

EXETER HOUSING MARKET AREA

**STRATEGIC HOUSING
MARKET ASSESSMENT**

**FINAL REPORT
2014/15**



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- 1.1.10 Taken as a whole the outputs from the jobs-led projections generate an appropriate Housing Market Area wide objective scale of growth and also form appropriate assessments for individual authorities. However, where there are specific job growth agendas arising from strategic inward investment or regeneration initiatives, authorities should consider the appropriateness of alternative job growth scenarios in establishing final objectively assessed housing need figures for their own authority. The implications of any such adjustments need to be considered in the context of the wider HMA.
- 1.1.11 The SHMA has also undertaken an assessment of specific affordable housing needs. The SHMA work establishes the following annual average requirements for new additional affordable housing.

Table 1-4 Annual Requirements

Area	Average affordable need per year
East Devon	272
Exeter	325
Mid Devon	124
Teignbridge	234
HMA total	955

- 1.1.12 Most new affordable housing can be expected to be built on new housing developments as a proportion of total housing built. Most new housing schemes will comprise predominantly of new homes sold on the open market but some, under planning agreements, will be affordable. However there are cases where new developments will wholly or predominantly comprise of affordable housing. There is also scope to increase the supply of affordable housing through better management of the overall housing stock and through such measures as bringing empty homes back into use.
- 1.1.13 The SHMA work concludes by examining the projected overall mix of housing needed over the coming years. Future need for all authorities is concluded to be largely dominated by a need for smaller properties, mostly in the 1 and 2 bedroom size categories. But this may not coincide with purchasing aspirations of new some home buyers or developers' build aspirations.

11 AFFORDABLE HOUSING NEED

- 11.1.1 The National Planning Practice Guidance (2014) states that plan makers and 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 and therefore will require some form of affordable housing).
- 11.1.2 A full affordable housing assessment has been conducted and is set out in **Appendix III**. The assessment identifies the total scale of affordable need of new forming households not able to access the market, the needs of existing households who fall into need, provision from existing stock turnover and the net need which requires to be addressed from future new provision.
- 11.1.3 However, as highlighted in the PAS Technical Advice Note (*Objectively Assessed Need and Housing Targets (June 2014)*) **only new forming households** should be taken into account in the calculation as the backlog and existing households already live in housing units which would be freed up when they are housed and do not create any net need in terms of the total future requirement.
- 11.1.4 In the HMA the new forming group requiring affordable housing are calculated from the household projections and are shown in 4.1 and 4.2 of the Model in Appendix III. The calculation of new affordable need based on the DCC trend based projections using the 2008 and 2011 household model assumptions is set out in Table 11-1 Table 10-1 and Table 11-2 below.

Table 11-1 Affordable Need (2008 based household model assumptions)

	Exeter	East Devon	Mid Devon	Teignbridge	Exeter HMA
New Households pa.	629	609	400	648	2,286
Proportion unable to afford market rent	55.1%	46.6%	32.6%	37.9%	43%
Number unable to afford market rent	347	284	130	246	1,007

Note : This tables does not separately take account of the different affordable housing requirements within the Dartmoor National Park

- 11.1.5 Based on the 2008 new household projections and their ability to access market rented housing, the total annual affordable need across the HMA is **1,007 households a year**.
- 11.1.6 This is around 43% of the potential 2,286 unit annual average housing delivery from the household projections modelling.
- 11.1.7 Even in very buoyant market conditions, this level is higher than is likely be economically viable, as an affordable housing target in planning policy, a key factor in any requirement for affordable housing from planning negotiation.
- 11.1.8 This level is also higher than the targets set in Local Plans which range from 20/30% in Teignbridge, 25% / 50% in East Devon, 30% in Mid Devon and 35% in Exeter and 50% in Dartmoor National Park.
- 11.1.9 If the 2011 based projections are used the annual affordable need figure reduces to 904.

11.1.10 The mid-point of the two projections would be 955 households a year as shown in

Table 11-2 Affordable Need (2011 based household model assumptions)

	Exeter	East Devon	Mid Devon	Teignbridge	Exeter HMA
New Households pa.	549	559	361	589	2,058
Proportion unable to afford market rent	55.1%	46.6%	32.6%	37.9%	43%
Number unable to afford market rent	303	260	118	223	904

Note : This tables does not separately take account of the different affordable housing requirements within the Dartmoor National Park

11.1.11 In accordance with National Planning Policy Guidance it is necessary to consider the total affordable housing need in the context of its likely delivery by market housing led developments. Table 11-3 presents total affordable housing need and the likely delivery across the HMA.

Table 11-3 Affordable Need and Likely Delivery

	Exeter	East Devon	Mid Devon	Teignbridge	Exeter HMA
Affordable Housing Mid-point (2008/20011)	325	272	124	234	955
Policy Requirements	35%	30% ³	30% ⁴	25%	---
Housing Requirement (Mid Point)	614	717	370	683	2,384
Affordable homes likely to be delivered by policy requirements	215	215	111	171	712

11.1.12 Applying the affordable housing targets set by each individual authority to the objectively assessed needs established in section 10 would be likely to deliver 712 affordable housing units.

“National Planning Practice Guidance advises at Paragraph: 029 Reference ID: 2a-029-20140306 <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/>”

11.1.13 “An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”

³ East Devon emerging plan has policy targets of 25% in lower value areas and 50% in higher value areas. A 30% figure has been used in this analysis.

⁴ Mid Devon emerging plan has policy targets of 28% for urban areas and 30% for rural areas.

- 11.1.14 Noting that the total affordable need is much higher than the number of homes likely to be delivered by market led development, the authorities of the HMA will need to give consideration to the scope and potential to increase total housing delivery, above objectively assessed needs, as a means to promote additional affordable housing delivery.
- 11.1.15 However, increasing total housing delivery is not the only means to secure affordable housing. It is important to bear in mind that the new delivery of 712 units should experience the same average re-let rate as the existing stock of around 7% pa. This would increase the scale of re-lets by around 50 units a year, every year across the HMA, which is a major means of meeting affordable housing need.
- 11.1.16 Furthermore, meeting the total need for affordable housing also involves a range of initiatives in addition to new unit delivery through the planning system:-
- Freeing up under-occupied social rented units to make best use of the existing stock which can free up 3 to 4 properties as households trade up to the size they require ultimately providing access to a one bedroom unit for a household the waiting list;
 - By bringing empty properties back into use;
 - Bringing social sector stock up to Decent Homes Standard;
 - Conversion of existing buildings.
- 11.1.17 These initiatives offer scope to make a meaningful contribution to provision of affordable housing.
- 11.1.18 Furthermore in calculating houses required to generate affordable provision authorities should also consider schemes that may come in at above normal (minimum) affordable housing policy targets. Cases where percentage levels could be exceeded include 'exception' housing schemes (for example in rural areas where housing would not typically be allowed) as could direct Council, Housing Association or community land trust developments.
- 11.1.19 Ultimately any policy targets in excess of the objectively assessed need should be set based on what is sustainable, viable and deliverable, and importantly support other corporate strategies, especially for economic growth and regeneration. These should be major factors in determining the scale and tenure mix of any affordable housing.
- 11.1.20 Based on the evidence found in this assessment an overall affordable housing target average of 30% across the HMA and the targets set in individual Council Local Plans can all be justified, subject to viability.

NEEDS ASSESSMENT MODEL

1 AFFORDABLE HOUSING NEED

1.1 Introduction

- 1.1.1 The National Planning Practice Guidance (2014) states that plan makers and 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 and therefore will require some form of affordable housing.
- 1.1.2 This assessment identifies the total scale of affordable need of new forming households not able to access the market, the needs of existing households who fall into need, provision from existing stock turnover and the net need which requires to be addressed from future new provision.
- 1.1.3 The table below outlines the type of households considered to be in need and the categories are unchanged from the previous 2007 SHMA Practice Guidance.

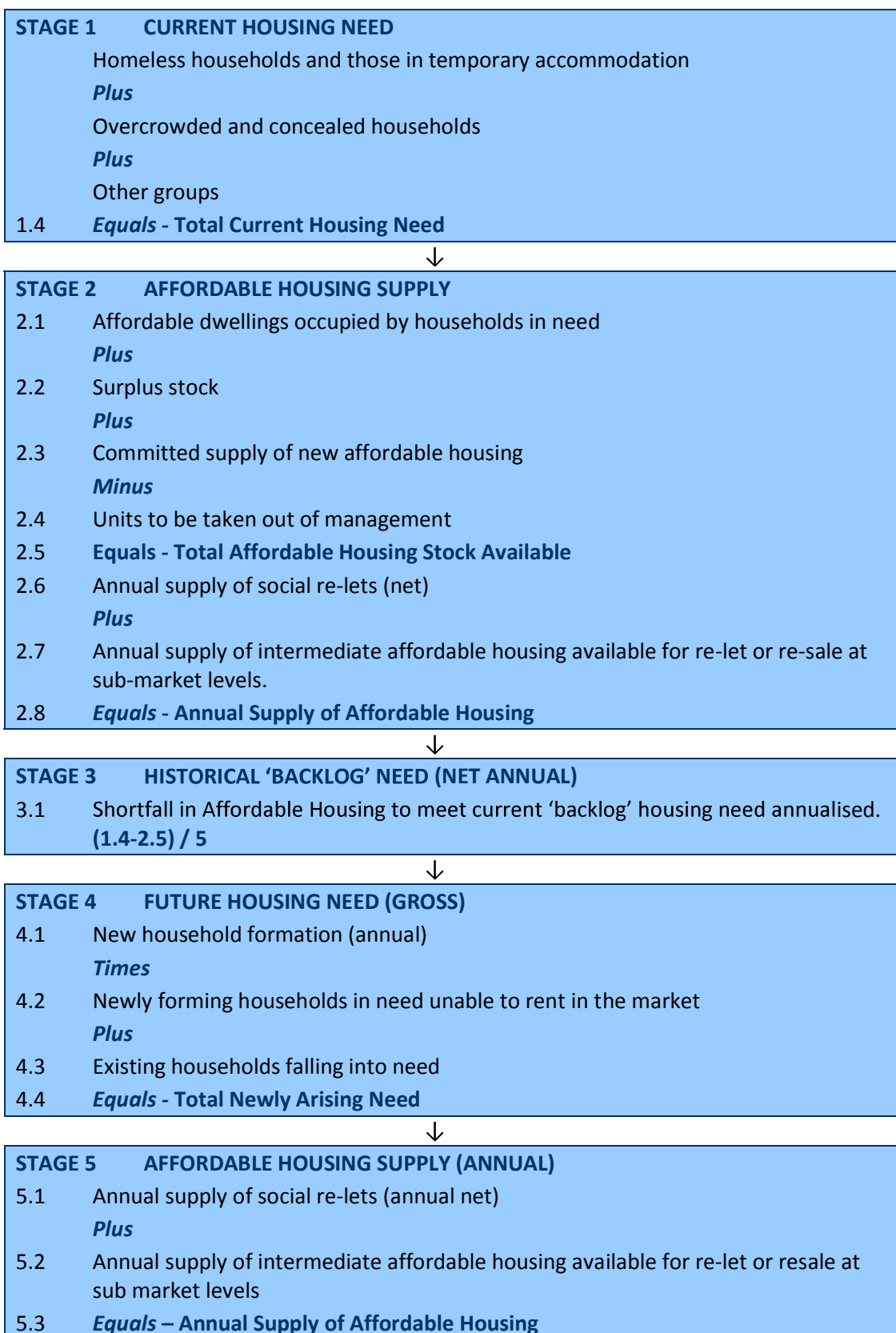
Table 1-1 Type of Households Considered in Housing Need

Households in Need	
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 2007 and National Planning Practice Guidance 2014.

1.2 Affordable Housing Needs Calculation

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



1.3 Model Structure

1.3.1 The model is structured on an annualised 'flows' basis, and assumes that this 'annualised' data will occur each year to 2018. It provides essential evidence for affordable housing targets in Local Development Plans.

1.3.2 In this section the assessment of affordable housing need has been conducted using secondary data only from Council Data, HSSA, and LAHS.

1.4 Exeter HMA Needs Assessment Model

1.4.1 The first element of this Stage of the model estimates the number of homeless households including those in temporary accommodation.

1.4.2 Council records identified 66 homeless households at the 20th January 2015, applied at Stage 1.1 in the model.

1.4.3 The second element in Stage 1 of the model estimates the number of overcrowded and concealed households. This information is obtained from Council waiting list data.

1.4.4 The number of homeless households in Stage 1.1 is deducted from the waiting list figures to avoid double counting.

1.4.5 There are 6,307 households in bands A-D on the Exeter HMA waiting lists plus the 66 at 1.1 making a total of 6,373 households being applied in the model at Stage 1.2.

1.4.6 There is no identified need from 'Other Groups' and zero has been applied in the model at Stage 1.3.

1.4.7 The final element of Stage 1 of the model is a sum of steps 1.1, 1.2 and 1.3, a total of 6,241 households applied at Stage 1.4.

Table 1-2 Homeless Households, Over-crowded and Concealed Households

STAGE 1 – CURRENT HOUSING NEED (GROSS BACKLOG)		Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
1.1	Homeless Households (including those in temporary accommodation)	Register A-D (Homeless)	29	10	11	16	66
1.2	Over-crowded and concealed households	Waiting List Bands A-D	2,149	1,721	902	1,535	6,307
1.3	Other Groups		0	0	0	0	0
1.4 - TOTAL CURRENT HOUSING NEED (GROSS)			2,178	1,731	913	1,551	6,373
1.1+1.2+1.3							

1.5 Stage 2 – Affordable Housing Supply

- 1.5.1 The first element of Stage 2 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.
- 1.5.2 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.
- 1.5.3 The council transfer data shows that of the 6,373 households at Stages 1.2 and 1.3 of the model, 2,915 already live in affordable units, and this total is applied at Stage 2.1.

1.6 Vacant Stock

- 1.6.1 The second element of Stage 2 of the model assesses the level of surplus affordable stock in Exeter HMA. Properties vacant for over 6 months are recorded at this point. There were no vacant affordable units vacant for more than 6 months recorded in the 2014 LAHS for each authority. Guidance states that where the level is below 3% there is no surplus vacant stock. A total of zero is therefore applied at Stage 2.2 of the model.