

**LANCASTER DISTRICT**

**LOCAL HOUSING NEEDS  
AND DEMAND SURVEY**

**LOCAL PLAN CONSULTATION  
FINAL REPORT (SUMMER 2012)**



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# 1 EXECUTIVE SUMMARY

## 1.1 Introduction

- 1.1.1 Lancaster City Council formally commissioned DCA in December 2010 to carry out a Housing Needs and Demand Survey.
- 1.1.2 The core of this project was to identify a robust evidence base for future base to support the targets to be set in the Local Development Framework Documents, and local housing and planning policies for delivery at local level.
- 1.1.3 The study consisted of the following elements:-
- A postal household survey completed by 3,152 households across the district of which 200 were carried out by face to face interviews;
  - An on line survey of employees in Lancaster,
  - A housing market survey utilising the Land Registry and Halifax databases 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;
  - Balancing Housing Market Stock Analysis, (by 5 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 The Housing Stock

- 1.2.1 Survey data revealed that 60.5% of properties in the district are either detached or semi-detached, 25.3% are terraced houses and 13.8% are flats. There are a small number of houseboat / caravan / mobile home properties (0.4%).

**Table 1-1 Type of Accommodation**

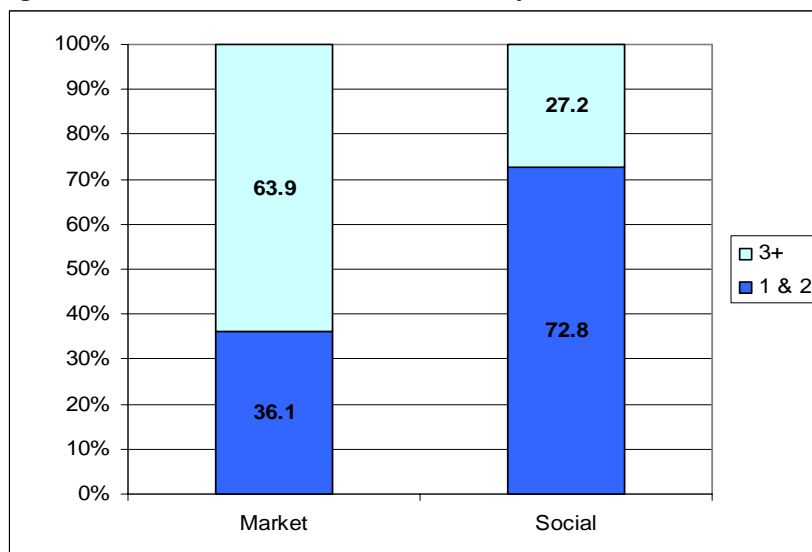
Type	2010 Survey %	N <sup>os.</sup> implied	Local Area Census 2001 *
Detached House / Bungalow	20.8	12,105	18.0
Semi-detached House / Bungalow	39.7	23,028	37.7
Terraced House / Bungalow	25.3	14,739	26.9
Flat / maisonette / Bedsit	13.8	8,045	16.7
Houseboat / Caravan / Mobile home	0.4	245	0.7
<b>Total</b>	<b>100.0</b>	<b>58,162</b>	<b>100.0</b>

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- 1.2.2 The proportion of small units, bedsits / 1 and 2-bed properties (72.8%), is high in the social rented sector. 23.8% of this sector is 3 bedroom units. 47.4% of properties owned are 3 bedroom units. 60.9% of the private rented sector is 2 and 3-bed properties.

1.2.3 The property size profile in the market and social housing sector are detailed below.

**Figure 1-1 Market and Social Stock by Number of Bedrooms**



Source: Housing Survey 2011

## 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 54.6% (27,892) heads of households indicated that they were in employment. 2.8% indicated that they were unemployed and available for work, slightly higher when compared to recent DCA survey experience in which the average has been between 1% and 2%.
- 1.3.3 29.7% were retired, slightly higher than our recent DCA survey experience in other areas and expected with the demographic profile of the District. Population projections show this figure will increase further up to 2031. The data suggests a need for a strategic approach to the accommodation needs of older people in the district.
- 1.3.4 The majority (75.9%) of heads of household worked within the District. 5.6% worked from home, 4.2% work in Preston and 3.6% in South Lakeland. The other 10.7% are spread across 8 areas.
- 1.3.5 The main method of travelling to work was by car at 62.3%.
- 1.3.6 22.3% of households had incomes below £10,000. The total proportion earning below the national average £25,900 per annum was 58.6%. 9.8% of existing households had incomes above £60,000 per annum.
- 1.3.7 36.1% of households were in receipt of financial support (20,998 implied). 51.5% were in receipt of Council Tax Benefit and 40.1% were in receipt of Housing Benefit.
- 1.3.8 75.1% of the concealed households had incomes lower than £25,900. Low incomes, coupled with a low level of savings (64.4% have less than £1,000 in savings) will hinder access to the market for concealed households.

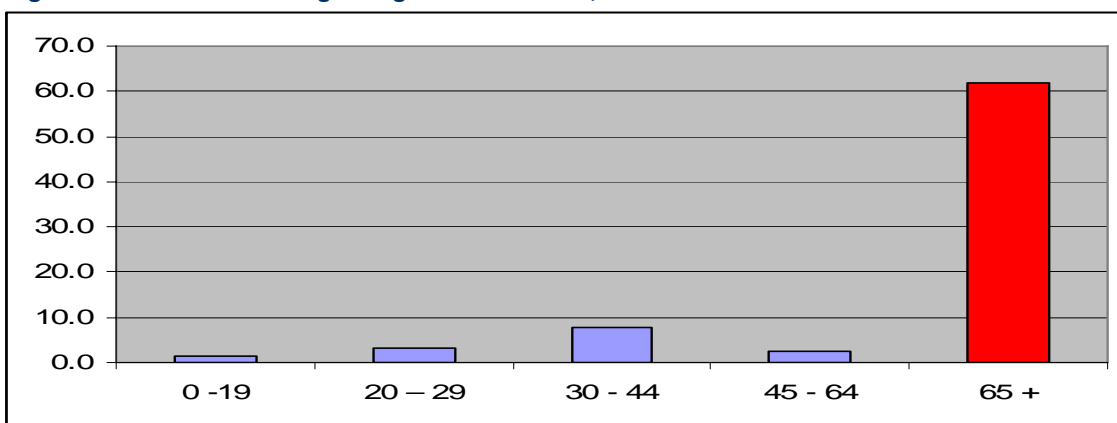
### 1.4 The Future Population

1.4.1 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.

1.4.2 The general demographic forecasts in the tables in this section have been provided by the Office for National Statistics (ONS) and are ONS projections who publish population and household forecasts at Local Authority level for England between 2008 and 2033. The forecasts are 2008 based sub-national population projections and are the most recent projections available.

- The population is projected to increase by 13.8% in total (19,200 people) to 158,700 people between 2008 and 2033;
- The most significant feature is the projected growth of the 65+ age group by 61.8% over the forecast period, 15,200 more people, over 79% of the total growth.
- The chart below shows the population change by age band from 2008 to 2033.

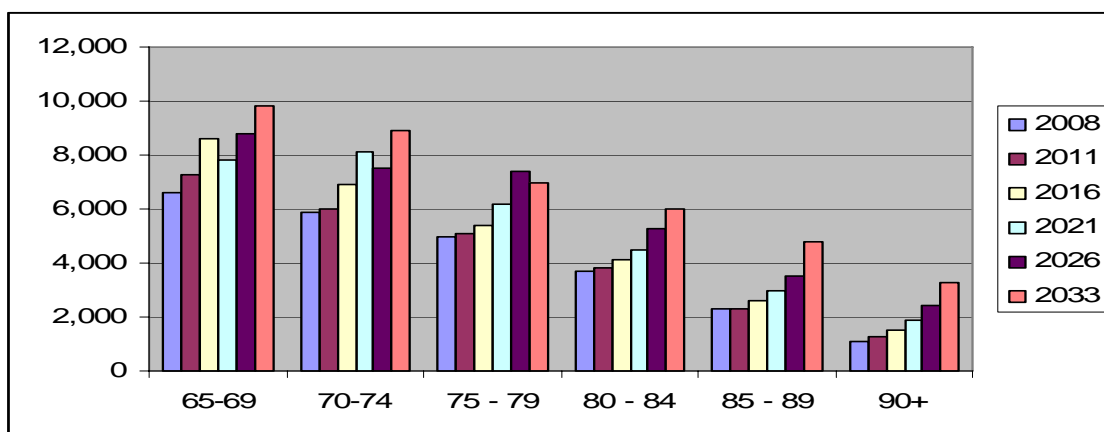
**Figure 1-2 % Change in Age Band Structure, 2008 – 2033**



Source: Office for National Statistics (ONS)

- Within the 65+ age group, the 85+ group shows a large increase of 138.2%, 4,700 people by 2033. Given the resource demands associated with very elderly people, these are significant figures.

**Figure 1-3 Population Age Band Forecast, 65+ the District 2008 – 2033**



Source: Office for National Statistics (ONS)

## 1.5 The Housing Market

- 1.5.1 Since 2007, the UK market has seen a crisis in economic terms starting with insecurity in the financial markets following the sub-prime mortgage crisis beginning in the American market.
- 1.5.2 This led to a fall in house prices throughout the UK which has left recent marginal buyers, and those with high percentage mortgages in negative equity.
- 1.5.3 Rising unemployment, low consumer confidence and the reduced availability of mortgages / credit is an issue and will remain a serious constraint to the recovery of the housing market until it is resolved.
- 1.5.4 The Council of Mortgage Lenders (CML) states that there are signs of house prices stabilising and more properties coming onto the market following the elimination of home information packs. This could improve liquidity in the market but transaction levels are subdued and are likely to remain so while access to credit remains constrained.
- 1.5.5 There is a very limited supply of loans available to first purchasers at LTV levels above 75% and the availability of a large deposit is now the major hurdle in buying a home.
- 1.5.6 Current constraints are an issue not just for first time buyers but also for existing recent buyers and those without a large equity cushion. Land Registry data for Quarter 4 2010 shows that the average house price in the district was £153,124, an increase of 36% since 2004.
- 1.5.7 The number of property sales in the District has decreased by 35.2% over the last 3 year period (2007-2010), including a fall of 14.4% over the last 12 month period to December 2010.

## 1.6 Affordability and Entry to Market Housing

- 1.6.1 Housing is now technically at its most affordable that it has been for the last six years. Mortgage payments at 31% of earnings are now below the 25 year average of 37% and far below the unsustainable peak of 48% in July 2007. However this ignores the change in deposit requirements.
- 1.6.2 Despite the outlook for affordability being more optimistic, the small supply of properties on the market and tightening of lending criteria for mortgages at high loan to valuation ratios (LTV) has resulted in a major decline of first time buyers coming into the market. The Halifax FTB Review in December 2010 shows that nationally the number of FTB's has fallen from 568,200 in 2001 to 357,200 in 2007 and to 199,696 in 2010.
- 1.6.3 Nationally there were 10,500 loans to first-time buyers in January, down 28% from December and by 13% from January 2010.
- 1.6.4 The typical first time buyer in January 2011 had a deposit of 20% and they borrowed 3.12 times their income. Halifax data shows that the average deposit in the North West region in 2010 was 19% equivalent to £19,186.
- 1.6.5 The survey findings indicate that the income levels of around 65.0% of concealed households are considered to be unable to rent in the private market, with 73.0% unable to buy.

- 1.6.6 The average age of FTB's was 29 in 2010, 80% to 85% of whom receive financial assistance to raise their deposit. However, for those without financial support from family, CML data estimates that the average age has risen from 33 in 2007 to 36 in 2010.
- 1.6.7 When student loans were introduced under the last Government, CML estimated that the average age of FTB's would rise to 40 and this is unlikely to reduce under the new structure.
- 1.6.8 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.

## 1.7 Migration and Moving Households

- 1.7.1 Around 4,313 households have in-migrated to the District over the last three years. 45.1% had moved from elsewhere in the UK, 16.7% had moved from elsewhere in Lancashire and 9.5% from abroad.
- 1.7.2 16.7% had moved as they wanted to be near a relative, 14.0% as they wanted a better quality area and 11.5% wanted better quality housing.
- 1.7.3 16.6% of all those who had moved into the District said that it was their first independent home as an adult.
- 1.7.4 Out-migration is expected to account for 25.5% of all moves for existing moving households (2,124 implied) and 38.0% of concealed households over the next 3 years (1,250 moves implied).
- 1.7.5 In the case of existing households moving out of the district, the main single interest was in moving elsewhere in the UK at 33.6% with the second most popular choice being abroad or elsewhere in the North West at 17.0%.
- 1.7.6 In the case of concealed households moving, 74.4% were interested in moving to elsewhere in the UK, followed by 10.2% moving to elsewhere in the North West.
- 1.7.7 Those moving out of the district were asked their reasons for moving away. Both existing and concealed households' reasons were focused on Employment / access to work (50.1% and 59% respectively).
- 1.7.8 Family reasons were prevalent (30.7%) for existing households. In the case of concealed households moving, choices were (after employment) more focused on education (36.4%), as might be expected from a group likely to have a younger profile.

## 1.8 Households with Support Needs

- 1.8.1 23.6% (13,283 implied) households included a member with a disability.
- 1.8.2 57% of all disabled household members were over the age of 60.
- 1.8.3 47.9% of disabled household members have a walking difficulty.
- 1.8.4 18.4% (1,551 implied) households stated they had outstanding support needs.
- 1.8.5 10.5% of properties (5,826 implied) had been adapted. The survey found some mismatch between wheelchair adaptations and the properties where people with a wheelchair actually live.

## 1.9 Older Persons Households

- 1.9.1 Demand for supported accommodation (other than sheltered) is predominantly for independent accommodation with visiting support.
- 1.9.2 There is a combined requirement of 2,123 units of sheltered accommodation for existing older households and those who may in-migrate to be near family. 1,432 are in the affordable sector and 691 in the private sector.
- 1.9.3 There was a level of need expressed for 362 extra care units from existing households and older people moving into the district to be beside their family.

## 1.10 Black and Minority Ethnic Households

- 1.10.1 44.1% of BME household respondents are living in terraced houses and 23.8% live in semi-detached accommodation.
- 1.10.2 The income levels of BME households are very similar to those of the whole population. 13.0% have no earnings compared to 8.1% for the whole population.
- 1.10.3 52.4% of those BME households who said their home was inadequate cited that it was too small. 47.3% said it needed repair / improvement.
- 1.10.4 9.7% of BME households had a member with a disability, less half the whole population level (23.6%).

## 1.11 Future Housing Demand

### Demand for Market Housing

- 1.11.1 **'Planning Policy Statement 3: Housing' (June 2010)** identifies the Government's core objective of providing a variety of high quality market housing and addressing any shortfalls that apply in the market sector. Authorities are required to plan for a full range of types and sizes of market housing to meet the needs of the whole community, so that provision is made for family, single person, and multi-person households.
- 1.11.2 The major market housing demand from existing, concealed forming and in-migrating households is for two and three bedroom properties. Less than 30% of the owner-occupied stock is one and two bedrooms and the turnover analysis suggests a main requirement for two bedrooms.
- 1.11.3 The demographic change forecasts however, highlight growth in older households and it is recommended that to create a more balanced housing stock, future delivery development proportions could be 60% 1 and 2 bedrooms and 40% 3 and 4+ bedrooms.
- 1.11.4 However although especially in the longer term there is a need for more small units, all developments need to be sustainable and create balanced communities.
- 1.11.5 On balance, the demographic shift is already becoming apparent and in view of the current stock mix with flats and terraced properties combined only representing 39% of the stock, future delivery has to bias to a degree in favour of smaller units to create a more balanced housing market.

## 1.12 Affordable Housing Need and Supply

1.12.1 The Adopted Core Strategy Policy SC4 makes provision for 7,200 new units over the period from 2003 to 2021 an annual average of 400 units.

1.12.2 The annual level of outstanding affordable need of 339 units, after allowing for current stock re-let supply is 85% the full annual housing allocation each year.

**Table 1-2 Annual Dwelling Provision v. Affordable Need**

Dwelling Provision p.a.*	Affordable Need Shortfall p.a.**
400	339

\* Core Strategy Policy SC4 \*\* 2010 Housing Survey Data

1.12.3 The CLG Needs Assessment Model is used to calculate the annual shortfall of social housing units, based on addressing the backlog of need over 10 years.

**Table 1-3 Annual Affordable Housing Shortfall**

Affordable Need	Re-let / Re-sale Supply	Affordable Shortfall
769	430	339

Source - 2010 Housing Survey Data

1.12.4 There is a significant need for affordable housing totalling 769 units a year. The net affordable need after re-lets, but before new unit delivery is 339 units each year.

1.12.5 There has been little changed in the projected delivery targets since the 2008 SHMA. The target for larger properties is slightly higher for market and affordable, mainly due to the lack of turnover of this size of property. Whereas due to affordability issues the intermediate target is only for 1 and 2 bed properties.

1.12.6 A summary of the size requirements for all tenures is shown in the table below.

**Table 1-4 Future Delivery by Tenure**

Tenure	Bedroom Size (%)			
	1-Bed	2-Bed	3- Bed	4- Bed +
Market Sector	60			40
Intermediate	25	75		0
Social Rented	50			50

## Key Recommendations

### Balancing the Housing Market

- Ensure that future new development provides a mix of housing types and sizes to meet the needs of all households.
- The requirement for the expected future growth in households can only be estimated in terms of the size of new dwellings. Providing a better balanced housing stock should however be the key criteria for the authority to be able to provide sustainable developments and communities.
- Develop policies for market housing so that new stock meets local demand not addressed by existing stock turnover.
- Ensure, where possible, that future new development meets the Code for Sustainable Homes and the Lifetime Homes Standard.

### Affordable Housing Targets

- Based on the robust evidence found in this assessment there is a need for 339 affordable units a year before new unit delivery.
- This scale of need could justify a much higher target than the 30% of new units set in Policy SC4 of 30% of all new delivery, subject to the critical balance of tenure mix on viability.
- Delivery of affordable housing for older people should be prioritised to provide a range of housing to meet the needs of the growing older population and targeted at local area level

### Affordable Tenure Mix Targets

- There is interest in shared ownership from 55 existing and concealed households a year justifying the overall affordable tenure mix target set at 50% intermediate housing and 50% for social rent. This mix balance will be critical to site viability.
- The Survey data will remain valid until 2014 /15 at which stage it will need to be fully updated as required in Guidance. The assessment should be monitored and updated annually.



### Property Size Targets

- Consider social rented housing property size targets of 60% one and two bedroom flats and terraced houses (mainly two) to meet the needs of single, couple and small family households.
- 40% of units should be three and four bedroom houses to address the needs of larger families.
- Intermediate market housing should be 25% one and 75% two bedrooms.
- To assist developers in relation to a property mix which would best meet the future demand in the market sector, levels of 60% one and two bedroom units (mainly two) and 40% 3 and 4 bedroom units should be provided as a guide at district level.

### Making Best Use of the Existing Stock

- Addressing the under-occupation within the existing 3 and 4 bedroom social housing stock to assist in resolving over-crowding and making best use of the stock should be a housing priority.

### Older Persons Housing Needs

- Address the current and future growth in older people and frail older households across all tenures and their related care and support needs. The on-going development of Older Persons Housing Strategies should consider :-
- The need for support services and adaptation required to enable people to remain in their own home;
- The type, scale and quality of existing sheltered stock in meeting today's housing standards and preferences;
- The future need for 'extra care' accommodation for the growing frail elderly population.
- There is a combined requirement of 2,123 units of sheltered accommodation for existing older households and those who may in-migrate to be near family. 1,432 are in the affordable sector and 691 in the private sector.
- There was a level of need expressed for 362 extra care units from existing households and older people moving into the district.

The development of the **Older Persons Housing Strategy** should consider :-

- A review of the **type and quality of existing sheltered stock** in meeting today's housing standards and preferences
- A new delivery strategy to meet the scale of need and demand for 2,123 units by 2014;
- The future need for 'extra care' accommodation for the growing older population reflected in the level of need expressed for extra care accommodation by relatives of older people for 362 units.

## 2 SURVEY METHODOLOGY

### 2.1 Background and Context

- 2.1.1 The methodology adopted for this Assessment utilises a mix of primary and secondary data from local and national sources which are appropriately identified where used throughout the Report.
- 2.1.2 The core of this project was to identify a robust evidence for future base to support the targets to be set in the Local Development Framework Documents, and local housing and planning policies for delivery at local level.
- 2.1.3 It is now essential to assess the future demand and need for housing across the Council area by tenure, type and size to inform future development of market housing and to inform affordable housing targets in each of the main towns and rural settlements.
- 2.1.4 The survey will identify the needs of special housing groups whose requirements are different to those of general households and may require specific support strategies.
- 2.1.5 The assessment process requires consultation with the Local Housing Partnership Group of local authority personnel and key delivery partners.

### 2.2 Purpose, Aims and Objectives

- 2.2.1 The purpose of the study was to undertake a comprehensive and robust assessment to obtain high quality information about current and future housing needs at a local authority level and to inform the development of policies and underpin local housing strategies.
- 2.2.2 The objectives of the study were to:-
- Support future housing strategy to meet the criteria set out by Communities and Local Government (CLG) in its good practice guidance and the Housing Strategy Guidance and to prioritise investment decisions;
  - Co-ordinate housing and community care strategies;
  - Inform the Council's affordable housing policies in the Local Development Framework and assist in target setting for site development briefs and for negotiation in accordance with PPS3.

## 2.3 The Local Area

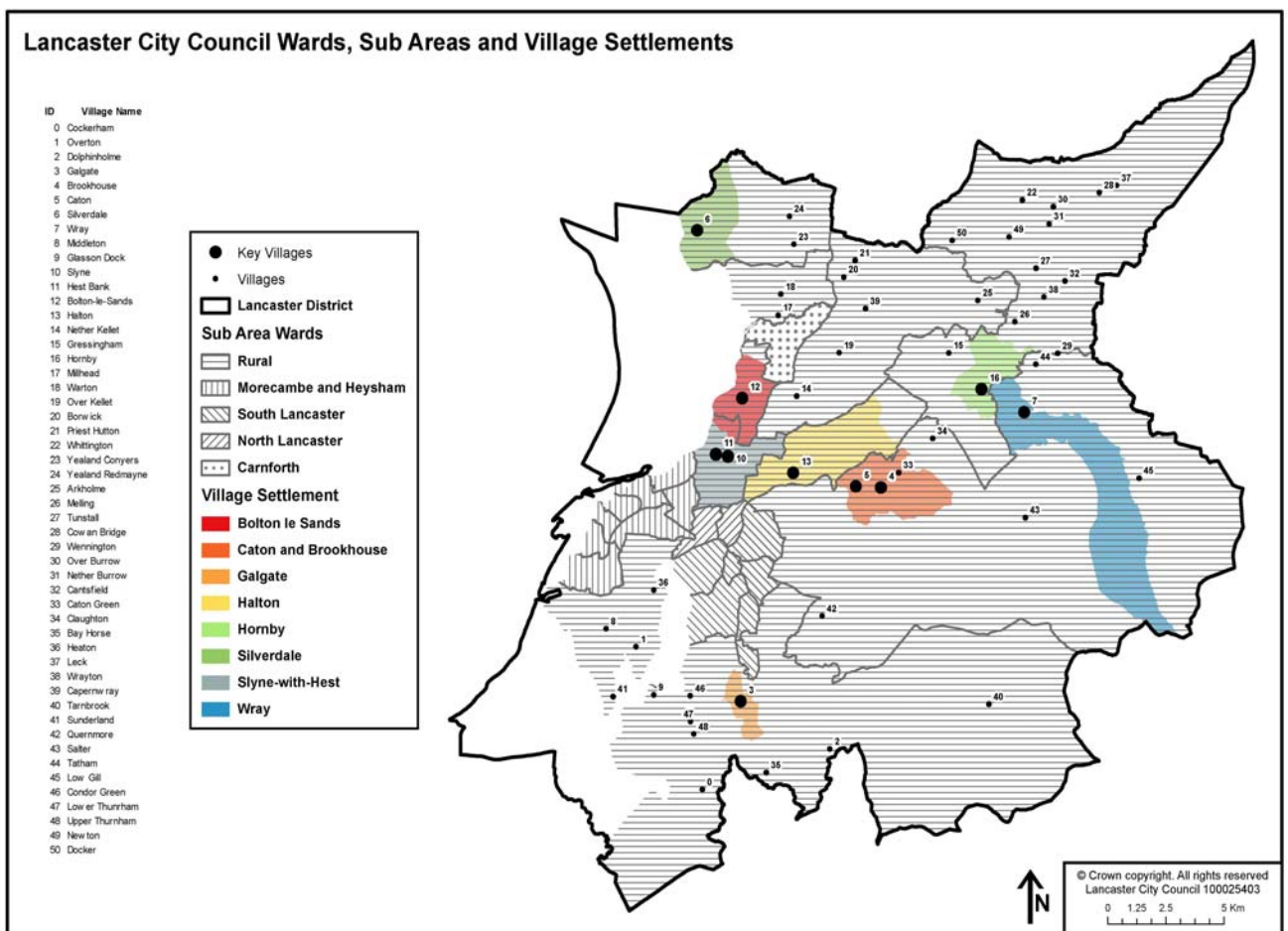
2.3.1 A sub-area structure was agreed with the Council and consisted of grouping the district into 5 sub-areas, including providing separate data for the Village Settlement areas. The sub-area structure is detailed in Table 2-1 below.

**Table 2-1 Sub Area Structure**

Sub-Areas	Areas contained within
<b>Carnforth</b>	Carnforth
<b>Morecambe / Heysham</b>	Bare, Harbour, Heysham Central, Heysham North, Heysham South, Poulton, Torrisholme, Westgate
<b>North Lancaster</b>	Skerton East, Skerton West
<b>South Lancaster</b>	Bulk, Castle, Dukes, John O Gaunt, Scotforth East, Scotforth West
<b>Rural</b>	Bolton-Le-Sands, Galgate, Halton-with-Aughton, Caton & Brookhouse, Wray, Silverdale, Slyne-with Hest, Hornby.

Source: Lancaster City Council

2.3.2 The map below has been provided by Lancaster City Council and shows all Wards, Sub Areas and Rural Settlements.



Source: Lancaster City Council

## 2.4 Methodology

2.4.1 The study consisted of the following elements:-

- A postal household survey completed by 3,152 households across 5 Sub-areas, of which 200 were carried out by face to face interviews;
- A housing market survey utilising the Land Registry and Halifax databases and an internet survey of estate agents on the cost of access level properties and 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 data.
- Balancing Housing Market Stock Analysis (by 5 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.

2.4.2 The questionnaire was designed in consultation with Council officers and based upon tried and tested questionnaires used in previous comparable assessments.

2.4.3 The questionnaire was designed to gather a comprehensive range of information on existing and concealed households and was structured in three parts.

2.4.4 Part One sought information about the existing housing situation including:-

- household composition by gender, age and ethnicity;
- house type and number of bedrooms;
- adequacy of current housing to meet the households needs;
- property repair and improvement requirements;
- forms of heating and energy efficiency facilities;
- housing costs and income;
- employment and travel to work;
- support and adaptation needs.

2.4.5 Part Two of the questionnaire collected information on the existing households' future moving intentions and Part Three on the moving intentions of concealed households. Questions in these two sections included:-

- when people expect to move;
- who is forming new households;
- how much they can afford, the household savings and income;
- preferred tenure, type, size and location of the housing they require;
- supported housing and support service requirements.

2.4.6 The survey questionnaire is provided as Appendix I to this report.

2.4.7 The face to face interviews were carried out in areas that historically received a poor response from a postal survey and HRA areas in Morecambe/Heysham.

## 2.5 Sampling

- 2.5.1 Sample size depends on two key factors: the degree of accuracy required for the sample and the extent to which there is variation in the population with regard to key characteristics. The most important points to note about these issues are:-
- Beyond a certain sample size, there is no benefit in a bigger sample in terms of accuracy;
  - The size of the population is largely irrelevant for the accuracy of the sample. It is the absolute size of the sample that is important.
- 2.5.2 The Survey was structured to achieve a 95% confidence rate and to ensure that the results reflect the population. Using simple random sampling, the confidence interval with a sample size of 2,000 households is in the region of 2%.
- 2.5.3 This means, for example, that if 53% of respondents in a survey do not have central heating then we can be 95% confident that 53% of households plus or minus 2% do not have central heating (i.e. 51% - 55%).
- 2.5.4 The postal sample was stratified into the 5 sub-areas as specified at Table 2-1 and selected by random probability from the Council Tax Register.
- 2.5.5 The main issue is whether non-respondents are different in some crucial way to responders (e.g. low education, older etc). However, increasing the sample size does not necessarily alleviate this problem if some groups of people systematically do not respond.

## 2.6 Promotion

- 2.6.1 A comprehensive promotion campaign of posters (Appendix II) and local press coverage was agreed with the Council to create awareness of the survey, and its importance to the Council. All councillors were contacted to inform them of the survey and enlist their assistance in publicising the survey and maximising the response rate.
- 2.6.2 Ten days prior to the fieldwork commencing, a letter was sent to 400 households selected to take part to inform them of the survey, the aim was to achieve 200 responses, dates that the interviewers may call and give them the opportunity to speak to someone about the survey and opt out if they did not wish to take part. A copy of the letter can be found at Appendix III.

## 2.7 Interview Survey Fieldwork

- 2.7.1 Mill Field Services was provided with a questionnaire by DCA, utilising the same questionnaire as the postal survey. The fieldwork element was combined with the responses from the postal sample and was combined to make one data file. The interview fieldwork for the project began on the 14<sup>th</sup> February and was completed by the 20<sup>th</sup> February 2011.

## 2.8 Survey Process and Response

- 2.8.1 The questionnaires were posted on 3rd February 2011, allowing around three weeks for responses.
- 2.8.2 5.0% of all households in the District took part in the survey. The response rate by sub-area is detailed in Table 2-2 below.

**Table 2-2 Response Rate**

Sub-Area	2010 Resident Households	Postal Sample	Postal Response rate (%)	Returns (inc interviews)	Confidence Interval ± %
Carnforth	1,998	429	23.8	102	9.9
Morecambe / Heysham	22,879	3,200	24.8	805	3.5
North Lancaster	5,984	800	19.5	200	7.1
South Lancaster	15,761	2,400	22.5	562	4.2
Rural	14,200	4,768	20.0	1,481	2.6
<b>Total</b>	<b>60,822</b>	<b>11,597</b>	<b>25.4</b>	<b>3,150</b>	<b>1.8</b>

Source: Housing Survey Data 2011

## 2.9 Data Validity

- 2.9.1 All areas reached response levels based on household numbers adequate to ensure statistical validity at the confidence level of 95% (discussed in more detail in section 2.5). The confidence interval ranged from ± 9.9% to ± 2.6% at sub-area level and was ±1.8% at district level.
- 2.9.2 These levels both at sub-area and district level have resulted in a large total sample adequate to ensure that the findings of the survey are representative of the population and sufficiently large to overcome bias.

## 2.10 Survey Weighting

- 2.10.1 The data file was checked against the 2001 Census Tenure data and the Council's Housing Strategy Statistical Appendix (HSSA) for bias and re-weighted where necessary. A copy of the weighting carried out in this survey is provided with the Survey Data Tables.
- 2.10.2 Given the nature of the random sample of households within agreed sub-areas embodied in the postal survey, tenure type is expected to provide the main validation that the sample is representative of the whole population.
- 2.10.3 The data set out below on household population and tenure is based on the Council Tax number of resident households. Private sector tenure has been re-weighted to be in line with the 2001 Census data, with allowance for nine further years development. The social housing stock has been weighted to the number of units in the 2010 HSSA Statistical Appendix by ward (supplied by the City Council).

- 2.10.4 The overall data set is therefore representative of the district population and is the basis for the calculation of all the subsequent tables i.e. all responses are given the weight appropriate to the actual tenure balance.

**Table 2-3 Tenure of Present Households**  
Question 1

Tenure	2011 Survey %	N <sup>os.</sup> implied	Local Area Census 2001 *
Owner occupier (paying mortgage)	38.3	22,342	37.9
Owner occupier (no mortgage)	34.8	20,352	34.6
Private rented	15.7	9,156	14.5
Council rent	6.3	3,687	6.7
Other HA rented	3.2	1,842	3.5
Shared Ownership	0.3	149	0.6
Tied to employment	0.3	148	2.2
Living rent free	1.1	614	
<b>Total</b>	<b>100.0</b>	<b>58,290</b>	<b>100.0</b>

\*© Crown Copyright (Census)

- 2.10.5 The private rented sector constitutes 15.7% of households, higher than the national level of 10%. This group includes those renting from a private landlord or from a friend or relative. Only 9.5% of households are social housing tenants, around half the national level.
- 2.10.6 Over 73% of households are owner occupiers.

## 2.11 Guidance Model

- 2.11.1 The Housing Needs Study has been undertaken in line with the 2000 DETR (now CLG) research Local Housing Needs Assessment: - A Guide to Good Practice in assessing people's preferences as well as their needs.
- 2.11.2 This study is not a Strategic Housing Market Assessment (see separate report), but will provide data to inform any future Local Assessment and has taken account of key elements of the CLG Strategic Housing Market Assessment Guidance (August 2007).



## 2.12 Definitions

2.12.1 Households that can enter the general market without intervention of any sort can be defined as demand. Those households unable to enter the general market without some form of intervention can be defined as having a housing need.

2.12.2 Affordability in DCA's view is defined by the relationship between local incomes and the local general housing market. Our definition of affordable housing is as follows:-

*"Affordable housing is that provided with subsidy, both for rent and intermediate market housing, for people who are unable to resolve their housing requirements in the local private sector housing market because of the relationship between housing costs and incomes.*

*This definition covers housing for social rent, shared ownership, shared equity and intermediate rent."*

2.12.3 The issue of affordability is central to DCA's approach. Within the project a range of data on actual incomes and costs of housing and the likely level of incomes and the accessible cost of housing is captured for moving or newly forming households.

2.12.4 DCA also examine secondary data on incomes, house prices and rent levels. Thus a reliable indicator of affordability is derived that leads towards the identification of real options for meeting housing need.

## 2.13 Data Sources

2.13.1 The Guidance stresses the importance of using good quality data from a range of sources.

2.13.2 Both extensive secondary data and primary data collected during the 2011 Housing Survey have been used. Throughout this Report, the 2011 primary survey data has been used unless indicated otherwise.

2.13.3 It should be noted that although the 2001 Census data provides a vast range of information about households and in some instances is the only data available regarding various household characteristics. The Census data is now 10 years old and the current situation across The District and the benchmark areas may now differ from that recorded in the Census in 2001.

2.13.4 All local, North West Region and national documents mentioned in the Report are current at the time of report writing. However these documents are subject to change and may be superseded by revised policy and strategy over time.

2.13.5 The sources of data used within each section of the report are referenced where appropriate.

2.13.6 **Appendix IV** contains a list of the secondary data sources used in the Report.

## 2.14 Survey Household Data

2.14.1 It should be noted that the "numbers implied" column inserted in some of the tables is DCA's assessment of the total numbers to be derived after applying the appropriate weighting factor based on ward location and tenure responses to that ward's household numbers.



- 2.14.2 Where multiple choice is not involved, this will generally equate to the household population of the Local Authority as a whole but some individual questions may not be answered by all respondents, giving a marginally lower total.
- 2.14.3 Where multiple choice questions are involved, two percentage columns are shown. The first percentage column relates to each heading to the total number of actual responses. Those responses are set out at sub-area level in the accompanying data tables and are the basis of the 'numbers implied' column in the report.
- 2.14.4 The second percentage column relates the same numbers to the number of choices, which in the case of a multiple choice question is likely to give a total in excess of 100% depending on the level of multiple choice made.
- 2.14.5 All tables included in this report are extracted from the DCA Housing Survey data for Lancaster, unless otherwise indicated. A comparison is also provided for many results throughout this Report to the average of over 250 DCA Housing Assessment Surveys nationally.

## **2.15 Glossary of Terms**

- 2.15.1 A glossary of the technical terms used throughout this report is provided as **Appendix V**.

### 3 ON LINE ASPIRATIONAL HOMES SURVEY

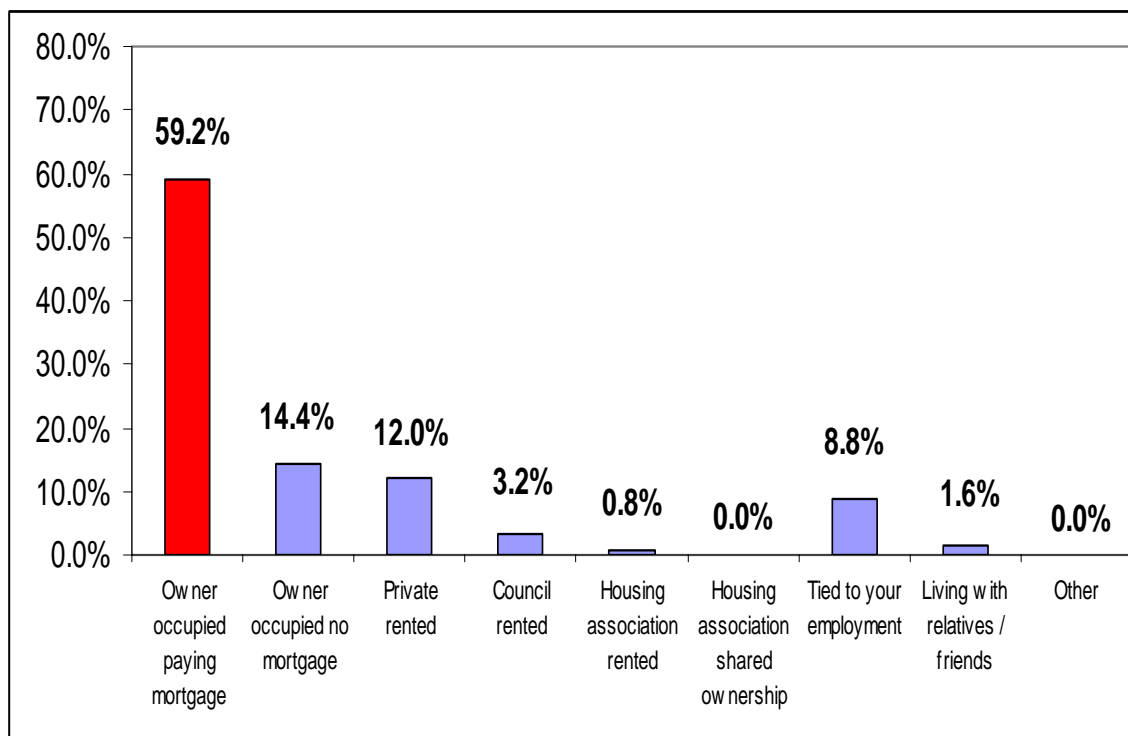
#### 3.1 Introduction

- 3.1.1 DCA were asked by Lancaster City Council to carry out an Aspirational Homes Survey as well as the Housing Needs and Demand Survey. This was in response to concerns raised about the lack of a range of homes in The District.
- 3.1.2 Only 18% of homes are detached in the District compared to 22% in the rest of Lancashire which makes it difficult to attract and retain skilled workers. It appears that many of the highly paid workers in Lancaster live outside the district, therefore to address the situation a better range of housing needs to be provided.
- 3.1.3 The Aspirational Homes Survey was carried out on-line and was completed by 125 people in total, which provides a robust and statistically valid sample of employees within Lancaster.
- 3.1.4 There were four sections within the survey including, details about the existing household, employment details, opinions of housing in the District and ideas on aspirational homes.

#### 3.2 About You and Your Existing Household

- 3.2.1 The questionnaire asked respondents to complete questions about their personal circumstances and their existing household.

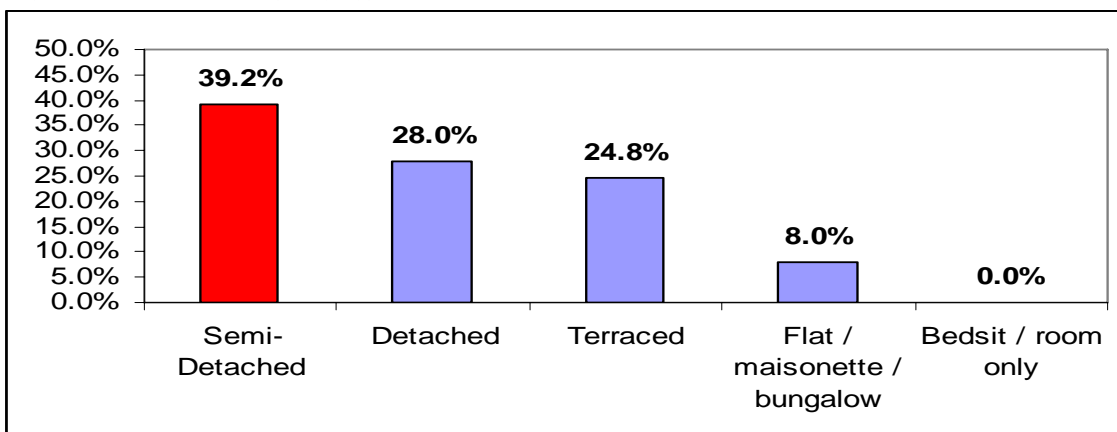
Figure 3-1 Your Present Accommodation (Question 1)



Source: Aspirational Homes Survey 2011

- 3.2.2 59.2% of employees were owner occupiers paying a mortgage followed by 14.4% who were owner occupiers with no mortgage.

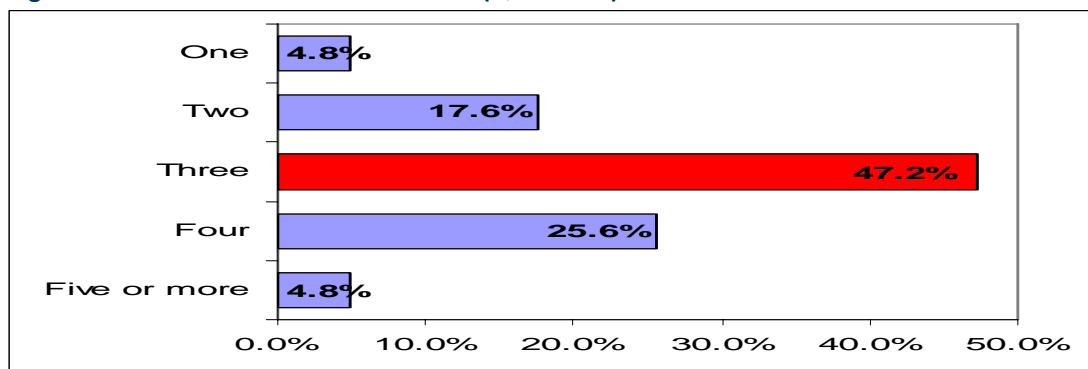
**Figure 3-2 Property Type (Question 2)**



Source: Aspirational Homes Survey 2011

3.2.3 Over half of the employees who responded lived in a semi-detached or detached property (67.2%).

**Figure 3-3 Number of Bedrooms (Question 3)**



Source: Aspirational Homes Survey 2011

3.2.4 The majority of households had over three bedrooms, with 4.8% having over 5 bedrooms.

**Table 3-1 How Long Have You Lived At Your Present Address?**

Question 4

Time	%	N <sup>os.</sup>
Less than one year	13.6	17
1 – 2 years	13.6	17
3 – 5 years	20.0	25
6 – 10 years	21.6	27
11 – 20 years	24.8	31
Over 20 years	6.4	8
<b>Total</b>	<b>100.0</b>	<b>125</b>

Source: Aspirational Homes Survey 2011

3.2.5 Over half of the employees responding had lived in their current property for over 6 years (52.8%). 13.6% had lived in their home for less than one year.

3.2.6 59.2% of employees were female and 40.8% male.

3.2.7 The table below shows the age groups of the respondents. A high number of respondents were in the 25-44 age group (60.0%).

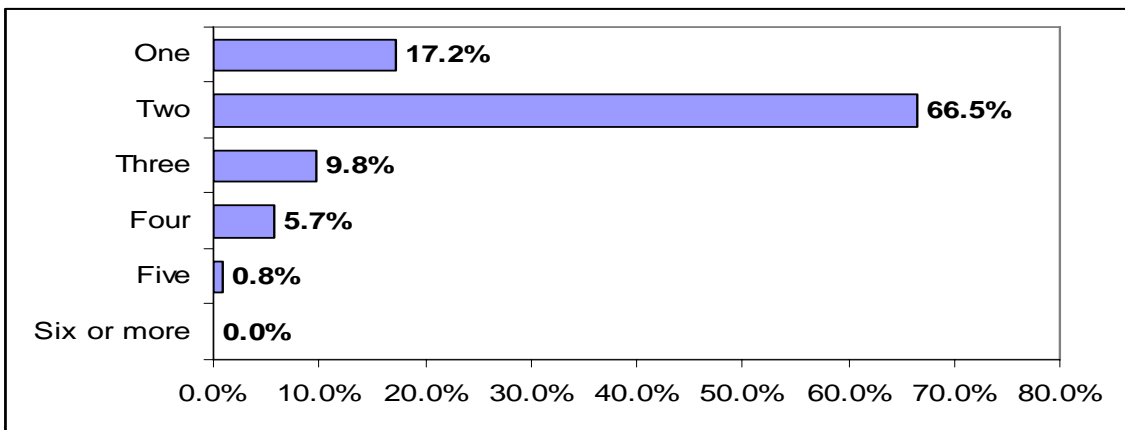
**Table 3-2 How Old Are You?**  
Question 6

Age	%	N <sup>os.</sup>
16 – 24 years	8.0	10
25 – 44 years	60.0	75
45 – 59 years	27.2	34
60 – 74 years	4.8	6
<b>Total</b>	<b>100.0</b>	<b>125</b>

Source: Aspirational Homes Survey 2011

3.2.8 The majority of respondents lived in a couple household (66.5%). The rest of the results can be seen in the figure below.

**Figure 3-4 How Many Adults (16+ Years) Live In Your Household?**  
Question 7

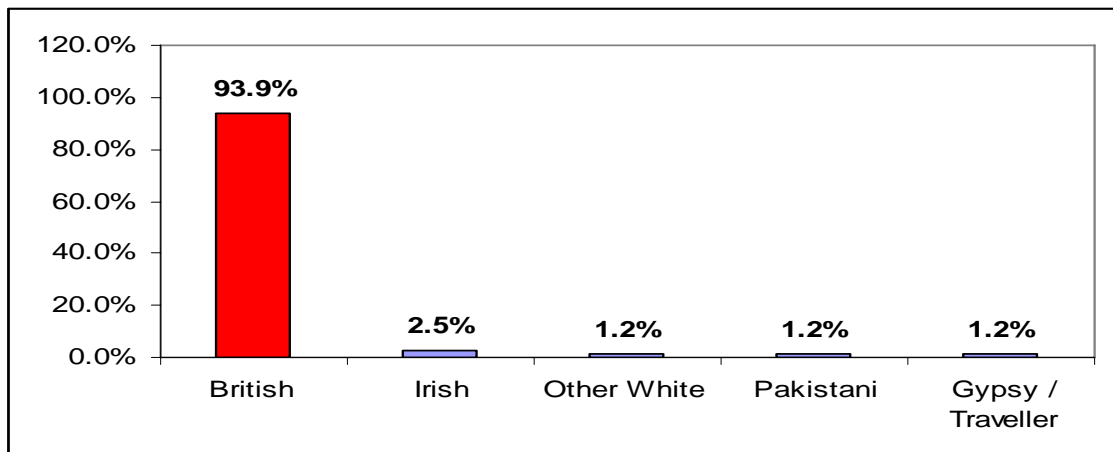


Source: Aspirational Homes Survey 2011

3.2.9 71.0% of respondents had no children under 16 living in their household. 11.3% had one child, 14.5% had 2 children and 1.6% had three children in their household.

3.2.10 The final question in this section asks about the ethnic origin of the employees. The results can be seen in the table below.

**Figure 3-5 Ethnic Origin of Households (Question 9)**



Source: Aspirational Homes Survey 2011

- 3.2.11 The majority of employees were white British (93.9%). There was a small proportion of employees who were white Irish (2.5%) and 1.2% were classed as other white. The only other ethnic origins recorded were Pakistani and Gypsy / Traveller.

### 3.3 Employment Details

- 3.3.1 The next set of questions focus on the respondent's employment status and income.

**Table 3-3 How Long Have You Worked In Lancaster?**  
Question 10

Time	%	N <sup>os.</sup>
Less than a year	20.2	16
1 – 2 years	12.7	10
3 – 5 years	17.7	14
6 – 10 years	12.7	10
11 – 20 years	17.7	14
Over 20 years	19.0	15
<b>Total</b>	<b>100.0</b>	<b>79</b>

Source: Aspirational Homes Survey 2011

- 3.3.2 20.2% of employees have worked in the District for less than one year, just above the 19.0% who have worked in the District for over 20 years.

**Table 3-4 What Is Your Sector Of Employment?**  
Question 11

Employment Sector	%	N <sup>os.</sup>
Public Administration, Education & Health	83.5	66
Other Services	11.4	9
Energy & Water	2.5	2
Agriculture	1.3	1
Banking, Finance & Insurance	1.3	1
Manufacturing	0.0	0
Leisure	0.0	0
Pharmaceuticals	0.0	0
<b>Total</b>	<b>100.0</b>	<b>79</b>

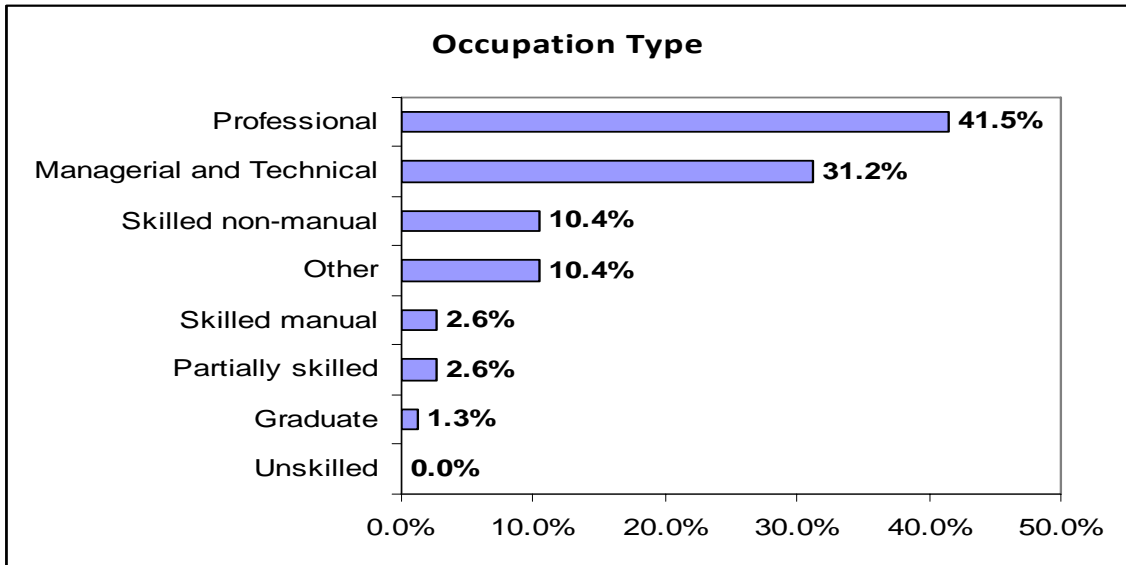
Source: Aspirational Homes Survey 2011

- 3.3.3 The majority of employees responding worked in the Public Administration, Education and Health Sector (83.5%). Other areas of employment included energy and water, agriculture, banking, finance and insurance and 'other' services.

3.3.4 Employees were asked what their employment type was. 87.2% of employees were in full time employment, 9.0% worked part-time and 3.8% were classed as self employed.

3.3.5 The question relating to their type of occupation produced the following results.

**Figure 3-6** What Is Your Type Of Occupation?  
Question 13



Source: Aspirational Homes Survey 2011

3.3.6 The two main types of employment were professional and managerial & technical at 41.5% and 31.2% respectively.

3.3.7 46.4% of employees who completed the on-line questionnaire answered the income question. The results can be found in the table below.

**Table 3-5** What Is Your Gross Annual Income Before Tax And Deductions?  
Question 14

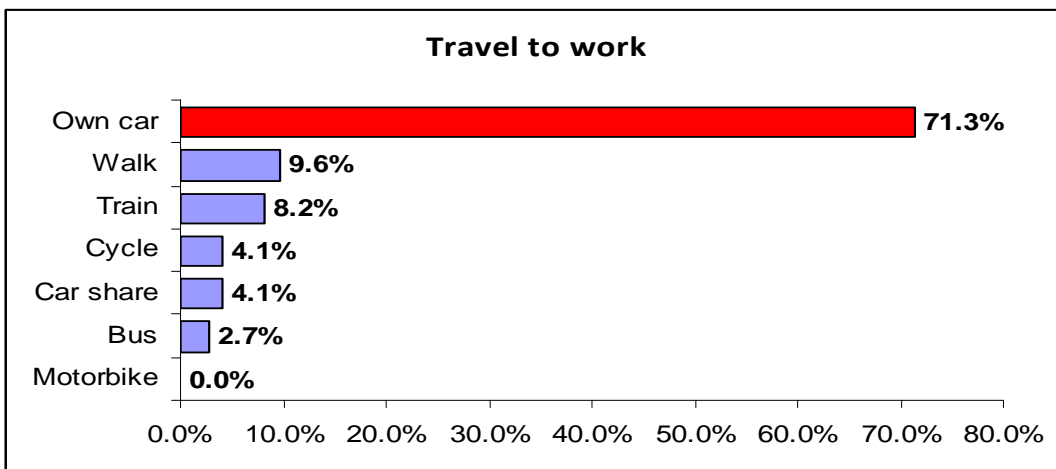
Income	%	N <sup>os.</sup>
£27,501 - £45,000	84.6	49
£45,001 - £60,000	10.3	6
£60,001 - £75,000	3.4	2
£75,001 - £100,000	0.0	0
Above £100,000	1.7	1
<b>Total</b>	<b>100.0</b>	<b>58</b>

Source: Aspirational Homes Survey 2011

3.3.8 The majority of employees who responded fell into the first income bracket of £27,501 - £45,000 (84.6%).

3.3.9 The next question related to how employees travelled into the District for work.

**Figure 3-7 How Do You Travel Into the District to work?**  
Question 15



Source: Aspirational Homes Survey 2011

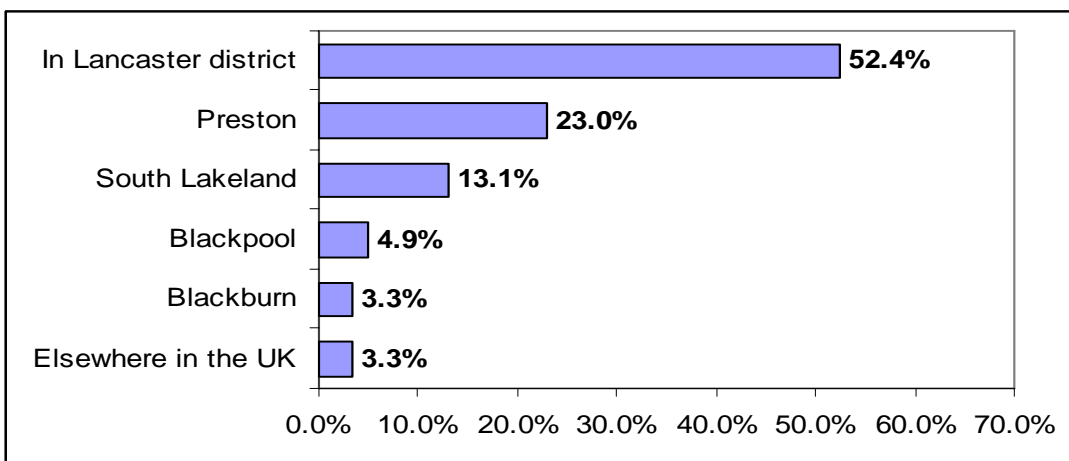
3.3.10 The majority of employees travelled into the District in their own car (71.3%) and 4.1% car share. 9.6% walk to work and 8.2% travel in by train.

### 3.4 Opinion of Housing in Lancaster

3.4.1 The next section relates specifically to those employees who currently live outside the district and what would encourage them to move to Lancaster

3.4.2 A high number of employees responding currently live in the District (52.4%), so the answers in this section are only based on those employees currently living outside the district (47.6%).

**Figure 3-8 Where Do You Currently Live? (Question 16)**



Source: Aspirational Homes Survey 2011

3.4.3 Preston at 23.0% is the main area of residence of those living outside The District, followed by South Lakeland at 13.1%. The other areas of residence include Blackpool, Blackburn and elsewhere in the UK.

3.4.4 Employees were asked if the right housing was provided would they consider moving to The District; 55.9% said they would.

- 3.4.5 The majority of those who said yes were in the 25-44 age group and those who said they would not move were mainly in the 45 to 59 age bracket.
- 3.4.6 The questionnaire then asked what would persuade respondents to live in the District and some of the comments received are outlined below.

**Question 18**

“Availability of affordable housing.” (9)

“Availability of appropriate size of housing”(3)

“Nothing” (2)

“Lancaster could be a beautiful, cultural, vibrant city. When I drive in from the M6 I see the monstrosity in the centre of the one-way roundabout and boarded up shops. There is very little promotion of the cities art, theatre, parks and culture, which I know is there but I hear very little about. If I knew there were good restaurants, shops, bars, walks and galleries, if I knew the streets were safe and the housing was good I would consider living there”.

“Better rail links to Preston and onwards”

“Nothing I can think of. I like the City very much but live in Garstang and can access Lancaster easily without actually living here”

“Nothing. Family commitments mean that I have to remain in South Lakeland and due to the nature of my job (social work) I also prefer not to live in the area where I work”.

- 3.4.7 Quite a few comments were made in relation to the availability of affordable housing in the district and also in relation to suitable size of housing.
- 3.4.8 Respondents then went on to answer a question on why they work in the District but live outside the district.

**Table 3-6 What are Your Main Reasons for Working In Lancaster, but Living Outside The District?**

Question 19

	% Employees	N <sup>05</sup> implied
Current housing is near family and friends	42.9	15
Present location is more attractive than The District	31.4	11
Current housing is near better facilities (shops, leisure etc)	31.4	11
High cost of housing in Lancaster	31.4	11
Present area has more character & identity	28.6	10
Current housing meets the needs of household members	25.7	9
Strong community ties to present area	25.7	9
Current housing is near better schools	20.0	7
Other reason	17.1	6
Present location has varied housing stock	0.0	0
Lack of availability of suitable quality housing in Lancaster	0.0	0
<b>Total</b>		<b>89</b>

Source: Aspirational Homes Survey 2011



- 3.4.9 The main reason given was that their current housing was near family and friends (42.9%, 15 implied cases). The next three most popular reasons were present location is more attractive than the district, current housing is near better facilities and the high cost of housing in Lancaster.
- 3.4.10 We then looked at this data again by age group. The main reasons given by the older age group of 45+ were mainly in relation to the nature of the location, i.e. 54.5% said they live outside the district because their present location is more attractive and 50.0% said their present area has more character and identity.
- 3.4.11 55.6% also said their current housing meets the needs of household members.
- 3.4.12 The younger age profile (25-44), have a different range of reasons, being nearer family and friends, current housing nearer to better facilities and current housing is nearer to better schools were the most important factors.
- 3.4.13 Respondents were then asked what the key things were that would encourage them to live in Lancaster. The full results can be seen in the table below.

**Table 3-7 What Are The Key Things That Would Encourage You To Live In Lancaster?**  
Question 20a

	% Employees	N <sup>os.</sup>
New job opportunities	44.4	12
Better housing	40.7	11
Better open spaces	29.6	8
Better town centre including shops	25.9	7
Other reasons	25.9	7
Better range of bars and restaurants	22.2	6
Better public transport	22.2	6
Better secondary schools	18.5	5
Better leisure facilities	18.5	5
Better primary schools	14.8	4
Better health care	3.7	1
<b>Total</b>		<b>72</b>

Source: Aspirational Homes Survey 2011

- 3.4.14 The most popular thing that would encourage the respondents to live in the District was new job opportunities (44.4%; 12 implied cases), closely followed by better housing at 40.7%.
- 3.4.15 Better health care and better primary schools received the lowest response at 3.7% and 14.8% respectively.

- 3.4.16 Some of the other comments received include:-
- Affordable housing;
  - Less congestion in the town centre;
  - Not spoiling the area with extra housing, the mix of rural and town is why it is attractive.
- 3.4.17 Again we looked at this data by age group and the younger age profile 25-44 said the main reasons that would encourage them to move to Lancaster, would be better housing, better town centre shops / bars and restaurants, better leisure facilities, better schools and new job opportunities.
- 3.4.18 The older age group said better public transport would encourage them along with other reasons including affordable housing.
- 3.4.19 Employees were then asked if they currently live outside the district, do they think Lancaster City's image would influence their decision about living there. 60.0% of employees said yes it would influence their decision and 40.0% that it would not.

### 3.5 Your Idea Of An Aspirational Home

- 3.5.1 The final section in the questionnaire focused on what type of housing employees would like to see in the District.
- 3.5.2 The first question asked employees what kind of housing they thought was needed in Lancaster. The comments received are listed below.

#### **Question 21**

*"I perceive a need for a range of housing types - both small properties and larger family homes. I would question the need for flats in the current economic climate unless connected to student accommodation"*

*"Not Sure"*

*"Probably affordable housing that appeals to young people. It's probably ok in Lancaster itself but in the rural areas, property tends to be more expensive and outside the price bracket for young people to afford."*

*"More affordable housing in the rural district"*

- 3.5.3 Employees then went on to make comment on the district's image.

#### **Question 22**

*"There is a positive image of Lancaster as a place to live and work."*

*"You get the impression that there is real wealth in the rural district, specifically the Lune Valley. Morecambe clearly has the most affordable housing, but there appears to be a lack of affordable family-sized houses within Lancaster itself."*

- 3.5.4 A list of areas was presented to employees to choose from, on where accommodation would be required in Lancaster. The full results can be seen in the table below.

**Table 3-8 Where In the District Would Accommodation Be Required?**  
Question 23

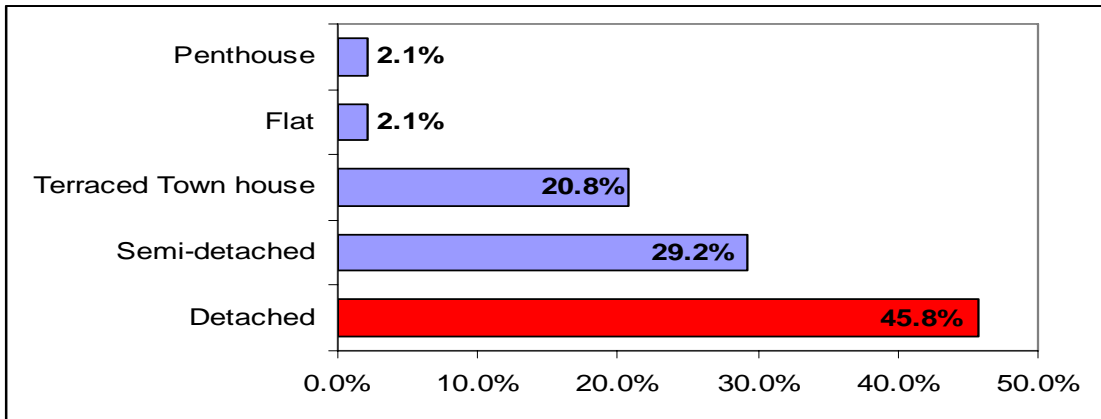
Location	% Employees	N <sup>os.</sup>
Lancaster South of the River Lune	67.4	31
Lancaster North of the River Lune	28.3	13
Galgate	19.6	9
Elsewhere in the Rural Area	15.2	7
Bolton-le-Sands	13.0	6
Caton and Brookhouse	10.9	5
Silverdale	10.9	5
Morecambe	8.7	4
Carnforth	8.7	4
Wray	6.5	3
Heysham	2.2	1
Halton	2.2	1
Hornby	2.2	1
Slyne-with-Hest	0.0	0
<b>Total</b>		<b>90</b>

Source: Aspirational Homes Survey 2011

- 3.5.5 The highest response was received for Lancaster South of the River Lune, chosen by 67.4% of employees (31 implied cases), followed by Lancaster North of the River Lune (28.3%) and Galgate at 19.6%. No one opted for Slyne-with-Hest and only 2.2% opted for Heysham, Halton and Hornby.
- 3.5.6 Employees were then asked if they would prefer the location to be, urban, suburban or rural. The highest response was for suburban at 41.7% (20 implied cases), followed by 31.3% preferring rural and 27.1% opting for urban.
- 3.5.7 Suburban was the highest choice amongst the younger age profile 25-44 year olds (55.6%). The older age group 45+ opted more for a rural location (42.1%).
- 3.5.8 Given a choice of a gated community or part of a wider community, 80.0% of employees chose part of a wider community. Only 20% chose a gated community.

3.5.9 Employees then went on to answer a question on what type of property they would seek in the District.

**Figure 3-9 What Type Of Property Would You Seek? (Question 26)**

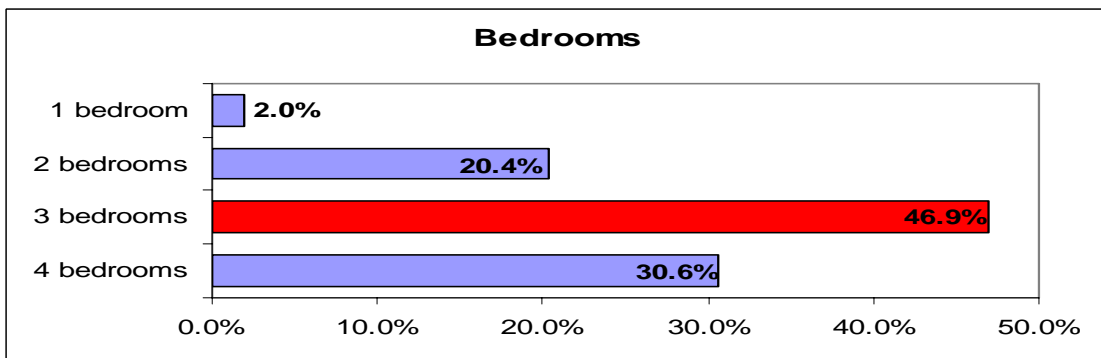


Source: Aspirational Homes Survey 2011

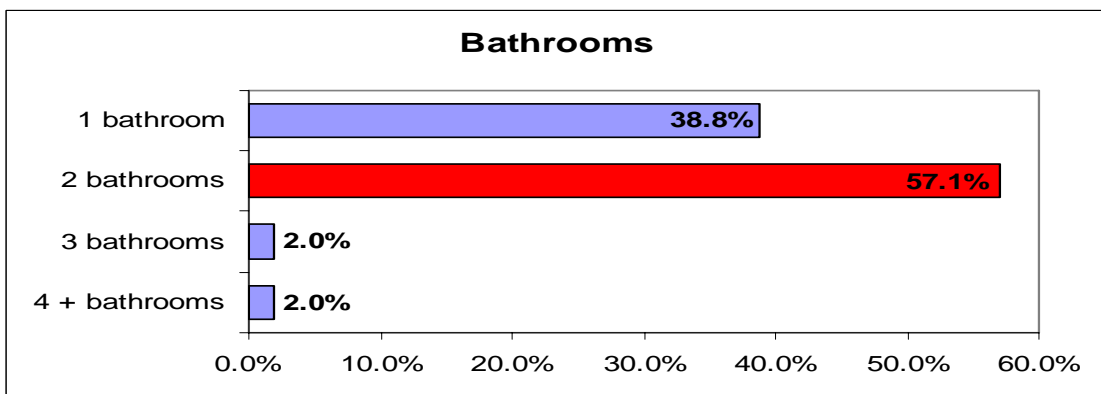
3.5.10 The main type of property wanted from the employees who responded was detached at 45.8%, followed by semi-detached at 29.2%. Penthouse and flat had the lowest response at 2.1% each.

3.5.11 The next three questions asked employees how many bedrooms, bathrooms and reception rooms they would want in their new home in the district. The full results can be seen in the figures below. The source of all was the Aspirational Homes Survey 2011.

**Figure 3-10 What Size Of Property Would You Seek? Question 27**

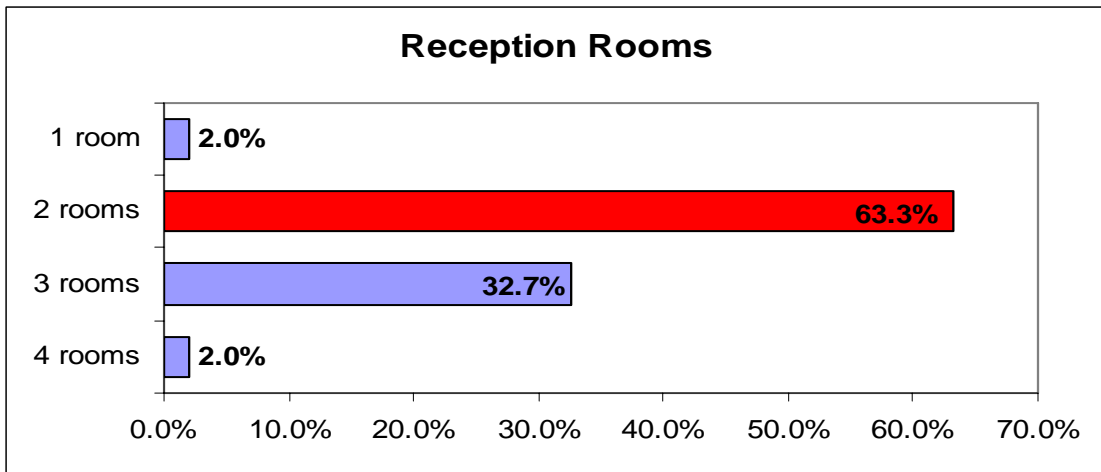


**Figure 3-11 How Many Bathrooms Do You Expect To Have In Your New Home? Question 28**



**Figure 3-12 How Many Reception Rooms Would You Expect In Your New Home?**

**(Question 29)**

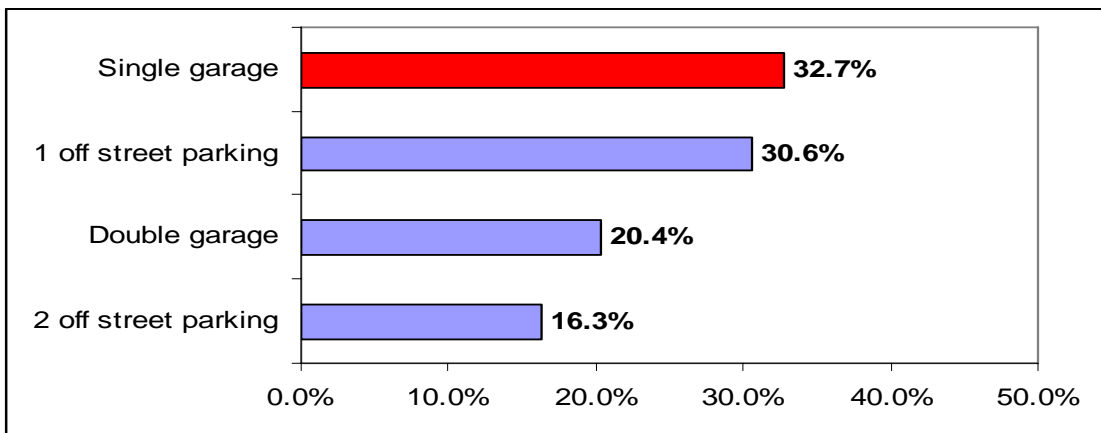


3.5.12 The highest responses received were for 3 bedrooms (46.9%), 2 bathrooms (57.1%) and 2 receptions rooms (63.3%).

3.5.13 Employees then went on to answer a question on what type of architecture they would prefer. 61.2% opted for a period property and 38.8% opted for a modern / new build property.

3.5.14 The last question asked employees what parking facilities they would seek with a home in the district.

**Figure 3-13** What Parking Facility Would You Seek With A Home In Lancaster?  
Question 31



Source: Aspirational Homes Survey 2011

3.5.15 The highest response was for a single garage (32.7%), followed by one off street parking space at 30.6%. No one opted for more than two parking spaces.

## 4 ECONOMIC ANALYSIS

### 4.1 Key Findings

- 54.6% of heads of households were in employment and 29.7% were retired.
- 75.9% of heads of households worked within Lancaster and 62.3% travelled to work by car;
- 61.7% of existing households earn below £27,500, 52.5% have less than £5,000 in savings and 53.9% indicated an equity holding of over £100,000;
- 36.1% of existing households were in receipt of some form of financial support, the highest being Council Tax Benefit at 51.5%;
- 5.5% of households were from BME communities. There are slightly more BME households with no earnings (13.0%) than the whole population (8.14%).
- 64.4% of concealed households have less than £1,000 in savings and 23.0% would be likely to claim Housing Benefit;
- 25.0% of concealed households earn less than £10,000 and 86.0% earn less than the national average level of £25,900;
- 17.3% of recently formed households earn below £10,000.

### 4.2 Strategic Implications

- 29.7% of heads of households are currently retired, and population projections show this figure will increase further up to 2033. The data suggests a need for a strategic approach to the accommodation needs of older people in Lancaster.
- The needs of concealed households need to be addressed. Incomes in this group are lower than the population as a whole and housing choices are consequently more limited with 73% of concealed households being unable to afford to buy in the local owner occupied market.
- Account should be taken into what affect new businesses and an increase in employment opportunities will mean in terms of the housing options available in the District.

### 4.3 Introduction

- 4.3.1 This section draws together findings from both primary and secondary data sources to present an overview of the current economic climate and the impact on housing need and demand in Lancaster.
- 4.3.2 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.

### 4.4 Education, Employment, Occupation and Work Place Data

- 4.4.1 The district-wide survey contained focused questions on employment status, occupation type, and work place of households. Further questions probed for more information on the location of the work place and travel to work patterns.

**Table 4-1 Employment Status of Head of Household**

Question 15e

Status	%	N <sup>OS</sup> . implied
Full time employee (> 30 hours)	34.2	17,489
Wholly retired from work	29.7	15,168
Part time employee (< 30 hours)	14.0	7,160
Self-employed	6.4	3,243
Permanently sick / disabled	5.0	2,557
Looking after the home	4.3	2,211
Unemployed & available for work	2.8	1,413
Full time education (age 16+)	2.2	1,099
Full / part time carer	1.3	649
On Government Training Scheme	0.1	54
<b>Total</b>	<b>100.0</b>	<b>51,043</b>

Source: Housing Survey 2011

- 4.4.2 87.6% of heads of households responded to the question on employment. 54.6% (27,892) of heads of households indicated that they were in employment.
- 4.4.3 29.7% heads of households were retired, slightly higher than our recent DCA survey experience in other areas. 2.8% indicated that they were unemployed and available for work, higher than the recent DCA survey experience in which the average has been between 1% and 2%.

**Table 4-2 Occupation Type of Head of Household**

Question 15f

Occupation	%	N <sup>OS</sup> . implied
Professional	44.1	14,031
Managerial & Technical	15.3	4,883
Other	11.6	3,691
Skilled, manual	8.0	2,546
Skilled, non-manual	7.8	2,488
Unskilled	8.8	2,810
Partially skilled	4.4	1,407
<b>Total</b>	<b>100.0</b>	<b>31,856</b>

Source: Housing Survey 2011

- 4.4.4 59.4% described themselves as professional or managerial / technical and 11.6% described themselves as 'other'.

**Table 4-3 Workplace of Head of Household**

Question 15g

Workplace	%	N <sup>os</sup> . implied
Within the District	75.9	23,073
Work from home	5.6	1,693
Preston	4.2	1,267
South Lakeland	3.6	1,096
Elsewhere in Lancashire	3.0	895
Elsewhere in the UK	2.0	616
Other Cumbria	1.7	507
Greater Manchester	1.6	479
Blackpool	1.2	377
Abroad	0.7	206
Blackburn	0.5	151
Bolton	0.0	4
<b>Total</b>	<b>100.0</b>	<b>30,364</b>

Source: Housing Survey 2011

- 4.4.5 A high number of heads of household worked within the District (75.9%) followed by 5.6% who worked from home and 4.2% who worked in Preston.
- 4.4.6 The following question asked heads of household how they travel to work. The main method of transport was by car at 62.3%.
- 4.4.7 15.6% walk to work, slightly higher than the findings in the 2001 Census where 14.3% travelled to work on foot. Other methods of travel showed larger differences to the 2001 Census e.g. travel to work by bus which was 8.6% but only 5.6% in 2001 and "other" which was 5.5% but 10.4% in the Census data.

**Table 4-4 Travel to Work of Head of Household**

Question 15h

Travel to Work	%	N <sup>os</sup> . implied	2001 Census (%)
Car	62.3	18,408	63.2
Other	5.5	1,623	10.4
Bus	8.6	2,538	5.6
Walk	15.6	4,623	14.3
Train	2.9	852	1.4
Cycle	5.1	1,509	5.1
<b>Total</b>	<b>100.0</b>	<b>29,553</b>	<b>100.0</b>

Source: Housing Survey 2011 and Census Data 2001



## 4.5 Incomes and Housing Costs

4.5.1 Income is a core factor in the assessment of the scale of housing need and in determining affordability in the local housing market. The DETR 2000 Good Practice Guidance on local housing needs assessments states:-

*“An accurate estimate of household income is one of the most important pieces of information that has to be obtained from a housing needs survey, but it is often the topic that causes the most controversy. Experience from Government surveys e.g. Survey of English Housing (SEH) has shown that by asking the right questions and using good interviewing technique it is possible to get a high response rate and reasonably accurate answers. The decision of the Government not to include an income question in the 2001 Census is one reason why HN surveys, including income questions, will continue to be valuable.”*

4.5.2 The availability of good secondary data has not improved and there is still no source of household income information at local authority level. Secondary data relates to individuals and not households and the Guidance on Housing Market Assessments 2007 states:-

*“Ideally, income data should be linked to house price data to assess affordability but data on household incomes is poor. Consequently, information on household incomes obtained from a robust household survey with a high response rate can be better than secondary income data.”*

4.5.3 The survey data was gathered through 2,950 postal questionnaires and 200 face to face interviews, providing a combined data file of 3,152 returns. The response rate on the income question was 73.8% from existing households (43,036 implied) and 78.0% from concealed households (2,439 implied).

4.5.4 The 2000 Good Practice Guidance (page 62) presents a conflict in that having said it is important for surveys to gather income data it then suggests *“it is difficult to estimate the incomes of future concealed households”*.

4.5.5 New households at this point may have circumstances which change quickly. It suggests therefore that the incomes of households who recently formed should be examined, although even this is not without difficulty.

4.5.6 Particularly in areas where there are shortages of affordable housing and with high house prices, households who accessed the market are only those with adequate income or financial support from parents or family.

4.5.7 As the guide states (page 25) *“these are likely to be more reliable, although even here care is needed. Some potential households may not have been able to form owing to lack of suitable, affordable accommodation.”*

## 4.6 Existing Households

4.6.1 The following group of tables relate to savings, equity and income of existing households, beginning with a question on savings held which was answered by 82.8% of existing households (48,220 implied).

**Table 4-5 Household Savings**  
Question 16a

Savings	%	Cum %
No Savings	28.5	28.5
Under £5,000	24.0	52.5
£5,000 - £10,000	12.0	64.5
£10,001 - £15,000	6.1	70.6
£15,001 - £20,000	4.7	75.3
£20,001 - £30,000	5.0	80.3
Above £30,000	19.7	100.0

Source: Housing Survey 2011

4.6.2 The data shows that just over half of the sample (52.5%) had less than £5,000 in savings. 19.7% had savings in excess of £30,000.

4.6.3 The percentage breakdown of savings for the five main tenures was as follows:-

**Table 4-6 Savings Level / Tenure**  
Question 16a by Question 1

Savings	Owner Occupied with Mortgage	Owner Occupied No Mortgage	Private Rented	Council rent Rented	HA Rented
No Savings	26.8	7.7	52.9	66.6	50.3
Under £5,000	31.2	14.3	25.7	22.8	26.3
£5,000 - £10,000	14.7	12.0	7.4	8.0	11.5
£10,001 - £15,000	6.8	7.5	3.3	0.6	8.1
£15,001 - £20,000	5.5	6.0	2.7	0.5	0.0
£20,001 - £30,000	3.8	9.7	1.5	1.2	0.9
Above £30,000	11.2	42.8	6.5	0.3	2.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Housing Survey 2011

4.6.4 Generally, the breakdown produced the results which might be expected with 22.0% of owner occupiers without a mortgage having savings below £5,000 compared to Council rent tenants of which 89.4% have savings under £5,000.

4.6.5 42.8% of owner occupiers with no mortgage have savings of over £30,000 compared to 2.9% of HA rented tenants, a significant proportion of retired owner occupied households will have some capital to support their housing and care needs.

- 4.6.6 The next table relates to the level of equity ownership in their home and was answered by 60.2% of owner occupier respondents.

**Table 4-7 Level of Equity in Present Accommodation**

Question 16b

Level of Equity	%	Cum %
Negative Equity	5.0	5.0
Below - £10,000	4.8	9.8
£10,000 - £30,000	7.8	17.6
£30,001 - £50,000	8.3	25.9
£50,001 - £100,000	20.2	46.1
£100,001 - £200,000	34.1	80.2
Above £200,000	19.8	100.0

Source: Housing Survey 2011

- 4.6.7 53.9% of respondents indicated equity ownership of over £100,000. Cross-tabulation indicated that 79.3% of owner occupiers without a mortgage had an equity holding of over £200,000 as compared with 36.0% of owner occupiers with a mortgage.
- 4.6.8 Comparison has been made to the national average of £25,900 assessed by the ONS Economic & Labour Market Review 2009, based on March 2007 the latest data available.

**Table 4-8 Gross Annual Income of all Existing Households**

Question 16c

Annual income	All Existing Households		Excluding Retired Households	
	%	Cum %	%	Cum %
None	8.1	8.1	7.0	7.0
Below £10,000	14.2	22.3	9.9	16.9
£10,000 - £20,000	24.8	47.1	19.7	36.6
£20,001 - £27,500	14.6	61.7	14.8	51.4
£27,501 - £45,000	19.8	81.5	23.9	75.3
£45,001 - £60,000	8.7	90.2	11.5	86.8
£60,001 - £75,000	4.7	94.9	6.2	93.0
£75,001 - £100,000	3.2	98.1	4.4	97.4
Above £100,000	1.9	100.0	2.6	100.0

Note: Excluding benefits / allowances Source: Housing Survey 2011

- 4.6.9 The response rate to the income question from existing households was 73.9% (43,036 implied).
- 4.6.10 This gives a very good indication of the income levels in Lancaster. The table shows that 22.3% of households had incomes below £10,000. The total proportion earning below the national average of £25,900 per annum was 58.6%. 9.8% of households stated that they earned over £60,000.
- 4.6.11 Cross-tabulation produced the following split of income levels by tenure for the five main tenure types.

**Table 4-9 Annual Income by Tenure**

Question 16c by Question 1

Annual income	Owner Occupier with Mort.	Owner Occupier no Mort.	Private Rented	Council rented	HA rented
None	1.2	5.7	21.8	36.4	22.5
Below £10,000	5.9	17.9	12.9	45.2	45.3
£10,000 - £20,000	19.3	31.5	30.0	10.4	25.5
£20,001 - £27,500	14.0	17.9	13.6	5.4	6.7
£27,501 - £45,000	28.1	15.9	14.7	2.1	0.0
£45,001 - £60,000	14.2	4.9	5.4	0.0	0.0
£60,001 - £75,000	8.4	2.5	1.4	0.5	0.0
£75,001 - £100,000	5.9	1.9	0.2	0.0	0.0
Above £100,000	3.0	1.8	0.0	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: Excluding benefits / allowances Source: Housing Survey 2011

- 4.6.12 The profiles were largely as expected between owner-occupiers and renters, especially bearing in mind that a significant proportion of owner-occupiers without a mortgage would be people with limited pension income.
- 4.6.13 All respondents in the HA rented sector had incomes below £27,500 with 67.8% having an income below £10,000. All respondents in the Council rent rented sector had incomes below £45,000 apart from a small amount (0.5%) in the £60,000 to £75,000 income group.
- 4.6.14 Private rented sector incomes were higher than Council rent and HA rented sector incomes, with 64.7% having incomes below £20,000.

**Table 4-10 Rent / mortgage paid for present accommodation**

Question 16d

Rent / Mortgage	%	Cum %
Under £57pw / £250pcm	19.8	19.8
£57 - £80pw / £250 - £350pcm	19.3	39.1
£81 - £103pw / £351 - £450pcm	16.5	55.6
£104 - £127pw / £451 - £550pcm	15.8	71.4
£128 - £150pw / £551 - £650pcm	11.0	82.4
£151 - £173pw / £651 - £750pcm	5.9	88.3
£174 - £196pw / £751 - £850pcm	2.9	91.2
Above £196pw / £850pcm	8.8	100.0

Source: Housing Survey 2011

- 4.6.15 19.8% of existing households paid less than £250 per calendar month for their rent / mortgage in their present accommodation. 11.7% of households paid more than £750 per calendar month.

- 4.6.16 36.1% of existing households were in receipt of financial support (20,998 implied cases), much higher than the average found in recent DCA surveys (around 26%). The results from those responding to a multiple-choice question are set out in Table 4-11 below. On average, each respondent indicated around 2.1 forms of financial support.

**Table 4-11 Financial Support**  
Question 16e

Support	Responses %	Households %	N <sup>os</sup> . Implied (all choices)
Council Tax Benefit	24.3	51.5	10,823
Housing Benefit	19.0	40.1	8,432
Disability Allowance	15.8	33.4	7,020
Pension Credits	11.8	24.9	5,215
Working Family Tax Credit	9.6	20.2	4,240
Other	8.3	17.4	3,650
Income Support	7.7	16.2	3,397
Job Seekers Allowance	3.5	7.3	1,544
<b>Total</b>	<b>100.0</b>		<b>44,321</b>

Source: Housing Survey 2011

- 4.6.17 51.5% of households were in receipt of Council Tax Benefit, followed by 40.1% of households in receipt of Housing Benefit.
- 4.6.18 33.4% of households responding were in receipt of Disability Allowance (7,020 implied) and 24.9% were in receipt of Pension Credits.
- 4.6.19 We cross tabulated the financial support data by those aged 25-34 and the results showed that from all those in the 25-34 age bracket 45.1% were in receipt of Housing Benefit. 49.5% were in receipt of Working Family Tax Credit and 44.0% were in receipt of Council Tax Benefit.

## 4.7 BME Households

4.7.1 5.5% of households in the survey were from BME communities. The incomes of these households are compared with the whole population below.

**Table 4-12** Gross Annual Income of BME Households  
Question 16c

Annual income	%	Cumulative %	All households cumulative %
None	13.0	13.0	8.1
Below £10,000	8.8	21.8	22.3
£10,000 - £20,000	19.9	41.7	47.1
£20,001 - £27,500	16.8	58.5	61.7
£27,501 - £45,000	23.2	81.7	81.5
£45,001 - £60,000	8.4	90.1	90.2
£60,001 - £75,000	3.5	93.6	94.9
£75,001 - £100,000	4.4	98.0	98.1
Above £100,000	2.0	100.0	100.0

Source: Housing Survey 2011

4.7.2 The response rate to the income question from BME households was 83.2% (2,613 implied households). The data shows that there are slightly more BME households with no earnings (13.0%) than the whole population (8.1%).

## 4.8 Existing Moving Households

**Table 4-13** Gross Annual Income of Existing Households Moving Within Lancaster  
Question 16c

Annual income	%	Cumulative %	All households cumulative %
None	7.2	7.2	8.1
Below £10,000	11.7	18.9	22.3
£10,000 - £20,000	21.1	40.0	47.1
£20,001 - £27,500	12.4	52.4	61.7
£27,501 - £45,000	25.0	77.4	81.5
£45,001 - £60,000	12.6	90.0	90.2
£60,001 - £75,000	6.2	96.2	94.9
£75,001 - £100,000	2.7	98.9	98.1
Above £100,000	1.1	100.0	100.0

Source: Housing Survey 2011

4.8.1 The incomes of existing moving households were tested and based on a response rate of 80.2%. Moving households were found to have higher incomes compared to the population as a whole. 52.4% had incomes below £27,500 compared to 61.7% in the population as a whole 90.0% had incomes below £60,000 compared to 90.2% in the whole population.

## 4.9 Concealed Households

4.9.1 The level of savings held by concealed household is outlined in the table below.

**Table 4-14 Concealed Household Savings**

Question 35b

Savings	%	Cum %
No savings	44.5	44.5
Under £1,000	19.9	64.4
£1,000 - £5,000	21.6	86.0
£5,001 - £10,000	3.8	89.8
£10,001 - £20,000	6.1	95.9
£20,001 - £30,000	2.6	98.5
Over £30,000	1.5	100.0

Source: Housing Survey 2011

4.9.2 91.9% of concealed households moving responded to a question asking about the level of savings available to meet deposit, stamp duty and legal costs on their new home. 64.4% have less than £1,000 in savings.

4.9.3 23.0% of concealed households moving within the District (682 implied) would be likely to claim Housing Benefit, significantly higher than the average in recent DCA surveys usually around 14%.

**Table 4-15 Annual Income of Concealed Households**

Question 35d

Annual Income	All concealed households– 2010 - 2013		
	%	Cum %	N <sup>os.</sup> implied
Below £10,000	25.0	25.0	612
£10,000 - £15,000	20.5	45.5	501
£15,001 - £20,000	16.3	61.8	397
£20,001 - £25,000	11.3	73.1	275
£25,001 - £30,000	11.3	84.4	275
£30,001 - £35,000	7.7	92.1	187
£35,001 - £40,000	2.3	94.4	57
£40,001 - £60,000	2.7	97.1	66
Above £60,000	2.9	100.0	70

Source: Housing Survey 2011

4.9.4 A response to the income question was received from 78.0% of concealed households moving within Lancaster. The proportion below the £10,000 income band was 25.0%.

4.9.5 75.1% of concealed households earned below the national average level of £25,900. Low incomes, coupled with a low level of savings will hinder access to the market for concealed households.

- 4.9.6 Access to the owner-occupied market in the District through the cheapest properties, requires an income of £13,800 for a 1-bedroom flat in Lancaster South and on this evidence, 40.6% of concealed households cannot afford to owner occupy in Lancaster.

**Table 4-16 Annual Income of Recently Formed Households**  
Question 16c

Annual Income	New households formed – 2007 - 2010		
	%	Cum %	N <sup>os.</sup> implied
None	6.0	6.0	83
Below £10,000	11.3	17.3	157
£10,000 - £20,000	24.8	42.1	344
£20,001 - £27,500	22.7	64.8	314
£27,501 - £45,000	21.8	86.6	302
£45,001 - £60,000	11.3	97.9	157
£60,001 - £75,000	2.1	100.0	29

Source: Housing Survey 2011

- 4.9.7 35.2% of households who have formed their first home in the past three years have incomes above £27,500. The proportion of recently formed households who earned less than £10,000 was 17.3%, lower than the proportion of concealed households earning below £10,000 (25.0%).

## 4.10 Economic & Infrastructure Changes

- 4.10.1 There are a number of proposed economic and infrastructure changes, outlined below, in Lancaster District and the surrounding areas that may affect the economy and housing in the area.
- 4.10.2 Should these changes take place there will be employment opportunities including skilled and professional vacancies which may offer higher salaries.
- 4.10.3 It is important that the people taking up these vacancies choose to live and contribute to the local economy.
- 4.10.4 However, higher earners may find that the housing they seek is not available in the District. These factors could have an implication on the type of housing that developers will build.

## 4.11 M6 Heysham Link

- 4.11.1 Lancashire County Council has promoted a link between Heysham and the M6 motorway as part of its undertaking to improve the inter-urban road network, to provide for further development within the District of Lancaster, particularly in Morecambe and Heysham, and for expansion of the Port of Heysham.
- 4.11.2 This undertaking was outlined in the Lancashire Structure Plan 1986 to 1996, with the Lancaster / Morecambe Bypass included as an improvement to the inter-urban road network to be carried out in the period beyond 1990.



- 4.11.3 The new road has been a high priority for the council's major infrastructure project. In February 2011, the Department for Transport accepted the council's 'best and final' funding bid after asking for the total cost of the scheme to be reduced as a result of the government's Comprehensive Spending Review.
- 4.11.4 Changes to the scheme mean that an application will need to be submitted to the Infrastructure Planning Commission (IPC) for an amended planning permission and confirmation of the required legal orders. The application to the IPC will be made in the Autumn following public consultation taking place until 31<sup>st</sup> July 2011.
- 4.11.5 The IPC is an independent public body responsible for the assessment and approval of nationally significant infrastructure projects. It is likely that the Heysham to M6 Link will be the first project scheme progressed through this new process. The new planning process will mean construction is now estimated to begin in Summer 2013.
- 4.11.6 It is assumed that the project will generate thousands of jobs during construction alone, promote ongoing economic growth in the region and reduce traffic congestion in Lancaster city centre. The Local Press has quoted figures that construction alone will employ over 3,000 people and a minimum of 100 local unemployed people will receive training and jobs during construction.
- 4.11.7 Following completion the road it is hoped that it will attract investment in the area by providing better access to Morecambe and industrial areas on the peninsula.

## **4.12 The Energy Coast and Heysham 3 Reactor**

- 4.12.1 The Lancashire and Cumbrian coasts are favoured by energy providers and are locations where a number of nuclear power plants are situated.
- 4.12.2 These providers are large employers offering a number of jobs to local people as well as attracting highly skilled workers to the area.
- 4.12.3 They are very important to the Lancaster District both in terms of employment and the contribution they make to the local economy.
- 4.12.4 The site generates about 44% of the North West's electricity, equivalent to around 22% of the total UK energy generation from nuclear. Over 1100 people are employed at Heysham and whenever possible recruitment is carried out locally as emergency procedures mean that many personnel are required to live within 25 mile radius of the site.<sup>1</sup>
- 4.12.5 Between July and November 2008 the Department for Trade and Industry (DTI) carried out a consultation on a proposed Strategic Siting Assessment (SSA) process for identifying sites which are suitable for new nuclear power stations to be built by the end of 2025. Sites that have been found to be strategically suitable for new nuclear plants through the SSA would be listed in the Nuclear National Policy Statement (Nuclear NPS).

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<sup>1</sup> THE NUCLEAR SECTOR IN LANCASHIRE -  
Opportunities for growth and public sector  
intervention

- 4.12.6 In its January 2009 response to the consultation, the government invited nominations for sites to be assessed for their suitability for the deployment of new nuclear power stations by 2025. Eleven sites were nominated, including Heysham and, following assessment of these sites, the government formed the "preliminary conclusion" that all of the nominated sites, with the exception of Dungeness, are potentially suitable for new nuclear power stations by the end of 2025.
- 4.12.7 The draft Nuclear National Policy Statement (Nuclear NPS) therefore listed ten potentially suitable sites for new nuclear plants to be built by 2025. A consultation on this draft Nuclear NPS, along with five other draft National Policy Statements for energy infrastructure, ran from November 2009 to February 2010.
- 4.12.8 One of the conditions imposed by the European Commission regarding the acquisition of British Energy by EDF is that EDF is required to dispose of potential development land at either Dungeness or Heysham. However, since Dungeness is unlikely to be included in the National Nuclear Policy Statement' as stated above, new nuclear deployment at Dungeness is highly unlikely.
- 4.12.9 As noted in the paragraph above on Dungeness, EDF is required to dispose of potential development land at either Dungeness or Heysham. Both EDF and Iberdrola sent letters of support for the nomination of Heysham to be included as a suitable site within the Nuclear National Policy Statement. Whereas EDF Energy estimates that 2022 is a feasible early deployment date for commissioning of a new unit, Iberdrola considers 2019/2020 possible.

### 4.13 Heysham 3

- 4.13.1 Lancaster City Council has supported the building of new nuclear power facilities at Heysham. Heysham 1 power station has also been granted a five-year life extension, meaning it can continue to generate electricity until 2019. The decision means the facility can continue to maintain employment for over 1,100 people and bring major investment to the area. The wage bill alone is an estimated £30m a year which feeds into the local economy.
- 4.13.2 The longer term security of employment of a skilled workforce at Heysham 1 will help to retain, recruit and develop the staff and skills needed to operate the existing plant and to meet the requirements of the new nuclear build programme.
- 4.13.3 However, the proposed Heysham 3 has not been commissioned and the Sellafield Reactor in Cumbria is scheduled to open in 2023, if the workers from Heysham 1 are still living in the area the District may lose them to job vacancies in Sellafield.
- 4.13.4 Currently 78% of people live and work in the Lancaster District with only 5% travelling to Cumbria and South Lakeland.<sup>2</sup> It will therefore be very unlikely that workers would commute from the District and more likely they would relocate to Cumbria.
- 4.13.5 Should Heysham 1 be decommissioned before Heysham 3 is built there is a strong possibility that the skilled workforce will move to Cumbria to fill job vacancies arising from the newly built Nuclear Plant there.

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<sup>2</sup> Lancaster Household Survey 2011

## 5 DEMOGRAPHIC CHANGE

### 5.1 Key Findings

- 63.2% of household members are aged 45+ in 2011 compared with the 2001 census data where only 40.8% were aged 45+;
- The largest age group in 2011 in the District is 45 to 59, 33.5% of the population;
- 40.2% of households in the District contain 2 people;
- The population of the district is projected to increase by 19,200 people (13.8%) to 153,700 between 2008 and 2033;
- The 65+ age group shows the highest increase at 61.8% over the forecast period, and within that group the 85+ age group shows a significant increase of 138.2%, 4,700 people between 2008 and 2033.

### 5.2 Strategic Implications

- Changes in the population structure may impact on demand for different house types and tenures. Increasing numbers of individuals in the 30 to 44 age range, the main household forming and moving group, may impact on demand for market housing.
- The significant growth in the number of people in the 65+ age group, and in particular the 85+ age group, is likely to impact on demand for supported housing, support services and adaptations. Strategic housing and planning strategies will need to take account of the changing population profile.
- There is a growing demand for accommodation for smaller, older person households. Smaller households tend to be concentrated in social housing and the owner occupied with no mortgage sectors. Housing strategies and Development Plans will need to take account of the projected growth in demand in these sectors.

### 5.3 Existing Population Profile

5.3.1 Data on existing household profiles was collected through the household survey. The tables below provide a summary of the findings.

**Table 5-1 Family Composition**

Question 15c & d

Family Composition	%	Group %
1 adult over 60	17.3	
1 adult under 60	15.1	33.3
1 adult + other	0.9	
Couple no child	34.2	
Couple with children	24.1	59.2
Couple + others	0.9	
Single parent	7.5	7.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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Source: Housing Survey 2011

5.3.2 Table 5-2 shows the age of all household members in the sample. The 2011 Survey shows a change from the 2001 Census data with a higher proportion of households members aged 45+ (63.2%) compared with 40.8% in 2001.

**Table 5-2 Population Age Groups**

Question 15d

Age Group	Sample %	Local Area Census 2001*
0 – 10	10.3	18.6
11 – 15	4.7	
16 – 24	10.6	14.8
25 – 44	11.2	25.8
45 – 59	33.5	18.1
60 – 74	20.1	14.0
75+	9.6	8.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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Source: Housing Survey 2011

- 5.3.3 The profile emerging from the survey equated to 2.2 persons per household on average, just below the UK average of 2.4.

**Table 5-3**                      **Number in Household**  
Question 15a

Number in household	%	N <sup>OS</sup> implied
One	31.7	18,348
Two	40.2	23,232
Three	12.9	7,462
Four	10.6	6,114
Five	2.8	1,629
Six	1.3	778
Seven	0.4	214
Eight	0.1	59
Nine	0.0	23
Ten	0.0	0
<b>Total</b>	<b>100.0</b>	<b>57,859</b>

Source: Housing Survey 2011

- 5.3.4 The owner occupied with mortgage sector would be expected to have a relatively high proportion of families. 18.2% of the owner-occupier with mortgage households are single person households, slightly higher than the average commonly found in DCA surveys (around 15%).
- 5.3.5 In the Council rent rented sector, 46.3% were single person households, slightly higher than the 45% average found in recent DCA surveys. Only 11.0% of the owner-occupier no mortgage households contained more than two people, reflecting the higher average age in this form of tenure and the fact that children will in the main have left home.

## 5.4 Demographic Analysis

- 5.4.1 There are four basic components to change in the number and composition of households. The aim of this section of the report is to highlight the issues which are relevant to the evaluation of housing needs in the district particularly the changes in:-
- the age distribution of the population arising from births, deaths and ageing of the indigenous population;
  - family units such as marriage, divorce and child bearing patterns;
  - the number and composition of households arising from migration, particularly due to employment opportunities in the area;
  - the probabilities that family units form a separate household, particularly in response to changes in incomes in the labour market area.

- 5.4.2 In local area forecasting, new household formation is mainly due to responses to income and employment opportunities. New household formation is also affected by life cycle patterns. This purely demographic influence on the number of households contributes to about 40% of the growth in the number of new households at any one time (Dicks, 1988; Ermisch, 1985).
- 5.4.3 The general demographic forecasts in the tables in this section have been provided by the Office for National Statistics (ONS) and are ONS projections who publish population and household forecasts at Local Authority level for England. The forecasts are 2008 based sub-national population projections and are the most recent projections available.
- 5.4.4 The factors which combine to produce the population and household forecasts are:- population age-sex structures, headship rates, survival factors, infant mortality, fertility rates, base numbers of dwellings, vacancy rates, building / demolition programmes and the age-sex structure of migrants. The summary of this data is provided in the following tables with the population changes disaggregate from 2008 to 2033.

## 5.5 Population Projections

- 5.5.1 The figures in Table 5-4 are Office for National Statistics (ONS) projections as outlined in 5.4.3.

**Table 5-4 Population Change in Lancaster, 2008 – 2033**

	2008	2011	2016	2021	2026	2033	Change
Total Population	139,500	142,600	145,800	149,200	153,700	158,700	
Change		3,100	3,200	3,400	4,500	5,000	<b>+19,200</b>
% Change		+2.2	+2.2	+2.3	+3.0	3.3	<b>+13.8</b>

Source: Office for National Statistics (ONS)

- 5.5.2 The data shows an overall predicted increase in the population of the district of 19,200 between 2008 and 2033, an increase of 13.8% over the forecast period. This is lower than the national figure of 17.4%.
- 5.5.3 The increases are quite evenly spread between 2008 and 2021 then increase at a higher rate up to 2033. The largest increase of 3.3% (+5,000) is predicted to occur between 2026 and 2033.

## 5.6 Age Structure Forecast 2008 - 2033

5.6.1 The next stage in the forecast is to disaggregate the population data into age bands because there may be changes in the population structure with significant housing implications. Table 5-5 is based on the net migration model and for this purpose best represents the position.

**Table 5-5 Population Age Band Forecast, Lancaster, 2008 – 2033**

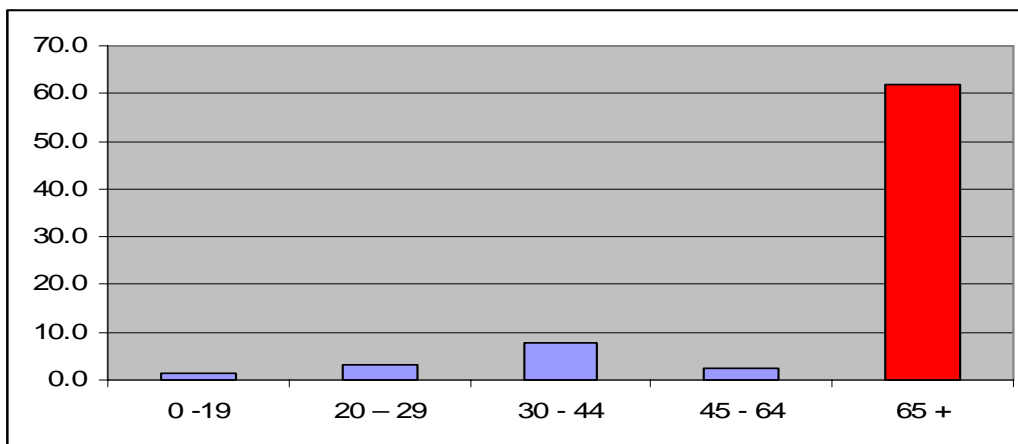
	2008	2011	Change 2008- 2011	2016	Change 2011- 2016	2021	change 2016- 2021	2026	Change 2021- 2026	2033	Change 2026- 2033	Total Change N <sup>OS</sup> .	Total Change %
0 - 19	33,000	33,100	+100	32,300	-800	32,500	+200	33,600	+1,100	33,500	-100	+500	+1.5
20 – 29	22,300	23,500	+1,200	23,400	-100	22,300	-1,100	21,700	-600	23,000	+1,300	+700	+3.1
30 - 44	25,400	24,900	+500	24,900	0	26,700	+1,800	28,300	+1,600	27,400	-900	+2,000	+7.9
45 - 64	34,100	35,500	+1,400	36,100	+600	36,100	0	35,400	-700	35,000	-400	+900	+2.6
65 +	24,600	25,800	+1,200	29,100	+3,300	31,500	+2,400	34,900	+3,400	39,800	+4,900	+15,200	+61.8
<b>Total</b>	<b>139,500</b>	<b>142,600</b>	<b>+3,100</b>	<b>145,800</b>	<b>+3,200</b>	<b>149,200</b>	<b>+3,400</b>	<b>153,700</b>	<b>+4,500</b>	<b>158,700</b>	<b>+5,000</b>	<b>+19,200</b>	<b>+13.8</b>

Source: Office for National Statistics (ONS)

5.6.2 The total change over the forecast period is 13.8% (19,200) and the change in the 65+ age group (15,200) accounts for 79.2% of the total.

5.6.3 The largest age group in 2008 was 45 to 64, 24.4% of the population. The 65+ group was 17.6% of the overall population in 2008 but is projected to increase to 25% by 2033.

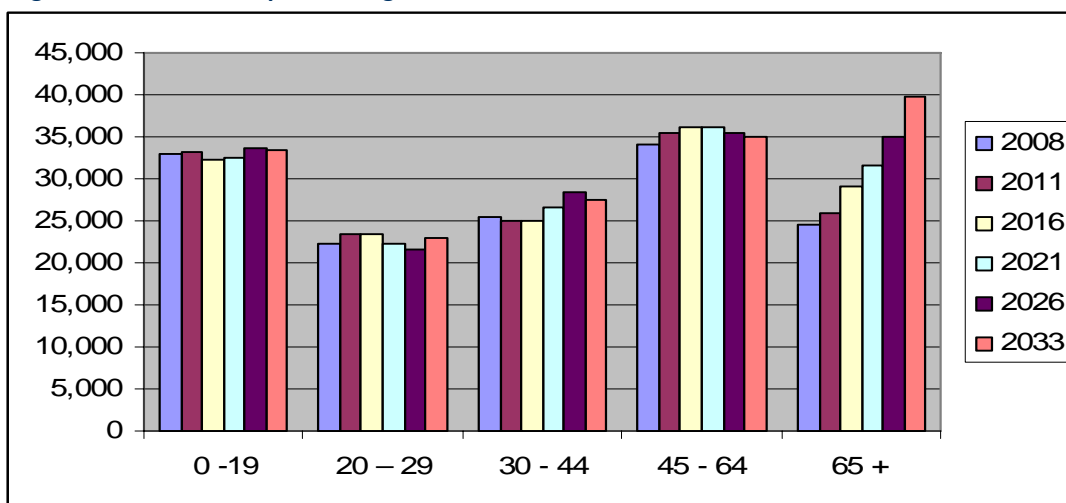
**Figure 5-1 % Change in Age Band Structure 2008 – 2033**



Source: Office for National Statistics (ONS)

5.6.4 Percentage change is measured between year bands, not the base population. This is a better representation of the incremental change.

**Figure 5-2 Population Age Band Forecast, Lancaster, 2008 – 2033**



Source: Office for National Statistics (ONS)

5.6.5 The 0-19 age range shows an increase over the forecast period of 1.5%; (+500). Numbers increase between 2008 and 2011, falling in numbers from 2011 to 2016.

5.6.6 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. There is predicted to be an increase of 700 people up to 2033, a 3.1% rise. The largest increase is between 2026 and 2033 (1,300 people; 6.0%).

5.6.7 The 30-44 age group, the main economically active group, is predicted to increase in numbers over the forecast period, the expected increase over the period is (+2,000; - 7.9%). Numbers increase throughout the forecast period apart from 2001-2016 where the numbers remain the same and 2026-2033 where the numbers fall by 3.2%.

5.6.8 In the 45-64 age group there is projected to be an increase in the population of 900 people (2.6%) over the forecast period. Although numbers increase between 2008 and 2016, the numbers then fall over the remaining period to 2033. The overall increase in this age band, albeit small, will have an impact on resources and planning for the future in the district.





5.6.9 The most significant feature in the population projections is the projected growth of the population in the over 65 age group, detailed further in the table below.

**Table 5-6 Numbers of 65+ in Lancaster, 2008 - 2033**

	2008	2011	2016	2021	2026	2033	Change	%
65-69	6,600	7,300	8,600	7,800	8,800	9,800	+3,200	+48.5
70-74	5,900	6,000	6,900	8,100	7,500	8,900	+3,000	+50.8
75-79	5,000	5,100	5,400	6,200	7,400	7,000	+2,000	+40.0
80-84	3,700	3,800	4,100	4,500	5,300	6,000	+2,300	+62.2
85+	3,400	3,600	4,100	4,900	5,900	8,100	+4,700	+138.2
<b>Total</b>	<b>24,600</b>	<b>25,800</b>	<b>29,100</b>	<b>31,500</b>	<b>34,900</b>	<b>39,800</b>	<b>+15,200</b>	
Change		+1,200	+3,300	+2,400	+3,400	+4,900		<b>+61.8</b>
<b>% Change</b>		<b>+4.9</b>	<b>+12.8</b>	<b>+8.2</b>	<b>+10.8</b>	<b>+14.0</b>		

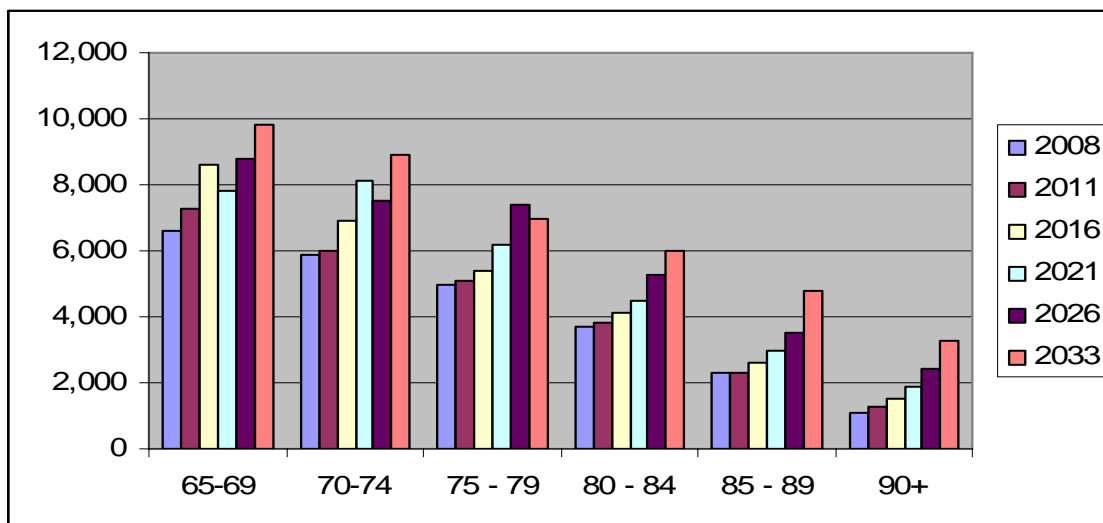
Source: Office for National Statistics (ONS)

5.6.10 As with the United Kingdom generally, there is expected to be a large increase in the 65+ age group (+15,200: +61.8%) up to 2033, with the large rise in percentage terms occurring in the current period from 2011 to 2016 (+12.8%). This group is forecast to grow from 17.6% of the total population to 25.1% in 2033.

5.6.11 The 85+ age group shows the largest increase overall of 4,700 people, a 138.2% increase from 2008 to 2033. Within the increase in the 85+ age group, 64.7% of the projected increase is in the 90+ age group accounting for a projected increase of 2,200 people.

5.6.12 Given the resource demands often associated with very elderly people, these are significant figures.

**Figure 5-3 Population Age Band Forecast, 65+ the District 2008 – 2033**



Source: Office for National Statistics (ONS)

## 6 THE CURRENT HOUSING STOCK

### 6.1 Key Findings

- Survey data revealed that the property type profile is skewed towards semi-detached and detached properties due to the private sector and the average number of bedrooms across the district is 2.8;
- 63.9% of properties in the market sector are 3 bedrooms or more, and 72.8% of properties are in the social sector are 1 and 2 bedrooms;
- 2.8% of households share facilities with other residents;
- 89.1% of respondents said their home was adequate for their needs; 10.9% considered their home inadequate;
- The main reason for inadequacy of the housing stock was repairs / improvements (41.1% of households);
- The adequacy satisfaction level was quite high in the social rented sector at 84.5% compared to the average found in recent DCA surveys (around 82.0%).

### 6.2 Strategic Implications

- In view of changing demographic and household formation patterns and the increase in need for small units there may be a longer term need to address this stock imbalance to meet the requirements of the future population;
- 45.3% of owner occupier and 39.3% of private rented households felt their home was inadequate due to the need for repairs and improvements, this should be addressed through the Private Sector Renewal Strategy;
- Resources should be focused on inspection and grants, as well as information and support to both landlords and tenants to improve standards within the private rented sector;
- Home Improvement Agency Services should be encouraged to give extra support to enable older and vulnerable households to remain independent;
- Address the issue of fuel poverty across all tenures.

### 6.3 Current Housing in the District

6.3.1 This section sets the scene for later examination of the housing market and outlines current housing circumstances of households in Lancaster.

6.3.2 Table 6-1 below indicates the type of accommodation occupied by existing households responding to the question.

**Table 6-1** Type of Accommodation  
Question 2

Type	2010 Survey %	N <sup>os.</sup> implied	2001 Census %
Detached House / Bungalow	20.8	12,105	18.0
Semi-detached House / Bungalow	39.6	23,028	37.7
Terraced House / Bungalow	25.4	14,739	26.9
Flat / maisonette / Bedsit	13.8	8,045	16.7
Houseboat / Caravan / Mobile home	0.4	245	0.7
<b>Total</b>	<b>100</b>	<b>58,162</b>	<b>100.0</b>

© Crown Copyright (Census)  
Source: Housing Survey 2011

6.3.3 The majority (39.6%) of households in the District live in semi-detached properties and a fairly high number live in terraced properties at 25.4%. The District has a higher number of terraced houses and a lower number of flats compared to England as a whole.

**Table 6-2** Property Type by Tenure (%)  
Question 2 by Question 1

Tenure	Detached House / Bungalow	Semi-Detached House / Bungalow	Terraced House / Bungalow	Flat Maisonette / Bedsit	Houseboat Caravan Mobile Home	Total
Owner Occupied with Mortgage.	24.0	44.2	27.7	4.1	0	<b>100.0</b>
Owner Occupied no Mortgage.	28.3	47.0	16.5	7.5	0.7	<b>100.0</b>
Private rented/ living rent free	6.5	21.2	35.0	36.3	1.0	<b>100.0</b>
Council rent	4.6	34.8	28.7	31.9	0	<b>100.0</b>
Other HA rented	6.9	11.5	35.1	46.5	0	<b>100.0</b>
Shared Ownership *	4.9	4.7	74.8	15.6	0	<b>100.0</b>
Tied to employment*	51.3	36.0	0	12.7	0	<b>100.0</b>

\* Low volume of data

Source: Housing Survey 2011

- 6.3.4 A cross-tabulation relating property type to form of tenure shows that detached and semi-detached properties account for around 72% of the owner occupied sector slightly higher than 63% recorded in the English Housing Survey 2009-10. The majority of social rented stock in the District is flats / maisonettes similar to that recorded in the English Housing Survey 2009-10.

**Table 6-3**                      **Number of Bedrooms**

Question 3

Bedrooms	%	N <sup>OS</sup> implied
Bedsit	0.8	486
One	9.5	5,518
Two	29.3	17,002
Three	40.9	23,699
Four	14.4	8,374
Five or more	5.1	2,949
<b>Total</b>	<b>100</b>	<b>58,028</b>

Source: Housing Survey 2011

- 6.3.5 The average number of bedrooms across the stock in the district was 2.8, which is comparable to the average found in other recent DCA surveys (2.8). The breakdown of size by number of bedrooms in percentage terms between the ownership and rental sectors was assessed by cross-tabulation with the following results.

**Table 6-4**                      **Number of Bedrooms by Tenure**

Question 3 by Question 1

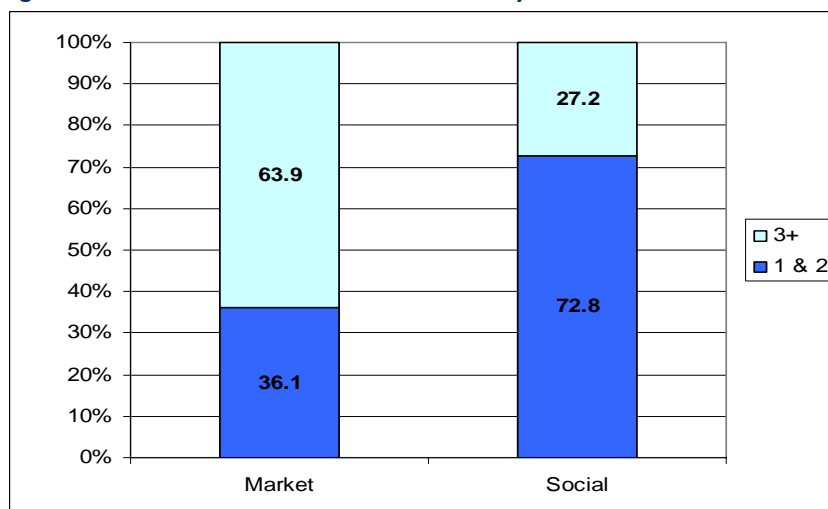
Tenure	Bedsit	One	Two	Three	Four	Five+	Total
Properties owned	0.0	2.8	26.7	47.4	17.2	5.9	<b>100.0</b>
Private rented	1.1	25.3	38.6	22.3	8.6	4.1	<b>100.0</b>
Council / HA rented	6.5	33.9	32.4	23.8	3.0	0.4	<b>100.0</b>

Source: Housing Survey 2011

- 6.3.6 The proportion of small units, bedsit / 1 and 2-bed properties (72.8%), is high in the social rented sector. Only 29.5% of owner-occupied properties are small units.
- 6.3.7 23.8% of the social sector is 3 bedroom units, half the owner occupation level of 47.4%.
- 6.3.8 There is a huge variance between the proportion of properties with 4 or more bedrooms which are owned (23.1%) and those of social rented (3.4%).
- 6.3.9 The private rented sector and the social rented sector have similar levels of 2 and 3-bedroom properties.

- 6.3.10 The overall market stock, both owned and privately rented, has one and two bedroom levels which are half of those in the social rented sector.

**Figure 6-1 Market and Social Stock by Number of Bedrooms**



Source: Housing Survey 2011

## 6.4 Under and Over-Occupation

- 6.4.1 A broad assessment of 'under-occupation' and 'over-occupation' was conducted based on a detailed analysis of the family composition data. The number of bedrooms required in each household was established allowing for age and gender of occupants as defined by the 'bedroom standard'.
- 6.4.2 In the case of over-occupation any dwelling without sufficient bedrooms to meet that requirement has been categorised as over-occupied. In the case of under-occupation, any dwelling with more than one 'spare' bedroom above requirement has been categorised as under-occupied.
- 6.4.3 The assessment of under and over-occupation by tenure revealed some disparity between tenure types as indicated below.

**Table 6-5 Under / Over- Occupation by Tenure**  
Question 15a by Question 3 & Question 1

Tenure	% under occupied	% over- occupied
Owner occupied with mortgage	40.9	2.8
Owner occupied no mortgage	55.6	0.2
Private rented	14.7	4.5
Council rent	9.2	5.5
Other HA rented	8.6	1.3
Shared Ownership*	23.2	0.0
<b>All stock</b>	<b>38.8</b>	<b>2.3</b>

\* Low volume of data Source: Housing Survey 2011

### Over Occupation

- 6.4.4 The overall over-occupation level of 2.3% (1,309 implied households), is lower than the average UK level indicated by the Survey of English Housing 2007/8 was 2.7%.
- 6.4.5 The highest levels of over-occupation are in council rented accommodation which at 5.5% is over double the overall level. The private rented sector also has a relatively high level.

### Under Occupation

- 6.4.6 The overall under-occupation figure of 38.8% was slightly lower than the average found in recent DCA surveys (around 40%). This is a factor of the population demographics and the property size profile.
- 6.4.7 Under-occupation within the owner occupied no mortgage sector, which will include a higher proportion of elderly households, was at 55.6% lower than the level of around 61.0% found in recent DCA surveys. However, the level in the owner occupied with mortgage sector is high at 40.9%.
- 6.4.8 Under-occupation in the Council rent rented sector (9.2%) was low in comparison to the all tenure average and the owner occupied forms of tenure, as might be expected.
- 6.4.9 The Housing Survey data estimated that there are around **535 social rented properties which are under-occupied by two or more bedrooms**. Over 330 of these are in the Lancaster City Council rented stock
- 6.4.10 Tackling under-occupation of family houses to make best use of the existing stock would make a positive contribution to meeting need through better re-let supply although in practice it is recognised that this is difficult to achieve.
- 6.4.11 Addressing the under-occupation within the existing 3 and 4 bedroom social housing stock to assist in resolving over-crowding and making best use of the stock should be a housing priority.

## 6.5 Shared Facilities

- 6.5.1 Respondents were asked about the facilities they share with other residents within their accommodation but who were not in their household.

**Table 6-6** Shared Facilities  
Question 6

Facilities	% (households)
None	97.2
Toilet	2.6
Bath / Shower	2.6
Kitchen	2.6
Eating area	2.4
Living Room	2.1
<b>Total</b>	

Source: Housing Survey 2011

- 6.5.2 97.2% of households did not share any facilities with other residents. Toilet, bath/shower and kitchen facilities were shared by 2.6% of households.

## 6.6 Adequacy of Present Dwelling / Improvement Required

- 6.6.1 89.1% of respondents indicated that their accommodation was adequate for their needs. A level in the region of 89% has been a typical result in recent DCA surveys.
- 6.6.2 10.9% of households in the District (6,237 implied) stated that their accommodation was inadequate. The Guidance test of inadequacy causing a housing need is based on those households in this situation actually needing to move to another dwelling. Some households may technically need to move but decide not to do so.
- 6.6.3 Some variation was evident in adequacy by tenure. The satisfaction level of 84.5% for social rented accommodation was higher than the average found for socially rented accommodation in recent DCA surveys (around 82%).

**Table 6-7 Adequacy by Tenure**

Question 7 by Question 1

Tenure	% adequate
Owner occupied with mortgage	90.2
Owner occupied no mortgage	94.2
Private rented	76.9
Council rented	84.5
Other HA rented	92.7
Shared ownership *	95.3
Tied to employment *	84.9

Source: Housing Survey 2011

\* Low volume of data

- 6.6.4 The lowest level of adequacy was for the private rented sector at 76.9%, below the all tenure average, but a normal result.

6.6.5 Responses on the reason for inadequacy were also invited, 7,126 implied households responded. The results in response to a multiple choice question are shown in Table 6-8 below with respondents making an average of two choices each.

**Table 6-8 Reason For Inadequacy Whole District**  
Question 8a

Reasons	% responses	% households	N <sup>os</sup> . implied (all choices)
Needs improvements / repairs	20.8	41.1	2,931
Too costly to heat	10.9	21.5	1,534
Too large	8.0	15.7	1,118
Too small	18.9	37.2	2,654
Insufficient number of bedrooms	13.5	26.7	1,902
Unsuitable due to the needs of disabled/elderly household member	7.8	15.4	1,098
Rent / Mortgage too expensive	6.6	13.1	933
Tenancy insecure	3.2	6.3	448
Suffering harassment	2.3	4.5	319
Inadequate facilities	3.8	7.5	537
No heating/insufficient heating	2.3	4.4	317
Lack of local amenities	1.9	3.7	263
<b>Total</b>	<b>100.0</b>		<b>14,054</b>

Source: Housing Survey 2011

6.6.6 26.9% of responses identified an 'in house' solution relating to repairs, improvements, inadequate facilities and heating. 41.1% of households (2,931 implied) selected the need for improvement or repairs as one of their choices.

6.6.7 73.1% of responses indicated a solution requiring a move. The largest single issue in this group was that the home was too small, referred to by 37.2% of households as one of their choices, implying 2,654 cases.

6.6.8 These households were tested on whether they are actually over-occupied by the national bedroom standard and the data showed there were around 1,309 households in this situation, lower than the level who stated that their home was too small.

6.6.9 21.5% of households said their home was too costly to heat and 4.4% stating that there was either no heating or the heating was insufficient. 13.1% said that their rent / mortgage were too expensive.

6.6.10 This suggests that around 1,345 households (2,654 households that said their accommodation was too small minus 1,309 implied households that were calculated as being over-crowded) may well be expecting additional children or perhaps have an elderly parent coming to live with them which would make their house too small in their view, but equally it could be a desire for more space in general.

6.6.11 Although some of them could become over-occupied they have been eliminated from the calculations of those needing to move for this reason in the CLG model later in the report.

6.6.12 The table below shows the responses for inadequacy by sub- area.



**Table 6-9 Reason For Inadequacy by Sub Area**  
Question 8a by Sub Area

Reasons	Carnforth	Morecambe /Heysham	North Lancaster	South Lancaster	Rural
Needs improvements / repairs	2.3%	38.6%	10.7%	31.9%	16.6%
Too costly to heat	3.5%	48.0%	5.3%	25.2%	18.0%
Too large	4.7%	34.2%	14.3%	32.7%	14.1%
Too small	4.9%	29.8%	5.9%	37.4%	22.0%
Insufficient number of bedrooms	5.2%	28.9%	10.0%	34.0%	21.9%
Unsuitable due to the needs of disabled/ elderly household member	3.4%	55.6%	15.9%	10.9%	14.2%
Rent / Mortgage too expensive	1.9%	26.0%	13.9%	40.9%	17.3%
Tenancy insecure	4.0%	52.9%	7.1%	21.7%	14.3%
Suffering harassment	7.8%	45.8%	10.0%	31.7%	4.7%
Inadequate facilities	6.9%	35.9%	0%	31.5%	25.7%
No heating/insufficient heating	7.9%	36.3%	10.1%	29.0%	16.7%
Lack of local amenities	0%	5.7%	0%	11.0%	83.3%

Source: Housing Survey 2011

- 6.6.13 Morecambe/Heysham showed a very high percentage of inadequacies to their properties followed by South Lancaster.
- 6.6.14 In Carnforth the highest reason for inadequacy was 'no heating/insufficient heating' (7.9%) closely followed by 'suffering harassment' (7.8%).
- 6.6.15 In Morecambe/Heysham most of the reasons showed a high percentage but the highest was 'unsuitable due to the needs of disabled/ elderly household member' at 55.6%. 52.9% stated that their tenancy was insecure and 48% their home was inadequate due to the heating costs with 36.3% saying they had 'no heating/insufficient heating'.
- 6.6.16 The highest inadequacy in North Lancaster was also 'unsuitable due to the needs of disabled/ elderly household member' at 15.9% followed by the property being too large (14.3%). 10.1% said they had 'no heating/insufficient heating' as well as 5.3% stating that their property was too costly to heat.
- 6.6.17 'Rent / Mortgage too expensive' was the highest inadequacy for South Lancaster (40.9%). Like Morecambe /Heysham South Lancaster received a high percentage for most of the categories. There were 29% who said they had 'no heating/insufficient heating' and 25.2% said the property was 'too costly to heat'.
- 6.6.18 Not surprisingly in the Rural area there was a very high percentage (83.3%) who said that their property was inadequate due to the 'lack of local amenities' followed by 'inadequate facilities' (25.7%). 16.7% had 'no heating/insufficient heating' and 18% said that the property was 'too costly to heat'.

**Table 6-10 Reason for Inadequacy by Tenure**  
Question 8a by Question 1

	All tenures %	Owner occupier with mortgage	Owner occupier no mortgage	Private rented	Council rented	HA rented	*Shared ownership	*Tied to employment
Needs repair / improvement	41.1	34.4	36.0	47.7	46.0	63.9	0.0	82.1
Too costly to heat	21.5	15.2	25.2	23.9	17.9	58.1	0.0	82.1
Too large	15.7	17.6	33.2	5.6	13.4	0.0	39.3	0.0
Too small	37.2	48.6	22.2	38.3	28.4	24.8	0.0	17.9
Insufficient number of bedrooms	26.7	35.4	11.8	27.7	21.5	36.1	9.7	0.0
Unsuitable due to the needs of disabled/elderly household member	15.4	11.0	23.6	12.0	21.5	30.6	90.3	0.0
Rent / Mortgage too expensive	13.1	18.8	0.0	15.4	14.9	0.0	0.0	0.0
Tenancy insecure	6.3	1.3	0.0	15.1	0.0	30.6	0.0	0.0
Suffering harassment	4.5	3.0	1.1	4.8	16.3	0.0	0.0	0.0
Inadequate facilities	7.5	6.6	3.9	12.3	3.5	0.0	0.0	0.0
No heating	4.4	1.7	5.0	5.8	3.5	25.3	0.0	0.0
Lack of local amenities	3.7	2.2	6.8	4.2	2.1	0.0	0.0	0.0

Source: Housing Survey 2011

\* Low volume of data.

- 6.6.19 Cross tabulation of the reason for inadequacy by tenure revealed that in the owner occupied with mortgage sector, too small, insufficient number of bedrooms and needs for repair / improvement were the main concerns (48.6%, 35.4% and 34.4% respectively).
- 6.6.20 For the owner occupiers without a mortgage the main issue was with the property was the need for repairs/improvements (36.0%) followed by being too large and too costly to heat.
- 6.6.21 47.7% of those in the private rented sector felt that their property needed repairs / improvements whilst 38.8% thought their home was too small.
- 6.6.22 The main reason for inadequacy for those in the social rented sector was needs repair / improvement. In the Council rented sector the property being too small was the next highest at 28.4% and too costly to heat was high in the other HA rented sector (58.1%).

- 6.6.23 1,751 households said that a move was necessary to resolve any inadequacy but 56.4% of those households indicated that they could not afford a home of suitable size in the district.
- 6.6.24 The largest proportion who said that a move was necessary to resolve any inadequacy live in private rented accommodation.
- 6.6.25 There was a low volume of data for tied accommodation but the main issues in these properties were need for repair/improvement and too costly to heat.

## 7 THE LANCASTER DISTRICT HOUSING MARKET

### 7.1 Key Findings

- The average house price in the District in Quarter 4 2010 was £153,124, ranging from £117,036 for a flat / maisonette to £246,884 for a detached property.
- The number of sales in the District has decreased by 35.2% over a 3 year period (2007-2010), including a fall of 14.4% over the last 12 month period to December 2010.
- In the District the highest proportion of sales in Q4 2010 was for semi-detached properties at 39.1% compared with only 11.6% for flats / maisonettes.
- Entry level stock in the district is considered to be flats / maisonettes due to the adequate number found at the time of the house price search. Property prices found start at £51,000 for a 1 bed flat in Lancaster South rising to £109,950 in the rural area.
- 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.
- There is a net shortfall of 1,428 private rented units in the district.
- The entry level cost for a 1 bed flat is £350 per month in Morecambe and £450 per month for a 2-bed flat in the same area.
- 33.5% of concealed households could not afford to pay more than £350 per month and are therefore priced out of the rental market.
- An income of at least £16,800 per annum is required to be able to afford the cheapest rental property in the district. 50.9% of concealed households achieved this level of income.
- The private rented sector in the district at the 2001 Census was 14.9% of the stock, higher than the national average level of 10% . The private rented housing stock in 2011 is 15.7%.

## 7.2 Strategic Implications

- The highest proportion of sales is for semi-detached homes suggesting that these are already home owners stepping up to larger properties and consequently there is still a need to address affordability for first time buyers.
- Housing providers need to be more flexible in the low cost home ownership product they offer essentially by looking at a more affordable model other than shared ownership. This could be by the provision of rent to buy properties or a shared equity model.
- Demand for rental properties has increased due to the state of the current market, a lack of mortgage availability and a breakdown of relationships. A higher level of properties are being rented due to the vendor being unable to sell the property in the current market, this is particularly relevant for larger properties.
- An increase in higher quality housing provided in this sector could address the short term needs of lower income households.
- Low private rent levels narrow the income bands where intermediate housing can play a role and will not provide a basis for investment in quality rented housing.

## 7.3 Introduction

- 7.3.1 This section provides an analysis of indicators of housing market activity to provide an understanding about changes in demand over time and to identify any pressure points within the district.
- 7.3.2 Sources of data utilised are:-
- HM Land Registry Data to Quarter 4, 2010;
  - The Bank of England Industry Wide Figures;
  - The Council of Mortgage Lenders (CML);
  - 2011 DCA Estate Agency Survey data;
  - The Halifax, as the largest UK mortgage lender.
- 7.3.3 It should be noted that the Halifax house price data and Land Registry data are not absolutely comparable. Land Registry data on property price increase levels tend to be lower because it includes cash transactions but it is less reliable on a quarterly basis because it only calculates actual transactions and the figures are affected by changes in the mix of properties between the current and previous periods.
- 7.3.4 The Halifax data measures a constant mix of properties by type and size which removes the changing mix factor but does not include lower price cash transactions.
- 7.3.5 The information below sets the context for the key issue of the affordability of housing in the area, and in particular the analysis can be related to the problems of low income evaluated through the household postal survey.

## 7.4 National Picture

- 7.4.1 Since 2008, the UK market has seen a crisis in economic terms starting with insecurity in the financial markets following the sub-prime mortgage crisis beginning in the American market. This led to a fall in house prices throughout the UK which has left recent marginal buyers, and those on 100% mortgages with negative equity.
- 7.4.2 Rising unemployment, low consumer confidence and the reduced availability of mortgages / credit is an issue and will remain a serious constraint to the recovery of the housing market until it is resolved.
- 7.4.3 There is expected to be limited movement in regional house prices for 2011 and any changes will be closely linked to the performance of the wider economy, according to the Halifax House Price Index, Quarter 4 2010.
- 7.4.4 On the positive side, the recent downward trend in prices has made existing homeowners reluctant to move and there are fewer properties coming onto the market, this helps to reduce any imbalance between supply and demand and can help to push prices up.
- 7.4.5 Land Registry data indicates that property prices in the 4<sup>th</sup> quarter of 2010 have decreased by 1.5% over the last year, compared to the 4<sup>th</sup> quarter of 2009. The volume of sales has also declined by an average of 57% from December 2008 to December 2010.
- 7.4.6 The Halifax House Price Index report for the 4<sup>th</sup> quarter 2010 showed that house prices declined by a further -0.7% from the previous quarter. The annual rate shows a decline of 2.4%. The average UK average price is now £164,173.
- 7.4.7 The Bank of England industry-wide figures show that the number of mortgages approved to finance a house purchase decreased by 10% between the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2010, it is however suggested that severe weather conditions in December reduced the level of mortgage approvals. Approvals over the year fell by 28% but again this is affected by the end of the stamp duty holiday in December 2009 which will have inflated figures for the previous year.

## 7.5 Regional Picture

- 7.5.1 The latest regional data (Q3 2010) as recorded by the Halifax Index shows an average house price in the North West of £122,181, 26% below the UK average of £166,035.
- 7.5.2 Annually house prices in the region fell by 5.0% in Q3 2010 compared with the UK average rise of 2.6%.
- 7.5.3 Over the past ten years house price growth across the region is 98%. Carnforth recorded the biggest increase in prices in the region over the past ten years (150%) - £86,180 in 2000 and £215,555 in 2010.
- 7.5.4 Terraced properties have seen the highest price growth within the North West over the past ten years, an increase of 134%, £44,388 at Q3 2000 to £103,728 in Q3 2010.
- 7.5.5 The Halifax First Time Buyer Affordability Review 2010 illustrates that 40% of Local Authority districts across the UK were affordable for the average first time buyer, a considerable improvement on 2007 when only 6% of areas were considered affordable.

- 7.5.6 The table below shows the house price inflation over the last year and over the last quarter.

**Table 7-1 House Price Inflation**

	Change over <u>year</u> to 30th September 2010	Change over <u>quarter</u> to 30 <sup>th</sup> September 2010
	%	%
North West <sup>1</sup>	-5.0	+5.5
Lancaster <sup>2</sup>	+6.8	+2.0

Source 1 Halifax House Price Index, © Copyright Lloyds Banking Group.

Source 2 Land Registry Data, © Crown Copyright (Land Registry - Appendix VI)

- 7.5.7 The Halifax Index for the Region at the end of the 3<sup>rd</sup> quarter 2010 showed an increase over the quarter of 5.5%.
- 7.5.8 The annual rate of house price inflation recorded in the Halifax Index for the Region at 30<sup>th</sup> September was -5.0%, lower than the UK average of 2.6%.
- 7.5.9 Land Registry data shows that average house prices in the district rose by 6.8% over the year from the 3<sup>rd</sup> quarter 2009 to the 3<sup>rd</sup> quarter 2010.

## 7.6 Average House Prices

- 7.6.1 Average house prices in the Regional Market and local market are shown in Table 7-2 below. The table shows the details of the prices paid for the main categories of house types using the Land Registry data and the Halifax House Price Index.
- 7.6.2 The Halifax data is based on actual sales of mortgaged properties and the information is a real indication of actual prices prevailing in the purchases being made in the Region. The Land Registry data incorporates all transactions at Local Authority level.

**Table 7-2 Average Regional House Prices (£) – All Buyers Q4 2010**

Property Type	North West		Lancaster
	Land Registry**	Halifax *	Land Registry **
Terraced	106,657	95,306	117,949
Semi-detached	154,634	143,377	147,164
Detached	288,192	245,442	246,884
Bungalows	--	162,905	--
Flats & Maisonettes	122,256	101,759	117,036
<b>All Properties</b>	<b>158,434</b>	<b>135,220</b>	<b>153,124</b>

Source: \*Halifax House Price Index, © Copyright Lloyds Banking Group

Land Registry Residential Property Price Report, Quarter 4 2010, © Crown Copyright

- 7.6.3 The table below examines average house prices for the district recorded by the Land Registry, against house prices in the surrounding local authority areas of Blackburn, Ribble Valley, Preston, Blackpool, South Lakeland and Craven.

**Table 7-3 Land Registry Average House Prices (£) - All Buyers Q4 2010**

Property Type	Lancaster	Blackburn	Ribble Valley	Preston
Terraced	117,949	84,578	149,346	96,769
Semi-detached	147,164	131,784	221,802	139,273
Detached	246,884	215,036	347,453	241,472
Flats & maisonettes	117,036	90,865	130,805	85,558
<b>All properties</b>	<b>153,124</b>	<b>111,831</b>	<b>220,859</b>	<b>132,168</b>

Property Type	Blackpool	South Lakeland	Craven
Terraced	89,812	197,688	158,630
Semi-detached	122,510	220,566	222,484
Detached	180,796	344,569	301,086
Flats & maisonettes	76,429	168,697	161,875
<b>All properties</b>	<b>111,560</b>	<b>246,776</b>	<b>209,227</b>

Source: Land Registry Residential Property Price Report, Quarter 4 2010, © Crown Copyright

- 7.6.4 The average property price across all the seven local authority areas is £169,364 and average prices in the District are 9.6% below this figure at £153,124.
- 7.6.5 The highest average price across all areas is in South Lakeland (£246,779), followed by Ribble Valley (£220,859). The lowest average price is in Blackpool (£111,560).
- 7.6.6 The average price of a terraced property is cheapest in Blackburn (£84,578) followed by Blackpool (£89,812). The highest average price of a terraced house is in South Lakeland (£197,688), 67.6% higher than in the District (£117,979).
- 7.6.7 The highest average price of a flat/maisonette is in South Lakeland (£168,697), 44.1% higher than in the District (£117,036). Blackpool has the lowest average price for flats across all the areas at £76,429.
- 7.6.8 The differences in average prices of properties, particularly in the entry level stock of terraced houses and flats is assumed to have an effect on in-migration to the District from the surrounding areas.
- 7.6.9 There is likely to be a higher level of in-migration to the District from areas where the average price of entry level properties are much higher, particularly from concealed households looking for cheaper housing.
- 7.6.10 We looked at the reasons why households in-migrated to the District from areas where the average property price is higher. We found that the main reasons for in-migrating to the District from South Lakeland were to be near a relative (34.6%) and relationship / family breakdown (27.7%). The main reasons for in-migrating from Craven were retirement (71.2%) and health reasons (35.8%).



## 7.7 Sales Transactions

7.7.1 Table 7-4 below shows the number of sales by property type in the Region and in the district in Quarter 4 2010. This is compared with the sales levels two years previous (Q4 2007).

**Table 7-4 Sales Transactions Q4 2007 / Q4 2010**

Property Type	North West			Lancaster		
	Sales Q4 2010	Sales Q4 2007	Difference +/- (%)	Sales Q4 2010	Sales Q4 2007	Difference +/- (%)
Terraced	5,747	11,704	-50.9	143	257	-44.4
Semi-detached	5,830	9,891	-41.1	182	252	-27.8
Detached	2,944	4,450	-33.8	86	122	-29.5
Flats & Maisonettes	1,722	4,659	-63.0	54	87	-37.9
<b>All Properties</b>	<b>16,243</b>	<b>30,704</b>	<b>-47.1</b>	<b>465</b>	<b>718</b>	<b>-35.2</b>

Source: Land Registry Residential Property Price Report, Quarter 4 2007 & 2010, © Crown Copyright

7.7.2 The data shows decline in sales both regionally and locally over the three year period since the previous survey. In the Region the largest decrease in sales was seen in flats and terraced properties at 63.0% and 50.9% respectively.

7.7.3 In the District flats and terraced properties showed the largest fall in sales at 37.9% and 44.4% respectively.

7.7.4 The following table compares Q4 2010 sales transactions by Q4 2009 sales transactions by property type in the District and North West.

**Table 7-5 Sales Transactions Q4 2009 / Q4 2010**

Property Type	North West			Lancaster		
	Sales Q4 2010	Sales Q4 2009	Difference +/- (%)	Sales Q4 2010	Sales Q4 2009	Difference +/- (%)
Terraced	5,747	5,944	-3.3	143	170	-15.9
Semi-detached	5,830	6,835	-14.7	182	189	-3.7
Detached	2,944	3,312	-11.1	86	102	-15.7
Flats & Maisonettes	1,722	1,875	-8.2	54	82	-34.1
<b>All Properties</b>	<b>16,243</b>	<b>17,966</b>	<b>-9.6</b>	<b>465</b>	<b>543</b>	<b>-14.4</b>

7.7.5 Overall the total property sales in the Region have fallen by 9.6% and by 14.4% in the District from 2009 to 2010, much lower figures than seen over the last 3 years. The largest fall in sales in the Region was seen in semi-detached properties at 14.7% and in the District it was flats and maisonettes at 34.1%.

**Table 7-6 Percentage of Sales by Type for Q4 2010**

Property Type	North West	Lancaster
	Sales Q4 2010 (%)	Sales Q4 2010 (%)
Terraced	35.4	30.8
Semi-detached	35.9	39.1
Detached	18.1	18.5
Flats & Maisonettes	10.6	11.6

- 7.7.6 The highest levels of sales in both the District and the Region are for semi-detached properties at 39.1% and 35.9% respectively.

## **7.8 Affordability**

- 7.8.1 Housing is now technically at its most affordable than it has been for the last six years. Mortgage payments at 31% of earnings are now below the 25 year average of 37% and far below the unsustainable peak of 48% in July 2007. However this ignores the change in deposit requirements.
- 7.8.2 However, despite the outlook for affordability being more optimistic, the small supply of properties on the market and tightening of lending criteria for mortgages at high loan to valuation ratios (LTV) has resulted in a major decline of first time buyers coming into the market. The Halifax FTB Review in December 2010 shows that nationally the number of FTB's has fallen from 568,200 in 2001 to 357,200 in 2007 and to 199,696 in 2010.
- 7.8.3 The typical first time buyer in January 2011 had a deposit of 20% and they borrowed 3.12 times their income. Halifax data shows that the average deposit in the North West region in 2010 was 19% equivalent to £19,186.
- 7.8.4 The age of FTB's was 29 in 2010, 80% to 85% of whom receive financial assistance to raise their deposit. However for those without financial support from family CML data estimates that the average age has risen from 33 in 2007 to 36 in 2010.
- 7.8.5 When student loans were introduced under the last Government, CML estimated that the average age of FTB's would rise to 40 and this is unlikely to reduce under the new structure.
- 7.8.6 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
- 7.8.7 Existing owner occupiers have seen a significant reduction in mortgage payments for those who are not tied on a fixed rate mortgage, or who have recently purchased. These savings, from a combination of lower house prices and interest rates now at record lows, are only available at low LTV rates for those with established equity.
- 7.8.8 From 2008 – 2009 there were very limited supply of loans available to first purchasers at LTV levels above 75% and the availability of a large deposit is now the major hurdle in achieving access to house purchase. Currently there are a much wider variety of loans available up to 90% but these are only available with high booking fees and higher interest rates in comparison to the standard variable rate.

- 7.8.9 The table below shows a selection of the mortgages available in the current market for first time buyers from major high street lenders.

**Table 7-7 Current Mortgages Deals for First Time Buyers**

Lender	Deposit	Interest rate	Terms	Booking Fee
Natwest	10%	6.39%	5 year fixed	Free
	20%	4.39%	2 year fixed	£999
	25%	3.99%	2 year fixed	£999
Abbey National	10%	6.89%	5 year fixed	
	25%	5.59%		
HSBC	10%	5.49%	2 year fixed	£999
	15%	4.69%	2 year fixed	£999
	15%	5.59%	5 year fixed	£999
	20%	4.29%	2/3/5 year fixed	free
	30%	3.89%	2/3/5 year fixed	free
RBS	10%	5.99%	5 year fixed	
	10%	6.59%	2 year fixed	
	25%	4.39%	3 year fixed	
Woolwich	20%	6.49%	5 year fixed	
	30%	5.19%		

Source: [www.mortgageguide.co.uk](http://www.mortgageguide.co.uk) / individual lenders website (January 2011)

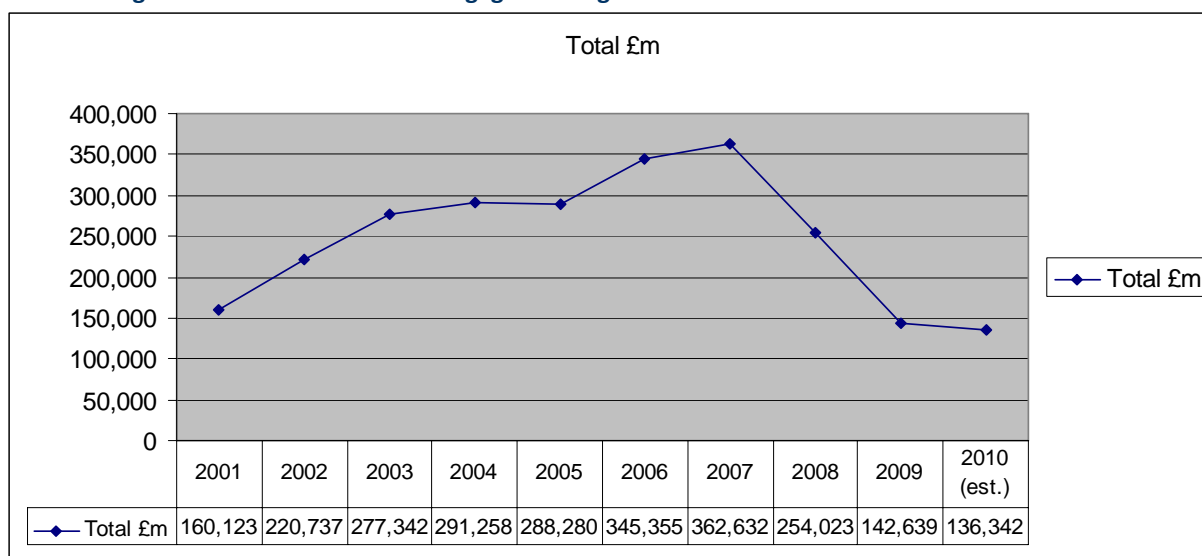
- 7.8.10 We found no available mortgage products from high street lenders at 95% to first time buyers or existing borrowers. Lenders are offering a 90% Loan to Valuation (LTV) mortgage over a fixed term, but most have high arrangement fees in excess of £700, with some as high as £1,500 and as the table clearly shows the lower the deposit, the higher the interest rate. Interest rates reflecting the current Standard Variable rates are only available to 40%+ deposit without paying a large arrangement fee.
- 7.8.11 The table has specifically focussed upon fixed rate mortgages; offers were found for a variety of different mortgage products i.e. Variable rate mortgages, trackers, discounted variable rates but had similar conditions and arrangement fees as the fixed rate deals.
- 7.8.12 The best deals available for existing borrowers are at interest rates around 3% to 4% and these are also offered with high arrangement fees and a LTV ratio of 40% to 75%.

## 7.9 The Mortgage Market

- 7.9.1 The Council of Mortgage Lenders' (CML) members are banks, building societies and other lenders who together undertake around 94% of all residential mortgage lending in the UK. They produce statistics research and public commentary on the market and the issues facing lenders.
- 7.9.2 The impact of the credit crunch was first felt in the UK in the mortgage lending industry with the demise of the Northern Rock in 2007. The major government support into the industry has assisted in providing stability; however there remains a major problem of a lack of funds to lend across virtually all lenders.

- 7.9.3 There has been a 6% drop in gross mortgage lending from November to December 2010. An estimated £11.0 billion in December from £11.7 billion in November and an 18% decrease from December 2009.
- 7.9.4 For 2010 as a whole lending totalled £136.3 billion, slightly above the CML annual forecast of £135 billion. However, it is the lowest annual total since 2000 (£119.8 billion). Gross mortgage lending in 2011 is estimated to be £135 billion compared to £360 billion at its pre-crunch peak.
- 7.9.5 The CML acknowledges that recent inflammatory pressures have increased the possibility of a rate rise sooner than previously expected. However, the CML expects that even if there is a rise, the base rate is unlikely to exceed 1% in this current year (2011).
- 7.9.6 Figure 7-1 shows the difference in gross mortgage lending over the past 10 years.

**Figure 7-1 Gross Mortgage Lending**



Source: CML Research, Bank of England

- 7.9.7 Current constraints are an issue not just for first time buyers but also for existing recent buyers and those without a large equity cushion. Funding constraints apply across the whole market.
- 7.9.8 The following table shows the full details of house purchase loans and re-mortgage loans from 2008 to 2010.

**Table 7-8 Loans for house purchase and re-mortgage 2008-2010**

	Number of house purchase loans	Value of house purchase loans £m	Number of re-mortgage loans	Value of re-mortgage loans £m
2010	529,300	77,100	313,200	39,300
2009	511,700	69,300	407,800	51,700
2008	513,100	75,600	865,800	118,500

Source: CML July February 2011

7.9.9 House purchase lending rose moderately between 2009 and 2010 by around 3.3% and the value of house purchase loans increased by 11.3%. The number of re-mortgage loans fell between 2009 and 2010 by 30.2% and fell significantly by 176.4% between 2008 and 2010.

7.9.10 The following table shows the details for house purchase loans and re-mortgage loans from December 2009 to December 2010.

**Table 7-9 Loans for house purchase and re-mortgage December 2009 - 2010**

	Number of house purchase loans	Value of house purchase loans £m	Number of re-mortgage loans	Value of re-mortgage loans £m
<b>December 2010</b>	<b>39,900</b>	<b>5,700</b>	<b>23,400</b>	<b>2,900</b>
Change from November 2010	-4%	-5%	-16%	-17%
Change from December 2009	-37%	-33%	-16%	-17%

Source: CML July February 2011

7.9.11 House purchase lending fell moderately between November 2010 and December 2010 by around 4.0% and by 37.0% from December 2009 and December 2010. The number of re-mortgage loans fell between December 2009 and December 2010 by 16.0%.

7.9.12 The latest data on loans specifically to first-time buyers is outlined below.

**Table 7-10 Loans to first-time buyers December 2009 - 2010**

	Number of loans	Value of loans £m	Average loan to value	Average income multiple	Proportion of income spent on interest payments
<b>December 2010</b>	<b>14,500</b>	<b>1,700</b>	<b>77%</b>	<b>3.23</b>	<b>12.9%</b>
Change from November 2010	-3%	-6%	79%	3.22	13.0%
Change from December 2009	-42%	-41%	75%	3.22	14.0%

Source: CML July February 2011

7.9.13 There were 14,500 loans to first-time buyers advanced in December, down 3% from November and down by 42% from December 2009. The typical first time buyer in December 2010 had a deposit of 23% and they borrowed 3.23 times their income.

## 7.10 House Price Sub-Areas

7.10.1 In order to further analyse house prices in Lancaster, the Council have grouped the district into 5 sub-areas. The sub-area structure analysed is shown in the following table:

**Table 7-11 Sub-Area Structure**

Sub-Areas	Areas contained within
<b>Carnforth</b>	Carnforth
<b>Morecambe / Heysham</b>	Bare, Harbour, Heysham Central, Heysham North, Heysham South, Poulton, Torrisholme, Westgate
<b>North Lancaster</b>	Skerton East, Skerton West
<b>South Lancaster</b>	Bulk, Castle, Dukes, John O Gaunt, Scotforth East, Scotforth West
<b>Rural</b>	Bolton-Le-Sands, Galgate, Halton-with Aughton, Caton & Brookhouse, Wray, Silverdale, Slyne-with-Hest, Hornby

## 7.11 Entry Sales Levels in Lancaster

7.11.1 Entry to the market is clearly dependent on availability, a factor which is particularly critical for low income households who can only enter the market in any numbers where there is an adequate supply of affordable dwellings.

7.11.2 First-time buyers as new entrants to the housing market do not purchase houses at average prices as they do not have average incomes. Although average prices are useful for comparisons in general they are not the purchase levels used in assessing the ability of households to enter local markets.

7.11.3 In broad terms new purchasers of either flats or terraced properties buy in the lowest quartile of prices i.e. the bottom 25%. An internet survey was undertaken to ascertain the cost of the cheapest units available i.e. the lowest quartile stock costs for sale in each of the seven Sub-areas. These are detailed in the following table.

**Table 7-12 Entry Sales Levels (£) in the district – March 2011**

Property Type	Carnforth	Morecambe / Heysham	Lancaster North
1-Bed Flat	**	64,950	67,500
2-Bed Flat	74,950	86,950	94,950
2-Bed Terraced	109,950	74,950	89,950
3-Bed Terraced	137,000	99,000	89,950

Property Type	Lancaster South	Rural	District-Wide
1-Bed Flat	51,000*	109,950*	65,000
2-Bed Flat	**	134,950	89,950
2-Bed Terraced	114,950	84,995	89,950
3-Bed Terraced	129,950	140,000	100,000

Source: DCA House Price Survey January – February 2011 / \*Low sample / \*\*No data

- 7.11.4 Although the average price of terraced properties according to the Land Registry survey is £117,949 sales levels vary across the district with the lowest entry prices, starting at around £74,950 in Lancaster South, rising to £109,950 in the rural area. 3-bed terraced properties start at £89,950 in Lancaster North.
- 7.11.5 According to the table above, entry levels for flats start at £51,000 in Lancaster South. Entry levels for 2-bed flats start at £74,950 in Carnforth.
- 7.11.6 District-wide, entry levels for flats start at £65,000 and prices rise to £100,000 for a 3 bed terraced.
- 7.11.7 At the time of the house price survey there was an adequate supply of flats to be found for sale in the majority of sub-areas of the district. Therefore the entry level stock in the district is considered to be flats as they are the cheapest units with an adequate level of supply for sale to concealed households.
- 7.11.8 The household survey asked concealed households what level of mortgage they were prepared to pay for their first home.

**Table 7-13** Maximum Monthly Mortgage / Rent of Concealed Households  
Question 35a

Monthly mortgage / rent	All concealed households moving	
	%	Cum %
Below £57 pw / £250 pcm	12.2	12.2
£57 - £80 pw / £250 - £350 pcm	21.3	33.5
£81 - £103 pw / £351 - £450 pcm	32.5	66.0
£104 - £127 pw / £451 - £550 pcm	16.2	82.2
£128 - £150 pw / £551 - £650 pcm	14.6	96.8
£151 - £173 pw / £651 - £750 pcm	0.0	96.8
£174 - £196 pw / £751 - £850 pcm	0.2	97.0
Above £196 pw / £850 pcm	3.0	100.0

Source: DCA Household Survey

- 7.11.9 86.3% of concealed households responded to a question on the maximum mortgage or rent they would be willing to pay. For those seeking to buy a dwelling, 66% could not or would not pay a mortgage of more than £450 per month. The mortgage bands selected might reflect to some degree perceptions of the actual cost of access to home ownership.

## 7.12 Purchase Income Thresholds

- 7.12.1 The cheapest entry levels (lowest quartile) of the smallest units were assessed to enable threshold income levels to be calculated. These are based on 95% mortgage availability and a 3.5 x gross income lending ratio for single earner households and 2.9 x gross household income for dual income households, the levels recommended in the 2007 Strategic Housing Market Assessments – Practice Guidance (page 42).

- 7.12.2 Table 7-14 and Table 7-15 below outline the income ranges needed to enter the market in the five sub-areas for single and dual households.

**Table 7-14 Single Income Thresholds (£)**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Carnforth	**	20,300	29,800
Morecambe / Heysham	17,600	23,600	20,300
Lancaster North	18,300	25,800	24,400
Lancaster South	13,800	**	31,200
Rural	29,800	36,600	33,900

Source: DCA House Price Survey January – February 2011

Please note figures are rounded to nearest hundred

\*low sample

\*\* no data

**Table 7-15 Dual Income Thresholds**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Carnforth	**	24,600	36,000
Morecambe / Heysham	21,300	28,500	24,600
Lancaster North	22,100	31,100	29,500
Lancaster South	16,700*	**	37,700
Rural	36,000*	44,200	40,900

Source: DCA House Price Survey January - February 2011

Please note figures are rounded to nearest hundred

\* low sample

\*\* no data

- 7.12.3 Our survey of concealed households found that 26.9% have incomes above £25,000 and 15.6% above £35,000. The cheapest entry level property requires an income of £13,800 (single) / £16,700 (dual) in the Lancaster South Area.
- 7.12.4 40.6% of concealed households forming earn below this amount to access as a single income household. The ability of concealed households to access the market within the District is clearly very limited.

## 7.13 The Private Rented Sector

- 7.13.1 The private rented sector stock distribution in 2011 showed the variation of supply particularly between the urban and rural settlements. Morecambe/Heysham has the highest proportion at 45% followed by Lancaster South at 32%. This sector is only 10% of tenure across the rural area.
- 7.13.2 An assessment of turnover relative to demand shows that over three years the survey data suggests that around 2,700 units will become available, around 900 a year. 4,128 households, 1,376 a year, require market rented housing, leaving a shortfall of 1,428 units.



**Table 7-16 Supply / Demand of Private Rented Stock (3 years)**

<b>Supply</b>		<b>All Types</b>
Existing Households Moving within district		2,163
Out-migrating Households		537
<b>Total Supply</b>		<b>2,700</b>
<b>Demand</b>		<b>All Types</b>
Existing Households Moving within district		1,218
In-migrant Households		2,008
<b>Total Existing Household Demand</b>		<b>3,226</b>
Concealed Households Forming		902
<b>Total Demand</b>		<b>4,128</b>
<b>Net (Shortfall)</b>		<b>1,428</b>

## 7.14 Private Sector Rent Levels

7.14.1 The data from the internet survey identified the private sector rent levels by property type and size and location set out below.

**Table 7-17 Average and Entry Rent Levels, March 2011 (£ p/m)**

<b>Property Type</b>	<b>Carnforth</b>		<b>Morecambe / Heysham</b>		<b>Lancaster North</b>	
	<b>Average</b>	<b>Entry</b>	<b>Average</b>	<b>Entry</b>	<b>Average</b>	<b>Entry</b>
<b>(Average / Entry Level)</b>						
1-Bed Flat	**	**	369	<b>350</b>	395	**
2-Bed Flat	560*	<b>495*</b>	486	<b>450</b>	550*	<b>550*</b>
2-Bed Terraced	549*	<b>495*</b>	484	<b>450</b>	457	<b>425</b>
3-Bed Terraced	558	<b>525</b>	599	<b>550</b>	600	**
2-Bed Semi-detached	595	**	548*	<b>495*</b>	525	**
3-Bed Semi-detached	600	**	606	<b>575</b>	553*	<b>500*</b>
<b>Property Type</b>	<b>Lancaster South</b>		<b>Rural</b>		<b>District-Wide</b>	
	<b>Average</b>	<b>Entry</b>	<b>Average</b>	<b>Entry</b>	<b>Average</b>	<b>Entry</b>
1-Bed Flat	505*	<b>450*</b>	**	**	386	<b>350</b>
2-Bed Flat	641*	<b>525*</b>	510*	<b>495*</b>	503	<b>450</b>
2-Bed Terraced	533*	<b>475*</b>	625	**	503	<b>450</b>
3-Bed Terraced	523*	<b>450*</b>	**	**	580	<b>550</b>
2-Bed Semi-detached	**	**	582*	<b>550*</b>	564	<b>525</b>
3-Bed Semi-detached	**	**	582*	<b>550*</b>	587	<b>575</b>

Source: DCA House Price Survey March 2011

\*low data -nd- no data available

## 7.15 Entry to Private Rent

- 7.15.1 Entry rental costs in the private rented sector vary by location within the district. The private rented sector costs £350 per month in Morecambe / Heysham, rising to £450 in Lancaster South for a 1-bedroom flat, the smallest unit. 2-bed flat rents range from £450 in Morecambe / Heysham rising to £550 in Lancaster North.
- 7.15.2 Two bed terraced house entry rent levels range from £425 pcm in Lancaster North, rising to £495 in Carnforth. 3-bed terraced properties cost from £450pcm in the Lancaster North rising to £550 in Morecambe / Heysham.
- 7.15.3 2-bed semi detached properties cost from £495 pcm in Morecambe / Heysham rising to £550 in the Rural area. 3-bed semi detached properties can be rented from £500 pcm. in Lancaster North, rising to £575 in Morecambe / Heysham.
- 7.15.4 Concealed households in the household survey gave details of how much rent per week they could afford to pay. Responses were received from 86.3% of concealed households moving.

**Table 7-18** Maximum Weekly / Monthly Rent of Concealed Households  
Question 35a

Monthly mortgage / rent	All concealed households moving	
	%	Cum %
Below £57 pw / £250 pcm	12.2	12.2
£57 - £80 pw / £250 - £350 pcm	21.3	33.5
£81 - £103 pw / £351 - £450 pcm	32.5	66.0
£104 - £127 pw / £451 - £550 pcm	16.2	82.2
£128 - £150 pw / £551 - £650 pcm	14.6	96.8
£151 - £173 pw / £651 - £750 pcm	0.0	96.8
£174 - £196 pw / £751 - £850 pcm	0.2	97.0
Above £196 pw / £850 pcm	3.0	100.0

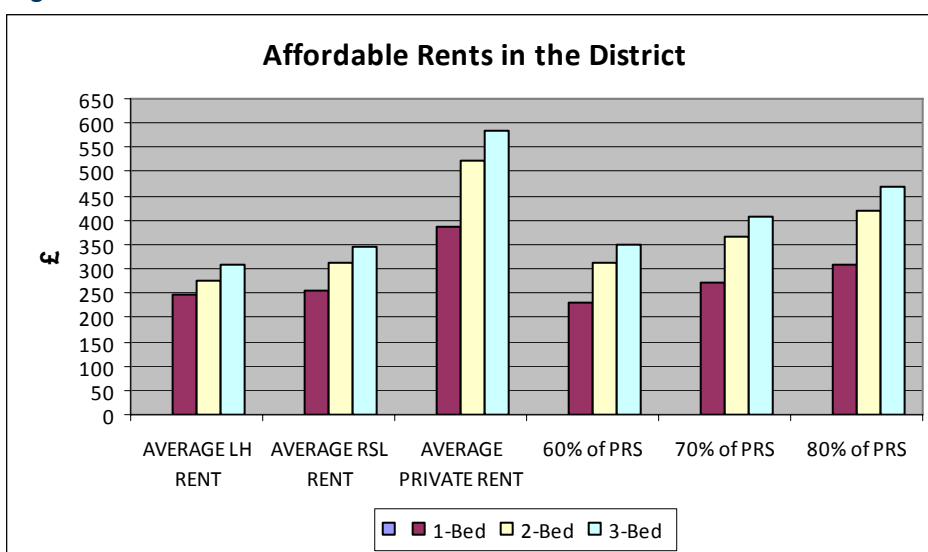
- 7.15.5 This data was examined to see if those who had specified their preferred tenure as Private Rent could actually access the market price levels that were identified in the Estate Agents Survey.
- 7.15.6 Concealed households preference for private rented market housing is around 19%. Only 32.5% of them could afford to pay between £351 and £450 a month which would allow them entry to the Morecambe / Heysham area. The data indicates that 33.5% of concealed households cannot pay more than £350 pcm and are therefore priced out of the rental market.

### Affordable Rents

- 7.15.7 The Coalition Government has decided to introduce Affordable Rents up to 80% of market value for new social rented stock. This decision is to encourage RSLs to be less reliant on grant aid for new build schemes and self finance the schemes by charging a greater amount of rent.
- 7.15.8 The requirement for property size in the intermediate housing market is 1 and 2-bedroom units to meet the needs of concealed households, unable to access the market sector as a first time buyer.

- 7.15.9 The decision to introduce Affordable Rents at up to 80% of market value for new social rented stock effectively removes discounted market rent as an intermediate housing option.
- 7.15.10 However, in many areas of the District it is not a viable option to introduce Affordable Rents on 1 and 2 bedroom properties as there is not a large enough cost gap between social and private rents.
- 7.15.11 The graph below shows the levels for the whole district. There is little margin to introduce Affordable Rent on all house sizes at 60% and 70%.
- 7.15.12 At 80% there may be some margin to use Affordable Rents on 2 or 3 bed properties.

**Figure 7-2 District Affordable Rent Levels**



Source: Lancaster Homes, RSL rents from Tenant Services Authority, PRS Rightmove

- 7.15.13 Appendix VII contains analysis of each sub-area showing the approximate level of Affordable Rents that could be applicable to each area.

## 7.16 Local Housing Allowance for Single People

- 7.16.1 The Local Housing Allowance (LHA) is a way of calculating Housing Benefit for people who live in **privately rented accommodation**. LHA is a flat rate allowance based on the size of the household (not the size of the property) and the area in which a person lives.
- 7.16.2 Currently a single person aged under 25 years, who does not have a dependant or a non-dependant person living with them, will be entitled to the standard rate of Local Housing Allowance for a room in shared accommodation.
- 7.16.3 However from January 2012 the shared room rate restriction will apply to single people aged under 35 years. Current exemptions, for example for those in receipt of severe disability premium and living in certain types of supported accommodation, will continue to apply.
- 7.16.4 However when considering housing needs the SHMA Practice Guidance 2007 states that we must include anyone over the age of 25 years sharing facilities. Therefore until new guidance is published anyone over the age of 25 years will be included in the calculation for future housing need.

- 7.16.5 People renting from a council or other social housing **are not** affected by the Local Housing Allowance.
- 7.16.6 The Housing Survey analysis suggests that **none** of the 70 (implied) existing single per households who will be moving into the private sector are in receipt of Housing Benefit.
- 7.16.7 Only **2** (implied) new forming single person households needing private rented accommodation were in receipt of Housing Benefit.
- 7.16.8 The housing survey has shown that there are currently 130 (implied) single person households living in one bedroom properties in the private rented sector, all in receipt of Housing Benefit.
- 7.16.9 When the changes to Housing Benefits, affecting single people, come into force in January 2012, the Housing Options team may have increased requests from these people needing to downsize to shared accommodation.
- 7.16.10 As people with a disability are exempt from the changes the **above figures exclude anyone with a disability**.

## 7.17 Rental Income Thresholds

- 7.17.1 The cheapest rental prices of the smallest units in the district were assessed in order to calculate the rental income threshold levels. These are based on rent at 25% of gross income (equivalent to 30% of net income). The table below shows the income levels needed to access the private rented market in the district.

**Table 7-19 Rental Income Thresholds – March 2011**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Carnforth	**	23,800*	23,800
Morecambe / Heysham	16,800	21,600	21,600
Lancaster North	**	26,400*	20,400
Lancaster South	21,600*	25,200*	22,800*
Rural	**	23,800	**

*NB Figures rounded to nearest hundred.*

*\*low sample \*\* no data available*

*Source: DCA House Price Survey March 2011*

- 7.17.2 The cheapest rental property in the district was in the Morecambe / Heysham area and requires an income threshold of £16,800. 50.9% of concealed households achieved this level of income.

## 7.18 Eligibility for Affordable Housing

- 7.18.1 The PPS3 definition of affordable housing is outlined in paragraph 15.3.1. The fundamental issue is that to be eligible for affordable housing, a household cannot without assistance resolve their housing requirements in the private market either to buy or rent.
- 7.18.2 The income thresholds assessed in the private rented sector provide the ceiling level by sub-area within the district above which households would not be eligible for affordable housing in the terms of the Guidance definition. In effect the incomes required to access the private rented sector would apply as they are lower than those required to purchase in each sub-area as outlined in Section 6.6.23.
- 7.18.3 The private rented sector has grown to 15.7% of the housing stock in 2011. An increase in higher quality housing provided in this sector could also address the short term needs of lower income households. Low private rent levels narrow the income bands where intermediate housing can play a role and will not provide a basis for investment in quality rented housing.

## 7.19 Student impact on the Private Rented Sector

- 7.19.1 Lancaster City hosts two higher education academic institutions. The main institution is Lancaster University. The University of Cumbria also has a campus in Lancaster.
- 7.19.2 The University has set its 2012 fees at £9,000 per annum for undergraduates and postgraduate courses range from £8,400 to £25,000 for the course.
- 7.19.3 Private sector accommodation costs for students vary according to the accommodation, but typical prices per week excluding bills, are estimated for 2011 to be around £ 50.00—£ 70.00 per person in Lancaster.

### Lancaster University

- 7.19.4 The Lancaster University Bailrigg campus is located 3 miles to the south of the city.
- 7.19.5 The Bailrigg campus has 9 separate colleges, there are eight undergraduate colleges on campus and one postgraduate college. The Colleges are Bowland, Cartmel, County, Furness, Fylde, Graduate, Grizdale, Lonsdale and Pendle. Most of the colleges have about eight or nine hundred members.
- 7.19.6 Each college has their own purpose built accommodation options available. The campus has a 10 year Masterplan for new development and refurbishment, at a cost of £420 million.
- 7.19.7 The University has around 16,500 students and around 2,200 employees and is the largest employer in North Lancashire. It is estimated that student spending in the local area is around £125 million per year, with the Universities contribution to the local economy being in excess of £300 million per year.
- 7.19.8 The University provides over 6,500 units of residential accommodation. 5,600 are allocated to undergraduates (of which around 60% go to first year students) and 850 units are allocated for postgraduate students (of which around 85% go to first year students) and a further 120 family flats allocated to couples and families, 35% of units remain under direct ownership of the University with the other 65% owned by UPP RSL.

- 7.19.9 The University also has a variety of accommodation for students who wish to live independently off campus. The largest letting agent supplying accommodation for students off campus is Lancaster University Student Union (LUSU) with 1,000 bedspaces, average rents being £78 pw inc bills.
- 7.19.10 LUSU has a range of private lets which are student houses where the day to day management is looked after by LUSU. Demand for LUSU lettings always outstrip supply and lettings fill very quickly, however the stock has been gradually increased in recent years.
- 7.19.11 LUSU also advertise a range of private lettings that meet Lancaster City Councils minimum accreditation standards, however the day to day management of these properties is not the responsibility of LUSU.
- 7.19.12 Between 2003 and 2008, the University added over 2,000 rooms to its previous stock of 4,600. For much of this period there was a surplus of student housing in the city. The market has gradually adjusted by shedding stock, and there is anecdotal evidence that the new housing act prompted landlords to shed stock which required too much investment. Since 2008, the University have refurbished some of the older stock on campus, which has resulted in slight variations in the amount of stock available from year to year. This, combined with a small but steady increase in first year numbers, particularly overseas students, has meant that there has again been some pressure on housing in the city. The number of full time students has increased from 9,775 to 10,120 between 2007/8 and 2009/10 and is continuing to creep up. There are signs that the market is again adjusting, as LUSU Living report that a number of landlords are coming forward offering property.
- 7.19.13 The University meet regularly with the Council to share information on accommodation and demand.

#### **University of Cumbria**

- 7.19.14 The University of Cumbria has a campus in Lancaster. This contains 5 Halls of Residence with around 1,000 units of accommodation.
- 7.19.15 In addition the university keeps a database of private sector student accommodation available. Students requiring private sector accommodation off-campus are directed to the on-line Student Accommodation Service in Association with the University of Cumbria called 'Studentpad'.

#### **Planning Issues**

- 7.19.16 In University towns, the student population mainly live in the private rented sector, purpose built student accommodation or in rooms in a shared house provided by the private sector and in halls of residence, normally provided by the university to first year students only.
- 7.19.17 Although students require low cost housing they do not represent households eligible under planning definition for 'Affordable Housing'. They are not included in the Guidance Needs Assessment Model.

- 7.19.18 The majority of student accommodation is met in the market sector as income streams create a viable private sector investment either from new build, purpose built accommodation or utilisation of the private rented stock. The Council need to monitor the ongoing impact of the student population in the private rented sector, particularly within Lancaster City itself.
- 7.19.19 The Higher Education sector is however an important element of local economies and this is particularly the case in Lancaster with a large, high quality university which contributes significantly to the local economy.
- 7.19.20 The need for student halls of residence should be considered as part of the wider planning strategies.

## 8 MIGRATION

### 8.1 Key Findings

- 4,313 households had in-migrated to the district over the last three years from outside the district, 45.1% had moved from elsewhere in the UK, 16.7% had moved from elsewhere in Lancashire and 9.5% from Abroad.
- The main reason for the move was that they wanted to be near a relative followed by quality issues such as a better quality area and better quality housing.
- Over the next three years 25.5% of existing households and 38.0% of concealed households are expected to move out of the district.
- In the case of both existing and concealed households the main single interest was in moving to elsewhere in the UK.
- The main reason for the out-migration for existing and concealed households was employment / access to work.
- The main in-migration was from elsewhere in the UK at + 1,237, followed by Lancashire at + 417. Overall there was net in-migration from all areas.

### 8.2 Strategic Implications

- In considering the future provision of market and affordable housing, consideration should be given to the level of in-migration into the district and for the demand for different house types and tenures.

### 8.3 Introduction

- 8.3.1 This section looks at the patterns of migration for Lancaster. In the first part of the section, the 13,387 implied households (23.0% of the sample) who had moved in the last 3 years were asked where they had moved from. 67.8% had previously lived within Lancaster; 32.2% had moved from outside the area (4,313 implied households).



## 8.4 In-Migration to Lancaster

- 8.4.1 Of the 4,313 households which had in-migrated to the district over the last three years, 45.1% had moved from elsewhere in the UK, 16.7% had moved from elsewhere in Lancashire and 9.5% from Abroad.

**Table 8-1 Location of Previous Dwelling (In-migrants)**  
Question 5a

Location	%	Nos.
Elsewhere in the UK	45.1	1,946
Elsewhere in Lancashire	16.7	720
Abroad	9.5	408
Preston	7.5	325
Elsewhere in Cumbria	5.8	251
Blackburn	4.8	205
South Lakeland	4.8	209
Blackpool	4.1	178
Craven	1.7	71
Ribble Valley	0.0	0
<b>Total</b>	<b>100.0</b>	<b>4,313</b>

Source: Housing Survey 2011

- 8.4.2 Those who had moved into the district within the last 3 years were then asked what the most important reason was for moving home, each giving 1.6 responses on average.

**Table 8-2 Reason for the Moving Within Last 3 Years for those Moving into Lancaster**  
Question 5d

Reason	%	N <sup>OS</sup> implied
To be near a relative	16.7	4,055
Better quality Area	14.0	3,387
Better quality Housing	11.5	2,788
Closer / easier to commute	10.5	2,532
Able to afford local housing	8.0	1,930
New job	7.9	1,916
Retirement	7.9	1,914
Health reasons	7.7	1,861
Relationship / family break down	6.1	1,467
Quality of local schools	4.4	1,059
Move from an urban to rural location	3.4	828
Move from a rural to urban location	1.9	467
<b>Total</b>	<b>100.0</b>	<b>24,204</b>

Source: Housing Survey 2011

- 8.4.3 16.7% had moved as they wanted to be near a relative and 14.0% wanted a better quality area, 11.5% wanted better quality housing.

- 8.4.4 16.6% of all those who had in-migrated into the district said that it was their first independent home as an adult.
- 8.4.5 Of all those who had in-migrated to the district, 38% had come from owner occupation, 36.9% from private rental and 6.9% from social rent. 13.5% were living with family and friends.

## 8.5 Out - Migration from Lancaster

- 8.5.1 Out-migration is expected to account for 25.5% of all moves for existing moving households (2,124 implied) and 38.0% of concealed households over the next 3 years (1,250 moves implied).
- 8.5.2 Those moving out of the area were asked where they were thinking of relocating. In this case 2,106 implied existing households (99.2%) and 1,171 implied concealed households (93.7%) responded to this question.

**Table 8-3** Location of Move for those Moving Outside Lancaster  
Question 17c

Location	Existing households		Concealed households	
	%	N <sup>os.</sup> implied	%	N <sup>os.</sup> implied
Blackpool	1.3	28	0.0	0
Bolton	0.6	12	0.0	0
Blackburn	2.2	47	0.0	0
Preston	0.6	12	4.0	47
Elsewhere in Lancashire	14.4	303	3.3	38
South Lakeland	6.3	132	2.0	23
Elsewhere in Cumbria	7.0	147	1.9	23
Elsewhere in the North West	17.0	358	10.2	119
Elsewhere in the UK	33.6	709	74.4	872
Abroad	17.0	359	4.2	49
<b>Total</b>	<b>100.0</b>	<b>2,107</b>	<b>100.0</b>	<b>1,171</b>

Source: Housing Survey 2011

- 8.5.3 In the case of existing households moving, the main single interest was in moving elsewhere in the UK at 33.6% with the second most popular choice being abroad or elsewhere in the North West at 17.0%.
- 8.5.4 In the case of concealed households moving, 74.4% were interested in moving to elsewhere in the UK, followed by 10.2% moving to elsewhere in the North West. There was some interest in moving to Preston (4.0%).

- 8.5.5 Those moving out of the area were asked their reasons for moving away. 2,080 implied existing households (97.9% of those intending to move out of the area) and 1,167 implied concealed households (93.4% of those intending to move outside the area) responded to a multiple choice question.

**Table 8-4 Reason for Moving Out of Lancaster**  
Question 17d

Reason	Existing Households		Concealed households	
	% households	N <sup>os.</sup> implied	% households	N <sup>os.</sup> implied
Family reasons	30.7	639	12.4	144
Employment / access to work	50.1	1,042	59.0	688
Education	8.6	179	36.4	425
Retirement	16.5	343	5.4	63
Financial Reasons	12.6	263	9.5	110
Lack of affordable rented housing	3.7	77	0.0	0
Unable to buy locally	6.3	132	1.4	16
Quality of neighbourhood	14.7	306	2.0	23
<b>Total</b>		<b>2,981</b>		<b>1,469</b>

Source: Housing Survey 2011

- 8.5.6 Both existing and concealed households' reasons were focused on Employment / access to work (50.1% and 59% respectively). Family reasons were prevalent (30.7%) for existing households. In the case of concealed households moving, choices were (after employment) more focused on education (36.4%), as might be expected from a group likely to have a younger profile.
- 8.5.7 Table 8-4 above shows that around 10% of existing households were leaving the area due to lack of affordable rented housing or because they were unable to buy locally. The percentage was 1.4% for concealed households, all being unable to buy.

## 8.6 Migration Summary

8.6.1 This table reflects the net migration patterns for existing households over the past three years.

**Table 8-5 Net Migration Patterns**

Migration Areas	Preston	Blackburn	South Lakeland	Elsewhere in Cumbria
Moving into Lancaster	325	205	209	251
Moving out of Lancaster	12	47	132	147
<b>Net Migration</b>	<b>+313</b>	<b>+158</b>	<b>+77</b>	<b>+104</b>

Migration Areas	Blackpool	Elsewhere in Lancashire	Elsewhere in the UK	Abroad	Total
Moving into District	178	720	1,946	408	<b>4,242</b>
Moving out of District	28	303	709	359	<b>1,737</b>
<b>Net Migration</b>	<b>+150</b>	<b>+417</b>	<b>+1,237</b>	<b>+49</b>	<b>2,505</b>

Source: Housing Survey 2011

- 8.6.2 There was a net in-migration of 2,505 households over the period, around 800 a year.
- 8.6.3 Half of the in-migration was from elsewhere in the UK beyond Cumbria and Lancashire at +1,237, followed by elsewhere in Lancashire at +417 and Preston at +313.
- 8.6.4 The lowest in-migration was from abroad at +49 and South Lakeland at +77. There was no net out-migration found from any of the listed areas.

## 9 HOUSEHOLDS MOVING WITHIN LANCASTER

### 9.1 Key Findings

- 19.6% of all households planned a move within the district in the next 3 years.
- 5,151 existing households require market housing and 1,546 require affordable housing.
- 2,112 concealed households require market housing and 674 required affordable housing.
- The main tenure needed by existing households was owner occupation and for concealed households the need was for private rent.
- There are around 4,510 households who wish to move within the district but cannot do so. 70.9% are unable to afford to buy a home.

### 9.2 Introduction

9.2.1 This section examines the responses from the household survey in relation to the future intentions and plans of both existing and concealed households within District over the next three years. The data from this section is then further analysed in Section 9 focusing on those households specifically requiring market housing and Section 10 looking at those households requiring affordable housing.

### 9.3 Households Moving

9.3.1 Moving intentions were tested in the survey questionnaire with an emphasis on future plans to move within the district for existing households and also a more focused study on concealed households who represent pent up demand for housing.

9.3.2 Respondents were asked to say whether they or any members of the household were currently seeking to move or will do so in the next three years. 19.6% of all households responding (11,061 implied) planned a move. A further 7.8% (4,510 implied) indicated that they wished to move but were unable to do so.

9.3.3 The scale of movement implies an average of 6.5% per annum, but this proportion would rise to 9.1% if all those wishing to move in the period were able to do so.

## 9.4 Households Prevented from Moving

- 9.4.1 Those indicating a wish to move but an inability to do so offered the following reasons for not being able to move. The number of implied households responding was 4,510.
- 9.4.2 It is clear from the responses analysed below that affordability was by far the most important factor with 70.9% of households indicating they were unable to afford to buy a home and 34.4% said they was a lack of affordable rented housing.

**Table 9-1**                      **Reasons Preventing a Move**  
Question 17e

Reason	% responses	% households	N <sup>os</sup> implied
Unable to afford to buy a home	48.4	70.9	3,197
Lack of affordable rented housing	23.4	34.4	1,553
Family reasons	10.5	15.4	696
In negative equity	7.3	10.8	487
Location of employment	7.1	10.5	472
Do not wish to move from school catchment area	3.3	4.9	221
<b>Total</b>	<b>100.0</b>		<b>6,626</b>

## 9.5 Demand for Existing Moving Households

9.5.1 The table below shows the preferred tenure for existing households moving in the next three years by their current tenure.

**Table 9-2** Current Tenure / Tenure Preferred (Existing Households)  
Question 1 / 21

Preferred Tenure	Current Tenure														Total
	O/O with mortgage		O/O no mortgage		Private rent		Council rented		HA rented		Shared Ownership		Tied to employment		
	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	
Owner occupation (inc Leaseholder)	88.1	2,018	86.5	1,090	33.6	740	9.1	55	0.0	0	9.3	3	52.2	16	<b>3,922</b>
Private rent	4.1	94	0.0	0	47.0	1,036	6.7	40	11.6	32	66.3	19	23.9	8	<b>1,229</b>
Council Rent	4.0	91	6.7	84	13.4	296	78.8	473	37.2	104	24.4	7	0.0	0	<b>1,055</b>
HA rent	2.0	47	4.8	61	5.5	122	5.4	33	51.2	143	0.0	0	23.9	8	<b>414</b>
Shared Ownership	1.8	41	2.0	25	0.5	11	0.0	0	0.0	0	0.0	0	0.0	0	<b>77</b>
<b>Total</b>	<b>100.0</b>	<b>2,291</b>	<b>100.0</b>	<b>1,260</b>	<b>100.0</b>	<b>2,205</b>	<b>100.0</b>	<b>601</b>	<b>100.0</b>	<b>279</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>32</b>	<b>6,697</b>

9.5.2 In total **5,151** existing households require market housing, this group is analysed in detail in Section 9. A further **1,546** existing households require affordable housing, this group is analysed in detail in Section 10.

## 9.6 Demand for Concealed Moving Households

- 9.6.1 This section examines in detail those people living in an existing household but who are described as a 'concealed' household which is taken as a proxy for the extent of 'concealment' of housing need within the district because these households represent a pent up and unmet demand for housing.
- 9.6.2 The questionnaire allowed for up to two concealed households to be identified within each existing household, each intending to form a new home within the district in the next five years.
- 9.6.3 A total of 2,786 concealed households planning to form in the next 5 years were identified from an average of 1<sup>st</sup> and 2<sup>nd</sup> concealed households in the detailed data tables and this is the figure used as a control total in this section.
- 9.6.4 The majority (78.5%) of the total of concealed households consisted of people described as children of the household; a further 5.5% were described as other relative and 5.0% described as friend.

**Table 9-3** Person Looking to Form a New Household in the Next Five Years?  
Question 26a

Concealed households forming	%	N <sup>os</sup> . implied
Child (16+)	78.5	2,188
Other Relative	5.5	153
Friend	5.0	139
Parent / Grandparent	4.1	114
Lodger	4.1	114
Partner / Spouse	2.8	78
<b>Total</b>	<b>100.0</b>	<b>2,786</b>

- 9.6.5 Respondents were asked what the age of each adult was in the concealed household. The results can be seen in Table 9-4 below.

**Table 9-4** Age of Concealed Households  
Question 27c

	%	N <sup>os</sup> . implied
16 – 19	7.3	203
20 – 24	48.8	1,360
25 - 44	36.4	1,014
45 - 59	2.7	75
60 - 74	1.5	42
75+	3.3	92
<b>Total</b>	<b>100.0</b>	<b>2,786</b>



- 9.6.6 A high number of adults in the concealed household were aged 20 – 24 (48.8%), followed by 36.4% being aged 25 – 44. There is also a smaller group of 134 people aged over 60 currently living with younger family who plan to move to independent or supported housing.
- 9.6.7 The survey found that children (under the age of 16) were present (or due) in 14.6% of all households planning to form (407 implied).

**Table 9-5**                      **Number of Children**  
Question 27d

Children	%	N <sup>os</sup> . implied
None	85.4	2,379
One	7.5	209
Two or more	5.2	145
Child due	1.9	53
<b>Total</b>	<b>100.0</b>	<b>2,786</b>

- 9.6.8 New households were asked whether they were being formed as a single or couple household, 68.9% indicated formation as a single household, 31.1% as a couple.
- 9.6.9 Households indicating a couple household were also asked where their partner was currently living. In 54.3% of cases the partner was living elsewhere within District resulting in a potential double count which is addressed in the CLG Assessment Model Calculation. In 31.2% of cases the partner was living in the existing household.

**Table 9-6**                      **Time of Move - Concealed Households**  
Question 29

When required	%	N <sup>os</sup> . implied
Within 1 year	24.5	683
1 - 2 years	32.1	893
2 - 3 years	26.4	736
3 - 5 years	17.0	474
<b>Total</b>	<b>100.0</b>	<b>2,786</b>

- 9.6.10 24.5% of concealed households required a move within a year, 32.4% required a move a year later, a total of 56.9% within two years.
- 9.6.11 The Strategic Housing Market Assessment Practice Guidance recommends that for model purposes the scale of annual new household formation is calculated as an average over the first two years as the most reliable data in the CLG model in Section 14.

- 9.6.12 The table below shows the tenure most needed and preferred for concealed moving households in the next three years within Lancaster.

**Table 9-7 Tenure Needed / Preferred (concealed households)**  
Question 28a / Question 28b

	Tenure	Needed		Preferred	
		%	N <sup>os.</sup> implied	%	N <sup>os.</sup> implied
MARKET	Owner occupation	36.0	1,003	56.9	1,585
	Private rent	40.5	1,127	18.9	527
	Tied to employment	1.6	45	0.0	0
AFFORDABLE	Council rent	16.5	460	9.7	270
	HA rent	3.3	92	8.4	234
	HA Shared Ownership	2.1	59	6.1	170
<b>Total</b>		<b>100.0</b>	<b>2,786</b>	<b>100.0</b>	<b>2,786</b>

- 9.6.13 In terms of the needs of concealed households forming in Lancaster, the largest proportion needs private rented accommodation (40.5%), followed by owner occupation (36.0%). The most **preferred** tenure is owner occupation with more concealed households preferring this tenure than actually needed it (56.9 v 36.0%).
- 9.6.14 In total, **2,175** concealed households need market housing, this group is analysed in detail in Section 9.6. A further **611** concealed households require affordable housing, this group is analysed in detail in Section 11.

## 10 FUTURE MARKET HOUSING REQUIREMENTS

### 10.1 Key Findings

#### Existing Households

- 3,922 households are planning a move to owner occupied housing and 1,229 are planning a move to private rented housing.
- 41.7% plan to move within one year, 29.7% plan a move in 1 to 2 years and 14.2% in 2 to 3 years.
- The main type of property required is semi-detached houses and the majority of movers require a 3 bedroom unit.
- The most popular choice of location was Lancaster South of the River Lune (41.9%) and Morecambe (29%).
- The main reason for choice of location was to be nearer family and friends, followed closely by a better quality area.

#### Concealed Households

- 2,175 households require market housing in the district in the next three years.
- 50.3% require flats / maisonettes and 18.9% require a terraced property.
- 31.4% require a one bed unit and 48.9% require a 2-bed property.
- The highest demand for location choice was the same as existing households, Lancaster South of the River Lune and Morecambe.
- The most popular reasons for choice of location was nearness to family / friends and always lived here, Closer / easier to commute to work also featured highly.

### 10.2 Introduction

10.2.1 From the households moving data found in section 10, this section analyses the needs of existing households and concealed households who are planning to move into market housing within District over the next 5 years. This section is split for analysis of existing households at 10.3 and separately for concealed households at 10.4.

### 10.3 Demand for Market Housing for Existing Moving Households

10.3.1 As seen in section 9 at Table 9-2, **3,922** existing households are planning to move into owner occupied housing and **1,229** are planning to move into private rented housing, giving a total demand of **5,151** for market housing within the district in the next 3 years. This is the control total used in the analysis for this section.

- 10.3.2 Some tables in this section include a column showing figures for “all tenures” i.e. including those existing households needing affordable housing, as a comparison.

**Table 10-1** When is the Accommodation Required (existing households)

Question 18

Time	Market Housing %	N <sup>os</sup> . implied	All Tenures %
Within 1 year	41.7	2,148	40.9
1 - 2 years	29.7	1,530	30.8
2 - 3 years	14.2	731	13.7
3 – 5 years	14.4	742	14.6
<b>Total</b>	<b>100.0</b>	<b>5,151</b>	<b>100.0</b>

- 10.3.3 The table above shows that 41.7% of potential movers to market housing sought to do so within one year and 43.9% sought to do so within 3 years.

**Table 10-2** Type of Accommodation Required (existing households)

Question 19

Type	Market Housing %	N <sup>os</sup> . implied	All Tenures %
Semi-detached	29.0	1,494	25.1
Detached	24.4	1,257	19.9
Bungalow	19.5	1,004	21.0
Terraced	15.3	788	13.2
Supported Housing	0.9	47	5.8
Flat / maisonette	10.2	525	14.4
Caravan / mobile home	0.7	36	0.6
<b>Total</b>	<b>100.0</b>	<b>5,151</b>	<b>100.0</b>

- 10.3.4 Table 10-2 indicates that 29% of respondents felt that they required a semi-detached property, above the proportion of all existing households moving (25.1%). Interest in flats / maisonettes and terraced properties was low at 10.2% and 15.3% respectively. There was little interest in supported housing from those moving to market housing (0.9%), lower than the results found amongst the whole population (5.8%).

**Table 10-3** Number of Bedrooms Required (existing households)

Question 20

Bedrooms	Market Housing %	N <sup>os</sup> . Implied	All Tenures %
One	9.5	489	14.1
Two	28.8	1,483	35.0
Three	40.9	2,107	34.1
Four	19.0	979	15.4
Five or more	1.8	93	1.4
<b>Total</b>	<b>100.0</b>	<b>5,151</b>	<b>100.0</b>

- 10.3.5 The highest demand of those moving to market housing was for 3-bed properties at 40.9%, the demand for all tenures was 34.1%. The need for four or more bedrooms was 20.8% for those moving to market housing but 16.8% for all tenures.
- 10.3.6 Cross-tabulation relating type of property required to size required for market housing showed the following results.

**Table 10-4 Type Required by Size Required (existing households)**  
Question 19 by Question 21

Type	One bed		Two bed		Three bed		Four beds		Five + beds		Total
	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>
Semi-detached	0	0.0	161	10.8	1,089	72.9	244	16.3	0	0.0	1,494
Detached	0	0.0	128	10.2	355	28.2	699	55.6	75	6.0	1,257
Terraced	79	10.0	261	33.1	403	51.1	23	2.9	23	2.9	788
Flat/ maisonette	287	54.7	208	39.6	30	5.7	0	0.0	0	0.0	525
Bungalow	71	7.1	674	67.2	258	25.7	0	0.0	0	0.0	1,004
Supported Housing	47	100.0	0	0.0	0	0.0	0	0.0	0	0.0	47
Caravan / Mobile Home	0	0.0	36	100.0	0	0.0	0	0.0	0	0.0	36
<b>Total</b>	<b>484</b>		<b>1,468</b>		<b>2,135</b>		<b>966</b>		<b>98</b>		<b>5,151</b>

No data for bedsit

- 10.3.7 72.9% required 3-bed semi-detached accommodation and 55.6% required a 4-bed detached property.
- 10.3.8 All the demand for flats / maisonettes was for 1, 2 and 3-bed units and 51.1% of respondents required 3-bed terraced accommodation. All the demand for bungalows required 1, 2 and 3 bedrooms.
- 10.3.9 Cross-tabulation to compare type of property required with tenure preferred showed the following results.

**Table 10-5 Type Required by Preferred Tenure (existing households)**  
Question 19 by Question 21

Type	Owner occupation		Private rented		Total
	%	N <sup>os.</sup>	%	N <sup>os.</sup>	N <sup>os.</sup>
Semi-detached	30.9	1,210	22.9	284	1,494
Detached	29.7	1,163	7.7	94	1,257
Terraced	13.7	536	20.4	252	788
Flat / maisonette	5.6	220	24.8	305	525
Bungalow	18.8	735	21.9	269	1,004
Caravan / Mobile Home	0.9	36	0.0	0	36
Supported Housing	0.4	17	2.3	30	47
<b>Total</b>	<b>100.0</b>	<b>3,917</b>	<b>100.0</b>	<b>1,234</b>	<b>5,151</b>

No data for tied to employment

- 10.3.10 30.9% of demand in the owner occupied sector was for semi-detached houses; 29.7% for detached and 18.8% for bungalows. 24.8% of demand in the private rented sector was for flats / maisonettes and 22.9% of demand was for semi-detached houses. There was a small demand for supported housing within the private rented sector and only a small amount in the owner occupied sector.
- 10.3.11 Existing households moving were asked where accommodation was required. Up to 2 choices were offered but on average only 1.5 choices were made.

**Table 10-6**                      **Where is Accommodation Required (existing households)**  
Question 24

Location	% responses	% households	N <sup>os</sup> . implied	All tenures
				% households
Lancaster South of the River Lune	26.7	41.9	1,375	39.7
Morecambe	18.5	29.0	954	32.6
Lancaster North of the River Lune	12.4	19.4	640	24.7
Elsewhere in the rural area	9.2	14.5	475	13.1
Heysham	8.7	13.7	448	15.2
Caton and Brookhouse	4.9	7.8	252	6.2
Slyne-with-Hest	4.0	6.3	207	6.0
Carnforth	3.9	6.1	201	5.6
Bolton-le-Sands	2.6	4.1	134	5.1
Hornby	2.6	4.0	135	3.2
Halton	2.0	3.1	103	4.0
Galgate	1.7	2.6	83	2.1
Silverdale	1.6	2.5	82	2.1
Wray	1.2	1.7	62	1.3
<b>Total</b>	<b>100.0</b>		<b>5,151</b>	

- 10.3.12 Lancaster South of the River Lune was the most popular choice with 41.9% of households choosing this location.
- 10.3.13 Morecambe was also popular, chosen by 19.4% of households. Similar patterns were found across all tenures.
- 10.3.14 The final question in this section asked respondents why they preferred a particular location. The average number of choices was 2.6.
- 10.3.15 Nearer family & friends (43.3%) was the most common choice, followed by better quality of area at 39.8%. Always lived here was also a significant factor (27.3%). The other choices were spread widely across a number of the other nominated reasons with lowest chosen reason being to move from a rural to urban location at just 2%.
- 10.3.16 The major reasons therefore are those which are key elements of those to be considered in sustainable developments and in building sustainable communities.

**Table 10-7 Reason for Preferred Location**  
Question 25

Reason	% responses	% households	N <sup>os.</sup> implied (all choices)	All tenures %
Nearer family /friends	16.4	43.3	845	47.2
Better quality of area	15.1	39.8	778	34.0
Closer /easier to commute to work	11.3	29.9	582	27.7
Always lived here	10.4	27.3	536	26.8
Better shopping / leisure facilities	7.8	20.5	402	20.2
Quality of local schools	7.0	18.5	360	16.7
Accessibility to public transport	6.7	17.7	345	17.9
Move from urban to rural	5.4	14.3	278	12.7
Retirement	5.1	13.6	263	15.0
Able to afford local housing	4.6	12.1	237	10.4
Greater availability of type of housing sought	4.6	12.2	237	10.2
Health / personal care reasons	2.6	6.8	134	10.9
Employment / New Job	2.3	6.0	118	6.4
Move from rural to urban	0.7	2.0	36	1.9
<b>Total</b>	<b>100.0</b>		<b>5,151</b>	

## 10.4 Demand for Market Housing for Concealed Households

10.4.1 As seen in section 9, Table 9-2, **1,003** concealed households are planning to move into owner occupied housing, **1,127** are planning to move into private rented housing and 45 to tied to employment accommodation, giving a total demand of **2,175** for market housing within the district in the next 3 years.

10.4.2 This is the control total used in the analysis for this section.

**Table 10-8 When is the Accommodation Required (concealed households)**  
Question 29

Time	Market Housing %	N <sup>os.</sup> implied	All Tenures %
Within 1 year	26.7	581	24.5
1 - 2 years	36.8	800	32.1
2 - 3 years	24.3	529	26.4
3 – 5 years	12.2	265	17.0
<b>Total</b>	<b>100.0</b>	<b>2,175</b>	<b>100.0</b>

10.4.3 36.8% of concealed households moving to affordable housing are moving within 1 to 2 years, 26.7% are moving within 1 year.

- 10.4.4 The data for “preference” as well as need is included as a comparison, to show the gap between needs and aspirations for this group.

**Table 10-9** Type of Accommodation Needed / Preferred (concealed households)  
Question 30a

Type	Needed		Preferred	
	%	N <sup>OS</sup> . implied	%	N <sup>OS</sup> . implied
Semi-detached	24.7	537	46.6	1,013
Detached	3.3	72	14.7	320
Terraced	18.9	411	17.1	371
Flat / maisonette	50.3	1,094	19.8	430
Bungalow	2.0	44	1.4	33
Supported housing	0.8	17	0.4	8
<b>Total</b>	<b>100.0</b>	<b>2,175</b>	<b>100.0</b>	<b>2,175</b>

No data for other types

- 10.4.5 The results from the survey showed a different profile from existing households moving, as might be expected for a generally younger group. 50.3% of concealed households moving to market housing required flats / maisonettes compared with 10.2% of existing households.
- 10.4.6 The more aspirational view usually reflected amongst concealed households moving to market housing on preference for type (i.e. more houses; fewer flats) was evident in District as is usually found in DCA surveys.

**Table 10-10** Number of Bedrooms Needed / Preferred (concealed households)  
Question 30b

Bedrooms	Needed		Preferred	
	%	N <sup>OS</sup> . implied	%	N <sup>OS</sup> . implied
One	31.4	683	4.0	87
Two	48.9	1,064	56.6	1,231
Three	15.3	333	30.8	670
Four +	4.4	95	8.6	187
<b>Total</b>	<b>100.0</b>	<b>2,175</b>	<b>100.0</b>	<b>2,175</b>

- 10.4.7 31.4% of concealed households needed one bedroom whilst only 4% would prefer a one bedroom property. 15.3% of concealed households actually needed a 3-bed property but 30.8% would prefer 3 bedrooms.



10.4.8 The data was analysed regarding concealed households moving, relating to the type of property needed by both the size needed and the tenure needed. The results are shown in the tables below.

**Table 10-11 Type Needed by Size Needed (concealed households)**  
Question 30a by Question 30b

Type	1-bed		2-bed		3-bed		4-bed		Total
	%	N <sup>os</sup> .	%	N <sup>os</sup> .	%	N <sup>os</sup> .	%	N <sup>os</sup> .	N <sup>os</sup> .
Semi-detached	1.9	10	71.8	370	26.3	136	0.0	0	<b>516</b>
Detached	0.0	0	0.0	0	91.5	66	8.5	6	<b>72</b>
Terraced	11.8	49	72.8	305	7.7	32	7.7	32	<b>418</b>
Flat / maisonette	58.3	647	30.1	334	5.8	64	5.8	64	<b>1,109</b>
Bungalow	0.0	0	100.0	43	0.0	0	0.0	0	<b>43</b>
Supported Housing	100.0	17	0.0	0	0.0	0	0.0	0	<b>17</b>
<b>Total</b>		<b>723</b>		<b>1,052</b>		<b>298</b>		<b>102</b>	<b>2,175</b>

10.4.9 71.8% of demand for a semi-detached property and 72.8% of demand for a terraced property was for 2 bedrooms. 91.5% of detached demand was for 3 bedrooms.

10.4.10 58.3% needing a flat / maisonette needed a 1-bed property and 30.1% needed a 2-bed. All demand for Bungalows was for a 2-bed property and all demand for supported housing was for a 1-bed property.

**Table 10-12 Type Needed by Tenure Needed (concealed households)**  
Question 30a by Question 28a

Type	Owner Occupation		Private rented		Total
	%	N <sup>os</sup> .	%	N <sup>os</sup> .	N <sup>os</sup> .
Semi-detached	48.0	517	1.9	20	<b>537</b>
Detached	6.6	72	0.0	0	<b>72</b>
Terraced	13.2	142	24.5	269	<b>411</b>
Flat / maisonette	27.1	292	73.0	802	<b>1,094</b>
Bungalow	4.0	44	0.0	0	<b>44</b>
Supported Housing	1.1	10	0.6	7	<b>17</b>
<b>Total</b>	<b>100.0</b>	<b>1,077</b>	<b>100.0</b>	<b>1098</b>	<b>2,175</b>

No data for any other options

10.4.11 48% of demand in the owner occupied sector was for semi-detached housing but only 1.9% for private rent. 27.1% of demand in the owner occupied sector was for flats/maisonettes and in the private sector demand was much higher at 73.0%.

10.4.12 Concealed households were asked the same questions on location as existing households moving. Two choices were offered but on average concealed households moving made 1.5 choices each.

**Table 10-13** Choice of Location (concealed households)  
Question 32

Location	Concealed households moving to Market Housing		
	% responses	% households	N <sup>os</sup> . implied (all choices)
Lancaster South of the River Lune	27.1	41.6	590
Lancaster North of the River Lune	18.5	28.3	403
Morecambe	25.0	38.3	544
Heysham	10.1	15.5	220
Carnforth	1.9	2.9	42
Bolton-le-Sands	1.2	1.7	24
Caton and Brookhouse	1.9	2.9	42
Halton	0.7	1.1	15
Hornby	0.2	0.3	4
Galgate	3.2	4.8	70
Silverdale	0.6	0.8	12
Slyne-with-Hest	2.0	3.1	43
Wray	0.5	0.9	11
Elsewhere in the rural area	7.1	10.9	155
<b>Total</b>	<b>100.0</b>		<b>2,175</b>

10.4.13 In the case of concealed households moving, the most demand was for Lancaster South of the River Lune at 41.6%. Morecambe was the next most popular choice at 38.3%. These locational preferences were the same for existing households.

10.4.14 The final question in this section asked respondents why they preferred a particular location. The average number of choices was 2.9.

**Table 10-14** Reason for Preferred Location (concealed households)  
Question 33

Reason	Concealed households moving to Market Housing		
	% responses	% households	N <sup>os</sup> . implied (all choices)
Always lived here	17.4	49.8	378
Nearer family /friends	24.5	70.4	533
Employment / closer to work	6.6	18.9	144
Closer /easier to commute to work	17.4	49.8	378
Accessibility to public transport	5.8	16.6	125
Better shopping / leisure facilities	6.1	17.4	132
Quality of local schools	3.6	10.4	78
Retirement	3.4	9.7	74
Health / personal care reasons	2.4	6.8	52
Move from urban to rural	6.1	17.9	135
Move from rural to urban	6.7	19.1	146
<b>Total</b>	<b>100.0</b>		<b>2,175</b>

- 10.4.15 The joint most popular reasons were nearness to family / friends (70.4%) and always lived here at 49.8%. Closer / easier to commute to work also featured highly at 49.8%.
- 10.4.16 These core sustainability factors are also significant for existing households.

## **10.5 Households Unable to Move**

- 10.5.1 The report details in Section 9 that there are **4,510** households who wish to move but are unable to do so for a range of reasons. Analysis shows that there are 2,882 households currently living in market housing who wish to buy in Lancaster but cannot afford to do so because of the local house prices.
- 10.5.2 1,713 of these are existing owner occupiers, and 1,039 are households who wish to buy and currently live in the private rented sector. Households wishing to move but unable to do so represent a pent-up market demand unable to be addressed whose needs should be met through intermediate housing.

## 10.6 Total Demand for Market Housing in the District

10.6.1 Table 10-15 below shows total demand for market housing by property type and size.

**Table 10-15 Total Demand for Market Housing in the District to 2014**

		Semi-Detached	Detached	Terraced	Flat / Maisonette	Bungalow	Supported Housing	Caravan / Mobile Home	Total
<b>EXISTING</b> H/H	1-BED	0	0	79	287	71	47	0	<b>484</b>
	2-BED	161	128	261	208	674	0	36	<b>1,468</b>
	3-BED	1,089	355	403	30	258	0	0	<b>2,135</b>
	4+ BED	244	774	46	0	0	0	0	<b>1,064</b>
<b>CONCEALED</b> H/H	1-BED	10	0	49	647	0	17	0	<b>723</b>
	2-BED	370	0	305	334	43	0	0	<b>1,052</b>
	3-BED	136	66	32	64	0	0	0	<b>298</b>
	4+ BED	0	6	32	64	0	0	0	<b>102</b>
<b>IN-MIGRANT</b> H/H	1-BED	0	0	131	482	42	0	0	<b>655</b>
	2-BED	154	31	402	391	236	0	23	<b>1,236</b>
	3-BED	384	61	430	0	64	0	0	<b>939</b>
	4+ BED	74	351	242	52	12	0	0	<b>732</b>
<b>TOTAL</b>		<b>2,622</b>	<b>1,772</b>	<b>2,412</b>	<b>2,559</b>	<b>1,400</b>	<b>64</b>	<b>59</b>	<b>10,888</b>

Source: 2011 Housing Survey Data

10.6.2 The survey data incorporates existing household demand, concealed household demand and in-migrant household demand for market housing, based on the profile of recent in-migrants to the District over the last three years.

10.6.3 It is assumed that the in-migrant market demand will be similar over the next three year period to 2014.

## 10.7 Total Demand / Supply for Market Housing in the District

10.7.1 Table 10-16 below shows total demand and supply of market housing in the District by property size.

**Table 10-16 Market Housing Demand / Supply by Size 2011 - 2014**

Households	Bed-sit / 1-bed		2-bed		3-bed		4+ bed		All Sizes	
	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand
Existing		484		1,468		2,135		1,064		5,151
Concealed		723		1,052		298		102		2,175
In-migration		655		1,236		939		732		3,562
<b>Total Demand</b>		<b>1,862</b>		<b>3,756</b>		<b>3,372</b>		<b>1,898</b>		<b>10,,888</b>
Moving within	358		1,991		1,934		1,257		5,540	
Out-migration	191		692		838		369		2,090	
<b>Total Supply</b>	<b>549</b>		<b>2,683</b>		<b>2,772</b>		<b>1,626</b>		<b>7,630</b>	
<b>Net Shortfall (Surplus)</b>		<b>1,313</b>		<b>1,073</b>		<b>600</b>		<b>272</b>		<b>3,258</b>
<b>% Shortfall</b>		<b>40.3</b>		<b>32.9</b>		<b>18.4</b>		<b>8.4</b>		<b>100%</b>

10.7.2 The net shortfall for market housing including the private rented sector over the three year period is 3,258 with an annual need of 1,086.

10.7.3 Empty Homes cannot be used as a supply as it is an unknown quantity and timescale of when and if they will be put up for sale or used for private rent. Unlike empty homes, dissolutions are more likely to re-enter the market and the majority will be put up for sale by the executors. However this can take some time due to legal issues, but will be an ongoing supply of market housing.

10.7.4 There is not a database readily available with the number of properties that will come on to the market by bed size when the owner dies and therefore it has not been included in the supply of market housing in the past. However the number of properties that come re-enter the market for this reason can be quite significant and could make a positive impact in the supply of market housing. DCA are therefore keen to include this information and the best information at present is from the Council Tax Register.

10.7.5 Information was obtained from the Council Tax from those properties identified in Class F<sup>3</sup> with a total of 494 in this class in the year 2010/11. Taking the number of dissolutions into account as supply the net total need for market housing annually is **592**.

<sup>3</sup> 'An unoccupied dwelling is exempt if the person formerly liable to pay the council tax has died, their estate is in the hand of an executor or administrator, and there is no other person who would otherwise be liable. The exemption continues for 6 months after the granting of probate or letters of administration are made'.

## 10.8 Current and Future Demand for Market Housing

- 10.8.1 PPS3 identifies the core government objectives to provide a variety of high quality market housing including addressing any shortfalls that apply in market housing. Authorities are required to plan for a full range of market housing to meet the needs of the whole community, so that provision is made for family, single person, and multi-person households. PPS3 does not indicate a requirement for specific targets for different types or sizes of dwellings in the market sector.
- 10.8.2 Local Development Documents will however need to provide indications of the type or size of dwellings to be provided to meet household demand. Although Guidance has made it clear that it does not envisage prescriptive targets for different types of dwelling, since this would undermine the responsiveness of the market to demand, authorities should provide an indication of the relative priority for particular property size requirements which should be delivered in future developments to provide for a more balanced housing market.
- 10.8.3 As discussed in Section 6.3, less than a third of the market stock is one and two bedrooms.
- 10.8.4 The demographic shift is already becoming apparent. The demographic change forecasts highlight growth in older households compared to all other groups.
- 10.8.5 It is recommended that to create a more balanced housing stock and address the impact of demographic change, future delivery development proportions could be 60% 1 and 2 bedrooms, mainly two and 40% 3 and 4+ bedrooms as a guide at district level.

## 11 FUTURE AFFORDABLE HOUSING REQUIREMENTS

### 11.1 Key Findings

- Demand for affordable housing from existing moving households was 1,546 units, 1,055 implied for Council rented, 414 implied for HA rented accommodation and 77 implied for HA shared ownership.
- 611 concealed households are looking for affordable housing, 460 intend to move to council rented, 92 to HA rented and 59 to shared ownership accommodation.
- 42.5% of existing households moving to affordable housing and 26.2% of concealed households moving to affordable housing plan to move within 1 year.
- 31.1% of existing households who need council rented accommodation and 47.0% of concealed households in the HA sector need a bungalow.
- Lancaster (North of the River Lune) was the most popular location for existing households moving within the district and for concealed households forming in the district the preference was for Lancaster (South of the River Lune).
- Nearness to family / friends was the most common reason for choice of location of both existing and concealed households.

### 11.2 Introduction

- 11.2.1 Determining the net shortfall or surplus of affordable housing, in order to meet existing and predicted housing need is a key part of the Housing Needs Assessment. This section examines the need for affordable housing and how this is broken down by size of property (i.e. number of bedrooms) and type of affordable housing (i.e. intermediate and social rented housing). The CLG Needs Assessment Model in Section 14 of this report sets out the final figures for housing need across the district.
- 11.2.2 This section is divided into elements exploring the housing needs of existing households, concealed households, households with special needs for adaptation or support and BME households.

### 11.3 Affordable Housing Needs of Existing Households Moving within the District

- 11.3.1 The percentages in all tables in this section (except cross tabulations) have been applied to the control total of **1,546** implied existing households moving within the District over the next five years who require affordable housing.
- 11.3.2 1,055 Of existing households moving needed Council rented accommodation, 414 needed HA rented accommodation and 77 needed HA shared ownership. A column showing “% all tenures” i.e. including market demand is shown as a comparison.

**Table 11-1** When is the Accommodation Required (existing households)  
Question 18

Time	Affordable Housing %	N <sup>os</sup> . implied	% All Tenures
Within 1 year	42.5	657	40.9
1 - 2 years	34.1	527	30.8
2 - 3 years	12.8	198	13.7
3 – 5 years	10.6	164	14.6
<b>Total</b>	<b>100.0</b>	<b>1,546</b>	<b>100.0</b>

Source: Housing Survey Data 2011

- 11.3.3 The table shows that 42.5% of potential movers sought to do so within one year, slightly above the level for all movers (40.9%).
- 11.3.4 The main type of accommodation required amongst existing households moving to affordable housing was flats/maisonettes at 31.6%. 24.4% of respondents felt that they required supported housing and 21.1% a bungalow. Interest in detached accommodation was only 2.3%.
- 11.3.5 29.7% of existing households needing affordable housing indicated that they required one bedroom units; 53.1% two bedroom units; 12.2% three bedroom units and 5.0% require four bedroom units.
- 11.3.6 Cross-tabulation relating type of property required to size required in terms of bedrooms showed the following results.

**Table 11-2** Type Required by Size Required (existing households)  
Question 19 by Question 20

Type	One bed		Two bed		Three bed		Four+ beds		Total
	%	N <sup>os</sup> .	%	N <sup>os</sup> .	%	N <sup>os</sup> .	%	N <sup>os</sup> .	N <sup>os</sup> .
Semi-detached	0.0	0	52.8	102	47.2	91	0.0	0	193
Detached	0.0	0	0.0	0	0.0	0	100.0	36	36
Terraced	0.0	0	45.0	56	33.2	41	21.8	27	124
Flat / maisonette	36.6	179	56.0	273	7.4	36	0.0	0	488
Bungalow	0.0	0	94.5	310	0.0	0	5.5	18	328
Supported Housing	64.6	244	27.8	105	7.5	28	0.0	0	377
<b>Total</b>		<b>423</b>		<b>846</b>		<b>196</b>		<b>81</b>	<b>1,546</b>

No data for bedsit or caravan / mobile homes Source: Housing Survey Data 2011

- 11.3.7 52.8% of semi-detached demand was for 2-bed accommodation. 56.0% of demand for flats / maisonettes, 45.0% of demand for terraced property and 94.5% of bungalows was for 2-bed accommodation.
- 11.3.8 64.6% of supported housing was for 1 bed accommodation. All detached housing demand was for 4-bed accommodation.
- 11.3.9 Cross-tabulation comparing type of property required with type of tenure required showed the following results.



**Table 11-3 Type Required by Required Tenure (existing households)**  
Question 19 by Question 22

	Council rented		HA rented		Shared Ownership		Total
	%	N <sup>OS.</sup>	%	N <sup>OS.</sup>	%	N <sup>OS.</sup>	N <sup>OS.</sup>
Semi-detached	8.4	84	23.8	109	0.0	0	193
Detached	0.0	0	7.9	36	0.0	0	36
Terraced	9.9	99	2.6	12	14.9	13	124
Flat / maisonette	30.1	302	24.7	113	85.1	72	488
Bungalow	31.1	313	3.5	16	0.0	0	328
Supported Housing	20.5	205	37.5	172	0.0	0	377
<b>Total</b>	<b>100.0</b>	<b>1,003</b>	<b>100.0</b>	<b>458</b>	<b>100.0</b>	<b>85</b>	<b>1,546</b>

No data for bedsit or caravan / mobile home

Source: Housing Survey Data 2011

- 11.3.10 31.1% of existing households who need council rented accommodation need bungalows and 30.1% need flat/maisonette accommodation. 37.5% of households needing HA rented accommodation need a supported accommodation and 24.7% need a flat / maisonette. There was demand for shared ownership for terraced housing (14.9%) and flats / maisonettes (85.1%).
- 11.3.11 68.0% of existing households moving to affordable housing (1,058 implied) were registered on a housing waiting list, the majority of which indicating that they were registered on the Lancaster City Council register (64.0%).
- 11.3.12 Existing households moving were asked where accommodation was required.

**Table 11-4 Which location do you wish to live in? (Existing households)**  
Question 24

Location	% Responses	% Households	Nos. implied	All tenures% (Households)
Lancaster South of the River Lune	20.9	37.5	323	39.7
Lancaster North of the River Lune	27.2	48.8	420	24.7
Morecambe	22.6	40.8	350	32.6
Heysham	10.4	18.6	161	15.2
Carnforth	1.6	2.9	25	5.6
Bolton-le-Sands	4.5	8.0	70	5.1
Caton and Brookhouse	1.0	1.8	15	6.2
Halton	4.6	8.2	71	4.0
Hornby	0.4	0.8	6	3.2
Galgate	0.4	0.7	6	2.1
Silverdale	0.3	0.5	5	2.1
Slyne-with-Hest	2.6	4.6	40	6.0
Wray	0.0	0.0	0	1.3
Elsewhere in the rural area	3.5	6.3	54	13.1
<b>Total</b>	<b>100.0</b>		<b>1,546</b>	

Source: Housing Survey Data 2011

- 11.3.13 Interest in affordable housing amongst existing households moving was mainly for Lancaster and Morecambe. 48.8% of households required accommodation in Lancaster (North of the river Lune) and 40.8% required accommodation in Morecambe.
- 11.3.14 The final question in this section asked respondents why they preferred a particular location. Nearness to family / friends was the largest single choice at 58.6%. Always lived here (30.4%) was the second most common choice, followed by health / personal care reasons at 27.2%.

**Table 11-5 Reason for Preferred Location (existing households)**  
Question 25

Reason	% responses	% households	N <sup>os</sup> . implied (all choices)	All tenures % (households)
Always lived here	11.9	30.4	184	26.8
Nearer family / friends	22.9	58.6	354	47.2
Employment / closer to work	3.6	9.1	56	6.4
Closer /easier to commute to work	8.6	22.0	133	27.7
Accessibility to public transport	7.2	18.5	111	17.9
Better shopping / leisure facilities	8.4	21.5	130	20.2
Quality of local schools	5.4	13.8	83	16.7
Retirement	7.3	18.7	113	15.0
Health / personal care reasons	10.6	27.2	164	10.9
Move from urban to rural	2.7	6.9	42	12.7
Move from rural to urban	0.9	2.3	14	1.9
Able to afford local housing	2.4	6.2	37	10.4
Greater availability of type of housing sought	1.9	4.7	29	10.2
Better quality of area	6.2	15.9	96	34.0
<b>Total</b>	<b>100.0</b>		<b>1,546</b>	

## 11.4 Affordable Housing Needs of Concealed Households Moving Within the District

11.4.1 Table 9-7 in section 9 showed that **460** concealed households intend to move to Council rented accommodation, **92** to HA rented accommodation and **59** to HA Shared ownership accommodation. In total, **611** concealed households over the next three years require affordable housing in Lancaster. This is the control total used in the analysis for this section.

11.4.2 A column is included in some tables for “all concealed households %”, i.e. including those needing market housing, as a comparison.

**Table 11-6** When is the Accommodation Required (concealed households)  
Question 29

Time	Affordable Housing %	N <sup>os.</sup> implied	% All Tenures
Within 1 year	26.2	160	24.5
1 - 2 years	31.8	194	32.1
2 - 3 years	36.2	222	26.4
3 – 5 years	5.8	35	17.0
<b>Total</b>	<b>100.0</b>	<b>611</b>	<b>100.0</b>

Source: Housing Survey Data 2011

11.4.3 29.2% of concealed households moving to affordable housing require a terraced property and 20.3% (124 implied) required flats / maisonettes. The lowest demand was for supported housing at 2.1%.

11.4.4 The highest amount of demand was for 2-bed accommodation at 60.67%. 17.0% required a 1-bed property and 16.2% required 3 bedrooms. Only 6.2% opted for a 4-bed property.

11.4.5 Two cross-tabulations for concealed households moving relating to the type of property needed by the size of property needed, showed the following results.

**Table 11-7** Type Needed by Size Needed (concealed households)  
Question 30a by Question 30b

Type	1-bed		2-bed		3-bed		4-bed		Total
	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	N <sup>os.</sup>
Semi-detached	0.0	0	100.0	74	0.0	0	0.0	0	<b>74</b>
Detached	0.0	0	55.7	55	0.0	0	44.3	43	<b>98</b>
Terraced	0.0	0	46.3	89	53.7	100	0.0	0	<b>189</b>
Flat / maisonette	77.8	75	22.2	22	0.0	0	0.0	0	<b>97</b>
Bedsit	100.0	32	0.0	0	0.0	0	0.0	0	<b>32</b>
Bungalow	0.0	0	67.5	57	32.5	51	0.0	0	<b>108</b>
Supported housing	100.0	13	0.0	0	0.0	0	0.0	0	<b>13</b>
<b>Total</b>		<b>120</b>		<b>297</b>		<b>151</b>		<b>43</b>	<b>611</b>

- 11.4.6 All of the demand for semi-detached accommodation was for 2 bed properties. 55.7% of detached accommodation and 46.3% of terraced was for a 2-bed property and 77.8% of demand for flats / maisonettes was for a 1-bed property. All the demand for supported housing was for a 1-bed property.

**Table 11-8 Type Needed by Tenure Needed (concealed households)**  
Question 30a by Question 28a

	Council rented		HA rented		Shared Ownership		Total
	%	N <sup>os.</sup>	%	N <sup>os.</sup>	%	N <sup>os.</sup>	N <sup>os.</sup>
Semi-detached	11.8	50	0.0	0	26.3	20	<b>70</b>
Detached	9.7	41	0.0	0	73.7	56	<b>97</b>
Terraced	38.4	160	10.7	12	0.0	0	<b>172</b>
Flat / maisonette	18.0	76	42.3	49	0.0	0	<b>125</b>
Bedsit	7.1	30	0.0	0	0.0	0	<b>30</b>
Bungalow	12.1	51	47.0	54	0.0	0	<b>105</b>
Supported housing	2.9	12	0.0	0	0.0	0	<b>12</b>
<b>Total</b>	<b>100.0</b>	<b>420</b>	<b>100.0</b>	<b>115</b>	<b>100.0</b>	<b>76</b>	<b>611</b>

- 11.4.7 The main interest in the Council rented accommodation was for terraced properties at 38.4%. The main interest from the HA rented sector was for bungalows at 47.0%, followed by flat / maisonettes at 42.3%. Interest from households needing shared ownership accommodation was mainly for detached housing at 73.7%.
- 11.4.8 41.3% of concealed households moving to social housing (234 implied) were registered on a housing waiting list, 79.6% being on the Lancaster City Council Housing Register.

11.4.9 The table below shows the results for choice of location for concealed households.

**Table 11-9** Choice of Location (concealed households)  
Question 32

Location	Moving to affordable housing			All tenures % (households)
	% responses	% households	N <sup>os.</sup> implied (all choices)	
Lancaster South of the River Lune	27.0	53.5	167	39.7
Lancaster North of the River Lune	24.2	47.8	148	24.7
Morecambe	18.0	35.5	110	32.6
Heysham	3.6	7.2	22	15.2
Carnforth	2.6	5.1	16	5.6
Bolton-le-Sands	5.9	11.7	36	5.1
Caton and Brookhouse	2.7	5.4	16	6.2
Halton	7.1	14.0	43	4.0
Hornby	0.0	0.0	0	3.2
Galgate	5.1	10.2	31	2.1
Silverdale	0.4	0.9	2	2.1
Slyne-with-Hest	1.7	3.3	10	6.0
Wray	0.0	0.0	0	1.3
Elsewhere in the rural area	1.7	3.3	10	13.1
<b>Total</b>	<b>100.0</b>		<b>611</b>	

11.4.10 The main interest for concealed households moving within the District showed similar results as existing households moving. 53.5% required accommodation in Lancaster (South of the River Lune) and 47.8% require accommodation (North of the River Lune).

11.4.11 35.5% required accommodation in Morecambe and 14.0% chose Halton.

**Table 11-10** Reason for Preferred Location (concealed households)  
Question 33

Reason	Moving to affordable housing		
	% responses	% households	N <sup>os.</sup> implied (all choices)
Always lived here	26.4	56.7	160
Nearer family /friends	32.7	70.0	200
Employment / closer to work	2.4	5.2	15
Closer /easier to commute to work	14.1	30.3	86
Accessibility to public transport	8.8	18.8	54
Better shopping / leisure facilities	0.0	0.0	0
Quality of local schools	2.1	5.0	13
Better public transport	0.0	0.0	0
Better facilities for families and young people	3.2	7.6	20
Better range of affordable housing	5.5	13.0	34
Greater availability of type of housing sought	4.8	11.3	29
<b>Total</b>	<b>100.0</b>		<b>611</b>

- 11.4.12 The levels of choice for the core sustainability factors are higher for this group of households than for those entering market housing and reflect a greater reliance on access to family for support.
- 11.4.13 The main reason for concealed households moving to their choice of location was to be near family /friends (70.7%, 200 implied), followed by always lived here at 56.7%.

## 11.5 Future Size of Affordable Housing

- 11.5.1 Local Development Documents need to provide targets on the size of future affordable housing units required. Stock balance, turnover and waiting list demand analysis are vital to identify the gaps in the stock and the proportions by type and size required to address current and future need.
- 11.5.2 Affordable housing should be in locations with extremely good public transport accessibility to town centres, employment destinations and other key services.
- 11.5.3 The following table provide a detailed analysis of the social stock by bedroom size and the levels of registered need and actual supply from turnover.
- 11.5.4 To provide a clear justification for the balance of property sizes in the Local Development Documents, need and supply of the council rented stock has been analysed. Similar data on supply is not available for the RSL stock which is around a third of the social stock.
- 11.5.5 The ratio of waiting list demand to supply is the number of years it would take for the waiting list for individual property sizes to be met through the turnover of the existing stock.
- 11.5.6 This also makes the extreme assumption that there was no future need other than the current backlog, which clearly will not be the case.

**Table 11-11 Social Stock, Waiting List Need and Social Turnover**

Stock Size	Waiting List (HSSA) *		Social Stock Turnover **		Demand vs. Supply
	N <sup>OS.</sup>	%	N <sup>OS.</sup>	%	
1-bedroom	1,241	66.3	189	44.0	6.6:1
2-bedrooms	397	21.2	157	36.5	2.5:1
3-bedrooms	181	9.7	80	18.6	2.3:1
4+ bedrooms	53	2.8	4	0.9	13.3:1
<b>Total</b>	<b>1,872</b>	<b>100.0</b>	<b>430</b>	<b>100.0</b>	

\* - Local Authority HSSA Return – 2010

\*\* Lancaster City Council data

- 11.5.7 In Lancaster, even if no new need arose, it would take:-
- Almost 7 years to meet the requirements for 1-bed properties;
  - Nearly 3 years to address the 2-bedroom requirement;
  - Over 2 years to address the 3-bedroom stock requirement;
  - Over 13 years to meet the need for larger 4+ bedroom family units.

- 11.5.8 Generally, 80.5% of stock turnover is from 1 and 2 bedroom units, lower than the waiting list need level of 87.5% for these units. Although these are significantly the highest need in terms of unit numbers, a number of factors need to be considered in determining targets by size which clearly also influence property type.
- 11.5.9 Small units turn over significantly more regularly in the existing stock than family units.
- 11.5.10 The waiting list, in particular for one bedroom properties, contains a large number of households who have very low priority or are older households registering for sheltered housing as insurance for a future potential need.
- 11.5.11 These factors are important in judging future delivery to meet priorities rather than arithmetic scale of recorded need. The important factor is to meet priority needs and there is still a requirement for 1 and 2-bedroom units to meet the needs of young, single, homeless households in the district.
- 11.5.12 There is a relatively small stock of 3 bedroom family units providing only 18.6% of all re-let supply. Four bedroom unit needs are the smallest in terms of numbers, but they are the most difficult to resolve due to extremely low turnover levels with only 4 units becoming available last year.
- 11.5.13 In view of the current stock balance, the scale of likely annual new provision and the requirement to address priority household need, a level of 50% of future delivery in the affordable rented sector should be one and two bedroom units, lower than current need levels of 87.5%.
- 11.5.14 However because of the demand for 2-bed units (as opposed to need), provision should be mainly 2-bedroom units. Grant funding through the HCA recognises the issue of need versus demand for 1-bed units. Generally funding is available for 2-bed units, recognising the demand and flexibility of this size of accommodation.
- 11.5.15 Based on a total annual affordable delivery of 145 units, with a 50:50 tenure mix of rent to shared equity, 72 rented units would be delivered. If 50% of these are two bedroom units, 36 extra two bedroom units would be available,
- 11.5.16 Given the limited scale of new affordable units the balance of around 36 units a year could be 3 and 4 bedroom units.
- 11.5.17 Initiatives to develop more accommodation for older people, targeted to those under-occupying 3 bedroom properties could be the major means of addressing the access to properties of this size.
- 11.5.18 The relative extreme problem of access to 4 bedroom stock should be a priority as these larger family households are almost certain to be currently living in over-crowded conditions.

## 12 HOUSING NEEDS OF DISABLED AND OLDER PEOPLE

### 12.1 Key Findings

#### Disabled People

- 23.6% (13,283 implied) households included a member with a disability.
- 57% of all disabled household members were over the age of 60.
- 47.9% of disabled households have a walking difficulty.
- 18.4% (1,551 implied) households stated they had outstanding support needs.
- 10.5% of properties (5,826 implied) had been adapted. The survey found some mismatch between wheelchair adaptations and the properties where people with a wheelchair actually live.

#### Older People

- Demand for supported accommodation (other than sheltered) is predominantly for independent accommodation with visiting support.
- There is a combined requirement of 2,123 units of sheltered accommodation for existing older households and those who may in-migrate to be near family. 1,432 are in the affordable sector and 691 in the private sector.
- There was a level of need expressed for 362 extra care units from existing households and older people moving into the district.

### 12.2 Strategic Implications

- There is an inextricable link between ageing and frailty and the forecast rise in the retired population means that the housing and support needs of elderly and disabled households is important to consider at a strategic level.
- In line with the strategic priorities already established, resources should focus on the provision of home-based support services and adaptations for older people living at home in both social rented and owner occupied housing.
- Support services rely heavily on help provided by family and friends. Carer support networks should be recognised and used to complement rather than replace statutory provision.
- Although a high proportion of older people may have their own resources to meet their accommodation and care needs some may need financial support to enable them to access housing support services.

The on-going development of Older Persons Housing Strategies **should consider** :-

- The **type and quality of existing sheltered stock** in meeting today's housing standards and preferences and the scale of need and demand for 2,123 units by 2014.
- The future need for 'extra care' accommodation for the growing older population reflected in the level of need expressed for extra care accommodation by relatives of older people for 362 units.



## 12.3 Needs of Disabled People

- 12.3.1 Issues relating to households with one or more members affected by a disability or long-term illness were addressed through a series of questions. This section draws together the findings from these questions.
- 12.3.2 23.6% of households in the area contain somebody with a disability, suggesting 13,283 households in the District were affected in some way. This is slightly higher than the average of 20% in our survey experience.
- 12.3.3 Assessment of the UK average for the proportion of households affected is difficult, both because of the impact of multiple disability and the tendency to express statistics in terms of population rather than households. The Department for Work and Pensions Family Resources Survey 2006 suggests as many as 10 million disabled people in the UK - around 19.7% of the population. Recent DCA survey results have consistently indicated a level in the region of 20%.
- 12.3.4 18.4% of households stated that they had a support need (1,551 implied households).
- 12.3.5 The comparative figures for the various tenures were as per Table 12-1 below. The level in the HA rented sector (6.4%) was higher than the proportion of total stock represented by HA rented accommodation (3.2%) as was the case for the level in Council Rented, 13.2% compared to the stock level of 6.3%.

**Table 12-1 Incidence of Disability by Tenure**  
Question 1 by Question 9

Tenure	Tenure in Sample %	Tenure of those with disability %	N <sup>os</sup> . Implied (Disability)
Owner occupied with mortgage	38.3	27.1	3,603
Owner occupied without mortgage	34.8	34.1	4,528
Private rented / rent free	15.7	18.5	2,463
Council Rented	6.3	13.2	1,759
HA rented	3.2	6.4	844
Shared ownership*	0.3	0.5	68
Tied to employment / living rent free*	1.4	0.1	18
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>13,283</b>

\*Low level of data

Source: 2010 Housing Needs Survey

- 12.3.6 82.7% of cases only one household member had a disability; in 17.3% of cases two members had a disability. On this basis 12,858 individuals in the District with a disability were identified. However, the age profile and nature of disability data suggest slightly higher totals.
- 12.3.7 Data for the age groups of all disabled household members showed 57% of all disabled household members were over the age of 60 including 25.5% over 75; 15.3% were under 45 years.

12.3.8 The next table shows the nature of the disability of members of the household. Responses were received to a multiple response question, giving an average of 1.7 responses.

**Table 12-2 Nature of Disability**  
Question 10c

Disability	% responses	% households	N <sup>os</sup> . implied (all choices)
Wheelchair User	4.8	8.3	1,350
Walking Difficulty	28.0	47.9	7,824
Learning disability / Mental health problem	11.1	19.0	3,104
Drug & Alcohol misuse	1.4	2.4	386
Visual / hearing impairment	10.1	17.3	2,830
Asthmatic / respiratory problem	14.3	24.4	3,983
Other physical disability	12.0	20.5	3,343
Limiting long-term illness	18.3	31.4	5,121
<b>Total</b>	<b>100.0</b>		<b>27,941</b>

12.3.9 By far the largest group of people were those with a walking difficulty (47.9%). 24.4% had an Asthmatic / respiratory problem and 8.3% of households contained someone who was a wheelchair user.

12.3.10 Further data analysis showed that 23.5% (259 of the 1,103 at Table 12-4 below) of properties, in which people using a wheelchair lived, had been adapted, a relatively low proportion in our survey experience suggesting some mismatch between houses adapted and those where wheelchair users lived.

12.3.11 By extension, it would appear that 80.8% (1,091 households implied) with a wheelchair user did not live in suitably adapted premises.

## 12.4 Support Needs

12.4.1 15,795 implied household members responded to the question on need for care or support. 53.3% indicated a need for care or support (8,424 implied).

12.4.2 81.6% of those with a care or support need felt they were getting enough support, the data implying 18.4% (1,551 implied) with outstanding support needs.

12.4.3 Those with an outstanding care or support need were asked what types of support they felt they needed. A wide range of care and support needs were identified, with the main one needed help with personal care (22.6%), 20.4% needed help claiming welfare benefit / managing finances and 13.7% looking after the home.

12.4.4 Those who currently receive sufficient care and support services were asked who (formal or informal) provided their support. In around 72.5% of cases (5,815 implied) support was provided informally by family / neighbour / friend. In 27.5% of cases (2,205 implied cases), support was provided formally by social services / a voluntary body. 10% of households received both formal & informal support.

## 12.5 Adaptation

12.5.1 Three questions sought information from all households in the District on the degree to which the home had been built or adapted to meet the needs of disabled persons.

12.5.2 10.5% of properties (5,826 implied) had been adapted, slightly lower than the average found in other recent DCA surveys (around 11%). The split by tenure is set out in the table below.

**Table 12-3 Adaptations by Tenure**

Question 11 by Question 1

Tenure	%	N <sup>os.</sup> implied
Owner occupied with mortgage	19.6	1,141
Owner occupied no mortgage	43.2	2,518
Private rented	11.1	644
Council Rented	15.4	898
HA rented	10.3	603
Shared Ownership	0.0	0
Tied to your employment	0.4	22
<b>Total</b>	<b>100.0</b>	<b>5,826</b>

12.5.3 Adaptation in the owner occupied sector was the highest at 62.8%. 15.4% of Council Rented had been adapted and 10.3% in the HA rented sector.

12.5.4 6,986 implied households actually responded to the question on which adaptations had been provided, suggesting an adaptation level of around 12.6% (rather than 10.5% in 1.5.2). The following adaptations were identified based on responses to a multiple-choice question, respondents making around 2.2 choices on average.

**Table 12-4 Types of Adaptations Provided / Needed to Current Home**

Question 12 and Question 13

Adaptations	Provided		Needed	
	% households	N <sup>os.</sup> implied (all choices)	% households	N <sup>os.</sup> implied (all choices)
Bathroom adaptations	48.9	3,417	28.6	2,388
Handrails / grabrails	59.5	4,154	23.8	1,989
Access to property	34.9	2,436	16.1	1,346
Ground floor toilet	24.1	1,685	22.1	1,844
Wheelchair adaptations	15.8	1,103	13.1	1,097
Vertical lift / stair lift	24.9	1,740	24.7	2,065
Extension	3.7	261	9.1	764
Other	9.7	675	22.4	1,875
<b>Total</b>		<b>15,471</b>		<b>13,368</b>

12.5.5 59.5% had handrails / grabrails, the most common type of adaptation in DCA survey experience and 48.9% had bathroom adaptations. 34.9% had access to property adaptations; 24.9% had a vertical lift/stair lift fitted and 24.1% had a ground floor toilet.

- 12.5.6 8,358 households responded to a further question on what facilities still needed to be provided to ensure current members of the household can remain in the property now or for the next 3 years. Respondents made 1.6 choices on average.
- 12.5.7 Most of the main adaptations referred to as provided, featured less prominently in the list of adaptations still needed. Extension and other adaptations had a more significant need than provided.
- 12.5.8 Wheelchair adaptations at 15.8% (1,103 implied) were just above the average level found in recent DCA surveys (around 15%). The data taken in conjunction with 12.3.10 above suggests that 844 wheelchair adapted premises are no longer occupied by wheelchair users.

## 12.6 Supported Accommodation

- 12.6.1 Existing households moving were asked if they were interested in supported housing and what type of supported housing they required, in the next three years to 2014.

**Table 12-5** Type of Supported Accommodation Required  
Question 20

Type	% responses	N <sup>OS</sup> . Implied
Council / Housing Association sheltered housing	57.2	961
Private sheltered housing	15.0	251
Independent accommodation with visiting support	13.6	229
Independent accommodation with a live-in carer	7.4	125
Residential / Nursing Home	3.6	61
Extra Care Housing	3.2	53
<b>Total</b>	<b>100.0</b>	<b>1,680</b>

- 12.6.2 Over the next three years, demand for supported accommodation (other than sheltered accommodation) is predominantly for independent accommodation (with visiting support).
- 12.6.3 Most people requiring this type of supported accommodation had a walking difficulty 92.2%; 83.4% had an asthmatic / respiratory problem 17.7% learning disability/ mental health problem.
- 12.6.4 The balance of bedroom requirements for independent accommodation (with external support) was mostly 1 and 2 bedrooms with 1 bed (20.6%) and 2-bed accommodation (60.6%).
- 12.6.5 The majority of the requirement for the Council / HA sheltered housing was split for 1-bed accommodation (48%) and 2-bed (37.6%).
- 12.6.6 54.7% of extra care accommodation was for 1-bedroom and 45.3% for 2-bedroom.
- 12.6.7 Independent accommodation (with live-in carer) was 35.5% 1 bedroom and 64.5% 2-bedrooms.

## 12.7 Housing Needs of Older People

- 12.7.1 1,927 implied households indicated that they had older relatives (over 60) who may need to move to the District in the next three years. A further multiple-choice question was asked on the type of accommodation required, each respondent making 1.5 choices on average.

**Table 12-6 Accommodation Required by Older Relatives in Next 3 Years**  
Question 14

	% responses	N <sup>os</sup> . implied
Live with respondent (need extension / adaptation)	17.3	530
Council / HA sheltered housing	15.4	471
Owner occupied housing	14.8	452
Residential care / nursing home	14.5	444
Private sheltered housing	14.4	440
Extra Care housing	10.1	309
Live with respondent (existing home adequate)	9.5	289
Private housing	4.0	121
Council / HA Property	0.0	0
<b>Total</b>	<b>100.0</b>	<b>3,056</b>

- 12.7.2 Demand for this group was predicted by the children of older people and, as would be expected, it shows a different pattern to that normally seen among older respondents in DCA surveys.
- 12.7.3 The main tenure type occupied by older households was owner occupied (no mortgage) at 64.1% as would be expected amongst the older population.

**Table 12-7 Type of General Stock Occupied by Older People (%)**  
Q2 x Q15da (60+)

Type	%
Detached House	14.5
Semi-detached House	26.7
Terraced House	16.0
Bungalow	29.6
Flat / Maisonette / Bedsit	12.3
Houseboat / Caravan / Mobile Home	0.9
<b>Total</b>	<b>100.0</b>

Source: 2011 Housing Survey

- 12.7.4 The main property type occupied by older households was semi-detached accommodation. 29.6% of older households in the District lived in bungalow accommodation.
- 12.7.5 Nationally it is acknowledged that older people on fixed incomes may have difficulty maintaining their homes, especially as these are often older pre-1919 terraced properties with higher maintenance needs.

- 12.7.6 This may be an issue in the District due to the properties occupied by older people and also the high number of owner occupied (no mortgage) properties. Support with maintenance and repair through a Home Improvement agency or "Staying Put" initiative will be of importance in view of the growing older population.

**Table 12-8** Size of Accommodation Currently Occupied by Older People  
Q3 x Q15da (60+)

Size	%
1-bedroom	11.6
2-bedrooms	31.9
3-bedrooms	40.5
4+ Bedrooms	16.0
<b>Total</b>	<b>100.0</b>

Source: 2011 Housing Survey

- 12.7.7 The largest proportion of older households, over 40%, live in 3-bedroom properties.

## 12.8 The Future Needs of Older People

- 12.8.1 Existing households aged 60+ and planning a move within the district within the next 3 years were asked a series of questions about their future housing requirements.

**Table 12-9** Type of Accommodation Required by Older People  
Q15da (60+) x Q19

Accommodation Expected	%	N <sup>os.</sup>
Detached House	12.3	203
Semi-detached House	7.7	127
Terraced House	3.1	51
Bungalow	43.2	715
Flat / maisonette / bed-sit	17.8	295
Caravan / mobile home (perm)	0.9	15
Supported Housing (inc Sheltered)	15.0	248
<b>Total</b>	<b>100.0</b>	<b>1,654</b>

Source: 2011 Housing Survey

- 12.8.2 As would be expected amongst an older age group with increasing mobility issues, the majority require bungalow accommodation. There was a significant demand stated for supported housing.

**Table 12-10** Tenure Required by Moving Households Aged 60+  
Q15da (60+) x Q21

Accommodation Required	%	Nos.
Owner Occupied	54.1	827
Council Rented	21.5	328
Private Rented	11.7	180
HA Rented	12.7	194
<b>Total</b>	<b>100.0</b>	<b>1,529</b>

Source: 2011 Housing Survey No data for shared ownership

12.8.3 The highest demand was for Owner occupied accommodation at 54.1%, Council rented accommodation was 21.5%.

12.8.4 We also ran a cross-tabulation of the above data to show the preference of house type by tenure for those households aged 60 and over. The results can be seen in the table below.

**Table 12-11 Type by Tenure for Households aged 60+**  
Q15da (60+) x Q19 x 21

Accommodation Preferred	Owner Occupied	Private Rented	Council Rented	HA Rented	Total
Detached House	94.1	5.9	0.0	0.0	100.0
Semi-detached House	74.6	0.0	0.0	25.4	100.0
Terraced House	100.0	0.0	0.0	0.0	100.0
Bungalow	60.1	11.4	26.0	2.4	100.0
Flat / maisonette	32.0	25.7	21.6	20.6	100.0
Caravan / Mobile home	100.0	0.0	0.0	0.0	100.0
Sheltered / Supported Housing	6.9	11.8	45.4	35.8	100.0

No data for shared ownership

12.8.5 All those aged over 60 and who preferred to live in detached, semi-detached and terraced accommodation also preferred owner occupation.

12.8.6 28.4% of those who preferred to live in a bungalow and 42.2% those aged over 60 who preferred to live in a flat / maisonette preferred social rent.

12.8.7 The size requirements of existing households who were planning a move revealed that the main requirement was for 2-bed accommodation at 54.5%.

**Table 12-12 Size of Housing Required by Existing Moving Households aged 60+**  
Q15da (60+) x Q20

Accommodation Required	%	N <sup>OS.</sup>
1-Bed	23.1	395
2-Bed	54.5	930
3-Bed	20.8	355
4-Bed	1.6	27

Source: 2011 Housing Survey

## 12.9 Savings / Equity of Older Households

12.9.1 The percentage breakdown of savings that households aged over 60+ years for the five main tenures was as follows:-

**Table 12-13** Current Savings Level / Current Tenure  
Q16a by Q1 (Q15da 60+)

Savings	Owner Occupied (no mortgage)	Owner Occupied (with mortgage)	Private Rent	Council Rented	HA Rented	Shared Ownership	Tied to employment / rent free
No Savings	8.0	18.2	43.3	51.6	35.4	27.6	0.0
Under £5,000	13.3	27.9	30.9	36.6	38.7	21.3	18.0
£5,000 - £10,000	11.9	14.6	5.5	10.2	13.8	27.6	39.7
£10,001 - £15,000	7.7	10.7	5.3	1.6	6.2	0.0	0.0
£15,001 - £20,000	5.6	6.1	1.3	0.0	0.0	0.0	0.0
£20,001 - £30,000	10.3	5.9	3.8	0.0	0.0	23.5	0.0
Above £30,000	43.2	16.6	9.9	0.0	5.9	0.0	42.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Housing Survey 2011

12.9.2 Generally, the breakdown produced the results which might be expected with 43.3% of those in owner occupation having savings above £30,000. A significant proportion of retired owner occupied households will have some capital to support their housing and care needs.

12.9.3 The majority of households requiring social rent had no savings or savings under £5,000.

12.9.4 Cross tabulation of the data by those moving showed:-

- 59.8% of those wanting to move to owner occupation had over £30,000 in savings;
- The majority of movers requiring social rent had no savings or less than £5,000 in savings.

12.9.5 The next table relates to the level of equity ownership in their home and was answered by 34% (14,566 implied) of owner occupiers.

**Table 12-14** Level of Equity in Present Accommodation  
Question 16b (Q15da 60+)

Level of Equity	%	Cum %
Negative Equity	4.0	4.0
Below - £10,000	0.9	4.9
£10,000 - £30,000	2.3	7.2
£30,001 - £50,000	5.0	12.2
£50,001 - £100,000	17.6	29.8
£100,001 - £200,000	42.5	72.3
Above £200,000	27.7	100.0

Source: Housing Survey 2011



- 12.9.6 70.2% of respondents indicated equity ownership of over £100,000. Cross-tabulation indicated that 78.7% of owner occupiers without a mortgage had an equity holding of over £100,000 as compared with 49% of owner occupiers with a mortgage.
- 12.9.7 Cross tabulation showed those aged 60+ who were moving within the District shows:-
- Movers who had over £10,000 in savings all had equity ranging from £30,000 to above £200,000.
  - 34% had no savings or under £5,000 in savings; 26.5% had in excess of £30,000.
  - 56.5% had in excess of £200,000 in equity and over £30,000 in savings.

## 12.10 Sheltered Housing Demand

- 12.10.1 DCA experience shows that older people seek to remain in their own homes and prefer to receive support at home. In contrast, the children of older parents tend to predict the need for supported housing. However, the greatest demand from this group was to live with the respondent (needing extension or adaptation) (17.3%). There was also a relatively significant level of demand for Council / HA sheltered housing at 15.4%.
- 12.10.2 9.5% (289 households implied) indicated that their relative could live with them and their home was adequate.
- 12.10.3 The sheltered housing needs of older people were captured within the question for all movers within the District on supported housing. The combined requirement for sheltered housing in both sectors from existing households living in the District and in-migrating parents / relatives is shown below in Table 12-15.

**Table 12-15 Sheltered Housing Demand**

	Private Market	Affordable Sector	All Sectors
Existing Households	251	961	<b>1,212</b>
In-migrant Households	440	471	<b>911</b>
<b>Total</b>	<b>691</b>	<b>1,432</b>	<b>2,123</b>

N.B. Figures taken from Table 12-5 and Table 12-6

- 12.10.4 The higher level of demand for accommodation for older people moving into the District is common to other DCA Surveys, in many cases a higher level of in-migrant need was found than that arising from existing households. As discussed in Section 12.7.2 above generally, the forecast is being made by their children who assist in the moving process.
- 12.10.5 Conversely, the indigenous older population prefer to continue in the area / surroundings they know and within their own home as long as possible and often will not acknowledge or predict the need to move.
- 12.10.6 In total, the data suggests a combined requirement for sheltered accommodation from older people currently living in the District (1,212 households) and those who may in-migrate to be beside their family (911 households) of 2,123 units, 1,432 in the affordable sector and 691 in the private sector.

- 12.10.7 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.
- 12.10.8 Further cross-tabulation of the data was carried out on the 961 households who stated they would like Council / HA sheltered housing in Table 12-5. Only 21% gave savings and equity details so the sample is low. The data suggests:-
- 12.10.9 No-one had less than £10,000 in equity, but 54.4% had under £5,000 in savings;
- 12.10.10 Seventeen implied households had between £15,001 and £20,000 in savings and high levels of equity of between £50,001 and £100,000.
- 12.10.11 Seven implied households had between £5,000 and £10,000 in savings and high levels of equity of above £200,000. Twelve implied households had between £5,000 and £10,000 in savings and £50,001 and £100,000 in equity and 22 households had in excess of £30,000 savings and over £200,000 in equity.
- 12.10.12 Therefore 58 implied households would not be eligible for Council / HA Sheltered accommodation.

### **12.11 Extra Care Accommodation**

- 12.11.1 Extra Care accommodation is housing which offers self-contained accommodation together with communal facilities and where care, as well as support, services are provided from a team based on a site.
- 12.11.2 Need expressed for extra care accommodation came from both older people moving into the District and existing households. The level of need expressed for extra care accommodation by relatives of older people in-migrating was 309 units and 53 from existing households, a total of 362 households.
- 12.11.3 The issue of potential delivery through shared equity also applies to the extra care sector. Although we do not have information on the current tenure of in-migrating parents it would be reasonable to conclude that the majority would be owner-occupiers with no mortgage.
- 12.11.4 This sector of the older persons housing market is relatively new and the growth forecast in the population projections over the next decade to 2021 of those aged 75+ years may well increase the need for this type of accommodation; demand may also increase as understanding of this sector of supported housing increases.

## 13 BLACK AND MINORITY ETHNIC NEEDS

### 13.1 Key Findings

- 131 Black and Minority Ethnic (BME) survey respondents provide statistical validity of  $\pm 8.7\%$ . This sample represents 3,139 implied households which have been drawn from the survey and analysed separately to give an insight into the specific housing needs of BME households in Lancaster.
- 44.1% of BME households who responded to the survey are living in terraced houses and 23.8% live in semi-detached accommodation.
- 52.4% of those BME households who said their home was inadequate cited that it was too small. 47.3% said it needed repair / improvement.
- Over-occupation affects 8.2% (257 implied households) in the BME community according to the 'Bedroom standard'.
- 9.7% of BME households had a member with a disability, over half of that found for the whole population (23.6%). Of those with a disability, the majority (50.6%) had a limiting long term illness.
- 74.3% of BME households, who wished to move but stated an inability to do so, specified this was due to the lack of affordable rented housing and 73.0% said they were unable to buy a home.
- Employment / access to work (67.9%) was a significant reason for BME households leaving Lancaster.
- A large proportion of existing BME households moving within the district in the next three years stated they required a terraced house (53.8%). 74.9% required a two bedroom property and 74.9% stated private rent as their preferred tenure.
- 23 concealed BME households were found to be forming within the district over the next three years. All required semi-detached housing; 64.3% require a 3 bed property and 64.3% would prefer HA rented accommodation.

### 13.2 Strategic Implications

- Legislation and guidance require the local authority to adopt a strategic approach to delivering housing services to meet the differing needs of local communities.
- The Housing Strategy needs to address the need for larger units of accommodation for some BME households. Although overcrowding levels are average, housing transfers and the housing exchange policy should be sensitive to the needs of BME households needing more bedrooms.

### 13.3 Introduction

- 13.3.1 This section looks at the specific housing needs of BME households living in Lancashire. As well as data on future housing needs and preferences this section also includes an overview of the current housing circumstances of the group.
- 13.3.2 In the case of ethnic origin, the breakdown provided in Table 13-1 below refers to the ethnicity of the household in which the respondent lives. This provides numerical and percentage breakdown of all ethnic groups who responded to the postal survey. Table 13-1 shows that 54,037 (94.3%) of households ethnicity was White British.
- 13.3.3 The remaining 3,139 (5.7%) household's are in the other ethnic origin categories. 2001 Census Household Reference Person (HRP, Tables S106) figures are provided as an illustration; however, it should be taken into account that the Census is now ten years old so the figures are not directly comparable.

**Table 13-1 Ethnic Origin**  
Question 15b

Ethnic Origin		%	N <sup>OS</sup> . implied	Local Area Census 2001 *
White	British	94.3	54,037	95.3
	Irish	0.3	144	0.8
	Other White	1.5	844	1.6
	*EU Accession	0.9	519	
Mixed	White & Black Caribbean	0.1	45	0.2
	White & Black African	0.0	0	0.0
	White & Asian	0.9	487	0.2
	Other Dual Heritage	0.4	231	0.2
Asian or Asian British	Indian	0.5	273	0.5
	Pakistani	0.1	32	0.1
	Bangladeshi	0.0	0	0.1
	Other Asian Background	0.3	178	0.1
Black or Black British	Caribbean	0.0	26	0.1
	African	0.1	48	0.1
	Other Black Background	0.0	5	0.0
Chinese	Chinese	0.1	66	0.4
Gypsy and Traveller	*Gypsy and Traveller	0.1	41	0.3
Any other	*Any other	0.4	200	
<b>Total</b>		<b>100.0</b>	<b>57,176</b>	<b>100.0</b>

Source: Housing Survey 2011

Source: © Crown Copyright (Census) \* Census does not differentiate by this category

13.3.4 131 Black and Minority Ethnic (BME) respondents provide statistical validity of +/- 8.7%. This sample represents 3,139 implied households which have been drawn from the survey and analysed separately to give an insight into the specific housing needs of BME households in Lancaster.

13.3.5 The BME responders include categories of 'White Irish' and 'White Other' (in line with the Census definition) which represents 988 (1.8%) of BME implied households.

## 13.4 Incomes

13.4.1 The incomes of BME households are detailed in the table below. The incomes of all households are listed also as a comparison.

Annual income	%	Cumulative %	All households cumulative %
None	13.0	13.0	8.1
Below £10,000	8.8	21.8	22.3
£10,000 - £20,000	19.9	41.7	47.1
£20,001 - £27,500	16.8	58.5	61.7
£27,501 - £45,000	23.2	81.7	81.5
£45,001 - £60,000	8.4	90.1	90.2
£60,001 - £75,000	3.5	93.6	94.9
£75,001 - £100,000	4.4	98.0	98.1
Above £100,000	2.0	100.0	100.0

13.4.2 The data shows that there are slightly more BME households with no earnings (13.0%) than the whole population (8.1%).

## 13.5 Current Housing

13.5.1 It should be noted that in all cross-tabulations, data is included only where the respondent has answered each element (question) involved; hence there may be some small discrepancies when compared with the tables relating to a single data source.

**Table 13-2 Property Type by Number of Bedrooms**  
Question 2 by Question 3

Type	Bedsit		1-bed		2-bed		3-bed		4-bed		5+ bed		Total %
	N <sup>os</sup>	%	N <sup>os</sup>	%	N <sup>os</sup>	%	N <sup>os</sup>	%	N <sup>os</sup>	%	N <sup>os</sup>	%	
Detached	0	0.0	0	0.0	46	17.1	88	32.7	119	44.3	16	5.9	100.0
Semi-detached	0	0.0	0	0.0	152	20.6	377	51.0	147	19.9	63	8.5	100.0
Terraced	35	2.5	0	0.0	447	32.5	656	47.7	117	8.5	120	8.7	100.0
Flat / maisonette	0	0.0	247	34.2	410	56.8	38	5.3	0	0.0	26	3.6	100.0
Bedsit	11	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	100.0
<b>Total</b>	<b>46</b>		<b>247</b>		<b>1,055</b>		<b>1,159</b>		<b>383</b>		<b>225</b>		<b>3,115</b>

No data available for other types. Source: Housing Survey 2011

- 13.5.2 In terms of type of property occupied by BME households, the responses were skewed towards terraced properties (44.1%). Only 8.6% lived in detached properties 77.0% were 3 and 4 bed units. 20.6% of those in semi-detached accommodation had 2 bedrooms and 51.0% had 3 bedrooms.
- 13.5.3 79.5% of BME respondents indicated that their homes were adequate. 20.5% of BME households (638 implied) indicated their home was inadequate, an average percentage in DCA survey experience (typically below 20%).
- 13.5.4 Respondents were asked to indicate the reasons why the accommodation was not suitable, and these are outlined in Table 13-3 below. A total of 654 BME households answered the question.

**Table 13-3 Inadequacy of Present Accommodation**  
Question 8a

Reasons	BME households (%)	N <sup>os</sup> .	All households (%)
Too small	52.4	343	37.2
Needs repair / improvement	47.3	310	41.1
Insufficient number of bedrooms	26.6	174	26.7
Too costly to heat	19.0	124	21.5
Tenancy insecure	15.9	104	6.3
Inadequate facilities	14.7	96	7.5
Too large	9.7	64	15.7
Rent / Mortgage too expensive	8.7	57	13.1
Unsuitable due to needs of disabled / elderly household member	3.7	24	15.4
Lack of local amenities	2.5	16	3.7
No heating	1.0	7	4.4
Suffering harassment	0.0	0	4.5
<b>Total</b>		<b>1,319</b>	

Source: Housing Survey 2011

- 13.5.5 The largest issue for BME households was that their house was too small (52.4%), compared with 37.2% of all households. The other main reasons for inadequacy include – needs repair / improvement (47.3%) and insufficient number of bedrooms (26.6%).
- 13.5.6 Over-occupation affects 8.2% (257 implied households) in the BME community according to the 'Bedroom standard'. This is a different result from the level of respondents who selected 'insufficient number of bedrooms' in the table above (174 implied), but not an unusual result due to the lower sample of BME households. The level of over-occupation in the whole population was significantly lower at 2.3%.

### 13.6 Disability / Limiting Long Term illness

- 13.6.1 Respondents were asked to indicate if any member of the household had a disability or long term limiting illness. 9.7% of the BME sample (303 implied households) had a member of their household with a disability or long-term illness (23.6% in the whole population) and 79.7% had a care / support need (318 implied households).
- 13.6.2 Data for the age groups of BME disabled household members showed 27.7% were over the age of 60 compared to 57.2% of all disabled household members. 20.9% were over 75 compared to 25.4% over 75 in the general population. 46.6% were under 45 years compared to only 15.2% in the general population, showing a much younger profile of disability than the population as a whole.
- 13.6.3 BME households were asked about the nature of their disability. A high number of BME households (50.6%; 167 implied) specified a limiting long term illness compared to 31.4% of the whole population. 160 implied BME households (48.5%) had a walking difficulty and 22.7% had a learning disability / mental health problem.
- 13.6.4 16.1% (53 implied) stated 'other physical disability' and around 7.0% of BME households were wheelchair users.

### 13.7 Moving Plans of BME Households

- 13.7.1 BME households were asked a question regarding their moving intentions within the next 3 years. 703 implied BME households indicated that they are expecting to move or a member of their household is likely to require their own accommodation over the next three years.
- 13.7.2 12.8% (400 implied) BME households stated that they wished to move but were not able to. The majority of the BME households said they were unable to move due to the lack of affordable rented housing (74.3%), significantly higher than the level of 34.4% in the whole population.
- 13.7.3 73.0% of BME households also said they were not able to move as they were unable to afford to buy a home. No BME household responding said they were in negative equity compared to 10.8% of the population as a whole.

**Table 13-4**                      **Reasons Preventing a Move**  
Question 17e

	N <sup>os</sup> .	BME households%	All households %
Lack of affordable rented housing	333	74.2	34.4
Unable to afford to buy a home	328	73.0	70.9
Do not wish to move from school catchment area	55	12.3	4.9
Location of employment	51	11.5	10.5
Family reasons	45	10.0	15.4
In negative equity	0	0.0	10.8
<b>Total</b>	<b>812</b>		

Source: Housing Survey 2011

- 13.7.4 271 implied existing and 120 implied concealed BME households stated that they would be moving out of the District in the next 3 years. Respondents were also asked to indicate the reasons for moving out of the district, the results are shown in the table below.

**Table 13-5**                      **Reasons for Moving Out of Lancaster**  
Question 17d

	N <sup>os</sup> .	BME households%	All households %
Employment / access to work	255	67.9	52.2
Family reasons	109	29.0	25.5
Education	98	26.1	18.7
Financial reasons	66	17.5	11.9
Retirement	23	6.0	11.1
Unable to afford to buy a home locally	16	4.3	4.9
Lack of affordable rented housing	16	4.3	4.8
<b>Total</b>	<b>583</b>		

Source: Housing Survey 2011

- 13.7.5 The most significant reason for BME households leaving the district was employment / access to work (67.9%), perhaps reflecting the higher level of existing households responding to the question compared to concealed households.
- 13.7.6 The second most significant reason for BME households leaving the district was family reasons (29.0%). in comparison to the population as a whole 25.5%.

### **13.8 Existing BME Households Moving**

- 13.8.1 299 existing BME households indicated they would be moving within the District in the next 3 years. These households were asked a series of questions regarding the type, size and tenure required.
- 13.8.2 The majority existing BME households who answered the question on type of accommodation required a terraced house (53.8%, 161 implied). 42.9% required a flat / maisonette and 3.3% 10 implied required a detached house.
- 13.8.3 74.9% require a two bedroom property, 15.4% a three bedroom property and 9.6% required four bedrooms.
- 13.8.4 The main tenure required by existing BME households moving within the district in the next 3 years was private rented (74.9%, 224 implied). Council rented was required by 12.1% (36 implied) and 13.0% required owner occupation.



### **13.9 Concealed BME Households Moving**

- 13.9.1 23 concealed BME households intending to set up a home of their own in the District within the next 3 years. 37.8% were partner / spouse and 39.2% were 'other' relative.
- 13.9.2 All concealed BME households who answered the question on type of accommodation required a semi-detached house. 35.7% needed a 2-bed property and 64.3% a 3-bed property.
- 13.9.3 The main tenure required by concealed BME households moving within the district in the next 3 years was HA rent (64.3%, 15 implied). The only other requirement was for owner occupation at 35.7%.

## 14 CLG NEEDS ASSESSMENT MODEL

### 14.1 Introduction

14.1.1 Strategic Housing Market Assessment Practice Guidance indicates that housing partnerships should estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market. Table 14-1 outlines the types of housing considered unsuitable.

**Table 14-1 Types of Housing Deemed Unsuitable**

Unsuitable Housing	
	Homeless households
Homeless households or insecure tenure	Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard'
	Too difficult to maintain (e.g. too large) even with equity release
	Couples, people with children and <b>single adults over 25 sharing</b> a kitchen, bathroom or WC with another household
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps), which cannot be made suitable in-situ
Dwelling amenities and condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
	Subject to major disrepair or unfitness and household does not have the resources to make fit (e.g. through equity release or grants)
Social Needs	Harassment from others living in the vicinity which cannot be resolved except through a move

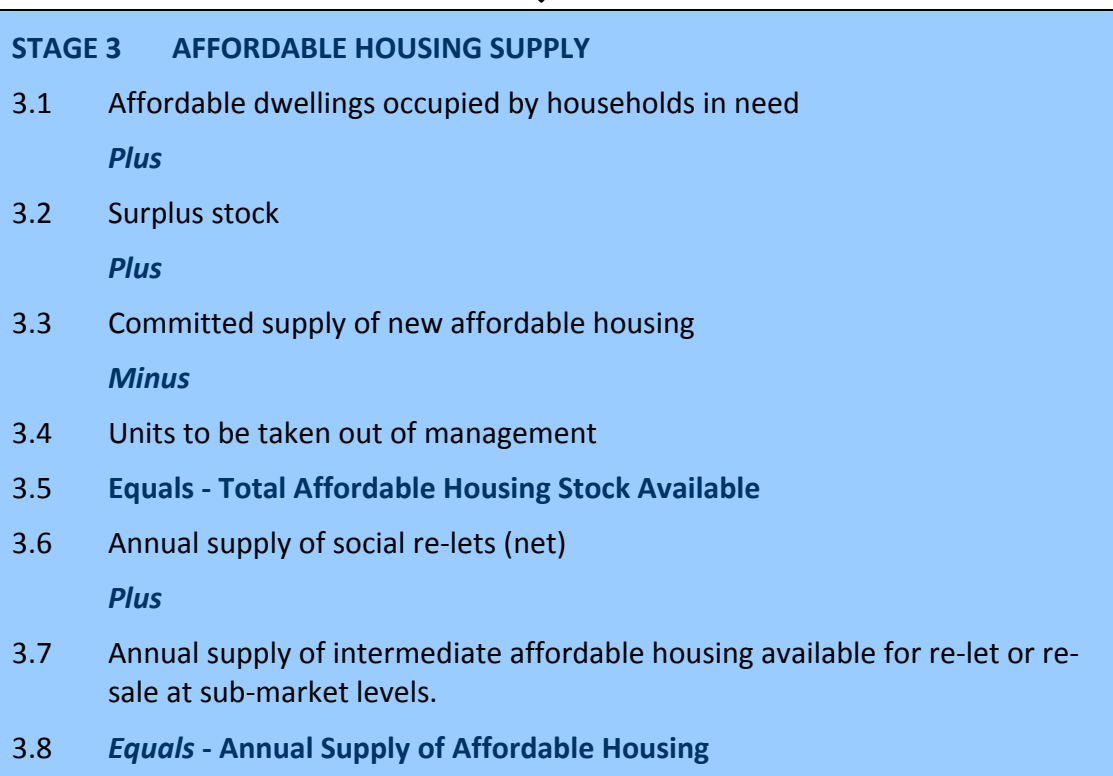
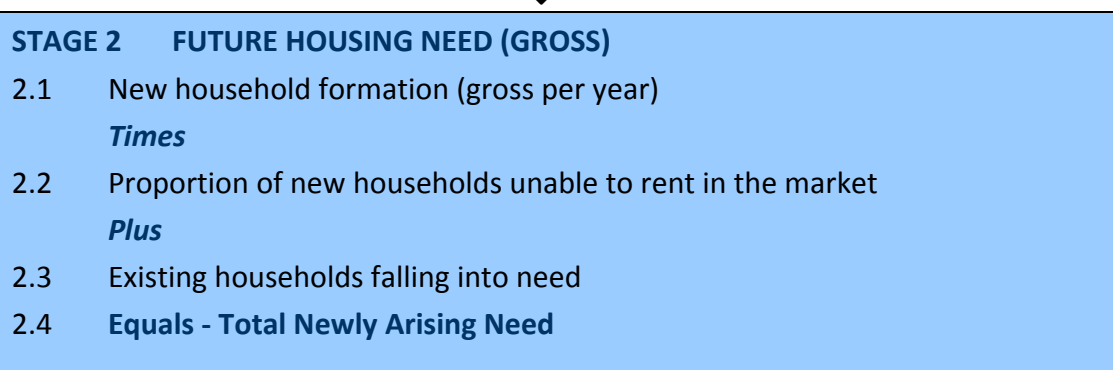
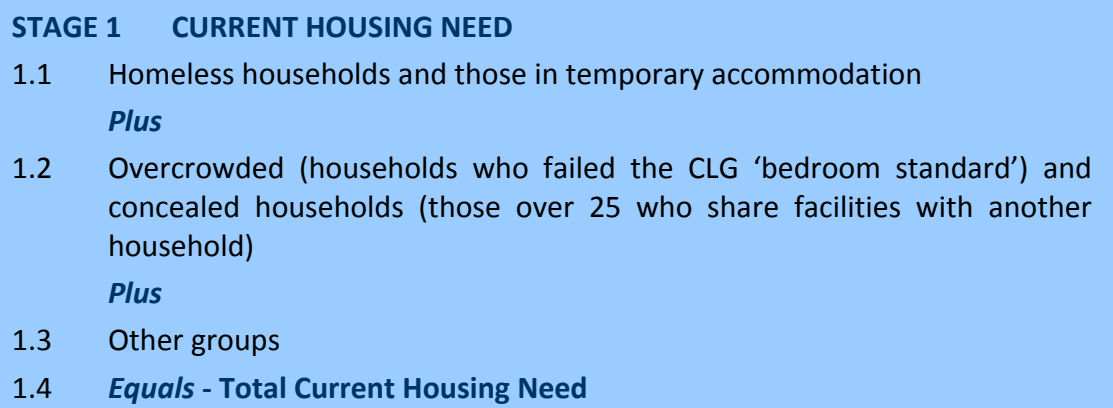
Source: Strategic Housing Market Assessments Practice Guide, CLG,

14.1.2 This element of the assessment is essential to identify the total scale of need of those not able to access the market, the provision from existing stock turnover and the net need which requires to be addressed from future new provision.

14.1.3 It provides essential evidence for affordable housing targets in Local Development documents.

## 14.2 The CLG Needs Assessment Model Structure

14.2.1 There are three 'Stages' in the needs assessment model, combined into three distinct sections assessing current and future housing need and supply.



### 14.3 Model Structure

- 14.3.1 The Housing Needs Assessment Model is based on the 2007 Strategic Housing Market Assessment Practice Guidance, and is designed to estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.
- 14.3.2 The model is structured on a 'flows' basis, taking account of recent experience over the previous three years and examining projections over the next two years. It has to be assumed that this 'annualised' data will occur each year to 2015. The primary data has a five year 'life' and will of course be gathered again before 2015. Major changes in house prices and incomes could cause significant variation in the overall situation.
- 14.3.3 In this section the assessment of affordable housing need has been conducted using both primary data from the 2011 Housing Survey and secondary data from CORE, HSSA and the local authority.

### 14.4 CLG Needs Assessment Model

- 14.4.1 The first element of this Stage of the model estimates the number of homeless households including those in temporary accommodation.
- 14.4.2 The latest data available, the P1(E) return at 30 December 2010 identified 25 homeless households in temporary accommodation.
- 14.4.3 Care must be taken in the assessment to avoid double counting those households who are "homeless at home" or in other general stock as they would potentially have been captured in the survey data, which is used to determine housing need at different Stages.
- 14.4.4 The majority were housed in Council and RSL stock or at home, but 3 households were in a hostel or refuge which would not have been surveyed and a total of **3** is therefore the figure applied at **Stage 1.1** in the model.
- 14.4.5 The second element in Stage 1 of the model estimates the number of households in over-crowded conditions (i.e. those who fail the 'bedroom standard'), and concealed households (couples, people with children and single adults aged over 25 who share facilities with another household)

**Table 14-2 Over-crowded and Concealed Households**

<b>Over-crowded Households</b>		1,309
MINUS New Forming Solution or Leaving district	335	974
<b>PLUS Concealed Households</b>		850
<b>Overcrowded + Concealed Group</b>		1,824
MINUS Duplication		73
<b>Net Overcrowded + Concealed Group</b>		<b>1,751</b>
Proportion unable to afford market housing	56.4%	
<b>Stage 1.2 – Over-crowding and concealed households</b>		<b>988</b>

- 14.4.6 There are 1,309 households in the District who are over-crowded by the 'bedroom standard'. However 335 of these will be resolved by a newly forming household or by these households leaving Lancaster, leaving a net group of 974. There are 850 concealed households, 73 of which are included in the overcrowded group, creating a total of 1,751 over-crowded and concealed households.
- 14.4.7 A test of affordability for these households shows that 56% of them cannot afford to resolve their housing difficulties through market housing in the District and **988** households have been applied in the model at **Stage 1.2**.
- 14.4.8 The third element in Stage 1 of the model examines households living in unsuitable accommodation whose problem cannot be solved 'in-situ' and who therefore require to move home in order to resolve their difficulty.
- 14.4.9 Strategic Housing Market Assessment Practice Guidance identifies that households who are overcrowded, were suffering harassment, those whose rent / mortgage was too expensive, housing was affecting their health, whose tenancy was insecure or whose home was too large are all assessed to need to move home.
- 14.4.10 The survey identified 3,366 households with one or more inadequacies, of whom 61 were already counted in Stage 1.2 and are removed to avoid double-counting.
- 14.4.11 This leaves a net group of 3,305 households, 56% of whom are unable to afford to resolve their housing difficulties through market housing in the area, leaving **1,866** households to be applied in the model at **Stage 1.3**.
- 14.4.12 The final element of Stage 1 of the model is a sum of steps 1.1, 1.2 and 1.3 above, a total of **3,981** applied at **Stage 1.4**.

**Table 14-3 Current Housing Need (Gross)**

<b>STAGE 1 – CURRENT HOUSING NEED (GROSS)</b>		
1.1	Homeless households and those in temporary accommodation	3
1.2	Overcrowding and concealed households	988
1.3	Other groups	1,866
<b>1.4</b>	<b>TOTAL CURRENT HOUSING NEED (GROSS)</b> <b>1.1 + 1.2 + 1.3</b>	<b>2,857</b>

## 14.5 Stage 2 – Future Need (Gross per year)

- 14.5.1 The first element of Stage 2 of the model estimates the annual number of newly forming households in Lancaster. The survey identified 1,576 concealed households forming within two years, annualised at the average level of 788 households.

**Table 14-4 Time of Move – Concealed Households**

<b>Time of Move</b>	<b>Nos. implied</b>	<b>Annual Average</b>
Within 1 year	683	<b>788</b>
1 - 2 years	893	

- 14.5.2 In order to avoid double counting due to two-person household formation, duplication is removed. 54.4% of concealed households forming over the next two years specified formation as a couple, with 54.3% of these having a partner who lived separately elsewhere in Lancaster, which would cause a double count.
- 14.5.3 The net couple formation is  $(788 \times 54.4\% = 428)$  and the 54.3% has therefore been applied to this level in the table below  $(54.4\% \times 54.3\% = 29.5\%)$ .

**Table 14-5 Double Counting Removal**

New household formation (gross p.a.)	788
MINUS - Two person formation $(54.4\% \times 54.3\% = 29.5\%) \times 0.5$	116
<b>Total</b>	<b>672</b>

- 14.5.4 This results in an annual average formation level of **672** households per annum, used at **Stage 2.1** of the model.
- 14.5.5 The income of concealed households forming their first home has been used to test their ability to purchase in the lower quartile stock and access the private market (to buy or rent) of one, two and in some cases three bedroom units suitable for their requirements. On this basis 65% of new forming households are considered to be unable to rent in the private market, with 73% unable to buy.
- 14.5.6 However, new forming households may have higher incomes at the actual point of formation and the income levels of recently formed households have been used. Based on these incomes, 57.5% are considered to be unable to buy and 46.9% to rent in the private market.
- 14.5.7 Although this may understate the level of need, this rental proportion of **46.9%** is used at **Stage 2.2** of the model.
- 14.5.8 The final element of Stage 2 of the model estimates the number of households in the District who fall into priority housing need. Households in priority need are those whose circumstances need to be addressed quickly. The major groups are homeless households, those with high medical needs, suffering harassment, living in accommodation which is unfit or in high levels of disrepair, are over-crowded or have insecure tenancies.
- 14.5.9 The calculation of existing households falling into priority need used Lancaster City Council's Housing Register data over the year to March 2010 and found that of new registrations on the waiting list, there were **241** households in the priority need categories applied at **Stage 2.3** of the model.

- 14.5.10 The final element of Stage 2 of the model is a sum of step 2.1 multiplied by step 2.2, added to step 2.3 above, giving a total of 556 applied at **Stage 2.4**

**Table 14-6 Future Need (Gross per Year)**

<b>STAGE 2 – FUTURE NEED (GROSS PER YEAR)</b>	
2.1	New household formation (gross per year) 672
2.2	Proportion of new households unable to buy or rent in the market 46.9%
2.3	Existing households falling into need 241
<b>2.4</b>	<b>TOTAL ANNUAL NEWLY ARISING NEED</b> <b>(2.1 x 2.2) + 2.3 (672 x 46.9% = 315 + 241 = 556)</b>

## 14.6 Stage 3 – Affordable Housing Supply

- 14.6.1 The first element of Stage 3 of the model determines the number of households analysed in Stages 1.2 and 1.3 who currently occupy social rented or shared ownership dwellings. It is assumed that any move by these households would release a unit of affordable housing, and it is therefore assumed that there would be no overall net effect on the annual flow model.
- 14.6.2 The survey data shows that 730 of the households at Stages 1.2 and 1.3 of the model live in affordable units, and this total is applied at **Stage 3.1**.
- 14.6.3 The second element of Stage 3 of the model assesses the level of surplus affordable stock in Lancaster. The level of vacant affordable units in the District is very low at 38 units only 1.0% of the stock. Guidance states that where the level is below 3% there is no surplus vacant stock. A total of **zero** is therefore applied at **Stage 3.2** of the model.
- 14.6.4 The third element of Stage 3 of the model forecasts the number of new affordable units to be built in Lancaster on an annual basis. The HSSA returns for the three years to 31/03/2010 show the following recent new unit trends:-

**Table 14-7 New Affordable Housing Supply (HSSA) 2007 to 2010**

Supply	2007 / 08	2008 / 09	2009 / 10	Average	%
New RSL Rent	5	7	9	7	17
RSL Shared Ownership	44	36	20	33	83
Other New Supply	0	0	0	0	0
<b>Total</b>	<b>49</b>	<b>43</b>	<b>29</b>	<b>40</b>	<b>100</b>

- 14.6.5 If there is a consistent level of recent and immediate future new delivery it is normal practice to take account of the average annual level.
- 14.6.6 The average annual new supply total is 40 units per annum, with a tenure split of 17% social rented and 83% intermediate housing, all shared ownership.
- 14.6.7 HSSA data however shows that future new delivery over the next two years is expected to be 29 new units built in 2010 / 11, and 75 units are planned in 2011 / 12, an annual average of around 52 units and a five year average of 45 units.

- 14.6.8 The impact of the recession on new delivery is significant and could reduce new affordable delivery through planning obligations. In the light of the market and social funding uncertainty, it is recommended that delivery of **zero units** is used at **Stage 3.3**.
- 14.6.9 The next element of the model estimates the number of units to be taken out of management in the District through stock demolition and Right to Buy (RTB) on an annual basis.
- 14.6.10 The table below shows the RTB and demolition levels from Council data for the three years to 31/03/2010.

**Table 14-8 2007 to 2010 Right to Buy**

	2007 / 08	2008 / 09	2009 / 10	Average
Right to Buy	32	3	2	<b>12</b>
Demolition	0	0	0	<b>0</b>

- 14.6.11 The average loss of units through RTB is 12 units per annum with no loss due to demolition. RTB levels have reduced significantly over the period since 2007/08.
- 14.6.12 If the average stock re-let rate of 7.4% per annum is applied to the RTB average figure of 12, this would equal only 0.88 units and a figure of zero is applied at **Stage 3.4** of the model.
- 14.6.13 **Stage 3.5** of the model is the sum of Stages 3.1 (730), 3.2 (0) and 3.3 (0), less Stage 3.4 (0), **a net total of 730**.

## 14.7 Re-let Supply

- 14.7.1 The average annual re-let supply of affordable units over the last three years is used in the model as a prediction for the future annual affordable housing supply from re-lets which is likely to arise. It is important firstly to establish the average general needs stock re-let level (i.e. excluding transfers and new unit delivery).
- 14.7.2 Data from both CORE data up to 2010 and HSSA returns for the three years to 31/03/2010 have been studied, which shows the following:-

**Table 14-9 Council Social Rent Re-let Supply (2007 to 2010)**

Council Re-lets	2007 / 08	2008 / 09	2009 / 10	Average
HSSA Return	268	253	338	<b>286</b>

- 14.7.3 The overall average re-let figure for the Council stock for the three year period to 2008 / 09 is 286 units per annum.

**Table 14-10 RSL Social Rent Re-let Supply (2007 to 2010)**

RSL Re-lets	2007 / 08	2008 / 09	2009 / 10	Average
CORE Data	68	146	156	<b>123</b>

- 14.7.4 The average of RSL re-let data, 123 units per annum, has been used and added to the 286 Council re-lets to make an average total of **409 social stock re-lets** a year, applied at **Stage 3.6**.



- 14.7.5 The Council data on the current shared ownership stock in 2011 shows a total of 283 units. Assuming a re-sale rate based at 7.4%, around the social rented general needs stock turnover rate, **21** units would become available each year and this number is incorporated at **Stage 3.7**.
- 14.7.6 The final element of Stage 3 of the model is a sum of Stages 3.6 and 3.7, a total of **430** applied at **Stage 3.8**.

**Table 14-11 Affordable Housing Supply**

<b>STAGE 3 – AFFORDABLE HOUSING SUPPLY</b>		
3.1	Affordable dwellings occupied by households in need	730
3.2	Surplus stock	0
3.3	Committed supply of new affordable housing	0
3.4	less Units to be taken out of management	0
<b>3.5</b>	<b>TOTAL AFFORDABLE HOUSING STOCK AVAILABLE</b> <b>3.1 + 3.2 + 3.3 – 3.4</b>	<b>730</b>
3.6	Annual supply of social re-lets (net)	409
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	21
<b>3.8</b>	<b>ANNUAL SUPPLY OF AFFORDABLE HOUSING</b> <b>3.6 + 3.7</b>	<b>430</b>

## 14.8 Affordable Housing Needs Model

<b>STAGE 1 – CURRENT HOUSING NEED (GROSS)</b>		
1.1	Homeless households and those in temporary accommodation	3
1.2	Overcrowding and concealed households	988
1.3	Other groups	1,866
<b>1.4</b>	<b>TOTAL CURRENT HOUSING NEED (GROSS)</b> <b>1.1 + 1.2 + 1.3</b>	<b>2,857</b>
<b>STAGE 2 – FUTURE NEED (GROSS PER YEAR)</b>		
2.1	New household formation (gross per year)	672
2.2	Proportion of new households unable to buy or rent in the market	46.9%
2.3	Existing households falling into need	241
<b>2.4</b>	<b>TOTAL ANNUAL NEWLY ARISING NEED</b> <b>(2.1 x 2.2) + 2.3 (672 x 46.9% = 315 + 241 = 556)</b>	<b>556</b>
<b>STAGE 3 – AFFORDABLE HOUSING SUPPLY</b>		
3.1	Affordable dwellings occupied by households in need	730
3.2	Surplus stock	0
3.3	Committed supply of new affordable housing	0
3.4	less Units to be taken out of management	0
<b>3.5</b>	<b>TOTAL AFFORDABLE HOUSING STOCK AVAILABLE</b> <b>3.1 + 3.2 + 3.3 – 3.4</b>	<b>730</b>
3.6	Annual supply of social re-lets (net)	409
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	21
<b>3.8</b>	<b>ANNUAL SUPPLY OF AFFORDABLE HOUSING</b> <b>3.6 + 3.7</b>	<b>430</b>
<b>A</b>	<b>TOTAL NET CURRENT NEED</b> <b>1.4 – 3.5 (2,857 – 730 = 2,127)</b>	<b>2,127</b>
<b>B</b>	<b>QUOTA TO ADDRESS NEED OVER 5 YEARS</b>	<b>20%</b>
<b>C</b>	<b>ANNUAL CURRENT NEED (A x B)</b>	<b>425</b>
<b>D</b>	<b>TOTAL ANNUAL NEWLY ARISING NEED (2.4)</b>	<b>556</b>
<b>E</b>	<b>TOTAL AFFORDABLE NEED PER YEAR (C + D)</b>	<b>981</b>
<b>F</b>	<b>ANNUAL SUPPLY OF AFFORDABLE HOUSING (3.8)</b>	<b>430</b>
	<b>OVERALL ANNUAL SHORTFALL (E – F)</b>	<b>551</b>

## 14.9 Affordable Needs Assessment

- 14.9.1 Elimination of the backlog over a five year period is recommended in the SHMA Guidance for model purposes but the Council could make a Policy decision to do so over a longer period (e.g. 10 years or the number of years to the end of the Local Development Framework period). These are more often used where the scale of the backlog clearly cannot be addressed.
- 14.9.2 The 5 and 10 year periods are used for further analysis in Table 14-12 below. The 10 year calculation uses 10% as the quota to address need, instead of 20% which is the quota for 5 years applied at section B above.
- 14.9.3 The total affordable housing need annually is for 981 units. Net re-lets of the existing social stock average 409 units and are the major means of addressing the scale of need identified.
- 14.9.4 After allowing for this level of existing social stock net re-let supply and 21 estimated shared ownership re-sales, there will still be a total annual affordable housing shortfall of 551 units dealing with the backlog over 5 years or 339 units over 10 years before any new unit delivery.
- 14.9.5 The table below outlines the calculation.

**Table 14-12 Annual Affordable Need and Supply**

		5 Years		10 Years	
Total Net Current Need		2,127		2,127	
Backlog rate	20%	425	10%	213	
Newly arising Need		556		556	
Annual Affordable Need		981		769	
Less Social Stock re-lets	409			409	
Share ownership re-sales	21	430	21	430	
Net annual need		551		339	

- 14.9.6 The total affordable need has risen from 417 in 2008 to 551 units a year, based on addressing the backlog over 5 years, although there are minor differences in the method of calculation.
- 14.9.7 As it is not possible to deliver on the 5 year basis the 10 year level of need of 339 a year, after re-lets but before any new unit delivery should be used.

## 15 BRINGING THE EVIDENCE TOGETHER

### 15.1 Land and Affordable Housing Delivery

- 15.1.1 Land supply is crucial to the provision of housing. Land available free or at a discount is often the key to making a social housing scheme viable, particularly given the limited funding available. Therefore, local authority housing and planning strategies need to ascertain the availability of sites and propose ways of bringing sites forward.
- 15.1.2 The inter-relationship of the land and subsidy issues is important in the negotiation process. It is clear from the scale of affordable need identified in the survey that the Council will need to negotiate with private landowners and developers to be able to deliver the scale of housing required.
- 15.1.3 The survey data provides identified need levels in each housing area, and the Council must apply their own judgement as to the suitability of sites for affordable housing for low income families and new forming households unable to enter the private market.

### 15.2 The Code for Sustainable Homes and The Lifetime Homes Standards

- 15.2.1 The Code for Sustainable Homes (the Code) was introduced to drive a change in sustainable home building. It is a standard for key elements of design and construction which affect the sustainability of a new home.
- 15.2.2 The Code was prepared by the Government in consultation with the Building Research Establishment (BRE) and Construction Industry Research and Information Association (CIRIA), and through consultation with a Senior Steering Group consisting of Government, industry and NGO representatives.
- 15.2.3 It was intended as a single national standard to guide the development industry in the design and construction of sustainable homes.
- 15.2.4 Grant funded housing has had to meet Ecohomes Pass since 2003, and Code 3 since 2007. Market Housing needed to meet Code 3 by 2010 and Code 4 by 2013 however the Government has now been postponed this target.
- 15.2.5 A developer will want to meet the code as cost effectively as possible, and this means choosing renewable technologies purely on capital cost. However it is also worth a developer considering the commercial benefits of their choice of technology. If the renewables option chosen can be shown to further reduce utility bills, this may be a selling point for open market or shared ownership homes, or a useful benefit for tenants.
- 15.2.6 The government announced updates to the Code in November 2010 in a bid to simplify sustainable standards for new homes. These would still exceed building regulations and were streamlined to avoid conflict with other regulations, including an exemption from the Lifetime Homes standard for sites that are too steep.
- 15.2.7 The government then announced in April 2011 that it was considering merging the Code with a new menu of local house building standards. Councils would be able to pick and choose from the new range of options, which will replace the Homes and Communities Agency's design standards. However, there has been no further information provided on what this will entail.

- 15.2.8 Critics are questioning the decision to include sustainability standards as part of an optional list throwing into doubt the government's pledge to build all homes to 'zero carbon' from 2016.
- 15.2.9 The updated Code also postponed the introduction of Lifetime Homes as a mandatory requirement at Code level 4 and 5.
- 15.2.10 The majority of the amendments seem to be towards cost savings to developers and not to the benefit of the end user. By building properties to meet level 4 and above will provide significant costs savings on utility bills for residents.
- 15.2.11 Social Housing providers are increasingly becoming more involved in tackling social issues such as worklessness and fuel poverty. Council's **should therefore seek** to provide affordable housing that meets a minimum of Code level 4.
- 15.2.12 A similar situation arises in the Lifetime Home Standards where properties can be adapted more easily allowing a residents to remain in a property that otherwise would become unsuitable.
- 15.2.13 It is far more cost effective to implement Lifetime Homes Standards at the build stage rather than retrospectively. There are two sections of society that will mostly benefit from properties that have been built to Lifetime Homes Standards, these are people with a disability and older persons.
- 15.2.14 Building smaller properties to the Standard will make them more flexible on who can reside in the property. They can be occupied by general needs residents, people with disabilities or older people and can be adapted as their needs change. This reduces the need for residents to apply for a social housing transfer or move from their owned property within a few years of first occupation.
- 15.2.15 Again it would be **prudent for Council's to seek** to provide new build housing that complies with the Lifetime Homes Standards.

### 15.3 Affordable Housing

- 15.3.1 The PPS3 definition of affordable housing is:-
- 15.3.2 *"Affordable housing includes social rented housing and intermediate housing, provided to specified eligible households whose needs are not met by the market".*
- 15.3.3 Basically all affordable housing is subsidised in some way and it is important to clarify what subsidy is because it has been wrongly attributed to public sector grant only in the past. Subsidy includes not only public funding but also the provision of service land by developers either free or at a substantial discount.
- 15.3.4 The types of affordable housing are as follows:-

#### Social Rent

- RSL (or other body approved under the Housing Act 2004) units for rent; and

#### Intermediate Housing

- shared ownership (now New Build HomeBuy);

- *shared equity where land value is retained to provide housing for sale at below market levels and where control of the 'equity discount' can be retained as long as they are needed;*
- *discounted market housing for rent, also using land value.*

15.3.5 The Coalition Government decision to introduce Affordable Rents at 80% of market value for new social rented stock effectively removes discounted market rent as an intermediate housing option.

15.3.6 The policy guidance gives the Council the power to negotiate with developers on all new permissions, subject to the ability to provide defensible data to justify need following a rigorous and up to date assessment provided in this survey.

## 15.4 Low Cost Market Housing

15.4.1 Low cost market housing is likely to be smaller one and two bedroom units which are provided to meet the needs of households with income levels just adequate to access the housing market.

15.4.2 The requirement for these smaller units as part of market delivery is important to the provision of good quality smaller units of housing and to address a balanced type and size mix within new delivery.

15.4.3 It has to be assumed that the short term over-supply of flats over the last few years will resolve itself through market supply / demand balance.

15.4.4 Low cost market housing does not however, represent affordable housing within the planning definition, specifically confirmed in PPS3. **These are 'starter' homes and are part of the general market.**

15.4.5 The major difficulty and challenge for this sector in the medium to longer term is affordability within the district for new forming households. It is this factor which is creating the need for shared ownership and other forms of subsidised intermediate housing.

## 15.5 Overall Affordable Housing Target Levels

15.5.1 The Adopted Core Strategy makes provision for 7,200 new units over the period from 2003 to 2021, an annual average of 400 dwellings.

15.5.2 The Coalition Government has abolished Regional Spatial Strategies, these set out the annual new build requirements for each Local Authority. Lancaster's target was 400 new properties per annum which is only a fraction of the total current need for both market and affordable housing. It is therefore not unreasonable for the District to maintain this target in forthcoming years.

15.5.3 The annual level of outstanding affordable need of **339** units, after allowing for current stock re-let supply is 85% the full annual average housing allocation.

15.5.4 However, not all of the allocation will be on "qualifying" sites as some market delivery will be on sites below the minimum site threshold levels.

15.5.5 Based on the robust evidence found in this assessment, the scale of need could justify a much higher target than the 30% of new units set in Policy SC4, subject to the critical balance of tenure mix on viability.

- 15.5.6 In view of the scale of need, subsidised affordable units should be negotiated on all suitable sites. Each site will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and may require a flexible approach to specific site negotiation.
- 15.5.7 Meeting the total need for affordable housing however also involves a range of initiatives in addition to new unit delivery through the planning system.
- 15.5.8 The scale of need cannot be met by new delivery and it will be important to make best use of the existing stock by freeing up under-occupied social units, by bringing empty properties back into use, bringing social sector stock up to Decent Homes Standard and through conversions of existing buildings.

## 15.6 Future Affordable Housing Delivery

- 15.6.1 The social rented stock in the district is 9.5% in 2011, and does not provide adequate turnover to meet the scale of need identified. The availability of rented stock through re-lets is low relative to the expectation that existing stock flows should address 90% of all need.
- 15.6.2 However, in both stock and availability from turnover, the social rented sector provides nearly 20 times the scale of units (409) to those from shared ownership (21) each year.
- 15.6.3 In determining the balance of tenure mix the number of households who would be able to enter the market through intermediate housing but cannot afford private rent needs to be taken into account.

### Tenure Mix Targets

- 15.6.4 PPS3 now requires the provision of tenure mix targets within affordable housing which may vary by location within the HMA to take account of demand, need and current affordable supply at local area level.
- 15.6.5 The increases in house prices over the last decade have excluded many 'first-time buyers' from the owner occupied market. Despite the impact of the credit crunch, average house prices in the district have risen by 36% over the last six years from 2004.
- 15.6.6 The tenure balance of new affordable delivery over the last three years up to March 2010 has been 17% social rent and 83% intermediate housing. A higher level of social rent is forecast from new delivery over the next two years from 2010 to 2012.

**Table 15-1 Past and Future Affordable Tenure Mix Delivery**

	Tenure % (2008-10)		Projected Tenure % (2010 – 2012)	
	Rent	Intermediate	Rent	Intermediate
<b>Tenure Mix</b>	17	83	50	50

Source: Local Authority 2010 HSSA data

- 15.6.7 Specific interest in shared ownership is expressed by around 160 households over 3 years, around 55 per year. The overall affordable housing tenure mix balance to address local need could be set at **50% for social rent and 50% intermediate housing**, but should be subject to a wider range of social stock supply and other planning, regeneration and development viability factors at local Housing Market Area level.
- 15.6.8 The recent Budget funding initiative for shared equity could also have a strong short term influence for intermediate housing.

#### **Intermediate Rent**

- 15.6.9 In theory, discounted market rent should be an option for new unit delivery without grant support for households whose only option is shared ownership, especially those at the early stages of their careers or on limited employment contracts who are looking for flexibility in their housing arrangements.
- 15.6.10 However, discounted market rented housing can only be delivered provided that there is an adequate cost margin between social rent and market rent. Given that average rents across the district are £385 to £500 per month for 1 and 2 bedroom stock there does not appear to be potential to deliver intermediate rented housing in the district.
- 15.6.11 The Coalition Government decision to introduce Affordable Rents at 80% of market value for new social rented stock effectively removes discounted market rent as an intermediate housing option.

### **15.7 Property Size Targets**

- 15.7.1 The overall affordable housing target and the need for different types and sizes in the affordable and market sectors have been provided to assist Planning and Housing Officers to give direction to deliver the types of housing to create a better balance in the local stock.

#### **Social Rented Stock**

- 15.7.2 Development Plan Documents need to provide a clear guide on the size of future affordable housing units required. Stock balance, turnover and waiting list demand analysis are vital to identify the gaps in the stock and the proportions by type and size required to address current and future need.
- 15.7.3 87.5% of the general needs waiting list is for one and two bedrooms but they have a higher turnover rate. In view of the nature of priority need for small units and the scale of likely annual new provision of social rented units, it would be reasonable at district level overall to consider a property size target **of 50% 2-bedroom units**.
- 15.7.4 These are principally flats and terraced houses to meet the needs of single, couple and small family households.
- 15.7.5 The district does not have a high proportion of three bedroom family units in the stock but the level of under-occupation by two spare bedrooms is around 535 properties. Initiatives to address under-occupation of 3 bedroom properties would improve turnover of these units to meet some of the need, and also smaller properties.



- 15.7.6 The **50% balance of new delivery should target three and four bedroom houses** to address the needs of larger families.

#### **Intermediate Housing**

- 15.7.7 The requirement for property size in the intermediate housing market is usually mainly 1 and 2-bedroom units to meet the needs of new forming households, unable to access the market sector as a first time buyer.
- 15.7.8 The combined bedroom size preferences expressed for existing households moving and concealed households forming is for one and two bedroom properties.
- 15.7.9 40% of households expressed interest in a flat compared to 60% for a terraced or semi-detached house and delivery of small units should focus on houses as well as flats. 50% of households were looking for a 2-bedroom unit.

## 16 UPDATING THE HOUSING MARKET ASSESSMENT

### 16.1 Introduction

- 16.1.1 Although not a SHMA, this Study should be regularly updated at least annually in the same way as a Strategic Assessment.
- 16.1.2 According to CLG, Strategic Housing Market Assessment Practice Guidance, Housing Partnerships will need to consider developing comprehensive strategies for monitoring housing market areas and updating their Strategic Housing Market Assessments.
- 16.1.3 This section provides guidelines as to how the findings of the HMA should be monitored and updated on a regular basis, as CLG Strategic Housing Market Assessments Practice Guidance, version 2 (August 2007).
- 16.1.4 PPS3 also expects that regular monitoring through the Annual Monitoring Report (AMR) will take place and that where market conditions change there may be a need to reassess demand and need. The HMA will provide tools to allow regular monitoring and updating to take place, to satisfy requirements of AMR and also keep a watching brief on any changes within the market.
- 16.1.5 This assessment is easily and readily updated annually. It is important to recognise that there is a difference between monitoring and updating the assessment. Updating requires tracking short-term changes in the housing market conditions, to ensure policies and strategies are responsive to changes in local demands and pressures.
- 16.1.6 Undertaking HMA updates will initially focus on the three main variables identified in the 2007 Strategic Housing Market Assessment Practice Guidance as shown below.

Variable	Data source
External impacts on the market	Mid-year population and households estimates Labour market changes Interest rates Income and earnings surveys
Housing stock changes	New build completions Affordable housing delivered through S106 agreements Demolitions Remodelling Outstanding planning permissions
Affordability changes	House prices Private sector rents Changes in household incomes Shared ownership initiatives etc

- 16.1.7 The set of core indicators above will be used, which DCA have developed during the course of the study. These could be integrated into the new monitoring framework for LDFs (Annual Monitoring Report) or as a joint housing and planning task.

- 16.1.8 The following section outlines the processes of updating the various elements of the HMA.
- 16.1.9 This is followed by a guideline for when a full revised Housing Market and Needs Assessment is due and details of any market triggers which may affect this timescale and cause the projected timescale to be brought forward.

## **16.2 Updating the CLG Needs Assessment Model**

- 16.2.1 The Client Data CD provided upon completion of the HMA contains a Needs Assessment Model Calculator in Excel.
- 16.2.2 The purpose of the calculator is to allow annual updating of all the secondary data utilised in the Model and to enable this to be done in-house.
- 16.2.3 A detailed description of the secondary data required, where it can be sourced from and how it is applied to each element of the Assessment Model calculation is included in the introduction to the calculator.
- 16.2.4 It is recommended that this updating to the Model is carried out at the same time as completion of the annual HSSA in July each year.

## **16.3 Updating Other Secondary Data**

- 16.3.1 There are a wide range of secondary sources utilised in this Assessment which are updated on a quarterly or an annual basis.
- 16.3.2 Appendix IV of this Assessment outlines the sources of secondary data utilised in this assessment. This document details:
- The source location i.e. where the data can be accessed from;
  - The year or quarter of the data utilised in the Assessment;
  - Frequency of release of the various data sets. e.g. quarterly or annually;
  - The next release date of each data set used.
- 16.3.3 This document can be used as a guide as to when each data set is available and can be updated in the Assessment.

## **16.4 Core Sustainability Indicators**

- 16.4.1 It will be necessary for the Council to have detailed data on an annual basis to record actual new development by tenure, type, size and by location within the district each year.
- 16.4.2 This data is essential to be able to measure performance against targets for sustainable development set in the Local Development Plan both for market and all forms of affordable housing.
- 16.4.3 Data on social stock re-lets and changes to the waiting list and new unit delivery need to be able to be analysed by property type and size and location. This structure should already be in place to support completion of the HSSA.
- 16.4.4 Monitoring of new delivery in the market sector and data on conversions will also be required by property, type, size and location to measure delivery against planned targets to improve the balance of the housing stock.

## 16.5 Updating the Primary Survey Data

- 16.5.1 The primary data file requires a complex weighting process to ensure that it is representative of the whole population.
- 16.5.2 DCA would normally provide within their support service a process which would re-run the survey data to the current household population at the time of update. This is normally two years after the initial study has been undertaken. This has the effect of making a minor change to the data to reflect the study results as if they had been assessed in the current population.
- 16.5.3 It is recommended that this is undertaken by the original survey specialist company or at least with their assistance.

## 16.6 Monitoring and Communicating Changes to the HMA

- 16.6.1 Partnership working would be of paramount importance to ensure that updating of the HMA is done with the consent and knowledge of all involved.
- 16.6.2 The continuation of a key project officer team to oversee the updating and to ensure access to the most recent versions of the HMA report sections would be essential.
- 16.6.3 There are various ways in which the wider partnership can be made aware of changes to the HMA and how it can be ensured that the reader is accessing the most recent version of the HMA.
- 16.6.4 One way that this could be done is through the Council website where the most up to date versions of each chapter can be made available. If people wish to access a previous version, these could be accessed through an archive.
- 16.6.5 A 'log' of updated changes made to the data could be devised which would be ongoing. This could be displayed as a document on the website and would detail:
- The section that has been changed;
  - The date it was updated;
  - A brief note of the change(s) made;
  - A note of any other sections affected.

## 16.7 Plans to Fully Revise the HMA

- 16.7.1 Housing Market Assessments provide a robust basis for developing housing and planning policies by considering current and future need and demand over a period of around 20 years. As a result partnerships should not need to undertake a full comprehensive assessment more frequently than every five years.
- 16.7.2 The next full HMA will be due in 2014 / 2015.

## 16.8 Market Triggers

- 16.8.1 During the course of updating the HMA and accessing revised data, Housing partnerships should work together to review the data. From this an assessment can be made of how radically new data or changes in the housing market affect the assessment and can also suggest whether the new information triggers that a re-assessment of the HMA is needed earlier than 2014.

16.8.2 Possible triggers for a revised assessment are:

- A significant local economic change, e.g. downturn or upturn in the market;
- Significant stock delivery changes;
- Major house price change;
- Change in Government Policy or Guidance.

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