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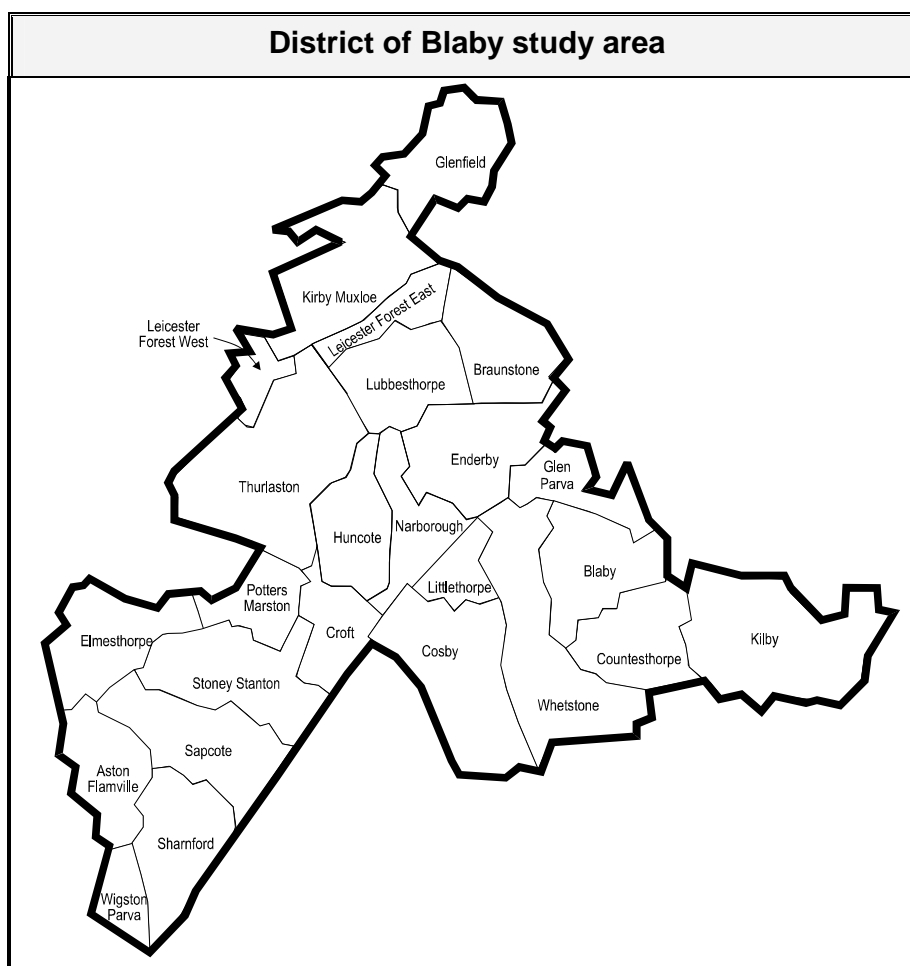
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EXECUTIVE SUMMARY

Context of the Study

Fordham Research were commissioned to carry out a Housing Study for Blaby. The study was designed to assess the future requirements for both affordable and market housing. To do this the study drew on a number of sources of information. These included:

- A postal survey of 2,676 local households
- A personal interviews with a further 252 households
- Interviews with local stakeholders
- Interviews with local estate and letting agents
- Review of secondary data (including Land Registry, Census and H.I.P. data)



Source: *Blaby District Council Housing Needs Survey 2005*

Stakeholders consulted as part of the study generally agreed that there is insufficient affordable housing of all sizes. There was also concern for the lack of accommodation for those who are homeless. It was considered that the lack of suitable housing in Blaby is forcing potential households into Leicester.

Survey and initial data

A major part of the study process was a postal and interview survey of local households. In total 2,928 households took part in the survey. The questionnaire covered a wide range of issues including questions about:

- Current housing circumstances
- Past moves
- Future housing intentions
- The requirements of newly forming households
- Income levels

Information from the questionnaire survey was used throughout the report (along with secondary information) to make estimates about the future housing requirements in the District.

Overall the survey estimated that 87.4% of households are currently owner-occupiers with 7.8% living in the social rented sector. The survey data was weighted to match the tenure profile below using H.I.P. and Census data.

Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	12,528	34.3%	1,221	41.7%
Owner-occupied (with mortgage)	19,398	53.1%	1,321	45.1%
Council	2,227	6.1%	231	7.9%
RSL	625	1.7%	37	1.3%
Private rented	1,722	4.7%	118	4.0%
TOTAL	36,500	100.0%	2,928	100.0%

Source: Blaby District Council Housing Needs Survey 2005

The survey reported on a number of general characteristics of households in Blaby. The study estimated that around half of households lived in semi-detached houses and that over a fifth of all households were solely comprised of pensioners. The study also looked at car ownership (which is often used as an indication of wealth).

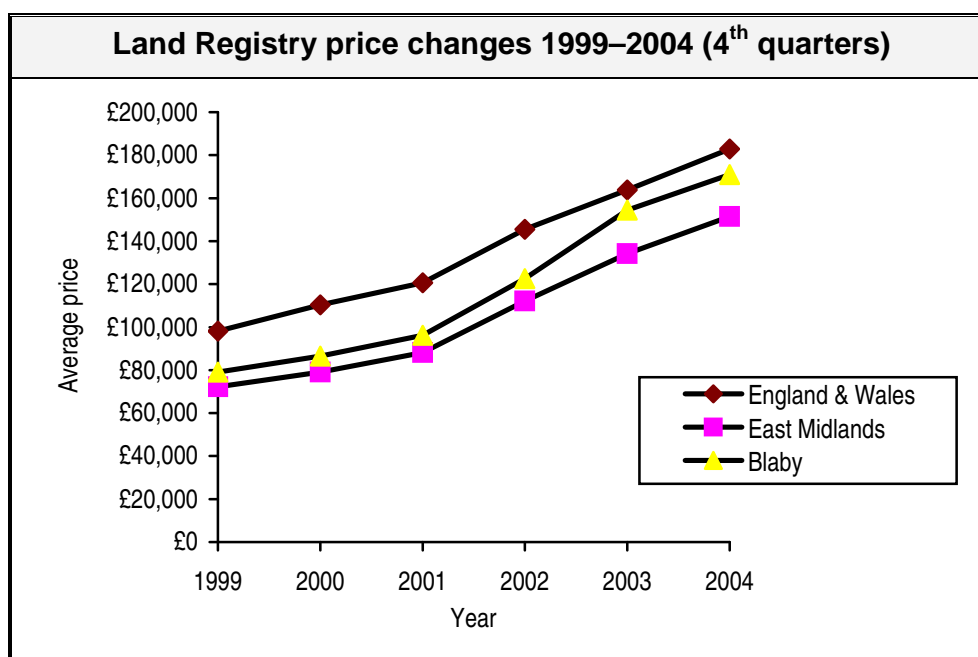
The figure below shows car ownership in the District by tenure. It is clear that there are large differences between the different tenure groups with owner-occupiers (with mortgage) having a significantly greater level of car ownership than households in the social rented sector.

The study also looked at past trends in household movement and future expectations. The broad findings were:

- An estimated 13.5% of households have lived in their current home for less than two years, around half of previous moves having occurred within the District.
- In terms of future households moves, the survey estimates that 5,533 existing and 3,086 potential households need or expect to move within the next two years. In both cases a higher proportion would like to move to owner-occupation than expect to do so.

The survey indicated differences in housing costs between different tenures with the highest costs in the owner-occupied (with mortgage) sector and the lowest in the social rented sector. Differences were more marked when housing benefit was removed.

One of the main sources of secondary information was the Land Registry. This data source suggested that property prices in the District are low when compared with national figures, but high compared to regional figures. Price rises in Blaby have been significantly above national and regional equivalents over the past five years. Between the 4th quarter of 1999 and the 4th quarter of 2004 average property prices in England and Wales rose by 86.3%; for East Midlands the increase was 109.6% whilst for Blaby the figure was 116.3%.



Source: HM Land Registry, property price data, 2005

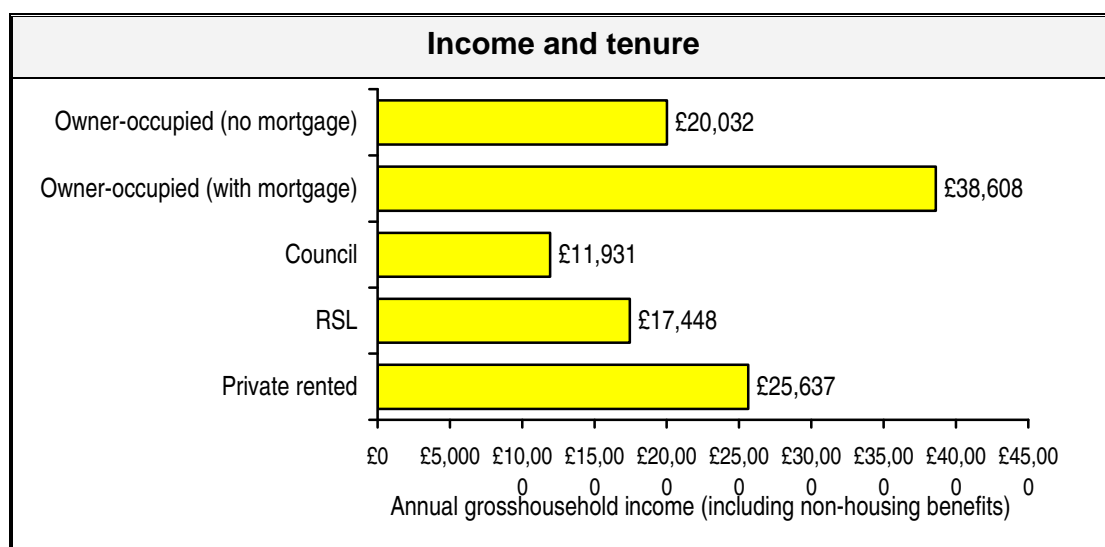
A survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent in the District. Overall, the survey suggested that prices started at around £110,000 for a one bedroom flat with private rental costs starting from around £460 per month.

Minimum property prices/rent in Blaby		
Property size	Minimum price	Minimum rents
1 bedroom	£110,000	£460
2 bedrooms	£110,000	£460
3 bedrooms	£131,500	£490
4 bedrooms	£182,000	£550

Source: Fordham Research Survey of Estate Agents 2005

The information about minimum prices and rents was used along with financial information collected in the survey to make estimates of households' ability to afford market housing (without the need for subsidy).

The survey estimated average gross annual household income (including non-housing benefits) to be £29,630. There were, however, wide variations by tenure; with households living in social rented housing having particularly low income levels.



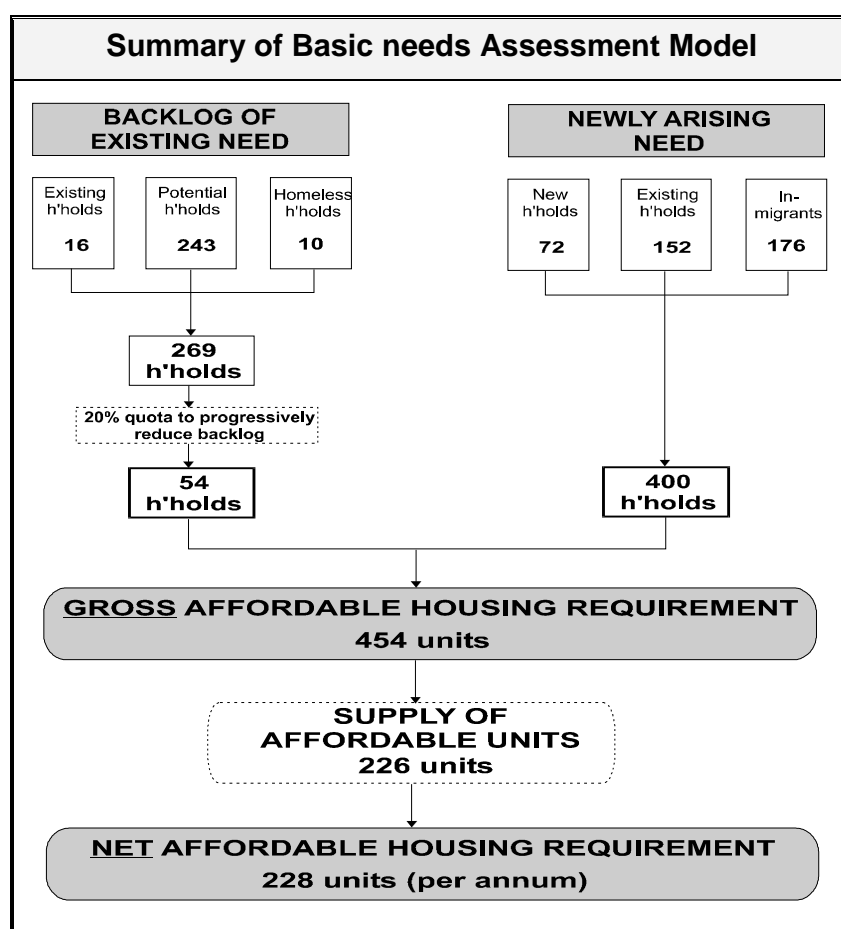
Source: Blaby District Council Housing Needs Survey 2005

The Guide model

As part of the study, an estimate of the need for affordable housing was made based on the 'Basic Needs Assessment Model' (BNAM). The BNAM is the main method for calculating affordable housing requirements suggested in Government guidance 'Local Housing Needs Assessment: A Guide to Good Practice' (ODPM 2000).

The BNAM sets out 18 stages of analysis to produce an estimate of the annual requirement (for the next five years) for additional affordable housing. The model can be summarised as three main analytical stages with a fourth stage producing the final requirement figure. The stages are:

- Backlog of existing need
- Newly arising need
- Supply of affordable units
- Overall affordable housing requirement



Source: Blaby District Council Housing Needs Survey 2005

Overall, using the BNAM it was estimated that there is currently a shortfall of affordable housing in the District of around 228 units per annum. The data suggested that this shortfall is most acute for smaller (principally one bedroom) properties. Additionally, data suggests shortfalls across the District.

The analysis suggests that any target of affordable housing would be perfectly justified (in terms of the needs), a target between 40-50% would be advisable from custom and practice. A site size threshold of 15+ dwellings/0.5 ha would be recommended, below the current Circular 6/98 level of 25 dwellings should be considered. This is consistent with provisions made in the Draft Supplementary Planning Guidance.

Further analysis suggests that 29.1% of this need could in theory be met by ‘intermediate’ housing, available at outgoings priced half-way between social rents and the minimum cost of (second hand) market housing. However, intermediate housing options are usually not affordable. Further analysis of affordable housing options suggests that these are likely to be priced at a cost not much closer to minimum market costs than social rents and are therefore only likely to meet only a small proportion of the identified need.

Broader Housing Market & Future Changes

In addition to concentrating on the need for affordable housing in isolation the study looked at housing requirements in the private sector market. The analysis began by looking at the differences between three broad housing sectors (owner-occupation, private rented and social rented). The survey data revealed large differences between the three main tenure groups in terms of stock profile (size of accommodation), turnover and receipt of housing benefit (or income support towards mortgage interest payments in the case of owner-occupiers).

Profile and turnover of stock and housing benefit claims by tenure			
Tenure	% of properties with two or less bedrooms	Annual turnover of stock (% of households)	% claiming housing benefit (income support for owners)
Owner-occupied	18.4%	10.9%	0.8%
Private rented	53.3%	49.0%	20.2%
Social rented	73.6%	10.6%	55.0%
ALL HOUSEHOLDS	24.4%	13.5%	5.9%

Source: Blaby District Council Housing Needs Survey 2005

Having studied the need for affordable housing using the Basic Needs Assessment Model, the study moved on to looking at housing requirements across all tenures. A ‘Balancing Housing Markets’ (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are ‘balanced’ across tenure and property size. The notion has been brought into prominence by the work of the Audit Commission in assessing councils’ performance (Comprehensive Performance Assessment (CPA) of district authorities).

The BNAM calculates housing need using strict definitions of need using government guidance. The BHM is a demand and aspiration driven model (the BNAM being mainly based on past trends) to assess the requirement for owner-occupied, private rented and affordable housing. There are inevitably some households who have a demand for affordable housing in the BHM but under the BNAM would not be considered as needing such housing. Additionally, as the bulk of the supply in the BHM is based on expected future household moves, it is often the case that this model shows a lower supply level than the trend data of the BNAM (typically drawn from H.I.P.).

It is therefore common to find that the BHM shows a slightly higher estimate of the affordable requirement than the BNAM but this should not be taken as the survey's base estimate of the absolute requirement for affordable housing (which is measured using the ODPM's Basic Needs Assessment Model). The BHM is however particularly useful at ascertaining what shortages exist in the private sector market and can help to guide councils in securing an appropriate mix of market housing on new housing developments.

Finally, whereas the BNAM accounts for migration in the needs assessment, the BHM method seeks to meet the requirements of the current population first with the amount of in-migration used to 'balance' figures to the estimated household growth of an area.

The table below shows the overall results of the BHM analysis.

Total shortfall or (surplus)					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	152	172	(-504)	(-78)	(-258)
Affordable housing	251	273	59	28	612
Private rented	(-20)	(-90)	(-65)	(-13)	(-188)
TOTAL	384	354	(-510)	(-63)	165

Source: Blaby District Council Housing Needs Survey 2005

A number of conclusions can be drawn from this analysis:

- i) In terms of the demand for affordable housing in the District it is clear that this is on-going. The BHM methodology suggests a significant shortfall of affordable housing of all sizes of accommodation, most notably one and two bedroom homes.

- ii) Overall, the data also shows a surplus of owner-occupied and private rented housing. In terms of size requirements, the information suggests that in the owner-occupied sector there are shortfalls for one and two bedroom homes with a surplus of three and four or more bedroom accommodation. This finding is consistent with experience elsewhere where it is typical to find that larger newbuild properties are often bought by in-migrating households. In the BHM in-migration is constrained so as to allow the requirements of local households to be met first, in-migration is then used to 'balance' the figures back to the projected build rate.

Therefore both the BHM and BNAM analyses suggest that there will be a shortage of affordable housing in the future.

The Needs of Particular groups

The study moved on from a consideration of future needs for additional housing to look at the needs of particular groups. The survey concentrated on the characteristics and requirements of households with disabilities (support needs households), older person households, key workers, Black and Minority Ethnic households and overcrowded households.

Households with support needs

Information from the survey on support needs groups can be of assistance to authorities drawing up their detailed Supporting People Strategies. Some 11.5% of all the District's households (4,206) contain support needs members. 'Physically disabled' is the largest category with support needs. Households can belong in more than one support needs category.

Support needs categories			
Category	Number of households	% of all households	% of support needs households
Frail elderly	1,002	2.7%	23.8%
Physical disability	2,463	6.7%	58.6%
Learning disability	550	1.5%	13.1%
Mental health problem	845	2.3%	20.1%
Vulnerable young people & children leaving care	33	0.1%	0.8%
Severe sensory disability	341	0.9%	8.1%
Other	463	1.3%	11.0%

Source: Blaby District Council Housing Needs Survey 2005

Support needs households in Blaby are generally smaller than average for the District and are disproportionately made up of older persons only. Support needs households have lower than average incomes and are more likely than households overall to be in unsuitable housing.

Support needs households in general stated a requirement for a wide range of adaptations and improvements to the home. The most commonly-sought improvements needed were:

- Downstairs WC (758 households – 18.6% of all support needs households)
- Lift/stair lift (700 households – 16.7% of all support needs households)
- Emergency alarm (624 households – 14.8% of all support needs households)

Older person households

Some 22.7% of households in Blaby contain older persons only, and a further 9.2% contain a mix of both older and non-older persons. Older person-only households are disproportionately comprised of only one person, providing implications for future caring patterns. Although the majority of older person-only households live in the private sector, it is interesting to note that a high proportion of social rented accommodation houses older people-only (56.8% of all Council accommodation is occupied by older persons only).

Older person households do not contribute significantly to the overall need for additional affordable housing, but may well have a significant impact on the future of Council housing and the future need for sheltered housing and adaptations.

Key worker households

The term intermediate housing is often used with reference to specific groups of households such as key workers. The survey therefore analysed such households (the definition being based on categories of employment and notably including public sector workers). Analysis of survey data indicates that there are an estimated 21,584 people in key worker occupations.

Key worker categories		
Category	Number of persons	% of key workers
Nurses and other NHS staff	9,502	44.0%
Teachers, etc	7,239	33.5%
Police officers	1,316	6.1%
Prison staff and probation service staff	1,004	4.7%
Social workers, etc	1,879	8.7%
Fire fighters, etc	645	3.0%
TOTAL	21,584	100.0%

Source: Blaby District Council Housing Needs Survey 2005

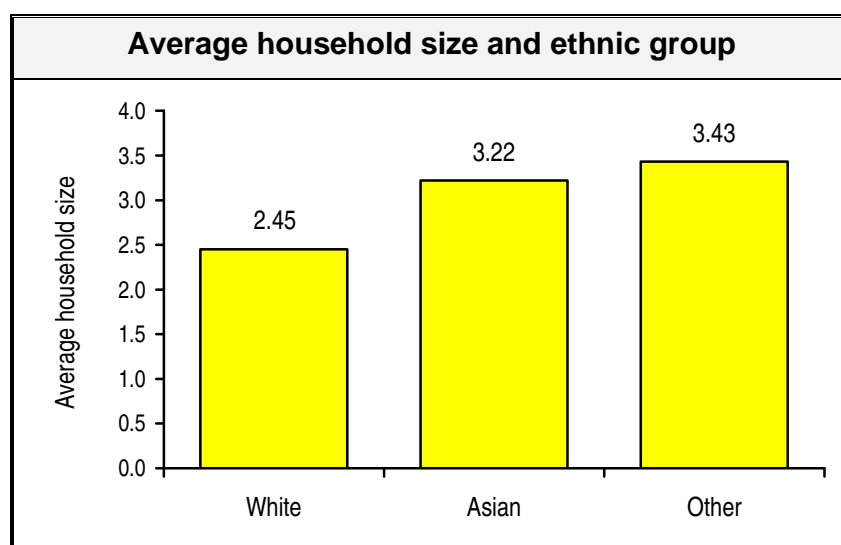
The survey also estimated that 6,327 households contained at least one key worker and were subject to additional analysis. The main findings from further analysis of this group of households can be summarised as follows:

- Key worker households are more likely to have moved in the last two years than non-key workers and are more likely to have moved from elsewhere in the UK
- Key worker households are slightly more likely to move within the next two years and are more likely to want to move from the District
- Key worker households have slightly higher incomes than non-key worker households (in employment)
- The majority (97.2%) of key worker households can afford market housing in the District, of those that can't afford, intermediate housing is affordable for 36.4%. Looking only at those key worker households who need or are likely to move in the next two years we find a worse affordability situation and a higher proportion able to afford intermediate housing
- In terms of the need for affordable housing the study suggests that only 1.9% of the net affordable housing requirement comes from key worker households

Black and Minority Ethnic households

The survey revealed that 95.9% of Blaby households were White, with 2.8% Asian and 1.3% in Black, Mixed & other ethnic groups. These match results of the 2001 Census.

Survey results show that Other households were disproportionately living in private rented accommodation whilst White households were particularly likely to live in the social rented sector. The survey also showed that all Black and Minority Ethnic (BME) households have a larger average household size than other households.





Source: Blaby District Council Housing Needs Survey 2005

Finally, the survey results suggest that White households are particularly likely to be made up of only older people and that Other households are generally more likely to contain someone with a support need. The survey also showed considerable differences in both income and savings levels between the different groups.

Overcrowding and under-occupation

Finally, the survey looked briefly at overcrowding and under-occupation, overcrowding having been shown as the second most important reason for households to be living in unsuitable housing. The study suggested that 1.6% of all households are overcrowded and 45.5% under-occupy their dwelling. The owner-occupied (no mortgage) sector shows the highest levels of under-occupation; the private rented and Council sectors the highest overcrowding.

Overcrowding and under-occupation					
Number of bedrooms required	Number of bedrooms in home				TOTAL
	1	2	3	4+	
1 bedroom	1,638	5,646	10,509	2,759	20,552
2 bedrooms	29	1,367	6,007	2,986	10,389
3 bedrooms	0	175	2,540	2,007	4,722
4+ bedrooms	48	0	269	521	838
TOTAL	1,715	7,188	19,325	8,273	36,500

KEY:  Overcrowded households  Under-occupied households

Source: Blaby District Council Housing Needs Survey 2005

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require five bedroom property but currently be occupying four bedroom property.

Overcrowded households tend to have low incomes (measured per person) and are far more likely to state that they need or expect to move than other households.

Conclusions

The housing study in Blaby provides a detailed analysis of housing requirement issues across the whole housing market in the District. The study began by following the Basic Needs Assessment Model, which estimated a requirement to provide an additional 228 affordable dwellings per annum if all housing needs are to be met (for the next five years).

The study continued by looking at requirements in the housing market overall using a 'Balancing Housing Markets' methodology. This again suggested a significant requirement (612 units) for additional affordable housing to be provided. Overall, the need for additional affordable housing represents over 100% of the estimated newbuild in the District (165 units per annum). It would be sensible to suggest that in the light of the affordable housing requirement shown, the Council will need to maximise the availability of affordable housing from all available sources (including newbuild, acquisitions, conversions etc). It is important that the cost (to occupants) of any additional housing allows it meet the needs identified in the survey. Analysis of intermediate housing shows that often this is closer to market prices than social rents and therefore meets only a small amount of need.