

WEST OXFORDSHIRE

**HOUSING NEEDS
ASSESSMENT**

**EXECUTIVE SUMMARY
2008**



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1 EXECUTIVE SUMMARY

1.1 Local Housing Survey

1.1.1 West Oxfordshire District Council, formally commissioned DCA in September 2008 to carry out a District-wide Housing Needs Survey.

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

- A postal questionnaire to 8,554 households across 12 sub-areas.
- A housing market survey utilising the Land Registry and an internet survey of estate agents on the cost of access level property and on the supply and cost of private rented housing.
- Secondary data analysis drawing upon Housing Strategy Statistical Appendix (HSSA) and Housing Register data on the flow of social stock and need, 2001 Census, household and population projections and other national research.
- The questionnaire was designed in consultation with officers of West Oxfordshire District Council and based upon tried and tested questionnaires used in previous comparable assessments.
- Balancing Housing Market Stock Analysis (by 12 sub-areas) detailing demand and supply for all stock by type and size for both general market households and the affordable sector, vital to inform balancing housing markets.

1.2 Population and Household Change

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

What about the future?

1.2.2 The population estimates are from 2008 Round GLA Draft Projections from Oxfordshire County Council projections and include the South East Plan housing provision, but do not include the Oxford Strategic Development Area.

1.2.3 The population of the District is projected to increase by 13.8% between 2006 and 2026;

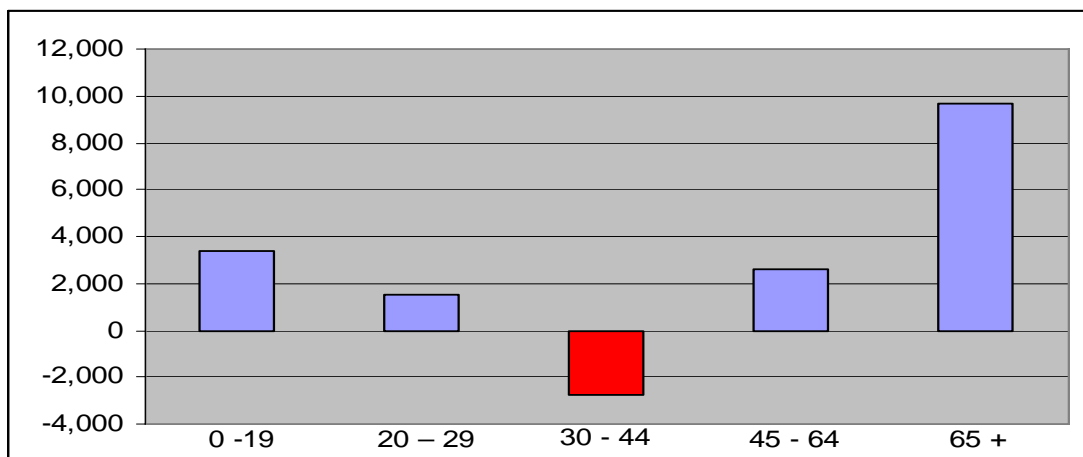
1.2.4 The forecasts show a pattern which is generally common in the majority of local authority districts nationally e.g. a fall in the number of people aged 30 to 44 and more significantly a rise in people over the age of 65. This pattern will only be changed by a level of in-migration to the District of younger households; broadly people aged 20 to 45 years of age.

1.2.5 Numbers rise in the 20 to 29 year age group and this will have an impact on the housing market, potentially increasing numbers in this household forming and moving group within the population.

1.2.6 Growth in the population is concentrated in the older age groups, with the 45 to 64 age group (+2,599) and the 65+ age group (+9,673) showing the largest increase. Numbers of people over 75 years of age increases by 4,777 by 2026. The retired population will increase by 57% by 2026. There is an inextricable link between ageing and disability and 57.7% of those with a disability are over the age of 60.

- 1.2.7 Migration within the housing market has an impact on population balance. 50.9% (5,362 implied) of households who had moved in the last 3 years were in-migrants from outside the District, a very high level.
- 1.2.8 The District has experienced the highest level of new housing development since the 1980's. This is not planned to happen in the future as regional strategies focus the major growth to Oxford and Swindon and housing growth in the Oxford Strategic Development Area.
- 1.2.9 27.2% (2,580 implied) of existing households who had plans to move in the next 3 years were planning to move out of the District. In addition 1,043 (11%) concealed households were planning to leave the District.
- 1.2.10 The key features of population change impacting on the housing market are:-
 - Out migration of younger and economically active households;
 - An ageing population with increasing care and support needs.

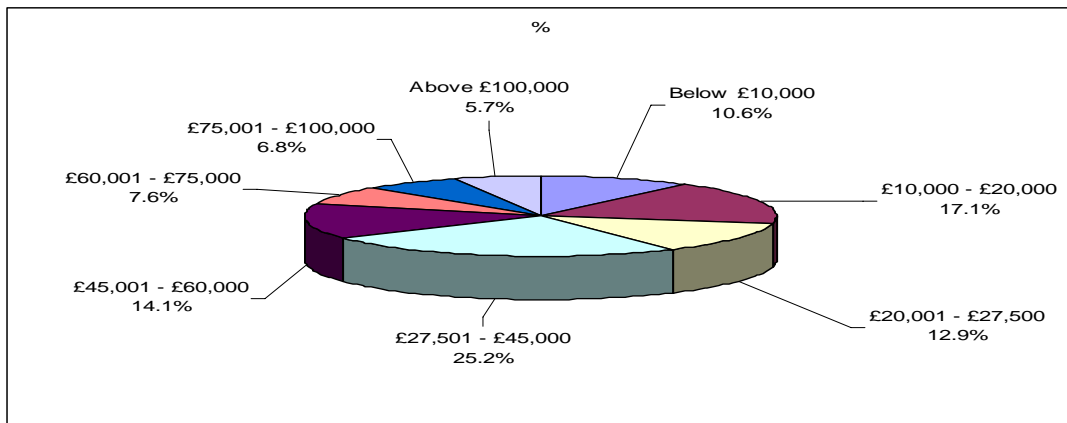
Figure 1-1 Population Age Band Forecast, 2006 - 2026



1.3 The Economic Climate

- 1.3.1 The economic climate, changes in national and regional economic policy, alongside labour market trends and local income trends sets the context in which households make decisions about their housing needs and preferences.
- 1.3.2 At a local level, employment and income trends will influence housing choices:-
 - 70.4% of those in employment are in managerial / technical or professional occupations; only 4.5% are in unskilled occupations;
 - 56.2% of those in employment work within West Oxfordshire;
 - 28.2% of the population are retired;
 - The income and savings data in relation to new forming households showed as expected that many will have difficulty accessing the local housing market;
 - Fewer BME households earned less than the national average of £27,500 compared to all households. Also more BME households earned in excess of £60,001 (24.5%) than the population of the District as a whole (20.1%).

Figure 1-2 Income Distribution of Existing Households

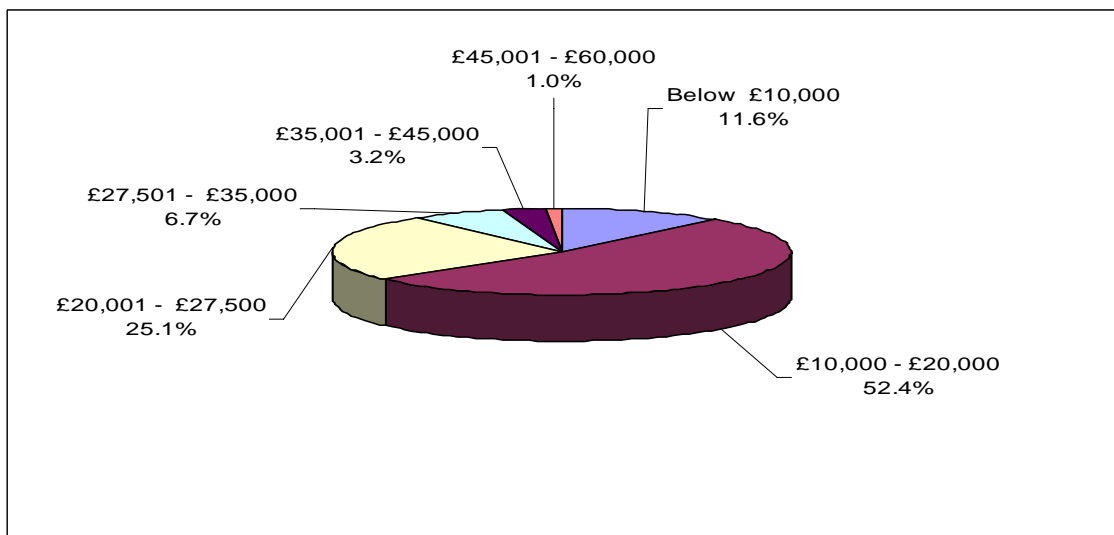


1.3.3 21.1% of households responding were in receipt of Council Tax Benefit (4,023 implied) and 20.1% received Working Family Tax Credit. 18.1% received Housing Benefit.

1.3.4 Key factors relating to concealed households' ability to meet housing costs are that:-

- A total of 43.5% had less than £1,000 savings. A further 31.7% had less than £5,000. 6.9% had savings of over £20,000;
- 11.6% had household incomes below £10,000 per annum, 52.4% earned between £10,000 and £20,000, 25.1% between £20,001 and £27,500 giving a total of 89.1% with an income below £27,500. 10.9% of concealed households earned above the national average income of £27,500, lower than average in our survey experience (typically 16%).

Figure 1-3 Income Distribution of Concealed Households



BME Households

1.3.5 Far fewer BME households than all households earn less than £10,000 (7.1%) which is also significantly lower than the corresponding UK figure (20.3%). An equal amount of BME households earn below the national average when compared to all households and a slightly lower proportion of BME households earned over £60,000 than the whole population.

1.4 Current Housing in the District

1.4.1 The key features of the existing housing stock are that:-

- The property type profile is skewed towards semi -detached and detached houses;
- Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 46.3% of all households and over-occupation affects 2.0% of all existing households, lower than the national average of 3%. Over-occupation levels were highest in the Housing Association rent and tied to employment sector;

Demand for Market Housing

1.4.2 3,940 existing households and 1,432 concealed households requiring market housing will be moving within the District in the next 3 years.

1.4.3 Demand from existing moving households is focused on detached (45.4%) and semi-detached (32.9%) houses. 44.7% of demand was for 3 bed accommodation.

1.4.4 The needs of concealed and existing households moving to market housing for specific house types are shown in the table below. This reflects the differing levels of existing supply against demand from new households and the impact in actual sales levels created by stock availability and turnover.

Table 1-1 Existing and Concealed Households Market House Type Requirement / Stock

Type	Existing Households		Concealed Households		Current Stock % of Market Housing	Sales %
	%	N ^{os.}	%	N ^{os.}	%	%
Flat	5.3	209	54.4	779	5.4	15.2
Terraced	11.1	437	17.4	249	20.8	25.3
Semi-detached	32.9	1,296	16.7	239	30.5	31.5
Detached	45.4	1,789	6.4	92	42.7	28.0

1.4.5 Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher need for flats/ maisonettes from new forming households, than the existing stock. The overall need expressed by concealed and existing households for flats is significantly higher than the flow of the existing market stock. However demand for other property types are even compared to the stock profile.

1.4.6 Small units, i.e. one and two bedroom properties are 24% of existing stock for market housing. This is compared to the national average of 63.2% (Survey of English Housing, 2007/08). All site briefs and regeneration projects should promote the property types which are under represented in the stock compared to national average levels in line with the principles in PPS3 and to address the impact of future demographic and household formation change.

1.5 The Cost of Accessing the Housing Market

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

- 1.5.2 The evaluation of the market in West Oxfordshire is based on specially prepared information taken directly from the Land Registry database for the year ending 30th September 2008 and an analysis of local estate agency sales looking at entry level properties, i.e. the lowest quartile stock.
- 1.5.3 The Land Registry recorded the average price for all dwellings in the District at £279,649. The average price of all properties has risen by 31.1% between Quarter 3, 2002 and Quarter 3, 2008. Entry level stock, terraced properties have increased by 32% and detached properties have increased by 45.8% over this period.
- 1.5.4 Access to owner occupation has been restricted by rising prices over the recent years especially for flats / maisonettes and terraces, with house price increases outstripping local income inflation. The current credit crisis has impacted on the level of loan available and on interest rates and it is unlikely that 95% mortgages are now available to many concealed households.
- 1.5.5 The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available. Incomes needed to buy in locations across the District are shown in Table 1-2 below.
- 1.5.6 The following table shows the annual household income needed to buy entry-level stock by area in the District, based on a 95% mortgage availability and a 3.5 times gross income to lending ratio, the Guidance recommended levels.
- 1.5.7 Flat sales are in low supply in some areas. An income of £29,200 is required to buy a one bedroom flat in the Chipping Norton Area rising to £36,600 in the Woodstock area.
- 1.5.8 A two bedroom flat requires an income range from £32,300 in Chipping Norton up to £54,300 in the Charlbury area.
- 1.5.9 Terraced properties require incomes of £43,400 to £61,100 depending on location.

Table 1-2 Annual Household Income Required to Purchase by Sub-Area

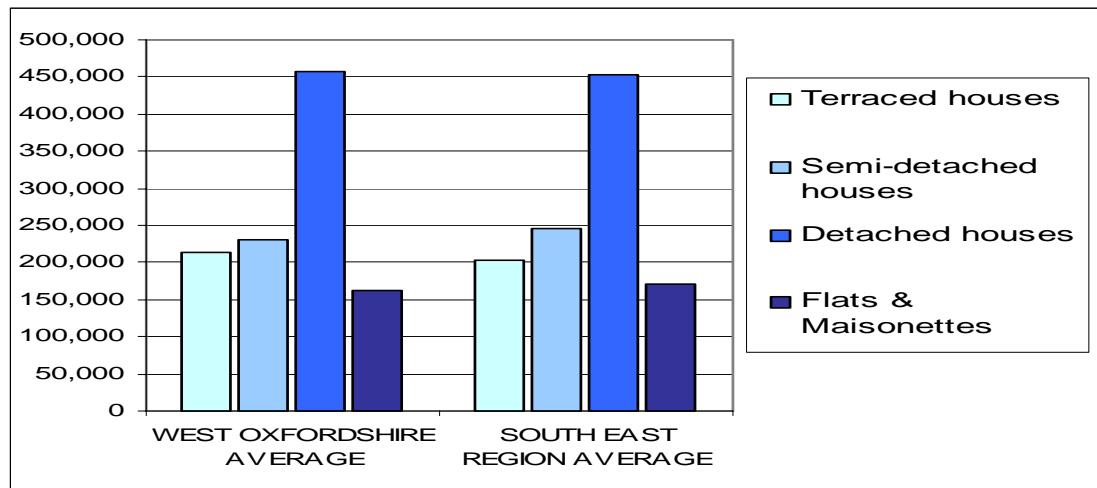
Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Chipping Norton	29,200	32,300	48,800
Enstone / Bartons	**	**	51,600
Woodstock	36,600*	47,500*	61,100
Charlbury	33,900*	54,300*	54,300
Wychwoods	**	38,000*	47,500
Burford	**	**	47,500*
Carterton	29,300	38,800	43,400
Witney	33,900	43,400	46,000
Hanborough	**	**	51,600
Eynsham	**	51,600*	**
Aston / Standlake	**	**	**
Bampton	**	36,000*	43,400

Source: DCA House Price Survey July 2008

* Low sample, ** No data

- 1.5.10 Although the average price of terraced properties according to the Land Registry survey is £213,754, entry sales levels vary across the District with the lowest entry prices, starting at around £159,950 in the Carterton Area and the Bampton area, rising to £225,000 in the Woodstock Area. 3-bed terraced properties start at £175,000 in the Bampton Area and rise to £350,000 in the Burford area.
- 1.5.11 The survey findings indicate that income levels of 90.6% of all the concealed households forming in the next three years are below the level necessary to be able to buy, and 82% are unable to access the private rented sector in the District. These income levels are lower than those of concealed households about to form this year but are those used in the Assessment Model calculations.
- 1.5.12 Terraced properties are assessed to be the main entry level for first time buyers in view of their relatively lower cost and volume of sales. The ability of concealed households to access the market is very limited. The cheapest 1 bed flat / maisonettes in the District require an income of £29,200 and 90.6% of concealed households earn below this level.

Figure 1-4 2008 Average House Prices



- 1.5.13 Access to the owner occupied and private rented sector is restricted by cost. 75.4% of all concealed households can afford to pay no more than £430 pcm, the access rent.

1.6 Balancing Housing Markets

- 1.6.1 The turnover of the existing stock should meet 90% of all housing requirements. In view of the current stock balance and longer term demographic and household formation change, all future development should address the imbalance of stock type and size, both by tenure and location to create a more sustainable and balanced housing market.

- 1.6.2 The table below outlines the proposed annual average dwelling provision in the Draft South East of England Plan between 2006 and 2026, against the net market demand and affordable need shortfalls after stock turnover.

Table 1-3 Proposed Dwelling Provision against Demand and Affordable Need

Dwelling Provision p.a.*			Affordable Need Shortfall p.a.****	Market Demand Shortfall p.a.****
Draft Plan*	Panel Report**	Secretary of State proposed Changes***		
335	365	365	567	830

* Draft South East Plan (March 2006).

** Panel Report of the Draft South East Plan (August 2007)

*** The South East Plan Secretary of State's Proposed Changes (July 2008)

**** 2008 Housing Need Survey Data

- 1.6.3 The scale of demand and need identified through the survey is significant. Compared to the proposed annual provision of 365 units p.a. in the Panel Report of the draft South East Plan and the Secretary of State Proposed Changes, the 2008 West Oxfordshire household survey identified an annual shortfall of 830 units in the market sector and 567 units of affordable housing.

1.7 The Need for Affordable Housing

- 1.7.1 The total annual level of outstanding affordable need is 567 units, after allowing for current rental re-let and shared ownership re-sale supply. Despite the evidence of the scale of need from existing and concealed households, there are wider issues to consider when setting targets for delivery of affordable housing from new developments. Primarily there is a need to build viable, sustainable developments.
- 1.7.2 Based on the evidence found in this assessment, consideration should be given to an overall affordable housing target of up to 50% of new units of all suitable sites in both urban and rural settlements, subject to viability.
- 1.7.3 This overall target includes a tenure mix target of housing for social rent (70%) and intermediate housing (30%) to meet the needs of low income households, and those on average incomes unable to purchase, provided it is delivered at a cost below the cheapest entry level costs in the general market and would be available on a similar basis to subsequent purchasers.
- 1.7.4 In view of the scale of need, subsidised affordable units should be negotiated on all suitable sites, the target for each site taking into account existing supply, survey demand and other regeneration, planning, sustainability and economic factors. Targets may vary above and below this level both in total and by tenure mix on a site by site basis.
- 1.7.5 The social rented stock in the District at 12% is lower than the regional and national averages and 230 units annually are available from the flow of the existing social rented and shared ownership stock.
- 1.7.6 The average increase in entry-level (terraced) house prices between Quarter 3, 2002 and Quarter 3, 2008 was 32%, which has excluded many 'first-time buyers' from the owner occupied market.
- 1.7.7 The tenure balance recommended is only in terms of the total delivery and will need to be assessed for individual sites to take account of the existing flow of re-lets from the rental stock and other area / neighbourhood priorities.

- 1.7.8 Housing strategy also needs to consider the needs of both concealed and existing households for social housing. This need must be assessed in the context of a market which is increasingly beyond the reach of low income existing and concealed households.
- 1.7.9 In addition to the scale of affordable housing to meet general household requirements, there are specific needs which should also be addressed. These are highlighted in the following sections.

1.8 Sheltered Housing

- 1.8.1 In total, the data suggests a combined requirement for sheltered accommodation from older people currently living in West Oxfordshire (177 households) and those who may in-migrate to be beside their family (1,092 households) a total of 1,269 units, 608 in the affordable sector and 661 in the private sector.
- 1.8.2 Some of this requirement will be addressed by flow of the existing sheltered stock, but acceptability of existing stock to meet today's standards will need to be assessed in calculating the scale of new delivery.
- 1.8.3 The significantly higher level of elderly accommodation for people moving into the District is a common trend to other DCA surveys and is a new factor in the housing market.
- 1.8.4 Generally, the forecast is being made by their children who assist in the moving process. Conversely the indigenous older population prefer to continue in the area / surroundings they know and within their own home as long as possible and actual in-migration should be monitored annually.

1.9 Extra Care Housing

- 1.9.1 The significant levels of growth in the older population in the future will have a direct impact on the nature of specialist accommodation requirements for older people.
- 1.9.2 Extra Care accommodation is housing which offers self-contained accommodation together with communal facilities and where care and support services are provided from a team based on a site.
- 1.9.3 The level of need expressed for extra care accommodation is 568 units over the next three years to meet the needs of existing and in-migrant households. The demand for extra care is likely to increase due to the ageing population over the next 10 year period and should be assessed and monitored as part of the on-going Older Persons Strategy.

1.10 Supported Housing and Support Issues

- 1.10.1 14.3% (5,640 implied) households in West Oxfordshire included a member with a disability; 57.7% are aged over 60 and 32.0% are aged over 75.
- 1.10.2 32.0% of those with a disability suffered from walking difficulties; 4.9% contained a member who was a wheelchair user.
- 1.10.3 50.6% of people with a disability indicated that they also had a support need. Support was provided primarily by friends and family (76.2%).
- 1.10.4 8.7% of properties have been adapted. The survey found some mismatch between wheelchair adaptations and the properties where people with a wheelchair actually live.
- 1.10.5 Demand for supported accommodation (other than sheltered accommodation) from existing households is predominantly for Independent accommodation with external support.
- 1.10.6 568 extra care units are needed over the next three years to meet the needs of households within West Oxfordshire.

1.11 Housing Stock Balance Analysis

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

1.12 Recommendations

Balancing the Housing Market

- Provide a mix of house types in both market and social sectors. However there is a shortfall of smaller one and two bedroom properties in the market sector and both small and family units in the social sector. New development should address the need for smaller units from new and existing households to address stock imbalance and the future impact of demographic and household formation change.

Affordable Housing Target

- Continue to negotiate with prospective developers towards achieving affordable homes from all the suitable sites coming forward for planning consent over the period of the Local Development Framework. Each site will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation.
- Based on the evidence in this assessment the LDF Core Strategy should consider an overall affordable housing target of up to 50% of all private sector sites, subject to site viability.

Affordable Housing Tenure Mix Targets

- The rise in house prices in excess of inflation is resulting in greater difficulty in entering the local housing market. Within the overall target a broad balance of 70% for social rent and 30% as intermediate market housing should be considered, provided it is delivered at a cost below the cheapest entry level costs in the general market.
- Both the affordable housing target and the tenure balance within it may vary on a site by site basis.

Affordable Property Size Targets

- In view of the current stock balance, the scale of likely annual new provision and the requirement to address priority household need for families, a level of 60% of future delivery in the affordable sector should be for small units of one and two bedrooms, lower than current registered need levels of 87%.
- Future social housing delivery targets should be 60% flats and terraced houses for single / couple and small family households, 30% one and 30% two bedroom and 40% to address the needs of larger families, 25% three and 15% four bedroom houses.
- A target is also provided for intermediate market housing principally to meet the needs of concealed households unable to access the market because of affordability. A property size balance as a guide to assist developers on future delivery on the market sector is also provided.

Future Market Stock and Social Delivery Targets

- Future development has to address current and future requirements by stock type and size, and both by tenure and location to create a more sustainable and balanced housing market across the District. A summary of the property size requirements by tenure to support Development Plan targets, strategies and site negotiations in the affordable sector is shown in the table below. A guide to assist future market sector development is also provided.

Table 1-4 Future Delivery by Bed Size and Tenure

Tenure	Bedroom Size (%)			
	1-Bed	2-Bed	3- Bed	4- Bed +
Market Sector	30	30	30	10
Intermediate	30	40	30	-
Social Rented	30	30	25	15

Site Size Thresholds

- 1.12.1 PPS3 provides a new lower site threshold of 15 units or 0.5 hectares. The Development Plan should promote the lowest threshold considered viable and which will deliver additional affordable units from the scale of smaller sites, subject to results of the Strategic Housing Land Availability Assessment and economic viability.
- 1.12.2 The annual scale of affordable need is over five times the average annual planned new unit delivery and justifies the need for a threshold of 15 units or lower. However it is critical to test the level of increased supply which any threshold level below 15 dwellings would generate from a Strategic Housing Land Availability Assessment, taking economic viability into account.

Housing Strategy

- 1.12.3 There are estimated to be around 705 existing 3 and 4 bedroom social rented properties which are under-occupied by two or more bedrooms. Addressing the under-occupation within the social stock should be a housing priority to make best use of the existing stock of family houses.

Older Persons Housing Needs

- Continue to develop an Older Persons Housing Strategy to address the current and future growth in older people and frail older households across all tenures, and their related care and support needs to:-
 - ◆ assess and prioritise the need for support services and adaptation required to keep people in their own home;
 - ◆ re-assess existing sheltered stock in meeting today's housing standards and preferences;
 - ◆ assess the need for 'extra care' accommodation for the growing frail elderly population.

Disabled Persons Housing Needs

- Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people.
- Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.