

2003 Housing Needs Survey



Summary Report
by



HOUSING • DEVELOPMENT
REGENERATION • CONSULTANTS

This report contains a summary of the results from an assessment of housing needs conducted by DCA on behalf of Wigan Metropolitan Borough Council.

The purpose of the study was to examine the housing requirements (needs, aspirations and demands) for the communities and households of the Borough.

The overall aims of the project were to:-

- ▶ Determine the levels of housing supply and demand in the Borough;
- ▶ Support the annual Housing Investment bid and development of the Housing Strategy;
- ▶ Provide robust information at a local level, to guide the location of new provision and support Local Plan Policies.

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

- ▶ A postal questionnaire to 12,309 households in 17 sub-areas (consisting of 7 Housing Renewal areas and 10 Townships);
- ▶ A housing market survey utilising the Land Registry and Halifax House Price databases and a telephone survey of estate agents on the supply and cost of private rented housing;
- ▶ Secondary data analysis drawing upon HIP and Housing Register data on the flow of social stock and need, 2001 Census, household and population projections and other national research.

KEY FINDINGS OF THE SURVEY

- ▶ Communities in Wigan are generally well settled with low levels of population movement (56% of all households having lived at their current home for over 11 years);
- ▶ Affordability is a major issue due to the local house price / income relationship, particularly for new forming households;
- ▶ The population is ageing, with considerable evidence of significant and growing support needs;
- ▶ There is a requirement to develop a more balanced housing stock with a need for more accommodation suitable for smaller households in both the private and affordable sectors;
- ▶ Annually 2,873 affordable housing units are needed, 48 more than existing stock supply.

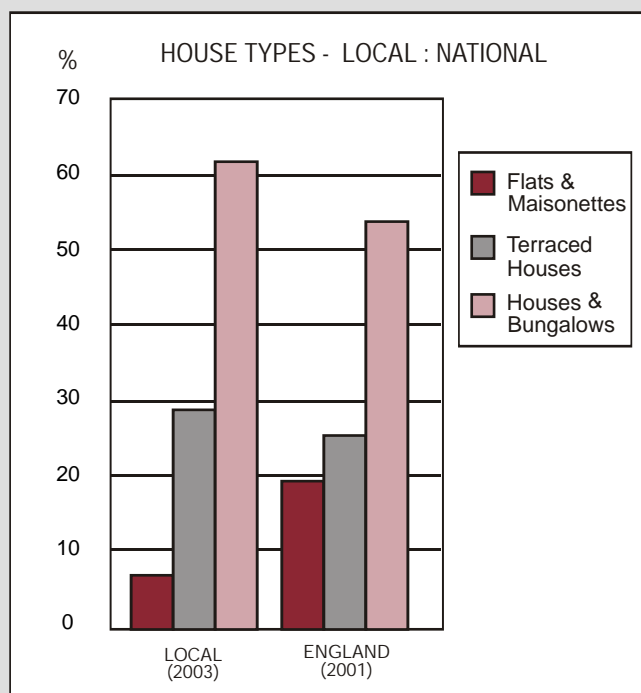
The assessment provides key information to assist the Council in preparing its Housing Strategy Statement and to incorporate housing needs into Development Plans. This will support bids for Central Government funding for housing and help to negotiate "affordable housing" on private development sites.

THE HOUSING STOCK

The chart shows the characteristics of the Borough stock in 2003, compared to the national average level at the 2001 Census in each category.

Locally, the proportion of houses and bungalows (62%) is above the national average of 54%.

The supply of terraced properties is 29%, is also above the national average of 26%, and flats / maisonettes at 7% are well below the national average of 20%.



THE BOROUGH POPULATION - FUTURE PROJECTIONS

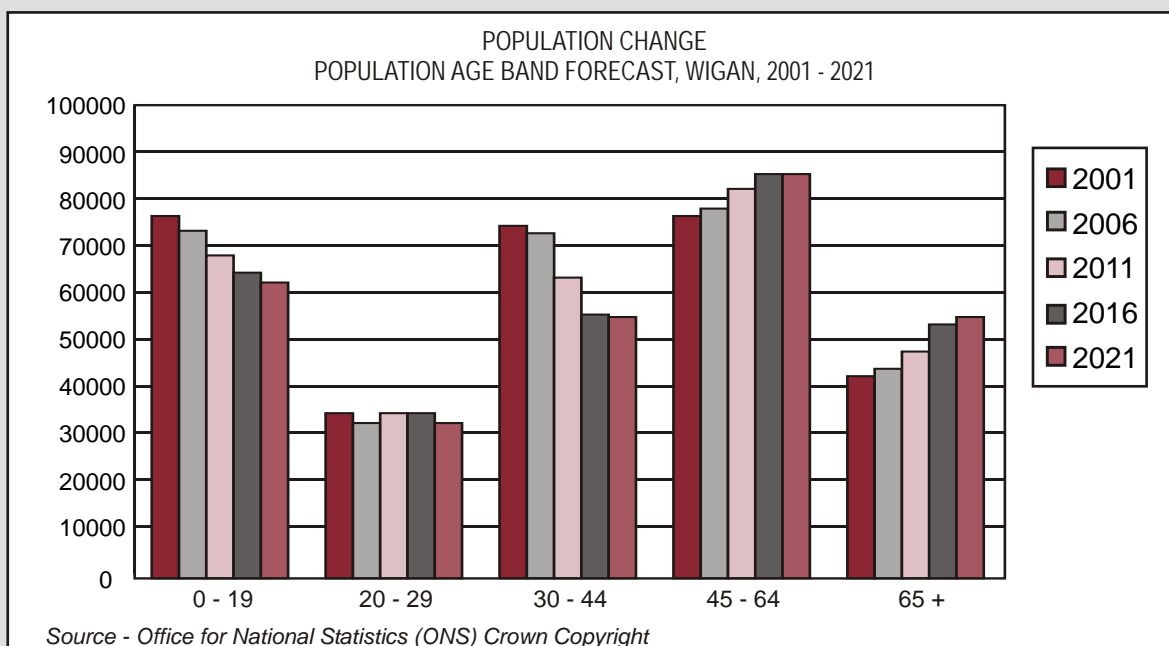
An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a number of factors - numbers of births and deaths, how the population is ageing, and the migration of people into and out of the area. The number of households rises and falls over time in response to these and is also affected by changes in the pattern of marriages and divorces and the general economic climate

What about the future?

The population data provided by the Office for National Statistics (ONS) are the Long-Term Population Projections for the Wigan Borough (1996-based), and incorporate the most recent Office for the Deputy Prime Minister (ODPM) household formation rates (expressed as age, sex and marital status specific household representative rates).

The 2001 Census population figures recently published show a total population of 301,147, 5,644 less people than the projected figure of 307,061. The population and housing model will be updated to take account of the 2001 Census figures in due course. Although the total figures are lower than the forecasts we would not expect the actual trends in age groups to differ.

- ▶ The 1996 based projections indicate that the population will fall by approximately 14,400 people, 4.7% over the 20 years to 2021.
- ▶ The 0-19 population shows a large decrease overall (14,388; 19%), the largest fall occurring between 2006 and 2011 (5,154; 6.9%)
- ▶ Numbers in the 20-29 age group are projected to decrease overall (2,148; 6%). As this age range comprises new households forming this will have implications for future affordable housing need both in the short and longer term.
- ▶ The 30-44 age group, the main economically active group, shows a large decrease in numbers. The largest decrease projected to occur between 2006 and 2011 (9,252; 13%).
- ▶ The 45-64 age group shows a rise in numbers. Over the forecast period there is an increase of 9,182 people (12%). The main increase is forecast to occur between 2006 and 2011 (5%).
- ▶ The most significant feature here is the growth of the population in the over 65 age group, an increase of 12,448 more individuals (29%) over the forecast period. A steady increase is seen from 2001 and 2016.
- ▶ The "older" retirement group, those 80 and over grows by 20% up to 2021, with 2,081 more people. This group represents 12,684 people in the area by 2001. Given the resource demands often associated with very elderly people, these are significant figures.



The housing market is the context against which all the housing needs of the area are set. In particular, house price information is the basis on which the "affordability" of housing is measured for low-income households. In essence, we are seeking to establish who cannot afford to enter into the market. This data is then related to the problems faced by the "concealed households" in the area, i.e. households living with friends and relatives unable to gain access to the housing market.

National and Regional Context

UK house price inflation for the year to 31st March 2003 was recorded by the Halifax Index at 23.4%. House price inflation in the first quarter of 2003 continued to rise in most UK regions with an overall increase of 2.4% for the quarter, but was lower than the 7.4% gain in the fourth quarter of 2002.

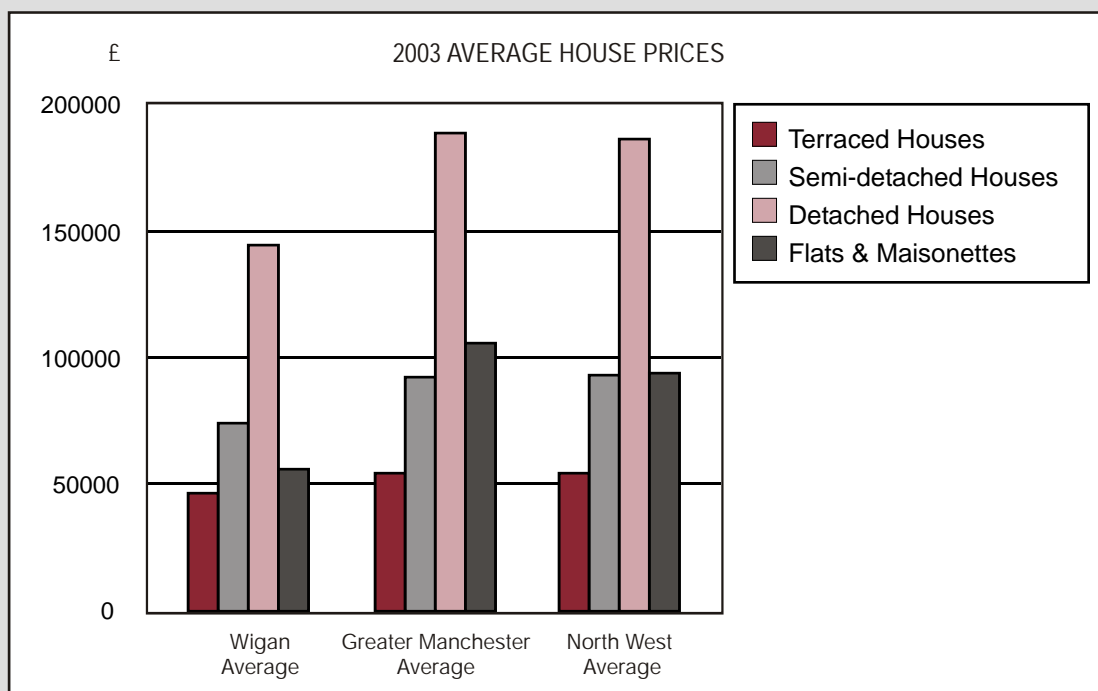
House prices in the North West Region continue to rise, an increase of 1.4% for the first quarter of 2003. The annual rate of house price inflation recorded by the Halifax Index for the North West Region was 18.9% in the year to 31st March 2003.

The Wigan Metropolitan Borough Council Housing Market

The evaluation of the market in Wigan is based on specially prepared information taken directly from the Land Registry database for the year to 31st March 2003 and an analysis of local estate agency sales looking at access level (the cheapest available) properties. The Land Registry recorded the average price for all dwellings in the Borough at £74,161.

Based on a 95% mortgage availability and a 3-times gross income lending ratio an income of around £9,350 is required to buy a two bedroom terraced house in Hindley / Platt Bridge / Bickershaw / Abram and Leigh rising to £22,800 in Golborne / Lowton. £12,500 is needed to buy a three bedroom terrace in Hindley / Platt Bridge / Bickershaw / Abram, rising to £21,000 in Orrell / Billinge / Winstanley.

The Land Registry identifies the largest volume of sales in Wigan were for terraced houses (42.1%) selling at an average price of £46,015. Semi-detached houses average £73,628 and are 38.4% of sales. Detached houses average £144,338 and are 17.7% of sales. Flats / maisonettes account for just less than 2% of sales with an average price of £55,708. We assess terraced houses to be the main access property for first time buyers in view of their lower cost and due to the low volume of flat sales in the Borough.



KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork of the study took place in April 2003 and provides a detailed picture of the current and future housing needs and preferences in the Borough. Postal questionnaires were sent to 12,309 resident households in the Borough (11%). 1,935 responses were achieved (24%), providing statistical confidence at 95% \pm 1.47% sampling error rate. 2.3% of all households in the Borough participated in the survey.

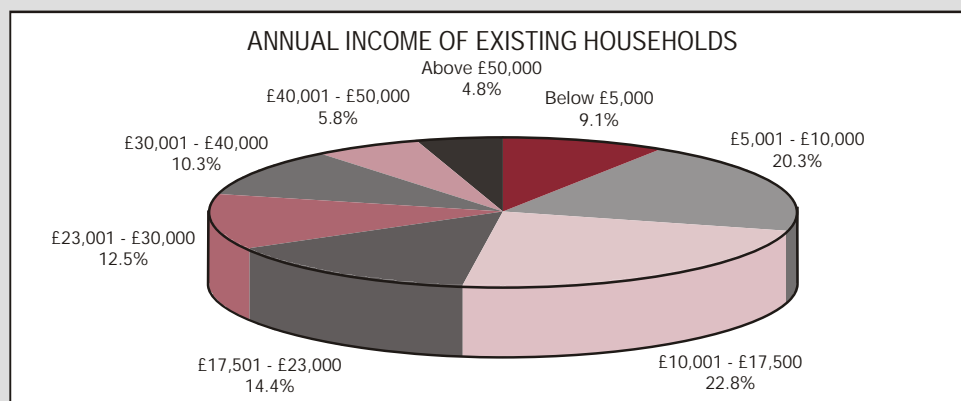
The "implied" numbers are our assessment of the total numbers after applying a weighting factor at sub-area level, linking the total population of the sub-area to actual responses received. Below we present in summary form, the key findings from the survey with a particular emphasis on the needs of concealed households.

Adequacy of the Existing Stock

- ▶ The vast majority of households have access to all the basic amenities, including 94% with full or partial central heating, higher than the national average of 88%. The perception of most residents is that their homes are well maintained and not in need of improvement.
- ▶ Some 86% of households say that their accommodation is adequate for their needs. 14% (17,128 implied) say that it is inadequate. The largest single issue for those reporting an inadequacy which could be resolved in-situ (without moving) was that the dwelling needed improvement / repairs (92%). Of those requiring a move 55% (6,681 implied) indicated that the dwelling was too small.
- ▶ Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 5% of all households and over-occupation affects 3%

Costs of Present Housing and Household Income

- ▶ 58% of rented households pay less than £50 per week and 89% less than £70. Of owner-occupiers, 43% of respondents paid no mortgage (outright owners) with a further 44% paying less than £400 per month. Around 2% of owner-occupier households pay in excess of £750 per month.
- ▶ Approximately 39% of households have incomes below £10,000, which is above that for the UK as a whole (28%). 21% of households in the Borough have incomes above £30,000.



- ▶ 54% of households were in receipt of financial support (71,611 implied), of whom 33% (23,653 implied) were in receipt of Housing Benefit.

Moving Households

- ▶ 21,895 existing households are currently seeking to move or will do so in the next five years. 9,870 existing households and 6,413 new households will be moving within Wigan.
- ▶ A further 6% (7,998 implied) wish to move but cannot, 75% giving lack of affordability (to move and purchase) as their main reason; 12% referring to a lack of affordable rented housing.
- ▶ 7,504 existing and new forming households anticipate moving away from the Borough. In the case of existing households moving, choices were concentrated fairly evenly over three categories - safety/fear of crime (35%), better shops/leisure facilities (30%) and better employment (30%).

A SUMMARY OF THE MAIN FINDINGS

Supported and Adapted Housing

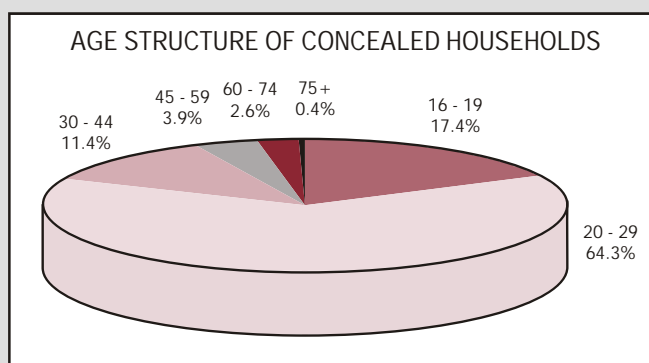
- ▶ 28% of households in the Borough contain somebody with a disability, 35,286 households implied, significantly higher than the national average level of 15%. In 80% of cases only one household member was involved. 58% of all disabled household members were over the age of 60; 16% under 45.
- ▶ The largest group (15,853 implied) affected by a named disability were those with mobility problems representing 45% of those with a disability.
- ▶ Almost 6% of these households contained someone who was a wheelchair user, suggesting around 1,947 in the Borough as a whole. Some 89% of wheelchair users live in a property without suitable adaptation.
- ▶ Of household members with a disability, some 52% (21,717 implied) felt that they needed care / support. Of those, 73% were receiving sufficient care / support leaving around 27% with outstanding support needs (5,851 implied).
- ▶ 8% of all dwellings (10,424 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 51% have handrails / grabrails, 44% have bathroom adaptations and 29% have a ground floor toilet.

CONCEALED HOUSEHOLDS

Concealed households are people who could not afford to be in the housing market and are living within another household. We found that around 5.1% of households contained one or more households seeking independent accommodation giving a total of 6,413 cases over the next five years to 2008. Around 84% are the adult 'children' of existing Borough residents.

In the concealed households group:-

- ▶ 64% of the people in these concealed households are between 20 and 29 years of age and 18% are over 30.



- ▶ 9% (834 implied) were either a couple or single households with children.
- ▶ 2,065 (32%) of households are being formed with a partner living in a separate household elsewhere in the Wigan Borough.
- ▶ 16% of all concealed households were registered on a housing waiting list, 74% being on the Wigan Borough Council Register. 21% of concealed households moving within one year were so registered.

Their needs and preferences for specific house types were:-

| Type | Need % | Preference% |
|---------------|--------|-------------|
| Flat | 13.3 | 9.7 |
| Terraced | 44.3 | 16.3 |
| Semi detached | 34.6 | 47.8 |

| Size | Need % | Preference% |
|-----------|--------|-------------|
| One bed | 21.0 | 3.2 |
| Two bed | 55.4 | 33.1 |
| Three bed | 22.5 | 61.1 |

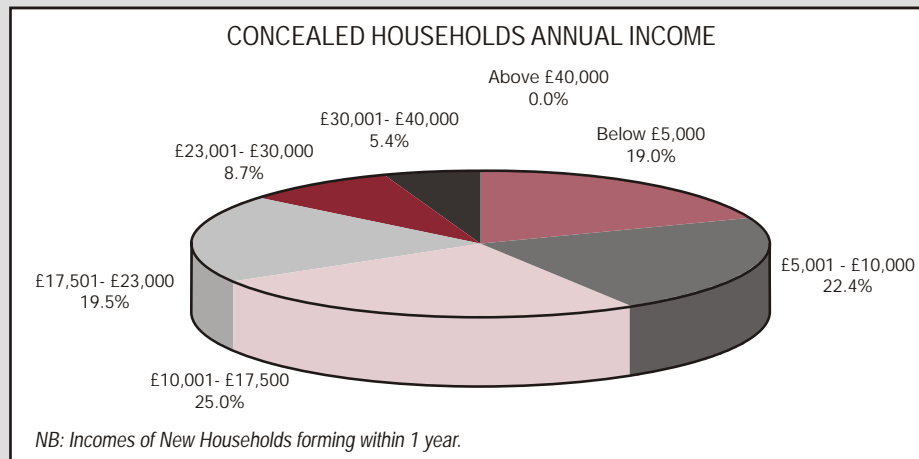
A SUMMARY OF THE MAIN FINDINGS

- ▶ Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher preference for flats and semi-detached properties than are present in the existing stock.
- ▶ 77% (4,938 implied) of the concealed households want to owner occupy. 14% (898 implied) Council / Housing Association rent; 8% want Private rent (500 implied) and 1% (58 implied) expressed interest in Housing Association shared ownership.

Concealed Household's Housing Costs and Incomes

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

- ▶ 77% could afford a weekly rent of no more than £60;
- ▶ 75% could not afford a mortgage of more than £300 per month;
- ▶ 41% have household incomes below £10,000 per annum, 25% earn between £10,001 - £17,500 and a further 20% between £17,501 and £23,000, and 5.4% have incomes over £30,000.



Affordability and Access to Market Housing

The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and supply of stock with below average prices.

Based on a 95% mortgage availability and a 3-times gross income lending ratio it is estimated that a new purchaser would need an annual income of around £9,350 is required to buy a two bedroom terrace in Hindley / Platt Bridge / Bickershaw / Abram and Leigh and £22,800 in Golborne / Lowton.

The average access price of terraced houses, according to the Land Registry House Price Study, was about £46,015 although access prices are varied at £29,500 in Hindley / Platt Bridge / Bickershaw / Abram for a two-bed property, rising up to £56,650 in Ashton/Bryn for a three-bed terraced property.

The survey findings indicate that income levels of around 50% of the concealed households are below the level necessary to be able to access the local market.

Housing Stock Balance Analysis

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 area regeneration strategies, site development briefs for the delivery of both private sector and affordable sectors, housing market renewal and in longer-term business planning.

CONCLUSIONS

- ▶ Borough house prices are lower than the average in both Greater Manchester and the North West. Although a considerable spread of incomes is evident, a number of people live on relatively low incomes. Consequently, the two most important issues are the problem of affordability and the level of "concealed" households living within an existing household, the vast majority of whom are not recorded on a register of housing need.
- ▶ The house price and income study shows that 50% of these "concealed" households are not able to afford even the cheapest available housing in the Borough.
- ▶ Most concealed household demand is for the smaller and affordable type of housing, and it is recommended that this should be addressed to ensure there is a mix of house types and sizes available in line with the principles in PPG3 Housing, the Government Guidance issued in March 2000.

- ▶ The assessment of annual affordable housing need and supply reveals the following position:-

| | |
|-----------------------------|-------|
| Total annual need | 2,873 |
| Total Supply from re-lets | 2,825 |
| Net annual outstanding need | 48 |

- ▶ The total affordable housing need annually is for 2,873 units. Re-lets of the existing social stock average 2,825 units and is the major means of addressing the scale of need identified. Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 48 units which projected over the year period to 2011 is a total of 384 units.
- ▶ This level of need exceeds the number of units likely to be delivered from acquisitions, new delivery or conversions, resulting in growing levels of unmet need each year. In view of this it is vital that a policy framework document is developed with the aim of ensuring adequate supply of subsidised affordable housing, but which is also complementary to attempts at tackling problems in localities which are at risk of market failure through low demand. Part of this will include the serious consideration of negotiating with prospective developers to increase the supply of subsidised affordable housing.
- ▶ Numbers in the 80+ age group increase by 2,081 (19.6%), and will represent 12,684 people by 2021. In view of the relationship between increasing age and dependency, consideration will need to be given to the related housing and care needs of this particular sector if the needs of this group of people are to be effectively addressed.
- ▶ In total the data suggests a combined requirement for 1,222 units of some form of elderly provision formed from older people currently living in the Borough (842 households) and those who may in-migrate to be beside their family (380 households). 1,182 are in the affordable sector and 40 in the private sector.
- ▶ To address the requirements of disabled people there is a need to:-
 - ▶ Continue to develop information on people with special housing and support needs;
 - ▶ Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people;
 - ▶ Create a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.

October 2003