Epping Forest
District Council

2003
Housing Needs Survey

Summary Report

by

DCA

HOUSING • DEVELOPMENT
REGENERATION • CONSULTANTS

HOUSING NEEDS SURVEY

This report contains a summary of the results from an assessment of housing needs conducted by DCA on behalf of Epping Forest District Council.

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

The overall aims of the project were to:-

- Determine the levels of housing supply and demand in the District;
- Support the development of the Housing Strategy;
- Provide robust information at a local level in accordance with PPG3, to guide the location of new provision and support Local Plan Policies.
- In this summary you will find the main findings from a study undertaken through:-
- A postal questionnaire to 11,212 households in 20 Sub-areas;
- A housing market survey utilising the Land Registry and Halifax House Price databases and a telephone survey of estate agents on the supply and cost of private rented housing;
- Secondary data analysis drawing upon Housing Investment Programme (HIP) and Housing Register data on the flow of social stock and need, 2001 Census, household and population projections and other national research.

KEY FINDINGS OF THE SURVEY

- Communities in Epping Forest are generally well settled, 50% of all households having lived at their current home for over 10 years; 88% live in housing adequate for their needs;
- Affordability is a major issue due to the local house price / income relationship, particularly for new forming households;
- The population is ageing and over half of those with a special need have a mobility problem;
- There is a requirement to develop a more balanced housing stock with a need for more flats and terraced houses in both the private and affordable sectors;
- Annually 1,169 affordable housing units are needed, 642 more than existing stock supply.

This assessment provides key information to assist the Council in preparing its Housing Strategy and to incorporate housing needs into Development Plans. This will support bids for Central Government funding for housing and help to negotiate "affordable housing" on private development sites.

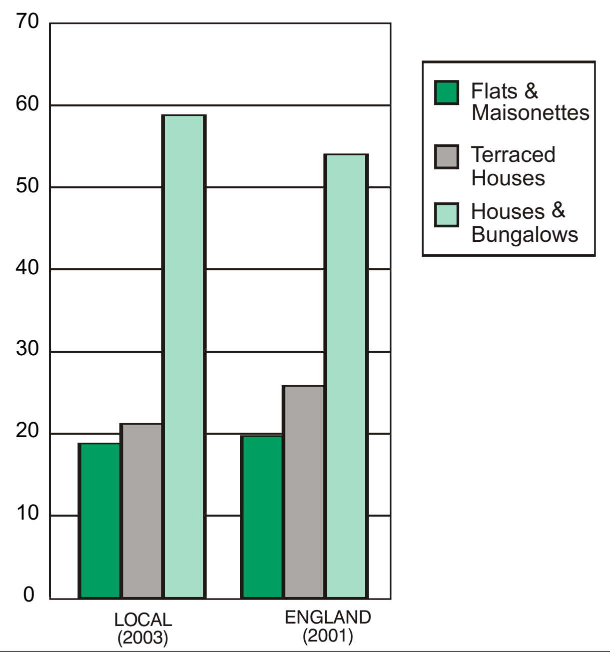
THE HOUSING STOCK

The chart shows the characteristics of the District stock in 2003, compared to the national average level at the 2001 Census in each category.

Locally, the proportion of houses and bungalows (58.9%) is above the national average of 54.1%.

The supply of terraced properties at 21.2%, is below the national average of 25.8%, and flats / maisonettes at 18.7% are below the national average of 19.7%.

HOUSE TYPES - LOCAL : NATIONAL



THE DISTRICT POPULATION - FUTURE PROJECTIONS

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

What about the future?

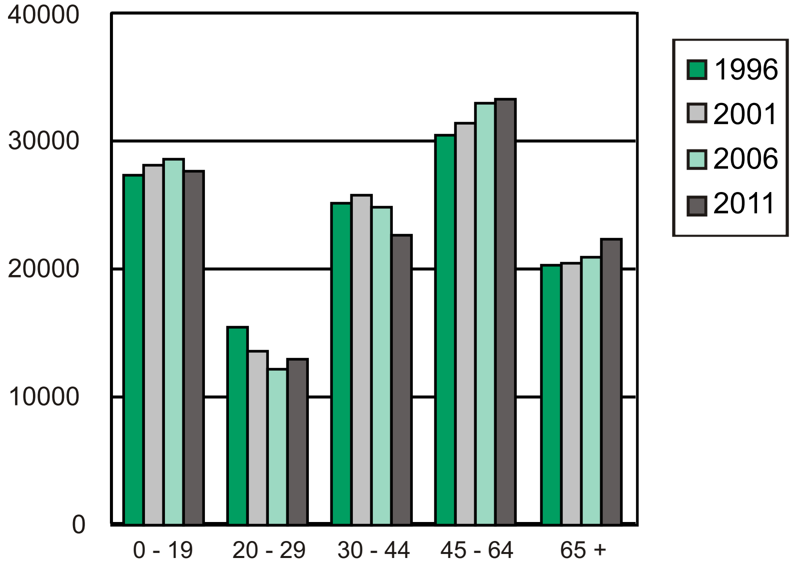
The population data provided by Essex County Council are the Long-Term Population Projections and incorporate the most recent ODPM household formation rates (expressed as age, sex and marital status specific household representative rates), and the Draft Deposit Structure Plan for Essex 1998 dwellings proposals, phased broadly over the plan period but taking account of relevant local factors.

The 2001 Census population figures recently published show a total population of 120,888, 1,288 less than the previously projected figure of 119,600 for 2001. The population and housing model will be updated to take account of the 2001 Census figures in due course. Although the total figures are lower than the forecasts we would not expect the actual trends in age groups to differ.

The 1996 based projections indicate that the population will increase by approximately 2,000 people (0.2%) over the 15 years to 2021, increasing at an average annual rate of approximately 0.01%.

- The 0-19 age group population shows an increase in numbers overall. Although a rise is seen up to 2006 a large fall is seen after 2006 (900; 3.1%).
- Numbers in the 20-29 age group are projected to decrease overall (2,600; 16.8%). As this age range comprises new households forming this will have implications for future affordable housing need both in the short and longer term.
- The 30-44 age group, the main economically active group, falls in numbers, with 2,600 less individuals. Although numbers rise up to 2001 there is a fall over the remaining forecast period (3,200; 12.4%).
- The 45-64 age group shows a significant overall rise in numbers. Over the forecast period there is an increase of 2,900 people (9.5%), the main increase occurring between 2001 and 2006 (1,600; 5.1%).
- The most significant feature is the overall rise in the 65 + age group. A steady increase is seen from 1996 through to 2011, 2,000 individuals over the forecast period. The largest increase is projected to occur between 2006 and 2011 (1,400; 6.7%).
- The "older" retirement group, those aged 80 and over, grows by 13.9%, 1,300 more people by 2011. This group represents 10,600 people in the area by 2011 who are much more likely to have care and support needs which should now be assessed in detail.

POPULATION CHANGE
POPULATION AGE BAND FORECAST, EPPING FOREST, 1996 - 2011



Source - Office for National Statistics (ONS) Crown Copyright

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

National and Regional Context

UK house price inflation for the year to 31st March 2003 was recorded by the Halifax Index at 23.4%. House price inflation in the first quarter of 2003 continued to rise in most UK regions with an overall increase of 2.4% for the quarter, lower than the 7.4% gain in the fourth quarter of 2002.

House prices in the South East Region continue to rise, showing an increase of 3.3% for the first quarter of 2003 and the annual rate of house price inflation recorded by the Halifax Index for the South East Region was 26% to 31st March 2003.

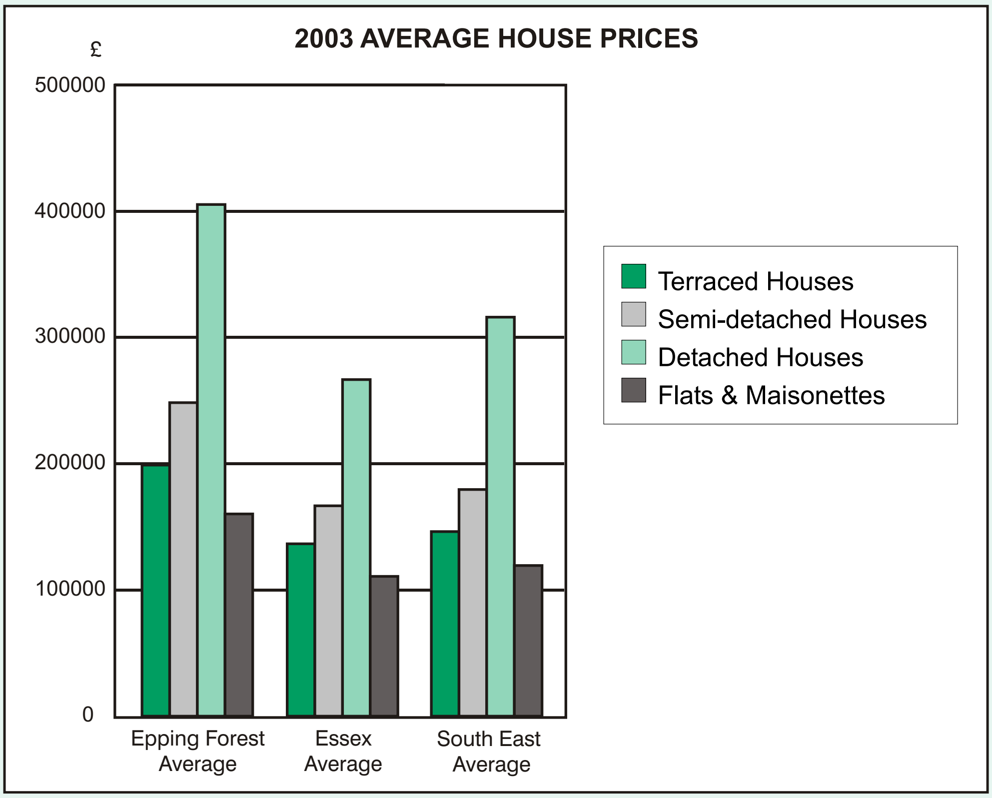
The District Housing Market

The evaluation of the Epping Forest District housing market is based on specially prepared information taken directly from the Land Registry database for the year to 31st March 2003 and an analysis of local estate agency sales looking at access level (the cheapest available) properties. The average price for all dwellings in the District was recorded by the Land Registry at £251,077.

Incomes of £30,100 are needed to buy a one bedroom flat in Ongar, £30,550 in Waltham Abbey and £43,550 for a two bedroom terrace in North Weald. However in other areas incomes of at least £32,950 are needed to buy a flat and £49,400 a terraced house depending upon location.

The largest volume of sales in the Epping Forest District was for semi-detached houses (27.9%) selling at an average price of £248,079. Flats average £160,013 and are 27.2% of sales. Detached houses average £406,136 and are 23.7% of sales. Terraces account for 21.2% of sales with an average price of £199,179. We assess flats to be the main access property for first time buyers in view of their lower cost and due to the high volume of sales in the District.

The average semi-detached dwelling sold for £248,079, 48.5% higher than the Essex average of £166,998. The graph shows semi-detached house prices in the District are higher than the average for both Essex and the average for South East region, reflecting the level of prices for all property types in the District.



KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork of the study took place in April 2003 and provides a detailed picture of the current and future housing needs and preferences in the District. Postal questionnaires were sent to 11,212 resident households in the District (22%). 3,050 responses were achieved (27%), providing statistical confidence at 95% ±1.45% sampling error rate. 5.9% of all households in the District participated in the survey.

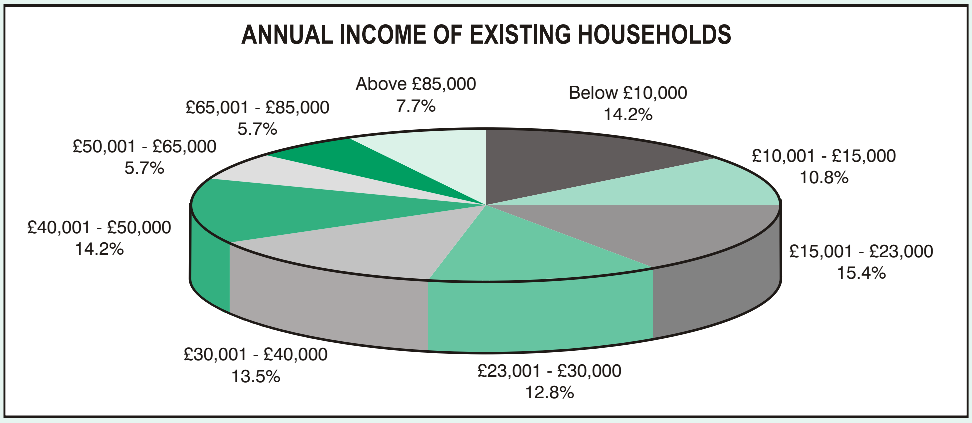
The "implied" numbers are our assessment of the total numbers after applying a weighting factor at sub-area level, linking the total population of the sub-area to responses received. Below we present in summary form some of the key findings from the survey with particular emphasis on the needs of concealed households.

Adequacy of the Existing Stock

- The vast majority of households have access to all the basic amenities, including 96% with full or partial central heating, higher than the national average of 88%. The perception of most residents is that their homes are well maintained and not in need of improvement.
- Some 88% of households say that their accommodation is adequate for their needs. 12% (implying 6,192 of the total number of households in the District) say that it is inadequate. The largest single issue for those reporting an inadequacy which could be resolved in-situ (without moving) was that the dwelling needed improvement / repairs (75%). Of those requiring a move 69% (3,243 implied) indicated that the dwelling was too small.
- Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 16.7% of all households and over-occupation affects 1.9%.

Costs of Present Housing and Household Income

- 42% of households renting pay less than £60 per week and 56% or so less than £70. Of owner-occupiers, 46% of respondents paid no mortgage (outright owners) with a further 12% paying less than £300 per month. 16% of owner-occupier households pay in excess of £750 per month.
- 14% of households have incomes below £10,000, which is well below that for the UK as a whole (28%). 47% of households in the District have incomes above £30,000.



- 22% or so of households were in receipt of financial support (11,023 implied), of whom 45% (4,913 implied) were in receipt of Housing Benefit.

Moving Households

- 11,343 existing households are currently seeking to move or will do so in the next five years. 4,059 existing households and 2,927 new households will be moving within the District.
- A further 6% (3,152 implied) wish to move but cannot, 91% giving lack of affordability (to move and purchase) as their main reason, 22% referring to a lack of affordable rented housing.
- 5,512 existing and concealed households anticipate moving away from the District. In the case of existing households moving, the most common reasons were a lack of affordable housing (39%), family / carer (29%) and better shops /leisure facilities (19%).

Supported and Adapted Housing

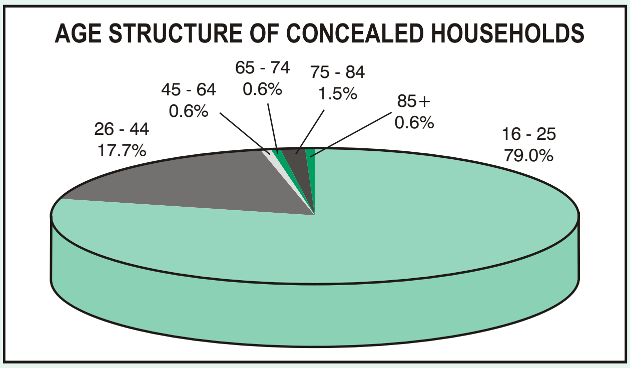
- 18% of households in the District contain somebody with a disability (8,968 households implied), a slightly higher level than the national average level of 15%. In around 81% of cases only one household member was involved, in 19% two members were involved. Over 46% of all disabled household members were over the age of 65; 17% under 49.
- The largest group (4,562 implied) affected by a named disability were those with walking difficulties, representing 53% of those with a disability.
- Almost 7% of these households contained someone who was a wheelchair user, suggesting around 559 in the District as a whole. Some 61% of wheelchair users live in a property without suitable adaptation.
- Of household members with a disability, some 48% (4,845 implied) felt that they needed care / support. Of those, 78% were receiving sufficient care / support leaving around 22% with outstanding support needs (1,097 implied).
- 11% of all dwellings (5,216 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 50% have handrails / grabrails, 41% have ground floor toilet and 36% have bathroom adaptations.

CONCEALED HOUSEHOLDS

Concealed households are people who could not afford to be in the housing market and are living within another household. We found that around 4.6% of households contained one or more households seeking independent accommodation, giving a total of 2,927 cases over the next five years to 2008. Almost 94% are the adult 'children' of existing Epping Forest residents.

In the concealed households group

- 79% of the people in these concealed households are between 16 and 25 years of age, 17% are aged between 26 and 44 and 4% are aged 45 or over.



- 6% (less than 293 implied) were either a couple or single households with children or have a child due.
- 790 (27%) of households are being formed with a partner living in a separate household elsewhere in Epping Forest District.
- Only 28% of all concealed households (819 implied) were registered on a housing waiting list, 90% being on the Epping Forest District Council Register. 38% (422 implied) of new households moving within one year were so registered.

Their needs and preferences for specific house types were:-

Type	Need %	Preference%
Flat	59.4	28.2
Terraced	16.4	37.3
Semi detached	14.3	18.9

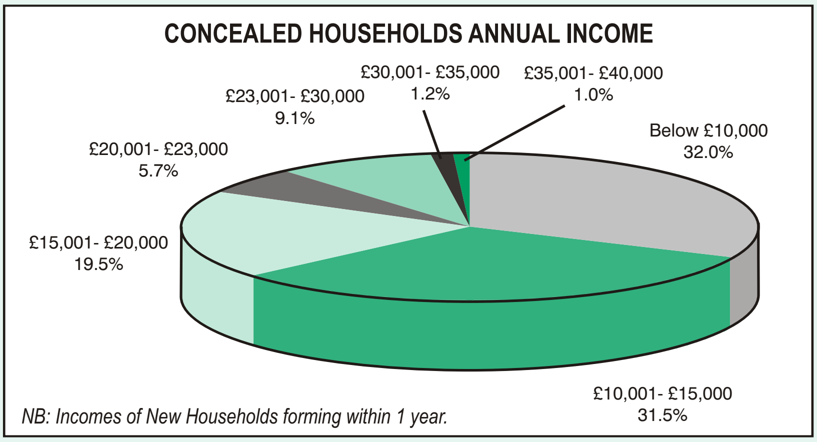
Size	Need %	Preference%
One bed	55.0	12.0
Two bed	36.5	73.3
Three bed	7.8	12.9

- There are important differences expressed, especially the higher preference for flats, and terraces, than are present in the existing stock. Preference for two bedroom units is also particularly high.
- 69% (2,028 implied) of the concealed households want to owner occupy. 26% (749 implied) want council rented housing; 5% want private rented housing (138 implied) and less than 1% were interested in housing association shared ownership (12 implied).

Concealed Household's Housing Costs and Incomes

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

- 80% could afford a weekly rent of no more than £70;
- 48% could not afford a mortgage of more than £400 per month;
- 64% have household incomes below £15,000 per annum, 25% earn between £15,000 - £23,000 and a further 9% between £23,000 and £30,000.



Affordability and Access to Market Housing

The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and supply of stock with below average prices.

We estimate that a new purchaser would need an annual income of £30,100 per annum to buy a flat in Ongar, and an income of at least £35,600 for a two bedroom flat in North Weald. There will be a limited number of cheaper flats but these are dependent upon availability, condition and location.

The average access price of flats, according to the Land Registry House Price Study, was about £160,013, although access prices are varied at £95,000 in Ongar for a one bedroom flat, rising to £112,475 in North Weald.

The survey findings indicate that access to home ownership is beyond the reach of about 90% of the concealed households identified.

Housing Stock Balance Analysis

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

Analysis of the Needs of Key Workers

The study also commissioned a survey of Key Worker Employers and Employees to understand the impact of current house prices and housing provision on recruitment and retention within the public sector in Epping Forest. This analysis is provided in a separate detailed report.

CONCLUSIONS

- District house prices are higher than the average in both Essex and the South East. Although a considerable spread of incomes is evident, a number of people live on relatively low incomes. Consequently, the two most important issues are the problem of affordability and the level of "concealed" households living within an existing household, the vast majority of whom are not recorded on a register of housing need.
- The house price and income study shows that the majority of these "concealed" households are not able to afford even the cheapest available housing in the District.
- Most concealed household demand is for the smaller and affordable type of housing, particularly flats and terraced houses, to meet the needs of new forming households. There is a shortfall of flats in the existing stock which should be addressed to ensure there is a mix of house types and sizes available in line with the principles in PPG3 Housing, the Government Guidance issued in March 2000.
- The assessment of annual affordable housing need and supply reveals the following position:-

Total annual need	1,169
Total Supply from re-lets (504) and new delivery (23)	527
Net annual outstanding need	642

- The total affordable housing need annually is for 1,169 units. Re-lets of the existing social stock average 527 units and is the major means of addressing the scale of need identified. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 642 units which projected over the year period to 2011 is a total of 5,136 units.
- This level of need significantly exceeds the number of units likely to be delivered from acquisitions, new delivery or conversions, resulting in growing levels of unmet need each year. However, it is vital to attempt to deliver as many units as possible and a target of up to 40% of new units from the total of all sites should be negotiated as subsidised affordable housing. This proportion is around the maximum level to achieve balanced, sustainable developments. It includes both affordable housing for rent and subsidised low cost market housing and targets may vary above and below this level on a site by site basis.
- A significant finding from the study is the projected 14% increase in the over 80 year old population between 1996 and 2011. In view of the relationship between increasing age and dependency, consideration will need to be given to the related housing and care needs of this particular sector if the needs of this group of people are to be effectively addressed.
- In total, the data suggests a combined requirement for 2,303 units of sheltered accommodation from older people currently living in the District (477 households) and those who may in-migrate to be beside their family (1,826 households). 1,435 are in the affordable sector and 868 in the private sector.
    - To address the requirements of disabled people there is a need to:-
    - Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people;
    - Create a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.
    - Consider adopting Lifetime Homes standards for new housing.

October 2003