.4%
<i>Belfairs</i>	409	4,015	10.2%	3.9%
<i>West Leigh</i>	876	3,790	23.1%	8.4%
<i>St. Laurence</i>	608	4,407	13.8%	5.8%
<i>Blenheim Park</i>	587	4,205	14.0%	5.6%
<i>Leigh</i>	441	4,726	9.3%	4.2%
<i>Prittlewell</i>	539	4,403	12.2%	5.2%
<i>Westborough</i>	671	4,531	14.8%	6.4%
<i>Chalkwell</i>	474	4,206	11.3%	4.5%
<i>St. Lukes</i>	785	4,752	16.5%	7.5%
<i>Victoria</i>	540	4,872	11.1%	5.2%
<i>Milton</i>	463	5,159	9.0%	4.4%
<i>Kursaal</i>	361	4,588	7.9%	3.5%
<i>Southchurch</i>	662	3,938	16.8%	6.3%
<i>Thorpe</i>	662	4,018	16.5%	6.3%
<i>West Shoebury</i>	784	4,055	19.3%	7.5%
<i>Shoeburyness</i>	818	4,346	18.8%	7.8%
TOTAL	10,456	73,995	14.1%	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

A4.4 Black and Minority Ethnic households

Information was gathered in the survey to find out the ethnic origin of the head of household (and partner if applicable) for each sample household in the survey. The categories used on the survey forms were consistent with those used in the 2001 National Census. The table below shows estimates of the number of households in each of four main ethnic groups. For the analysis in the table below the ethnic group of the survey respondent is taken to represent the head of household.

The table shows that the vast majority of households in Southend-on-Sea are White (97.8%). The sample sizes in each ethnic group other than White are not large enough to carry out any further meaningful analysis.

Table A4.3 Number of households in each ethnic group

<i>Ethnic group</i>	<i>Total number of households</i>	<i>% of households</i>	<i>Number of returns</i>	<i>% of returns</i>
<i>White</i>	72,365	97.8%	2,534	97.8%
<i>Asian</i>	553	0.7%	19	0.7%
<i>Black</i>	492	0.7%	16	0.6%
<i>Mixed & other</i>	585	0.8%	21	0.8%
TOTAL	73,995	100.0%	2,590	100.0%

Source: Southend-on-Sea Borough Council Housing Needs Survey 2002

NB The ethnic group of the household is taken as the ethnic group of the respondent to the survey. The groups used have been re-grouped from 16 different ethnic groups used on the survey form (For example the 'White' group contains British, Irish and White-other).

APPENDIX A5 SURVEY QUESTIONNAIRES

