

Strategic Housing Market Assessment Report

Executive Summary

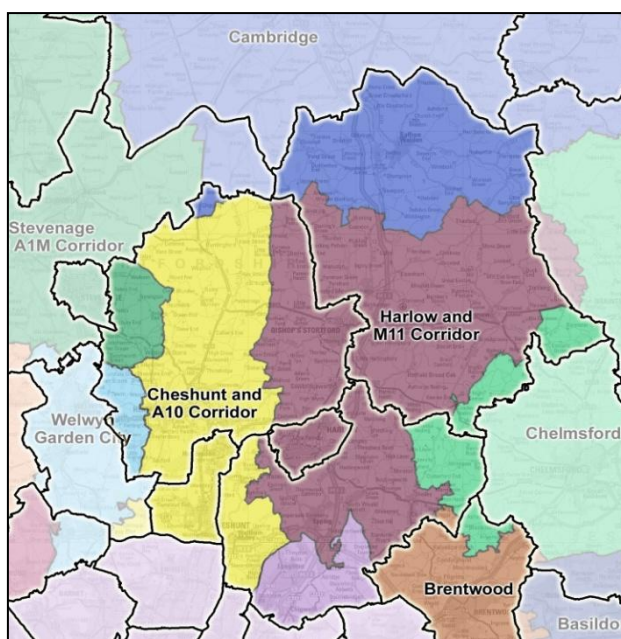
Introduction

1. This is an executive summary of the Strategic Housing Market Assessment (SHMA) report for the housing markets of the London Commuter Belt (East)/M11 sub-region (LCB (East)).
2. The SHMA was commissioned in 2008 by Brentwood Borough Council, Broxbourne Borough Council, East Herts District Council, Epping Forest District Council, Harlow District Council and Uttlesford District Council which, for the purposes of this study, are collectively called the London Commuter Belt (East)/M11 sub-region

What is a SHMA?

3. A SHMA is a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It promotes an approach to assessing housing need and demand which can inform the development of local development document and regional spatial strategy planning for housing policies, as set out in Planning Policy Statement 3: Housing (PPS3). The government has issued Practice Guidance setting out the framework of a SHMA and suggests how it might be carried out.
4. The SHMA framework consists of an evidence base and a process. The process included consultation and involvement partners and stakeholders to develop a housing market partnership (HMP). This process enabled those involved to share and pool information, intelligence and will help to ensure that SHMA findings are regularly reviewed; assist in the analysis and interpretation of housing market intelligence; and consider the implications of the assessment.
5. A SHMA should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria stated in the Practice Guidance.

Why the SHMA was undertaken at the sub-regional level?



6. Housing markets do not necessarily follow local authority boundaries. The LCB(East) SHMA has concluded that there are two substantial sub-markets covering most of this area – Cheshunt/A10 to the west of the area and Harlow/M11 to the east of the area – with Brentwood identified as a further independent sub-market. The analysis also showed the north of Uttlesford (including Saffron Walden) to be part of the Cambridge sub-market, while Chigwell and surrounding areas (in the very south of Epping Forest) were associated with North London. The Chelmsford, Stevenage and Welwyn Garden City housing sub-markets all

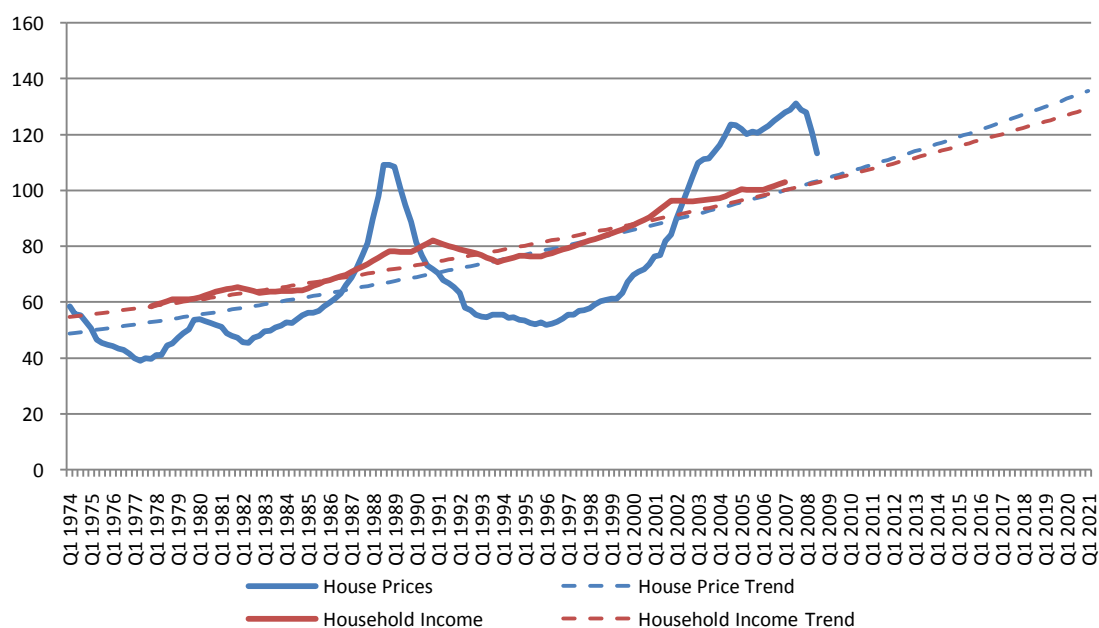
encroach into LCB (East)/M11 sub-region, but none include any significantly populated areas.

What methods were employed what assumptions were made?

7. Consultants ORS have developed housing market models to estimate the future housing requirements of existing and emerging households. Models are based upon a large number of secondary data sources such as the Census, the Land Registry, Local Authority records etc.
8. The SHMA uses the following definitions, information and processes;
 - PPS3 definitions and requirements;
 - Use of trend based assessment of the social housing requirement in the context of increasing numbers of households, changing demographics and future sales of existing social housing stock;
 - Use of secondary data on house prices and incomes. Conclusions about housing requirements are based upon long term price and income trends rather than a snapshot at a point in time (Figure 1);

Figure 1

Average House Price and Average Household Income Trends (Note: Long-term trends at Q1 2007 = 100. Source: Nationwide House Price Index, Seasonally Adjusted; Halifax House Price Index, Seasonally Adjusted; CLG Live Tables; Retail Price Index, ONS; Social Trends ONS, Regional Trends ONS)



- The housing requirement by 2021 (the overall number of new homes) is that envisaged by the East of England Plan 2008 (Secretary of State's Revisions). Policy H1 of the Plan sets out the distribution of dwelling provision across the sub-region for the period 2001-2021 (**Error! Reference source not found.**Figure 2);
- To achieve a projected level of housing delivery to 2026, the annual delivery rates within the East of England RSS 2001-2021 have been rolled forward to 2026. The RSS 2001-2021 identifies a target of 48,600 (Figure 2 below) dwellings across the sub-region; and

which equates to a delivery target of 2,430 per annum. This in turn equates to 12,150 over a five year period. Therefore, the modelled housing requirements to 2026 have assumed a dwellings delivery of 48,600 plus an additional 12,150 for the period 2021-2026 giving a total of 60,750 which has been rounded to 60,800 additional dwellings. The East of England RSS is currently under review with on-going consultation on the new RSS covering the period 2011-2031.

Figure 2

District Housing Requirement 2001-2021 for LCB (East)/M11 Sub-region (from RSS Policy H1). Note: Figures are for overall net requirements and the figure for Harlow is for total housing growth at Harlow, including urban extensions in Epping Forest and East Hertfordshire districts. (Source: East of England Plan, 2008, Government Office for the East of England).

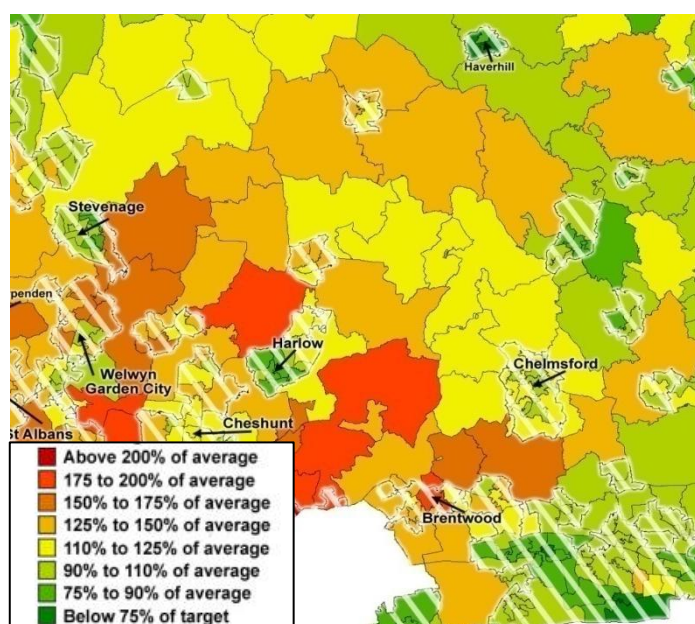
Local Authority Area	Total to Build April 2001 to March 2021		Of which Already Built April 2001 to March 2006		Minimum still to build April 2006-March 2021	
	Total	Annual Rate	Total	Annual Rate	Total	Annual Rate
Brentwood	3,500	175	920	180	2,580	170
Broxbourne	5,600	280	1,950	390	3,650	240
East Herts	12,000	600	2,140	430	9,860	660
Epping Forest	3,500	175	1,210	240	2,290	150
Harlow	16,000*	800	810	160	15,190	1,010
Uttlesford	8,000	400	1,610	320	6,390	430
Total	48,600	2,430	8,640	1,720	39,960	2,660

Who was involved in the project?

9. The client councils formed a project group consisting of senior officials who were responsible for the delivery of the project. Stakeholders were consulted at key stages of the project and participated in consultation workshops. Formal consultation on the SHMA report was managed via the ORS extranet. The client councils agreed report amendments following consultation.

SHMA findings

What are the main characteristics of the housing markets?



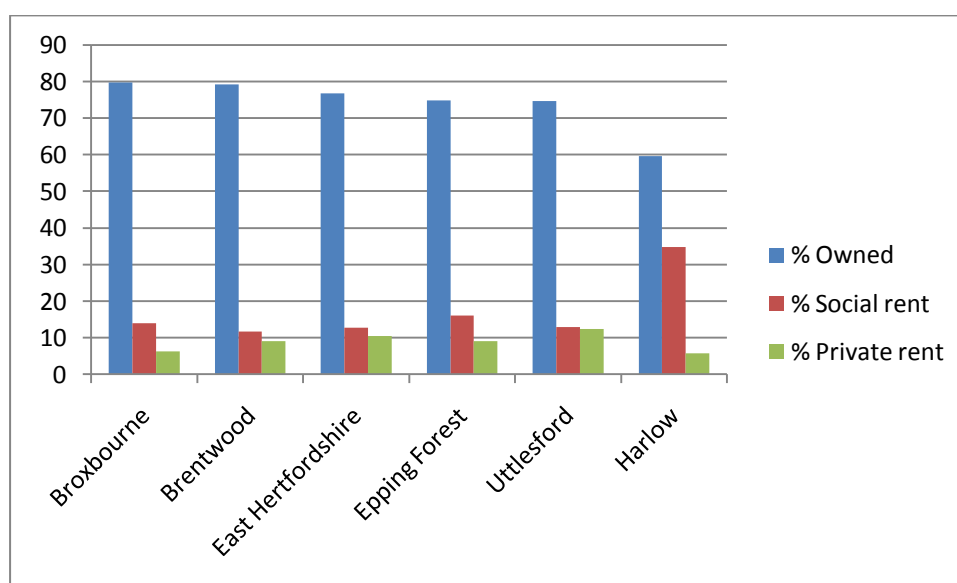
10. The adjacent map shows the variation of **house prices** from The East of England average adjusted for property type for the period October 2006 to September 2007. Hatched areas are urban areas. Areas in red are where house prices are over 200% of the East of England regional average. The urban area of Harlow shows the lowest house prices and the area around Chigwell the highest.

11. The highest levels of **deprivation** and unsuitable housing in the sub-region are associated with both

Harlow and some of the rural areas to the South. Relatively high levels of deprivation in rural areas are not unusual due to large numbers of retired households on relatively low incomes some of whom live in dwellings with higher heating costs. That said, when compared to other areas in England and Wales, deprivation in LCB (East) is low with most areas in the lowest quartile for deprivation relative to the rest of the country.

12. Regarding **dwelling type**, across the sub-region about a quarter is detached housing with semi-detached 28%, terraced 25% and flats around 18% of the stock. There are considerable variations by Local Authority. Harlow has the highest proportion of terraced dwellings (50% of its stock) and flats (22%). It has the lowest proportion of detached dwellings (10%). Uttlesford has the highest proportion of detached dwellings (42% of its stock). Dwelling type varies greatly by tenure with owner-occupied housing having near equal proportions of terraced, semi detached and detached housing but relatively few flats (just under 10% of the stock). In contrast social rent and private rent has a much higher proportion of flats at just over 40% of the stock of each tenure.
13. The dominant **tenure** in LCB (East) is owner occupation (84%) of the total stock. Over 35% of the housing stock in Brentwood is owned outright (i.e. not subject to a mortgage) with slightly lower proportions in other Local Authority areas. Harlow has the lowest proportion at around 18%. (Figure 3).

Figure 3
Housing tenure by District 2001 for the LCB (East)/M11 Sub-region (Source: Census 2001).



14. The overall proportion of social rented housing in LCB (East) is slightly higher than the English average but lower than the East of England average although there are key differences between the authorities. Harlow has the highest proportion of social housing in the eastern region (at 33.1% of all dwellings), while 15.4% of the dwelling stock of Epping Forest is social housing. Brentwood has the lowest proportion of social housing at around 11.9%.
15. In 2001, around 9% of the housing stock in LCB (East) was in the private rented sector. In Uttlesford private rented housing accounts for 12% of the stock – twice the proportion of Harlow's private rented stock. Harlow has the lowest proportion of private rented housing of its

stock compared to other Local Authorities. This sector is primarily housing single people and multi-adult households. In recent years the private rented sector has grown in size and importance relative to other tenures. This is mainly due to buy to let investors responding to a growth in the market for private renting. This is due to shortages of affordable housing and the trend of home ownership becoming out of reach of a growing number of households. The rate of growth has slowed considerably due to the credit crunch.

16. This information is the housing context for a sub-region undergoing **significant change** in its housing and job markets due to rapid planned expansion. The policy aims are to link growth in the area with improvements in the infrastructure to improve long term sustainability; reduce commuting and improve the connection between living and working in the housing sub-markets.

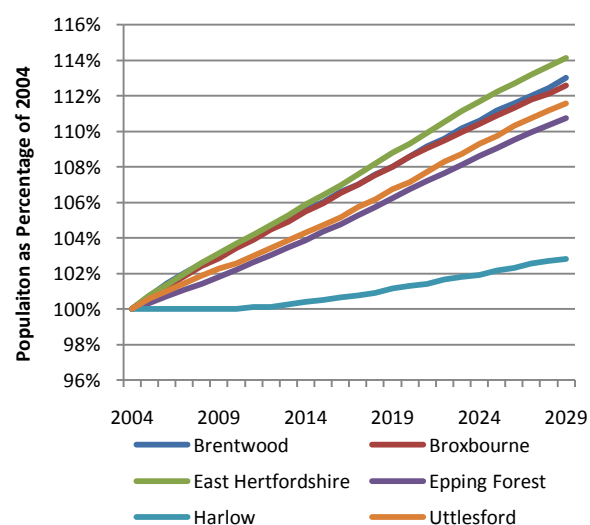
What are the drivers for change affecting the housing markets?

Demographic change

17. Nationally **demographic drivers** result in the population increasing through a combination of more births, fewer deaths and a net inward migration from overseas.

18. Based on population estimates from 2004, the Office of National Statistics estimate that the population of LCB (East)/M11 sub-region will rise to 620,000 by 2029. This would represent an 11% rise in the period 2004-2029 – an additional 62,000 people living within the study area. Of these 12,200 of these are projected to be aged 85 or over with a further 44,200 aged 60-84 years. (Figure 4).

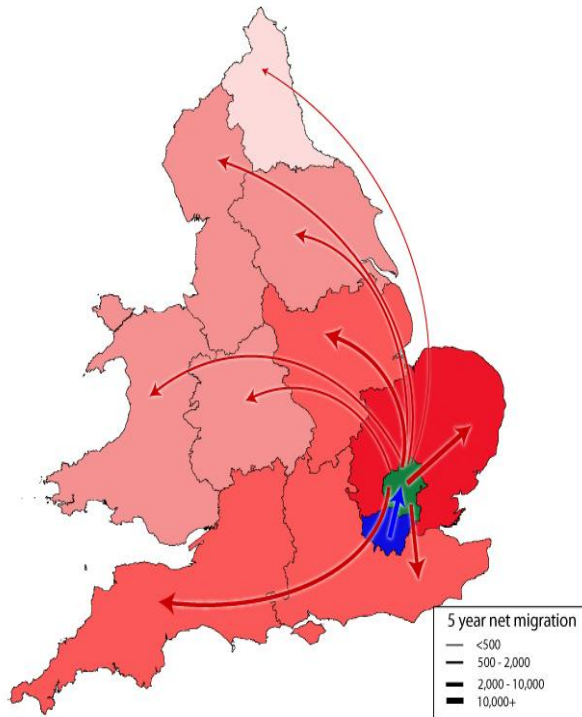
Figure 4
Population Projections by Local Authority 2004-2029 (Source: ONS
Revised Sub-national Population Projections: 2004 based data)



19. Analysis of household composition at the census shows that almost a quarter of the sub-region's households contain only pensioners, while 50% contain adult couples with or without children. Just over 20% of households contain only one adult in the form of a single person or lone parent. Household type does not vary greatly between Local Authority areas, however it is clear that Harlow contains the highest proportion of households (around 26%) of single adults, either as single people or as lone parents. Brentwood has the highest proportion of all pensioner households. It is important to consider the structure of households when assessing housing needs. An area with more single people requires more separate accommodation, while an area with large families will require larger houses to accommodate them.
20. Data from the 2001 Census showed that of the sub-region's 547,000 residents, 55,700 (10.2%) had moved within the last 12-months. Of those that had moved, 25,000 moved within the same

authority, another 25,000 moved from elsewhere in the UK and 2,600 moved to the area from overseas. The sub-region gained a net 1,060 people from across the UK in 2000-2001.

21. The figure below demonstrates the **migration flows** in and out of the study area. The study area is depicted in green. The thickness of arrows represents higher levels of net migration.



22. Overall, migration accounted for a rise in the sub-region population of 4,220 people from 2001 to 2006. All of the net population gain came from London, with net migrant population losses occurring to every other region of England and Wales.

23. Most of the net population gain came from North London but also some from East London.

24. Highest population losses through out-migration were to other parts of Essex – Braintree and Chelmsford, North Hertfordshire and South Cambridgeshire.

25. There are some interesting migration flows within the sub region. Broxbourne lost population through

migration to all other authorities in the sub-region. It gained over 9,470 people from London. Uttlesford gained population from all other authorities in the sub-region, further reflecting the movement of population away from North London. Harlow lost a significant number of people through migration to East Hertfordshire and Uttlesford but gained from Broxbourne and Epping Forest.

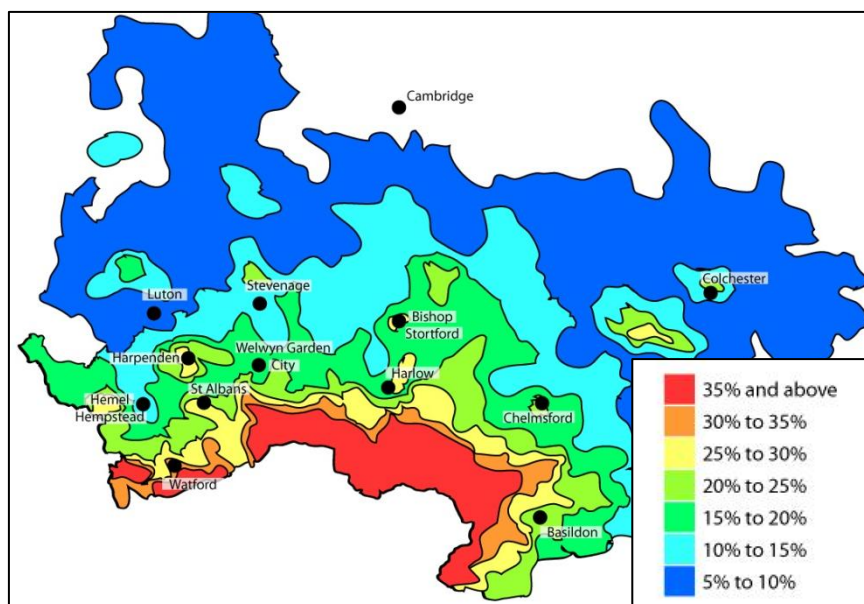
26. The area has seen a growth in population from overseas. Between 2001 and 2006, a net 1,400 international migrants moved to LCB (East) from overseas. Nearly a half of all new national insurance registrations were issued to Polish nationals.

Commuting

27. Figure 5 illustrates the influence of Greater London on an area which covers large parts of Hertfordshire and Essex. The isobars show the proportion of the total workforce that travel to work in London. Areas coloured in red have 35% or more of their workforce travelling to any part of Greater London to work, areas in dark blue have less than 10% of their workforce travelling to London.

Figure 5

Travel to Work to London Across the wider London Commuter Belt (Source: UK Census of Population 2001. Note: bands represent the percentage of the employed resident population who work in the London region)



28. Census (2001) data identifies 170,000 people who both live and work in the London Commuter Belt (East)/M11 sub-region. This represents around 61% of all those living in the area who have a job, and 73% of all those who work in the area. Of this group, 26,200 work mainly at or from home, equivalent to 9.5 % of all those residents who have jobs. This is similar to the national and regional proportion of workers who work from home.

Economic Factors

29. The unemployment claimant count was lower in all of the Local Authority areas than in England or the Eastern region. The workplace population of LCB (East) has been declining since 2001.
30. Since 1997 there has been a 25% growth in the number of VAT registered businesses, which is above the England and Eastern region averages. Uttlesford has experienced the largest increase, and Harlow the lowest.
31. Compared to the population of England and Wales or the Eastern region as a whole, there are more people employed in managerial, professional and administrative occupations and fewer in skilled, plant and machinery and elementary professions. Also the population of LCB (East) is slightly under-represented in the higher qualification categories with under a fifth of the population having the equivalent of a degree or above. However, there is a lower proportion of people in LCB (East)/M11 sub-region with no qualification than in England and Wales or the Eastern region.
32. Residents in Brentwood and Uttlesford have the highest incomes in the sub-region. Those employed in Harlow earn more on average than those who are resident in the area by around £7,000 per annum. This pattern is reversed in all other areas, but it may imply that many residents travel outside the sub-region to higher paying jobs elsewhere in areas such as London.
33. Household incomes are on average lower in urban areas such as Harlow and Saffron Walden.

What is the requirement for additional housing to 2026?

34. Analysis of **affordability** of house prices and incomes of households who are not home owners was undertaken. It shows that there is virtually a complete absence of market housing options affordable to households with incomes less than £30,000. Much of the housing available to this group is in the private rented sector, and only if households commit more than 25% of their income to rent. Affordability considerations are used by the ORS housing market model to determine the requirements for intermediate affordable and market housing.
35. The overall estimated housing requirement for each Local Authority summarised in the Figure 6 below. This is a key output of the study and is part of the evidence required for each Local Authority's affordable housing policy. For comparison, estimates are based upon house prices and incomes being at 2007/8 levels and secondly at their long term trend levels (figure 1).
36. In both cases the housing growth targets for each Local Authority are used given in figure 2 (RSS Policy H1) minus the new housing delivered between 2001 and 2007, plus the projected growth target to 2026. The model estimates the requirement for affordable housing, deducts this from the total requirement and the market requirement is the balance.
37. The model estimates the tenure (Figure 6), and number of bedrooms that should be built in each Local Authority area.

Figure 6
Housing Requirement by LA 2007-2026 (Note: Figures may not sum due to rounding)

Housing Type	Local Authority					
	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford
Prices based on 2007-08 levels						
Market housing	(1,100)	700	5,400	(500)	8,400	2,500
Intermediate affordable housing	3,400	2,600	8,000	4,200	1,300	4,300
Social rented housing	1,000	1,600	1,800	2,900	2,500	1,300
Total Housing Requirement	3,200	4,800	15,200	6,600	12,200	8,100
Market housing	-	14.1%	35.7%	0.0%	68.7%	30.7%
Intermediate affordable housing	78.0%	53.2%	52.8%	59.1%	10.7%	53.2%
Social rented housing	22.0%	32.7%	11.5%	40.9%	20.5%	16.1%
Prices based on long-term trends						
Market housing	200	2,300	8,300	2,000	9,700	4,200
Intermediate affordable housing	2,100	900	5,100	1,800	0	2,600
Social rented housing	1,000	1,600	1,800	2,900	2,500	1,300
Total Housing Requirement	3,200	4,800	15,200	6,600	12,200	8,100
Market housing	4.9%	48.0%	54.7%	29.6%	79.5%	51.5%
Intermediate affordable housing	65.5%	19.3%	33.7%	26.5%	-	32.4%
Social rented housing	29.6%	32.7%	11.5%	43.9%	20.5%	16.1%

38. Referring to outputs for long term trends, the requirement for additional affordable housing is a large proportion of the overall requirement for each Local Authority with the exception of Harlow. There is no intermediate affordable housing requirement for Harlow. This can be explained by the combination of Harlow's large stock of social housing and its relatively low

market housing prices. Market housing is affordable to a greater proportion of households resident in Harlow than the other Local Authorities and this explains why the estimated future requirement is higher here than the other Local Authorities. There is little requirement for additional market housing in Brentwood because it is not affordable to many households who are not already home owners. The supply of second hand housing is likely to be sufficient for the future and affordable to households who are already home owners due to equity in their existing home. Brentwood Broxbourne and Epping Forest require larger proportions of additional social housing.

39. The model demonstrates that if market prices were to return to higher 2007/8 levels the requirement for market housing would reduce and intermediate affordable housing requirements would increase, (figure 6). We conclude that the requirement for intermediate affordable housing is sensitive to changes in the price of market housing.
40. Further analysis of long term affordability trends (figure 1) adds to the evidence that there will be **a long term shift away from home ownership to private renting**. In addition the SHMA estimates that assuming that the relationship between housing costs and household income remains constant, the proportion of households who are homeowners is likely to fall to from 74% in 2001 to 64% by 2026. This does not take into account the possibility that more prudent lending criteria as a result of the credit crunch may result in an even smaller proportion of home owners by 2026.
41. The SHMA also **estimates the dwelling size** for new build housing by tenure that would result in the best fit of dwellings to households based upon existing patterns of home occupancy and projecting forward demographic change. The full table is not reproduced here as it is a large table. In summary;
- For market housing, around 50% of the future supply of new housing should be for 3 bedroom homes. Between 8% and 25% of the future supply depending upon the Local Authority area should be 4 bedroom homes;
 - For intermediate affordable housing, with the exception of Harlow, the supply of new housing should be more balanced but with a slightly higher proportion of smaller (1 and 2 bedroom) homes; and
 - For social housing, around 70% of the future supply should be for smaller (1 and 2 bedroom) homes.
42. Households requiring 1 and 2 bedroom homes are likely to be either older person households, single parents, couples with or without children and single people. Younger households without children in good health will not be considered a high priority for social housing which is largely allocated to households on the basis of the severity of housing need. Older person households may require support rather than re-housing to ensure that their existing home is safe and suitable. Frail older people will require more specialised housing with high levels of support known as extra care housing.
43. The small number of larger households requiring 4 bedroom affordable housing will have low income. Some will be in considerable housing need and will be considered a high priority for

large units of social housing for which there is a shortage. There is further consideration below of such households that may be overcrowded.

Which groups of people experience problems within the housing market?

44. Housing need arises when a household is unable to access suitable housing without financial assistance. The SHMA looked at a number of households groups that were found to be disproportionately in **unsuitable housing** and how unsuitable housing is distributed spatially. Many of the predicted areas of unsuitable housing are in urban areas. 12.8% of households across LCB (East) are predicted to be unsuitably housed equivalent to 31,100 households. However the effect on the housing requirement is small as many problems can be resolved without the need for re-housing.
- 2.1 An example of unsuitable housing that often necessitates re-housing is **overcrowding**. In 2001 5.5% of households in the sub-region lived in overcrowded conditions but there are significant variations by Local Authority and tenure. Overcrowding in the private rented sector was highest in Harlow and Broxbourne at 15% of private tenants. In social housing Broxbourne also had the highest level of overcrowding at 18% of all social tenants. There is very little overcrowding in owner occupied housing. The SHMA has established that a high proportion of **BME households** experience overcrowding. 24% of Bangladeshi, 22% of Black African and 20% of Chinese households were overcrowded. In comparison, the lowest proportion of overcrowding was for the White British group at 5.1%.
45. Local Authorities provide a wide range of services to support vulnerable households in their existing housing with the aim of ensuring that they enjoy **independent living** for as long as possible. The SHMA evidences high levels of need for adaptations and support services. Part of the future housing requirement will be for extra-care housing for older people as a consequence of the demographic trend of the ageing population.
46. The SHMA has drawn attention to **a gap in housing provision** for households that can afford more than a social rent but not afford market housing which is known as the intermediate affordable housing tenure. The gap arises because most existing homes in this tenure are shared ownership based and designed to help households into home ownership. These products are not generally affordable to lower income groups within the intermediate income band and are not available to those who do not have the financial standing to qualify for a mortgage. In general terms such households are not a high priority for social housing if they are in good health and do not have children. They will normally be find housing in the private rented sector and will spend a greater proportion of their income on rent than the Government considers reasonable. Intermediate affordable rented housing could assist this group if it were to be made available and at a price affordable to them.

What are the main implications of the SHMA for policy?

47. Policies for the provision of new housing can be informed by considering the dynamics of the housing market. In particular the impact of new build on the second hand housing market and the way in which the market seeks to fill gaps.

48. Although there is a low requirement for additional market housing in some Local Authority areas this does not mean that none should be built. In practice developers will continue bring forward proposals for new build for planning consent where they believe a market exists. It is also essential to deliver housing growth in a sustainable way. The growth of new build housing will tend to attract higher earning in-migrant households to the area. It will also be necessary for new build market housing to be built if affordable housing is to be delivered through the planning system. Overall this is a demand side impact on the housing market which may also result in a supply of cheaper second hand housing being released to the market as a consequence.
49. A priority for new build social housing should be to help alleviate overcrowding. In doing so, there are health and wellbeing benefits for the households themselves. In addition other smaller households will benefit from the dwellings these households vacate.
50. Some older people occupy housing that is too large for them and is also unsuitable given their health, relative low income and vulnerability to cold and tripping hazards. Ensuring that part of the new housing delivery across all tenures was particularly suited to older people, would increase choice for older people. It would benefit the household, health and support services and again release second hand housing into the market.
51. Options exist for helping to fill the gap in housing provision for intermediate housing groups identified by the SHMA and highlighted in the previous section;
- Large numbers of smaller social rented homes could be built but would only benefit this group if lettings policies enable such household to access them;
 - The option exists for intermediate rented housing to be provided with rents pitched at what local households can afford as suggested by PPS3 paragraph 29. This is not to suggest that shared ownership and low cost home ownership should not be provided to assist households who can afford and in so doing improve the social mix of a neighbourhood. It should be recognised that the shared ownership model will not assist most households in the intermediate group; and
 - Encourage use of the private rented sector. This sector has provided a market response to the growing demand for housing, driven by the growing affordability problems of home ownership. This is a trend that the SHMA estimates is likely to continue.
52. Individual Local Authorities can use the SHMA to evidence future affordable housing requirements. It provides the evidence of need to support an affordable housing policy. Local Authorities also need evidence from Economic Viability assessments before an affordable housing policy in accordance with PPS3 paragraph 29 can be determined.

Glossary

Term	Definition
Affordable housing	Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.
Affordability	The terms ‘affordability’ and ‘affordable housing’ have different meanings. ‘Affordability’ is a measure of whether housing may be afforded by certain groups of households.
PPS3	Planning Policy Statements (PPS) set out the Government’s national policies on aspects of planning in England. PPS3 sets out the national planning policy framework for delivering the Government’s housing objectives. A principal aim of PPS3 is to underpin the Government’s response to the Barker Review of Housing Supply and the necessary step-change in housing delivery, through a new, more responsive approach to land supply at the local level. It reflects the Government’s commitment to improving the affordability and supply of housing in all communities, including rural areas, informed by the findings of the Affordable Rural Housing Commission.
Regional Strategy RSS The East of England Plan	The Regional Spatial Strategy (The East of England Plan) is published by the Secretary of State for Communities and Local Government. It covers the counties of Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire and Bedfordshire. Together with relevant sections of the Milton Keynes South Midlands Sub-Regional Strategy, 2005 it constitutes the RSS for the East of England. This RSS covers the period to 2021 but sets a vision, objectives and core strategy for the longer term. In particular it seeks to reduce the region’s impact on, and exposure to, the effects of climate change and to put in place a development strategy with the potential to support continued sustainable growth beyond 2021.
Viability Assessment	An assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured.

London Commuter Belt (East)/M11 Sub-Region Strategic Housing Market Assessment 2008

Report of Study Findings
January 2010





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Section 1: Introducing the Study

- 1.1 Opinion Research Services (ORS) working in partnership with Savills were commissioned by Brentwood Borough Council, Broxbourne Borough Council, East Herts District Council, Epping Forest District Council, Harlow District Council and Uttlesford District Council (which, for the purposes of this study, collectively comprise the London Commuter Belt (East)/M11 sub-region), to undertake a comprehensive and integrated Strategic Housing Market Assessment for the sub-region. The description of the area as London Commuter Belt (East)/M11 has been created for the purposes of this study and is not used by any bodies outside the area.
- 1.2 The research was based on the analysis of secondary data from the UK Census, Housing Corporation, HM Land Registry, Office for National Statistics and a range of other sources (which primarily underwrote the housing needs and requirement modelling), along with a qualitative consultation programme with a wide range of stakeholders.

What Is A Strategic Housing Market Assessment?

- 1.3 Strategic Housing Market Assessments (SHMAs) are a crucial part of the evidence base that informs policy and helps shape strategic thinking in housing and planning. They were introduced by Planning Policy Statement 3: Housing (PPS3) in November 2006 as part of the required evidence base to support planning policies within Local Development Frameworks.

Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments are an important part of the policy process. They provide information on the level of need and demand for housing and the opportunities that exist to meet it.

- 1.4 SHMAs contribute to three levels of planning:

Regional

- developing an evidence base for regional housing policy
- informing Regional Housing Strategy reviews
- assisting with reviews of Regional Spatial Strategy

Sub regional

- deepening understanding of housing markets at the strategic (usually sub regional) level
- developing an evidence base for sub regional housing strategy

Local

- developing an evidence base for Local Development Documents
- assisting with production of Core Strategies at local level

1.5 When considering SHMAs in the context of developing Local Development Documents, PPS3 sets out the following expectations:

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:

- *The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing.*
- *The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%).*
- *The size and type of affordable housing required.*

1.6 Alongside PPS3, Practice Guidance for undertaking Strategic Housing Market Assessments was published by the Department for Communities and Local Government (CLG) in March 2007 and subsequently updated with a minor revision in August 2007.

1.7 The Guidance gives advice regarding the SHMA process and sets out key process checklist items for SHMA Partnerships to achieve. These checklist items are important, especially in the context of supporting the soundness of any Development Plan Document:

*In line with PPS12, for the purposes of the independent examination into the soundness of a Development Plan Document, **a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2.***

1.8 The core outputs and process checklist required to demonstrate robustness are detailed below.

Figure 1
CLG SHMA Practice Guidance Figure 1.1 – Core Outputs

Core Outputs	
1	Estimates of current dwellings in terms of size, type, condition, tenure
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market
3	Estimate of total future number of households, broken down by age and type where possible
4	Estimate of current number of households in housing need
5	Estimate of future households that will require affordable housing
6	Estimate of future households requiring market housing
7	Estimate of the size of affordable housing required
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people

Figure 2
CLG SHMA Practice Guidance Figure 1.2 – Process Checklist

Process Checklist	
1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region
2	Housing market conditions are assessed within the context of the housing market area
3	Involves key stakeholders, including house builders
4	Contains a full technical explanation of the methods employed, with any limitations noted
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner
6	Uses and reports upon effective quality control mechanisms
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken

- 1.9 The following sections describe the process undertaken in delivering the LCB (East)/M11 study and identify where the required core outputs are provided within the study report.

Satisfying the Process Checklist

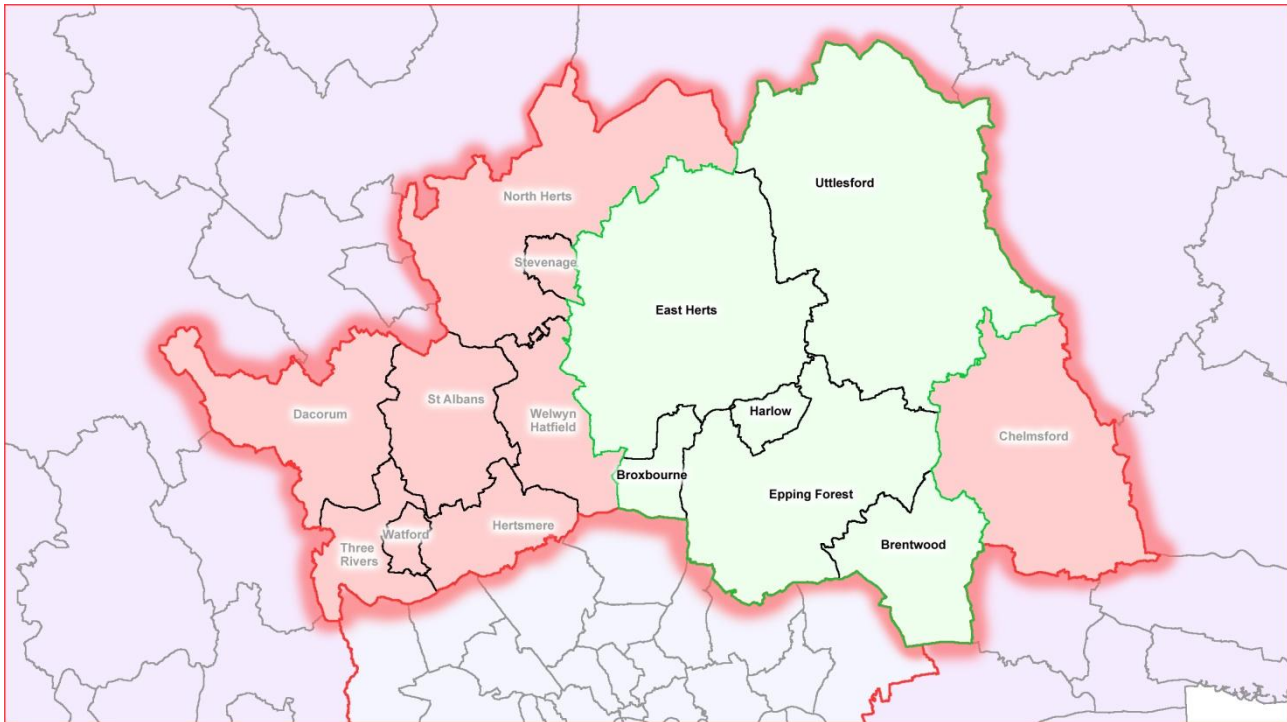
1. Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region.

1.10 Following the publication of PPS3, the authorities in the London Commuter Belt (LCB) recognised the need to produce a Strategic Housing Market Assessment to provide the necessary evidence base for their individual Development Plan Documents (DPD). In total there are 15 districts within the London Commuter Belt (LCB) and a sub-regional co-ordinator has been appointed for housing strategy purposes.

1.11 It was agreed that the best way forward was to jointly commission an SHMA, to underwrite regional, sub-regional, and local policies. A number of joint SHMA's were already underway and so the remaining local authorities in the LCB sub-region decided to form the LCB (East)/M11 SHMA partnership.

1.12 Figure 3 shows how the six authorities of LCB (East)/M11 fit into the wider LCB sub-region.

Figure 3
LCB sub-region



- 1.13 In addition to LCB (East)/M11, ORS has recently undertaken a Strategic Housing Market Assessment for the London Commuter Belt (West) sub-region comprising Dacorum, Hertsmere, St Albans, Three Rivers, Watford and Welwyn Hatfield. Despite links within Hertfordshire, Stevenage and North Herts commissioned a separate study for their part of the London Commuter Belt sub-region which is now complete. The remaining district within London Commuter Belt, Chelmsford, has strong links with Braintree and Colchester and consequently engaged in a joint SHMA with these authorities. This study is also now complete.
- 1.14 Although a single sub-regional SHMA has not been commissioned, the value of such an approach was recognised, particularly in regards to maintaining a consistent approach across the area. In London Commuter Belt this has been facilitated by two of the sub-areas, within the sub-region, being carried out by ORS. Subsequently the LCB (East)/M11 and LCB (West) studies will be carried out with the same methodologies. This will assist in the development of sub-regional policies on completion of all studies.
- 1.15 The LCB (East)/M11 SHMA was commissioned with reference to the administrative boundaries of the local authorities within it – but has also sought to place the results in the context of the surrounding area. Alongside the consistent use of methods across the sub-region, it should provide an effective basis for building a sub-regional assessment.
- 1.16 This report will now form part of a suite of documents covering the whole of the London Commuter Belt sub-region, and the processes described below provide the foundation for future work that will develop the wider study.

2. Housing market conditions are assessed within the context of the housing market area.

- 1.17 The contextual information about housing market conditions presented in this report focus on the administrative boundaries for the local authorities within London Commuter Belt (East)/M11 – but is generally considered within the context of the national, regional and sub-regional position.
- 1.18 It is possible to define a housing market area at different levels. These vary from very localised housing markets that operate within the local authorities' administrative boundary to the area of the entire London Commuter Belt. It is most advantageous for this SHMA to assess the housing market context in this way. The London Commuter Belt Housing Market covers 15 local authorities in both Hertfordshire and Essex, and the six authorities within London Commuter Belt (East)/M11 form a sub-group within the sub-region.

3. Involves key stakeholders, including house builders.

- 1.19 The London Commuter Belt (East)/M11 SHMA identified a range of Key Stakeholders from both the public and private sector to inform the assessment process.
- 1.20 Key stakeholders (a project board/group and wider stakeholders) were involved throughout the study. The project board/group consisting of a mix of planning and housing representatives from the six partnering local authorities were directly involved with the design of the project brief and worked closely with ORS throughout each phase. The SHMA was presented to a wider stakeholder group at an interim event which introduced the study in terms of its aims, methods employed and initial outcomes, and encouraged engagement in the whole process. This event provided the opportunity for house builders, estate agents and RSL partners as well as local and regional agencies to offer initial feedback and guidance about their involvement during the course of the project.
- 1.21 Officers from the housing and planning teams for the six districts undertook to support the LCB (East)/M11 study by providing appropriate feedback in relation to the design of the project brief and throughout the project period. This was facilitated by the production of a series of discussion papers published in phases, first to the project board/group and subsequently to wider stakeholders. During the allocated consultation periods comments regarding quality and further data and information sources were actively encouraged. All of this was taken into account for the production of the final report.
- 1.22 The publication of and feedback to the discussion papers was greatly assisted by the development of an 'extranet' site. This is a website that can be viewed externally, but with access restricted to those issued with an account and password. The discussion papers and presentations from the stakeholder event along with other relevant documents (such as regional and sub-regional policy documents, Annual Monitoring Reports, HSSA data and Local Development Schemes) were posted on the LCB (East)/M11 Housing extranet site. Feedback on the discussion papers, suggested further information and general comments on analysis methods, assumptions and headline findings could be posted within specific discussion areas. There were different areas for the project board/group and wider stakeholders to allow engagement at different levels. A detailed timeline, key dates and updated news also enabled stakeholders to keep track of the progress of the study.

1.23 As previously noted, the importance of the neighbouring authorities across the sub-region was recognised, and they were invited to be involved from the outset of the project and to provide feedback on the discussion papers.

1.24 The stakeholders involved in the process included:

LCB (East)/M11: Project Board/Group

- Planning Managers and Officers
- Housing/ Housing Strategy Managers and Officers

LCB (East)/M11: Wider Stakeholder Group

Local Agencies:

- Local Council Members (with responsibility for housing and planning)
- Local Authority Officers
- London Commuter Belt Sub-Region Co-ordinator
- Community Development Agency for Hertfordshire

National/Regional Government and Agencies

- East of England Development Agency
- GO East

Sub-regional and RSL Partners

- Bellway Homes
- East Thames Housing Group
- Estuary Housing Association
- Hastoe Housing Association
- Moat Housing Group
- Network Housing Group
- Springboard Housing Association
- Swan Housing Group

Planning Consultants/Surveyors

- A K Design Partnership
- Andrew Martin Associates
- AS Planning Bidwells Property Consultants
- Blue Sky Planning
- Boyer Planning
- DLP Consultants
- DPP
- Jeremy Peter Associates
- JTS Partnership LLP
- Keymer Cavendish
- Moulton Walker
- Portland Planning
- Prospect Planning
- Richard Jackson Plc

- RPS
- Shire Consulting
- Smart Planning Ltd
- Woodhouse Property Consultants

House Builders and Estate Agents

- Barratt Eastern Counties
- Beechwood Homes Ltd
- Countryside Properties Ltd
- CPR Essex
- Crest Strategic Projects St James Group Ltd
- Cresthaven Developments
- Higgins Plc
- Leach Homes
- Newhall Projects
- Origin Group
- Pelham Structures Ltd
- Peer Group Ltd
- Samuel Beadie Ltd

Adjoining Local Authority Representatives:

- Stevenage Borough Council
- Chelmsford Borough Council

^{1.25} Community representatives also attended a stakeholder forum, providing a range of discussion about the needs of sub-groups within the population including; BME groups, older people, those with disabilities, homelessness and young people. Participants were given a short presentation to introduce the study and then formed a focus group to discuss a range of issues.

^{1.26} An extensive list of community representatives from across LCB (East)/M11 were invited to the workshop, although despite interest in the project many could not attend the event owing to prior commitments. However, some provided comments at a later stage, for example The Maybury Centre.

^{1.27} Participants represented a range of groups in the community as well as local authority representatives. The following community groups/organisations were represented:

- Nazeing Action Group
- The Princess Alexandra Hospital NHS Trust
- The Roydon Society
- Herts Young Homeless Group
- Women's Aid
- Epping Society
- Harlow Renaissance
- Chelmsford Diocesan
- Harlow and District Chinese Association
- MOD

- Great Parndon Residents Association
- The Maybury Centre

1.28 The purpose of these workshops was to discuss any issues/barriers to housing experienced by client sub-groups and the different types of housing needed to accommodate them. This information was sought to add depth to the secondary data analysis. Findings from the focus group can be found in Appendix A.

1.29 Attendees of the community workshops were also encouraged to engage further with the project through the use of the LCB (East)/M11 Housing Extranet hosted by ORS.

4. Contains a full technical explanation of the methods employed, with any limitations noted.
5. Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.

1.30 Many aspects of the SHMA simply collate the range of available evidence in order for it to be considered within the local context. A detailed technical explanation of such stages is therefore not normally necessary, and no assumptions or judgements have been taken. Nevertheless, some of the outputs from the study are dependent on analytical work that does require a more technical explanation and are based on a series of assumptions.

1.31 Assessing the suitability of housing occupied by established households across the sub-region is one of those critical stages, and the comprehensive analysis that is undertaken to determine the suitability of existing housing is detailed in Figure 88 of the report, together with the associated assumptions for this stage of the analysis.

1.32 The assessment of household affordability is another critical stage of the analysis that fundamentally underwrites the assessment of housing need – insofar as it determines the financial resources required to be able to access market housing. The methodology employed for this analysis is clearly set out in Chapter 7 under the heading “Profiling Affordability”. Once again, a number of assumptions have been made, but these are consistent with the standard assumptions promoted by the CLG Practice Guidance.

1.33 The other key analytical stage of the process relates to the modelling of housing requirements. An overview with further details on the derivation of each of the model inputs is set out in Chapter 8, under the heading “Housing Market Dynamics”.

6. Uses and reports upon effective quality control mechanisms.

- ^{1.34} The quality of the SHMA outputs is underwritten by the robustness of the analysis methodology employed, coupled with the quality of the data that underwrites that analysis process. The primary source for many of the Core Outputs for the LCB (East)/M11 study is the modelling framework outlined in Chapter 8 of this report. This model has been developed and tested over a number of years. The development process was aided by being able to run the model alongside the evidence from many previous primary data studies conducted by ORS. This allows us to be confident that the outputs from the model will be in line with those which would have been generated by a primary data survey provided the survey considered households circumstances and actions rather than its aspirations.
- ^{1.35} Throughout the project period ORS met regularly with the project board/group comprising representatives from Housing and Planning from each authority.
- ^{1.36} During these meetings, detailed aspects of the project were discussed including the methodology, data sources and reporting. This provided the opportunity to adapt aspects of the work throughout the project period and include all of the most relevant and up to date data and information that might otherwise not have been taken into account.
- ^{1.37} The LCB (East)/M11 Housing Extranet site also acted as a quality control mechanism. It was used by members of the project board/group regularly posting discussion points and constructive comments in the discussion areas, as well as having exchanges via email and telephone. All comments were considered, and if appropriate taken on board during the production of the final report.
- ^{1.38} As each 'chapter' of this report was first published as a separate discussion paper during six consultation periods, stakeholders were given the time to digest and comment on any issues and subsequently ORS have been able to respond.

7. Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken.

- ^{1.39} As this report provides the findings from the baseline SHMA, the results are yet to be monitored and updated. The ORS model is capable of being updated by end users and has been made available to the LCB (East)/M11 group, with support from ORS. In terms of affordable housing, delivery will continue to be monitored through each local authority's respective Annual Monitoring Report (AMR).

Providing the Core Outputs

- ^{1.40} Figure 4 provides the relevant references for each of the Core Outputs required by the SHMA Practice Guidance in the context of this report.

Figure 4
Referencing the SHMA Core Outputs

Core Outputs		References within the Report
1	Estimates of current dwellings in terms of size, type, condition, tenure	<p><i>Chapters 4 profiles the Existing Housing Stock.</i></p> <p><i>More specifically:</i></p> <ul style="list-style-type: none"> – <i>Figure 16 & Figure 20, give breakdowns of property type;</i> – <i>Figure 26 gives a breakdown of the size of dwellings; and</i> – <i>Figure 18, Figure 19 and Figure 20 give breakdowns of tenure.</i>
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	<p><i>The study provides a wide range of information about trends within the housing market, with references throughout chapters 5, 6, 7 and 9.</i></p> <p><i>More specifically:</i></p> <ul style="list-style-type: none"> – <i>Figure 41, Figure 42 and Figure 43 provide detail on the overall population;</i> – <i>Figure 46 & Figure 47 show the changing age profile of the area;</i> – <i>Figure 64, Figure 65, Figure 66, Figure 68, Figure 70 & Figure 71 detail UK migration rates year-on-year;</i> – <i>Figure 75, Figure 76, Figure 172 and Figure 173 show details on migrant workers;</i> – <i>Figure 78 shows the level of homelessness and in priority need;</i> – <i>Figure 49 and Figure 50 provide information on unemployment rates;</i> – <i>Figure 52, Figure 53 & Figure 54 shows annual VAT registrations and de-registrations;</i> – <i>Figure 59, Figure 60 and Figure 61 details local earnings;</i> – <i>Figure 91, Figure 92 and Figure 93 provide detail on the changing cost of local housing;</i> – <i>Figure 96 shows the volume of sales;</i> – <i>Figure 94 shows the changing earnings to house price ratio; and</i> – <i>Figure 95 details the availability of stock affordability by income.</i>
3	Estimate of total future number of households, broken down by age and type where possible	<i>Figure 105 on and Figure 114 to Figure 119 show the projected number and mix of additional households to 2026, with a summary of the overall numbers provided in Figure 120</i>
4	Estimate of current number of households in housing need	<i>An estimate of the overall current number of households in housing need is detailed in Figure 90</i>
5	Estimate of future households that will require affordable housing	<i>The gross housing requirement for Social Rented and Intermediate Affordable Housing is detailed in Figure 129 on the basis of house prices in 2007/08 and considered in the context of longer-term trends in Figure 135. Analysis by local authority and sub-market is summarised in Figure 136 and Figure 137 respectively</i>
6	Estimate of future households requiring market housing	<i>The gross housing requirement for Market Housing is also detailed In Figure 129 and Figure 135 to Figure 137 of the report</i>
7	Estimate of the size of affordable housing required	<i>The size mix of housing required by all households seeking housing is detailed in Figure 146 and Figure 147</i>
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people	<p><i>Chapter 9 of the report considers the needs of various sub-groups of the population, including:</i></p> <ul style="list-style-type: none"> – <i>Black and Minority Ethnic Population;</i> – <i>Housing Needs of Older People;</i> – <i>Supported Housing;</i> – <i>Students; and</i> – <i>Rural.</i>

Data Sources

- ^{1.41} In considering these questions, we have integrated a range of research methods in order to understand the relevant issues. By collating information from the range of data sources, we are able to build a detailed profile of LCB (East)/M11 and how the area is evolving and changing over time. Integrating the different data sources enables information to be extracted that otherwise may not have been found.
- ^{1.42} A key data source used throughout this report is the 2001 Census. Information from the 2001 Census is now seven years out of date, but it can be supplemented with data from other sources to provide more up to date information.
- ^{1.43} The secondary data sources used included:
- 2001 Census of Population;
 - 1991 and 1981 Censuses of Population;
 - ONS population projections;
 - CLG 2004 and 2006 based household projections;
 - Database of all property sales maintained by HM Land Registry;
 - Information on existing stock maintained by Valuation Office Agency;
 - Mid-year Population estimates;
 - Annual Population Survey;
 - Annual Survey of Hours and Earnings;
 - DEFRA Geographical Area Classification
 - VAT registrations
 - Pension claimants;
 - Incapacity benefit claimants;
 - Unemployment claimants count;
 - HSSA submissions from local authorities;
 - CACI Paycheck data for household income;
 - Supporting People records;
 - Home Office asylum seeker statistics;
 - DCLG Right to Buy records
 - DCLG data based on P1E homelessness submissions;
 - NHS customer record (NHSCR) data from the ONS migration statistics unit.
 - Housing Corporation publications from Registered Social Landlord CORE logs (Continuous Recording) and other statistical returns; and
 - Local authority housing and planning administrative records.
- ^{1.44} It should be noted that while 2006 –based household projections (most recent data published March 2009) have been used in some parts of the report to give a give an indication of how the population is likely to change up to 2031, 2004-based households projections have been used for the majority of the SHMA analysis and modelling as it is these projections that were considered when setting the dwelling delivery targets for the RSS.
- ^{1.45} This information was complemented by a sequence of meetings and discussions held with a wide range of stakeholders, including individual client groups and professionals involved in housing management and provision across LCB (East).

Summary of Key Points

- Strategic Housing Market Assessments (SHMAs) are designed to provide information on the level of need and demand for housing and the opportunities that exist to meet it in an area.
- SHMAs need to meet the required core outputs and processes to demonstrate credibility and robustness that are outlined in the government guidance.
- The LCB (East)/M11 sub-region is made up from 6 of the 15 authorities that make up the wider London Commuter Belt sub-region. An SHMA covering the 6 authorities making up LCB (West) has also been carried out by ORS which will assist in the development of sub-regional policies because of the consistency of approach
- This study considers contextual information at a local authority level, but also within the general context of the national, regional and sub-regional position.
- A wide range of stakeholders were invited to discuss the study – these included: LCB (East)/M11 project board/group, local agencies, national/regional government and agencies, sub-regional and RSL partners, homebuilders and estate agents and planning policy officers from neighbouring boroughs. Representatives attended a stakeholder event to offer initial feedback and guidance.
- An extranet site was used to publish and facilitate feedback on a series of discussion papers and the final report. Stakeholders could also keep track of the study and key dates and access documents.
- Community representatives attended a workshop to discuss the needs of sub-groups within the population including; BME groups, older people, those with disabilities, homelessness and young people.
- For the most part, it is not necessary to provide a technical explanation of each output, however, where more analytical work has been undertaken these details are given. ORS can be confident that the outputs from the model using secondary data are in line with those generated by using primary data from surveys. This is because the model has been developed and tested over a number of years and run alongside the evidence from many previous primary data studies.
- Other quality control mechanisms included regular meetings with the project board/group involving detailed discussions, as well as further discussions via the LCB (East)/M11 Housing extranet site, telephone and email. Feedback was encouraged after the publication of each stage of discussion papers.
- A range of data sources and a range of research methods has been integrated to understand better the relevant issues. Sources include: 2001 census of population, Property Sales (HM Land Registry, existing stock information (Valuation Office Agency), HSSA submissions, Housing Corporation publications and local authority housing and planning administrative records. Further sources are detailed above.

Section 2: The Strategic Context

National Policy Context

- ^{2.1} A central aim of UK government housing policy has been to ensure that everyone has the opportunity of living in a decent home, which they can afford.
- ^{2.2} In 2003, the government set out their current vision for housing in the Communities Plan. This publication has led to a period of significant change in planning systems across England and Wales, and the current housing policy document is Planning Policy Statement 3 (PPS3) and the accompanying Delivering Affordable Housing, which has recently replaced a series of policies including Planning Policy Guidance Note 3 (PPG3) and Circular 6/98.
- ^{2.3} The objectives of the Communities Plan state that our communities should:
- be economically prosperous;
 - have decent homes at affordable prices;
 - safeguard the countryside;
 - enjoy a well-designed, accessible and pleasant living and working environment; and
 - be effectively and fairly governed with a strong sense of community.
- ^{2.4} PPS3 supplements these aims with the requirement that people should also live in a community where they want to live. An important series of definitions are also presented in PPS3, of which several are detailed below.

Housing definitions used in PPS3

Housing Need: The quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing Demand: The quantity of housing that households are willing and able to buy or rent.

Affordable Housing: Social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Housing Market Areas: Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.

- ^{2.5} Notably, one of the six principles of PPS3 is that an evidence-based policy approach to housing provision is taken:

Local Development Documents and Regional Spatial Strategies policies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment.

Affordable Housing

- 2.6 As set out in CLG (2006) Delivering Affordable Housing, national government's affordable housing policy is based around three main themes:
- Providing high quality homes in mixed sustainable communities for those in need;
 - Widening the opportunities for home ownership; and
 - Offering greater quality, flexibility and choice to those who rent.
- 2.7 The Barker Review of Housing Supply recommended an increase in socially rented housing to cope with the growth in need for social housing and the loss of social stock through the Right to Buy. Subsequently, since the 2004 Spending Review, the government has increased provision of social housing, and made it a priority in the 2007 Comprehensive Spending Review.
- 2.8 CLG (2006) Delivering Affordable Housing emphasises the importance of a strategic approach to housing by local authorities, balancing housing provision with future housing demand. Local authorities can improve delivery through creative use of their own resources, or through working with other providers. Housing provision may be direct, using the Housing Private Finance Initiative or by giving planning permission or land to new providers, helping them to deliver innovative grant free models. To ensure an effective delivery of a shared vision, close working with regional bodies and with delivery partners through Local Housing Partnerships is essential.

The East of England

- 2.9 The Government tasked the nine English Regions to deliver the Communities Plan. The East of England Regional Assembly is responsible for strategic delivery in the East of England through a number of regional strategies including the Regional Spatial Strategy (RSS). Regional planning policy is set out in the East of England Plan, adopted and published by the Government in May 2008. This plan takes account of and builds on the Regional Economic Strategy, the Regional Housing Strategy and the Regional Sustainable Development Framework.
- 2.10 The East of England Plan 2008 sets out planning policies and targets for the region, including a vision and strategic objectives to shape development in the region to 2021.
- 2.11 The overall vision of the East of England Plan (2008) is to provide a high quality of life for people, including meeting their housing needs in sustainable and inclusive communities while at the same time reducing any adverse impact on the environment. The main objectives are to:
- Reduce the region's impact on, and exposure to, the effects of climate change;
 - Address housing shortages in the region;
 - Realise the economic potential of the region and its people;
 - Improve the quality of life for the people of the region; and
 - Improve and conserve the region's environment.
- 2.12 The East of England Plan has been influenced by the Government's Sustainable Communities Plan (ODPM 2003) which sets out a long-term programme of action for delivering sustainable communities in urban and rural areas. This plan identifies four 'growth areas', three of which (Thames Gateway, the London-Stansted-Cambridge corridor and Milton Keynes South Midlands) lie partially within the East of England and so implications of the plan are addressed in the Regional Spatial Strategy (RSS). In 2006, the London-Stansted-Cambridge growth area was enlarged to incorporate Peterborough and

Stevenage whilst the RSS also identified the Haven Gateway as a sub-region and Norwich and Thetford as Key Centres for Development and Change.

Overall Housing Provision

- 2.13 Policy H1 in the East of England Plan (2008) states that provision will be made for at least 508,000 dwellings between 2001 and 2021 in the East of England as a whole. Supporting text in paragraph 5.3 of the Regional Spatial Strategy states that to achieve this 26,830 dwellings ought to be provided per annum from 2006.
- 2.14 The figures quoted for each local authority are minima rather than maxima, councils are encouraged to aim to exceed annual average rates (without breaching environmental limits or infrastructure constraints) by:
- Increasing density (consistent with criteria in PPS3);
 - Encouraging the use of previously developed sites; and
 - Providing affordable housing in rural areas by making the best use of exception site policies.
- 2.15 Policy H1 in the East of England Plan (2008) sets out the distribution of dwelling provision across the sub-region for the period 2001-2021. Figure 5 summarises this distribution for LCB East/M11:

Figure 5

District Housing Requirement 2001-2021 for LCB (East)/M11 Sub-region (from RSS Policy H1). Note: Figures are for overall net requirements and the figure for Harlow is for total housing growth at Harlow, including urban extensions in Epping Forest and East Hertfordshire districts. (Source: East of England Plan, 2008, Government Office for the East of England).

Local Authority Area	Total to Build April 2001 to March 2021		Of which Already Built April 2001 to March 2006		Minimum still to build April 2006-March 2021	
	Total	Annual Rate	Total	Annual Rate	Total	Annual Rate
Brentwood	3,500	175	920	180	2,580	170
Broxbourne	5,600	280	1,950	390	3,650	240
East Herts	12,000	600	2,140	430	9,860	660
Epping Forest	3,500	175	1,210	240	2,290	150
Harlow	16,000*	800	810	160	15,190	1,010
Uttlesford	8,000	400	1,610	320	6,390	430
Total	48,600	2,430	8,640	1,720	39,960	2,660

- 2.16 As is indicated in Figure 5, The London Stansted Peterborough Cambridge (LSPC) M11 Growth Corridor provides for significant housing growth for the sub-region and it should be noted that the SHMA estimate of future housing requirements in terms of size and tenure takes this growth into account.
- 2.17 Local authorities are required to plan beyond 2021 assuming the same rate of growth as for 2006-2021. Where it is not possible to identify specific development sites for the whole of the 15 year period, local authorities are asked to identify broad areas of growth after 2021.
- 2.18 It is important that new development not only provides the required additional housing stock, but also meets the sustainable patterns of development set out by the RSS. Additionally, alongside supporting the regional economy, the region's environmental and ecological assets must be protected.
- 2.19 There are significant challenges in providing the required number of dwellings. New physical and social infrastructure provision (i.e. road capacity, waste water and education and health facilities),

appropriate economic interventions in some areas and increased delivery rates by the construction industry will all be needed to complement the accelerated home building programme.

Affordable Housing in the East of England

- 2.20 Policy H2 sets out requirements for affordable housing. It states that Local Development Documents should set appropriate targets for affordable housing taking into account the need to set specific, separate targets for social rented and intermediate housing. At the regional level, it is expected that some 35% of housing produced as a result of planning permissions granted after the adoption of the RSS will be affordable.
- 2.21 The widening ratio of house prices to incomes makes it increasingly difficult for those on low incomes to obtain decent accommodation near their workplace. It is recognised that good, affordable housing is essential for the quality of life of those who cannot afford to compete in the open market.
- 2.22 Affordable Housing Studies on behalf of EERA in 2003/04, as well as the Regional Housing Strategy (RHS) 2005-2010, identify that approximately 11,000 new affordable homes are needed annually in the region (7,200 social rented, 2,400 intermediate rent and 1,320 social rented backlog). In addition, 13,200 additional units are required for unmet needs such as homelessness and families in overcrowded accommodation.
- 2.23 The London Commuter Belt Housing Strategy 2005-2008 states that regional planning identifies the London Commuter Belt as the sub region of greatest need in terms of affordable housing. It is estimated that the sub region requires 43,000 affordable units over the period 2001-2021 which represents 35% of the total housing demand of 124,000 units.

Regional Housing Strategy

- 2.24 The Regional Housing Strategy (RHS 2005-2010) for the East of England, along with the East of England Plan and the Regional Economic Strategy, aims for change and improvement of quality of life in the region. The vision of the RHS is that there will be more, sustainable housing provision, in high quality homes and environments, creating inclusive communities.
- 2.25 The population of the East of England is growing due to increases in the existing population and immigration. Although this is seen as necessary to support the region's economic growth and the sustainability of the region's communities, it will inevitably put further pressure on the provision of suitable housing.
- 2.26 Although provision of new housing is currently seen as the region's most pressing issue, the RHS points out that as most of the households will be living in the present housing stock, this should be of greater long-term importance. Therefore, the improvement and maintenance of existing housing stock is also a key objective of the RHS.
- 2.27 Of the estimated 23,900 new homes (identified by the Regional Housing Strategy) provided annually it is thought that 11,000 of these need to be affordable. In order to meet this need the region must overcome a series of challenges and the RHS sets out measures to reduce land and construction costs, reduce average subsidy requirements and maximise public investment resources available.
- 2.28 Action is also needed on the quality of the surrounding environment including reusing empty homes, derelict land and properties and providing more green space in order to meet the Government's Decent Homes Standard within existing residential areas.

^{2.29} The RHS recognises the importance of creating sustainable inclusive communities. The importance of creating a balanced community, with a mix of housing tenures and integration of Black and Minority Ethnic communities into the wider community is also stressed.

Economic Context

^{2.30} The East of England Plan states that across the region the aim is for 452,000 jobs to be created between 2001 and 2021. Although the RSS does not include specific figures for the number of new jobs at sub-regional level or for all districts, figures are given for the number of additional jobs for Hertfordshire (68,000) and Essex (131,000).

^{2.31} For reasons of convenience and sustainability it is hoped that future developments will redress the balance between local workers and local jobs. Indeed, the creation of local jobs is prioritised to the point that it is felt that land likely to be used for employment ought to be safeguarded against other development pressures.

^{2.32} Harlow is identified in Policy HA1 of the East of England Plan as a key Centre for Development and Change (KCDC) and is designated in Policy E3 as a strategic employment site and in Policy E4 as a major town centre. As such the town can expect growth in both the commercial and retail sectors over the plan period.

^{2.33} Harlow is also identified as potentially benefiting from growth relating to the expansion of Stansted Airport, including becoming the main residential area of choice for the airport's employees. Uttlesford and East Hertfordshire are also likely to provide homes for this purpose as the areas are served by public transport both to and from the airport.

Transport

^{2.34} The provision of a good transport system in the area is an important consideration when planning new housing developments. It is clear that with extra houses and the impact of climate change both increased use of public transport and a reduction in commuting will have a growing role to play in improving the sustainability of the area. Beyond the increased provision of public transport within urban areas, the East of England Plan looks at areas that are termed 'regional transport nodes'. Under Policy T5 both Brentwood and Harlow are identified in this way on the basis that they fulfil one or all of the following criteria:

- They have access to mainline railways;
- They have good interchange between local urban systems and wider regional links;
- They are served by strategic inter-urban bus/coach links;
- They have major bus hubs with strong sub regional bus networks;
- They have international passenger ports accessed by rail and/or long distance coach services; and/or
- They have waterway connections.

^{2.35} Brentwood is not seen as a key centre for development and change, but it does incorporate a rail interchange which will be enhanced by Crossrail.

^{2.36} Regional plans for housing provision are also in line with central government guidance, which suggests that no more than 1.5 parking spaces should be allocated per dwelling in areas that benefit from good access to public transport.

Provision for Gypsies and Travellers

2.37 The RSS Single Issue Review on Accommodation for Gypsies and Travellers and Travelling Showpeople was published by the Government in July 2009 requiring local authorities to address the shortage of permanent and transit accommodation for Gypsies and Travellers in the region. This shortage creates problems for those communities in terms of access to health, education, employment and other opportunities. Policy H3 balances providing most additional pitches in those parts of the region where most Gypsies and Travellers live whilst broadening the choice available by ensuring that all parts of the region contribute to the supply. Pitch requirements to 2011 are specified at district level to meet the existing backlog, with provision beyond that date being met by a 3% annual compound increase distributed pro-rata across the region. Additionally, provision to satisfy transit need is specified on a sub-regional basis. The needs of Travelling Showpeople are also addressed via the provisions of Policy H4, which identifies the areas in which specific levels of accommodation should be located.

Black and Minority Ethnic Groups

2.38 There is a significant growing Black and Minority Ethnic (BME) population in the East of England and therefore all service providers are required to ensure that the housing needs of BME communities are recognised and catered for within housing strategies. The East of England BME Housing Needs Study 2006 was commissioned by the Housing Corporation, GO-East, the East of England Regional Assembly and the East of England Development Agency to develop an innovative research methodology to address the gaps in existing knowledge and understanding.

2.39 The East of England BME Housing Needs Study recommends that all housing providers should ensure that they meet statutory and regulatory requirements, implement relevant codes of practice and guidance and introduce monitoring and recording systems consistent with those of other organisations. Partner agencies and organisations should also ensure that postcode and ethnicity categories are recorded in datasets and develop protocols that would enable this data to be shared with regional housing agencies.

Refugees

2.40 A Housing Needs Study was commissioned by EERA along with regional partners, and carried out by ECOTEC in 2004-05 to inform the regional housing strategy of refugee needs.

2.41 Asylum seekers may apply as homeless and seek housing once they have been granted refugee status. Local authorities help to home refugees if they have lost National Asylum Support Service (NASS) accommodation. The ECOTEC survey however found minimal evidence of homeless refugees being allocated social housing. They are most likely to be homed in the private rented sector.

2.42 Key issues for refugees include difficulty in accessing affordable private rented accommodation, and claiming housing benefit. It was suggested by stakeholders that private providers could play a vital role at this stage. Some refugees also thought they had been discriminated against or had had bad experiences with local authorities. Therefore local authorities need to communicate with refugees more effectively and to provide more useful information and guidance.

2.43 Local authorities in the region accommodated or provided support to 1,324 asylum seekers (Feb, 05). The areas with the largest number of cases are Essex non-unitary, Hertfordshire, Luton, Southend-on-Sea and Thurrock. NASS proposed that accommodation for 800 asylum seekers is needed from 2006

across the region, however, owing to instability in the many factors involved, it is recognised that this figure could change.

The London Commuter Belt

- ^{2.44} The East of England Plan identifies the Stansted/M11 sub region as part of the wider London-Stansted-Cambridge-Peterborough growth area. This Stansted/M11 group is identified as all of the authorities in LCB East/M11 with the exception of Brentwood, the place of which is occupied by Braintree.
- ^{2.45} A large part of the development earmarked for this area is done so with a view to recognising the symbiotic relationship it shares with London. Londoners enjoy leisure, tourism and outdoor recreation in the outer areas, while in return these areas look to the capital for jobs, higher order retail and cultural facilities.
- ^{2.46} The East of England Plan frequently references the importance of Stansted airport as the third largest international airport in the UK. The 2003 Air Transport White Paper supports significant expansion of the airport which will significantly increase its capacity, with many implications for the sub-region. It is stated that land within the boundaries of the airport should be safeguarded for operational and directly associated airport issues. Housing growth in relation to the airport should be located at Harlow and other nearby towns.
- ^{2.47} It is felt that in order to facilitate this growth significant housing increases are required, particularly affordable housing. This will need to cater for groups such as key workers as well as those attracted to the area by a rise in the advanced technology industries. Due to the wide range of people likely to be attracted by the growth, new housing will have to be a mix of different types and tenures.
- ^{2.48} Similarly, it is important that growth is supported by adequate capacity in community infrastructure, water supply and public utilities.
- ^{2.49} However, there are some areas in which the plan states development should be restrained:
- Uttlesford district north of Stansted Airport
 - East of the M11.
 - North of the Stort Valley, with the exception of the area north of Harlow required for strategic growth, and west of the M11
 - A strategic green wedge to be defined west of Harlow.
- ^{2.50} By the same token Epping Forest Land, Lee Valley Park and Hatfield Forest are seen as locations to be protected from inappropriate development. A network of multi-functional green space throughout the sub-region is to be established.
- ^{2.51} The vision for the London Commuter Belt Sub-region Housing Strategy 2005-2008 is to enable growth and provide for those who are homeless or can't afford market housing, create sustainable communities with social inclusion, and to make the best use of existing stock, all whilst protecting the environment. The priorities of the sub-region are shown in Figure 6.

Figure 6
Key Priorities for Investment 2005-2008 (Source: A Housing Strategy for the London Commuter Belt Sub-region 2005-2008)

Area of funding	Priority by Percentage
Growth (incl. Homelessness & housing need and regeneration)	80%
Rural housing	5%
Key workers	5%
Supported housing	5%
Existing housing stock	3%
Black and minority ethnic housing	2%

2.52 The LCB Housing Strategy estimates that there is a need for 2,500 new affordable dwellings per annum to keep pace with household growth and 8,700 a year just to meet existing housing need. It is recognised that to meet these needs local authorities have to make land available, provide funding, secure maximum returns from private developers and make the best use of existing housing stock. Figure 7 shows the completions and projections of affordable housing for the six authorities that make up LCB East/M11.

Figure 7
Actual New RSL Dwellings 2002/03 – 2007/08 and Projected New RSL Dwellings 2008/09 (Source: Local Authority Housing Strategy Statistical Appendix (HIP) Data)

Local Authority	Actual Completions					Annual Average	Projected Completions
	2002/04	2004/05	2005/06	2006/07	2007/08		2008/09
Rented Dwellings							
Brentwood	5	2	16	31	31	17	18
Broxbourne	67	161	107	57	63	91	25
East Hertfordshire	59	66	73	146	49	79	139
Epping Forest	7	95	74	20	31	45	18
Harlow	3	-	32	98	56	38	38
Uttlesford	30	74	97	20	38	52	175
Sub-total	171	396	383	341	268	322	413
Shared Ownership							
Brentwood	-	18	4	5	10	7	25
Broxbourne	35	6	27	43	2	23	6
East Hertfordshire	3	32	86	56	10	37	86
Epping Forest	-	18	4	5	44	14	25
Harlow	83	-	7	42	31	33	49
Uttlesford	6	52	23	42	24	29	31
Sub-total	127	108	147	214	121	143	222
Total	298	504	530	555	389	465	635

2.53 Protection of Green Belt land still remains a priority in this sub-region and this requires a delicate balancing act with meeting housing need and demand. Exception policies help to provide affordable housing within rural areas adjoining those with an identified need.

2.54 The LCB Housing Strategy sets out 5 identified priorities in the sub-region;

- Delivery of affordable housing
- Delivery of Intermediate housing

- Improve Stock condition
 - Meet the needs of vulnerable groups
 - Improve social cohesion
- 2.55 Firstly, affordable housing. Joint commissioning models that make the best use of resources to maximise the delivery of affordable housing have been developed with the London Commuter Belt and are considered good practice. Joint working with private developers is also seen to be significant.
- 2.56 Alongside the need for social rented affordable housing there is also increasing pressure to deliver intermediate housing for those who want to enter into the owner market but cannot afford to do so.
- 2.57 Another key priority in the sub-region is to improve stock condition. The proposed courses of action are to monitor stock condition, to work jointly with all councils and RSLs in all areas to deliver cost effective improvements to the housing stock and to improve engagement with the private sector and develop partnership working.
- 2.58 The fourth sub-regional priority is to meet the needs of vulnerable groups. Here the proposed course of action is to pursue joint working with other agencies, such as the Herts Young Homeless Group, NHS trusts, RSLs and others. In regard to those with disabilities, promoting disabled adaptations and creating a register of adapted properties and disabled people needing accommodation are the recommended actions.
- 2.59 A fifth priority is achieving social cohesion of marginalised and excluded groups such as young people without settled family homes, people with disabilities, people with mental health, drug or alcohol problems, street sleeping homeless people and Gypsies and Travellers. BME groups are even more likely to become socially isolated owing to living in deprivation or poor quality housing, be unemployed or on low incomes. The language and cultural barriers may also lead to discrimination. The proportion of BME groups in Hertfordshire is relatively low compared to England as a whole. Again the recommended course of action is to develop a sub-regional approach and it is suggested that a sub-regional working group is formed. This encourages the sharing of information through local authorities, RSLs and the voluntary sector all working together.

Local Context

Brentwood

- 2.60 The 2001 census reports that Brentwood has a population of 68,456 with 29,773 dwellings.
- 2.61 Its proximity and transport links to London, coupled with its idyllic green belt setting, make Brentwood a desirable place to live. However being in the Green Belt can make obtaining land release more difficult, which in turn makes it harder to meet house building targets.
- 2.62 Importantly household numbers are projected to grow to 32,000 by 2011. A 1998 survey estimated that 1751 households are in need, with 175 estimated to be falling into need annually.
- 2.63 A Housing Needs Survey for the Borough in 2005 stated that Brentwood was above both the regional and national averages in terms of requiring new affordable homes. It estimated that around 576 units were needed per annum from the period of the study.
- 2.64 In its Housing Strategy in 2004 Brentwood Borough Council states four key priorities:

- Optimise the provision of affordable housing.
- Seek to ensure that homes comply with minimum standards of fitness and decency.
- Deal with homelessness in the borough, with particular emphasis on reducing the use of bed and breakfast as temporary accommodation.
- Develop services to tenants and applicants for housing through the approved improvement plans.

2.65 The first aim identifies affordability as a key challenge. Median to average annual incomes in the borough are £13,900 to £27,500, yet a typical 3 bedroom semi-detached house price is £245,000. It is thought that key worker housing in particular needs to be prioritised.

2.66 The Replacement Structure Plan required 1,450 new dwellings to be built in the borough over the period 1996 to 2011 (an average of 97 dwellings per year). Though this has been replaced by the East of England Plan it is worth noting that during 2006/07, 218 dwellings (net) were completed in the borough, all of which were built on previously developed land within existing urban areas. Since 1996, 2,028 dwellings have been built by April 2009.

2.67 Between 1996 and 2002 the rate of completions was in accordance with the RSP, but since 2002 it has been higher than that. Indeed, if the projected rate materialises then the final number of completions in 2011 will exceed the RSP figure by 937 dwellings.

2.68 The RSS increased provision up to 145 per annum with the Secretary of State's proposed changes increasing that further to 175. At the time of the 2007 Annual Monitoring Report there was a five year supply of deliverable residential land to meet the requirement laid out in PPS 3.

2.69 The AMR also reports that Government standards for housing density are being met with 93.9% of new housing completed in 2006/7 being built at more than 50 dwellings per hectare, slightly less than the 100% for the previous two years.

Broxbourne

2.70 Broxbourne has a population of 89,000 and is regarded as a pleasant place to live. It has a high level of privately owned housing stock and is an area of high demand; as a result it has seen dramatic increase in house prices in recent years.

2.71 The area experiences higher levels of homelessness than most of Hertfordshire and there is a shortage of affordable housing.

2.72 In its Housing Strategy for 2004-2009 Broxbourne Council outlined their four key strategic priorities:

- Looking after the current housing stock.
- Providing efficient and effective landlord services.
- Meeting the community's social housing needs.
- Working with the community.

2.73 Affordable housing is of particular importance to the authority. An affordability study commissioned in 2007 found that 1,000 homes a year were required to meet the needs of local people. Broxbourne is particularly short on affordable housing relative to its neighbours, a balance it is looking to redress with heavy investment. £2.5million was spent in 2007/08 alone.

- ^{2.74} The 2007 Annual Monitoring Report states that development rates have declined in the report year, as the major housing sites allocated in the adopted plan have been completed. 260 homes were added to the housing stock in the report year compared with a peak of over 900 dwellings in 2004-05. However, net completions are continuing to exceed the targets set out in the East of England Plan and the council has outlined five years worth of deliverable sites for completion.
- ^{2.75} Over 76.3% of completions have been on previously developed land, with 80% on schemes with a density of over 50 units per hectare.
- ^{2.76} 102 affordable dwellings were completed during 2006-2007. Although the provision for affordable housing through new development in the borough has now increased to 78 dwellings per annum since 1992/3, this only represents 13% of the current annual estimated housing need of 773 affordable homes per annum needed in the borough as identified in the latest Housing Needs Assessment in 2007.

East Hertfordshire

- ^{2.77} East Hertfordshire is the largest district in the county of Hertfordshire. It has a population of 130,800 with a high level of owner occupation among the district's households (76%).
- ^{2.78} The East Hertfordshire Council Housing Strategy 2008-2011 sets out three strategic objectives for the period:
- Maximise the delivery of a range of new affordable homes to meet diverse needs.
 - Improve the condition of the housing stock both public and private.
 - Build sustainable and thriving neighbourhoods and communities and ensure that vulnerable people are supported in the community.
- ^{2.79} The strategy identifies that the East of England Plan calls for 12,000 new homes in the district between 2001 and 2021, 35% of which should be affordable.
- ^{2.80} Affordability, as in the rest of the sub-region, is an issue for East Hertfordshire. In 2007 the average house price to average income ratio was 3:1, the third highest ratio in Hertfordshire.
- ^{2.81} The strategy also reports on a survey using the standards and methodology of the Health and Safety Rating System (HHSRS) estimated that around 7.4% of dwellings required a mandatory response. The main hazards relate to excessive cold and falls on stairs.
- ^{2.82} It reports that in 2006 the council agreed a Choice Based Lettings scheme should be developed and has set a target that all housing authorities should be operating a CBL scheme for allocating social housing by 2010.
- ^{2.83} The level of homelessness in the last two years has decreased from the previous two years. In 2007/8 64 applications were accepted as being homeless - 60% of the total.
- ^{2.84} The 2001 Census reported that almost a quarter of households in the district (12,827) contained somebody with a long term illness. As the policy is to promote independent living and access to mainstream housing for people with disabilities, more work needs to be undertaken with affordable housing providers to deliver specialised housing schemes, lifetime homes and make the best use of adapted properties.

- 2.85 The strategy states that, under EERA proposal, East Hertfordshire will be required to provide 15 pitches for gypsies and travellers by 2011 on sustainable sites within the district.
- 2.86 East Hertfordshire is a very rural district with as much as 30% of the population living outside the five main towns. There are movements gathering pace to have greater affordable housing provision in these area with 14 new affordable houses built in rural East Herts between 2003 and 2007.
- 2.87 Less than 3% of East Herts' population is classified as BME a profile reflected in the homelessness figures and on the housing register.
- 2.88 East Hertfordshire's Adopted Local Plan Second Review, released in April 2007, reflects that the Hertfordshire County Structure Plan calls for housing provision of 11,100 dwellings in the period 1991-2011. It recognises that it is the role of the District Council to allocate land for this. In doing this it sets targets to:
- Use full use of urban land to relieve pressure on the countryside.
 - Locate housing near to employment opportunities.
 - Identify housing land to accord with the provision of PPS1, PPS3 and the Hertfordshire County Structure Plan Review.
 - Seek to achieve at least 60% of all new developments on previously developed land.
 - Ensure that housing development is capable of adaptation.
- 2.89 7,728 homes were completed by 2005 out of the total 11,100 target for completions between 1991 and 2011.
- 2.90 The District Council considers it reasonable to estimate that 60 dwellings per annum will, for the remainder of the plan period, come from small sites and conversions and a further 100 dwellings a year will come from larger windfall sites. The resultant 'to be planned for' figure was therefore reduced from the headline figure of 11,100 to 3,037 dwellings with a base date of April 1999. 692 of these dwellings were specifically to cater for employees of the growing Stansted Airport.
- 2.91 The Council expects that 15% of all dwellings built will meet requirements laid out by the Rowntree Foundation and be worthy of the term 'lifetime homes'.

Epping Forest

- 2.92 The district has a population of 120,900 people and is situated in an attractive Green Belt area, with good road and rail links to the capital. The average household size is 2.37 people.
- 2.93 In April 2004 there was a total of 52,230 dwellings in the District. 13% of these (6,860) are owned by the Council and RSL numbers are increasing, accounting for 2.4% of the District's dwellings.
- 2.94 House prices in the area are well above the England and Wales average with the Green Belt and other restrictive planning policies exacerbating market pressures. Land in Epping Forest is therefore particularly scarce and, consequently, expensive. This is making it increasingly difficult for the next generation of residents to afford a house in the area. The average house price in the authority is £251,000 and incomes of around £30,000 are needed to buy a one bedroom dwelling. The Housing Strategy stresses that affordable housing targets are to be achieved in partnership with RSLs and not just by the council.

- ^{2.95} The Epping Forest Housing Strategy 2004-2007 states that Epping Forest requires an annual provision of 665 affordable homes.
- ^{2.96} The Housing Strategy recognises that 18% of households include someone with a disability. Of the 560 households in the district which include a wheelchair user only one third live in a property adapted for wheelchair use.
- ^{2.97} The Community Strategy outlines 5 objectives which are carried through to the Housing Strategy:
- Ensure that growth in the number of homes in the district is properly planned along with adequate infrastructures such as roads, health facilities, schools and the like.
 - Make affordable housing available, in rural and urban locations, for people who want to live in the district.
 - Ensure that people with special needs are able to live in sustainable accommodation with appropriate levels of support.
 - Accommodate homeless people quickly in suitable, permanent accommodation.
 - Ensure that all homes in the district, in both the public and private sector, are in decent condition.
- ^{2.98} The Council itself sets out the following five key housing priorities:
- Contribute towards regional discussions on the Regional Planning Guidance regarding the number of homes to be delivered in the district.
 - Ensure that new homes provided in the district through regional growth are sustainable, through good planning and the provision of adequate infrastructures.
 - Increase the number of affordable homes for rent within the district.
 - Ensure that all of the Council's properties are of a 'decent' standard by 2010.
 - Eradicate the use of bed and breakfast accommodation altogether.
- ^{2.99} The Annual Monitoring Report (AMR) 2007 anticipates the provision demanded by the East of England plan to be 3,500 net new homes between 2001 and 2021, which equates to a delivery of 175 per annum. The report notes that some developments earmarked for Harlow will fall within the boundaries of Epping Forest.
- ^{2.100} Between 1996/1997 to 2006/2007 3,134 units had been developed, an annual average of around 285 completions.
- ^{2.101} The AMR estimates that it will be possible to achieve at least 200(net) completions each financial year until the end of the RSS period in 2021.
- ^{2.102} In 2006/07 93.5% of all completions were on previously developed land. Also, over 86% of all dwellings completed in this period achieved a density within, or in excess of, the national indicative minimum of 30 dwellings per hectare set out by PPS3.
- ^{2.103} During the 2006/07 period 25 affordable units were achieved, accounting for 7.72% of the gross number of completions. This rate is expected to increase significantly in the coming years.
- ^{2.104} It is important to note that Stansted airport is only five miles from the Epping Forest border and with permission to expand to 25 million passengers per annum (MPPA) it will have a significant impact on the Epping Forest housing market.

Harlow

2.105 Harlow was built as a new town to accommodate people moving out from London after the Second World War. In 2001, public consultation leading to the first community strategy indicated that the town had reached a point where its fabric was starting to show signs of wear and tear. It was clear that regeneration and renewal of substantial areas of housing, shopping, commercial and industrial development needed to take place over the next 20 years.

2.106 The Community strategy considers that Harlow has the potential to change significantly in terms of its size, shape and nature;

- The town lies in an area of high economic activity stretching from the Midlands through Cambridge and London, across the Channel to the economic backbone of Europe;
- Its proximity to Stansted Airport puts it in an even better position as the airport starts to grow and attract new investment to the area. Developments at Stratford International Rail Terminal have meant the town is well placed to benefit from major transport links; and
- The demand for new homes in the South East and East of England is vast and will be partly met by significant growth in Harlow's Housing Market.

2.107 In a survey carried out for the preparation of Harlow's Draft Regeneration Strategy many businesses said they considered that poor image hinders growth and is the most important factor in attracting and keeping businesses in the town.

2.108 The Harlow Regeneration Strategy is identified as the starting point for producing a long-term vision of the town as a key area for development. It shows that a fundamental requirement for regeneration is a successful and sustainable economy in Harlow. It highlights key issues aims relative to the scope of the SHMA;

- A skilled and innovative workforce –improving the present and future labour market by raising skills and aspirations, retention of skills and stopping the drift of younger people out of the area; and
- A major change in the physical environment – continued renewal and regeneration of the Town Centre, including improvements in the quality and choice of housing.

2.109 The community strategy 2006-2009, 'Harlow 2020 Vision' establishes key priorities the most relevant of which to the SHMA are;

- To continue to regenerate the Town Centre - to establish Harlow as a place that can compete with other shopping centres in the area. Increased spending power will help to re-position Harlow and attract better quality shops and restaurants etc to the town. The Town Centre has a strong influence on perceptions of Harlow and parts are now tired and outdated. Investment will create more confidence in the Town and encourage companies to stay in the area and others to locate in Harlow.
- To improve Harlow's image, retaining existing businesses in the area and attracting new investment – outdated or inaccurate views of life in Harlow were having a highly negative

impact, both on the willingness of new businesses to come to the town, and on whether people wanted to visit, to shop or to enjoy the leisure facilities.

- ^{2.110} The 2006-2007 Annual Monitoring Report states that in mid 2006 population estimates had Harlow at 78,100 residents, 48.5% male and 51.5% female and it was 95% white. The population decreased by 1.5% to 77,800 between 1983 and 2003.
- ^{2.111} The unemployment level at the time of the census was 3.36% and the average household annual income stood at £23,551. Electronics and electrical industries made up the dominant industry in the Authority.
- ^{2.112} The total housing stock was estimated in 2003 to be 32,578 of which 10,516 were council houses. 2,024 were thought to not meet the decent homes standard.
- ^{2.113} The housing trajectory in the AMR shows a fall in completions from 2001 to 2006, explained by the tailing off of development at Church Langley. It is thought that completions will dramatically increase between 2007 and 2011 and compensate for the downturn in the previous period.
- ^{2.114} Affordable housing completions are currently at 23%, lower than the target of 33%, but this too is expected to be rectified by projects in the coming years.
- ^{2.115} 89% of completions in 2007 were on previously developed land and although the data is not available the AMR is confident that no development was completed at less than 30 dwellings per hectare.

Uttlesford

- ^{2.116} Uttlesford is a predominantly rural, sparsely populated district made up of 70,000 people in 29,000 dwellings. It has good road and rail links to both London and many regional towns, but public transport in the more rural areas is poor. Most importantly for the district's infrastructure though, is that London's third largest airport, Stansted, lies within its boundaries.
- ^{2.117} Its rural nature, coupled with its proximity to London, make it a highly desirable place to live, which, in turn, leads to price increases. As a result there are many households in the district who while not necessarily requiring subsidised affordable housing are financially restricted from entering the private housing market.
- ^{2.118} The Uttlesford Housing Report 2004-2007 states that the Council is debt free with limited holdings and so the supply of housing can only be increased by:
- Maximising the use of existing stock;
 - Negotiating with developers and RSLs and housing development sites as part of the planning process; and
 - Maximising all exception site opportunities.
- ^{2.119} The Council has retained its landlord function currently managing a housing stock of just under 3,000 units. A survey in 2002 indicated that the stock was in good condition and so the Council is confident of meeting the Government's Decent Homes Standard (DHS) by 2010.
- ^{2.120} Overall the strategy identifies 3 key objectives:
- Ensure that all housing developments are sustainable, support areas of economic growth and provide sufficient affordable housing to meet the identified needs of local people.

- Ensure that all housing in the district is built and maintained to a high standard in both the public and private sectors.
- Consider and evaluate, in close partnership with council tenants, all stock options to determine the best possible price is made available to tenants.

^{2.121} The 2007 AMR reports that in 2006/07 the authority oversaw the building of 326 dwellings. This is below the annual requirement of 430 as set out by the East of England Plan. Due to this underperformance, and that of the six years before, there is now an annual need for 447 completions in the Authority.

Summary of Key Points

- The East of England Plan calls for at least 508,000 dwellings between 2001 and 2021 across the region, this equates to 26,830 annually from 2006. 48,600 of these will be in LCB East/M11 with Harlow getting the most at 16,000 and Brentwood the least at 3,500, these require an annual rate of building of 2,430 dwellings between 2001 and 2021.
- The East of England Plan identifies the LCB (both East and West) as the area of most need in the region in terms of affordable housing, believing 43,000 units are required over the 20 years of the Plan.
- The growth of Stansted Airport and Harlow's prospective emergence as a town of regional importance means it is expected to receive significant growth in its housing stock and development to its town centre. East Hertfordshire and Uttlesford are also planned to contribute to the expansion.
- Brentwood and Harlow are expected to become regional transport nodes.
- Between 2002 and 2007 an average of 555 affordable homes per annum were built in the sub-region. It is estimated that LCB East/M11 requires 2,500 new affordable dwellings per year to keep pace with household growth and 8,700 a year just to meet existing housing need.
- Brentwood has particularly restricted development because of the limitations of the Green Belt. The Replacement Structure Plan calls for 1,450 new dwellings to be built in the period 1996-21 at a rate of 97 dwellings per year. This target was greatly exceeded in the year 2006/7 when 218 completions were achieved, all on previously developed land. A total of 1,553 dwellings have been built since 1996.
- Broxbourne completions exceed the targets set by the East of England Plan, with over 76.3% of completions on previously developed land and 80% on schemes with a density of over 50 units per hectare.
- East Hertfordshire is currently on course to fulfil the requirements of the Structure Plan having completed 7,728 units by 2005, leaving six years to complete the remaining 3,272.
- Epping Forest also has land supply challenges exacerbating the problem of affordability. Between 1996/97 and 2006/07 an annual average of 285 new dwellings was achieved. Overall the AMR believes that at least 200(net) completions each financial year will be achieved up to the end of the RSS period in 2021.
- Harlow's completions fell in the period 2001-2006 explained by the tailing off of development in Church Langley.
- Uttlesford's 2007 AMR reports that in 2006/7 the authority oversaw the building of 326 dwellings-below the annual requirement (430) according to the East of England Plan. Due to this underperformance and that of previous years an annual requirement of 447 is now needed.

Section 3: Identifying Local Housing Sub-Markets within the Sub-Region

Housing Sub-Markets in the London Commuter Belt Sub-Region

3.1 Our methodology to identify sub-regional housing market areas is based on two key guidance documents:

- Planning Policy Statement 3 (PPS3): this identifies Housing Market Areas as being geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.
- CLG Guidance: In March 2007, the Department for Communities and Local Government (CLG) issued an Advice Note on “Identifying sub-regional housing market areas”. This note recognised that local authorities in several regions had already developed approaches to defining sub-regional housing market areas and it therefore sought to identify emerging good practice.

3.2 The study also considers:

- working geographies for the analysis of housing markets (at local level and beyond),
- looking beyond the LCB (East)/M11 sub-region’s boundaries where appropriate
- the evidence on housing market boundaries emerging from studies carried out by neighbouring sub-regions/local authorities where they are relevant to LCB (East)/M11 sub-region’s housing markets.

Sources of Information and Approach

3.3 The CLG advice note identifies three sources of information which help to evidence local housing sub-markets, namely:

- House prices and rates of change in house prices, which reflect household demand and preferences for different sizes and types of housing in different locations;
- Household migration and search patterns, reflecting preferences and the trade-offs made when choosing housing with different characteristics; and
- Contextual data, such as travel to work areas, which reflect the functional relationships between places where people work and live.

3.4 These methods identified for defining housing market areas can be sub-divided into two broad approaches:

- The first approach seeks to identify and group together areas with similar characteristics;
- The second approach seeks to identify and group together areas which show a degree of self-containment (in terms of either migration and/or employment patterns).

Identifying and Grouping Areas with Similar Characteristics

- 3.5 Classifying sub-markets using the first approach will tend to yield a larger number of small areas, but each area will tend to have residents with similar characteristics. If such characteristics change, perhaps young single persons join together and become family households, they are likely to move into a different housing sub-market. For example the couple may choose to leave a town centre apartment for a home with a garden in a more suburban location.

Identifying and Grouping Areas with a Degree of Self containment

- 3.6 Using the second approach for classification tends to yield fewer sub-markets – but within each of the identified areas, there should be housing available for residents of all types. If the identified area has a balanced housing market, all households should be able to find housing to meet their requirements at a price that they can afford.
- 3.7 If there is insufficient housing of any particular type, households seeking such housing will inevitably widen their search areas in order to find the housing that they require. On the assumption that their employment circumstances don't change, they will all have to commute – so the lack of any particular type of housing will, over time, change the patterns of containment in relation to both migration and employment, such that the sub-market boundaries will eventually be redefined to include areas catering for the “missing” types of housing. Alternatively, the gap in the local market may be recognised and the “missing” types of housing may be provided within the local area.

Data Sources Used

- 3.8 There is an increasing amount of secondary data available that can be drawn on to help understand each of these factors. It is important to recognise that no one single approach (nor one single data source) can provide a definitive answer – but through considering the range of available data, it is possible to form a judgement on an appropriate geography for sub-market areas.
- 3.9 The data sources that we have considered in the course of this analysis include:

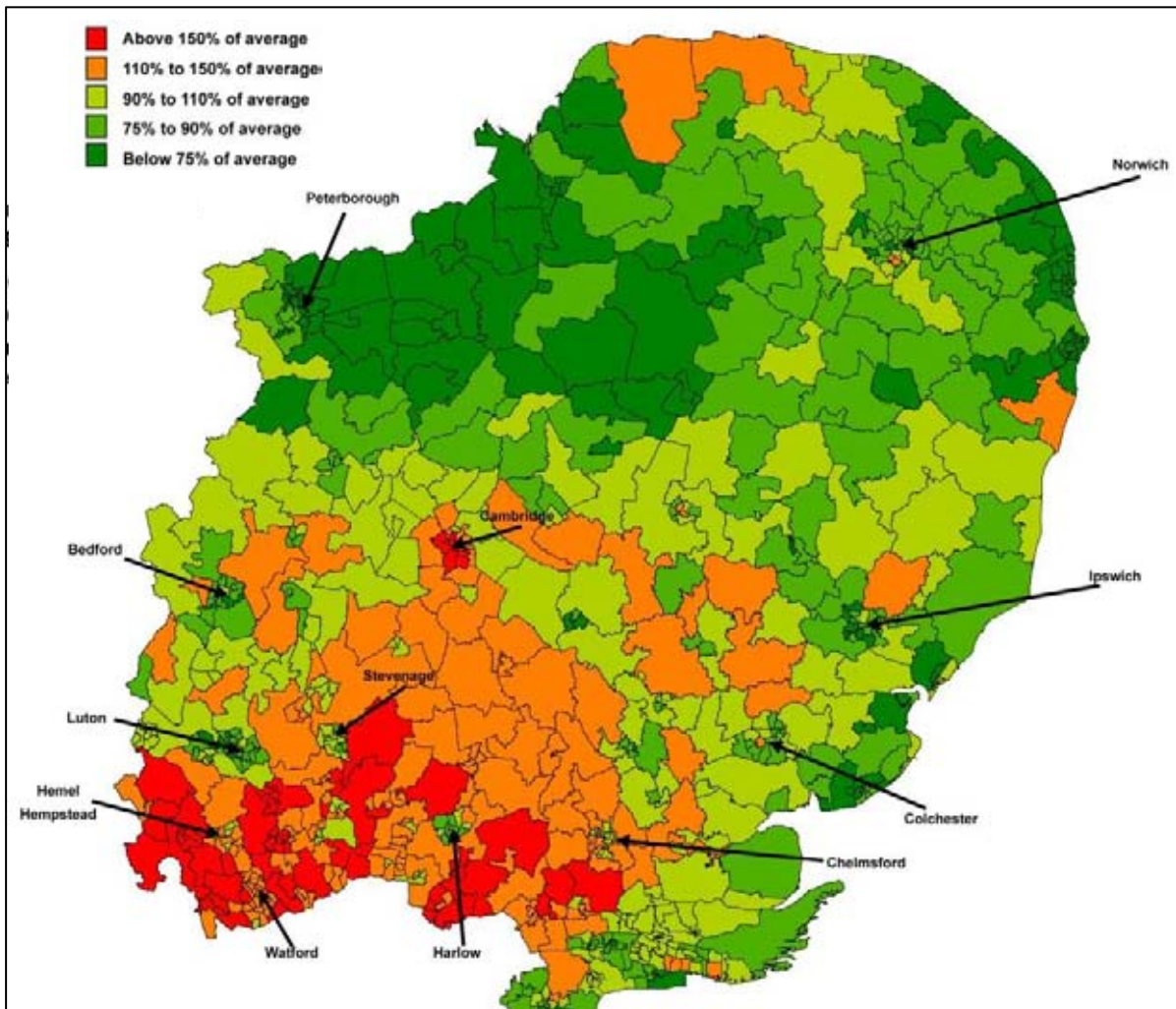
Data Source	Contents	Geography	Dates
2001 Census	Tenure, household type, age, migration, travel to work, education, household amenities, religion, employment and health	Census Output Area and a 5% sample of individual records)	2001
Land Registry records	Record of all properties sold including selling price and tenure	Individual records including 7 digit postcode	2000 onwards
CORE data on social lettings	Individual records of recent tenants in the social sector including household size, ethnicity, income and housing benefit claimants	Individual records including 7 digit postcode	2004 onwards
Index of Multiple Deprivation data from the CLG	National measure of relative deprivation which also incorporates education, health, income, crime and social wellbeing	Census Output Area	2004
ONS National Health Service Customer Records	Record of inter local authority migration	Local authority	Annual since 1997
DEFRA Rural Definition	Classification of Census Output Areas by morphology (urban, rural town, village, hamlet/isolated dwellings) and context (sparse, less sparse)	Census Output Area	2004

Defining Sub-Regional Housing Market Areas

House Prices and Rates of Change

- 3.10 The first approach to identifying housing market areas advocated by the CLG advice note is to consider an analysis of local house prices. Neighbouring areas which contain similar house prices are also likely to share many other similar characteristics, which could lead to them being viewed as being a housing market.

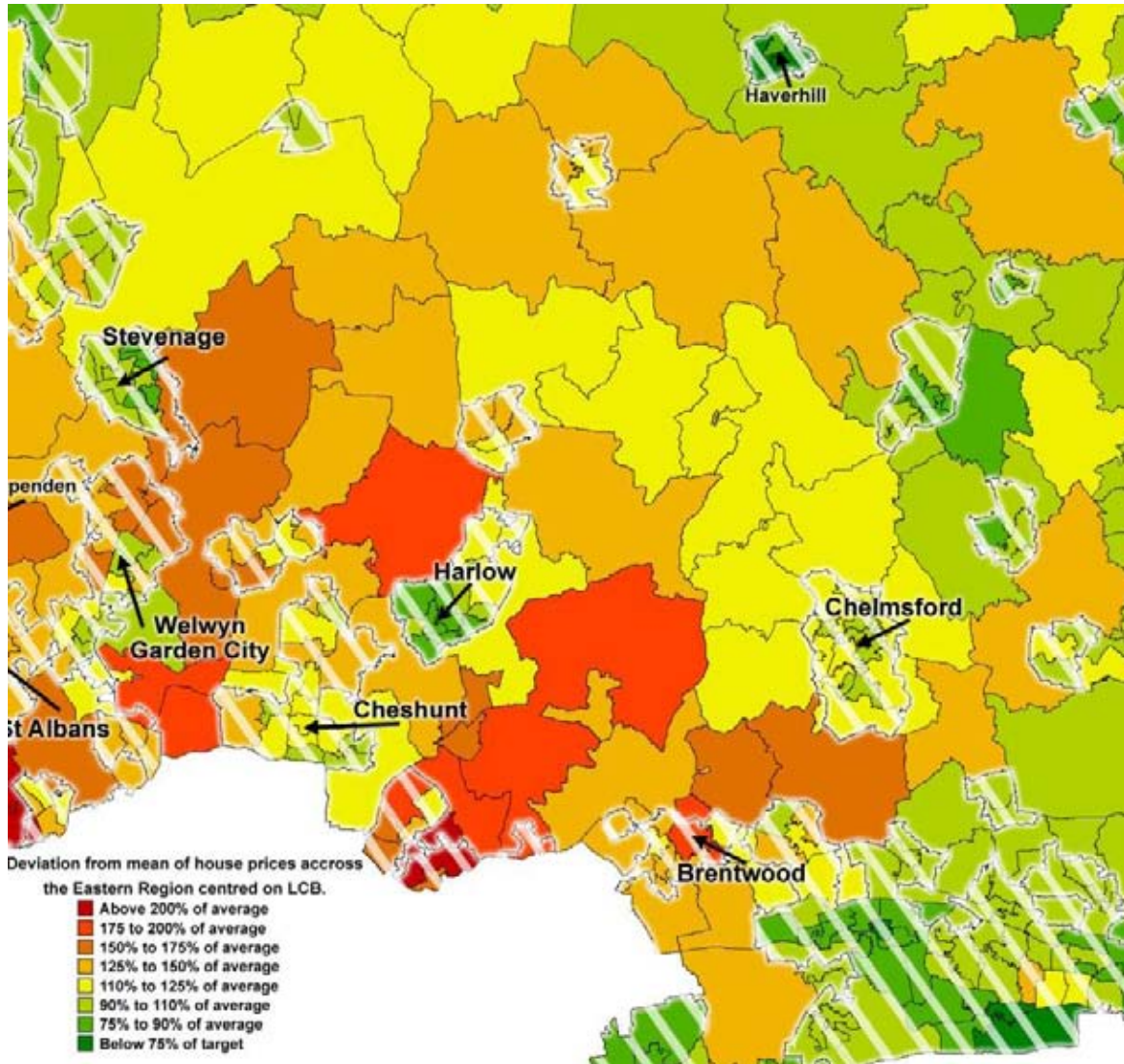
Figure 8
Relative House Prices Across the Eastern Region 2006-07 (Source: UK Land Registry)



- 3.11 Figure 8 shows the variation of house prices from the mean across the Eastern region from October 2006 to September 2007. It should be noted that the house prices have been weighted to account for any variation in dwelling type with the share of housing accounted for by detached, semi-detached, terraced and flats being standardised across the region (as discussed in the advice note) – so any variations in prices are not due to the type of stock which is to be found in the area, but are actual cost differences.
- 3.12 Areas in red contain house prices which are over 200% of the regional average and those in dark green are less than 75% of the regional average. Therefore, the LCB (East)/M11 sub-region clearly contains many areas which are above the Eastern region average.

3.13 Figure 9 shows a more detailed view of relative house prices across the LCB (East)/M11 sub-region. This identifies that the larger urban centre of Harlow has lower average house prices than the rural areas which surround it.

Figure 9
House Prices in LCB (East)/M11 sub-region Compared to Eastern Region Average (Source: UK Land Registry. Note: Urban areas are shaded)



Conclusions

- 3.14 If we were seeking to identify sub-markets on the basis of areas with similar characteristics, the above maps would suggest that the urban areas around Harlow would form one sub-market whereas the more rural parts and areas will smaller market towns form separate housing market areas.
- 3.15 Whilst it is helpful to understand this distribution of local house prices, the distribution does not appear to provide a clear mechanism for classifying sub-market areas.

Using Employment and Migration Patterns to Define Housing Market Areas

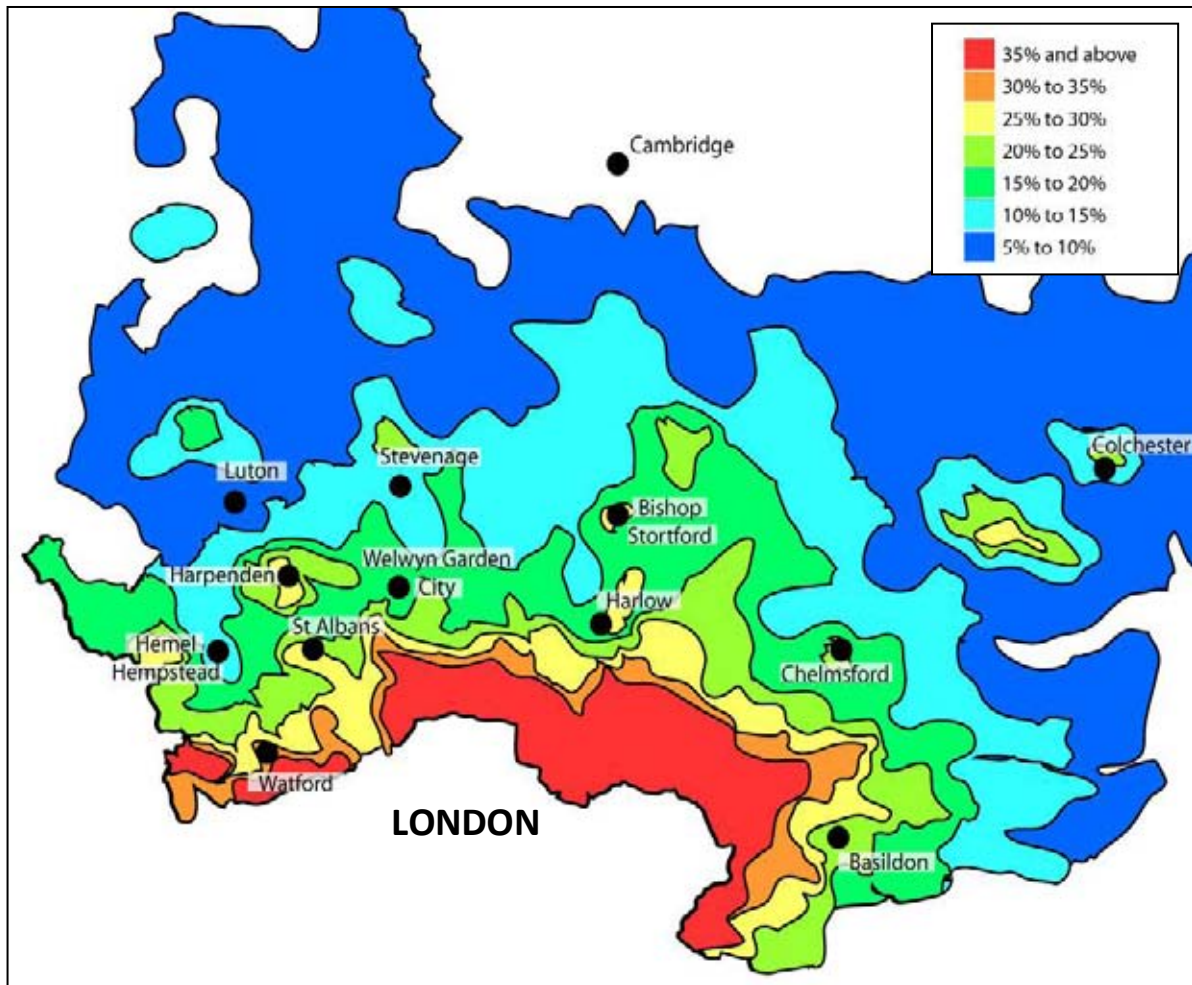
- 3.16 An alternative method for dividing the sub-region into functional housing sub-markets that is recognised by the CLG Advice Note is to consider travel to work patterns. Sub-markets would then be defined by the area in which the majority of the local population live and work, and the areas in which the majority of residents will look for housing when they move.
- 3.17 Figure 10 shows the travel to work patterns for the LCB (East)/M11 housing sub-region from the 2001 Census. It is apparent that of the 234,700 employees working in the sub-region, 170,000 (72.5%) are also local residents. Furthermore, this represents 60.7% of the sub-region's 279,900 residents that were employed.
- 3.18 From this it can be argued that the sub-region as a whole has the makings of a housing market area, as it reflects where people both live and work. However, if we consider further information on migration, travel to work and house prices patterns it is also possible to identify functional sub-markets, where the majority of the local population live, work and move within smaller geographic units
- 3.19 ORS has developed an effective methodology for identifying housing sub-markets over a number of years and in particular the mechanisms for mapping (and otherwise visualising) the large quantity of data being analysed.
- 3.20 As part of this process, it has become apparent that when considering local housing market areas, it is important to exclude the impact of substantial housing markets outside the area which may still influence local patterns. In the context of this analysis, it is apparent that the influence of London could be significant – for as shown in Figure 9, in 2001 as many as 74,000 of London's workers lived in the study area.
- 3.21 Figure 10 illustrates the influence of London on an area which covers large parts of Hertfordshire and Essex. The isobars show how large a proportion of the total workforce travel to work in London. Areas coloured in red have 35% or more of their workforce travelling to London to work. Meanwhile, areas in dark blue have less than 10% of their workforce travelling to London.

Figure 10
Travel to Work Patterns for Local Authorities in LCB (East)/M11 Sub-region in 2001 (Source: Census 2001. Note figures may not sum due to rounding)

UK Region/Area	Travel to Work		Net
	Travel to work into LCB (East)	Travel to work from LCB (East)	
LCB (East) sub-region	170,000	170,000	-
Rest of Essex	19,600	8,000	11,600
Rest of Herts	9,600	12,400	(2,700)
Rest of Eastern	8,900	6,200	2,700
East Midlands	700	300	400
London	20,500	74,000	(53,500)
North East	100	-	100
North West	400	300	100
Northern Ireland	100	-	-
Scotland	100	100	-
South East	3,200	2,800	400
South West	400	300	100
Wales	200	100	100
West Midlands	400	300	100
Yorkshire & the Humber	400	200	200
Total	234,700	279,900	(40,300)

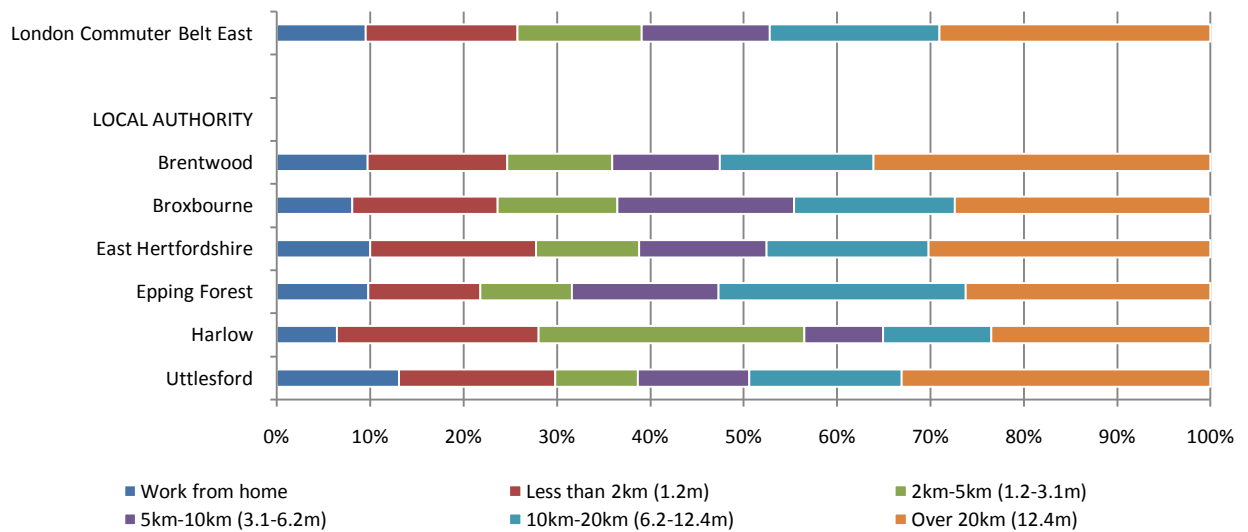
Figure 11

Travel to Work to London (Source: UK Census of Population 2001. Note: Bands represent the percentage of the employed resident population who work in the London region)



- 3.22 One of the most noteworthy features of the map is that the importance of London as a travel to work destination reaches out further to the east of London than it does to the north. Areas in Essex and the eastern side of Hertfordshire are much more likely to contain very high numbers of workers who travel into London to work.
- 3.23 While a large number of the study area’s employed residents commute to London each day, an even greater number work within the study boundary. The 2001 Census data identifies 170,000 people who both live and work in the London Commuter Belt (East)/M11 sub-region. This represents around 61% of all those living in the area who have a job, and 73% of all those who work in the area. Of this group, 26,200 work mainly at or from home, equivalent to 9.5 % of all those residents who have jobs. This is very similar to the 9.4% of all workers in the East of England who work from home and the 9.2% of all workers across England and Wales who do so.
- 3.24 Unsurprisingly the majority of people who travel to work in and out of London Commuter Belt (East)/M11 sub-region do so to and from areas in the immediate vicinity.
- 3.25 Figure 12 shows that more than half of all employees in the study area travel more than 5km (3 miles) to work each day. Employees who are resident in Brentwood and Uttlesford are the most likely to travel longer distances to work.

Figure 12
Travel to Work Distance by Local Authority (Source: UK Census of Population 2001)



Defining Housing Market Areas for the Sub-region

3.26 Figure 13 presents the inter-relationships between areas within the LCB (East)/M11 sub-region in a different way. Where those Census Output Areas that are either (i) classified “urban” by the DEFRA classification or (ii) have large workplace populations, these are grouped together to form nodes. Surrounding areas outside the sub-region are also included for completeness.

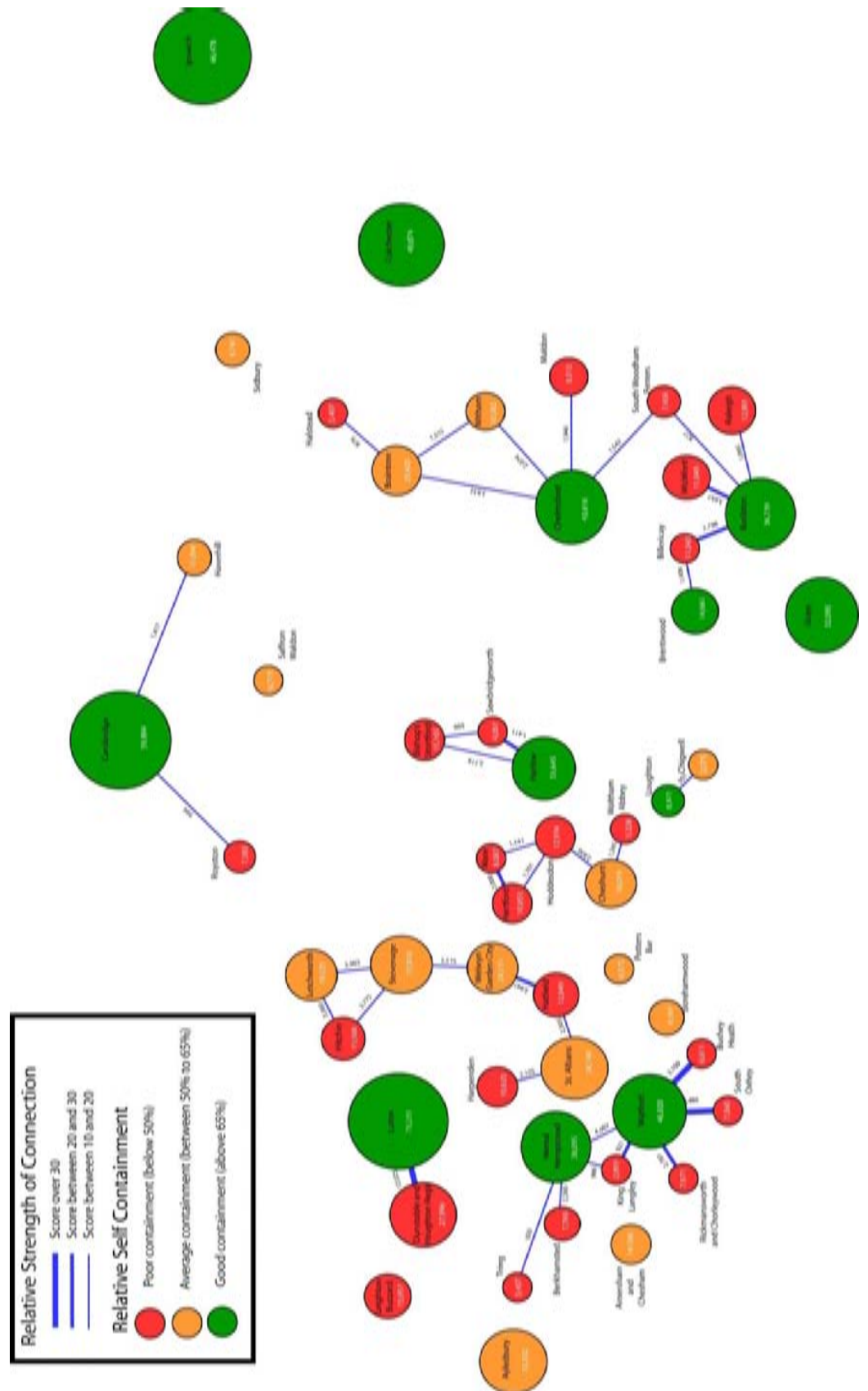
3.27 These urban centres (or nodes) have been colour coded according to their relative self-containment. The figure inside the settlement denotes the number of residents who both live and work in that urban centre. The colour of the node represents this as a proportion of all workers living in the area (excluding those who commute to London) as an indicator of the areas self-containment, on the basis of the following bands:

- Green = above 65% of employees living in the area also work in the area;
- Amber = 50 to 65% of employees living in the area also work in the area; and
- Red = below 50% of employees living in the area also work in the area.

3.28 The links that exist between the urban centres are also illustrated by the joining lines, with stronger links having heavier lines. The lines between the settlements indicate the significance of the link between the two inter-connected areas, with thicker lines indicating that the connection is stronger. Note that the line thickness (and the very presence/absence of lines) is based on the relative proportion of workers that travel between the two areas as opposed to the absolute numbers – so, for example, 200 workers travelling from an area with a total of 2,000 workers is considered to be of significance; whereas 200 workers travelling from an area with a total of 20,000 workers is typically not shown.

3.29 The number shown on the line indicates the gross travel to work in either direction between the two areas – so, for example, there are a total of 1,411 workers who either live in Harlow and work in Sawbridgeworth or alternatively live in Sawbridgeworth and work in Harlow.

Figure 13
Identifying the Links between Urban Centres in and around the Study Area (Source: UK Census of Population 2001 combined with DEFRA Classifications)

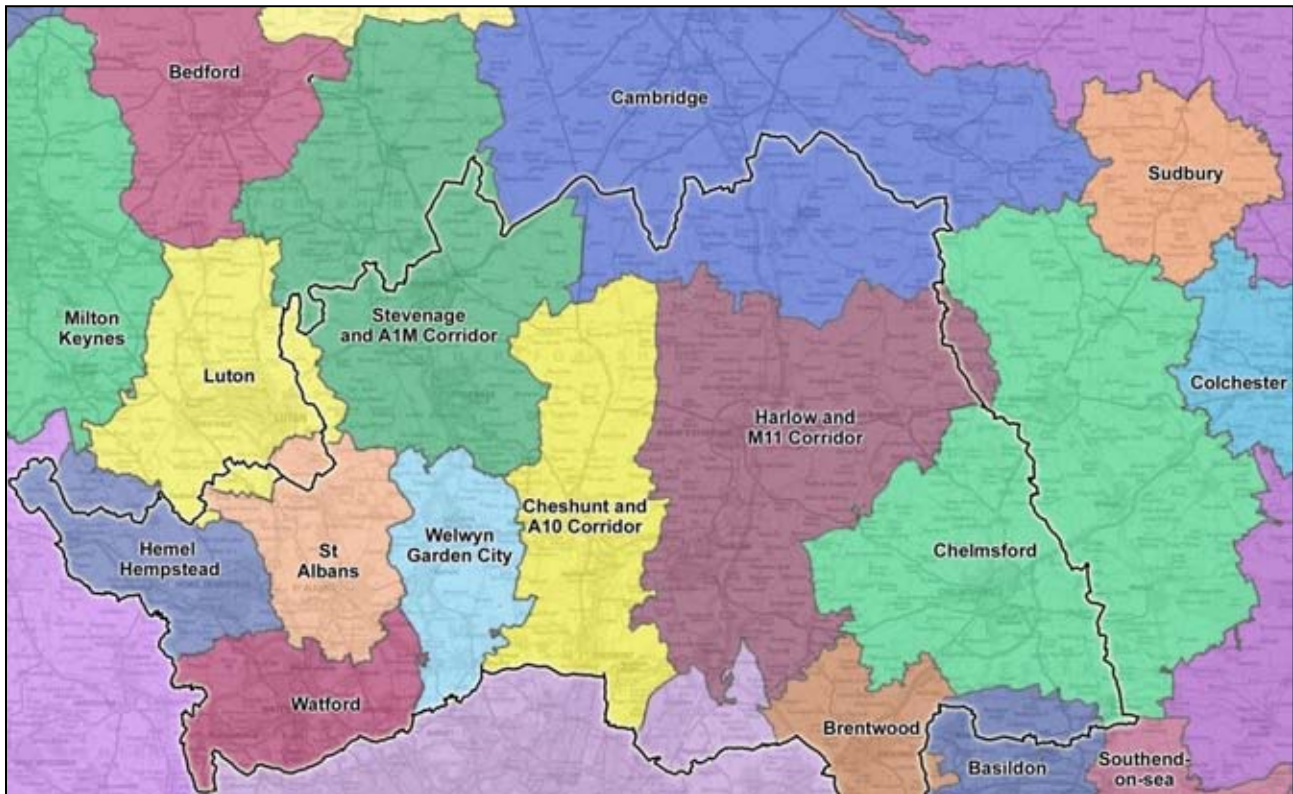


Conclusions: Housing Market Areas in London Commuter Belt (East)/M11 sub-region

- ^{3.30} Within the study area Figure 13 highlights that Harlow, Brentwood and Loughton have more than 65% self-containment when analysing their travel to work patterns.
- Cheshunt and Chigwell have 50%-65% self-containment, while the remaining larger settlements in LCB (East)/M11 sub-region have less than 50% self-containment.
 - Typically, housing sub-markets are considered to be areas with at least 65% self-containment, implying that Harlow, Brentwood and Loughton meet this definition, while other settlements in the study area do not.
- ^{3.31} Given that many of the identified settlements have relatively poor levels of self-containment the next step is to combine them to form larger housing sub-markets. Whilst there is no definitive answer to the final groupings, the following observations informed and/or were considered by the next stage of analysis:
- Both Harlow and Cheshunt have a number of satellite settlements (Sawbridgeworth and Bishops Stortford to Harlow and Waltham Abbey, Hoddesdon, and indirectly, Hertford and Ware to Cheshunt) which naturally combine with the larger urban centres;
 - Brentwood is connected to Billericay, which in turn is more strongly connected to Basildon. There is the potential to combine Brentwood with one or both of these settlements to form a larger housing sub-market;
 - Loughton and Chigwell naturally merge with each other, and both of these areas border London and have very strong travel to work patterns into the region. These settlements have only weak links to the emerging sub markets in the London Commuter Belt (East)/M11 sub-region area – so they could either be grouped based on geography or alternatively they could be considered part of the North London housing market.
- ^{3.32} Figure 14 illustrates the outcome of the computer aided analysis. The above groupings were introduced into the analysis and links between the settlements recalculated. The final sub-market groups within the study area can be summarised:
- Brentwood
 - Cheshunt and A10 Corridor
 - Harlow and M11 Corridor
- ^{3.33} Further housing sub-markets in the wider sub-region include:
- Chelmsford
 - Hemel Hempstead
 - St Albans
 - Stevenage and A1M Corridor
 - Watford
 - Welwyn Garden City and Hatfield

3.34 Areas from the Luton, Cambridge and London markets also merge into the London Commuter Belt sub-region, whilst the Chelmsford and Stevenage-A1M sub-markets both cover large areas outside the sub-regional boundaries as illustrated below.

Figure 14
Identifying the Functional Housing Sub-Markets across the whole London Commuter Belt Sub-Region (Source: LCB (East)/M11 Strategic Housing Market Assessment 2008)



3.35 It seems apparent that the grouping of the six authorities that form the London Commuter Belt (East) / M11 Housing Market Partnership is broadly supported by the analysis. However the options for future working arrangements are considered further in the next section.

3.36 In relation to the rest of the LCB sub-region, the analysis supports the linkage between Chelmsford (in the London Commuter Belt sub-region) and Braintree (in the Haven Gateway sub-region) who have conducted their HMA jointly, in partnership with Colchester. There is also clear evidence that supports Stevenage and North Hertfordshire working separately from the other authorities in the London Commuter Belt sub-region, although the identified sub-market is clearly linked with further areas outside the sub-region, Mid Bedfordshire in particular.

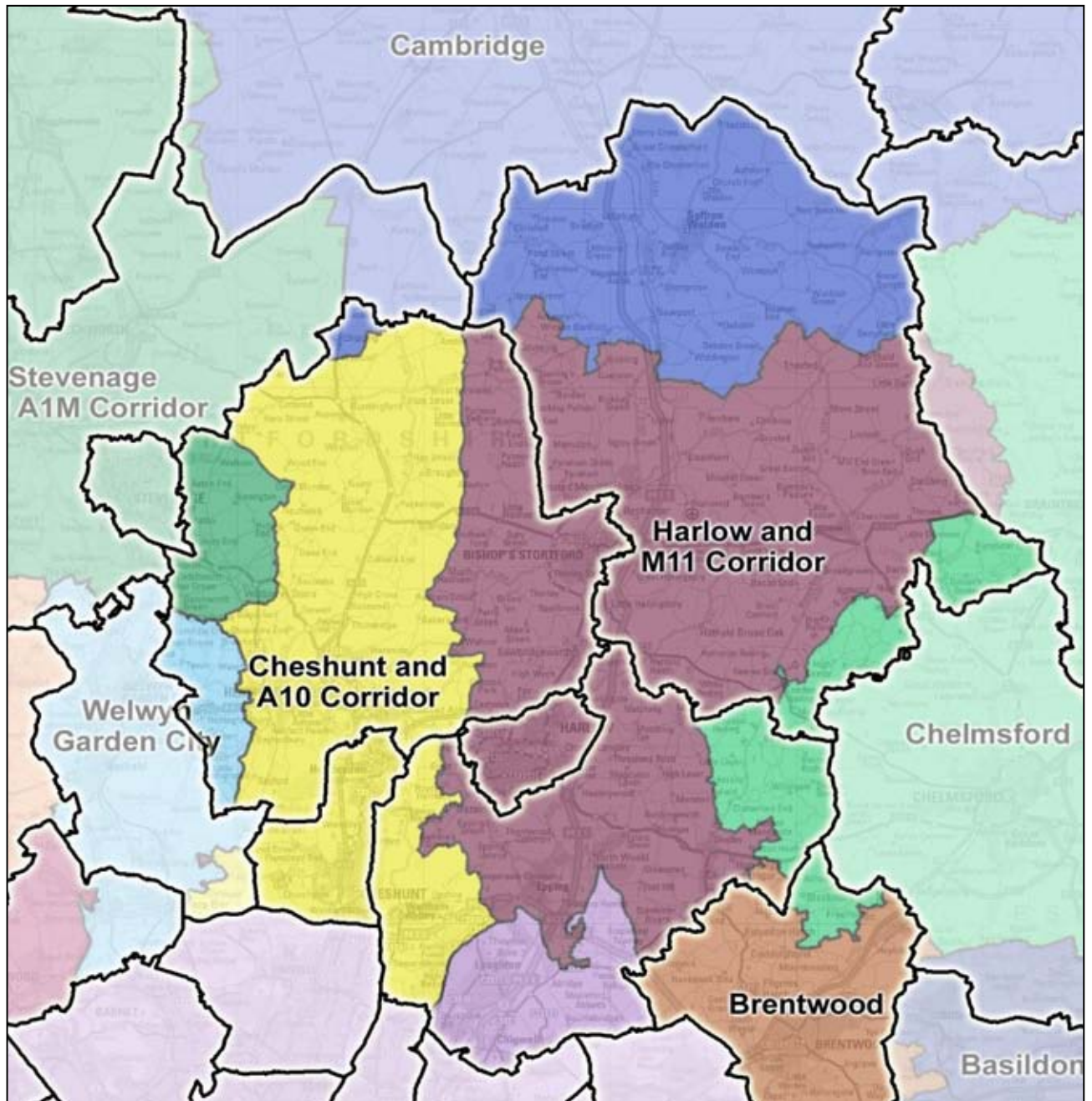
3.37 The remaining six authorities in the LCB are currently working together as the London Commuter Belt (West) Housing Market Partnership. The analysis suggests that there are four substantial sub-markets covering most of this area – Hemel Hempstead to the west of the area, Welwyn Hatfield to the east of the area, Watford to the south of the area and St Albans to the north of the area.

Understanding the Identified Housing Market Areas in the Study Area

^{3.38} The sub-markets in LCB (East)/M11 sub-region are shown in more detail below, together with the six local authority administrative boundaries.

Figure 15

Identifying the Functional Housing Sub-Markets in the Sub-Region (Source: LCB (East)/M11 Strategic Housing Market Assessment 2008.)



^{3.39} The analysis suggests that there are two substantial sub-markets covering most of this area – Cheshunt/A10 to the west of the area and Harlow/M11 to the east of the area – with Brentwood identified as a further independent sub-market. The analysis also showed the north of Uttlesford (including Saffron Walden) to be part of the Cambridge sub-market, while Chigwell and surrounding areas (in the very south of Epping Forest) were associated with North London. The Chelmsford, Stevenage and Welwyn Garden City housing sub-markets all encroach into LCB (East)/M11 sub-region, but none include any significantly populated areas.

Conclusions

- ^{3.40} Given the above distribution of sub-markets, there is clear evidence that supports the continuation of the LCB (East)/M11 Housing Market Partnership in its present form.
- ^{3.41} Nevertheless, whilst the boundary for the Brentwood sub-market is not coterminous with the administrative boundary for the Local Authority, it is clear that this area could be considered separately from the rest of the LCB (East)/M11 group.
- ^{3.42} Given the strong links evident between Brentwood and Colchester along the A12 corridor (which are notably stronger than the links between Brentwood and the Harlow/M11 sub-market), it may be appropriate for Brentwood Borough to consider the relative merits of working with the Chelmsford-Braintree-Colchester Housing Market Partnership in future – but there may be existing working arrangements and other pragmatic reasons which make it more attractive to maintain the existing relationship with the LCB (East)/M11 group.

Summary of Key Points

- Planning Policy Statement 3 (PPS3) identify Housing Market Areas as being geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.
- 73% of employees in the sub-region are also local residents, and 61% of the sub-region's residents are also employed in the area and therefore it can be argued that the sub-region can be identified as a housing market area, although it is also possible to identify smaller geographic units.
- One method of classifying housing markets is to group together area with similar characteristics, e.g. house prices. The London Commuter Belt (East)/M11 contains many of the areas with the highest house prices in the Eastern Region.
- The urban centre of Harlow has lower average house prices than the more rural areas which surrounds it. If using the first approach of similar characteristics, the urban area around Harlow would form one sub-market with the smaller market towns and rural areas forming separate ones. However this does not provide a clear mechanism for classification.
- An alternative method is to using travel to work patterns (from the 2001 census) to define areas in which people both live and work.
- It is important to exclude the impact of substantial housing markets which may influence local housing patterns. 74,000 of London's workers lived in the study area, however despite a large number working within London, a greater number (170,000) both live and work in the area.
- LCB (East)/M11 also attracts the majority of workers into and out of the sub-region from areas in the immediate vicinity, with 19,600 employees commuting in from the rest of Essex, and 9,600 employees from the rest of Herts.
- More than half of all employees in LCB (East) travel more than 5km to work each day, with residents of Brentwood and Uttlesford being the most likely to travel longer distances to work.
- Harlow, Brentwood and Loughton all have more than 65% self-containment when analysing travel to work patterns and so are the only settlements within LCB (East) to meet the level considered to be a housing market area in itself. As relatively few settlements have high levels of self containment they have been combined to form larger housing sub-markets.
- The final sub-market groups within the study area are Brentwood, Cheshunt and A10 Corridor and Harlow and M11 Corridor. Further housing sub-markets in the wider sub-region include: Chelmsford, Hemel Hempstead, St Albans, Stevenage and A1M Corridor, Watford, Welwyn garden City and Hatfield. Areas from the Luton, Cambridge and London markets also merge into the London Commuter Belt sub-region, whilst the Chelmsford and Stevenage-A1M sub-markets both cover large areas outside the sub-regional boundaries.
- The analysis supports the linkage between Chelmsford and Braintree, who have jointly conducted their HMA in partnership with Colchester. There is also a link between Stevenage and North Herts which supports them working separately. Hemel Hempstead, Welwyn Hatfield, Watford and St Albans are the four substantial sub-markets within LCB (West).
- There is clear evidence that supports the continuation of the LCB (East)/M11 Housing Market Partnership as it is. However, the Local Authority area of Brentwood could be considered separately - or given its links with Colchester there may be merits for working with the Chelmsford-Braintree-Colchester Housing Market Partnership.

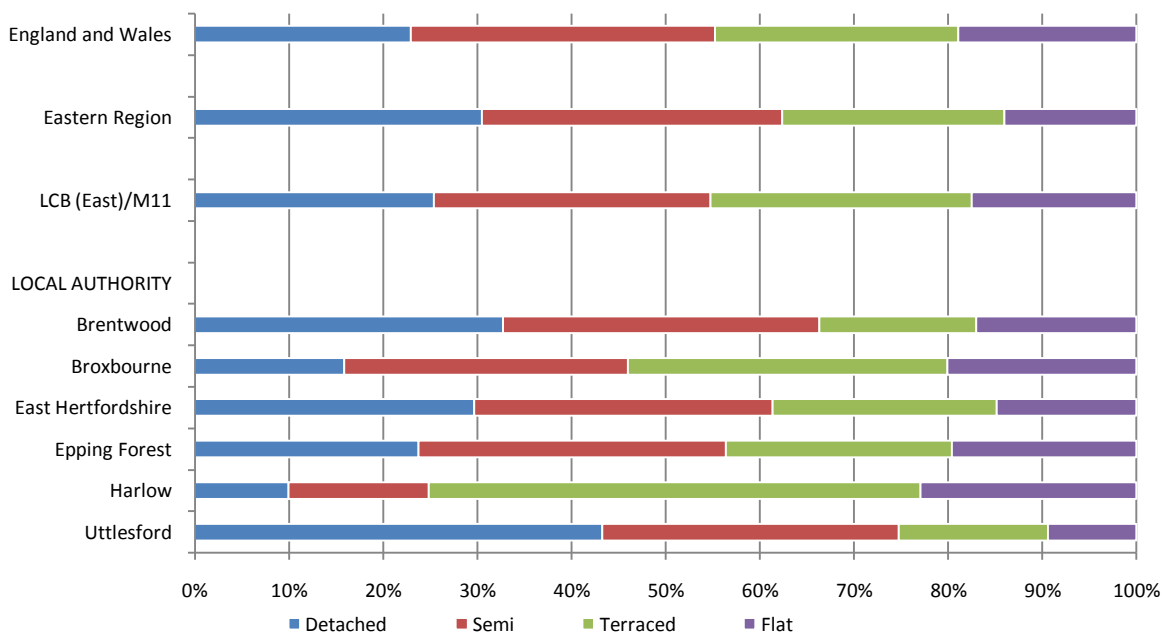
Section 4: Existing Dwelling Stock

- 4.1 The general character of a dwelling stock is important in understanding the type of housing available to residents of an area and the relationship that dwelling type, age and location has on dwelling condition. The mix of property type available will have a bearing on home-owners' choices in terms of accommodation and the type of investment properties available to landlords.
- 4.2 Dwelling location is also important, findings from the English House Condition Survey (EHCS) from 1996, 2001 and 2003 all indicate that rural dwellings are more prone to poor physical condition and problems with energy efficiency.
- 4.3 The following analysis examines a number of general physical characteristics of the stock.

Property Type

- 4.4 Figure 16 shows the mix of existing properties in LCB (East)/M11 sub-region in terms of property type. As illustrated, detached properties comprise around a quarter of the stock, semi-detached and terraced housing both comprise around 30% each of the total with flats accounting a little less than 20%.
- 4.5 Harlow and Broxbourne contain a much higher proportion of flats than the other local authorities, while Uttlesford has over 40% of their housing stock in the form of detached dwellings. Terraced housing accounts for more than half of the stock in Harlow.

Figure 16
Property Type by Local Authority, (Source: UK Census of Population 2001)



Housing Tenure

- 4.6 Figure 17 shows the proportion of dwellings in each of the local authorities in the Eastern region that were classified as social housing in 2006. The overall proportion of social housing in the LCB (East)/M11 sub-region is higher than the Eastern average but lower than the average for England – but this masks key differences between the authorities.
- 4.7 Harlow has the highest proportion of social housing in the Eastern region (at 33.1% of all dwellings), while 15.4% of the dwelling stock of Epping Forest is social housing. Brentwood has the lowest share of the housing stock in the form of social housing at around 11.9%.
- 4.8 Figure 18 shows the overall tenure of housing stock in the sub-region, confirming that the dominant form of housing is owner occupation. Around 75% of all properties across the area are owned outright or owned with a mortgage. Around 17% of the stock is rented from either a Housing Association or from the council with the remaining 9% in the private rented-sector.

Figure 17
Proportions of Social Rented Housing in the Eastern Region by Local Authority (Source: Housing Strategy Statistical Appendix 2007, DCIG)

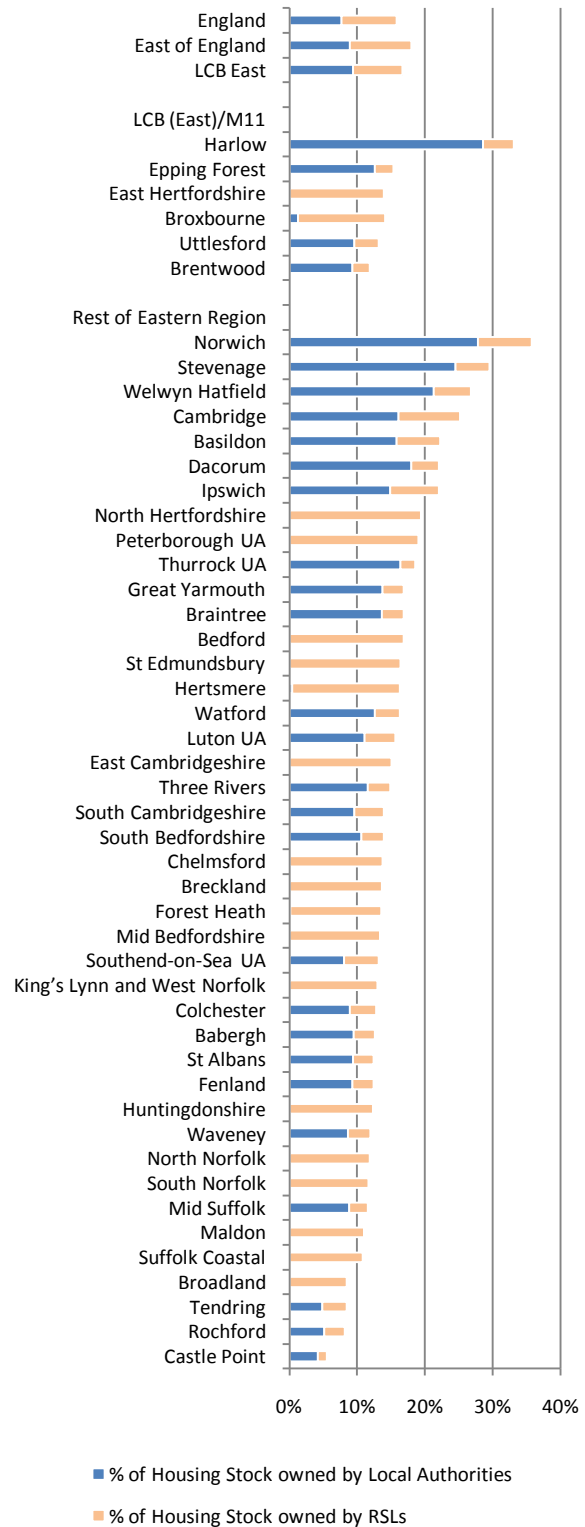
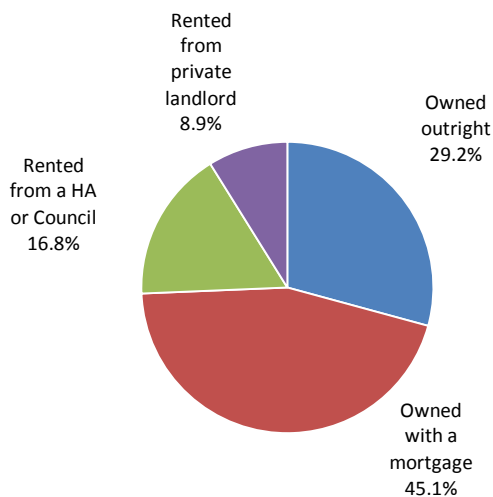
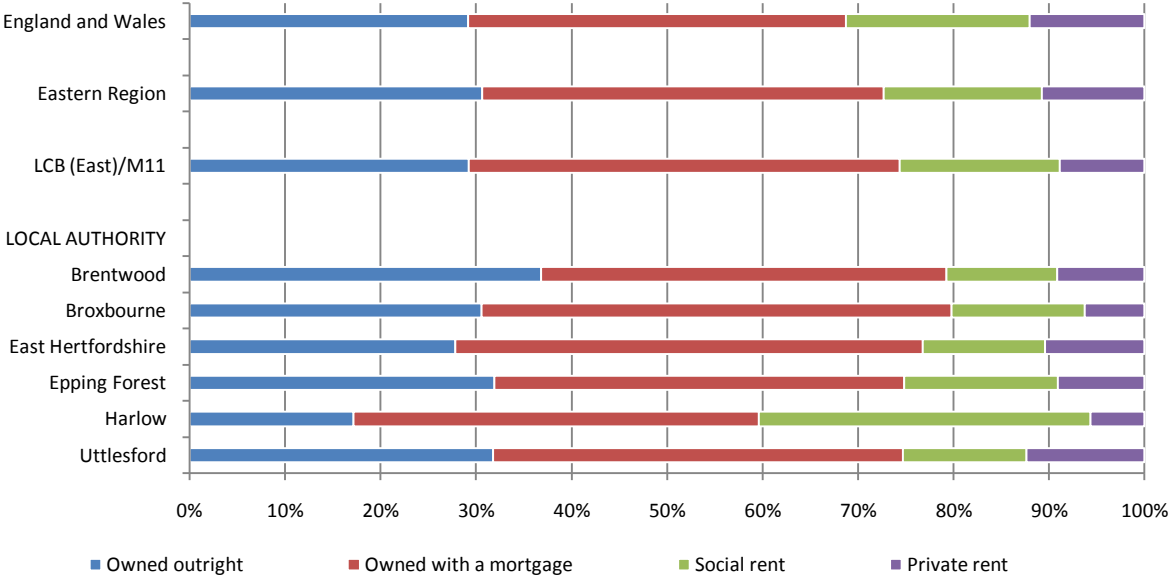


Figure 18
Housing Tenure Across LCB (East)/M11 (Source: UK Census of Population 2001)



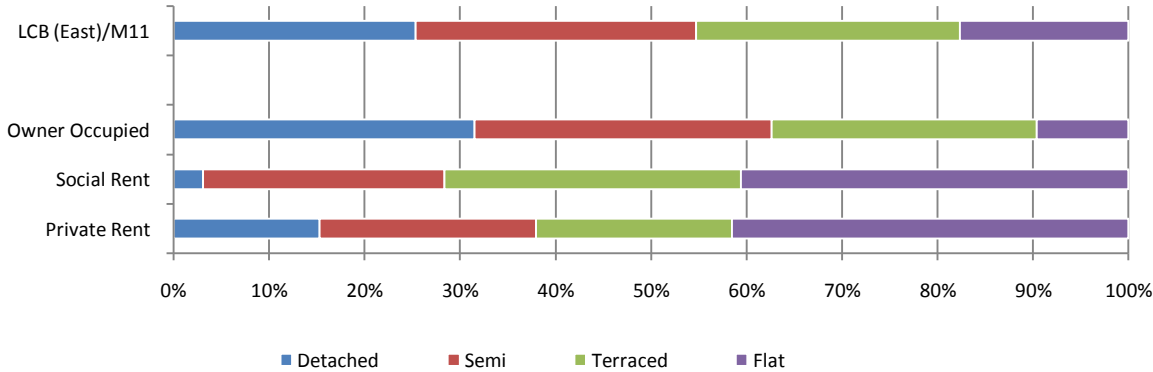
4.9 Over 30% of the housing stock in Brentwood, Broxbourne, Epping Forest and Uttlesford is owned outright. Meanwhile, Uttlesford and East Hertfordshire contain the highest proportion of private rented stock in the sub-region. Over a third of housing in Harlow consists of socially rented properties.

Figure 19
Tenure by Local Authority (Source: UK Census of Population 2001)



4.10 Figure 20 shows the difference in property type which exists between owner-occupied and social housing in the LCB (East)/M11 sub-region. Marginally over 30% of owner occupied housing is detached with a further 30% being semi-detached. In contrast, 30% of all social housing is terraced and over 40% of both social and private rented housing are flats or maisonettes.

Figure 20
Property Type by Tenure (Source: UK Census of Population 2001)

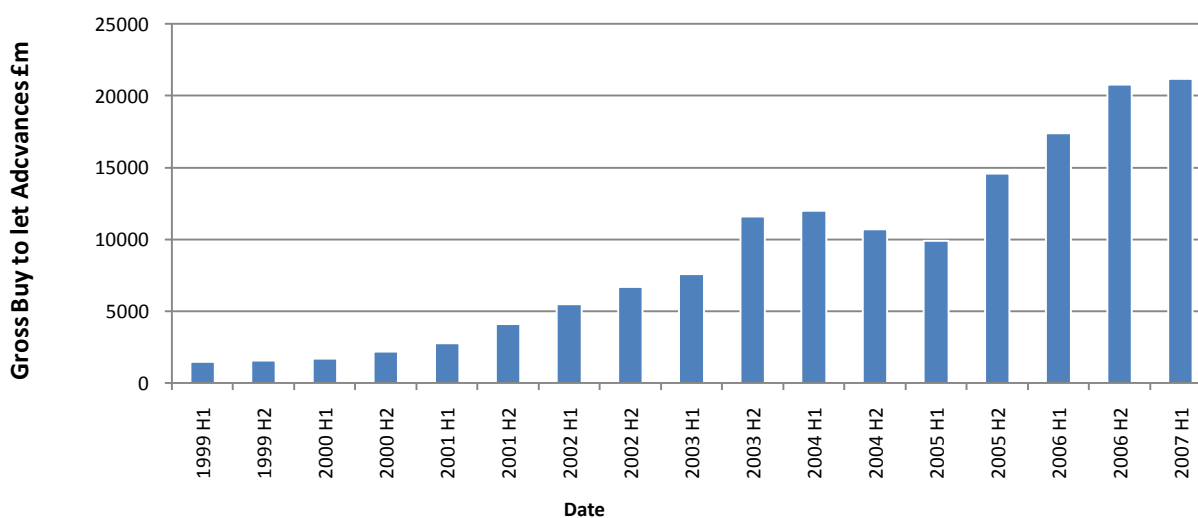


Private Rented Sector

4.11 The private rented sector has experienced an increase in importance in the housing market over recent years. The impact of low interest rates and concerns about the rate of returns on long-term investments and pensions led to many people investing in the buy-to-let housing market. Figure 21 shows how the number of specific buy to let mortgage advance has grown since the first quarter of 1999. This highlights the enormous growth in this form of investment which has occurred, and that in the first half of 2007 there was no evidence nationwide of buy-to-let advances declining. However, since this time lending of all forms for house purchases has declined and it is likely that buy-to-let mortgages will have also declined.

Figure 21

Buy to let Mortgage Advance 1999-2007 (Source: Council of Mortgage Lenders 'Buy-to-let Mortgage Lending and the Impact on UK House Prices', February 2008)



4.12 The private rented sector is also important because of its role in housing particular household groups. Many households, who cannot afford to move into owner occupied accommodation, form in the private rented sector. It is also the case that many students occupy housing in the private rented sector.

4.13 As previously mentioned, at the time of the 2001 census, around 9% of the housing stock was in the private rented sector. Figure 19 shows that Uttlesford and East Hertfordshire have the highest proportion of private rented stock in the sub-region at around 11% of their total stock.

4.14 Evidence from national surveys, such as the English House Condition Survey, shows that the private rented sector has been expanding in recent years across the whole of England. This data is not available at local authority level, but it is likely that this trend will be reflected in London Commuter Belt (East)/M11 since the time of the 2001 Census.

Household and Age Structure

4.15 The household structure of LCB (East)/M11 sub-region shows that across all households, around a quarter contain only pensioners while nearly 50% contain an adult couple with or without children. Over 20% of households contain only one adult in the form of a single person or lone parent (Figure 22).

4.16 Figure 23 shows that when analysing only households in the private rented sector, over 25% are non-pensioner single persons. Only 16% are an adult couple with children, while over 10% fall into the 'Other' category. This category contains groups such as multi-adult and intergenerational households.

Figure 22 Household Type for All Households (Source: UK Census of Population 2001)

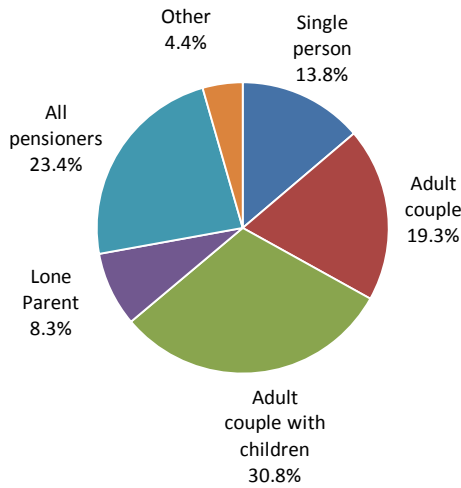
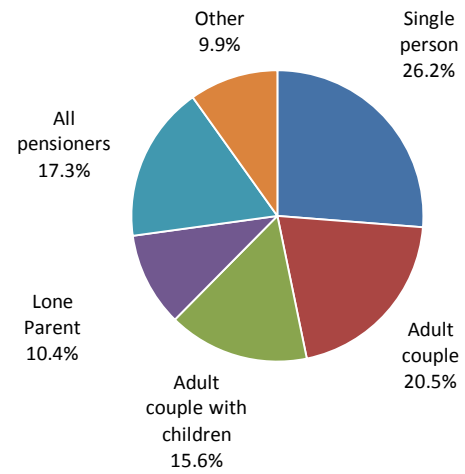


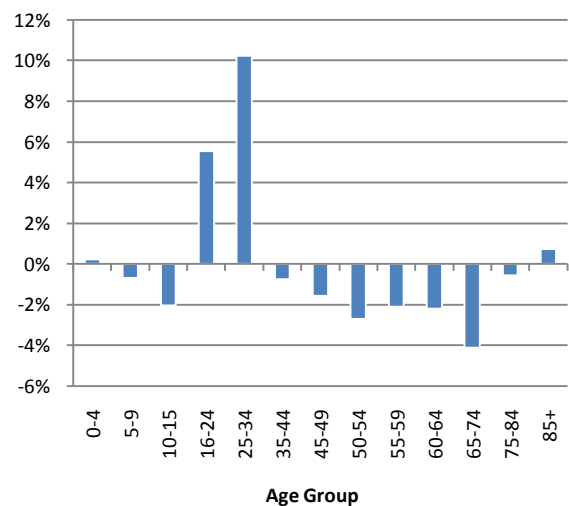
Figure 23 Household Type for Private Rented Stock (Source: UK Census of Population 2001)



4.17 The age structure of the population living in the private rented sector (Figure 24) shows that it is disproportionately aged 16-34 years when compared to the whole population of the sub-region.

4.18 The private rented sector is clearly dominated by young households. Given the increases in house prices since 2001, it is also likely that few, young first-time buyer households can afford to enter owner occupation. Therefore, it is likely that the private rented sector now contains even more young adult households than it did in 2001.

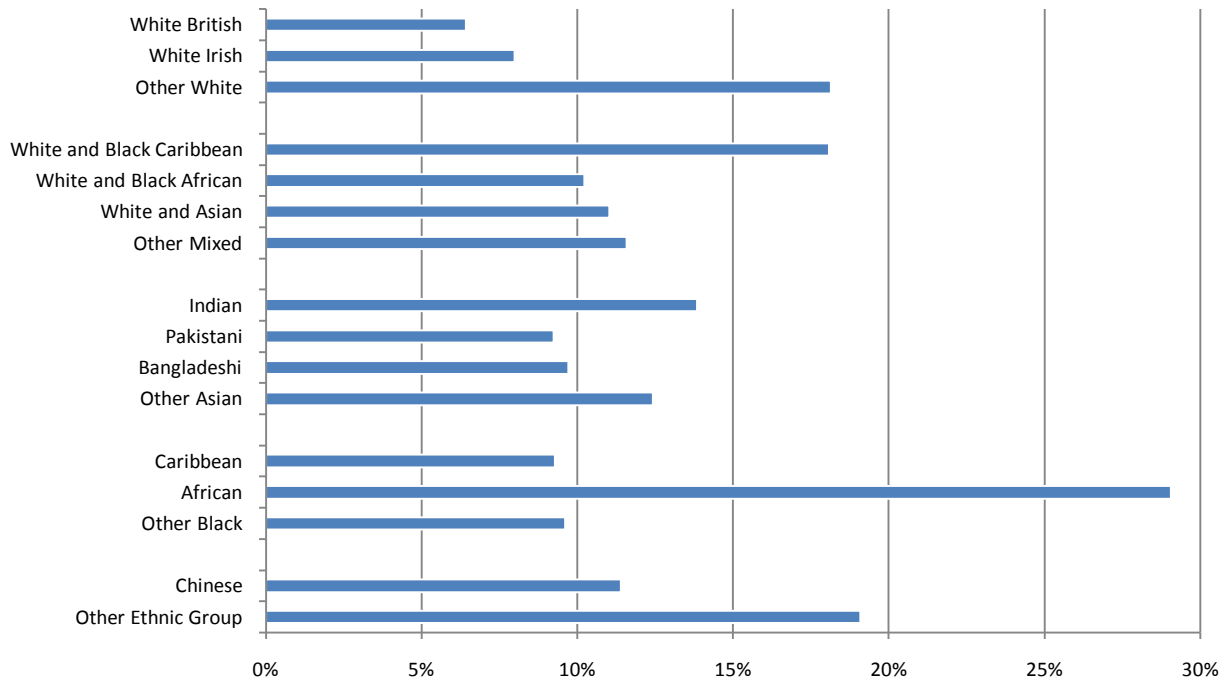
Figure 24 Age Profile for Private Rented Sector Compared with Whole Population of LCB (East)/M11 (Source: UK Census of Population 2001)



Ethnicity

4.19 Figure 25 shows how the proportion of households in the private rented sector varies by ethnic group. This shows that nearly 30% of Black African households in the sub-region can be found in the private rented sector. Nearly 20% of households from the Other Ethnic Group, Other White and Mixed White and Black Caribbean groups are also living in private rented accommodation.

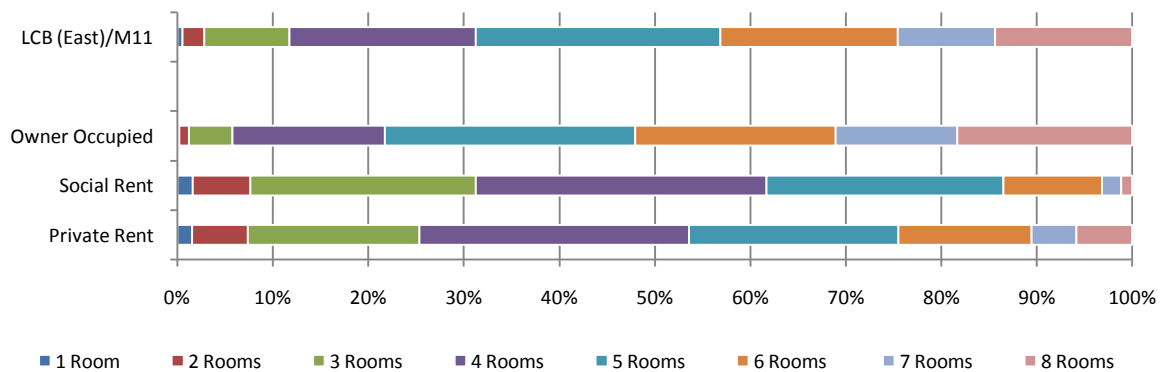
Figure 25:
Private Renting by Ethnic Group (Source: UK Census of Population 2001)



Overcrowding

4.20 The 2001 Census did not collect information on the number of bedrooms in a dwelling, but instead contains information on the number of habitable rooms. Figure 26 shows both private rented and social rented dwellings typically contain fewer rooms than those which are owner occupied. However, this still implies that over 12% of private rented dwellings contain seven or more rooms and 45% contain five or more. It should be noted that the 2001 Census did not include bathrooms, toilets, storage cupboards, hallways or landings as separate rooms.

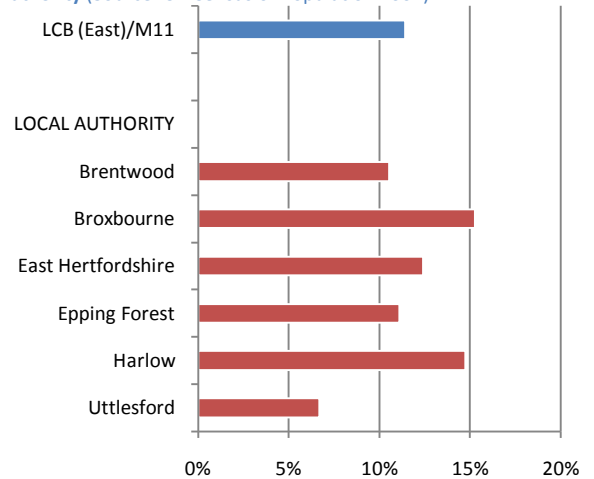
Figure 26
Number of Rooms by Tenure (Source: UK Census of Population 2001)



4.21 More general housing conditions are reflected in Figure 27 which shows overcrowding. The room occupancy rating featured in Figure 27 uses a complicated formula to assess whether a household is overcrowded. This method assumes that every household requires at least two common rooms excluding bathrooms. The number of bedrooms required is assumed to depend on the composition of the household, with for example the age and gender mix of any children playing a large role in deciding how many rooms the house should have so as not to be overcrowded.

4.22 A total of 5.5% of all households across the sub-region lived in overcrowded conditions at the time of the 2001 Census, less than half of the 11.4% of households in private rented accommodation that were overcrowded. Figure 27 illustrates how this proportion varies between local authorities, where it is apparent that nearly 15% of households in Broxbourne and Harlow were overcrowded, while less than 7% of private rented households in Uttlesford were overcrowded.

Figure 27
Proportion of Private Renting Households Overcrowded by Local Authority (Source: UK Census of Population 2001)



Social Housing

4.23 As previously mentioned, across all households around a quarter contain only pensioners while nearly 50% contain an adult couple with or without children (Figure 28). Figure 29 shows that when analysing only households in the social rented sector, 18% are lone parents and over a third are pensioner households.

Figure 28
Household Type for All Households (Source: UK Census of Population 2001)

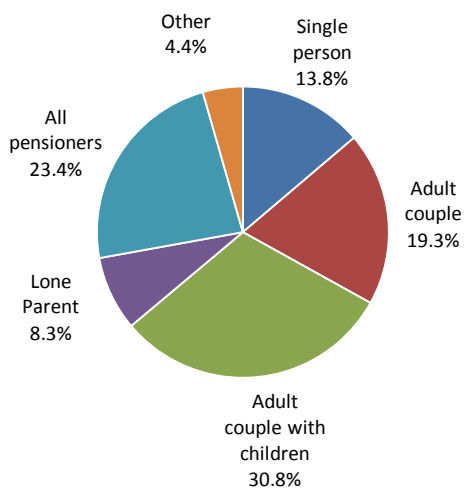
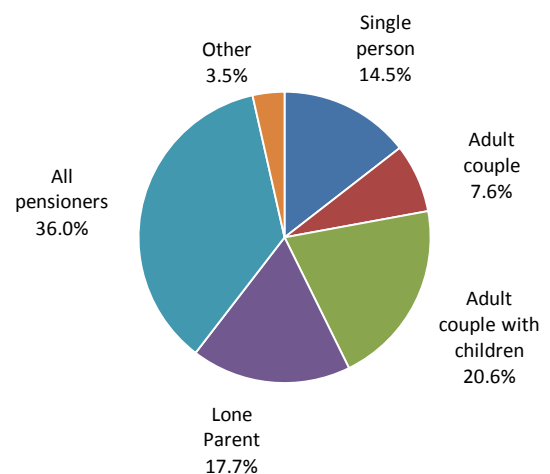


Figure 29
Household Type for Social Rented Stock (Source: UK Census of Population 2001)



4.24 The age structure of the population living in the social rented sector (Figure 24) shows that it is disproportionately aged 0-15 years and 65+ years when compared to the whole population of the sub-region. Therefore, the social rented sector is meeting two particular needs in the form of pensioner households and single adult households with dependent children.

4.25 Detailed individual records of all social lets are available from the Continuous Recording (CORE) system maintained by the University of St Andrews. All figures relate to general social lets made between April 2005 and March 2008 and do not include those who transferred from one socially rented property to another.

Figure 30
Age Profile for Social Rented Sector Compared with Whole Population of LCB (East)/M11 (Source: UK Census of Population 2001)

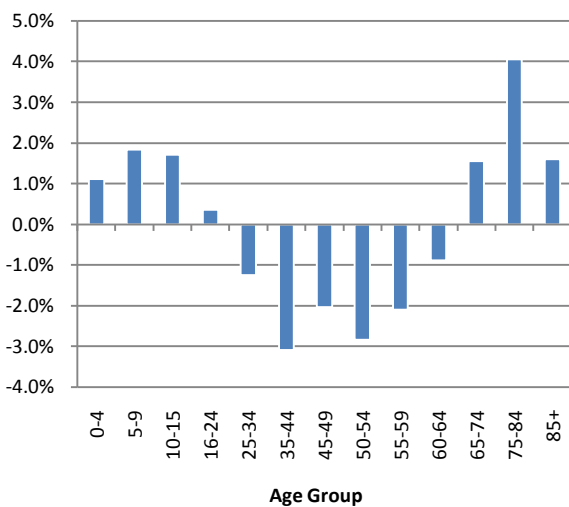
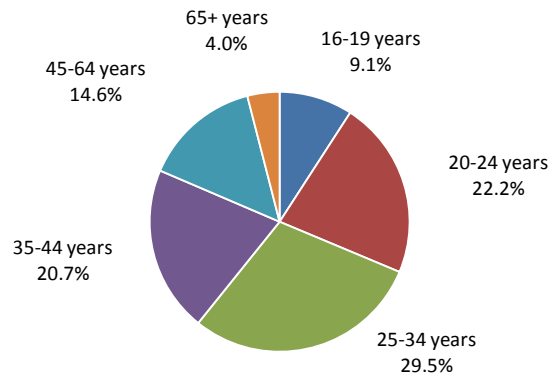


Figure 31
Age of Recent Tenants (Source: University of St Andrews CORE Records 2005-2008)



4.26 The age of the new tenants (Figure 31) shows that 30% of all new tenants were aged under 25 years and over 60% were aged under 35 years.

Income and Housing Benefit

4.27 Figure 32 shows that over half of all new tenants in the sub-region had no earnings from employment. This group includes those who are of pensionable age, but does indicate that many of the new lets are to households which are entirely benefit dependent. It is still the case that 16% of new lets were to households with net take-home earnings from work of over £300 per week. This is equivalent to a salary of around £20,000 per annum.

4.28 Many households in both the social and private rented sectors are able to claim support with the rent costs in the form of housing benefit. The Department of Work and Pensions (DWP) publish quarterly statistics for housing benefit recipients. These statistics distinguish between local authority tenants and those who are either tenants of registered social landlord properties or in the private rented sector.

4.29 Across the LCB (East)/M11 sub-region, 54% of all local authority households claim housing benefit. This figure is lower than that found for local authority tenants in England or in the Eastern region as whole. It should be noted that Broxbourne and East Hertfordshire have no remaining local authority stock following voluntary stock transfers to registered social landlords.

Figure 32
Weekly Take-home Earnings of Recent Tenants (Source: University of St Andrews CORE Records 2005-2008)

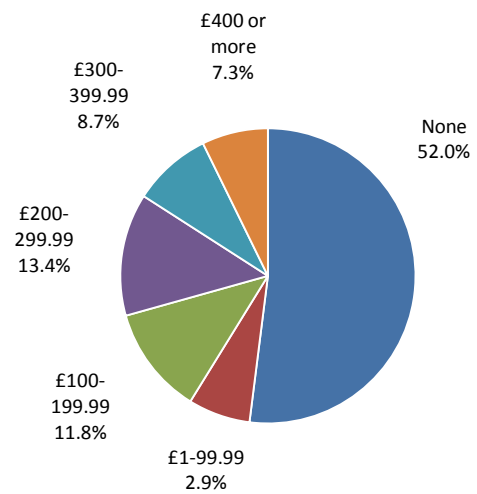
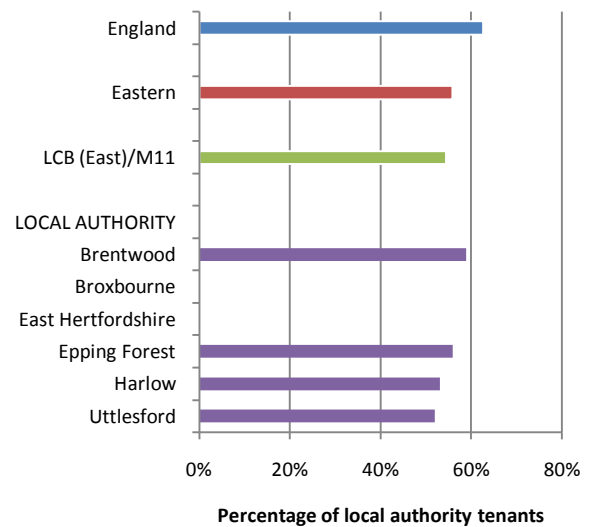


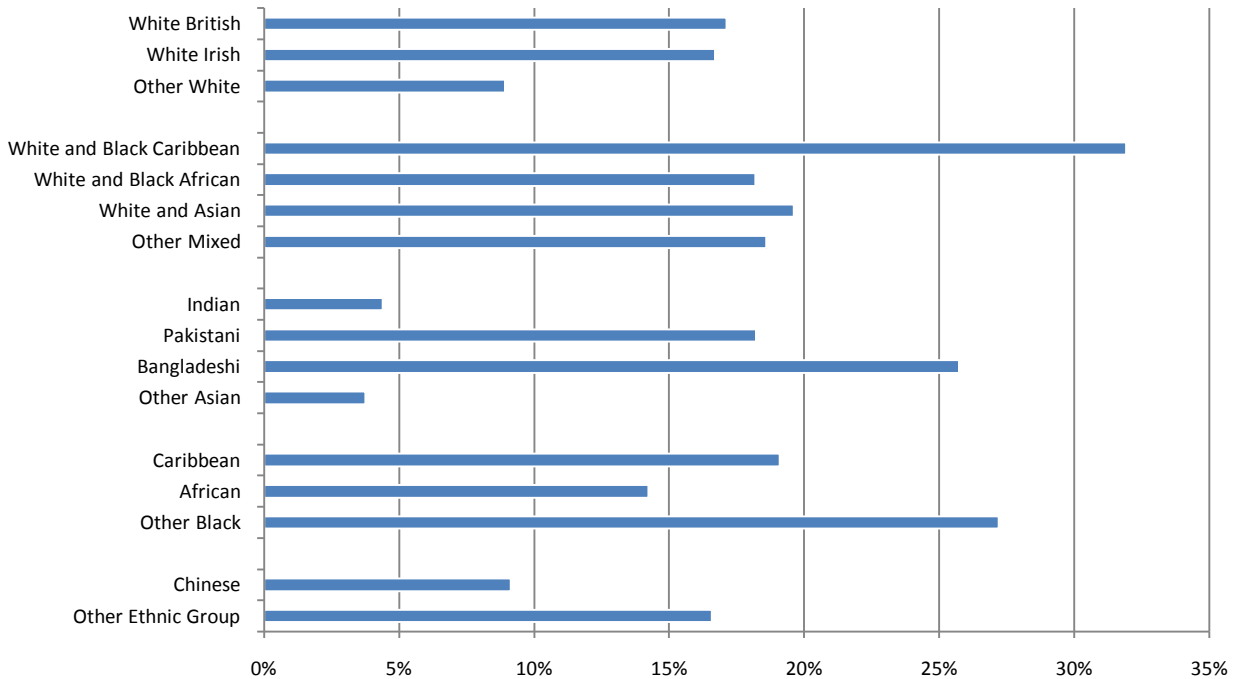
Figure 33
Housing Benefit Receipt for Local Authority Renting Households by Local Authority (Source: DWP May 2007 and HSSA 2007. Note: Broxbourne and East Hertfordshire have no local authority stock following voluntary stock transfers)



Ethnicity

4.30 Figure 34 shows how the proportion of households in the social rented sector varies by ethnic group. This shows that 25% of households from the Mixed White and Black Caribbean, Bangladeshi and Other Black groups are living in social rented accommodation.

Figure 34:
Social Renting by Ethnic Group (Source: UK Census of Population 2001)



4.31 Figure 35 records all tenants of socially rented accommodation. Many of these residents would have been in situ for a long period of time. Given that the BME population is typically younger it is interesting to explore the more recent pattern of lets.

4.32 Figure 35 compares the recent pattern of lets in the sub-region with the data covering the period from April 2005 to March 2008 for lets in the area. Figure 35 compares the share of households where the respondent came from a particular ethnic group at the time of the 2001 Census with the proportion of that ethnic group who reside in social housing and social housing lets to that group.

4.33 Since 2005, the share of lets to many BME groups has been slightly above their population share, but it is still the case that 87.9% of lets have been to the White British group.

Figure 35

Share of Households in Social Housing and Social Lets 2005-2008 for Ethnic Groups (Source: CORE project for the Joint Centre for Scottish Housing Research and UK Census of Population 2001 Note: Figures may not sum to 100% due to rounding)

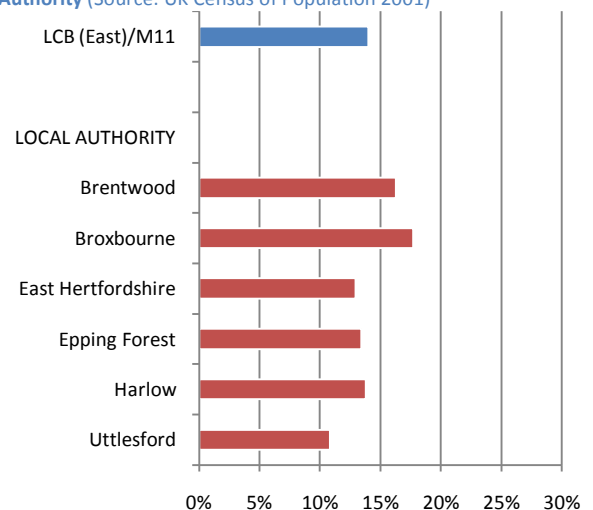
Ethnic Group	Share of all Households	Share of Households in Social Housing in 2001	Share of RSL Lets 2005-2008
White: British	92.8	94.7	87.9
White: Irish	1.5	1.5	0.6
White: Other	2.8	1.5	2.8
White and Black Caribbean	0.1	0.2	1.2
White and Black African	0.0	0.0	0.4
White and Asian	0.2	0.2	0.2
Other Mixed	0.1	0.1	0.6
Indian	0.7	0.2	0.2
Pakistani	0.2	0.2	0.4
Bangladeshi	0.1	0.2	0.4
Asian Other	0.2	0.0	0.5
Black Caribbean	0.4	0.5	0.8
Black African	0.3	0.2	1.8
Black Other	0.1	0.1	0.2
Chinese	0.3	0.2	0.2
Other Ethnic Group	0.2	0.2	0.3
ALL HOUSEHOLDS	100	100	100

Overcrowding

4.34 As previously mentioned in Figure 26 both private rented and social rented dwellings typically contain fewer rooms than those which are owner occupied. This still implies that nearly 14% of social rented dwellings contain six or more rooms and 38% contain five or more.

4.35 More general social rent housing conditions are reflected in Figure 36 which shows overcrowding. The room occupancy rating featured in Figure 36 uses a complicated formula to assess whether a household is overcrowded. This method assumes that every household requires at least two common rooms excluding bathrooms. The number of bedrooms required is assumed to depend on the composition of the household, with for example the age and gender mix of any children playing a large role in deciding how many rooms the house should have so as not to be overcrowded.

Figure 36
Proportion of Social Renting Households Overcrowded by Local Authority (Source: UK Census of Population 2001)



4.36 A total of 5.5% of all households across the sub-region lived in overcrowded conditions at the time of the 2001 Census. However, around 14% of households in social rented accommodation were overcrowded. Figure 36 illustrates how this proportion varies between local authorities, where it is apparent that 18% of households in Broxbourne were overcrowded while 11% of social rented households in Uttlesford were overcrowded.

Communal Establishments

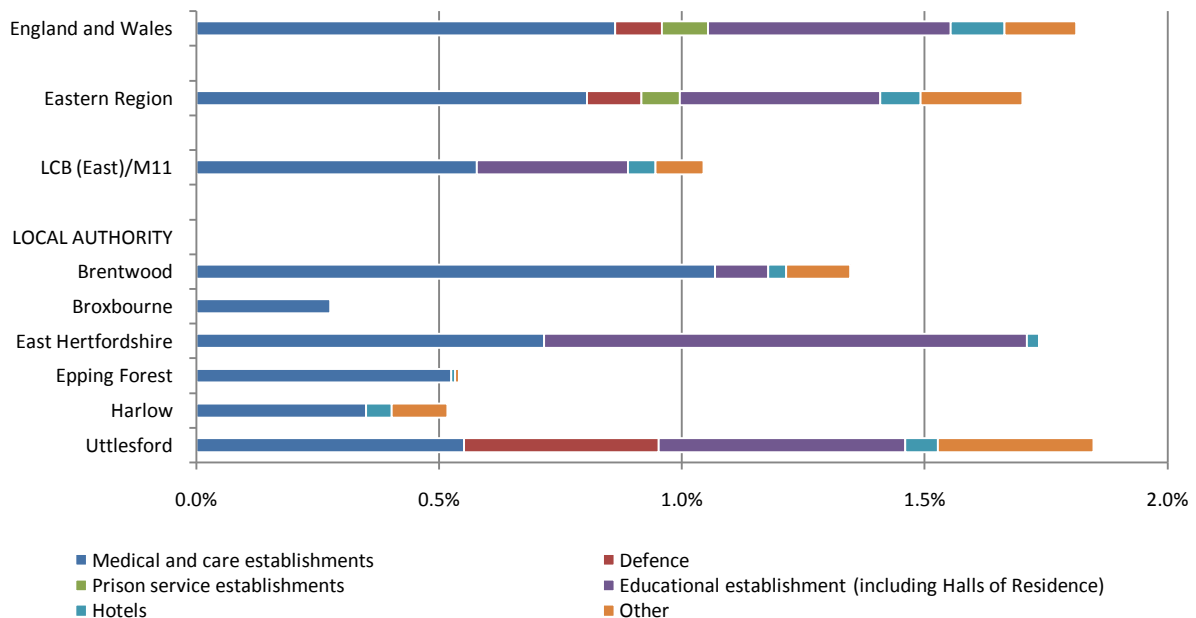
4.37 When looking at housing needs it must be remembered that not all people live in standard households. Many households occupy houses of multiple occupation (HMOs). The precise definition of an HMO is complex, but includes the following groups:

- A bedsit where you share the bathroom with tenants of other bedsits
- A flat in a house whether you share the bathroom facilities with other tenants or not
- A room in a shared house where you share the bathroom and kitchen facilities with the tenants of the other rooms but do not live with the other tenants as part of a 'household', for example you don't cook for one another and eat together like a family would
- You are a lodger renting a room from a resident landlord (as long as there are at least 3 other lodgers in the house)
- You live in a bed and breakfast hostel
- You live permanently in a hotel or guest house

4.38 Across much of the LCB (East)/M11 sub-region HMOs form a small part of the private rented housing stock. The Housing Strategy Statistical Appendix (HSSA) 2007 for estimated that there were 1,320 HMOs in the sub-region, with 890 of these in Epping Forest. Therefore, HMOs form a significant part of the private rented stock of Epping Forest.

4.39 It is also important to note that not all people live in traditional household units. Figure 37 shows that just over 1% of the population of the LCB (East)/M11 sub-region live in communal residences, with this being as high as 1.8% in Uttlesford.

Figure 37
 Proportion of People in Communal Housing by Type of Establishment in the LCB (East)/M11 Sub-region (Source: UK Census of Population 2001)



Summary of Key Points

- The general character of the dwelling stock is important in understanding the type of housing available to residents of an area.
- Detached properties account for a quarter of the stock in LCB East/M11, semi detached and terraced housing both comprise around 30% each of the total with flats accounting a little less than 20%. Harlow and Broxbourne have a higher proportion of flats than the other authorities, while Uttlesford has over 40% of their housing stock in the form of detached dwellings. Terraced housing accounts for more than half the stock in Harlow.
- The dominant form of tenure in the sub-region is undoubtedly owner occupation, with around 75% of the stock being owned outright or with a mortgage. The remaining stock consists of 17% rented from a housing association or council and around 9% in the private rented sector.
- In the 2001 Census around 9% of the housing stock in LCB East/M11 was private rented, with Uttlesford having the highest proportion at 12%.
- Around a quarter of LCB East/M11 households contain only pensioners, while nearly 50% contain an adult couple with or without children and over 20% of households contain only one adult in the form of a single person or lone parent. When analysing only homes in the private rented sector over 25% are non-pensioner single persons, only 16% are an adult couple with children, while over 10% fall into the 'Other Ethnic Group' category.
- The age structure of the population in private rented accommodation reveals that this tenure is disproportionately aged 16-34 years when compared to the whole population of the sub-region. Younger people appear to dominate the private rented sector and given the rise in house prices since the 2001 Census this trend is likely to have intensified.
- Nearly 30% of Black African households can be found in the private rented sector, nearly 20% of the 'Other' ethnic group, Other White and Mixed White and Black Caribbean groups are also living in private rented accommodation.
- Nearly 15% of households in Broxbourne and Harlow were overcrowded, while less than 7% of private rented households in Uttlesford were overcrowded.
- All authorities have seen a rise in housing benefit claimants since 2003 of 29%, and from a considerably high starting point.
- The proportion of social rented housing in LCB East/M11 is higher than the England average but lower than the Eastern Regional average.
- Harlow has the second highest proportion of social rented housing in the Eastern Region with 33%, though this is a common feature of new towns. Around 17% of the properties in the sub-region are rented from social landlords.
- Of the households in social rented housing, 18% are lone parents and over a third are pensioner households.
- A disproportionate number of 0-15 year olds and of those 65 and over live in the social rented sector, compared to the whole sub-region. 30% of new tenants were aged under 25 and 60% under 35.
- Across the sub-region 54% of all local authority households claim housing benefit – lower than the England and Eastern region averages.
- 25% of households from the mixed White and Black Caribbean, Bangladeshi and other Black group are living in social rented accommodation.
- 14% of social rented houses were overcrowded in the sub-region in 2001 compared to 11.5% across all tenures. This is highest in Broxbourne at 18%.
- The 2007 HSSA estimates that there are 1,320 HMOs in the sub-region, 890 of which are in Epping Forest.

Section 5: Key Housing Market Drivers

National Level Household Changes

5.1 Recent figures show that the number of households in the UK has increased more rapidly than housing supply. There are several key reasons for the increase in household numbers.

5.2 One reason relates to population growth. According to the Office for National Statistics (ONS), until the mid-1990s, natural change was the main driver for population growth. However, more recent population growth has been predominantly due to international migration.

5.3 Figure 39 shows that there is a natural increase in the UK population. The natural population increase between 2003/04 and 2004/05 was 126,800 people. This increase is commonly attributed to improvements in health care, which have reduced child mortality rates and allowed people to live for longer.

5.4 Figure 40 demonstrates that there has been fairly rapid growth in net UK migration, with particularly high growth between 2003/04 and 2004/05. The ONS reports that this increase was mainly due to the rise in the number of citizens coming from the ten accession countries (A10) that joined the EU in May 2004. Net in-migration of A10 citizens was 74,000 in 2005, compared with 10,000 in 2004.

Figure 38
Number of Households in the UK 1981-2021 (Source: DETR)

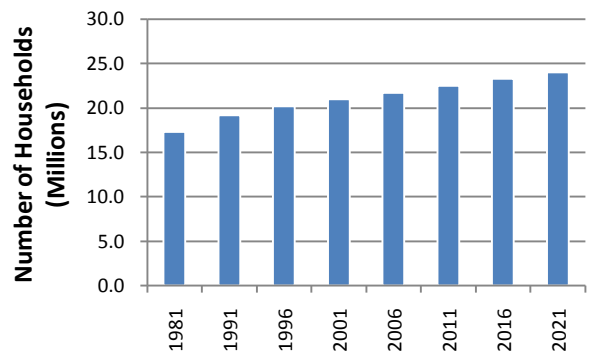


Figure 39
Births and Deaths in the UK, 2001-2005 (Source: ONS, General Register Office for Scotland, NI Statistics & Research Agency)

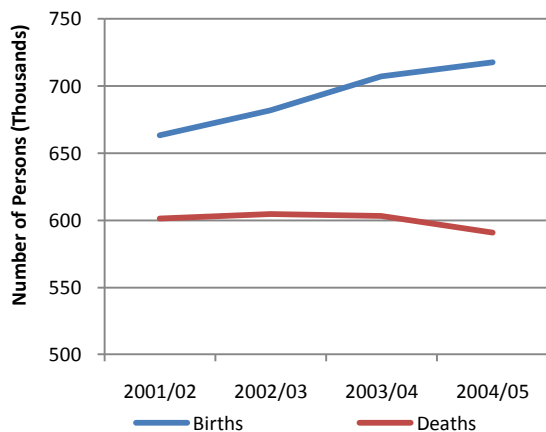
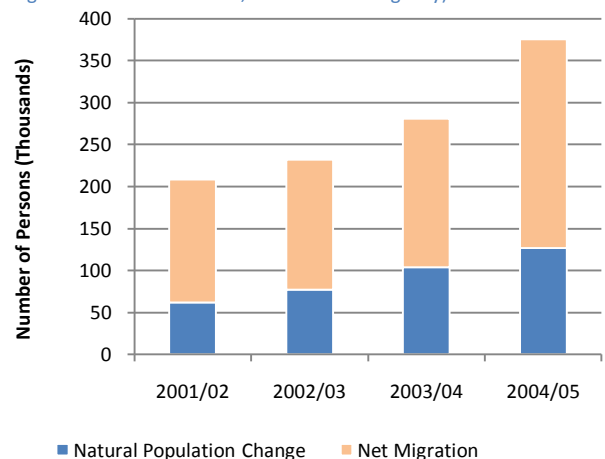


Figure 40
Population Change in the UK, 2001-2005 (Source: ONS, General Register Office for Scotland, NI & Research Agency)



5.5 In addition to a growing population, the size of households has been reducing over recent years, hence housing requirements have increased. The average household size in England was 2.67 in 1981 and is predicted to be 2.15 in 2021. This implies that even if the total population of England didn't change between 1981 and 2021, the number of households would rise by 25%.

5.6 This significant reduction in household size has several possible causes. It is a common assumption that decreasing average household size is a result of young adults moving out of the parental home. In reality, it is more likely that increases in relationship breakdown and divorce are the key contributors. Another reason is the decrease in family size as people choose to have fewer children. Finally, due to advances in medical techniques, many older people, who outlive their partners, are continuing to live alone for significantly longer than older people lived in the past.

Local Population Trends

5.7 Figure 41 shows that in 2006 the six local authorities within the LCB (East)/M11 sub-region had a population of nearly six hundred thousand people and the 2001 Census showed that there were just over a quarter of a million households.

Figure 41
Persons and Households by Local Authority (Source: UK Census of Population 2001 and Mid-year Population Estimates 2006)

Local Authority	Persons 2006	Households 2001
Brentwood	70,900	28,800
Broxbourne	88,900	34,900
East Hertfordshire	132,600	52,100
Epping Forest	122,900	50,600
Harlow	78,100	33,200
Uttlesford	71,400	27,500
LCB East/M11 sub-region	564,700	227,100

5.8 LCB (East)/M11 is a sub-region which has seen a steady growth in its population, as is illustrated in Figure 42. Taking the 1981 population as a base, it shows that the population of LCB (East)/M11 rose by 8.5% in the period up to 2006 from 520,300 to 564,700 people. This compares with a rise in population of also around 8.5% for the whole of England and 15.5% for the Eastern region.

5.9 Figure 43 illustrates that the population of East Hertfordshire grew by 21% between 1981 and 2006. It is also noteworthy that the populations of Brentwood and Harlow have both fallen since 1981, with Harlow falling to a low of around 93% of its 1981 total in the early 1990s.

Figure 42
Population of LCB (East)/M11 Sub-region, Eastern Region, and England: 1981-2006 (Source: ONS Mid-Year Population Estimates)

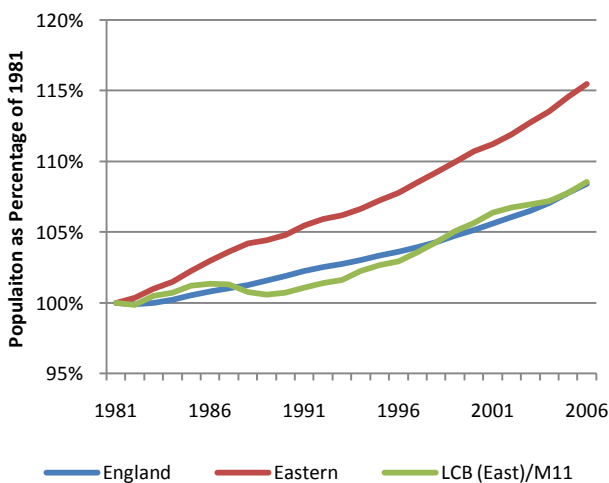
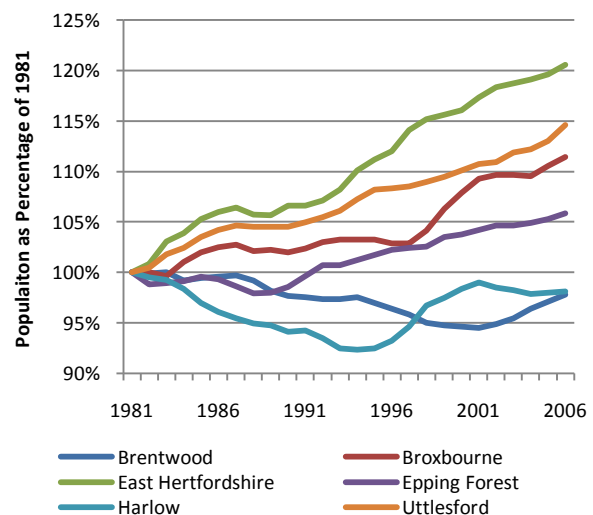


Figure 43
Population by Local Authority: 1981-2006 (Source: ONS Mid-year Population Estimates)



ONS Projections

5.10 Figure 44 shows that this rise in population of LCB (East)/M11 sub-region is largely expected to continue in the future. Based on population estimates from 2004, the Office of National Statistics estimate that the population of LCB (East)/M11 sub-region will rise to 620,000 by 2029. This would represent an 11% rise in the period 2004-2029. The population projections also show that the population of East Hertfordshire is expected to rise proportionally much more rapidly than that of Harlow.

5.11 Note that the ONS projections are demographic based, and do not typically take account of policy decisions about the distribution of new housing.

5.12 The East of England Regional Spatial Strategy Further Proposed Changes 2007 target 39,940 completions across the LCB (East)/M11 sub-region in the period 2006-2011. This equates to an annual completion target of 2,650 units.

5.13 Over the 25 year period 2004-2029, there are projected to be an additional 62,000 people living within the study area. 12,200 of these additional people are projected to be aged 85 or over with a further 44,200 aged 60-84 years.

Figure 44
Population Projections by Local Authority 2004-2029 (Source: ONS Revised Sub-national Population Projections: 2004 based data)

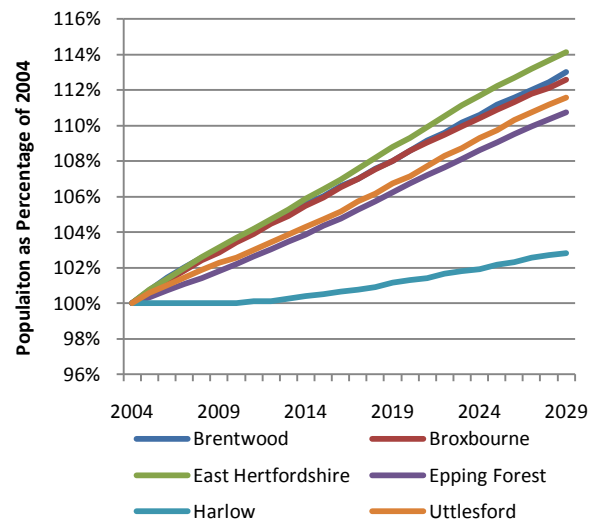


Figure 45
Persons by Local Authority (Source: ONS Revised Sub-national Population Projections: 2004 based data. Note: Figures may not sum due to rounding. Figures in brackets denote decrease in population)

Population	Brentwood	Broxbourne	East Hertfordshire	Epping Forest	Harlow	Uttlesford	Total
Net Change 2006-2021							
0-4	400	400	700	200	(100)	0	1,600
5-9	400	100	100	0	(300)	(300)	0
10-14	200	(200)	(300)	(200)	(500)	(100)	(1,100)
15-19	400	100	500	(100)	(700)	(100)	100
20-24	800	700	200	1000	(100)	200	2,800
25-29	500	400	300	600	100	400	2,300
30-34	200	(300)	0	(500)	(400)	(300)	(1,300)
35-39	(200)	(800)	(400)	(1,300)	(700)	(700)	(4,100)
40-44	0	(100)	200	(300)	(500)	(600)	(1,300)
45-49	500	400	800	700	(300)	(300)	1,800
50-54	400	600	500	1,000	200	(200)	2,500
55-59	(100)	500	500	500	700	(200)	1,900
60-64	1,300	2,100	3,000	3,200	1,600	1,600	12,800
65-69	1,000	1,700	2,700	2,700	1,100	1,900	11,100
70-74	300	900	1,800	1,300	300	1,400	6,000
75-79	300	1,100	2,100	700	200	1,400	5,800
80-84	1,000	1,500	2,500	1,300	400	1,800	8,500
85+	1,900	1,700	3,400	2,100	1,200	1,900	12,200
Total	9,100	11,000	18,500	13,100	2,200	8,100	62,000

Age Structure

5.14 The age structure of the population of the LCB (East)/M11 sub-region (Figure 46) shows that it is very similar to that for England and Wales as a whole. There are proportionately slightly more adults aged 35-70 years and fewer aged between 15-29 years. There are also fewer people aged 75 years or more.

5.15 Figure 47 shows that there is little difference in the age profiles of any of the authorities in the sub-region. There are slightly higher proportions of older persons in Brentwood and Epping Forest compared to the remaining authorities in the sub-region.

Figure 46
Age Profile for LCB (East)/M11 Sub-region Compared with England and Wales: 2006 (Source: ONS Mid-Year Population Estimates)

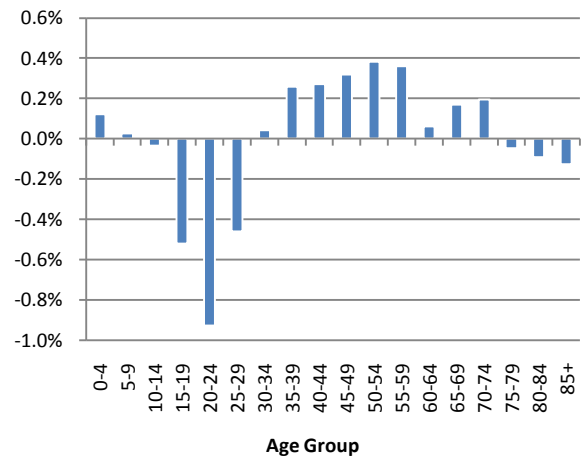


Figure 47
Age Profile by Area (Source: UK Census of Population 2001)

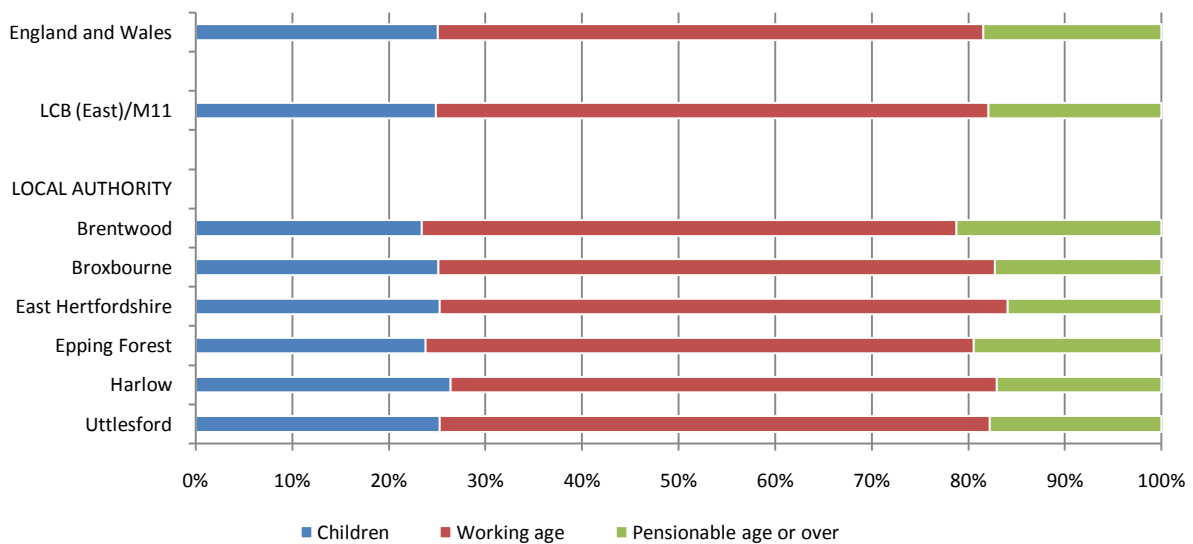
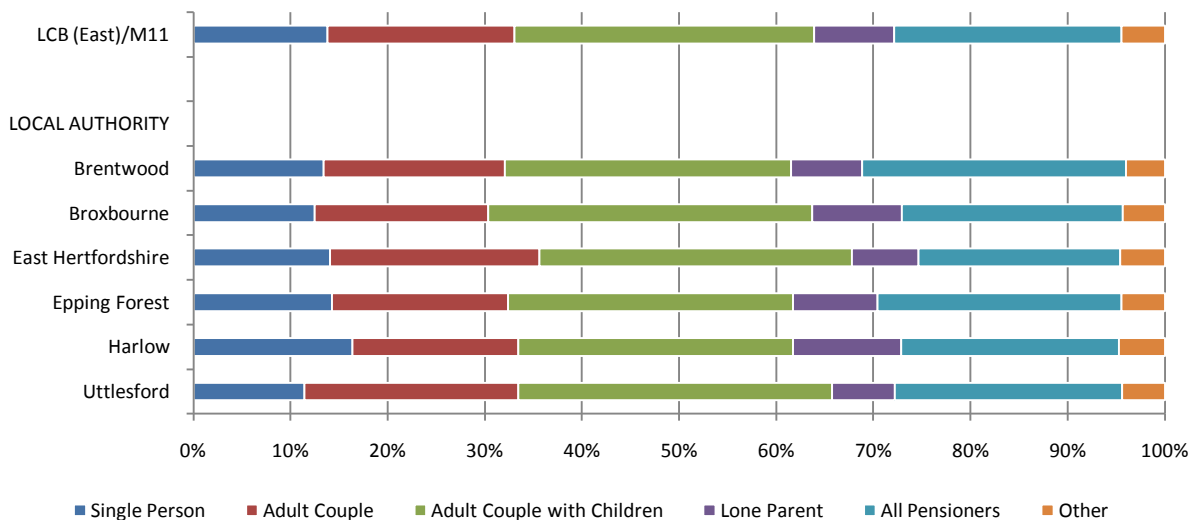


Figure 48
Household Type (Source: UK Census of Population 2001)



- 5.16 It is important to consider the structure of households when assessing housing needs. An area with more single people will require a higher quantity of separate accommodation, while an area with large families will require larger houses to accommodate them.
- 5.17 Figure 22 and Figure 28 show the household structure of the whole of the LCB (East)/M11 sub-region where it was clear that almost a quarter of households contain only pensioners, while 50% contain adult couples with or without children. Just over 20% of households contain only one adult in the form of a single person or lone parent.
- 5.18 Figure 48 shows that household type does not vary greatly between local authorities, however it is clear that Harlow contains the highest proportion of households (around 26%) of single adults, either as single people or as lone parents. Brentwood has the highest proportion of all pensioner households.

The Local Economy

Employment and Unemployment

- 5.19 Figure 49 shows that unemployment, as measured by the claimant count, has been in long-term decline in all the local authorities in the sub-region. Figure 50 shows that the unemployment claimant count rate is lower in LCB (East)/M11 sub-region than it is in England as a whole or across the Eastern region as a whole.

Figure 49
Unemployment Rate for Working Age Population by Local Authority: 1992-2007 (Source: Claimant Count. Note: Data relates to January each year)

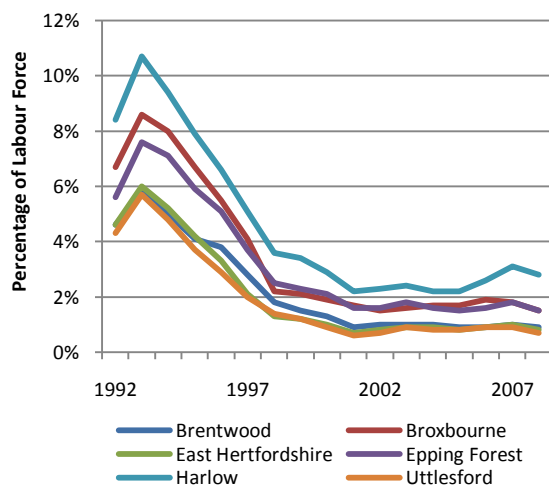
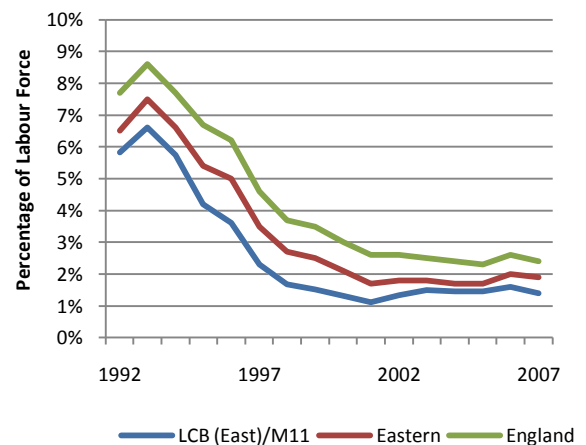


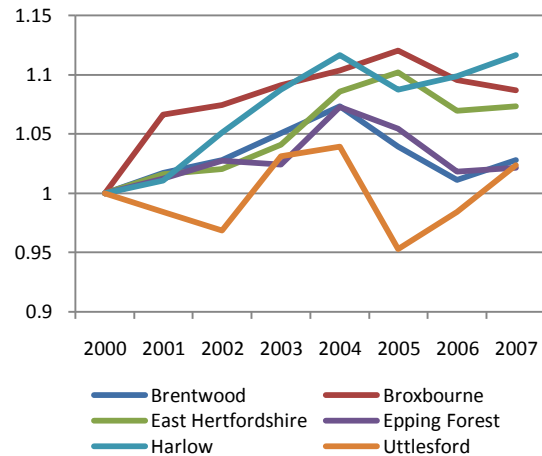
Figure 50
Unemployment Rate for Working Age Population for LCB (East)/M11, Eastern Region and England: 1992-2007 (Source: Claimant Count. Note: Data relates to April each year)



5.20 The decline in unemployment claimants in the sub-region may not entirely reflect the strength of the local economy. Many working age persons not in jobs are not eligible, or do not claim, unemployment benefit.

5.21 Figure 51 shows that in all authorities the number of working age residents claiming incapacity benefit has risen since 2000, despite showing fluctuations in Uttlesford. Incapacity benefit is more generous than unemployment benefit and also places less onus on the individual to seek a job. The growth in incapacity benefit claimants may have prevented a rise in unemployment rates since 2000.

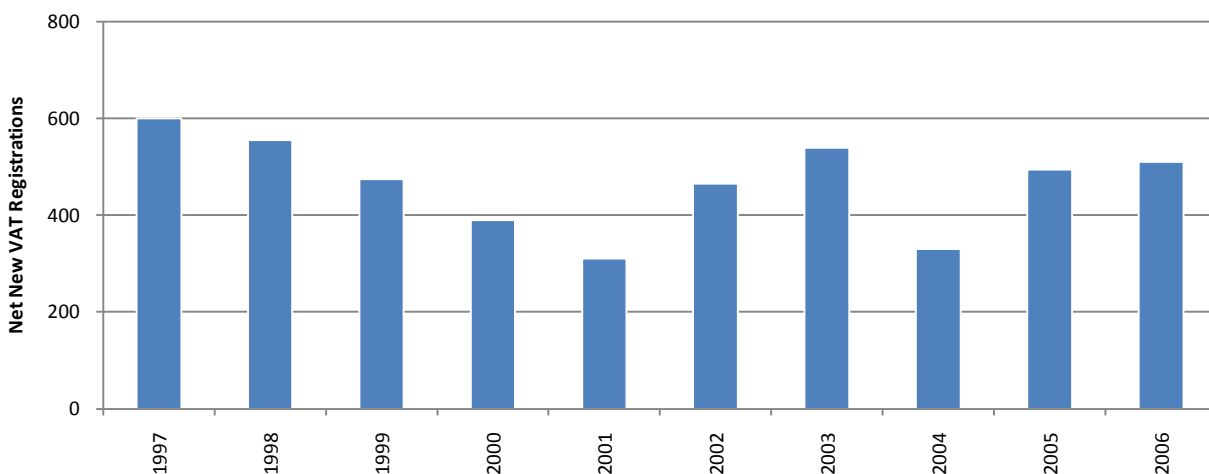
Figure 51
Incapacity Benefit Claims by Working Age persons by Local Authority 2000-2007 (Source: DWP. Note: Data relates to May of each year)



Industry

5.22 A measure of innovation and entrepreneurship is the number of new VAT registered businesses in a year. A business must register for VAT if its turnover exceeds £67,000 per year. It can de-register if its turnover falls below £65,000. In practice most de-registration is likely to be due to the business being acquired, merged or liquidated. Figure 52 shows the net new VAT registrations in LCB (East)/M11 sub-region per annum. In total, since 1997 the number of VAT registered businesses has grown by almost 4,700. This represents an almost 25% growth in the number of VAT registered business since 1997, which is higher than England as a whole and the Eastern region where the number of VAT registered businesses have grown by 20% over the same time period.

Figure 52
Net New VAT Registered Businesses in LCB (East)/M11 Sub-region: 1997-2006 (Source: VAT Registrations)



5.23 The economies of the LCB (East)/M11 sub-region vary considerably when the distribution of VAT registered businesses is analysed. Figure 53 shows that in Uttlesford there are 57.6 registered businesses for every 1,000 population, while in Harlow this figure is 24.6 per 1,000 of population. Therefore, on a per capita basis there are more than twice as many VAT registered businesses in

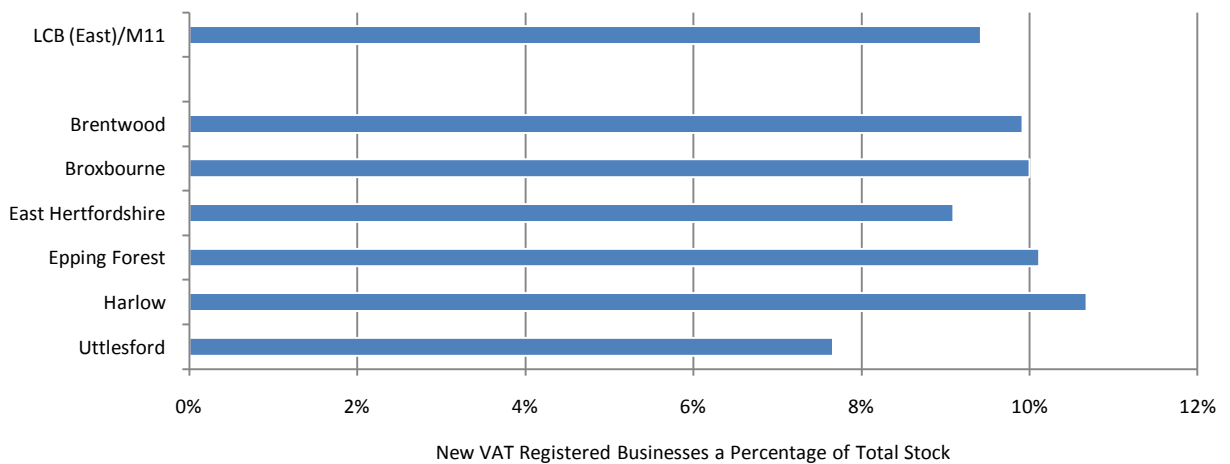
Uttlesford as there are in Harlow. However, Uttlesford contains many agricultural businesses which are typically small, while Harlow contains many manufacturing businesses which are typically larger.

Figure 53
Net New VAT Registration by Local Authority (Source: VAT Registrations)



- 5.24 Figure 54 shows the percentage of VAT registered businesses from across the sub-region as a share of existing businesses. This shows that in 2006 Uttlesford had a proportionally lower rate of business formation than the other local authorities. A lower rate of business formation is typical in areas with larger agricultural sectors where businesses tend to remain with single families across generations leading to few new businesses being registered.

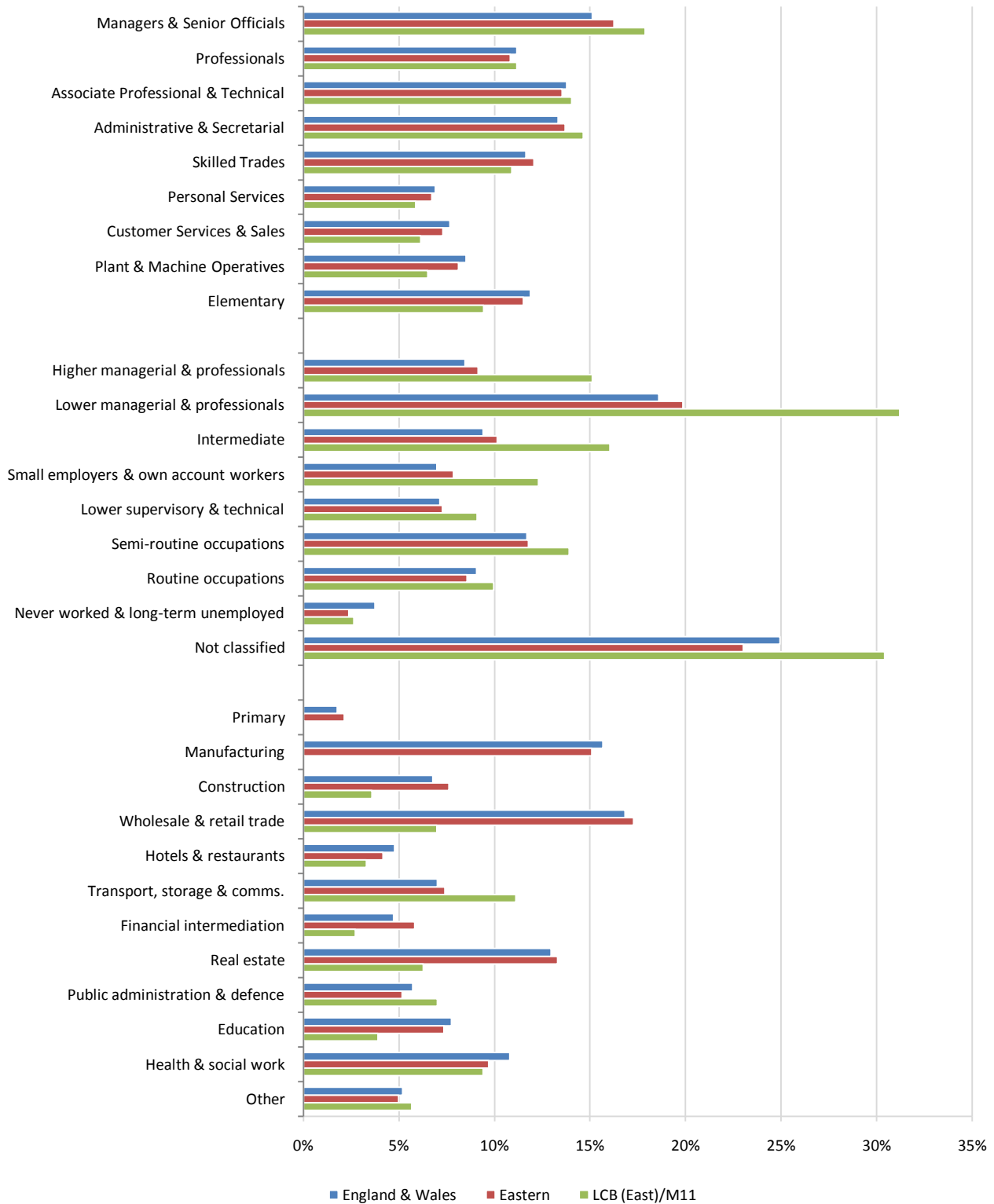
Figure 54
New VAT Registration as Percentage of Existing Stock by Local Authority for 2006 (Source: VAT Registrations)



- 5.25 The range of occupations of LCB (East)/M11 sub-region residents do not differ widely from those of the overall population of England and Wales or the whole of the Eastern region. However, there are more people employed in managerial, professional and administrative occupations and fewer in skilled, plant and machinery and elementary ones (Figure 55).
- 5.26 When considering the industry of employment of residents, it is apparent that transport, storage and communications are relatively very important to the LCB (East)/M11 sub-region economy. Public Administration and Defence also forms a larger share of employment than it does in England and Wales as a whole.

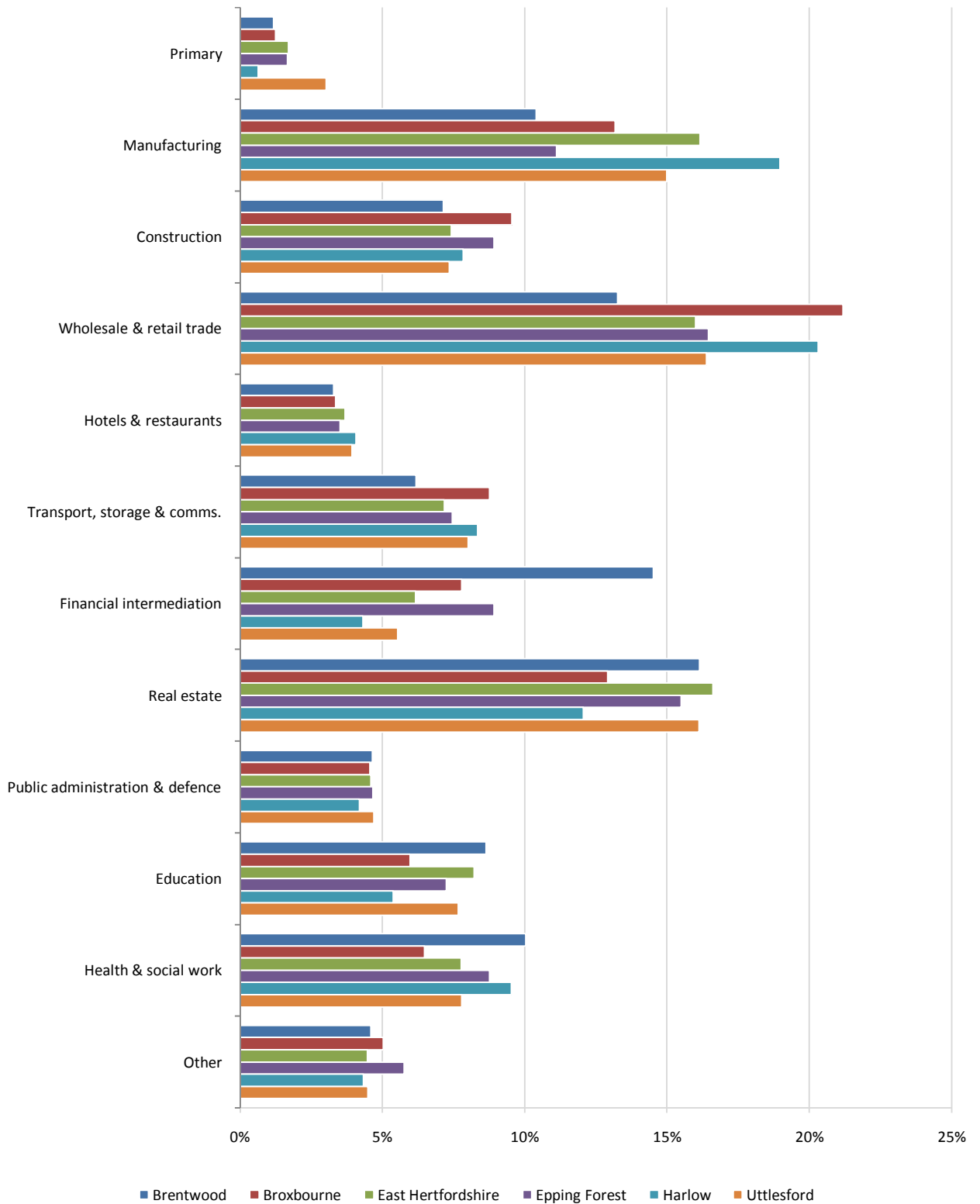
5.27 Another measure of the nature of residents in an area is the National Statistics Socio-economic Classifications (NS-SeC). NS-SeC is a constructed measure which reflects the socio-economic circumstances of the individual such that each person in a NS-SeC category has a similar socio-economic status. The population of LCB (East)/M11 sub-region contains proportionally fewer people who have never worked or long term unemployed, and proportionally more people particularly in managerial and professional categories.

Figure 55
 Occupation, NS-SeC and Industry of Employment for LCB (East)/M11 Sub-region Compared to Eastern Region and England & Wales (Source: UK Census of Population 2001)



5.28 The economy of LCB (East)/M11 sub-region shows considerable variation within it. Figure 56 highlights that manufacturing forms as more significant part of the Harlow economy than elsewhere in the sub-region. Similarly, financial intermediation is much more important to the Brentwood economy than elsewhere in the sub-region.

Figure 56
Industry of Employment by Local Authority (Source: UK Census of Population 2001)



Skills and Education

5.29 Figure 57 shows the proportion of the population over 16 years who are educated to NVQ4 or higher level, and those with no formal qualifications. NVQ4 is considered to be the equivalent of a university degree.

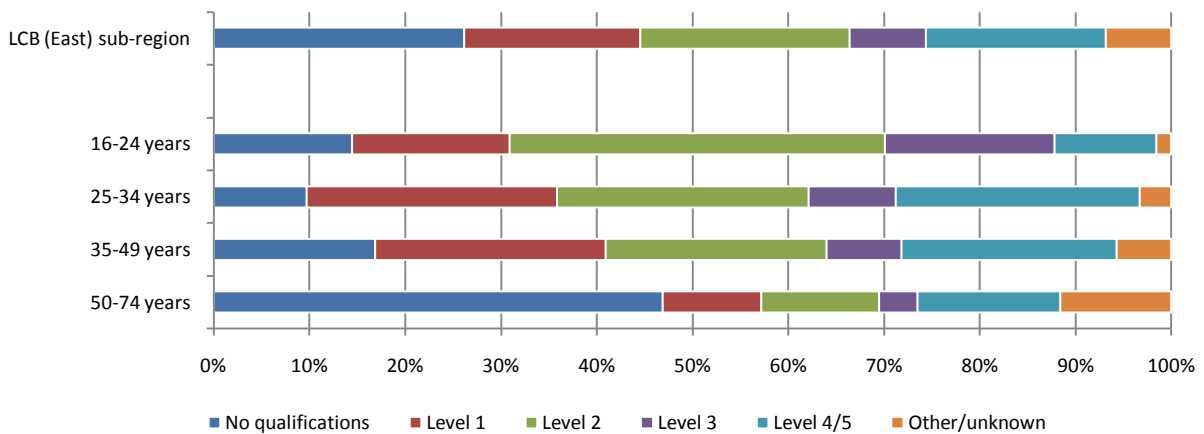
5.30 Compared with the England and Wales as a whole, the population of the sub-region and the Eastern Region is slightly under-represented in the higher qualification categories with under a fifth of the population having the equivalent of a degree and above category. However, there is also a lower proportion of people in LCB (East)/M11 sub-region with no qualifications, than in England and Wales or the Eastern region.

Figure 57
Qualification Levels for LCB (East)/M11 Sub-region, Eastern Region and England & Wales (Source: UK Census of Population 2001)

Education Level	England & Wales	Eastern	LCB (East)/M11
Level 0	28.9%	27.9%	26.1%
Level 1	16.6%	18.2%	18.4%
Level 2	19.4%	20.5%	21.9%
Level 3	8.3%	7.9%	8.0%
Level 4 / 5	19.9%	18.1%	18.7%
Other / unknown	6.9%	7.2%	6.9%

5.31 Figure 58 shows that around 45% of the population of the sub-region aged over 50 years possess no formal qualifications compared to 10% of the 25-34 age group. Around a fifth of everyone aged 25-49 years has the equivalent of a degree or higher.

Figure 58
Qualification Levels for London Commuter Belt (East)/M11 Sub-region by Age (Source: UK Census of Population 2001)



Incomes and Earnings

5.32 Alongside economic activity the other key component of the economy of an area is the wages earned by workers. There are two separate ways to analyse average earnings in a local authority area. One is to examine only those who are employed within the local authority area. The other is to examine the earnings of the residents of the local authority areas.

5.33 Since 2002 the New Earnings Survey (NES) and subsequently the Annual Survey of Hours and Earnings (ASHE) has recorded both measures for all local authorities. There are some concerns about the sample sizes within ASHE at district level – nevertheless, it is worth emphasising that this data is shown for information only.

5.34 Figure 59 shows the comparisons for each authority for median gross annual earnings for 2007. The results show that residents in Brentwood and Uttlesford are the highest earners in the sub-region. Those employed in Harlow earn more on average than those who are resident in the area by around £7,000. This pattern is reversed in all other areas, but it may imply that many residents travel outside the sub-region to higher paying jobs elsewhere in areas such as London.

5.35 Treating the median full-time earning in 1999 as a base, Figure 60 shows that median earnings have risen more quickly in Harlow while other authorities have lagged behind the rest of the sub-region.

5.36 Figure 59 and Figure 60 refer only to those in full-time employment. LCB (East)/M11 sub-region also has many employees working part-time. Figure 61 shows the average employed person resident in any of the local authorities in the sub-region earns around £4,000-£5,000 less than the average full-time employee.

5.37 Figure 62 shows how gross household income levels vary across the sub-region. This measure of income is more important than individual earnings for housing purposes because household income gives a greater guide as to how much a household can afford to spend on housing. Figure 62 illustrates that household incomes are on average lower in urban areas

Figure 59
Comparison of Workplace and Residence Median Gross Annual Earnings in LCB (East)/M11 Sub-region in 2007 for Full-time Employees' (Source: ASHE 2007)

Local Authority	Employed in Area	Resident in Area
Brentwood	£26,657	£34,028
Broxbourne	£21,267	£26,682
East Hertfordshire	£25,158	£29,584
Epping Forest	£26,708	£29,792
Harlow	£31,796	£24,829
Uttlesford	£25,959	£30,016

Figure 60
Median Gross Annual Earnings for Workplace in LCB (East) /M11Sub-region for Full-time Employees 1999-2007 (Source: ASHE 1999-2007)

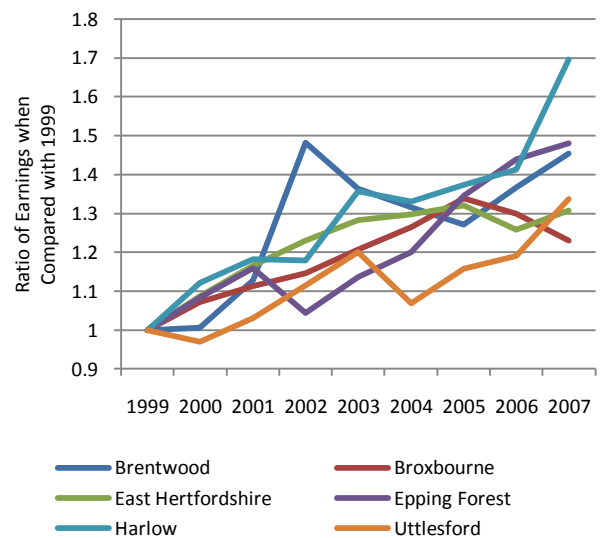
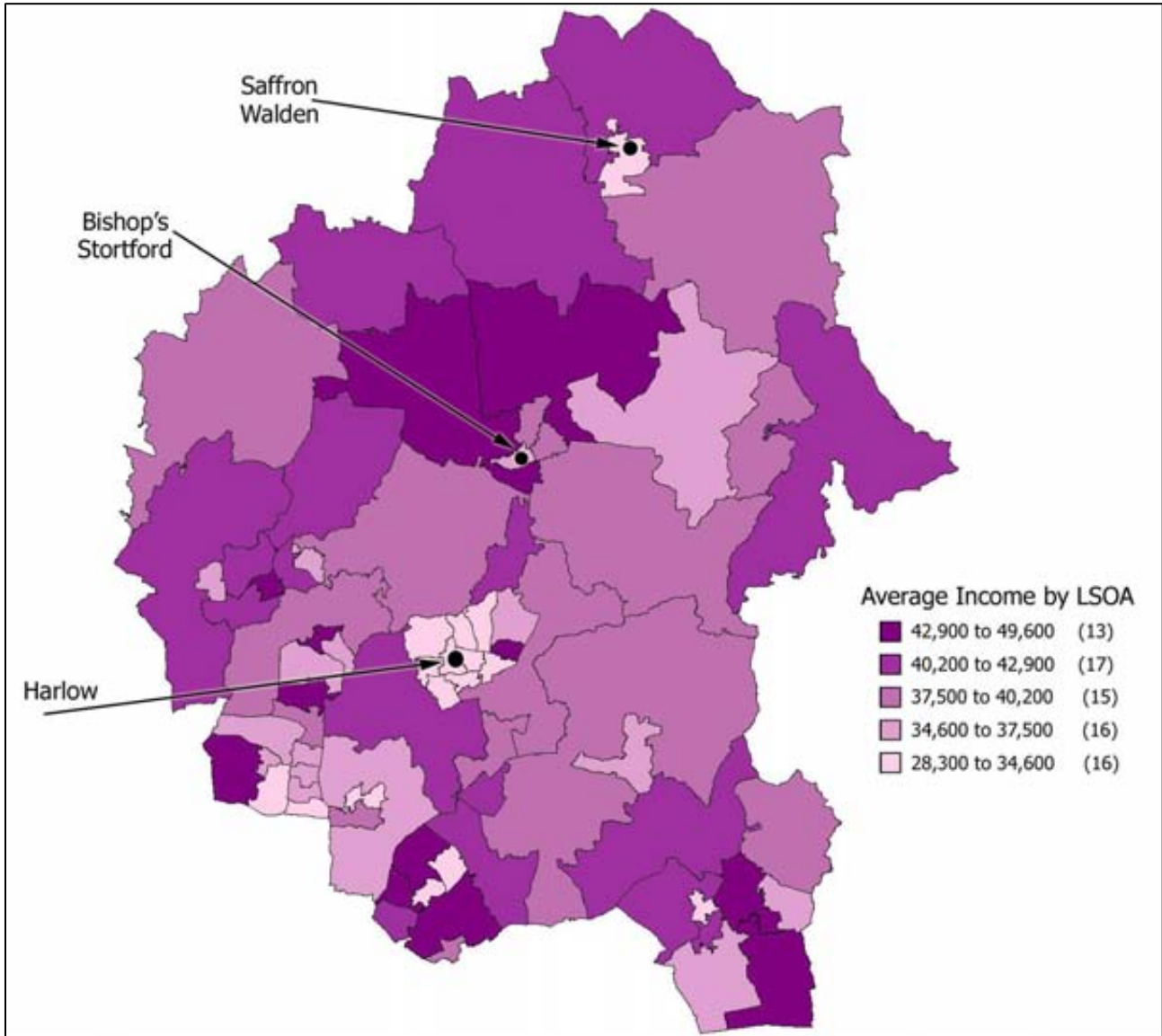


Figure 61
Median Gross Annual Earnings for Residents in Local Authorities in LCB (East)/M11 Sub-region in 2007 (Source: ASHE 2007)

Local Authority	Median Earnings	
	Overall	Full-time
Brentwood	£29,395	£34,028
Broxbourne	£21,195	£26,682
East Hertfordshire	£25,138	£29,584
Epping Forest	£24,107	£29,792
Harlow	£19,239	£24,829
Uttlesford	£26,587	£30,016

such as Harlow and Saffron Walden. The higher level of individual earnings for residents of Brentwood and Epping Forest is also reflected in these authorities typically having higher levels of household income.

Figure 62
Average Household Earnings by Middle-level Super COA (Source: CACI Paycheck. Note: Higher incomes shown in darker shading)



Migration Trends

- 5.38 Data from the 2001 Census showed that of the sub-region's 547,000 residents, 55,700 (10.2%) had moved within the last 12-months. Of those that had moved, 25,000 moved within the same authority, another 25,000 moved from elsewhere in the UK and 2,600 moved to the area from overseas. It is also worth noting that the sub-region gained a net 1,060 people from across the UK in 2000-2001. A further 3,100 people resident in the sub-region were recorded as having "No usual address" 12-months before the Census.
- 5.39 Since 1996-97, the ONS has published relatively localised migration data using information from the NHS Central Register (NHSCR) which records the movement of individuals who change GP. The NHSCR data provides an effective way of monitoring changes in migration over time, but it is important to recognise the limitations of the data – for not everyone who moves will register with a doctor, so some migration will not be counted. Nevertheless, as the data provides the best available basis for analysis, the following information details migration patterns for the sub-region and the constituent authorities over the period 2002-2007.
- 5.40 Figure 63 shows the net migration to the sub-region between 2002 and 2007 from the rest of England and Wales. Darker shades of blue represent higher levels of in-migration and red represents out-migration. Thicker arrows are also associated with higher levels of net migration.
- 5.41 Figure 64 shows the net migration to London Commuter Belt (East)/M11 sub-region from every region of England and Wales in the past 5 years. Overall, migration accounted for a rise in the sub-region population of 4,220 people from 2001 to 2006. All of the net population gain came from London, with net migrant population losses occurring to every other region of England and Wales.

Figure 63
 Net Migration to London Commuter Belt (East)/M11 Sub-region by the Government Office Regions of England and Wales 2002-2007
 (Source: ONS Migration Statistics Unit)

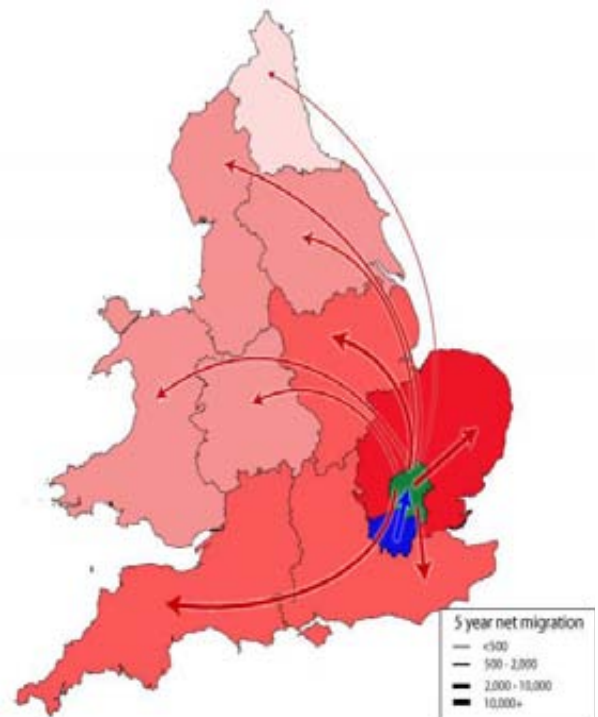


Figure 64

Net Migration to London Commuter Belt (East)/M11 sub-region by England and Wales Region 2002-2007 (Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales based on patient register data and patient re-registration recorded in the NHSCR. Note: Figures in brackets represent negative numbers. Figures may not sum due to rounding)

UK Region	2003	2004	2005	2006	2007	Total
Eastern	(4,920)	(4,940)	(4,000)	(3,150)	(3,890)	(20,900)
North East	(60)	(180)	(40)	20	(70)	(330)
North West	(160)	(110)	(210)	(120)	10	(590)
Yorkshire & Humberside	(240)	(200)	(210)	(160)	(280)	(1,090)
East Midlands	(590)	(780)	(400)	(390)	(390)	(2,550)
West Midlands	(230)	(300)	(170)	(100)	(110)	(910)
London	7,500	8,150	7,490	7,570	8,300	39,010
South East	(950)	(830)	(940)	(740)	(810)	(4,270)
South West	(750)	(760)	(690)	(760)	(650)	(3,610)
Wales	(160)	(110)	(80)	(110)	(80)	(540)
Total	(560)	(60)	750	2,060	2,030	4,220

- 5.42 Figure 65 shows the individual local authorities which have had the highest net migration to the London Commuter Belt (East)/M11 sub-region. The nine authorities with the largest net migration to London Commuter Belt (East)/M11 sub-region are all boroughs located in north London.
- 5.43 Figure 66 shows the local authorities to which London Commuter Belt (East)/M11 sub-region lost population through migration. This again features areas in the vicinity of the sub-region covering parts of Essex, Hertfordshire, Cambridgeshire, Norfolk and Bedfordshire.

Figure 65

Top 10 Local Authorities with the Highest Net Migration to London Commuter Belt (East)/M11 Sub-region 2002-2007 (Source: ONS Migration Statistics Unit)

Local Authority	In-migrants	Out-migrants	Net
Enfield	13,290	2,630	10,660
Redbridge	10,480	3,790	6,690
Waltham Forest	7,410	1,870	5,540
Havering	4,980	2,070	2,910
Haringey	3,170	730	2,440
Newham	2,460	630	1,830
Hackney	1,960	480	1,480
Barking and Dagenham	2,100	620	1,480
Islington	1,860	750	1,110
Tower Hamlets	1,890	810	1,160

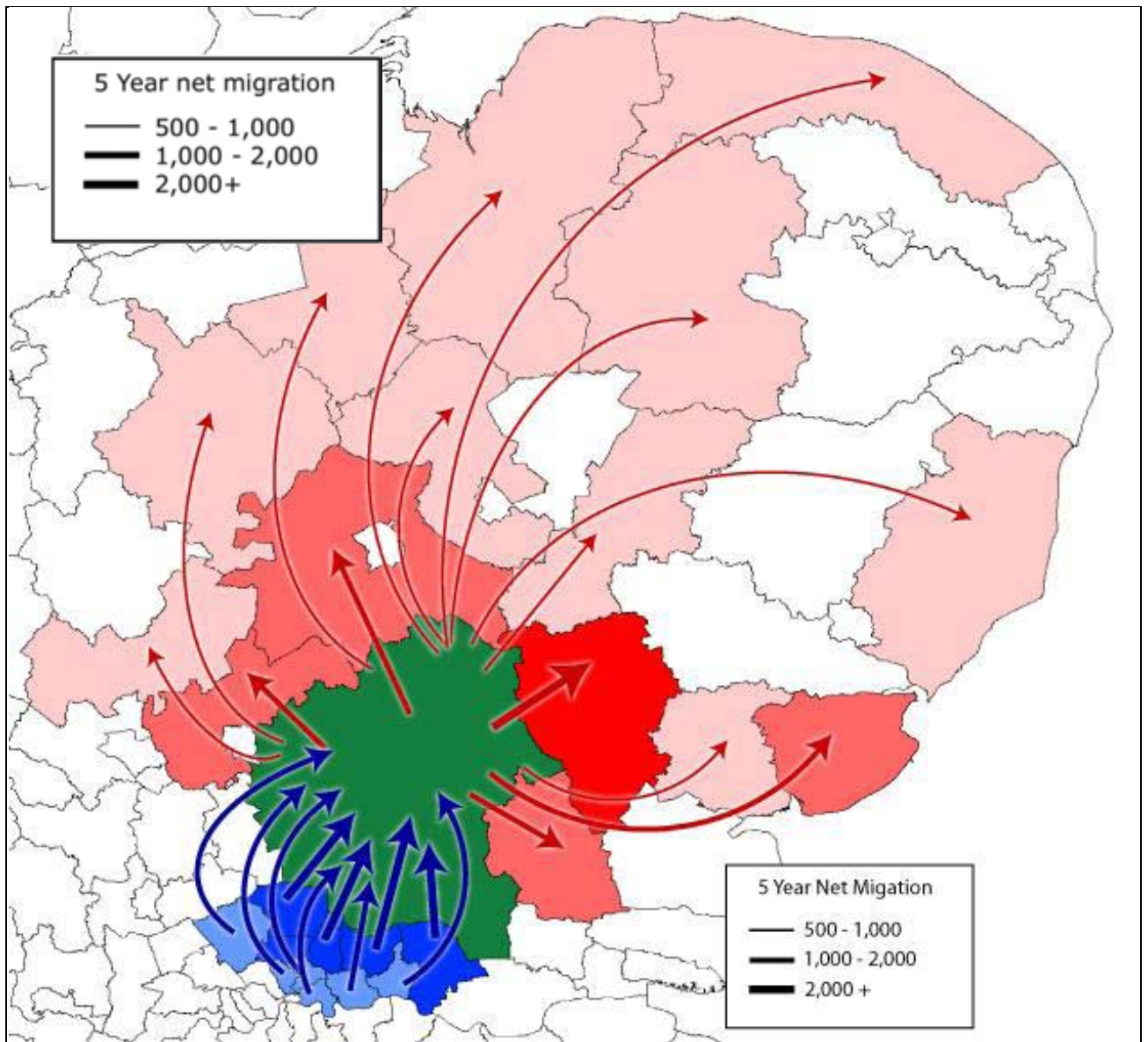
Figure 66

Top 10 Local Authorities with the Highest Net Migration from London Commuter Belt (East)/M11 Sub-region 2002-2007 (Source: ONS Migration Statistics Unit)

Local Authority	In-migrants	Out-migrants	Net
Braintree	2,350	5,090	(2,740)
Chelmsford	2,740	4,750	(2,010)
North Hertfordshire	1,350	3,020	(1,670)
South Cambridgeshire	1,270	2,680	(1,410)
Tendring	860	2,160	(1,300)
St Edmundsbury	590	1,680	(1,090)
Fenland	220	1,000	(780)
Breckland	220	940	(720)
Mid Bedfordshire	420	1,110	(690)
Colchester	820	1,510	(650)

- 5.44 Figure 67 illustrates the net migration to the sub-region between 2002 and 2007 from the rest of the Eastern region and London. Darker shades of blue represent higher levels of in-migration and red represents out-migration with thicker lines again representing higher levels of net migration. This shows the in-migration from north London boroughs, but the sub-region sends net migrants to other parts of the Eastern region.

Figure 67
Net Migration to London Commuter Belt (East)/M11 Sub-region by Local Authority 2001-2006 (Source: ONS Migration Statistics Unit)



Migration within the Sub-region

- 5.45 Figure 68 shows the net migration which occurred in each of the local authorities between 2002 and 2007. Therefore, as an example there was a net movement of 12,150 people from London to Epping Forest between 2002 and 2007.
- 5.46 Broxbourne lost population through migration to all other authorities in the sub-region. It did however gain over 9,470 people from London. Uttlesford gained population from all other authorities in the sub-region, further reflecting the movement of population north away from London. Brentwood, Epping Forest, and Uttlesford have all gained population through migration within England and Wales, while Harlow has lost a significant number of people through migration.

Figure 68

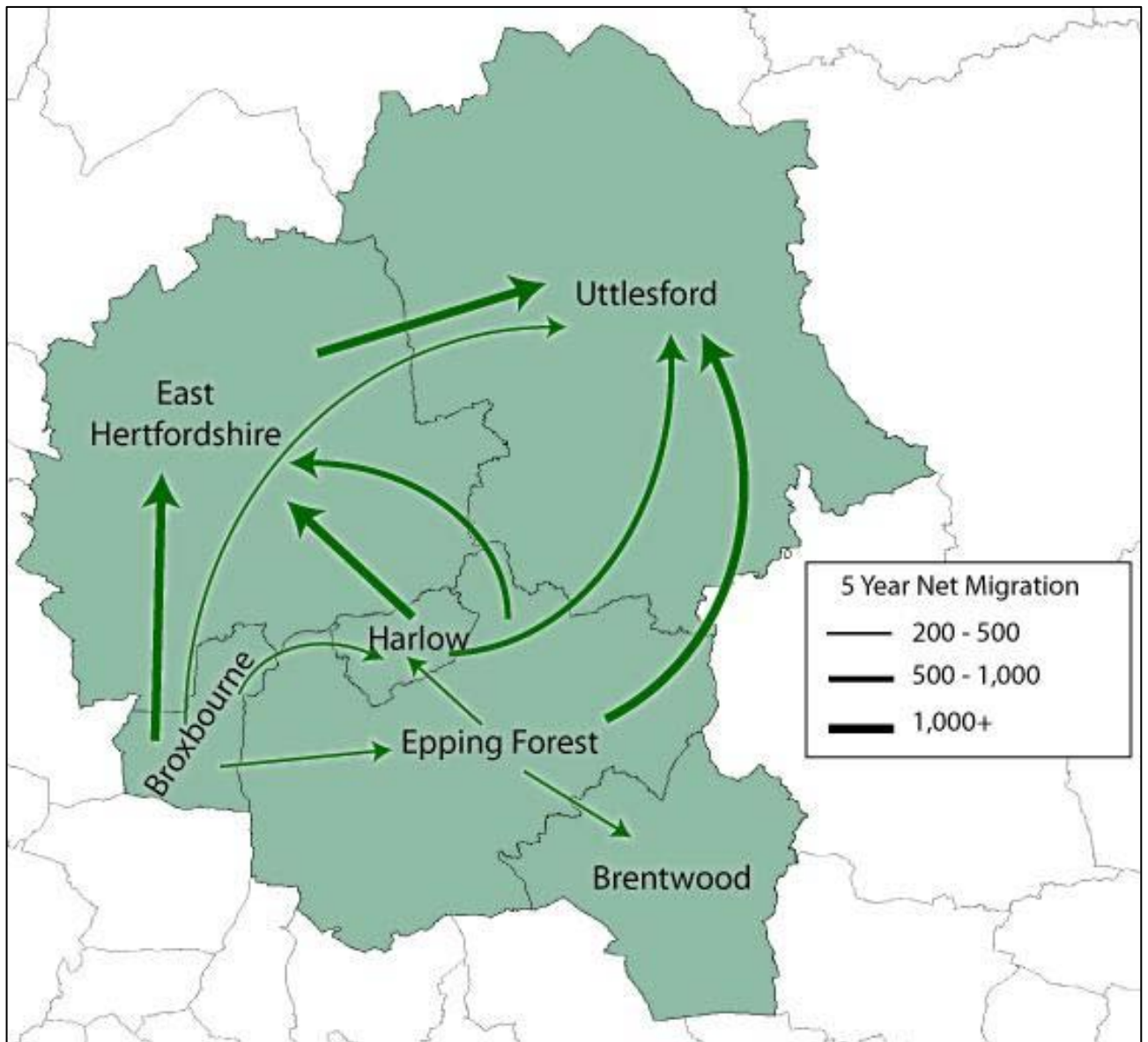
Net Migration to London Commuter Belt (East)/M11 Sub-region Local Authorities 2002-2007 by Area (Source: ONS Migration Statistics Unit.

Note: Figures in brackets represent negative numbers. Figures may not sum due to rounding)

From	To						Total
	Brentwood	Broxbourne	East Hertfordshire	Epping Forest	Harlow	Uttlesford	
London Commuter Belt (East)/M11 sub-region							
Brentwood	-	(40)	0	(410)	(20)	120	(350)
Broxbourne	40	-	2,520	140	450	230	3,500
East Hertfordshire	0	(2,640)	-	(930)	(1,010)	1,140	(3,440)
Epping Forest	410	(140)	930	-	470	1,230	2,900
Harlow	20	(450)	1,010	(470)	-	810	920
Uttlesford	(120)	(230)	(1,140)	(1,230)	(810)	-	(3,530)
Sub-Total	350	(3,500)	3,440	(2,900)	(920)	3,530	-
Rest of England & Wales							
Elsewhere in the Eastern region	(2830)	(570)	(5430)	(4900)	(3610)	(2830)	(24170)
North East	(60)	(40)	(120)	(60)	(50)	0	(330)
North West	(70)	(100)	(150)	(70)	(160)	(40)	(590)
Yorkshire and Humberside	(110)	(140)	(370)	(160)	(120)	(190)	(1090)
East Midlands	(230)	(480)	(670)	(420)	(500)	(250)	(2550)
West Midlands	(180)	(90)	(250)	(140)	(180)	(70)	(910)
London	6010	9470	5570	12150	3050	2760	39010
South East	(420)	(720)	(1100)	(1280)	(580)	(170)	(4270)
South West	(390)	(560)	(980)	(770)	(380)	(530)	(3610)
Wales	(120)	(50)	(120)	(80)	(70)	(100)	(540)
Sub-Total	1,600	2,720	(3,620)	4,270	(2,600)	(1,420)	950
Total	1,950	(780)	(180)	1,370	(3,520)	2,110	950

- 5.47 Figure 69 shows this net migration between the local authorities in the sub-region between 2002 and 2007 with thicker lines representing higher levels of net migration. This shows Broxbourne losing population to all authorities in the sub-region, while Uttlesford and East Herts are the largest net gainers from migration within the sub-region. In particular East Herts have gained greatly from Broxbourne.

Figure 69
Migration between London Commuter Belt (East)/M11 Sub-region Local Authorities 2002-2007 (Source: ONS Migration Statistics Unit)



Age of Migrant Persons

5.48 The age structure of the net migrants to London Commuter Belt (East)/M11 sub-region is shown in Figure 70. The area has experienced a net gain of 6,470 migrants in the 25-44 years and 4,010 migrants in the 0-15 year categories. Therefore, the area has been attracting families with many of these leaving London boroughs. However, there has been a net loss of over 3,170 person aged over 45 years.

Figure 70

Migration to and from London Commuter Belt (East)/M11 Sub-region by Age Group 2002-2007 by Year (Source: ONS Migration Statistics Unit. Note: Figures in brackets represent negative numbers. Figures may not sum due to rounding)

Age Group	2003	2004	2005	2006	2007	Total
In Migrants						
0-15 years	5,440	5,700	5,500	5,850	6,160	28,650
16-24 years	4,860	4,830	4,630	4,750	4,890	23,960
25-44 years	13,120	13,100	13,040	13,500	14,180	66,940
45-64 years	3,810	3,980	3,940	4,230	4,680	20,640
65+ years	1,760	1,950	1,870	2,020	2,260	9,860
Total	28,990	29,560	28,980	30,350	32,170	150,050
Out Migrants						
0-15 years	4,990	5,260	4,610	4,670	5,110	24,640
16-24 years	5,560	5,320	5,350	5,330	5,400	26,960
25-44 years	12,360	12,350	11,840	11,710	12,210	60,470
45-64 years	4,730	4,730	4,460	4,630	5,260	23,810
65+ years	1,950	2,070	1,970	1,890	2,290	10,170
Total	29,590	29,730	28,230	28,230	30,270	146,050
Net Migrants						
0-15 years	450	440	890	1,180	1,050	4,010
16-24 years	(700)	(490)	(720)	(580)	(510)	(3,000)
25-44 years	760	750	1,200	1,790	1,970	6,470
45-64 years	(920)	(750)	(520)	(400)	(580)	(3,170)
65+ years	(190)	(120)	(100)	130	(30)	(310)
Total	(600)	(170)	750	2,120	1,900	4,000

5.49 Figure 71 shows that Harlow is unique in the sub-region in that it lost population through migration in both the 0-15 years and 25-44 years age groups. Therefore, it is the only area which appears to be losing families. The only age group that Harlow gains is through migration and is the 16-24 year group, although only by 70 people.

Figure 71

Net Migration in to London Commuter Belt (East)/M11 Sub-region Local Authorities by Age Group 2002-2007 (Source: ONS Migration Statistics Unit. Note: Figures in brackets represent negative numbers. Figures may not sum due to rounding)

Age Group	Brentwood	Broxbourne	East Hertfordshire	Epping Forest	Harlow	Uttlesford	Total
Net Migrants							
0-15 years	1,510	100	570	430	(970)	1,770	3,410
16-24 years	(410)	50	(1,180)	20	70	(1,320)	(2,770)
25-44 years	1,290	(340)	1,410	1,470	(870)	2,320	5,280
45-64 years	(420)	(680)	(870)	(490)	(720)	(140)	(3,320)
65+ years	(170)	(190)	20	(120)	(500)	360	(600)
Total	1,800	(730)	620	1,310	(2,990)	2,990	3,000

Migrant Household Characteristics

5.50 No data is available on the split between wholly moving and partly moving households within the time-series data from the ONS Migration Statistics Unit. Nevertheless, information on household migration is presented from the 2001 Census.

Figure 72

Net Moves of Wholly Moving Households in London Commuter Belt (East)/M11 Sub-region Local Authorities 2001-2006 (Source: ONS Migration Statistics Unit. Note: Total column includes migration between local authorities within the sub-region. Figures in brackets represent negative numbers. Figures may not sum due to rounding)

Age Group	Brentwood	Broxbourne	East Hertfordshire	Epping Forest	Harlow	Uttlesford	Total
Wholly Moving Households							
Moves within the LA	871	1,059	2,039	1,485	1,522	893	7,869
Moves to the LA from elsewhere in the UK	882	1,133	1,712	1,769	783	1,022	7,301
Moves to the LA from overseas	106	37	175	120	86	132	656
Moves from the LA to elsewhere in the UK	947	1,052	1,877	1,599	770	990	7,235
Net Moves within the UK	(65)	81	(165)	170	13	32	66

5.51 When considering moves within the UK, there was a net flow of 66 wholly moving households moving into the study area, which represents around 0.3 households in every 1,000 residents in the area as a whole.

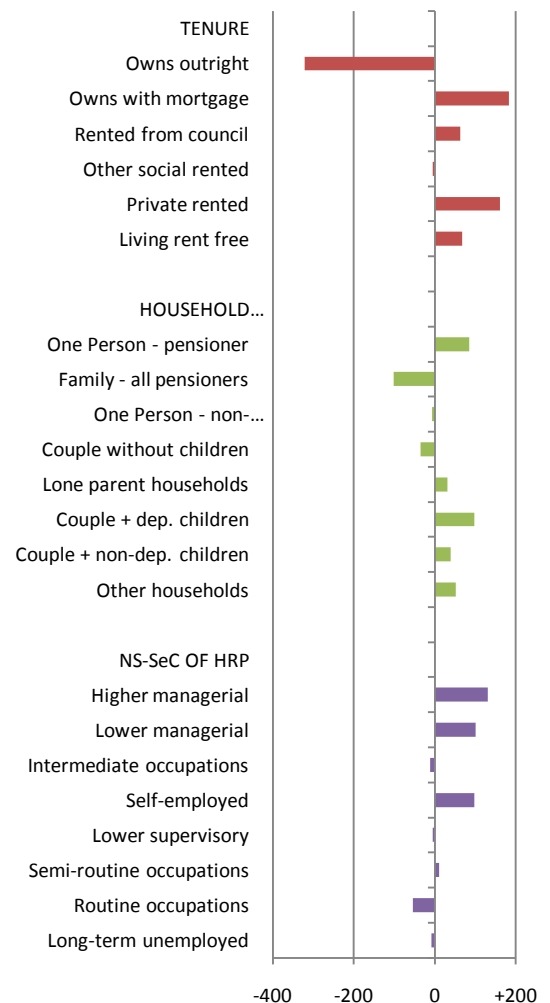
5.52 When considering the characteristics of migrant households, those who own outright are more likely to leave the area than the population as a whole. One person pensioner households are less likely to leave the area than the population as a whole but other pensioner households are more likely to leave the area than the population norm.

5.53 The Socio-economic Classification (NS-SeC) of household representatives shows the net migration of those in higher managerial positions in large organisations and lower managerial positions being higher than the overall norm. The area also attracts those who are self employed.

5.54 Those in the lowest Socio-economic Classifications were also more likely to out-migrate to other locations in the UK than the population as a whole.

Figure 73

Characteristics of Wholly Moving Households within the UK – Net Moves for Sub-Group (Source: Census 2001)



Migration in the Registered Social Landlord Sector

- 5.55 The COntinuous REcording (CORE) system operated by St Andrews University on behalf of the Housing Corporation records details on all new-lets and re-lets of RSL properties, including information on the previous postcode of all new tenants. The system also records information on lets of local authority managed properties on behalf of those authorities who subscribe to the service. In the case of LCB (East)/M11 sub-region, East Herts and Broxbourne has transferred all of their stock to RSLs. The data for local authority lets for the remaining authorities has been included in this section.
- 5.56 Between April 2005 and March 2007 there were 2,147 new RSL and local authority lets within the London Commuter Belt (East)/M11 area, of which 153 (7.1%) were to households outside the sub-region. Of these households, 62 were from London – so approximately 30 households moved to social housing in the sub-region each year from London. This is in the context of an average of nearly 8,000 people (net) moving from London to the sub-region each year – so it is apparent that the significant majority of migrants are moving within the private sector.

International Migration

- 5.57 Records for international migration for local authorities have recently begun being published by the Office for National Statistics. The records are drawn from the International Passenger Survey which interviews approximately 1 in 500 people who travel to and from the UK. Therefore, the figures for any local authority are drawn from relatively small samples. Figure 74 shows that between 2001 and 2006, a net 1,400 international migrants moved to LCB (East)/M11 from overseas.

Figure 74

International Migration for LCB (East)/M11 sub-region 2001-2006 (Source: ONS Migration Statistics)

Local Authority	International in-migration	International out-migration	Net international migration
Brentwood	3,100	2,500	600
Broxbourne	1,700	900	800
East Hertfordshire	3,500	3,300	200
Epping Forest	1,800	2,200	(400)
Harlow	1,600	1,200	400
Uttlesford	2,600	2,800	(200)
Total	14,300	12,900	1,400

- 5.58 In recent years the UK has experienced a noticeable increase in the number of migrant workers arriving from overseas. Records of the location of these workers are imperfect, but one measure of where they moved to is the number of new National Insurance numbers issued to workers in particular locations.

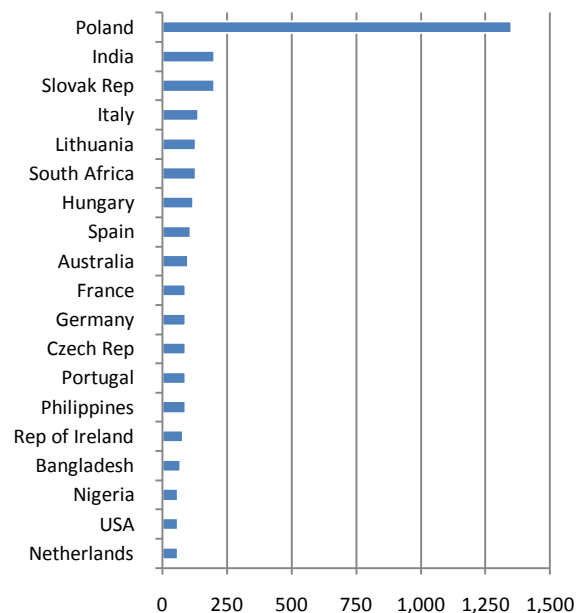
5.59 Figure 75 shows that in 2006/07 a total of 4,000 new National Insurance numbers to non-UK nationals were issued in the London Commuter Belt (East)/M11 sub-region. This group of workers represent around 0.7% of all people residing in the six local authorities. It should be noted that this figure does not include any dependents of the workers, but also does not exclude any migrant workers who have subsequently left the area.

5.60 Figure 76 shows that almost half of all new national insurance registration in the London Commuter Belt (East)/M11 sub-region were issued to Polish nationals. This group therefore represents around 0.35% of the total population of the sub-region.

Figure 75
New National Insurance Registrations of Non-UK Nationals in London Commuter Belt (East)/M11 Sub-region 2006/07 by Local Authority (Source: DWP)

Local Authority	New NI Registrations of Non-UK Nationals
Brentwood	360
Broxbourne	530
East Hertfordshire	1,150
Epping Forest	600
Harlow	840
Uttlesford	520
Total	4,000

Figure 76
New National Insurance Registrations of Non-UK Nationals in London Commuter Belt (East)/M11 Sub-region 2006/07 by Country of Origin (Source: DWP)



Summary of Key Points

- The number of households in the UK has been increasing faster than the supply of housing owing to both natural population growth and international migration. Household size has also been decreasing, implying that the number of households could rise by 25% by 2021.
- The 2001 Census found that LCB East/M11 had a population of 600,000 people in just over a quarter of a million households. The population has risen by 8.5% in the period up to 2006, level with the England average but far short of that of the Eastern region. The biggest growth has been in East Hertfordshire which has seen a population rise of 21% between 1981 and 2006, while Brentwood and Harlow fell to a low of around 93% of their 1981 total in the early 1990's.
- The ONS estimates that the population of LCB East/M11 will be 620,000 in 2029.
- To cope with the growth in population, the East of England RSS 2007 targets 39,940 completions across the East sub-region in the period 2006-11, equating to an annual completion target of 2,650 units.
- Over the 25 year period between 2004 and 2029 there are projected to be an additional 62,000 people living within the study area. 12,200 of these additional people are projected to be aged 85 or over with a further 44,200 aged 60-84 years.
- In LCB East/M11 almost a quarter of households contain only pensioners while 50% contain adult couples with or without children. Just over 20% of households contain only one adult in the form of a single person or lone parent.
- Unemployment has been in long term decline across LCB East/M11, with claimant levels lower than the averages of both the Eastern Region and England as a whole.
- Significant business growth in the area is indicated by a rise of 25% in VAT registered businesses since 1997 which is higher than both England and the Eastern Region.
- Harlow's economy is based very much around manufacturing, while financial intermediation forms a large part of the economy in Brentwood.
- Residents in Uttlesford and Brentwood are the highest earners in the sub-region. Those employed in Harlow earn more on average than those who are resident in the area by around £7,000, this is reversed in all other areas perhaps reflecting the levels of commuting to better paid jobs in London.
- The average person resident in any of the LAs in the sub-region earns around £4,000-£5,000 less than the average full time employee.
- Around 10% of the sub-region's population moved within the last twelve months, of which half moved within the same authority.
- Between 2001 and 2006 migration accounted for a rise in the population of the sub-region of 2,920 people. LCB (East)/M11 lost population to all other regions, other than London from which it gained 38,000 people.
- The top nine authorities with the highest net migration to LCB (East)/M11 are all London Boroughs, whereas the sub-region has lost population mainly to Essex, Hertfordshire, Cambridgeshire and Norfolk.
- Within the sub-region Broxbourne lost population through migration to all other authorities and gained 9,000 from London whereas Uttlesford gained population from all other authorities in the sub-region.
- The sub-region has been attracting families, with a substantial net gain in both the 25-44 and 0-15 age groups. Harlow, however, is losing people in these age groups.
- Those who own outright are far more likely to leave the area than the population as a whole. This is also true for all pensioner households, and those working in managerial positions.
- Only 7.1% of new RSL lets were to people moving in from London indicating that the majority of migrants are moving in the private sector.
- Between 2001 and 2006 a net 1,400 international migrants moved to LCB (East)/M11 from overseas and in 2006/07 4,000 (0.7% of the population) new National Insurance numbers were issued to non-UK nationals. Almost half of these were to Polish nationals.

Section 6: Existing Households in Housing Need

Homelessness

- 6.1 A key duty of local authorities is to administer cases of homelessness. The Housing Act 1996 states that if the authority is satisfied that the applicant has a priority need, they shall:
- secure that accommodation is available for his occupation for such period as they consider will give him a reasonable opportunity of securing accommodation for his occupation, and
 - provide him with advice and assistance as they consider appropriate in the circumstances in any attempts he may make to secure that accommodation becomes available for his occupation.
- 6.2 Cases can be found to be homeless but not in priority need because they may have made themselves intentionally homeless. Examples of people who have made themselves intentionally homeless might be those who:
- Deliberately made themselves homeless by leaving home knowing they could reasonably have stayed; or
 - Deliberately caused a serious nuisance or withheld rent or mortgage payments.

Households Defined as being in Priority Need

The following groups of households were originally defined as being in priority need under the 1996 Housing Act:

- pregnant women;
- persons with whom a pregnant woman resides, or might reasonably be expected to reside;
- persons with dependent children, or with whom dependent children might reasonably be expected to reside;
- persons who are vulnerable – because of old age, mental or physical disability, or other special reason;
- persons who are homeless in emergency.

The following categories were added to this list by the Priority Needs Order 2001:

- 16 to 17-year-olds (not *relevant children* under the Children's Act 1989 and Children Leaving Care Act 2000);
- young persons under 21 who are looked after/accommodated between 16 and 18;
- young persons under the age of 21 who are vulnerable as result of being looked after/accommodated/fostered;
- those who are vulnerable as result of being in HM forces;
- those who are vulnerable as a result of custodial sentence/remand to custody/contempt of court/kindred offence;
- those who are vulnerable as result of leaving accommodation because of threats of violence.

6.3 Figure 77 indicates that the total number of claims and acceptances for homelessness has been falling since 2003. The number of households held in temporary accommodation has also been falling across the sub-region and is now around 45% lower than it was in 2003.

6.4 Figure 78 indicates that in 2003 the total number of acceptances for homelessness were much higher in Harlow and Broxbourne than in any of the other local authorities in the sub-region. However, since this time Harlow and Broxbourne have significantly reduced the number of cases which are accepted as homeless. It should be noted however that one of the major factors that have influenced these numbers is an increased emphasis from the councils on preventing homelessness.

6.5 Similarly, from 2005 onwards, Harlow has significantly reduced the number of households held in temporary accommodation.

Figure 77
Unintentionally Homeless and in Priority Need Applications and Households in Temporary Accommodation for LCB (East)/M11 Q1 2003- Q1 2008 (Source: Local Authority P1E Homelessness Data. Note: Number of cases based on 12-months to end of quarter)

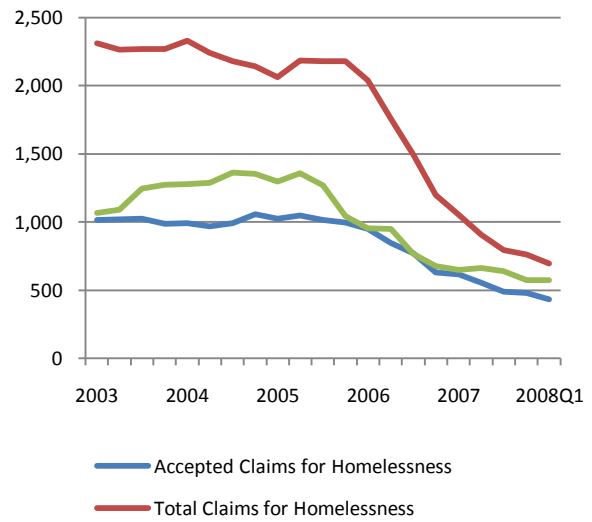


Figure 78
Unintentionally Homeless and in Priority Need Households by Local Authority Q1 2003- Q1 2008 (Source: Local Authority P1E Homelessness Data. Note: Number of cases based on 12-months to end of quarter)

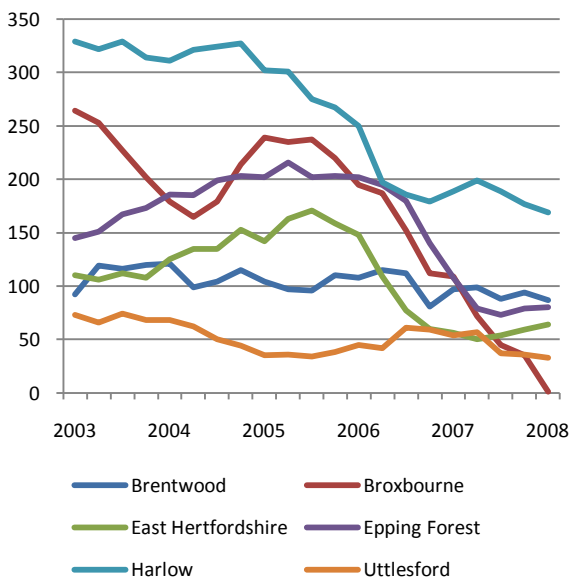
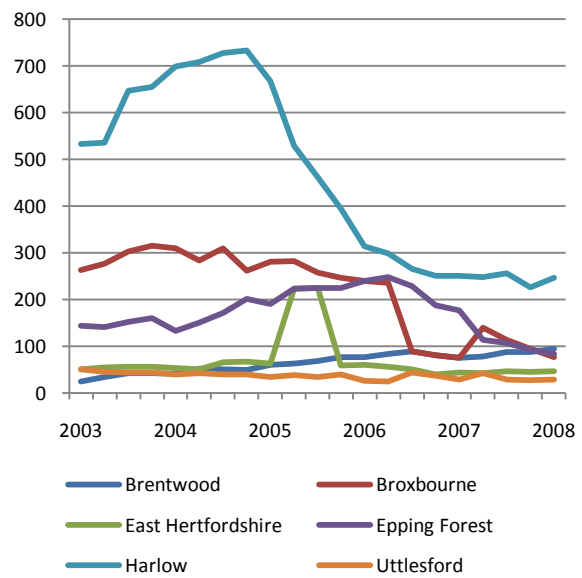


Figure 79
Households in Temporary Accommodation by Local Authority Q1 2003- Q1 2008 (Source: Local Authority P1E Homelessness Data)



6.6 Figure 80 and Figure 81 identify the ethnic minority dimension to homelessness acceptances across LCB (East)/M11 sub-region. Of all households accepted as being homeless and in priority need in the period 2003-08, around 11.6% were from visible Non-Whites, which is much higher than their share of the total population. It is worth noting at this stage that there is no data available for 'Other White' groups, and so the only ethnic minorities represented here are non-white groups.

Figure 80
Homeless and in Priority Need by Ethnic Group Q3 2003-Q1 2008
(Source: Local Authority P1E Homelessness Data)

Ethnic Group	Homelessness Cases
White	3,770
African, Caribbean	145
Indian, Pakistani, Bangladeshi	50
Other ethnic group	131
Ethnic origin unknown	171
Total	4,267

Figure 81
Homeless and in Priority Need by Ethnic Group by Local Authority Q1 2003-Q1 2008 (Source: Local Authority P1E Homelessness Data and UK Census of Population 2001)

Local Authority	% of cases from BME groups	% of population from BME groups
Brentwood	7.3%	3.6%
Broxbourne	15.8%	3.9%
East Hertfordshire	5.9%	2.9%
Epping Forest	13.9%	4.9%
Harlow	13.7%	5.1%
Uttlesford	2.8%	1.8%
LCB (East)/M11	11.6%	3.8%

Analysing Housing Register Data to Determine Housing Need

- 6.7 A source for identifying local housing need suggested by the guidance is the use of local housing registers, operated by individual local authorities and other social landlords.
- 6.8 Figure 82 indicates that the total number of non-transfer applications on waiting lists in the sub-region has risen in the last 10 years from around 8,000 to around 17,600.
- 6.9 Figure 83 shows that as a proportion of all households in the local authority, Harlow has more people on its waiting list (17.8%) than any other authority. Harlow’s social housing stock is also much larger than that any other authority. However, when taken as a proportion of all social housing in the authority, Harlow still has more applicants (33.1%) on its waiting list than any other authority.
- 6.10 Nevertheless, such data cannot usually be considered robust due to a wide range of problems.

Figure 82
Local Authority Social Housing Waiting List for Non-transfer Applicants 1997-2008 (Source: Housing Strategy Statistical Appendix)

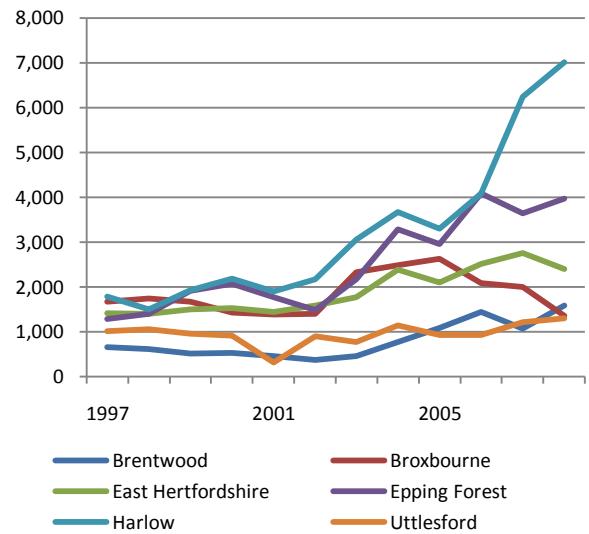


Figure 83
Local Authority Social Housing Waiting List for Non-transfer Applicants as Percentage of all Households and Social Households 2007 (Source: Housing Strategy Statistical Appendix)

Local Authority	% of all households in LA 2007	Applicants per 100 social dwellings 2007
Brentwood	3.5	10.8
Broxbourne	5.3	13.0
East Hertfordshire	4.9	13.9
Epping Forest	6.8	15.2
Harlow	17.8	33.1
Uttlesford	4.0	13.1
LCB (East)/M11	6.9%	16.3

6.11 The 2001 DETR publication “Local Housing Needs Assessment: A Guide to Good Practice” noted:

“Housing registers should preferably be open to all, but even then it is likely that not all need, and possibly only a minority of need, will be registered; estimates based only on housing registers are likely to be an underestimate for this reason, but this may be offset by the inclusion of ‘deadwood’ and ‘insurance’ registrations”

“Many people potentially in housing need fail to apply to the housing register – in some cases because they judge that there is little chance of their being offered a suitable property”

“The reliability of housing registers ... would depend, of course, on landlords’ approaches to reviewing their registers.”

6.12 On the basis of our own analysis of housing registers, including a study for the National Assembly for Wales specifically concerned with waiting list applicants, we have found that often:

- Households who are not currently in need (who are registered “just in case”) are included;
- Households can be double counted, as registers overlap between landlords and newly forming households often registered more than once (as two or more individuals register independently but anticipate living together);
- Households who can afford local housing may be included – as many registers are open and do not necessarily restrict application based on financial circumstances;
- There are significant amounts of “deadwood” (where households have moved and/or no longer require social housing), especially where registers are not actively maintained; and
- Households seeking intermediate housing are often excluded, as they do not apply to the Council or other landlords for housing.

6.13 It is apparent that whilst housing registers can provide valuable information on current need, in particular in relation to specific localities, they do not normally provide a good basis for strategic analysis.

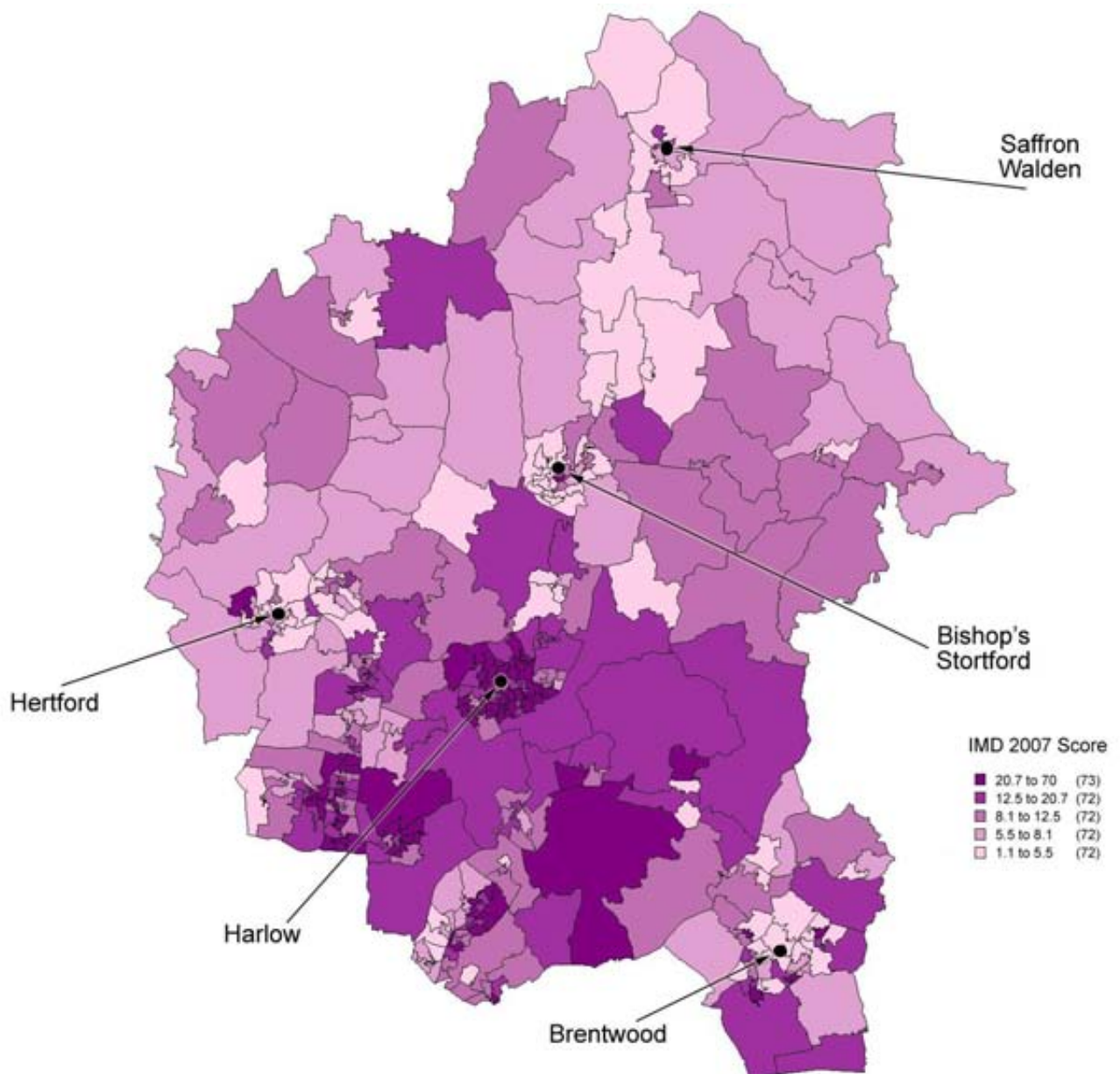
Indicators of Housing Need

Index of Multiple Deprivation

- 6.14 Many of the characteristics of an area can also be aggregated to generate an overall picture of the relative wellbeing of the area. This is the Index of Multiple Deprivation (IMD) and the 2007-based figures are shown in Figure 84. Darker colours on the map are associated with higher levels of deprivation and the boundaries are lower super output areas.
- 6.15 The map shows that the areas with the highest levels of deprivation in LCB (East)/M11 sub-region are in Harlow, while northern parts of East Hertfordshire and Uttlesford have the lowest levels of deprivation.

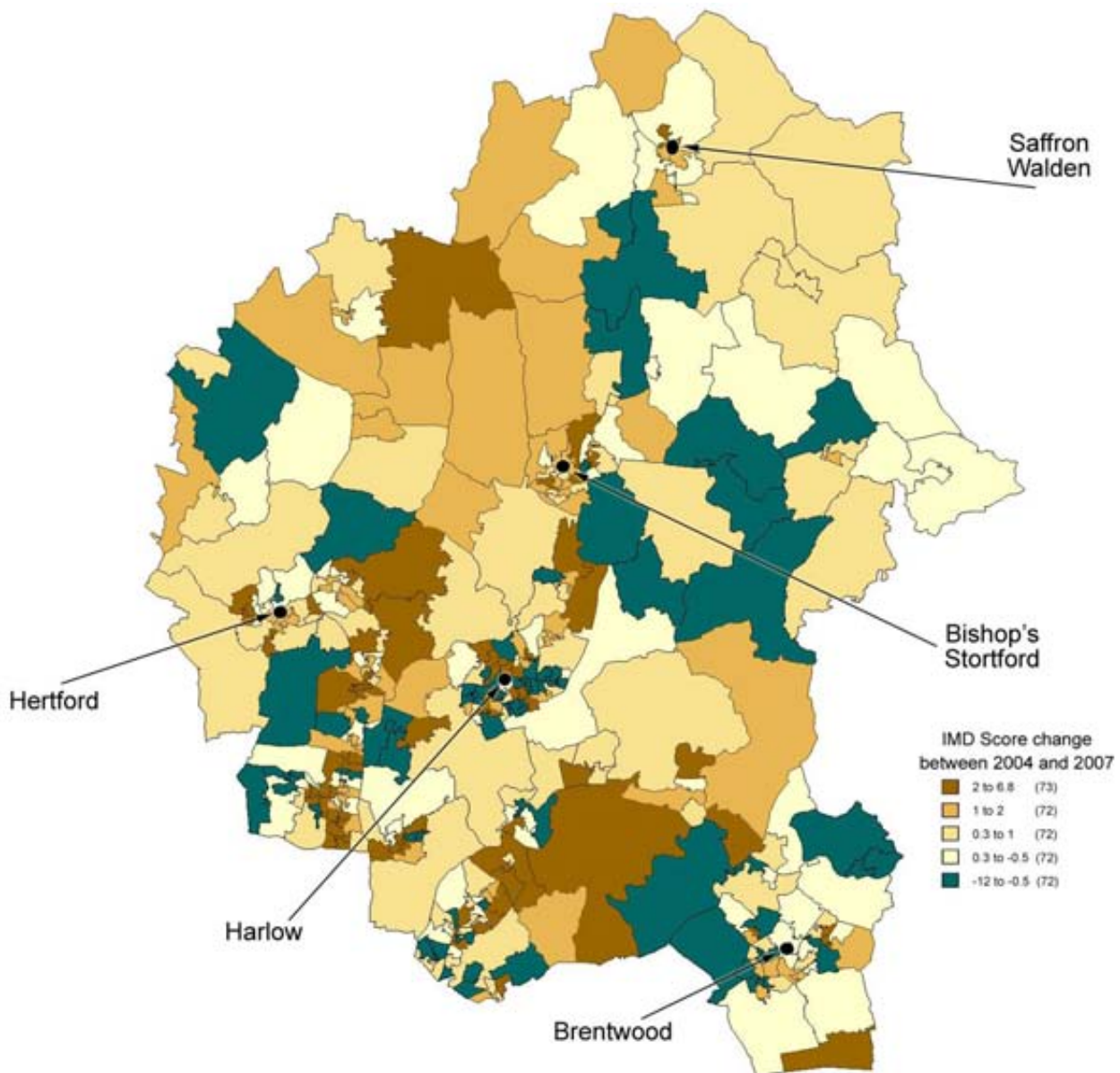
Figure 84

Index of Multiple Deprivation Scores for 2007 (Source: CLG. Note: Data shown at lower-level Super COA. Higher levels of deprivation shown in darker shading)



- 6.16 Index of Multiple Deprivation results were also produced in 2004 for all areas of England and Wales. Figure 85 shows how the scores for each lower super output area in LCB (East)/M11 sub-region changed between 2004 and 2007. Areas coloured in darker shade have seen deterioration in their IMD scores, while those in lighter shade have seen improvements in their IMD scores.
- 6.17 This shows that a majority of super output areas in LCB (East)/M11 sub-region have seen a deterioration in their IMD score. This indicates that the relative levels of deprivation in LCB (East)/M11 sub-region increased between 2004 and 2007, when compared to the rest of England-although it should be noted they started at a relatively low point.

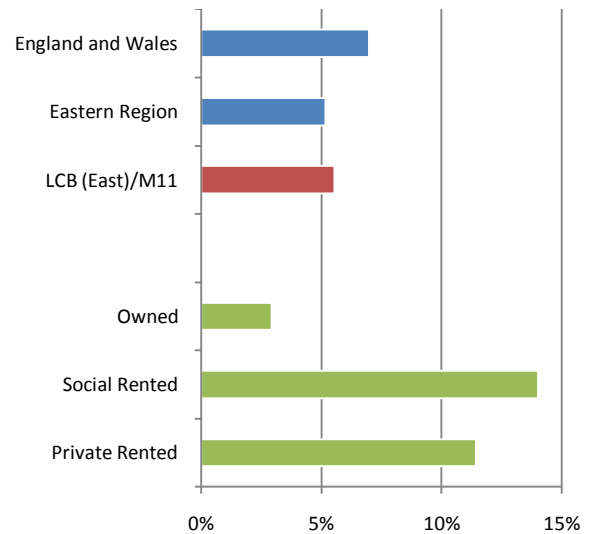
Figure 85
 Change in Score for Index of Multiple Deprivation for 2007 Compared to 2004 (Source: CLG and ODPM. Note: Data shown at lower-level Super COA. Higher levels of deprivation shown in darker shading)



Overcrowding

6.18 A total of 5.5% of households in LCB (East)/M11 sub-region lived in overcrowded conditions at the time of the 2001 Census. This is lower than the proportion for England and Wales as a whole and similar to the Eastern region average. The room occupancy rating, illustrated in Figure 86, uses a complicated formula to assess whether a household is overcrowded. This method assumes that every household requires at least two common rooms excluding bathrooms. The number of bedrooms required is assumed to depend on the composition of the household, with, for example, the age and gender mix of any children playing a large role in deciding how many rooms the household should have so as not to be defined as overcrowded.

Figure 86
Proportion of Households Overcrowded by Area and Tenure
(Source: UK Census of Population 2001)



6.19 Figure 86 also illustrates how the proportion of overcrowding varies with tenure. Only 2.9% of owner occupied dwellings were overcrowded, but 14% of social rented and 11.4% of private rented dwellings in LCB (East)/M11 sub-region were overcrowded.

Identifying Unsuitably Housed Households

6.20 Housing need is defined in the government guidance PPS3 as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’ and housing demand as ‘the quantity of housing that households are willing and able to buy or rent’. Therefore, to identify existing housing need we must first consider the adequacy and suitability of households’ current housing circumstances.

6.21 A classification of unsuitable housing is set out below, taken from CLG’s SHMA Practice Guidance Table 5.1.

Figure 87

Classification of Unsuitable Housing (Source: CLG Housing Market Assessments Practice Guidance: Version 2 August 2007)

Main Category	Sub-divisions
Homeless or with insecure tenure	i. Homeless households
	ii. Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of household and dwelling	iii. Overcrowded according to the 'bedroom standard'
	iv. Too difficult to maintain (eg too large) even with equity release
	v. Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	vi. Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (eg accessed via steps), which cannot be made suitable in-situ
Dwelling amenities and condition	vii. Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (eg through equity release or grants)
	viii. Subject to major disrepair or unfitness and household does not have the resources to make fit (eg through equity release or grants)
Social needs	ix. Harassment from others living in the vicinity which cannot be resolved except through a move

6.22 Most of the identified issues concern those in established households. Some of the issues around unsuitability will mean households need to move property, but others could continue to live in the same property if appropriate changes were made. Even where a move is necessary, facilitating households to relocate from one property to another does not necessarily imply additional homes are needed. The characteristics of the newly occupied dwellings may differ, but the overall number of homes remains the same.

6.23 Nevertheless, to satisfy the needs of all households, it may be necessary to provide some additional housing with particular characteristics leaving an equivalent number of dwellings (with different characteristics) available to meet housing needs and demands from elsewhere in the market.

Assessing Established Households in Unsuitable Housing

6.24 Households are classified as being unsuitably housed if one or more of the above factors are found to apply. However, secondary data sources do not contain sufficient information on the characteristics of households to allow a direct measure of how many households are unsuitably housed in any given area. In response, private sector house condition surveys have been reviewed and ORS has developed a model which forecasts unsuitably housed households at Census Output Area level.

Private Sector House Condition Survey Information

6.25 To develop a more detailed understanding of unsuitable housing affecting households living in private sector housing, we can examine information regarding the condition of the dwelling stock. Information presented here comes from two sources; HSSA returns and local authority stock condition surveys. It should be noted that RSL stock is normally included within the private sector even though it offers social rented housing.

6.26 It would be misleading to provide a detailed quantitative analysis of unsuitable housing based upon private sector stock condition reports. Only 4 of the 6 authorities have published reports, three contractors were involved and the information was collected at different times. Most surveys were undertaken soon after the Housing Act 2004 introduces the Housing Health and Safety Rating System (HHSRS) and as yet there is no time series data from which trends can be estimated. Nevertheless, there is a great deal of consistency between the 4 reports and the information obtained helps to fill gaps in the information suggested by the SHMA practice guidance;

- Mismatch of household and dwelling
- Dwelling amenities and condition

6.27 Decent Homes (the standard of decency), and the HHSRS provide an established framework for assessing dwelling amenities and condition that enable a comparison between local authorities. The topic of disability and the need for adaptations provides a focus on households where one or more people have sensory or mobility problems as their housing can be deemed unsuitable if it restricts their mobility or independence

Decent homes

6.28 All of the reports find that the most common reason for dwellings being considered non decent are;

- unfitness or category 1 hazards (see HHSRS below).
- disrepair; and
- poor thermal comfort;

6.29 None of the local authorities have high levels of non decent housing but the dwellings most likely to be non decent are;

- built either before 1919 or between 1965 and 1980;
- are in the private rented sector;
- are flats mainly converted from larger dwellings;
- are occupied by low income households; and
- people in non decent housing are more likely to be aged between 25 and 34, 75 and 84.

6.30 The reason for the national policy focus on vulnerable households occupying non decent housing is therefore self evident.

The HHSRS

6.31 All of the reports cite the following category 1 hazards as being the most frequent by a considerable margin;

- excess cold; and
- falls on stairs.

6.32 The dwellings most likely to be affected are;

- in the Private Rented sector;
- dwellings built pre 1919; and
- converted flats.

6.33 The 2009 HSSA states that 11,762 dwellings had category 1 hazards present in private sector dwellings excluding RSL dwellings.

Houses in Multiple Occupation

6.34 Housing of this type is of interest to the SHMA as it is amongst the cheapest housing available. However because of its nature it can present health risks to residents and accordingly a considerable body of legislation applies to the sector. Only a small proportion (2% of the total stock) can be described as housing in multiple occupation and a much smaller number need be licensed under the legislation. From survey information it is apparent that they are mostly converted terraced houses or flats in the private rented sector. A higher proportion than the rest of the dwellings stock were likely to be non decent. They are mostly occupied by younger single people and childless couples. More detailed information is generally lacking because only small numbers would be present in the sample.

Vacant Private Sector Dwellings

6.35 If a large number of dwellings are vacant long term then there is the possibility that policy intervention can result in these dwellings becoming available for occupation. The study area exhibits very small proportions of long term vacant dwellings according to survey based information. According to the HSSA return, across the sub-region 2,291 dwellings had been vacant for 6 months or more. Epping Forest and East Herts have approximately twice the number of long term vacant dwellings than the other local authorities.

Adaptations

6.36 Stock condition reports provide some measure of unsuitability as a consequence of one or more members of a household having limited mobility. Reports suggest that around one fifth of all households are affected and around 6% of all households require adaptations. Reports indicate that households with one or more people with limited mobility are disproportionately likely to have a category 1 hazard present, and be classified as in fuel poverty.

The ORS Unsuitably Housed Model

6.37 The model is based upon the evidence of 20,000 primary data surveys conducted over the last three years in England. The model uses logit estimation (a model which assigns a probability to the possibility of a binary event occurring, such as being suitably or unsuitably housed for households in each Output Area) to analyse cases of both unsuitably and suitably housed households to identify characteristics in secondary data sources which are associated with unsuitably housed households. The same secondary data sources are then used to forecast the level of unsuitably housed in the area under consideration.

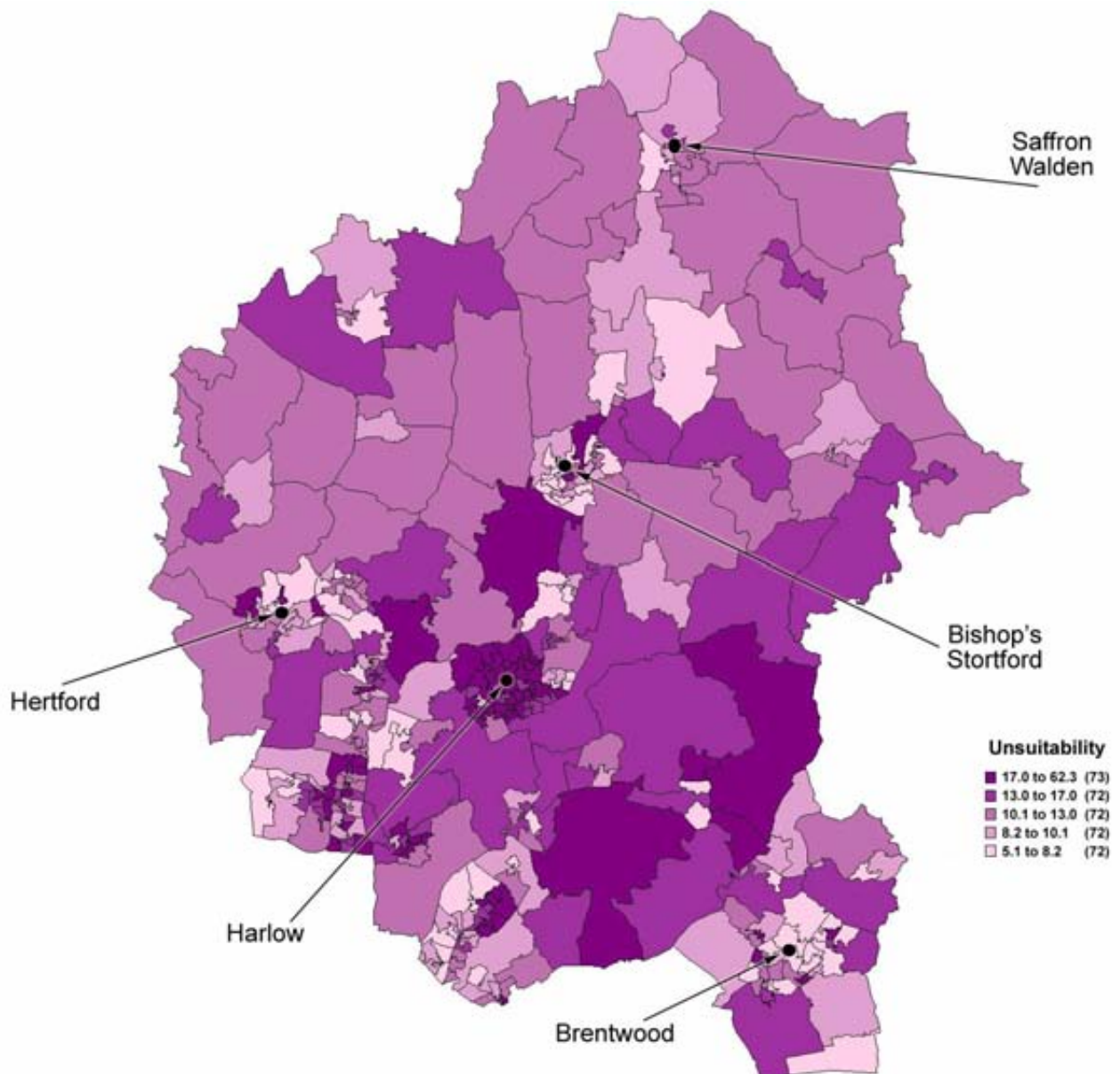
6.38 The variables which are used to predict the level of households which are unsuitably housed are;

- Income – drawn from CACI Paycheck;
- Average house prices from Land Registry;

- Relative house prices – output area average relative to borough average;
- Index of Multiple Deprivation scores 2007;
- DEFRA geography category – Urban, Town and Fringe, Village or Hamlet;
- Household types – from UK Census of population 2001;
- Overcrowding – from UK Census of Population 2001;
- Household type – from UK Census of Population 2001;
- Ethnic composition - from UK Census of Population 2001;
- Tenure – from UK Census of Population 2001;
- Population density – persons per hectare from UK Census of Population 2001.

6.39 Figure 88 shows the modelled results mapped for LCB (East)/M11 sub-region.

Figure 88
Modelled Unsuitably Housed by Output Area (Source: ORS Unsuitably Housed Model)



6.40 This shows a similar pattern to that observed for IMD 2007 with the consistently highest predicted areas of unsuitable housing being in Harlow. Across the whole of LCB (East)/M11 sub-region, 12.8% of households are predicted to be unsuitably housed.

6.41 Figure 89 shows that, as a percentage of all households, Harlow has the highest levels of predicted unsuitably housed households across LCB (East)/M11 sub-region. In total it is estimated that around 31,000 households are unsuitably housed across the area.

Figure 89
Unsuisably Housed Households by Local Authority (Source: ORS Unsuisably Housed Model)

Local Authority	% of households unsuisably houses	Number of households unsuisably housed
Brentwood	10.6	3,300
Broxbourne	13.4	5,100
East Hertfordshire	10.7	6,000
Epping Forest	13.4	7,100
Harlow	17.9	6,300
Uttlesford	11.1	3,300
LCB (East)/M11	12.8%	31,100

Households in Need

6.42 Not all housing unsuitability problems require the households involved to move from their current home. In-situ solutions may be more appropriate to resolve some of the problems identified. For example, overcrowding could be resolved by one or more member(s) of the household leaving to live elsewhere, or an alternative solution could be to extend the existing property. Similarly, homeowners or landlords may undertake repairs to resolve problems with the condition of the property. In these cases (and many others) the problems identified can be resolved without the need for relocation to alternative accommodation.

6.43 Whilst in practice it is important to resolve the housing needs of individual households, a strategic analysis is primarily concerned with addressing overall housing need. In this context, it is particularly relevant to consider housing suitability issues concerned directly with the dwelling stock, such as major disrepair or unfitness. Resolving such individual household needs (through enabling a move to alternative housing) will not reduce the overall level of housing need because the vacancy that arises will inevitably (over time) be occupied by another household, who will once again be in housing need. In such cases, it is investment in the existing stock (or in extreme cases, clearance and redevelopment) that is required to reduce the numbers unsuitably housed.

6.44 Where a move is appropriate and required to resolve a housing problem, some households may need to move to homes outside the area (for example, those moving for care or support), and others will choose to move further afield for other reasons. Where unsuitably accommodated households are likely to willingly leave the area, their needs should not be counted within the estimate of net need. Nevertheless, in discounting the needs of likely out-migrants, any needs of in-migrants to the area will add to the total requirement.

6.45 The same logit estimation techniques which were used to predict the percentage of households who are unsuitably housed can also be used to model the percentage of households who are in housing need. Again the initial evidence is drawn from matching secondary sources to observed cases of households who are in housing need and households who are not in housing need. The evidence from this exercise is then applied to each COA in LCB (East)/M11 sub-region to provide a prediction for the share of households in housing need.

6.46 Figure 90 shows the results of this exercise for LCB (East)/M11 sub-region. Due to the application of the in-situ solutions, migration outside the area and affordability tests, a household in housing need is a much rarer event than being unsuitably housed. Across the whole of LCB (East)/M11 sub-region it is predicted that 1.8% of households will be in housing need, which amounts to around 4,800 households.

Figure 90
Household in Housing Need by Local Authority (Source: ORS Housing Needs Model)

Local Authority	% of households in housing need	Number of households in housing need
Brentwood	1.8	650
Broxbourne	2.2	850
East Hertfordshire	1.5	850
Epping Forest	2.4	1,300
Harlow	2.1	750
Uttlesford	1.4	400
LCB (East)/M11	1.8	4,800

Summary of Key Points

- It is predicted that across LCB East/M11 there are 4,800 households in housing need. This equates to 1.8% of households.
- The 2001 Census states that 5.5% of households in LCB East/M11 are overcrowded; 2.9% of these are owner-occupied, 14% social rented and 11.4% are in the private rented sector. The authority suffering the most in this respect is Harlow with 12.8% of households classified as overcrowded.
- Claims and acceptances for homelessness has been falling since 2003 as has the number of households in temporary accommodation, now standing at around 45% than the 2003 total.
- Non-transfer applications on the waiting lists have risen in the last 10 years from around 8,000 to closer to 17,000.
- As a proportion of households in the local authority it is Harlow that has the most people on its waiting lists (17.8%) compared to the other authorities. However, Harlow has far more social housing stock than the other authorities in the sub-region.
- Harlow also suffers from the highest levels of deprivation in the sub-region with the northern parts of Uttlesford and East Herts having the lowest.
- Generally, though starting at a relatively low point, deprivation in the sub-region increased between 2004 and 2007 when compared to the rest of England.
- House condition survey information and modelling undertaken by ORS has provided further insight into the problems experienced by households in unsuitable housing.

Section 7: Profiling Affordability

Local House Price Trends

- 7.1 Figure 91 shows the average property prices in the London Commuter Belt (East)/M11 sub-region for each quarter from the first quarter of 2000 until the first quarter of 2008. It should also be noted that discounted local authority properties bought under 'right-to-buy' are not included in the statistics.
- 7.2 During this time period the average property price in London Commuter Belt (East)/M11 sub-region rose by 114%. Much of the increase in property prices occurred between 2001 and 2004, with average prices in 2005 remaining more stable before starting to rise again in 2006.
- 7.3 Figure 106 shows the average property prices in each of the local authorities. Between 2000 and 2008, the average property price in Brentwood rose by 108%, in Broxbourne by 94%, in East Herts by 117%, in Epping Forest by 133%, in Harlow by 111% and in Uttlesford by 85%.
- 7.4 The average property price for an area provides only a limited amount of information about the conditions in a local housing market. The overall picture of the housing market is much more dependent upon the spread of property prices which are to be found in it, and how these relate to incomes in the area. The housing market of any area is also dependent upon other key national and global factors such as interest rates, inflation, tax changes, and the credit crunch.

Figure 91
Average Price of Properties Sold in LCB (East)/M11: Q1 2000-Q1 2008 (Source: HM Land Registry)

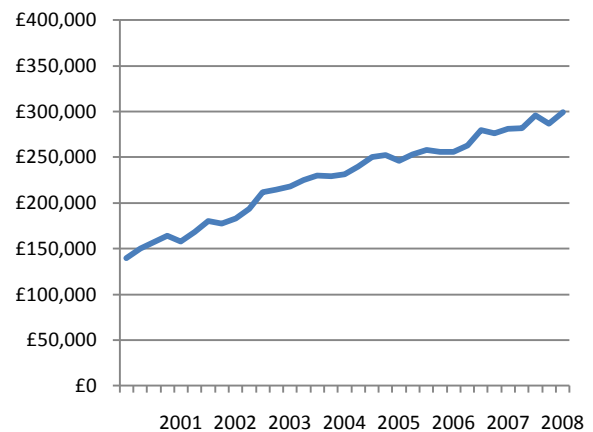


Figure 92
Average Price of Properties Sold by Local Authority: Q2 2000-Q1 2008 (Source: HM Land Registry)

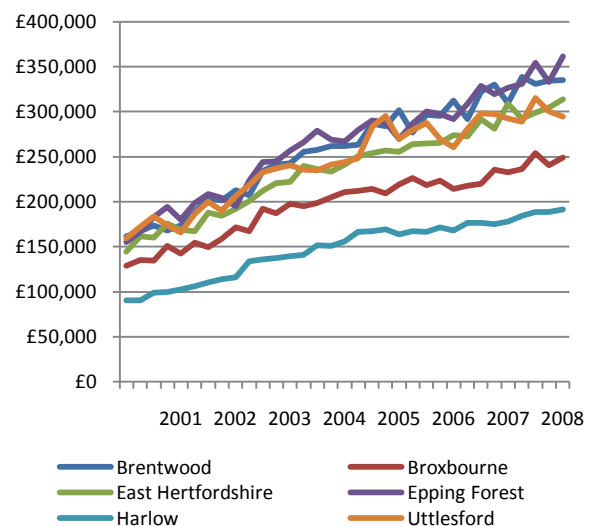


Figure 93
House Prices in LCB (East)/M11 as a Percentage of the Eastern Region Average: Q1 2000-Q1 2008 (Source: HM Land Registry)

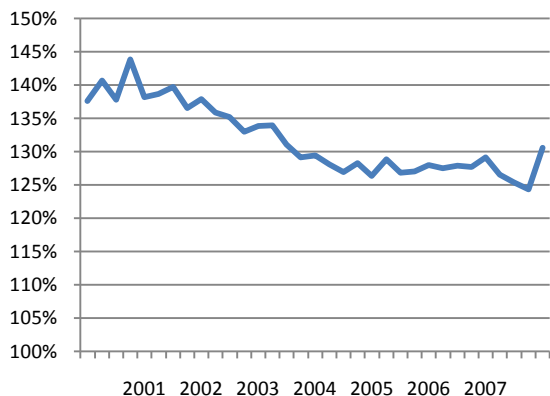
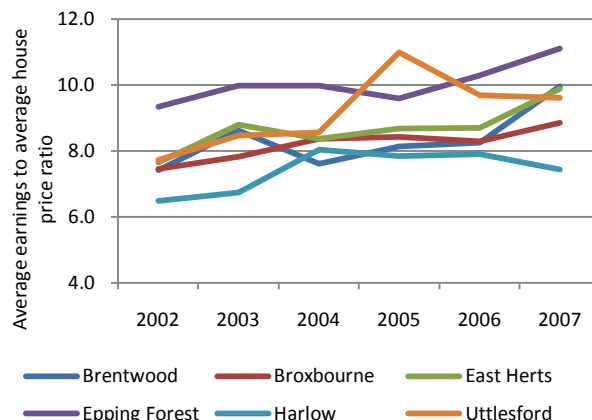


Figure 94
Median Full-time Earnings to Average House Price Ratio for Properties Sold in LCB (East)/M11 (Source: ASHE and HM Land Registry)



- 7.5 Figure 93 shows how relative property prices in London Commuter Belt (East)/M11 sub-region have changed since 2000. This figure compares the prices of properties in the area with those in the Eastern region as a whole. In 2000, the average house price in London Commuter Belt (East)/M11 was almost 140% of the Eastern region average. It fell to around 125% of the Eastern region average in 2004 and since then the relationship has remained relatively stable, with prices fluctuating around 125-130% of the Eastern region average – implying that average property prices in London Commuter Belt (East)/M11 have increased less than the rest of the Eastern region.
- 7.6 Figure 94 shows how relative property prices in London Commuter Belt (East)/M11 sub-region compare to average incomes earned in the area. In 2002, the price of an average property in Harlow was around 6.5 times the median earnings of someone working full-time in the area. By 2007 this had risen to around 7.5 times the median full-time earnings. At the other extreme, in 2002 the average property price in Epping Forest was 9 times the median full-times earnings of someone working in the authority. By 2007 the average property had risen to 11 times the median earnings of the authority. The smallest change has been in Harlow and the largest change has been in Brentwood (7.4 to 10).
- 7.7 Whilst such a comparison is relatively simplistic (for there will often be more than one earner in each household, and the household’s capacity to borrow is only one of the elements that determine affordability), the relationship between local purchase prices and local incomes is clearly important. The relationship is particularly relevant for single person households without existing equity – for they often are relying exclusively on their capacity to borrow (though even they may not earn the average income or need to purchase an average size and price home).

7.8 Figure 95 illustrates how property prices have changed in London Commuter Belt (East)/M11 sub-region. In the first quarter of 2000, over 40% of all completed property sales were priced at less than £100,000. This figure was below 5% of all sales from 2004 onwards.

7.9 £100,000 is a key price band because it is around the maximum mortgage which is likely to be available to single first-time buyers from key worker groups such as teachers, nurses and police officers. Therefore, affordability for this group of workers has declined sharply. Conversely, the number of dwellings selling for over £200,000 has risen from around 20% of all completions to around 70% of the total. The surge in property prices in 2001-2004 is clearly shown in the falling proportion of properties that sell for less than any of the given categories.

7.10 The stabilising of house prices in 2005 is reflected in the number of properties selling for under any particular price band also remaining stable. However, the renewed rise in house prices in 2006 is reflected in even fewer properties selling for any less than any price band and the vast majority of properties in London Commuter Belt (East)/M11 are currently beyond the reach of most first time buyers.

7.11 Beyond looking at the obvious measure of a housing market – i.e. the prices at which properties are sold – it is also worth exploring the volume and composition of sales, for this can tell us more about the dynamics of the housing market.

7.12 Figure 96 shows the volume of annual property sales since 2001. It is apparent that the number of completed sales peak at 3,800 sales in 2007. There was a slightly smaller peak over the 12 month period from late 2001 to early 2003, and again in mid 2004, but after this time the number of sales sharply declined to only 2,900 transactions in the year to mid 2005. Since 2007 the volume of property sales has begun to fall once more.

7.13 Therefore, 2005 saw not only a levelling of property prices in London Commuter Belt (East)/M11 but also a sharp reduction in the number of properties selling. The slowdown in the number of completed sales may well reflect a lessening of demand in the housing market with potential buyers thinking the market was over-priced. Prices and transactions both increased together in 2006, and continued to do so into 2007, indicating a renewed confidence in the housing market. However, since 2007 the volume of property sales has begun to fall once more.

Figure 95
Percentage of Houses Sold for Less Than Key Price Bands in LCB (East)/M11: Q1 2000-Q1 2008 (Source: HM Land Registry)

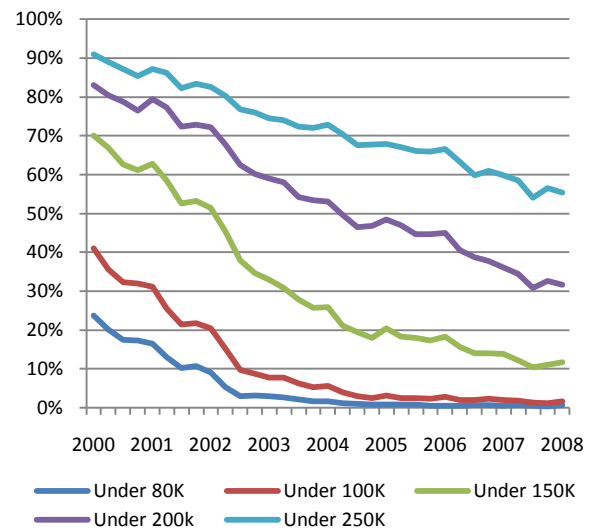
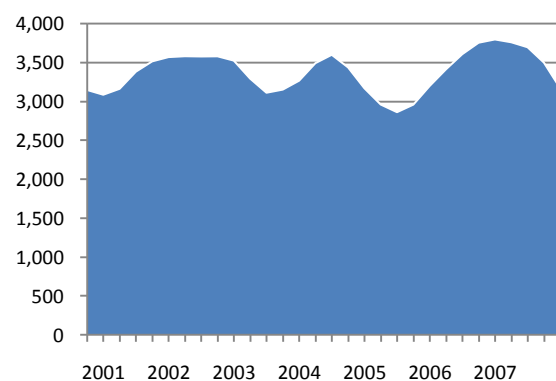


Figure 96
Volume of Properties Sold Annually in LCB (East)/M11 sub-region: Q1 2000-Q1 2008 (Source: HM Land Registry. Note: Figures show rolling annual total based on quarterly data)



Profiling Affordability of Local Housing Stock

House Prices and Sales

- 7.14 Figure 97 (below) and the related data table Figure 98, shows the distribution of all property transactions in London Commuter Belt (East)/M11 sub-region registered with the Land Registry for the period April 2007 to March 2008 broken down by price band.
- 7.15 There were 12,687 transactions in the year. The largest number of sales was in the £225,000-249,999 band (1,755 or 13.8%) due to properties selling for more than £250,000 attracting a higher rate of stamp duty. Just over half of the sales (56%) were for dwellings selling under this threshold. It is also the case that 8.4% of all dwellings sold for over £500,000.
- 7.16 It is apparent that there were very few transactions for less than £125,000 (the upper limit of the zero rated stamp duty band), with 21.4% of properties selling for less than £175,000.

Figure 97
Property Sale Transactions for London Commuter Belt (East)/M11 2006-07 (HM Land Registry, All Transactions from April 2007 to March 2008)

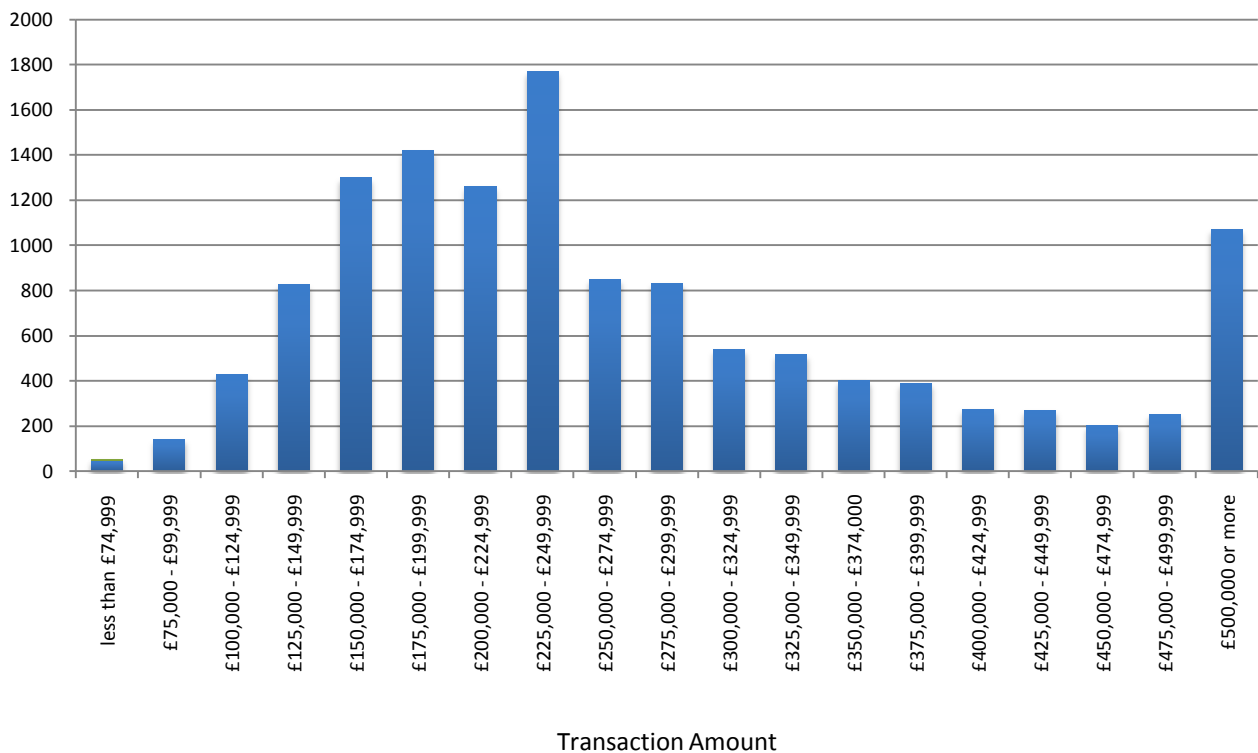


Figure 98

Data table of Property Sale Transactions for London Commuter Belt (East)/M11 2006-07 (HM Land Registry, All Transactions from March 2007 to March 2008)

Transaction amount	No. of transactions	% of transactions	Cumulative %
less than £74,999	47	0.4%	0.4%
£75,000 - £99,999	141	1.1%	1.5%
£100,000 - £124,999	425	3.3%	4.8%
£125,000 - £149,999	824	6.5%	11.3%
£150,000 - £174,999	1,298	10.2%	21.4%
£175,000 - £199,999	1,417	11.1%	32.5%
£200,000 - £224,999	1,260	9.9%	42.4%
£225,000 - £249,999	1,770	13.9%	56.3%
£250,000 - £274,999	847	6.6%	62.9%
£275,000 - £299,999	830	6.5%	69.4%
£300,000 - £324,999	537	4.2%	73.6%
£325,000 - £349,999	515	4.0%	77.6%
£350,000 - £374,000	401	3.1%	80.8%
£375,000 - £399,999	389	3.0%	83.8%
£400,000 - £424,999	273	2.1%	86.0%
£425,000 - £449,999	269	2.1%	88.1%
£450,000 - £474,999	200	1.6%	89.6%
£475,000 - £499,999	252	2.0%	91.6%
£500,000 or more	1,071	8.4%	100.0%
Total	12,766		

- ^{7.17} A number of factors will affect price on a year by year basis. The range of prices observed will also be dependent upon the type of stock that is sold in any one period, so if for example, one year sees a large number of smaller flats coming onto the market, the transaction amount would reflect this. Land registry data can be used to evidence this. Figure 99 shows that flats typically turn over faster than other dwelling types and outside Harlow around twice the rate of other dwelling types. Please note that this figure is illustrative not a comprehensive picture of turnover by Local Authority.
- ^{7.18} Also price is affected by a range of factors. Some of these properties at the lowest end of the price scale may be in severe disrepair and may require a significant amount of investment to bring them up to an appropriate standard. Some properties will be in poor locations, perhaps with poor access to facilities or be in deprived neighbourhoods. This will affect the market price.

Figure 99

Property Sale Transactions for selected Local Authorities within the London Commuter Belt (East)/M11 2007-08 (HM Land Registry, All Transactions from April 2007 to March 2008)

	2007 transactions	Total Properties in the stock	2007 stock turnover
Harlow			
Detached	143	3,288	4.3%
Semi-detached	244	4,923	5.0%
Terraced	873	17,282	5.1%
Flat	433	7,587	5.7%
Brentwood			
Detached	423	9,369	4.5%
Semi-detached	449	9,636	4.7%
Terraced	291	4,770	6.1%
Flat	469	4,889	9.6%
East Herts			
Detached	615	15,392	4.0%
Semi-detached	688	16,473	4.2%
Terraced	937	12,370	7.6%
Flat	842	7,710	10.9%

Affordability

^{7.19} Figure 100 and Figure 101 (below) show the required annual income to service the cost of all housing that became available to buy or rent in the year from April 2007 in the London Commuter Belt (East)/M11— identifying the proportion of dwellings that would be considered affordable to households on a range of incomes.

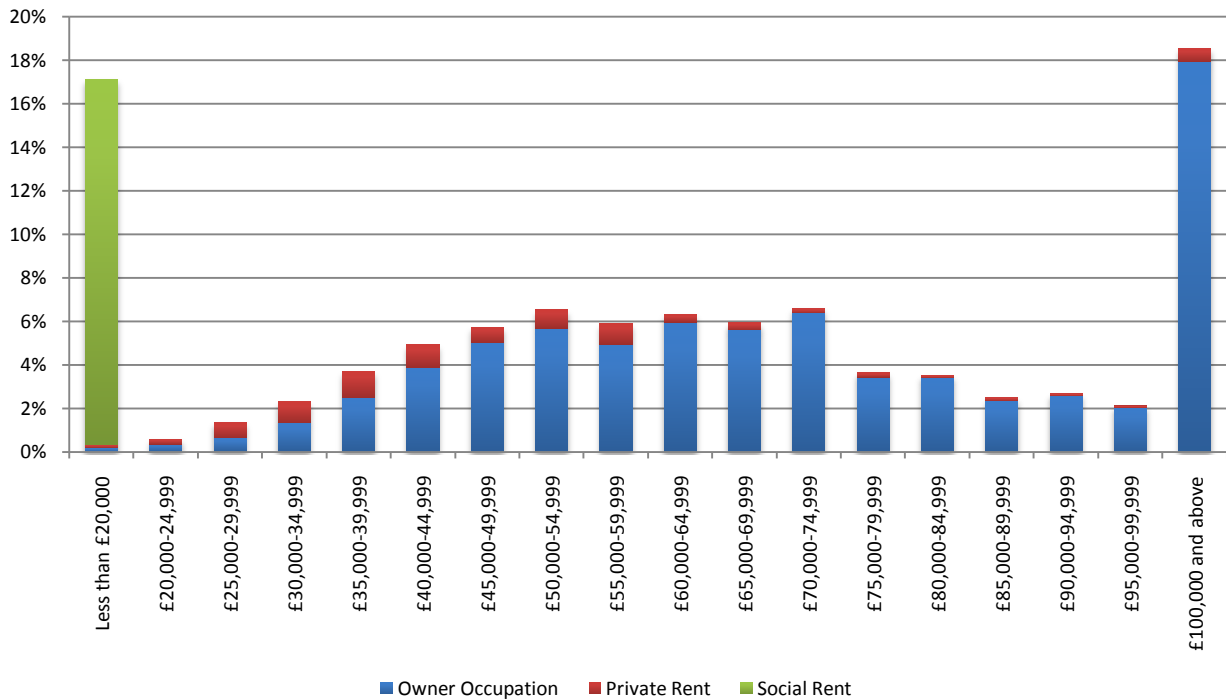
Figure 100

Data table of Available Housing Stock by Required Income in LCB (East)/M11 2007-08 (HM Land Registry, All Transactions from April 2007 to March 2008)

Income Band	Owner Occupation		Private Rent		Social Rent		All tenures	
	%	Cumulative %	%	Cumulative %	%	Cumulative %	%	Cumulative %
Less than £20,000	0.2%	0.2%	0.1%	0.1%	16.8%	16.8%	17.1%	17.1%
£20,000-24,999	0.4%	0.6%	0.2%	0.4%	0.0%	16.8%	0.6%	17.7%
£25,000-29,999	0.7%	1.2%	0.7%	1.0%	0.0%	16.8%	1.3%	19.1%
£30,000-34,999	1.4%	2.6%	0.9%	2.0%	0.0%	16.8%	2.3%	21.4%
£35,000-39,999	2.5%	5.1%	1.2%	3.2%	0.0%	16.8%	3.7%	25.1%
£40,000-44,999	3.9%	9.0%	1.0%	4.2%	0.0%	16.8%	4.9%	30.0%
£45,000-49,999	5.0%	14.0%	0.7%	5.0%	0.0%	16.8%	5.7%	35.7%
£50,000-54,999	5.7%	19.7%	0.8%	5.8%	0.0%	16.8%	6.5%	42.3%
£55,000-59,999	5.0%	24.6%	1.0%	6.8%	0.0%	16.8%	5.9%	48.2%
£60,000-64,999	6.0%	30.6%	0.3%	7.1%	0.0%	16.8%	6.3%	54.5%
£65,000-69,999	5.6%	36.2%	0.3%	7.4%	0.0%	16.8%	5.9%	60.4%
£70,000-74,999	6.4%	42.6%	0.2%	7.6%	0.0%	16.8%	6.6%	67.0%
£75,000-79,999	3.4%	46.0%	0.2%	7.8%	0.0%	16.8%	3.6%	70.6%
£80,000-84,999	3.4%	49.4%	0.1%	7.9%	0.0%	16.8%	3.5%	74.2%
£85,000-89,999	2.4%	51.8%	0.1%	8.1%	0.0%	16.8%	2.5%	76.7%
£90,000-94,999	2.6%	54.4%	0.1%	8.2%	0.0%	16.8%	2.7%	79.3%
£95,000-99,999	2.0%	56.4%	0.1%	8.3%	0.0%	16.8%	2.1%	81.5%
£100,000 and above	17.9%	74.3%	0.6%	8.9%	0.0%	16.8%	18.5%	100.0%

Figure 101

Available Housing Stock by Required Income in LCB (East)/M11 2007-08 (HM Land Registry, All Transactions from April 2007 to March 2008)



- 7.20 We have determined the income required using CLG Practice Guidance as follows.
- 7.21 In determining **mortgage borrowing**, CLG guidance from August 2007 Strategic Housing Market Assessments Practice Guidance states that it should be assumed that a single earner will borrow up to 3.5x his/her gross earnings, with two income households borrowing no more than 2.9x of their joint income.
- 7.22 For **private rented housing** Practice Guidance states that households should contribute no more than 25% of their gross income toward rent payments.
- 7.23 Unlike market housing, rents in the **social sector rents** are controlled and generally set in line with the national Target Rents system set nationally and determined locally using a number of local factors.
- 7.24 On the basis of households spending no more than 25% of their gross income on housing cost, households would require incomes of £13,700 to service the rent on a 1-bed social rented dwelling; £16,300 for a 2-bed social rented dwelling; £19,000 for a 3-bed social rented dwelling and £20,900 for larger social rented dwellings. Insofar as households with incomes any lower than these amounts would typically qualify for Housing Benefit support to assist with their rent, all social rented dwellings would inevitably be affordable to all households.
- 7.25 Referring to the figures above, on this basis virtually no owner occupied housing is affordable to households earning less than £30,000 p.a., and only 12% (i.e. 9.11%/75.77%) of properties sold would be affordable to individual earners with incomes of less than £44,999 borrowing at the maximum 3.5x ratio, assuming little or no equity. For households to be able to consider the cheapest quarter of properties on the market, individual earners would need to earn at least £55,000-59,999 with joint borrowers needing incomes of £65,000-69,999 or more. This equates to a property price of nearly £200,000.

- 7.26 The figure also shows that the private rented market is slightly more affordable to households than home ownership – with almost 9% of all properties in the sector affordable to households earning less than £34,999, and those with household incomes of £50,000 or more able to access more than half.
- 7.27 For households earning £20,000 or less (typically assumed to require social rented housing in London Commuter Belt (East)/M11), 17% of total local housing would be affordable – almost entirely in the social sector with or without benefit support.
- 7.28 Only a third of the stock (34.0%) is affordable to households earning under £50,000 p.a. of which half of that stock is in the social rented sector.
- 7.29 Half of the stock (52.7%) requires earnings of £65,000 or more but over 20% of this is either private or social rented. Further, given that over 75% of the stock is owner-occupied, many households will have existing equity and will not depend exclusively on the household income. However, most newly forming households (and households seeking to move out of rented housing) do not benefit from this additional finance.
- 7.30 When we consider only those properties that become affordable within the identified band, the limited supply of housing available for those households earning £20,000-34,999 becomes quite apparent.

Housing Benefit

- 7.31 Many households in both the social and private rented sectors are able to claim support with the rent costs in the form of housing benefit. The Department of Work and Pensions (DWP) publish quarterly statistics for Housing Benefit recipients.
- 7.32 These statistics distinguish between local authority tenants and those who are either tenants of properties of registered social landlords or in the private rented sector. This implies that there are no precise figures for the number of Housing Benefit claimants in the private rented sector, but broad indications of how claimant numbers in the private rented sector have been changing.
- 7.33 Figure 102 shows that Housing Benefit claims for those in registered social landlord and private rented dwellings in East Hertfordshire are much higher than in any other authority in the sub-region. This does not imply that households in registered social landlord or private rented dwellings are more likely to claim Housing Benefit in East Hertfordshire. Instead, it is primarily due to East Hertfordshire's local authority stock having been transferred to registered social landlords in March 2002. This implies that households who would otherwise be claiming Housing Benefit for their local authority dwelling are now claiming it for their registered social landlord dwelling. It should also be noted that Broxbourne transferred their housing stock in January 2006. The impact of this change, as it occurred during the analysis period, has been discounted from the figures reported below.
- 7.34 All local authorities have seen a rise in the number of claimants since 2003. In total, the number of claimants has risen 29%, from 9,700 in the first quarter of 2003 to 12,500 in the second quarter of 2007. This increase varies across the sub-region from a 75% increase in Broxbourne compared to a 15% increase in East Hertfordshire (though this from a considerably higher starting point).

Figure 102
Number of Non Local Authority Tenant Housing Benefit Recipients: Q1 2003-Q2 2007 (Source: DWP. Note: Figures exclude the impact of Broxbourne's stock transfer)

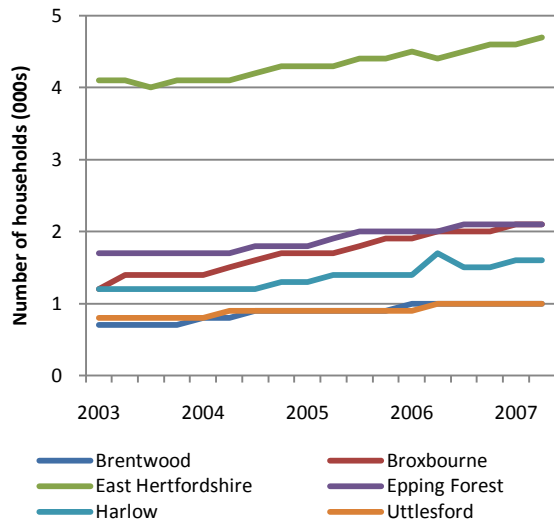
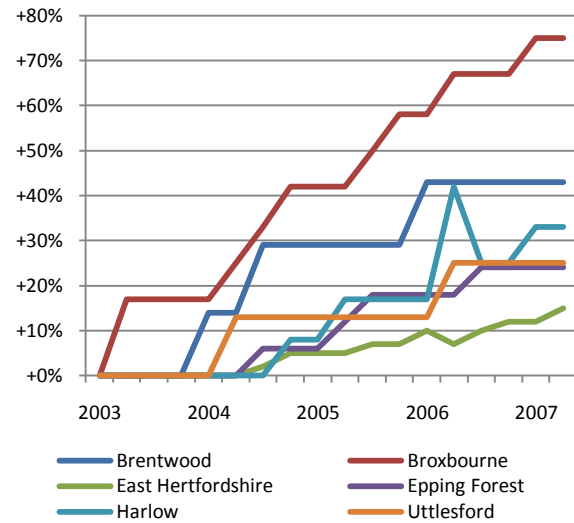


Figure 103
Index of Non Local Authority Tenant Housing Benefit Recipients relative to Q1 2003 base: Q1 2003-Q2 2007 (Source: DWP. Note: Figures exclude the impact of Broxbourne's stock transfer)



Summary of Key Points

- The average price of a property in LCB (East)/M11 rose by 114% between 2000 and 2008. The largest increase has been seen in Epping Forest.
- Average property prices in LCB (East)/M11 have increased at a lower rate than the rest of the east region although they are still currently around 125-130% of the Eastern region average.
- The price of an average property in Harlow is currently around 6.5 times the median earnings in Harlow, compared to 11 times in Epping Forest. Affordability has decreased the most in Brentwood.
- Affordability for key workers (and many first time buyers) sharply declined between 2001 and 2004, with only around 5% of properties currently selling at around £100,000 and around 70% selling for over £200,000.
- In 2005 both house prices and the number of properties selling started to level off, despite rising in 2006, sales started to fall once again in 2007.
- Only 21% of all properties in LCB (East)/M11 sell for less than £175,000 and 8.4% sell for £500,000 or more.
- Virtually no owner occupier housing is available to those earning less than £30,000 and an individual earner would need to earn at least £55,000 to access the cheapest quarter of properties on the market. However, half of the private rented sector should be available to those with incomes of £50,000.
- 17% of the total stock would be affordable to someone earning £20,000 or less, while half the stock requires earnings of £65,000 or more and a third requires earnings of £80,000 or more.
- There is a market for intermediate housing for those earning between £20,000 and £49,999 as there is little housing for those earning between £20-£34,000 or good quality owner occupied housing for those earning between £35,000 and £49,999.
- Many households who are currently allocated to social housing can potentially afford intermediate housing products. Therefore, if more intermediate housing is provided this may also release some pressure on social housing.

Section 8: Housing Market Dynamics

Introduction

- 8.1 The aim of this chapter is to estimate the housing requirement at 2026 in terms of dwelling size and tenure. It aims to provide the key outputs for the SHMA as required by the brief, Practice Guidance and PPS3.

Key Definitions

- 8.2 Understanding the following terms and how they relate is crucial to understanding the steps taken in this chapter to assess future housing requirements.
- 8.3 Housing need is defined in the government guidance PPS3 as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’.
- 8.4 Housing demand as ‘the quantity of housing that households are willing and able to buy or rent’.
- 8.5 Therefore a household who lives in unsuitable housing and cannot afford market housing is in need of affordable housing. However this is only really apparent for existing households as there is little way of knowing what future households could afford.
- 8.6 The term ‘housing requirement’ is a generic term for the future quantity of housing that should be provided. It can be broken down into tenure requirements. The following is an abstract from the Annexe to PPS3 that defines affordability in terms of tenure.

PPS 3 Annexe B definitions relating to affordable housing

Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

Affordable housing should:

- Meet the needs of eligible households including availability *at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- Include provision for the home to *remain at an affordable price for future eligible households* or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is:

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.

Intermediate affordable housing is:

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.' These definitions replace guidance given in Planning Policy Guidance Note 3: Housing (PPG3) and DETR Circular 6/98 Planning and Affordable Housing.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, *those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.*

Affordability

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

Methodology

8.7 Our rationale for assessing the future requirement for affordable and market housing is based upon demographic change and trends in household income and house prices.

8.8 The report starts by explaining the terms housing need, demand and the future housing requirement. The stages are then in outline:

- ORS modelling is used together with data from many different sources to arrive at estimates of the future housing requirement to 2026 and its key features.
- We build upon the projected household growth to estimate the requirement for additional social housing and then other tenures. Estimating the requirement for other tenures develops affordability information discussed in the previous chapter.
- We apply sensitivity testing to see how borrowing and price trends affect the requirements
- We provide a breakdown of these requirements by tenure and size mix

- We look in more detail at how intermediate affordable and low cost market housing requirements may be met
- We examine how housing need is expressed by households through the housing register and homelessness applications

8.9 Finally we provide a summary of findings and observations.

Estimating the tenure mix of the future housing requirement

Aim of this section

- 8.10 In this section we examine and compare a number of recent population and household projections. We base the SHMA housing requirement study on the basis of the RSS targets for each District. We consider how these projections are broken down into housing tenure. We analyse the household projections to understand how different household types relate to the tenures in order to estimate how the tenure balance may change over time. In Appendix C we provide a brief report regarding a survey of recent movers. This is designed to enhance the SHMA trend based findings so that there is further information to help local authorities to consider the policy and design aspects of the substantial housing growth affecting Harlow and East Herts. The scale of this growth will exceed the likely requirements needed by the local population as described in Chapter 5 – key housing market drivers.
- 8.11 We estimate the social housing requirement then look at the overall housing requirement, examining how the tenure balance changes if assumptions about borrowing and house prices change
- 8.12 We would note at the outset that the current East of England RSS runs from the period 2001-2021 and the associated household projection commissioned by the East of England Regional Assembly also cover the same period. However, for the purposes of local authority LDFs which are required to cover a 20 year period, the housing requirements modelling has been extended to 2026.
- 8.13 To achieve a projected level of housing delivery to 2026, the annual delivery rates within the East of England RSS 2001-2021 have been rolled forward to 2026 using the following method. The RSS 2001-2021 identifies a target of 48,600 (Figure 5 above) dwellings across the sub-region, which equates to a delivery target of 2,430 per annum. This in turn equates to 12,150 over a five year period. Therefore, the modelled housing requirements to 2026 have assumed a dwellings delivery of 48,600 plus an additional 12,150 for the period 2021-2026 giving a total of 60,750 which has been rounded to 60,800. The East of England RSS is currently under review with on-going consultation on the new RSS covering the period 2011-2031.

CLG 2006-based Sub-national Population Projections; CLG 2004-based Household Projections and the East of England Regional Spatial Strategy

- 8.14 CLG Household Projections (2006-based) estimates the number of additional households over the period 2001-31 using trend-based data from a reference point of 2006. This information was published in March 2009. It is however the latest information available. It tells us that over the 15 year period 2006-2021, there are projected to be an additional 46,500 people living within the study area (Figure 104). 8,300 of these additional people are projected to be aged 85 or over with a further 20,300 aged 65-84, together accounting for almost 62% of the total additional population.

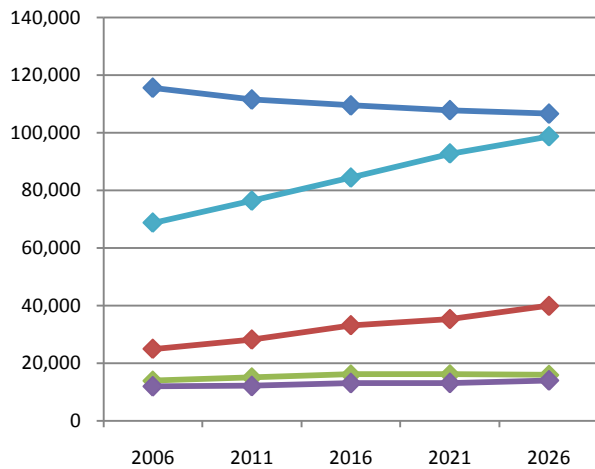
Figure 104

Net Change in Persons by Local Authority by age group (Source: CLG 2006-based sub-national population projections. Note: Figures may not sum due to rounding. Figures in brackets denote decrease in population)

Population	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford	Total
Net Change 2006-2021							
0-4	700	400	700	700	300	500	3,300
5-9	900	600	500	600	200	400	3,200
10-14	800	500	0	900	0	400	2,600
15-19	200	(100)	100	(200)	(800)	300	(500)
20-24	500	400	300	800	(300)	300	2,000
25-29	700	400	500	900	300	400	3,200
30-34	800	400	800	800	700	400	3,900
35-39	100	(1200)	(600)	(1,300)	(600)	(700)	(4,300)
40-44	(600)	(1000)	(1,500)	(1,700)	(1,300)	(1,100)	(7,200)
45-49	200	(100)	100	300	(600)	(400)	500
50-54	1,400	1400	1,600	2,500	500	(1,100)	6,300
55-59	800	900	1000	1,500	1000	500	5,700
60-64	600	700	1,100	1,100	1000	700	5,200
65-69	400	700	1,400	1,200	600	1,000	5,300
70-74	600	900	2000	1,900	300	1,800	7,500
75-79	300	700	1,500	700	(200)	1,200	4,200
80-84	200	700	1,200	200	100	900	3,300
85+	1,200	1200	2,300	1,200	1,100	1,300	8,300
Total	9,800	400	13,000	12,100	2,200	9,000	46,500

- 8.15 CLG Household Projections (2004-based) estimates the projected number of additional households over the period 2001-21 using trend-based data from a reference point of 2004. This information was considered when setting the dwelling delivery targets for the RSS. Therefore most of the SHMA analysis and modelling uses these projections. These projections estimate an increase in the number of households in the area of 38,000 by 2021, with a further 10,000 households projected in the period to 2026.
- 8.16 For information, the CLG 2006-based household projections (published in March 2009) suggest a higher increase of 44,000 households over the period 2001-21, with a further 13,000 households by 2026.
- 8.17 Figure 105 shows the total number of projected households by household type over the period to 2026, whilst Figure 106 shows the change in household numbers from 2006 and Figure 107 shows the same detail as a proportion of households in each group. It is apparent that much of the growth of extra households is expected to be single persons, with an anticipated rise of almost 30,000 single person households in the sub-region over the period to 2026.

Figure 105
2004-based Household Projections to 2026 by Household Type:
Totals by Type



- Married couple
- Cohabiting couple
- Lone parent
- Other multi-person
- Single person

Figure 106
2004-based Household Projections to 2026 by Household Type:
Absolute Change in Totals by Type

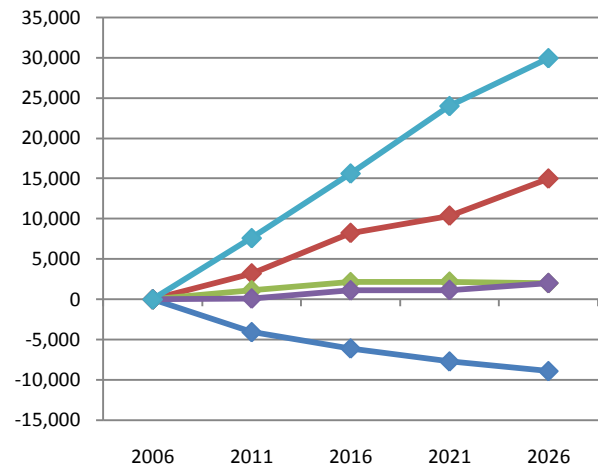
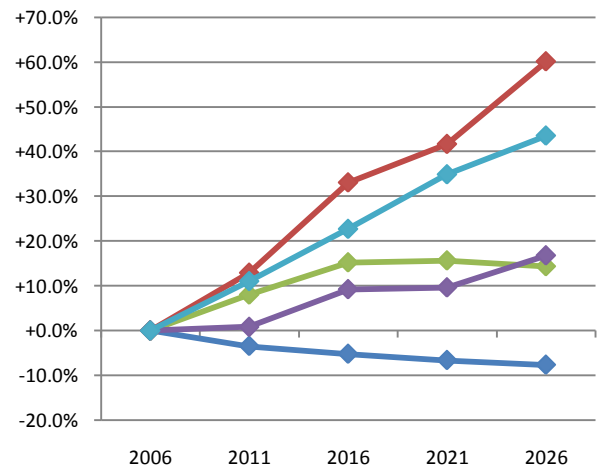


Figure 107
2004-based Household Projections to 2026 by Household Type: %
Change in Totals by Type



8.18 The CLG 2006-based projection for the sub-region estimates that the number of households across the study area will rise from 227,000 at the time of the 2001 Census to a projected total of up to 271,000 households by 2021, (an increase of 44,000 households). However, the Regional Spatial Strategy for the East of England is planning for the provision of 48,600 additional dwellings over the same period. We would again note that to extend the housing requirements modelling results to 2026 for use in LDFs we have rolled forward the annual delivery rates identified in the RSS 2001-2021 for another five years.

8.19 Figure 108 compares the projected growth in households by local authority using the 2004 and 2006 household projections and the strategic allocation of new housing provision for the 20-year period 2001-2021.

8.20 It is clear that the housing provision in Harlow will not only be satisfying its own housing requirements, but also providing for projected household growth from across the rest of the sub-region and the wider regional requirement. This is also the situation (though to a lesser extent) in Broxbourne, East Hertfordshire and Uttlesford. Nevertheless, whilst Harlow is expected to grow considerably, a proportion of this growth is planned to be in East Hertfordshire and Epping Forest.

8.21 Figure 108 and its data table Figure 109 compares the following data sources:

- CLG Household Projections (2004-based) – the projected number of additional households over the period 2001-21 modelled using trend-based data from a reference point of 2004. This information was considered when setting the dwelling delivery targets for the RSS.
- CLG Household Projections (2006-based) – the projected number of additional households over the period 2001-31 modelled using trend-based data from a reference point of 2006. This information was published in March 2009 and therefore did not inform the RSS process.
- RSS Dwelling Allocation to Settlements – the number of dwellings that the RSS plans to provide over the period 2001-21. This assumes that existing settlements will continue to grow, but does not take account of any provision which may be delivered outside the boundaries of the settlement’s local authority area.
- RSS Dwelling Allocation based on LA Boundaries – the number of dwellings that the RSS plans to provide over the period 2001-21, taking account of likely delivery where settlements may grow beyond their local authority area boundaries. This distribution is the informed estimate that underwrote the regional population forecasting work undertaken for the RSS, but the actual distribution across local authority areas will be subject to planning considerations about how the identified settlement should grow, to be determined through the LDF plan making process.

Figure 108
CLG Household Projections to 2021 compared with RSS Dwelling Allocation (Source: CLG 2004 and 2006 based household projections; East of England RSS)

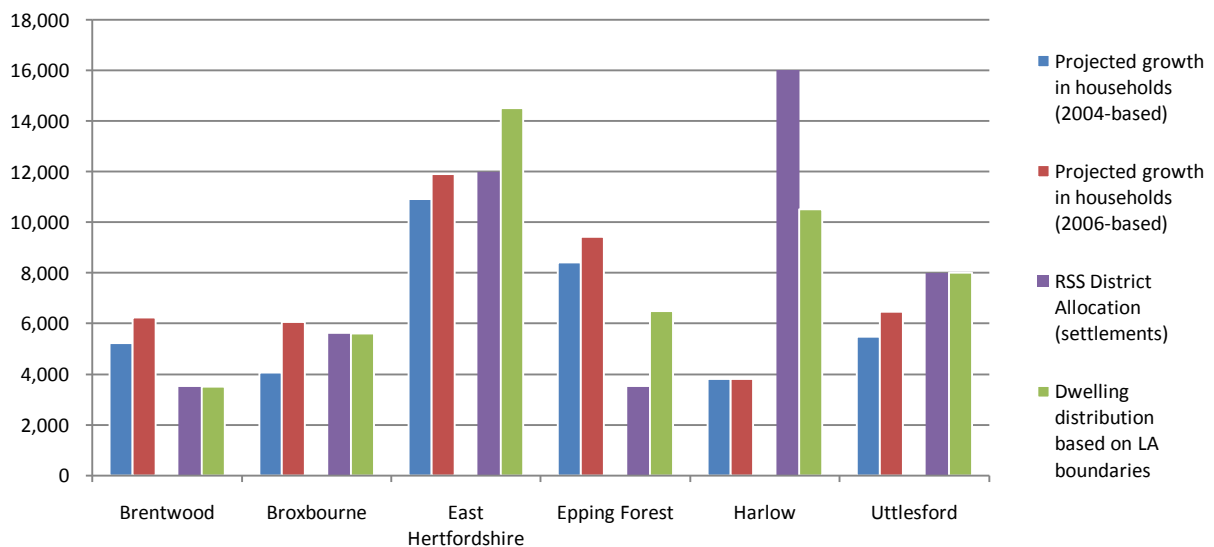


Figure 109

Data table of CLG Household Projections to 2021 compared with RSS Dwelling Allocation (Source: CLG 2004 and 2006 based household projections; East of England RSS)

Households	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford	Total
Total 2001-21							
Household Projection (CLG 2004-based)	5,200	4,100	11,000	8,400	3,800	5,500	38,000
Household Projection (CLG 2006-based)	6,200	6,100	11,900	9,400	3,800	6,500	44,000
RSS District Allocation (Settlement based)	3,500	5,600	12,000	3,500	16,000	8,000	48,600
RSS Dwelling Allocation based on LA boundaries	3,500	5,600	14,500	6,500	10,500	8,000	48,600

- 8.22 The analysis, based upon ORS modelling presented in the following sections of the report assumes that the number of households will actually increase in line with the dwelling delivery proposed by the RSS – that is, the housing requirement will be dwelling-led rather than trend-based. Therefore, the modelling results to 2021 assume that 48,600 dwellings will be delivered in the period 2001-2021 and 60,800 dwellings will be delivered in the period 2001-2026.
- 8.23 The dwelling figures which take account of growth across local authority area boundaries have also been used for the housing requirements modelling process. This approach helps to recognise that those areas showing significant overall growth will not only be providing for local households but for households across the wider sub-region – therefore, the growth will reflect the characteristics of households across the range of local authority areas accommodating the new households.
- 8.24 The following sections of this chapter consider the mix of housing in the context of the planned housing provision, rather than focussing exclusively on the demographic growth.
- 8.25 Figure 110 shows the proportion of households in each tenure broken down by household type as at the time of the 2001 Census. It is apparent that lone parents were disproportionately likely to be found in social housing while married couples were concentrated in the owner occupied sector.

Figure 110

Housing Tenure Mix by Household Type as at 2001 (Source: UK Census of Population 2001)

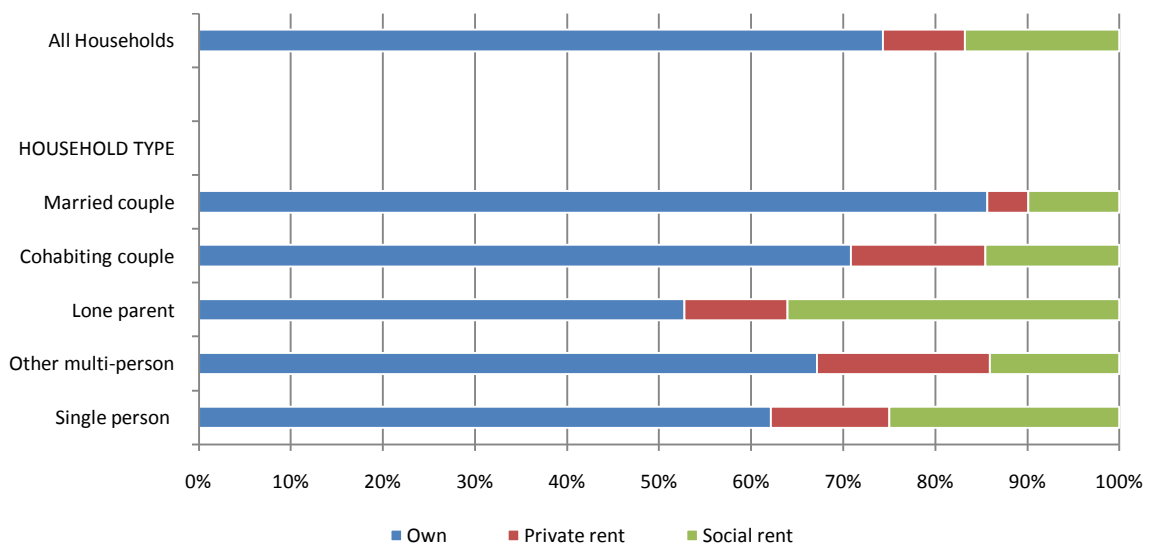


Figure 111
Data table of Housing Tenure Mix by Household Type as at 2001 (Source: UK Census of Population 2001)

Household Type	Own	Private rent	Social rent	Total
Married couple	99,253	5,173	11,501	115,927
Cohabiting couple	13,955	2,875	2,873	19,703
Lone parent	9,906	2,098	6,763	18,767
Other multi-person	7,289	2,036	1,529	10,854
Single person	38,414	7,967	15,454	61,835
Total	168,817	20,149	38,120	227,086
Married couple	85.6%	4.5%	9.9%	100.0%
Cohabiting couple	70.8%	14.6%	14.6%	100.0%
Lone parent	52.8%	11.2%	36.0%	100.0%
Other multi-person	67.2%	18.8%	14.1%	100.0%
Single person	62.1%	12.9%	25.0%	100.0%

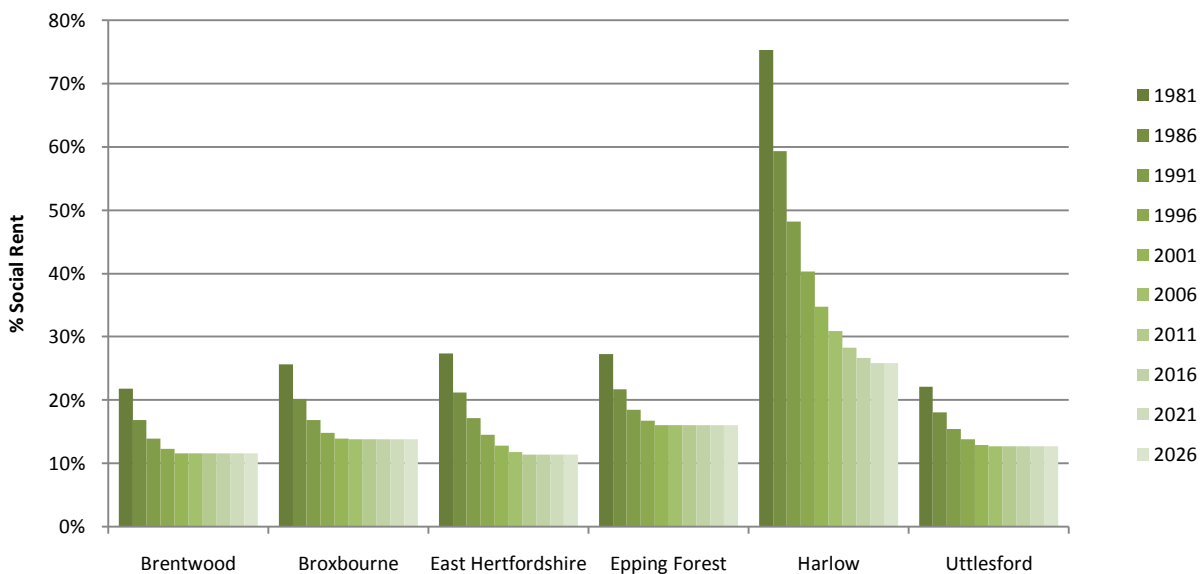
8.26 It is clear that the tenure mix differs quite markedly for each household type – so as the number of households of each type changes in line with the earlier projections, this will influence the mix of tenure required, which is now considered in detail.

Estimating the Future Requirement for Social Housing

8.27 In this section we estimate the social housing requirement to 2026. Once this is established we look at the social housing requirement in terms of the overall housing requirement.

8.28 Figure 112 shows the proportion of all housing in the social rented sector identified in the 1981, 1991 and 2001 Census results. This information has then been modelled to identify the overall proportion of social rented housing in future years on the basis of the rate of decline and the change in the rate experienced in 1991-2001 compared to the rate in 1981-1991.

Figure 112
Change in the Proportion of Households in Social Rented Housing by LA and Year (Source: Modelled based on UK Census of Population 1981, 1991 and 2001)



8.29 Taking the above figures relating to the overall proportion of social rented housing in each district alongside the differential proportions for each household type, Figure 113 shows the projected proportion of households in social rented housing for each household type and Figure 114 combines this with the projected demographic growth to show the number of households in social rented housing and those in other tenures.

Figure 113

Proportion of Households in Social Rented Housing by Household Type and Year (Source: Modelled based on UK Census of Population 1981, 1991 and 2001)

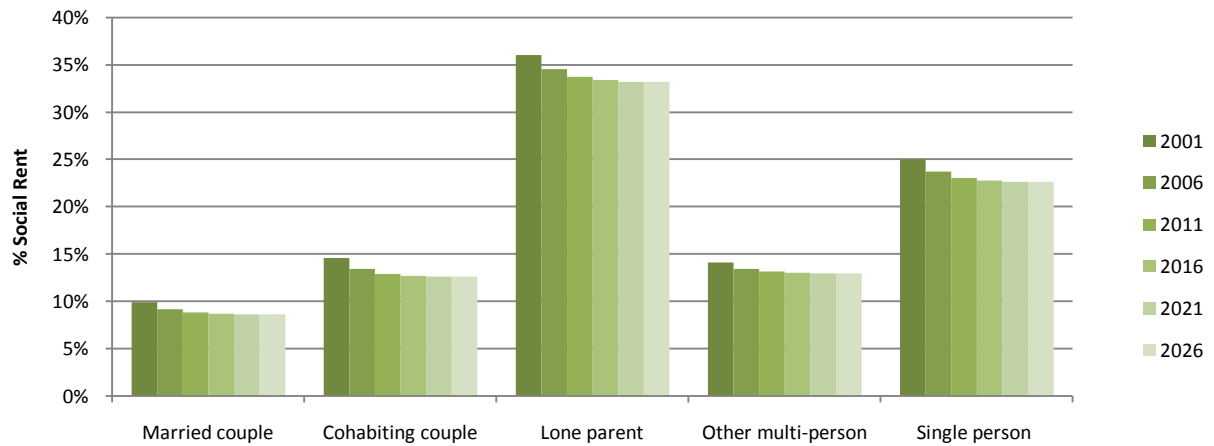
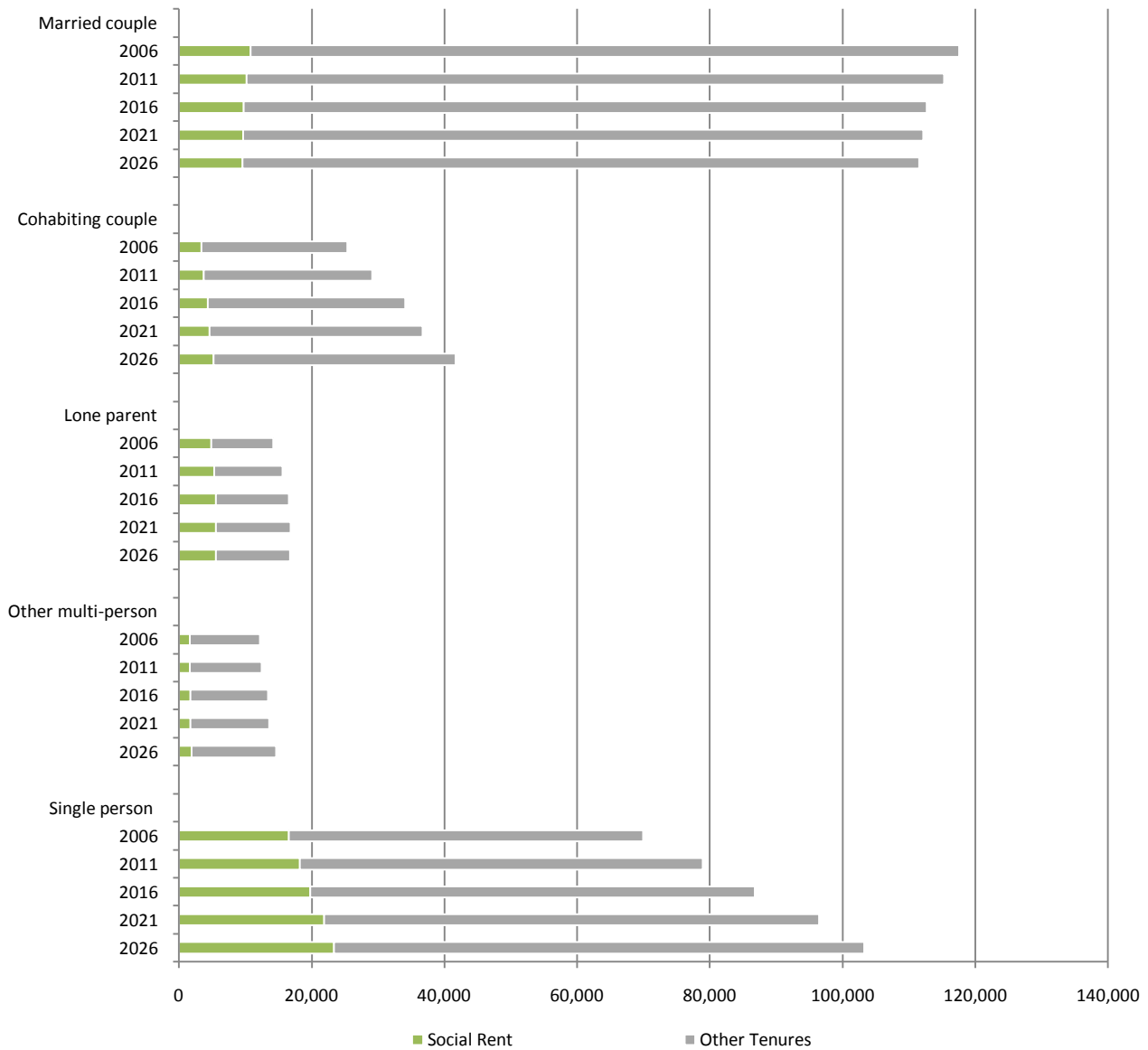


Figure 114
Household Projections to 2026 by Household Type and Tenure (Source: LCB East SHMA, 2008)



8.30 When the requirements of each household type are combined, the overall balance between social rented housing and other tenures can be summarised as follows (Figure 115 and Figure 116).

Figure 115
Data Table of Household Projections to 2026 by Housing Tenure (Source: LCB East SHMA, 2008)

Year	Social rent	Other Tenures	Total
2001	38,120	188,966	227,086
2006	37,271	201,970	239,241
2011	38,989	212,407	251,396
2016	41,094	222,457	263,551
2021	43,407	232,299	275,706
2026	45,629	242,232	287,861
Increase 2001-21	5,287	43,333	48,620
Increase 2001-26	7,509	53,266	60,775
Increase 2006-21	6,135	30,330	36,465
Increase 2006-26	8,358	40,262	48,620

Figure 116
 Chart of Household Projections to 2006- 2026 by Housing Tenure (Source: LCB East SHMA, 2008)

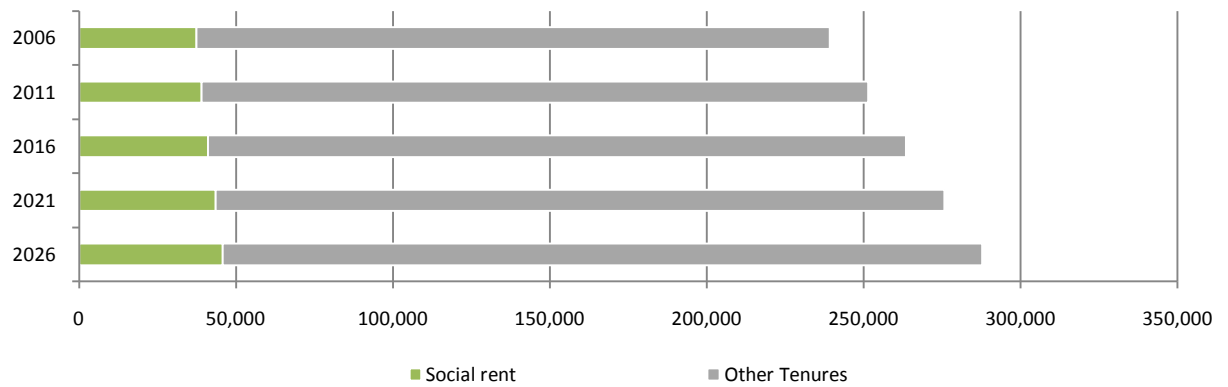


Figure 117
 Household Projections to 2026 by Housing Tenure: Totals by Type (Source: LCB East SHMA, 2008)

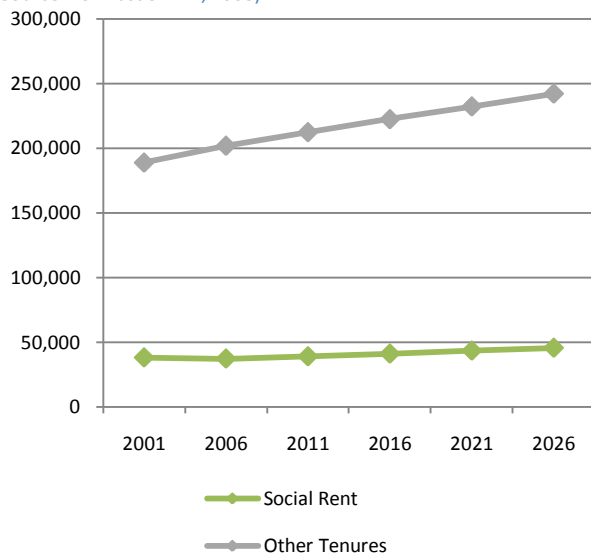


Figure 118
 Household Projections to 2026 by Housing Tenure: Absolute Change in Totals by Type (Source: LCB East SHMA, 2008)

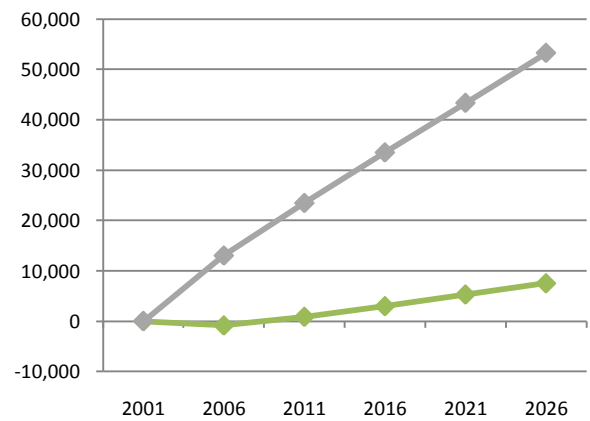
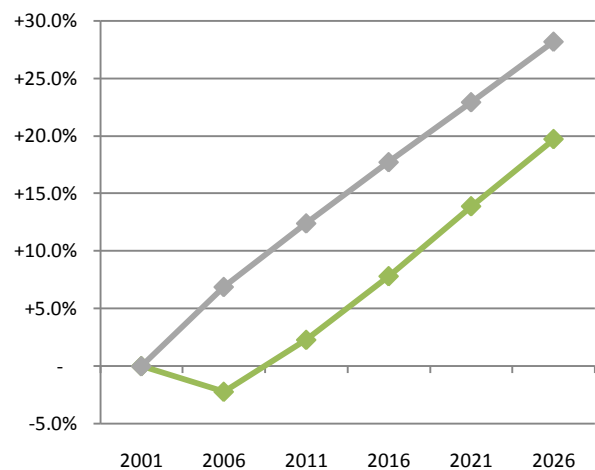


Figure 119
 Household Projections to 2026 by Housing Tenure: % Change in Totals by Type (Source: LCB East SHMA, 2008)



8.31 The marginal reduction in social rented requirement over the period 2001-06 is attributable to changes in the mix of households over the period between the Census and the initial output year from the household projections (2001 and 2006 respectively). This may be influenced (to an extent) by actual changes observed over the period 2001 to 2004 (the base year for the projection). The projected reduction is also reflected in changes to the social stock over the period – where it is apparent that the number of social rented homes declined from 40,400 in 2001 to 39,600 in 2006 (based on data reported from the Housing Strategy Statistical Appendix).

Summary

- 8.32 In the above section, household projections were used to estimate the overall increase in households between 2001 and 2026.
- 8.33 These projections have been used to estimate the requirement for social rented housing, and are shown in Figure 120. This is a different presentation of the data in Figure 115 using rounded data.

Figure 120
Change in Household Numbers 2001-2026 by Tenure (Source: LCB East SHMA, 2008)

	Total Households	Increase in all households	Social rent	Increase in social rent
2001	227,100	-	38,100	-
2006	239,200	12,100	37,200	(800)
2011	251,400	24,300	39,000	900
2016	263,500	36,400	41,100	2,900
2021	275,700	48,600	43,400	5,300
2026	287,900	60,800	45,600	7,500
	Increase:	60,800	Increase:	7,500

- 8.34 The increasing volume of households suggest that, on the basis of a trend based projection, there will be a requirement for the social rented stock to increase by 7,500 units in the period 2001 to 2026 – that is, an increase from 38,100 dwellings to 45,600 dwellings over the 25 years. This is in the context of an overall delivery of 60,800 new homes. On this basis, social rented housing will account for 12.4% of the additional provision required for the period 2001-2026. However there are other factors that will apply in the period to 2026 that need to be considered and these are considered next.

Refining the Estimate for Social Rented Housing Requirement

- 8.35 To refine this estimate into a social housing requirement, losses due to the right to buy and gains due to new building need to be taken into account. These factors are now estimated and lead to a conclusion about the social housing requirement by Local Authority and housing sub-market.
- 8.36 Figure 121 details the number of right-to-buy sales across the study area since 2001/02, where it is apparent that over 2,200 properties have transferred from social rent to owner occupation over the 6-year period. Nevertheless, the recent change in legislation, coupled with increasing house prices in the area, has led to far lower sales in recent years.

Figure 121

Right-to-Buy Sales for London Commuter Belt East 2001/02 to 2006/07 by Local Authority (Source: CLG; Housing Corporation. Note: “..” denotes data not yet published)

Local Authority	Year						Total	Year
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08
Number of Right to Buy Sales								
Brentwood	21	29	26	24	13	11	124	7
Broxbourne	45	59	68	19	12	-	203	-
East Hertfordshire	96	-	-	-	-	-	96	-
Epping Forest	85	100	136	61	36	45	463	28
Harlow	204	289	210	150	74	41	968	42
Uttlesford	42	46	26	12	4	3	133	6
Sub-Total	493	523	466	266	139	100	1,987	83
Number of Preserved RTB, RTA & RTM Sales of RSL properties								
Brentwood	-	-	-	-	-	-	-	..
Broxbourne	-	-	5	4	6	24	39	..
East Hertfordshire	2	55	101	34	15	9	216	..
Epping Forest	-	-	1	-	-	-	1	..
Harlow	3	1	2	-	-	3	9	..
Uttlesford	-	1	1	-	-	-	2	..
Sub-Total	5	57	110	38	21	36	267	..
Total	498	580	576	304	160	136	2,254	..

8.37 In projecting forward future likely purchases through right-to-buy, we have assumed an average rate based on sales over the most recent two years of complete published data (2005/06 and 2006/07) given the apparent change at this time, which appears to be supported by the partial information available for 2007/08.

8.38 Figure 122 summarises the impact of housing delivery since 2001 and the ‘right-to-buy’ on the earlier analysis of the overall net change in social housing.

Figure 122

Requirement for Social Rented Housing 2007-2026 (Note: Figures may not sum due to rounding)

Housing Type	Social Rent	Other Tenures	Overall Total
Dwelling Stock			
As at April 2001	38,100	189,000	227,100
Required by 2026	45,600	242,200	287,900
Net change 2001-26	7,500	53,300	60,800
Less Changes in Stock 2001-07			
Dwelling delivery 2001-07	1,800	8,800	10,700
Right to Buy Sales 2001-07	(2,300)	2,300	-
Residual requirement 2007-26	7,900	42,200	50,100
Less Projected Changes in Stock			
Right to Buy Sales 2007-26	(2,800)	2,800	-
Adjusted Requirement 2007-26	10,800	39,400	50,100

8.39 In the period to 2026, it is apparent that the requirement for social rented housing accounts for 10,800 of the 50,100 residual requirement, equivalent to 21.5% of the total.

8.40 A proportion of this requirement will be met from planning gain through S106 agreements. Each Local

Authority needs to set a target for this. PPS3 and subsequent legal review requires that this target must be set in the context of a proven need for affordable housing and a local assessment of the potential development sites. This work is currently being commissioned by the LCB East Councils. Only when this is complete will then be possible to consider the relationship between the target for the proportion of affordable housing and the threshold for qualifying sites.

- 8.41 The above analysis has focussed upon the overall increase in households and the likelihood that such households will be dependent on social rented housing.
- 8.42 It is possible to consider the same analysis at a local authority level. The overall requirement figures are detailed below:

Figure 123
Overall Housing Requirement and Requirement for Social Rented Housing by LA 2007-2026 (Note: Figures may not sum due to rounding)

Housing Type	Local Authority						Total
	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford	
Housing Requirement							
Total Requirement (from Figure 118) 2001-26	4,400	7,000	18,100	8,100	13,100	10,000	60,800
LESS Actual dwelling delivery 2001-07	1,100	2,200	2,900	1,500	1,000	1,900	10,700
Residual Requirement 2007-26	3,200	4,800	15,200	6,600	12,200	8,100	50,100
Social Rent							
Requirement: demographic change 2001-26	800	1,400	1,600	1,900	700	1,300	7,500
PLUS Actual/projected losses (RTB etc) 2001-26	400	600	500	1,200	2,100	200	5,100
LESS Actual dwelling delivery 2001-07	200	500	400	200	300	300	1,800
Residual Social Rent Requirement 2007-2026	1,000	1,600	1,800	2,900	2,500	1,300	10,800
Other Tenures							
Requirement: demographic change 2001-26	3,600	5,600	16,500	6,200	12,400	8,700	53,300
LESS Actual/projected gains (RTB etc) 2001-26	(400)	(600)	(500)	(1,200)	(2,100)	(200)	(5,100)
LESS Actual dwelling delivery 2001-07	1,000	1,700	2,500	1,300	700	1,700	8,800
Residual Requirement for Other Tenures 2007-2026	2,300	3,200	13,500	3,700	9,700	6,800	39,400
Social Rent as % of Total	29.6%	32.7%	11.5%	43.9%	20.5%	16.1%	21.5%

- 8.43 It is apparent that the overall requirement for additional social rented housing is in Epping Forest, where there is a projected requirement from demographic growth alongside the need to replace the loss of existing stock.
- 8.44 Epping Forest also shows the highest proportion of social rented housing, given the relatively high social rented housing requirement identified and the moderate programme of overall housing delivery. Brentwood and Broxbourne also have a significant proportion of social rented housing (29.6% and 32.7% respectively) as the identified requirement for social rented housing has to be delivered from even smaller housing delivery programmes. The requirement for additional social rented housing in Brentwood, Broxbourne and Uttlesford is mainly required to satisfy demographic growth, whereas the

additional social rented housing in Harlow is to replace loss of existing stock.

- ^{8.45} Proportionately, the need is lowest in Harlow and East Hertfordshire given that their social rented provision is to be provided from larger delivery programmes, with the Uttlesford requirement also being relatively moderate in the context of its overall allocation.
- ^{8.46} Having estimated the social housing requirement, the residual requirement of other tenures (estimated as 39,400 dwellings, Figure 123) can now be broken down into market and intermediate affordable requirements based upon an assessment of affordability at 2026.

The Requirement for Intermediate Affordable and Market Housing

8.47 Having arrived at the social housing requirement we now consider the requirement for other tenures. We begin by examining the affordability of local housing to local households.

Affordability of the supply of housing available locally

8.48 Figure 124 illustrates the relationship between housing costs and household income. It is developed from Figure 101 above (available housing stock by required income).

8.49 The bars indicate the supply of housing that became available in the year to March 2008 affordable to household income bands using an income to mortgage multiplier of 3.5 and if renting, 25% of gross income as recommended by the CLG Practice Guidance.

8.50 The dotted line shows the distribution of local households who are not already home owners who were likely to be able to afford the housing in each band. This information is modelled by ORS from CACI Paycheck data. The income distribution is also presented in a data table (Figure 125). The dotted line is based upon the data in the second column of the data table.

8.51 Thus for each income band we can see the proportion of the stock available in the period of time that can be afforded by households that are not home owners. If a bar is higher than the dotted line there is a surplus of housing affordable to that income band, if lower a shortage.

Figure 124
Affordability of Housing Stock for Non-owners in LCB (East) based on 3.5x income to mortgage multiplier and 25% of gross income for rent (Modelled based on HM Land Registry, All Transactions from April 2007 to March 2008 and Modelled Income Data based on CACI Paycheck)

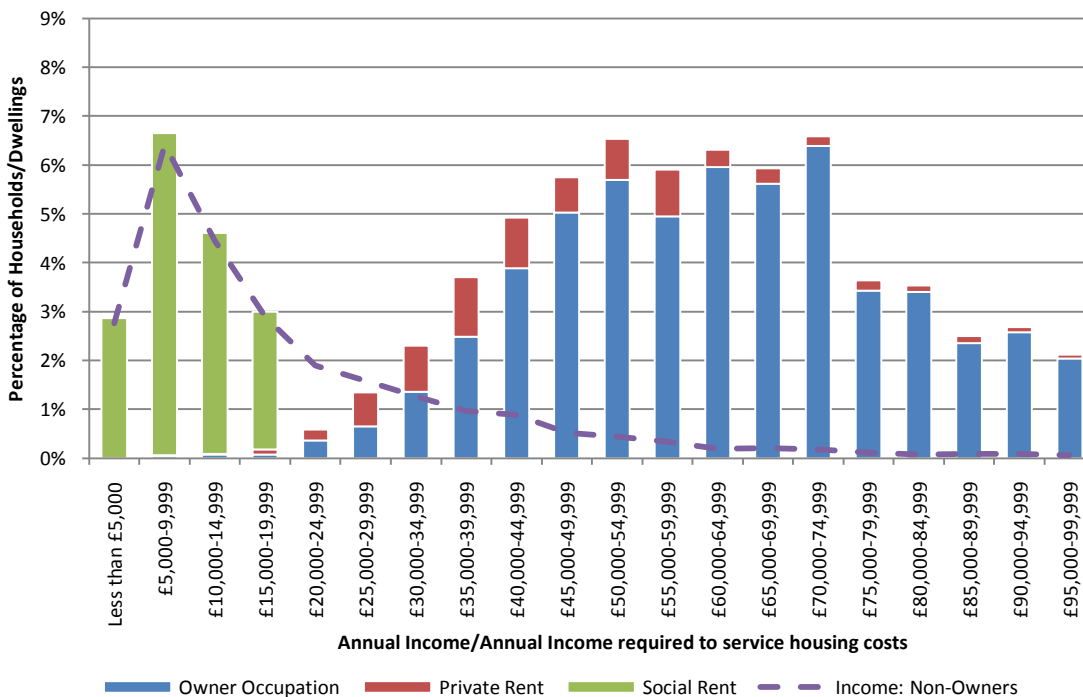


Figure 125

Data Table of figure 124: the Income Distribution of Non-owners in LCB (East) (Modelled Income Data based on CACI Paycheck)

Income band	Non owners as proportion of all households by income band		Percentage of non owners by income band	
	%	Cumulative %	%	Cumulative %
Less than £5,000	2.8%	2.8%	10.8%	10.8%
£5,000-9,999	6.4%	9.2%	25.0%	35.8%
£10,000-14,999	4.5%	13.6%	17.3%	53.1%
£15,000-19,999	2.9%	16.5%	11.2%	64.4%
£20,000-24,999	1.9%	18.4%	7.4%	71.8%
£25,000-29,999	1.6%	20.0%	6.2%	77.9%
£30,000-34,999	1.3%	21.3%	4.9%	82.8%
£35,000-39,999	1.0%	22.2%	3.8%	86.6%
£40,000-44,999	0.9%	23.1%	3.5%	90.1%
£45,000-49,999	0.5%	23.6%	2.0%	92.1%
£50,000-54,999	0.4%	24.1%	1.7%	93.8%
£55,000-59,999	0.3%	24.4%	1.3%	95.1%
£60,000-64,999	0.2%	24.6%	0.7%	95.8%
£65,000-69,999	0.2%	24.8%	0.8%	96.6%
£70,000-74,999	0.2%	25.0%	0.7%	97.3%
£75,000-79,999	0.1%	25.1%	0.4%	97.7%
£80,000-84,999	0.1%	25.1%	0.3%	98.0%
£85,000-89,999	0.1%	25.2%	0.3%	98.3%
£90,000-94,999	0.1%	25.3%	0.4%	98.6%
£95,000-99,999	0.1%	25.4%	0.2%	98.9%
Over £100,000	0.3%	25.7%	1.1%	100.0%
Total	25.7%		100.0%	

- 8.52 Here we focus on the threshold for affordable housing. The graph indicates that below £30,000 income there is insufficient housing available that is affordable to this income group whether for sale or rent. The data table shows that just over three quarters of non-owner households (77.9% of all non-owner households) are likely to have a requirement for affordable housing of some sort whether social housing or intermediate affordable housing. This is returned to at the end of the chapter when effective intermediate affordable housing costs are considered.
- 8.53 Social rent levels are fixed locally with regard to a national formula to reflect local values and earnings. We have estimated the number of households only able to afford social rents based upon 25% of gross income. The figure clearly indicates that in general there is a clear point at which households can afford more than a social rent. This is an important finding when we come to estimate intermediate affordable and market housing requirements in the next section.
- 8.54 From the diagram it is apparent that there is slightly more housing stock available for those with incomes below £20,000 than the number of households identified that fall into this income bracket that do not have existing equity. This is the existing social rented stock; some of it is occupied by households with incomes that are higher than £20,000 per annum.
- 8.55 In this context, it is perhaps not surprising that approaching 2,300 properties have been sold through the Right to Buy to tenants in the period 2001-07 and that a further 2,800 properties are projected to be sold in the period 2007-26.
- 8.56 The income of tenants of social rented housing is only a factor at the point of the housing being

allocated. It is not possible (and arguably not desirable) to force higher earning tenants to move from their home in order for households that are less well off to be offered the property. Given the continuing number of new households that are likely to be dependent on social rented housing, it will be necessary to provide additional social housing for these households.

8.57 There is virtually complete absence of housing options affordable to households within incomes of £20,000-24,999.

8.58 It is difficult to assess the precise requirement for social and intermediate affordable housing as CORE data evidences the fact that social housing is allocated to people who could afford intermediate housing. Accordingly we have based our social housing requirement on demographic change. We have based our intermediate housing requirement on the proportion of the housing requirement that is affordable to households who are not home owners in the income band £20-30k for which there is a clear shortage of property affordable to this group. Later in the chapter we consider the affordability of housing for lower income households who are unable to access social housing.

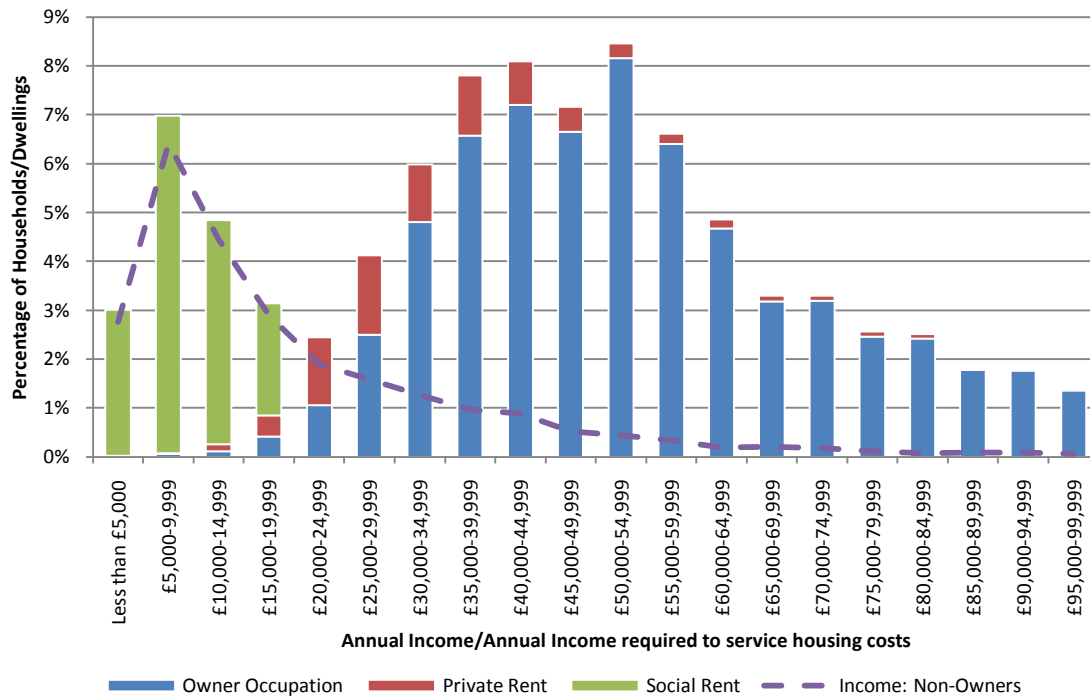
How the Affordability of Housing Changes if Households Borrow More Money.

8.59 Up until recently it has been possible for households to borrow more money than the income multipliers used above, whilst others have had to spend more than 25% of their income to pay their rent. It is useful to see how the surpluses and shortfalls change if households can borrow more money or spend more money based upon their income.

8.60 The following chart is based on the same data, but assuming up to 35% of income to service rents and allowing borrowing at rates of up to 4.5x income. Whilst these assumptions may be extreme across the population as a whole, the chart helps to demonstrate the difficulties still faced by households in certain income brackets.

Figure 126

Affordability of Housing Stock for Non-owners in LCB (East) based on 4.5x mortgage multiplier and 35% of income allocated to rent (Modelled based on HM Land Registry, All Transactions from September 2006 to August 2007 and Modelled Income Data based on CACI Paycheck)



- 8.61 It is apparent that even at these borrowing levels, housing options remain very limited for households in the £20,000-24,999 bands and the amount of stock affordable to those with incomes of £25,000-34,999 is more limited than the stock now allocated to those with incomes of at least £35,000.
- 8.62 Of course, whilst households have been able to borrow at these higher levels over recent years, the current economic climate (late 2008) and in particular the “Credit Crunch” has caused lenders to re-evaluate their lending practices. Even if households are prepared in principle to borrow higher amounts to bridge the affordability gap, as lenders are no longer prepared to lend at these levels we are now in a position where the true position actually reflects the chart shown in Figure 124 (with mortgage advances at a maximum of 3.5x income) rather than the situation shown in Figure 126.
- 8.63 In practice, many of those households with little or no deposit may not even be able to secure advances of 3.5x income, so the original analysis may actually understate the current problem.

Estimating intermediate affordable and market requirements

- 8.64 Given the absence of housing options for households with incomes of £20,000 up to at least £25,000 but possibly up to £30,000 or more, it is not surprising that households with incomes above £20,000 are continuing to live in social rented housing. Furthermore, emerging households with incomes in this range are currently faced with a lack of housing options, which will over time cause them to look further afield for housing which is more affordable to them. Therefore, alongside the need for additional social rented housing there is also a clear need for intermediate affordable housing.
- 8.65 Having established the size of the social housing requirement we apply the above findings relating to affordability to other demographic trend estimates to arrive at the housing requirement at 2026 for intermediate affordable and market housing.
- 8.66 Firstly we estimate that the over the period to 2026, the proportion of owner occupiers will change.

The earlier demographic modelling suggests that the proportion of households requiring social rent will reduce over that period. However, if new households are unable to afford the costs of purchasing their home, then this proportion in home ownership could also be lower. In Figure 127 we detail how we estimate the number of households able to afford home ownership at 2026.

Figure 127
Change in Home Ownership 2001-2026 (Note: Figures may not sum due to rounding)

Housing Type	Owned	Total social and private rent	Overall Total
Existing Households			
As at April 2001 (A)	168,800	58,300	227,100
% of households	74.0%	26.0%	100.0%
Projected Impact of Death			
Proportion of pensioner households (as at 2001)	67.6%	32.4%	100.0%
Household dissolution following death 2001-2026 (B)	43,700	20,900	64,700
Projected Impact of New Households			
Proportion of households able to afford home ownership (as at 2007) used to divide up between own and rent	47.1%	52.9%	100.0%
New household formation 2001-2026 (C)	59,000	66,400	125,400
Net change 2001-26 based on affordability modelling (D)	15,300	45,400	60,800
Projected Households			
Projected by 2026 based on affordability modelling (E)	184,100	103,700	287,900
% of households	64.0%	36.0%	100.0%

^{8.67} We demonstrate the increase in the overall total number of households by arriving at the net increase in households ($D = C - B$) which is the RSS overall housing requirement for 2001-2021 extended to 2026 based upon a consistent rate of growth. We then add this to the number of existing households at 2001 to estimate the projected number of households ($A + D = E$). We have arrived at the proportion of households unable to afford home ownership from our model. Figure 128, shows that 52.9% of households have income of up to £30,000 per annum, which is the minimum household income needed for home ownership anywhere in the sub-region. Note that the figure only shows the lower income bands.

Figure 128
Proportion of households by income band (ORS model)

Income band	% all households in each income band	Cumulative %
Less than £5,000	4.5%	4.5%
£5,000-9,999	12.8%	17.3%
£10,000-14,999	10.7%	28.0%
£15,000-19,999	9.3%	37.3%
£20,000-24,999	8.4%	45.7%
£25,000-29,999	7.3%	52.9%
£30,000-34,999	7.0%	59.9%
£35,000-39,999	5.8%	65.7%
£40,000-44,999	5.7%	71.4%

^{8.68} Returning to Figure 127 we apply the multiplier of 47.1% to the total net increase of households ((C) 125,400) to estimate the gross number of households able to afford home ownership. We deduct the supply due to dissolution (B) to arrive at the net estimate of additional households able to afford home

ownership (E), i.e. $125,400 \times 47.1\%$ equals 59,000 minus 43,700 equals 15,300.

- 8.69 On the assumption that the relationship between housing costs and household income remains constant, the affordability modelling suggests that the proportion of households who are homeowners is projected to fall to 64.0% by 2026.
- 8.70 We estimate that 77.9% of all households with no equity available from existing property would have incomes of less than £30,000 (at current values, Figure 125), which equates to 80,800 households across the sub-region by 2026.
- 8.71 There would be 9,900 dwellings in the private sector affordable to this group, on the assumption that the relationship between housing costs and income remains constant (based on proportions shown in Figure 120). The social rented sector would need to grow to 45,600 units (Figure 122) and also recognising the delivery of 700 new intermediate affordable homes across the sub-region over the period 2001-07 (HSS data), this provides a total stock of 56,200 dwellings affordable to those with incomes below £30,000 by 2026.
- 8.72 Given an overall total of 80,800 households with incomes of less than £30,000 an overall stock of 56,200 dwellings affordable to this group, there is an implied shortfall of 24,600 intermediate affordable housing units. This requirement for intermediate affordable housing is in addition to the 10,800 social rented homes previously identified, yielding an overall requirement for 35,400 affordable homes across the sub-region over the period to 2026.
- 8.73 The overall housing tenure mix required for the sub-region based on affordability at 2007-08 levels can therefore be summarised as in Figure 129. Note that this totals to the overall residual housing requirement 2026 as in Figure 123.

Figure 129

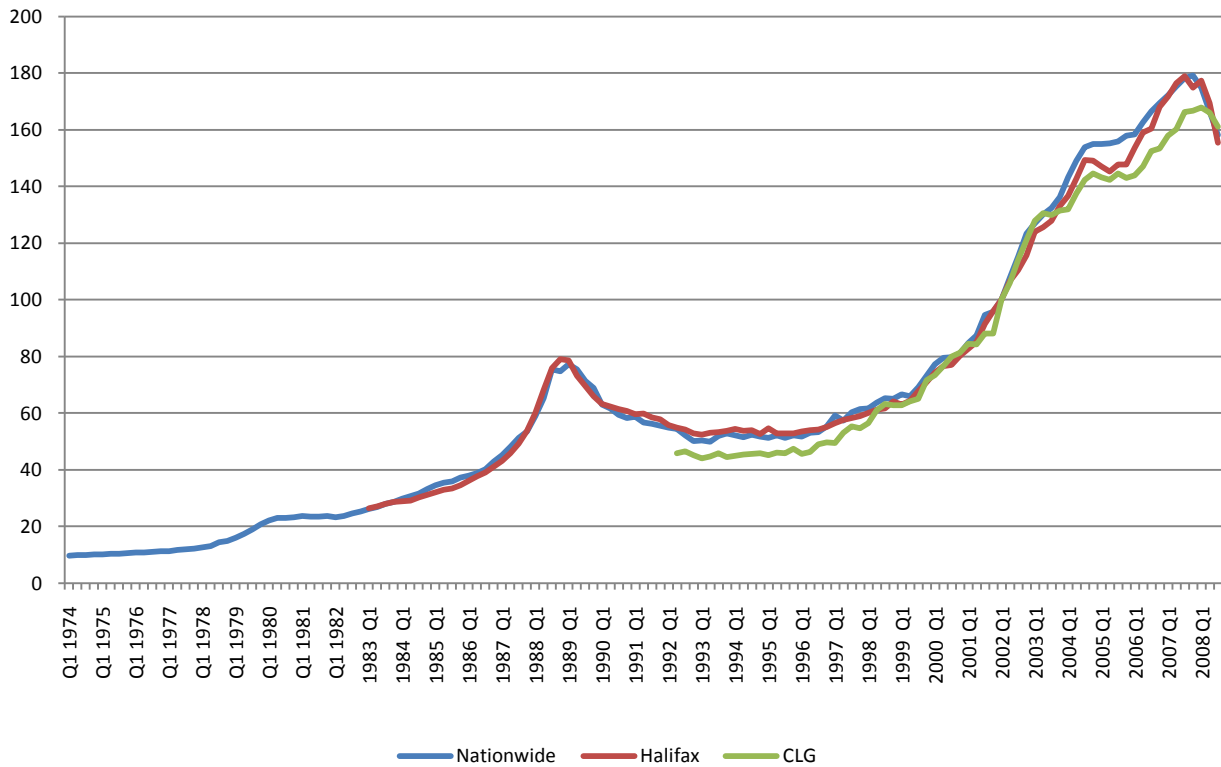
Overall Housing Requirement 2007-2026 (Note: Figures may not sum due to rounding)

Housing Type	Requirement 2007-2026	
	Number of Units	%
Market Housing	14,700	29.4%
Intermediate Affordable Housing	24,600	49.2%
Social Rented Housing	10,800	21.5%
Overall Housing Requirement	50,100	100.0%

- 8.74 This is an extreme conclusion. The result shows that the existing stock of market housing is large enough to satisfy the majority of the identified demand – with only an additional 14,700 dwellings required, in the context of the overall stock of market housing being just under 190,000 in 2001 and an overall provision of 50,100 dwelling.
- 8.75 The results shows that the need for both social rented housing and intermediate affordable housing cannot be satisfied by the existing stock, hence the identified requirement for additional provision.
- 8.76 This is at 2007/8 house prices which were at the peak of the cycle however house prices have already started to fall from their peak at this time, as illustrated in Figure 130.

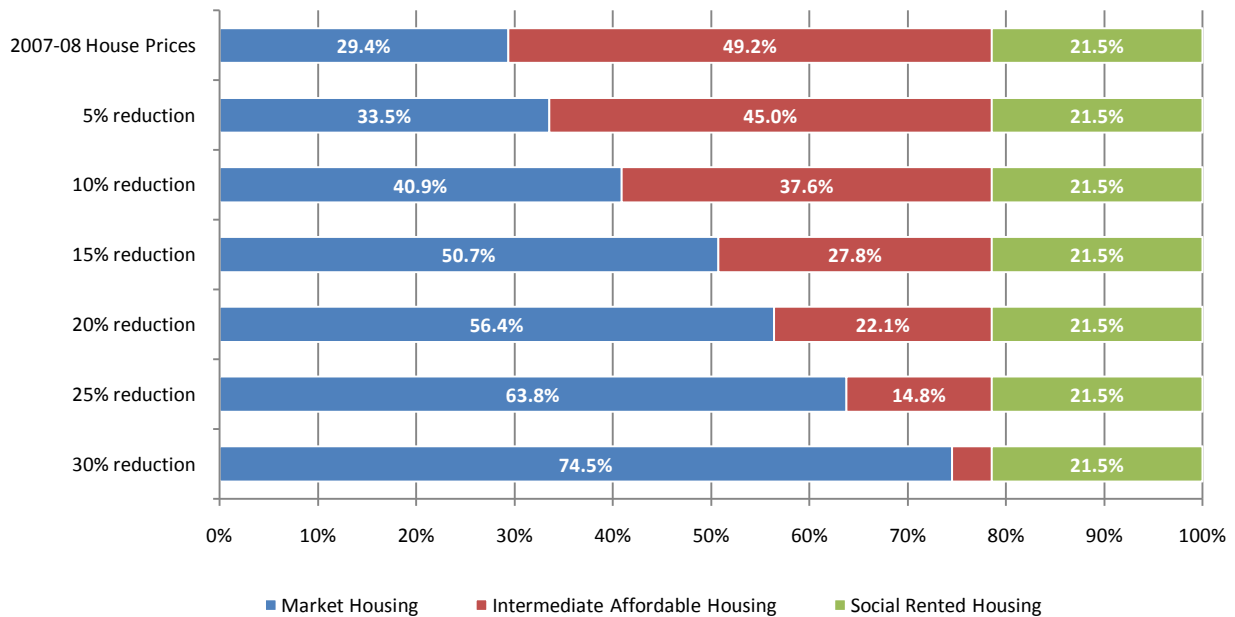
Figure 130

Average House Prices in the East of England (Note: April 2002 = 100. Source: Nationwide House Price Index, Seasonally Adjusted; Halifax House Price Index, Seasonally Adjusted; CLG Live Tables)



- 8.77 As house prices fall, more dwellings in the private sector will become affordable to households without equity and with incomes below £30,000 – so the need for intermediate affordable housing will reduce. Furthermore, lower house prices will lead to more households being able to afford market housing – so the requirement for additional market housing will increase.
- 8.78 The requirement for social rented housing will not change as it is always the cheapest housing available and the margin between social rents and market housing is by definition, intermediate affordable housing.
- 8.79 It is possible to test the housing mix given a range of differing house price scenarios. The outcome of these scenarios are detailed below:

Figure 131
Scenario Testing of Overall Housing Requirement 2007-2026

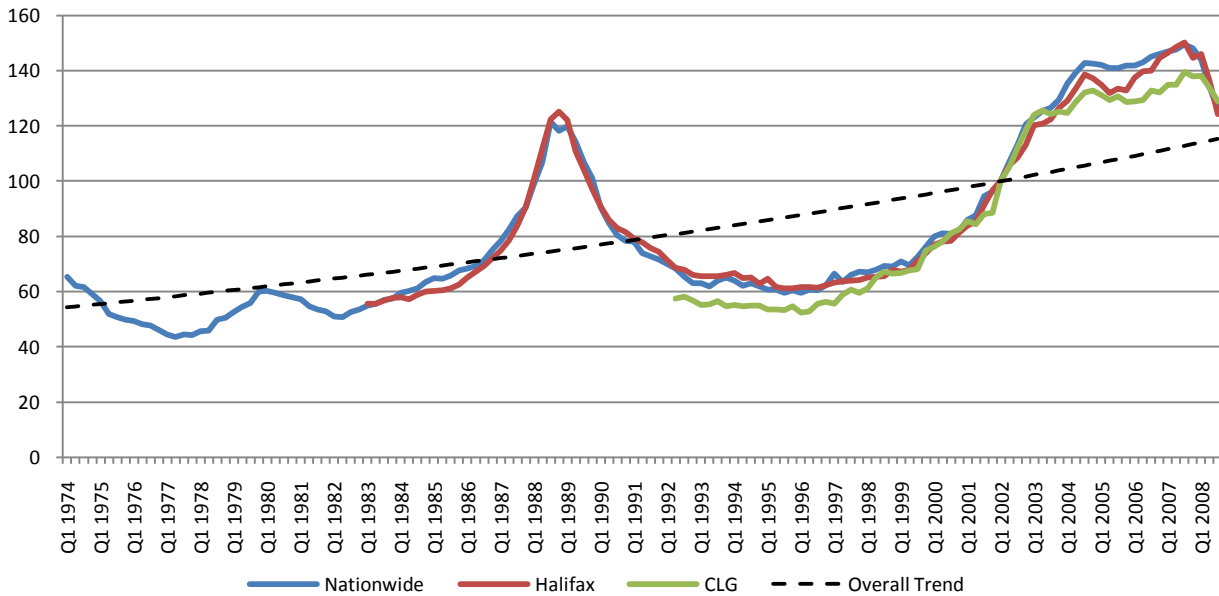


- ^{8.80} Whilst intermediate affordable housing constitutes a significant proportion of the housing requirement based on 2007-08 prices, it is clear that the level of intermediate affordable housing requirement is sensitive to changes in house prices. It is estimated that house prices have already fallen between 5-10% from their peak but at current prices intermediate affordable housing still accounts for a significant proportion of the overall requirement (in addition to the 21.5% requirement for social rent).
- ^{8.81} Nevertheless, if house prices fall to 25% below their 2007-08 peak, the need for intermediate housing falls to 14.8% of the overall requirement. If house prices were to reduce by 30% (and did not increase again from this level), there would be less than 5% requirement for additional intermediate affordable housing in the sub-region. However, prices will probably recover, so there is likely to be an ongoing requirement for intermediate affordable housing products in the sub-region.

Assessing the Affordable Housing Requirement against Long Term Price Trends

8.82 As previously noted, house prices are very volatile in the short term. Figure 132 shows the real trends in house prices adjusted to take account of inflation. Also shown is the long-term trend of growth in house-prices.

Figure 132
 Real House Price Trends in the East of England after inflation (Note: April 2002 = 100. Source: Nationwide House Price Index, Seasonally Adjusted; Halifax House Price Index, Seasonally Adjusted; CLG Live Tables; Retail Price Index, ONS)



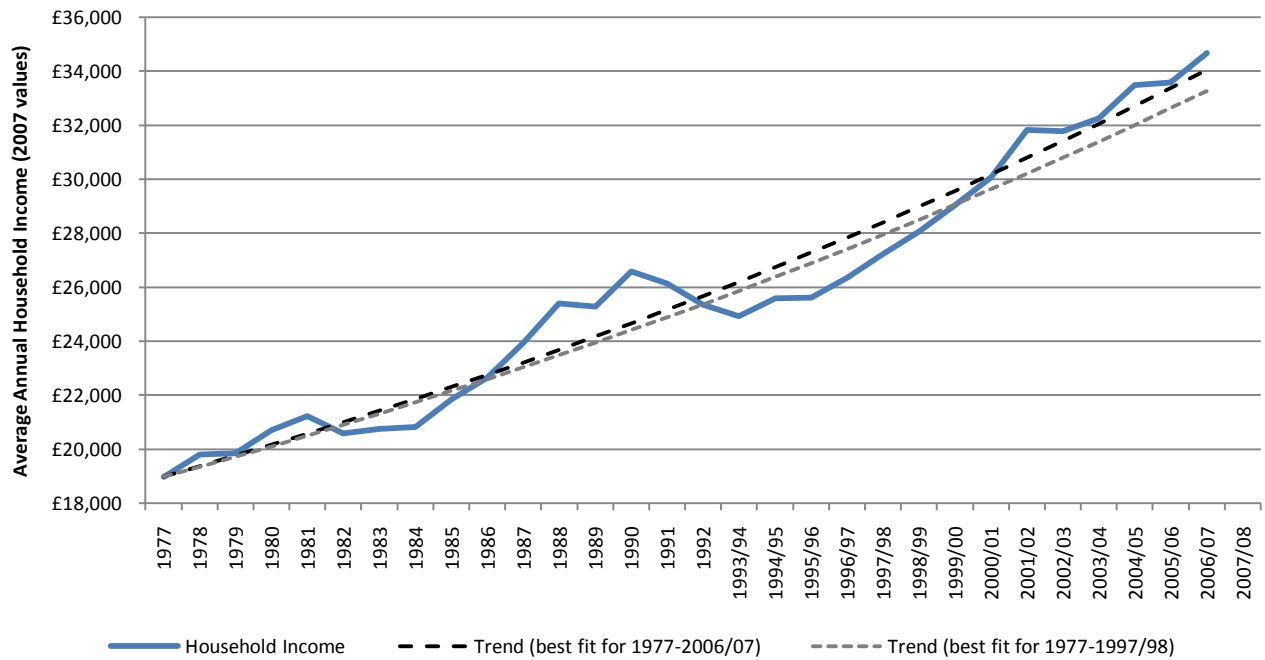
8.83 When we consider the period April 2007 to March 2008, it is apparent that the long-term trend was on average 21.5% lower than the actual house price indices for the period.

8.84 In calculating affordability, we are not only interested in the cost of housing but we are interested in the relationship between house prices and incomes. If house prices and incomes are expected to change at the same rate over the period to 2026, then it is appropriate to consider the current relationship between the two when considering the requirements over the full period. Nevertheless, where house prices and incomes are anticipated to change at different rates, it is important to also consider the relative differences between the two.

8.85 Figure 133 (overleaf) shows that average household incomes across the UK have increased from just below £19,000 in 1977 to £34,700 in 2006/07. The chart also shows the two possible trends in income growth, calculated on the following basis:

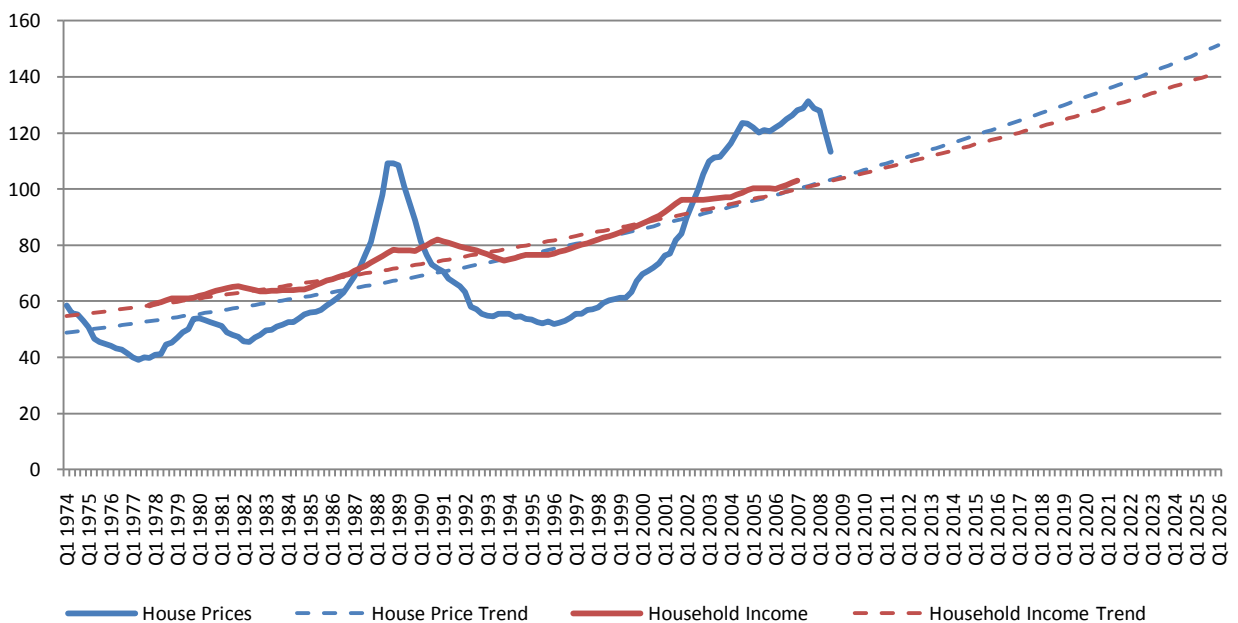
- The first trend (with results shown as a dashed black line on the chart) considers the trend based on the observed data for the whole period from 1977 to 2006/07. This shows that actual incomes are currently only slightly above the long term trend;
- The second trend (with results shown as a dotted grey line on the chart) considers the trend based on the observed data for the first twenty years of the period from 1977 to 1997/98. This shows a more conservative trend, suggesting that current incomes are higher than the expected long term (though this difference is less marked than observed at the time of the last peak in 1991), but it would still be expected that average household incomes will “correct” themselves with a slow-down in growth or possible reduction over the next few years.

Figure 133
Average UK Household Income Trends 1977-2007 (Source: ONS)



8.86 Given the current slow down in the economy and the economic recession, it seems likely that average household incomes are currently higher than long-term trends will show, therefore, in comparing long-term income growth with long-term house price growth, we have considered the second approach outlined above as the most realistic. Figure 134 illustrates the relative trends in incomes and house prices for the Eastern region together with the projections for the index to 2026 based on the identified trends.

Figure 134
Average House Price and Average Household Income Trends (Note: Long-term trends at Q1 2007 = 100. Source: Nationwide House Price Index, Seasonally Adjusted; Halifax House Price Index, Seasonally Adjusted; CLG Live Tables; Retail Price Index, ONS; Social Trends ONS, Regional Trends ONS)



8.87 By 2026, the house price index is projected to reach 151.3 whilst the income index is projected to be

lower at 141.7, so the assumption that the relationship remains constant appears inappropriate.

8.88 It is important to recognise that one of the key drivers to increasing house prices is the growth in incomes. The reasons for house prices growing faster than incomes is inevitably complex but contributing factors include:

- **New housing supply** – across the UK over recent years, the estimated number of additional households has exceeded the number of new homes provided, so there has been increased demand for the available housing (both the existing stock and new housing) which will have contributed to higher prices. Work by the National Housing and Planning Advisory Unit (NHPAU) has identified a supply range for new housing for each England region to counter the impact of constrained supply on affordability, but it is recognised that this is unlikely to have an impact on affordability until a step-change in housing delivery has been achieved at a national level.
- **Access to capital** – either through inheritance or equity, capital provides extra purchasing power, although this does not normally apply to younger households/first time buyers.
- **Access to finance** – in recent years, financial institutions had become increasingly more prepared to lend larger amounts of money to households than had historically been available to them. This increased borrowing power led to households being able to afford more for their housing, which in turn is likely to have contributed to higher house prices. In the light of the “credit crunch” it is believed that lending will not be available to the same extent in the future, especially to sub-prime borrowers. This could suppress house price growth. Nevertheless, whilst the restrictions on finance should avoid house prices climbing to the actual levels seen in 2007/08, these are considerably higher than those observed in the long-term trend so at this stage it would seem premature to suggest any change was required.

8.89 As previously noted, house prices in 2007-08 were 21.5% above the long-term house price trend. When considering the growth in house price and income trends over the period 2007-26, it is estimated that the growth in house prices would be 4.9% more than the growth in income as an average for the whole period.

8.90 Therefore, in considering the projected housing mix for the period 2007-26, house prices used for the affordability have been reduced from the 2007/08 level by 21.5% to take account of long-term house price trends. This lower figure has then been increased by 4.9% to take account of faster growth in the trend of house prices than the trend for household income. Figure 135 shows the housing mix on the basis of the adjusted affordability analysis at the sub-regional level.

Figure 135

Overall Housing Requirement 2007-2026 based on Long-term house price trends (Note: Figures may not sum due to rounding)

Housing Type	Requirement 2007-2026	
	Number of Units	%
Market Housing	27,200	54.3%
Intermediate affordable Housing	12,100	24.2%
Social rented Housing	10,800	21.5%
Overall Housing Requirement	50,100	100.0%

8.91 Figure 136 and Figure 137 demonstrate the modelled requirement for each district and the sub-markets identified in chapter 2. The district and sub-market figures are calculated in the same way as

the sub-region figures, but on the basis of the data for the individual areas. Note that the social housing requirement is the same as presented earlier in the chapter. The table demonstrates that the balance between market housing and intermediate affordable housing varies as average prices change.

- 8.92 The local results do not necessarily sum to match the sub-regional figures. This assumes that households' needs are addressed within their own LA area whereas the sub-regional figure considers the areas as a whole. Some households will move between local authorities to find appropriate housing.

Figure 136
Housing Requirement by LA 2007-2026 (Note: Figures may not sum due to rounding)

Housing Type	Local Authority					
	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford
House prices based on 2007-08 levels						
Market housing	(1,100)	700	5,400	-500	8,400	2,500
Intermediate affordable housing	3,400	2,600	8,000	4,200	1,300	4,300
Social rented housing	1,000	1,600	1,800	2,900	2,500	1,300
Total Housing Requirement	3,200	4,800	15,200	6,600	12,200	8,100
Market housing	-	14.1%	35.7%	0.0%	68.7%	30.7%
Intermediate affordable housing	78.0%	53.2%	52.8%	59.1%	10.7%	53.2%
Social rented housing	22.0%	32.7%	11.5%	40.9%	20.5%	16.1%
House prices based on long-term trends						
Market housing	200	2,300	8,300	2,000	9,700	4,200
Intermediate affordable housing	2,100	900	5,100	1,800	0	2,600
Social rented housing	1,000	1,600	1,800	2,900	2,500	1,300
Total Housing Requirement	3,200	4,800	15,200	6,600	12,200	8,100
Market housing	4.9%	48.0%	54.7%	29.6%	79.5%	51.5%
Intermediate affordable housing	65.5%	19.3%	33.7%	26.5%	-	32.4%
Social rented housing	29.6%	32.7%	11.5%	43.9%	20.5%	16.1%

Figure 137
Housing Requirement by Sub-Market 2007-2026 (Note: Figures may not sum due to rounding)

Housing Type	Housing Sub-Market		
	Brentwood	Harlow & M11 Corridor	Cheshunt & A10 Corridor
House prices based on 2007-08 levels			
Market housing	(1,200)	13,600	1,300
Intermediate affordable housing	3,600	12,000	7,000
Social rented housing	1,000	5,900	3,700
Total Housing Requirement	3,300	31,400	12,000
Market housing	-	43.1%	10.5%
Intermediate affordable housing	78.7%	38.1%	58.6%
Social rented housing	21.3%	18.8%	30.9%
House prices based on long-term trends			
Market housing	100	19,800	5,000
Intermediate affordable housing	2,300	5,700	3,300
Social rented housing	1,000	5,900	3,700
Total Housing Requirement	3,300	31,400	12,000
Market housing	3.2%	62.9%	41.8%
Intermediate affordable housing	67.8%	18.3%	27.2%
Social rented housing	29.0%	18.8%	30.9%

Estimating the future balance between market housing for sale and rent

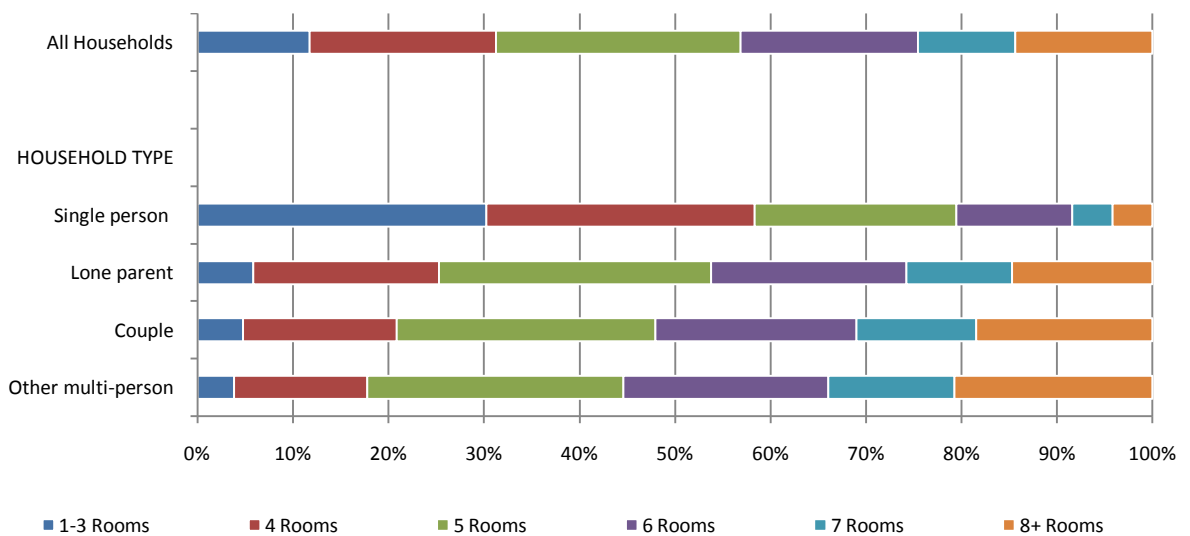
- ^{8.93} Note that Figure 135 to Figure 137 refer to market housing which is a mix of private rented housing and owner occupied housing. It is very difficult to predict how the proportions will change in the period between 2008 and 2026. The private rented sector is understood to have grown rapidly in the period between year 2001 and 2008, possibly partly explained by the expected fall in homeowners as housing costs increase as previously discussed in 8.69. An accurate number will not be available until the 2011 Census results are available.
- ^{8.94} The balance between owning and renting market housing will inevitably depend on a range of factors. Perhaps the most important factor is affordability. In Figure 127 we have estimated that by 2026 the proportion of households likely to be homeowners will be 64% which is a 10% reduction from 2001.
- ^{8.95} Ignoring the credit crunch, the drivers for the private rented sector can be considered in terms of supply and demand.
- ^{8.96} Demand is likely to be robust especially from younger households. Even allowing for some downward adjustment in purchase prices, it is unlikely that the affordability gaps described above will be met from an adequate supply of affordable housing. Other cost of living factors such as increasing energy and fuel will also present a barrier to aspiring home owners on lower incomes.
- ^{8.97} Change of supply will be more volatile depending upon returns for investors compared to other investments. This will also be dependent on a wide range of fiscal and economic factors.
- ^{8.98} If the credit crunch is considered we see both the fall in house prices and credit restrictions constraining demand for home ownership but overall no reduction in demand for housing per se.
- ^{8.99} On the supply side it is unlikely that landlords will sell existing stock unless absolutely forced to. Even if no new investment occurs for the time being it is hard to see that the size of the sector will diminish. If

the cost of borrowing becomes low and prices are cheap, landlords with cash may be inclined to seize the opportunity to invest further.

Size Mix of Future Housing Requirements

^{8.100} Figure 138 shows the size of properties occupied by different household groups at the time of the 2001 Census. This shows that single person households in particular were disproportionately likely to be found in smaller housing (over 30% having three rooms or fewer, and almost a further 30% occupying a dwelling with four rooms). Whilst multi-person households tended to occupy larger properties and lone parents tended to occupy smaller properties, the differences between these groups are less marked than for single person households.

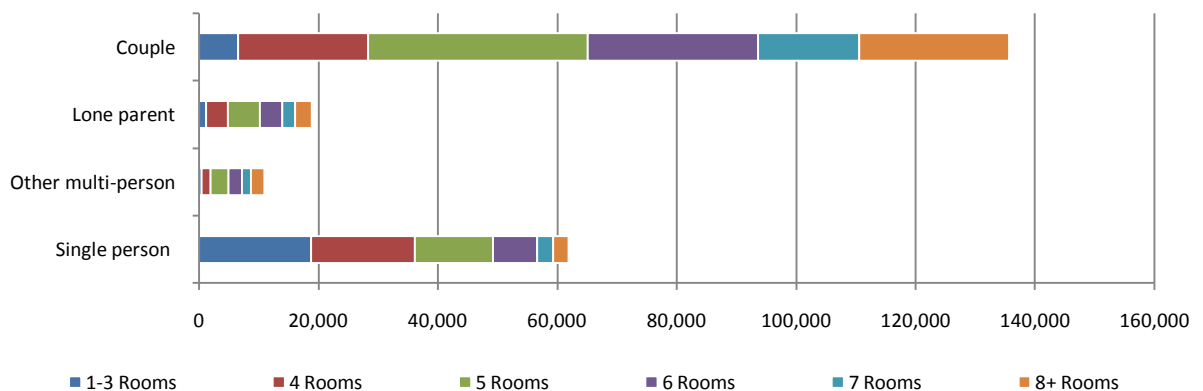
Figure 138
Housing Size Mix by Household Type (Source: UK Census of Population 2001)



^{8.101} It is clear that the size mix differs quite markedly for each household type – so as the proportion of households of each type changes in line with the earlier projections, this will influence the mix of tenure required.

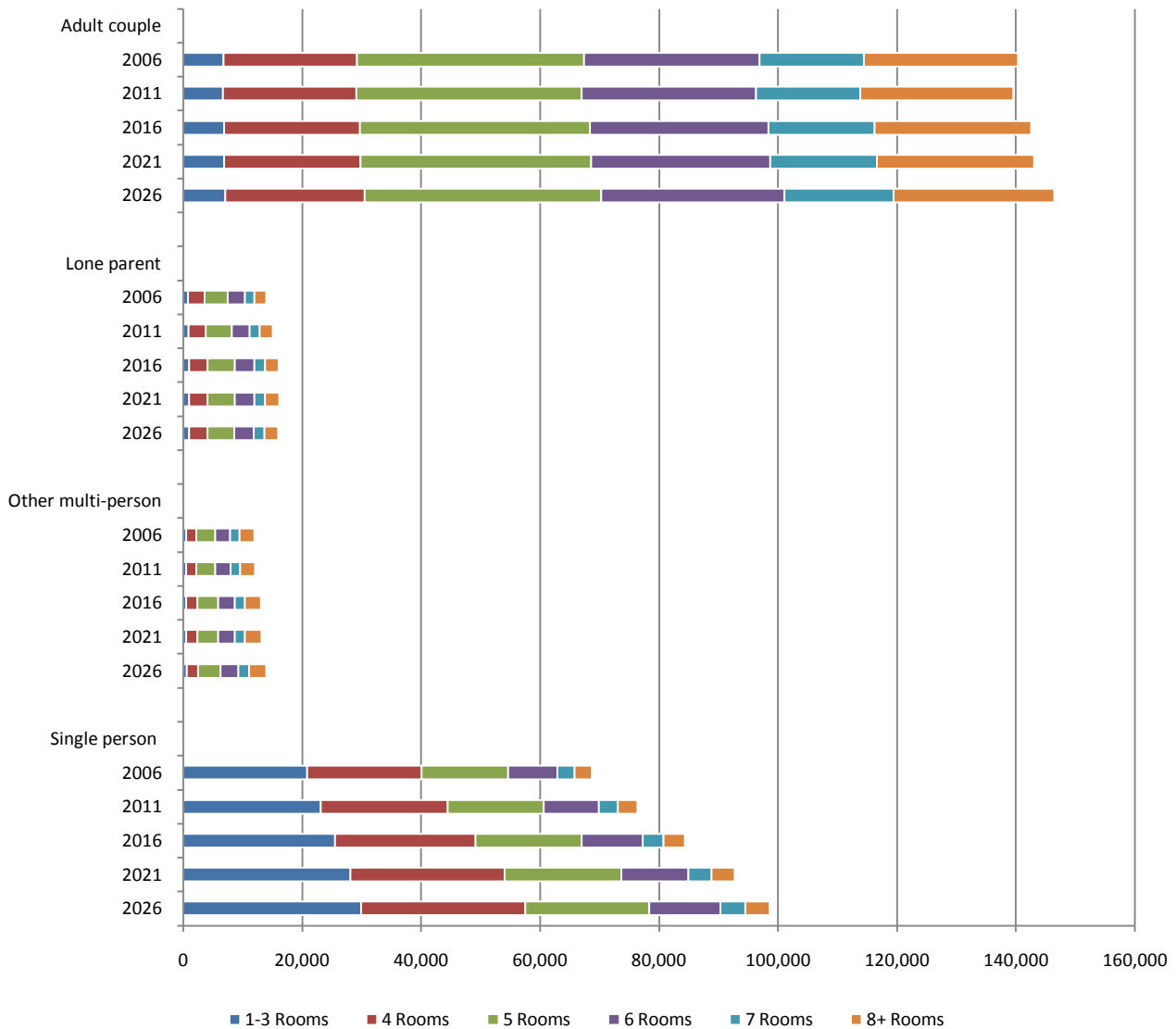
^{8.102} Figure 139 shows the numbers of households in each property size broken down by household type as at the time of the 2001 Census.

Figure 139
Number of Households by Housing Size and Household Type (Source: UK Census of Population 2001)



8.103 Figure 140 illustrates the projected change in size of each household type, and the implied size mix on the basis of maintaining the proportions constant.

Figure 140
Household Projections to 2026 by Household Type and Size (Source: LCB East SHMA, 2008)



8.104 When the requirements of each household type are combined, the overall size mix can be summarised as follows.

Figure 141
Household Projections to 2026 by Housing Size (Source: LCB East SHMA, 2008)

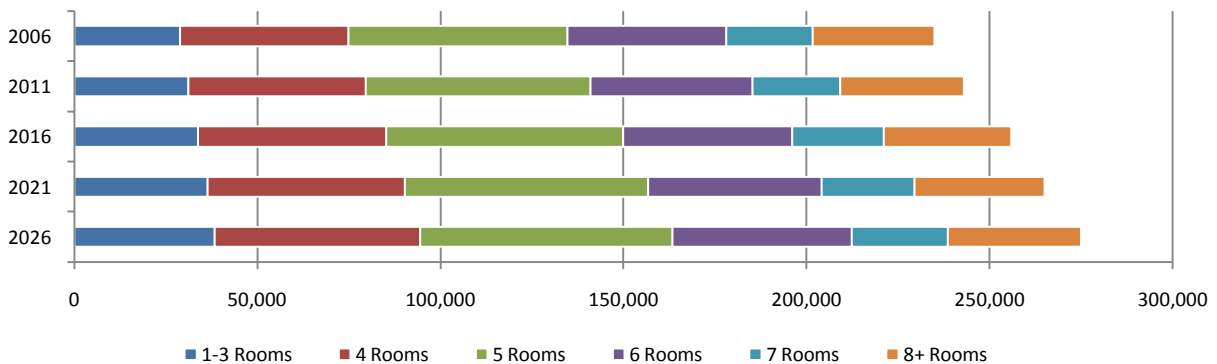


Figure 142
Housing Size Mix as at 2001 compared to Projected Housing Size Mix 2026

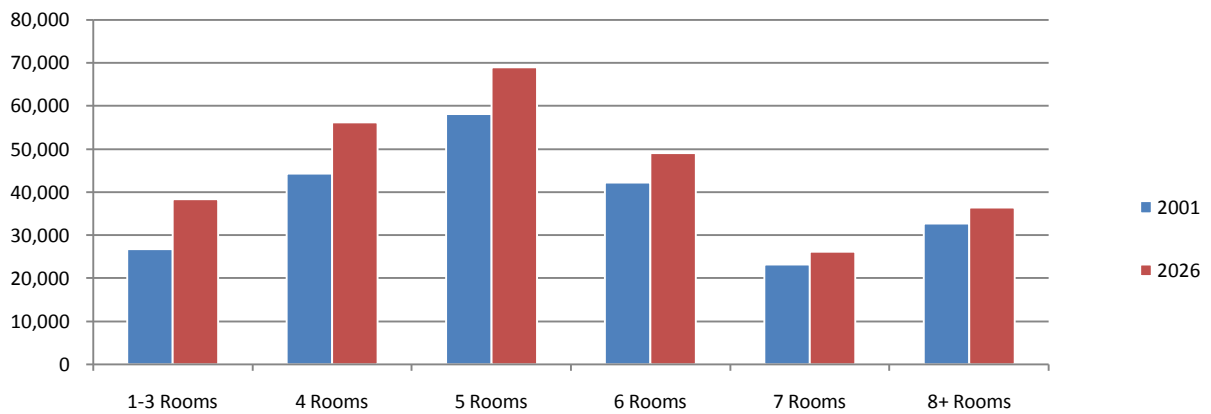
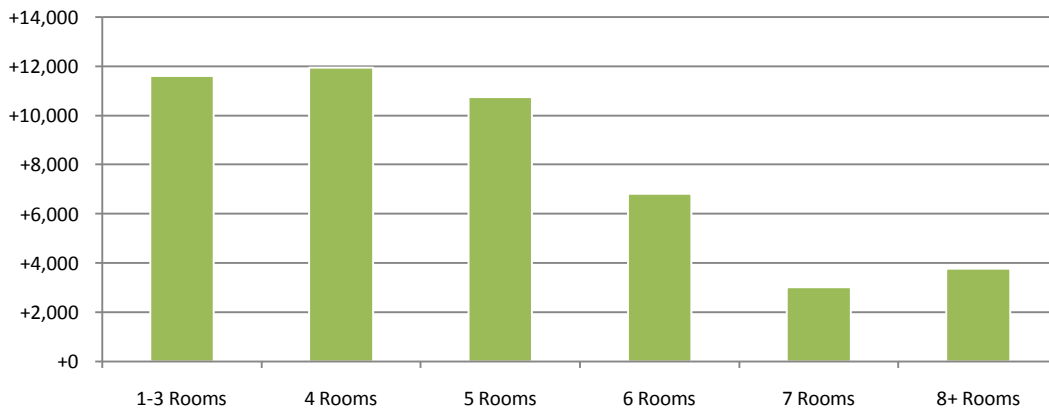
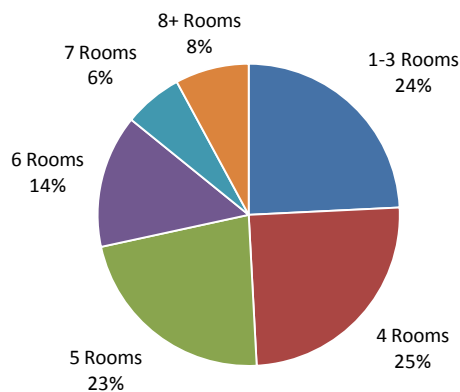


Figure 143
Net Change in Required Housing Size Mix 2001- 2026



8.105 When we consider this mix proportionately, across the whole of the sub-region the size-mix requirement for additional housing can be summarised as being just below a quarter (24%) as having 1-3 rooms, a further quarter (25%) with four rooms, 23% with 5 rooms, 14% with 6 rooms and 6% and 8% for 7 room and 8+ room properties respectively.

Figure 144
Net Change in Required Housing Size Mix 2001- 2026



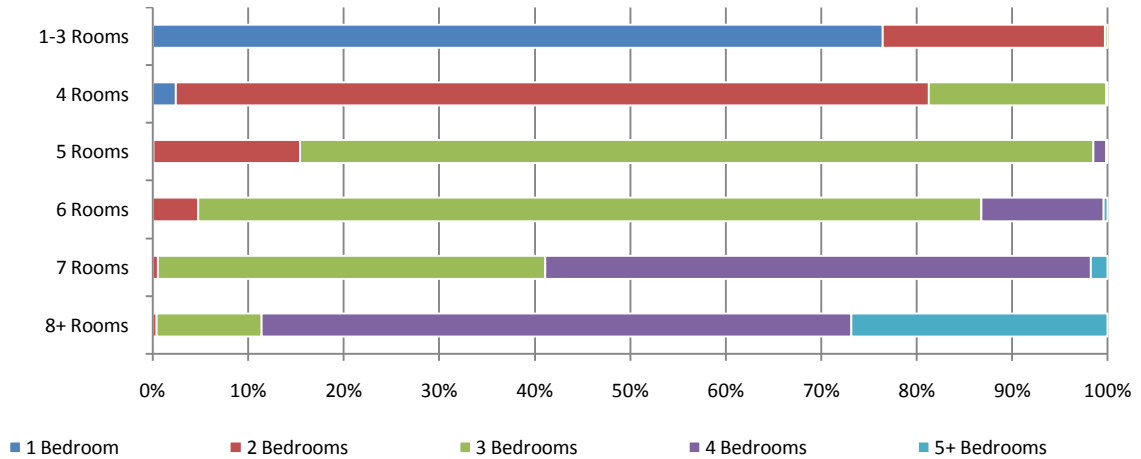
Relating room requirements to bedroom requirements

8.106 Of course, when considering dwelling mix it is often the case that the number of bedrooms is considered in favour of the overall number of rooms in a property – despite data sources such as the

Census and Survey of English Housing typically reporting on the total number of rooms.

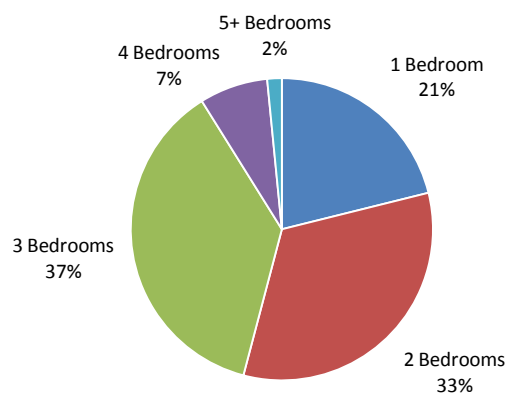
8.107 The following chart summarises the relationship between property size and number of bedrooms from an amalgamated dataset from household interviews completed by ORS. Whilst the data does not relate directly to the LCB East area, it provides a reasonable mechanism for translating between the number of rooms and the number of bedrooms in a property.

Figure 145
 Number of Bedrooms by Number of Rooms (Source: ORS Household Surveys)



8.108 Using the above information, it is possible to consider the additional housing requirement in terms of the number of bedrooms required. It is apparent that around half of the additional housing should be provided as 1 or 2-bed homes (21% and 33% respectively) with 37% being 3-bed properties, 7% being 4-bed homes and 2% of properties requiring 5 or more bedrooms.

Figure 146
 Net Change in Required Housing Size Mix by Number of Bedrooms 2001- 2026



8.109 The appropriate size mix for each of the districts is detailed below.

Figure 147

Size Mix of Housing Requirement to 2026 by LA (Note: Figures may not sum due to rounding)

Housing Type	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford
1 bedroom	21.0%	24.9%	22.4%	23.1%	17.4%	18.8%
2 bedrooms	47.8%	32.7%	28.4%	39.7%	32.2%	29.4%
3 bedrooms	31.2%	36.1%	36.4%	34.3%	41.5%	36.7%
4 bedrooms	-	5.3%	10.5%	2.5%	7.6%	12.1%
5+ bedrooms	-	1.0%	2.4%	0.4%	1.3%	3.1%

Right to Buy Sales

8.110 Up to this point the model has replaced previous and projected right to buy sales in the study area with proportionate to the numbers at the time of the 2001 Census. However, in practice properties have sold at disproportionate rates by bedroom size. The table below list the sales of right to buy properties by bedroom size for each local authority. In general proportionately fewer 1 bedroom dwellings were sold with more 2 and 3 bedroom stock being sold. This is reflected in the modelling results below.

Figure 148

Right to Buy Sales 2001-2009 by LA (Note: Figures may not sum due to rounding)

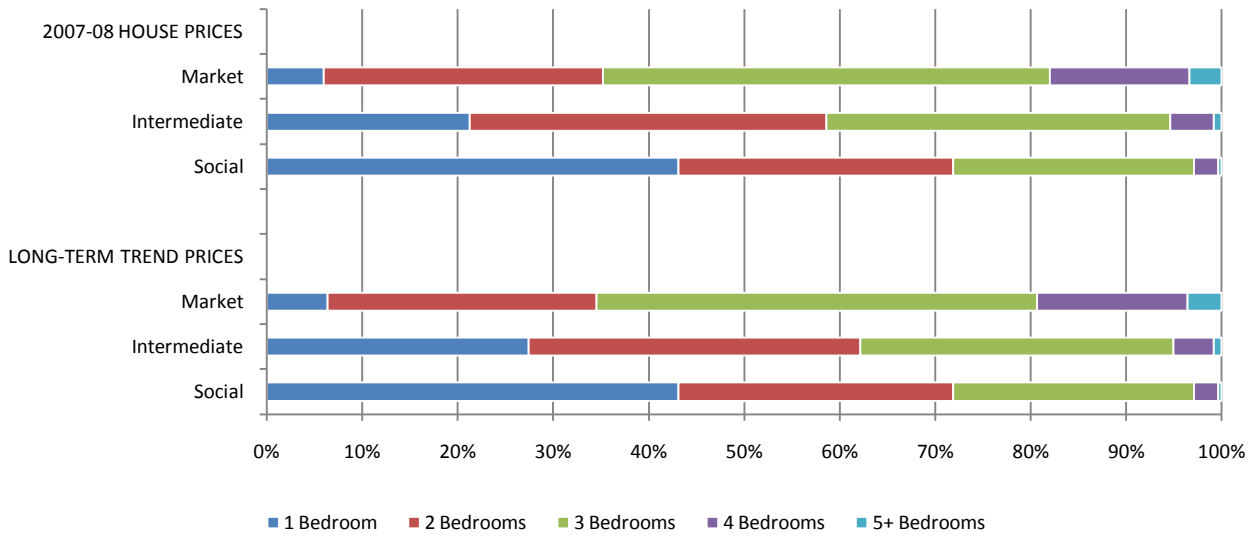
Housing Type	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford
1 bedroom	18%	27%	17%	21%	30%	5%
2 bedrooms	57%	38%	36%	28%	39%	37%
3 bedrooms	23%	32%	45%	44%	27%	55%
4 bedrooms	1%	2%	2%	6%	3%	3%

How the size mix will change according to house prices

8.111 As we have noted earlier, the tenure mix of the overall housing requirement changes with house prices and we have modelled overall requirements based upon 2007/8 average prices and long term trends. The size mix requirement differs by tenure, and is also dependent on the prevailing house prices – although the changes are not that marked (Figure 149):

- 70% of the future requirement for social rented housing is for smaller homes
- 60% of the requirement for intermediate housing is for smaller homes and 40% for larger homes
- 65% of the future requirement for market housing is for larger (3 bedroom or larger) homes

Figure 149
 Net Change in Required Housing Size Mix by Number of Rooms and Tenure



Size Mix Requirement by Local Authority and Housing Sub-market (Long term trend prices)

^{8.112} The size mix for each of the districts and the identified housing sub-markets is detailed below. These findings are discussed in the context of other outputs in the next section.

Figure 150

Size Mix of Housing Requirement to 2026 by LA and Housing Sub-market and as a proportion of each area (Note: Figures may not sum due to rounding)

Housing Type	Local Authority											
	Brentwood	%	Broxbourne	%	East Herts	%	Epping Forest	%	Harlow	%	Uttlesford	%
Market Housing												
1 bedroom	-	0.0%	100	5.9%	300	3.9%	-	0.5%	1,200	12.2%	-	1.0%
2 bedrooms	-	22.2%	700	31.1%	2,000	24.4%	600	31.6%	3,300	33.8%	800	19.4%
3 bedrooms	100	50.2%	1,100	49.0%	3,900	47.3%	900	47.1%	4,200	44.0%	1,900	46.7%
4 bedrooms	-	22.7%	300	11.7%	1,600	19.7%	300	17.2%	800	8.6%	1,100	25.9%
5+ bedrooms	-	4.9%	100	2.2%	400	4.7%	100	3.7%	100	1.5%	300	6.9%
Sub-total	200	100%	2,300	100%	8,300	100%	2,000	100%	9,700	100%	4,200	100%
Intermediate Affordable Housing												
1 bedroom	300	14.9%	200	26.0%	1,900	36.2%	200	12.1%	-	-	800	31.4%
2 bedrooms	900	40.9%	300	33.9%	1,600	30.6%	800	42.7%	-	-	900	32.7%
3 bedrooms	800	38.6%	300	35.4%	1,500	28.7%	700	39.5%	-	-	800	30.5%
4 bedrooms	100	4.8%	-	4.0%	200	3.8%	100	4.8%	-	-	100	4.4%
5+ bedrooms	-	0.9%	-	0.7%	-	0.8%	-	0.9%	-	-	-	0.9%
Sub-total	2,100	100%	900	100%	5,100	100%	1,800	100%	-	-	2,600	100%
Social Rented Housing												
1 bedroom	300	36.3%	600	38.8%	600	41.1%	1,000	40.0%	800	38.0%	400	34.6%
2 bedrooms	400	41.1%	600	35.6%	600	31.8%	800	28.1%	1,000	37.0%	400	34.7%
3 bedrooms	200	20.4%	400	22.8%	500	24.6%	1,000	27.9%	700	22.4%	400	27.4%
4 bedrooms	-	1.8%	-	2.4%	-	2.1%	100	3.7%	100	2.4%	-	2.8%
5+ bedrooms	-	0.3%	-	0.3%	-	0.4%	-	0.3%	-	0.3%	-	0.5%
Sub-total	1,000	100%	1,600	100%	1,800	100%	2,900	100%	2,500	100%	1,300	100%
All Housing												
1 bedroom	600	15.4%	1,000	17.9%	2,800	14.8%	1,200	17.7%	2,000	15.9%	1,300	12.2%
2 bedrooms	1,300	35.1%	1,600	33.4%	4,200	26.7%	2,200	32.3%	4,200	35.1%	2,100	24.6%
3 bedrooms	1,100	37.4%	1,900	39.4%	5,900	40.8%	2,700	38.4%	4,900	40.3%	3,200	40.5%
4 bedrooms	200	10.0%	300	7.8%	1,900	14.3%	500	9.8%	900	7.4%	1,200	18.0%
5+ bedrooms	-	2.1%	100	1.4%	400	3.3%	100	1.9%	100	1.2%	300	4.7%
Total	3,200	100%	4,800	100%	15,200	100%	6,600	100%	12,200	100%	8,100	100%

Local Authority and housing market level housing requirements in terms of tenure and size mix

^{8.113} To enable us to provide a set of outputs for each Local Authority and housing market area, we must turn the sub totals into percentages of the total requirement and then summarise the tenure and size mix information.

^{8.114} Sub totals are in Figure 150 above, tenure sub totals in Figure 151, and size mix proportions is provided in Figure 152.

Figure 151

Tenure Mix of Housing Requirement to 2026 by LA and Housing Sub-market (Note: Figures may not sum due to rounding)

Housing Tenure	Local Authority					
	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford
Market housing	200	2,300	8,300	2,000	9,700	4,200
Intermediate affordable housing	2,100	900	5,100	1,800	0	2,600
Social rented housing	1,000	1,600	1,800	2,900	2,500	1,300
Total Housing Requirement	3,200	4,800	15,200	6,600	12,200	8,100
Market housing	4.9%	48.0%	54.7%	29.6%	79.5%	51.5%
Intermediate affordable housing	65.5%	19.3%	33.7%	26.5%	0.0%	32.4%
Social rented housing	29.6%	32.7%	11.5%	43.9%	20.5%	16.1%

8.115 We have arrived at a summary table of housing requirements based upon Figure 148 to Figure 150.

8.116 Note that in Figure 151 the Affordable column is a sum of social rent and intermediate affordable requirements. This and the market requirement sum to 100%, as do the size requirements. Size requirements are for the additional housing requirement as a whole. We have used the same convention as earlier in the chapter for summary purposes, simplifying the size mix into that are simplified to smaller (1 and 2 bedrooms) and larger (3 bedrooms and larger).

8.117 Clearly the large amount of data here can be summarised in many forms. We believe Figure 152 provides the most useful summary of the overall housing requirement, but other Local Authority level outputs can easily be referenced from the above tables.

Figure 152

Summary of the Housing Requirement to 2026 by Local Authority, HMA and Sub-region.

	Affordable Housing			Market Housing	All Housing	
	Social Rent	Intermediate	Total		Smaller	Larger
Local Authority						
Brentwood	29.6%	65.5%	95.1%	4.9%	58.6%	41.4%
Broxbourne	32.7%	19.3%	52.0%	48.0%	52.8%	47.1%
East Hertfordshire	11.5%	33.7%	45.2%	54.7%	46.6%	53.5%
Epping Forest	43.9%	26.5%	70.4%	29.6%	55.6%	44.4%
Harlow	20.5%	0.0%	20.5%	79.5%	50.1%	49.8%
Uttlesford	16.1%	32.4%	48.5%	51.5%	42.8%	57.1%
Sub-Market						
Brentwood	29.0%	67.8%	96.8%	3.2%	-	-
Harlow & M11 Corridor	18.8%	18.3%	37.1%	62.9%	-	-
Cheshunt & A10 Corridor	30.9%	27.2%	58.2%	41.8%	-	-
Overall Sub-region	21.5%	24.2%	45.7%	54.3%	49.5%	50.5%

Section 9: Intermediate Affordable Housing and Local Incomes

What is an *Effective Intermediate Affordable Rent*?

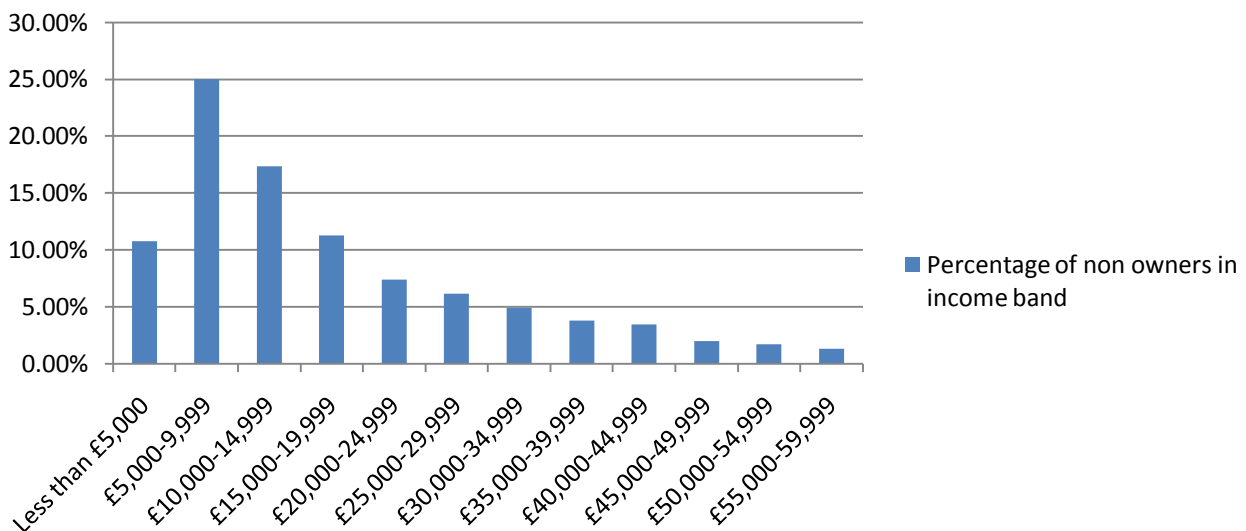
- ^{9.1} The housing requirement to 2026 using long term price trends envisages a significant amount of additional intermediate affordable housing across the LCB (East)/M11 sub-region. The gap between social rent levels and market rent levels can be quite wide and the question arises at what level intermediate rents should be set in order that they are truly affordable to a majority of those households that can afford rents in this price band. This is a very important question as currently the intermediate tenure is small in size. It is potentially an important tool to influence rents and quality in the private rented sector as well as filling the gap that exists in the market. Put simply there is no housing available for healthy single working households, a group that is typically less likely to get access to social housing. Most households in this group live either with parents or share with friends or a partner; or spend a disproportionate amount of their income on rent.
- ^{9.2} We have compiled the following table, Figure 153, to illustrate affordability of rented housing based upon the CLG Practice Guidance affordability level of 25% of gross income for selected towns across the sub-region. We benchmark the information with the minimum wage and market rents as at April 2009. Rents are for Harlow, Hertford and Safron Walden and represent the lowest rent for self contained housing in reasonable condition as advertised on 'Rightmove'.

Figure 153
Income required to service rents by tenure (market rents as at April 2009)

Gross Income £ p.a.	Rent Affordable @ 25% of Gross Income			Reference point		
	£ p.a.	£ p.c.m.	£ p.w.	Harlow	Hertford	Safron Walden (Uttlesford)
10,000	2,500	208	48			
11,040	2,760	230	53	1x minimum wage		
12,080	3,020	252	58	1b social		
13,120	3,280	273	63			
14,160	3,540	295	68			
15,200	3,800	317	73	2b social		
16,240	4,060	338	78			
17,280	4,320	360	83	3b social		
18,320	4,580	382	88			
19,360	4,840	403	93			
20,400	5,100	425	98	4b social		
21,440	5,360	447	103			
22,480	5,620	468	108	2x minimum wage		
23,520	5,880	490	113			
24,560	6,140	512	118			1b market
25,600	6,400	533	123	1b market	1b market	
26,640	6,660	555	128			
27,680	6,920	577	133			2b market
28,720	7,180	598	138	2b market	2b market	
29,760	7,440	620	143			
30,800	7,700	642	148			
31,840	7,960	663	153			
32,880	8,220	685	158			
33,920	8,480	707	163	3b market	3b market	
34,960	8,740	728	168			3b market

9.3 Next we illustrate the distribution of households who are not home owners by income (Figure 155). This figure is a duplicate of for ease of reference. The data table and chart are abridged to focus on lower income households.

Figure 154
Income Distribution of non owners (ORS model)



9.4 The data supporting Figure 154 is the same as is applied to our analysis of affordability as shown in Figure 125 and appears in the following table Figure 155 in an abridged form.

Figure 155
Income Distribution of non owners (ORS model)

Income band	Non owners as proportion of all households by income band		Percentage of non owners by income band	
	%	Cumulative %	%	Cumulative %
Less than £5,000	2.8%	2.8%	10.8%	10.8%
£5,000-9,999	6.4%	9.2%	25.0%	35.8%
£10,000-14,999	4.5%	13.6%	17.3%	53.1%
£15,000-19,999	2.9%	16.5%	11.2%	64.4%
£20,000-24,999	1.9%	18.4%	7.4%	71.8%
£25,000-29,999	1.6%	20.0%	6.2%	77.9%
£30,000-34,999	1.3%	21.3%	4.9%	82.8%
£35,000-39,999	1.0%	22.2%	3.8%	86.6%
£40,000-44,999	0.9%	23.1%	3.5%	90.1%
£45,000-49,999	0.5%	23.6%	2.0%	92.1%
£50,000-54,999	0.4%	24.1%	1.7%	93.8%
£55,000-59,999	0.3%	24.4%	1.3%	95.1%
Over £60,000	1.3%	25.7%	4.9%	100.0%
Total	25.7%		100.0%	

9.5 Analysis of these data leads to the following findings:

- Nearly 80% of non home owning households have less than £30,000 per annum income
- Nearly 50% of non home owning households have less than £15,000 per annum income
- There are peaks in the income distribution. The peak between £10,000 and £14,999 is probably due to the high proportion of single earner households earning national minimum wage. The peak in the income distribution between £5,000 and £9,999 is probably due to benefit dependant households and pensioner households.
- A household with income equivalent to the national minimum wage is unable to afford any housing without Housing Benefit. (Minimum wage is on the basis of a 40hr. week over 50 weeks)
- An income of between 23 and 24k would be required to access self contained market rented housing - although shared housing is available locally and would be cheaper. Whereas an income of just over £14k would be required to fund a 1 bedroom social rented dwelling

9.6 The intermediate gap for single person households is for households earning more, than for households earning between £12,000 and £25,000. The national minimum wage is below the intermediate threshold and incomes of non home owners are clearly skewed toward households earning less than 20K.

- There are 1.5 times more households in the £10,000-£14,999 income band than the £15,000-£19,999 band
- There are 2.3 times more households in the £10,000-£14,999 income band than the £20,000-£24,999 band
- There are 2.8 times more households in the £10,000-£14,999 income band than the £25,000-£29,999 band

Conclusion

- ^{9.7} The higher that Intermediate affordable housing rents are pitched the fewer the people that are able to afford them at Practice Guidance levels (25% of gross income). If the policy aim is that is that intermediate housing should be affordable to a greater number of households rent levels should be pitched nearer social rent levels than market rent levels.
- ^{9.8} Single person households and 1 bedroom housing has been used to illustrate this discussion as this is the simple case. There is a presumption that housing benefit and/or tax credits will assist larger households at low income levels to afford larger housing. Larger households with a single low income will have few housing options due to the higher cost of renting larger homes, because the family budget will not enable them to pay a higher proportion of their income on rent and due to the scarcity of 4 bedroom homes in the affordable sector.

Summary of key findings for sections 8 and 9

- Our research leads us to two broad conclusions;
 - The existing stock of market housing that can be afforded by households is not large enough to satisfy the majority of the identified demand.
 - The need for both social rented housing and intermediate affordable housing cannot be satisfied by the existing stock – hence the identified requirement for additional provision.
- The assessment of future housing requirements is complicated by the short term volatility of house prices and the uncertainty attached to their rate of recovery. Accordingly we have produced two estimates. Firstly we have estimated the requirement using local 2007/8 average prices. Secondly we estimate the requirement based upon local long term house price trends.
- The relationship between quarterly price changes and the underlying trend shows that the long term trend was on average 21.5% lower than the actual house price indices for the year to 31st March 2007.
- When considering the growth in house price and income trends over the period 2007-21, it is estimated that the growth in house prices would be 3.6% more than the growth in income as an average for the whole period.
- The housing requirement between intermediate affordable and market housing changes according to which method of assessing house prices is used.
- The social housing requirement stays constant as this group of households only have enough income to afford social housing rents. The requirement for intermediate housing reduces and market housing increases proportionately when lower prices from long-term trends are used.
- The following outputs are based upon long term house price trends

Future housing requirements to 2026 based upon long term house price trends

- The overall housing requirement is for 50,100 additional dwellings
- The SHMA suggests that at the sub-regional level 46% should be affordable housing and 54% market housing.
- These figures vary quite widely across the individual local authority areas – for example, Brentwood is showing that affordable housing accounts for 95% of the additional housing requirement of the borough (made up of 30% social rent and 65% intermediate affordable housing), whereas the analysis for Harlow suggests 21% affordable housing (all being social rent).
- The SHMA also estimates the size mix of the future housing requirement. In general terms for each Local Authority:
 - The market housing requirement is for 3 bedrooms and above
 - The social housing requirement is mostly for 1-2 bedrooms
 - The intermediate requirement is mostly for 2-3 bedrooms
 - However it should be noted that the small requirement for 4 bedroom plus social housing is significant due to the low supply of such housing in this tenure
- It should also be noted that the majority of households in the intermediate affordable housing gap have incomes toward the lower end of the income range. If intermediate affordable housing products are to be affordable to them then housing costs will have to be nearer social rent levels.

Section 10: Understanding Specific Sub-groups

- ^{10.1} Whilst we have established an understanding of the housing needs and housing requirements of the overall population across London Commuter Belt (East)/M11 sub-region, the following section considers the needs of certain sub-groups of the population – in particular where their needs may differ from the needs of the general household population.
- ^{10.2} The sub-groups considered by the study included:
- Housing needs of older people and those with supported housing and health needs;
 - Black and minority ethnic (BME) population;
 - Gypsies, Travellers and Travelling Showpeople;
 - Rural households.
- ^{10.3} It is important to note that whilst the following sections provide a general context for each of these identified groups, independent studies which profile the requirements in further detail already exist for some sub-groups whereas others may warrant further research to expand on and better understand some of the key issues identified. It is not considered that there are any specific housing issues related to key workers that have not been considered satisfactorily within the sections on intermediate tenure.
- ^{10.4} It should also be noted that the needs of students are not considered as part of this study owing to the small numbers currently resident in any part of LCB (East)/M11 sub-region. However, there are plans to open a new Anglia Ruskin University building in Harlow during the academic year 2008-2009 which will create a higher education centre in the town, focussing mainly on foundation degrees driven by the needs of local industry. This is likely to have an impact on the demographic and economic profile of Harlow and should therefore be considered in the development plans for the area.

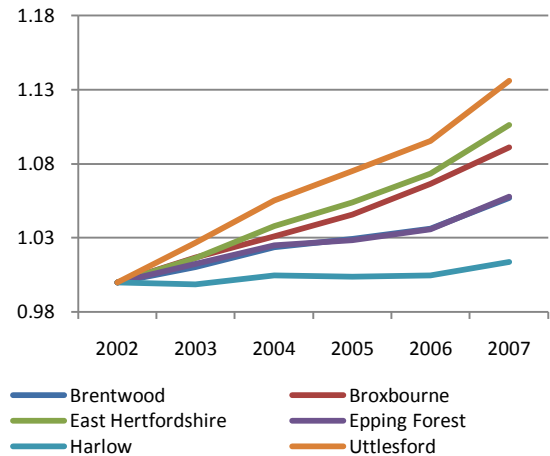
The Needs of Older People and Other Supported Housing Issues

Older People

- ^{10.5} As shown previously in Figure 46 (chapter 5) the age structure of the population of the London Commuter Belt (East)/M11 sub-region is very similar to that for England and Wales as a whole. There are proportionately more adults aged 30-74 years and fewer aged over 15-29 years. There are also slightly fewer older persons aged over 75 and slightly more children aged 0-9 years.
- ^{10.6} Figure 47 (chapter 5) showed that although there is little difference in the age profiles of any of the authorities in the sub-region there are slightly higher proportions of older persons in Brentwood and Epping Forest compared to the remaining authorities in the sub-region. Almost 10% of the population of Brentwood and Epping Forest are aged 75 years or above.
- ^{10.7} The household structure of London Commuter Belt (East)/M11 sub-region shows that around a quarter of households contain only pensioners and over 13% of these are single pensioner households.

10.8 The growth in the older population of the study area can be shown through an analysis of the number of people receiving the state pension. Treating 2002 as the base year, this shows that the number of people claiming the state pension has risen in all of the authorities with East Hertfordshire and Uttlesford both having had growth of over 10% in the last 5 years. Brentwood and Epping Forest have grown at an almost identical rate.

Figure 156
People Receiving State Pension by Local Authority 2002-2007
 (Source: DWP. Note: Data relates to May of each year)



10.9 The ONS revised sub-national population projections also give an estimation of how the older population is likely to grow in the future. Over the 25 year period 2004-2029, an additional 62,000 people are projected to be living within the study area. 12,200 of these additional people are projected to be aged 85 or over with a further 31,400 aged 65-84 years.

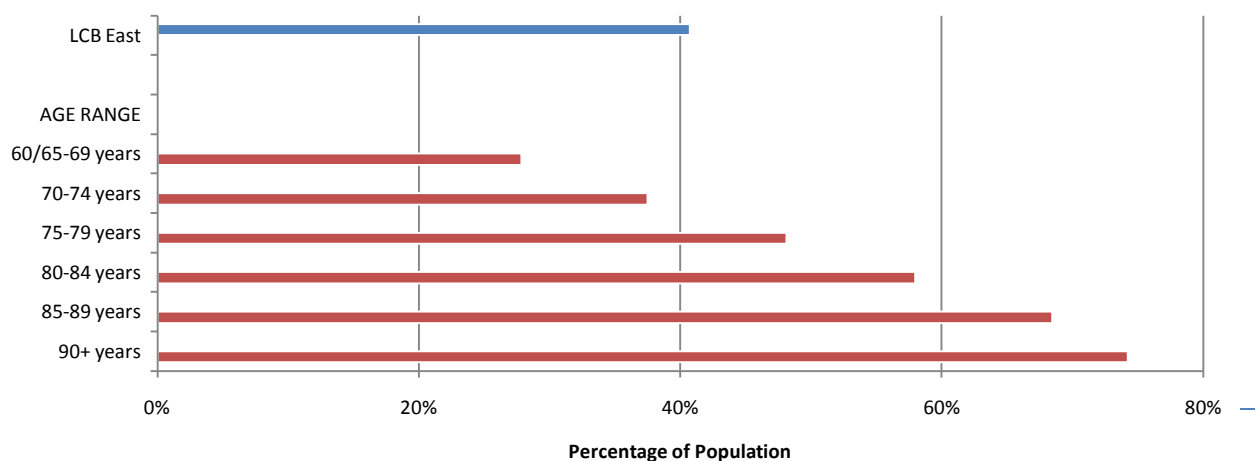
Figure 157
Persons by Local Authority (Source: ONS Revised Sub-national Population Projections: 2004 based data. Note: Figures may not sum due to rounding. Figures in brackets denote decrease in population)

Population	Brentwood	Broxbourne	East Hertfordshire	Epping Forest	Harlow	Uttlesford	Total
Net Change 2006-2021							
65-69	1,000	1,700	2,700	2,700	1,100	1,900	11,100
70-74	300	900	1,800	1,300	300	1,400	6,000
75-79	300	1,100	2,100	700	200	1,400	5,800
80-84	1,000	1,500	2,500	1,300	400	1,800	8,500
85+	1,900	1,700	3,400	2,100	1,200	1,900	12,200
Total	9,100	11,000	18,500	13,100	2,200	8,100	62,000

Health

10.10 Data from the 2001 Census indicates that over 40% of people of pensionable age suffer from a limiting long-term illness. This figure is 27.5% for those aged up to 70 years, but rises rapidly to over two-thirds for those aged 85 years and above. Therefore, the forecasted growth in the older population of the study area is likely to see more people with support needs in the future.

Figure 158
Limiting Long-term Illness of Older People by Age Group (Source: UK Census of Population 2001. Note: Data is for females aged 60 years and over and males aged 65 years and over)



Access to a Car or Van

^{10.11} Another factor which affects older populations is access to services. Figure 159 and Figure 160 show that pensioner households are much less likely to have access to a car or van than the population of the sub-region as a whole. 42.8% of pensioner households do not have access to a car or van and therefore are far more dependent upon public transport than the rest of the population.

Figure 159
Number of Cars or Vans: All Households (Source: UK Census of Population 2001)

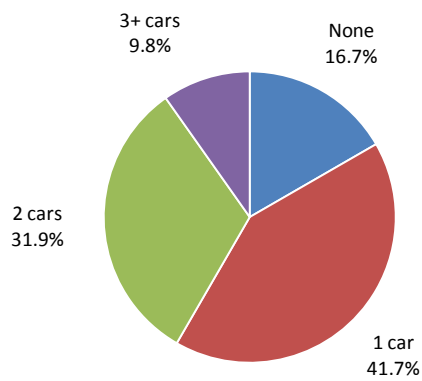
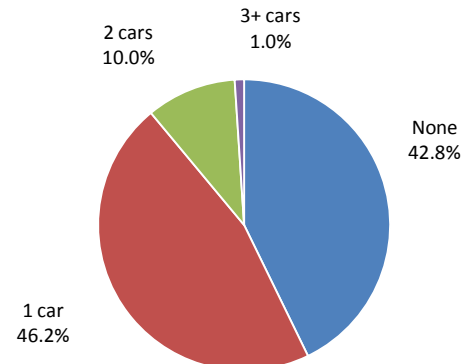


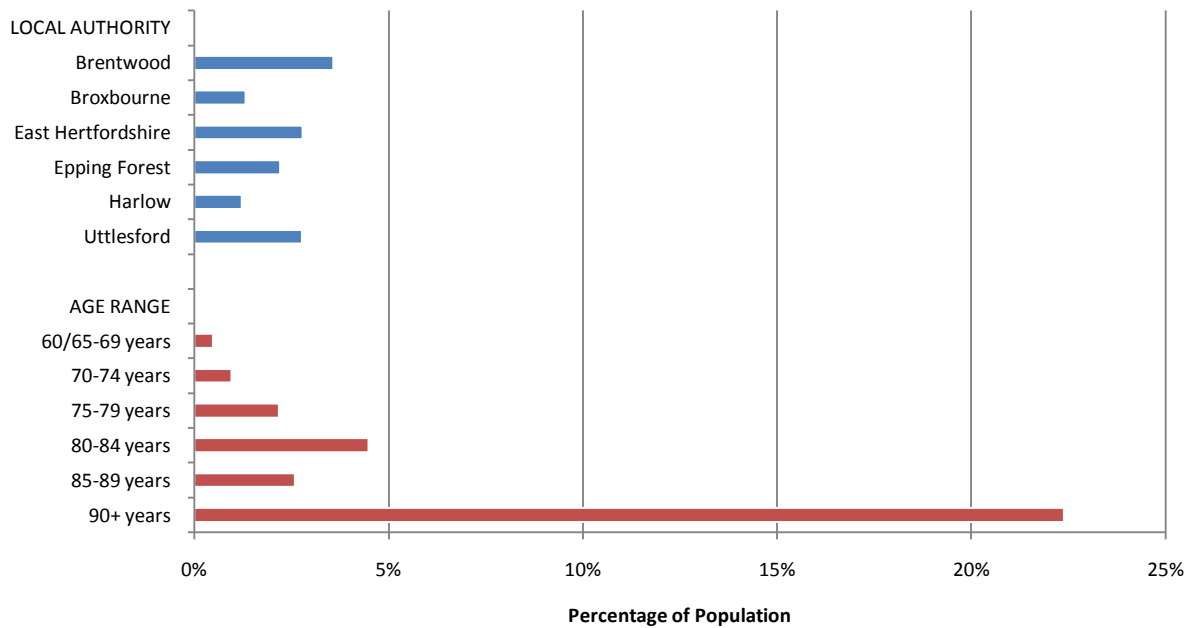
Figure 160
Number of Cars or Vans: Pensioner Households (Source: UK Census of Population 2001)



Tenure

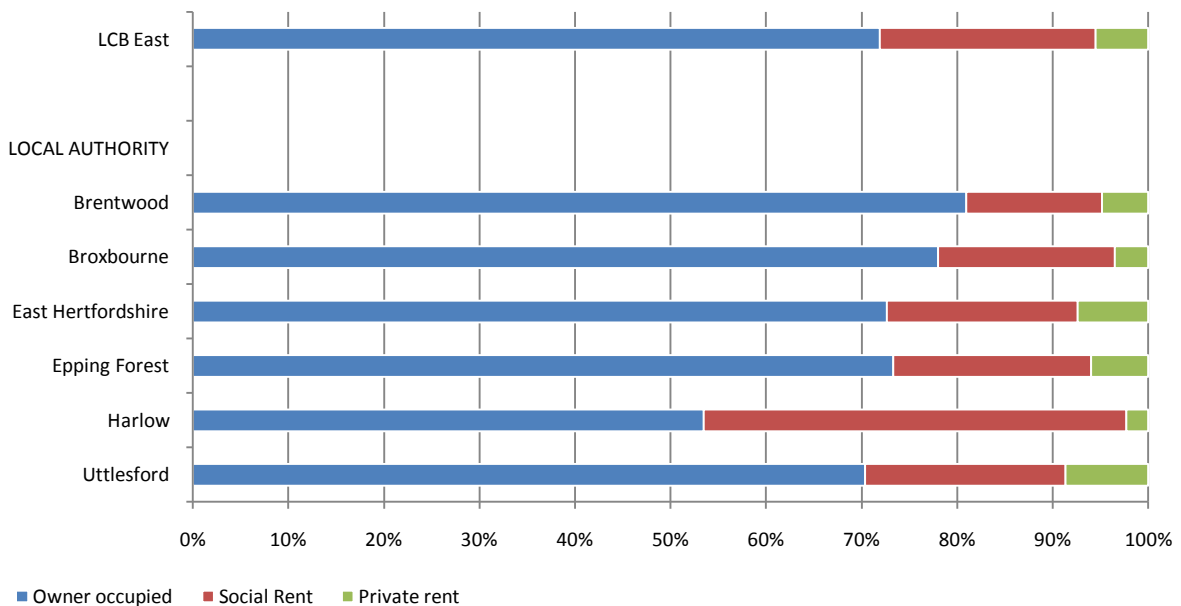
^{10.12} Figure 161 shows that across the local authorities between 1% and 4% of older persons live in communal establishments, mainly medical and care establishments. This is almost 5% for those aged 80-84 years and slightly under a quarter of all those aged 90 years or more. Therefore, the growth of the older population is likely to require an increase in care and medical provision for them.

Figure 161
 Proportion of Older People in Communal Housing by Type of Establishment by Local Authority and Age Group (Source: UK Census of Population 2001. Note: Data is for females aged 60 years and over and males aged 65 years and over)



^{10.13} For those pensioner households in the private housing, over 70% are in owner occupied dwellings. Very few pensioner households are to be found in the private rented sector although almost 10% of pensioner households in Uttlesford are privately rented which follows the pattern for the whole of the population in Uttlesford.

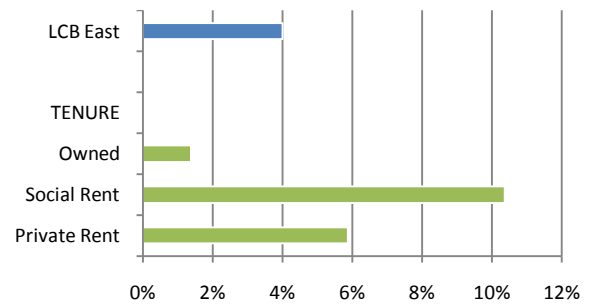
Figure 162
 Tenure of Pensioner Households by Local Authority (Source: UK Census of Population 2001)



10.14 Figure 163 illustrates that a total of 4% of pensioner households across the sub-region lived in overcrowded conditions at the time of the 2001 Census.

10.15 When considering the differences by tenure, under 2% of owner occupied dwellings were overcrowded. However, over 10% of social rent and marginally fewer than 6% of private rent dwellings were overcrowded.

Figure 163
Proportion of Pensioner Households Overcrowded by Tenure
(Source: UK Census of Population 2001)



Supporting People

10.16 The Supporting People team, funded by Essex County Council (ECC), co-ordinate older people's support services across Essex. They provide housing related support to enable older people to live as independently as possible for as long as possible.

10.17 The strategic review of the 'Future of Supported People Funded Services for Older People in Essex' baseline report reveals that the distribution of supported housing services in the Essex districts (for LCB(East)/M11 these are Epping, Harlow, Uttlesford, Brentwood) is not in line with need. In total there are 11,281 units and 386 services for older persons across Essex. Across the study area, there are 2,165 units in Brentwood, 1,393 in Epping, 938 in Harlow and 643 in Uttlesford. There is more supply than local demand in Epping, Harlow and Uttlesford, which continues, despite the rise in the numbers of over 65's, until 2025. Brentwood has a small oversupply at present but supply is in line with need by 2025. However in all areas much of the current accommodation is not fit for purpose either in terms of meeting the decent homes standard by 2010 or in meeting DDA compliance regulations. It should also be noted that just over £8 million (27% of the Supporting People's budget) has been spent on older people's services. The housing related support for older people is currently (2008) being reviewed by the Essex Supporting People team. Harlow are currently considering the housing needs of their older population.

10.18 Housing for frail older people is also being reviewed in Hertfordshire (for LCB(East)/M11 this includes East Hertfordshire and Broxbourne). Hertfordshire Adult Care Services is suggesting an increase in accommodation for frail older people by 619 places in 2010. The proposals include an increase in extra care housing, which will result in a total of 1833 places by 2010. These will be split between 1050 residential places (reduction from 2005 of 425 places) and 783 extra care housing (increase from 2005 of 650 places). These plans are at an early stage and need to take account of:

- Hertfordshire Supporting People strategy to increase extra care housing and remodel sheltered accommodation.
- Development of intermediate care jointly by the PCT and Adult Care Services in integrated facilities providing care home places, with specialist and intermediate care.
- Reviews of sheltered accommodation by district councils.

Housing Issues related to Minority Ethnic Groups

^{10.19} This section of the report seeks to provide a baseline understanding of housing issues relating to minority ethnic groups in the local area, drawing on a wide range of secondary data sources.

The BME Population

^{10.20} The 2001 Census contains detailed information on the ethnicity of the population of London Commuter Belt (East)/M11 sub-region. The 2001 Census classified ethnic groups on the basis of sixteen categories which are standardised across all UK government sources (Figure 164). This classification is also used by the Commission for Racial Equality (CRE) and many other organisations interested in analysing information about BME communities. These sixteen categories can be grouped together into five aggregate groups – these being White, Mixed, Black, Asian and Other – and some information sources do not provide any details beyond these broad groupings (though White British and White Non British are sometimes reported independently).

Figure 164

Ethnic Group Classification (Source: UK Census of Population 2001)

Broad Ethnic Group	Detailed Ethnic Group Classification
White	White: British
	White: Irish
	White: White Other
Mixed	Mixed: White and Black Caribbean
	Mixed: White and Black African
	Mixed: White and Asian
	Mixed: Other Mixed
Asian	Asian or Asian British: Indian
	Asian or Asian British: Pakistani
	Asian or Asian British: Bangladeshi
	Asian or Asian British: Other Asian
Black	Black or Black British: Black Caribbean
	Black or Black British: Black African
	Black or Black British: Other Black
Other	Chinese or Other Ethnic Group: Chinese
	Chinese or Other Ethnic Group: Other Ethnic Group

^{10.21} Information from the Census is based on individual responses – insofar as each person must decide themselves to which ethnic group they belong – and this inherently introduces some degree of inaccuracy into the data. For instance, when we consider those people who were born in the Middle East, there is a clear division between those classifying themselves as “Asian Other” and those choosing “Other Ethnic Group” despite their actual origins being the same.

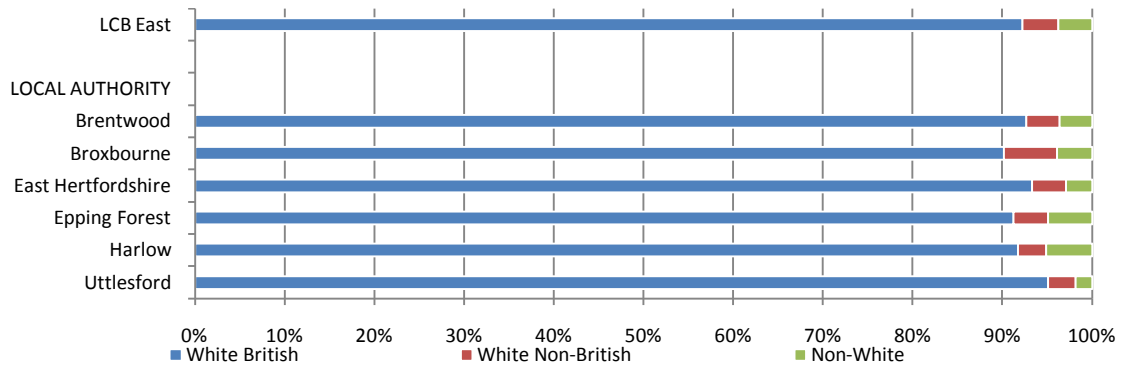
^{10.22} In the 2001 Census the Black and Minority Ethnic (BME) population in London Commuter Belt (East)/M11 sub-region comprised 7.8% of the total population– including 4% of the population who were White, but not White British, and a further 3.8% who could be considered as a Non-White population.

^{10.23} Uttlesford had the highest proportion of White British (95%) and Broxbourne the highest BME population – including 6% of the population who were White, but not White British and a further 4% who were Non-White. Harlow and Epping Forest have the highest Non-White population at 5.1 and

4.9% respectively. However, it should be noted that all authorities have relatively small BME populations.

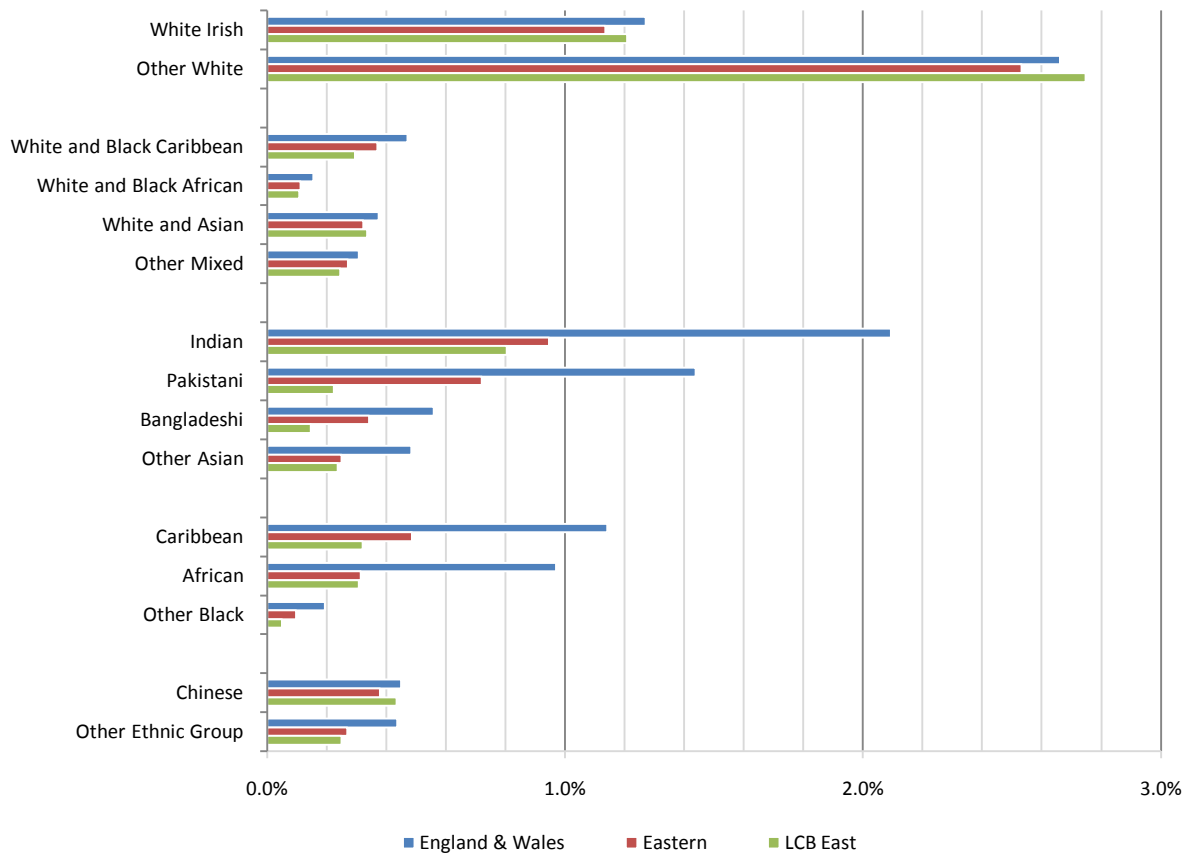
Figure 165

Population of LCB (East)/M11 sub-region by LA (Source: UK Census of Population 2001)



^{10.24} The comparison between the ethnic minority population of London Commuter Belt (East)/M11 sub-region the Eastern region and England and Wales at the time of the 2001 Census is shown in Figure 166. As previously noted the BME population (including White Non-British and Non-White residents) accounted for 7.8% of the total – compared with 8.6% for the Eastern region and 12.5% for England and Wales as a whole. The Non-White population in London Commuter Belt (East)/M11 sub-region (3.8%) compares with 4.9% in the Eastern region as a whole, and 8.7% for England and Wales as a whole. London Commuter Belt (East)/M11 sub-region's largest ethnic groups, as classified by the 2001 Census, are White Other (2.7%), White Irish (1.2%) and Indian (0.8%) ethnic groups.

Figure 166
 Black and Ethnic Minority Population by Ethnic Group in 2001 (Source: UK Census of Population 2001)



Age Profile and Household Structure

^{10.25} From a comparison between the age profile of the visible Non-White BME population and the White British population (Figure 167) it is apparent that the visible non-white BME population is much younger, with a far higher share of the population aged less than 45 years.

^{10.26} If the age profile of the Other White population is compared with the White British population a different pattern emerges (Figure 168). It is clear that there are fewer children and young adults aged less than 25 years but more adults aged 25-69. This probably represents single people of working age moving into the area looking for employment.

Figure 167
Difference between Age Profile of Non-White BME and White British Population (Source: UK Census of Population 2001)

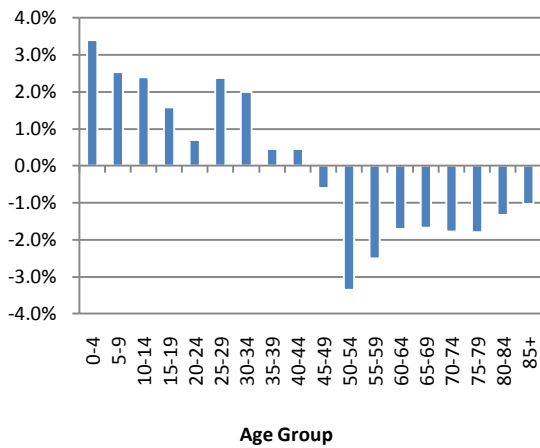
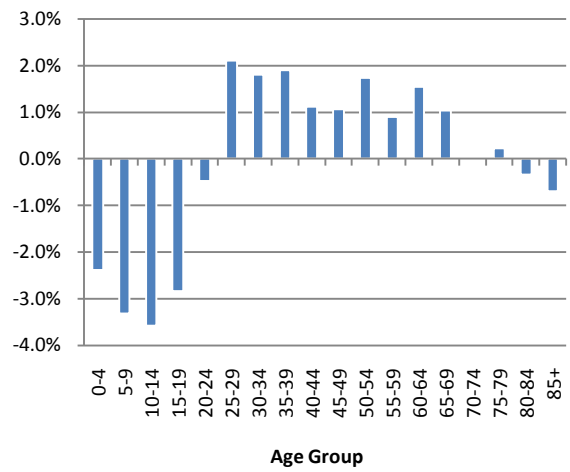
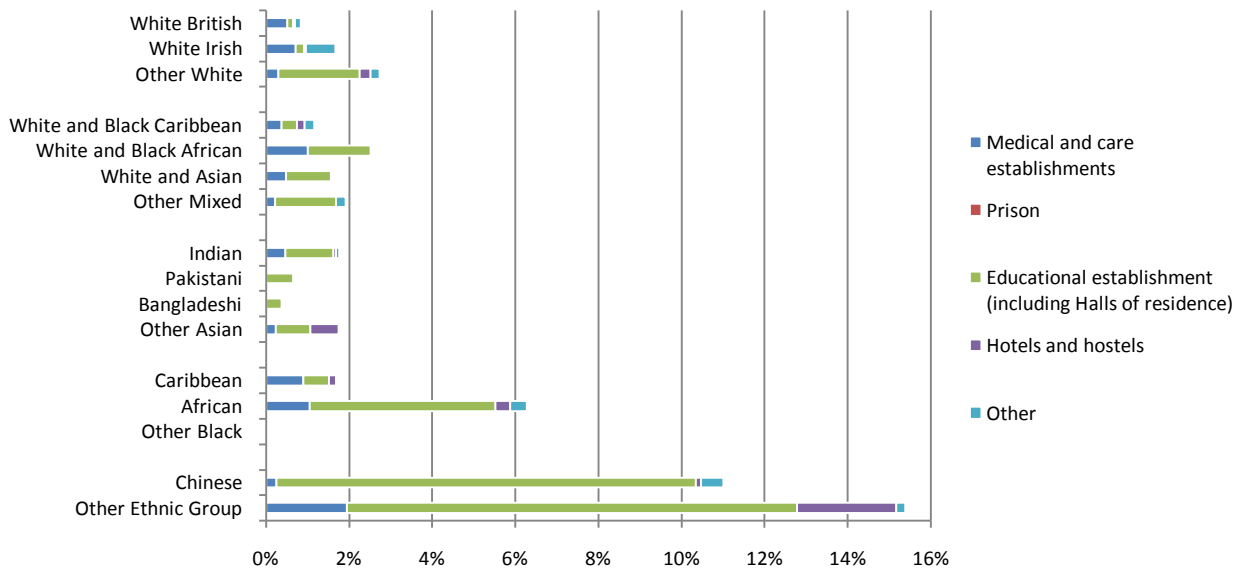


Figure 168
Difference between Age Profile of Other White and White British Population (Source: UK Census of Population 2001)



10.27 It must be remembered that not all people live in self contained households. Figure 169 shows that around 11% of the Chinese ethnic group live in communal establishments, with many in education halls of residence. Many members of the Black African Ethnic groups and also those from the Other Ethnic Group category are also to be found in communal establishments.

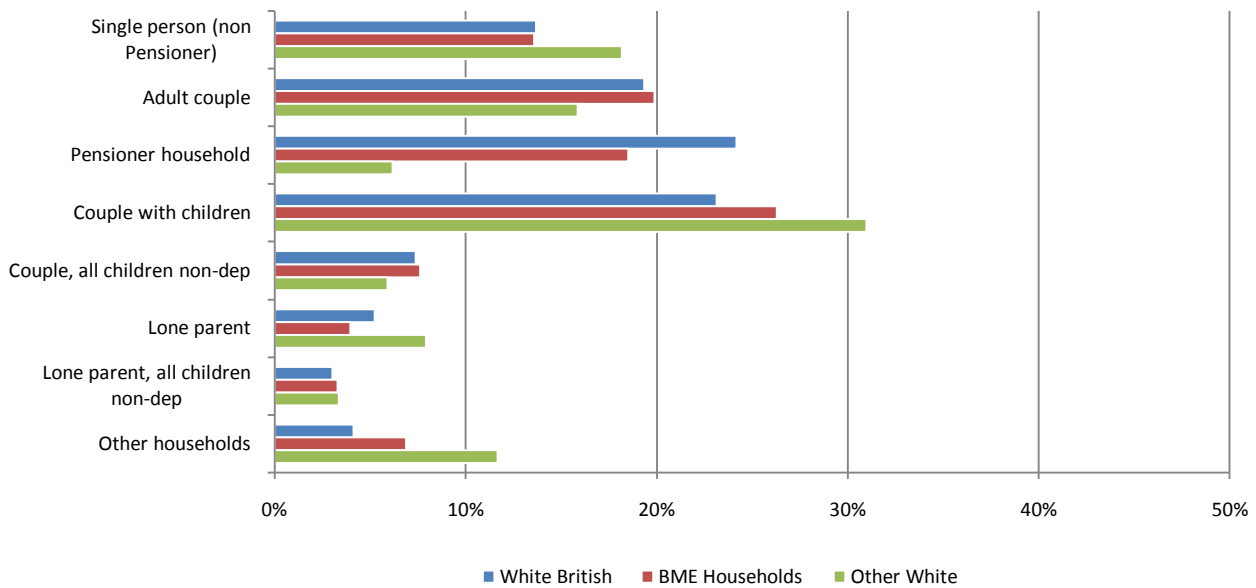
Figure 169
Proportion of People in Communal Housing by Type of Establishment by Ethnic Group (Source: UK Census of Population 2001)



10.28 The private household structure of the non-White BME and Other White population of London Commuter Belt (East)/M11 sub-region is distinct from that of the White British population. As Figure 170 indicates, the BME population was more likely to be living in a household containing a couple with children and much less likely to contain all pensioners – this is even more exaggerated in the Other White population. Interestingly, only 4% of White British households are living in the “Other” households, while 7% of BME households and 12% of Other White Other households fall into this category. This group includes student and other multi-adult households in shared accommodation, inter-generational households and other less common groups, which were not covered by the more

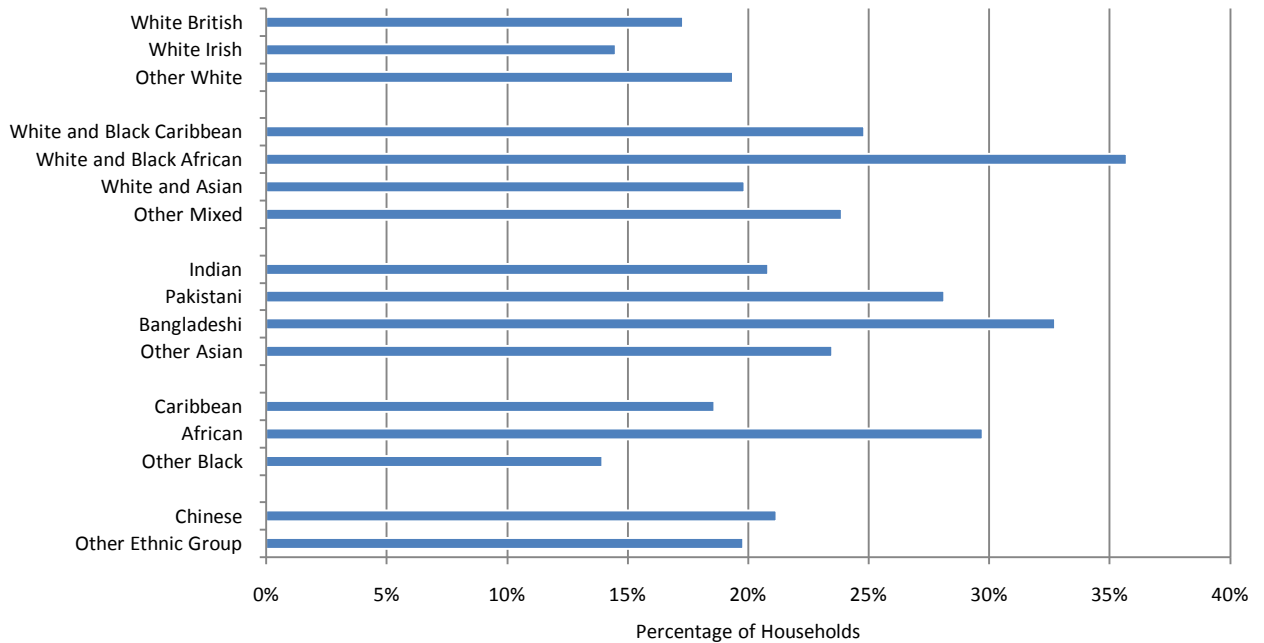
traditional categories. The Other White population are also more likely to be living alone or be a lone parent.

Figure 170
Household Structure by Ethnic Group (Source: UK Census of Population 2001)



^{10.29} Household structure is further considered in Figure 171 which shows the proportion of households with two or more dependent children by ethnic group. Over 35% of Mixed White and Black African and over 30% of Bangladeshi households contained two or more children. Almost 30% of African and Pakistani households also contained two or more children. However, almost all BME groups were more likely to contain two or more dependent children than White British households. Again, it should be noted that these results refer only to non-communal households.

Figure 171
Households with 2 or more Children by Ethnic Group (Source: UK Census of Population 2001)



International Migration

10.30 In recent years the UK has experienced a noticeable increase in the number of migrant workers arriving from overseas. Records of the location of these workers are imperfect, but one measure of where they moved to is the number of new National Insurance numbers issued to workers in particular locations.

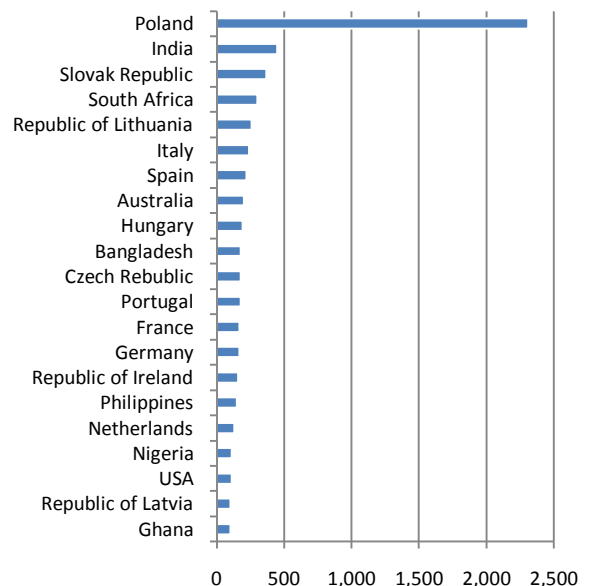
10.31 Figure 172 shows that over two years in 2006 and 2007 a total of 7,720 new National Insurance numbers to non-UK nationals were issued in London Commuter Belt (East)/M11. This group of workers represent around 1.4% of all people living in the area.

10.32 Figure 173 shows that almost a third of all new national insurance registrations in LCB (East) /M11 sub-region was issued to Polish nationals and almost 6% to Indian nationals.

Figure 172
New National Insurance Registrations of Non-UK Nationals in LCB (East)/M11 2006 and 2007 by Local Authority (Source: DWP)

Local Authority	New NI Registrations of Non-UK Nationals
Brentwood	730
Broxbourne	980
East Hertfordshire	2,160
Epping Forest	1,160
Harlow	1,650
Uttlesford	1,040

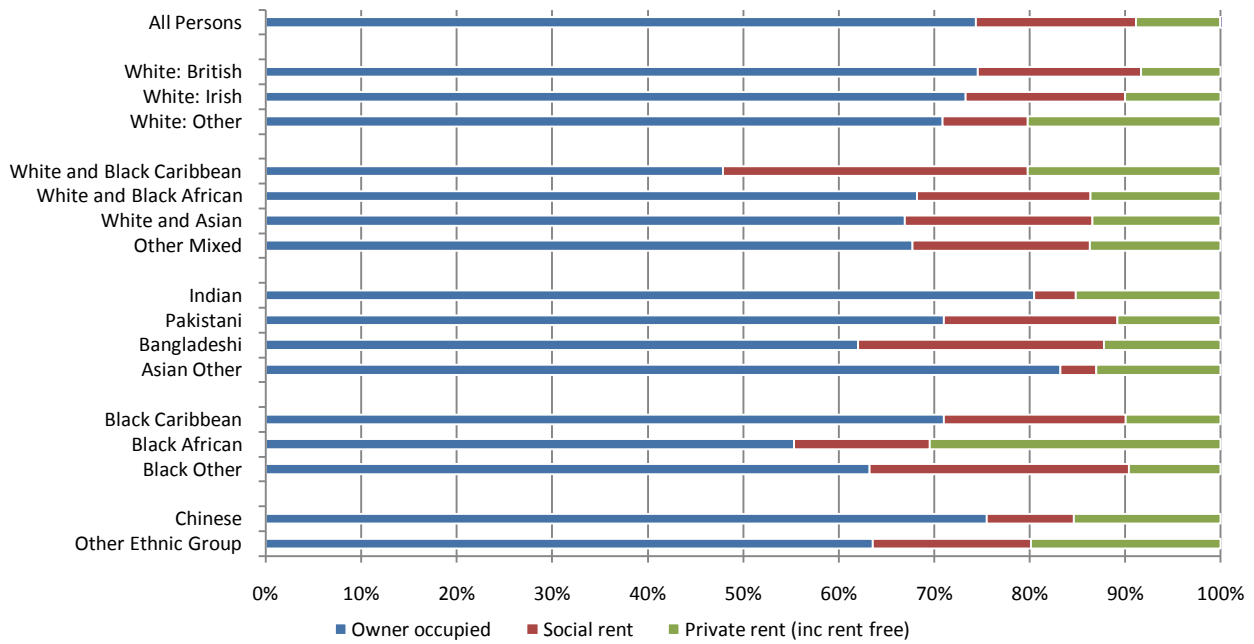
Figure 173
New National Insurance Registrations of Non-UK Nationals in LCB (East)/M11 2006 and 2007 by Country of Origin (Source: DWP)



Housing Tenure

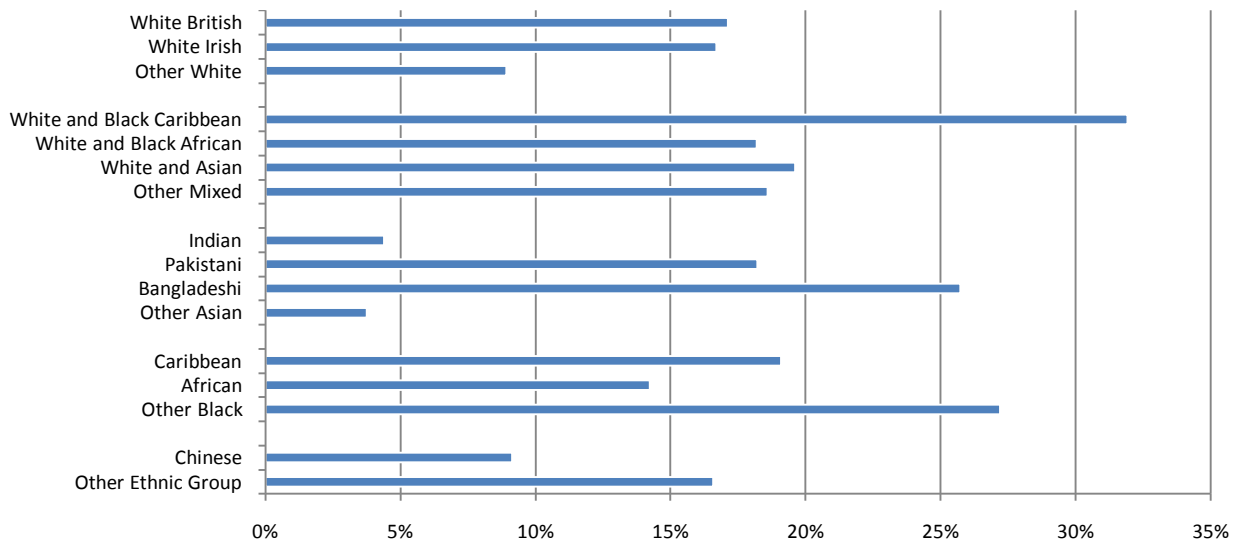
10.33 Figure 174 shows how the private household’s tenancy was divided by ethnic group. Over 80% of the Indian and Asian Other population live in owner occupied dwellings which is comfortably higher than the White British population. Meanwhile, over 30% of the Black African and around 20% of the Other Ethnic Group. Mixed White and Black Caribbean and White Other population live in the private rented sector. Therefore, there are considerable differences in the tenures occupied by different ethnic groups.

Figure 174
Housing Tenure by Ethnic Group (Source: UK Census of Population 2001)



10.34 Figure 175 shows how the proportion of households in the social rented sector varies by ethnic group. This shows that over a third of Mixed White and Black Caribbean households in the sub-region can be found in the social rented sector. Over 25% of households from the Bangladeshi and Other Black ethnic groups are also living in social rented accommodation.

Figure 175:
Social Renting by Ethnic Group (Source: UK Census of Population 2001)



^{10.35} Figure 175 also records all tenants of socially rented accommodation. Many of these residents would have been in situ for a long period of time. Given that the non-White BME population is typically younger it is interesting to explore the more recent pattern of lets.

Figure 176

Share of Households in Social Housing and Social Lets 2005-2008 for Ethnic Groups (Source: CORE project for the Joint Centre for Scottish Housing Research and UK Census of Population 2001 Note: Figures may not sum to 100% due to rounding)

Ethnic Group	Share of all Households	Share of Households in Social Housing in 2001	Share of RSL Lets 2004-2007
White: British	92.8	94.7	87.9
White: Irish	1.5	1.5	0.6
White: Other	2.8	1.5	2.8
All White	97.1	97.7	91.3
White and Black Caribbean	0.1	0.2	1.2
White and Black African	0.0	0.0	0.4
White and Asian	0.2	0.2	0.2
Other Mixed	0.1	0.1	0.6
All Mixed	0.4	0.5	2.4
Indian	0.7	0.2	0.2
Pakistani	0.2	0.2	0.4
Bangladeshi	0.1	0.2	0.4
Asian Other	0.2	0.0	0.5
All Asian	1.2	0.6	1.5
Black Caribbean	0.4	0.5	0.8
Black African	0.3	0.2	1.8
Black Other	0.1	0.1	0.2
All Black	0.8	0.8	2.8
Chinese	0.3	0.2	0.2
Other Ethnic Group	0.2	0.2	0.3
All Other	0.5	0.4	0.5
ALL HOUSEHOLDS	100	100	100

^{10.36} Figure 176 compares the recent pattern of lets in the sub-region with the data covering the period from April 2005 to March 2008 for lets in the area. It also compares the share of households where the respondent came from a particular ethnic group at the time of the 2001 Census with the proportion of that ethnic group who reside in social housing and social housing lets to that group. The table also shows the cumulative total for each of the broad ethnic groups for ease of reference.

^{10.37} Since 2005, the share of lets to many BME groups has been slightly above their population share, but it is still the case that 87.9% of lets have been to the White British group.

Housing Conditions

^{10.38} More general housing conditions are reflected in Figure 177 which shows overcrowding. The room occupancy rating uses a complicated formula to assess whether a household is overcrowded. This method assumes that every household requires at least two common rooms excluding bathrooms. The number of bedrooms required is assumed to depend on the composition of the household, with for example the age and gender mix of any children playing a large role in deciding how many rooms the house should have so as not to be termed overcrowded.

^{10.39} Figure 177 shows the percentage of households who had a score of -1 or less. This indicates that the household had at least one room too few for the needs of its occupants. The results indicate that on this measure 24.1% of Bangladeshi, 22.4% of Black African, 20.3% of Chinese and 18% of Pakistani households were overcrowded. In comparison, the lowest proportion of overcrowding was for the White British group at 5.1%.

Figure 177

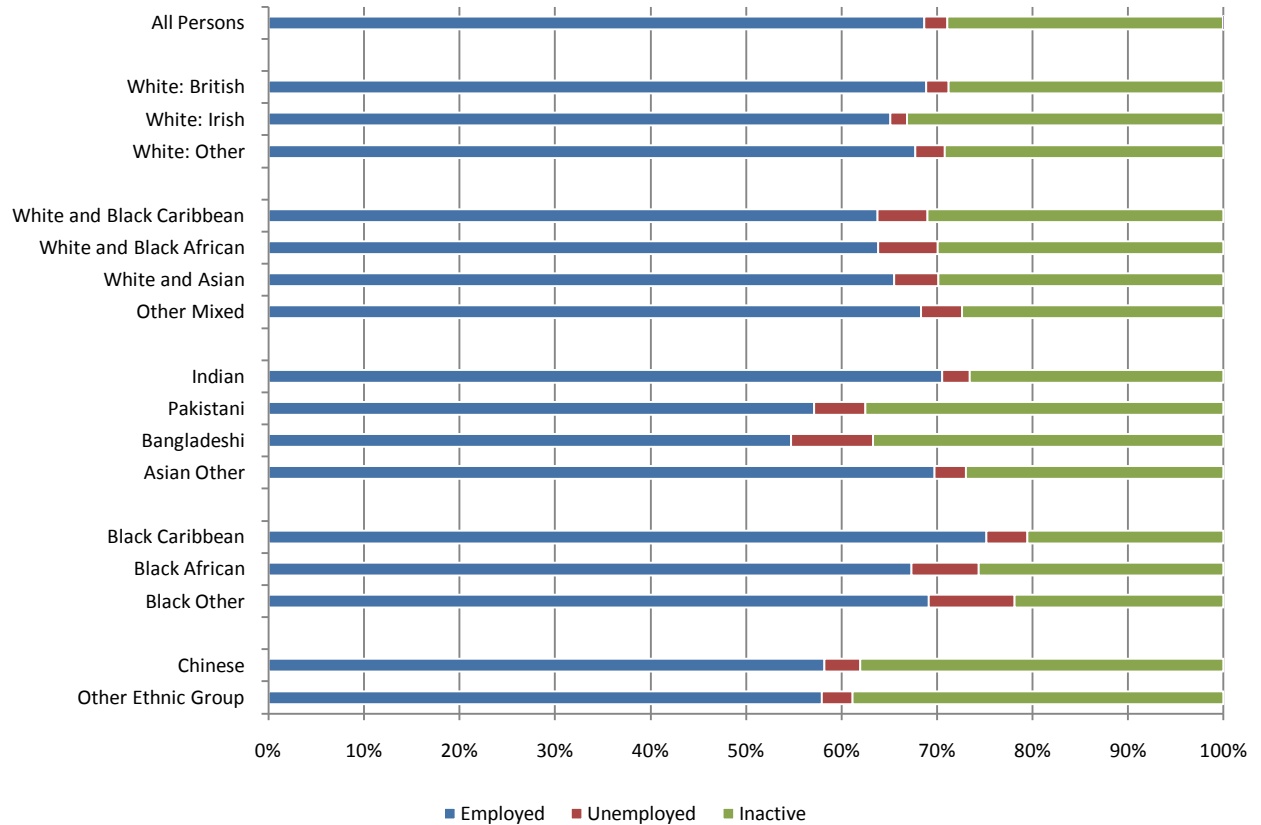
Overcrowded Households by Ethnic Group (Source: UK Census of Population 2001)

Ethnic Group	Percentage of Households which are Overcrowded
White: British	5.1
White: Irish	5.8
White: Other	9.1
All White	5.1
White and Black Caribbean	13.5
White and Black African	21.1
White and Asian	9.4
Other Mixed	8.5
All Mixed	10.1
Indian	10.7
Pakistani	18.0
Bangladeshi	24.1
Asian Other	14.1
All Asian	13.6
Black Caribbean	12.6
Black African	22.4
Black Other	16.9
All Black	16.0
Chinese	20.3
Other Ethnic Group	16.1
All Other	18.6
ALL HOUSEHOLDS	5.5

Economic Activity

^{10.40} Many of the above conclusions can be reinforced by analysing the economic activity of working age individuals. Figure 178 shows that the inactivity rate among the Pakistani, Bangladeshi, Chinese and Other Ethnic group population was almost 40% of the working age population.

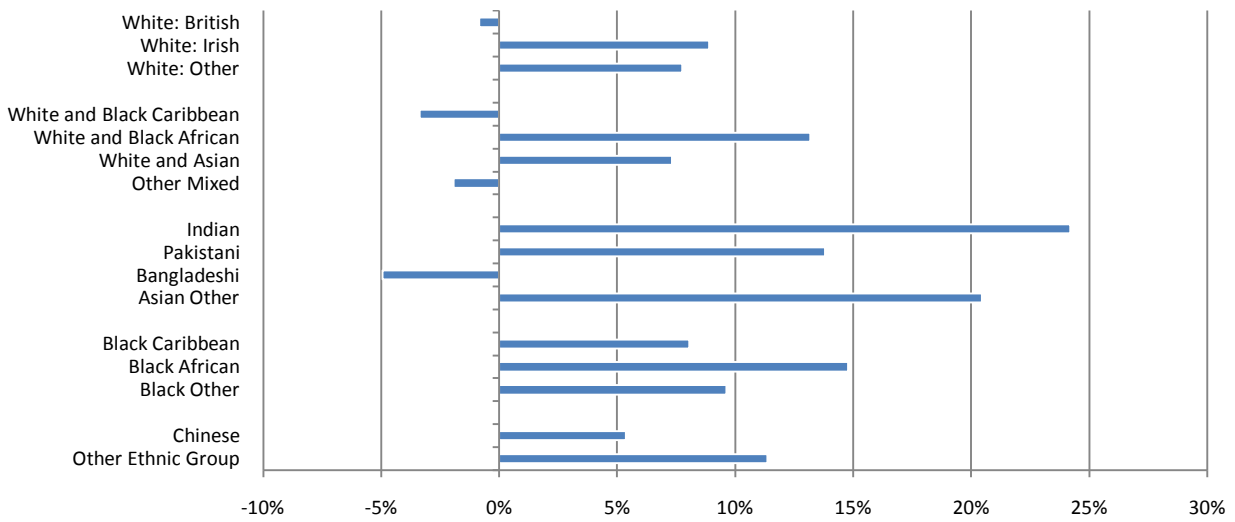
Figure 178
Economic Activity by Ethnic Group (Source: UK Census of Population 2001)



^{10.41} Another measure contained within the Census is the occupational classification of any individual in work. Figure 179 and Figure 180 compare the under and over-representation of ethnic groups in broad occupational groups.

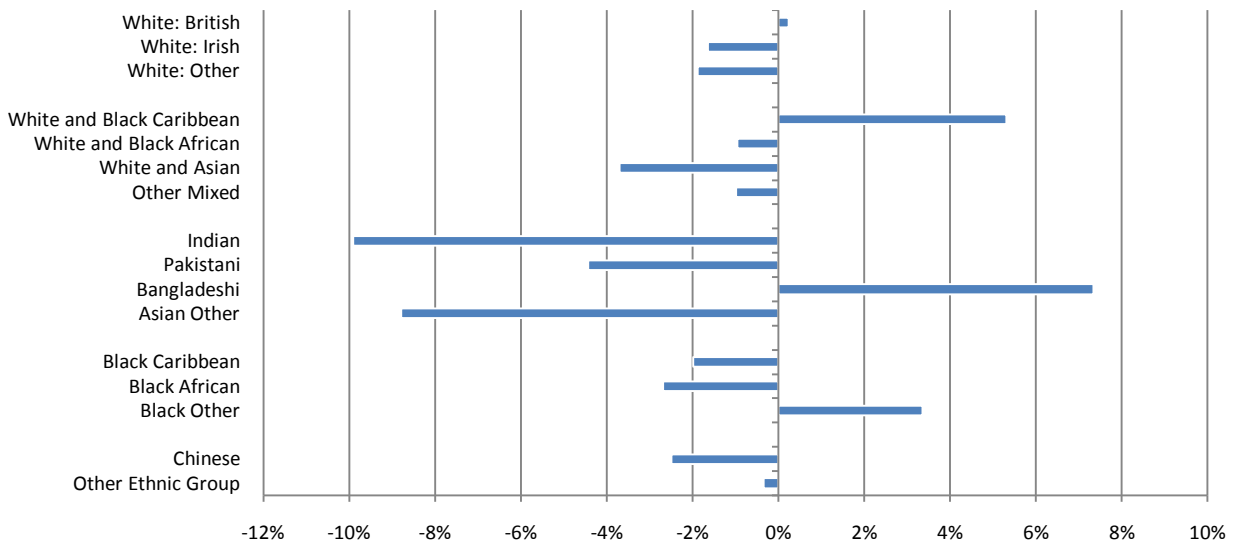
^{10.42} To help interpret the results, 44.6% of all workers were in Managerial and Professional grades. This compares with 39.6% of all Bangladeshis meaning they were under-represented by 5%. Similarly, 68.8% of all Indian workers were in Managerial and Professional grades, giving them an over-representation of 24%. These were the two extreme results in this particular category.

Figure 179
Under and Over-representation of Managers and Professionals by Ethnic Group (Source: UK Census of Population 2001)



^{10.43} The non managerial and professional occupations show that the Mixed White and Black Caribbean, Black Other and Bangladeshi population was heavily over-represented in this category. This would be a concern because they are likely to be the poorest paying jobs.

Figure 180
Under and Over-representation of Non- Managerial and Professional Occupations by Ethnic Group (Source: UK Census of Population 2001)



The BME dimension to Homelessness

^{10.44} In London Commuter Belt (East)/M11 between the 1st quarter of 2003 and the most recently available data from the 1st quarter of 2008, 4,267 people were considered to be homeless and in priority need. Homelessness is explored more fully in S6 above.

^{10.45} Figure 181 identifies the ethnic minority dimension to homelessness acceptances across London Commuter Belt (East). Of all households accepted as being homeless and in priority need in the period 2003-08, around 11.6% were from Non-White BME groups, which is much higher than their share of the total population.

^{10.46} In Broxbourne, Epping Forest and Harlow homelessness cases from Non-White BME groups were significantly higher when compared with their share of the total population. It is worth noting at this stage that there is no homelessness data available for 'Other White' groups, and so the only ethnic minorities represented here are non-white groups only.

^{10.47} As is identified in Section 9, family budget pressures and the scarcity of affordable large family homes puts large low income households at risk. The problem is worse for BME households if they restrict their housing options to smaller areas in order to maintain strong community links.

Figure 181
Homeless and in Priority Need by Ethnic Group by Local Authority
Q1 2003-Q1 2008 (Source: Local Authority P1E Homelessness Data
and UK Census of Population 2001)

Local Authority	% of cases from BME groups	% of population from BME groups
Brentwood	7.3%	3.6%
Broxbourne	15.8%	3.9%
East Hertfordshire	5.9%	2.9%
Epping Forest	13.9%	4.9%
Harlow	13.7%	5.1%
Uttlesford	2.8%	1.8%
LCB (East)/M11 sub-region	11.6%	3.8%

Gypsies, Travellers and Travelling Showpeople

- ^{10.48} It is widely recognised that there has been an under-provision of adequate accommodation for gypsies and travellers in LCB (East) and other regions, and that this has contributed to very poor health, educational and economic outcomes for these communities.
- ^{10.49} The Housing Act 2004 requires local authorities to assess the accommodation needs of Gypsies and Travellers, and to have a strategy in place which sets out how any identified needs will be met as part of their wider housing strategies.
- ^{10.50} National planning policy (Circular 01/2006) requires regional planning bodies to specify targets for provision in the form of pitch numbers for each local authority, taking into account the Gypsy and Traveller Accommodation Assessments (GTAAAs) carried out in the region and any other relevant evidence.
- ^{10.51} The Essex Gypsy and Traveller Accommodation Assessment (July 2009) and the Northern and Eastern Hertfordshire Gypsy and Traveller Accommodation Assessment (June 2006) both identify the number of pitches required across the study areas but the Hertfordshire study does not identify individual district needs.
- ^{10.52} The Essex GTAA estimates a total of 900 Gypsy, Traveller and Travelling Showpeople households living in Essex. Essex has a higher number of caravans relative to the settled community compared to the national average but lower than the Eastern region average. Within Essex Basildon has the largest number of caravans, while the other districts have relatively few. Around a sixth of all interviews carried were with Gypsies and Travellers living in housing which indicates a substantial population.
- ^{10.53} The study identified that, in addition to 33 new pitches already planned, a further 425 residential pitches are required by 2021 as well as 40 transit sites which is a substantial increase in the current provision in Essex. 30 plots for Travelling Showpeople would also be required. The total for the Essex districts within the LCB (East) sub-region is for 125 additional pitches (40 each in Brentwood and Epping Forest, 18 in Harlow and 27 in Uttlesford).
- ^{10.54} The Northern and Eastern Hertfordshire GTAA estimated in 2006 a total of 97 Gypsy and Traveller authorised pitched in the study area (North Hertfordshire, East Hertfordshire, Stevenage, Broxbourne and Welwyn Hatfield) with approximately 333 Gypsy and Travellers living there in total.
- ^{10.55} The estimated extra site provision that is required for the next 5 years in Northern and Eastern Hertfordshire is 45 pitches. 35 of these pitches would be on residential sites and 10 on a transit site. This study identified a need that ought to be planned for somewhere in the study area. However, it found no clear evidence that sites need to be provided in one district over any other.
- ^{10.56} In July 2009, the secretary of state published policies (H3 and H4) on the provision of accommodation for Gypsies and Travellers and Travelling Showpeople in the East of England as part of the East of England Plan. The policies require local authorities to make provision for additional residential and transit pitches for Gypsy and Traveller caravans and plots for Travelling Showpeople. It states that 'the policies have been developed to achieve a balance between a wider distribution of pitch provision to meet the levels of need for more accommodation; to avoid over-concentration in a few locations; and to provide greater choice for the Gypsy and Traveller community'.

^{10.57} The East of England plan policies set out requirements for each district in the region and therefore a total LCB (East) requirement can be calculated. The totals for each district from 2006-2011 are Brentwood (15), Epping Forest (34), Harlow (15), Uttlesford (25), Broxbourne (18) and East Hertfordshire (25) giving a requirement of 132 for the LCB (East) sub-region. This represents a 64% increase on the current number of sites. The plan recommends that after 2011 each district will receive a proportion of the 3% regional provision to 2021 based on the same proportion of regional provision as at 2011.

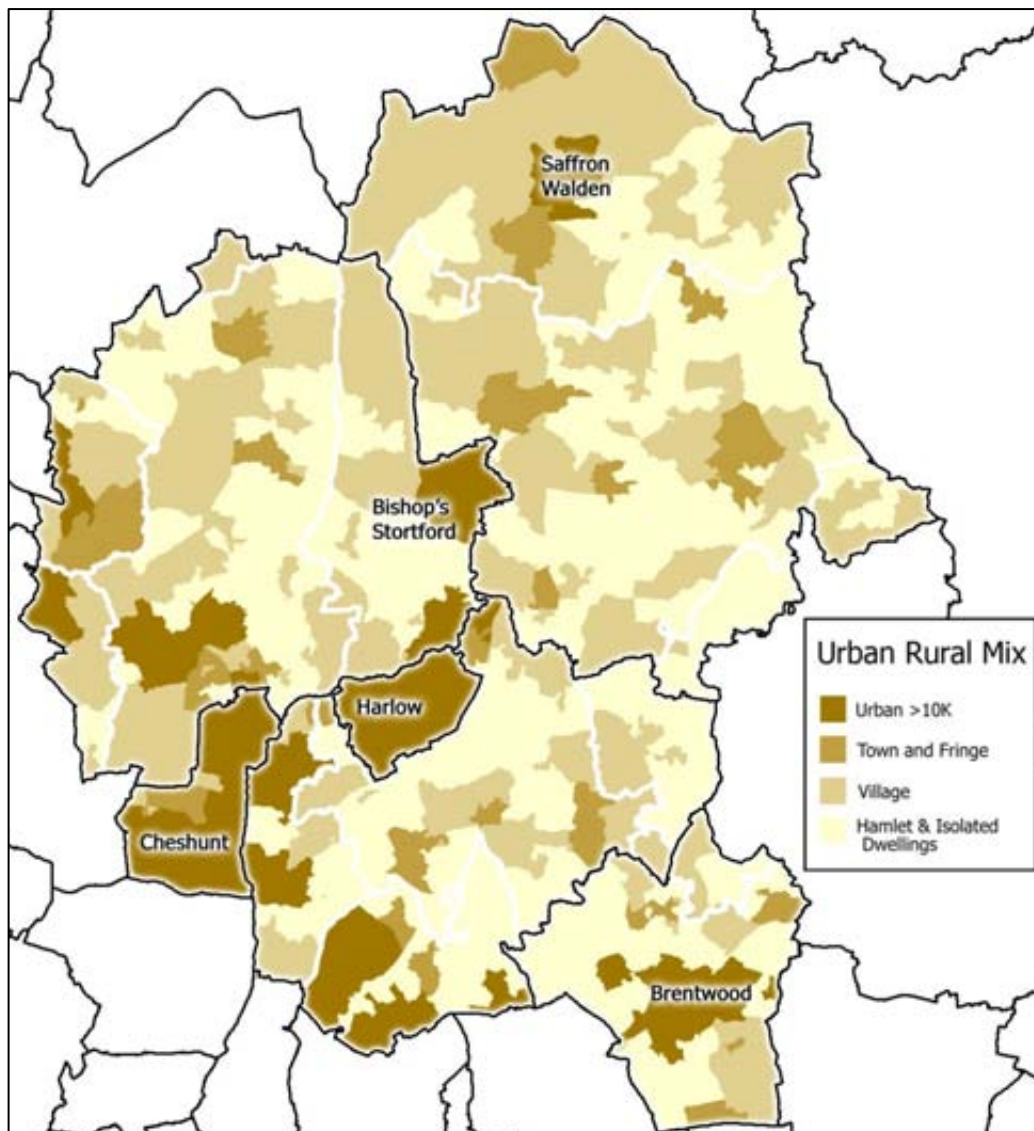
Housing Issues and Rural Households

^{10.58} The Department for Environment, Food, and Rural Affairs (DEFRA) classifies dwellings according to the type of settlement they are associated with. The four classifications are:

- Urban > 10k people;
- Town and Fringe;
- Village; and
- Hamlet and Isolated Dwellings.

^{10.59} Figure 182 shows the distribution of these four zones across the LCB (East)/M11 sub-region. While much of the LCB (East)/M11 sub-region is either Urban or Town and Fringe, there are extensive areas which are classified as being Villages or Hamlet and Isolated Dwellings. However, it should be remembered that much of the area listed as being Hamlet and Isolated Dwellings is covered by greenbelt designation which has prevented its development. Therefore, rather than being extremely remote, it is instead often closely associated with major settlements and simply contains few properties due to building controls.

Figure 182
DEFRA Geographical Area Classification across LCB (East)/M11 sub-region (Source: DEFRA)



Context: The affordable rural housing Commission (Final Report 2006)

^{10.60} The Affordable Rural Housing Commission was set up in July 2005 by the Department for Environment, Food and Rural Affairs (Defra) and the Office of the Deputy Prime Minister (ODPM) to inquire into the scale, nature and implications of the shortage of affordable housing for rural communities in England and make recommendations to help address unmet need.

^{10.61} The Commission was asked to come forward with practical solutions which would improve access to affordable housing to rent or buy for those who live or work in rural areas. The findings relate to rural issues rather than the challenges faced by individual areas nevertheless the following key findings provide a context for the SHMA.

^{10.62} The Commission believes that the interpretation of sustainable development within the planning system has often worked against the interests of smaller rural communities. There has been an assumption that, because small rural communities have already lost some of their services, they are intrinsically unsustainable and are therefore not suitable for affordable housing. This restriction on supply, together with the limited availability of suitable sites for development and the pressure from people wanting to move to the countryside have all contributed to house prices which have risen faster, and to higher levels, in rural areas than in the towns.

^{10.63} Other noteworthy key findings are;

- The shortage of affordable housing is the less visible aspect of a countryside where the wider economy is often thriving and where many people aspire to live.
- Success for some rural areas has come at a price for those living on local wages and who have been priced out of the property market and for whom there is little available rented housing.
- (On average) Social housing is seriously lacking in rural areas – only 5% of houses in villages are social housing compared to a national average of 23%.
- The average income in rural areas is boosted to around the national average by the effect of people commuting from the countryside to well-paid jobs elsewhere. Workplace earnings data shows the average earnings in 2004/05 in the most rural districts are only £17,400 compared to £22,300 in major urban districts.
- The University of Cambridge and Shelter identified the need for 40,000 new **social** rented homes per year across urban and rural areas. This would imply 7,600 social rented homes a year for rural areas.
- The Commission recommends that 11,000 units of affordable housing should be provided per year in settlements below a population of 10,000. This should be the starting point for setting the objective of meeting rural housing need.
- Technical definitions of brownfield land may be hindering the use of previously-used land for affordable housing in rural areas. The Commission recommends that, if there is a continuing shortage of sites, Defra and ODPM identify ways in which some previously-used agricultural buildings could be re-classified as brownfield.
- A good deal of land in rural areas is owned by the public sector, some of which has become redundant from its original use. In order to make more of this available to meet local housing

needs, the Commission recommends an extension to national partnership working between public bodies to speed up the release of such land.

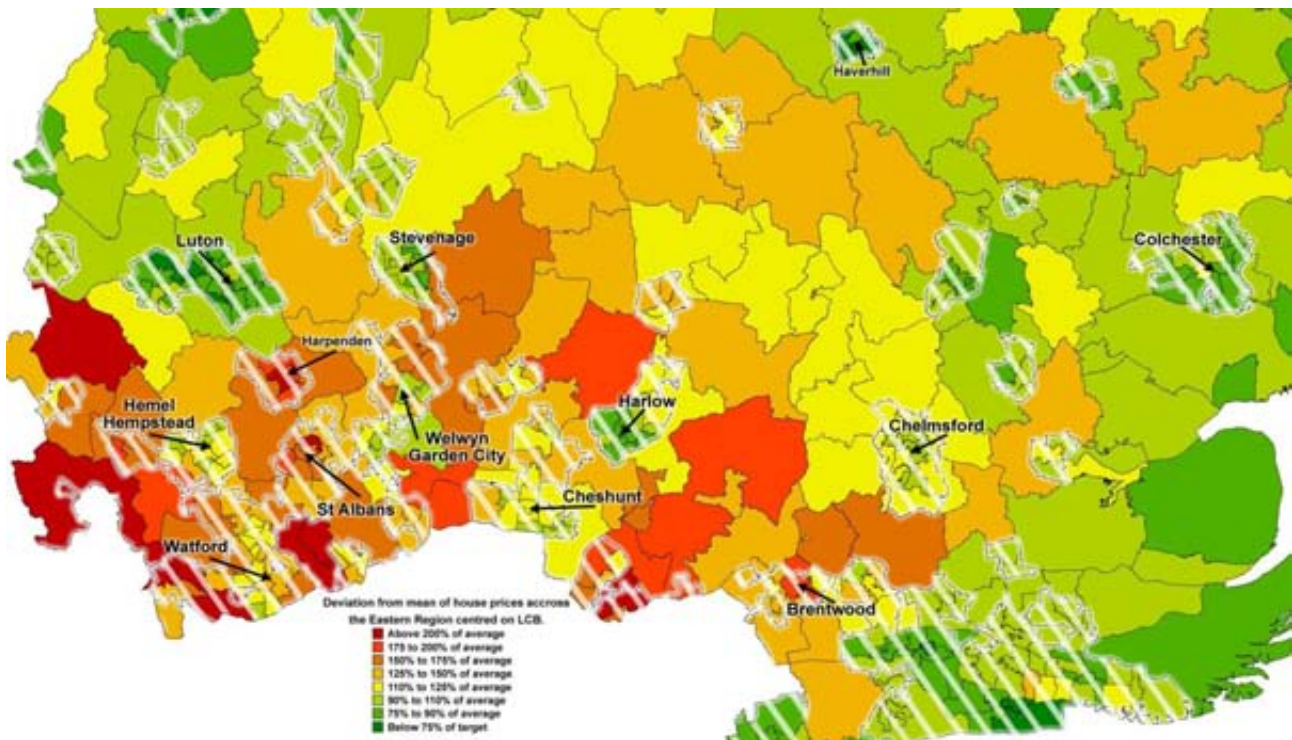
- The Commission has made recommendations about the right to buy in rural areas which are designed to ensure that both new and existing rented and shared ownership stock remains available to meet continuing local need.

^{10.64} A number of issues identified in the Commission's report are now examined in this Chapter using local data and information.

House prices

^{10.65} As has been previously noted average house prices have been mapped. Figure 183 shows local prices in the context of part of the Eastern Region. Rural areas tend to have higher house prices.

Figure 183
House Prices Relative to the Eastern Region Average with Urban Areas Shaded (Source: Land Registry)



Income

It is notable from that residence based income is higher than work place earnings with the gap being greatest in Uttlesford and East Herts. These are the districts that are most significantly rural. Further referring to Figure 184 below it is also clear that the average household earnings are higher in the more rural areas especially to the north; (Uttlesford and East Herts Districts).

Figure 184

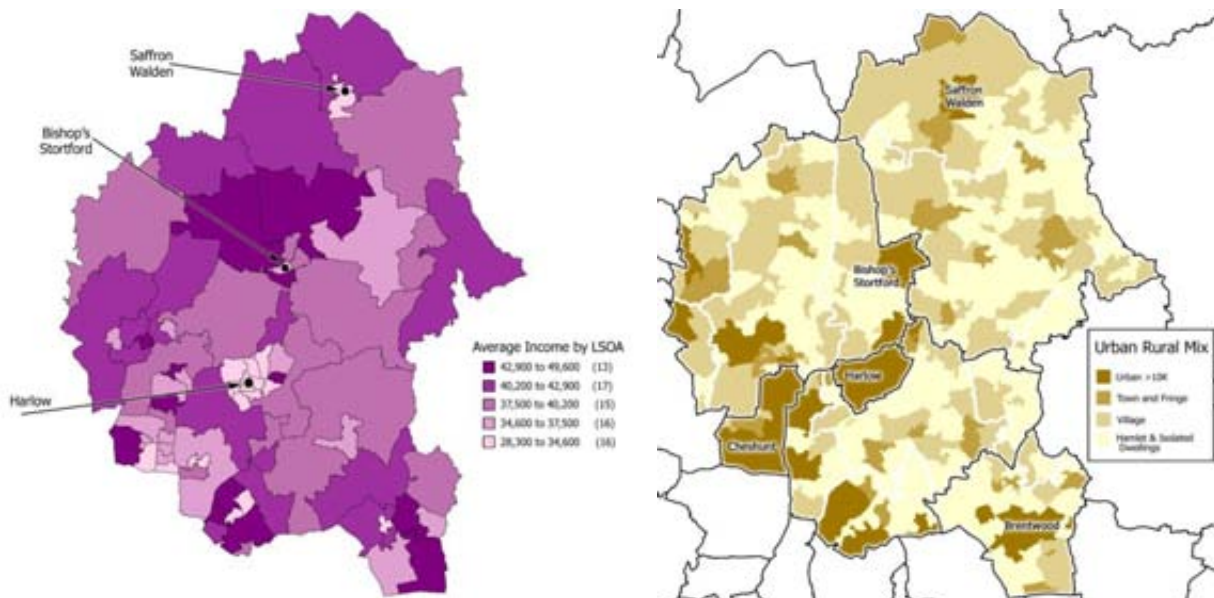
Comparison of Workplace and Residence Median Gross Annual Earnings in LCB (East)/M11 Sub-region in 2007 for Full-time Employees' (Source: ASHE 2007)

Local Authority	Employed in Area	Resident in Area
Brentwood	£26,657	£34,028
Broxbourne	£21,267	£26,682
East Hertfordshire	£25,158	£29,584
Epping Forest	£26,708	£29,792
Harlow	£31,796	£24,829
Uttlesford	£25,959	£30,016

^{10.66} When the spatial distribution of average household earnings and urban/rural classifications are considered it is apparent that higher earning households tend to live in rural areas and the market towns that service them (Figure 186).

Figure 185

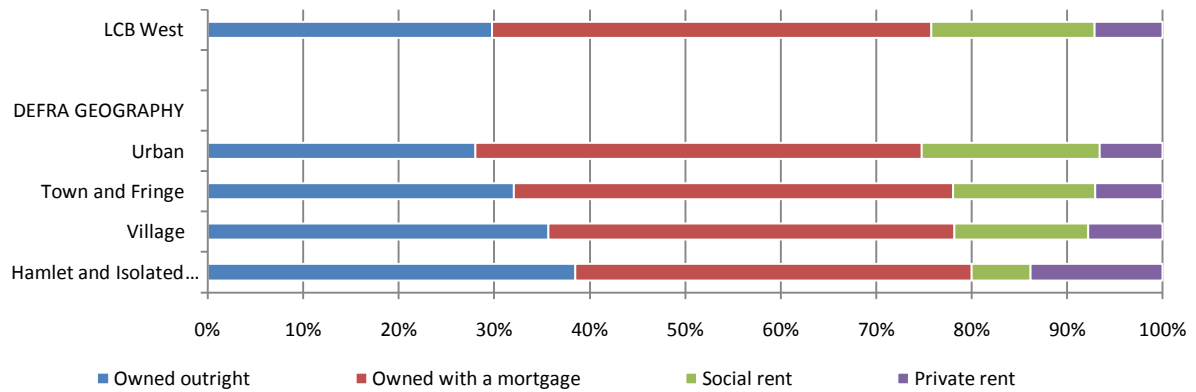
Average Household Earnings by Middle-level Super COA (Source: CACI Paycheck. Note: Higher incomes shown in darker shading) compared with DEFRA Geographical Area Classification across LCB (East)/M11 sub-region (Source: DEFRA)



Rural Households and Tenure

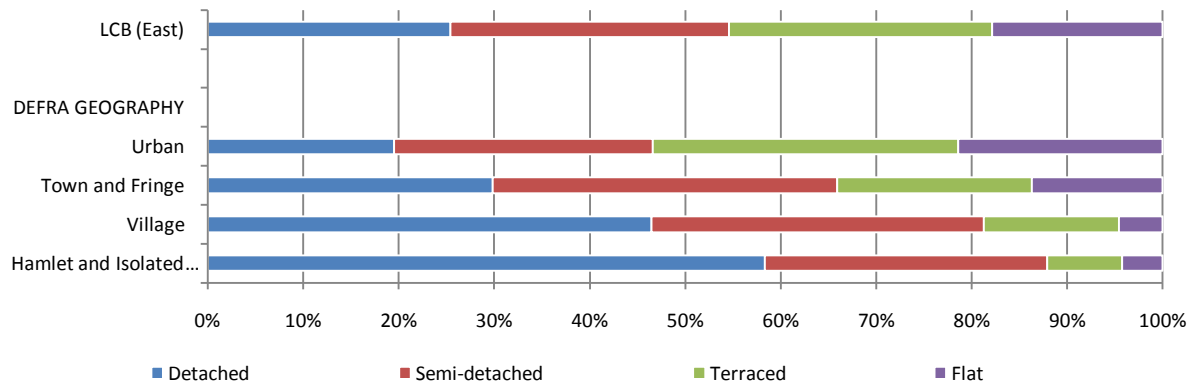
^{10.67} Figure 186 highlights that owner occupation rates are typically higher across LCB (East)/M11 sub-region in rural areas, with rural areas containing a lower proportion of social housing. It is also noticeable that Hamlets and Isolated Dwellings contain a higher proportion of households who rent privately. This includes many households who are living rent free, which indicates that their home is tied to their job.

Figure 186
Tenure by DEFRA Geography (Source: UK Census of Population 2001)



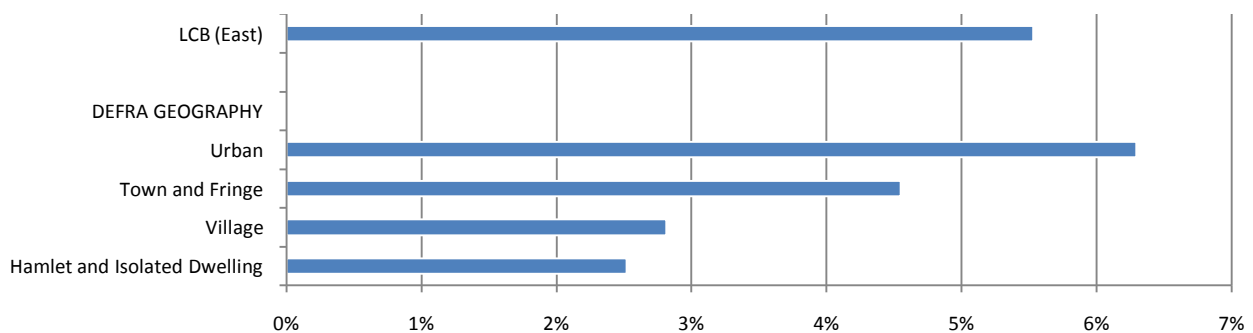
10.68 Urban areas of LCB (East)/M11 contain a lower proportion of detached and semi-detached dwellings with around 20% of the housing stock being flats. Meanwhile, almost 60% of the stock in Hamlets and Isolated Dwellings is in the form of detached dwellings, Figure 188.

Figure 187
Dwelling Type by DEFRA Geography (Source: UK Census of Population 2001)



10.69 Figure 188 shows that overcrowding rates vary by DEFRA geography with urban areas being the most likely to contain overcrowded households.

Figure 188:
Overcrowding by DEFRA Geography (Source: UK Census of Population 2001)



SHMA findings and Rural Areas

10.70 The above data shows that many of the findings of the Commission are present in the rural areas of LCB (East)/M11.

^{10.71} A major focus of the SHMA is to understand at a district level how housing market prices and household income dictate the choices available to a household when it is either newly forming or needs or chooses to move home. The above information leads to the conclusion that low and intermediate income households are effectively priced out of the rural housing market. This is due to a combination of factors that can be related to basic economic forces;

- Higher income households are competing for the existing housing stock (a demand side factor), due to their perception that rural living offers a better quality of life and their income enables them to travel to shops and services;
- Dwellings that do come onto the market tending to be larger detached homes and therefore more expensive (a supply side factor);
- Little housing being built (a supply side factor) – especially cheaper housing;
- Lower incomes for people who work in rural areas but do not live there.

^{10.72} The SHMA, by virtue of its methodology is unable to estimate affordable housing requirements except at the district council level. District level housing needs assessments cannot achieve an accurate assessment either.

^{10.73} Bottom up survey work is needed at settlement level to provide an accurate assessment of current local need for affordable housing. Rural Enablers can play an important role in the robust assessment of local need and then negotiate its delivery within the planning framework. The case for asking the LPA to use its rural exceptions policy will be essentially driven by local need and opportunity.

^{10.74} PPS3 provides the mechanism for assessing and meeting rural housing need and the link to the local community is key.

Abstract of PPS 3 paragraph 30: Rural Exception Site Policy.

This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint.

Rural exception sites should only be used for affordable housing in perpetuity. A Rural Exception Site policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed, inclusive communities.

^{10.75} Parish Councils are arguably the most appropriate level of local administration to undertake local needs assessment work although Rural Enablers will typically work across a number of parishes. The challenge is to undertake it consistently across a district if indeed a district wide assessment is needed.

Future Policy: The Taylor Review of Rural Economy and Affordable Housing

^{10.76} The Taylor Review (The Taylor Review of Local Economy and Affordable Housing (John Taylor MP), (DCLG 2008)) provides a detailed discussion about the future of rural areas and the need for more mixed communities. It provides a policy context for the study findings in this section. The following passage powerfully and succinctly summarises the issues faced by the rural areas of England and apply equally to the rural parts of the study area. We believe it is the most appropriate way in which to end this section of the SHMA.

Abstract from the introduction to the Taylor Review

For many **villages and hamlets** the choice is between becoming ever more exclusive enclaves of the wealthy and retired, or building the affordable homes to enable people who work in these communities to continue to live in them. In many cases just a handful of well designed homes, kept affordable in perpetuity for local people, will make all the difference to the sustainability of the community and its services. At the same time, we need to make sure that there are better opportunities for the people who live in these small rural communities to find quality work, and build successful businesses. Otherwise we will see more and more villages turn into commuter dormitories, at the cost of fewer local jobs, declining local services, and the loss of genuine community life.

Market towns face a different choice. The demand to live in a rural community means many market towns are growing fast. One option is to stick with current planning practices which are too often ringing country towns with anonymous housing estates, business and retail parks. The alternative, advocated in this report, is to learn the lessons of the past and follow the example of a handful of places that have pioneered a different approach. They have challenged planning practices to deliver genuinely attractive new neighbourhoods and community extensions which actually enhance the existing town.

Summary of Key Points

Needs of Older People and Other Supported Housing Issues

- Brentwood and Epping Forest have a slightly higher older person population than the other authorities in the sub-region with almost 10% aged 75 or over and a quarter of all households in the sub-region contain only pensioners.
- The numbers of those receiving Housing Benefit has risen in all authorities over the past ten years and by over 10% in both East Hertfordshire and Uttlesford.
- Population forecasts predict an additional 31,400 people aged 65-84, and 12,200 people aged 85 or over between 2004 and 2029 in the sub-region.
- 40% of all those of pensionable age and over two thirds of those 85 or over suffer from a limiting long term illness.
- Older people are far more dependent upon public transport than the younger population, with less than half of pensioner households having access to a car or van.
- Between 1 and 4% of older persons live in a communal establishment – this is almost a quarter of those aged 90 or more. The majority (70%) of older person households in private housing are owner occupiers.
- Very few (4%) of pensioner households are overcrowded; of those that are the majority are in the social rented sector.
- Supporting People teams in Essex and Hertfordshire provide housing related support to older people who wish to remain independent. In Essex services are not in line with need, with more supply than demand. In Hertfordshire an increase in extra care housing by 2010 has been proposed.

Housing Issues related to Minority Ethnic Groups

- The 2001 Census puts the LCB East/M11 BME population at 7.8% of the total, including 4% white but not British and a further 3.8% who could be considered non-White.
- Uttlesford has the highest proportion of White British (95%) and Broxbourne has the highest BME proportion. But Harlow and Epping Forest contain the highest non-White population at 5.1% and 4.9% respectively. It should be noted that all authorities contain relatively small BME populations.
- The largest ethnic minority groups are White Other 2.7%, White Irish 1.2% and Indian 0.8%.
- Age comparisons show that the BME population is far younger than the White British population, with more people aged under 49, but not proportionally more 5-14 year olds.
- 11% of the Chinese ethnic group live in communal establishments with many in educational halls of residence.
- The BME population is more likely to be living in a household containing a couple with children and much less likely to contain all pensioners and almost all BME groups are more likely to contain two or more dependent children than White British households.
- Migrant workers account for around 1.4% of all people living in the area. Almost a third of new National Insurance registered in 2007 were issued to Polish Nationals.
- People in Indian and Asian Other populations are more likely to live in owner occupied dwellings than the White population, while the Black African, Mixed White and Black Caribbean, White Other and Other Ethnic groups were more likely to live in private rented accommodation. Over a third of Mixed White and Black Caribbean households in the region can be found in the social rented sector, as can over 25% of households from the Bangladeshi and Other Black ethnic groups.
- 24.1% of Bangladeshi, 22.4% of Black African, 20.3% of Chinese and 18% of Pakistani households were overcrowded. By comparison the proportion of overcrowding for the White British group was a mere 5%.
- The inactivity rate among the Pakistani, Bangladeshi, Chinese and Other Ethnic group population was almost 40% of the working population.

- Bangladeshis are under-represented in managerial and professional grades while Indians are very much overrepresented. Mixed White and Black Caribbean, Black Other and Bangladeshi populations are heavily overrepresented in lower grade occupations.
- 11.6% of those accepted as homeless from 2003-2008 were from non White BME groups.

Gypsies and travellers

- It is widely recognised that there has been an under-provision of adequate accommodation for gypsies and travellers in LCB (East) and other regions, and that this has contributed to very poor health, educational and economic outcomes for these communities.
- The East of England plan policies set out requirements for each district in the region and therefore a total LCB (East) requirement can be calculated. The totals for each district from 2006-2011 are Brentwood (15), Epping Forest (34), Harlow (15), Uttlesford (25), Broxbourne (18) and East Hertfordshire (25) giving a requirement of 132 for the LCB (East) sub-region. This represents a 64% increase on the current number of sites. The plan recommends that after 2011 each district will receive a proportion (based on the 2011 provision) of an additional annual 3% in pitch provision across the region to 2021.

Housing Issues and Rural Households

- Much of LCB East/M11 is classified as Villages or Hamlets and Isolated Dwellings. Much of this is covered by green belt land which restricts development. These areas are often associated with major settlements but contain fewer properties due to these constraints.
- Hamlets and Isolated Dwellings have higher proportions of owner occupation and private rented tenure with less social housing.
- Urban areas have a lower proportion of detached and semi-detached dwellings with around 20% of the housing stock being flats. By contrast, 60% of the stock in the Hamlets and Isolated Dwellings are detached.
- Rural areas are also far less likely contain overcrowded households.
- The SHMA evidence base confirms that many of the issues defined by the Rural Affordable Housing Commission are present in the rural parts of the study area.

Section 11: Policy issues and implications arising from the SHMA

Introduction

- ^{11.1} This chapter considers the main policy issues that have arisen from the SHMA and their implications. Clearly a great deal of information has been collected that has implications for many areas of policy. In this section we focus on the strategic policy issues that contribute to sustainability, social cohesion and delivery of housing growth as described in documents such as the Government's Sustainable Communities Plan, Planning Policy Statement 3 (PPS3) and the regional spatial strategy; the East of England Plan (RSS).
- ^{11.2} For the more detailed or operational policy issues we have adopted an approach of summarising key findings at the end of each chapter and these can be used as a reference point for the topics not covered below.
- ^{11.3} The SHMA report has been published at a time when the housing market is at a low point in its cycle and the rate of recovery is uncertain. Some of the data in the evidence base reflects the market at the peak of its cycle in late 2007. The SHMA projects housing requirements based upon long term trends rather than at a specific point in time. It demonstrates how future housing requirements are sensitive to house price change. The impact of the current economic climate or 'credit crunch' is noted in several places in the report. However, it is in this chapter that the policy implications of the credit crunch are drawn together.

Context and overview, underlying issues

- ^{11.4} The SHMA has sought to ensure that the strategic direction of the housing market moves forward through a better understanding of its characteristics and drivers. It has also sought to understand how the housing market needs to change if housing requirements are to be met by 2026 which is the date by which the next 20 year planning period ends. This cannot be successfully achieved unless there is an understanding of the role and characteristics of the sub-region, its housing markets and the Local Authority areas that fall within them.
- ^{11.5} The urban centres of the LCB (East) / M11 sub-region include numerous historic market towns, the northern fringes of Greater London and the New Town of Harlow. Each area differs in character and is surrounded by pleasant countryside, including a significant area designated as Metropolitan Green Belt. They have excellent road and rail links to London. These rural features and transport links are factors that underpin many of the issues considered below.
- ^{11.6} Evidence from the SHMA tells us that the housing markets of LCB (East)/M11 sub-region are under significant pressure due to high prices and driven by demand from in-migrants from London leaving the city to find a residential offer that enables a higher standard of living whilst being within travelling distance of their place of work. There is much outmigration to the Eastern Region especially Braintree and Chelmsford and smaller scale out-migration to other English regions. The net effect is that

through natural growth and in-migration there is a shortage of housing – an acute shortage for some groups. As a result there is an upward pressure on house prices due to high demand. Local Authorities have a major role in enabling the delivery of additional housing to meet the needs of an increasing population.

- 11.7 However it would be misleading to suggest that the sub-region's key characteristics were uniform. For example Local Authorities to the south are closely associated with the North London Boroughs. Within the sub-region house prices are much lower than average in parts of the urban centres. The proportion of each tenure within the housing stock varies. Harlow has larger social rented housing stocks than other local authority areas. In contrast, two of the districts within the LCB (East) / M11 sub-region (Epping Forest and Uttlesford) are mainly rural in character and have house prices nearly double the East of England average.
- 11.8 These factors lie behind the flows of households within the sub-region – nearly 10% of households move every year. Households that need or decide to move are constantly seeking the best value for what they can afford and if local house prices are more than a household can afford then re-location to a more affordable area is the result. The flows affecting Greater London and its surrounding commuter belts have been described as behaving like an 'escalator' i.e. a constantly moving inward flow of younger people into London and an outward flow of households to the commuter belts seeking to settle and raise families. This process represents a significant part of the demand for housing in the sub-region.
- 11.9 Some of the demand for market housing and the need for affordable housing is driven by the fact that a proportion of existing households are living in unsuitable housing. In real terms this group of people do not have a significant impact on the size of the housing requirement as most unsuitability can be rectified through repair work, heating upgrades or adapting dwellings for people with limited mobility. Most households want to stay put those that need to move are mostly those who are overcrowded or where their tenancy is about to end. However evidence from house condition surveys points to a group of people who experience multiple problems and who need to be prioritised for policy intervention if their health and wellbeing is to be safeguarded. For example households in the most unsuitable housing as measured by the HSSRS are likely to be living in housing that is in severe disrepair and is cold. Such dwellings are likely to be older dwellings and are likely to be converted flats in the private rented sector. Household income is likely to be low and fuel poverty is likely to be evident. Area based action can improve matters where there are high concentrations of people in these circumstances and the ORS model locates these areas. Identifying vulnerable households in non decent housing is a proactive policy response to this issue.
- 11.10 As part of a response to the shortage of housing affecting most of England, there is a programme of planned housing growth – a step change in the supply side that has challenged developers, Registered Social Landlords (RSL) and Local Authorities to enable this to happen. The challenges are land release and acquisition, resources and infrastructure. The East of England Plan has sought to enable sustainable development through its strategy of delivering growth in key centres that are also capable of providing employment and services. However, the credit crunch and economic recession have put this delivery programme at severe risk. Minimum targets have been set for the delivery of new within the RSS for each Local Authority and one of the key outputs of the SHMA is the evidence base to support each Local Authorities affordable housing policy for development sites and information to inform the size and tenure mix of what should be built.

- ^{11.11} However size and tenure mix are not the only factors that need to be taken into account when planning new build housing. The SHMA also describes the most vulnerable groups who have fewer options in the housing market and are often heavily dependant on social housing and local support services. There are many policy implications presented by the aim of supporting them as part of the mixed community. The policy aim is to assist as many people to live independently for as long as possible. This means that for people with limited mobility specially designed housing can assist greatly. Residents of existing dwellings can be assisted with adaptations. Both groups will rely on care and support from a range of agencies as well as friends and relatives. 'Care and repair' delivered by Home Improvement Agencies provide invaluable support and expertise. This issue is highlighted because of evidence within the SHMA of growing numbers of elderly people nationally and locally. This is a major policy and service delivery challenge for Local Authorities and their partners.
- ^{11.12} The SHMA report arrives at important conclusions about the size and nature of the housing requirement to 2026. This is the starting point from which to cascade the headline policy issues and implications.

The affordability of local housing

- ^{11.13} Market prices became very high especially when the market was at the peak of its cycle late 2007. Between 2001 and 2008 average house prices across the sub-region rose by 114% and at the time of writing are 125% above the East of England average. The areas that are mainly rural in character have house prices nearly double the East of England average.
- ^{11.14} Notwithstanding the credit crunch factors described below, the SHMA demonstrates the effect of long term price changes on affordability. It estimates a structural change in the housing market that is otherwise masked by the term 'market housing' (i.e. housing for sale or rent at market prices). The SHMA estimates that by 2026 the proportion of owner occupiers in the housing stock will reduce significantly. This is entirely due to affordability issues and the increasing cost of households getting on the housing ladder. Two important implications stem from this.
- ^{11.15} Firstly, more people will seek to rent and as a result the market will naturally respond to this. The HCA is pursuing a policy of encouraging institutional investors as a major funder of growth in the private rented sector. For the Local Authority, growth in the private rented sector may lead to a greater call on services for housing enforcement and housing benefit. Enforcement services seek to ensure that Landlords comply with the law affecting the private housing and initiate legal action if necessary. It may also present a major opportunity for achieving mixed communities that are less polarised in terms of tenure and a more seamless way of ensuring that social, intermediate and market rented housing is provided.
- ^{11.16} Secondly, fewer people will amass capital through equity in their home. This in turn will mean that a smaller proportion of the next generation will inherit capital to enable them to become owner occupiers.
- ^{11.17} The SHMA describes a further structural change in the housing market that has played out over the last three decades which is the reduced supply of social housing through the right to buy. The legacy of this has implications for the current and future housing market.
- ^{11.18} The right to buy has had an impact on the affordability of housing. Ex-local authority stock when traded on the market tends to be lower priced than housing that was privately built. This has enabled many households to buy or rent more affordable housing. From web based estate and letting agents'

advertising such as Rightmove it is apparent that there is a large but unmeasured private rented sector based on this housing, again presenting enforcement issues in some areas.

- ^{11.19} The SHMA considers rural housing affordability and describes how newly forming or local lower income households are being squeezed out of rural settlements because of high house prices. This is compounded by the lower average salary for local rural workers in traditional rural industries (Agriculture, Food, Hospitality and Tourism). The importance of retaining these households should be stressed as there are clear benefits for retaining the local labour force, maintaining balanced and mixed rural communities, maintaining family networks and providing informal care and support.
- ^{11.20} Much of the above points to the importance and need for intermediate affordable housing. A key finding of the SHMA is that there is considerable scope for intermediate housing but there is a mismatch between the price at which intermediate products are pitched and what the majority of households that can afford more than a social rent can pay. The implications of this situation are developed below when we consider intermediate housing in more detail.
- ^{11.21} Preventing the loss of households out-migrating to seek more affordable housing might be considered a policy aim. Price and affordability are major factors that influence the housing choices exercised by households intending to move. The loss of younger households may represent a loss in the local skill base and weaken the local economy. They may also frustrate sustainability aims by breaking social and family networks. There is an environmental impact if they move away but commute back to their place of work.
- ^{11.22} Shortages of all forms of affordable housing have implications of overcrowding, health, a decent standard of living and achieving personal aspirations such as living independently, having children, being part of the family or social network of choice – all factors that contribute to the sustainability of neighbourhoods.

Policy considerations in delivering the future housing requirement

- ^{11.23} The SHMA estimates the housing requirement in terms of tenure, type and size mix. This presents a number of policy challenges in addition to those caused by the Credit Crunch which is considered separately below.
- ^{11.24} The SHMA has estimated the following housing requirement to 2026 based upon trends and affordability.

Figure 189

Tenure Mix of Housing Requirement to 2026 by LA and Housing Sub-market (Note: Figures may not sum due to rounding)

Housing Type	Local Authority					
	Brentwood	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford
Market housing	200	2,300	8,300	2,000	9,700	4,200
Intermediate affordable housing	2,100	900	5,100	1,800	0	2,600
Social rented housing	1,000	1,600	1,800	2,900	2,500	1,300
Total Housing Requirement	3,200	4,800	15,200	6,600	12,200	8,100
Market housing	4.9%	48.0%	54.7%	29.6%	79.5%	51.5%
Intermediate affordable housing	65.5%	19.3%	33.7%	26.5%	0.0%	32.4%
Social rented housing	29.6%	32.7%	11.5%	43.9%	20.5%	16.1%

^{11.25} It is clear from Figure 189 that Harlow's requirements differ from other local authorities in that there is no intermediate housing requirement. This is due to Harlow's relatively large supply of social housing and as noted above, the supply of cheaper market housing some of which was formerly owned by the Council and subject to the Right to Buy. This does not mean that Harlow should not seek to build intermediate affordable housing as part of a balanced approach to new development particularly in urban extensions. The affordability of intermediate affordable housing to local households is an issue that should be taken into account when considering new development and this is discussed in Section 9 and also in Section 11.

Affordable housing targets

^{11.26} The estimated requirement for social housing varies across the Local Authorities. Before a Local Authority can determine its affordable housing target, they must have regard to PPS3 paragraphs 22 and 29:

Abstract of PPS 3 paragraph 29

In Local Development Documents, Local Planning Authorities should:

- Set an overall (i.e. plan-wide) target for the amount of *affordable housing* to be provided. The target should reflect the new definition of affordable housing in this PPS.
- It should also reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, *including public subsidy and the level of developer contribution that can reasonably be secured.*

Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, *taking into account information from the Strategic Housing Market Assessment.*

PPS 3 Paragraph 22

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:

- The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing.
- The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%).
- The size and type of affordable housing required.

^{11.27} It is apparent that with the exception of Harlow, Local Authority level requirement for affordable housing is higher than the 35% benchmark target contained in the RSS. It is also apparent that there is considerable variation of housing requirements within the sub-region. However Local Authorities must reflect the economic viability of land in order to achieve an affordable housing target.

^{11.28} It must be recognised that the viability assessment will constrain the affordable housing policy target. Taking into account the economic viability of a range of sites in each district, each Local Authority will be able to determine its policy and this will define the upper limit for the policy target. In most cases this will mean that not all of the affordable housing requirement identified by the SHMA will be

delivered through the planning system and a Local Authority will need to discuss meeting the shortfall with the HCA.

Intermediate affordable housing

^{11.29} The SHMA contains a great deal of information about the size mix of affordable housing that is required and the balance between social and intermediate affordable housing. A deeper understanding of affordability issues is provided by the SHMA and the importance and need for intermediate affordable housing is a key finding which will also inform the requirement of the last sentence of PPS3 paragraph 29:

Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, taking into account information from the Strategic Housing Market Assessment.

^{11.30} The SHMA points to considerable scope for intermediate housing but when this statement in PPS3 is considered, regard must be had to the price at which intermediate affordable products are pitched and how affordable they are to households in the intermediate band. If not the situation arises that the subsidy or grant paid to provide housing at sub-market prices does not enable housing to be provided to the group for which it is intended. The model for the major part of delivery of intermediate affordable housing is shared ownership. Clearly there is a role for shared ownership type products but these are only relevant to those households where home ownership is feasible for a household and suitable entry level market housing is either not available or just outside their reach. It is not a feasible option for households who do not have the financial status for a home loan. Otherwise there is a near absence of intermediate housing affordable to lower income groups. The implications of this is that they either leave to find more affordable housing elsewhere, pay more for their housing than they can reasonably afford, find other devices to make housing affordable (such as sharing or receiving gifts or loans from parents) or fail to form as individual households.

^{11.31} The problem is that the price of intermediate affordable housing is linked to market housing thresholds and an expectation that RSLs will minimise the requirement for grant. There is no policy aim of making intermediate housing affordable to a wider range of households so the tension between the existing products and the aim of PPS stated above, remains.

^{11.32} Whilst RSLs are encouraged to provide intermediate rented housing it is clear that they believe there is considerable risk in doing so if market prices fall. At current levels (80% of market rents) this can be shown to be too expensive to meet the needs of the majority of households in the intermediate housing income bands.

^{11.33} A Local Authority may wish to consider which target group for intermediate affordable housing should be aimed at and if this should be an income led rather than market led policy. Traditionally a target group has been Key Workers however this group is more likely to seek and be able to afford shared ownership based products. The national RSL letting database 'CORE' for intermediate housing sales shows that a proportion of households that buy shared ownership products can afford open market prices.

^{11.34} A household group that we would highlight in this context is the small number of households with large families on low income. This group may be in urgent housing need due to overcrowding, some of whom will have incomes in the intermediate band, yet the price housing in all tenures is

significantly higher. Such families have little option but to seek social housing and large social housing dwellings are in short supply.

^{11.35} Our conclusion is that Local Authorities should have clear priorities for new build affordable housing noting that expanding the provision of intermediate affordable housing to lower income groups will ease the pressure on social housing; building for older households and large households will tend to release smaller second hand units for sale or rent – thus meeting identified housing requirements as a knock on effect.

^{11.36} It should also be recognised that the private rented sector provides a great deal of housing for households in the intermediate band – sometimes with the help of housing benefit. These households will typically have been in unsuitable housing but not in urgent need for health reasons or because they have children. There is considerable scope for this tenure to be regarded as making a positive contribution to meeting housing requirements.

Social housing

^{11.37} There is a requirement for additional social rented housing in all Local Authority areas. It is likely that much of this provision will be developer led in multi tenure developments using the model that relies upon a mixture of S106, grant and RSL funding. Some of it will be provided on smaller sites and some as a product of regeneration. There is a strong argument for seeking to ensure that some of the development is channelled into existing areas of housing with the aim of diversifying the dwelling mix.

^{11.38} The provision of social housing in rural environments is a specialised topic considered elsewhere in this paper.

^{11.39} The housing requirement can be partly met by making better use of the existing housing stock. Again evidence from 'CORE' reveals that a proportion of affordable housing is let to households who can afford more than social rents.

^{11.40} The positive impact of this is it can help to dilute the concentrations of poverty that can exist in the remaining social rented stock (after RTB sales). Estates that contain high levels of poverty amongst individuals, works against the aim of achieving social cohesion through balanced communities. These can be self perpetuating because of the 'poverty trap' partly caused because of the way Housing benefit works, reducing the incentive for households to seek employment.

^{11.41} Also in order to help facilitate more settled and sustainable communities within the social housing stock DCLG has led the introduction of Choice Based Lettings (CBL). The aim of this scheme is to enable more settled and cohesive communities grow within social housing by allowing tenants a degree of choice in which tenancies they seek.

^{11.42} There is a wider debate about 'who and what is social housing for' and how it contributes to a cohesive community whilst meeting the needs of those who have no choice but to seek it. This is beyond the scope of the SHMA however the issues are discussed in the Hills Report; 'Ends and means: The future roles of social housing in England, (John Hills (The ESRC Research Centre for Analysis of Social Exclusion (CASE) February 2007))'

^{11.43} The Hills report includes many references to the impact of CBL and refers to the DCLG paper 'Monitoring the Longer-Term Impact of Choice-based Lettings', Communities and Local Government Housing Research Summary 231, 2006.

The private rented sector

^{11.44} This sector has grown rapidly in the last decade and plays an important role in the market, providing housing to many households unable or unwilling to be home owners. It also provides housing to households who are unable to access social housing because they are not considered to be in severe or urgent housing need. However the sector includes considerable variation in quality and price and our investigation into unsuitable housing has revealed a disproportionate number of dwellings in this sector that are unsatisfactory. In particular older dwellings and flats in converted dwellings are likely to present a significant challenge to local authority private sector enforcement teams.

Size mix, demand and supply

^{11.45} Here we briefly consider the implications of the possibility that the tenure and mix of new dwellings either do not meet the profile of SHMA estimates and/or the stock is not occupied by the household types that it is provided for. A Local Authority may wish to take these factors into account when considering its future planning policy and target setting.

^{11.46} Firstly there is a policy implication arising from Economic Viability Assessments. Such assessments are based upon the principle of securing the maximum economic benefit from the development site in question. An optimal tenure and size mix will apply to every site and this may differ from SHMA estimates of requirements. The location and characteristics of sites differ and the developer will bring forward a detailed planning application that matches the location to the market. The larger the site, the easier it is to achieve a greater mix of housing *on site*. Smaller sites have an important role in contributing to balancing the mix of housing across the neighbourhood / settlement, especially in rural areas. It is the location and size of the land that will have most influence on what gets built upon it. Planning policy can however highlight policy priorities that are evidenced in the SHMA and these are considered further below.

^{11.47} Secondly, the housing requirement will be met mostly by new build which can be demonstrated to be a more expensive and aspirational product than second hand housing. There are two main implications of this;

- policies aimed at unblocking turnover of second hand housing might also make an indirect contribution to the overall housing requirement. It is readily apparent from the SHMA study that in both affordable and market housing there is overcrowding and under-occupation and that many households will be unable to move *to more* suitable housing either because of affordability or lack of suitable supply. We develop examples of this in our remarks about older person households below.
- purchasers of larger new build housing often buy considerably larger houses than they need – especially if the location is considered prime.

^{11.48} The situation is different with regard to social housing. Social housing is allocated on the basis of need and ‘best fit’ between the size of the dwelling and the size of the household who seeks it. Some social housing is under-occupied and some is overcrowded. Although the SHMA housing requirement estimates factor these issues in, to some extent there is a strong argument for a Local Authority to adopt policies that specifically address these problems through new build housing.

Size mix targets and the private rented sector

- 11.49 A further factor recognised by PPS3 is the issue of converting the existing stock alongside new build housing as a means of achieving local housing requirements.

Abstract of PPS 3 paragraph 31: Making effective use of existing housing stock

Conversions of existing housing can provide an important source of new housing. Local Planning Authorities should develop positive policies to identify and bring into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase procedures.

- 11.50 The activity of conversion is undertaken by entrepreneurs and small builders in response to market demand for small homes. However this can have impacts, substantially altering the character of residential areas and the small businesses that support them. Whether the impact is positive or negative will depend on the neighbourhood. Such conversion work can also play a part in bringing vacant buildings back into use. The scale of such work is very difficult to quantify as some conversion work at the cheaper end of the market may be undertaken without planning consent.

Meeting the housing requirement in Rural Areas

- 11.51 Assessing the need for rural social and affordable housing and delivering it is a specialised subject. The underlying issue is affordability. The average price map (Figure 183) clearly demonstrates that the rural parts of Uttlesford and Epping Forest have average prices approaching double the regional average. The effect is that low income households are squeezed out of the market unless there is a ring fenced supply of affordable housing. The Right to Buy has eroded this supply. The Taylor Review (The Taylor Review of Local Economy and Affordable Housing (Matthew Taylor MP), (DCLG 2008)) provides an extended discussion about the future of rural areas and the need for more mixed communities.
- 11.52 PPS3 provides the mechanism for assessing and meeting rural housing need and the link to the local community is key.

Abstract of PPS 3 paragraph 30: Rural Exception Site Policy.

This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint.

Rural exception sites should only be used for affordable housing in perpetuity. A Rural Exception Site policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed, inclusive communities.

- 11.53 The SHMA is unable to estimate affordable housing requirements except at the district council level. District level housing needs assessments cannot achieve an accurate assessment either. Bottom up survey work is needed at settlement level to provide an accurate assessment of current *local* need for affordable housing. Rural Enablers can play an important role in the robust assessment of local need and then negotiate its delivery within the planning framework. The case for asking the LPA to use its rural exceptions policy will be essentially driven by local need and opportunity.

^{11.54} Parish Councils are arguably the most appropriate level of local administration to undertake local needs assessment work although Rural Enablers will typically work across a number of parishes. The challenge is to undertake it consistently across a district if indeed a district wide assessment is needed.

The credit crunch and economic recession

^{11.55} In 2008 the credit crunch paralysed the housing market and brought part of the Global banking system to the brink of collapse. Due to severe lending restrictions and house prices in freefall, mass market demand and supply was reduced almost to standstill. For much of 2008 and the early part of 2009 property was coming onto the mass market only from distressed sales. Developers found they had unsold stock on their hands. Many shed their labour forces and watched their share prices collapse. This also affected RSLs as cross funding and S106 agreements were unfunded. There are several implications of this:

- Land prices are severely affected and little land is being traded. Accordingly there are implications for development and S106 deals;
- Although affordability ratios have improved, less relaxed lending criteria and higher deposits have prevented many first time buyers from entering the market;
- As house prices fall more market housing becomes affordable and the requirement for intermediate housing reduces;
- Nevertheless although effective demand is stifled there remains a pent up demand as households continue to form and grow in size;
- Shared ownership customers are seen as sub-prime borrowers by some lenders and this is affecting demand (i.e. they are likely to have low income; little credit history can raise only a small deposit);
- Social house building schemes have been funded by the government and brought forward by the Homes and Communities Agency (HCA) to keep the building industry ticking over;
- The government has worked with developers and local authorities to subsidise shared ownership and shared equity schemes as well as intermediate rent;
- Homelessness and advisory services in Local Authorities and the voluntary sector are under increasing pressure from people facing re-possession, negative equity and those unable to re-finance mortgages or fund higher payments;
- Targets for meeting RSS new build targets are unlikely to be met in all recovery scenarios and by a considerable margin in slow recovery scenarios.

^{11.56} Savills Research, in their published quarterly bulletins, believe that the distressed sectors of the market will be last to recover. These are areas of poor housing and high levels of multiple deprivation and include areas with large numbers of recently completed apartments. As is noted below, public money is likely to be unable to fund intervention schemes to intervene in these areas. It is acknowledged that this is not a major feature of the LCB (East)/M11 sub-region. The impact on people living in these distressed areas is self evident and can lead to a deterioration in their environment and subsequent quality of life. It can also have knock-on implications for the delivery of services by Local Authorities and their partners.

Accommodation needs of specific groups

^{11.57} PPS3 requires SHMAs to consider the accommodation requirements of specific groups. In addition to considering the housing needs of households in rural areas, this report considers the accommodation needs of older people and those with supported housing and health needs and the needs of black and minority ethnic groups.

Older people

^{11.58} The SHMA has concluded that older people tend to choose to move either as part of a retirement plan (e.g. out-migration to coastal areas) or when ill health makes it unavoidable. Accordingly the County Councils have sound estimates of the requirement for extra care housing. The question arises; what policy options exist to encourage older people to move to more appropriate accommodation?

^{11.59} Part of the future requirement for larger homes in all tenures might be met from older households downsizing. Clearly there is scope to incentivise social renting tenants. This can be achieved with assisted moves and even cash payments. The approach with owner occupiers will be more of influencing and advising. Parts of the market are starting to respond and provide housing that is particularly suited to the requirements of older people. For example leaseholds schemes and apartments are to be found for sale and for rent that are marketed as retirement housing. However the question for planning policy is should developers be encouraged to include dwellings in their design proposals. Alternatively should the Local Authority rely solely upon the market and concepts such as lifetime homes?

^{11.60} Regarding social housing, housing professionals have doubts about the desirability of building further 1 bedroom units of social housing for older people. A significant number of small households in housing need and on housing registers *in urgent need* will be older person households. They will typically express a preference for 2 bedroom homes to facilitate better sleeping arrangements with their partner or to allow relatives or carers to visit. These households are counted in the 1 bedroom requirement in the SHMA model. Officials are urged to work with developers and RSLs to recognise this and interpret the SHMA findings accordingly.

BME Households

^{11.61} The LCB (East)/M11 sub-region has a relatively small proportion of its population belonging to BME groups. The SHMA highlights the characteristics of these groups and notes that some groups are more likely to be found in specific tenures. This in itself is not necessarily an issue for housing policy as tenure choices can be driven wealth employment patterns and culture. The SHMA notes that the allocation of social housing is reasonably in step with the ethnic origin of the population as a whole.

^{11.62} The issue that stands out and requires policy intervention is the issue of overcrowding. Here some BME groups have over 4 times the proportion of overcrowding compared to White British households. They are Pakistani, Bangladeshi, White and Black African. The SHMA shows that these groups are likely to have large households and are over represented in routine occupations. These groups are also more likely to present as homeless.

The future housing market and issues to be monitored

^{11.63} There are other structural changes in the Global/National/Local economy not so far considered that may have severe implications for the housing market as they unfold. It is beyond the scope of the SHMA to investigate these fully but there are a number of issues that may have long term impacts that future updates of the SHMA may wish to track. It occurs to us that the combined effect of the following factors may have a major impact on the housing market and the socio economic framework within which it operates.

The future economic success of Greater London

^{11.64} A number of challenges to the Greater London Economy have implications for the LCB (East) sub-region. City bonuses often funded the purchase of premium property. This practice may not continue on such a scale. Many parts of the sub-region are attractive housing destinations for higher income households. The reputation of the City has been damaged and the long term impact of this is not yet apparent.

^{11.65} The low value of the Pound (£) makes London an attractive tourist destination. The tourist industry, like the related retail industry, offers low paid employment opportunities and attracts younger people to live and work there. The implication for the sub-region is that the SHMA has established the importance of migration flows to the sub-region. Flows can be likened to an escalator system. An inward flow of younger people in to London and its commuter belts and an outward flow of households from London seeking to settle and raise families. This represents a significant part of the demand for housing in the sub-region. There will be consequences for the viability of an expanded housing market and the scale of new build if the 'escalator' slows or stops.

Future international migration and the labour market

^{11.66} The combined effects of improving national economies and poor exchange rates may mean that the UK has less to offer migrant workers especially those seeking work in routine occupations. This may play out as lower unemployment of the UK labour force, labour shortages, and subsequently a loss of demand in the informal housing market (small shared flats, rooms, Houses in Multiple Occupation (HMO) etc).

Further outsourcing of manufacturing to other countries

^{11.67} With manufacturing being re-located to Eastern Europe and China the economy will be increasingly knowledge based. This may lend itself to home-working and result in fewer car journeys. It will also mean that the economy of towns with large historic manufacturing sectors will suffer, as will their housing markets. However, the research and development (R&D) sector has remained relatively unharmed so even Harlow, with a higher concentration of manufacturing, may see little impact.

^{11.68} Instead of a job for life, employees may find that employment is more short term. This means that the need to re-locate may be more frequent. Alternatively, employees may find themselves living further from their place of work and having to commute over greater distances. Either way, this increasing transience and/or travelling could have a knock-on effect on the sustainability of communities.

Pensions, pension and savings performance

^{11.69} Private pension yields are currently poor and the average pension pot is around £10,000 (ONS). Few employers outside the public sector are offering final year salary pension schemes. This could result in a resurgence of property based investment as yields from equities have proved disappointing. Many services for older people are means tested and a contribution is required dependent upon circumstances for domiciliary care, adaptations etc. Therefore fewer households will be able to self fund adaptations. The local authority will also have to process a higher number of claims for housing benefit and council tax benefits.

Capital through equity

^{11.70} Fewer households will be able to amass capital through equity in their home as more households are unable to get on the property ladder. Reduction in house prices will also affect the capital value of property and there is also the implication that fewer retiring households will be able to look forward to capital wealth through housing equity or good income streams through pension arrangements.

Public spending on infrastructure and regeneration

^{11.71} Given the huge debts incurred by the government to prevent the collapse of the banking sector it is difficult to see how public spending programmes on infrastructure and regeneration can be sustained. As considered above, housing in deprived areas may be increasingly under threat if the recovery is slow, and it is widely believed this will be the last part of the market to recover from the downturn. This is an important issue because the Government is still committed to maximising the development of previously developed land (PDL) and reducing the need for greenfield development and Green Belt releases. In some circumstances, development of PDL can incur higher build costs which can affect the viability of the development. Whilst this is true for PDL in all areas, it is especially significant in more deprived areas where the majority of PDL can be found.

Conclusion

^{11.72} With information provided by an economic appraisal of development sites it will be possible for Local Authorities to use the information contained in this SHMA to provide the evidence necessary for a robust and credible affordable housing target. Local Authorities will nevertheless be able to use the SHMA evidence base to inform planning and housing policy across a wide range of topics as suggested by the various provisions of PPS3.

^{11.73} The policy issues and discussion identified in this chapter will help each Local Authority arrive at a set of policies that will help them to have a better balance between the dwelling stock and the profile of local households that are projected by 2026. This is at a number of spatial levels, from the LCB East/M11 sub-region down to individual neighbourhoods.

^{11.74} SHMA sub-regional findings are designed to inform future reviews of the RSS. Information at Local Authority level is designed to be of practical benefit in arriving at Local Authority level planning and housing policy.

^{11.75} The key message contained in this chapter is that SHMA estimates of housing requirements are not necessarily targets in themselves. Account needs to be taken of a number of local policy aims and priority groups before tenure and size mix targets can be set.

^{11.76} The SHMA estimates are relative and are based on the assumption that the challenging district housing requirements as set out in the RSS are met. Districts will need to monitor housing delivery to ensure that in absolute figures, affordable housing provision continues to respond to housing need.

Appendix A: Stakeholder Consultation

Introduction

- A.1 A community engagement workshop was held to discuss the housing needs of sub-groups of the local population. Invitations were extended to a range of local community organisations to send representatives to attend a half day session.
- A.2 170 people from community organisations across the sub-region were invited to the workshop. The aim was to attract about 30 people to the workshop in Harlow. Twenty five accepted the invitation and twelve attended on the day. Organisations represented included:
- The Maybury Centre
 - Nazeing Action Group
 - The Princess Alexandra Hospital NHS Trust
 - The Roydon Society
 - Herts Young Homeless Group
 - Women's Aid
 - Epping Society
 - Harlow Renaissance
 - Chelmsford Diocesan
 - Harlow and District Chinese Association
 - MOD
 - Great Parndon Residents Association
- A.3 Issues associated with six sub-groups of the population were explicitly discussed:
- Older people and vulnerable adults with support needs
 - Vulnerable young people
 - Key workers
 - People who are homeless
 - Families
 - BME residents and migrant workers
- A.4 The material collected from these discussions is useful in providing some background to the SHMA study and in particular to pointing to current issues in the local area. However, the findings should be treated with caution as they represent the views of a small number of individuals, based on their own local experience, and it would be unwise to assume that these observations are generalisable to the whole population of the area. Indeed participants themselves questioned the representativeness of the group, both in terms of organisational and geographic representation.
- A.5 Nevertheless, some key themes emerged from the discussion, which are summarised below and can form the basis for more future work.

Key Findings

Current Housing Issues

- A.6 In Harlow there are long waiting lists for social housing, a dearth of family accommodation (3-4 bed houses) and 12,000 homes on priority estates do not meet the Decent Homes Standard.
- A.7 1,000 people presented as homeless across Hertfordshire in 2007/8.
- A.8 Smaller properties are needed in Brentwood.
- A.9 There is a high demand for housing but the new supply is inadequate to meet needs.

Affordability of Local Housing

- A.10 All stakeholders emphasised the lack of a range of affordable housing in the area for large numbers of local people.
- A.11 Lack of affordable options mean that people often have to live at a distance from their employment, leading to large numbers of people commuting to work.
- A.12 The Princess Alexandra Hospital in Harlow is due to grow substantially and this will mean that a number of lower paid workers will need local, affordable housing.
- A.13 More key worker housing is needed. For example new teachers cannot afford to live in the area. There is already an existing need and this will grow in the future.
- A.14 More affordable options are needed for older people so that they can make choices about where they live.

Economic Issues in the Sub-region

- A.15 Industry is currently leaving the Harlow area.
- A.16 Key employers in the area are finding it difficult to recruit to middle and senior management positions because of a lack of suitable housing
- A.17 Commuting is an issue across the sub-region. The importance of ensuring that job opportunities were created alongside increases in housing was emphasised.

Flexibility of Housing

- A.18 Infrastructure, such as health, leisure and shopping facilities, is important and should be planned and implemented alongside all new housing developments.
- A.19 Local alternatives are lacking for older people to downsize into more appropriate housing.

Rural Housing Issues

- A.20 A potential conflict between housing need and protection of the environment was identified.
- A.21 The importance of preserving the local environmental assets of the area and implications for Green Belt policies was recognised.

- A.22 Young people have to move away from more expensive rural areas as they cannot afford to remain in their home villages.
- A.23 There is very little affordable land within village boundaries, for new housing and this fuels the cycle of increasing house prices in rural communities.
- A.24 Lack of public transport in rural areas increases the dependency on cars.

Sub Groups of the Population

Older People and Adults with Support Needs

- A.25 Suitable accommodation is needed to allow older people to downsize, especially for those who are frail. For those in social housing there should be incentives for them to vacate larger properties.
- A.26 A range of housing solutions are needed for older people, those mentioned included extra care housing and shared ownership care villages.
- A.27 More information should be provided to older people about possible housing options.
- A.28 Access to services is very important for older people, so their housing should be located near shops, bus routes and health care.
- A.29 As older people often want to stay in their present housing, more work needs to be done to improve their existing housing environment.
- A.30 The support needs of older people living in rural areas often have to be provided by neighbours as no other support is forthcoming.

People who are Homeless

- A.31 Single homeless people often need skilled support to access housing options and the process for solving accommodation problems is often too complex for this very vulnerable group of people.
- A.32 Joined up services are needed to support these people effectively and ensure that they are adequately housed.
- A.33 The Angle Independent Living Centre in Harlow, offering accommodation for single men and women 18-60, is currently being closed and very vulnerable individuals are being housed elsewhere. This will leave a big gap in Harlow as there is no hostel provision in the town.
- A.34 There are often differences between those people who have been homeless for a long period and those who may need short term housing help because of an immediate crisis.
- A.35 One thousand people presented as homeless in Hertfordshire in 2007/8.

Vulnerable Young People

- A.36 There are very few options for vulnerable young people and more supported housing is needed for 16-25 year olds. At present there is no supported housing for this age group in East Hertfordshire.
- A.37 Supporting People are currently conducting a survey of move-on accommodation for young people.

A.38 Specific groups mentioned in need of housing were teenage parents, young people found intentionally homeless, because parents had evicted them due to behaviour difficulties, and young offenders.

New Migrants and BME Residents

A.39 The issue of trafficked women was identified as a problem by one participant, who also highlighted the accommodation and support provided to this group by the POPPY project.

A.40 Participants recognised that there was a substantial Chinese population in Essex and Hertford but no special housing needs were identified for this group by participants.

A.41 There is a large migrant worker population servicing the greenhouse industry around Roydon and Nazeing and problems with affordable housing, transport and schooling for them.

A.42 Planning issues associated with sites for some of the travelling community were discussed.

Consultation on the draft report

A.43 The draft report was published on ORS's website. Consultees (including representatives from Local Authorities, national, regional and local agencies, front line service providers, planning agencies, landowners, estate agents, and RSLs) were invited to comment on the report and attend a launch event on 26th November 2009 which included a lengthy question and discussion session.

A.44 The consultees drew attention to a number of issues which have subsequently been incorporated into the final report

- Unsuitable housing and stock condition
- Intermediate housing provision
- The requirements of gypsies and travellers.

A.45 All parties that submitted a response within the consultation arrangements were provided with a detailed reply to their submissions.

Appendix B: Glossary of Terms

Acronyms and Initials

AMR	Annual Monitoring Report
APS	Annual Population Survey
ASHE	Annual Survey of Hours and Earnings
BME	Black and Minority Ethnic
COA	Census Output Area
CORE	The Continuous Recording System (Housing association and local authority lettings/new tenants)
DEFRA	Department for Environment, Food and Rural Affairs
CRE	Commission for Racial Equality
DCLG	Department for Communities and Local Government
DETR	Department of the Environment, Transport and the Regions
DPD	Development Plan Documents
DWP	Department of Work and Pensions
EERA	East England Regional Assembly
EHCS	English House Condition Survey
GIS	Geographical Information Systems
HA	Housing Association
HARI	Housing and Regeneration Initiative
HBF	House Builders Federation
HESA	Higher Education Statistics Agency
HIP	Housing Strategies and Investment Programmes
HMA	Housing Market Area
HMO	Households in Multiple Occupation

HSSA	The Housing Strategy Statistical Appendix
IMD	Indices of Multiple Deprivation
KCDC	Key Centre for Development and Change
LA	Local Authority
LCB	London Commuter Belt
LDF	Local Development Framework
NASS	National Asylum Support Service
NES	New Earnings Survey
NHSCR	National Health Service Central Register
NOMIS	National On-line Manpower Information System
ODPM	Office of the Deputy Prime Minister
ONS	Office for National Statistics
ORS	Opinion Research Services
PCT	Primary Care Trust
PPG	Planning Policy Guidance note
PPS	Planning Policy Statement
RHS	Regional Housing Strategy
RSL	Registered Social Landlord
RSS	Regional Spatial Strategy
RTB	Right to Buy
SHMA	Strategic Housing Market Assessment

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Bedroom standard is an objective measure of occupation density. A standard number of bedrooms was allocated to each household depending upon the household composition.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. An output area usually comprises 100-200 households.

Concealed household is a household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing.

Debts exclude any mortgage/house loan, but include debts on credit cards, hire purchase etc.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

A forecast of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

Headship rates measure the proportion of individuals in the population, in a particular age/sex/marital status group, who head a household. Projected headship rates are applied to projected populations to produce projected numbers of households.

Hidden households include anyone who lives as part of a household who are likely to leave to establish independent accommodation during the next two years.

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room (e.g. 5 adults sharing a house like this constitute one 5-person household).

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that 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). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (eg through death or joining up with other households).

A household living within another household is a household living as part of another household of which they are neither the head or the partner of the head.

Households sharing are households (including single people) who live in non-self contained accommodation but do not share meals or a living room (e.g. 5 adults sharing a house like this constitute 5 one-person households).

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions – before deductions such as tax and National Insurance.

Housing Market Areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance. For the purpose of technical assessment, this definition means partnerships need to estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay. In other words, it is the amount of housing necessary to accommodate the population at appropriate minimum standards.

Housing size can be measured in terms of the number of bedrooms, habitable rooms or floorspace. This study uses the number of bedrooms.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent.

Key Workers: The Government's definition of key workers includes those groups eligible for the Housing Corporation funded KeyWorker Living programme and others employed within the public sector (ie outside of this programme) identified by the Regional Housing Board for assistance.

Lending multiplier is 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 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or shared ownership is housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident

there one year earlier. Gross migration refers to the number of individuals moving into or out of the district. Net migration is the difference between gross in-migration and gross out-migration.

Non-self-contained accommodation is where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

Previously-developed land is that which is or was occupied by a permanent structure, including the curtilage of the developed land and any associated fixed surface infrastructure. There is no presumption that land that is previously-developed is necessarily suitable for housing development nor that the whole of the curtilage should be developed.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Relets in this context are social rented housing units which are vacated during a period and become potentially available for letting to new tenants, or tenants transferring. Net relets are total relets, or turnover, minus transfers and successions (where the tenancy is transferred to an existing occupant such as the child or spouse of the previous tenant).

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (eg Census, national surveys).

Shared equity schemes provide housing that is available part to buy (usually at market value) and part to rent.

Social rented housing is rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the National Rent Regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

A sub-region is a set of local authorities which interact closely with each other. The local authorities may all be in one region, or they may spread across two or more regions.

Appendix C: Recent Movers' Survey and Report

Introduction to the Paper

C.1 Future patterns of migration into the London Commuter Belt (East) (LCB East) sub-region may be driven by different circumstances to those that have occurred in the past. This is because the Regional Spatial Strategy (RSS) and The London Stansted Peterborough Cambridge (LSPC) M11 Growth Corridor provides for significant housing growth for the sub-region. Additional research is needed to supplement the trend based approach as described in the SHMA report to provide the best profile of households that could move to Hertfordshire and Essex in the future.

Aims of the Paper

C.2 The paper aims to answer the following main research questions;

1. What are the characteristics of households that are moving compared to all households?
2. What distinctions can be made between the characteristics of household moving into new and second-hand housing?

There are two further aims;

3. What factors do people take into account leading to their decision to move to another home?
4. What role does equity play in the affordability of their new home?

LCB East Recent Movers' Survey Methodology

C.3 This project targeted households in new housing developments across the sub-region. Land Registry data was used to identify areas that have seen large numbers of new build sales and hence significant development. A questionnaire was devised and was approved by the Project Group. A copy of the questionnaire is appended to this report.

C.4 A total response of 836 questionnaires was achieved with 523 of these coming from a postal survey of 3,000 address and a further 313 being achieved through face to face surveys. This response rate for the postal sample was 17.4%. There were 63 responses from Brentwood (giving a +/- 12.3% error margin), 94 in Broxbourne (+/- 10.1%), 179 in East Hertfordshire (+/- 7.3%), 120 in Epping Forest (+/- 8.9%), 58 in Harlow (+/- 12.9%) and 331 in Uttlesford (+/- 5.4%).

C.5 The response can also be broken down into new build housing, recent mover not moving into new build and returns from households who had not moved recently.

Figure 190

Responses from Recent Movers by New Build or Second Hand (Source: LCB East Recent Mover Survey 2009)

Type of Mover	Number of Responses
New Build	419
Not New Build (Second Hand)	129
Not Recent Mover	288
Total	836

- C.6 The following analysis is based upon the responses from recent movers to new build and second hand housing 419+129 = 548 households. The analysis is based upon 548 households except where household did not complete a particular question. The error margin for the sample based upon 548 households is +/- 4.2%.
- C.7 A key feature of our analysis is to explore the differences in characteristics between internal and external migrant households. An internal migrant will have moved within the LCB East sub-region. An external migrant will have moved from outside the LCB East sub-region.

Figure 191

Responses from Recent Movers Whether Internal or External Migrant Households (Source: LCB East Recent Mover Survey 2009)

Type of Mover	Number of Responses
Internal Migrant Household	303
External Migrant Household	245
Total	548

- C.8 Of all respondents within the sub-region:
- 45% were in-migrants;
 - 55% were local movers.
- Of the in-migrants;
- 77.6% moved into new build properties;
 - 22.4% moved into second hand properties.
- Of the local movers;
- 75.6% moved into new build properties;
 - 24.4% moved into second hand properties.

Survey Data and Findings

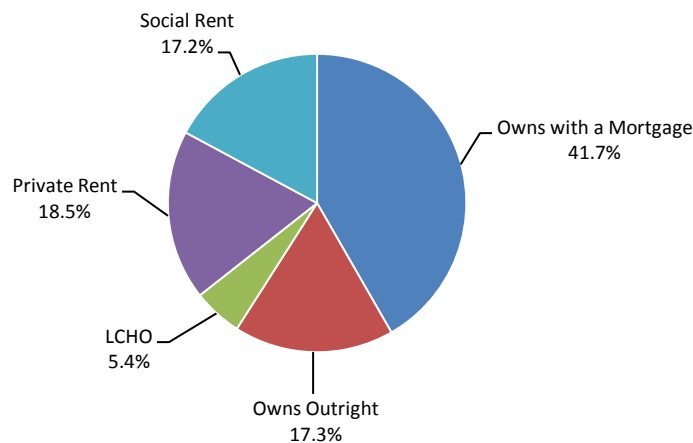
Introduction

- C.9 Firstly we provide outputs of the data analysis and narrative. This leads to a summary of findings with reference to the research questions.
- C.10 Note that the findings are based upon survey data that has not been weighted to provide results at the sub-regional or district level. This is because we have no firm evidence to base weights. For example unlike a random sample survey of all households we cannot weight to the whole population because recent movers will not be the same. Further, we do not know how many moves took place in total (private rental moves are not recorded anywhere), in what type of dwellings and by what type of households. Therefore, we have no firm evidence to base weights upon.
- C.11 Most outputs are presented as proportions except where respondents were invited to give more than one answer.

Tenure

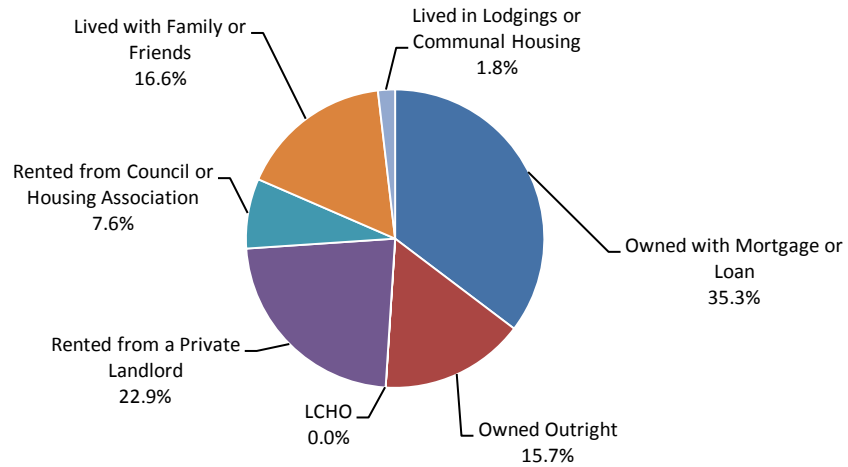
- C.12 Figure 192 shows that recent movers in the LCB (East) Sub-region were more likely to be home owners although the relatively high proportion of households in the private rented sector is noteworthy – nearly double the proportion of all households at the time of the census. While the number of households owning outright is lower than all households all other proportions in the sample are similar to the tenure of all households in the sub-region.

Figure 192
Tenure (Source: LCB East Recent Mover Survey 2009)



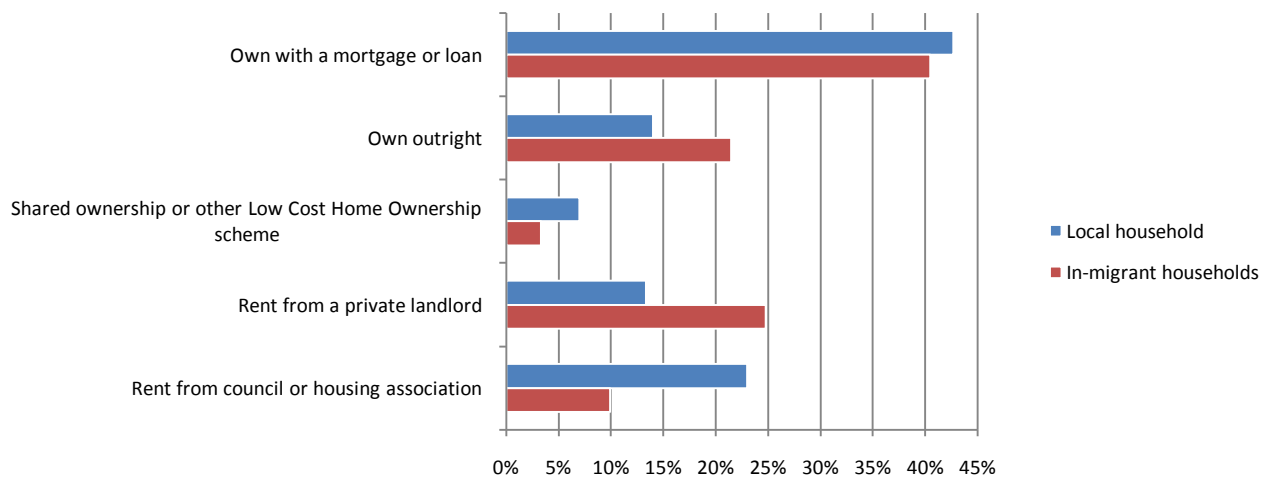
- C.13 Figure 193 shows the previous tenure of recent movers. Note that 19% of recent movers were moving from some form of shared housing to live independently.

Figure 193
Previous Tenure (Source: LCB East Recent Mover Survey 2009)



- C.14 Figure 194 shows how the current tenure of the sample differs according to whether recent movers were local or in-migrant households. It shows that a higher proportion of in-migrant households now own outright or now rent from a private landlord. A higher proportion of local households own with a mortgage, have shared ownership or low cost home ownership, or moved to social rented housing.

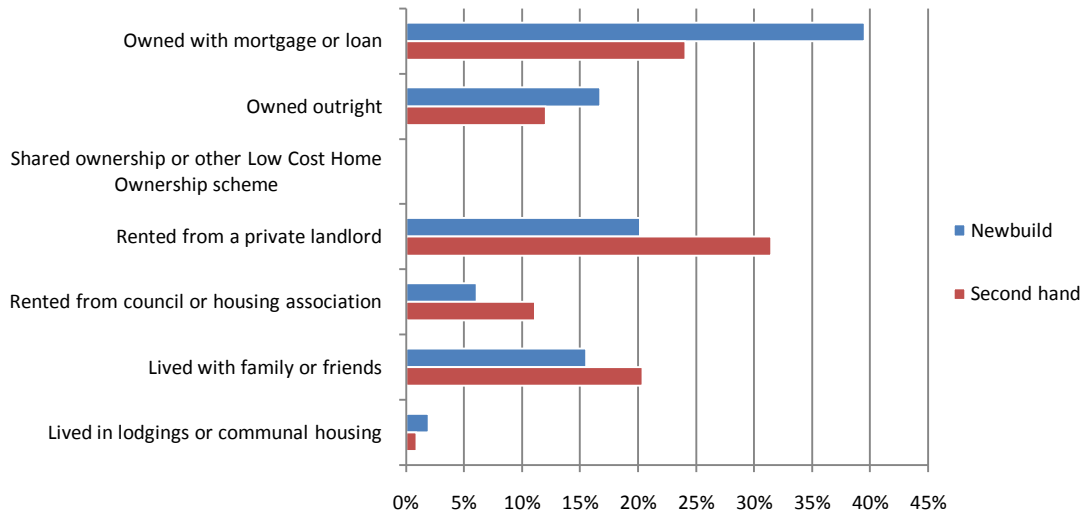
Figure 194
Tenure by Local and In-Migrant Households (Source: LCB East Recent Mover Survey 2009)



C.15 It is important to understand the previous tenure of recent movers and the extent to which the profile changes when households move to new build or second hand housing.

C.16 In Figure 195 we note that a higher proportion of households moving into new build housing rather than second hand housing were previously owners with a mortgage or those that owned outright. However we also note that a higher proportion of households who previously rented from a private landlord or lived with family and friends moved to second-hand housing

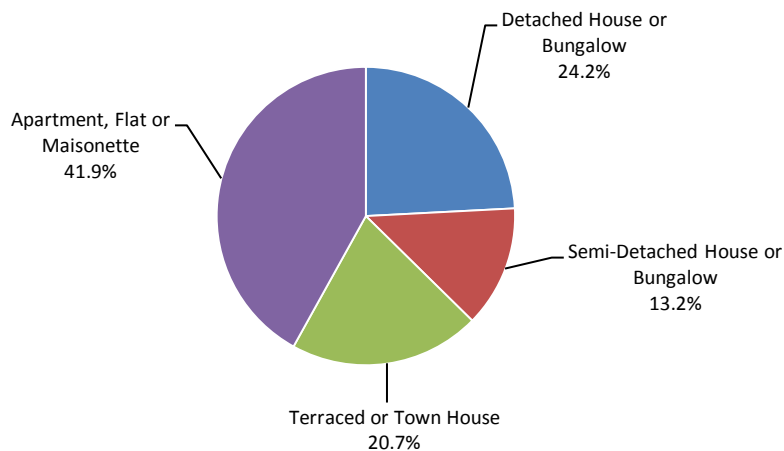
Figure 195
Previous Tenure by New Build Homes and Second Hand Homes (Source: LCB East Recent Mover Survey 2009)



Type of Property and Facilities/Services

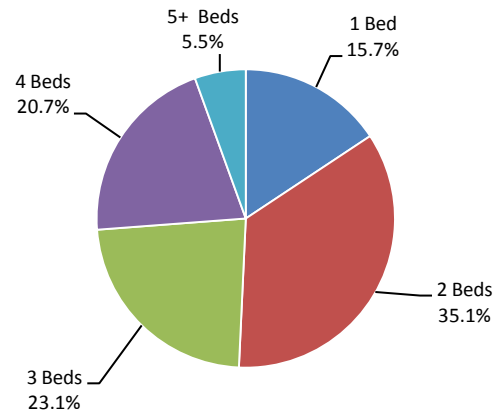
C.17 There is a considerable variation in the size and type of property that recent movers now occupy compared to the profile of the rest of the dwelling stock.

Figure 196
Property Type (Source: LCB East Recent Mover Survey 2009)



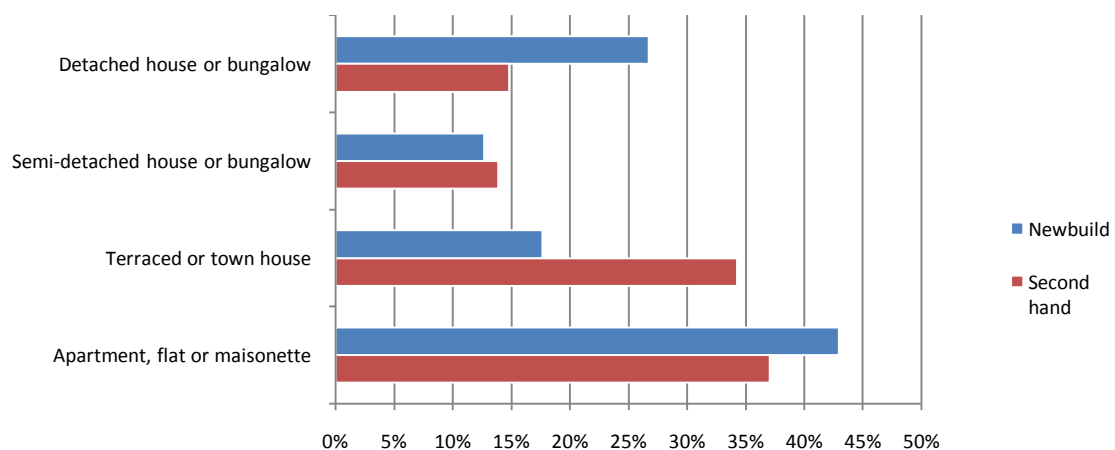
- C.18 In Figure 196 we note the high proportion of households in the sample moved into apartments, flats or maisonettes. This is double the proportion in the rest of the dwelling stock across the sub-region. There are correspondingly fewer terraced and semi-detached dwellings in the sample.

Figure 197
Number of Bedrooms (Source: LCB East Recent Mover Survey 2009)



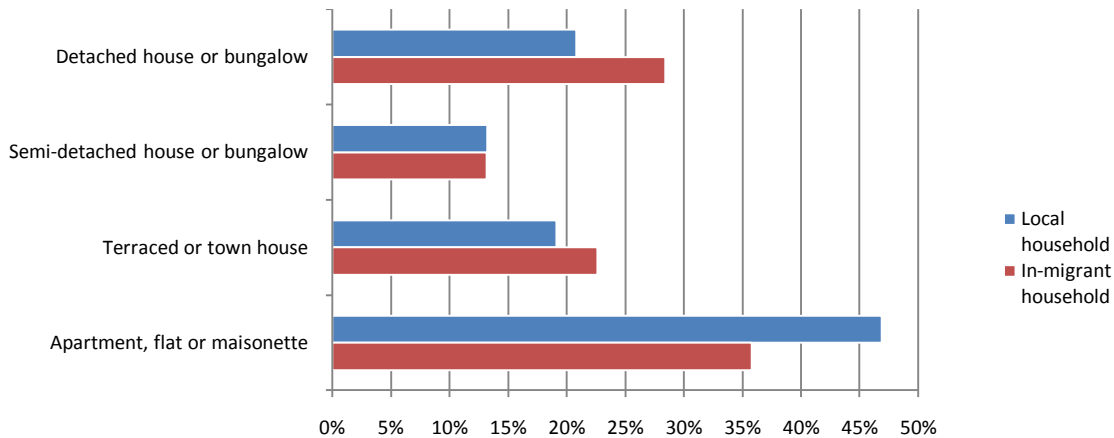
- C.19 In Figure 197 we note the high proportion of 4 and 5 bedroom dwellings in the sample which is a much larger proportion than in the dwelling stock as a whole.
- C.20 A higher proportion of those who had moved into new build housing rather than second hand housing moved into a detached house or bungalow, or an apartment, flat or maisonette as shown in Figure 198. It is notable that the proportion of second hand terraced and town houses is double that of new build.

Figure 198
Property Type by New build homes and Second Hand Homes (Source: LCB East Recent Mover Survey 2009)



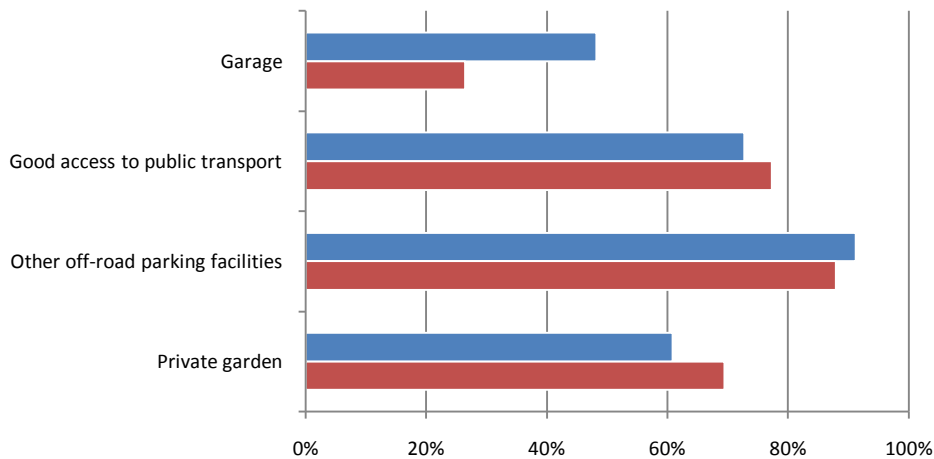
- C.21 Figure 199 shows that when compared to local households a higher proportion of in-migrant households moved into a detached house or bungalow, terraced or town house. A greater number of local households moved into an apartment flat or maisonette.

Figure 199
Property Type by Local and In-Migrant Households (Source: LCB East Recent Mover Survey 2009)



C.22 Figure 200 shows certain characteristics of dwellings and how they differ between new build and second hand housing. A garage is significantly more likely to be present in new build housing. Private gardens were less likely to be present in new build housing reflecting the large number of flats and apartments in the sample.

Figure 200
Property Type by Local and In-Migrant Households (Source: LCB East Recent Mover Survey 2009)

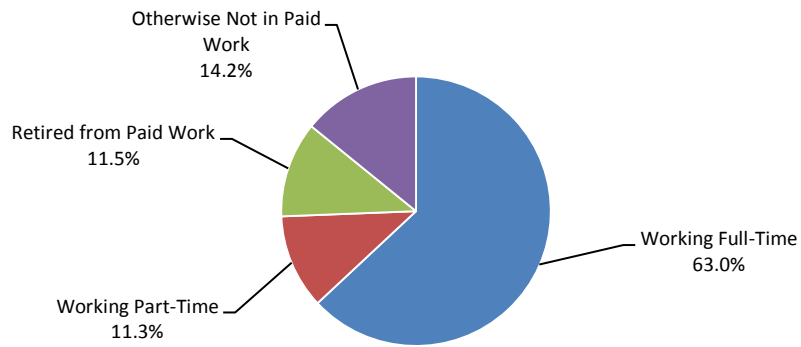


Working Status and Income

C.23 A smaller proportion of recent mover households in the sample had retired from paid work than there are pensioner households in the sub-region as a whole (figure 201). This is based upon the proportion of pensioner households in the sub-region (18%) reported in the SHMA. This finding is therefore indicative. It is interesting however that 26% of the sample of recent movers do not receive income from paid work.

Figure 201

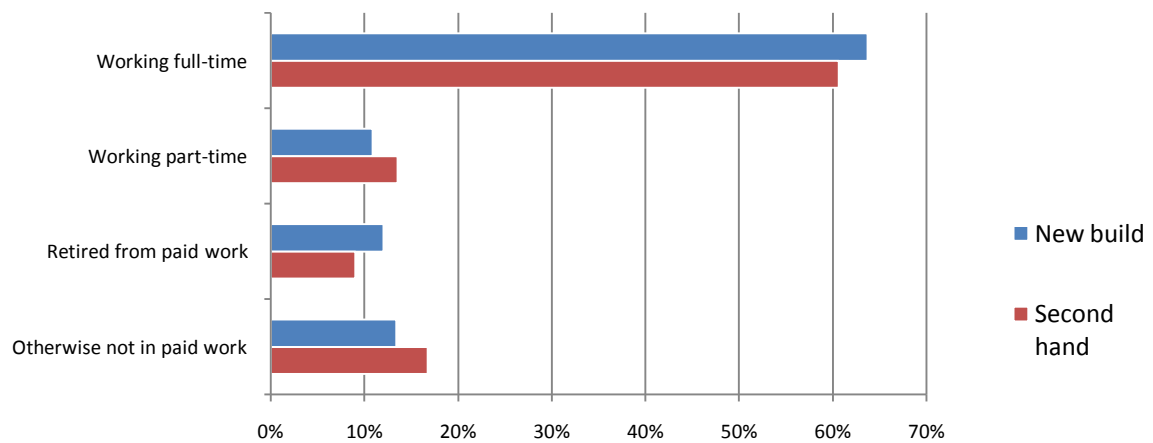
Working Status of Respondent and Partner (Source: LCB East Recent Mover Survey 2009)



C.24 A slightly higher proportion of households moving to new build accommodation rather than second hand are in full time employment as shown in Figure 202.

Figure 202

Working Status of Respondent and Partner by New Build Homes and Second Hand Home (Source: LCB East Recent Mover Survey 2009)



C.25 The uniform household income distribution of the sample is shown in Figure 203.

Figure 203

Household Income (Source: LCB East Recent Mover Survey 2009)

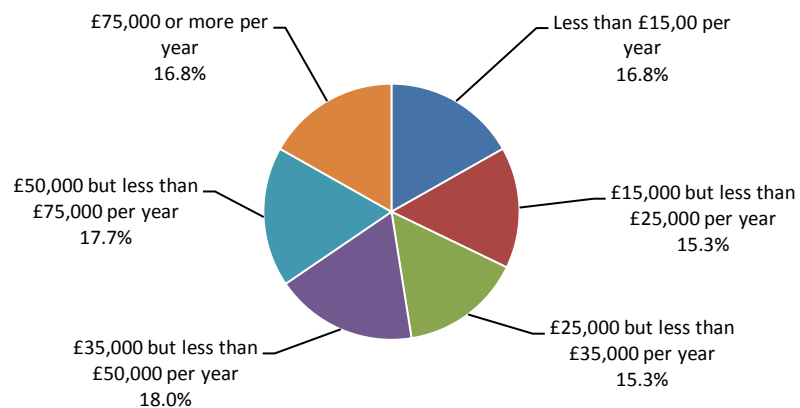
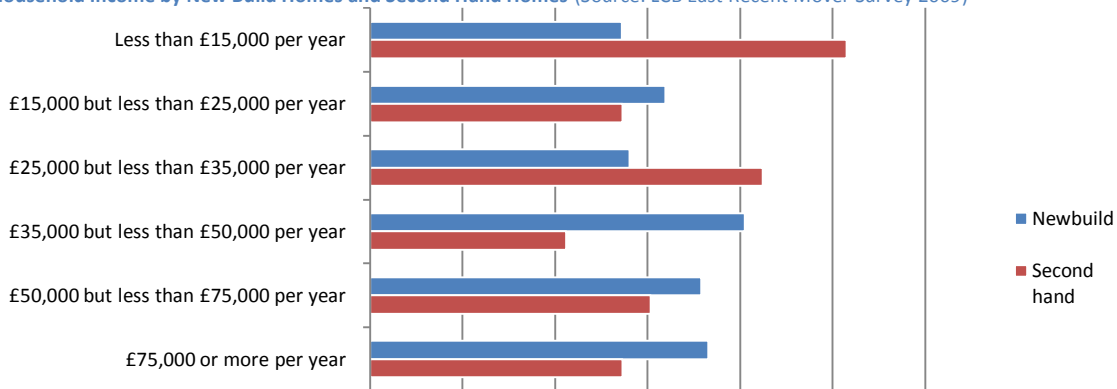
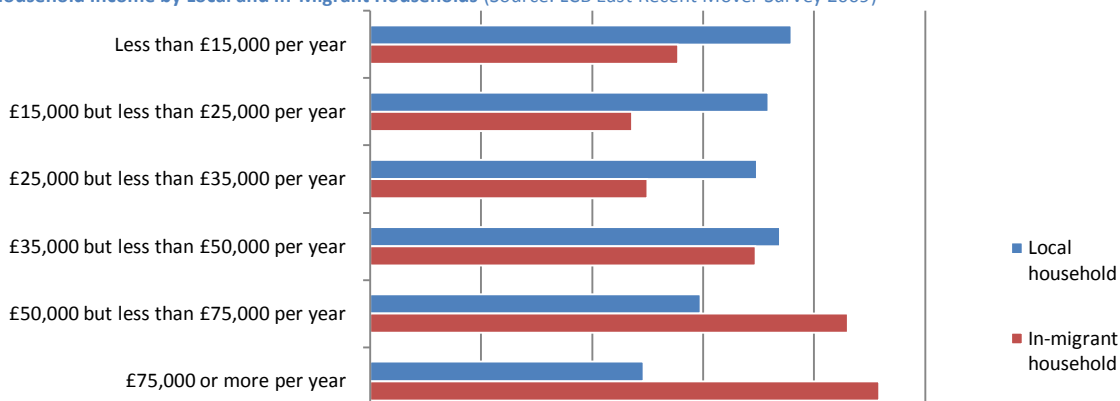


Figure 204
Household Income by New Build Homes and Second Hand Homes (Source: LCB East Recent Mover Survey 2009)



C.26 Figure 204 shows that a larger proportion of households earning more than £35,000 per year moved to new build housing and more household earning less than £35,000 moved to second hand housing.

Figure 205
Household Income by Local and In-Migrant Households (Source: LCB East Recent Mover Survey 2009)



C.27 It can also be seen that a larger proportion of households earning more than £50,000 per year were in-migrant as opposed to local households. This is especially apparent in the £75,000 + income band as shown in Figure 205.

C.28 This is consistent with the fact that new build housing tends to be more expensive than second hand housing on a like for like basis. Figure 206 also puts into perspective the considerable difference in transaction volumes between new and second hand housing.

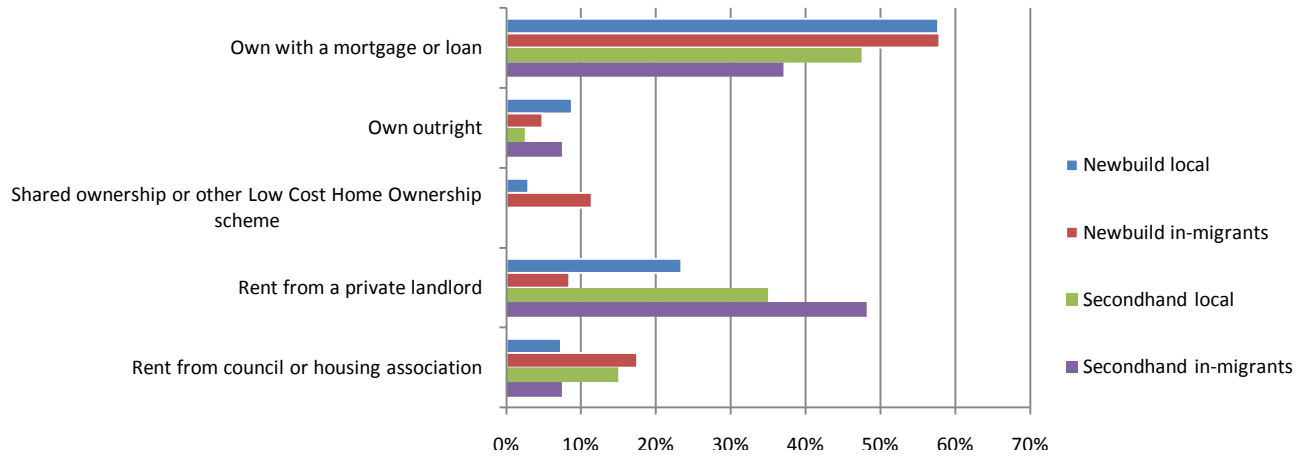
Figure 206
The Premium Price of New Build Housing for Year 2007/8 (Source: HM Land Registry)

Property Type	Average Second Hand Value £	Average New Build Value £	Second Hand Transactions	New Build Transactions	New Build Premium
Detached	18%	27%	17%	21%	30%
Flat	57%	38%	36%	28%	39%
Semi	23%	32%	45%	44%	27%
Terraced	1%	2%	2%	6%	3%

- C.29 Further cross tabulations have been run to investigate the current tenure of recent movers in full time work, whether they have occupied new or second housing and whether the households have occupied new or second hand housing.

Figure 207

Proportion of Recent Mover Households with a Full Time Worker by Occupancy of New Build/Second Hand Housing and Whether Local or In-Migrant Household by Tenure (Source: LCB East Recent Mover Survey 2009)



- C.30 Regarding households in full time work, the main findings from Figure 207 are that a smaller proportion of owners with a mortgage are in-migrants occupying second hand housing. However this group is the highest proportion of private renters. Regarding renting from a council or housing association the finding that a greater proportion of new build is occupied by in-migrant household is a surprising result but is based upon a small number of questionnaires from this group.

Factors Affecting the Decision to Move

C.31 The survey asked households to record the relative importance of a number of factors used in their decision to move home. Figures 208 and 209 take the average score for each of the options across all households, 0 being of no importance and 10 being essential. This shows that factors such as the cost of the property, the size/type of the property and safety in the area were all regarded as being very important. The quality of local schools was regarded as being of less importance when analysed across all households. However, responses from households with dependent children show that the quality of schools is more important to this group than other household types.

Figure 208
Average Score of Importance of Factors in Choice of Location/Property to Move to (Source: LCB East Recent Mover Survey 2009)

Household Group	Local Shops & Facilities	Local Schools	Safety Of the Area	Knowing the Area	Convenience for Work
By Household Type					
Single	7.2	1.5	8.0	6.3	6.9
Couple with No Children	6.7	2.6	8.6	5.9	7.5
Family	6.7	6.7	8.8	6.1	6.4
By Tenure					
Own	6.8	4.5	8.6	6.2	6.5
Rent	7.2	5.2	8.6	6.0	6.6
By Property Type					
House	6.6	5.3	8.7	6.1	6.5
Flat	7.5	3.4	8.4	6.3	6.7
ALL RESPONDENTS	6.9	4.7	8.6	6.1	6.5

Figure 209
Average Score of Importance of Factors in Choice of Location/Property to Move to (Source: LCB East Recent Mover Survey 2009)

Household Group	Cost of the Property	Size/Type of property	Garage/Off Road Parking	Age of the Property	Private Garden
By Household Type					
Single	7.8	8.2	6.8	5.4	4.0
Couple with No Children	8.6	8.6	7.8	5.1	6.3
Family	8.1	8.5	7.4	5.4	8.0
By Tenure					
Own	8.7	8.6	8.1	6.0	7.7
Rent	7.0	8.1	6.2	4.2	5.5
By Property Type					
House	8.3	8.6	7.7	5.7	8.7
Flat	7.7	8.1	7.0	4.9	3.0
ALL RESPONDENTS	8.1	8.5	7.5	5.4	7.0

Finance and Equity

C.32 Respondents were asked to indicate all methods of funding that were used to finance the housing that they moved to. Assistance from parents, etc. inheritance and assistance from employers played a very minor role in all scenarios as shown in figures 210 and 211.

Figure 210
Methods of Funding by New Build Homes and Second Hand Homes (Source: LCB East Recent Mover Survey 2009)

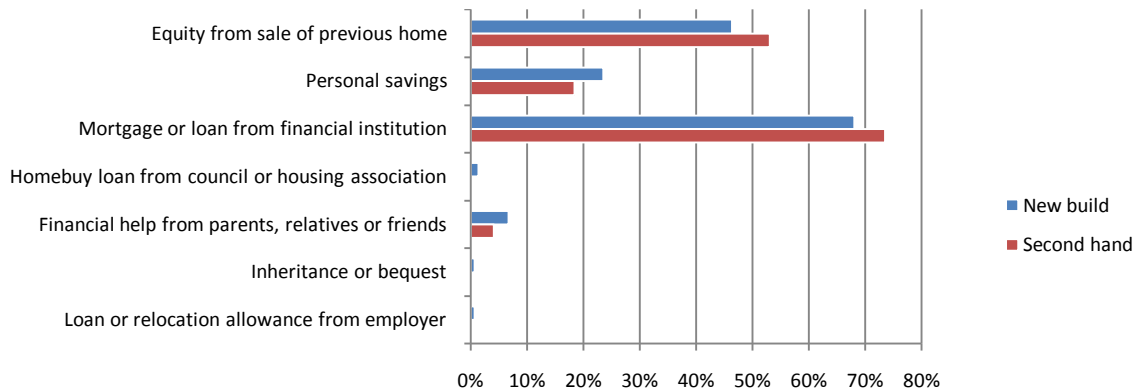
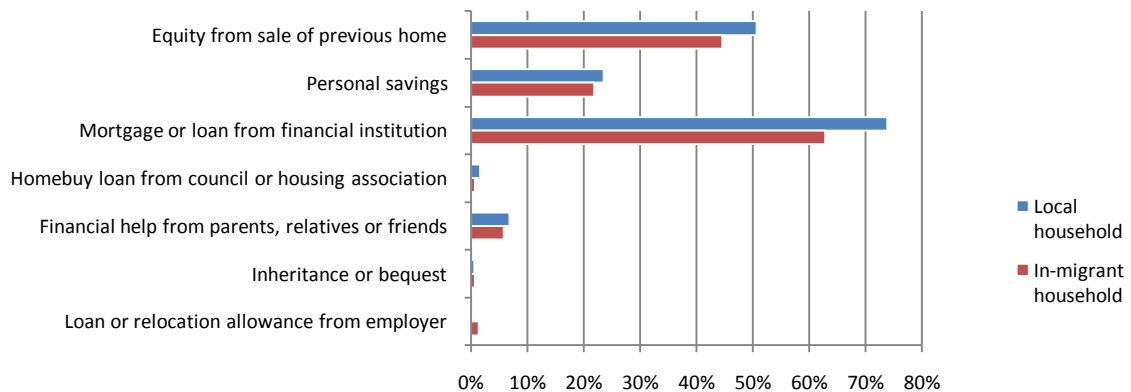


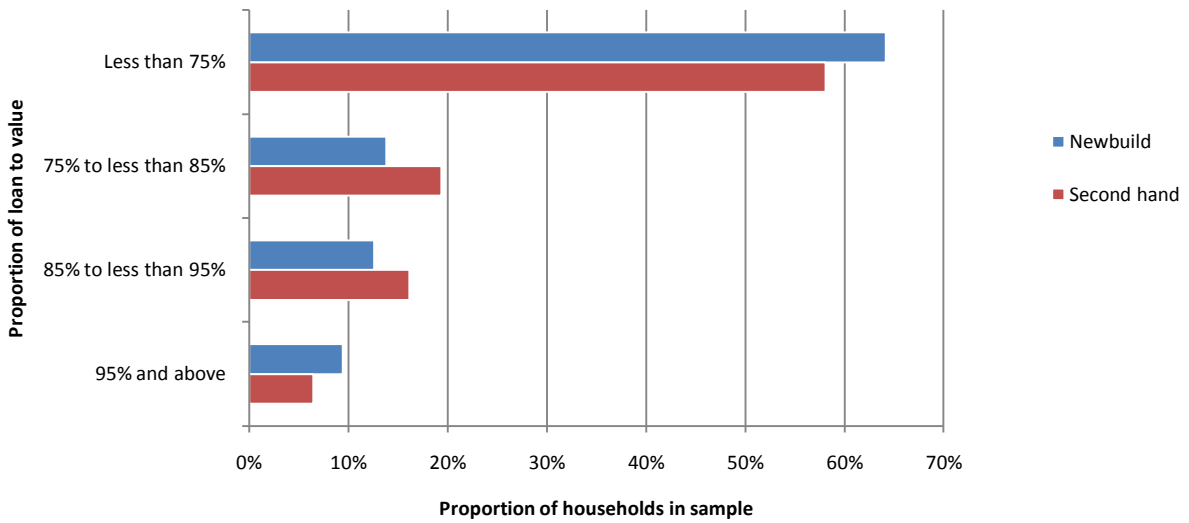
Figure 211
Methods of Funding by Local and In-Migrant Households (Source: LCB East Recent Mover Survey 2009)



C.33 The ratio of loan to value was investigated for households that had bought housing with a mortgage. Figure 212 shows very similar ratios for new and second hand housing and the importance of equity in most transactions was evident due to the large number of households in the sample that were previously home owners.

Figure 212

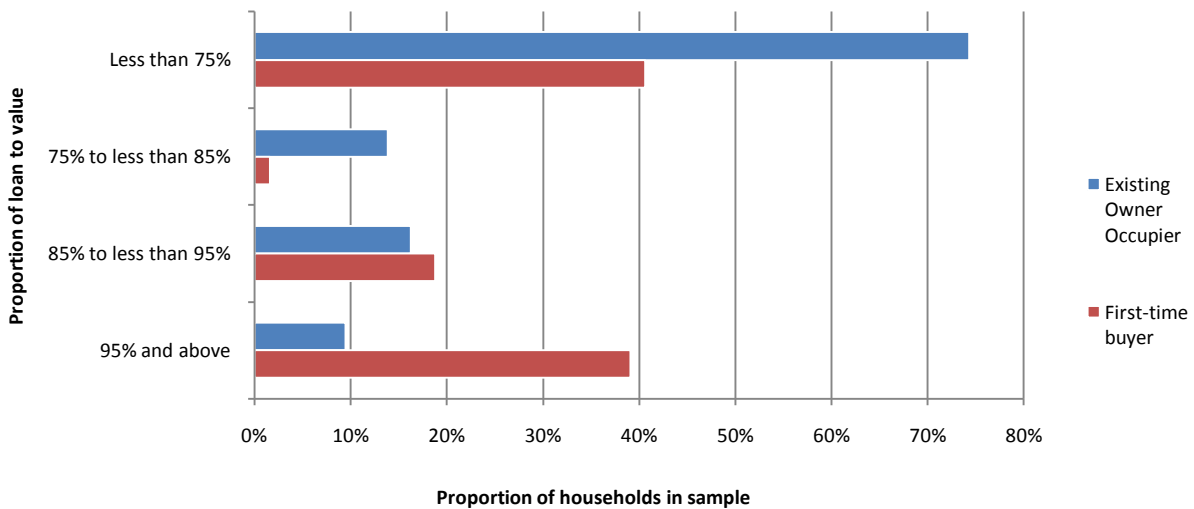
Proportion of Loan to Value by New Build Homes and Second Hand Homes (Source: LCB East Recent Mover Survey 2009)



C.34 Comparison of the ratio of loan to value was investigated for first time buyers and other households in the sample.

Figure 213

Proportion of Loan to Value by Existing Home Owners and First-Time Buyers (Source: LCB East Recent Mover Survey 2009)

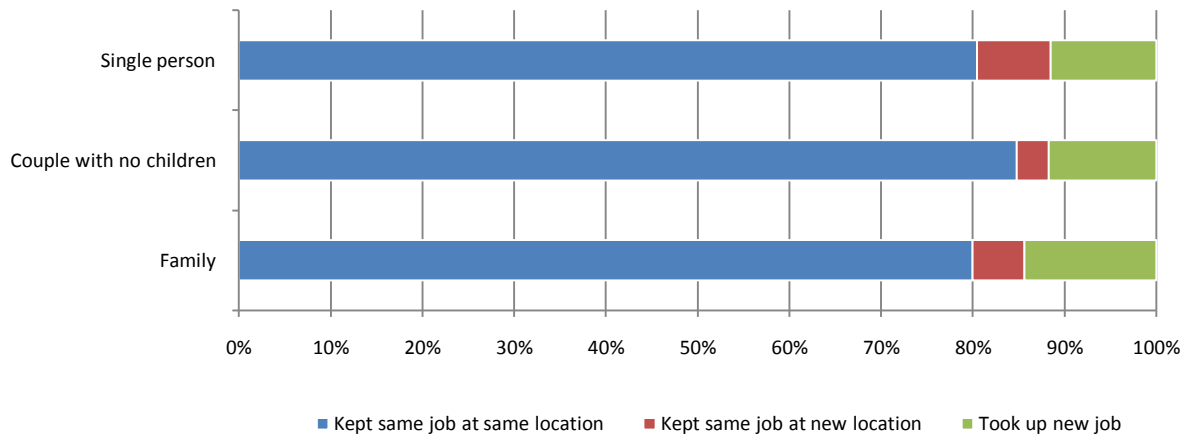


C.35 Figure 213 shows, not surprisingly, first time buyers have higher loan to value ratios underlining the importance of equity for existing owner occupiers.

Employment

C.36 Employment is a major driver of the housing market. We sought to understand the extent to which recent movers took up new employment when they moved home. Figure 214 shows that family households were slightly more likely to take up new jobs when they move. Single people were slightly more likely to have kept their job at a new location. Couples with no children were slightly more likely to have kept the same job at the same location.

Figure 214
Job Changes when Moving (Source: LCB East Recent Mover Survey 2009)



C.37 The following figures are designed to show the differences between employment moves by new and second hand housing, local and in migrant households (figures 215 to 218).

Figure 215
Job Changes when Moving to New-Build Homes (Source: LCB East Recent Mover Survey 2009)

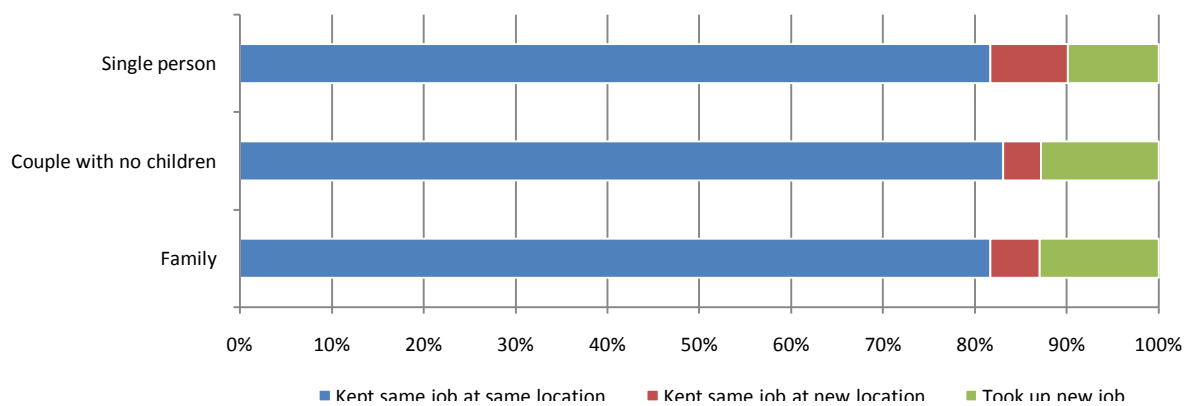


Figure 216
Job Changes when Moving to Second Hand Homes (Source: LCB East Recent Mover Survey 2009)

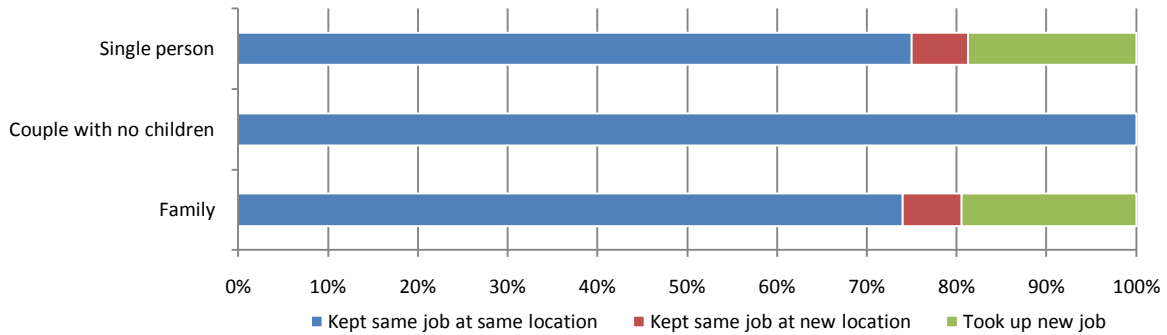


Figure 217
Job Changes for Local Households (Source: LCB East Recent Mover Survey 2009)

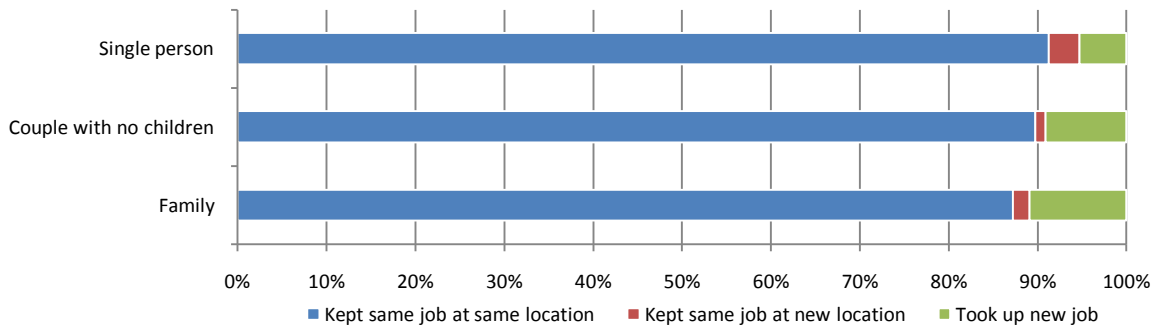
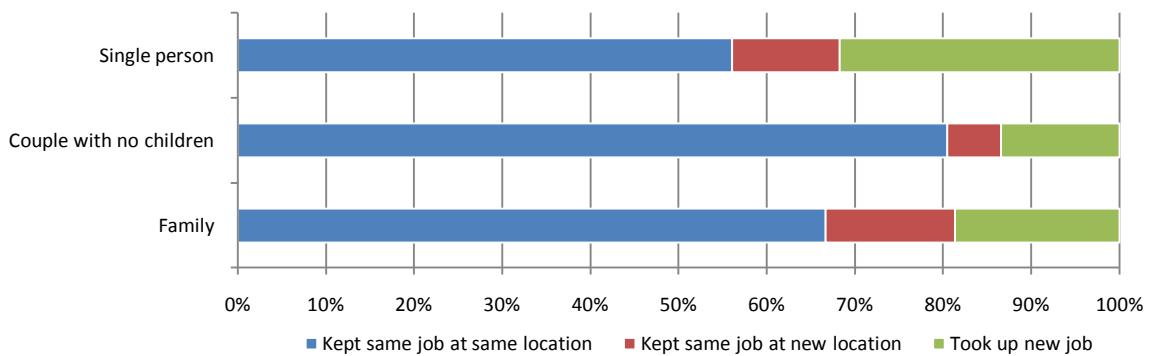


Figure 218
Job Changes for In-Migrant Households (Source: LCB East Recent Mover Survey 2009)



C.38 In-migrant households especially single person households are more likely to take up a new job or keep the same job at a new location. In-migrants taking new jobs are also more likely to take up second hand housing with the exception of couples with no children.

Summary of Findings

Tenure

- 19% of recent movers were moving from some form of shared housing to live independently.
- A Higher proportion of in-migrant households now own outright or now rent from a private landlord. A higher proportion of local households own with a mortgage, have shared ownership or low cost home ownership, or moved to social rented housing.
- A higher proportion of households moving into new build housing rather than second hand housing were previously owners with a mortgage or those that owned outright. However we also note that a higher proportion of households who previously rented from a private landlord or lived with family and friends moved to second-hand housing.

Property Type

- A large proportion of households in the sample moved into apartments, flats or maisonettes. This is double the proportion in the rest of the dwelling stock across the sub-region. There are correspondingly fewer terraced and semi-detached dwellings in the sample.
- The proportion of 4 and 5 bedroom dwellings in the sample is a much larger proportion than in the dwelling stock as a whole.
- A higher proportion of recent movers moved into new build detached houses or bungalows, apartments, flats or maisonettes. It is notable that the proportion of second hand terraced and town houses is double that of new build.
- A higher proportion of in-migrant households moved into a detached house or bungalow or terraced or town house. A greater proportion of local households moved into an apartment, flat or maisonette.
- Private gardens were less likely to be present in new build housing reflecting the large number of flats and apartments in the sample.

Working Status Income and In-Migration

- 26% of the sample of recent movers do not receive income from paid work.
- A slightly higher proportion of households moving to new build accommodation are in full time employment.
- The distribution of household income of recent mover households is relatively even across the income bands.
- A larger proportion of households earning more than £35,000 per year moved to new build housing and more household earning less than £35,000 moved to second hand housing.
- A larger proportion of households earning more than £50,000 per year were in-migrant households as opposed to locals. This is especially apparent in the £75,000 + income band.
- Regarding households in full time work, a smaller proportion of owners with a mortgage are in-migrants occupying second hand housing. However this group is the highest proportion of private renters.

New Build Premium

- Land registry data for the years 2007/8 shows that new build housing is more expensive than second hand housing of similar house type. It also shows that there are relatively few transactions for new build housing compared to second hand housing.

Summary of Findings Continued

Factors Affecting the Decision to Move

- Factors such as the cost of the property, the size/type of the property and safety in the area were all regarded as being very important. The quality of local schools was regarded as being of less importance when analysed across all households. However, responses from households with dependent children show that the quality of schools is more important to this group than other household types.

Finance and Equity

- Assistance from parents, etc. inheritance and assistance from employers played a very minor role in all scenarios.
- When considering the entire sample very similar loan to value ratios were apparent for new and second hand housing and the importance of equity in most transactions was evident due to the large number of households in the sample that were previously home owners. First time buyers have higher loan to value ratios.

Employment

- Family households were slightly more likely to take up new jobs when they move. Single people were slightly more likely to have kept their job at a new job location. Couples with no children were slightly more likely to have kept the same job at the same location.
- In-migrant households especially single person households are more likely to take up a new job or keep the same job at a new location. In-migrants taking new jobs are also more likely to take up second hand housing with the exception of couples with no children.