

**ASHFORD  
HOUSING NEEDS SURVEY  
UPDATE**

**FINAL REPORT  
2010**



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**APPENDIX****I Glossary of Terms**

# 1 INTRODUCTION & METHODOLOGY

## 1.1 Background and Context to the Ashford HNS Update

1.1.1 A Housing Needs Survey (HNS) was originally undertaken in Ashford Borough in 2005. The study consisted of the following elements:

- A local housing survey consisting of primary data collection, gathered through a postal survey to around 6,300 households.
- A housing market survey utilising the Land Registry and a telephone 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 2001 Census data, other national and local authority data and household and population projections;

1.1.2 The Housing Needs Survey was undertaken in line with the ODPM research Local Housing Needs Assessment: A Guide to Good Practice in assessing people's preferences as well as their needs.

## 1.2 The 2009 HNS Update

1.2.1 In December 2009, DCA were commissioned to update the 2005 Ashford HNS.

1.2.2 Due to the current economic downturn, an update at this time is particularly relevant due to the change in market conditions which have taken place since the publication of the 2005 report.

1.2.3 This update uses the most recent secondary data and re-weighted the primary data set to reflect the population in 2009.

1.2.4 The update report will review the outputs of the 2005 HNS where more recent data is available. This will include the following:-

- 2010 house prices / rents and current income levels to be able to calculate affordability thresholds;
- The Land Registry database;
- An estate agents survey to assess the access price levels in the nine survey sub-areas and rental costs in the private rented sector;
- The most recent population forecasts in view of the impact of demographic change on household formation and future demand and comparison to 2001 Census data;
- Analysis of the HSSA data at 2009 to calculate an annual level of re-lets, waiting list change, right to buy and loss of stock and new delivery by tenure. The information required from the Council would be similar to the data provided for the 2005 survey on these elements.
- A new 2009 based Assessment Model of affordable housing need based on the Good Practice Guidance.

### 1.3 Re-weighting the Survey Data-set

- 1.3.1 In undertaking this update, the 2005 household survey data file has been re-weighted using 2009 revised household numbers and social stock by ward and sub-area to update key data used in the Model.
- 1.3.2 The social sector stock has been weighted to the actual figures in the 2009 Housing Strategy Statistical Appendix (HSSA).
- 1.3.3 The 2005 survey data has been re-weighted to reflect the 2009 household population and tenure balance so that the results reflect what would have been found had the household survey been conducted in 2009.
- 1.3.4 The tables below show the revised weighted tenure proportions in the 2009 data file. A comparison is shown with the weighted 2005 tenure data.

**Table 1-1 Tenure of Existing Households**

Tenure	2009 (%)*	N <sup>OS</sup> . implied	2005(%)**
Owner occupier - mortgage	44.5	20,821	45.5
Owner occupier - outright	29.6	13,885	29.6
Council Rented	10.2	4,788	12.0
HA rented	6.0	2,819	3.3
Private rented	6.6	3,111	9.3
Tied to employment / Rent free	2.8	1,324	0.1
Shared ownership	0.3	153	0.2
<b>Total</b>	<b>100.0</b>	<b>46,901</b>	<b>100.0</b>

\* 2009 Re-weighted survey data

\*\* 2005 Ashford HNS

### 1.4 The HNS Update Report Structure

- 1.4.1 The key report sections contained within the update are detailed below.

#### Section 2 - The Active Market

- 1.4.2 Section 2 analyses indicators of current housing market activity in the nine sub-areas in the Borough.
- 1.4.3 This section examines the following the cost of buying or renting a property in 2010. Comparisons are made with property prices at the time of the 2005 update compared to 2009 using Land Registry data.

### **Section 3 – Housing Costs and Income**

- 1.4.4 This section of the update assesses the income levels required to access the cheapest units available from the research undertaken in section 2.

### **Section 4 - Population growth and Household Formation Projections**

- 1.4.5 Section 4 examines:-
- Future population change forecasts;
  - Household characteristics.

### **Section 5 – CLG Housing Needs Assessment Model**

- 1.4.6 Section 5 consists of the Ashford CLG Needs Assessment Model. This provides a quantitative assessment of housing need.
- 1.4.7 This section includes recommendations for:-
- Overall Affordable Housing target levels by size;
  - Tenure mix targets;
  - Property type and size targets.

## **1.5 Data Sources**

- 1.5.1 Both secondary data and the re-weighted primary data collected during the 2005 local housing survey (as part of the 2005 HNS) have been used.
- 1.5.2 The sources of data used within each section of the report are referenced where appropriate.

## **1.6 Data Benchmarking**

- 1.6.1 Throughout this study where applicable, DCA have provided data using the benchmark areas utilised in the 2005 HNS of Kent and the South East. These will be referred to throughout the report as benchmark areas. The use of benchmark areas aims to provide an understanding of comparative performance between Ashford and wider areas.

## **1.7 Glossary of Terms**

- 1.7.1 A glossary of the technical terms used throughout this report is provided as an Appendix (Appendix I).

## 2 THE ACTIVE MARKET

### 2.1 Introduction

- 2.1.1 This section examines the current housing market to provide an update on house prices in Ashford.
- 2.1.2 This information 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 experienced by low income households, evaluated through the 2005 survey data (re-weighted to reflect 2009 levels).
- 2.1.3 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. This led to a fall in house prices throughout the UK which has left recent buyers and those on 100% mortgages with negative equity.
- 2.1.4 However the Halifax House Price Index for the fourth quarter of 2009 reported that house prices have increased for the sixth consecutive month in December. The significant cut in interest rates has reduced the burden of servicing a mortgage for many households and has helped to stimulate housing demand.
- 2.1.5 The recent improvement in the labour market highlighted by increasing numbers of people in employment across the UK in both September and October 2009 has also supported housing demand.
- 2.1.6 The prospects for the market in 2010 will depend on how the UK economy evolves and whether there is a significant increase in the supply of properties for sale.

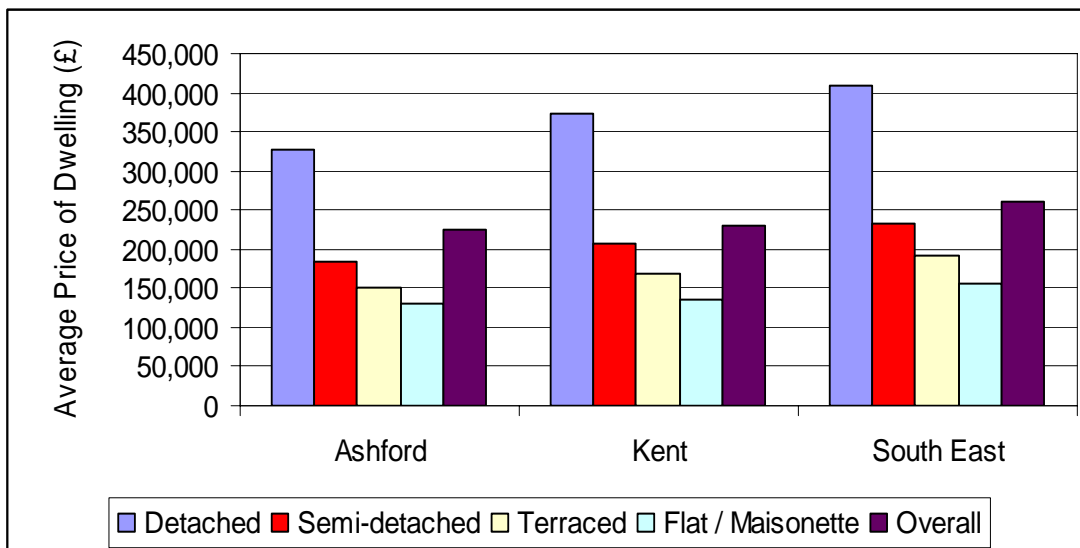
### 2.2 Housing Market Analysis

- 2.2.1 Two key data searches were commissioned to provide information on house price and sales volumes across the Borough:-
- the Land Registry, providing data on all sales in the area;
  - an Estate Agency survey to assess entry level prices and private rental costs in each sub-area.
- 2.2.2 DCA have compared the change in property prices between the land registry data used in the previous report (Quarter 4, 2004) and the latest data available (Quarter 3, 2009).
- 2.2.3 The 2005 HNS analysed house price change from Quarter 1 2000 to Quarter 4 2004. This update has compared house price change over the last nine years, using the starting point in the 2005 HNS of Q1 2000, to the current data available of Q3 2009.

## 2.3 Average House Prices

2.3.1 The latest data on average house prices during the third quarter of 2009 from Land Registry are summarised in Figure 2-1 below.

**Figure 2-1 Average House Prices by Type, Q3 2009**



Source: Land Registry Residential Property Price Report, Quarter 3 2009, © Crown Copyright

2.3.2 The average property price in Ashford was £224,225, lower than the County and Regional averages of £229,907 and £259,780 respectively.

2.3.3 The table below examines average house prices for Ashford Borough as recorded by the Land Registry at Q3 2009, compared with the average property prices at the time of the Ashford HNS at Q4 2004. This is broken down by property type.

2.3.4 Over the period Q4 2004 to Q3 2009, the average property price in Ashford rose by around 14.9%.

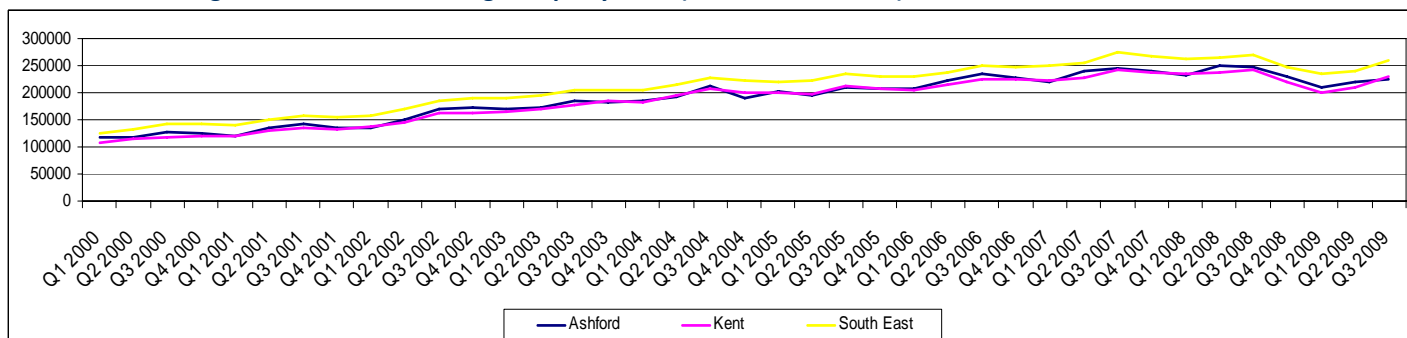
**Table 2-1 2004 (Q4) -2009 (Q3) Average Ashford Property Price by Type**

Property Type	Ashford		
	Average Q4 2004	Average Q3 2009	Change (%)
Detached	283,757	328,142	+15.6
Semi-detached	175,960	182,863	+3.9
Terraced	155,883	150,046	-3.7
Flat/ Maisonette	130,276	130,051	-0.2
<b>All Properties</b>	<b>195,155</b>	<b>224,225</b>	<b>+14.9</b>

2.3.5 Detached properties have seen the largest rise at 15.6% and terraced properties show a fall of 3.7%.

- 2.3.6 The chart below shows the extent to which house prices have changed in Ashford in the last 9 years (Quarter 1, 2000 to Quarter 3, 2009), compared to the County and Regional house prices. The chart shows that between 2000 and 2007 property prices steadily climbed and peaked in Ashford in quarter 4 2007. Property prices then steadily fell through 2008 before showing a recovery in 2009.

**Figure 2-2 Average Property Price (Q1 2000 – Q3 2009)**



## 2.4 Sales Transactions

- 2.4.1 The table below shows the volume of sales per quarter in the Borough between Quarter 4 2004 and Quarter 3 2009.

**Table 2-2 Absolute Trend in Sales Q4 2004 to Q3 2009**

Area	Sales							
	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006
Ashford	740	451	690	735	796	598	794	887
Kent	7,414	5,010	7,030	8,309	8,203	7,180	9,183	10,189
South East	61,520	43,099	61,266	71,478	70,633	61,513	76,839	85,986

Area	Sales							
	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008
Ashford	632	582	653	659	678	376	410	327
Kent	8,767	8,336	8,957	9,230	7,823	4,972	4,992	3,885
South East	70,361	66,827	72,417	74,419	63,138	38,838	41,365	33,086

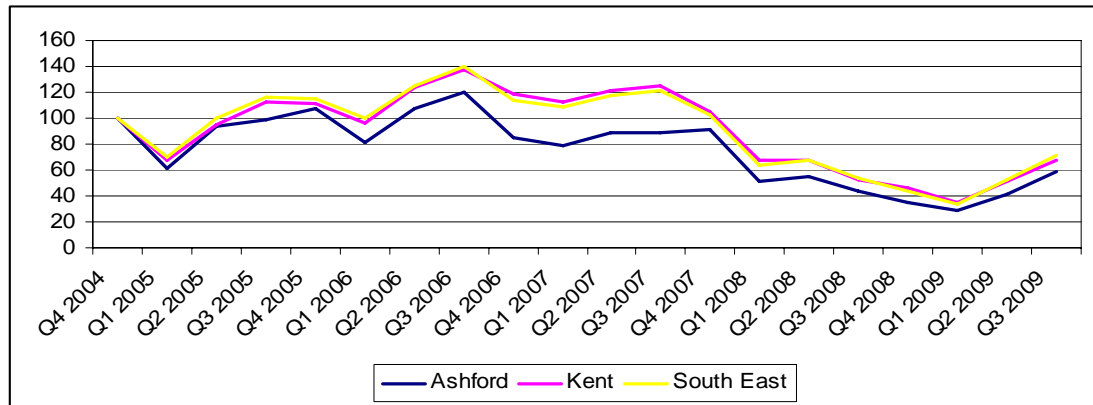
Area	Sales			
	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Ashford	257	213	303	438
Kent	3,421	2,598	3,844	5,022
South East	27,166	20,665	32,605	43,539

Source: Land Registry, 4<sup>th</sup> Quarter 2004 to 3<sup>rd</sup> Quarter 2009

2.4.2 Overall the volume of sales per quarter have fallen in the period Q4 2004 to Q3 2009. Significant falls were seen in 2008 and Quarter 1 2009 before rising over the next two quarters.

2.4.3 The trend in the absolute sales volumes recorded between 2004 (Q4) and 2009 (Q3) is shown in the graph below. The data has been indexed to give a common starting point (Q4 2004 = 100)

**Figure 2-3 Volume of Sales (2004-2009)**



2.4.4 Figure 2-3 above clearly shows that although sales levels in Ashford fell, particularly during 2008. Sales levels have increased in Q2 2009 and Q3 2009, however sales volumes are still at a low level when compared with those recorded in 2005/06.

2.4.5 The chart and table below shows the sales transactions in Ashford by property type for the period Q4 2004 – Q3 2009. The data in the chart has been indexed to give a common starting point (Q4 2004 = 100).

**Table 2-3 Ashford Sales Transactions Q4 2004 / Q3 2009**

Type	Sales							
	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006
Detached	202	107	209	216	255	183	265	291
Semi-detached	184	137	164	220	249	180	215	260
Terraced	244	174	228	226	232	172	232	249
Flat / Maisonette	110	33	89	73	60	63	82	87
<b>Total</b>	<b>740</b>	<b>451</b>	<b>690</b>	<b>735</b>	<b>796</b>	<b>598</b>	<b>794</b>	<b>887</b>

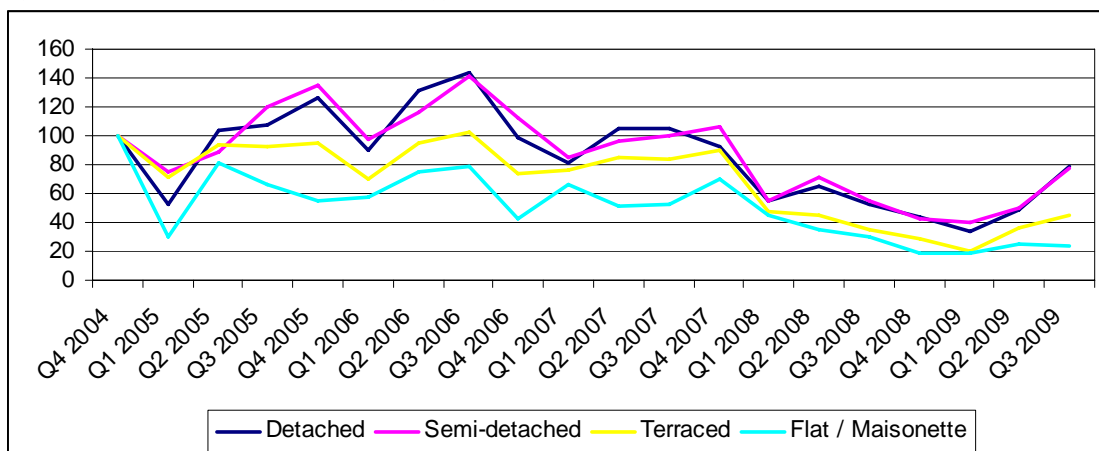
Type	Sales							
	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008
Detached	200	165	212	213	186	110	131	107
Semi-detached	206	157	178	185	195	102	130	102
Terraced	179	187	207	203	220	115	111	85
Flat / Maisonette	47	73	56	58	77	49	38	33
<b>Total</b>	<b>632</b>	<b>582</b>	<b>653</b>	<b>659</b>	<b>678</b>	<b>376</b>	<b>410</b>	<b>327</b>

Type	Sales			
	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Detached	89	69	98	159
Semi-detached	78	74	91	143
Terraced	70	49	87	110
Flat / Maisonette	20	21	27	26
<b>Total</b>	<b>257</b>	<b>213</b>	<b>303</b>	<b>438</b>

Source: Land Registry, 4<sup>th</sup> Quarter 2004 to 3rd Quarter 2009

- 2.4.6 The sales levels of all property types decreased over the period, particularly during 2008.

**Figure 2-4 Ashford Sales by Type (2004-2009)**



## 2.5 Entry Sales Levels in Ashford

- 2.5.1 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.
- 2.5.2 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.
- 2.5.3 In broad terms new purchasers of either flats or terraced properties buy in the lowest quartile of prices i.e. the bottom 25%.
- 2.5.4 An internet survey of the local estate agents was undertaken to ascertain the cost of the cheapest units available i.e. the lowest quartile stock costs for sale in each of the nine sub-areas. These are detailed in the following table.
- 2.5.5 The Borough has been divided into the same nine sub-areas used in the 2005 HNS to further analyse house prices locally in the area.

2.5.6 The nine sub-areas and the wards contained within them are outlined below.

Sub-Area	Wards
<b>Ashford Urban</b>	<i>Aylesford Green, Beaver, Bockhanger, Godinton, Highfield, Kennington, Little Burton Farm, Norman, North Willesborough, Park Farm North, Park Farm South, Singleton South, South Willesborough, Stour, Victoria, Washford.</i>
<b>Great Chart and Singleton</b>	<i>Great Chart with Singleton North</i>
<b>Kingsnorth</b>	<i>Kingsnorth</i>
<b>Stanhope</b>	<i>Stanhope</i>
<b>Parishes Surrounding Wye</b>	<i>Boughton Aluph, Challock, Chilham, Crundale, Eastwell, Godmersham, Hastingleigh, Molash, Wye with Hinxhill</i>
<b>Parishes Surrounding Charing</b>	<i>Bethersden, Charing, Egerton, Hothfield, Little Chart, Pluckley, Smarden, Westwell</i>
<b>Parishes Surrounding Southern Boundary of Ashford</b>	<i>Aldington, Bilsington, Bonnington, Brabourne, Brook, Mersham, Orlestone, Ruckinge, Sevington, Shadoxhurst, Smeeth, Warehouse.</i>
<b>Parishes Surrounding Tenterden</b>	<i>Appledore, Biddenden, High Halden, Kenardington, Newenden, Rolvenden, Stone-cum-Ebony, Wittersham, Woodchurch.</i>
<b>Tenterden</b>	<i>Tenterden</i>

2.5.7 The table below shows the entry sales levels in Ashford in January 2010.

**Table 2-4 Entry Sales Levels (£) in the Borough – January 2010**

	1 Bed Flat	2 Bed Flat	2 Bed Terraced	3 Bed Terraced
Ashford Urban	94,950	110,000	125,000	124,950
Great Chart and Singleton	90,000*	129,950	142,500	175,000
Kingsnorth	-nd-	129,950*	149,995	174,995
Stanhope**	79,995*	-nd-	119,950*	115,000*
Parishes Surrounding Wye	-nd-	-nd-	150,000*	205,000
Parishes Surrounding Charing	129,995	187,500	155,000*	129,995
Parishes Surrounding Southern Boundary of Ashford	-nd-	-nd-	149,995*	179,995*
Parishes Surrounding Tenterden	-nd-	-nd-	199,995*	130,950*
Tenterden	124,500*	179,995	194,950	189,995*
<b>Borough-wide</b>	<b>94,950</b>	<b>125,000</b>	<b>142,500</b>	<b>139,950</b>

Source: DCA House Price Survey January 2010

\* Low level of data

nd No data

\*\* Stanhope Includes data from February 2010 as only semi-detached properties were found in the initial January House Price Survey. Data in the Stanhope sub-area was still limited and should be treated with caution

- 2.5.8 Although the average price of flat / maisonette properties according to the Land Registry data at Quarter 3 2009 was £130,051, entry sales levels vary across the Borough with the lowest entry prices, starting at around £79,995 in the Stanhope sub-area for a 1-bed property, rising to £187,500 for a 2-bed flat / maisonette in the Parishes surrounding Charing.
- 2.5.9 2-bed terraced properties start at £119,950 in the Stanhope sub-area rising to £194,950 in the Tenterden sub-area.
- 2.5.10 3-bed terraced properties start at £115,000 in the Stanhope sub-area rising to £205,000 in the Parishes surrounding Wye sub-area.
- 2.5.11 DCA have compared the entry level property prices in each of the sub-areas as reported in the 2005 HNS with the entry level data obtained above. The majority of sub-areas have seen a rise in entry level costs.
- 2.5.12 It should be noted that the only properties found to be for sale in our search in the Stanhope sub-area were semi-detached properties and a further search for Stanhope was done in February. A number of the more rural sub-areas also had very low, if any flats for purchase.

## 2.6 The Private Rented Sector

- 2.6.1 DCA undertook an internet survey of the main estate / letting agents to gather data on the entry rent levels for each sub-area. The prevailing private sector rent levels are set out below.
- 2.6.2 It should be noted that in the areas outside Ashford urban, very low levels of rental data were found and the rural area data should be treated with caution.

**Table 2-5 Average and Entry Rent Levels, January (£ p/m)**

Property Type	Ashford Urban		Great Chart & Singleton		Kingsnorth		Stanhope**	
	Average	Entry	Average	Entry	Average	Entry	Average	Entry
1-Bed Flat	476	<b>450</b>	475*	<b>425*</b>	560*	<b>545*</b>	485*	<b>475*</b>
2-Bed Flat	558	<b>525</b>	590*	<b>580*</b>	582	<b>570</b>	563*	<b>550*</b>
2-Bed Terraced	613	<b>595</b>	-nd-	<b>-nd-</b>	633	<b>600</b>	601*	<b>550*</b>
3-Bed Terraced	656	<b>600</b>	-nd-	<b>-nd-</b>	723	<b>695</b>	628*	<b>475*</b>
2-Bed Semi-detached	656	<b>625</b>	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>
3-Bed Semi-detached	741	<b>695</b>	714*	<b>695*</b>	735	<b>700</b>	673*	<b>650*</b>

Property Type	Parishes Surrounding Wye		Parishes Surrounding Charing		Parishes Surrounding Southern Boundary of Ashford		Parishes Surrounding Tenterden	
	Average	Entry	Average	Entry	Average	Entry	Average	Entry
1-Bed Flat	588*	<b>550*</b>	794	<b>395</b>	-nd-	<b>-nd-</b>	423*	<b>395*</b>
2-Bed Flat	688*	<b>650*</b>	586*	<b>500*</b>	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>
2-Bed Terraced	-nd-	<b>-nd-</b>	665*	<b>650*</b>	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>
3-Bed Terraced	869*	<b>800*</b>	750*	<b>750*</b>	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>
2-Bed Semi-detached	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>	-nd-	<b>-nd-</b>	657*	<b>600*</b>
3-Bed Semi-detached	823	<b>770*</b>	-nd-	<b>-nd-</b>	698*	<b>696*</b>	-nd-	<b>-nd-</b>

Property Type	Tenterden		Borough-Wide	
	Average	Entry	Average	Entry
1-Bed Flat	523*	<b>495*</b>	491	<b>450</b>
2-Bed Flat	690*	<b>650*</b>	592	<b>550</b>
2-Bed Terraced	745*	<b>695*</b>	632	<b>595</b>
3-Bed Terraced	-nd-	<b>-nd-</b>	709	<b>625</b>
2-Bed Semi-detached	-nd-	<b>-nd-</b>	653	<b>625</b>
3-Bed Semi-detached	-nd-	<b>-nd-</b>	736	<b>695</b>

nd No Data

\* Low level of data

Source: DCA House Price Survey, January 2010

\*\* Stanhope includes data from February 2010 but data is limited and should be treated with caution

- 2.6.3 Entry rental costs in the private rented sector vary by location within the Borough. The private rented sector can be accessed at £395 per month in the Parishes surrounding Charing and Parishes surrounding Tenterden sub-areas, rising to £550 in the Parishes surrounding Wye sub-area for a one bedroom flat, the smallest unit (see Table 2-5).
- 2.6.4 Entry level rents for 2-bed flats range from £500 in the Parishes surrounding Charing sub-area rising to £650 in the Tenterden and Parishes surrounding Wye sub-area.
- 2.6.5 In the case of 2-bed terraced houses, entry rent levels range from £550 pm in the Stanhope sub-area, rising to £695 in the Tenterden sub-area. 3-bed terraced properties can be rented from £475 pm in the Stanhope sub-area rising to £800 in the Parishes surrounding Wye sub-area.
- 2.6.6 Data on 2-bed semi-detached properties was extremely low and has not been included in the analysis.
- 2.6.7 3-bed semi detached properties can be accessed from £650 in the Stanhope sub-area and Great Chart and Singleton sub-areas rising to £770 in the Parishes surrounding Wye sub-area.

## 3 HOUSING COSTS AND INCOME

### 3.1 Introduction

- 3.1.1 The ability of a household to satisfy its own housing requirement is fundamentally a factor of the relationship between local house prices and households income.
- 3.1.2 This section of the report assesses the income levels required to access the cheapest units available in reasonable supply from the research detailed in Section 2.6, and the change in incomes from the 2005 HNS utilising national secondary data.

### 3.2 Affordability

- 3.2.1 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.
- 3.2.2 The house price to income ratio has declined from 5.84 in July 2007 to 4.34 in March 2009. The long term average ratio is projected at 4.0.
- 3.2.3 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 46% decline of first time buyers coming into the market than a year ago.
- 3.2.4 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.
- 3.2.5 There is only a tiny supply of loans 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.
- 3.2.6 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.
- 3.2.7 Variable rate mortgages were mostly offered at 25% LTV as a minimum. Lloyds TSB did offer a 95% LTV to first time buyers, but relatives were to act as a guarantor to the loan and had to show £20,000 in savings to qualify.
- 3.2.8 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 60% to 75%.
- 3.2.9 The 2008 study by Professor Steve Wilcox '*Can't Supply: Can't buy*' examines the affordability of private sector housing in Great Britain in 2007. It sets out affordability measures for home ownership and for private rented housing. The study uses Hometrack data for house prices based on an even mix of 2 / 3 bedroom dwellings and calculates affordability ratios based on household earnings.

- 3.2.10 The 2008 report follows a similar analysis to the previous report '*Can't Buy: Can rent*' published in 2007 and builds on earlier analysis carried out for the Joseph Rowntree Foundation on home owner affordability in 2002, 2003, 2004 and 2005. It also compares the cost of renting and buying using Hometrack data on both house prices and private rents.
- 3.2.11 The main improvement in the 2008 report is that it examines the proportion of younger working households in each area that can afford to rent, even if they cannot afford to purchase locally.
- 3.2.12 The report highlights the growth of the 'buy to let' mortgage market and its importance in the housing market over the last decade. In 2007, there were 346,000 new 'buy to let' mortgage advances recorded, almost matching the 358,000 mortgage advances to first time buyers during that time.
- 3.2.13 While house prices have tripled since 1994, private sector rents have only increased in line with earnings over that time, therefore the costs of renting have declined relative to the costs of buying.
- 3.2.14 In the UK as a whole in 2003, ratios of mortgage advances to incomes only exceeded 3.75:1 in about a quarter of all cases where only a single income was taken into account and 3.25:1 where more than one income was taken into account.
- 3.2.15 Lending practices vary in terms of defining incomes required to purchase, but a typical example would be 3 times the annual gross income depending on the number in the household. Lender practice is changing however, in response to the sharp reductions in interest rates and advance to income ratios have increased over the last few years.
- 3.2.16 As a whole, the UK average house price to household earnings ratio was 4.70:1. It was the highest in London (6.11:1) and the lowest in the East Midlands (3.75:1). The 2008 Report shows that the South East has a house price to earnings ratio of 4.89:1 and Ashford Borough has a house price-to-income ratio of 4.21:1.
- 3.2.17 Table 3-1 highlights the data and house price to income ratio for Ashford Borough and the South East.

**Table 3-1 Purchase Income Thresholds**

Area	Working Households		
	Income	2007 Prices	Ratio
Ashford	44,960	189,482	4.21
South East	45,576	222,918	4.89

Source: Can't Supply: Can't buy 2008 Report

- 3.2.18 The 2008 Report 'Can't Supply: Can't Buy' also relates to the ability of the intermediate market to assist younger working households to buy in their local housing market.

**Table 3-2 Working Households Unable to Buy**

Area	Working Households	
	Broad IHM * (%)	Narrow IHM ** (%)
Ashford	50.1	30.2
South East	57.6	35.8

\* The proportion of working households unable to purchase at lower quartile house prices for two and three bedroom dwellings.

\*\* The proportion of working households who can afford to pay social rent without housing benefit but cannot afford to purchase at the lowest decile point of house prices for two- and three-bedroom dwellings.

Source: Can't Supply: Can't Buy' Report 2008

- 3.2.19 The data shows that for Ashford 50.1% of working households cannot afford to buy at the lower quartile point of house prices, and 30.2% of household's cannot afford in the lowest decile.

### 3.3 The Mortgage Market

- 3.3.1 The Council of Mortgage Lenders' (CML) members are banks, building societies and other lenders who together undertake around 98% of all residential mortgage lending in the UK. They produce statistics research and public commentary on the market and the issues facing lenders.
- 3.3.2 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 in the short term only given it stability and there remains a major problem of a lack of funds to lend across virtually all lenders.
- 3.3.3 It is for this reason that lending terms are now quite severe with loan to value ratios of 60% and 75% the norm across the industry. This has particular significance for first time purchasers who traditionally have borrowed maximum levels around 95%.
- 3.3.4 The strength of the housing market over recent months has been surprising. Recovering house prices appear at least partly to reflect short-term drivers, such as low volumes of new-build properties, few willing sellers, and a relatively high level of cash and overseas buyers.
- 3.3.5 It is not certain that these will continue into 2010. Sales activity has picked up sharply from the very low levels seen early in 2009, but remains far below what might be considered "normal".
- 3.3.6 House purchases for 2009 as a whole are lower than in 2008 and likely to be the weakest since the war. It is hard to build a case for a dramatic upturn until the wider economic picture improves materially, although early evidence suggests that the 2010 market will be flat and may not see higher transaction levels than 2009.

- 3.3.7 However, significant house price falls over 2008 and early 2009 mean that large numbers of home-owners have low or negative equity, and this effectively limits both their ability and willingness to move house and to re-mortgage.
- 3.3.8 Meanwhile, low mortgage rates mean that many existing borrowers find themselves on attractively priced tracker or other variable rate products, with little incentive to switch their mortgage. The result has been a sharp contraction in re-mortgage activity (which has pushed gross lending volumes lower) and downward pressure on lenders' margins. With interest rates expected to remain low, there is little reason to expect this to change next year.
- 3.3.9 The following table outlines key statistics on volume of transactions and advances and mortgage possessions from 2006 to forecasts of the outturn expected in 2010.

**Table 3-3 Key Mortgage Lending Statistics**

	2007	2008	2009 <sup>f</sup>	2010 <sup>f</sup>
Residential property transactions, UK, millions	1.613	0.90	0.81 (0.70)	0.85
Gross advances, £bn	363	253	141 (145)	150
Net lending, £bn	108	40	8 (-5)	15
<b>Possessions in period:</b>				
Number	25,900	40,000	48,000 (65,000)	53,000
% of all mortgages	0.22	0.34	0.43	0.48

Source: Bank of England, National Statistics, HM Revenue and Customs, CML (November 2009)

Notes: The HMRC series relates to residential transactions over £40k. It is a new series which started in April 2005.

2. Figures for arrears and possessions relate only to first charge mortgages held by lenders who are members of the CML. They do not include arrears and possessions relating to other secured lending or to firms that are not CML members.

3. June 2009 forecasts, where comparable, shown in brackets

f forecast

- 3.3.10 Data on loans specifically to first-time buyers is outlined below.

**Table 3-4 Loans to first-time buyers 2008/2009**

	Number of loans	Value of loans £m	Average loan to value	Average income multiple
<b>November 2009</b>	<b>19,300</b>	<b>2,200</b>	<b>75%</b>	<b>3.09</b>
<b>Change from October 2009</b>	-2%	n/c	75%	3.08
<b>Change from November 2008</b>	+62%	+69%	83%	3.12

Source: CML January 2010

- 3.3.11 The availability of loans and the terms available have significantly reduced first-time buyer's ability to enter the market. Because they do not have a house to sell, this group have played a very significant role in previous recessions in sustaining some level of activity and in helping lead the market out of the recession.

- 3.3.12 One third of first-time buyers escaped paying stamp duty in September as a result of the government's temporary £175,000 nil-rate threshold, according to new data released by the Council of Mortgage Lenders.

### 3.4 Purchase Income Thresholds

- 3.4.1 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).
- 3.4.2 Table 3-5 and Table 3-6 below outline the income ranges needed to enter the market in the nine sub-areas for single and dual households using the Guidance recommended lending ratios.

**Table 3-5 Single Income Thresholds – January 2010**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Ashford Urban	25,800	29,900	33,900
Great Chart & Singleton	24,400*	35,300	38,700
Kingsnorth	-nd-	35,300*	40,700
Stanhope**	21,700*	-nd-	32,600*
Parishes Surrounding Wye	-nd-	-nd-	40,700*
Parishes Surrounding Charing	35,300	50,900	42,100*
Parishes Surrounding Southern Boundary of Ashford	-nd-	-nd-	40,700*
Parishes Surrounding Tenterden	-nd-	-nd-	54,300*
Tenterden	33,800*	48,900	52,900
<b>Borough-wide</b>	28,200	40,000	41,800

Please note figures are rounded to nearest hundred. -nd- no data \*low sample

Source: DCA House Price Survey January 2010 \*\* Stanhope includes data from February 2010

**Table 3-6 Dual Income Thresholds - January 2009**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Ashford Urban	31,100	36,600	40,900
Great Chart & Singleton	29,500*	42,600	46,700
Kingsnorth	-nd-	42,600*	49,100
Stanhope**	26,200*	-nd-	39,300*
Parishes Surrounding Wye	-nd-	-nd-	49,100*
Parishes Surrounding Charing	42,600	61,400	50,800*
Parishes Surrounding Southern Boundary of Ashford	-nd-	-nd-	49,100*
Parishes Surrounding Tenterden	-nd-	-nd-	65,500
Tenterden	40,800*	59,000	63,900
<b>Borough-wide</b>	34,000	48,400	50,500

Please note figures are rounded to nearest hundred. -nd- no data \* low sample

Source: DCA House Price Survey January 2010 \*\* Stanhope includes data from February 2010

- 3.4.3 The cheapest entry level property can be accessed at £21,700 (single) / £26,200 (dual) in the Stanhope sub-area.
- 3.4.4 In reality, lending ratios are now much lower with very few loans available with 95% loan to valuation levels. These levels are therefore theoretical as mortgage lending to first time buyers is generally still at a level of around 75% to 80%.
- 3.4.5 The key problem of affordability now focuses more strongly on the availability of a large deposit rather than income levels and lending multipliers.
- 3.4.6 On average a deposit of around £25,000 is needed to buy and in the 2005 survey only 13% of new forming households have savings over £15,000 to meet a deposit.
- 3.4.7 There is no data above that level and it is likely to place a significant requirement on parents and relatives to provide financial support. Based on savings data, at least 87% cannot buy in the market because of the level of deposit required.
- 3.4.8 We have no evidence that parents or relatives in the Borough have resources available to provide this level of deposit for their children.
- 3.4.9 New entrants to the market are therefore restricted to private rent whether they want to be in that sector or not even if there was an available supply of private rented housing.
- 3.4.10 The Guidance criteria for eligibility for access to subsidised affordable, is ultimately the inability to rent in the private market without assistance.
- 3.4.11 This is the basis of the calculation of those requiring affordable housing in section 5.9.
- 3.4.12 Many new entrants to the market are therefore restricted to private rental, whether they want to be in that sector or not even if there was an available supply.

### **3.5 Rental Income Thresholds**

- 3.5.1 The cheapest rental prices of the smallest units in the Borough 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). Table 3-7 below shows the income levels needed to access the private rented market in the Ashford Borough.

- 3.5.2 It should be noted that due to the higher rental costs, the income thresholds in Ashford are generally much higher than they were in January 2010 compared to 2005.

**Table 3-7 Rental Income Thresholds – January 2010**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terrace
Ashford Urban	21,600	25,200	28,600
Great Chart & Singleton	20,400*	27,800*	-nd-
Kingsnorth	26,200*	27,400	28,800
Stanhope**	22,800*	26,400*	26,400*
Parishes Surrounding Wye	26,400*	31,200*	-nd-
Parishes Surrounding Charing	19,000	24,000*	31,200*
Parishes Surrounding Southern Boundary of Ashford	-nd-	-nd-	-nd-
Parishes Surrounding Tenterden	19,000	-nd-	-nd-
Tenterden	23,800*	31,200*	33,400*
<b>Borough-wide</b>	22,400	27,600	29,700

Source: DCA House Price Survey January 2010 \*\* Stanhope includes data from February 2010

\* Low Level of Data – nd- No Data Note: Figures rounded to nearest hundred.

- 3.5.3 The cheapest property to rent in is in the Parishes surrounding Charing sub-area along with the Parishes surrounding Tenterden, requiring an income threshold of £19,000 in order to be able to rent a 1-bedroom flat.

### 3.6 Household Incomes

- 3.6.1 Income data is always difficult to gather at local level. The 2009 Annual Survey of Hours and Earnings (ASHE) has been used, prepared by the Office for National Statistics (formerly known as the New Earnings Survey). This provides data at County and Borough-wide level of full-time employees of adult rates who have been in the same job for more than a year.
- 3.6.2 The ASHE 2009 shows an average (median) of £25,119 for Ashford. This has been compared to the 2005 ASHE data which reported a median income of £22,708, an increase of 10.6% over the four year period.
- 3.6.3 It is particularly important to examine the distribution of income rather than the average figure, especially in relation to the proportion of households with the capacity to access the private sector market for rent or sale.
- 3.6.4 There is a wide distribution of earnings illustrated from the ASHE. Analysis of the 2009 ASHE data for Ashford shows that: -
- 10% earned less than £13,877 per annum;
  - 40% earned less than £23,152 per annum;
  - 60% earned less than £28,286 per annum.

- 3.6.5 Access to the market has been based on the updated house price information detailed in Section 2. Analysis has also been undertaken of the income levels of local households, to be able to assess the proportion of people now able access market housing.
- 3.6.6 The table below highlights the incomes of existing households from the 2005 HNS and indexed current incomes.

**Table 3-8 Incomes of Existing Households 2005 & 2009**

Annual Income 2005		Annual Income 2009**		%
Below	£10,000	Below	£11,060	16.2
£10,000 - £20,000		£11,060 - £22,120		25.9
£20,001 - £27,500		£22,121 - £30,415		11.0
£27,501 - £32,500		£30,416 - £35,945		11.0
£32,501 - £40,000		£35,946 - £44,240		10.6
£40,001 - £50,000		£44,241 - £55,300		7.4
£50,001 - £60,000		£55,301 - £66,360		5.2
£60,001 - £75,000		£66,361 - £82,950		6.4
£75,001 - £100,000		£82,951 - £110,600		2.8
Above	£100,000	Above	£110,600	3.5
<b>Total</b>				<b>100.0</b>

Source: \* 2005 Ashford HNS

\*\* Re-weighted survey data

- 3.6.7 As the average incomes for Ashford have increased by 10.6% between 2005 ASHE and 2009 ASHE data, the annual income boundaries taken from the 2005 HNS have an income inflation of 10.6% applied to determine the 2009 annual income boundaries for Ashford.
- 3.6.8 Table 3-9 below highlights the 2005 and 2009 incomes of concealed households from the 2005 Survey. The 2005 annual income bands taken from the 2005 HNS have an income inflation of 10.6% applied to determine the 2009 annual income levels.

**Table 3-9 Incomes of Concealed Households 2005 & 2009**

Annual Income 2005		Annual Income 2009		%
Below	£10,000	Below	£11,060	8.4
£10,000 - £15,000		£11,060 - £16,590		43.8
£15,001 - £20,000		£16,591 - £22,120		29.0
£20,001 - £25,000		£22,121 - £27,650		8.6
£25,001 - £27,500		£27,651 - £30,415		1.9
£27,501 - £32,500		£30,416 - £35,945		3.7
£32,501 - £37,500		£35,946 - £41,475		2.7
£37,501 - £40,000		£41,476 - 44,240		0.6
£40,001 - £45,000		£44,241 - £49,770		1.3
<b>Total</b>				<b>100.0</b>

- 3.6.9 The following table outlines the income required by concealed households to access owner occupation based on the lowest and highest purchase single income thresholds across the Borough for 1 and 2-bed flats properties and 2-bed terraced properties, as illustrated in the table below.
- 3.6.10 Overall the calculation of the proportion of concealed households unable to access the private sector takes account of those who need one, two bedroom housing in the lowest quartile cost stock across the Borough.

**Table 3-10 Concealed Household Incomes Needed Buy**

Type of Property	Area	Income Required	% unable to buy
1-bed Flat	Stanhope (cheapest)	£21,700	78.9
2-bed Flat	Parishes Surrounding Charing (most expensive)	£50,900	100.0
2-bed Terraced	Stanhope (cheapest)	£32,600	93.2
2-bed Terraced	Parishes Surrounding Tenterden (most expensive)	£54,300	100.0

- 3.6.11 Using the income requirements from Table 3-5 (single income), Table 3-10 shows that 78.9% of concealed households are unable to buy the cheapest 1-bed flat in the Stanhope sub-area and 100% are unable to buy the most expensive 2 bed flat in the Parishes Surrounding Charing sub-area.
- 3.6.12 93.2% of the concealed households were unable to buy the cheapest 2-bed terrace in the Stanhope sub-area and 100.0% were unable to buy the most expensive 2-bed terrace in the Parishes Surrounding Tenterden sub-area.
- 3.6.13 Table 3-11 below outlines the income required by concealed households to access the private rented accommodation based on the lowest and highest rental income thresholds across the Borough for 1 and 2-bed flats and terraced properties, as illustrated in Table 3-7.

**Table 3-11 Concealed Households Incomes to Enter the Private Rented Market**

Type of Property	Area	Annual Income Required	% Unable to rent
1-bed Flat	Parishes Surrounding Charing / Parishes Surrounding Tenterden (cheapest)	£19,000	65.0
2-bed Flat	Parishes Surrounding Wye / Tenterden (most expensive)	£31,200	92.2
2-bed Terraced	Ashford Urban (cheapest)	£28,600	90.4
2-bed Terraced	Tenterden (most expensive)	£33,400	93.7

- 3.6.14 Table 3-11 above shows that 65.0% of concealed households cannot afford to rent a 1-bed flat in the cheapest Parishes surrounding Charing and Tenterden sub-areas.
- 3.6.15 Due to the higher rental costs found in 2009, 92.2% cannot rent a more expensive 2-bed flat in the Parishes Surrounding Wye and Tenterden sub-areas.
- 3.6.16 90.4% of concealed households are excluded from the cheapest 2-bed terraced houses in the Ashford Urban sub-area whilst 93.7% cannot afford to rent the more expensive 2-bed terraced houses in the Tenterden sub-area.

## 4 POPULATION GROWTH & HOUSEHOLD FORMATION PROJECTIONS

### 4.1 Introduction

4.1.1 Changes in population and household profiles are key to understanding the level of housing need and demand within an area. Monitoring population and household forecasts allow the council to see if any significant changes are occurring that could affect the Ashford housing market.

4.1.2 Demographic change creates the need for different levels and types of housing provision and is a key factor influencing the requirements for market and affordable housing. Migration can be an important factor in demographic structure.

4.1.3 There are four basic components to changes 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 Ashford Borough, 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.

4.1.4 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).

4.1.5 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.

### 4.2 Updating the Ashford Population and Household Forecasts

4.2.1 The demographic forecasts used in the 2005 HNS were the Kent County Council 2001-based sub-national population projections and the CLG household projections for the period 2001 to 2021.

4.2.2 This HNS update uses revised projections; the 2006-based round of ONS population forecasts and CLG household projections for the period 2006 to 2031.

4.2.3 The summary of this data is provided in the following tables with the population change between 2006 -2031.

- 4.2.4 Being trend based projections, assumptions for future levels of births, deaths and migration are based on observed levels; mainly over the previous five years (2002 to 2006). They show what the population will be if recent trends continue.
- 4.2.5 The projections are produced on a consistent basis across all local authorities in England. They are fully consistent with the 2006 mid-year population estimates published on 22 August 2007. They are constrained at a national level to the 2006-based National Population Projections published by the Office for National Statistics on 23 October 2007.
- 4.2.6 The data has taken into account dwellings built in 2004 and a balanced mix, within the estimates. These projections replace the original 2004-based population projections published in October 2006. These revisions have been made to take account of the improved methodology for international migration, developed as part of the ONSCD 'Improvements to Migration and Population Statistics' work programme.
- 4.2.7 These projections are produced periodically by the Government and use the 2001 mid-year estimate as their starting point. They assume the continuation of current trends in fertility and mortality and migration moves into and out of the area. The projections in Table 4-1 outline the population change between 2006 and 2031.

**Table 4-1 Population Change in Ashford Borough, 2006 - 2031**

	2006	2011	2016	2021	2026	2031	Change
Total Population	111,200	119,900	128,700	137,000	144,500	150,900	
Change		<b>+8,700</b>	<b>+8,800</b>	<b>+8,300</b>	<b>+7,500</b>	<b>+6,400</b>	<b>+39,700</b>
% Change		+7.8	+7.3	+6.4	+5.5	+4.4	+35.7

Source: ONS 2006-based sub-national population projections

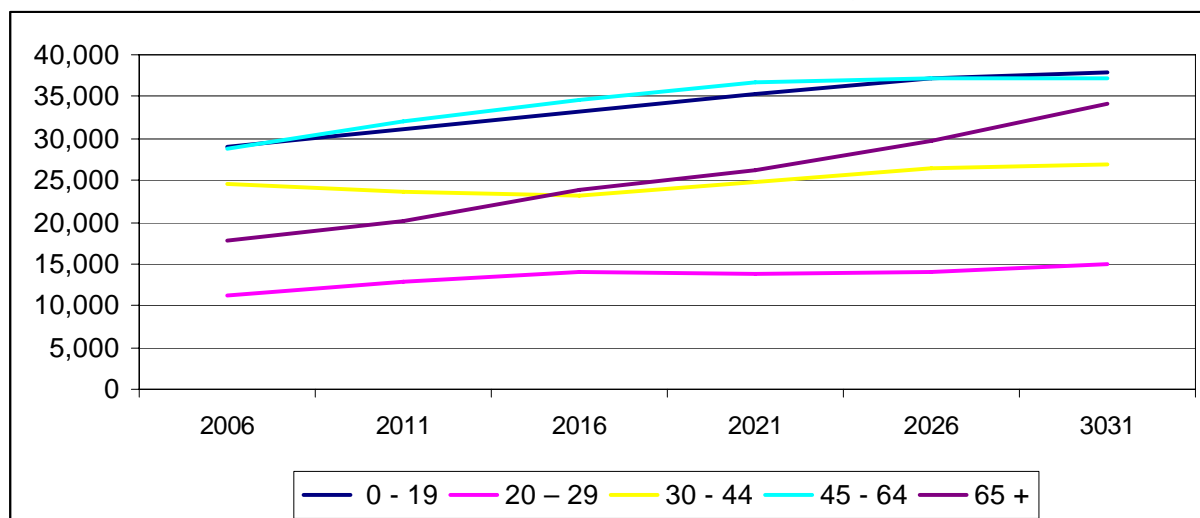
- 4.2.8 The table shows an increase in the population of 39,700 people over the forecast period (+35.7%). The next stage in the forecast is to disaggregate the population data into age bands because there may be changes in the population structure with significant housing implications. The population age band forecasts are shown in Figure 4-1 and Table 4-2 below.

**Table 4-2 Population Age Band Forecast, Ashford Borough, 2006 – 2031**

	2006	2011	2016	2021	2026	2031	Change
0 - 19	28,900	31,100	33,100	35,300	37,100	37,800	+8,900
20 – 29	11,300	12,900	14,000	13,900	14,000	15,000	+3,700
30 - 44	24,500	23,700	23,200	24,800	26,400	26,800	+2,300
45 - 64	28,700	32,000	34,600	36,700	37,200	37,200	+8,500
65 +	17,800	20,200	23,800	26,300	29,800	34,100	+16,300
<b>Total</b>	<b>113,206</b>	<b>121,911</b>	<b>130,716</b>	<b>139,021</b>	<b>146,526</b>	<b>152,931</b>	<b>+39,700</b>
% Change		+7.8	+7.3	+6.4	+5.5	+4.4	+35.7

Source: ONS 2006-based sub-national population projections

Figures are rounded to the nearest 100 so totals may not agree with the sum of their rounded counterparts.

**Figure 4-1 Population Age Band Forecast, Ashford Borough 2006-2032**

- 4.2.9 Percentage change is measured between year bands, not the base population. This is a better representation of the incremental change.
- 4.2.10 The 0-19 age range shows an increase of 8,900 people (+30.8%), with numbers rising steadily throughout the forecast period.
- 4.2.11 The 20-29 age range comprises new households forming and will have implications for future affordable housing need both in the short and longer term. Overall this age group shows a rise of 3,700, +32.7%.
- 4.2.12 The 30-44 age group, the main economically active and household forming and moving group also shows an increase overall (+2,300; +9.4%). The number in the 30-44 age band declines up to 2016 before rising again.
- 4.2.13 The 45-64 age group shows an increase in numbers of 8,500 people (+29.6%). The main increase occurs in the current period between 2006 and 2011 (+3,300; +11.5%).

### The Older Population

- 4.2.14 The most significant feature is the growth of the population in the over 65 age group with an increase of 16,300 people (+91.6%) over the forecast period. Numbers rise throughout the forecast period, with a rise of 4,300 people between 2026 and 2031.
- 4.2.15 Within the older age group, numbers in the 80+ age group increase by 6,500 (+127.5%) up to 2031. Given the resource demands often associated with very elderly people, these are significant figures.

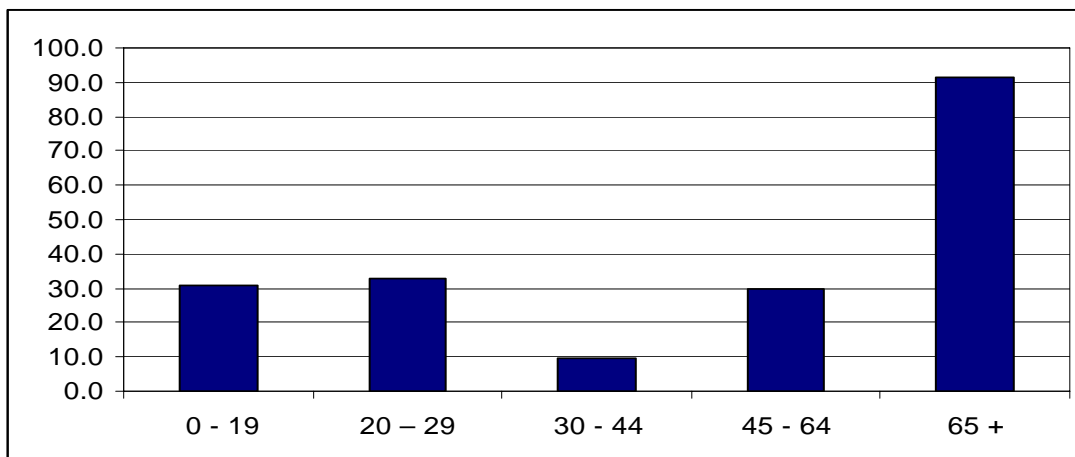
**Table 4-3 Numbers of 80+ in Ashford Borough, 2006 - 2031**

	2006	2011	2016	2021	2026	2031	Change
80+	5,100	5,600	6,400	7,400	9,400	11,600	
Change		+500	+800	+1,000	+2,000	+2,200	<b>+6,500</b>
% Change		<b>+9.8</b>	<b>+14.3</b>	<b>+15.6</b>	<b>+27.0</b>	<b>+23.4</b>	<b>+127.5</b>

Source: ONS 2006-based sub-national population projections

4.2.16 The following graph shows the change in population by age group to 2031.

**Figure 4-2 Population change Age Band Forecast, Ashford Borough, 2006 – 2031**



### 4.3 Forecast Change in Households

4.3.1 Table 4-4 below outlines the household forecasts for Ashford from 2006 to 2031.

4.3.2 The household projections were from CLG and are 2006 based ONS sub-regional household projections.

**Table 4-4 Forecast Change in Households in Ashford, 2006 – 2031**

	2006	2011	2016	2021	2026	2031	Change
Households	45,000	49,000	54,000	58,000	62,000	66,000	
Household change		+4,000	+5,000	+4,000	+4,000	+4,000	+21,000
<b>% Change</b>		<b>+8.9</b>	<b>+10.2</b>	<b>+7.4</b>	<b>+6.9</b>	<b>+6.5</b>	<b>+46.7</b>

Source: CLG

## Summary

- The population is projected to increase by 39,700 people, increasing over the 25 years to 2031.
- The impact of the growth area is for an increase in all age groups;
- There is an increase of 8,900 children aged 0-19 and a smaller increase in the 20-29 group including new forming households. This will have implications for future affordable housing need both in the short and longer term;
- There is a projected increase of 2,300 in the 30-44 age group, the main economically active and household forming and family moving group, although numbers fall up to 2016;
- The 45-64 age group shows an increase in numbers of 8,500 people, with the main increase occurring between 2006 and 2016 (+5,900);
- The most significant growth is in the older population group with an increase of 16,300 people (+91.6%) in the over 65 age over the forecast period. Numbers rise throughout the forecast period, with the largest rise of 4,300 occurring between 2026 and 2031.
- Numbers in the 80+ age group increase by 6,500 (127.5%) up to 2031. The greatest rise occurs after 2021 and 2026. Given the resource demands often associated with very elderly people, these are significant figures.
- There is predicted to be 21,000 (46.7%) more households in Ashford Borough in 2031 than in 2006, with the highest growth forecast in the next five year period to 2016.

## 5 CLG NEEDS ASSESSMENT MODEL

### 5.1 Introduction

5.1.1 The SHMA 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 5-1 outlines the types of housing considered unsuitable.

**Table 5-1** Types of Housing Deemed Unsuitable

Unsuitable Housing	
Homeless households or insecure tenure	Homeless households
	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 single adults over 25 sharing a kitchen, bathroom or WC with another household
Dwelling amenities and condition	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
	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
Social Needs	Subject to major disrepair or unfitness and household does not have the resources to make fit (e.g. through equity release or grants)
	Harassment from others living in the vicinity which cannot be resolved except through a move

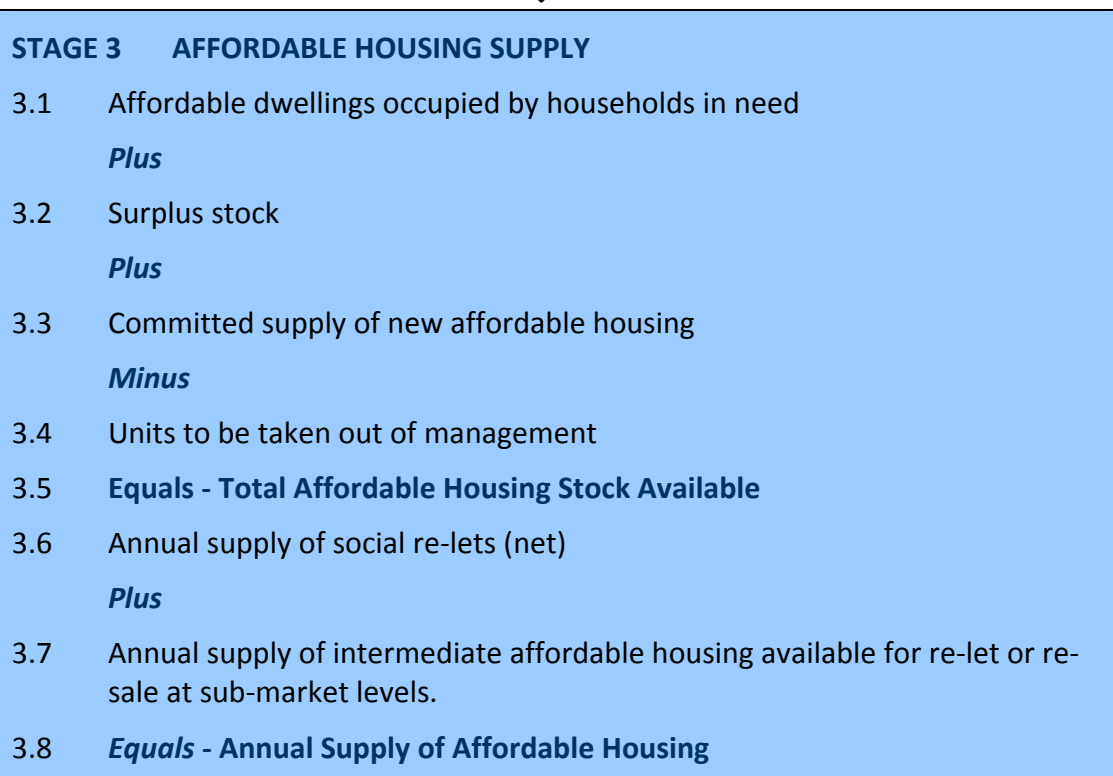
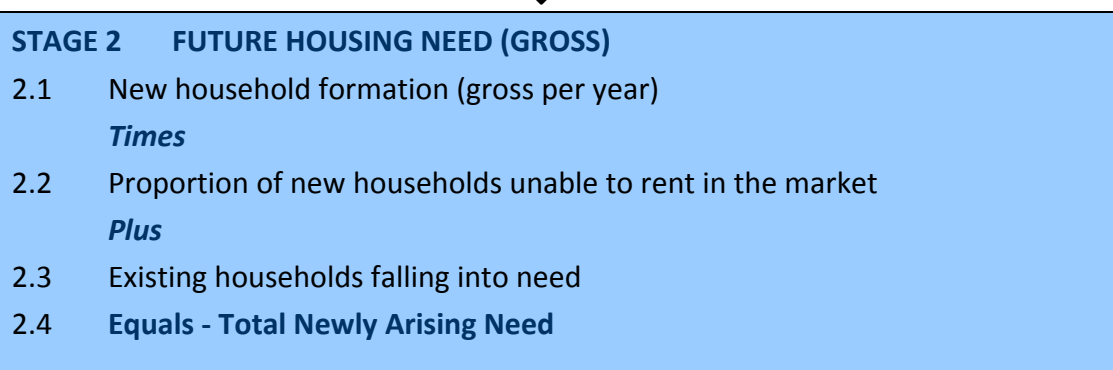
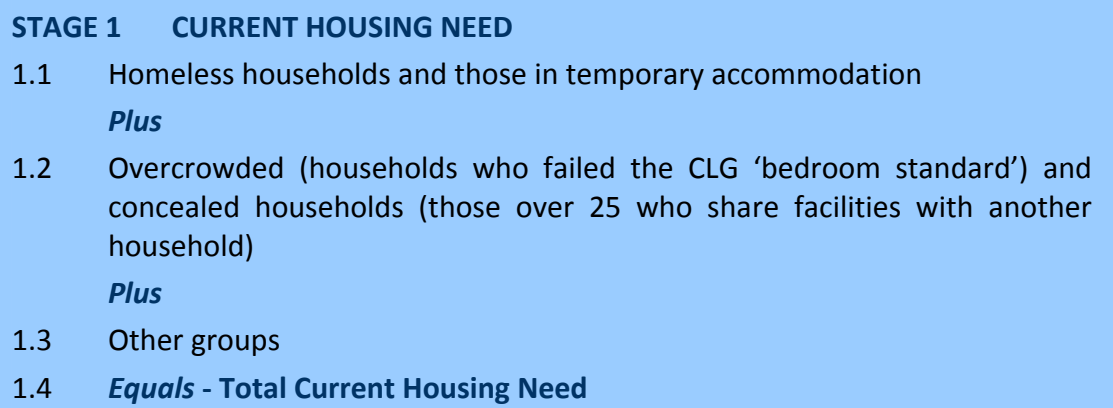
Source: Strategic Housing Market Assessments Practice Guide, CLG,

5.1.2 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.

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

## 5.2 The CLG Needs Assessment Model Structure

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



### 5.3 Model Structure

- 5.3.1 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. It is different in structure to the Model in the 2000 Guidance which was used in the 2005 Housing Needs Assessment.
- 5.3.2 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. The primary data has a five year 'life' and will of course be gathered again before 2012. Major changes in house prices and incomes could cause significant variation in the overall situation.
- 5.3.3 In this section the assessment of affordable housing need has been conducted using both primary data from the 2009 Housing Survey Up-date and secondary data from CORE, HSSA and local authority records.

### 5.4 Ashford CLG Needs Assessment Model

- 5.4.1 The first element of this Stage of the model estimates the number of homeless households including those in temporary accommodation.
- 5.4.2 The latest data available, the P1(E) return at 30 September 2009 identified 103 homeless households in temporary accommodation.
- 5.4.3 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.
- 5.4.4 A total of 76 households were in accommodation where they could have been surveyed. A total of 27 households living in bed and breakfast and hostel accommodation is therefore the figure applied at **Stage 1.1** in the model.
- 5.4.5 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 5-2 Over-crowded and Concealed Households**

<b>Over-crowded Households</b>	2,600
MINUS New Forming Solution or Leaving Borough	747
<b>Net Overcrowded</b>	1,853
<b>Proportion unable to afford market housing</b>	<b>73.0%</b>
<b>Stage 1.2 – Over-crowding and concealed households</b>	<b>1,381</b>

- 5.4.6 There are 2,600 households in Ashford who are over-crowded by the 'bedroom standard'; however 747 of these will be resolved by a newly forming household or by these households leaving Ashford therefore we have a total net overcrowded of 1,853.
- 5.4.7 A test of affordability for these households shows that 73.0% of them cannot afford to resolve their housing difficulties through market housing, hence a total of 1,381 households have been applied in the model at **Stage 1.2**.
- 5.4.8 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.
- 5.4.9 SHMA 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.
- 5.4.10 The survey data identified 270 households with one or more of these inadequacies, 42.5% of whom are unable to afford to resolve their housing difficulties through market housing in the area, leaving 115 households to be applied in the model at **Stage 1.3**.
- 5.4.11 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 1,523 applied at **Stage 1.4**.

**Table 5-3 Current Housing Need (Gross)**

<b>STAGE 1 – CURRENT HOUSING NEED (GROSS)</b>		
1.1	Homeless households and those in temporary accommodation	27
1.2	Overcrowding and concealed households	1,381
1.3	Other groups	115
<b>1.4</b>	<b>TOTAL CURRENT HOUSING NEED (GROSS)</b> <b>1.1 + 1.2 + 1.3</b>	<b>1,523</b>

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

- 5.5.1 The first element of Stage 2 of the model estimates the annual number of newly forming households in Ashford.
- 5.5.2 The 1,167 concealed households identified in the survey to be forming over two years is annualised at an average level of 583 households.

**Table 5-4 Time of Move – Concealed Households**

<b>Time of Move</b>	<b>Nos. implied</b>	<b>Annual Average</b>
Within 1 year	432	<b>583</b>
1 - 2 years	735	

- 5.5.3 In order to avoid double counting due to two-person household formation, duplication is removed. 34.8% of concealed households forming over the next two years specified formation as a couple, with 43.7% of these having a partner who lived separately elsewhere in Ashford, which would cause a double count.

- 5.5.4 However data on recently formed households suggests couple formation of around 57.7%. The 43.7% has therefore been applied to this higher level in the table below ( $57.7\% \times 43.7\% = 25.2\%$ ).

**Table 5-5 Double Counting Removal**

New household formation (gross p.a.)	583
MINUS - Two person formation ( 583 x 25.2%) x 0.5	74
<b>Total</b>	<b>509</b>

- 5.5.5 This results in an annual average formation level of 509 households per annum, used at **Stage 2.1** of the model.
- 5.5.6 The income of future concealed households has been used to test the ability to both purchase in the lower quartile stock and access the private market to buy or rent 1, 2 and in some cases 3 bedroom units suitable for their requirements.
- 5.5.7 Even at the Guidance recommended lending proportions and income ratios, 75.5% of concealed households are considered to be unable to purchase in the market. However the impact of the credit crunch now means that 80% loans are the norm, making the need for 20% deposit the key affordability issue. On the basis of savings data, at least 87% will not be able to buy.
- 5.5.8 Using standard ratios of 25% of gross income, 57.9% are unable to rent in the market, a rise in those unable to afford since the previous 2005 report and this rental proportion is used at **Stage 2.2** of the model.
- 5.5.9 The final element of Stage 2 of the model estimates the number of households in Ashford 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.
- 5.5.10 The calculation of existing households falling into priority need used Ashford Borough P1(E) returns for the last four quarters. There were 165 households identified as homeless and in priority need within the P1(E) returns and a further 125 identified in provided council data. A total of 290 is therefore used at **Stage 2.3** of the model
- 5.5.11 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 585 applied at **Stage 2.4**

**Table 5-6 Future Need (Gross per Year)**

<b>STAGE 2 – FUTURE NEED (GROSS PER YEAR)</b>	
2.1	New household formation (gross per year) 509
2.2	Proportion of new households unable to buy or rent in the market 57.9%
2.3	Existing households falling into need 290
<b>2.4</b>	<b>TOTAL ANNUAL NEWLY ARISING NEED</b> <b>(2.1 x 2.2) + 2.3 ( 509 x 57.9% = 295 + 290 = 585 )</b>

## 5.6 Stage 3 – Affordable Housing Supply

- 5.6.1 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.
- 5.6.2 The survey data shows that 717 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**.
- 5.6.3 The second element of Stage 3 of the model assesses the level of surplus affordable stock in Ashford. The level of affordable units in Ashford which are vacant for more than six months is 2.6% of the stock. Guidance states that where the level is below 3% it should be considered that there is no surplus vacant stock. A total of zero is therefore applied at **Stage 3.2** of the model.
- 5.6.4 The next element of the model estimates the number of units to be taken out of management in Ashford through stock demolition and Right to Buy (RTB) on an annual basis.
- 5.6.5 The table below shows the RTB and demolition levels from Council data for the three years to 31/03/2009.

**Table 5-7 2006 to 2009 Right to Buy**

	2006 / 07	2007 / 08	2008 / 09	Average
Right to Buy	34	18	6	19
Demolition	0	0	72	24
Total	34	18	78	43

- 5.6.6 The average annual loss of stock through RTB is 19 units with 24 lost due to demolition, a total of 43 a year.
- 5.6.7 The average stock re-let rate of 2.94% per annum applied to the average figure of 43, equals 1.26 units; a figure of 1 is applied at **Stage 3.3** of the model.
- 5.6.8 **Stage 3.4** of the model is the sum of Stages 3.1 (717), 3.2 (0), less Stage 3.3 (1), a net total of 716.

## 5.7 Re-let Supply

- 5.7.1 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).

- 5.7.2 Data from HSSA and CORE returns for the three years to 31/03/2009 have been studied, which shows the following:-

**Table 5-8 Council Rent Re-let Supply (HSSA 2006 to 2009)**

Re-lets	2006 / 07	2007 / 08	2008 / 09	Average
<b>Council - HSSA</b>	178	172	237	<b>195</b>
RSL - CORE	75	70	86	<b>77</b>
<b>Total Re-lets</b>	<b>253</b>	<b>242</b>	<b>323</b>	<b>272</b>

Note: 2009 HSSA./ CORE

- 5.7.3 The overall average HSSA and Core net re-let figure for the social stock for the three year period to 2008 / 09 is 272 units a year, (195 + 77), and this total has been applied at **Stage 3.5**.
- 5.7.4 The Council checked the current shared ownership stock level with RSL's in 2009 and the stock was found to total 540 units. Assuming a re-sale rate based at 4.6%, the same rate as the Council social stock turnover, 25 units would become available each year and this number is incorporated at **Stage 3.6**.
- 5.7.5 The final element of Stage 3 of the model is a sum of Stages 3.5 and 3.6, a total of 297 applied at **Stage 3.7**.

**Table 5-11 Affordable Housing Supply**

<b>STAGE 3 – AFFORDABLE HOUSING SUPPLY</b>		
3.1	Affordable dwellings occupied by households in need	717
3.2	Surplus stock	0
3.3	less Units to be taken out of management	1
<b>3.4</b>	<b>TOTAL AFFORDABLE HOUSING STOCK AVAILABLE</b> <b>3.1 + 3.2 - 3.3</b>	<b>716</b>
3.5	Annual supply of social re-lets (net)	272
3.6	Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	25
<b>3.7</b>	<b>ANNUAL SUPPLY OF AFFORDABLE HOUSING</b> <b>3.5 + 3.6</b>	<b>297</b>

## 5.8 Affordable Housing Needs Model

<b>STAGE 1 – CURRENT HOUSING NEED (GROSS)</b>		<b>2009</b>
1.1	Homeless households and those in temporary accommodation	27
1.2	Overcrowding and concealed households	1,381
1.3	Other groups	115
<b>1.4</b>	<b>TOTAL CURRENT HOUSING NEED (GROSS)</b> <b>1.1 + 1.2 + 1.3</b>	<b>1,523</b>
<b>STAGE 2 – FUTURE NEED (GROSS PER YEAR)</b>		
2.1	New household formation (gross per year)	509
2.2	Proportion of new households unable to buy or rent in the market	57.9%
2.3	Existing households falling into need	290
<b>2.4</b>	<b>TOTAL ANNUAL NEWLY ARISING NEED</b> <b>(2.1 x 2.2) + 2.3 ( 509 x 57.9% = 295 + 290 = 585 )</b>	<b>585</b>
<b>STAGE 3 – AFFORDABLE HOUSING SUPPLY</b>		
3.1	Affordable dwellings occupied by households in need	717
3.2	Surplus stock	0
3.3	Less Units to be taken out of management	1
<b>3.4</b>	<b>TOTAL AFFORDABLE HOUSING STOCK AVAILABLE</b> <b>3.1 + 3.2 - 3.3</b>	<b>716</b>
3.5	Annual supply of social re-lets (net)	272
3.6	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	25
<b>3.7</b>	<b>ANNUAL SUPPLY OF AFFORDABLE HOUSING</b> <b>3.5 + 3.6</b>	<b>297</b>
<b>A</b>	<b>TOTAL NET CURRENT NEED</b> <b>1.4 – 3.5 (1,523 – 716 = 807 )</b>	<b>807</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>162</b>
<b>D</b>	<b>TOTAL ANNUAL NEWLY ARISING NEED (2.4)</b>	<b>585</b>
<b>E</b>	<b>TOTAL AFFORDABLE NEED PER YEAR (C + D)</b>	<b>747</b>
<b>F</b>	<b>ANNUAL SUPPLY OF AFFORDABLE HOUSING (3.8)</b>	<b>297</b>
<b>OVERALL ANNUAL SHORTFALL (E – F)</b>		<b>450</b>

5.8.1 This Model does not include future new supply which is discussed in Section 5.9 below.

## 5.9 Affordable Needs Assessment

- 5.9.1 Elimination of the backlog over a five year period is recommended in the SHMA Guidance for model purposes but the Council can make a Policy decision to do so over a longer period (e.g. 10 years or years to the end of the Local Development Framework period).
- 5.9.2 The 5 and 10 year periods are used for further analysis in Table 5-9 below. The 10 year calculation uses 10% as the quota to address need, applied at section B instead of 20% which is the quota for 5 years.
- 5.9.3 Net re-lets of the existing social stock average 272 units and are the major means of addressing the scale of need identified.
- 5.9.4 After allowing for this level of existing social stock net re-let supply of 272 units and 25 estimated shared ownership re-sales, there will still be a total annual affordable housing shortfall of 450 units on a 5 years basis and 369 units on a 10 year basis.
- 5.9.5 The table below outlines the calculation.

**Table 5-9 Annual Affordable Need and Supply**

		5 Years		10 Years	
Total Net Current Need		807		807	
Backlog rate	20%	162	10%	81	
Newly arising Need		585		585	
Annual Affordable Need		747		666	
Less Social Stock re-lets	272		272		
Share ownership re-sales	25	297	25	297	
<b>Total Need after existing stock turnover</b>		<b>450</b>		<b>369</b>	

- 5.9.6 The relatively small net backlog results in only a relatively minor difference in the annual scale of need and the decision on which period to use is marginal.
- 5.9.7 The number of new affordable units to be built in the Borough on an annual basis in future is more difficult to forecast, even without the impact of the economy on the market. The HSSA returns for the three years to 31/03/2009 show the following recent new unit trends:-

**Table 5-11 New Affordable Housing Supply (HSSA) 2005 to 2009**

Supply	2006 / 07	2007 / 08	2008 / 09	Average	%
New RSL Rent	64	34	115	71	59.2
RSL Shared Ownership	36	40	70	49	40.8
Other New Supply	0	0	0	0	-
<b>Total</b>	<b>100</b>	<b>74</b>	<b>185</b>	<b>120</b>	<b>100.0</b>

- 5.9.8 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.
- 5.9.9 The average annual new supply total is 120 units per annum, with a tenure split of 59.2% social rented and 40.8% intermediate housing.
- 5.9.10 HSSA data however shows that future new delivery over the next two years is expected to be 298 new units built in 2009 / 10, and 182 units are planned in 2010 / 11, an annual average of around 240 units. The five year average from 2007 to 2011 is 168 units.
- 5.9.11 If delivery of 240 units can be sustained annually, it would address 53% of annual need on a five year basis or 65% if the backlog is dealt with over 10 years.
- 5.9.12 Even after allowing for this significantly increased scale of delivery, on the longer timescale a third of affordable need each year will still not be met and strongly justifies the 30% target in the Core Strategy.

## **5.10 Tenure Mix**

- 5.10.1 The balance of social to intermediate housing delivery over the last three years has matched the 60% to 40% target recommended in the 2005 HNS Report. The updated evidence does not suggest a need to change this balance, although site viability analysis may create varying proportions.

## **5.11 Social Sector Property Size Targets**

- 5.11.1 The overall affordable housing target and the need for different types and sizes in the affordable sector 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.
- 5.11.2 A major factor in decisions determining the tenure mix between social rented and intermediate housing on each site is the current local supply of social rented and shared ownership units. All of these factors can only be judged with all the information available and this is beyond the scope of this study.
- 5.11.3 The current social stock is dominated by one and two bedroom units which are almost two-thirds of the stock. Future development has to address current and future requirements by stock type and size, and both by tenure and location to create a more sustainable and better balanced housing market across the Borough.
- 5.11.4 There is a need to consider the impact of future demographic and planned economic change as key drivers of the market and to provide stock which addresses future household change and supports economic growth and regeneration strategies.
- 5.11.5 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.

- 5.11.6 The following table provides a detailed analysis of the social stock in the Borough by bedroom size and the levels of registered need and actual supply from turnover.

**Table 5-10 Social Stock, Waiting List Demand and Social Turnover**

Stock Size	Social Stock*		Waiting List (HSSA) *		Social Stock Turnover **		Demand v. Supply
	Nos.	%	Nos.	%	Nos.	%	
1-bedroom	2,245	27.6	639	51.2	102	28.7	6.3 : 1
2-bedrooms	2,957	36.5	399	32.0	162	45.7	2.5 : 1
3-bedrooms	2,658	32.7	160	12.8	85	23.9	1.9 : 1
4+ bedrooms	263	3.2	50	4.0	6	1.7	8.3 : 1
<b>Total</b>	<b>8,123</b>	<b>100.0</b>	<b>1,248</b>	<b>100.0</b>	<b>355</b>	<b>100.0</b>	

\* Ashford Council data (2009)

\*\* - Local Authority HSSA Return - 2009

\*\* - Core new lettings data (1<sup>st</sup> April 2008- 31<sup>st</sup> March 2009)

- 5.11.7 A number of different ratios have been calculated to attempt to provide a clear justification for the balance of property sizes in Local Development Documents.
- 5.11.8 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. This also makes the extreme assumption that there was no future need other than the current backlog which clearly will not be the case.
- 5.11.9 **Even if no future new need arose**, it would take over:-
- 6 years to meet the requirements for 1-bed properties.
  - Two and a half years to address the 2-bedroom requirement.
  - Almost two years to address the 3-bedroom stock requirement.
  - Over 8 years to meet the need for larger 4+ bedroom family units.
- 5.11.10 Generally, 74% of turnover is from 1 and 2 bedroom units, slightly less than the waiting list need of 83% 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.
- 5.11.11 Small units turn over significantly more regularly in the existing stock than family units and 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.
- 5.11.12 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-bedroom units to meet the needs of young, single, homeless households in the Borough.

- 5.11.13 The stock of family units is mainly 3 bedroom properties but they have a low turnover rate and therefore a limited re-let supply to meet the needs of families. Although numerically less significant than the scale of small unit need, it is more difficult to address.
- 5.11.14 Four bedroom unit needs are the smallest in terms of numbers, they are the most difficult to resolve due to extremely low turnover levels with only 6 units becoming available in the year to March 2009.
- 5.11.15 In view of the current stock balance, the scale of likely annual new provision and the requirement to address priority household need a lower level of future delivery in the affordable sector should be for small units of one and two bedrooms than current need levels of 84%.
- 5.11.16 Future delivery targets could be 60% flats and terraced houses for single / couple and small family households, 30% one and 30% two bedrooms. A level of 40% should be considered to address the needs of larger families, 25% three and 15% four bedroom houses.

## 5.12 Making Best Use of the Stock

- 5.12.1 The 2005 Housing Survey data estimated that there are around 165 social rented properties which are under occupied by two or more bedrooms. This figure is likely to have risen as more properties are occupied by “empty nester” tenants in line with the demographic profile. (Paragraphs. 4.2.13 and 14)
- 5.12.2 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.
- 5.12.3 The level of under-occupation should be monitored, both to address over-crowded households and improve access to family units.
- 5.12.4 Addressing the under-occupation within the existing 3 and 4 bedroom social stock should be a housing priority and it may also alter the property size targets for future new delivery.

## **APPENDIX I**

### **GLOSSARY OF TERMS**

# GLOSSARY

<p><b>Affordability</b></p>	<p>A measure of whether households can access and sustain the costs of private sector housing. DCA use two types of affordability: mortgage and rental.</p> <p><u>Mortgage affordability</u> measures whether households can afford a deposit and a mortgage; <u>rental affordability</u> measures whether a household can afford a private rental.</p> <p>Mortgage affordability is based on conditions set by mortgage lenders - a minimum level of household income and savings. We use a 3 times multiple of gross income. Rental affordability is defined as the rent being less than a proportion of a household's gross income. We use a 25% level of rental affordability.</p>
<p><b>Affordable Housing</b></p>	<p>Affordable housing is that provided, with subsidy<sup>1</sup>, for people who are unable to resolve their housing requirements, in the general housing market because of the relationship between local housing costs and incomes. This definition covers housing for social rent and intermediate housing through shared ownership, shared equity and sub-market rent.</p>
<p><b>Bedroom Standard<sup>2</sup></b></p>	<p>The standard number of bedrooms allocated to each household in accordance with its age/sex/marital status composition and the relationship of the members to one another.</p> <p>A separate bedroom is allocated to each married couple, any person aged 21 or over, each pair of adolescents aged 10 – 20 of the same sex, and each pair of children under 10. Any unpaired person aged 10 – 20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, he or she is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms available for the sole use of the household and the differences are tabulated.</p>
<p><b>CBL</b></p>	<p>Choice Based Lettings allows applicants for social housing (and tenants who want to transfer) to apply for vacancies which are advertised widely in the neighbourhood. Applicants can see the full range of available properties and can apply for any home to which they are matched.</p>
<p><b>CLG</b></p>	<p>Communities and Local Government. CLG has responsibility for local and regional government, housing, planning, fire, regeneration, social exclusion and neighbourhood renewal with the ambition to create sustainable communities for all. Previously known as DETR, DTLR and ODPM.</p>
<p><b>Concealed Household</b></p>	<p>A Concealed Household is someone living within a household wanting to move to their own accommodation and form a separate household (e.g. adult children living with their parents).</p>

<sup>1</sup> This subsidy is not always public subsidy.

<sup>2</sup> This definition is taken from the Survey of English Housing, DCLG.

<b>Control Total</b>	A control total is put in place to give the optimum result for a variety of questions. The control total is calculated by totalling the questions answered in a section of the survey and then working out the average responses. Not all households sampled will answer every question; therefore instead of having in-complete data in the section, a control total is used to show the results as if all households answered the question.
<b>Confidence Level / Interval</b>	A confidence level is used to indicate the reliability of a sample and tells you how sure you can be. It is expressed as a percentage and represents how often the percentage of the population who would pick an answer lies within the confidence level. The confidence interval is the plus or minus figure usually reported. i.e. in using a confidence interval of +/- 4, if 47% of a sample answered a question, then you can be sure that if you asked the question to the entire population, between 43% (47%-4) and 51% (47%+4) would have picked that answer. When the confidence level and the confidence interval are used together, you can say that you are 95% sure that the true percentage of the population is between 43% and 51%.
<b>Core sustainability factors</b>	Measures of everyday concerns. To help understand and review progress in sustainable development.
<b>Cost rented housing</b>	Housing let at rents which are set to cover development and management costs only, i.e. not for profit. Cost rents are above the Housing Corporation's rent caps but below market rents.
<b>Data Entry Checks</b>	Checks on errors in keying survey data into computer systems.
<b>Data Processing and Analysis</b>	The process by which the responses on a questionnaire are converted into numbers or categories. These are then used to produce outputs such as tables and charts.
<b>Decent Homes Standard</b>	A Government Policy which aims to have 95% of social housing meeting a decent standard by 2010. For a home to be of a decent standard it should be warm, weatherproof and have reasonably modern facilities.
<b>Discounted Market Rented Housing</b>	New Units utilising the equity from the discounted or free land from the planning process where Housing Associations could build at only development cost and provide, without grant, units which would be available at lower than private rented market cost but above Housing Corporation rent caps.
<b>Existing Household</b>	An existing household encompasses the household in its entirety.
<b>Existing Household In Unsuitable Accommodation</b>	Refers to all circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition, security or cost.
<b>Focus Group</b>	A type of <b>qualitative research</b> in which the views of <b>respondents</b> are sought and recorded in a group setting. Also known as a 'group discussion'.

<b>General Needs Waiting List</b>	A Local Authority or Housing Association Register for those who require general needs accommodation.
<b>Home Improvement Agency</b>	Home Improvement Agencies help homeowners and private sector tenants who are older or disabled to remain in their own home. The Agencies are usually small, locally based non-for-profit organisations and they help to identify local contractors, apply for Local Authority grants and advise on improvements and adaptations in the client's home. Many of them also run a handypersons scheme.
<b>Homeless Household</b>	A household is accepted as statutorily homeless by the authority if it meets the criteria set out in the Housing Act 1996.
<b>Homes and Communities Agency</b>	The Homes and Communities Agency is the national housing and regeneration agency for England and was formed on the 1 <sup>st</sup> December 2008 along with the Tenant Services Authority (TSA) to replace the former Housing Corporation. They are funded and sponsored by Communities and Local Government.
<b>Household</b>	The Census definition of a household is:-  <i>"A household comprises either one person living alone or a group of people (not necessarily related) living at the same address with common housekeeping - that is, sharing at least one meal a day or sharing a living room or sitting room."</i>
<b>Households In Unregistered Need</b>	Households in unregistered need are those households that are in need but not registered on the Council's Waiting or Transfer List.
<b>Housing Demand</b>	Is the quantity and type / quality of housing which households wish to buy or rent and are able to afford. It therefore takes account of preferences and ability to pay.
<b>Housing Need</b>	Refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the local housing market without some assistance.
<b>Housing Register</b>	A register of people waiting for affordable housing. It may have two components: a list for those not currently occupying affordable housing (more properly known as the Housing Register) and a Transfer List for those tenants who wish to move to another affordable home within the same District.
<b>Inadequate Housing</b>	Housing which is inadequate or unsuitable in meeting the needs of the household, comprising a range of criteria on house condition, size, cost and security of tenure. These criteria are used to assess whether the unsuitability can be resolved by improvements to the dwelling, or whether the household has to move to another home.
<b>Intermediate Housing</b>	Housing at prices or rents above those of social rented but below market prices or rents. This includes shared ownership, shared equity and sub-market renting.

<b>Key Worker</b> <sup>3</sup>	A Key Worker is someone:- <ul style="list-style-type: none"> <li>➤ employed by the public sector</li> <li>➤ in a frontline role delivering an essential public service</li> <li>➤ in a sector where there are serious recruitment and retention problems.</li> </ul>
<b>LDF</b>	Local Development Framework. This is a folder of local development documents that outlines how planning will be managed in your area.
<b>Over Occupation</b>	Over occupation occurs when, using the <b>bedroom standard</b> , there are insufficient bedrooms in the property based on the number of residents and their age/sex/marital status composition. Over occupation is more common in the public sector than the private sector.
<b>P1e</b>	A P1e return is an overview of homelessness data completed by a Local Authority. Data includes decisions on homelessness applications, key characteristics of households found to be statutorily homeless and estimates of rough sleepers. The data is used to measure progress against specific homelessness-related Communities and Local Government targets.
<b>PPS</b>	Planning Policy Statement. PPSs are prepared by the government after public consultation to explain statutory provisions and provide guidance to local authorities and others on planning policy and the operation of the planning system.
<b>Qualitative Research</b>	A type of research designed to reveal a full range of views and circumstances of the population under study, giving an in-depth picture. Examples of this approach are <b>depth interviews</b> and <b>focus groups</b> . It differs from <b>quantitative research</b> in not providing statistically reliable numerical data.
<b>Quantitative Research</b>	Research designed to provide numerical information about a topic which is statistically reliable. If carried out using adequate methodology, quantitative data from a sample of the population can be extrapolated to assume that the results apply to the population as a whole, to greater or lesser degrees of reliability. Data is usually collected by post, telephone or by face-to face interview.
<b>Random Sample</b>	A sample where no member of the target population has a greater chance of being of being chosen than any other. Also known as <b>Simple Random Sampling</b> .
<b>Relets</b>	Local Authority or RSL rented accommodation that becomes vacant due to the departure of a previous tenant; therefore the accommodation can be re-let to another tenant or new applicant on the Housing Register.

<sup>3</sup> Source: DCLG

<b>RSL – Registered Social Landlords</b>	A Housing Association or a not-for-profit company, registered by the Homes and Communities Agency and Tenant Services Authority, providing social housing.
<b>RSS</b>	The objective of the Regional Spatial Strategy is to add to the achievement of sustainable development. The RSS provides a broad development strategy for a period of fifteen to twenty years. The strategy also informs regional and sub-regional strategies and programmes that have a bearing on land use activities.
<b>RTB</b>	Right To Buy. The Right To Buy Scheme gives eligible council tenants the right to buy their property from their council at a discount.
<b>SDS – Scheme Development Standards</b>	A set of standards published by the Housing Corporation setting out the essential and desirable standards for SHG-funded property acquired or developed as affordable housing.
<b>SEH</b>	The Survey of English Housing is a continuous household survey that collects information from nearly 20,000 households about the characteristics of their housing and their attitudes to housing and related issues.
<b>Section 106 sites (S106 of the Town and County Planning Act 1990)</b>	A general term to describe a housing site which is large enough to require a developer to contribute affordable housing as part of a development scheme. S106 of the Act allows Planning Authorities to negotiate planning obligations as part of a development and could include, among other things, a proportion of affordable housing.
<b>SHG – Social Housing Grant</b>	Capital provided by the Housing Corporation, or Local Authority, to fully or partially fund RSLs when developing social housing. SHG is paid under s18 of the Housing Act 1996.
<b>SHMA – Strategic Housing Market Assessment</b>	An assessment of data (both primary and secondary) on all aspects of a housing market in a defined geographical area.
<b>SO – Shared Ownership</b>	Either newly built or existing properties purchased by a housing provider, which are then sold on a part rent / part buy basis under a shared ownership lease. The shared owner buys a percentage of the property, funded by mortgage and / or savings. The remaining percentage is still owned by the housing provider who charges a rent on it.
<b>Supporting People</b>	Central Government defines the Supporting People programme as, “a grant programme which enables the provision of housing related support services to help vulnerable people maintain or improve their ability to live independently”.
<b>Tenants Services Authority (TSA)</b>	The Tenants Services Authority was formed on the 1 <sup>st</sup> December 2008 along with the Homes and Communities Agency to replace the former Housing Corporation. They are an independent regulator for affordable housing in England. Their main role is to regulate social housing providers and protect tenants.

<b>Tenure</b>	The property tenure refers to the conditions under which a property is held e.g. owner occupation, private rent.
<b>Transfer List</b>	A list of Local Authority and RSL tenants that have applied for alternative Local Authority housing. Housing Associations may keep their own Transfer Lists.
<b>TTWA</b>	Travel To Work Area. There are 243 TTWAs which were defined in 2007 from 2001 Census data using home and work addresses.
<b>Under Occupation</b>	A household is under-occupying if more than one spare bedroom is available, using the <b>bedroom standard</b> as a test.  Under-occupation is common in the private sector.