



2005

Housing Needs Survey



Summary Report
by



HOUSING • PLANNING
REGENERATION • CONSULTANTS

HOUSING NEEDS SURVEY

This report contains a summary of the results from an assessment of housing needs conducted by David Couttie Associates (DCA) on behalf of West Lancashire District Council. West Lancashire District Council formally commissioned DCA in February 2005 to carry out a District-wide Housing Needs Study. 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:-

- ▶ Provide accurate and robust information about the housing need requirements of the District;
- ▶ Help support the Council's strategic housing role;
- ▶ Help to inform the Housing Strategy and Local Plan;
- ▶ Identify key priorities for West Lancashire District Council as it works towards creating a balanced housing market in the District, particularly addressing issues of affordability;
- ▶ Provide an assessment of the housing markets in the District;
- ▶ Assess the specific housing needs of black minority and ethnic communities, older people and key workers within the District;
- ▶ Provide projections about future housing need.

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

- ▶ A postal questionnaire to 12,075 households in 25 wards across the District;
- ▶ 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 HIP and Housing Register data on the flow of social stock and need, the 2001 Census, household and population projections and other national research.

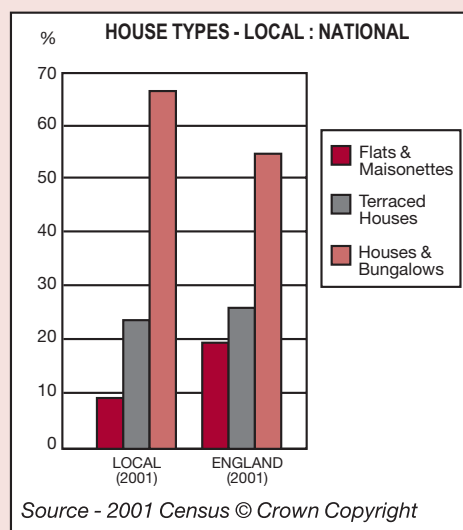
KEY FINDINGS OF THE SURVEY

- ▶ 88.2% of households live in accommodation suitable for their needs. Satisfaction varies from 94.4% in the owner occupied sector to 73.3% in the private rented sector;
- ▶ The average price of flats and terraced houses are £109,405 and £87,917, and prices have increased by 195.7% and 101.3% respectively since 1999;
- ▶ 55% cannot afford private rental and home ownership is beyond the reach of 64% of concealed households. 90% of them earn below £27,300 pa, the national average;
- ▶ The social stock is 16.4%, lower than the national average of 19.3% and provides 695 re-let units for general households each year;
- ▶ Annually 985 affordable housing units are needed, 290 more than provided by existing re-let supply;
- ▶ The 65+ population will increase significantly by 57.6% by 2026. There is an inextricable link between ageing and disability. 62.1% of those with a support need are over 60, and over half (52.6%) of these households contain people with a walking difficulty.

THE HOUSING STOCK

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

Locally, the proportion of houses and bungalows (66.0%) is higher than the national average of 54%. The supply of terraced properties is 23.4%, lower than the national average of 26%, and flats / maisonettes at 9.0% are well below the national average of 20%.



THE DISTRICT POPULATION - FUTURE PROJECTIONS

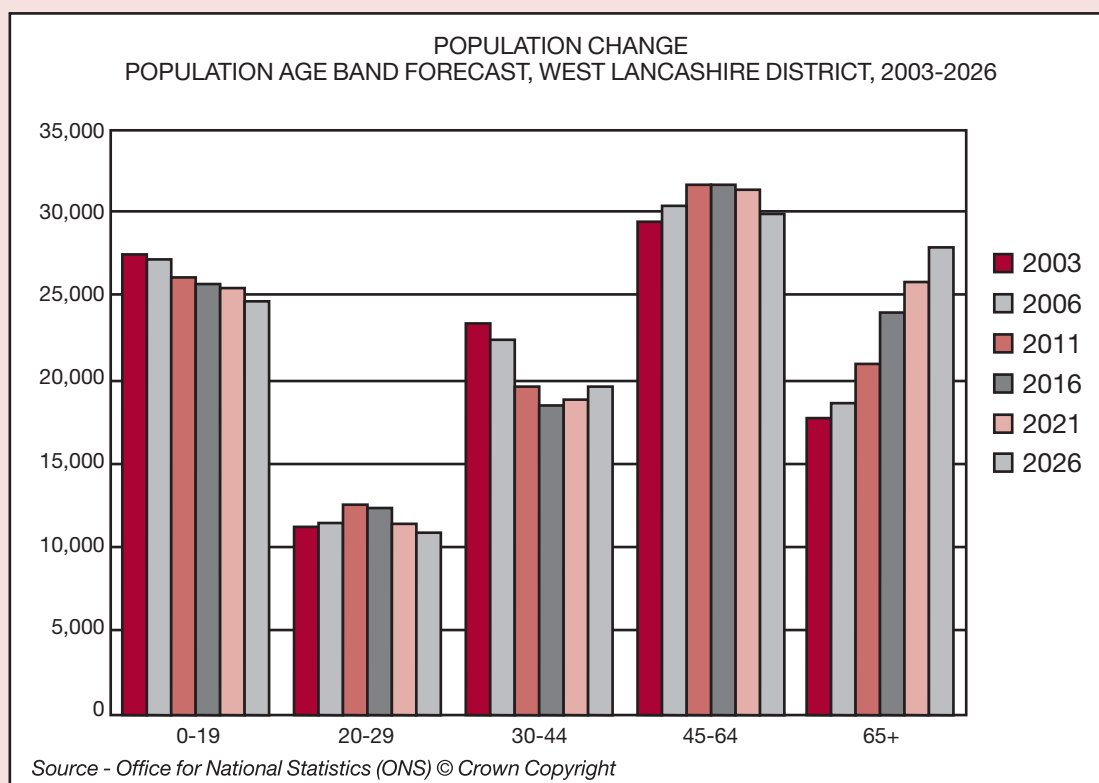
An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a number of factors - numbers of births and deaths, how the population is ageing, and the 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 estimates are based on Lancashire County Council projections and are ONS 2003-based long term sub-national projections published by the ONS in 2004. The 2001 Census data has been taken into consideration in the production of these projections.

The 2003 based projections indicate that the population will increase by approximately 4,300 people, 3.9% over the 23 years to 2026, rising to 113,300 by 2026, increasing at an average annual rate of approximately 0.2%.

- ▶ The 0-19 age range shows a decrease overall (2,700; 9.8%). The largest fall is seen between 2006 and 2011 (1,000; 3.7%).
- ▶ The 20-29 age range comprises new households forming and will have implications for future affordable housing need both in the short and longer term. Overall this age group shows a decrease in population (300; 2.7%).
- ▶ The 30-44 age group, the main economically active and household moving group shows a large decline overall (3,600; 15.5%). The greatest decrease is seen between 2006 and 2011 (2,500; 11.2%).
- ▶ The 45-64 age group shows an overall rise over the forecast period of 500 individuals (1.7%).
- ▶ The most significant feature here is the rise in the over 65 age group. An increase of 10,200 (57.6%) individuals is seen over the forecast period. There is a steady rise throughout the forecast period with a large rise of 3,000 people between 2011 and 2016.
- ▶ Numbers in the 80+ age group are set to nearly double and increase by 4,000 individuals (95.2%) up to 2026. The greatest rise proportionately in percentage terms occurs between 2016 and 2021 (1,100; 19.0%). Given the resource demands often associated with very elderly people, these are significant figures.



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 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.

National and Regional Context

UK house price inflation for the year ending 31st March 2005 was recorded by Halifax Index at 9.7% and the Land Registry at 10.3%. House price inflation in the first quarter of 2005 slowed in most regions with an overall increase of 0.5%, above the 0.1% gain in the fourth quarter of 2004.

House prices in the North West Region show a small rise, increasing by 0.2% during the first quarter of 2005. The annual rate of house price inflation recorded in the Halifax Index for the North West Region at 31st March 2005 was 15.3%, above the UK average of 9.7%

House prices in Lancashire rose over the last year by 14.1% and in West Lancashire rose by 14.3%, as calculated by the Land Registry.

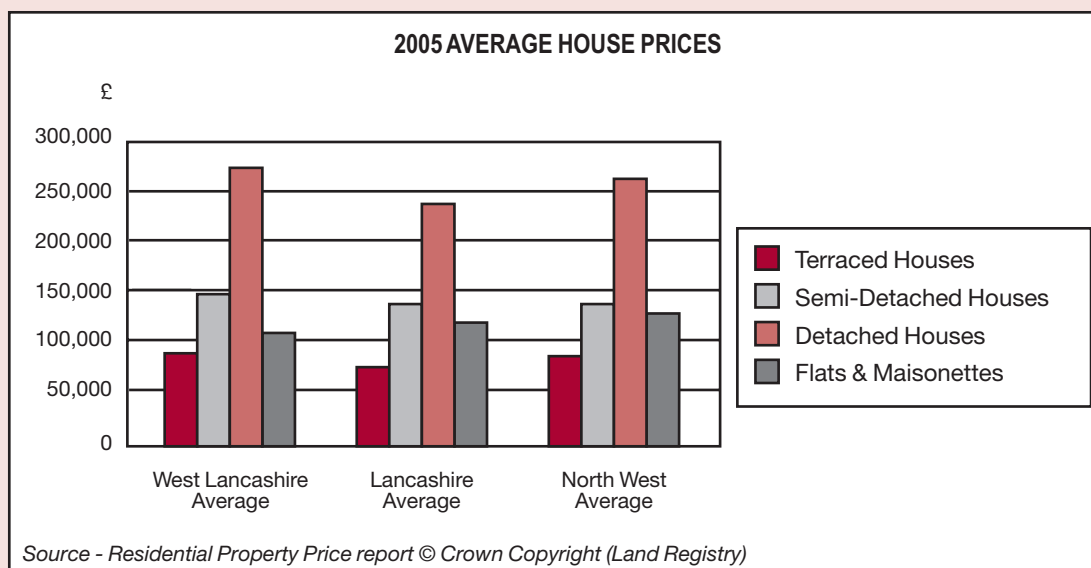
The West Lancashire District Housing Market

The evaluation of the market in the District is based on specially prepared information taken directly from the Land Registry database for the year to 31st March 2005 and an analysis of local estate agency sales looking at entry level properties.

The Land Registry recorded the average price for all dwellings in the District at £158,903. As shown in the graph, the average semi-detached dwelling in the District was sold for £147,361, higher than the Lancashire average of £135,404, reflecting the level of prices for all property types in the District.

Based on a 95% mortgage availability and a 3-times gross income to lending ratio, an income of £11,900 is required to buy a one bedroom flat in Skelmersdale, rising to £28,500 in Aughton and the Rural Areas. A two bedroom flat requires an income of £31,700 in Ormskirk and up to £38,000 in Aughton. Terraced properties require an income of £18,100 in Skelmersdale, £27,500 in the Rural Areas and up to £39,600 in Ormskirk.

We assess terraced houses to be the main access property for first time buyers in view of their lower cost and availability through a higher volume of sales. 64% of concealed households have inadequate income to be able to buy and 55% cannot afford to rent privately even the smallest one bed flat, although in size it will not meet the needs of all concealed households, some of whom already have children. Although, private rent is not the housing preference of the majority of households, even where this is the case lack of supply may cause some households to leave the District to meet their requirements. Prices of terraced houses have increased by 101.3% and flats by 195.7% since 1999, much higher than wage inflation.



KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork for the study took place in April 2005 and provides a detailed picture of the current and future housing needs and preferences in the District. The study consisted of a postal questionnaire to 12,075 households in 25 wards across the District. 2,782 responses were achieved in total, providing statistical confidence at 95% ± 1.52% confidence interval rate. 6% of all households in the District participated in the survey.

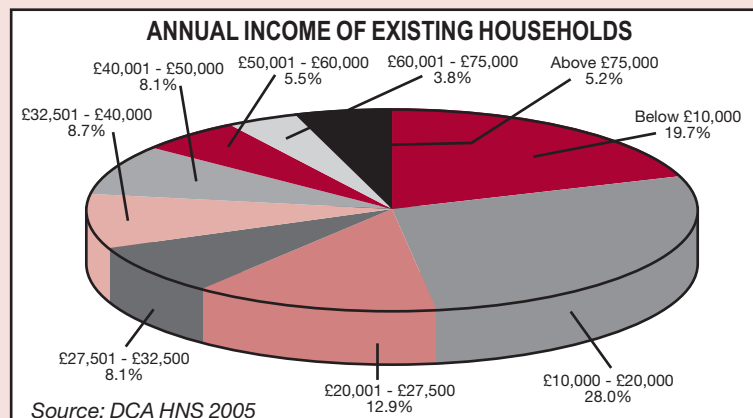
The “implied” numbers are our assessment of the total numbers after applying a sub area weighting factor to represent the total population. Below we present in summary form, the key findings from the survey with a particular emphasis on the needs of concealed households.

Adequacy of the Existing Stock

- ▶ The vast majority of households have access to all the basic amenities and the perception of most residents is that their homes are well maintained and not in need of improvement.
- ▶ Some 88.2% of households indicated that their accommodation is adequate for their needs. 11.8% (5,446 implied) indicated 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 (91.0%). Of those requiring a move, 57.1% (2,330 implied) indicated that the dwelling was too small.
- ▶ Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 49.7% of all households and over-occupation affects 1.4% of all existing households.

Costs of Present Housing and Household Income

- ▶ A total of 19.7% of those renting within the District paid less than £50 per week; and 53.6% paid less than £60 per week. Of owner-occupiers with a mortgage, 26.5% pay less than £400 per month. 4.2% of owner-occupier households pay in excess of £1,000 per month. The level of payment was well spread across the bands up to £1,000 per month.
- ▶ 19.7% of households have incomes below £10,000, below the corresponding UK figure (21.6%). A further 28.0% have incomes between £10,000 - £20,000, and 12.9% between £20,001 and £27,500; a total of 60.6% with incomes below £27,500.



- ▶ 39.8% of households were in receipt of some form of financial support (18,541 implied), of whom 39.5% (7,318 implied) were in receipt of Housing Benefit.

BME HOUSEHOLDS

- ▶ The majority of BME households who responded to the DCA survey are living in 3-bed accommodation. Around 34.8% live in detached accommodation and 31.2% live in semi-detached accommodation.
- ▶ 71.7% of those BME households who said their home was inadequate, cited 'too small' as the reason for inadequacy. This was higher than the 57.1% found in the whole population.
- ▶ 32.4% of BME respondents had a limiting long term illness compared to 26.5% in the general population.
- ▶ Income levels within BME households are similar to those in the whole population. The proportion of BME households on the lowest incomes, i.e. below £10,000 is 20.9%, slightly higher than the figure for all households of 19.7%.
- ▶ 78.4% of the BME households, who wished to move but cannot, said that this was due to lack of affordable rented housing, compared to 56.6% for the whole population. Unable to buy another home at 48.9% also affected BME households' ability to move.
- ▶ Employment / better access to work (37.8%) and leaving to seek better education facilities (24.4%) were the main reasons for leaving West Lancashire compared to 40.8% and 15.8% respectively in the whole population.
- ▶ The majority of existing BME households moving within West Lancashire in the next 3 years stated they required semi-detached accommodation with three bedrooms. 52.4% of respondents stated owner occupation as their preferred tenure and 47.6% preferred council rented accommodation.
- ▶ 87 new BME households are forming within the District in the next three years. 54.7% require terraced accommodation and 44.3% require semi-detached accommodation. The majority (68.9%) require two bedrooms and 31.1% require three bedroom accommodation.

Gypsy and Traveller Households

- ▶ The sample included no responses from Gypsy / Travellers households although the survey presented this category as an option, and Census data does not recognize this category. The Brief did not require a survey of this group as the Local Authority is waiting for emerging guidance to be published.

KEY WORKER HOUSING ISSUES

- ▶ Around 2,189 implied households (4.7% of all households in West Lancashire) gave details of their work in the public sector, with 50.9% (1,115 implied) indicating work in the Health sector and 39.6% (865 implied) working in Education services.
- ▶ The lowest income threshold found for 1-bed flats in the District was £11,900 in the area of Skelmersdale. This figure, although realistic for the area of Skelmersdale was not representative of the income thresholds for 1-bed flats in the four remaining areas. Therefore in order to calculate the income threshold for 1-bed flats, the second lowest income threshold was used, this being £25,300 in Ormskirk.
- ▶ Access to the owner-occupied market in the District through the cheapest 1-bed flats, requiring an income of at least £25,300, we found that the proportions who could not afford to owner occupy in West Lancashire were:-

46.6% of Health Staff

32.1% of Education staff

NB All Social Workers and Occupational Therapy staff who responded had incomes over £25,300 and therefore could afford to owner occupy in the District.

- ▶ Tenure preference for key workers in the District was that 56.5% of education workers preferred owner occupation and 43.5% preferred private rent. All Social Work staff expressed a preference for council rent, however caution is advised as the data is based on small samples.
- ▶ Of the concealed workers responding around 45.0% (84 implied) work in Education services, 38.6% (72 implied) work in the Health sector, 6.3% (12 implied) work in Fire and Rescue services, 5.8% (11 implied) work in the Police Service and 4.3% (8 implied) work in Occupational Therapy.
- ▶ Concealed key workers were asked if they had any savings to meet a deposit and legal costs in terms of purchasing a property. The majority, around 60.7%, had less than £1,000 saved to meet these costs.
- ▶ 77.4% of concealed key workers responding expressed a preference for semi-detached accommodation.

Moving Households

- ▶ 3,012 existing households and 2,479 new households will be moving within the District in the next three years.
- ▶ Out migration from the District is expected to account for 37.9% of all moves for both existing and concealed households over the next three years (3,082 moves implied). In the case of existing households moving, the single most common reason given for moving away was to move to a better area (46.3%), followed by retirement (35.2%). In the case of concealed households moving, the most common reason was employment / access to work (65.8%), followed by education reasons (29.0%) and lack of affordable housing (21.3%).

- ▶ 26.5% of households in the District contain somebody with a support need (12,258 households implied), of which 15.6% had two members affected. 62.1% of all household members were over 60, including 27.0% over 75.
- ▶ The largest group (6,254 implied) affected by a named support need were those with a walking difficulty, representing 52.6% of those with a support need.
- ▶ Around 11.2% of these households contained someone who was a wheelchair user, suggesting around 1,336 in West Lancashire as a whole. 41.3% of wheelchair user households live in a property with suitable adaptation.
- ▶ Of household members with support needs, some 12.9% (803 implied) felt they needed care or support which is not currently provided.
- ▶ 13.1% of all dwellings (6,084 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 51.7% have handrails / grabrails; 50.1% have bathroom adaptations, 35.8% have a ground floor toilet and 30.5% have access to property adaptations.

CONCEALED HOUSEHOLDS

Concealed households are people who are currently living within a household, wanting to move to their own accommodation and form a separate household. We found that around 5.3% of households contained one or more households seeking independent accommodation giving a total of 2,479 (implied) cases over the next three years to 2008. 89.5% are the adult children of existing residents.

In the concealed households group:-

- ▶ 68.7% of the people in these concealed households are between 20 and 29 years of age and 14.2% are over 30;
- ▶ 20.5% of households are being formed with a partner living in a separate household elsewhere in the District;
- ▶ 36.3% of concealed households moving within the next year are registered on a housing waiting list, 87.0% being on the West Lancashire District Council List.

Their needs and preferences for specific house types were:-

Type	Need %	Preference %	Current Stock %
Flat	31.6	21.7	9.0
Terraced	30.7	18.2	23.4
Semi-detached	30.0	41.4	32.3

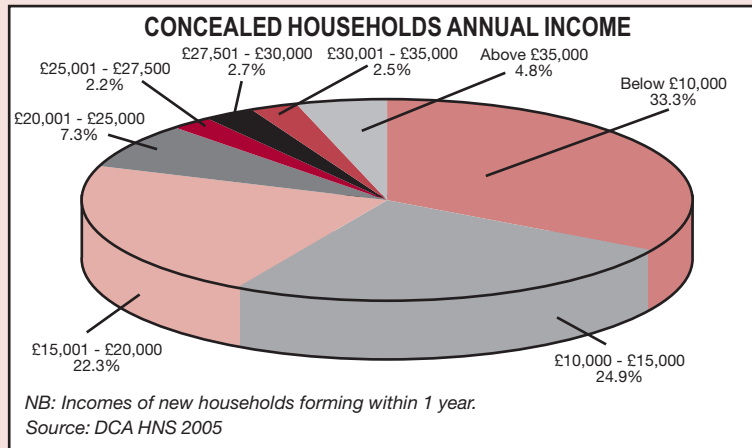
Size	Need %	Preference %	Current Stock %
One Bed	27.1	6.5	6.5
Two Bed	50.5	52.2	22.2
Three Bed	19.3	35.3	49.1

Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher preference for flats than are present in the existing stock.

CONCEALED HOUSEHOLDS' HOUSING COSTS & INCOMES

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

- ▶ 62.6% of those wishing to rent could afford a weekly rent of no more than £60; a further 8.2% cannot pay more than £70;
- ▶ 79.7% wanting to buy could not afford a mortgage of more than £400 per month;
- ▶ 58.2% have household incomes below £15,000 per annum, 22.3% earn between £15,001 - £20,000 and a further 9.5% between £20,001 and £27,500, giving a total of 90.0% with an income below £27,500.



Affordability and Entry to Market Housing

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 and incomes needed to buy in locations across West Lancashire are shown in the table below. Properties can be accessed in Skelmersdale for an income threshold of £11,900 but this is far lower than the remaining areas.

The following table shows the annual household income needed to buy in the lowest and highest priced areas in the District, based on a 95% mortgage availability and a 3-times gross income to lending ratio, the 2000 Good Practice Guidance recommended level.

Annual Household Income Required to Buy

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Burscough	27,500*	34,800	35,600
Ormskirk	25,300*	31,700	39,600
Aughton	28,500*	38,000*	38,000*
Rural Areas	28,500*	34,800*	27,500
Skelmersdale	11,900*	-nd-	18,100

nd – no data *low level of data

Although the average price of terraced properties according to the Land Registry survey is £87,917, entry levels for a 2-bed property start at £57,315 in Skelmersdale, rising to £124,983 in Ormskirk. Entry levels for 3-bed terraced properties start at £64,583 in Skelmersdale rising to £129,975 in Aughton.

64% have inadequate income to be able to buy and 55% cannot afford to rent privately even the smallest one and two bedroom flats and terraced houses.

The combined requirement for supported elderly accommodation in both sectors from existing households living in the District and in-migrating parents / relatives is shown in the table below.

Sheltered Housing Demand

	Private Market	Affordable Sector	All Sectors
Existing Households	99	325	424
In-migrant Households	547	781	1,328
Total	646	1,106	1,752

This requirement may be addressed by flow of re-lets of the existing sheltered stock averaging 178 units a year, but acceptability of existing stock to meet today's standards and aspirations will need to be assessed in calculating the scale and service configuration of new delivery.

The significantly higher level of elderly accommodation needed for people moving into the District is common to other DCA Surveys and is a new factor in the housing market. The forecast is being made by their children who assist in the moving process. Conversely, the indigenous older population prefer to continue to live in the area / surroundings they know and within their own home as long as possible and actual migration should be monitored annually.

Needs Assessments Surveys consistently identify a need for supported elderly accommodation, often considerably in excess of demand experienced locally. Whilst this is a very complex issue to resolve it is fundamentally a factor of the nature and quality of the existing sheltered stock, particularly in the social sector.

Despite national policy to provide services and adaptations to households to remain at home for as long as possible, the scale of growth in the population aged 65+ and particularly 80+ is so significant that there will be future requirements for specialist accommodation to meet the needs of some people. DCA have made a specific recommendation for the development of a wide ranging Older Persons Strategy that is consistent with the Council's Strategic objective.

The Council is already aware that there exists a supply of social sheltered housing units that do not meet the needs / aspirations of many of today's older population. Work has begun on developing an Older Persons Strategy in partnership with key partners, West Lancashire PCT, LCC Social Services and others through a recently established Older Persons Strategic Planning Group.

Additionally, the Council needs to review arrangements to support a range of tenure mix for older people.

CONCLUSIONS

- ▶ 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 55% of these “concealed” households are not able to afford to rent even the cheapest available private housing in the District and 64% cannot access owner occupation. Nearly 90% of them earn below the national average income of £27,300.
- ▶ Most concealed household demand is for the smaller and affordable type of housing, particularly flats. 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 and to provide balanced housing markets.
- ▶ The assessment of annual affordable housing need and supply reveals the following:-

Total annual need	985
Total Supply from re-lets	695
Net annual outstanding need	290

- ▶ The total affordable housing need annually is for 985 units. Re-lets of the existing social stock average 695 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 290 units which projected over the six year period to 2011 is a total of 1,740 units.
- ▶ The level of annual need is much higher than the number of units likely to be able to be delivered from new delivery and 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 40% of new units from the total of all sites in the District should form the basis for negotiation as subsidised affordable housing.
- ▶ Although the sample included no responses from Gypsy / Travellers households, it is increasingly important to obtain the housing need requirements of this group, and new Local Housing Assessment Guidance due to be published this autumn will contain guidance on the process for these households. Bearing in mind the transient nature of this group a specialist study might be appropriate to determine this groups housing needs and aspirations on a sub-regional or County-wide level.
- ▶ A significant finding from the study is the projected 58% increase in the retired population between 2003 and 2026. 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 supported elderly accommodation across all tenures, from older people currently living in the District (424 households) and those who may in-migrate to be beside their family (1,328 households) of 1,752 units, 1,106 in the affordable sector and 646 in the private market.

CONCLUSIONS

- ▶ There was an expressed need for 64 units of independent accommodation with external support, 23 units of independent accommodation (with live in carer); 8 units of residential / nursing home over the next three years to 2008.
- ▶ 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;
 - ▶ Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.

August 2005

