

Parish of Blackrod
Housing Needs Assessment

For

Blackrod Town Council

Executive Summary

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Executive summary

Introduction

- 1.1 The aim of the housing needs study (HNS) is to provide an evidence base to support neighbourhood plan policies
- 1.2 This executive summary is in 4 parts:
 - Key findings from the parish profile;
 - Key findings from the market appraisal;
 - Key findings from the household survey;
 - Conclusions and policy implications.
- 1.3 Survey data provides an incomplete picture of parish household intentions due to households choosing not to complete survey questionnaires. Data weighting is used to adjust for this. Weighting is widely used in social research to adjust the results of a study to bring them more in line with what is known about a population. For example, if survey results contain 40% males and the population is known to contain 49% males, weighting can be used to correct the data to correct for this discrepancy. Weighting carries a risk that the weighted data may not be representative of the sample, so error margins are calculated and estimated. A questionnaire was sent to every household in the parish and 513 responses were received, 2,212 were dispatched resulting in a 23.2% response rate and a $\pm 3.8\%$ sampling error overall.

Key findings from the parish profile

- 1.4 The findings from the above figures combine to show that, compared to the Borough of Bolton, and England as a whole (the other geographies), housing in the parish has disproportionate levels of 3-bedroom and semi-detached homes that are mostly owner occupied. There is relatively low proportion of 1-bedroom homes and flats and relatively low proportions of social rented and private rented housing.
- 1.5 Older person households comprise of around one third (32%) of all households resident in the parish. Population projections are only available for the Borough of Bolton as a whole, reveal that by 2039 there will be significantly more older people resident in the Borough and by implication the parish. For the Borough, the proportion of those aged 70-years and over will increase by 70% over this period with over 85s increasing by 135%. The proportion of older households that are infirm will increase with age both increasing demand for support services and for suitable housing.
- 1.6 The largest groups of people resident in the parish are those aged 45-59 and are mostly married couples with no children (under 65 years of age). Nearly two thirds of households have no children living with them. 12% of households have non-dependent children living with them
- 1.7 There is significant under-occupation of housing in the parish as two thirds (64%) of the housing stock is 3 bedrooms or larger and two thirds (62.7%) being single person or 2-person households.

- 1.8 The above evidence suggests that homes to enable older people to downsize will be needed especially for frail older people. At the same time because there is a relative shortage of larger homes (4-bedrooms or over), families that need more space may find restricted supply locally. Both groups may wish to remain resident in their community for care and support or social reasons and families may not want their children to change school. Newly forming households will generally look to smaller houses and flats to achieve their first step on the housing ladder. They may find this difficult due to the relatively small proportions of smaller houses and flats although their ability to afford housing may be a major factor.
- 1.9 So, in this section we have established that the profile of houses by size and type households is potentially frustrating the needs and aspirations of a number of households.

Key findings arising from the local housing market appraisal

- 1.10 Market housing can be for sale or rent. According to the National Planning Policy Framework (NPPF) the key difference between market and affordable housing is that market housing is bought or rented at prices determined by the market and are not sold or rented at publically subsidised prices.
- 1.11 A relatively large supply of 3-bedroom semi-detached homes is a key feature of the market and the relatively smaller supply of 4+bedroom detached homes is seen as an important issue, preventing local families from upsizing.
- 1.12 The affordability of local housing is more favourable than other parts of the Manchester commuter belt some of which has seen significant rises in house prices. However due to low household income levels, few local households on median income levels with a minimum deposit can afford to purchase a house in Blackrod. This is a likely scenario for local first-time buyers and first-time movers. More established households may be able to put a larger deposit down funded by equity in their present home.
- 1.13 The private rented sector is relatively small, and agents believe that the potentially poor return on investment is the main factor preventing its growth. Agents also expressed concern about the ability of the road infrastructure to cope as and when large scale housebuilding occurs in Horwich and this may adversely affect Blackrod.

Key findings from the household survey

General views of housing supply

- 1.14 All respondents were asked about their views on future housebuilding in the parish. The option most supported was 'no further homes are needed'. However, a similar level of support was recorded for extra homes for older people and homes for first time buyers. The group with the least support was 'large family homes'. The majority of views expressed were those of owner occupiers. The group that attracted most support from private tenants was 'large family homes', the group that attracted most support from affordable housing tenants was 'homes for people with disabilities'.
- 1.15 Respondents thought that there is insufficient suitable housing for older people. A larger proportion of private and affordable tenants than home owners told us that there is insufficient suitable housing for older people.

- 1.16 Regarding the need for small developments of affordable housing, respondent views were evenly divided across yes, no and maybe.
- 1.17 An estimated 138 households (6% of all households) told us that family members had moved away from Blackrod in the last 5 years due to difficulties in finding a suitable home locally. However, the most frequently cited reason overall, for moving away, was because of 'marriage or a new relationship' which was also the main reason cited by home owning and social renting respondents. The most frequent reason given by private tenant respondents was because of a 'lack of affordable housing'.

Future housing requirements

- 1.18 An estimated 113 households (5% of all households) identified that they needed to move home but were unable to do so, mostly because of affordability and lack of suitable housing.
- 1.19 An estimated 409 households (18% of all households) identified a need to move home and felt they were able to do so. Home owners and private tenants most frequently cited the main reason as 'wanted larger property or one which was better in some way'. Affordable tenants only cited 'needed housing suitable for older / disabled person'.
- 1.20 Based upon the household survey data, an analysis of moving households and newly forming households enables us to estimate the quantity size and type of housing that is needed to meet the housing requirements for market housing over the next 5 years. Affordable housing requirements are estimated using a different method.
- 1.21 We find that there is an estimated demand for 390 homes and a supply of 364 homes over the next 5 years. There is a crude shortage of homes. However, a greater number of homes are needed to meet specific local requirements due to the mismatch between supply and demand. There will be an estimated shortage of 123 dwellings 76 4-bedroom houses and 34 1 or 2-bedroom bungalows and 13 larger bungalows and flats. There is likely to be an adequate supply of terraced and semi-detached homes of all sizes in Blackrod.
- 1.22 We undertook additional analysis of the 35 households that the survey revealed are likely to form over the next 5 years as they are the group most likely to have least spending power to buy a home. This is because they are mostly younger people planning to leave the parental home. Analysis reveals that on current income levels, none can afford market housing, and few have saved an adequate deposit.
- 1.23 We undertook additional analysis of older person housing preferences from all older person households whether they planned to move or not. The option overwhelmingly cited by home owners was 'continue to live in current home with support when needed'. Other main choices were buying sheltered accommodation and co-housing. The least frequently cited option was 'rent from a private landlord'. A large proportion of private renters stated that they would continue to rent privately, and few indicated that buying might be an option. Affordable renters would mostly rent sheltered housing or housing association provided housing and none would see buying sheltered or extra care housing as an option

The need for affordable housing

- 1.24 Information from the local authority and household survey information was used to estimate the need for affordable housing.
- 1.25 The evidence would suggest that there is an annual shortfall of 18 dwellings, around 15% of which would be for older people. A range of affordable dwellings are needed across Blackrod, in particular smaller 1 and 2-bedroom general needs and older person and 3+ bedroom general needs accommodation.
- 1.26 The number of Blackrod households on Bolton Council's housing register is a similar figure to the estimated number of households based upon the survey findings. The council told us that there is considerable demand for re-lets especially 2 and 3-bedroom houses.

Conclusions and policy implications

- 1.27 The evidence suggests that a *gross* 90 additional affordable homes and 123 market homes will be needed over the next 5 years to meet housing need originating from local households. However, we also need to take account of dwellings under construction considered below.
- 1.28 The mix of market housing needed is particularly noteworthy. Evidence from the census and the household survey suggests that there is an adequate supply of 3-bedroom terraced and semi-detached homes in Blackrod. However, for market housing, additional 4-bedroom homes plus larger flats and bungalows are needed.
- 1.29 Several factors are driving this. Firstly, some families need and aspire to live in 4-bedroom homes which form a low proportion of the housing stock and create little supply. Households have to move away to find suitable housing and this can be a loss to the community and family networks.
- 1.30 Secondly, older people find it difficult to move to more suitable housing as they become frail. This may be due to lack of credible options for them and a deep-seated reluctance to leave their family home. Many bungalows that are seen as particularly suited to older people are occupied by younger people and households. Again, leaving the area to find suitable housing is damaging to local communities, family and social networks. Further, older people are projected to form increasingly large proportions of the population over the next 25 years. Enabling them to move to more suitable housing would release family housing to the market.
- 1.31 Thirdly it is clear that newly forming households are at a financial disadvantage when seeking a place of their own whether for home ownership or market renting solutions. There is very little market rented supply in Blackrod.
- 1.32 We are advised that 3 sites are currently under construction and will be completed during the next 5 years i.e. 128 units over 5 years or 26 (rounded) over 1 year:
- 39 affordable units (2 and 3 bedroom); and
 - 89 market units: (55x4-bedroom 34x3-bedroom).
- 1.33 We are also advised that large scale development is underway outside the parish boundary but close to it.

- 1.34 Regarding the affordable units these will have been negotiated with the local authority and therefore have to assume that they are in accordance with local needs at prevailing at the time. However, according to our survey 16 1-bedroom homes are needed and none are to be provided. In context, these 39 affordable units are approximately 43% of the units needed over a 5-year period.
- 1.35 Regarding market housing, the 55 4-bedroom units are in line with survey findings and may meet up to 70% of the need. Further information would be needed to assess the impact of the 2 and 3-bedroom units under construction in the light of identified need from older people. Some older people may prefer to downsize to smaller houses.
- 1.36 So, taking into account the supply under construction the *net* additional units needed over 5 years are as follows.
- 1.37 **Market housing:** there is an estimated shortage of **68 market dwellings over 5 years being:**
- 21, 4-bedroom houses (i.e. estimated 76 needed minus 55 under construction);
 - 34, 1 or 2-bedroom bungalows;
 - 9, 3-bedroom bungalows (or larger) and
 - 4, 3-bedroom flats or larger.
- 1.38 **Affordable housing:** **a minimum of 51 affordable dwellings are needed over 5-years being:**
- 11, 2 and 3-bedroom homes (i.e. an estimated 50 needed minus 39 under construction);
 - 30, 1-bedroom homes (none under construction); and
 - 10, 4-bedroom dwellings (none under construction).
- 1.39 We say a minimum as we have not been supplied with the mix of 2 and 3-bedroom units and whether they are general need or for older people. Delivery of these dwellings need to be monitored and the report updated as the information becomes available.
- 1.40 It is not safe to assume that all of the above housing will be occupied by parish residents. Our research over many years tells us that the proportion occupied by local households varies considerably. The fraction is sensitive to price and type and marketing.

Implications for neighbourhood plan policies

- 1.41 Neighbourhood plans consist of neighbourhood level planning policies that must be in general conformance with local planning authority strategy. There is considerable scope for neighbourhood plans to work alongside the local authority planning strategies and policies to influence development proposals and fine tune them to help meet local needs and issues.
- 1.42 This housing needs assessment (HNA) should be regarded as an evidence base and is used to support both neighbourhood plan policy and influence consultations with the local planning authority. A key feature of the HNA is that it does not just state the housing requirements that are apparent from the evidence, but it goes some way to

explaining why these requirements have arisen. For example, the growing mismatch between the housing stock that is largely fixed and the circumstances of households that are constantly changing.

1.43 The issues identified by this HNA that might be addressed in the neighbourhood plan are:

- Delivery of the additional homes required provided they are of the type and size needed in appropriate tenures at prices affordable to local households;
- Addressing the risk that some of the housing will not be occupied by the people that it was intended for. Examples of this are:
 - new build housing being occupied by incomers;
 - large family homes being occupied by households without children;
 - housing that is suited to the needs of older people being occupied by younger people;
 - lack of new households coming into the housing market for affordability reasons that are an end point for conveyancing chains.

1.44 Some neighbourhood plans have addressed these problems by encouraging diversity in new build housing proposals and incorporating local occupancy clauses and age restricted housing as appropriate.

Glossary of Terms

1. A series of terms are used in work of this nature. To avoid ambiguities, these terms are clearly defined as follows:

CORE – The Continuous Recording System (Housing Association and Local Authority Lettings / New Tenants).

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing markets are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.

Housing requirement is the combination of both housing need and housing demand.

NPPF – The National Planning Policy Framework.

NPPG – The National Planning Practice Guidance.

ONS - Office for National Statistics

RP – Registered Provider

SHMA – Strategic Housing Market Assessment

2. Definitions relating to affordable housing have been revised in the National Planning Policy Framework:

Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

3. Given the current consultation process being undertaken by Government on the proposed changes to National Planning Policy, it would also be timely to include the proposed broadened definition of affordable housing which is seeking to expand the range of low cost housing opportunities for those aspiring to own their own homes.

Starter Homes are new dwellings for first time buyers (as defined) under 40 years of age which are to be sold at a discount of at least 20% of the full market value and at less than the price cap of £250,000 (or £450,000 in London). Current proposals by Government suggest that Starter Homes could provide a valuable source of housing for rural areas, and subject to the classification of Starter Homes as affordable housing in National Planning Policy, then it would be possible to deliver such housing on rural exceptions sites including the lifting of perpetuity restrictions to the first 5 years of occupancy. Such housing may however still be subject to local occupancy or connections criteria.