SELBY DISTRICT COUNCIL
HOUSING NEEDS ASSESSMENT

Executive Summary

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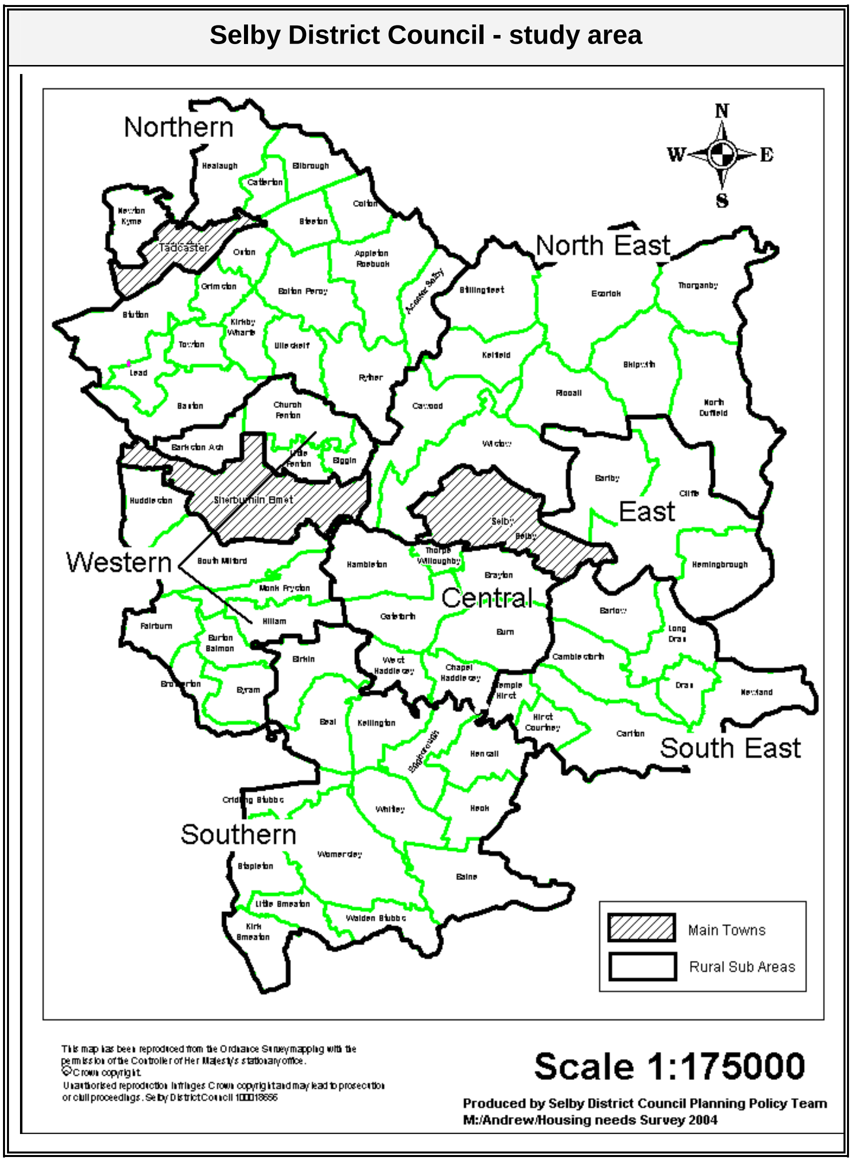
Executive summary

Context of the Study

Fordham Research were commissioned to carry out a Housing Study on behalf of Selby District Council. The study was designed to assess the future requirements for both affordable and market housing. To do this the study drew on a number of sources of information. These included:

i) A postal survey of 1,292 local households
ii) A personal interview survey with a further 250 households
iii) Interviews with local estate and letting agents
iv) Review of secondary data (including Land Registry, Census and H.I.P. data)



Survey and initial data

A major part of the study process was a postal and interview survey of local households. In total 1,542 households took part in the survey. The questionnaire covered a wide range of issues including questions about:

- Current housing circumstances
- Past moves
- Future housing intentions
- The requirements of newly forming households
- Income levels

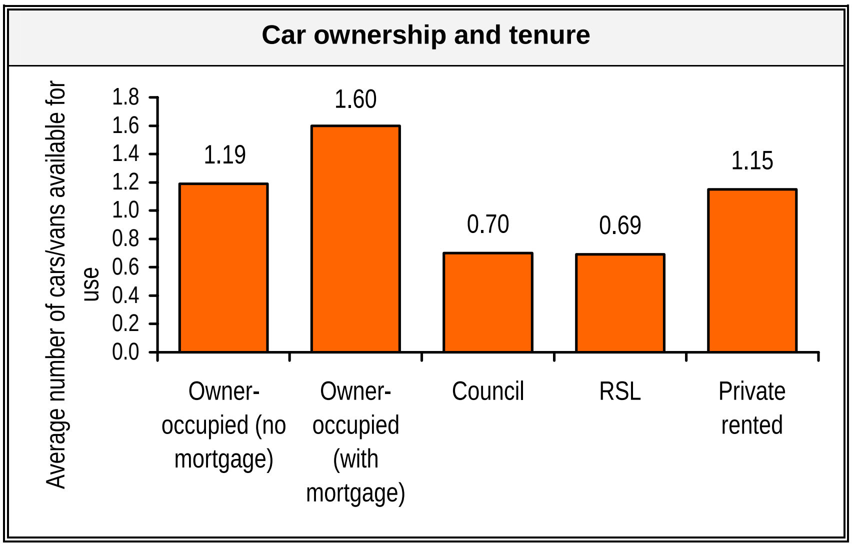
Information from the questionnaire survey was used throughout the report (along with secondary information) to make estimates about the future housing requirements in the District.

Overall the survey estimated that around 79% of households are currently owner-occupiers with around 13% living in the social rented sector.

Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	9,954	31.5%	560	36.3%
Owner-occupied (with mortgage)	14,830	47.0%	704	45.7%
Council	3,268	10.4%	164	10.6%
RSL	934	3.0%	28	1.8%
Private rented	2,574	8.2%	86	5.6%
Total	31,560	100.0%	1,542	100.0%

The survey reported on a number of general characteristics of households in Selby. The study estimated that around three-fifths of households lived in detached or semi-detached houses and that around a fifth of all households were solely comprised of pensioners. The study also looked at car ownership (which is often used as an indication of wealth).

The figure below shows car ownership in the District by tenure. It is clear that there are large differences between the different tenure groups with owner-occupiers (with mortgage) having a significantly greater level of car ownership than households in the social rented sector.



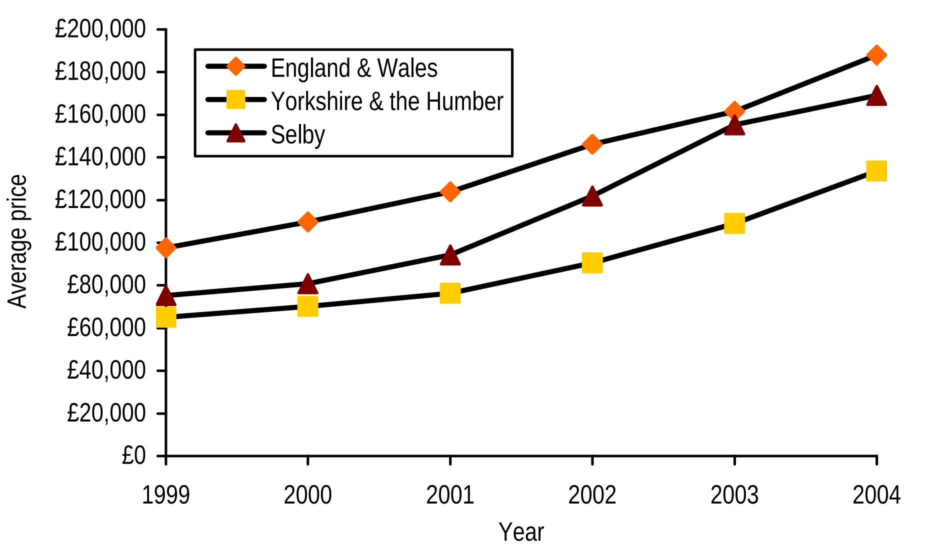
The study also looked at past trends in household movement and future expectations. The broad findings were:

- An estimated 18.1% of households have lived in their current home for less than two years, just over a half of previous moves having occurred within the District.
- In terms of future household moves the survey estimated that 4,581 existing and 1,853 potential households need or expect to move within the next two years. In both cases a higher proportion would like to move to owner-occupation than would expect to do so.

The survey indicated differences in housing costs between different tenures with the highest costs in the owner-occupied sector and the lowest in the social rented sector. Differences were more marked when housing benefit was removed.

One of the main sources of secondary information was the Land Registry. This data source suggested that average property prices in the District are lower than the national average but above the regional average. However, price rises in Selby have been above national and regional equivalents over the five years since 1999.

Land Registry price changes 1999 –2004 (3rd quarters)



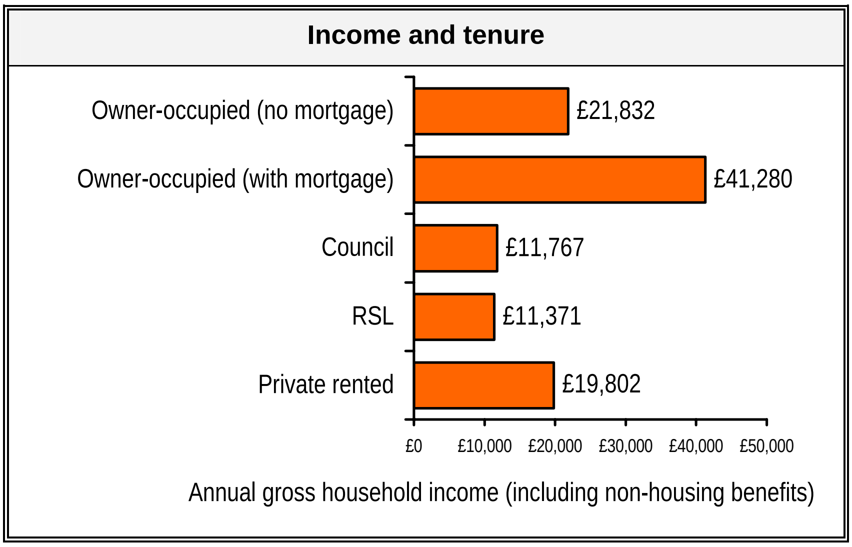
A survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent in the District. Overall, the survey suggested that minimum prices (excluding the more expensive parts of the District) started at around £68,500 for a one bedroom flat with private rental costs starting from around £340 per month.

Minimum property prices/rent in Selby

Property size	Minimum price	Minimum rents
1 bedroom	£68,500	£340
2 bedrooms	£92,000	£410
3 bedrooms	£118,500	£460
4 bedrooms	£168,000	£575

The information about minimum prices and rents was used along with financial information collected in the survey to make estimates of households' ability to afford market housing (without the need for subsidy).

The survey estimated average gross annual household income (including non-housing benefits) to be £29,453. There were, however, wide variations by tenure; with households living in social rented housing having particularly low income levels.

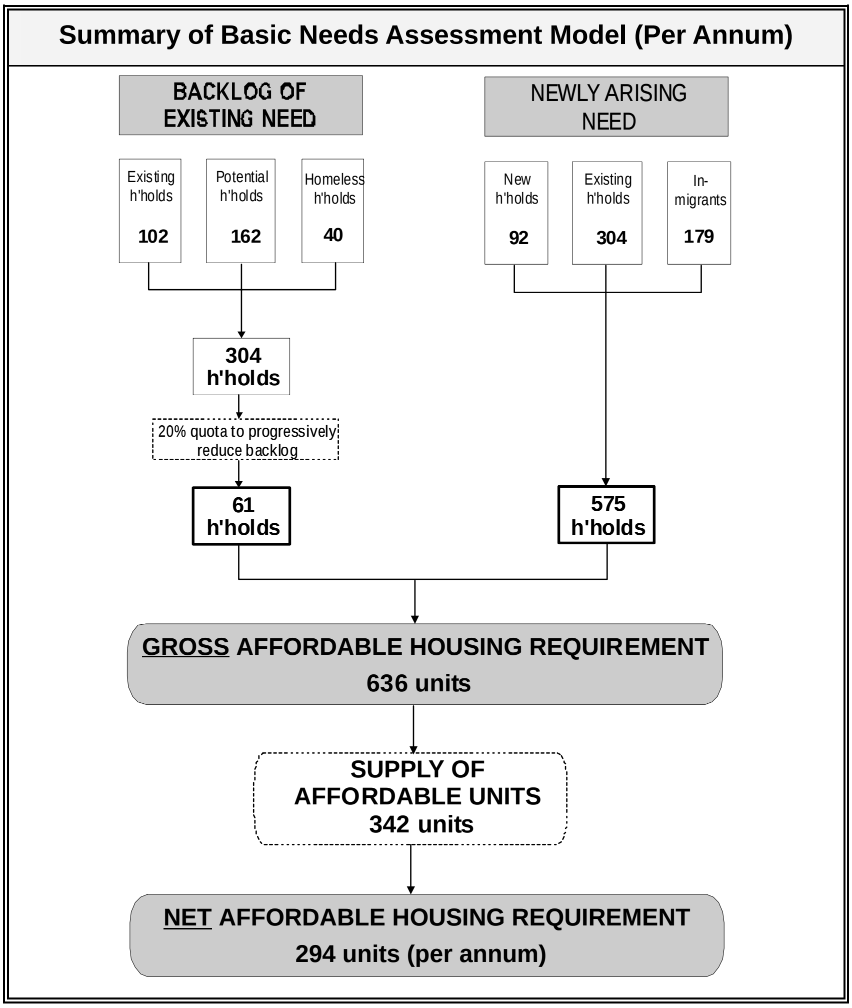


The Guide model

As part of the study, an estimate of the need for affordable housing was made based on the 'Basic Needs Assessment Model' (BNAM). The BNAM is the main method for calculating affordable housing requirements suggested in Government guidance *'Local Housing Needs Assessment: A Guide to Good Practice'* (ODPM 2000).

The BNAM sets out 18 stages of analysis to produce an estimate of the annual requirement for additional affordable housing. The model can be summarised as three main analytical stages with a fourth stage producing the final requirement figure. The stages are:

- Backlog of existing need
- Newly arising need
- Supply of affordable units
- Overall affordable housing requirement



Overall, using the BNAM it is estimated that there is currently a shortfall of affordable housing in the District of around 294 units per annum. The data suggested that this shortfall is most acute for smaller (one and two bedroom) properties. Additionally, data suggests shortfalls across most parts of the District.

The analysis suggests that a target up to 47% of affordable housing would be perfectly justified (in terms of the needs identified and a projected building rate of 620). The analysis also supports the Council's existing threshold of 25 dwellings and suggests that a lower threshold of 15+ dwellings/0.5 hectare could be considered (likely to be the standard threshold in the forthcoming PPG3 revision).

Information from the Regional Spatial Strategy suggests that projected building rate in Selby will fall significantly below 620 after the planning period (until 2006). This supports the targets sets above to gain the maximum level of affordable housing as identified needs will constitute a much larger proportion of newly built dwellings.

Further analysis suggests that up to half of the gross need could theoretically be met by 'intermediate' housing, available at outgoings between social rents and the minimum cost of (second hand) market housing. However, the majority of households able to afford 'intermediate' housing could only afford the cheapest 'intermediate' housing (i.e. prices close to social rents) and so traditional options such as shared ownership may be of little benefit in meeting large quantities of housing need.

Broader housing market & future changes

In addition to concentrating on the need for affordable housing in isolation the study looked at housing requirements in the private sector market. The analysis began by looking at the differences between three broad housing sectors (owner-occupation, private rented and social rented). The survey data revealed large differences between the three main tenure groups in terms of stock profile (size of accommodation), turnover and receipt of housing benefit (or income support towards mortgage interest payments in the case of owner-occupiers).

Profile and turnover of stock and housing benefit claims by tenure

Tenure	% of properties with less than three bedrooms	Annual turnover of stock (% of households)	% claiming housing benefit (income support for owners)
Owner-occupied	22.7%	7.0%	0.6%
Private rented	52.6%	25.3%	16.9%
Social rented	63.9%	11.6%	55.5%
All Households	30.6%	9.1%	9.2%

In terms of estimating market requirements a 'Balancing Housing Markets' (BHM) assessment was undertaken looking at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. The notion has been brought into prominence by the work of the Audit Commission in assessing councils' performance (Comprehensive Performance Assessment (CPA) of district authorities).

The BHM differs from the BNAM in that it looks at households' future aspirations and affordability – the BNAM is mainly a trend-based analysis. The table below shows the overall results of the BHM analysis.

Total shortfall or (surplus) (per annum)					
	Size requirement				
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Owner-occupation	102	268	(68)	89	390
Affordable housing	186	173	42	14	415
Private rented	(12)	(54)	(99)	(20)	(186)
Total	276	387	(126)	83	620

A number of conclusions can be drawn from this analysis:

- In terms of the demand for affordable housing in the District it is clear that this is on-going. The BHM methodology suggests a significant shortfall of affordable housing of all sizes of accommodation, most notably one and two bedroom homes.
- Overall, the data also shows a shortfall of owner-occupied housing and a surplus in the private rented sector. In terms of size requirements, the information suggests that in the owner-occupied sector the main shortfalls are for one, two and four bedroom homes with a surplus of three bedroom accommodation.

Net need for affordable housing by size (BNAM and BHM) () indicates a surplus			
Size required	BNAM	BHM	AVERAGE
1 bedroom	65.6%	44.8%	55.2%
2 bedroom	33.7%	41.7%	37.7%
3 bedroom	0.7%	10.1%	5.4%
4+ bedroom	0.0%	3.6%	1.8%
TOTAL	100.0%	100.0%	100.0%

The figures in the 'average' column represent our suggested size mix for additional affordable housing. This shows shortages of all sizes of accommodation with the main shortage being for one bedroom homes.

The needs of particular groups

The study moved on from a consideration of future needs for additional housing to look at the needs of particular groups. The survey concentrated on the characteristics and requirements of households with special needs, older person households, key workers and overcrowded households.

Supporting people

Information from the survey on special needs groups can be of assistance to authorities drawing up their detailed Supporting People Strategies. Some 11.6% of all the District's households (3,660) contain special needs members. 'Physically disabled' is the largest category with special needs.

Special needs categories			
Category	Number of households	% of all households	% of special needs households
Frail elderly	842	2.7%	23.0%
Physical disability	2,247	7.1%	61.4%
Learning disability	324	1.0%	8.9%
Mental health problem	577	1.8%	15.8%
Vulnerable young people & children leaving care	13	0.0%	0.4%
Severe sensory disability	279	0.9%	7.6%
Other	650	2.1%	17.8%

Special needs households in Selby are generally smaller than average for the District and are disproportionately made up of older persons only. Special needs households have lower than average incomes and are more likely than households overall to be in unsuitable housing.

Special needs households in general stated a requirement for a wide range of adaptations and improvements to the home. The most commonly-sought improvements needed were:

- Shower unit (788 households – 21.5% of all special needs households)
- Extra handrails outside home (592 households – 16.2% of all special needs households)
- Lever taps (583 households – 15.9% of all special needs households)

The survey also suggested some scope for 'care & repair' and 'staying put' schemes. An estimated 14% of special needs households stated problems with maintaining their homes, a large proportion of these are currently living in the owner-occupied sector.

Older person households

Some 22.2% of households in Selby contain older persons only, and a further 6.8% contain a mix of both older and non-older persons. Older person-only households are disproportionately comprised of only one person, suggesting implications for future caring patterns. Although the majority of older person-only households live in the private sector, it is interesting to note that a high proportion of social rented accommodation houses older people-only (43.2% of all Council accommodation is occupied by older persons only).

Older person households do not contribute significantly to the overall need for additional affordable housing, but may well have a significant impact on the future of Council housing and the future need for sheltered housing and adaptations.

Key worker households

The term intermediate housing is often used with reference to specific groups of households such as key workers. The survey therefore analysed such households (the definition being based on categories of employment and notably including public sector workers). Analysis of survey data indicates that there are an estimated 8,945 people in key worker occupations.

Key worker categories		
Category	Number of persons	% of key workers
NHS staff	1,815	20.3%
Other health care	1,076	12.0%
Teachers	1,422	15.9%
Other education	1,598	17.9%
Local Authority staff	306	3.4%
Other Local Authority staff	1,623	18.1%
Prison and probation staff	321	3.6%
Emergency services	549	6.1%
Public transport	233	2.6%
Total	8,945	100.0%

The survey also estimated that 5,187 households are headed by a key worker who have been subject to additional analysis. The main findings from further analysis of this group of households can be summarised as follows:

- Key worker households are more likely to be owner-occupiers and less likely to live in the social rented sector than non key worker households.
- Key worker households are slightly more likely to move within the next two years and are more likely to want to move from the District.
- Key worker households have slightly higher incomes than non-key worker households (in employment) - £40,207 compared with £37,943.
- The majority (96.3%) of key worker households can afford market housing in the District, of those that can't afford, intermediate housing options are only affordable for 22.7%.
- Looking only at those key worker households who need or are likely to move in the next two years we find a worse affordability situation and a higher proportion able to afford more expensive forms of intermediate housing.
- In terms of the need for affordable housing the study suggests that around 17.3% of the net affordable housing requirement comes from key worker households.

Overcrowding and under-occupation

Finally, the survey looked briefly at overcrowding and under-occupation, overcrowding having been shown as the second most important reason for households to be living in unsuitable housing. The study suggested that 1.6% of all households are overcrowded and 42.7% under-occupy their dwelling. The owner-occupied (no mortgage) sector shows the highest levels of under-occupation; the private rented sector the highest overcrowding.

Overcrowding and under-occupation

Number of bedrooms required	Number of bedrooms in home				
	1	2	3	4+	TOTAL
1 bedroom	1,887	6,048	7,171	3,011	18,117
2 bedrooms	142	1,485	4,464	2,855	8,946
3 bedrooms	0	74	2,075	1,847	3,996
4+ bedrooms	0	23	180	297	500
Total	2,029	7,630	13,890	8,010	31,560

KEY: Overcrowded households Under-occupied households

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require five bedroom property but currently be occupying four bedroom property.

Overcrowded households tend to have low incomes (measured per person) and are far more likely to state that they need or expect to move than other households.

Conclusions

The housing needs survey in Selby provides a detailed analysis of housing requirement issues across the whole housing market in the District. The key implications from the analysis can be summarised as follows:

(i) There is a shortage of affordable housing – 294 units per annum following the ODPM Guide approach and 415 units per annum based on the Balancing Housing Markets analysis.

(ii) The requirement represents 47% of the projected build rate, and supports an affordable housing target consistent with current custom and practice (40% and rising) applied to site thresholds of 15+ dwellings/0.5.

(iii) The Basic needs assessment model shows large shortfalls of one and two bedroom affordable units. The Council will however have to consider provision of a mixture of sizes to facilitate efficient operation of the social rented sector.

(iv) The majority of the need can only be met by social rented housing. Examining the potential for intermediate housing shows that a maximum of 47% of the identified gross need could afford some form of intermediate housing. However only a very small fraction can afford such housing at costs just below market housing, the cost intermediate housing is typically available at.

(v) Consideration of the wider market, suggests shortages of one, two and four bedroom owner-occupied housing.

(vi) There are particular groups of households that have implications for future policy decisions. Frail elderly households, who do not contribute significantly to the requirement for additional affordable housing but have clear implications for future support requirements. Elderly households, which are typically under-occupied, can release larger units for use by families by moving to more suitable accommodation.