

**Brighton & Hove**

# 2005 Housing Needs Survey



Summary Report  
by



HOUSING • PLANNING  
REGENERATION • CONSULTANTS

This report contains a summary of the results from an assessment of housing needs conducted by DCA on behalf of Brighton & Hove City Council, as part of the Pan Sussex Sub-Regional Study conducted with all five East Sussex Councils and the unitary authority of Brighton & Hove City Council.

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

The overall aims of the project were:-

- ▶ To inform the development of each Council's Housing Strategy and other relevant strategies and plans;
- ▶ To provide robust information to support Housing and Planning policies;
- ▶ To assist in the provision of data in relation to the number, type and location of affordable new homes required over the next five years and beyond;
- ▶ To inform the decisions concerning future housing provision in relation to household aspirations.

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

- ▶ A postal questionnaire of 14,175 households in 21 wards forming 6 sub-areas across the City (see sub-area map inside this summary);
- ▶ A housing market survey utilising the Land Registry and Halifax House Price databases and a telephone survey of estate agents on the supply and cost of private rented housing;
- ▶ Secondary data analysis drawing upon HIP<sup>1</sup> and Housing Register data on the flow of social stock and need, the 2001 Census, household and population projections and other national research;
- ▶ Face to face interviews with older people, young people, Black and Minority Ethnic (BME) households, and people with learning disabilities on a sub-regional basis across all 6 Districts of East Sussex. Each group was interviewed using a dedicated questionnaire.

## KEY FINDINGS OF THE SURVEY

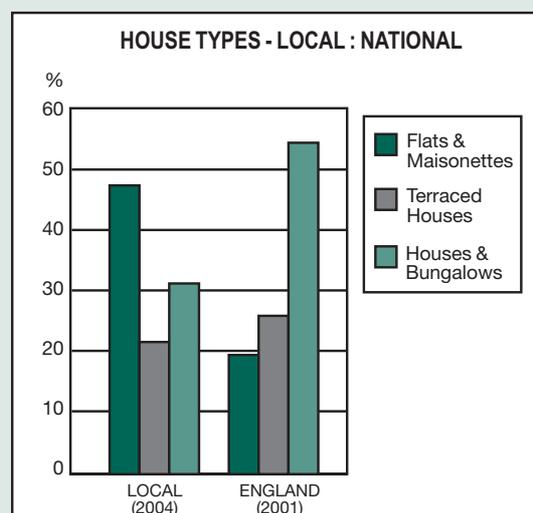
- ▶ 81.4% of households live in accommodation suitable for their needs. Satisfaction ranges from 96.1% in the owner occupied sector to 64.2% in the Private rented sector;
- ▶ Flats and terraced houses average cost is £167,067 and £246,975 respectively and affordability is a major issue, particularly for new forming households;
- ▶ 67% of concealed households cannot afford private rental and home ownership is beyond the reach of 80% of concealed households, even though nearly 20% of them earn over £27,300 pa;
- ▶ The social stock is 15.7%, considerably lower than the national average of 19.3%, and provides 1,318 net re-let units each year;
- ▶ Annually, 2,520 affordable housing units are needed, 1,202 more than existing supply from re-lets, a new supply requirement significantly greater than current delivery levels;
- ▶ The total population is projected to increase but the retired age group will increase by 6.9% by 2021. There is a strong correlation between ageing and disability. 51.5% of people with a support need are over 60 and 52.3% of them have a walking difficulty.

<sup>1</sup>Housing Investment Programmes. Refers to the local authority's annual bid for capital resources from the Government

## THE HOUSING STOCK

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

Locally, the proportion of houses and bungalows (31.0%) is much lower than the national average of 54%. The supply of terraced properties is 21.5%, lower than the national average of 54%, and flats / maisonettes at 47.4% are below the national average of 20%.



# THE CITY POPULATION - FUTURE PROJECTIONS

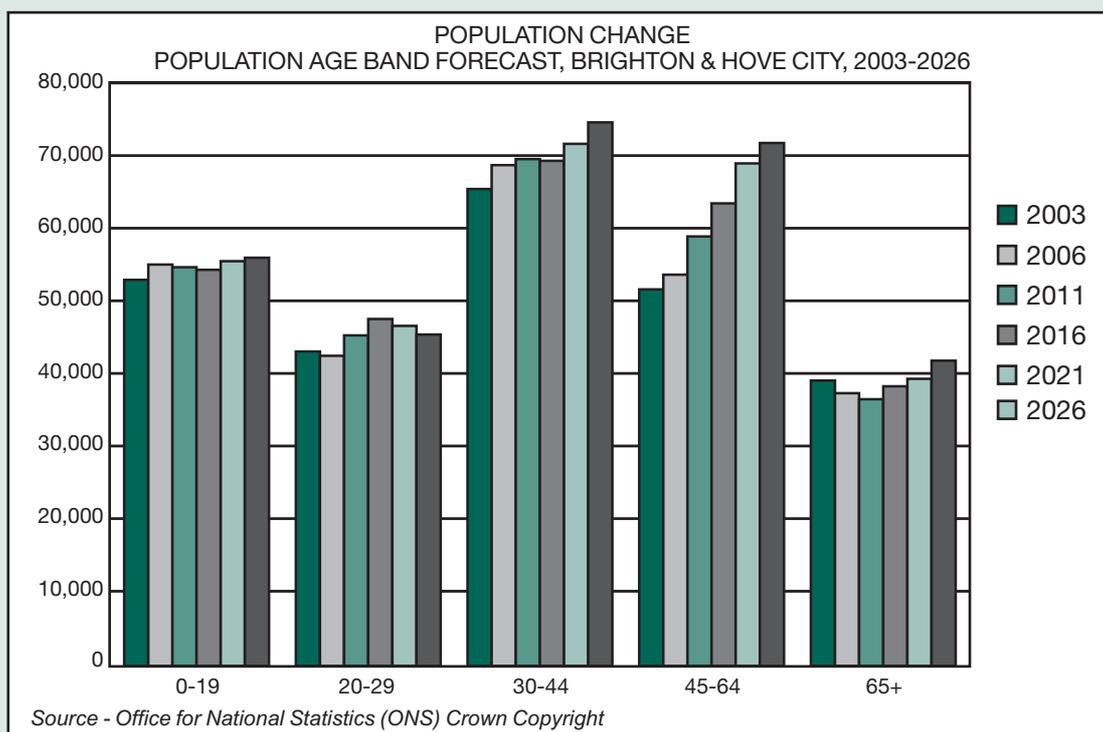
An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a number of factors - numbers of births and deaths, how the population is ageing, and the migration of people into and out of the area. The number of households rises and falls over time in response to these and is also affected by changes in the pattern of marriages and divorces and the general economic climate.

## What about the future?

The population estimates are based on Brighton and Hove City Council projections (2003) and ONS 2003 long term sub-national projections published by the ONS in 2004. The 2001 Census data has been taken into consideration in the production of these projections.

The 2003 based projections indicate that the population will increase by approximately 37,400 people 14.9% over the 23 years to 2026, rising to 288,900 by 2026, increasing at an average annual rate of approximately 0.6%.

- ▶ The 0-19 age range shows an increase overall (3,100; 5.9%). Figures fluctuate throughout the forecast period, rising between 2003 and 2011 (1,500; 2.8%), almost static from 2011 to 2016 and a rise up to 2026;
- ▶ The 20-29 age range comprises new households forming and will have implications for future affordable housing need both in the short and longer term. Overall this age group shows a rise (2,600; 6.1%), with the most significant increase seen between 2006 and 2011 (3,400; 8.0%);
- ▶ The 30-44 age group, the main economically active and household moving group shows a rise (8,900; 13.6%). There is an increase of 4,200 people in the current decade to 2011;
- ▶ The 45-64 age group shows the most significant rise over the forecast period with an increase of 20,200 individuals. There is a steady rise throughout the forecast period with the main increase occurring between 2011 and 2016 (5,000; 8.5%). Numbers rise by 7,200 to 2011;
- ▶ In the over 65 age group an increase of 2,700 individuals is seen over the forecast period. A fall is forecast up to 2011 followed by a rise for the remaining forecast period;
- ▶ The "older" population within the retirement group, those 80 and over grows significantly by 59.8%, 5,500 more people by 2026. Over a quarter of all people with a disability are over 75 and over half have a walking difficulty, with likely requirements for adaptations and support services. The link between ageing and frailty is therefore significant. This group represents 14,700 people in the area by 2026 who are much more likely to have care and support needs which should now be assessed in detail.



The housing market is the context against which all the housing needs of the area are set. In particular, house price information is the basis on which the “affordability” of housing is measured for low-income households. In essence, we are seeking to establish who cannot afford to enter into the market. This data is then related to the problems faced by the “concealed households” in the area, i.e. households living with friends and relatives unable to gain access to the housing market.

## National and Regional Context

UK house price inflation for the year ending 31st December 2004 was recorded by Halifax Index at 15.7% and the Land Registry at 11.7%. House price inflation in the fourth quarter of 2004 slowed in most regions with an overall increase of 0.1%, well below the 2.7% gain in the third quarter of 2004.

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

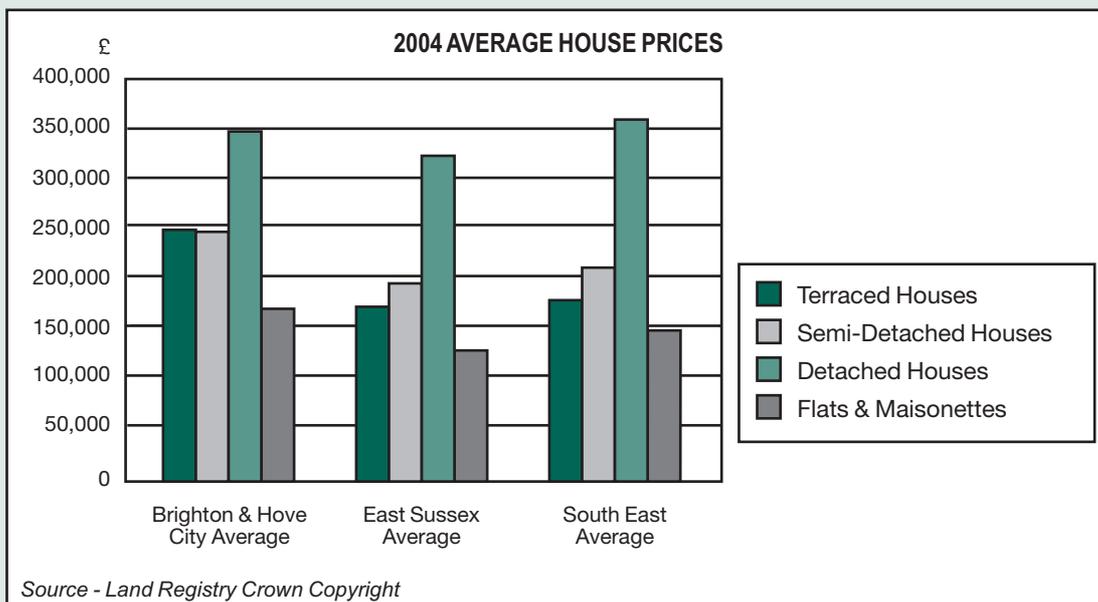
## The Brighton & Hove City Housing Market

The evaluation of the market in Brighton & Hove is based on specially prepared information taken directly from the Land Registry database for the year to 31st December 2004 and an analysis of local estate agency sales looking at entry level properties.

The average semi-detached dwelling was sold for £246,651, higher than the East Sussex average of £192,550. The graph shows semi-detached house prices in the City are higher than the average for East Sussex, reflecting the level of prices for all property types in the City.

Based on a 95% mortgage availability and a 3-times gross income to lending ratio, an income of £29,200 is required to buy a one bedroom flat in Sub-Area 5. A two bedroom flat requires an income of £39,000 in Sub-Area 4 rising to £58,200 in Sub-Area 6. Terraced properties require an income of £49,000 in Sub-Area 1 and £61,500 in Sub-Area 3. The median income with Brighton and Hove is £22,981<sup>2</sup> suggesting that those with this income would be unable to afford a one bed flat.

We assess flats/maisonettes to be the main access property for first time buyers in view of their lower cost and availability through a higher volume of sales. 80% have inadequate income to be able to buy and 67% cannot afford to rent privately even the smallest one bed flat, although in size it will not meet the needs of all concealed households, some of whom already have children. Additionally, private rent is not the housing preference of the majority of households and even where this is the case lack of supply may cause some households to have to leave the City to meet their requirements. The sub-regional nature of this survey means that analysis of this type of migration in detail will be possible for the first time.



<sup>2</sup> Source; Economic Development Brighton and Hove City Council.

## KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork for the study took place in January 2005 and provides a detailed picture of the current and future housing needs and preferences in the City. The study consisted of a postal questionnaire to 14,175 households in 6 Sub-Areas across the City. 3,791 responses were achieved in total, providing statistical confidence at 95% ± 1.30% confidence interval. 3.3% of all households in the City participated in the survey.

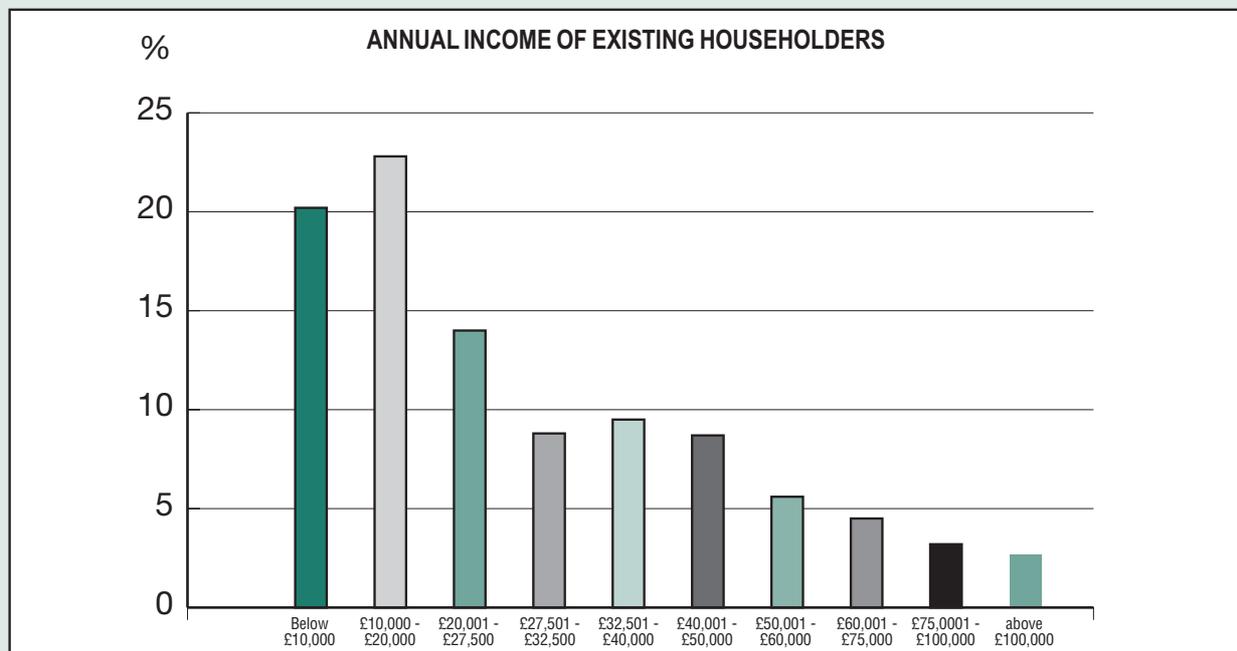
The “implied” numbers are our assessment of the total numbers after applying a sub area weighting factor to represent the total population. Below we present in summary form, the key findings from the survey with a particular emphasis on the needs of concealed households.

### Adequacy of the Existing Stock

- ▶ The vast majority of households have access to all the basic amenities and the perception of most residents is that their homes are well maintained and not in need of improvement;
- ▶ Some 81.4% of households say that their accommodation is adequate for their needs. 18.6% (21,009 implied) say that it is inadequate. The largest single issue for those reporting an inadequacy which could be resolved in-situ (without moving) was that the dwelling needed improvement / repairs (88.6%). Of those requiring a move, 68.7% (11,608 implied) indicated that the dwelling was too small;
- ▶ Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 31.3% of all households and over-occupation affects 2.5%.

### Costs of Present Housing and Household Income

- ▶ 21.6% paid less than £60 p.w. 33.7% paid less than £70 p.w. Of owner occupiers with a mortgage, 40.8% pay less than £350 per month. Around 1.4% of owner-occupier households pay in excess of £1,300 per month;
- ▶ 20.2% of households have incomes below £10,000, well below the corresponding UK figure (28%). 56.6% of households in the City have incomes below £27,300 the UK average ;
- ▶ 35.5% of households were in receipt of financial support (40,408 implied), of whom 52.8% (21,339 implied) were in receipt of Housing Benefit or 48.1% of renters in the sample, and 9% lack of affordable housing to rent.



### Moving Households

- ▶ 16,590 existing households and 5,817 new households will be moving within Brighton & Hove City in the next three years;
- ▶ 10,701 existing and new forming households anticipate moving away from the City. In the case of existing households moving, the single most common reason given for moving away was lack of affordable housing to buy (39.6%) and to rent (19.5%). In the case of concealed households moving, the most common reason was employment (50.4%) but with 24.7% leaving because of the lack of affordable housing to buy and 9% to rent.

## Support Issues

- ▶ 19.8% of households in the City contain somebody with a support need (22,362 households implied), of which 14.0% had two members affected. 51.5% of all household members were over 60, 25.9% under 45;
- ▶ The largest group (11,316 implied) affected by a named support need were those with a walking difficulty but who do not use a wheelchair, representing 52.3% of those with a support need;
- ▶ Around 8.1% of these households contained someone who was a wheelchair user, suggesting around 1,765 in the City as a whole. 21.4% of wheelchair user households live in a property with suitable adaptation;
- ▶ Of household members with support needs, some 25.7% (2,986 implied) felt they needed care or support which is not currently provided;
- ▶ 11.7% of all dwellings (13,242 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 46.9% have handrails / grabrails, 36.2% have bathroom adaptations and 41.8% have had adaptations to enable access to their property and 36.2% have bathroom adaptations.

## CONCEALED HOUSEHOLDS

Concealed households are people who could not afford to be in the housing market and are living within another household. We found that around 5.1% of households contained one or more households seeking independent accommodation giving a total of 5,817 cases over the next three years to 2007. 65.4% are the adult children of existing City residents.

In the concealed households group:-

- ▶ 58.5% of the people in these concealed households are between 20 and 29 years of age and 22.5% are over 30;
- ▶ 48.4% of households are being formed with a partner living in a separate household elsewhere in the City;
- ▶ Only 2.6% of those concealed households needing social rented housing were registered on a housing waiting list. All being on the Brighton & Hove City Council List;
- ▶ 53.3% (3,100 implied) of the concealed households want to owner occupy, 24.1% (1,402 implied) preferred private rent and 11.9% (692 implied) prefer Council rented. 5.6% (326 implied) want HA rented.

Their needs and preferences for specific house types were:-

Type	Need %	Preference %	Current Stock %
Flat	63.3	51.8	47.4
Terraced	14.3	16.6	21.5
Semi-detached	5.7	16.0	20.1

Size	Need %	Preference %	Current Stock %
One Bed	63.7	26.5	26.2
Two Bed	29.4	56.2	32.5
Three Bed	6.4	14.5	28.9

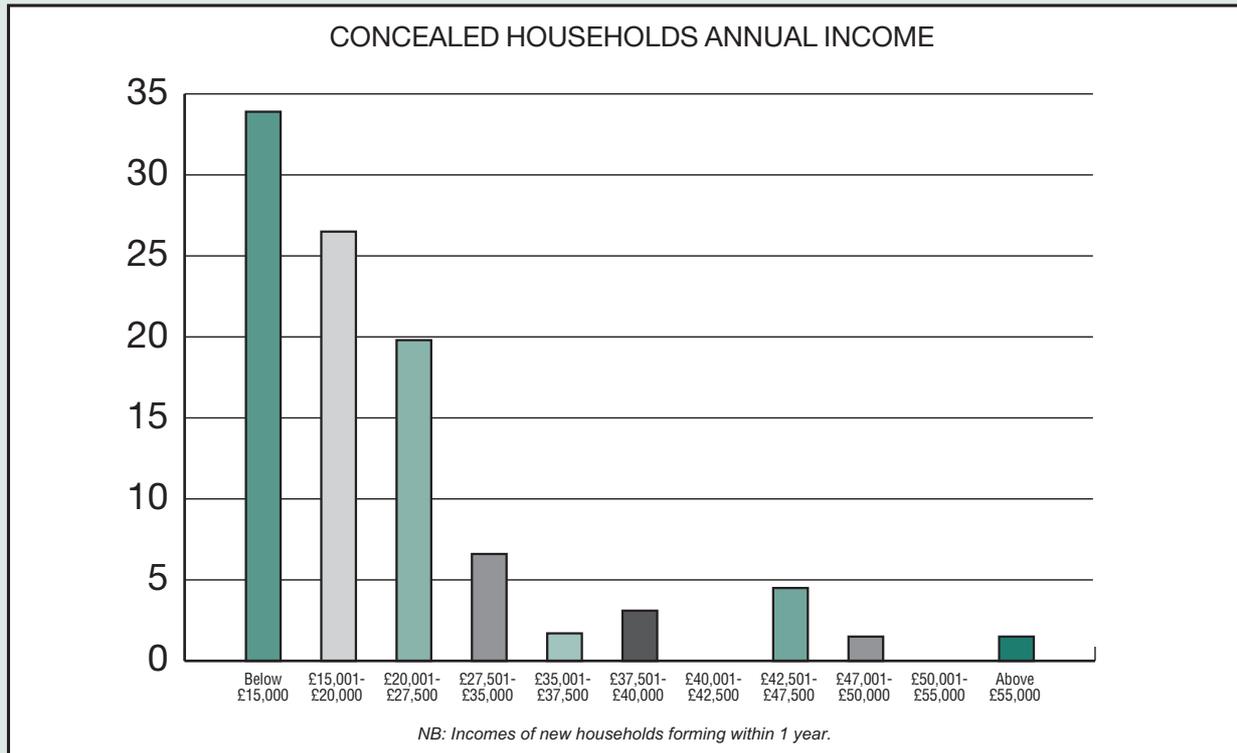
Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher preference for flats (51.8%) than terraces (16.6%) than are present in the existing stock of flats (47.2%) and terraces (21.5%).

## A SUMMARY OF THE MAIN FINDINGS

### Concealed Households' Housing Costs and Incomes

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

- ▶ 30.8% could afford a weekly rent of no more than £70 and 48.9% no more than £80;
- ▶ 54.9% could not afford a mortgage of more than £400 per month;
- ▶ 33.9% have household incomes below £15,000 per annum, 26.5% earn between £15,000 - £20,000 and a further 19.8% between £20,001 and £27,500, 86.8% in total earning below £35,000.



### Affordability and Entry to Market Housing

The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available.

Based on 95% mortgage availability and a 3-times gross income to lending ratio it is estimated that a new purchaser would need an annual income of £29,200 to buy a one bedroom flat in Sub-Area 5, rising to £36,800 in Sub-Area 2. A two bedroom flat requires an income of £39,000 in Sub-Area 4 rising to £58,200 in Sub-Area 6.

Although the average price of flats /maisonettes according to the Land Registry survey is £167,067, entry levels for a 1-bed property start at £92,075 in Sub Area 5, rising to £116,257 in Sub Area 2. Entry levels for 2-bed flats start at £123,113 in Sub Area 4 rising to £183,745 in Sub Area 6. The median income of £22,981 in Brighton and Hove allows for a mortgage cost of £72,572; suggesting that those on this income would be unable to afford even a one-bed room flat.

The survey findings indicate that access to home ownership is beyond the reach of 80% of the concealed households identified in the DCA Survey based on entry level stock in the six Sub Areas.

### Housing Stock Balance Analysis

The nature and turnover of the existing housing stock is vitally important in meeting current and future housing demand in all tenures. The information gained from a separate detailed stock flow analysis will be of major benefit to the development of site development briefs for the delivery of both private sector and affordable sectors, balancing housing markets and in longer-term business planning. This data will be available within the Dwelling Balance Analysis, a corollary report to the main survey report.

## CONCLUSIONS

- ▶ Although a considerable spread of incomes is evident, a number of people live on relatively low incomes. Consequently, the two most important issues are the problem of affordability and the level of “concealed” households living within an existing household, the vast majority of whom are not recorded on a register of housing need.
- ▶ The house price and income study shows that 67% of these “concealed” households are not able to afford to rent even the cheapest available private housing in the City and 80% cannot access owner occupation, even though nearly 20% of them earn over the national average income of £27,300.
- ▶ 89.1% of all concealed households in Brighton and Hove earn under £29,200, the income necessary to purchase the cheapest entry level property.
- ▶ There is a shortfall of flats in the existing stock which should be addressed, along with the need for affordable larger family housing to ensure there is a mix of house types and sizes available, in line with the principles in PPG3 Housing and to provide balanced housing markets.
- ▶ The assessment of annual affordable housing need and supply reveals the following:-

Total annual need	2,520
Total Supply from re-lets	1,318
Net annual outstanding need	1,202

- ▶ The total affordable housing need annually is for 2,520 units. Re-lets of the existing social stock average 1,318 units and is the major means of addressing the scale of need identified. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 1,202 units which projected over the six year period to 2011 is a total of 7,212 units.
- ▶ The level of annual need is much higher than the number of units likely to be able to be delivered from new delivery and conversions, resulting in growing levels of unmet need each year. However, it is vital to attempt to deliver as many units as possible and a target of 45% of new units from the total of all sites in the City should form the basis for negotiation as subsidised affordable housing.
- ▶ A significant finding from the study is the projected 15% increase in the retired population and 60% in the over 80 year old population between 2003 and 2026. In view of the relationship between increasing age and dependency, consideration will need to be given to the related housing and care needs of this particular sector if the needs of this group of people are to be effectively addressed.
- ▶ Existing and concealed elderly households express a need for 4,107 sheltered units over the three years to 2007, including a potential in-migration of 2,773 elderly households moving to be beside their family in the City. 2,346 units needed in the affordable sector and 1,761 in the private sector. There may be some similar out-migration and the flow of the existing sheltered stock should address some of the need. Demand for this group was predicted by the children of elderly people.
- ▶ The Survey identified a need for 768 units of independent accommodation with a visiting support worker, 125 units of independent accommodation with a live in carer, 47 units of residential / nursing homes and 62 units of extra care sheltered housing over the next three years to 2008.
- ▶ To address the requirements of disabled people there is a need to:-
  - ▶ Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people;
  - ▶ Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.

May 2005