Sub Regional Housing Needs Study

Summary Report by

HOUSING • PLANNING
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HOUSING NEEDS ASSESSMENT

This report contains a summary of the results from Housing Needs Surveys carried out across the East Sussex and Brighton and Hove Sub-Region. The assessment was conducted by David Couttie Associates (DCA), on behalf of the following 6 Local Authorities:

- Brighton & Hove City Council
- Eastbourne Borough Council
- Hastings Borough Council
- Lewes District Council
- Rother District Council
- Wealden Borough Council

Within a co-ordinated sub-regional process, individual assessments were conducted for each of the above Local Authorities.

The key 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 three years and beyond;
- to inform the decisions concerning future housing provision in relation to household aspirations;
- to support the Council s contribution to County-wide and Regional joint strategic planning;
- to contribute to the evidence base for development plans and in particular, to assist policy formulation in respect of the delivery of affordable housing through the planning system.

Introduction

The fact that housing markets operate more widely than within local authority boundaries is not a new finding, but the process of housing needs assessments has only relatively recently been moving to combined surveys of adjoining authorities. The development of Regional Housing Strategies, investment planning and Regional Strategy statements in the future planning framework has made combined assessment a more logical process. In October 2004, Brighton & Hove, Eastbourne and Wealden, appointed DCA to conduct a survey of housing need which would provide robust data for each individual Council to develop their housing and planning strategies but would also be able to present a sub-regional picture of housing markets and affordable need. Prior to the fieldwork taking place Hastings, Rother and Lewes joined the partnership.

This is one of the first sub-regional assessments conducted in England and these six authorities are therefore operating at the leading edge of policy, working in partnership to assess needs and identify approaches to address the housing, planning and care issues facing them over the next three years.

HOUSING NEEDS ASSESSMENT

All six authorities commissioned DCA to undertake full Housing Needs Surveys. The studies consisted of the following elements:

- A postal questionnaire across each of the six authorities. The questionnaires were designed in consultation with officers of the individual Councils, and were based upon tried and tested survey forms used in previous comparable assessments.

Local Authority	Sample of resident households	No of Sample areas
Brighton & Hove	14,175	21
Eastbourne	6,200	9
Hastings	7,900	16
Lewes	4,400	5
Rother	4,950	6
Wealden	4,125	5

- Face-to-face interviews with 150 households across Hastings Borough, utilising the same questionnaire as the postal survey;
- Face to face interviews with older people, young people, Black and Minority Ethnic (BME) households, Gypsy and Traveller households and people with learning disabilities on a sub-regional basis across all 5 Districts of East Sussex and Brighton and Hove City. Each group were interviewed using a dedicated questionnaire created to identify their specific housing and care support needs based on a tried and tested method.
- A housing market survey utilising the Land Registry and Halifax databases and a telephone survey of estate agents on the cost of entry level properties and to assess the supply and cost of private rented housing in each authority;
- Secondary data analysis drawing upon HIP* and Housing Register data on the level of registered need and the flow of social stock. Comparative data from the 2001 Census, household and population projections and other national research has also been utilised.

The assessment carried out for Wealden also incorporated the key results from the 2004 Wealden District Rural Housing Needs Survey, which achieved 13,077 responses across 37 rural parishes.

The Gypsy and Traveller specialist interviews across the sub-region have yet to be undertaken but will involve interviews with households on permanent sites, unauthorised sites and in permanent housing using a dedicated questionnaire.

* Housing Investment Programme - refers to the local authority s annual bid for capital resources from the Government.

The housing market is the context against which all the housing needs of the sub-region 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 the housing market.

These assessments are in effect a supply / demand analysis of the whole housing market across all tenures from which we filter down to identify those households unable to afford market housing for sale or rent. 90% of all housing requirements are met by the flow of the existing stock and it is therefore vital to understand the distribution of the existing stock by tenure, house type and size to be able to address both need and demand in both sectors and provide better balanced housing markets.

There is some significant variance between Councils in the scale and proportion of social housing stock available. All authorities have social housing stock (Council and Housing Association dwellings), below the national average of 19.3% in the 2001 Census. Wealden are less than half this level and Rother and Lewes are also significantly below the national average.

Table 1 Housing Stock

Local Authority	Existing Social Stock	Social Stock as a % of all Stock	Scale of Re-lets p.a.	Re-lets as a % of Social Stock	Waiting list as % of Social Stock
Brighton & Hove	19,135	15.8	1,073	5.6	39.5
Eastbourne	6,292	14.1	488	7.8	47.9
Hastings	5,928	14.6	457	7.7	25.1
Lewes	4,827	11.4	308	7.4	25.2
Rother	4,396	10.5	338	8.0	54.5
Wealden	4,643	7.5	382	8.5	42.3

Source: Housing Strategy Statistical Appendix 2004

It is generally accepted that 90% of housing requirements will be met by the flow of the existing stock. Hastings and Lewes have proportionately the lowest waiting lists as a percentage of stock, at 25.1% and 25.2% respectively. This is a measure of the ability of a Council to house applicants from re-lets. Rother, Eastbourne and Wealden have significantly the highest ratios.

Regional Context

House prices in the South East Region have started to slow, showing a decrease of 1.6% during the fourth quarter of 2004 and the annual rate of house price inflation in the Halifax Index in the South East Region at 31st December 2004 was 7.2%, well below the UK average of 15.1%.

The housing market has slowed significantly in early 2005 following eight years of continuous house price inflation levels, much higher than the growth in incomes.

The table below shows the average house prices in each authority in the Land Registry database for the year to December 2004. At County level the average price for all dwellings in East Sussex was £185,093.

Table 2 Average House Prices for All Buyers by House Type (£)

Local Authority	House Type				
	Terraced	Semi-detached	Detached	Flat/ Maisonette	All properties
Brighton & Hove	246,975	246,651	348,043	167,067	211,570
Eastbourne	170,215	179,330	291,589	144,334	172,044
Hastings	135,860	169,211	239,727	91,998	139,129
Lewes*	187,078	216,620	334,430	119,640	221,739
Rother	174,884	193,140	294,058	127,267	209,134
Wealden	176,319	195,049	351,969	119,809	250,246

Source: Land Registry Property Price Report, Q4 2004
** Source; Land Registry Residential Property Price Report, 1st Quarter 2005*

Concealed Households

A core factor in needs assessment is to be able to determine the issues of affordability and access to housing for concealed or new forming households. As new entrants to the housing market they generally earn below average incomes, and buy below average cost dwellings. The table below details the range of lowest to highest entry level prices from each survey for 1 and 2 bed flats, the main entry level property type, and the subsequent income required to purchase at local level, based on 95% mortgages and three times income multipliers, the recommended levels in current guidance. It also shows the proportion of concealed households and existing households who are unable to enter the market locally.

Table 3 Entry Level House Prices & Incomes for Concealed and Existing Households

Local Authority	Entry Level Price (£)		Income neeed to purchase		% of Concealed Unable to Buy	% of Existing Households Unable to Buy
	Lowest	Highest	Lowest	Highest		
Brighton & Hove	92,075	183,475	29,200	58,200	80	60
Eastbourne	69,950	128,283	22,150	40,600	75	60
Hastings	49,000	108,000	15,500	34,200	62	43
Lewes**	87,000	147,475	27,550	46,700	84	63
Rother*	79,125	177,500	25,050	56,200	83	63
Wealden	76,232	139,725	24,150	44,250	91	52

*Source: DCA Housing Market Surveys, February 2005, * March 2005, **April 2005*

The proportion of concealed households and existing households unable to afford entry level house prices range between 91% of concealed households in Wealden and 62% in Hastings. In comparison the proportion of all households unable to afford the lowest entry level price ranges from 63% in both Lewes and Rother to 43% in Hastings.

Each survey measured the scale of both existing and concealed households planning to migrate both across authority boundaries but also within East Sussex and those out-migrating from the County. The following table outlines the Sussex cross boundary movement.

Table 4 Number of Households Migrating within the Region

Current Location	Area Moving To						
	Brighton & Hove	Eastbourne	Hastings	Lewes	Rother	Wealden	Elsewhere in Sussex
Brighton & Hove		581	170	578	-nd-	-nd-	2,196
Eastbourne	188		-nd-	195	56	375	573
Hastings	164	100		-nd-	538	55	162
Lewes	583	164	-nd-		85	200	543
Rother	-nd-	379	170	-nd-		89	148
Wealden	138	373	-nd-	6	32		161

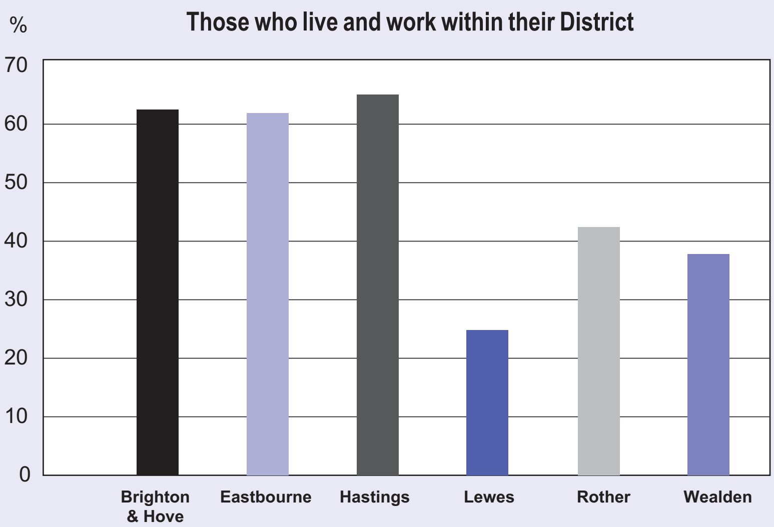
Source: DCA Housing Needs Surveys 2005

-nd- No data available

Clearly there is both in and out migration in a sub-region as part of economic and household life cycles. Employment and education are the accepted dominant factors in migration. The scale of those for whom out-migration is as a result of a lack of affordable housing is high in a number of authorities in the sub-region. This factor alone affects between 5% and 27% of new households and is the second most important reason for leaving a district after employment in Brighton & Hove and Wealden. Additionally, across the sub-region 39.3% of those leaving the South East are moving due to lack of affordable housing.

Commuting Patterns in the Area

The bar chart below illustrates the level of households in each district who live and work within the same district. A quarter to half of all existing residents work within the district where they live.



Looking at commuting patterns across the Region, the following table shows how working households (using head of households and spouse / partner data) commute between the districts.

Table 5 Commuting Patterns within the Sub-Region

Residential Location	Location of Employment						
	Brighton & Hove	Estbourne	Hastings	Lewes	Rother	Wealden	Elsewhere in Sussex
Brighton & Hove		1,243	221	2,179	231	340	10,640
Eastboune	1,088		542	1,166	280	1,334	2,448
Hastings	357	817		124	2,859	119	812
Lewes	5,940	1,722	139		-nd-	1,048	8,100
Rother	51	1,285	3,751	72		785	990
Wealden	684	3,135	267	1,239	192		2,740

Source: DCA Housing Needs Surveys 2005
-nd- No data available

As would be expected, the majority of people who commute to work outside their area but within the sub-region, commute to adjacent or nearby districts as reflected in the table above. The percentage of people who live in one of the six sub-regional authorities and commute to London for work ranges from 4.7% (1,542 implied) in Lewes up to 7.8% (7,506 implied) in Brighton and Hove.

Hastings and Rother commuters have lower levels of elsewhere in Sussex compared to the other districts and this could be explained by the fact that 4.8% (1,413 implied) and 7.5% (1,822 implied) of those who communte to work from Hastings and Rother, respectively, commute to Kent.

Key Worker Issues

The incomes of key workers are set nationally. It is therefore important to be aware of the relationship between house prices in different local authorities within the East Sussex and Brighton and Hove sub-region and the differing incomes needed to purchase within these local authorities. Substantial differences in house prices across local authorities significantly affect the extent to which key worker s incomes allow them access to the market, particularly due to the relative consistency in these incomes across authorities.

The Joseph Rowntree Foundation published in 2003 the results of a study entitled Can Work - Can t Buy conducted by Professor Steve Wilcox, which was undertaken nationally examining the ability of working households, both existing and new forming, to become homeowners. The survey also identified the incomes required to purchase a property, based on average lower quartile prices for 1 and 2 bedroom dwellings, within East Sussex and Brighton & Hove and the percentage of these purchase incomes currently earned on average by key workers.

Although the Joseph Rowntree Foundation published an update to the study in October 2004 to take account of local prices and increase in incomes at the end of 2003, the key worker section of the original study was not updated. Therefore in this section the data is from the original 2003 study, rather than the 2004 update.
However, compared to house price increase for terraced houses and flats of 25% to 34% in the last two years since 2002, incomes have risen by around inflation levels of 4% per annum only, making access to the market more difficult for key workers since this 2003 report was published.

Table 6 Income Needed to Purchase and % of Key Workers Purchase Income

Local Authority	House Prices 2002 Q4 £*	Income needed to Purchase £	% of key workers who earn the required income needed to purchase
Brighton & Hove	119,186	37,742	57.7
Eastbourne	94,601	29,957	72.6
Hastings	78,181	24,757	87.9
Lewes	116,027	36,742	59.2
Rother	102,907	32,587	66.8
Wealden	117,902	37,336	58.3

Source: Joseph Rowntree Foundation 2003
** average lowest quartile prices for 1 and 2 bedroom dwellings*

The income required to purchase a property, based on average lower quartile prices for 1 and 2 bedroom dwellings, in Brighton and Hove is £37,742 but on average only half of the Key Workers currently earn the income needed to enter the market. This differs within specific Key Worker professions, with nurses earning only 51.5% of the income needed to purchase, rising to 63.6% for police officers. Key Workers living within Wealden and Lewes have similar difficulty, with incomes of £37,336 and £36,742 respectively, needed to purchase. In Wealden, nurses earned only 52.1% of this level and teachers 63.8%, and in Lewes nurses earned 52.9% of the income needed to purchase, increasing to 65.3% for police officers.

In the remaining local authorities it is evident that although less of a problem, there are still significant issues regarding the mismatch between incomes needed to purchase locally and the actual incomes earned by Key Workers.

Black and Minority Ethnic Needs

Each survey looked at the ethnic origin breakdown within each area and assessed the housing needs and aspirations of the BME group. Additionally 120 specialist face-to-face interviews were carried out with BME households across the sub-region, and the key findings have been incorporated. As shown in Table 7 below the highest proportions of BME (including white Irish and white other) households is found in Brighton and Hove, followed by Hastings.

Table 7 BME Proportions across the Sub-Region

	Local Authority					
	Brighton & Hove	Hastings	Eastbourne	Lewes	Rother	Wealden
Proportion of BME housholds (%)	11.8	4.8	7.8	5.8	3.7	3.2
% of non-White	5.3	2.4	4.4	2.1	1.3	1.1

Source: DCA Housing Needs Surveys 2005

The data gathered from the face-to-face interviews reflected the younger profile of the BME group in the sub-region with 76% of the sample between the ages of 18 and 44.

Between 13% and 24% of BME households had a member with a disability or long-term illness. Generally, there was a higher incidence of mental health problems, learning difficulties and limiting long term illness than in the whole population. The specialist interviews illustrated that the housing options of the BME community may be limited by their low incomes. 26% have incomes below £10,000 although income levels are not as low for BME households in the sub-region as often found nationally, they are lower than the general population.

From the main surveys, between 32% and 100% of BME households stated that the largest single issue requiring a move was that the dwelling was too small. For existing BME households wanting to move within their district, there was a range of different housing type and size required. In all areas, however, owner occupation was the most popular tenure preferred. For concealed BME households across the sub-region, flat / maisonette and terraced accommodation were the most required property type, in the smaller 1 and 2 bed units.

Other key findings from the specialist interviews included that in terms of repair need, overcrowding and harassment these problems were not as significant as in other recent DCA surveys. Overall BME households do not appear to be significantly disadvantaged within East Sussex, although further comparison of the BME data to general housing needs data may reveal local inequalities.

The Needs of Young People

120 specialist face-to-face interviews were conducted with young people, aged between 16 and 24, across the sub-region to find out their housing needs now and in the future. Of the sample 47% currently live with a parent / guardian, with 51% living in independent accommodation. The majority (49%) had lived in their district for more than 5 years, and 36% had lived at the same address during the same time period.

Of those wanting to move, few had any desire to move away from familiar locations with 28% wanting to remain in the same area and a further 45% of movers choosing a location based on proximity to their family or friends. 70% of respondents intend to move in the next 3 years; 74% of those were moving within one year and 21% of young people are intending or wanting to move want to move out of the County. The most important reason for moving was for more space.

Demand for property type and tenure was concentrated around flat / maisonettes and rented accommodation. However with house prices within the sub-region rising, low income is a major barrier to young people achieving their housing aims and aspirations, with only 31% of the sample in employment and 81% of respondents with annual incomes below £10,000.

The surveys also addressed issues relating to households with one or more member affected by a disability or long-term illness in each district across the sub-region.

Table 8 Incidence of Disability and Household Adaptation within the County

Local Authority	Incidence of households with a disability		households members with a disability		% of all households adapted to meet needs of disabled person	
	%	No s implied	% age 60+	% age 75+	%	No s implied
Brighton & Hove	19.8	22,362	51.5	27.9	11.7	13,242
Eastbourne	21.7	9,003	66.2	35.4	15.0	6,273
Hastings	25.2	9,716	53.7	25.4	9.8	3,759
Lewes	21.7	8,985	67.9	41.0	10.4	4,301
Rother	20.7	8,024	69.7	36.2	11.7	4,544
Wealden	17.5	10,430	67.9	42.9	10.2	6,070

Source: DCA Housing Needs Surveys 2005

Table 8 above shows that between 17.5% and 25.2% of dwellings in the sub-region contain somebody with a disability. Of these households the vast majority, over 50% in each district, are over 60 years old and in Wealden 42.9% are over 75 years old. The percentage of all dwellings adapted to meet needs of disabled person ranges from 9.8% in Hastings to 15% in Eastbourne.

Across the sub-region the largest group affected by a named support need were those with a walking difficulty, representing between 48% and 53% of those with a support need across the sub-region. The percentage of households that contained someone who was a wheelchair user ranges from 5% in Hastings up to 11% in Lewes, and totals 4,985 cases in the sub-region as a whole. Only 12% of wheelchair user households in Hastings live in a property with suitable adaptation, this rises to 36% in Wealden.

Of household members with support needs, across the sub-region, between 12% (Lewes) and 27% (Wealden) felt they needed care or support which is not currently provided.

Learning Disability

115 specialist face-to-face interviews were carried out across the sub-region with respondents with a learning disability to find out their housing needs and aspirations now and in the future. 46% of respondents currently live in a family home, 16% live in shared living / small group living accommodation and 15% live independently. It was found that the majority of respondents were happy and settled in their current accommodation with 66% having lived there for more than five years and 97% who are satisfied with their property.

66% of respondents said they never want to move. 34% said they would move but only 20 people were looking for accommodation in the next couple of years.

Respondents with learning disabilities had access to a wide range of support services across the sub-region, 93% received some formal support services, and 83% received informal support services. However 55% had some difficulty accessing help and advice on the range of housing and care services available.

Despite the problems inherent in much of the current sheltered housing stock, demographic change has and will continue to increase the levels of both need and demand in this sector. The combined requirement for sheltered housing in both sectors from existing households living in the sub-region and from in-migrating parents / relatives is shown below.

Table 9 Sheltered Housing Demand

Local Authority	Sheltered Housing Demand		
	Private Sector	Affordable Sector	All Sectors
Brighton & Hove	1,761	2,346	4,107
Eastbourne	663	920	1,583
Hastings	422	660	1,082
Lewes	469	563	1,032
Rother	381	406	787
Wealden	545	401	946

Source: DCA Housing Needs Surveys 2005

Some of this requirement will be addressed by flow of the existing sheltered stock, however a significant amount of existing stock does not meet modern day standards and needs modernising, refurbishing or complete re-development. This will need to be assessed in calculating the scale of new delivery required.

Table 10 Population Change

Local Authority	Total Population Change 2003 - 2021		Change in 65+ age group 2003 - 2021	
	%	No s	%	No s
Brighton & Hove	+ 11.8	+ 29,800	0.0	0
Eastbourne	+ 21.0	+ 19,100	+ 33.0	+ 8,400
Hastings	+ 10.5	+ 8,900	+ 38.8	+5,100
Lewes	+ 13.0	+ 12,100	+ 35.5	+ 7,500
Rother	+ 14.1	+ 12,100	+ 35.5	+ 8,700
Wealden	+ 12.1	+ 17,000	+ 43.2	+13,000

Source: ONS 2003, provided by East Sussex County Council
NB the forecast figures are based on ONS trend-based projections and do not make any allowance for the impact of future planning/regeneration or other public sector policy.

Table 10 highlights the growth in the elderly population by District across the sub-region compared to overall growth from all age groups. Wealden District has the highest increases in elderly population with some 43% growth in the over 65 age group over the next 18 years, compared to just 21% in the total population. The forecast figures for Eastbourne, Lewes, Hastings and Rother show similar levels of growth in the elderly population of around three times that in the population as a whole to 2021.

Although the total population in Brighton & Hove is to grow by 11.8% to 2021, the over 65 age group is projected to remain static to 2021 which is against the trend elsewhere, although with fluctuations within the forecast period. For Brighton & Hove however, projections were made to 2026, and within the period 2021 to 2026 it is forecast that there will be an increase of 6.9% in the over 65 group but this is still well below the other areas in the sub-region.

Each survey uses the Good Practice Guidance Basic Needs Assessment Model to calculate the annual shortfall of social housing units. It is clear from the table below that the scale of need addressed by the flow of existing stock falls well below the accepted national norm of 90%.

The annual scale of need and expected supply of new affordable housing is summarised below.

Table 11 Annual Affordable of Shortfall

Local Authority	Total Affordable Need	Re-lets	Annual Shortfall after re-lets	New Unit Delivery	Scale of Need/ Supply Level (times)
Brighton & Hove	2,520	1,318	1,202	254	4.73
Eastbourne	849	480	369	64	5.77
Hastings	1,049	453	569	41	14.53
Lewes	566	336	230	32	7.19
Rother	593	396	197	59	3.33
Wealden	1,256	382	874	52	16.80
Sub-Region	**6,833**	**3,365**	**3,468**	**502**	**6.91**

Source: DCA Housing Needs Survey 2005

Table 11 shows the annual total net affordable housing need after allowing for the supply from re-lets of the existing social stock, the major means of addressing the scale of need identified. Re-lets however are likely to reduce as Right to Buy sales continue to exceed new delivery and the size of the Social Stock reduces.

After allowing for existing stock re-let supply, there are significant annual affordable housing shortfalls in each District. The expected supply of units likely to be able to be delivered from new delivery and conversions is much less than that required to address local needs of concealed households and key workers.

The major difficulty in the sub-region is the scale of increase needed in the level of new delivery, ranging between three and seventeen times current levels, averaging seven times across the sub-region.

KEY FINDINGS OF THE SURVEY

- Affordability is a major issue due to the local house price / income relationship, particularly for new forming households and key workers.
- Existing social stock levels range between from 7.5% to 15.8%, well below the national average.
- Prices across the districts have increased by between 66% and 145% for terraced houses and between 82% and 138% for flats for over the four years from 2000.
- Annually there are shortfalls of 3,468 affordable housing units in the sub-region. After allowing for existing stock supply in all districts, new delivery would need to increase by 3 to 17 times existing levels to meet the scale of need.
- There is a requirement to develop a mix of house types and sizes in both market and social sectors to meet the needs of new and existing households and to provide a balanced housing market.
- Lack of affordable housing is the reason that 39% of out migrants from the sub-region are moving out of the South East altogether.
- The population is ageing, with implications for support and specialist accommodation provision.