WIGAN BOROUGH

HOUSING NEEDS
& DEMAND STUDY

EXECUTIVE SUMMARY
2008

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1 EXECUTIVE SUMMARY

1.1 Local Housing Survey

1.1.1 Wigan Borough Council formally commissioned DCA in December 2007 to carry out a Housing Needs and Demands Study.

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

- Postal surveys with 16,150 households in 10 township areas (25 wards) across the Borough, undertaken between 18th January and 6th February 2008, providing statistical confidence at 95% level of ± 1.86%;
- Stakeholder seminars with key delivery partners.
- A housing market survey utilising the Land Registry and Halifax House Price databases of areas within the Borough. A telephone survey of estate agents on the supply and cost of access level property and private rented housing in the Borough was also undertaken;
- Secondary data analysis drawing upon HSSA and Housing Register data on the need and flow of social stock, the 2001 Census, household and population projections and other national research.

1.2 Population and Household Change

1.2.1 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. Population change results from the numbers of births and deaths, how the population is ageing and the migration into and out of the area.

1.2.2 **What about the future?**

1.2.3 The population estimates have been provided by Wigan Borough Council and are ONS 2004 based projections. The 2001 Census data has been taken into consideration in the production of these population projections.

1.2.4 The forecasts show a pattern which is generally common in the majority of local authority districts nationally e.g. a fall in the number of children and people aged up to 45, a small growth in the middle aged group and a significant rise in people over the age of 65. The retired population will increase by 37.8% by 2029.

1.2.5 Numbers of people aged over 80 more than double by 2029. There is an inextricable link between ageing and disability and 61.4% of those with a disability are over the age of 60.

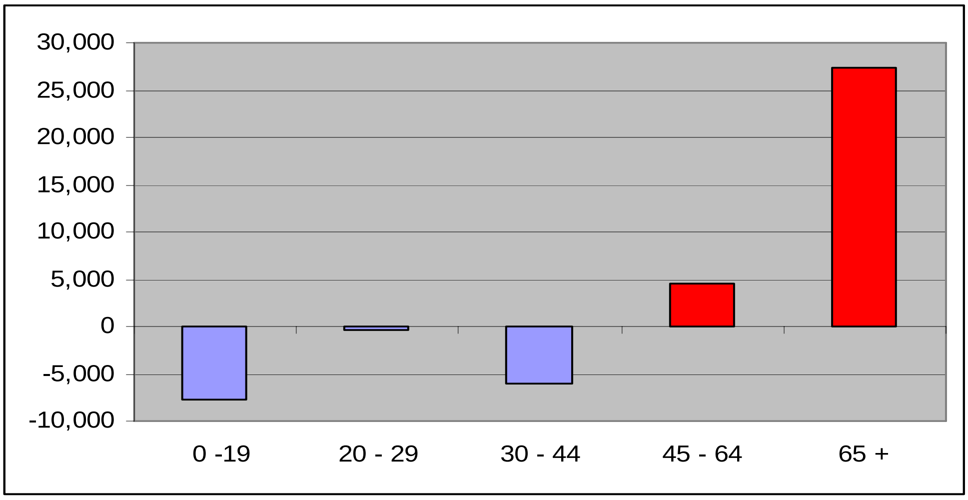
1.2.6 The projected increase in households, based on the proposed RSS figures is for an additional 17,600 dwellings by 2021.

1.2.7 29.7% (3,890 implied) of existing households who had plans to move in the next 3 years were planning to move out of the Borough. In addition 1,519 (11.6%) new forming households were planning to leave the Borough. Of those 53.2% were leaving for employment reasons.

1.2.8 The key features of population change impacting on the housing market are:-

- Falling levels of younger and economically active households;
- An ageing population with increasing care and support needs.

Figure 1-1 Population Age Band Forecast, Wigan Borough, 2004 - 2029



1.3 The Economic Climate

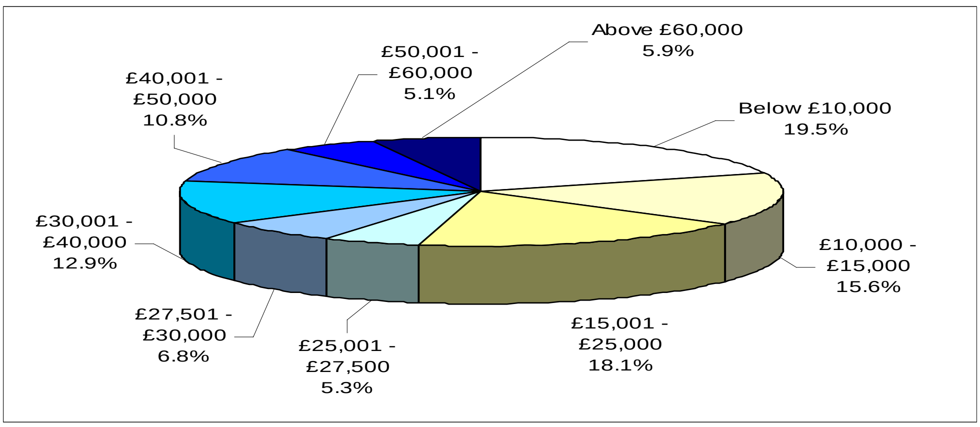
1.3.1 The economic climate, changes in national and regional economic policy, alongside labour market and local income trends sets the context in which households make decisions about their housing needs and preferences.

1.3.2 The overall sound UK economic background and the lowest mortgage rates since the 1950s have boosted housing demand for a sustained period but turnover has reduced substantially. Prices stabilised during 2004 and some property types reduced but have again continued a pattern of increase since January 2005.

1.3.3 At a local level, employment and income trends will influence housing choices:-

- 55.6% of those in employment are in managerial / technical or professional occupations; 9.0% are unskilled. 55.6% of those in employment work within Wigan Borough; 30.1% of the population are retired;
- 55.5% of all households had less than £5,000 savings and a further 14.9% had less than £10,000. 13.3% had savings of over £30,000. 35.7% of owner occupiers without a mortgage had equity of over £150,000 compared with 11.7% of owner occupiers with a mortgage;
- 19.5% of households had incomes below £10,000 (excluding benefits / allowances) similar to the UK figure (20.3%). 58.5% of households had incomes below £27,500, below the national figure (62.3%); a further 19.7% had incomes below £40,000. 5.9% of households had an income of over £60,000.

Figure 1-2 Income Distribution of Existing Households

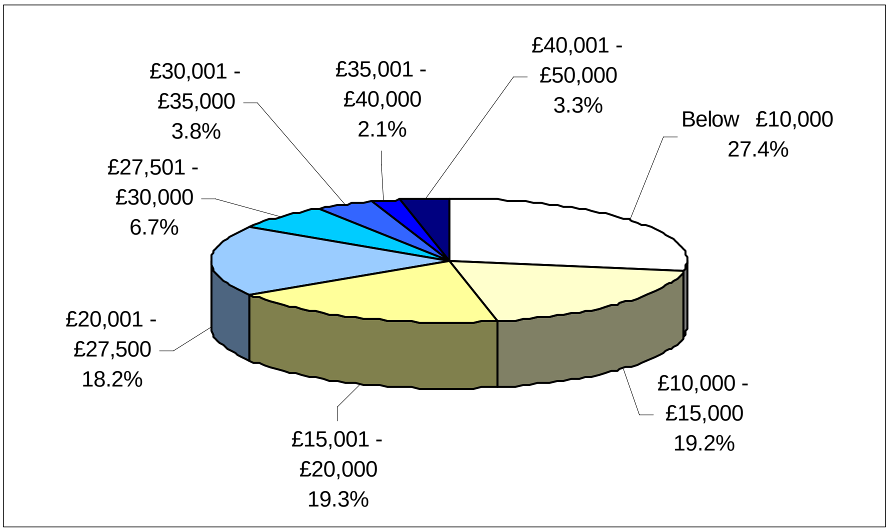


- 41.1% of households were in receipt of financial support (54,048 implied), of whom 18.5% (19,922 implied) were in receipt of Housing Benefit.

1.3.4 Key factors relating to concealed households' ability to meet housing costs are that:-

- A total of 45.5% had less than £1,000 savings. A further 28.3% had less than £5,000. 26.2% had savings of over £5,000;
- 27.4% had household incomes below £10,000 per annum, 19.2% earned between £10,000 and £15,000, 19.3% between £15,001 and £20,000 and a further 18.2% earned between £20,001 and £27,500, giving a total of 84.1% with an income below £27,500. Only 15.9% of concealed households earned above the national average income of £27,500.

Figure 1-3 Income Distribution of Concealed Households



1.4 BME Households

1.4.1 Incomes of BME households are similar to all households' income in the sample. 22.3% of BME households had incomes below £10,000, compared to 19.5% in the whole population. 39.2% of BME households had incomes above £27,500, compared to 41.5% in the whole population.

1.5 Current Housing in the Borough

1.5.1 The key features of the existing housing stock are that:-

- The property type profile is skewed towards semi -detached and terraced houses;
- Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 38.7% of all households and over-occupation affects 2.2% of all existing households, similar to the national average of 2.1%. Over-occupation levels were low and similar across the owner occupied with a mortgage sector and the main rented tenures;
- 88.7% of respondents to the household survey said their home was adequate for their needs; 11.3% considered their home inadequate. Levels of adequacy were lowest in the private rented and HA rented sector stock.

1.6 Demand for Market Housing

1.6.1 5,453 existing households and 3,352 concealed households requiring market housing will be moving within Wigan Borough in the next 3 years.

1.6.2 Demand from existing moving households focused on detached (39.3%) and semi-detached (31.9%) houses. 43.7% of demand was for 3 bed accommodation.

1.6.3 The needs and preferences of concealed households moving to market housing for specific house types are shown in the table below. This reflects the differing levels of existing supply against demand from new households and the impact in actual sales levels created by stock availability and turnover.

Table 1-1 Existing and Concealed Households Market House Type Requirement / Stock

Type	Existing Households		Concealed Households		Current Stock % of Market Housing	Sales %
	%	Nos.	%	Nos.	%	%
Flat	4.6	251	23.4	784	3.3	10.2
Terraced	9.2	502	45.3	1,518	25.5	40.3
Semi-detached	31.9	1,740	29.9	1,002	48.5	34.4
Detached	39.3	2,143	1.4	48	22.7	15.1

1.6.4 Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher need for flats/ maisonettes and terraces, than the existing stock. The overall need expressed by concealed households for flats and terraced houses is significantly higher than the existing market stock.

1.6.5 Small units, i.e. one and two bedroom properties are just 30.5% of existing stock for market housing. All site briefs and regeneration projects should promote the property types which are under represented in the stock compared to national average levels in line with the principles in PPS3 and to address future demographic and household formation change.

1.7 The Cost of Accessing the Housing Market

1.7.1 The housing market is the context against which all the housing needs of the area are set. In particular, house price information is the basis on which the "affordability" of housing is measured for low-income households. In essence, analysis of the data seeks to establish who cannot afford to enter into the market.

1.7.2 The evaluation of the market in Wigan Borough is based on specially prepared information taken directly from the Land Registry database for the year ending 31st December 2007 and an analysis of local estate agency sales looking at entry level properties, i.e. the lowest quartile stock.

1.7.3 The Land Registry recorded the average price for all dwellings in the Borough at £134,025. Since 2003 the average price of all properties has risen by 80.7%. Entry level stock, terraced properties have increased by 125.9% and flats / maisonettes have increased by 125.4% between 2003 (the timing of the previous Housing Needs Survey) and 2007.

1.7.4 Access to owner occupation is restricted by rising prices with increases exceeding local income inflation.

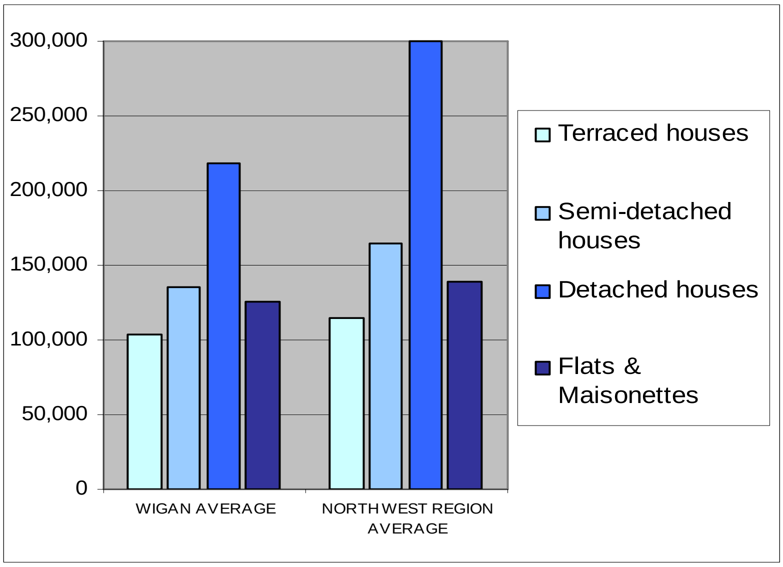
1.7.5 The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available. Incomes needed to buy the lowest quartile stock in the Borough are £20,500 for a two bed terraced house and £21,400 to £23,900 for a one or two bed flat.

1.7.6 Although according to the Land Registry survey the average price of terraced properties is £103,932, entry sales levels vary across the Borough with the lowest entry prices, starting at around £70,463 in Pemberton / Worsley Mesnes / Worsley Hall area rising to £115,000 in Shevington / Standish / Aspull.

1.7.7 The survey findings indicate that income levels of 82.0% of the new households who formed in the past year are below the level necessary to be able to buy, and 65.6% are unable to access the private rented sector in the Borough. These income levels are higher than those of concealed households about to form this year but are those used in the Assessment Model calculations.

1.7.8 Terraced properties are assessed to be the main entry level for first time buyers in view of their relatively lower cost and volume of sales.

Figure 1-4 2007 Average House Prices



1.7.9 Access to the private rented sector is also restricted by cost. 49.2% of all new forming households could afford a weekly rent of no more than £60 (£260 pcm); 69.8% no more than £70 (£300 pcm). Access rents for one bed flats are £300 per calendar month.

1.8 The Need for Affordable Housing

1.8.1 The total annual level of outstanding affordable need is 417 units, after allowing for current re-let supply. Despite the evidence of the scale of need from existing and concealed households, there are wider issues to consider when setting targets for delivery of affordable housing from new developments. Primarily there is a need to build viable, sustainable developments.

1.8.2 Based on the evidence found in this assessment, the Local Development Framework could consider an overall affordable housing target of up to 35% of new units from the total of all suitable sites, subject to site viability.

1.8.3 This overall target includes both housing for social rent (50%) and intermediate housing (50%) to meet the needs of low income households, key workers and those on average incomes unable to purchase, provided it is delivered at a cost below the cheapest entry level costs in the general market and would be available on a similar basis to subsequent purchasers.

1.8.4 The social rented stock in the Borough at 22.9% is above the national and regional averages and provides 1,969 units annually from the flow of the existing social rented and shared ownership stock.

1.8.5 In view of the scale of need, subsidised affordable units should be negotiated on all suitable sites, the target for each site taking into account existing supply, survey demand and other regeneration, planning, sustainability and economic factors. Targets may vary above and below this level both in total and by tenure on a site by site basis.

1.8.6 The average increase in entry-level house prices since 2003 is 125.9% for terraced houses and 125.4% for flats, have excluded many 'first-time buyers' from the owner occupied market.

1.8.7 The tenure balance recommended is only in terms of the total delivery and will need to be assessed for individual sites to take account of the existing flow of re-lets from the rental stock and other area / neighbourhood priorities.

1.8.8 Housing strategy also needs to consider the needs of both new forming and existing households for social housing. This need must be assessed in the context of a market which is increasingly beyond the reach of low income existing and new forming households.

1.8.9 In addition to the scale of affordable housing to meet general household requirements, there are specific needs which should also be addressed. These are highlighted in the following sections.

1.9 Sheltered Housing

1.9.1 In total, the data suggests a combined requirement for sheltered accommodation of 3,433 units over the next three years from older people currently living in the Borough (1,495 households) and those who may in-migrate to be beside their family (1,938 households). 2,247 are needed in the affordable sector and 1,186 in the private sector.

1.9.2 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.

1.9.3 The significantly higher level of elderly accommodation for people moving into the Borough is a common trend to other DCA surveys and is a new factor in the housing market.

1.9.4 Generally, the forecast is being made by their children who assist in the moving process. Conversely the indigenous older population prefer to continue in the area / surroundings they know and within their own home as long as possible and actual in-migration should be monitored annually.

1.9.5 There will be some reverse out-migration for these 'family' rather than retirement reasons but it cannot be quantified. It should be borne in mind however that out-migrants will be freeing up general rather than specialist housing stock.

1.10 Extra Care Housing

1.10.1 The significant levels of growth in the older population in future will have a direct impact on the nature of specialist accommodation requirements for older people.

1.10.2 Extra Care accommodation is housing which offers self-contained accommodation together with communal facilities and where care and support services are provided from a team based on a site.

1.10.3 This survey identified a need for 641 units of extra care accommodation over the next three years. The need is likely to be greater than this level and an audit of existing sheltered housing schemes should be undertaken as part of the continuing development of the Older Persons Housing Strategy. Demographic change is likely to increase the need for extra care units over next 10 years.

1.10.4 Wigan currently has 100 units of Extra Care with a further 80 units in development.

1.11 Supported Housing and Support Issues

1.11.1 The Survey identified a need over the next three years for:-

- 580 units of independent general accommodation with external support;
- 2,247 units of HA sheltered housing and 1,186 private sector sheltered units.

1.11.2 26.6% of households in the Borough contain somebody with a disability (33,437 households implied), of which 19.9% had two members affected. 59.2% of all household members were over 60, including 20.6% over 75.

1.11.3 The largest group affected by a named disability were those with a walking difficulty, representing 59.8% of those with a support need.

1.11.4 8.3% of these households contain 3,259 people who are wheelchair users.

1.11.5 Some 20.2% (3,523 implied of household members with support needs) felt they needed care or support which is not currently provided.

1.11.6 9.8% of all dwellings (11,987) have been adapted to meet the needs of a disabled person. 52.2% of adaptations have handrails / grabrails, 50.4% have bathroom adaptations and 38.2% have a ground floor toilet. Of those who needed adaptations carried out to their home, the majority required bathroom adaptations and a ground floor toilet.

1.12 Housing Stock Balance Analysis

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

1.12.2 This report is titled the Balancing Housing Markets survey, and is a separate report from the main Housing Needs and Demand Survey.

1.12.3 The following table outlines the overall balance of future delivery in the market, intermediate and social rented sectors, particularly in view of the scale of overcrowding.

Table 1-2 Future Delivery by Tenure

Tenure	Bedroom Size (%)			
	1-Bed	2-Bed	3- Bed	4- Bed +
Market	10.0	40.0	30.0	20.0
Intermediate	0.0	85.0	15.0	0.0
Social Rented	25.0	20.0	15.0	40.0

1.13 Recommendations

1.13.1 Balancing the Housing Market

- Provide a mix of house types in both market and social sectors. There is a shortfall of detached properties in the market sector and 4 bed units in the social sector. There is also a need for smaller units from new and existing households to address stock imbalance and the impact of demographic change.
- The private rented sector has a significant supply shortfall to meet demand from existing, in-migrant and new forming households. In practice it does not address any of the need from new households trying to enter the private market and strategy should promote the growth of this sector.
- Continue to negotiate with prospective developers towards achieving affordable homes from all the suitable sites coming forward for planning consent over the period of the Local Development Framework. Each site will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation.
- Based on the evidence in this assessment the LDF Core Strategy could consider an overall affordable housing target of up to 35% of the total of all suitable private sector sites, subject to site viability.
- The rise in house prices in excess of inflation is resulting in greater difficulty in entering the local housing market. Within the overall target a broad balance of 50% for social rent and 50% as intermediate market housing should be considered, provided it is delivered at a cost below the cheapest entry level costs in the general market and would be available on a similar basis to subsequent purchasers.
- The intermediate housing delivery is important in a regeneration context and there is a strong regeneration case to deliver even higher levels of intermediate units.
- Both the affordable housing target and the tenure balance within it may vary on a site by site basis.
- PPS3 provides a new lower site threshold of 15 units or 0.5 hectares. The Development Plan should promote the lowest threshold considered viable and which will deliver additional affordable units from the scale of smaller sites.

1.13.2 Older Persons Housing Needs

- Continue to develop an Older Persons Housing Strategy to address the current and future growth in older people and frail older households across all tenures, and their related care and support needs to:-
    - assess and prioritise the need for support services and adaptation required to keep people in their own home;
    - re-assess existing sheltered stock in meeting today’s housing standards and preferences;
    - assess the need for ‘extra care’ accommodation for the growing frail elderly population.

1.13.3 Disabled Persons Housing Needs

- Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people.
- Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.
- Consider working towards Lifetime Homes standards for new housing.