

Report to:

Borough of Broxbourne

Strategic Housing Market Assessment

May 2013

Final Report



In association with



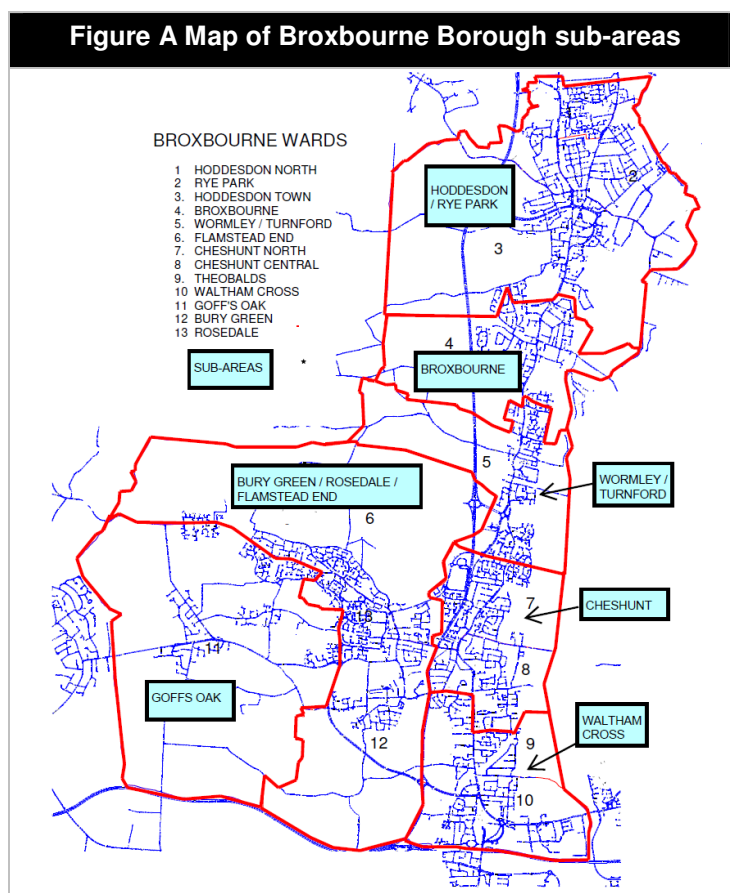
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Summary

Introduction and Context

1. Justin Gardner Consulting (JGC) in association with GL Hearn was commissioned to prepare a Strategic Housing Market Assessment (SHMA) for the Borough of Broxbourne Council. The purpose of the SHMA is to provide a robust and up-to-date understanding of housing need and demand within the Borough in order to inform and support planning policy and housing strategy.
2. The Assessment considers future housing requirements, in terms of the number of homes required to meet need and demand. It considers the mix of housing required, in both the affordable and market sectors. It also looks at the housing requirements of specific groups, including older people.
3. The National Planning Policy Framework (March 2012) sets out the Government's policies for housing provision. It sets out that local authorities should plan positively to meet the development needs of their area and deliver a wide choice of high quality homes. Housing policies should seek to widen opportunities for home ownership and create sustainable, inclusive and mixed communities taking account of demographic trends, local demand and the needs of different groups in the community.
4. There are also a series of reforms proposed affecting the affordable housing sector which need to be considered in considering future housing policies, including changes to tenancies, and the introduction of the affordable rented tenure.
5. The Borough is a fairly compact area with the third highest population density in Hertfordshire (behind Watford and Stevenage). Analysis of migration patterns largely confirms housing market boundaries suggested in the 2008 SHMA with clear links to Enfield in the south and East Hertfordshire to the north but relatively weak links to areas lying to the east and west.
6. Within the borough there are a number of distinct areas with different socio-economic and housing offer characteristics. For the purposes of the study we have where possible studied seven different sub-areas made up of groups of wards. These sub-areas are consistent with those used in the 2007 housing needs survey.



Stakeholder Consultation

7. A key element of the study was a detailed programme of local stakeholder consultation. Interviews were held with a range of stakeholder contacts including estate and letting agents, developers, developer on site sales staff, local authority officers and Registered Providers.
8. This qualitative research is designed to help understand what gaps in supply exist, the market response to these gaps and the impact of market conditions. In summary the aim of this phase was to:
 - capture the story of the place and its housing market and how it affects people;
 - add meaning and interpretation to the data; and
 - add colour and context to the report narrative.
9. A key theme to emerge from the research was the strong link with North London (Enfield in particular) with agents in particular citing households moving from this area as being the main driver of growth in the Borough. With good transport links many movers are able to continue to work in Central London whilst taking advantage of lower prices and rents in the Borough.
10. Agents identified that only a small proportion of sales are to first time buyers. Those that are first time buyers are mostly people in their 30s and some receive gifts or loans from relatives to help fund the deposit. It was also suggested that upwards of half of local buyers are relocating from other areas whilst the investment market is relatively weak.
11. Whilst newbuild schemes reported steady sales there was some concern that sufficient demand did not exist for large numbers of new homes to be provided. Issues around demand for flats and apartments were also highlighted; current construction is mostly semi-detached and detached homes - this was considered to be reflective of the profile of properties with strongest demand.
12. The private rented sector was seen to be a key part of the housing market despite being small when compared with the London market. Relatively low rents and a better environment were considered to be key drivers of growth in the sector over the past ten years.
13. Recognising a lack of available social rented housing the Council has developed the 'Simple Lets' scheme which helps vulnerable households to access homes in the private rented sector.
14. Over a third of the social sector stock are bedsit and one-bedroom homes and is not evenly distributed across the borough. A significant amount of stock has been lost through the right-to-buy and this is disproportionately family accommodation – there is little social rented housing for families in need. In recognising the pressures on the social housing stock the Council is introducing measures to ensure that available homes are efficiently used to house those with the greatest needs.
15. The stakeholder consultation raised a series of issues which have been investigated through the remainder of the report. This included difficulties for first-time buyers accessing homes, the (growing) role of the private rented sector and measures to better use the scarce social rented sector.

Housing Stock and Supply Trends

16. In 2011 data from the Census records 39,192 dwellings in the Borough, containing 37,658 households. Of these, around 74% are owner-occupiers, 14% live in social rented housing and 11% in the private rented sector. Relative to other areas, levels of owner-occupation are high with lower than average proportions of households living in each of the social and private rented sectors.
17. Over the past ten years however, there have been significant changes to the tenure profile of households in the borough – the most notable is a 130% increase in the number living in private rented accommodation.

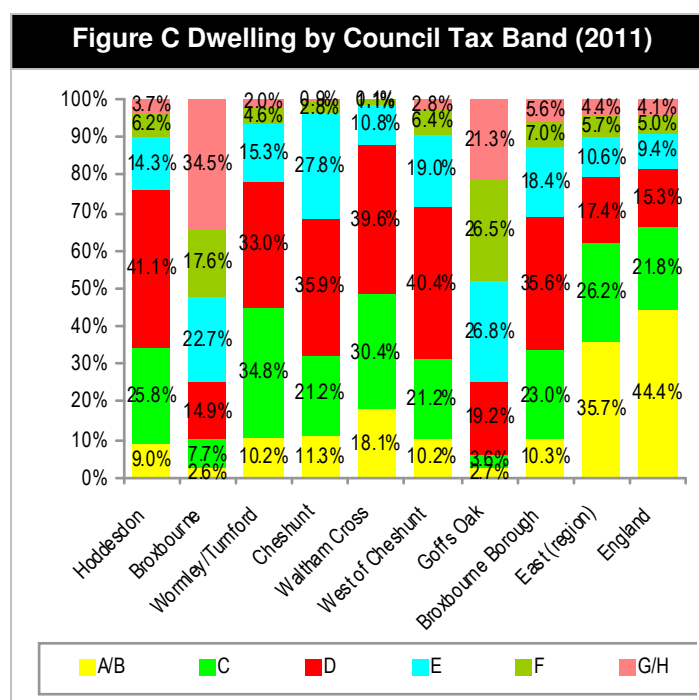
Figure B Change in tenure (2001 to 2011)				
Tenure	2001	2011	Change	% change
Owned outright	10,691	12,262	1,571	14.7%
Owned with mortgage	17,183	15,616	-1,567	-9.1%
Social rented	4,855	5,297	442	9.1%
Private rented	1,844	4,199	2,355	127.7%
Other	360	284	-76	-21.1%
Total	34,933	37,658	2,725	7.8%

Source: Census (2001 and 2011)

18. When looking at housing development over the past ten years (through both Census and Council administrative data) we see a strong increase in flatted accommodation – around 70% of additional homes provided in the borough since 2001 have been flats/maisonettes with relatively little additional family accommodation having been provided. Over the past six years an average of 250 homes per annum have been completed (net completions).

19. Differences in the housing offer in different parts of the borough can be emphasised by analysis of Council Tax Bands with data indicating very high property values in Broxbourne and Goffs Oak and lower values in Waltham Cross and Wormley/Turnford. In the Broxbourne sub-area the data shows that over a third of homes are in taxbands G & H – this compares with around 6% Borough-wide and just 0.1% in Waltham Cross.

20. Analysis of past supply also indicates that much recent housing development has been in particular locations in the Borough (particularly Wormley/Turnford, Hoddesdon and Waltham Cross).



Source: ONS

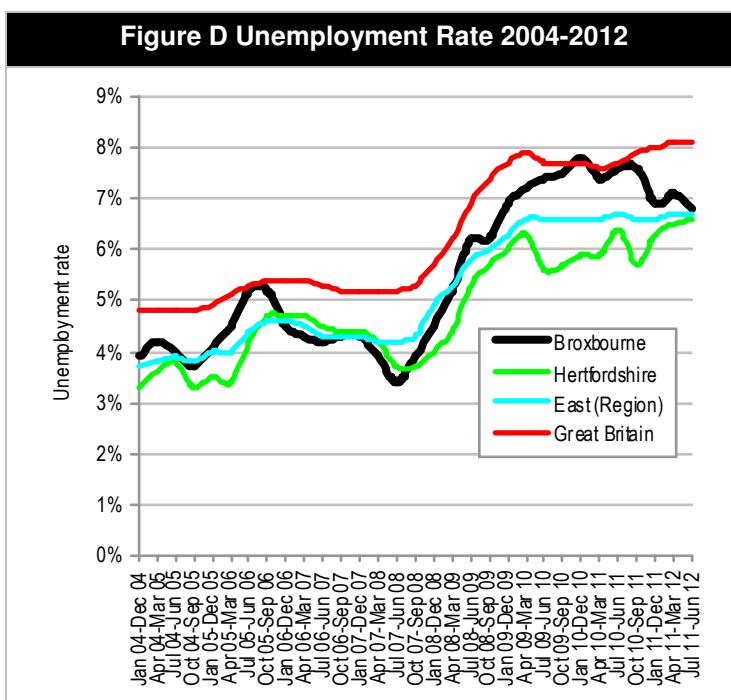
Socio-Economic and Demographic Profile

21. The population of Broxbourne Borough has been increasing at a slightly lower rate to that seen across Hertfordshire or the East (Region) with household growth also being slightly below that seen in other areas. Population growth has been largely driven by natural change (more births than deaths) rather than net in-migration. Over the past ten years in- and out-migration have broadly been in balance. Changes to the population and households have seen virtually no change in average household sizes over the past ten-years.

22. The age profile of the population of the Borough is also broadly similar to that seen in Hertfordshire (and indeed for the whole of England). Broxbourne does however have a relatively young population when compared with the East (Region). Compared with other areas Broxbourne has a higher proportion of households with children – particularly lone parent households.

23. The economic downturn has had a profound impact on the local economy over the past few years with an increase in the level of unemployment (from about 4% to 7% - as shown below). This is likely to have influenced current levels of housing need.

24. In the short-to-medium term, employment growth could be supported by bringing residents back into work; although to some degree this will be influenced by the balance between jobs types and the skills/experiences of the available workforce (Broxbourne residents are generally less well qualified than is typical across the region).



Source: Annual Population Survey

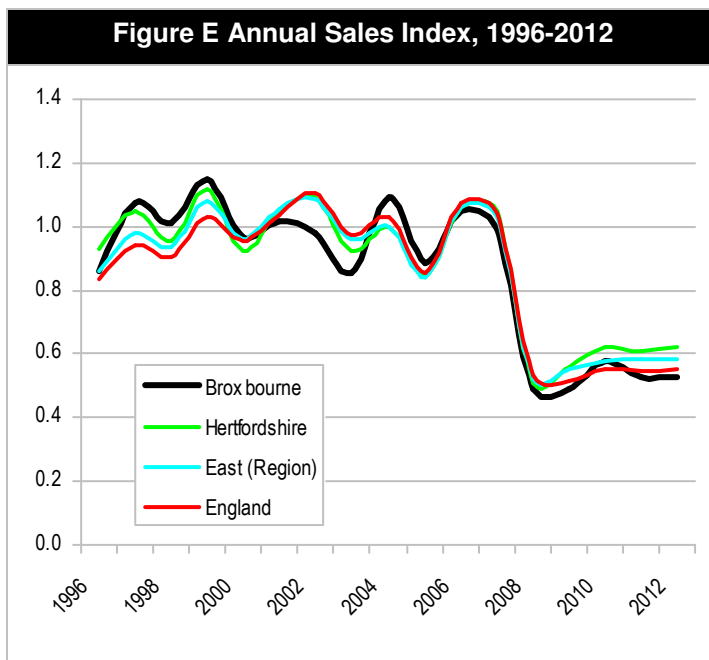
25. Studying income levels showed that residents are relatively well paid when compared to regional or national averages although wages are significantly below those seen in Hertfordshire generally. Data also suggested that residents of the borough tend to have higher earnings than those who work in the Borough – indicating that many people out-commute for higher paid work.

26. At a local level a modelling exercise was undertaken to estimate household incomes in each of the seven sub-areas. For the whole borough it was estimated that the median household income is around £31,000 per annum with significant variations by location (from about £26,000 per annum in Waltham Cross up to £43,000 in Broxbourne).

Housing Market Dynamics

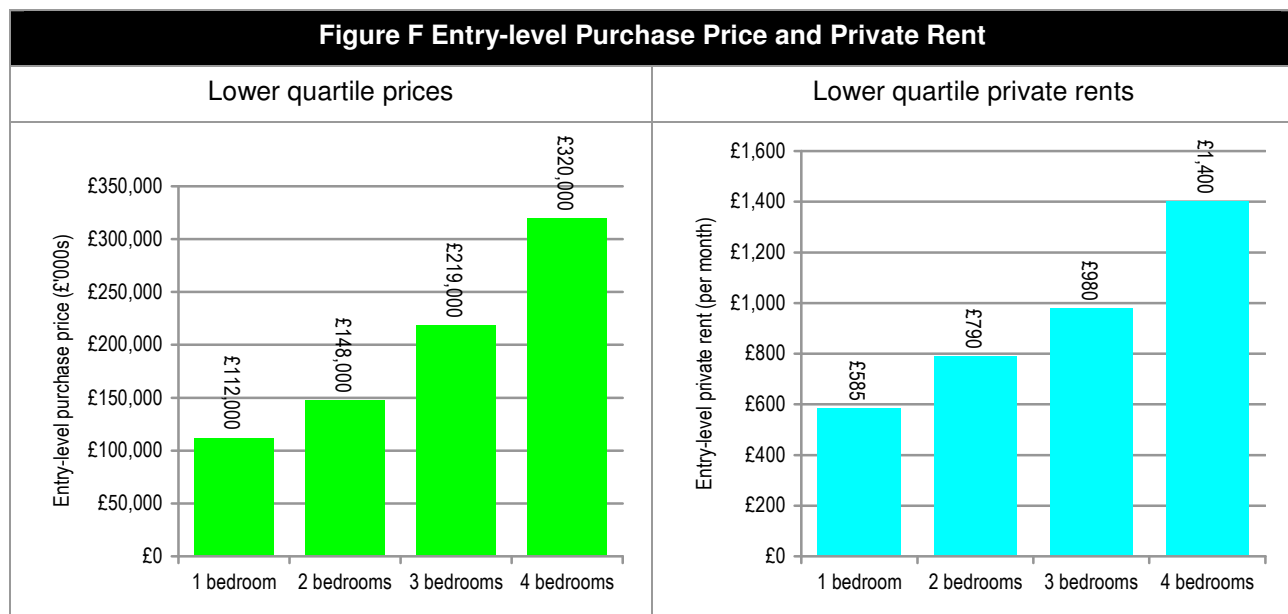
27. We have seen a fundamental shift in housing market conditions since 2007 driven by banks' more cautious approaches to lending. A critical constraint for many young households are levels of savings; for competitive mortgages at least a 10% deposit is required whilst the average deposit of recent first-time buyers nationally is around 25% to 30%.

28. Effective market demand has declined; with sales evidence suggesting it was 40% down in 2012 on typical levels for the decade to 2007. This is driven by availability of mortgages, with no sign that this is likely to improve in the short-term. It is resulting in a displacement of demand towards the rented tenures with the private rented sector having seen substantial and sustained growth. The weak sales market therefore does not mean that there is no underlying need/demand for new homes. Looking forward it seems likely that the private rented sector will continue to be the key growth sector in the housing market.



Source: Land Registry

29. Average prices to buy homes in the Borough area are high when compared with national and regional figures. Across the Borough it is estimated that lower quartile prices start from around £112,000 for a one bedroom home with private rents starting from about £600 per month.



Source: Online Estate and Letting Agents Survey (December 2012)

Future Housing Requirements

30. The National Planning Policy Framework (March 2012) introduced a presumption in favour of sustainable development, whereby local planning authorities should prepare new Local Plans on the basis that objectively assessed development needs (both for housing and other types of development) should be met. Regarding local housing requirements the NPPF states that these should *'be based on household and population projections, taking account of migration and demographic change'*.
31. We have therefore developed a series of demographic projections linked to past trends (particularly in migration) and also expected future changes linked to economic/employment growth forecasts in the East of England Forecasting Model (EEFM). The projections link population growth to the size of the labour force (using age/sex specific economic activity rates) and through into household estimates using the concept of headship rates. Base data for our projections has been taken from published material from both ONS and CLG (including the first release of 2011 Census data). For analysis we developed five projections. These are:
- PROJ 1 (10-year migration trends)
 - PROJ 2 (5-year migration trends)
 - PROJ 3 (Zero net migration)
 - PROJ 4 (EEFM reduced commuting)
 - PROJ 5 (EEFM constant commuting)
32. The table below summarises the outputs of these projections from 2011 to 2031 and includes information about population change, the growth in residents in employment and the related housing requirement. The data shows that housing requirements fall within the range of about 235 and 275 per annum (about 4,700 to 5,500 over the 20-year period).

Figure G Summary of projections 2011 to 2031

Projection	Population growth		Per annum	Housing numbers		Employment growth	
	Total	% change		Total	% change	Total	% change
PROJ 1 (10-year migration trends)	9,277	9.9%	235	4,690	12.1%	3,087	6.6%
PROJ 2 (5-year migration trends)	11,403	12.2%	274	5,485	14.2%	4,227	9.1%
PROJ 3 (Zero net migration)	9,858	10.5%	245	4,908	12.7%	3,399	7.3%
PROJ 4 (EEFM reduced commuting)	9,305	9.9%	235	4,703	12.2%	3,100	6.7%
PROJ 5 (EEFM constant commuting)	10,610	11.3%	260	5,190	13.4%	3,800	8.2%

33. Taking account of the different projections we suggest that a housing requirement of around 5,000 homes over the 2011-2031 period would be appropriate (250 per annum). This figure is consistent with past demographic trends as well as expected economic performance in the future and is objectively based in line with the requirements of the NPPF. The figure of 250 homes per annum is also consistent with average annual delivery of housing over the past six years.
34. The analysis also looked at the detail behind the projections which showed (in keeping with many areas) that the older person population is likely to increase notably in the future with particularly strong increases in the population aged 75 and over (and even more so for those aged 85 and over – the number of people in this groups is expected to more than double by 2031).

Affordable Housing Need

35. Housing need describes the quantity of households who cannot meet their needs in the housing market without support. An assessment of housing need has been undertaken using information from a range of data sources which is compliant with Government guidance. The assessment identifies whether there is a shortfall or surplus of affordable housing in the Borough.
36. The estimated level of affordable housing need from 5,033 households significantly outweighs the supply of affordable housing from the existing stock of 1,286 homes (over the next five years). It is the projected future need in particular which drives an overall need to provide 3,747 dwellings to meet housing needs. The calculated level of housing need is high with all sub-areas also showing a need for additional affordable housing to be provided; needs were assessed to be highest in Waltham Cross and lowest in Broxbourne. The Council is justified in seeking affordable housing provision in all parts of the study area.

Figure H Estimated level of Housing Need (2012-17)					
Sub-area	Gross housing need	Supply	Net housing need	Total households	Need as % of households
Hoddesdon	1,046	257	789	8,831	8.9%
Broxbourne	185	14	171	2,417	7.1%
Wormley/Turnford	622	190	433	4,063	10.7%
Cheshunt	840	219	620	6,252	9.9%
Waltham Cross	1,118	296	823	6,226	13.2%
West of Cheshunt	928	269	659	7,101	9.3%
Goffs Oak	293	41	253	3,011	8.4%
Broxbourne Borough	5,033	1,286	3,747	37,902	9.9%

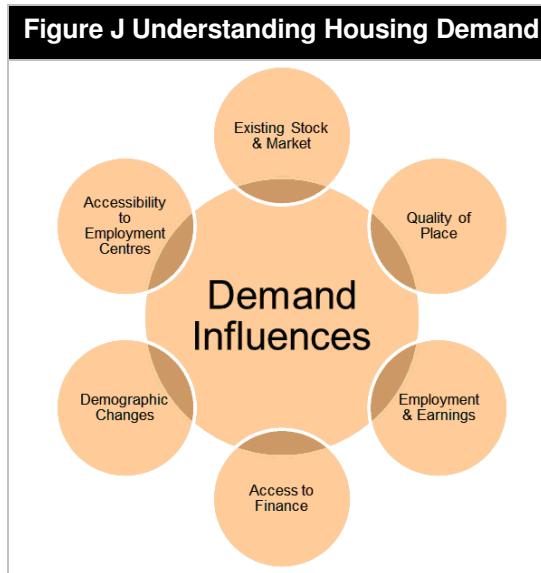
Source: Housing Register/CORE/Projection Modelling and affordability analysis

37. Part of the gap between the likely future need for affordable housing and future supply is likely to be met by the Private Rented Sector. An estimated 510 lettings per annum of PRS properties are made to households in housing need, with the sector capable of accommodating an estimated 1,300 households over 5 years. Additional households are accessing the private rented sector and spending more than 25% of their income on housing costs. Even taking the private rented sector into account, the supply of affordable housing is likely to fall short of identified needs.
38. The level of need identified provides an evidence base for seeking to maximise affordable housing delivery. However a policy within the Council's Local Plan must also take account of development viability. The latest viability study concluded that provision of up to 40% affordable housing might be possible. Drawing the analysis together we consider that an appropriate strategic policy regarding the affordable housing tenure mix would be for:
- 20% intermediate housing
80% affordable/social rented homes
39. The Council may wish to consider wider mechanisms to bring forward affordable housing, including adopting lower thresholds for development schemes requiring affordable housing.

Requirements for Different Sizes of Homes

40. There are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes.

41. Macro-economic factors are expected to influence effective market demand for housing in the short-term. These include mortgage finance, market confidence, short-term employment growth, and pressures on household incomes. Market demand is expected to be subdued and can be expected to impact on housing completions. While this can be expected to support need and demand within the rented tenures, supply is unlikely to respond to the demand drivers in the short-term given the investment-led model for the Private Rented Sector and the funding model and constraints in the Affordable Housing Sector. These are macro-level dynamics, and not unique to Broxbourne.



42. However it is still appropriate to plan on meeting expected household growth over the longer-term. This is expected to be driven by demographic trends and over the medium- and long-term in particular, by economic performance and employment growth.

43. Using our housing market model, which takes into account how households of different ages occupy dwellings and the potential delivery of housing in different tenures, we consider that market demand will be focused towards two- and three-bedroom properties. For affordable housing, taking account of identified need, existing supply and turnover of properties and issues related to the management of the housing stock (as well as outputs from the market modelling), the modelling again focuses strongly on two- and three-bedroom homes (along with a relatively high requirement for one-bedroom accommodation). Whilst the table below gives a suggested mix by size and broad tenure group this may vary depending on specific Council priorities (e.g. to house families in need rather than single people).

Figure K Housing Mix by Unit Size across Tenures (2011-2031)					
	1-bed	2-bed	3-bed	4+ bed	Total
Market Housing	5-10%	25-30%	50-55%	10-15%	100.0%
Affordable Housing	25-30%	35-40%	25-30%	5-10%	100.0%
% Total Housing by Size	15%	30%	45%	10%	100.0%

44. An estimated 70% of overall housing requirements (market and affordable) are for 2 and 3 bed properties (figure has been based on an assumption of 35% affordable housing delivery in the longer-term). This mix should be reflected in the ‘portfolio’ of sites taken forward through the Local Plan. We recommend that completions are monitored against this profile.

Specific Groups of the Population

45. We have established overall housing requirements for different sizes of properties over the next 20 years, however there can be specific groups within the population who require specialist housing solutions or for whom housing needs may differ from the wider population. The following key groups have been identified which may have housing needs which differ from those of the wider population:
- Older Persons;
 - Black and Minority Ethnic (BME) households;
46. The older person population of Broxbourne is fairly average when compared with national figures although it is projected to increase significantly up until 2031 with 36% more people aged 55 and over expected in 2031 when compared with 2011.
47. Older persons are more likely to under-occupy homes and are particularly likely to live in social rented housing (especially single pensioner households). With the projected increases in older persons there may therefore be additional pressure on the affordable housing stock from such households. The growing older population may also result in growth in households with specialist housing needs including alterations to properties (such as to bathrooms, showers and toilets, provision of emergency alarms or help maintaining homes).
48. The growing older population is likely however to lead to some increase in requirements for specialist housing solutions. Data about people aged 65 and over suggests a 70% growth in older population with dementia, and a 53% increase in the older population with mobility problems. Some of these people will require specialist housing such as sheltered or extra care provision. Increasing numbers of older people with health problems will also require joint-working between housing and health (Council and NHS). Analysis of County Council data suggests a requirement for around 50 units of housing per annum specifically for older people – 60% of this in the private sector.
49. The BME population in Broxbourne has grown strongly since 2001. The 2011 Census shows that BME groups make up 18% of the Borough population (up from 8% in 2001). The Black and White Other Population (which includes Eastern European migrants) have both grown notably. In contrast to the growth in BME populations, Census data shows that the White (British/Irish) population has declined in number over the past ten years.
50. BME households appear to typically be younger and less likely to be owner occupiers than the White (British/Irish) population – the exception to this are Asian households. BME households are also more likely to be overcrowded and less likely to under-occupy dwellings. There were 588 BME households on the Housing Register (and in need) in late 2012.
51. The implications of this are more for housing strategy than planning, and suggest a need to consider particularly how the needs of different groups are met within the local housing market, to explore the reasons for higher levels of overcrowding in BME communities and how this can be addressed. It will also be important to consider the role which the Private Rented Sector plays in meeting needs of new migrant communities and the standards of housing in this sector.

Conclusions and Recommendations

52. The Strategic Housing Market Assessment (SHMA) is intended to improve understanding of both need and demand for affordable and market housing. It takes account of the current stock (and how this has changed over time), and through this assessment we have considered drivers of demand over both short- and long-term horizons.
53. There has been a significant change in housing market conditions since late 2007, with effective housing demand substantially constrained – particularly by the availability of mortgage finance. The SHMA has addressed this, but seeks to look beyond this to provide a framework for development of planning policy over the longer-term (next 20-years).
54. As part of the full SHMA report we have included a series of recommendations to the Council on the basis of the outputs from the study and summarise some of the key ones below in relation to overall housing requirements and the need for affordable housing.
55. Our analysis of housing requirements (based on demographic projections) suggests that a target somewhere in the range of 230 to 270 homes per annum would be appropriate. The Council should engage with other local planning authorities (notably Enfield and East Hertfordshire) in light of the ‘duty to cooperate’ to agree a common basis for establishing housing requirements and addressing any under-provision within the Borough against identified needs. The Council should also consider identifying any housing requirement as a minimum net figure which can be exceeded where additional, deliverable housing sites become available over the plan period.
56. The affordable housing needs modelling shows a high need for additional affordable housing to be provided (as was the case in the Housing Needs Survey of 2007). The Council should consider revisiting affordable housing policies and targets on the basis of the evidence in this report. In particular consideration should be given to the positive impact providing affordable rented housing might have on viability. The Council should review whether a size threshold for on-site delivery of below 15 units would be appropriate as an alternative to commuted sum payments.
57. Where affordable housing is to be delivered on-site we recommend that the Council establishes a policy for the mix of affordable housing within its Local Plan or through a SPD. This Study would support a policy seeking 80% of affordable housing as rented housing; and 20% intermediate affordable housing (noting that in the short term much of this will also be rented accommodation). The Council should consider a strategic policy target seeking 25%-30% of new affordable homes to comprise 1-bedroom homes, 35%-40% 2-bedroom homes, 25%-30% 3-bedroom homes and 5%-10% with 4 or more bedrooms. This profile may be affected by the Council’s priorities (e.g. to house families in need rather than single people).

1. Introduction and Context

Introduction

- 1.1 In November 2012 Justin Gardner Consulting (JGC) in association with GL Hearn was commissioned to carry out a comprehensive Strategic Housing Market Assessment (SHMA) for the Borough of Broxbourne Council.
- 1.2 The purpose of a SHMA is to provide a long-term strategic assessment of both housing need and demand, develop understanding of current housing need and housing market conditions and consider what level and mix of housing – both market and affordable – is required to meet population and household growth, and to meet the needs of different groups within the local community. This Assessment takes a long-term view, looking over period to 2031.
- 1.3 The research has been developed in accordance with Government Practice Guidance (CLG, August 2007). It provides the core outputs set out in this Guidance, sets out and justifies key assumptions, and has been informed by consultation with a number of stakeholders. The research focuses on a number of core areas, including: a review of housing markets; projections of future housing requirements, an assessment of housing need and affordable requirements and a review of general market requirements.

General context and geography

- 1.4 The Borough of Broxbourne is part of the London commuter belt (east) M11 sub-region. It is part of the county of Hertfordshire located south east of Hertford. It is located on the A10 (London to Cambridge) north of the M25 which in turn runs parallel to the River Lea which is the natural eastern boundary. Several stakeholders noted that the road and rail corridor alongside the River Lea has led to Broxbourne being different to most of the rest of Hertfordshire. There is no green belt between London. The A10 corridor as far as Hoddesdon is a continuous conurbation of towns. The towns of Hoddesdon, Broxbourne, Cheshunt and Waltham Cross have stations terminating in London's Liverpool Street station. The line leading to Moorgate station serves the western side of the Borough. The Borough is predominately rural to the west of the A10.
- 1.5 Historically, Coaching Inns were established for travellers between London and Cambridge. The River Lea and its subsequent navigation provided a means of getting horticultural produce to London. Towns rapidly expanded their housing stock since the arrival of the railways. This has led to the towns mostly fulfilling a role of supporting commuters to London. There is a major retail outlet at Brookfield Farm near Cheshunt. Broxbourne Council has its main offices in Cheshunt. Modern industry has grown in Hoddesdon, Waltham Cross and around the M25.

Housing Market Areas

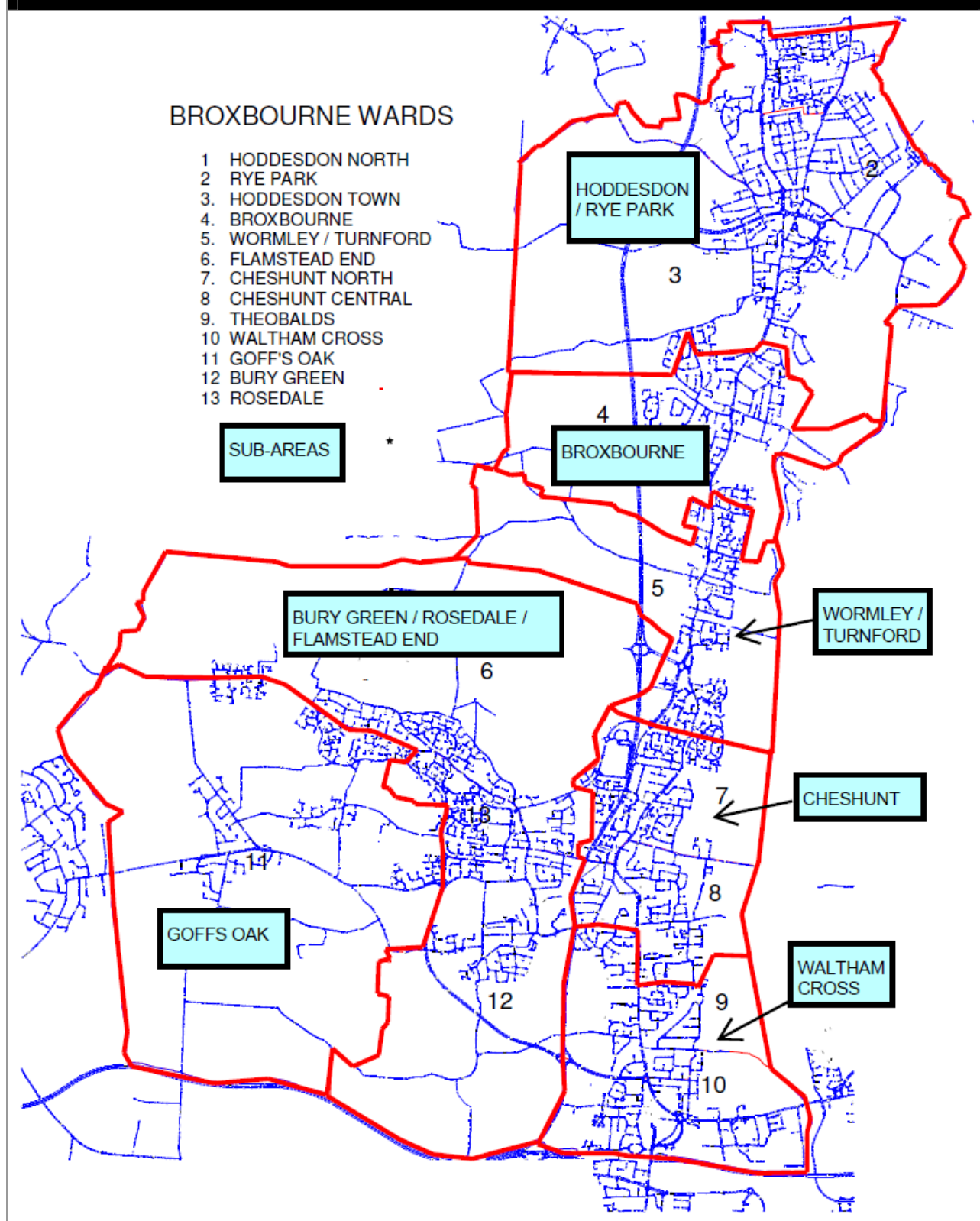
- 1.6 The SHMA has been carried out for the Broxbourne Council area only although it needs to be recognised that the Borough operates within a wider housing market extending across the local authority boundary. A number of pieces of work have been carried out in the past to study housing market areas, including the 2008 SHMA and also CLG research *Geography of Housing Market Areas across England* in November 2010. In both cases it is clear that a functional housing market for Broxbourne extends beyond the Borough.
- 1.7 The 2008 SHMA indicated that Broxbourne's local housing market area is 'Cheshunt and the A10 Corridor'; made up of East Herts to the North, Waltham Abbey and surrounds in Epping Forest to the east and parts of Enfield to the South. The 2010 CLG research suggested at a 'strategic' level that Broxbourne can be considered as part of a London Housing Market area which covers the whole of London and much of the Home Counties – including parts of Essex, Hertfordshire, Buckinghamshire, Surrey and Kent.
- 1.8 A smaller level analysis based on ward data placed the whole of the Borough in a North London Housing Market area. As well as covering the whole of Broxbourne Borough this HMA covers all or the majority of Enfield, Hackney and Haringey along with smaller parts of Barnet, Islington, Tower Hamlets, Epping Forest, Hertsmere and Welwyn Hatfield. Compared with the 2008 SHMA research the CLG work suggests that the Broxbourne HMA is far more London-facing.
- 1.9 Our own analysis of migration patterns suggests that Broxbourne has strong links with a number of its neighbouring local authorities – in particular there are strong levels of migration from Enfield to the South and to East Hertfordshire to the North. Migration patterns tend to suggest that the HMA derived in the 2008 SHMA is still broadly reasonable whilst that contained in the CLG research is arguably less relevant to Broxbourne.
- 1.10 From a Broxbourne specific point of view we would suggest that the Borough forms a reasonable housing market area into the north of Enfield to the South and covering the southern part of East Hertfordshire (including Hertford and Ware) to the North. East/West links do not appear to be particularly strong although there is some evidence of a market extending into Epping Forest to the East.
- 1.11 The Localism Act introduced a 'duty to cooperate' requiring neighbouring local authorities to work together on planning issues, particularly where these cross local authority boundaries. On the basis of evidence for Broxbourne we would suggest that cross-boundary working should largely focus on discussions with Enfield and East Hertfordshire.

Geography of Analysis

- 1.12 The analysis is structured to provide an assessment of housing market conditions across the Borough as a whole as well as different parts of the Borough. Where possible our analysis considers data for seven different sub-areas. These have been based on groups of wards and are consistent with sub-areas used for analysis in the 2007 Housing Needs Survey. The study uses old ward boundaries as used by ONS and Census data rather than new boundaries – this is mainly due to data availability issues and also to allow consistency with previous research in the area.
- 1.13 The table below shows the wards contained within each sub-area with the map on the following page showing the locations of each area. As well as being consistent with the 2007 HNS the areas are broadly consistent with council's Neighbourhood Forums.

Figure 1.1 Sub-areas in Broxbourne Borough	
Area	Wards
Hoddesdon	Hoddesdon North, Rye Park, Hoddesdon Town
Broxbourne	Broxbourne
Wormley/Turnford	Wormley and Turnford
Cheshunt	Cheshunt North, Cheshunt Central
Waltham Cross	Theobalds, Waltham Cross
West of Cheshunt	Bury Green, Rosedale, Flamstead End
Goffs Oak	Goffs Oak

Figure 1.2 Sub-areas used for analysis



Source: 2007 Housing Needs Survey

Report Structure

1.14 The remainder of the report is structured as follows:

- **Section 1 (remainder): Context** – examines relevant national and local policies (current and emerging) which help to frame the Assessment;
- **Section 2: Stakeholder Consultation** – an overview of the housing market in the Borough through the views and perceptions of key local stakeholders;
- **Section 3: Housing Stock and Supply Trends** – considers the characteristics of the housing stock, how this varies across the Borough. It then moves on to consider housing supply trends;
- **Section 4: Socio-Economic and Demographic Profile** – describes the demographic structure and trends, as well as economic and labour market characteristics;
- **Section 5: Housing Market Dynamics** – considers trends in the housing market addressing both the sales market and private rented sector at a national and local level, as well as the future market outlook;
- **Section 6: Future Housing Requirements** – considers long-term projections for future housing requirements (across all tenures). This Section is supported by analysis in Appendix A1;
- **Section 7: Affordable Housing Needs** – provides an assessment of the need for affordable housing, and considers the implications of welfare and benefit reforms introduced by Government;
- **Section 8: Requirements for Different Sizes of Homes** – considers requirements for different sizes of homes in the market and affordable sectors;
- **Section 9: Housing Needs of Particular Groups** – looks at different sub-sections of the population (Older People and BME groups);
- **Section 10: Conclusions and Recommendations** – concludes the report to provide recommendations for future policy development.

National Policies for Housing Provision

National Planning Policies

- 1.15 The national policy framework for determining levels of housing provision is currently in a state of flux. Under the previous Government, housing targets were set out in Regional Spatial Strategies which were developed by Regional Planning Bodies in collaboration with local authorities and other stakeholders, subject to independent examination in public, but with the ultimate decisions on levels of housing provision being made by national government (the Secretary of State).
- 1.16 The Coalition Government, elected in May 2010, has pledged to scrap the Regional Spatial Strategies, and the regional housing targets within them, returning powers for determining levels of housing development to local authorities. The Localism Act 2011 provides the primary legislation required to do so. The Secretary of State initially revoked the Regional Spatial Strategies in July 2010 by parliamentary statement. This however was successfully challenged in the High Court by CALA Homes, with the Court ruling that the Secretary of State had acted unlawfully. However while the Regional Spatial Strategies at the time of writing remain in place, it is expected that they will be abolished in due course.

- 1.17 The Government published the **National Planning Policy Framework (NPPF)** in March 2012. This introduces a presumption in favour of sustainable development, whereby local planning authorities should prepare new Local Plans on the basis that objectively assessed development needs (both for housing and other types of development) should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against policies in the Framework as a whole. The starting point is that Local Plans should meet the full requirements for market and affordable housing in their housing market area. Any under-provision is expected to be addressed through collaborative working with neighbouring authorities, and this is included within the tests of soundness for the plan.
- 1.18 The proposed shift of policy means that each local authority should seek to meet its own development needs, unless there are sound reasons why it cannot do so.
- 1.19 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes. To address this, affordable housing policies would need to be considered alongside other factors including infrastructure contributions. Where possible the NPPF encourages local authorities to work up Community Infrastructure Levy charges alongside the Local Plan.

National Housing Strategy

- 1.20 In November 2011 the Government published *Laying the Foundations: A Housing Strategy for England* (HM Government, Nov 2011). This outlines the Government's ambition to get stimulate housebuilding, not least to support economic recovery. It identifies a number of initiatives to support this, including:
- New-build Indemnity Scheme – providing Government-backed 95% mortgages for new-build properties;
 - Growing Places Fund – providing funding for infrastructure which unblocks housing and economic growth;
 - Initiatives to Kick-Start Stalled Developments – including proposals to allow reconsideration of planning obligations; a 'Get Britain Building' Investment Fund to provide development finance; and 'build now, pay later' deals with public sector land; and
 - Custom Homes Programme – with short-term project finance support for individuals looking to build their own homes.
 - The Strategy also recognises the importance of the New Homes Bonus (which was introduced in April 2011) by stating that this is a '*powerful fiscal incentive for local authorities delivering new housing*'.

- 1.21 The Strategy includes initiatives to support growth and investment in the Private Rented Sector, including new 'build-to-let' models and a review of barriers to investment. It also indicates that the Government is looking at supporting greater innovation and competition between social landlords, including encourage new private entrants to the sector, and potential new approaches to funding in the medium-term.
- 1.22 The Strategy also included proposals for reinvigorating the Right-to-Buy by raising the discounts available to tenants, but with a commitment to build a new 'replacement' affordable home for every home lost.
- 1.23 The National Housing Strategy also identified a funding stream to support local authorities in bringing empty homes back into use.

2011 Localism Act – Housing Reforms

- 1.24 The Localism Act has introduced a number of reforms affecting the management of social housing. We summarise these below.

Allocations Policies

- 1.25 The Localism Act gives Councils greater flexibilities in deciding who qualifies to go onto housing waiting lists (through their allocations policies) and how they treat tenants who want rather than need to move. Local authorities can thus revise their allocations policies, should they wish to do so, to prevent people with no 'need' for affordable housing from joining housing registers.

Tenancies

- 1.26 The Localism Act introduces changes to social housing tenancies, giving both local councils and Registered Providers (RP's) the flexibility to grant fixed term tenancies (as well as lifetime tenancies) should they decide to do so. New fixed term tenancies would continue to be at social rent levels and tenants would have the same rights as those with existing lifetime tenancies in terms of a right to repair or to buy/acquire. A minimum fixed-term tenancy in most cases would be for five years (with two year tenancies granted only in exceptional circumstances). Shorter tenancies are considered to be one way of making better use of the existing social housing stock in meeting housing need.
- 1.27 The Government has also changed the rules on succession to make them consistent for all Council and Registered Provider (RP) tenants. The spouse or partner of a tenant who dies will have an automatic legal right to succeed, but will not have an automatic right to then pass on the property. This will not however affect joint tenancies or existing secure tenants.

Reform of Homelessness Legislation

- 1.28 Councils will be able to bring the statutory homelessness duty to an end with an offer of suitable private rented housing. People's right to refuse private rented accommodation will be withdrawn. This could potentially assist in the use of private sector housing stock in meeting affordable housing needs.

- 1.29 The Government has also recently introduced a new nationwide home swap scheme to support mobility in the social sector. In terms of social housing finance, the Localism Act also introduces 'self-financing' which allows Councils to keep money from rents to spend on upkeep, investment and management of their housing stock. It has also made changes to the regulation of the Social Housing Sector.

Government's Housing and Growth Package (September, 2012)

- 1.30 In September 2012 the Government announced a number of measures to support improved housing delivery and kick start the economy. It is hoped these new measures will result in delivery of up to 70,000 new homes, including affordable housing and opportunities for first-time buyers to get onto the housing ladder.
- 1.31 The key elements of the Housing and Growth Package are:

Initiatives to Stimulate Demand

- **Extension of 'First Buy:'** to support a further 16,500 first-time buyers will be helped with a £280m extension of the successful 'FirstBuy' scheme to March 2014, which offers equity loan funding of up to 20% of the purchase price of a new with the funding of this split equally between the HCA and the housebuilder;
- **Investment in Infrastructure & the Private Rented Sector:** New legislation for Government guarantees of up to £40 billion worth of major infrastructure projects and up to £10 billion of new homes. The Infrastructure (Financial Assistance) Bill will include guaranteeing the debt of Housing Associations and private sector developers. £200m will be invested in housing sites. This will ensure rented homes will be available to institutional investors.
- **Boost to Private Rented Sector.** An additional 5,000 homes built for rent at market rates in line with proposals outlined in Sir Adrian Montague's report to Government on aiding the private rented sector.

Initiatives to Support Improved Housing Supply

- **Development Finance and Funding for Affordable Housing:** Up to 15,000 affordable homes will be built and 5,000 empty homes will be brought back into use using new capital funding of £300m and the infrastructure guarantee.
- **Initiatives to Speed-Up the Planning Process:** For a time limited period, measures will be taken to reduce planning red tape, including increasing the scope of permitted development.
- **Changes to the Planning Appeal Process:** Government is to introduce legislation, effective from the beginning of 2013, to allow any developer with sites made unviable due to the amount of affordable housing to appeal with immediate effect.
- **S106 Renegotiations:** Government is consulting on legislation that will allow developers to renegotiate non-viable S106 agreements entered before April 2010.
- **Office to Residential Conversions:** Introduction of permitted development rights which will enable a change of use from commercial to residential without the need for planning permission, unless specific local policies seek to restrict this.
- **Public Sector Land Disposal:** The Government is accelerating the release of public sector land by strengthening the Homes and Communities Agency's Accelerated Disposal Programme and through a program of transfers from Government Departments and other Agencies to this.

Welfare and Benefit Reforms

- 1.32 As part of the emergency budget in 2010 the Government announced a number of changes to the payment of Housing Benefit and Local Housing Allowance that will impact on tenants in both private and public sector properties.
- 1.33 In March 2012 the Welfare Reform Act received Royal Assent. Universal Credit is a major feature of the Welfare Reform Act which brings together a range of working-age benefits into a single streamlined payment. Other important measures are:
- Household Benefit Cap;
 - Linking Local Housing Allowance (LHA) rates to CPI from 2013; and
 - Size Criteria for Calculating Housing Benefit in the Social Rented Sector.

Household Benefit Cap

- 1.34 The Welfare Reform Act limits total household welfare payments (excluding Working Tax Credit and Disability Living Allowance) to £26,000 (£500 per week) for couple and lone parent households and £18,600 (£350 per week) for single person households. It is structured to increase incentives for households to work.
- 1.35 The Government estimates that 67,000 households nationally will be affected, with the greatest impact being in London and the South East. To address the benefit cuts, households might seek to increase their income through working more hours, or by reducing their rent or non-rent expenditure. Larger households or those in high rent areas will be particularly affected and we may result in some movement of households on benefits to cheaper areas.

Local Housing Allowance

- 1.36 Low income households living in the Private Rented Sector are able to claim Local Housing Allowance to assist in meeting their housing costs. Local Housing Allowance is determined in relation to rents in the Broad Rental Market Area (BRMA) in which a property lies.
- 1.37 In April 2011 the Government changed how LHA is calculated, shifting this from median rents in the BRMA to the 30th percentile. It has also introduced caps on LHA payments: £250 a week for a 1-bed property or shared accommodation, £290 a week for a 2-bed property, £340 a week for a 3-bed property and £400 a week for properties with 4 or more bedrooms.
- 1.38 The Welfare Reform Act also indicates that increases in LHA rates from 2013 will be restricted to growth in inflation as measured by the Consumer Price Index (CPI). Rates will also be set annually rather than monthly. This can be expected to exert a downward pressure on rents, particularly in areas where LHA claimants form a significant proportion of the Private Rented Sector market, and may encourage some LHA claimants to move to cheaper areas.
- 1.39 Moving forward LHA will however be paid directly to landlords, which may provide some incentive for landlords to keep accepting tenants on LHA.

Housing Benefit Size Criteria in the Social Rented Sector

- 1.40 The Welfare Reform Act introduces restrictions on how much Housing Benefit working-age households in social rented properties can claim from April 2013, based on the size of the household. Currently Housing Benefit has been based on the size of the property rather than the household. The policy change is focused on reducing the benefit bill, increasing mobility in the social rented sector and making better use of the existing social housing stock.
- 1.41 The applicable maximum Housing Benefit which households can claim will be reduced by national proportions based on the number of rooms households have which they don't require.

Hertfordshire LEP

- 1.42 Hertfordshire's Local Enterprise Partnership (LEP) is a 'business led partnership' which aims to drive forwards the economy whilst protecting natural assets in Hertfordshire. It aims to remove barriers to investment and create new jobs and its primary goal is to promote steady, sustained economic growth over the next twenty years. The LEP has objectives which focus on the following areas: enterprise and innovation, skills and employment, strategic infrastructure and investment and investment. More specifically, Hertfordshire LEP has 4 objectives and actions to be taken for each of the objectives which are shown below:

Figure 1.3 Hertfordshire LEP Objectives

Objective	Actions to be taken in 2012/2013
Objective 1 - To encourage enterprise and business growth and building on our innovation assets	<ul style="list-style-type: none"> • Encouraging a climate for businesses to start up and grow by supporting business incubation facilities across Hertfordshire • Growth of existing businesses via improved signposting to finance and international trade opportunities • Tailored support for key growth sectors, film & media, Life sciences advanced manufacturing & business services/ICT • Encouraging greater innovation via facilitating networking & securing R&D investment
Objective 2 - To maintain and improve the skills and employment prospects of residents in the county	<ul style="list-style-type: none"> • Establishing more employer led skills provision • Developing a Hertfordshire Apprenticeships strategy • Tackling youth unemployment • Encouraging more flexible working practices amongst employers
Objective 3 - To identify and prioritise the strategic infrastructure required for economic growth	<ul style="list-style-type: none"> • Refreshing the Hertfordshire Infrastructure Investment Study & exploring new financing options • Supporting key transport investment priorities • Kick starting stalled infrastructure schemes via the Growing Places Fund • Accelerating superfast Broadband roll out across the county
Objective 4 - To secure greater investment from business and government in Hertfordshire by improved promotion and advocacy activity	<ul style="list-style-type: none"> • Establishing a business-led inward investment offer and support package • Reviewing the current tourism offer • Securing greater funding from UK & EU Government • Work with neighbouring economies to raise Hertfordshire's profile internationally e.g. Golden Research Triangle

Source: Hertfordshire LEP Website

New Local Plan for Broxbourne

1.43 The New Local Plan for Broxbourne will set planning policies in the local authority area of Broxbourne. It will replace the following documents currently in place: the East of England Plan, Hertfordshire Structure Plan and Broxbourne Local Plan Second Review. The New Local Plan will information on: infrastructure, land to be developed and land (in designated areas) which is protected from development. The main planning documents are:

- The New Local Plan
- Development management policies document
- Community Infrastructure Levy Charging schedule (CIL)
- Local Investment Plan
- Supplementary planning documents

1.44 The New Local Plan, Development Management Policies document and community infrastructure charging schedule (CIL) must undergo public consultation before their examination/submission. Draft consultation is aimed to be scheduled between July and September 2013 for the New Local Plan, Development Management Policies document, Local Investment Plan and CIL. Submission of the New Local Plan Development Management Policies document, Local Investment Plan and CIL is anticipated to be in September 2014. This information is summarised below:

Figure 1.4 New Local Plan timetable			
Document	Description	Consultation Date	Submission Date
New Local Plan	<ul style="list-style-type: none"> will set out strategic policies and site allocations for the future of Broxbourne. 	July - September 2013	September 2014
Development Management Policies	<ul style="list-style-type: none"> will set out detailed local planning policies to help determine planning applications. 	July - September 2013	September 2014
Community Infrastructure Levy Charging schedule (CIL)	<ul style="list-style-type: none"> sets out a levy per square metre of development that must be paid to the Council to help fund the provision of infrastructure and services associated with growth. 	July - September 2013	September 2014
Local Investment Plan	<ul style="list-style-type: none"> will identify a programme of investment priorities in Broxbourne that will contribute to corporate and planning objectives for the community. 	July - September 2013	September 2014

Source: Broxbourne Council Website

Housing Policies in the 2005 Broxbourne Local Plan

1.45 In terms of the allocation of land for housing, the Council's objectives are to:

- Ensure that at least 50% of new housing development takes place on previously developed land rising to 60% over the lifetime of this Plan.
- Phase developments to ensure, as far as possible, continuity of provision throughout the Plan Period
- Minimise the need for the release of land for housing from the Metropolitan Green Belt.
- Provide for land for housing in a manner and in locations which generate a mix of house types in terms of size and tenure, in a sustainable relationship to other uses and public transport.
- Ensure that new housing developments make a significant contribution to the provision of affordable and special needs housing.
- Ensure that each development contributes directly or through financial support to the provision of infrastructure in the Borough to meet the needs of the occupants of the new development.
- Require a high standard of design and layout to create attractive living environments.

- 1.46 The Local Plan document states the councils' desire to increase the number of smaller dwellings in Broxbourne associated with increased life expectancies, divorce rates and young people moving out of family homes. It is hoped that these dwellings will be built in urban areas as much as possible.
- 1.47 Between 1991 and 2002, there has been a net gain of 4,848 dwellings (89% of the Borough's housing requirement). Policy H2 considers how development from sites can be optimised. It cites the most recent urban capacity study, which says that 2580 additional dwellings in urban areas could be brought forward by 2016 but adds that the current local plan is concerned with dwellings up until 2011 and that further work would be needed on the appropriateness of these sites. Policy H5 identifies long term sites for dwellings over the plan period. For the Cheshunt South reservoir site, it is estimated there will be 150 dwellings of which 40% (60 dwellings) are affordable.
- 1.48 A key aim of the council is to retain existing dwelling stock. Policy H6 and H7 favour the redevelopment and refurbishment of residential areas as long as this does not result in a net loss of housing and the housing type and mix is appropriate for the area. Policy H8 is concerned with ensuring a high quality of environment and conversions of larger dwellings (net floor area excess of 120 sqm.) into smaller dwellings. Generally, the council supports conversion provided it does not affect the area's character and provides an adequate quality of internal environment.
- 1.49 Policies H9 – 11 gives additional information on dwellings permitted from existing buildings and windfall developments. In certain circumstances redevelopment of non-residential sites is permitted. Set residential densities are not given but it is unlikely that residential densities should be more than 3 and a half stories. Policies H12 – H15 provide information on housing mix and affordable housing provision. It is expected that affordable housing provision on unidentified housing sites allocated housing sites should be approximately 40% of the dwellings provided. Policies H16 - 18 give information on specific dwelling types – care homes, sheltered housing and hostel accommodation.
- 1.50 The saved housing policies in Broxbourne Local Plan are listed in the table below:

Figure 1.5 Saved Housing Policies in Broxbourne Local Plan

<i>H2</i>	MAXIMISING THE DEVELOPMENT POTENTIAL FROM SITES
<i>H5</i>	LONGER TERM HOUSING ALLOCATIONS 2008-2011
<i>H6</i>	PROTECTING THE AMENITY OF EXISTING RESIDENTIAL AREAS
<i>H7</i>	RETENTION OR REFURBISHMENT OF EXISTING HOUSING STOCK
<i>H8</i>	DESIGN QUALITY OF DEVELOPMENT
<i>H9</i>	CONVERSION OF EXISTING RESIDENTIAL PROPERTY TO SELF CONTAINED FLATS
<i>H10</i>	RESIDENTIAL CONVERSION OF NON RESIDENTIAL PREMISES
<i>H11</i>	HOUSING DENSITIES IN NEW DEVELOPMENT ON UNALLOCATED HOUSING SITES
<i>H12</i>	HOUSING MIX
<i>H13</i>	AFFORDABLE HOUSING
<i>H14</i>	SECURING PROVISION OF AFFORDABLE HOUSING
<i>H15</i>	AFFORDABLE HOUSING: ENSURING CONTINUING BENEFITS
<i>H16</i>	RESIDENTIAL CARE HOMES
<i>H17</i>	SHELTERED HOUSING
<i>H18</i>	HOSTEL ACCOMMODATION
<i>H19</i>	LOSS OF SPECIALIST RESIDENTIAL ACCOMMODATION

Source: Broxbourne Local Plan, 2005

Policy Implications: Context

The National Planning Policy Framework (NPPF) sets out that Local Plans should seek to meet objectively-assessed development needs in their areas where feasible and should plan to deliver a mix of housing based on current and future demographic trends, market trends and the needs of different groups within the community.

Development needs should be met at a housing market area level with a 'duty to cooperate' with adjoining local authorities where it is clear that cross-boundary linkages exist. On the basis of studying migration patterns and past research about housing market areas we recommend that the duty to cooperate concentrates on discussions with East Hertfordshire to the north and Enfield to the south.

The NPPF provides greater policy freedoms regarding development densities, levels of brownfield development and site size thresholds for affordable housing. In determining affordable housing policies, account though needs to be taken of wider policies in the Plan including sustainability standards and infrastructure policies.

There are a series of reforms proposed affecting the affordable housing sector which need to be considered in considering future housing policies, including changes to tenancies, and the introduction of the affordable rented tenure.

The development of the Core Strategy or Local Plan provides the Council with the opportunity to reassess its policies regarding the level and distribution of housing development, and the types of housing and affordable housing policies it wishes to adopt.

2. Stakeholder Consultation

Introduction

2.1 The aim of this part of the project is to understand Broxbourne's current housing market from the perspective of those who service or regulate it. This qualitative research is designed to help understand what gaps in supply exist, the market response to these gaps and the impact of market conditions. This information helps to develop research questions for the quantitative part of the study to inform and provide explanations for some of the quantitative findings. It also provides a deeper understanding of how local people are reacting to local market conditions and trends. In summary the aim of this phase was to:

- capture the story of the place and its housing market and how it affects people;
- add meaning and interpretation to the data; and
- add colour and context to the report narrative.

2.2 The report is thematic in order to contrast differing perspectives and perceptions held on topics. It includes some observations of the researcher using his experience of undertaking similar projects of much of England and Wales. Depth interviews were conducted with:

Newbuild

- Crest Nicholson: Aldemere (Cheshunt)
- Kier: Academia (Turnford)

2.3 These were the only developments with on-site sales staff that were apparent during our researcher's visit. Discussions about new build also occurred with the agents that were interviewed.

Agents

- Waltham Cross (Bairstow Eves, Haart)
- Cheshunt (JR Property Services, Lanes, The Reid Partnership)
- Hoddesdon (County Lettings, Kirby Colletti, Butlers)
- Broxbourne (Jean Hennington)

2.4 In Waltham Cross our researcher also sought to conduct interviews with independent letting agents but these were too busy to be interviewed – there were queues of people waiting to be seen. The choice of agents was a random process, mostly influenced by the availability of staff at the time of visit.

2.5 An extended interview was also held with a senior officer of B3 Housing in addition to housing policy and enforcement officers of Broxbourne Council. Some remarks in this section are based upon observation - the area was visited quite thoroughly, and background reading. This puts the information from interviews into the context of the local economy and geography.

Housing Market Overview

- 2.6 As noted, the 2008 sub-regional SHMA identified that the borough of Broxbourne forms the larger part of the Cheshunt and A10 Corridor housing submarket. Stakeholders believe that the Southern Part of the Borough is indistinguishable from Waltham Abbey and the northern part of Enfield. The private housing stock is a fairly balanced mix of house types and low/medium rise flats – the south of the borough being more strongly focussed towards terraces and flats than other areas. We observed very few vacant dwellings or dwellings that appeared to be suffering neglect or serious disrepair. People we interviewed perceive that the housing stock overall is predominately owner-occupied with relatively small proportions of social rented or private rented housing compared to other parts of the sub-region and the North London boroughs. Over a third of the social rented stock in the borough consists of bedsits and one bedroom flats.
- 2.7 The above characteristics are not uniform across the borough. The highest levels of social housing (as a proportion of total stock) are found in the Wormley/Turnford and West of Cheshunt sub-areas with about 18%-19% of households living in a social rented home. Concentrations of flats are found in the Wormley/Turnford and Waltham Cross areas whilst the West of Cheshunt area sees the highest proportion of terraces.
- 2.8 According to estate agents migration out of the North London boroughs over many decades has driven the growth in Broxbourne's housing stock. In-migrant households to Broxbourne from North London value the nature of the Broxbourne's built environment in contrast to the higher density inner city living of the North London boroughs. Many of these households continue to work in central London and this process is enabled by the overland railway services into Liverpool Street and King's Cross. Prices are generally cheaper than north London and most parts of Hertfordshire.
- 2.9 A distinguishing feature of the Broxbourne housing market compared to London Boroughs and other parts of the London Commuter Belt (east) sub region (LCBE) is the size and nature of the private rented sector. This sector is perceived as small in Broxbourne and does not have a high proportion of cheaper terraced housing. The majority of the stock is owner occupied or private rented family housing which is too expensive for low income households to afford. Stakeholder perceptions did not take in the rapid growth of the private rented sector evident from the data analysis later in the report.

Detailed information from stakeholders

- 2.10 The information obtained from stakeholders is collated into the topics that are most relevant to the SHMA.

Owner occupiers

- 2.11 Estate agents told us that only a small proportion of sales are to first time buyers. Those that are first time buyers are mostly people in their 30s and some receive gifts or loans from relatives to help fund the deposit. A small number of sales are made to investors. Investors typically buy cheaper housing in need of renovation. The majority of sales are to existing home owners seeking to re-locate, trade up or downsize according to their aspirations and circumstances.

- 2.12 Agents estimate that around 50% of all transactions are incomers, households who move into the Borough from the North London Boroughs especially Enfield, where house prices are higher and suffered less loss of value in the wake of the credit crunch. These household mostly had sufficient equity in their former home to present little risk to lenders as their loan to value ratio is typically favourable. A significant number of people (some 30% of workers according to the 2008 LCBE SHMA) use local rail services to commute to their place of work in various parts of London, however not all of these will be owner occupiers.
- 2.13 Agents believe that demand from re-locating households has helped to sustain house prices in Broxbourne. Prices in the Borough are not uniform. Higher priced areas include western Cheshunt, Broxbourne town and Goffs Oak. Agents stated that this is because of their close proximity to railway stations. Lowest prices are generally found in Waltham Cross.
- 2.14 The daily commuter to London faces significant travel to work costs if rail travel is used. According to national rail enquiries as at December 2012 the monthly season ticket Cheshunt to London Liverpool St. is £168 per calendar month or £1,756 p.a. plus the cost of onward travel to the place of work. The annual price of parking at Cheshunt Station is £1,000. Costs of these proportions mean that few lower paid workers in the Borough can afford to travel into Central London by train.
- 2.15 Historically the Borough developed estates for shared ownership. Stakeholders believe that the interest in this tenure waned because new build shared ownership was not offered at affordable housing prices. Some stakeholders could see a future role for shared ownership especially from lower income working families unable to access social housing but able to raise or borrow a deposit.

New build housing

- 2.16 Two new build developments were visited and discussions were held with sales staff. Both sites were partially developed and offered a range of housing styles and sizes. One site had developed affordable housing units through a S106 agreement. On the other site the S106 did not provide for affordable housing but one block had subsequently been sold to a RSL shortly after the credit crunch hit sales. Both developers participated in NewBuy and FirstBuy schemes and said this was important factor in selling smaller units.
- 2.17 Both sites reported steady sales currently and enquiries were being made while the researcher was on site. The majority of enquiries and sales were from north London residents. An agent drew attention to the high proportion of sales to households from Greek and Turkish communities. Another agent could not reconcile the need to build large numbers of new homes with current levels of demand for them.
- 2.18 The researcher came across smaller developments that had either recently been completed or were not large enough to warrant on site sales. One development was a small luxury development mostly of 5 bedroom homes.
- 2.19 Most estate agents drew attention to the fall in value of flats and apartments since their construction in the last decade. They believed that this had contributed to slow turnover in this sector due to owners being in negative equity. It was notable that new housing currently under construction was mostly of detached and semi-detached houses.

- 2.20 It is anticipated by stakeholders that development of two sites was imminent and these would yield further S106 monies. Both sites involved land within the greenbelt. Stakeholders were keen to point out that some green belt land was of poor quality and its development would not detract from the green belt overall.

Private rented housing

- 2.21 Stakeholders believe that the size and characteristics of Broxbourne's private rented sector have a significant impact on Broxbourne's housing market overall.
- 2.22 Stakeholders state that Broxbourne has a small private rented sector stock with a small proportion of cheaper private rented housing. This view is supported by 2001 Census data reported in the 2008 SHMA for the LCB East. There are also relatively few registered houses in multiple occupation (HMOs). This is unlike the neighbouring North London boroughs which have a much higher proportion of terraced housing and converted flats and bed-sits at higher rents.
- 2.23 There is demand for rented housing in Broxbourne from North London due to lower rents and a better living environment. Agents report that rents are rising and this is a likely consequence of demand stripping supply. Further, agents and other stakeholders point out that part of the demand is from households who are unable to afford private rented sector housing without housing benefit support.
- 2.24 An interview with a housing official revealed the policy measures in place and envisaged to restrict the ability of non-Broxbourne residents registering for social housing in the borough. We contrast this with the impact of the local housing allowance which encourages households to seek subsidised housing in council areas with cheaper rents i.e. North London households seeking to live in Broxbourne's private rented sector.
- 2.25 Agents stated that investors tended to limit acquisition to older terraced homes in disrepair although over the past 10-years there has been significant activity in newbuild flatted development (this has tailed off over the past three years or so). Many of the family homes available to rent have been part of the investor's portfolio for many years. Agents assert that it would be uneconomic to purchase detached and semi-detached family homes and let them at market rates due to the high cost of acquisition in present market conditions. Agents also believe that it would be uneconomic to purchase and subdivide such housing at this time.

Access to the private rented sector

- 2.26 Access to the private rented sector market is mostly through one of the 20 or so letting agents or estate and letting agents serving the area. A small number of lettings are traded via the local newspaper or small ads in shop windows – the latter typically offering rooms. All but one of the letting agents we spoke to would decline to house 'DHS' households which we understand to mean non-working households entirely reliant on state benefits. Some agents clarified that good tenants who were temporarily unemployed would be tolerated.

- 2.27 All agents believed that market supply was constrained at the present time. This was because sitting tenants believed they would face much higher rents if they sought to move home. One agent stated that some tenants were prepared to tolerate their home being in disrepair rather than complain to the landlord, again driven by a concern that rents might rise to fund repairs.
- 2.28 As is noted below there is a high level of demand for social rented housing and the limited number of re-lets produced from the stock annually there is a shortage of affordable housing whether let at social rent or other sub-market rent.
- 2.29 Local authorities are obliged to find permanent secure housing for vulnerable homeless households and also find temporary accommodation for them whilst their claims are investigated. This places further pressure on the social rented stock. Local authorities were also obliged to minimise the use of bed and breakfast accommodation and many sought private rented sector leasing (PSL) arrangements with landlords as temporary housing for vulnerable homeless tenants. The number of properties has been reducing over time.
- 2.30 To help to address this Broxbourne Council works with private landlords to assist homeless households to find suitable housing in the private rented sector. The scheme is known as 'Simple Lets'. Essentially the council acts as an intermediary. It matches applicants to vacancies in the private rented sector and lends tenants the deposit and rental in advance. Only tenants claiming housing benefit are eligible for a loan equivalent to rent in advance. The council strives to make tenancies last with advice and assistance to tenants and landlords. Unlike PSL tenancies mentioned above the tenants rental contract is with the landlord rather than the council on the basis of an assured shorthold tenancies. Nearly all letting agents had no problem with the scheme as they would not let to 'DHS' households. An agent who would work with 'DHS' cases preferred to work with the scheme as the scheme was limited to homeless households rather than all low income households.

Gap in supply affordable to younger childless working households

- 2.31 All stakeholders agree that there is also a significant gap in the local housing market to meet the requirements of young single childless people on low income who are unable to live with parents. Local data on the proportion of workers on or near minimum wage is not available. However a recent report (Minimum Wage: Maximum Impact Alan Manning, The Resolution Foundation 2012) estimates that 20% of the adult workforce is aged under 30 and one third of those on or around minimum wage. The report also discusses that a living wage for London is over £8 per hour – some 30% more than the minimum wage.
- 2.32 If these younger people on or around minimum wage are in good health or not otherwise deemed as vulnerable, they are likely to face very long waits for social housing. Further, they cannot afford self-contained market housing. As previously explained the local housing market cannot produce cheaper rooms to rent in converted terraced housing. Renting rooms in non-converted housing has become popular amongst younger people and young professionals as good quality accommodation can be found in nicer areas at reasonable cost. For many this extends the student living model into their working lives. Agents acknowledged that this market existed but that they did not service it.

2.33 We have undertaken a snapshot survey of room rentals advertised through the 'spareroom' website. As of the 8th December there were 22 lettings available in the Borough for postcode sectors EN7, EN8, EN10 and EN11. A further 56 lettings were available in Enfield (EN2 and EN3) and 29 lettings in Barnet (EN4 and EN5). Weekly rentals start from £90 for a single and £100 for a double room but were typically £400 to £550 pcm. In comparison, the LHA 'room rate' was £74.77 in Broxbourne and £82 in North London equivalent to £323 and £355 per calendar month respectively.

Other groups seeking private rented sector housing

2.34 Agents told us that a small proportion of enquires were from older home owners seeking to release equity. Agents and social lettings noted a small number of households returning from retirement housing in Spain and other parts of Europe.

Social rented housing

2.35 Social housing was in evidence throughout the borough although much of it appeared to be owner-occupied due to it having been bought by sitting tenants under the right to buy. The Borough's social housing stock was subject to a large scale voluntary transfer (LSVT) and is now owned and managed by B3 Living.

2.36 As previously mentioned the stock contains a disproportionate amount of bed-sit and 1 bedroom housing that is not evenly distributed across the borough. This means that there is little social rented housing for families in housing need. The relative shortage of cheaper housing in the private rented sector offers little opportunity for families on low income as much of it is occupied by households who have been homeless.

2.37 The policy response has been to increase the priority given to households who have lived in the borough for at least a year and achieve more new build housing. The latter will be facilitated by S106 agreements and by making HCA resources go further through charging higher affordable rents. In recent years new completions has slowed due to the high cost of finance and the impact of the recession on house builders. B3 Living explained that it was more optimistic about greater levels of new build in future due to recent land releases and its use of the bonds rather than loans. However concern was expressed that with the benefit cap, there was some nervousness about building larger social rented homes as there was a risk that rent would be an unreasonably large proportion of the total budget for non-working households.

2.38 Stakeholders expressed concern about the shortage of housing options affordable to larger families and that this was an underlying cause of high levels of housing need. They felt that this was in turn leading to high levels of overcrowding and homelessness. They pointed out that the absence of 2 bedroom social rented homes was a barrier to releasing under-occupied 4 bedroom homes even though there was an incentive for the tenant to downsize.

- 2.39 New housing benefit rules affecting tenants of social landlords come into effect in April 2013. Working-age tenants' under-occupying their housing will be incentivised to move to smaller housing. This will disproportionately affect older households who have continued to occupy family housing after their children have acquired a place of their own. This 'incentive' will be in the form of reduced housing benefit. This must be balanced against the high cost of 3 and 4 bedroom family market housing in the private rented sector compared to the LHA.
- 2.40 New allocation policy rules are under consultation at this time. The Localism Act 2011 gives the Council new freedoms to determine which applicants can be allocated homes owned by housing associations in the borough. Broxbourne Council is therefore reviewing the way housing is allocated to people across the Borough. This will be contained in a changed Housing Allocations Policy that will ensure homes go to those in most housing need.
- 2.41 The key proposed changes in the Draft Housing Allocations Policy are:
- Only people who are living in the borough and have lived here for at least 5 years will be allowed onto the housing register.
 - Introduction of additional categories of people who will be barred from the housing register including owner occupiers and people who have failed to demonstrate that they are able to keep to the terms of a tenancy (e.g. for reasons of anti-social behaviour)
 - Doubling the number of properties set aside for working households.
 - Introduction of enhanced priority for people making a 'community contribution' (i.e. people who spend time doing something that aims to benefit people (other than close relatives) or the environment)
 - Improved access to housing for ex-Armed Force members and their families.
- 2.42 Local authority officials believe that Broxbourne experiences disproportionately high levels of housing need and asked researchers to investigate why this is the case. The question was put to stakeholders and the answer is considered in the following section.

Housing Market Dynamics

- 2.43 Stakeholders believe that the Borough of Broxbourne experiences relatively high levels of housing need is because of the housing market dynamics present in the Borough. These are driven by a number of key features of the housing stock and Broxbourne's location and geography.
- 2.44 More specifically, based on a review of all of the evidence from stakeholders, it is suggested that the reason for apparent high levels of demand lies in the interaction of two main factors: the nature of Broxbourne's rented sector and Broxbourne's proximity to Enfield and North London, specifically:
- The small proportion of family housing units in Broxbourne's social rented stock
 - The small size of Broxbourne's private rented sector and social rented sector as a whole;
 - Broxbourne's private rented sector has relatively little cheaper terraced housing; and
 - Investors in Broxbourne's private rented sector face high purchase prices and the stock is mostly not suitable for conversion. Landlords with long term portfolios are getting adequate returns from family housing

2.45 When the flow of households from North London is taken into account:

- Lower income households seek subsidised housing in Broxbourne's private rented sector through claiming housing benefit;
- Middle income households seek market rented housing in Broxbourne;
- Middle to higher income households seek owner occupied housing in Broxbourne which maintains high house prices and makes it uneconomic for investors to acquire and convert family housing;
- That said the cost of housing in Broxbourne is less than that in North London and much of the rest of Hertfordshire. The absence of green belt between Broxbourne and North London means that Broxbourne is part of the area of search for North London households seeking to re-locate.
- Enfield's higher prices are maintained because although there is a less pleasant environment, residents have access to central London via the bus and tube network which is far cheaper than the cost of overland commuter services.

Policy Implications: Stakeholder Consultation

The stakeholder consultation raised a series of issues which have been investigated through the remainder of the report.

Agents identified that only a small proportion of sales are to first time buyers and that mortgage constraints and deposit requirements are restricting the ability of households to buy their own home. This is having an impact on the housing market through reduced sales levels and a greater difficulty in completing 'chains' of moves to different properties. This is mainly a macro-economic issue although there are a number of initiatives to support first-time buyers in getting on the housing ladder (such as the Mortgage Indemnity Scheme).

The new build market in the Borough reports steady sales and it was commented in the current market that semi-detached and detached homes are more marketable than flats (which have been the dominant newbuild product over the last decade). In the short-term it is expected that demand for family homes will remain stronger than for smaller units – partly linked to issues around first-time buyers discussed above.

The private rented sector has been a key growth area in the Borough which has been driven by mortgage finance constraints, the economic downturn and to some degree by households moving from London (Enfield in particular) to access cheaper housing. The private rented sector plays an important role in meeting housing needs (through Local Housing Allowance) and as supply in the sector was reported to currently be constrained there is likely to be additional pressure of the relatively scarce availability of social rented housing.

Overall, stakeholders commented that there are a range of issues impacting on the housing need and demand profile in the borough. This included:

- A lack of affordable family housing
- A small rented sector (both social and private)
- High prices making investment purchases uneconomical
- Migrants from London seeking cheaper accommodation

3. Housing Stock and Supply Trends

Introduction

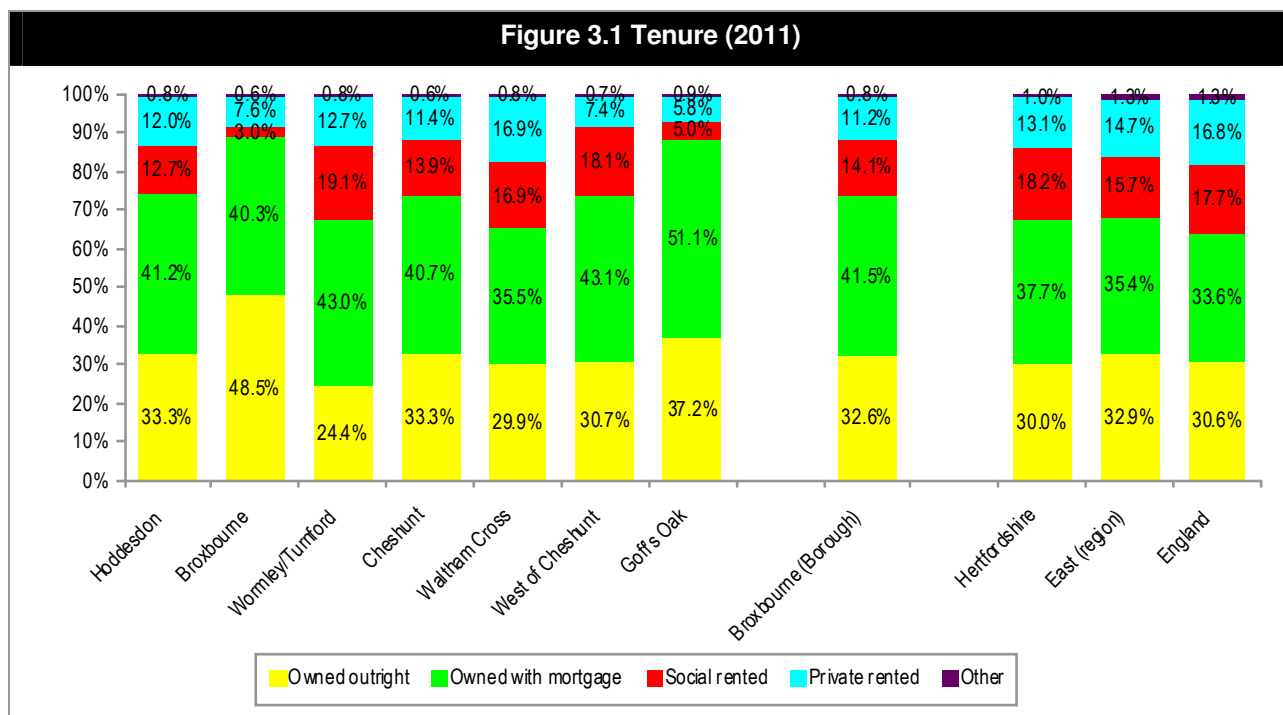
3.1 Analysis of the current stock of housing allows a broad assessment of the range of properties currently within the study area. There are a number of data sources which provide an overview of the current housing stock and these are examined in this chapter. Where possible results are put in context with figures for the East of England region and national figures. In 2011 it is estimated there were 39,192 dwellings in the Borough (Census data).

Tenure profile

3.2 The tenure profile of an area provides an important insight into the dynamics of a market. Analysis of 2011 Census data reveals that around 74% of households in the Borough were owner-occupiers (including shared ownership) – this is notably above both the regional, County and national average. The social rented sector across Broxbourne is smaller than found in other areas and particularly small when compared with figures for Hertfordshire.

3.3 The Census data also shows a fairly small private rented sector. As of 2011 it was estimated that 11% of households live in the private rented sector – this compares with about 13% for Hertfordshire, 15% for the region and 17% nationally. The number of households living in the private rented sector has however risen significantly in line with national increases – an estimated 4,199 households live in private rented accommodation (2011) which is more than double the figure (of 1,844) recorded in the 2001 Census.

3.4 At a sub-area level we see particularly high levels of owner-occupation in Broxbourne and Goffs Oak with the level of private renting being particularly high in Waltham Cross. The proportion of households living in social rented stock is also somewhat variable with the most notable figures being the very small numbers in this tenure in Broxbourne and Goffs Oak.



Source: 2011 Census

3.5 The change in the proportion of households living in different tenures is shown in the figure below. As well as clearly showing the growth in the private rented sector the data also shows a significant drop in the proportion of households owning homes with a mortgage or loan. This trend is again consistent with national data.

Figure 3.2 Change in tenure (2001-2011)

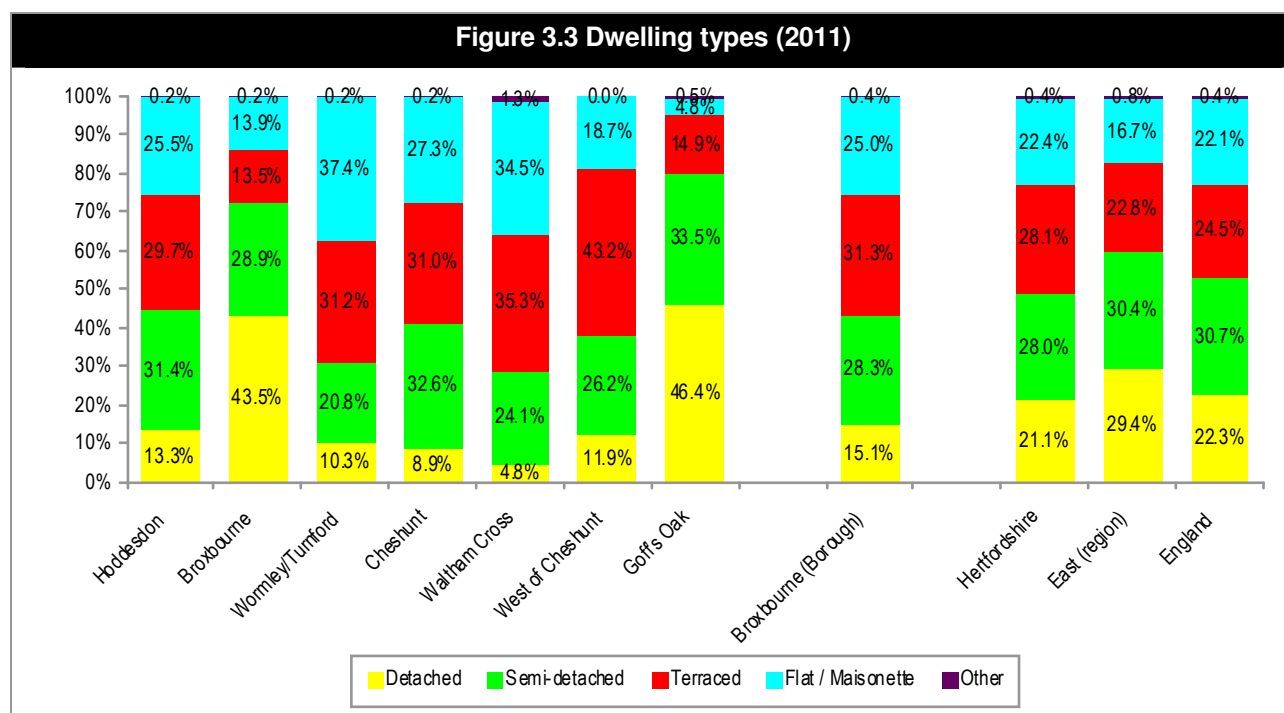
Tenure	2001	2011	Change	% change
Owned outright	10,691	12,262	1,571	14.7%
Owned with mortgage	17,183	15,616	-1,567	-9.1%
Social rented	4,855	5,297	442	9.1%
Private rented	1,844	4,199	2,355	127.7%
Other	360	284	-76	-21.1%
Total	34,933	37,658	2,725	7.8%

Source: Census (2001 and 2011)

Type of stock

3.6 The figure below shows the types of dwelling in the Borough, regionally and nationally, from the 2011 Census. The data shows that Broxbourne has relatively few detached homes and a greater than average proportion of flats (making up a quarter of the housing stock). The proportion of terraced homes is also relatively high. Differences are most marked when comparing the Borough with the East of England Region – the proportion of detached homes is about half of the figure seen regionally.

- 3.7 We also see marked difference between sub-areas with Broxbourne and Goffs Oak having a large proportion of detached homes and relatively few flats/terraces. At the other end of the scale the stock in Waltham Cross and Wormley/Turnford is dominated by flatted accommodation and to some extent terraced housing.



- 3.8 Using the 2011 Census data and comparing it with figures from 2001 we can study how the stock has changed over the past ten-years. The table below shows that the dwelling stock is estimated to have increased by some 3,259 homes with the majority of these 2,293 (or 70%) being flats or maisonettes. All other dwelling types have only increased quite moderately over this period.

Figure 3.4 Change in dwelling types (2001 to 2011)

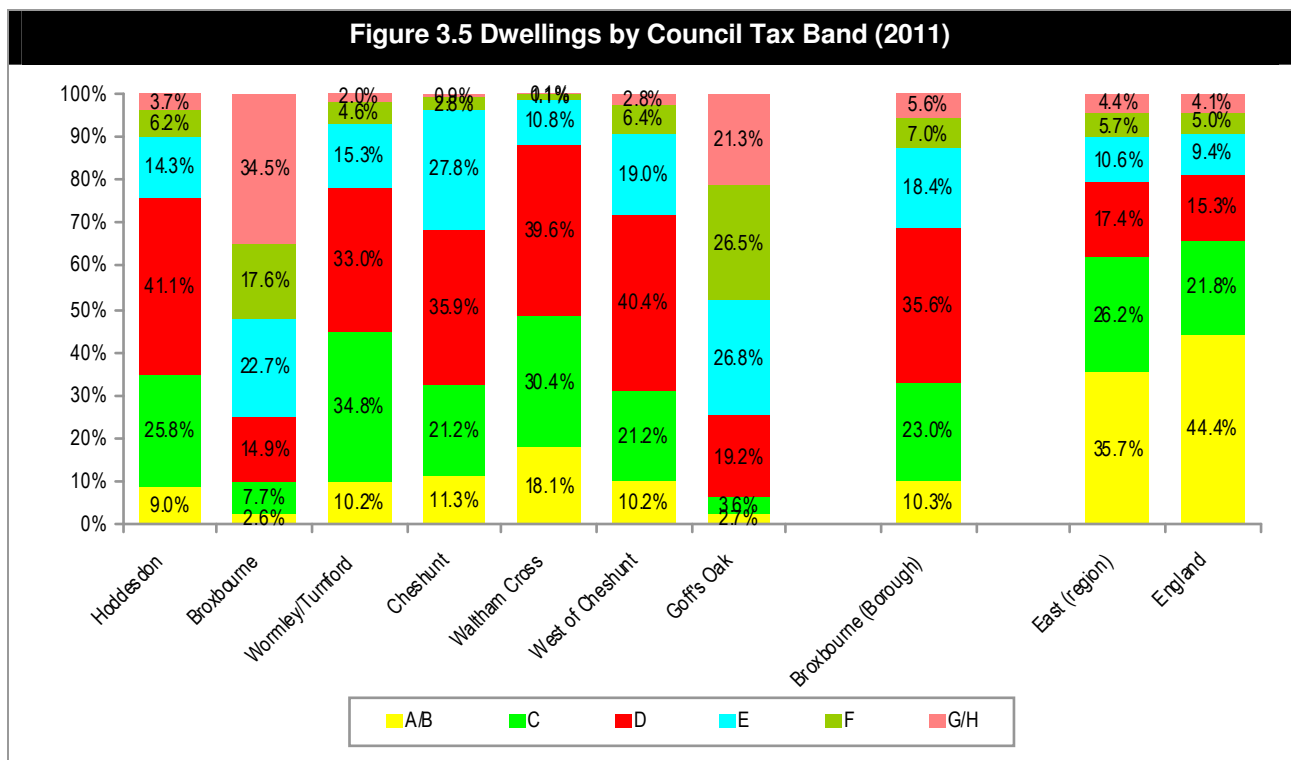
Dwelling type	2001	2011	Change	% change
Detached	5,741	5,903	162	2.8%
Semi-detached	10,582	11,090	508	4.8%
Terraced	11,998	12,283	285	2.4%
Flat/maisonette	7,495	9,788	2,293	30.6%
Other	132	143	11	8.3%
Total	35,948	39,207	3,259	9.1%

Source: Census (2001 and 2011)

Council Tax Band and Vacant Homes

3.9 A good indication of the quality and price structure of the housing stock is the distribution of dwellings by Council Tax Band. The figure below shows that across the whole of the Borough the distribution of Council Tax Bands suggests significantly higher dwelling values with a far clearer picture emerging when compared to national data. Across Broxbourne Borough some 33% of homes are in Council Tax Bands A to C; this compares with 62% regionally and 66% nationally – there are consequently a higher proportion of homes in higher bands.

3.10 At a sub-area level differences are even more pronounced with the data indicating very high property values in Broxbourne and Goffs Oak with lower values being seen in Waltham Cross and Wormley/Turnford. In the Broxbourne sub-area the data shows that over a third of homes are in taxbands G & H – this compares with around 6% Borough-wide and just 0.1% in Waltham Cross.



Source: ONS

3.11 Of the total housing stock, 2011 Census data records a 4% vacancy rate. This is slightly lower than found across the region (and indeed nationally) but is higher than seen in Hertfordshire County. This level of vacant homes is sufficient to support frictional turnover of homes within the overall housing market.

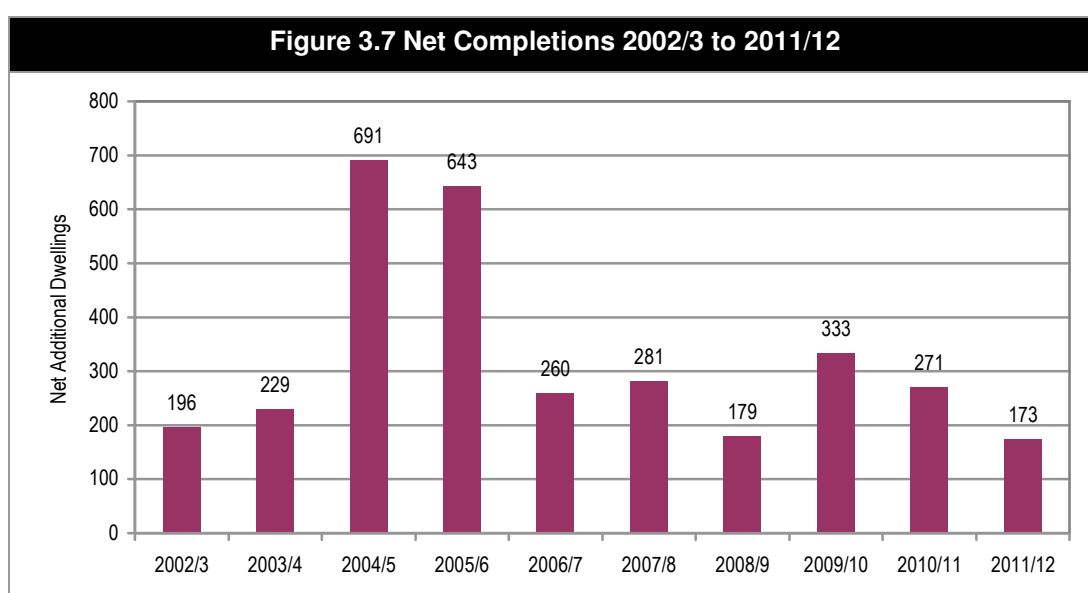
Figure 3.6 Vacant homes (2011)			
Area	Household spaces		% Vacancy
	with no usual residents	Household spaces	
Broxbourne	1,549	39,207	4.0%
Hertfordshire	14,609	468,426	3.1%
East (Region)	112,463	2,535,498	4.4%
England	980,729	23,044,097	4.3%

Source: Census (2011)

- 3.12 The latest publically-available data (from ONS) indicates that there were just 42 second homes in the Borough in 2007.

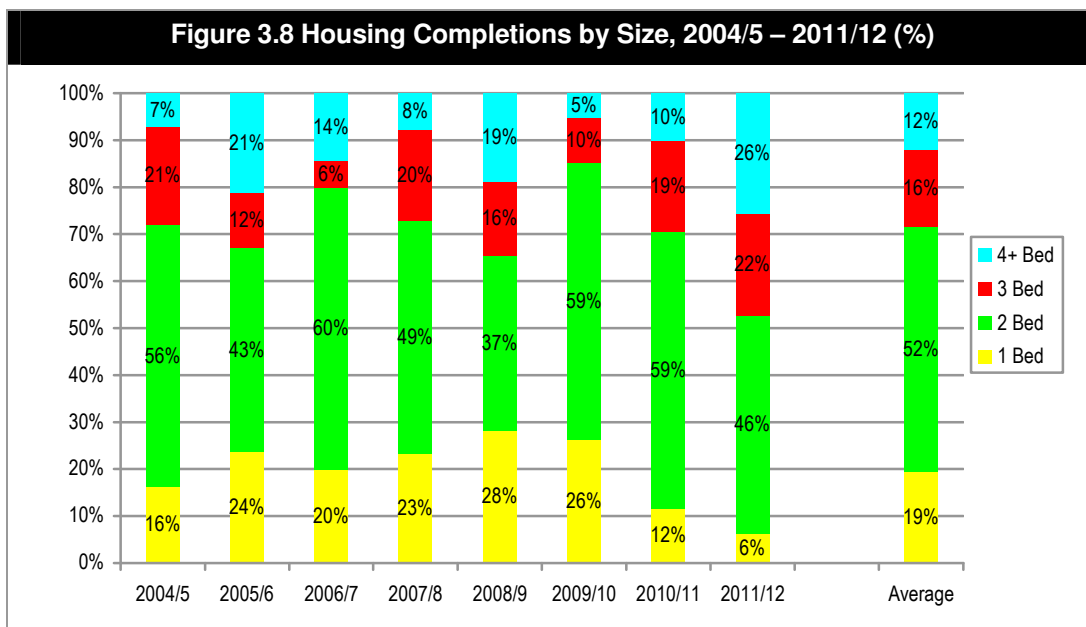
Housing Completions

- 3.13 The above analysis profiles the existing housing stock. We have also profiled how the stock of housing in the Borough has changed over the last decade by comparing Census data for 2001 and 2011. We have also looked at changes in the housing stock through reference to administrative data held by the Council about past completions.
- 3.14 The figure below profiles net housing completions over the 10-year period from 2002/3 to 2011/12. Over this period housing delivery has fluctuated significantly between delivery of 173 homes (net) in 2011/12 and a high point of 691 in 2004/5 – the figures for 2004/5 and 2005/6 are linked to housing provision on the Canada Fields scheme. Other than the two very high years from 2004-6 completions are relatively stable – over the ten year period studied around 3,250 homes have been completed (325 per annum) although this figure drops to an average of 250 per annum over the past six years.



Source: Borough of Broxbourne Annual Monitoring Report

3.15 Data is available on completions by bed-size over the last eight years. The figure below indicates that over the last couple of years an increasing proportion of overall completions have been of larger properties with three or more bedrooms. Over the full eight year period however completions have been heavily skewed towards smaller homes with 19% of delivery being one bedroom properties and a further 52% having two-bedrooms.



Source: Borough of Broxbourne

3.16 The profile of dwellings completed suggests that the majority will be flatted accommodation and we have sought to further investigate this through analysis of Council monitoring data. The information available covers an 11-year period from 2011 to 2012 and is for gross completions (all the above data is for net completions). We are also able to provide this data for each of the sub-areas of the Borough.

3.17 The data shows that around two-thirds of completions have indeed been flats or maisonettes – totalling 2,360 of 3,599 homes completed. This figure varies considerably by sub-area with 88% of all completions in Cheshunt and Waltham Cross being flats compared with just 17% in Goffs Oak and the West of Cheshunt sub-area (along with just 20% in Broxbourne). The number of completions also varies significantly by sub-area with around 1,200 homes being completed in Hoddesdon, 1,000 in Wormley/Turnford and just 94 in Broxbourne – this latter figure represents just 9 homes being completed per annum.

Figure 3.9 Gross completions by area and type (2001-2012)

Sub-area	Bungalow	Flat/ maisonette	House	Other	Total	% flats
Hoddesdon	12	728	424	0	1,164	62.5%
Broxbourne	1	19	74	0	94	20.2%
Wormley/Turnford	10	691	287	5	993	69.6%
Cheshunt	1	268	35	0	304	88.2%
Waltham Cross	5	593	77	0	675	87.9%
West of Cheshunt	9	31	147	0	187	16.6%
Goffs Oak	26	30	126	0	182	16.5%
Broxbourne Borough	64	2,360	1,170	5	3,599	65.6%

Source: Borough of Broxbourne

Policy Implications: Housing Stock and Supply Trends

The profile of housing across the Borough appears to have some degree of imbalance with a relatively small social rented sector and a growing number of households living in the private rented sector – including many claiming Housing Benefit who are using the sector as an alternative to social renting due to the lack of affordable stock. Over the 10-years to 2011 the private rented sector more than doubled from 1,800 households to 4,200. The sector plays an important role in supporting movement within the housing market and an increasing role in meeting housing need. The growth of the sector may also support retention of younger, economically active people. The Council should encourage investment in improving standards within the sector and linking households in need to available supply.

The stock profile in terms of size and type of dwellings (built-form) also shows some degree of imbalance with a relatively high proportion of flats and terraced homes. Past completions data indicates that around two-thirds of additional homes have been flatted accommodation (mostly with just one- or two-bedrooms). There have been notable differences in delivery by sub-area in terms of both the amount and type of housing delivered.

The Council might consider how through policy it can support greater diversity in the housing stock in areas where the housing stock is dominated by particular tenures and types of housing. However this needs to be balanced against market demand for different sizes and types of homes in these areas. Policy might look to develop greater choice in these areas including to support more local living and working and a reduction in out-commuting.

The size of the affordable housing sector has risen slightly over the last decade, with a net gain of around 400 properties between 2001 and 2011 – despite this increase the proportion of homes in the social rented sector has only changed from 13.9% to 14.1% of all dwellings. The relative lack of affordable housing affects the ability of the current stock to meet housing needs, and thus influences the conclusions of the housing needs analysis carried out later in this document. It is appropriate for policy to seek to redress this balance over time by increasing the stock of affordable housing.

Whilst overall vacancy rates are about average there is some evidence of a very low level of empty homes in the social housing stock – this limits the potential to meet future requirements through better use of the existing stock. Over a longer-term period there should however be some potential to release supply of existing family housing by supporting downsizing of older households and providing specialist housing to meet their needs.

4. Socio-Economic and Demographic Profile

Introduction

- 4.1 A key determinant of housing need and demand and how these are likely to change in the future is the demographic profile of the population. This section will outline the structure of the resident population and changes to its composition as well as characteristics of the economy and labour market.

Resident population

- 4.2 The latest ONS mid-year population estimates indicate that there were 93,700 people resident in Broxbourne Borough in mid-2011 – about 100 higher than shown in the 2011 Census (93,609) - this latter figure is an increase of 7.5% since 2001. The table below shows the population change estimated since 2001. The table suggests that over the past ten years the population of Broxbourne Borough has increased at a slower rate than seen across any of Hertfordshire, the East of England region or England as a whole.
- 4.3 At a sub-area level the data suggest differing levels of population growth in different locations. The population of Wormley/Turnford is estimated to have grown by around 20% over the past ten years compared with a figure of only 2% in Broxbourne and 3% in Cheshunt.

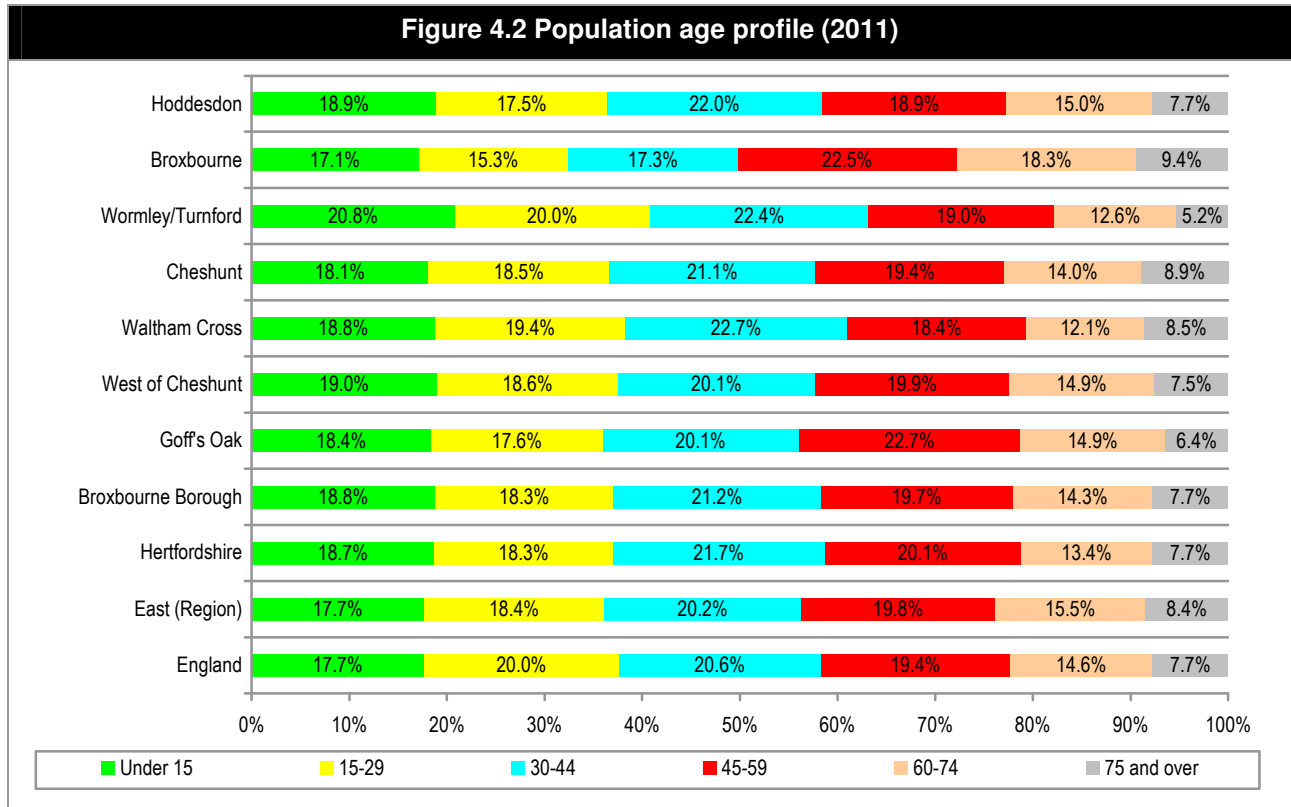
Figure 4.1 Population change (2001 – 2011)				
Area	Population (2001)	Population (2011)	Absolute change	% change
Hoddesdon	20,017	21,608	1,591	7.9%
Broxbourne	6,123	6,238	115	1.9%
Wormley/Turnford	8,146	9,763	1,617	19.9%
Cheshunt	14,616	15,092	476	3.3%
Waltham Cross	13,170	14,744	1,574	12.0%
West of Cheshunt	17,217	17,992	775	4.5%
Goffs Oak	7,765	8,172	407	5.2%
Broxbourne Borough	87,054	93,609	6,555	7.5%
Hertfordshire	1,033,977	1,116,062	82,085	7.9%
East (region)	5,388,140	5,846,965	458,825	8.5%
England	49,138,831	53,012,456	3,873,625	7.9%

Source: Census (2001 and 2011)

Age profile

- 4.4 The figure below shows the current estimated age structure in Broxbourne Borough (plus sub-areas), Hertfordshire, the East of England and England split in to six broad age bands. The data suggests that the population profile in the Borough is very similar to that seen in Hertfordshire or England as a whole with a very slightly 'younger' profile when compared with the East of England Region.

4.5 For individual sub-areas we do however find some significant differences; Broxbourne in particular has a very high proportion of people aged 45 and over (including a high population aged 60 and over and 75 and over). In contrast the populations of Wormley/Turnford and to a lesser extent Waltham Cross are notably younger.



Source: Census (2011)

Household change

4.6 The table below shows household change from 2001 to 2011 using Census data. Across the whole of the Borough the increase in households of about 8% is virtually the same as has been seen in Hertfordshire and England as a whole. The growth is however slightly below that seen in the East of England Region.

4.7 As with population growth there are however some notable sub-area differences with Broxbourne and Cheshunt in particular seeing very low household growth (of about 3%) compared with a figure of about 19% in the Wormley/Turnford area.

Figure 4.3 Household change (2001 – 2011)				
Area	Households (2001)	Households (2011)	Absolute change	% change
Hoddesdon	7,969	8,782	813	10.2%
Broxbourne	2,331	2,398	67	2.9%
Wormley/Turnford	3,397	4,040	643	18.9%
Cheshunt	6,037	6,208	171	2.8%
Waltham Cross	5,609	6,180	571	10.2%
West of Cheshunt	6,795	7,054	259	3.8%
Goffs Oak	2,787	2,996	209	7.5%
Broxbourne Borough	34,925	37,658	2,733	7.8%
Hertfordshire	420,650	453,817	33,167	7.9%
East (region)	2,231,974	2,423,035	191,061	8.6%
England	20,451,427	22,063,368	1,611,941	7.9%

Source: Census (2001 and 2011)

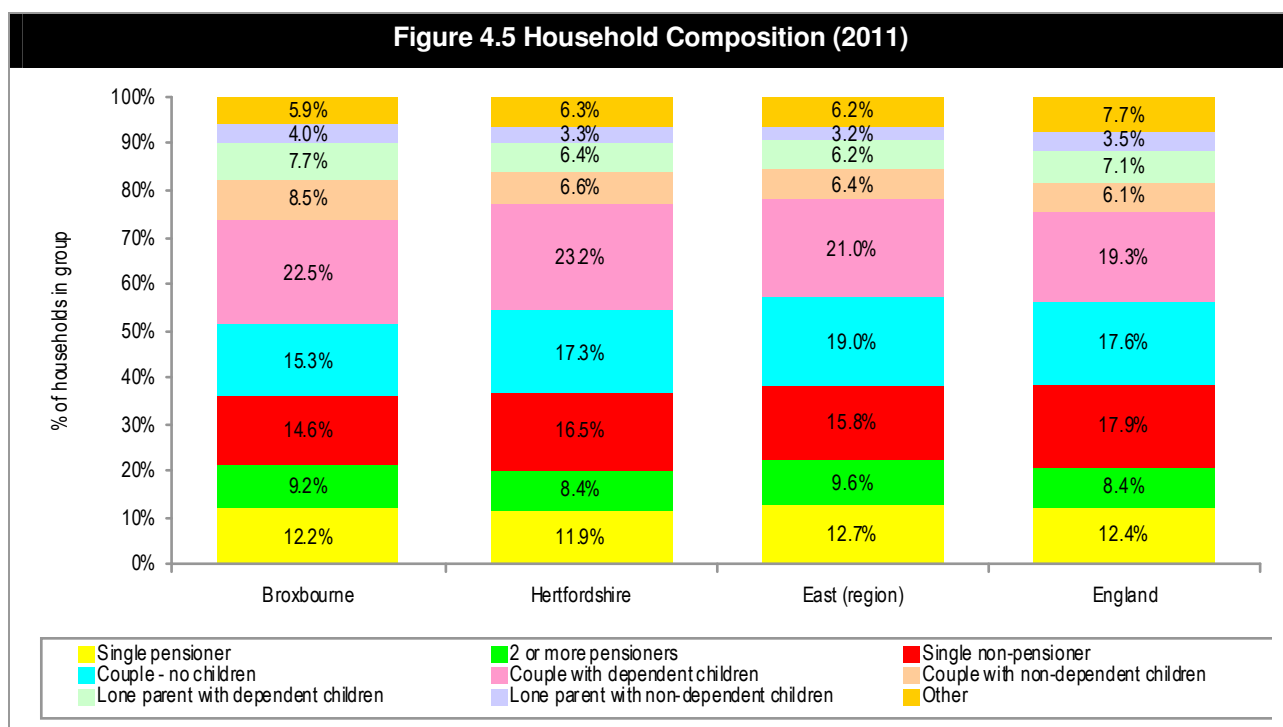
- 4.8 We can use the above data about population and households to derive a measure of average household sizes and how this has changed over time. Figures are shown in the table below and it should be noted that figures are technically not for average household size due to the inclusion of the institutional population within calculations. This will only make a very small difference to the numbers which have been applied consistently for all areas.
- 4.9 The data shows in all key areas that average household sizes have not changed over the past ten years. This is broadly true at a sub-area level as well although some small changes can be observed depending on the location in question.

Figure 4.4 Average household size (2001 – 2011)		
Area	Average household size (2001)	Average household size (2011)
Hoddesdon	2.51	2.46
Broxbourne	2.63	2.60
Wormley/Turnford	2.40	2.42
Cheshunt	2.42	2.43
Waltham Cross	2.35	2.39
West of Cheshunt	2.53	2.55
Goffs Oak	2.79	2.73
Broxbourne Borough	2.49	2.49
Hertfordshire	2.46	2.46
East (region)	2.41	2.41
England	2.40	2.40

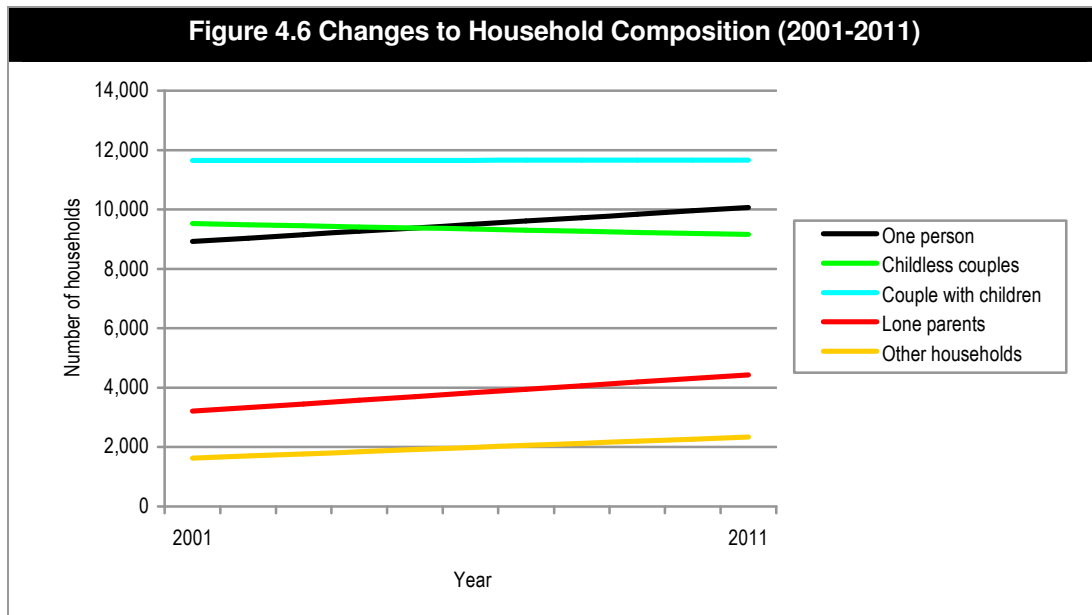
Source: Census (2001 and 2011)

Household Structure

4.10 The figure below shows the household structure in the study area according to the Census in 2011 (again to allow comparisons across areas), compared with the regional and national profiles. Taking the Borough as a whole we find that Broxbourne has a higher proportion of households with children – particularly lone parent households and couples with dependent children. The proportion of pensioner only households is about average with a lower than average proportion of single non-pensioners and childless couples.



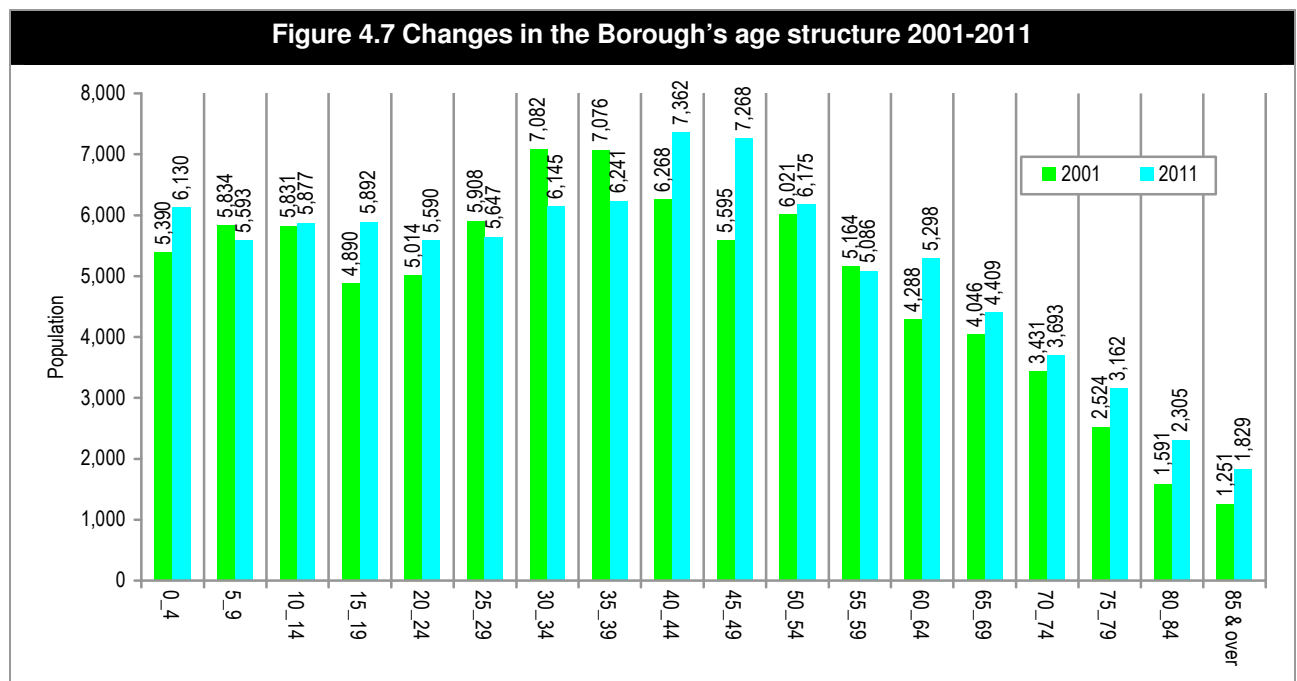
4.11 The structure of households has been changing over the last 10 years. There have been notable increases in one person households along with lone parents and ‘other’ households. The number of childless couple households has decreased slightly whilst there has been no notable change in the number of couples with children (both dependent and non-dependent children).



Source: Census (2001 and 2011)

4.12 To understand the changes in household composition, it is instructive to analyse how the population age structure has changed over this period. The figure below shows population estimates in five-year age bands in each of 2001 and 2011 (from ONS mid-year population estimates). The data shows some quite notable differences over ten years for some age groups with a particular trend being an increase in the number of people aged 60 and over. This is likely to account for the increase in one person households in the borough.

4.13 The data also shows an increase in the number of people aged 15 to 24 which along with other trends (such as the growth in the private rented sector and increased sharing of accommodation) are likely to account for changes in the number of ‘other’ households recorded by the Census.



Source: ONS mid-year population estimates

Overcrowding

- 4.14 Studying levels of overcrowding in the housing stock is an important part of the SHMA. This is strongly recognised in the Practice Guidance which notes that *‘if overcrowding is an issue, building one new larger property could help to resolve the needs of several households as households “move up” through the system into larger properties’*.
- 4.15 Data about overcrowding is available from the 2011 Census based on the ‘bedroom standard’. This is defined by the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages and relationships of the household members) and the number of bedrooms available to the household. A household is defined as overcrowded if there are fewer bedrooms available than required by the bedroom standard.
- 4.16 Census data also computes a measure of overcrowding using occupancy ratings. The Census method is that all households should have one common room and there should be one additional room for each household member. Therefore a five person household living in a five room dwelling would be considered as overcrowded. Whilst using the bedroom standard is preferable it is useful to consider occupancy ratings to allow us to compare changes over time – earlier Census data did not collect data about the number of bedrooms in a home.
- 4.17 The table below shows the estimated number and proportion of households who were overcrowded in 2011 using the bedroom standard. The data shows that levels of overcrowding in Broxbourne are quite high with 5.4% found to have fewer bedrooms than required (2,037 households). This figure compares with 4.1% across Hertfordshire and 3.6% in the East (Region). The figure for Broxbourne is also slightly higher than seen nationally (at 4.8%). Within the Borough there is some variation in levels of overcrowding; ranging from 1.4% in Broxbourne up to 8.5% in Waltham Cross.

Figure 4.8 Levels of Overcrowding (2011)

Area	Overcrowded households	Households	% overcrowded
Hoddesdon	420	8,782	4.8%
Broxbourne	34	2,398	1.4%
Wormley/Turnford	267	4,040	6.6%
Cheshunt	329	6,208	5.3%
Waltham Cross	528	6,180	8.5%
West of Cheshunt	382	7,054	5.4%
Goffs Oak	77	2,996	2.6%
Broxbourne (Borough)	2,037	37,658	5.4%
Hertfordshire	18,402	453,817	4.1%
East (Region)	86,102	2,423,035	3.6%
England	1,060,967	22,063,368	4.8%

Source: Census (2011)

- 4.18 Looking at how levels of overcrowding have changed over time we have reproduced data from the 2001 and 2011 Census about households with a negative occupancy rating (i.e. more people than rooms once a 'common' room has been discounted). This data shows that levels of overcrowding have increased significantly over time in Broxbourne with some 53.1% more households failing this standard in 2011 than did in 2001 (an increase of 1,260). Whilst all other areas studied have also seen increases in overcrowding the figures for Broxbourne are quite stark and compare for example with a national increase in overcrowding of around 32%.

Figure 4.9 Levels of Overcrowding (2001 and 2011) – based on occupancy rating				
Area	Overcrowded (2001)	Overcrowded (2011)	Change	% change from 2001
Broxbourne	3,634	2,374	1,260	53.1%
Hertfordshire	35,044	24,517	10,527	42.9%
East (Region)	156,437	115,338	41,099	35.6%
England	1,928,596	1,457,512	471,084	32.3%

Source: Census (2011)

Labour Market Dynamics

- 4.19 Economic changes are a key driver underpinning housing markets and can have an important influence on the nature of housing demand including household formation rates and households' investment in housing. Next we therefore consider labour market dynamics.
- 4.20 The table below shows a breakdown of the types of employment in Broxbourne, compared with Hertfordshire, regionally and nationally. The data shows that the main industries of employment in Broxbourne are 'wholesale and retail trade; repair of motor vehicles & motor cycles' and construction. For both of these categories the proportion of workers is significantly higher than is seen in any of the other benchmark areas.

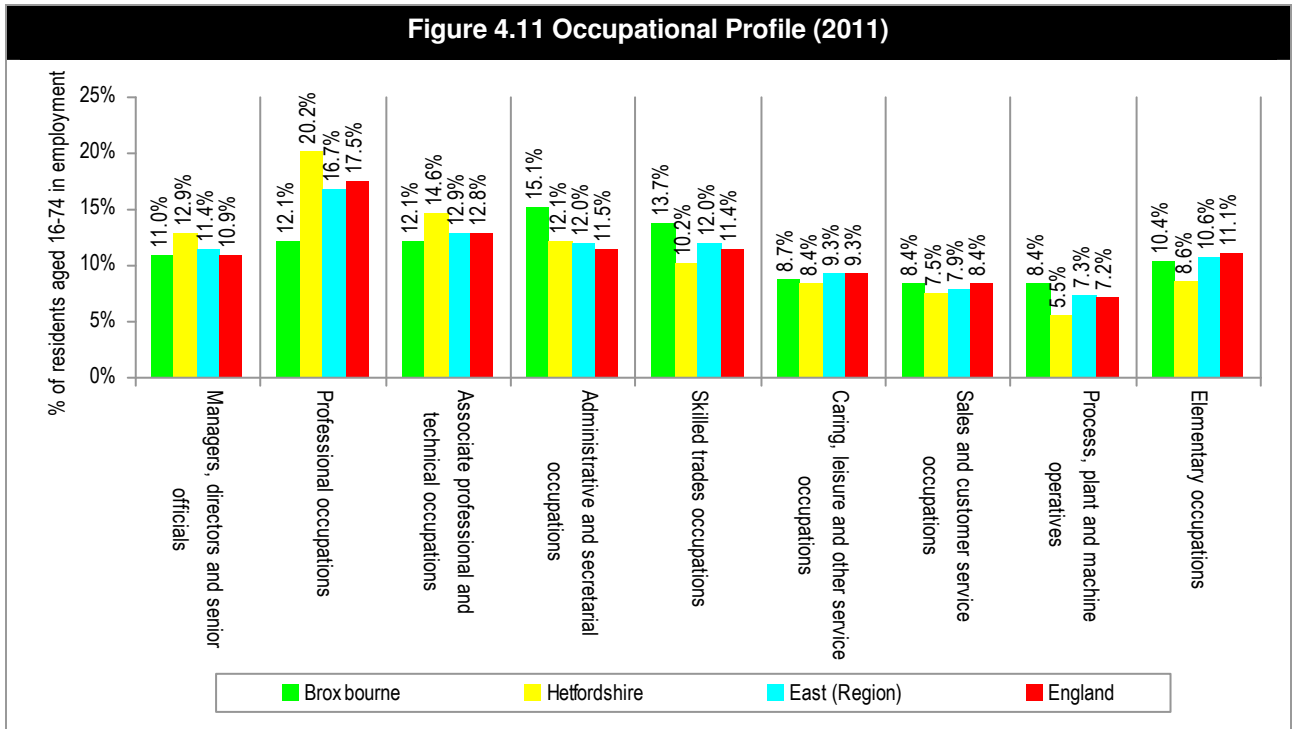
Figure 4.10 Industry of employment

Industry	Brox- bourne	Hertford- shire	East (Region)	England
A Agriculture, forestry and fishing	0.3%	0.3%	1.1%	0.8%
B Mining and quarrying	0.0%	0.1%	0.1%	0.2%
C Manufacturing	6.6%	6.8%	8.7%	8.8%
D Electricity, gas, steam and air conditioning supply	0.4%	0.3%	0.4%	0.6%
E Water supply; sewerage, waste management & remediation activities	0.8%	0.6%	0.7%	0.7%
F Construction	12.0%	8.3%	8.6%	7.7%
G Wholesale and retail trade; repair of motor vehicles & motor cycles	19.5%	16.9%	16.4%	15.9%
H Transport and storage	6.6%	4.9%	5.3%	5.0%
I Accommodation and food service activities	4.3%	4.3%	4.7%	5.6%
J Information and communication	3.6%	5.8%	3.9%	4.1%
K Financial and insurance activities	5.6%	5.1%	5.0%	4.4%
L Real estate activities	1.9%	1.7%	1.4%	1.5%
M Professional, scientific and technical activities	6.0%	8.9%	6.8%	6.7%
N Administrative and support service activities	5.5%	5.2%	4.8%	4.9%
O Public administration and defence; compulsory social security	5.1%	5.1%	5.6%	5.9%
P Education	8.7%	10.0%	9.9%	9.9%
Q Human health and social work activities	8.1%	10.5%	11.5%	12.4%
R, S, T, U Other	4.9%	5.3%	5.0%	5.0%
Total	100.0%	100.0%	100.0%	100.0%
All categories (people)	46,222	565,032	2,849,512	25,162,721

Source: Census (2011)

Labour Supply

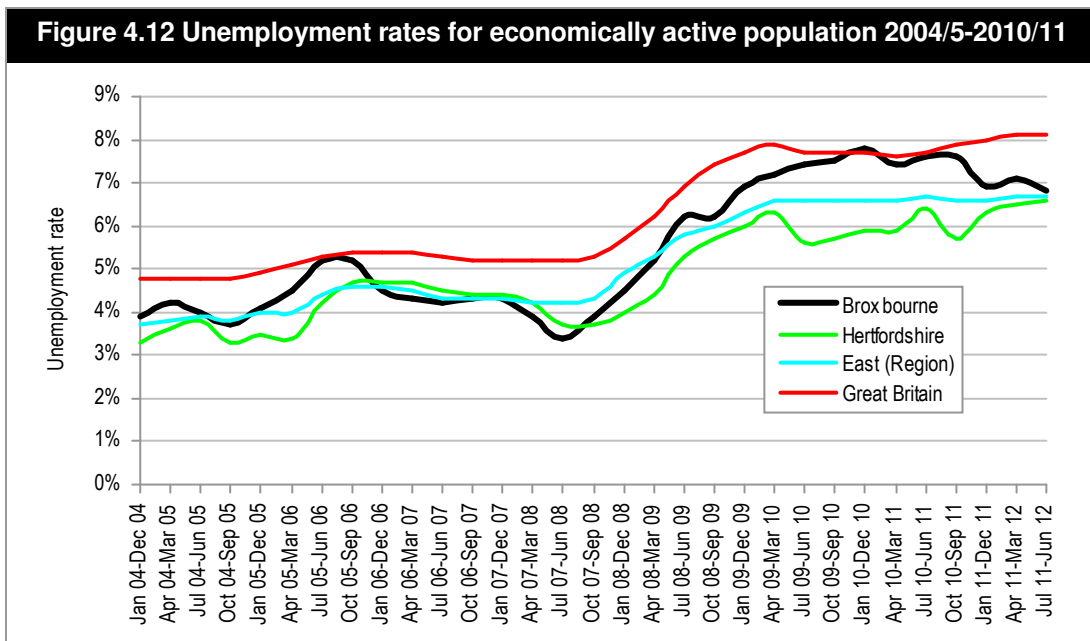
- 4.21 The table below considers grades of employee. Broxbourne is notable in having relatively few people employed in the more senior categories of occupation – only 23% of workers are considered to be in managerial and professional occupations compared with 33% in Hertfordshire and about 28% both regionally and nationally. A relatively high proportion of people are employed in administrative and skilled trade occupations
- 4.22 The occupational profile will also be linked to the qualifications and educational attainment of the local population. Census (2011) data suggests that Broxbourne has relatively few people educated to degree level (19% compared with 32% in Hertfordshire) along with a high proportion with no formal qualifications – about a quarter of the population aged 16 to 74.



Source: Census (2011)

Unemployment and benefit claimants

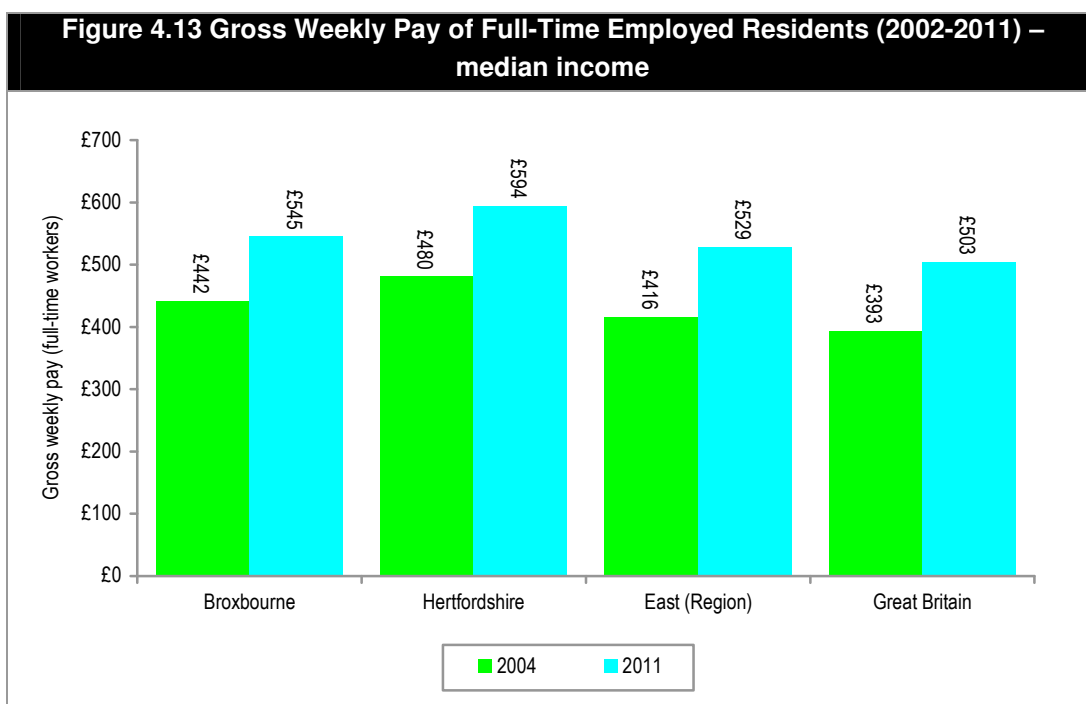
4.23 The figure below shows that unemployment was relatively stable in the period from 2004/5 up until 2007/8 when unemployment in Broxbourne began to rise considerably – this mirrors the national and regional trend. Across the Borough the proportion of people who were unemployed rose from about 4% in 2004/5 to approaching 8% in 2010 (with a small decrease through to 2012). Throughout the period studied the proportion of people unemployed in Broxbourne has closely tracked figures for other areas.



Source: ONS Annual Population Survey (from NOMIS website)

Income Levels

- 4.24 Income has a crucial effect on the level of choice a household has when determining their future accommodation. The figure below shows the median weekly income of people in full-time employment from the Annual Survey of Hours and Earnings (ASHE) for 2002 and 2011. The figure shows that in all areas income levels are noticeably higher in 2011 than 2002 (although these figures have not been adjusted for inflation).
- 4.25 The order of incomes remains the same throughout the period with higher incomes recorded for the whole of Hertfordshire when compared with Broxbourne but higher figures in the borough when compared with regional and national averages. In 2011, the average weekly wage of a full-time employee in the borough was estimated to be £545 (about £28,300 per annum).



Source: Annual Survey of Hours & Earnings

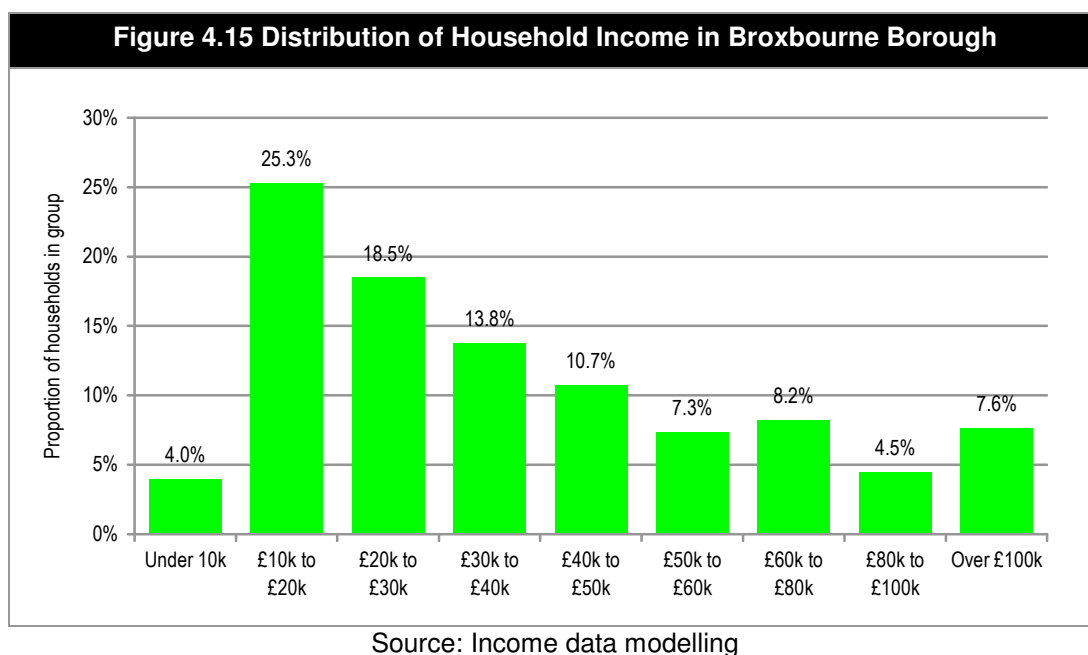
- 4.26 We have commented previously that Broxbourne is an area which sees net out-commuting for work. This pattern can also be seen by an analysis of earnings. The earnings of the Borough’s residents in work are 4% above those working in the Borough with the figure rising to 12% if we look at differences going back to 2002. This is indicative of out-commuting to higher paid jobs. A similar pattern is observed for the whole of Hertfordshire as well as in the region.

Figure 4.14 Gross Annual Earnings, Full-Time Workers (2011)

Area	Residents	Workers
Broxbourne	£545	£524
Hertfordshire	£594	£527
East (Region)	£529	£495
Great Britain	£503	£503

Source: Annual Survey of Hours & Earnings

- 4.27 As well as looking at earnings and how these have changed over time it is important to understand household incomes as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the level of affordable housing need. Data about household incomes has been modelled from a range of sources including the English Housing Survey (EHS), the Annual Survey of Hours and Earning (ASHE), CACI Paycheck information and ONS income estimates.
- 4.28 The figure below shows the distribution of income for the whole of Broxbourne Borough. The data shows that over a quarter (29.3%) of households have an income below £20,000 with a further 32.3% in the range of £20,000 to £40,000. The overall average (median) income of all households in the Borough is estimated to be £31,300 with a mean income of around £41,700. This latter figure is notably above the national estimate for 2012 from CACI of £35,900.



- 4.29 The table below shows how the distribution of income varies for each of the seven sub-areas. Incomes are lowest in Waltham Cross (median of £26,478) and highest in Broxbourne (median of £42,844).

Figure 4.16 Income levels by sub-area

Income band	Hoddesdon	Broxbourne	Wormley/ Turnford	Cheshunt	Waltham Cross	West of Cheshunt	Goffs Oak	Broxbourne Borough
Under 10k	2.9%	1.0%	4.8%	4.2%	7.4%	3.7%	1.3%	4.0%
£10k to £20k	24.9%	14.5%	27.9%	27.2%	29.5%	26.3%	17.5%	25.3%
£20k to £30k	18.2%	18.1%	18.8%	18.6%	19.5%	18.4%	18.1%	18.5%
£30k to £40k	14.2%	13.0%	13.8%	13.8%	13.6%	14.0%	13.5%	13.8%
£40k to £50k	10.7%	11.2%	10.8%	10.9%	9.9%	10.9%	10.8%	10.7%
£50k to £60k	8.1%	8.4%	6.6%	7.1%	5.6%	7.5%	8.8%	7.3%
£60k to £80k	8.5%	13.3%	7.1%	7.4%	6.1%	7.8%	12.0%	8.2%
£80k to £100k	4.4%	6.8%	4.2%	4.2%	4.1%	4.2%	6.0%	4.5%
Over £100k	8.2%	13.8%	6.1%	6.7%	4.4%	7.3%	12.1%	7.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Median	£32,508	£42,844	£29,152	£30,028	£26,478	£30,983	£39,753	£31,341
Mean	£42,784	£56,389	£38,368	£39,521	£34,848	£40,778	£52,320	£41,721

Source: Income data modelling

Policy Implications: Socio-Economic and Demographic Profile

Broxbourne Borough's population has been increasing at a slightly lower rate than has been seen in other areas over the past ten years. The population age structure in the Borough is similar to County and national profiles and slightly 'younger' than seen across the region. Within the Borough there are however some notable differences with the population of Broxbourne being older than other areas and Wormley/Turnford having a greater proportion of younger people. Differences are related to the housing offer and past pace of growth in different locations.

The Borough as a whole has a relatively high proportion of households with children (particularly lone parents) and we might therefore expect greater demand for 'family-sized' accommodation moving forward – and in contrast with housing delivery types over the past few years which have focussed on flatted accommodation.

Household growth in the Borough has however been focused towards single persons and lone parents, and generally to people aged over 50 (although average household sizes have remained largely unchanged over the past ten years). This reflects the nature of the housing stock and its affordability. The population aged 20-34 has declined and affordability of housing is likely to be one of the contributory factors to this.

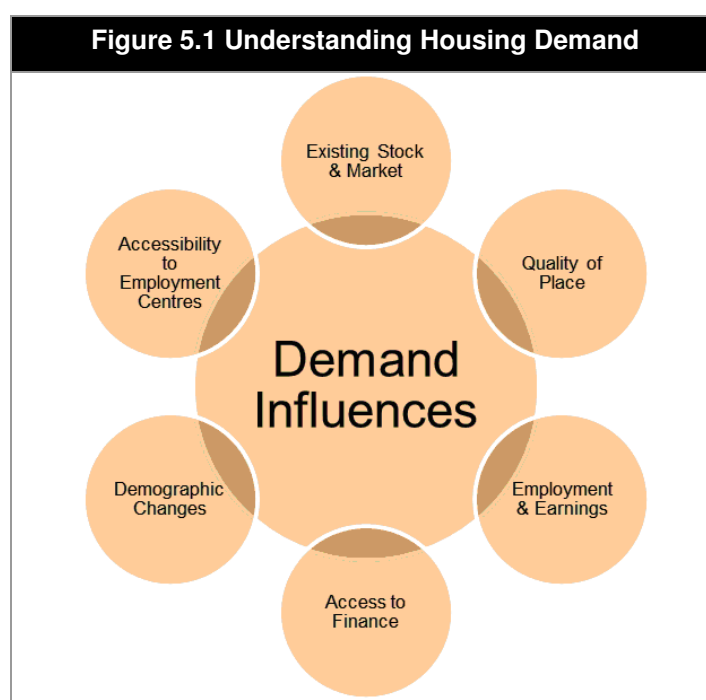
The economy in the Borough appears to have been affected by the economic downturn with a notable increase in the unemployment rate (from 4% to 7% since 2007/8). Generally the population of the Borough (where in employment) are in lower skilled jobs and levels of qualifications are also low when compared with other areas. This skills profile may be a barrier to economic growth moving forward and the alignment between economic growth and housing provision will be an important consideration for the Council. It would seem appropriate to plan more positively to retain younger people including to ensure businesses can access appropriate skills to replace those of people moving into retirement.

In the short-to-medium term there are opportunities to support economic growth through bringing people back into work. Programmes to combat unemployment, and provide training will help to address deprivation and limit future pressures on the housing market. However the structural challenge is to attract higher value economic investment and reduce out-commuting. The Borough's transport links will play an important role both in attracting economic investment and supporting access to employment opportunities.

5. Housing Market Dynamics

Introduction

- 5.1 This section of the report explores housing market dynamics. It considers key influences on housing demand, looking first at macro-economic factors before moving to consider more local dynamics, building on an interrogation of house prices and sales rates together with evidence from local estate and letting agents. We draw the analysis together at the end of the section to consider prospects for the housing market.
- 5.2 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are summarised in the chart below.

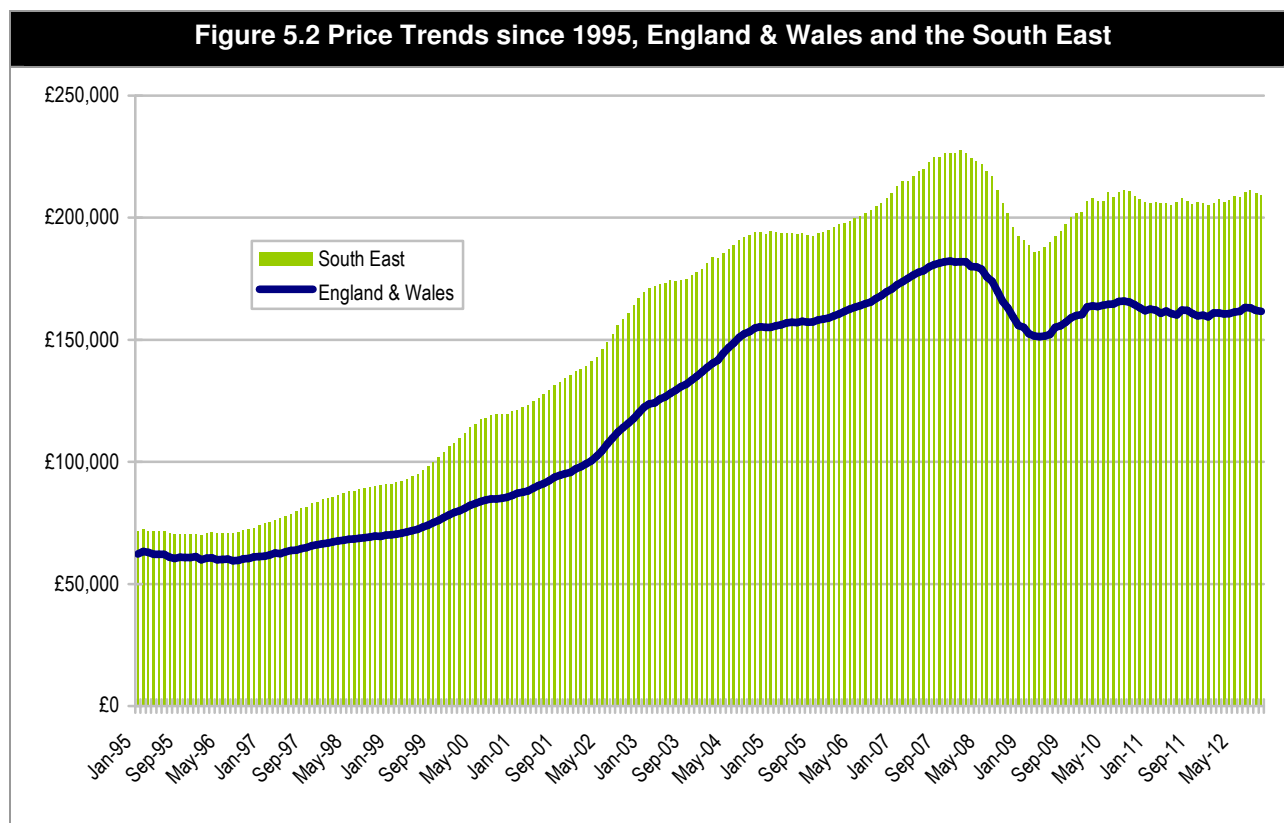


- 5.3 The housing market is complex. It is influenced by the economy at both a macro-economic level, in terms of interest rates and mortgage availability as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). It is also influenced by the economy at both regional and local levels, recognising that employment trends will influence migration patterns (as people move to and from areas to access jobs), and that the nature of employment growth and labour demand will influence changes in earnings (which influences affordability).
- 5.4 Housing demand over the longer-term is influenced by population and economic trends. Changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products. Economic performance influences migration between different areas.

- 5.5 There are then a number of factors which play out at a more local level, within a functional housing market, and influence demand in different locations. These include quality of place, school performance and the catchments of good schools, the accessibility of areas including to employment centres (with transport links being an important component of this), and the existing housing market and local market conditions. These factors influence the demand profile and pricing, against a context in which households compete within the market for housing.
- 5.6 At a local level, this means that the housing market (in terms of the profile of buyers) tends to influence by and reinforce to some degree around the existing stock. However regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.
- 5.7 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

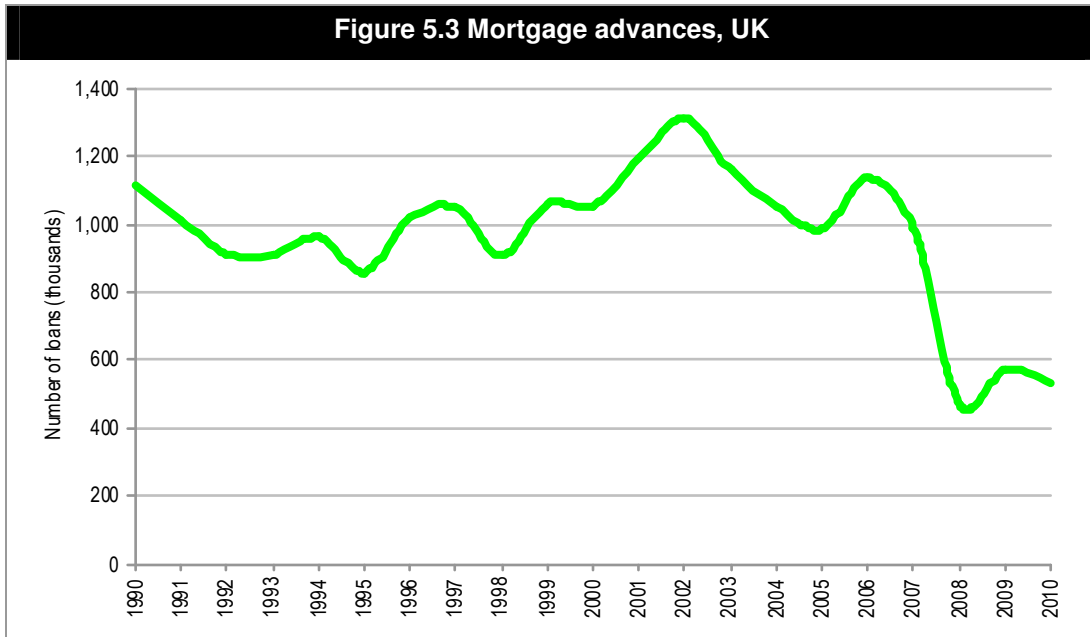
Understanding Macro-Economic Dynamics

- 5.8 Much has been written over the last few years about economic performance and outlook. The UK economy, as well as a number of the major global economies, experienced an economic recession which lasted six quarters from Q3 2008 until the end of 2009. Over 2010 and 2011 the economy grew relatively weakly before returning to recession in early 2012.
- 5.9 Land Registry data indicates that house prices in England and Wales fell sharply between Q4 2007 – Q2 2009. They peaked at £182,000 in late 2007. To Q2 2009 they then lost 17% of their value (£31,000) with the price of an average home falling to £151,000. These trends were replicated in the South East (which contains Broxbourne for the purposes of Land Registry data outputs) where prices peaked at £228,000 but then fell to £186,000 (a loss of 18%).
- 5.10 In the second half of 2009 and early 2010 there was some recovery, however since Q3 2010 the data records that house prices have remained pretty static. The latest house price data indicates an average price of £209,000 in the South East and £162,000 across England and Wales.



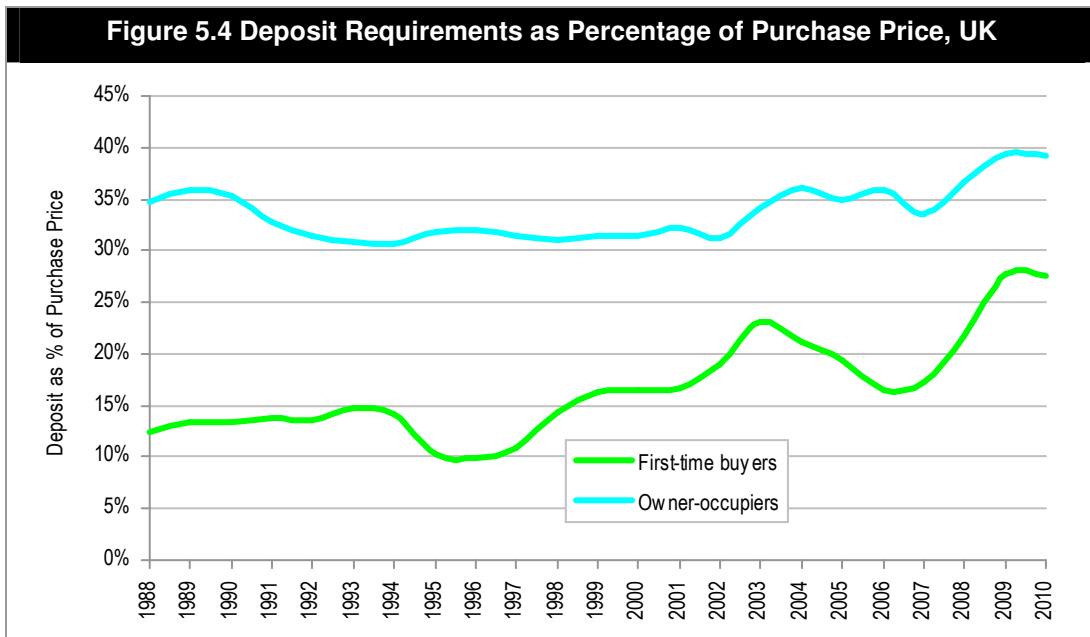
Source: Land Registry

- 5.11 The downturn in the world economy was led by the sub-prime lending crisis in the United States. This resulted in a fundamental shift in the way banks lent money both between themselves, through wholesale money markets, and to their customers (including both to home purchasers, landlords and developers).
- 5.12 From the second half of 2007, banks began to increase the inter-bank lending rate (LIBOR) and sought to adjust their exposure to risk by adopting much more cautious lending practices. The net effect of this was to reduce liquidity in the financial markets and credit available (resulting in the 'credit crunch') and a tightening of lending criteria for current and prospective homeowners. This tightening of lending criteria increasing 'barriers' to entry for marginal mortgage applicants by reducing loan-to-value ratios (LTVs), increase costs associated with mortgages and reducing the income multiples accepted.
- 5.13 This has had a significant and sharp impact on the affordability of market housing, with the most noticeably affected being on would-be 'first-time buyers' (FTBs) and buy-to-let (BTL) investors who are particularly reliant on more flexible lending criteria. The levels of both dropped. As a result effective demand for market housing and market activity dropped dramatically. This is shown in the figure below which charts trends in levels of mortgage advances.
- 5.14 The chart clearly indicates that levels of mortgage advances were strong in a historical context between 2001-3 and in 2006; but have fallen since the credit crunch to levels less than half those achieved at the peak of the market and around 40% below the long-term trend.



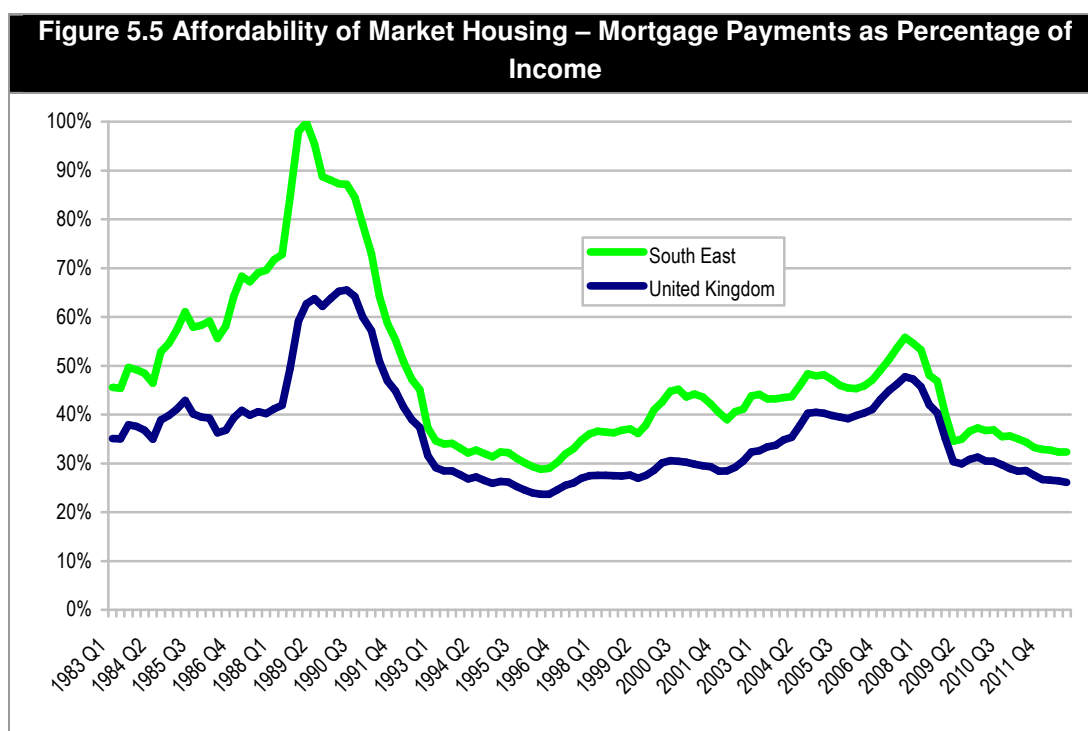
Source: Bank of England Regulated Mortgage Survey

5.15 The figure below shows deposit requirements for first-time buyers and existing owner-occupiers. As the availability of mortgage finance increased between 2003 and 2006, the average deposit paid by a first-time buyer fell from 23.1% to 16.4% nationally, supporting housing demand. Housing supply is relatively inelastic and was not able to keep pace; contributing to strong growth in house prices across the country. However since the onset of the credit crunch in 2007, deposit requirements have grown significantly; and stood on average at 27.5% in 2010 for first-time buyers. The average deposit for all house purchases across the UK has risen from 29.3% of the property value in 2007 to 35.2% in 2010.



Source: Regulated Mortgage Survey

- 5.16 The level of deposits needed by many first-time buyers has led to a significant drop in the levels of buyers. Data from the Council for Mortgage Lenders indicates that levels of first-time buyers (based on mortgage advances) over the last three years, 2008-2010, were half the levels achieved between 2005 and 2007. The latest data suggests volumes of first-time buyer loans in October 2012 were 19% up on a year previously but still very low in an historical context. Younger buyers (particularly those under 30) are heavily reliant in the current market on parents and other relatives for financial support in getting on the housing ladder.
- 5.17 The need for savings or equity however not just an issue for first-time buyers, but existing recent buyers and those without a large equity cushion. Funding constraints apply across the whole market, with gross lending in 2011 according to CML estimates of around £141 billion very moderate relative to their £360 billion pre-credit crunch peak. Mortgage lending in the first three quarters of 2012 was very moderately up (about 3%) on the same period of 2011.
- 5.18 Savings are a key constraint for potential new buyers. Indeed the persistence of low interest rates has helped to make monthly mortgage payments for first-time buyers the most affordable (at a national level) for about a decade according to the Halifax House Price Index. With reductions in house prices and low interest rates, market housing is now as affordable as it was in the late 1990s on this measure.

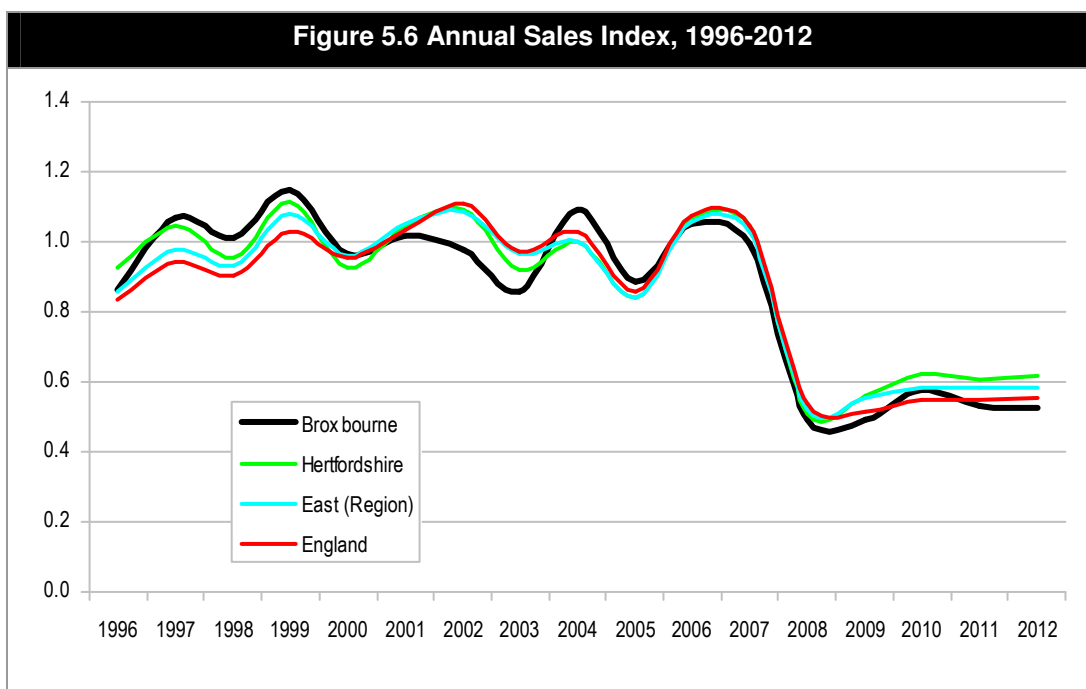


Source: Halifax House Price Index

- 5.19 However despite its relative affordability, effective demand remains weak. The sharp reduction in demand experienced since 2007 is demonstrated by the drop in sales of residential property. Current sales in the UK relative to the size of the housing stock (i.e. the turnover of homes in the private sector market) are currently the lowest for more than 40 years (CML). The absence of new entrants to the market, restrictions on movement for those without significant savings or equity, and market confidence are combining to result in very low levels of activity, synonymous with low levels of 'effective' market demand for home purchases.

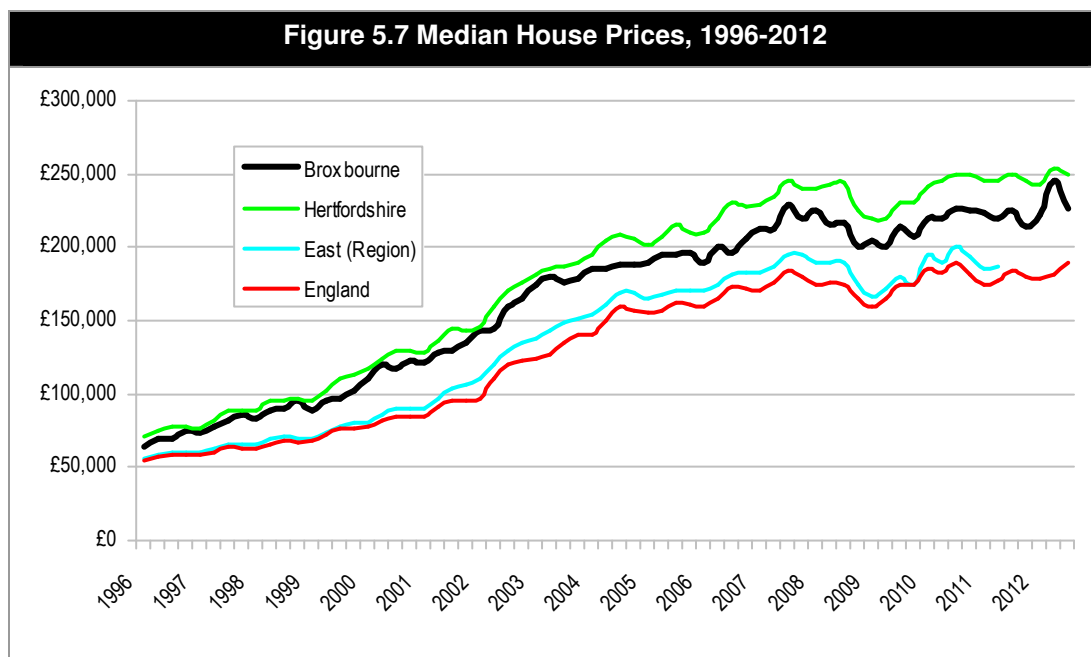
Housing Demand Indicators in Broxbourne

- 5.20 Next we turn to consider sales. We regard sales trends as indicative of effective demand for market housing. The figure below provides an index of annual sales where 1 is the average sales over the decade to 2007. The analysis indicates a market ‘dip’ in 2005 (linked to a rise in interest rates). However it shows a substantial drop in sales in 2008 to a level 50% below the long-term trend. There was some recovery in 2009 but since this point, market recovery has stagnated. Sales since 2009 have continued at over 40% down on the long-term trend.
- 5.21 Access to mortgage finance is the key constraint to market performance here, impacting on levels of both first-time buyers and investment purchases towards the bottom of the market in particular. This has a cascading impact on overall market vitality and confidence (and impacts on chains of sales).
- 5.22 The figure also indicates that sales in Broxbourne have performed moderately below average over the past few years (although levels are volatile). As of 2012, sales in Broxbourne were 47% below the long-term trend (average quarterly sales 1998-2007) compared to 38% down across Hertfordshire, 45% down across England and 42% down across the East of England Region.



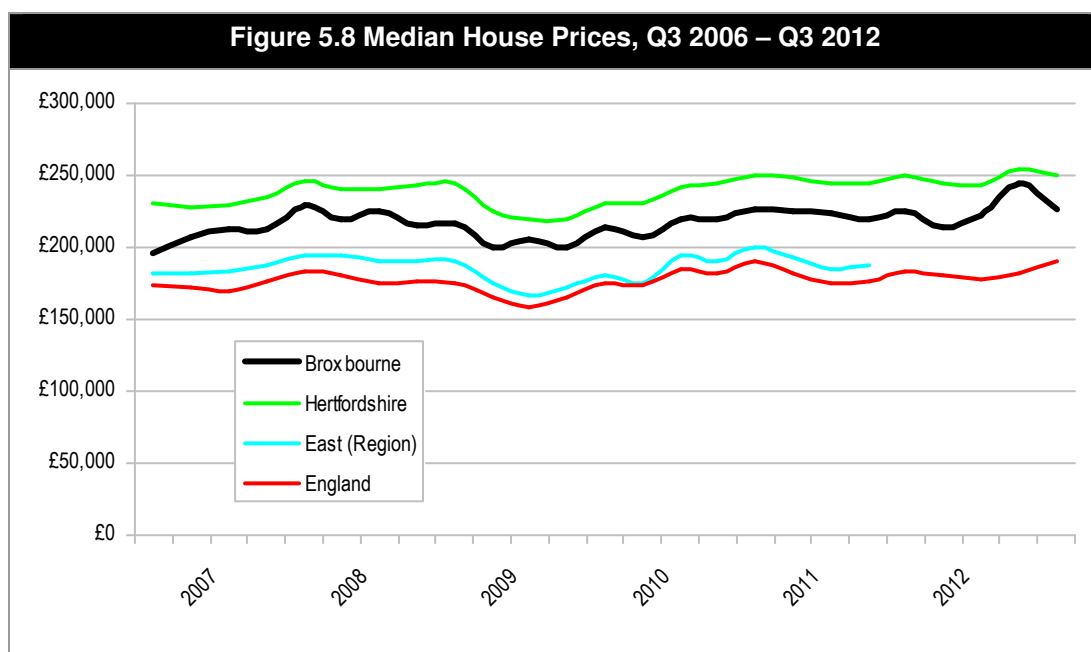
Source: Land Registry

- 5.23 Over the decade to 2007 median house prices grew strongly, increasing by 178% across Broxbourne Borough. This was slightly less than the 200% growth achieved across the East Region. Given the relatively higher base, price growth was however more significant across Broxbourne Borough than that at the Regional level. Prices grew over the decade by £147,000 in the Borough relative to growth of £130,000 across the region.



Source: Land Registry

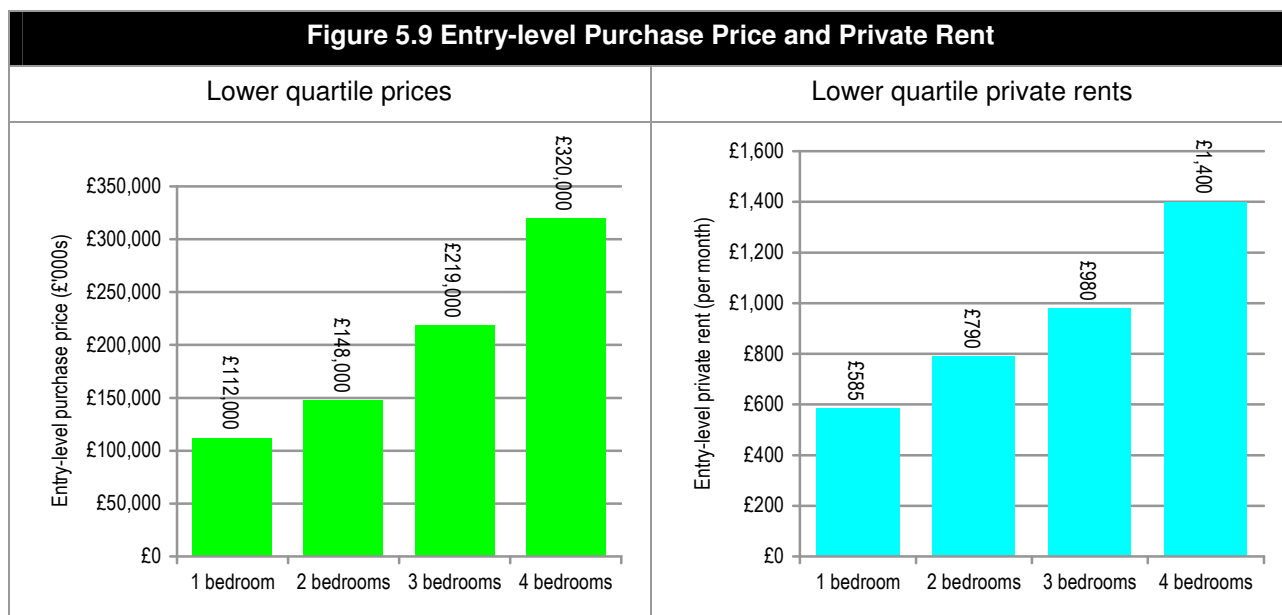
- 5.24 House price dynamics since 2007 have been quite different. However Broxbourne Borough and Hertfordshire have performed above average – both seeing some price rise from 2007 to the third quarter of 2012. We can use quarterly data to analyse more recent price trends. We have analysed trends over the 6 year period between Q3 2006 – Q3 2012 (the latest data published by CLG). Over this period house prices have been fairly static although for Broxbourne there is apparent growth of about 15% (although this drops to virtually nil if we take a Q3 2007 start point). Over the whole of the period studied in the figure below (i.e. from Q3 2006), growth in prices in Broxbourne Borough has been higher than seen either in the County or nationally. No adjustment has been made to the figures to take account of inflation – were we to factor in inflation then the data would show a fall in house prices in real terms over the past five years.



Source: Land Registry

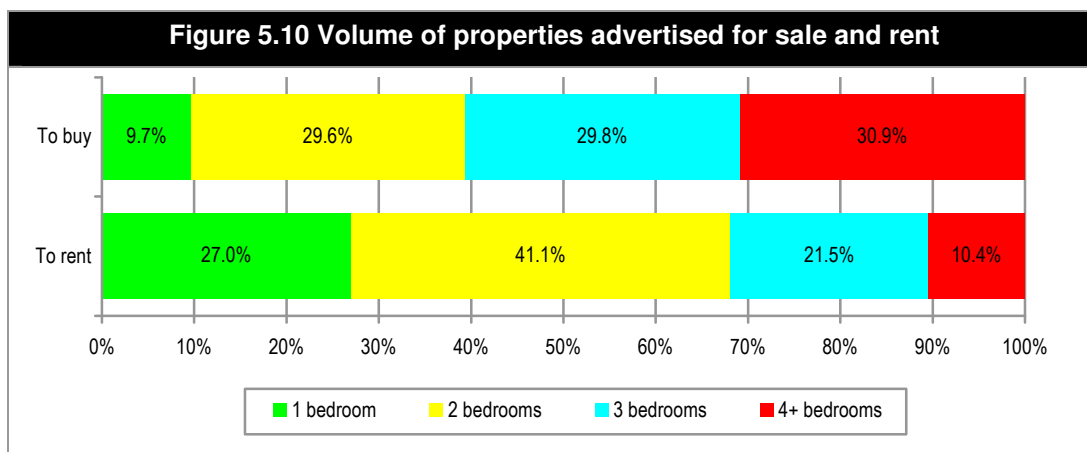
Survey of Local Prices & Rents

- 5.25 An important part of the SHMA is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The housing needs assessment compares prices and rents with the incomes of households within the Borough to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a ‘housing need.’
- 5.26 In this section we establish the entry-level costs of housing to both buy and rent across the Borough and in each of the sub-areas used in analysis. Our approach has been to carry out a desktop survey using internet sources. For each area we looked at prices and rents for different sizes of property from one to four bedrooms. For the purposes of analysis (and to be consistent with CLG guidance) we have taken lower quartile prices and rents to reflect the entry-level point into the market.
- 5.27 The figure below shows estimated lower quartile property prices and rents obtained from this search for the whole Borough. The prices of homes to buy have been reduced slightly (on average by about 6%) to take account of the difference between asking prices and prices paid based on information from the Hometrack website.
- 5.28 The data shows that entry-level costs to buy are estimated to start from about £112,000 for a one-bedroom home and rising to £320,000 for four bedrooms. For privately renting the costs range from £585 to £1,400 per month depending on the size of property.



Source: Online Estate and Letting Agents Survey (December 2012)

- 5.29 The figure below shows the volume of properties for sale and rent in the Borough. The data clearly shows that the sale market is biased towards larger properties with the opposite being true for private rentals. In total, some 61% of homes advertised for sale had three or more bedrooms compared with less than a third of homes to rent. It is also notable that over a quarter of homes to rent had only one-bedroom (compared with just 10% of sale properties).



Source: Online Estate and Letting Agents Survey (December 2012)

- 5.30 In addition to rental costs from our internet survey we have looked at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the Borough. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with our estimates of lower quartile costs. However, due to the boundaries of the Broad Rental Market Areas (BRMA) used by the Valuation Office Agency (VOA) it is not possible to make direct comparison.
- 5.31 The entire Borough is within the South East Herts BRMA although the BRMA extends beyond the Borough boundary – most notably to include the settlements of Welwyn Garden City, Hatfield, Hertford and Ware. The table below compares the LHA payment limits with our estimates of rental costs from the market survey. It is notable that for all sizes of accommodation (other than one-bedroom homes) our market survey suggests slightly higher rents than the VOA figures. This seems likely to be due to lower rents in parts of the BRMA which lie outside the Borough boundary. The differences between the sources are not particularly large but may make it difficult for households claiming housing benefit in the private rented sector to afford their accommodation – particularly for larger homes.
- 5.32 To the table below we have also added LHA rates for room only accommodation. The amount able to be claimed for a room is 54% of the figure for a self-contained one bedroom property.

Figure 5.11 Maximum LHA payments by Size

Size	Monthly LHA limit	Market survey estimate (lower quartile)
Room only	£324	-
1 bedroom	£600	£585
2 bedrooms	£775	£790
3 bedrooms	£950	£980
4 bedrooms	£1,250	£1,400

Source: VOA data (December 2012)

Cost of Affordable Housing

5.33 Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CORE) - a national information source on social rented lettings. The table below illustrates the rental cost of lettings of social rented properties by size in 2011/12. As can be seen the costs are significantly below those for private rented housing indicating a gap between the social rented and market sectors. This gap increases for larger properties.

Figure 5.12 Monthly average social rent levels in Broxbourne	
Size	Monthly rent (including service charges)
1 bedroom	£372
2 bedrooms	£452
3+ bedrooms	£503

Source: CORE (2012)

5.34 Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being *'let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)'*. In the short-term it is likely that this tenure will replace social rented housing for new delivery, however, the tenure is initially only being trialled for four years and so this situation may change in the future.

5.35 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for newbuild homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents.

5.36 One stakeholder noted that the purpose of affordable housing is to provide accommodation for those excluded from the housing market. As such it was considered that linking rent levels to market prices could create a situation where affordable housing is not affordable in a local context. This point was further emphasised by noting that it is technically possible for Registered Providers to charge a rent which is in excess of the amount that can be claimed through LHA.

5.37 Whilst there are some complications regarding affordable rent and likely costs in a local context we have for the purposes of analysis assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from our market survey. This assumption has also been used on a sub-area basis.

- 5.38 On the basis of rental average for the whole Borough, 80% of market rent would equate to around £146 per week for a two-bedroom home and £181 for three-bedrooms. Data from the Council suggests that two-bedroom affordable rents have been averaging about £140 per week and could be as high as £220 per week on some newbuild 3-bedroom homes. This latter figure is almost identical to the maximum amount of LHA that can be claimed in the Borough for a 3-bedroom home and indicates for an affordable rented property to be genuinely affordable to a range of households that figures well below 80% are likely to be required. For 4-bedroom homes Registered Providers have indicated that the figure would need to drop to around 60% to be affordable.
- 5.39 Recently completed affordable rent homes at Cheshunt Reservoir have rents set at £176 per week (66% Open market value) for 3 bed homes and £166 per week for 2 bed houses (76% open market).

Sub-Area Prices and Rents

- 5.40 At a sub-area level we have carried out a similar analysis to the above. The main exception is that in many areas the supply of some sizes of accommodation is insufficient to be able to reasonably calculate an entry-level cost analysis for the full range of sizes. The analysis therefore provides figures by taking account of all properties available across the whole of an area (to both buy and rent). Sub-area figures are shown in the table below.
- 5.41 The data shows that prices are lowest in Waltham Cross, closely followed by Cheshunt and Wormley/Turnford. At the other end of the scale we see a much higher lower quartile price for Broxbourne and to a lesser extent Goffs Oak. In both of these areas the analysis is significantly affected by the profile of properties available for sale which are more likely to be larger and more expensive homes. Similar patterns are seen for privately renting although differences between sub-areas are less stark. In this analysis the lowest rents were found to be in Wormley/Turnford followed by Hoddesdon with higher figures again for Broxbourne and Goffs Oak.
- 5.42 Across the whole Borough the analysis suggests a lower quartile property price of about £159,000 and a private rent figure of about £730 per month.

Figure 5.13 Lower quartile property prices and private rents by sub-area		
Sub-area	Lower quartile purchase price	Lower quartile private rent (pcm)
Hoddesdon	£159,800	£695
Broxbourne	£418,300	£825
Wormley/Turnford	£150,400	£675
Cheshunt	£148,500	£725
Waltham Cross	£141,000	£750
West of Cheshunt	£188,000	£735
Goffs Oak	£319,600	£850
Broxbourne Borough	£158,800	£728

Source: Online Estate and Letting Agents Survey (December 2012)

Gaps in the Housing Market

5.43 The table below estimates how current prices and rents in each of the seven sub-areas might equate to income levels required to afford such housing. The figures are based on the figures derived in the table above and we have added a column for affordable rent (set at 80% of our entry-level private rent estimate) and also a column for the income required to afford an average social rent without the rent becoming more than 25% of income. The data clearly indicates a gap between the costs of 'entry-level' market housing and the social rented sector – demonstrating the potential for intermediate and affordable rented housing to meet some of the affordable need.

Figure 5.14 Indicative income required to purchase/rent without additional subsidy				
Sub-area	Lower quartile purchase price	Lower quartile private rent	Affordable rent	Average social rent
Hoddesdon	£45,657	£33,360	£26,688	£20,814
Broxbourne	£119,514	£39,600	£31,680	£20,814
Wormley/Turnford	£42,971	£32,400	£25,920	£20,814
Cheshunt	£42,434	£34,800	£27,840	£20,814
Waltham Cross	£40,286	£36,000	£28,800	£20,814
West of Cheshunt	£53,714	£35,280	£28,224	£20,814
Goffs Oak	£91,314	£40,800	£32,640	£20,814
Broxbourne Borough	£45,371	£34,962	£27,970	£20,814

Source: Online Estate and Letting Agents Survey (December 2012) and CORE

5.44 For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 25% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Market Outlook

5.45 In the short term the housing market is likely to continue to be affected by a number of macro-economic factors. UK economic growth is relatively weak at the time of writing; consumer and business confidence remains fragile, with risks associated with economic weakness in countries in the Eurozone (which are major export markets for UK businesses) and vulnerability to further financial shocks affecting the global banking system and capital markets which could result in further lending/mortgage finance constraints and potentially further Government borrowing. Weak economic performance in the short-term plays through into housing market confidence (and thus activity). However on a more positive side, it looks like interest rates will remain at historically low levels for some time.

5.46 The near-term outlook is highly uncertain and much would seem to depend upon how households respond to the rebalancing of the economy that is taking place. In the medium-term public sector spending restraints (currently forecast to 2017) are likely to constrain economic growth potential. On this basis, the macro-level outlook in regard to employment growth, economic confidence and household incomes is likely to constrain growth in housing market activity ('effective demand') in the short-term. Support from low interest rates has been shown to be insufficient to counter the downside factors.

- 5.47 In 2013, the Royal Institute of Chartered Surveyors (RICS) is predicting a moderate (2%) increase in house prices across the UK with the cost of renting expected to increase by 4%. Some small improvement in the nation's economy are expected which will be reflected in the housing market.
- 5.48 RICS also expect to see a moderate increase in the number of property transactions although the total number is still expected to be significantly below peak levels seen in 2006. Given levels of negative equity on loans taken out since 2007 a relatively high level (in a historical context) of repossessions is expected to continue.

Policy Implications: Housing Market Dynamics

We have seen a fundamental shift in housing market conditions since 2007 driven by banks' more cautious approaches to lending. First-time buyers, the lifeblood of the housing market, now require at least a 10% deposit although average figures are much higher – this has significantly restricted their numbers. Over the last five years house prices have fallen in real terms.

Effective market demand has declined; with sales evidence suggesting it was 40% down in 2012 on typical levels for the decade to 2007. This is driven by availability of mortgages, with no sign that this is likely to improve in the short-term. It is resulting in a displacement of demand towards the rented tenures with the private rented sector in particular having seen substantial and sustained growth. The weak sales market therefore does not mean that there is no underlying need/demand for new homes. Looking forward it seems likely that the private rented sector will continue to be the key growth sector in the housing market.

Average prices to buy homes in the Borough area are high when compared with national and regional figures. This will restrict the ability of many local households to buy properties which again leads to increased demand for rented accommodation or the possibility that younger people move away to secure more highly paid employment.

The critical constraint for many young households are levels of savings; for competitive mortgages at least a 10% deposit is required, which many young households do not have. The average deposit of recent first-time buyers nationally is around 25% to 30%. Many first-time buyers as a result are relying on assistance from relatives. While public sector programmes could potentially contribute to addressing this, the financial implications and potential take-up (given the gap between house prices and local incomes) will need to be carefully considered.

In the private rented sector the number of Housing Benefit (HB) claimants has been rising and the sector is playing a substantial role in meeting the needs of households unable to afford market housing. The Council should take steps to ensure that the quality and security of this tenure of accommodation is able to provide a reasonable long-term solution to housing problems given the relative lack of social tenancies availability.

We expect current subdued housing market conditions to gradually improve over the next few years, although this will be dependent on improvement in the national (and even World) economy. There is however a continued risk of a further 'credit crunch' and/or recession with significant impacts on the housing market. This would lead to further subdued rates of household formation and continuing strong demand for private rented accommodation.

6. Future Housing Requirements

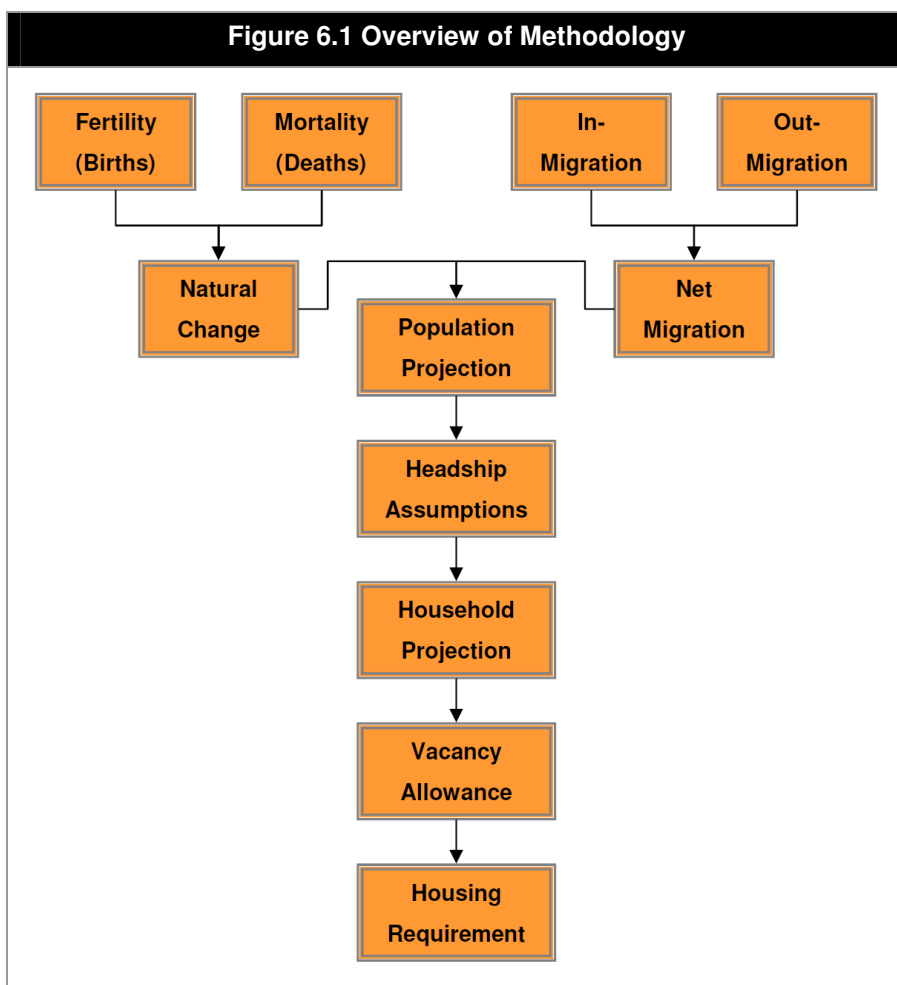
Introduction

- 6.1 In March 2012 the Government published the National Planning Policy Framework (NPPF), which replaces most of the previous planning policy statements including PPS3: Housing.
- 6.2 The NPPF introduces a presumption in favour of sustainable development, whereby local planning authorities should prepare new Local Plans on the basis that objectively assessed development needs (both for housing and other types of development) should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the document as a whole.
- 6.3 The starting point is that Local Plans should meet the full requirements for market and affordable housing in their housing market area. Any under-provision is expected to be addressed through collaborative working with neighbouring authorities, and this is included within the tests of soundness for the plan. The proposed shift of policy means that each local authority should seek to meet its own development needs, unless there are sound reasons why it cannot do so.
- 6.4 The NPPF emphasises the need for Strategic Housing Market Assessments to assess full housing requirements, including both the scale and mix of housing. It outlines that an SHMA should be prepared collaboratively where housing market areas across administrative boundaries. It should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
- Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 6.5 The SHMA is intended to be brought together with evidence of land availability, from a Strategic Housing Land Availability Assessment (SHLAA).
- 6.6 In this section we have therefore developed a series of demographic projections to assess the likely requirement for additional housing to be provided over the next twenty years (the period from 2011 to 2031). The full methodology and background data for the projections can be found in Appendix A1.

Methodology

6.7 Our methodology used to determine population growth and hence housing requirements is based on fairly standard population projection methodology consistent with the methodology used by ONS and CLG in their population and household projections. Essentially the method establishes the current population and how will this change in the period from 2011 to 2031. This requires us to work out how likely it is that women will give birth (the fertility rate); how likely it is that people will die (the death rate) and how likely it is that people will move into or out of the Borough. These are the principal components of population change and are used to construct our principal trend-based population projections.

6.8 The figure below shows the key stages of the projection analysis through to the assessment of housing requirements.



6.9 Much of the data for our projections draws on ONS information contained within the 2010- and 2011-based subnational population projections (SNPP). In particular we have used this source to look at fertility rates, mortality rates and the profile of in- and out-migrants (by age and sex). We have also used past trend data (again from ONS) to consider how realistic the overall levels of migration assumed in the SNPP are and this is discussed in more detail in Appendix A1.

- 6.10 We have also used data from the 2008-based CLG household projections to provide information about headship rates (the chances of an individual also being considered as the head of household) – this allows us to convert population figures into households. As with SNPP data we have scrutinised the CLG source to take account of other data sources – in this case we have particularly concentrated on 2011 Census data about the relationship between population size and the number of households in the Borough.
- 6.11 Since the projections in this report were developed, CLG has published a new set of household projections (9th April 2013). We have commented on the impact of this new data in Appendix 1 of this document.

Projections Run

- 6.12 As part of this assessment we have run five projections to assess how the population and local economy (number of people in employment) might change under different assumptions. The projections can broadly be split into two categories a) demographic and b) economic-led. The five projections run are listed below with a brief description of each following:
- PROJ 1 (10-year migration trends)
 - PROJ 2 (5-year migration trends)
 - PROJ 3 (Zero net migration)
 - PROJ 4 (EEFM reduced commuting)
 - PROJ 5 (EEFM constant commuting)

Demographic projections (PROJ 1 to 3)

- 6.13 Our first three projections look at recorded trends in migration over the past ten years. The table below shows net migration into the Borough from 2001/2 to 2010/11. The figures have been taken from ONS mid-year population estimates with data for the 2005/6 to 2009/10 period being adjusted to take account of improvements made by ONS in recording migration data.
- 6.14 The data shows that the figures can be quite variable over time with some of the lower figures being at the beginning of the period studied with higher figures seen for the three years from 2004-2007 (which may be linked to a strong housing market at this time). Over the last four years net migration has been negligible (slight net out-migration overall) although the figures are fairly consistent.
- 6.15 Given the variability in data year-on-year we have simply taken an overall average and projected this forward – over the last ten years the average annual level of net migration has been and out-migration of 26 people with data for the past five years showing an average in-migration of 69 people. This latter figure is however largely driven by a high migration level in 2006/7 and if we were to take the past four years the average level of migration would be an out-migration of 16 people per annum.

6.16 Given the differences depending on what period is used and recognising that overall the figures are tending towards a roughly balanced migration (i.e. in-migration being roughly the same as out-migration) we have also developed a projection based on zero net-migration moving forward. Such a projection is broadly reasonable given that migration data consistently shows a pattern of people moving into Broxbourne from London in the south (Enfield in particular) along with other moving out of the Borough to the north (East Herts in particular).

Figure 6.2 Past trends in net in-migration	
Year	Net migration
2001/2	-100
2002/3	-500
2003/4	-600
2004/5	400
2005/6	197
2006/7	407
2007/8	-23
2008/9	-9
2009/10	-32
2010/11	0
Average (last ten years)	-26
Average (last five years)	+69

Source: ONS

6.17 The table below shows patterns of migration to and from Broxbourne and other parts of England and Wales. The data is only for one year (2010/11) and we have only included areas with a volume in one direction or the other of 100 or more people. The data clearly shows net migration from London boroughs (Enfield in particular) and out-migration to other locations in Hertfordshire and Essex (most notably East Hertfordshire). The data clearly supports population moves in a south to north direction via Broxbourne. The total level of net migration shown in the table does not match that in the above table due to the rounding of data and the fact that the information only includes population movements within England and Wales (i.e. excludes international migrants).

Figure 6.3 Locations of in- and out-migrants to/from Broxbourne (2010/11)			
Area	Moving from Broxbourne to...	Moving to Broxbourne from...	Net migration to Broxbourne
Epping Forest	260	250	-10
Harlow	180	100	-80
East Hertfordshire	760	340	-420
North Hertfordshire	100	30	-70
Welwyn Hatfield	180	110	-70
Haringey	40	240	200
Barnet	40	160	120
Enfield	370	990	620
Waltham Forest	60	140	80
All other areas	2,210	1,640	-570
Total	4,200	4,000	-200

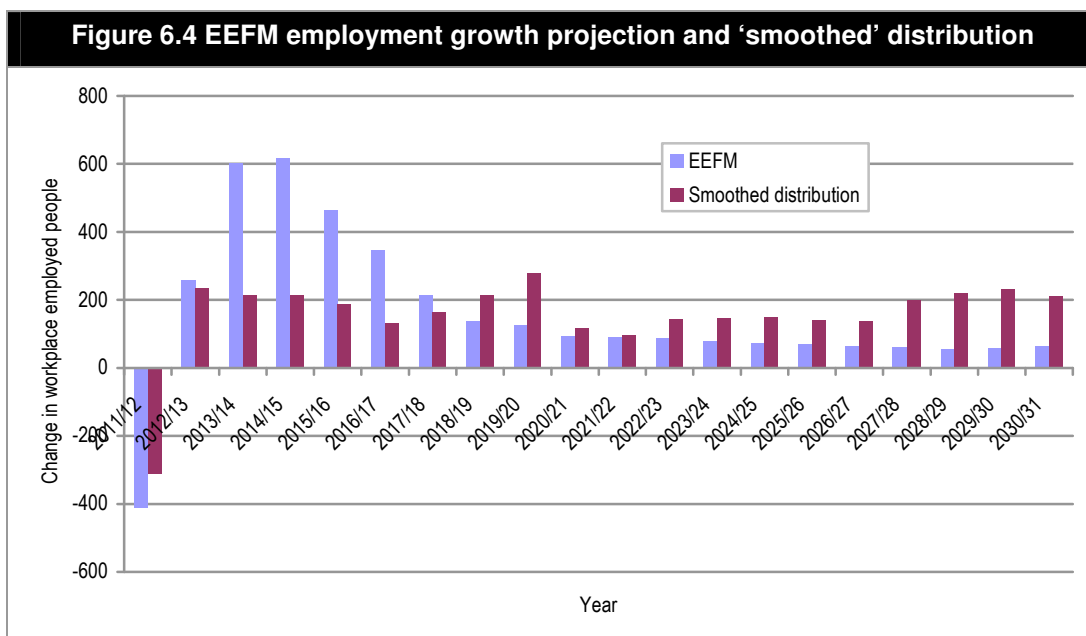
Source: ONS

Economic projections (PROJ 4 & 5)

- 6.18 In addition to developing the three scenarios above linked to past demographic trends we have developed two projections to consider the implications on population change and housing requirements of different levels of employment growth in the Borough. To model potential levels of economic growth we have drawn on data contained within the East of England Forecasting Model (EEFM) which was developed by Oxford Economics. The latest forecasts are dated April 2012 and provide figures up to 2031.
- 6.19 The latest forecasts contain three scenarios for employment growth moving forward. These can be summarised as:
- a) baseline
 - b) high migration
 - c) lost decade
- 6.20 For the purposes of our modelling we have only looked at the baseline information. The high migration option is not seen as appropriate to model as this is essentially a demographic projection with economic figures being derived as a result – our first three projections deal with demographic trends. The lost decade scenario models for five more years of sluggish economic growth; whilst there might be some merit in modelling this data it would be unlikely to make any great difference to the demographic outputs given that essentially it is modelling for there to be little improvement in employment rates rather than their being any great impact on population numbers – closer inspection of the EEFM confirms this by showing very similar linked expectations of population growth under each of the baseline and lost decade scenarios.
- 6.21 The EEFM itself contains a number of pieces of information that can be modelled for the purposes of this assessment; the most useful is ‘total workplace employed people’ which is essentially an estimate of the number of people who are working in Broxbourne regardless of where they live. We consider this to be the best measure given that it is linked to people rather than jobs (and therefore gets around issues of people with multiple jobs) and also because it is not directly linked to the local population – studying local residents in employment would inherently be linked to assumptions about population growth. The EEFM measure used is therefore an estimate of the number of additional jobs available in Broxbourne moving forward.
- 6.22 That said, our projections do provide outputs for the number of local people who are working (regardless of where they work) and so there needs to be some conversion of the EEFM ‘job’ figures to likely residents in employment. We have therefore run two projections on the basis of the EEFM – the first considers a 1:1 ratio between new jobs and residents in employment (i.e. a proportionate reduction in net out-commuting) whilst the second projection recognises that Broxbourne has net out-commuting and that the delivery of new jobs could see a higher increase in local people who are working if typical commuting patterns remain the same. We return to these projections shortly but first consider the EEFM figures for the expected change in the number of people working in the Borough.

6.23 The figure below shows the EEFM estimates on a year-by-year basis from 2011/12 to 2030/31 in expected change in people working in the Borough. The data shows a decline in this number in 2011/12 followed by a sharp increase in employment for the following 5/6 years with very moderate increases thereafter. Given the current economic climate this pattern does not seem reasonable and whilst we are happy that the EEFM over the full 20-year period provides a reasonable estimate of job change we would expect this to be more even over time.

6.24 We have therefore taken the total projected level of employment increase from 2011 to 2031 (of 3,100) and spread this more evenly over the period. In modelling terms this has been achieved by setting a constant level of migration over the projection such that the number of people in employment by 2031 has increased by 3,100 from the 2011 level. We do however also accept that from 2011-12 there is likely to have been a decrease in employment and have separately modelled the first year of the projection (which has also been linked to the number of housing completions in the 12-month period). The figure below therefore also shows our year-on-year estimates of employment growth once smoothed.



Source: East of England Forecasting Model

6.25 The figures as shown in the figure above are linked to an employment increase of 3,100 over 20-years. However, as noted we can also take account of commuting patterns. Using data from the 2001 Census (which Annual Population Survey data suggests has not changed significantly over time) we estimate that there are around 1.23 people who live in the Borough and are working for every 1 person who works in the Borough. Therefore if commuting patterns remain the same then an increase in people employed locally of 3,100 would actually see an increase of about 3,800 in the number of people who are resident in the Borough and working. We have therefore also modelled a scenario linked to the EEFM where residence based employment increases by 3,800 over the 20-year period.

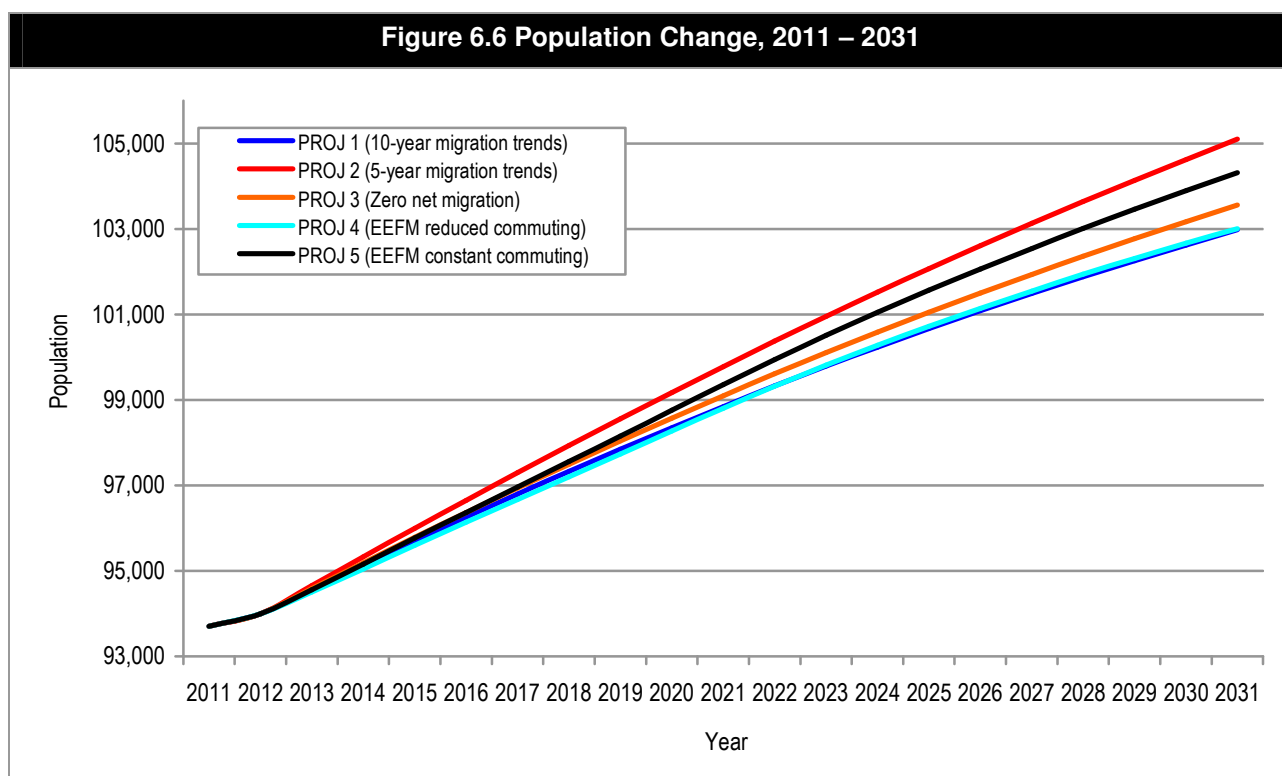
- 6.26 To summarise, we have run two economically-driven projections based on data from the EEFM. The first (PROJ 4) looks at population change and housing requirements linked to an increase in local people who are working of 3,100 over the 20 years with the second projection (PROJ 5) looking at the implications of this figure being 3,800 – essentially assuming a continuation of the pattern of net out-commuting for work of local residents.

Projection Outputs

6.27 The table below shows the expected growth in population under each of the five scenarios. The data shows that outputs are fairly consistent for all projections run with the increase in population over the 20-year period varying from about 10%-12%. In numerical terms the range goes from 9,300 more people for PROJ 1 (10-year migration trends) up to 11,400 based on 5-year migration trends (PROJ 2).

6.28 The figure below the table shows this data in graphical form for each year of each projection – all projections are the same for 2011-12.

Figure 6.5 Population Estimates 2011 to 2031					
	2011	2016	2021	2026	2031
PROJ 1 (10-year migration trends)	93,702	96,256	98,843	101,086	102,979
	0.0%	2.7%	5.5%	7.9%	9.9%
PROJ 2 (5-year migration trends)	93,702	96,650	99,780	102,606	105,105
	0.0%	3.1%	6.5%	9.5%	12.2%
PROJ 3 (Zero net migration)	93,702	96,364	99,099	101,502	103,560
	0.0%	2.8%	5.8%	8.3%	10.5%
PROJ 4 (EEFM reduced commuting)	93,702	96,137	98,801	101,142	103,007
	0.0%	2.6%	5.4%	7.9%	9.9%
PROJ 5 (EEFM constant commuting)	93,702	96,365	99,356	102,059	104,312
	0.0%	2.8%	6.0%	8.9%	11.3%

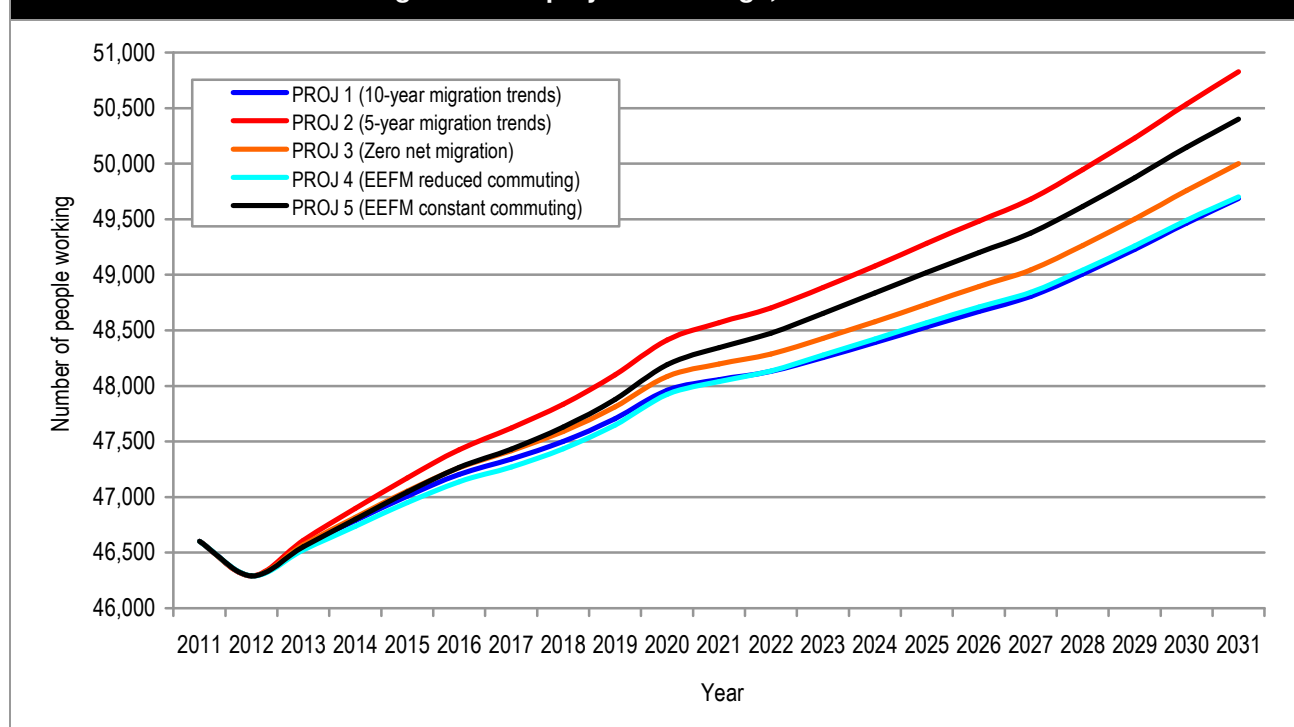


6.29 The table and figure below show the estimated number of people living in the Borough who are working under each of our five projections. All projections show a positive increase in the workforce with percentage increases ranging from about 7% to 9% - an increase in people working of between 3,100 and 4,200 over the full 20-years.

Figure 6.7 Employment Estimates 2011 to 2031

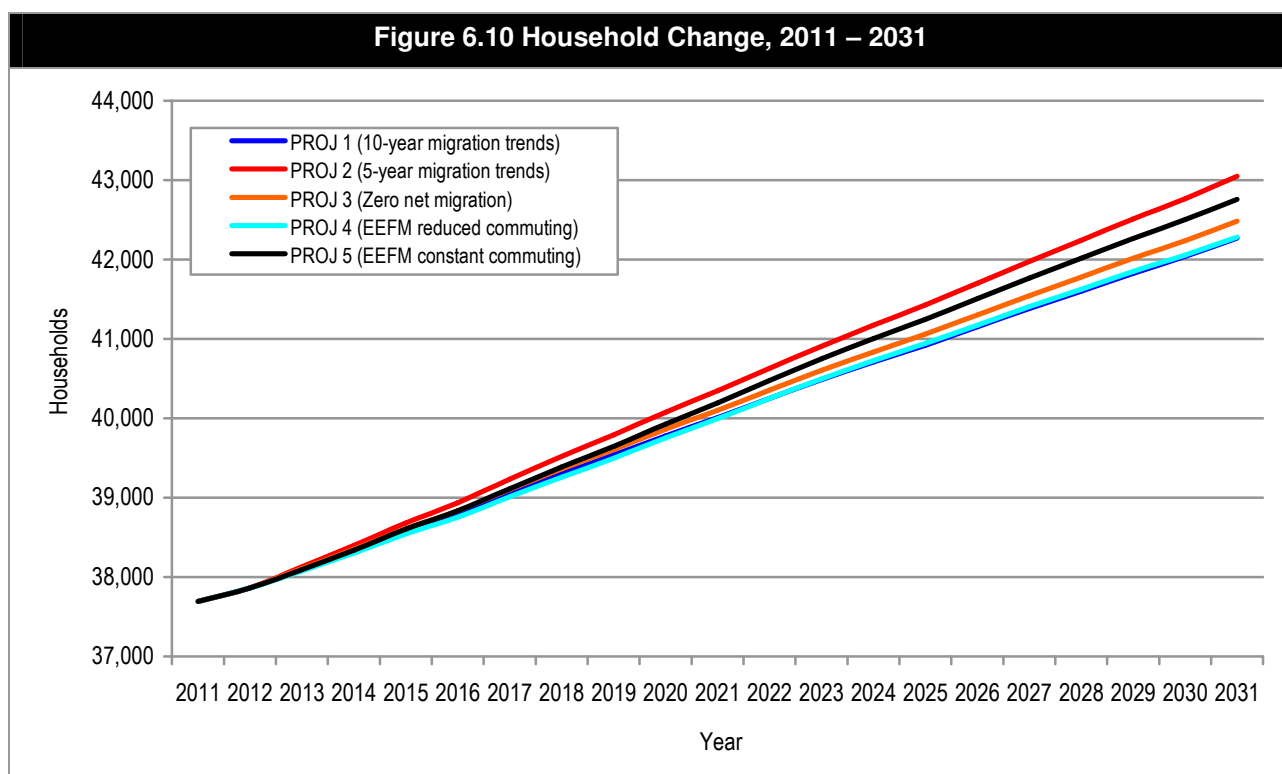
	2011	2016	2021	2026	2031
PROJ 1 (10-year migration trends)	46,601	47,204	48,058	48,671	49,688
	0.0%	1.3%	3.1%	4.4%	6.6%
PROJ 2 (5-year migration trends)	46,601	47,427	48,569	49,483	50,828
	0.0%	1.8%	4.2%	6.2%	9.1%
PROJ 3 (Zero net migration)	46,601	47,265	48,198	48,893	50,000
	0.0%	1.4%	3.4%	4.9%	7.3%
PROJ 4 (EEFM reduced commuting)	46,601	47,138	48,041	48,709	49,701
	0.0%	1.2%	3.1%	4.5%	6.7%
PROJ 5 (EEFM constant commuting)	46,601	47,267	48,344	49,200	50,401
	0.0%	1.4%	3.7%	5.6%	8.2%

Figure 6.8 Employment Change, 2011 – 2031



6.30 The table and figure below show the projected growth in the number of households under each of the five scenarios. The proportionate increases in households are greater than for either population or employment which is in part due to projecting for smaller household sizes moving forward along with an ageing of the population. Generally the household changes show less variation between scenarios when compared with employment figures in particular. The data suggests a household increase of between 12% and 14% depending on the scenario run – a range of between about 4,600 and 5,400 additional households in 2031 compared with 2011.

Figure 6.9 Household Estimates 2011 to 2031					
	2011	2016	2021	2026	2031
PROJ 1 (10-year migration trends)	37,695	38,795	40,009	41,152	42,271
	0.0%	2.9%	6.1%	9.2%	12.1%
PROJ 2 (5-year migration trends)	37,695	38,935	40,347	41,703	43,046
	0.0%	3.3%	7.0%	10.6%	14.2%
PROJ 3 (Zero net migration)	37,695	38,834	40,102	41,303	42,483
	0.0%	3.0%	6.4%	9.6%	12.7%
PROJ 4 (EEFM reduced commuting)	37,695	38,753	39,994	41,175	42,283
	0.0%	2.8%	6.1%	9.2%	12.2%
PROJ 5 (EEFM constant commuting)	37,695	38,834	40,195	41,507	42,759
	0.0%	3.0%	6.6%	10.1%	13.4%



- 6.31 The analysis above concentrated on the number of additional households. In reality there are always likely to be some vacant homes in the area and so the number of properties required to house all of these households will be slightly greater than the projected household numbers. We have therefore added a vacancy allowance of 2.5% to all of the above figures to make estimated housing requirements with figures shown in the table below.

Figure 6.11 Estimated housing numbers with 2.5% vacancy allowance (to 2031)

Projection variant	Annual household growth	Annual requirement with vacancy allowance	Requirement over 20-years
PROJ 1 (10-year migration trends)	229	235	4,690
PROJ 2 (5-year migration trends)	268	274	5,485
PROJ 3 (Zero net migration)	239	245	4,908
PROJ 4 (EEFM reduced commuting)	229	235	4,703
PROJ 5 (EEFM constant commuting)	253	260	5,190

Conclusions on Housing Numbers

- 6.32 To assist in determining what might be a reasonable local housebuilding target, we have developed five bespoke projections. The projections link population growth to the size of the labour force (using age/sex specific economic activity rates) and through into household estimates using the concept of headship rates. Base data for our projections has been taken from published material from both ONS and CLG (including the first release of 2011 Census data). In converting household numbers into housing figures we have additionally applied a 2.5% vacancy rate.
- 6.33 We have run our projections for a 20-year period from 2011 to 2031 with outputs provided for each year within this. The tables below show a summary of the outputs from each of our projections – the first table shows annual figures with the second one showing data for the full 20-year period.

Figure 6.12 Summary of projections 2011 to 2031 – annual – Broxbourne

Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (10-year migration trends)	464	0.5%	235	0.6%	154	0.3%
PROJ 2 (5-year migration trends)	570	0.6%	274	0.7%	211	0.5%
PROJ 3 (Zero net migration)	493	0.5%	245	0.6%	170	0.4%
PROJ 4 (EEFM reduced commuting)	465	0.5%	235	0.6%	155	0.3%
PROJ 5 (EEFM constant commuting)	530	0.6%	260	0.7%	190	0.4%

Figure 6.13 Summary of projections 2011 to 2031 – total – Broxbourne

Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (10-year migration trends)	9,277	9.9%	4,690	12.1%	3,087	6.6%
PROJ 2 (5-year migration trends)	11,403	12.2%	5,485	14.2%	4,227	9.1%
PROJ 3 (Zero net migration)	9,858	10.5%	4,908	12.7%	3,399	7.3%
PROJ 4 (EEFM reduced commuting)	9,305	9.9%	4,703	12.2%	3,100	6.7%
PROJ 5 (EEFM constant commuting)	10,610	11.3%	5,190	13.4%	3,800	8.2%

6.34 Whilst we have run a series of projections, all of which give slightly different outputs as to the amount of housing that should be provided in the Borough we believe that the figures can be used to derive a sensible target moving forward. Looking at the projections run we note:

- The three demographic projections suggest a range of between about 235 and 275 homes per annum being required. Whilst this is a narrow range it is difficult to say at what end of this scale a reasonable target would be set. The lower figure (based on 10-year migration trends) is particularly influenced by some high levels of net out-migration at the start of the period studied whilst the higher figure (based on 5-year migration trends) is heavily influenced by migration data for 2006/7. On this basis we suggest that the mid-point of these two projections is probably most appropriate – this is around 250 homes per annum (5,000 over the 20-year projection period)
- The two economic projections also show a fairly narrow range of between about 235 and 260 homes per annum. The lower of these figures assumes that levels of out-commuting are gradually reduced over the projection period and whilst this would be a reasonable aim of the Council the reality is that Broxbourne is likely to remain an area from which people typically out-commute for work. On that basis we would again suggest that a mid-point between these two projections is realistic – thus allowing for a small reduction in the proportion of people out-commuting (actual numbers would be expected to rise). This again suggests a housing target in the region of 250 homes per annum.

6.35 On the basis of these comments we would therefore suggest that a housing requirement of 5,000 homes over the 2011-2031 period would be appropriate. This figure is consistent with past demographic trends as well as expected economic performance in the future and can therefore be seen to be objectively based in line with the requirements of the NPPF.

6.36 It is also important to consider the extent to which there is a ‘backlog’ which should be included moving forward. To study this we can compare past housing delivery against the targets contained in the East of England Plan – this suggested a requirement to provide 240 homes per annum from 2006 onwards. In fact from 2006 to 2011 data presented earlier in this report shows that delivery has been in excess of this figure (averaging over 260 per annum) and so there is no backlog of undelivered housing to be added to these projection figures. The backlog can also be analysed in relation to the affordable housing shortfall – this is discussed in the next section.

6.37 Whilst the objective evidence supports a target of around 250 homes per annum we would urge that the Council should consider identifying the housing requirement as a minimum net figure which can be exceeded where additional, deliverable housing sites become available over the plan period.

Impact on local demography

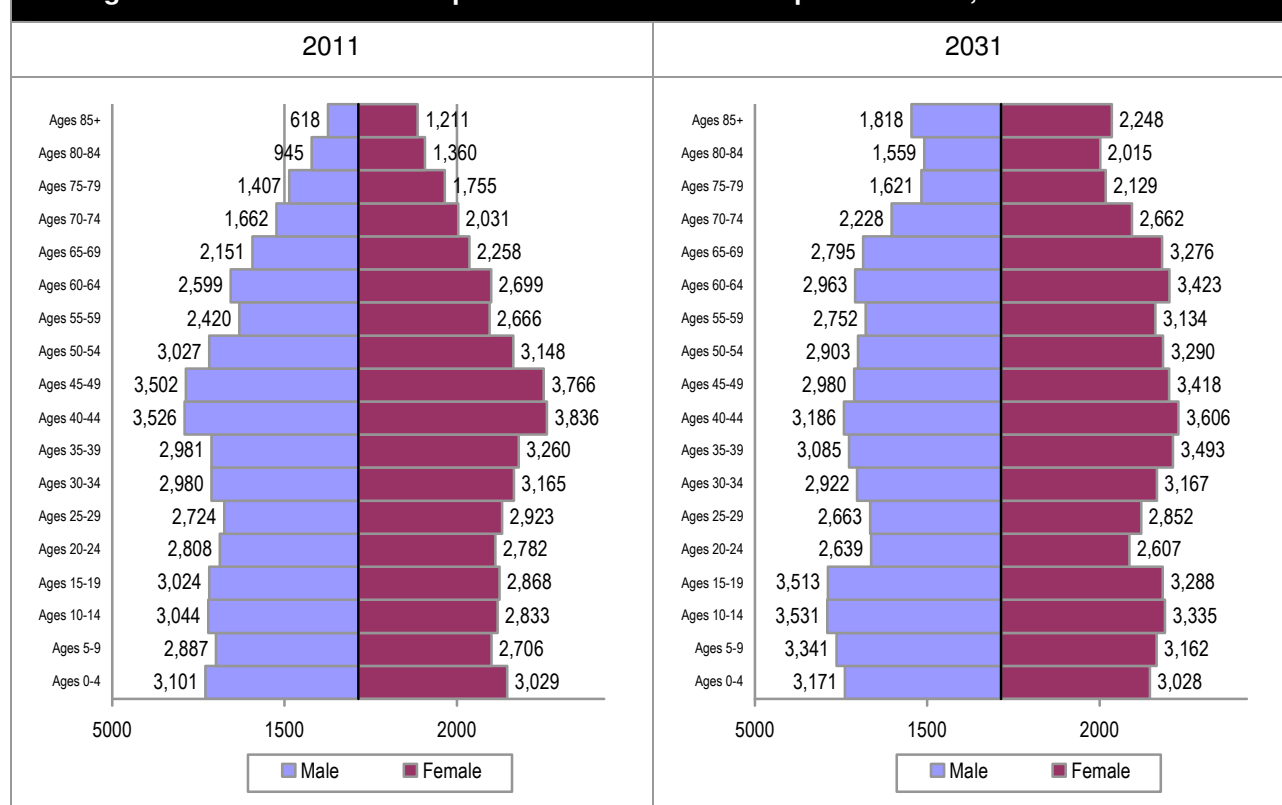
- 6.38 We concluded above that a housing target in the region of 250 homes per annum would be appropriate for Broxbourne. It is important to understand the likely impact on the local population of providing this level of housing. We have therefore developed a further projection linked to housing provision of 5,000 units over the 20-year period from 2011 to 2031. The table below summarises expected population, household and employment growth arising from this projection.
- 6.39 Under such a scenario we would expect the population to grow by about 10,100 (10.8%) whilst the number of people in employment would increase by 3,500 (7.6%). The total number of additional households is slightly lower than the housing delivery figure due to removal of the vacancy allowance when calculating this output.

Figure 6.14 Summary of projection linked to 5,000 additional units (2011 to 2031)

Time period	Population growth		Household growth		Employment growth	
	Total	% change	Total	% change	Total	% change
Per annum	505	0.5%	244	0.6%	176	0.4%
20-year total	10,101	10.8%	4,878	12.9%	3,527	7.6%

- 6.40 The figure below shows population pyramids for 2011 and 2031 with provision of 5,000 homes. The 'pyramids' show the growth in population overall and highlight the ageing of the population with a greater proportion of the population expected to be in age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase from 1,829 people to 4,066.

Figure 6.15 Distribution of Population 2011 and 2031 for provision of 5,000 additional units



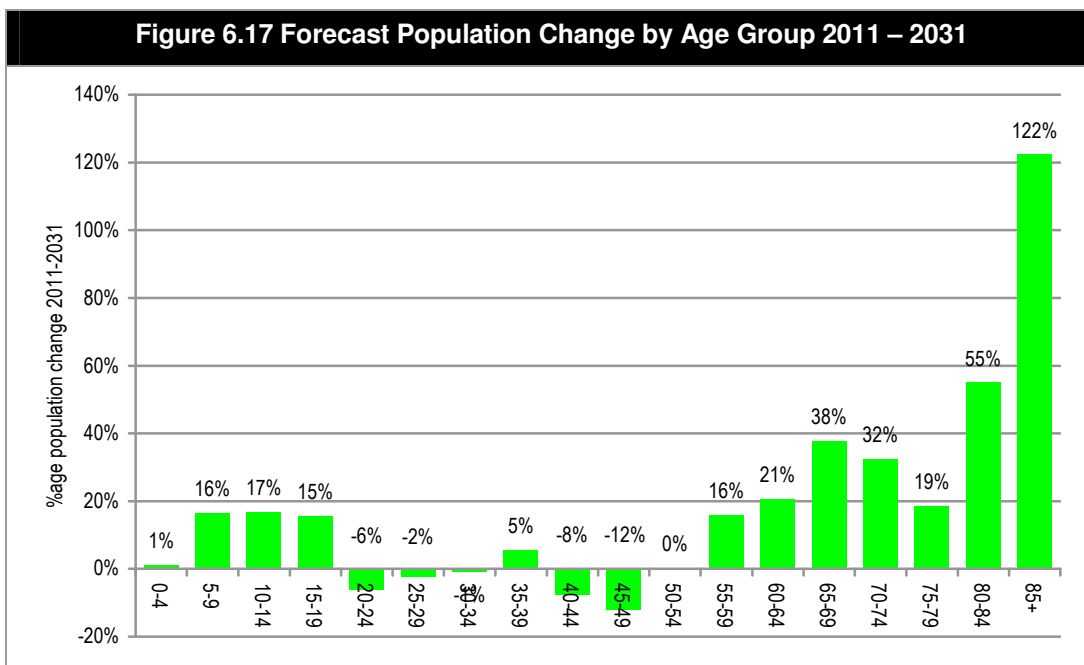
6.41 The figure below summarises the findings for key (15 year) age groups. The largest growth will be in people aged over 60. In 2031 it is estimated that there will be 28,737 people aged 60 and over. This is an increase of 8,041 from 2011, representing growth of 39%. The population aged 75 and over is projected to increase by an even greater proportion, 56%.

6.42 Looking at the other end of the age spectrum we can see that there are projected to be around 11% more people aged under 15 with a small increase also shown for the 15-29 age group. Both the 30-44 and 45-59 age groups are expected to see small population declines.

Figure 6.16 Population change 2011 to 2031 by five year age bands

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	17,600	19,568	1,968	11.2%
15-29	17,129	17,562	433	2.5%
30-44	19,748	19,458	-290	-1.5%
45-59	18,529	18,478	-51	-0.3%
60-74	13,400	17,347	3,947	29.5%
75+	7,296	11,390	4,094	56.1%
Total	93,702	103,803	10,101	10.8%

6.43 The figure below shows the percentage changes for each five year age group. The most stark trend is the increase in the population aged 85 and over (up 122%) which may have implications for future housing delivery as many of this group may require some form of specialist housing. In contrast we see only moderate increases (and some decreases) in most age groups up to age 65.



Sub-Area Projections

- 6.44 Whilst the main focus of the analysis has been on likely housing requirements across the Borough it is also of interest to study how these changes might pan-out for each of the seven sub-areas. We have therefore looked at likely demographic change in each area on the basis of our projection linked to delivery of 5,000 homes. This has been run to look at household growth if this was purely driven by demographic trends (but constrained to delivery of 5,000 homes from 2011 to 2031) and also if the spatial distribution of growth is broadly in line with the locations of growth over the past eleven years (which particularly focussed on Hoddesdon, Wormley/Turnford and Waltham Cross).
- 6.45 These figures should not be used to directly determine where housing should be delivered as this will depend on a range of factors such as land availability, infrastructure, sustainability and specific policies for provision. Broxbourne is a relatively compact borough and it would be reasonable to consider that housing provision in one part of the area would meet a need arising somewhere else.
- 6.46 The methodology used to assign the population, employment and household/housing growth figures to smaller areas is based on overall change Borough-wide (by age and sex) applied to the demographic profile of the local population. In doing this we are able to take account of past trends in fertility, mortality and migration to the extent that these will have shaped the current population profile (with such trends likely to shape the future population). In looking at employment and headship rates we have used local data (based on wards and groups of wards) from the 2001 Census which has been updated to match Borough-wide assumptions for 2011 (and the assumptions projected forward).
- 6.47 The tables below show projected housing growth over the full 20-year projection period in each area. The first figure shows figures without being constrained by the spatial distribution of past delivery with the second table showing the population and employment implications of housing delivery in-line with trends over the past eleven years (constrained to a total delivery of 5,000 units).
- 6.48 The first table shows that we would expect notable household growth (and housing delivery) in all areas with increases from 2011 ranging from 10.1% in Wormley/Turnford to 15.5% in Broxbourne. These differences are driven by the different background demographic situation in each area with Broxbourne for example having a particularly old population. Borough-wide it is the population of those aged over 60 (and particularly aged 75 and over) that is expected to see the greatest increases. In terms of population growth we again expect to see notable increases in all areas - population increases vary from 8.5% in Wormley/Turnford to 13.7% in Broxbourne. Under this projection all areas are expected to see an increase in the number of people working of between about 6% and 10%.

Figure 6.18 Summary of projections 2011 to 2031 – Total – demographic change

Area	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
Hoddesdon	2,367	10.9%	1,178	13.1%	822	7.6%
Broxbourne	856	13.7%	380	15.5%	330	10.4%
Wormley/Turnford	832	8.5%	420	10.1%	370	7.3%
Cheshunt	1,688	11.2%	859	13.5%	527	7.1%
Waltham Cross	1,533	10.4%	820	12.9%	445	6.3%
West of Cheshunt	2,011	11.2%	1,011	14.0%	721	8.1%
Goffs Oak	814	9.9%	332	10.8%	310	7.5%
Broxbourne Borough	10,101	10.8%	5,000	12.9%	3,527	7.6%

6.49 The figure below shows the same figures for the projection with figures fixed to housing provision figures by area based on past trends. In this case the data is quite different in particular locations. With a significant amount of housing having been delivered in Wormley/Turnford it is notable that this area is expected to see significant population and employment growth. Relatively large increases are also expected in Hoddesdon and to a lesser extent Waltham Cross. All of Broxbourne, Cheshunt and West of Cheshunt are expected to see a small drop in people in employment under this scenario with the West of Cheshunt area also projected to see a small population decline.

Figure 6.19 Summary of Projections 2011 to 2031 – Total – linked to past delivery spatial distribution

Area	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
Hoddesdon	3,535	16.3%	1,617	17.9%	1,458	13.4%
Broxbourne	140	2.2%	131	5.3%	-60	-1.9%
Wormley/Turnford	3,269	33.5%	1,380	33.3%	1,696	33.6%
Cheshunt	543	3.6%	422	6.6%	-89	-1.2%
Waltham Cross	1,831	12.4%	938	14.8%	602	8.5%
West of Cheshunt	-67	-0.4%	260	3.6%	-386	-4.3%
Goffs Oak	583	7.1%	253	8.2%	186	4.5%
Broxbourne Borough	9,834	10.5%	5,000	10.3%	3,406	7.3%

6.50 The sub-area projections are interesting in that they show the potential impact on the population at a local level with different levels of housing delivery. For the whole borough the data does however show that changing the spatial distribution of housing does not have a great impact on overall population change or employment patterns. However, differences between sub-areas can be considered when considering locations for future housing development including understanding the link between housing and employment and also the potential population requirements to maintain viable local communities.

Projections to 2029

6.51 All of the projections above look at a 20-year period from 2011 to 2031. It is likely that the Council's New Local Plan will cover a slightly shorter period to 2029 (18-years). We have therefore presented the same projections for this shorter period and summarised the results below. The figures largely confirm the outputs from earlier projections.

Figure 6.20 Summary of projections 2011 to 2029 – annual – Broxbourne

Projection	Population growth		Housing numbers		Employment growth	
	Per	%	Per	%	Per	%
	annum	change	annum	change	annum	change
PROJ 1 (10-year migration trends)	475	0.5%	235	0.6%	146	0.3%
PROJ 2 (5-year migration trends)	580	0.6%	274	0.7%	202	0.4%
PROJ 3 (Zero net migration)	504	0.5%	246	0.6%	161	0.3%
PROJ 4 (EEFM reduced commuting)	478	0.5%	237	0.6%	148	0.3%
PROJ 5 (EEFM constant commuting)	542	0.6%	260	0.7%	182	0.4%
Linked to 250 homes per annum	514	0.5%	250	0.6%	167	0.4%

Figure 6.21 Summary of projections 2011 to 2029 – total – Broxbourne

Projection	Population growth		Housing numbers		Employment growth	
	Total	%	Total	%	Total	%
		change		change		change
PROJ 1 (10-year migration trends)	8,554	9.1%	4,235	11.0%	2,627	5.6%
PROJ 2 (5-year migration trends)	10,436	11.1%	4,936	12.8%	3,631	7.8%
PROJ 3 (Zero net migration)	9,069	9.7%	4,427	11.5%	2,902	6.2%
PROJ 4 (EEFM reduced commuting)	8,609	9.2%	4,258	11.0%	2,659	5.7%
PROJ 5 (EEFM constant commuting)	9,756	10.4%	4,686	12.1%	3,272	7.0%
Linked to 250 homes per annum	9,258	9.9%	4,500	11.6%	3,006	6.4%

Compliance with National Policy (duty to cooperate)

- 6.52 Cross-boundary dialogue and joint-working is critical to demonstrating that each authority has engaged ‘constructively, actively and on an on-going basis’ in the development of Plans. This is required by Section 33A of the 2004 Planning and Compulsory Purchase Act, and the Councils’ at Local Plan/ Core Strategy examinations must be able to demonstrate that engagement has been effective to meet the requirements of paragraph 181 of the NPPF. The recent Inspector’s findings in regard to the Coventry Core Strategy also point to **the importance of consistency of assumptions and interpretation across the housing market area**, such as the use of consistent demographic projections.
- 6.53 **This does not mean that the Council cannot progress a SHMA itself**, but highlights the importance of engaging constructively with its neighbours, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act, and must be able to demonstrate that engagement has been effective to meet the requirements of paragraph 181 of the NPPF.
- 6.54 Paragraph 158 of the NPPF also emphasises the alignment of the housing and economic evidence base and policy, and this is an issue which has been emerging in a range of recent Core Strategy/Local Plan Inspector’s Reports and representations made to emerging Local Plans. Paragraph 17 in the NPPF reaffirms this, and outlines that plans should also take account of market signals, such as land prices and housing affordability.

- 6.55 In this SHMA report a range of demographic and economic-led projections have been developed which should broadly align with analysis in other (neighbouring) local authorities moving forward. Additionally, all neighbouring local authorities have been given the opportunity to comment on draft findings through a consultation period in February/March 2013. This consultation also included a number of local and national developers and Registered Providers.
- 6.56 Based on a number of recent inspectors' reports and appeal decisions we have developed a 'checklist' of actions which we consider are necessary for the Council to take forward in 'duty to cooperate' discussion with other local authorities.
- Preparation of an SHMA which addresses the requirements of NPPF para 159 and the SHMA Guidance;
 - Careful consideration of the interaction between housing market and economic dynamics, and work towards alignment of housing and economic strategies in the Plan;
 - Liaison with surrounding authorities with serious discussions about cross-boundary housing issues which are carefully recorded;
 - Demonstrate that the supply-demand balance has been considered not just within the authority, but within adjacent authorities and the housing market area;
 - Provide a clear audit trail of how and why policies for housing provision have been derived and that alternative options have been carefully considered and assessed (if appropriate through the Sustainability Appraisal).
- 6.57 Clearly this process will extend beyond the timescales of the SHMA but it is important that the SHMA provides information to inform these discussions.
- 6.58 This SHMA is compliant with the 2007 SHMA Guidance. The Taylor Review of Planning Guidance however recommends that this Guidance is reviewed as a priority (and that guidance is developed for the Duty to Cooperate). Although no new guidance has yet been published (due in July 2013) the approach and methodology applied in this report is designed to take account of national best practice and goes beyond the requirements of the 2007 CLG SHMA Guidance.

Policy Implications: Future Housing Requirements

The National Planning Policy Framework (March 2012) is clear that local housing requirements should *'be based on household and population projections, taking account of migration and demographic change'*. We have therefore sought to interrogate demographic trends to provide an indication of what a reasonable housing requirement might be for the Borough of Broxbourne.

Looking at past migration trends (over the last ten years) we found that overall levels of in- and out-migration are broadly in balance with population growth being driven by levels of natural change (more births than deaths). Moving forward it therefore seems reasonable for the Council to plan to make provision to meet local needs rather than providing housing for a net inflow of people to the Borough.

The Council should however also consider the balance between jobs (employment) and homes to ensure that where new jobs are created locally they can be filled by local people or people who are able to live locally rather than generating additional in-commuting to the Borough. That said, at the current time the Borough sees significant levels of out-commuting (often to higher paid jobs in London) and adjustments to levels of net commuting would be a positive change where possible – this may rely on the quality and value of new employment opportunities.

Taking account of past demographic trends and projections for future job creation (as measured through the EEFM) our analysis suggests an annual housing requirement for between about 235 and 275 additional homes. The range is due to looking at different past trend periods as well as different assumptions about commuting patterns as new employment opportunities are created.

Bringing together the range of projections developed we recommend that a housing completion level of about 250 dwellings per annum would be appropriate – this represents 5,000 additional homes over the 20-year period from 2011 to 2031. This figure is consistent with past demographic trends as well as expected economic performance in the future and can therefore be seen to be objectively based in line with the requirements of the NPPF. The figure of 250 homes per annum is also consistent with average annual delivery of housing over the past six years.

Whilst the objective evidence supports a target of around 250 homes per annum we would urge that the Council considers identifying the housing requirement as a minimum net figure which can be exceeded where additional, deliverable housing sites become available over the plan period. In addition the Council should engage with other local planning authorities (notably Enfield and East Hertfordshire) in light of the 'duty to cooperate' to agree a common basis for establishing housing requirements.

The distribution of housing should be subject to an assessment of housing land availability as well as consideration of sustainability and infrastructure needs which in practice may push more housing development towards certain areas (e.g. those with better transport links). Any proposal for housing development should be supported through local consultation.

7. Affordable Housing Need

Introduction

- 7.1 In this section we discuss levels of housing need in each of seven sub-areas of Broxbourne. Housing need is defined in SHMA guidance as the quantity of housing required for households who are unable to access suitable housing without financial assistance. These households will be eligible for affordable housing. Affordable housing is defined in the National Planning Policy Framework as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market.
- 7.2 Government guidance on Strategic Housing Market Assessments sets out a model for assessing housing need (known as the Basic Needs Assessment Model). This model has been used herein.
- 7.3 It should be recognised that in establishing housing requirements, evidence of both housing need and demand should both be considered. This section, addressing housing need specifically, needs to be considered alongside the evidence of demand presented; and the demographic and economic-led projections of housing requirements. Land availability, infrastructure requirements, viability (as well as funding available for affordable housing), Sustainability Appraisal and the views of the local community and wider stakeholders also need to be considered in the development of planning policy. It is not a simple predict and provide issue.
- 7.4 The analysis is based on secondary data sources. It draws on a number of sources of information including the Housing Register, demographic projections, house prices/rents and income information.
- 7.5 The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing (and that within the development pipeline) which can be used to meet housing need. On this basis, estimates of housing need are provided in this section for the five year period between 2012 and 2017.

Key Definitions

- 7.6 We begin by setting out key definitions relating to housing need, affordability and affordable housing.

Housing Need

- 7.7 Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market. In this assessment we have based this measure on information from the Housing Register.

Newly-Arising Need

7.8 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future (measured annually). In this assessment we have used trend data from the Housing Register and CORE along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

7.9 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

7.10 Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including ASHE and the English Housing Survey (EHS), against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

- A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) we have only used a 3.5 time multiplier for analysis. This ensures that housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;
- B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income. We have also provided a sensitivity test to look at the level of need of increasing this threshold to 35%.

7.11 It should be recognised that a key challenge in assessing housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is required for the more attractive mortgage deals. However in many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact on the overall assessment of housing need is limited.

Affordable Housing

7.12 The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

“Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;*
- *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.”*

7.13 Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as:

“Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.”

7.14 Affordable rented housing is defined as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.”

7.15 The definition of intermediate housing is shown below:

“Intermediate affordable housing is ‘Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.”

7.16 As part of our analysis in this report we have therefore studied the extent to which both social rented, intermediate housing and affordable rented housing can meet housing need in Broxbourne Borough.

Affordability

- 7.17 To assess affordability we have looked at households ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes, within each sub- area, is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of their existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing. The table below shows the income estimated to be required to afford market housing, the number of households unable to afford and the proportion of total households. Income data and local prices/rents have been discussed earlier in this report.
- 7.18 The table below shows across the Borough that it is estimated that around 56% of households are unable to access market housing on the basis of income levels. The area with the highest proportion unable to afford is Waltham Cross (at 64.7%) with the lowest proportion unable to afford being estimated to be in the Broxbourne sub-area (46.1%).
- 7.19 It should be remembered that this analysis only considers income levels and not a full range of financial information (such as savings and equity). In Broxbourne where around three-quarters of households are already owner-occupiers it is clear that a large proportion will have sufficient funds to be able to access housing were there to be a need to move home. The lack of information about savings and equity does not fundamentally impact on the overall housing needs analysis which is predominantly focussed on non-owners.

Figure 7.1 Estimated Proportion of Household Unable to Afford Market Housing without Subsidy

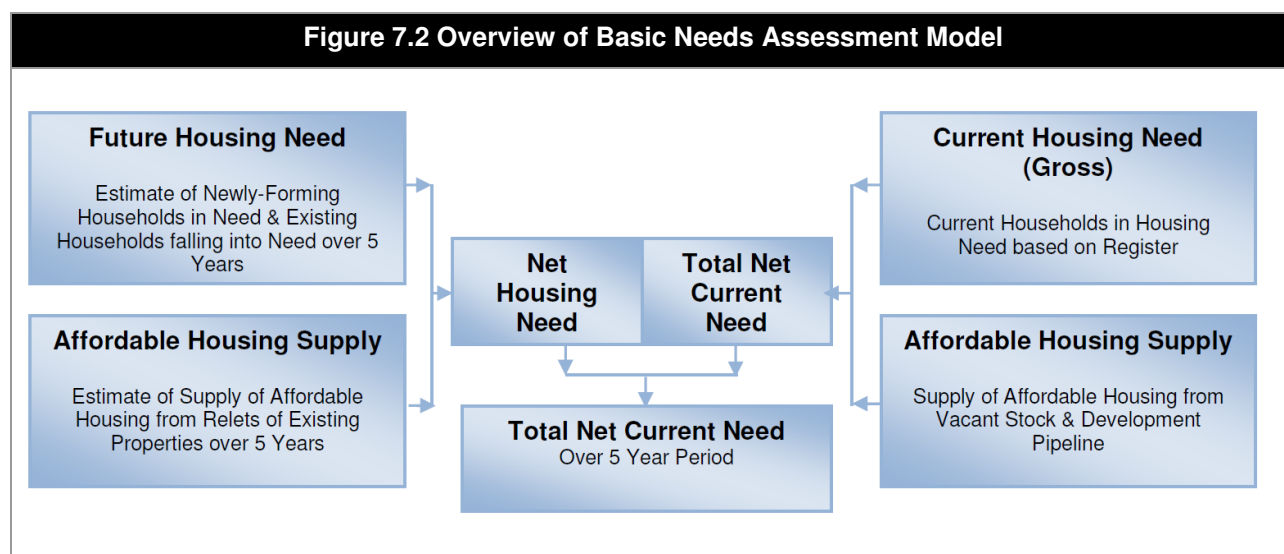
Area	Income required to access market	Number unable to afford	Estimated households (2012)	% of households unable to afford
Hoddesdon	£33,360	4,535	8,831	51.3%
Broxbourne	£39,600	1,113	2,417	46.1%
Wormley/Turnford	£32,400	2,253	4,063	55.4%
Cheshunt	£34,800	3,591	6,252	57.4%
Waltham Cross	£36,000	4,030	6,226	64.7%
West of Cheshunt	£35,280	4,022	7,101	56.6%
Goffs Oak	£40,800	1,546	3,011	51.3%
Broxbourne Borough	-	21,091	37,902	55.6%

Source: Online Estate and Letting Agents Survey (December 2012) and Income modelling

- 7.20 Drawing on data from the English Housing Survey we can estimate that newly-forming households have an income of around 78% of all household averages with social housing tenants having an average income of about 48% of the overall figure. We have used these proportions to model the profile of incomes of newly-forming households and those of the Housing Register in the housing needs analysis.

Housing Needs Assessment

- 7.21 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance. This model is summarised in the chart below.



- 7.22 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of the Housing Register. The housing needs modelling undertaken provides an assessment of housing need for a five year period (which is then annualised). Each of the stages of the housing needs model calculation are discussed in more detail below.
- 7.23 For all parts of the analysis we have provided estimates at a sub-area level. Within this it should be noted that the figures are largely based on areas of residence and do not necessarily reflect household preferences as recorded on the Housing Register. In addition, the finding of a housing need in a particular location does not mean that the need should be met in that area. Broxbourne is a relatively compact borough and it would be reasonable to expect that affordable housing delivery in one part of the borough could meet a need arising elsewhere.

Current Housing Need (Backlog)

- 7.24 The backlog of affordable housing need has been based on the number of households registered on the Housing Register and who are considered to be in housing need. The Council's Housing Register uses a points system with households accruing points depending on their circumstances. Points are given for a wide variety of reasons including overcrowding, medical issues, sharing facilities and homelessness (including prevention of homelessness).
- 7.25 For our analysis we have taken any household with more than 410 points as reflecting those in housing need. This threshold has been chosen following discussions with Council Officers and is particularly driven by the fact that the register gives 400 points automatically to someone who currently lives in the Borough. Anyone with more than 410 points will be resident in the borough and will have either been registered for more than a year or have some housing need. This threshold may still include some with no housing need but the numbers are likely to be low (there may be others with a need who are not picked up by this threshold).

- 7.26 At the time of the assessment there were a total of 3,516 households on the Council’s Housing Register. Of this total, 2,570 are defined as being in housing need. However of these households 642 currently occupy affordable housing (and are thus seeking transfer to an alternative home).
- 7.27 At the time of the assessment there were therefore 1,928 households registered for housing in the Borough (excluding transfer applicants) who are also in need. The figure below shows the current locations of these households. Around a sixth of households in need did not have any locational information attached mainly due to being classified as “out-of-area” or of no fixed abode – these households have been assigned to a sub-area on a pro-rata basis.
- 7.28 The data shows that the number of households registered and in need represents around 5% of the number of households in the Borough. This proportion varies from 2.2% in Broxbourne up to 8.0% in Waltham Cross.

Figure 7.3 Housing Register Applicants by sub-area			
Area	On Register and in need	Total number of households	% on register and in need
Hoddesdon	385	8,823	4.4%
Broxbourne	53	2,415	2.2%
Wormley/Turnford	224	4,060	5.5%
Cheshunt	333	6,246	5.3%
Waltham Cross	498	6,220	8.0%
West of Cheshunt	355	7,094	5.0%
Goffs Oak	80	3,008	2.7%
Broxbourne Borough	1,928	37,865	5.1%

Source: Housing Register

- 7.29 Our estimated level of backlog need is therefore 1,928. We can however additionally consider the fact that a number of these households might be able to afford market housing without the need for subsidy. For an affordability test we have used the income data and adjusted the distribution to reflect the fact that typically (nationally) households living in the social rented sector have an average income which is around 48% of the figure for all households in an area. Overall, around 13% of households with a current need are estimated to be likely to have sufficient income to afford market housing and so our estimate of the total backlog need is reduced to 1,672 households.

Figure 7.4 Estimated Backlog Need by Sub-Area			
Area	Gross Need (Housing Register)	% Unable to Afford	Revised Gross Need (including Affordability)
Hoddesdon	385	83.8%	323
Broxbourne	53	80.5%	43
Wormley/Turnford	224	86.0%	193
Cheshunt	333	87.0%	290
Waltham Cross	498	90.3%	450
West of Cheshunt	355	86.6%	307
Goffs Oak	80	83.8%	67
Broxbourne Borough	1,928	86.7%	1,672

Source: Housing Register/Income analysis

Newly-Arising Need

7.30 To estimate newly-arising (projected future) need we have looked at two key groups of households based on the CLGs SHMA Guidance. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

7.31 For newly-forming households we have estimated (through our demographic modelling) the number of new households likely to form over the five year period and then applied an affordability test. This has been undertaken by considering the changes in households in specific 5-year age bands in 2017 relative to numbers in the age band below 5 years previously to provide an estimate of *gross* household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households are limited to households forming who are aged under 45. This methodology is recognised in guidance as a robust method for assessing the number of newly forming households.

7.32 The estimates of gross new household formation have been based on outputs from our projection linked to provision of 250 homes per annum moving forward (5,000 homes in the period from 2011 to 2031). In looking at the likely affordability of newly-forming households we have drawn on data from the Survey of English Housing (now English Housing Survey) over a number of years. This establishes that the average income of newly-forming households is around 78% of the figure for all households. This figure is remarkably consistent over time.

7.33 We have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 78% of the all household average. In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB).

7.34 Our assessment suggests that overall around 67.4% of newly-forming households will be unable to afford market housing. There is some variation by sub-area with 58% of new households in the Broxbourne sub-area estimated to be unable to afford compared with 77% in Waltham Cross.

Figure 7.5 Estimated Level of Housing Need from Newly Forming Households (Five Year Period)			
Area	Number of new households	% unable to afford	Total in need
Hoddesdon	843	63.2%	533
Broxbourne	224	58.4%	131
Wormley/Turnford	419	67.0%	281
Cheshunt	585	69.1%	404
Waltham Cross	598	76.6%	458
West of Cheshunt	691	68.2%	471
Goffs Oak	340	63.2%	215
Broxbourne Borough	3,698	67.4%	2,493

Source: Projection Modelling/Income analysis

Existing Households falling into Housing Need

7.35 The second element of newly arising need is existing households falling into need. To assess this we have again used the Housing Register data and also information from CORE. We have looked at households who have been housed over the past five years - this group will represent the flow of households onto the Housing Register over a five year period. From this we have discounted any newly forming households (e.g. those currently living with family) as well as households who have transferred from another social rented property. An affordability test has also been applied, although as was seen for the backlog need, relatively few households have sufficient income to afford market housing.

7.36 This method for assessing existing households falling into need is consistent with the SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)'*.

7.37 The figure below therefore shows our estimate of likely new need from existing households over the next five years by sub-area. The projections are based on a period which includes the housing market downturn; and as a result we would expect the figures to be influenced by changes to lending practices and growth in housing costs in the private rented sector. The data shows an additional need arising from 868 households, with a quarter of these being in Waltham Cross.

Figure 7.6 Estimated level of Housing Need from Existing Households (2012-17)		
Area	Number of Existing Households falling into Need	% of Need
Hoddesdon	190	21.9%
Broxbourne	11	1.3%
Wormley/Turnford	149	17.2%
Cheshunt	146	16.8%
Waltham Cross	211	24.3%
West of Cheshunt	149	17.2%
Goffs Oak	11	1.3%
Broxbourne Borough	868	100.0%

Source: CORE/Housing Register and affordability analysis

- 7.38 Estimates of total future housing need which is likely to arise over the next five years (2012-17) are shown below, by combining the estimates of need arising from newly-forming households and from existing households falling into need. Total newly-arising need is estimated at 3,361 households over the 2012-17 period.

Figure 7.7 Estimated Future Housing Need (2012-17)			
Area	Newly-forming Households in Need	Existing Households falling into Need	Total Newly-Arising Need 2012-17
Hoddesdon	533	190	723
Broxbourne	131	11	142
Wormley/Turnford	281	149	430
Cheshunt	404	146	550
Waltham Cross	458	211	669
West of Cheshunt	471	149	621
Goffs Oak	215	11	226
Broxbourne Borough	2,493	868	3,361

Supply of Affordable Housing

- 7.39 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social relets and the annual supply of relets/sales within the intermediate sector.

Social rented housing

- 7.40 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. We have used information from the Continuous Recording system (CORE) to establish past patterns of social housing availability. Our figures include general needs and supported lettings but exclude lettings to new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

7.41 On the basis of past trend data it has been estimated that 238 units of social rented housing are likely to become available each year moving forward (1,192 over the five-year projection period). The table below breaks this information down by of supply and it is notable that a high proportion (45%) is in supported rather than general needs housing.

Figure 7.8 Analysis of past social rented housing supply (past 5 years)		
General needs	Total lettings	1,384
	% as non-newbuild	82.7%
	Lettings in existing stock	1,145
	% non-transfers	57.2%
	Total lettings to new tenants	655
Supported	Total lettings	772
	% as non-newbuild	98.1%
	Lettings in existing stock	757
	% non-transfers	70.9%
	Total lettings to new tenants	537
Total lettings to new tenants		1,192

Source: CORE

7.42 The supply figure is for social rented housing only and whilst the stock of intermediate housing in Broxbourne is not significant compared to the social rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership). For the purposes of this assessment we have estimated the likely size and turnover in the intermediate stock on the basis of 2011 Census data. From this it is estimated that around 19 additional properties might become available per annum (94 over the five year projection period).

7.43 The total supply of affordable housing is therefore estimated to be 257 per annum (or 1,286 over the next five years). The table below shows the locations where supply is expected to arise – this has been based on analysis of both the current stock of different types of affordable housing in each area and data on recent turnover provided by the Council. The figure for intermediate housing in Goffs Oak reflects the relatively high amount of shared ownership stock in this area.

Figure 7.9 Supply of affordable housing by sub-area			
Area	Social rented relets	Intermediate housing 'relets'	Total supply (2012-2017)
Hoddesdon	245	12	257
Broxbourne	13	1	14
Wormley/Turnford	184	5	190
Cheshunt	211	8	219
Waltham Cross	275	21	296
West of Cheshunt	243	26	269
Goffs Oak	20	20	41
Broxbourne Borough	1,192	94	1,286

Net Housing Need

Excluding Development Pipeline

7.44 The table below shows our initial overall calculation of housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The data shows an overall need for affordable housing of 4,094 units over the next five years. The net need is calculated as follows:

$$\text{Net Need} = \text{Backlog Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

7.45 This calculation assumes that the backlog of housing need is met over the next five years (in line with many other housing needs studies). There is a question about how realistic this is (which we will come onto).

Figure 7.10 Estimated level of Housing Need (2012-17) excluding Pipeline

Area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Hoddesdon	323	533	190	1,046	257	789
Broxbourne	43	131	11	185	14	171
Wormley/Turnford	193	281	149	622	190	433
Cheshunt	290	404	146	840	219	620
Waltham Cross	450	458	211	1,118	296	823
West of Cheshunt	307	471	149	928	269	659
Goffs Oak	67	215	11	293	41	253
Broxbourne Borough	1,672	2,493	868	5,033	1,286	3,747

Source: Housing Register/CORE/Projection Modelling and affordability analysis

Sensitivity of the housing needs estimate

7.46 The overall level of housing need derived above has been based on an affordability test where households are assumed not to spend more than 25% of their income on housing. In reality many households (particularly in the private rented sector) will be spending and expect to spend a higher proportion than this to secure housing. In an area such as Broxbourne where rents are relatively high it is also reasonable to expect that household might spend a higher proportion given that their disposable income after housing payments would be higher.

7.47 We have therefore re-run the analysis on the assumption that households can spend up to 35% of income on housing. This analysis (which is not detailed here) suggests that the level of need would drop to 2,825 (25% lower than in our main analysis). Whilst this is a significant decrease the level of need is still very high.

Taking Account of Planning Consents

7.48 The Government guidance on needs assessment indicates that this should take account of the committed supply of affordable housing. At the time of writing there were 72 units of affordable housing committed and therefore a net need for 3,675 affordable homes over the 2012-17 period is identified once the supply of affordable housing in the development pipeline is included.

Role of the Private Rented Sector in Meeting Housing Need

7.49 The Strategic Housing Market Assessment Guidance requires consideration of the extent of the private rented sector (through the Local Housing Allowance (LHA) system) and its ability to meet the needs of households in need to be estimated. We have therefore used data from the Department of Work and Pensions (DWP) to look at the number of LHA supported private rented homes. As of May 2012 it is estimated that there were 2,130 benefit claimants in the private rented sector in the Borough (more recent data from the Council puts this figure at 1,953 at the end of December 2012).

7.50 The data in the table below shows that in all areas studied the number of LHA claimants has increased over the two and a half year period although the proportionate increase in Broxbourne is high relative to other locations. This may in part be due to the relative lack of social rented housing available in the borough. The time period for analysis has been used due to this being the longest time series available from the DWP source.

Figure 7.11 Number of people claiming LHA in private rented sector (August 2009 and May 2012)

Area	August 2009	May 2012	Absolute change	% change
Broxbourne	1,510	2,130	620	41.1%
Hertfordshire	12,670	16,170	3,500	27.6%
East (Region)	102,350	129,020	26,670	26.1%
Great Britain	1,272,640	1,645,730	373,090	29.3%

Source: Department of Work and Pensions

7.51 This information does not tell us how many lettings are made each year to tenants claiming benefit as this will depend on the turnover of stock. Nationally (from the 2010/11 English Housing Survey) it is estimated that the turnover of private rented properties is around 35% (the highest of any tenure category). In addition, comparing EHS data with DWP data suggests that the number of households claiming is around 75% of the number of claimants (this arises due to multiple claimants living in the same dwelling). If these figures are applied to Broxbourne then this would equate to around 510 lettings per annum on the basis of the Council’s figure for December 2012.

7.52 Over the five year projection period used for analysis we also need to take account of households making multiple moves within the private rented sector. Again assuming a turnover rate of 35% we estimate that this would mean that over five years some 1,300 households will have their needs met through the private rented sector.

- 7.53 It is not however appropriate to treat this sector as a form of affordable housing and net it from the overall annual housing needs estimate of 3,747 affordable homes (2012-17) or the lower figure of 2,825 based on a 35% affordability threshold. Neither the SHMA Guidance (CLG, 2007) nor the NPPF (CLG, 2012) recognise this sector as affordable housing.
- 7.54 However, it should be recognised that, in practice, the private rented sector does make a significant contribution to filling the gap in relation to meeting housing need and given the levels of affordable housing need shown in this study, the private rented sector is likely to continue to be used to some degree to make up for the shortfall of genuine affordable housing for the foreseeable future.
- 7.55 The extent to which the Council wish to see the private rented sector being used to make up for shortages of affordable housing is a matter for policy intervention and is outside the scope of this report. However it should be recognised that the Private Rented Sector does not provide secure tenancies and that standards within the sector are likely to be lower than for social rented properties. Furthermore there are households with specific housing needs who may not be able to find suitable accommodation within the Private Rented Sector.

Understanding the Context to the Housing Needs Assessment

- 7.56 The housing needs analysis concludes that there is a shortfall of 3,747 affordable homes over the period from 2012 to 2017 (or 2,825 when looking at an alternative affordability threshold). However there are a number of things that need to be remembered in interpreting the housing needs analysis.
- 7.57 The Basic Needs Assessment Model which has been used was designed specifically to identify whether there is a shortfall or surplus of affordable housing. It is a statutory requirement to underpin affordable housing policies.
- 7.58 The needs assessment therefore does not look at all housing needs, but specifically the needs of those who can't afford market housing (assuming no more than 25% of households' gross income is spent on housing costs). It assumes that all households are adequately housed in a home that they can afford.
- 7.59 The needs assessment is a 'snapshot' assessment at a point in time, which is affected by the differential between housing costs and incomes at that point; as well as the existing supply of affordable housing. In the case of Broxbourne, whilst the stock of affordable housing has increased by about 6% over the last decade it has reduced as a proportion of all housing in the area. The turnover of the stock has also decreased over time. This has affected the level of affordable housing need. The shortfall of affordable housing identified is therefore to some extent affected by past investment decisions.
- 7.60 Moreover, as the Basic Needs Assessment Model is designed to identify a shortfall of genuine affordable housing, it assumes that all households in 'housing need' are housed in affordable homes (which includes provision that the home remains at an affordable price for future eligible households).

- 7.61 In reality, there are two key factors which need to be considered:
- Some households defined as in housing need may choose to spend more than 25% of their gross income on housing costs or may not actively seek an affordable home; and
 - Some households defined as in housing need are accommodated in the Private Rented Sector, supported by Local Housing Allowance.
- 7.62 It is estimated that there are currently over 2,000 Local Housing Allowance claimants housed in the Private Rented Sector with many more expected to be in this sector and paying more than 25% (or 35%) of their income on housing but not claiming Housing Benefit.
- 7.63 As the level of housing need is very sensitive to differences between housing costs and incomes, changes in the difference between incomes and housing costs over time will affect the level of housing need identified.
- 7.64 Due to the role of the private rented sector in meeting housing need there is no evidence of a shortfall in overall housing provision to meet local housing requirements (albeit there is arguably some tenure mismatch). The affordable housing needs analysis per se therefore does not provide a basis for considering overall future housing requirements or whether there is a backlog of housing that has not been delivered in the recent past.
- 7.65 Given the current stock of affordable housing in the Borough, the funding mechanisms for delivery of new affordable housing and policies affecting sales of existing properties, it is unrealistic to assume that all households in housing need will be provided with an affordable home. It is realistic to assume that the Private Rented Sector will continue to play an important role in meeting housing need in the short-to-medium term.

Need for Different Types of Affordable Housing

- 7.66 Having studied housing costs, incomes and housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. We therefore use the income information presented earlier in this section to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. The main data sources for establishing housing need are the Housing Register and projections of newly-forming households (along with local income estimates).
- 7.67 We have assessed requirements in the form of three income bands which have been associated with three different tenures of housing – intermediate, affordable rented and social rented. Households are considered able to afford intermediate housing if their income is greater than that required to rent at 80% of market rental costs (a figure which equates with possible affordable rent maximum costs) and the income falls below that required to access the market without subsidy. Although technically an intermediate product could be provided at below this level, the reality is that most intermediate housing is priced closer to market costs than social housing costs. Households whose income falls in the gap between intermediate housing and social rented housing are allocated to affordable rented housing with lower income households placed in the social rent group. The categories of affordable housing are described in the table below.

Figure 7.12 Categories of affordable housing used for analysis

Housing type	Description
Intermediate housing	Assigned to households who can afford a housing cost at or above 80% of market rents but cannot afford full market costs
Affordable rent	Assigned to households who could afford a social rent without the need to claim housing benefit but would need to claim benefit to afford an Affordable Rented home (priced at 80% of market rental costs)
Social rent	Households who would need to claim housing benefit regardless of the cost of the property

7.68 The figure below shows figures for our assumed market entry income level and the income below which affordable or social rented housing will be required. Any household with an income in the gaps between figures is assumed to be able to afford either intermediate or affordable rented housing.

Figure 7.13 Income range for access to Intermediate Housing

Sub-Area	Income required to access market housing	Income below which affordable rented housing is required	Income below which social rented housing is required
Hoddesdon	£33,360	£26,688	£20,814
Broxbourne	£39,600	£31,680	£20,814
Wormley/Turnford	£32,400	£25,920	£20,814
Cheshunt	£34,800	£27,840	£20,814
Waltham Cross	£36,000	£28,800	£20,814
West of Cheshunt	£35,280	£28,224	£20,814
Goffs Oak	£40,800	£32,640	£20,814
Broxbourne Borough	£34,962	£27,970	£20,814

Source: Online Estate and Letting Agents Survey (December 2012) and CORE

- 7.69 In fact there will be a considerable overlap between these categories – the first would potentially represent households who could afford affordable rented housing without the need to claim housing benefit whilst the latter category (called social rent for analytical purposes) could have their needs met through affordable rented housing (with benefit assistance).
- 7.70 The tables below show our estimate of the number of households in need in each of the above categories and estimated net need levels (for the purposes of analysis the affordable and social rent figures have been combined). The first table shows actual numbers over the five year period whilst the second table shows these figures in percentage terms.
- 7.71 The data shows that across the Borough some 13.1% of the need could be met through products priced at the 80% of market level suggested by affordable rented housing without the need for benefit assistance. At a sub-area level the data suggests that intermediate requirements vary from 9.2% in Goffs Oak up to 17.9% in the Broxbourne sub-area.

7.72 The second table below separates out affordable rent from social rent – this distinction was not made in above as we do not have information about the likely supply of social rent vs. affordable rent in the future – it is possible that some social relets will be at an affordable rather than a social rent – indications from the Council are that 95% of relets will be for social rent will all newbuild being at affordable rents. For the purposes of our analysis we have made an assumption that the proportion of supply in the affordable/social rent category is broadly equivalent to the proportion of need in each category. The table suggests that within the social/affordable category there should be roughly a four-fifth to a fifth split in favour of social renting.

Figure 7.14 Estimated level of Housing Need (2012-17) by type of affordable housing (numbers)

Area	Intermediate			Social/affordable rented		
	Total need	Supply	Net need	Total need	Supply	Net need
Hoddesdon	138	12	126	908	245	663
Broxbourne	31	1	31	153	13	140
Wormley/Turnford	71	5	65	552	184	367
Cheshunt	94	8	85	746	211	535
Waltham Cross	100	21	79	1,019	275	744
West of Cheshunt	107	26	81	821	243	578
Goffs Oak	43	20	23	250	20	229
Broxbourne Borough	585	94	491	4,448	1,192	3,256

Source: Housing Needs Analysis

Figure 7.15 Estimated level of Housing Need (2012-17) by type of affordable housing (percentages)

Area	Intermediate	Affordable rent	Social rent	Total
Hoddesdon	16.0%	16.2%	67.8%	100.0%
Broxbourne	17.9%	30.0%	52.1%	100.0%
Wormley/Turnford	15.1%	13.3%	71.6%	100.0%
Cheshunt	13.8%	17.2%	69.0%	100.0%
Waltham Cross	9.6%	15.7%	74.7%	100.0%
West of Cheshunt	12.3%	18.9%	68.8%	100.0%
Goffs Oak	9.2%	33.2%	57.7%	100.0%
Broxbourne Borough	13.1%	17.8%	69.1%	100.0%

Source: Housing Needs Analysis

7.73 If we run this analysis on the basis of our alternative affordability assumptions (i.e. 35% of income) we find a greater shift towards intermediate and affordable rented housing. The alternative analysis shows a requirement for 21% intermediate housing, 21% affordable rent and the remaining 58% for social rent (or at a cost equivalent to social rents).

Impact of Welfare Reforms

7.74 The Coalition Government has heralded a period of considerable change by way of welfare reforms which will have an effect on the Borough's residents. The reforms are set against a backdrop of government spending cuts, which has seen funding levels drop, and an economic recession which has led to changes to the country's housing market and how housing can be accessed. A summary of the proposed welfare reforms and potential impact are shown below:

- Reducing the Local Housing Allowance (LHA) from the median rent in a Broad Rental Market Area (BRMA) to the 30th centile from October 2011 (this is discussed in more detail below).
- Up rating and increasing the non-dependent rate from April 2011 is likely to place pressure on households with adult children still living at home who cannot contribute towards household expenses.
- Capping the Local Housing Allowance is likely to make applicants for private sector lettings less attractive to landlords.
- Capping the total benefits to a household at no more than the national average wage is likely to impact larger families.
- Limiting payments for people under 35 to the shared room rate (up from 25), making it harder to place young single people in private rented accommodation (this is discussed in more detail below).
- Limiting Housing Benefit entitlements for working age people in social housing sector to reflect family size could increase arrears (this is discussed in more detail below).
- From April 2013 LHA will be uprated in line with Consumer Price Index (CPI) instead of actual rents. In 2014-15 and 2015-16 increases will be capped to one percent per annum. This may impact on the number of private sector homes available for rent as well as the affordability of housing for claimants.
- The move towards a Universal Credit is likely to end Housing Benefit payments direct to landlords, making benefit claimants potentially less attractive as tenants.

Changes to maximum LHA payments

7.75 In looking at the extent to which the private rented sector is being used to meet housing need (through LHA) it is important to consider the likely impact of the changes made as of April 2011. The key change is that calculations of the maximum amount that can be claimed has gone from the median rent in an area to the 30th centile. The table below shows figures for the South East Herts Broad Rental Market Area for median and 30th centile rents for different property sizes. The figures are taken from the Rent Service website for June 2010 (contained within a set of tables studying the impact of LHA changes).

7.76 Generally the differences are not big although there will be a number of households previously able to claim their full rent back who would no longer be able to do so. Research by the Department of Work and Pensions (DWP) suggests that around 820 claimants would have been affected by this change with an average loss of about £9 per week. It is not clear how many of these claimants were significantly affected (e.g. unable to pay the rent and potentially became homeless) but this change may well have put additional stress of household finances and may at the very least have forced some households to move home to seek cheaper accommodation.

Figure 7.16 LHA levels at median and 30th centile (June 2010) – weekly figures			
Property size	Median	30 th centile	% difference
Room only	£76	£69	-9%
1 bedroom	£138	£136	-1%
2 bedrooms	£178	£167	-6%
3 bedrooms	£219	£201	-8%
4 bedrooms	£293	£272	-7%
5 bedrooms	£444	NA	-

Source: Rent Service

Changes to the Shared Accommodation Rate

- 7.77 There may be further issues relating to changes to the single room allowance. From January 2012 benefit claimants aged 35 and under are only able to claim the single room allowance rather than the allowance for a 1 bed property. Previously this only applied to claimants aged 25 or under. Research by DWP indicates that 70 households may have been affected by this change with their LHA reduced by an average of £64 per week.
- 7.78 The difference between the LHA maximum for a one-bedroom property and the single room allowance is significant with the latter typically being around half of the figure for self-contained accommodation. Although mainly anecdotal there is evidence from stakeholders that there has been a shift towards shared rather than self-contained accommodation – particularly in the South of the Borough.

Limiting benefit entitlements in the social rented sector

- 7.79 The final key area of the welfare reforms studied here relates to changes in the amount of Housing Benefit working age households can claim in the social rented sector. Currently the amount of Housing Benefit to which they are entitled, and the eligible rent part of the Housing Benefit calculation, is unrelated to the size of accommodation that claimants actually require – it is based simply on the accommodation that they actually occupy. This is in contrast to the rules that apply in the private rented sector.
- 7.80 From 1st April 2013 it is intended to introduce size criteria for new and existing working-age Housing Benefit claimants living in the social rented sector. The size criteria will replicate the size criteria that apply to Housing Benefit claimants in the private rented sector and whose claims are assessed using the local housing allowance rules. The applicable maximum rent will be reduced by a national percentage rate depending on how many bedrooms the household is considered not to require.
- 7.81 A DWP Equality Assessment (October 2011) estimates that in the East (Region) some 50,000 households will be affected (30% of working-age households in the social rented sector) and that these households will lose an average of £15 per week. In Broxbourne, local Registered Providers estimate that approximately 350 households will be affected by the changed size criteria.

- 7.82 As with the LHA changes discussed above it is not certain how many of these households will be put into significantly financial difficulty as a result of this change but it is quite possible that this change will see an increase in households seeking to move home and potentially requiring smaller accommodation.

Comparing Needs Estimates with 2007 Housing Needs Survey

- 7.83 This section has provided estimates of the overall need for affordable housing by following the CLG SHMA guide. It is of interest to compare the outputs of this analysis with those in the housing needs survey completed in 2007 and below we have provided figures for key elements of analysis from the respective housing needs models.
- 7.84 The data shows that our model (in 2012) suggests a very slightly lower level of need overall with 3,747 units being required over the next five years compared with 3,847 assessed in 2007. Looking more closely at the data we can see that gross need is found to have dropped with the estimated supply of affordable housing also being considerably lower in the 2012 assessment than expected in 2007.
- 7.85 Although there is a clear similarity between the bottom-line needs estimates from the two studies, the comparison should be treated with caution. The 2007 assessment was based on a household survey whereas the 2012 study is based on secondary data (including the Housing Register). It should therefore not be assumed from this data that the need for affordable housing has declined between 2007 and 2012. Both studies do however clearly indicate a high need for affordable housing in the Borough.

Figure 7.17 Comparing housing needs estimates in 2007 and 2012			
	2007	2012	Difference
Backlog need	1,757	1,672	-85
Newly arising need	3,950	3,361	-589
Total gross need	5,707	5,033	-674
Supply	1,860	1,286	-574
Net need	3,847	3,747	-100
Net need (per annum)	769	749	-20

Source: 2007 housing needs survey and 2012 SHMA

Affordable Housing Viability

- 7.86 An Affordable Housing Viability Study was undertaken by Fordham Research in 2010. This Study, based on data/ market conditions in September 2009, assessed the viability of residential development in the Borough and the potential to support affordable housing provision through Section 106.

- 7.87 The Study tested viability of development of 15 sites across the Borough, with capacity for development of between 7 and 185 dwellings. It was based on current market values and costs in September 2009 as well as assumed grant levels (equivalent to £12,000 per bedspace for social rented and £6,000 for intermediate homes) supporting delivery of affordable housing at this point. It was based on delivery of Code Level 3, 10% on-site renewables and a S106 package consistent with then current policy.
- 7.88 The Fordham Study recommended that based on market values and costs in September 2009 development schemes within Broxbourne could sustain 30% affordable housing with assumed grant levels across the Borough. It indicated that a strategic target of up to 40% could be considered if supported by funding.
- 7.89 A dynamic viability analysis was undertaken which considered how viability would be affected by changes in house prices, construction costs and industrial land values. A high level analysis of the Halifax House Price Index indicates that house prices in the Borough have increased by 4.2% across the Greater South East region between Q3 2009 – Q3 2012 (compared to a reduction of -0.9% across the UK, but a 10.9% growth in Greater London). BCIS indicates that construction costs have residential property have increased by around 11% between September 2009 and January 2013. Using the Fordham 'Course Matrix' this would suggest that a similar or possibly moderately lower affordable housing target could be supported.
- 7.90 However there are a number of further factors which have changed since 2009 which are likely to affect viability: specifically an increasing focus on delivering Code Level 4 (A requirement for schemes which are supported by HCA funding with energy performance requirements intended to be built into Building Regulations from 2013), a reduction in the grant available through the National Affordable Housing Programme over the 2011-15 period, and (partly to compensate for this) the introduction of the affordable rented tenure.
- 7.91 The SHMA analysis indicates that affordable rent provides significant potential to support viability, given that affordable rented values (at 80% of market rents) are significantly higher than existing social rents (based on target rents).
- 7.92 Whilst a shift to Code 4 and reduction in grant may thus work to reduce viability, a shift towards delivery of affordable rent provides the potential to compensate for this.
- 7.93 More recent viability analysis has been undertaken by Lambert Smith Hampton as part of a study examining potential Community Infrastructure Levy charges (Lambert Smith Hampton (Dec 2012) *Assessing Viability, Community Infrastructure Levy: Stage 1 Economic Viability Assessments prepared for 8 Hertfordshire Authorities*). This provides a more recent assessment of residential development viability in the Borough and thus largely supersedes the Fordham Study analysis.
- 7.94 The LSH Stage 1 CIL Study tested viability on five residential development schemes across 47 Hertfordshire postcode areas. The Broxbourne postcode areas include lower value areas within a County context.

- 7.95 This Study modelled viability assuming 40% affordable housing, based on 80% social rent and 20% intermediate or affordable rented provision. It assumed housing was built to meet Code Level 4, with assumed build costs of £1,022/sqm for houses and £1,195 for flats, a 10% allowance for abnormal development costs and assumed profits of 20% on costs for private and 6% for affordable homes. An allowance for other S106 costs of £1,000 per unit was also included.
- 7.96 The modelling undertaken indicates that the majority of residential development schemes would be viable with 40% affordable housing and that potential CIL charges of £126 - £165 per sqm could be supported across the development scenarios assessed in Broxbourne. Sensitivity analysis indicated that:
- If the tenure mix was changed to 35% social rent, 65% intermediate/ affordable rent, potential CIL charges on residential development could rise to £500 per sqm. Increasing the level of intermediate or affordable rented homes within a scheme will thus clearly help to support viability.
 - If Code Level 3 rather than 4 is achieved, build costs are lower; and thus a CIL levy of £220 per sqm could be charged.
- 7.97 The analysis indicates that a 40% affordable housing policy could be supported with flexibility to negotiate on Code levels or the tenure mix where viability on a scheme specific basis is marginal.
- 7.98 We would also note that the LSH modelling includes some headroom within build costs to allow for potential increases in development costs whilst ensuring that affordable housing levels sought could be maintained.
- 7.99 In headline terms, the Council's existing evidence base suggests that a policy of 40% affordable housing could be supported on development scheme within the Borough. It should be noted that this is based on relatively modest s106 contributions (£1,000 per unit). The Council might consider whether a lower affordable housing policy should it wish to secure higher S106 contributions for other types of infrastructure (excluding affordable housing) or increase its CIL receipts provision.
- 7.100 On the basis of no HCA grant on s106 sites the Council has recently been accepting a tenure mix of 80% affordable rent and 20% intermediate housing to help make the 40% figure more viable.

Housing Need – Summary of the Evidence

- An assessment of housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Broxbourne Borough. This has estimated current housing need in 2012 of 1,672 households, based on the number of households on the Housing Register in housing need, excluding existing social housing tenants where they would release a home for another household in need.
- The housing needs model then looked at the balance between needs arising and the supply of affordable housing between 2012 and 2017. Over this period an estimated 3,361 households are expected to fall into housing need, but just 1,286 properties are expected to come up for relet.
- Overall a net deficit of 3,747 affordable homes is identified (749 per annum) – this figure is reduced to 2,825 if we change the affordability threshold to 35% of income to be spent on housing (the figures can further be reduced slightly by removing the affordable housing pipeline of 72 units). There is thus a significant requirement for new affordable housing in the Borough and the Council is justified in seeking to secure additional affordable housing.
- While a significant deficiency in affordable housing is identified, in practice some households who are unable to secure affordable housing are able to live within the Private Rented Sector supported by housing benefit. It seems likely that the Private Rented Sector will continue to be used to some degree to make up for a shortfall of genuine affordable housing.

Policy Implications: Affordable Housing Need

The analysis undertaken indicates that there is a need to deliver an additional 3,747 affordable dwellings between 2012-17 if all households in housing need were to be housed in an affordable home with a secure tenancy (749 per annum) – this figure is reduced to 2,825 (565 per annum) if we increase the affordability threshold to 35% of income (from 25%). The level of housing need is influenced by market conditions and also past investment decisions and the existing stock of affordable housing in the Borough. Whilst the growth in the size of the social rented sector over the past ten years has kept pace with overall increases in the number of households the supply through the turnover of this stock has decreased sharply.

The analysis indicates a backlog of housing need of 1,672 households (excluding transfers) and a particular difference between the level of newly-arising need (672 households per annum) and the supply of properties from re-lets of existing stock (257 dwellings per annum).

The significant shortfall between the need for and supply for affordable housing is however partly being met by the Private Rented Sector (PRS). An estimated 510 lettings per annum of PRS properties are made to households in housing need, with the sector capable of accommodating an estimated 1,300 households over 5 years.

Many tenants are likely to turn to this sector as they cannot secure affordable housing although evidence about rent levels and maximum benefit payments suggests that many households will need to top up their benefit payments in order to afford rents. This means that the sector is not really an affordable solution for many households. There is also a noticeable difference in costs between social and private rents; growing private sector rents plus LHA caps may limit future growth in the number of households in need who can be housed in the PRS.

Taking account of the level of need identified, it is likely that the PRS will continue to contribute to meeting housing need. The Council should work proactively to assist tenants in securing appropriate, good quality accommodation which they can afford.

The housing needs analysis provides evidence of housing need in support of policies seeking affordable housing in new developments. However specific policy targets for affordable housing provision should be informed by economic viability assessments which take account of current development economics. In line with the NPPF, policies for affordable housing should be considered alongside other plan policies which impact on development costs including the Community Infrastructure Levy (CIL).

Our review of viability evidence suggests that a target of 40% would be appropriate (this figure also being supported by the needs evidence). Drawing the analysis together we consider that an appropriate strategic policy regarding the affordable housing tenure mix would be for:

- 20% intermediate housing
- 80% affordable/social rented homes

This tenure mix takes account of the fact that in reality households will spend more than 25% of income on housing costs and is based on outputs derived from a 35% affordability threshold. Suggestions about the sizes of affordable homes required are discussed in the next section.

8. Requirements for Different Sizes of Homes

Introduction

- 8.1 As discussed in Section 5, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes.
- 8.2 In this section we consider in some detail the implications of demographic drivers on demand for different housing products. The assessment is intended to provide an understanding of the implications of demographic dynamics on need and demand for different sizes of homes.
- 8.3 This however needs to be brought together with an understanding of wider factors including:
- The need and opportunity to develop the housing offer;
 - The findings of the housing needs analysis which provide a short-term view of requirements;
 - Economic factors, such as trends in employment, overall and by occupation; and
 - Local policy objectives.
- 8.4 The analysis in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For the purposes of this analysis we have looked at the demographic change as indicated in our projection linked to delivery of 5,000 additional homes from 2011 to 2031.

Summary of Demographic Projection

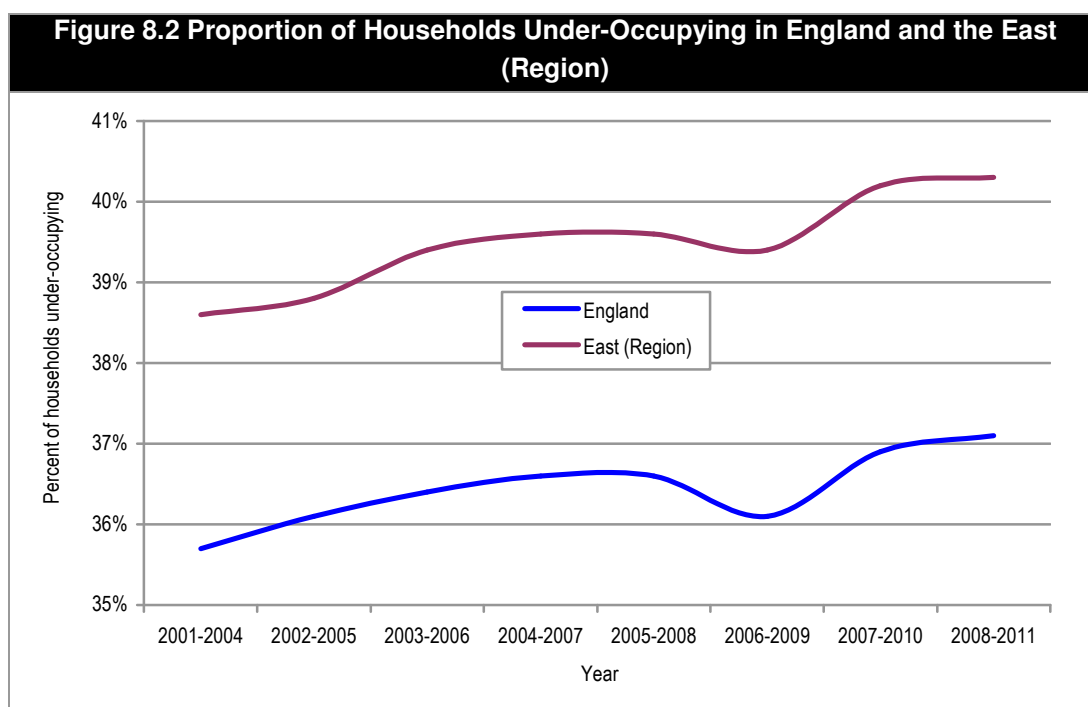
- 8.5 The table below shows the number of household reference persons (HRP) in each five year age group for 2011 and 2031. The HRP can best be described as the 'head of household'. The data shows that over the 20-year period studied the number of households is expected to rise by about 4,878 (about 244 per annum). The data shows increases for most age groups with a particularly high change to be expected amongst older age groups.

Figure 8.1 Household estimates in 2011 and 2031 (by age and sex)						
Age group	Males		Females		Total	
	2011	2031	2011	2031	2011	2031
24 & under	523	497	308	368	831	865
25-29	1,518	1,424	615	752	2,133	2,176
30-34	2,406	2,316	722	880	3,128	3,196
35-39	2,597	2,632	734	927	3,331	3,559
40-44	3,235	2,934	898	1,008	4,132	3,942
45-49	3,282	2,769	833	754	4,115	3,523
50-54	2,842	2,681	617	684	3,459	3,365
55-59	2,326	2,621	589	756	2,914	3,377
60-64	2,515	2,838	622	831	3,137	3,668
65-69	2,109	2,712	633	966	2,742	3,679
70-74	1,619	2,152	741	945	2,359	3,097
75-79	1,376	1,570	873	906	2,249	2,476
80-84	891	1,463	831	1,030	1,722	2,493
85+	583	1,710	859	1,446	1,442	3,156
Total	27,821	30,320	9,874	12,254	37,695	42,573

Source: Projection modelling

Understanding how Households Occupy Homes

- 8.6 As with converting population data into households, it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain.
- 8.7 For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units.
- 8.8 The figure below demonstrates this, using data from the Survey of English Housing/English Housing Survey about the proportion of households who under-occupy their dwellings. It can be seen that nationally between 36% and 37% of households under-occupy with slightly higher figures in the East Region. It is also notable that this has not changed to any significant degree over the past few years.



Source: Survey of English Housing/English Housing Survey 2004-2011

- 8.9 The data therefore suggests that it would be reasonable for our projection to assume that households of specific ages will broadly continue to occupy dwellings in the same way in the future as they do currently. Our projections for house sizes are developed on this basis. They take account of how households of different ages occupy homes separately in the market and affordable sectors but assume that how households in specific age and tenure groups occupy homes will remain consistent.
- 8.10 The general methodology is therefore to use the information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213 which provides relevant data for all local authorities in England). An extract of this is for Broxbourne Borough is shown in the figure below.
- 8.11 The extract shows the number of male owner occupiers in selected age groups along with the size of accommodation that they occupy. By estimating how the number of HRPs in each age group changes over time we are also able to estimate the profile of housing that they would be likely to occupy.
- 8.12 The figure below shows, for example, that 23.4% of male HRPs aged 25 to 29 live in a home with six or more rooms, for the 45 to 49 age group this figure rises to 58.0%. The age profile of HRPs will therefore have an impact on the sizes of homes we would expect to be occupied. From the Commissioned Table information is available for all HRP age bands up to 85+ and for both sexes.

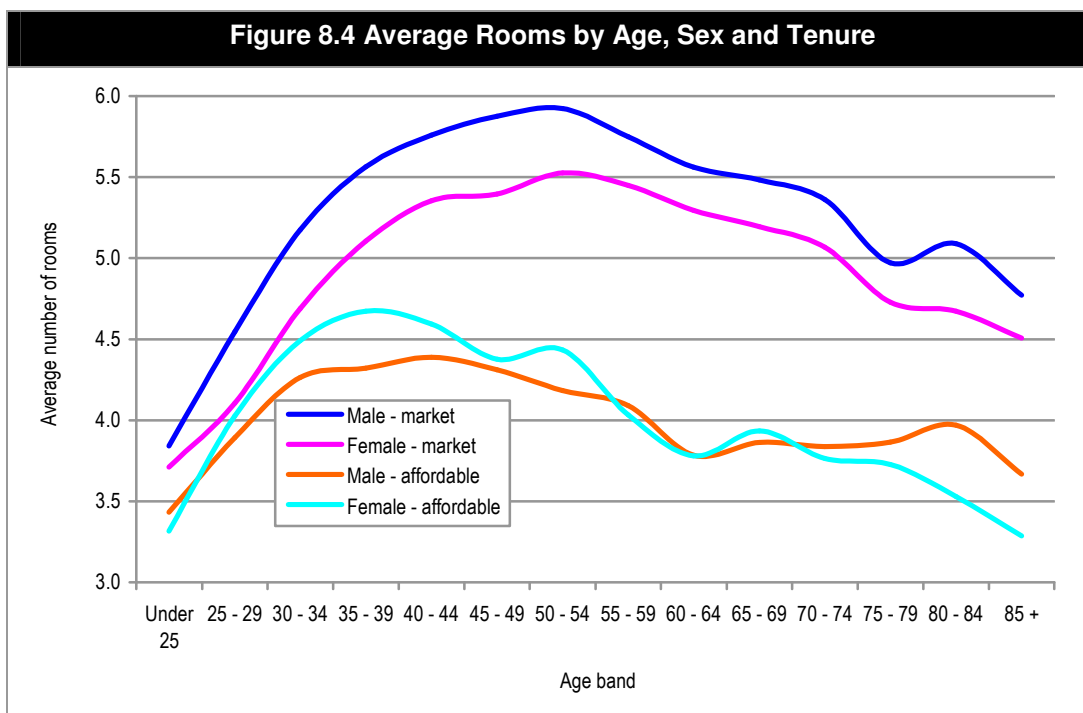
Figure 8.3 Extract from ONS Commissioned Table C1213 – Male HRPs in Owner-Occupied Housing by Size of Dwelling (Broxbourne Borough)

Dwelling size	Age of Household Reference Person									
	25-29		30-34		35-39		40-44		45-49	
	No.	%	No.	%	No.	%	No.	%	No.	%
1-3 rooms	159	14.8%	147	6.8%	133	5.6%	94	4.0%	77	3.8%
4 rooms	377	35.2%	483	22.4%	323	13.5%	259	11.0%	154	7.6%
5 rooms	284	26.5%	681	31.6%	760	31.7%	743	31.7%	625	30.7%
6 rooms	160	14.9%	464	21.5%	533	22.2%	536	22.8%	503	24.7%
7 rooms	51	4.8%	189	8.8%	298	12.4%	312	13.3%	298	14.6%
8+ rooms	40	3.7%	190	8.8%	349	14.6%	403	17.2%	380	18.7%
Total	1,071	100.0%	2,154	100.0%	2,396	100.0%	2,347	100.0%	2,037	100.0%

Source: ONS Commissioned Table C1213

8.13 The figure below shows an estimate of how the average number of rooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the 50-54 age groups. In the affordable sector this peak appears earlier. After sizes peak the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with no discernable trend being seen in the affordable sector).

Figure 8.4 Average Rooms by Age, Sex and Tenure



Source: Derived from ONS Commissioned Table C1213

Establishing a Baseline Position

- 8.14 As of 2011 it is estimated that there were 37,695 households living in the Borough. Analysis of these households based on headship rates and the size and tenure of homes provides us with an estimate of the profile of the housing stock in 2011, as shown in the table below. The baseline estimate of the tenure breakdown uses information from the 2011 Census with market housing assumed to be the residual.
- 8.15 The table shows that an estimated 15.2% of households live in affordable housing with 84.8% being in the market sector (the size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in 2011). The data also suggests that homes in the market sector are generally bigger than in the affordable sector with 42.2% having six or more rooms compared to 11.3% for affordable housing.
- 8.16 These figures are for households rather than dwellings due to information about the sizes of vacant homes across the whole stock (i.e. market and affordable) not being readily available. For the purposes of analysis this will not make any notable difference to the outputs (with typically around 4% of dwellings being vacant at any point in time). We have however translated the household projections into dwelling figures by including a 2.5% vacancy allowance – this is for consistency with the demographic projections and again will not impact on the profile of dwellings required shown in our modelling.

Figure 8.5 Estimated Profile of Dwellings in 2011 by Size						
Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 room	131	0.4%	135	2.4%	265	0.7%
2 rooms	519	1.6%	528	9.2%	1,046	2.8%
3 rooms	1,976	6.2%	1,507	26.4%	3,483	9.2%
4 rooms	5,575	17.4%	1,605	28.1%	7,180	19.0%
5 rooms	10,275	32.1%	1,293	22.6%	11,568	30.7%
6 rooms	6,890	21.5%	484	8.5%	7,374	19.6%
7 rooms	3,140	9.8%	105	1.8%	3,245	8.6%
8+ rooms	3,475	10.9%	60	1.0%	3,535	9.4%
Total	31,980	100.0%	5,715	100.0%	37,695	100.0%
% in tenure	84.8%		15.2%		100.0%	

Source: Derived from ONS Commissioned Table C1213

- 8.17 Compared with administrative data about the number of rooms in the affordable housing stock this analysis appears to underestimate the number of one- and two room homes; this difference is likely to largely be explained by the Census definition which includes kitchens (of any size) – bathrooms are not however included in the Census figures.

Tenure Assumptions

- 8.18 The housing market model has been used to estimate future requirements for different sizes of property over the next 20 years. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what mix of future housing will be in the market and affordable sectors.
- 8.19 The key assumption here is not a policy target but expected delivery. Our assumption is influenced by a range of factors. The Housing Needs analysis in this report provides evidence of considerable housing need which would support any target. The viability evidence (reviewed in the previous chapter) suggests that 40% affordable housing delivery could be supported on developments in the Borough.
- 8.20 However, we recognise that in reality due to site sizes and some specific local/site viability issues that the proportion delivered may well be lower than this. On the basis of information available we believe that 35% is probably about the maximum affordable housing delivery likely to be achieved in the current market and have developed projections on the basis of 35% of new delivery being in the affordable sector.

Findings: Affordable Housing

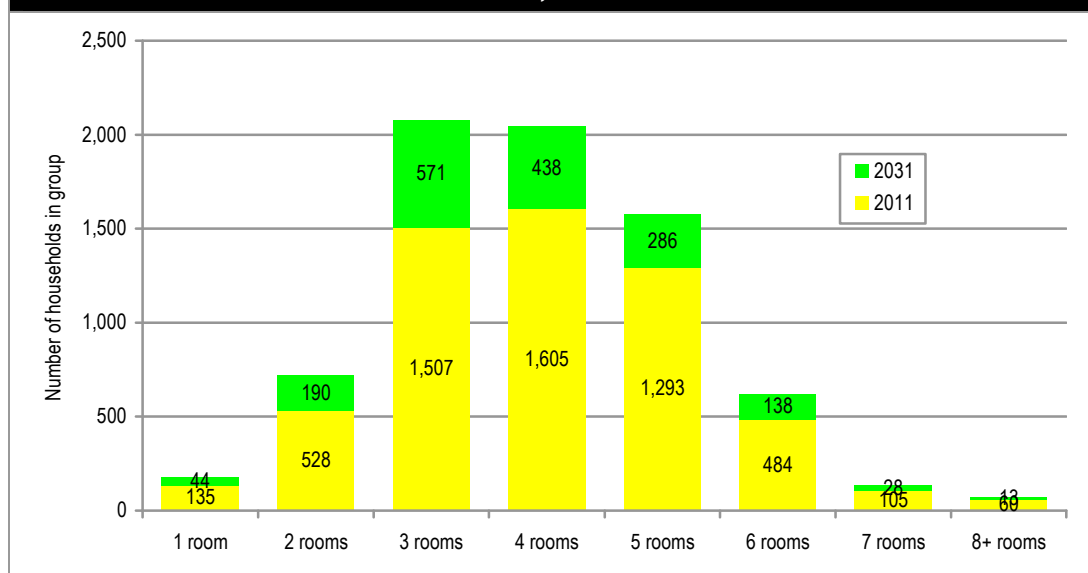
- 8.21 The table and figure below show estimates of the sizes of affordable housing required based on our understanding of demographic trends. The data suggests in the period between 2011 and 2031 that approaching half (47%) of the requirement is for homes with up to three rooms with around 27% of the requirement being for larger homes with five or more rooms.
- 8.22 This analysis provides a longer-term view of requirements for affordable housing and does not reflect any specific priorities such as for family households in need rather than single people (which is indeed a priority for Broxbourne Council). In addition we would note that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing requirements of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties.

Figure 8.6 Estimated Size of Dwellings Required 2011 to 2031 – Affordable Housing

Type/size	2011	2031	Additional households 2011-2031	% of additional households
1 room	135	179	44	2.6%
2 rooms	528	718	190	11.1%
3 rooms	1,507	2,077	571	33.4%
4 rooms	1,605	2,043	438	25.7%
5 rooms	1,293	1,579	286	16.8%
6 rooms	484	621	138	8.1%
7 rooms	105	133	28	1.6%
8+ rooms	60	73	13	0.8%
Total	5,715	7,422	1,707	100.0%

Source: Housing Market Model

8.23 The figure below shows how our estimated affordable requirement compares with the stock of affordable housing in 2011 – the figures are based on households (i.e. before adding in a vacancy allowance). The data shows that relative to the current stock there is a slight move towards a greater proportion of smaller homes being required – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings. However, the analysis still identifies a requirement for more larger units (particularly those with 5 or 6 rooms which are likely to mainly equate to three bedroom accommodation).

Figure 8.7 Impacts of Demographic Trends on Affordable Housing Requirements by House Size, 2011 to 2031

Source: Housing Market Model

Findings: Market Housing

8.24 As we have previously identified there are a range of factors which can be expected to influence demand for housing. This analysis specifically looks at the implications of demographic drivers. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 20 year period from 2011 to 2031.

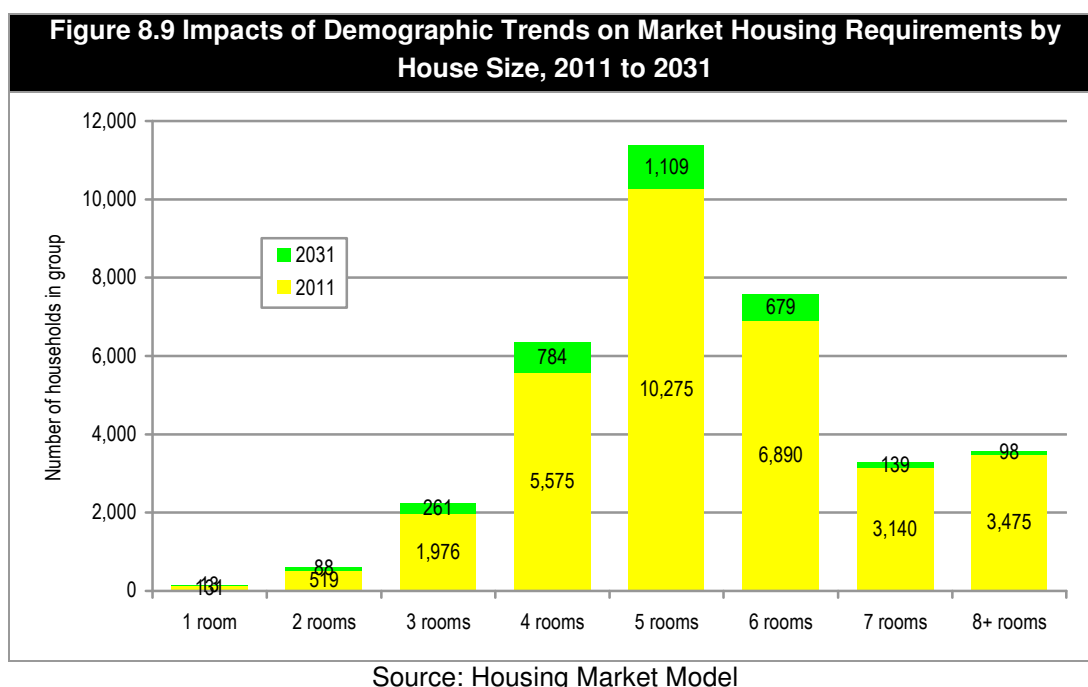
8.25 The table and figure below shows estimates of the sizes of market housing required from 2011 to 2031 based on demographic trends for the whole Broxbourne Borough. The data suggests a requirement for homes for 3,171 additional households with the majority of these being four, five and six room homes (likely to equate to two- and three-bedroom accommodation).

Figure 8.8 Estimated Size of Dwellings Required 2011 to 2031

Type/size	2011	2031	Additional households 2011-2031	% of additional households
1 room	131	143	13	0.4%
2 rooms	519	606	88	2.8%
3 rooms	1,976	2,238	261	8.2%
4 rooms	5,575	6,358	784	24.7%
5 rooms	10,275	11,384	1,109	35.0%
6 rooms	6,890	7,569	679	21.4%
7 rooms	3,140	3,279	139	4.4%
8+ rooms	3,475	3,573	98	3.1%
Total	31,980	35,151	3,171	100.0%

Source: Housing Market Model

8.26 The figure below shows how our estimated market requirement compares with the current stock of housing (based on households (i.e. excluding the 2.5% vacancy allowance)). The data suggests that housing requirements reinforce around the existing profile of stock, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are projected to fall slightly in the future (which itself is partly due to the ageing of the population).



- 8.27 The graphs and statistics are based upon our modelling of demographic trends. As we have identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.
- 8.28 In the short-term we would expect stronger demand in relative terms for larger family homes as the market for smaller properties is restricted by mortgage finance constraints.
- 8.29 There is already a relatively strong supply of larger properties in the Borough. Over the next 20 years it is anticipated that there will be a continuing market for larger family homes, but the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).
- 8.30 As the last three years have shown, there are a range of inter-dependencies which affect housing demand, with effective demand for entry-level market housing currently curtailed by the availability of mortgage finance for first-time buyers and those on lower earnings. This is likely to affect market demand for smaller properties typically purchased by first-time buyers in the short-term.
- 8.31 We are of the view that it is appropriate through the planning system to seek to influence the balance of types and sizes of market housing through considering the mix of sites allocated for development rather than specific policies relating to the proportion of homes of different sizes which are then applied to specific sites. This approach is implicit within NPPF which requires local planning authorities to *'identify the size, type, tenure and range of housing that is required'*.
- 8.32 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Converting to Bedrooms

8.33 The analysis above has looked at the number of rooms in accommodation and how the requirement is expected to develop given projected demographic change. Whilst the analysis by rooms is useful it is more important to understand these trends in terms of the number of bedrooms likely to be required. We have therefore sought to convert the room information into bedrooms.

8.34 The table below shows the conversions used – one and two room accommodation is assumed to be one bedroom along with the majority of 3 room homes. Moving through the number of rooms we can see that the assumed number of bedrooms rises until we reach homes with eight or more rooms which are all assumed to be four or more bedroom accommodation.

Figure 8.10 Relationship between the Number of Rooms and Number of Bedrooms

Number of rooms	Number of bedrooms				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
1 room	100%	0%	0%	0%	100%
2 rooms	100%	0%	0%	0%	100%
3 rooms	75%	25%	0%	0%	100%
4 rooms	0%	80%	20%	0%	100%
5 rooms	0%	15%	85%	0%	100%
6 rooms	0%	0%	80%	20%	100%
7 rooms	0%	0%	25%	75%	100%
8+ rooms	0%	0%	0%	100%	100%

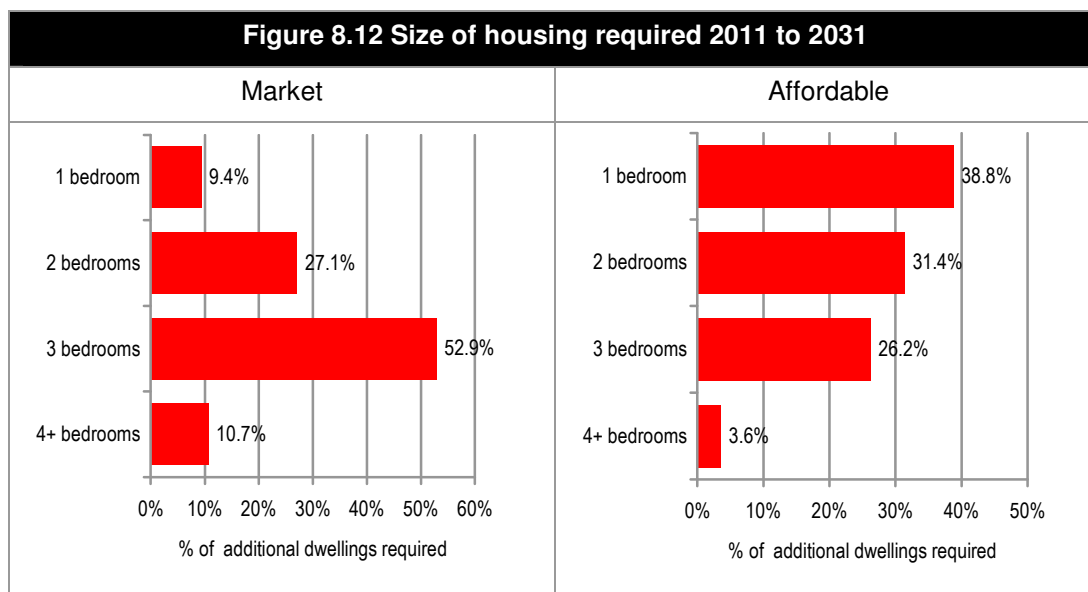
8.35 The table below shows the sizes of accommodation needed in each of the market and affordable sectors under the modelling exercise. We have also factored in a 2.5% vacancy allowance in moving from household figures to estimates of housing requirements.

8.36 For the whole borough the data suggests that approaching two-thirds of market homes should be ‘family’ sized (3 or more bedrooms) – 63.6%; with the majority of these being three bedroom homes. The data suggests a fairly limited requirement for one bedroom homes (about 9%) with the balance of just over a quarter being for two bedroom accommodation.

8.37 In the affordable sector the analysis suggests that the main requirements will be for one- and two-bedroom homes (about 70% of the requirement). There is also a notable requirement for larger (3 or more bedroom) homes with the majority of this being for homes with three bedrooms.

Figure 8.11 Estimated dwelling requirement by number of bedrooms (2011 to 2031)

Number of bedrooms	Market			Affordable		
	Households	Dwellings	% of dwellings	Households	Dwellings	% of dwellings
1 bedroom	297	304	9.4%	662	679	38.8%
2 bedrooms	859	880	27.1%	536	549	31.4%
3 bedrooms	1,678	1,719	52.9%	448	459	26.2%
4+ bedrooms	338	346	10.7%	61	63	3.6%
Total	3,171	3,250	100.0%	1,707	1,750	100.0%



Indicative Targets by Dwelling Size

- 8.38 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that should be provided there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one bedroom homes. We also need to consider that the stock of four bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward (through the Housing Register) for four or more bedroom homes is quite small the ability for these need to be met is even more limited.
- 8.39 This point can be emphasised through an analysis of the turnover of properties of different sizes based on data provided by the Council about the number of lettings and stock levels. From April 2011 to the end of 2012 there were 360 lettings recorded with nearly half (47%) of these being bedsit or one-bedroom accommodation. Compared with the stock of bedsit/1 bedroom homes this is estimated to represent a turnover of 5.0%. The equivalent figures for other sizes were: 2-bedrooms – 4.0%; 3 bedrooms – 2.7% and 4 or more bedrooms – 2.1%. This latter figure suggests that each existing four bedroom social rented home becomes available for letting about one in every fifty years.
- 8.40 It should also be recognised that the local authority has statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis the profile of affordable housing to be provided would be further weighted to two or more bedroom housing.
- 8.41 For these reasons we would suggest in converting the modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate. We would also note as the analysis here is over a longer-term (20-year) time period that there is some logic to providing more larger homes in the short-term – particularly given that the profile derived above is largely driven by an increasing older population which in the short-term (say next five years) will be a less pronounced change.

8.42 There are thus a range of which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a Borough-wide level, the analysis would support policies for the mix of affordable housing of:

- 1-bed properties: 25-30%
- 2-bed properties: 35-40%
- 3-bed properties: 25-30%
- 4-bed properties: 5-10%

8.43 Our strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues. The profile also reflects the Council's priority for homeless families who in many case required two- or three-bedroom homes.

8.44 The need for affordable housing of different sizes will vary by settlement across the Borough and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area, the stock and turnover of existing properties in the settlement/ area, and any other local information (e.g. local housing needs surveys).

8.45 In the market sector we would suggests a profile of housing that more closely matches the outputs of the modelling. This is because the issues of high turnover and low demand do not exist in the same way for one bedroom homes (which are shown by the modelling to have a low requirement) whilst there is no notable shortage of four or more bedroom homes available in the borough. We do however take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. In addition, as noted earlier, current constraints on mortgage finance is likely to suppress demand for smaller units in the short-term (particularly those which would normally have high demand from first-time buyers).

8.46 On the basis of these factors we consider that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis we would recommend the following mix of market housing be sought:

- 5-10% 1-bed properties
- 25-30% 2-bed properties
- 50-55% 3-bed properties
- 10-15% 4+ bed properties

8.47 Although we have quantified this on the basis of the market modelling and our understanding of the current housing market we do not strongly believe that such prescriptive figures should be included in the plan making process and that the 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time. The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Overall Housing Requirements by Size

8.48 If we bring together the analysis of requirements for both market and affordable housing, the resultant mix of housing is shown in the figure below. The figure indicates that an estimated 52% of overall housing need and demand (market and affordable) is for 3- and 4-bedroom properties. On this basis we would recommend that at least 60% of capacity for housing to be on sites suitable for and capable of delivering family housing (recognising that smaller dwellings can also be delivered on these sites).

Figure 8.13 Housing Mix by Unit Size across Tenures (2011-2031)					
	1-bed	2-bed	3-bed	4+ bed	Total
Market Housing	304	880	1,719	346	3,250
Affordable Housing	679	549	459	63	1,750
Total	983	1,430	2,179	409	5,000
% Total Housing by Size	19.7%	28.6%	43.6%	8.2%	100.0%

Source: Housing Market Model

Policy Implications: Requirements for Different Sizes of Homes

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households’ ability to save; economic performance and housing affordability. Our analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	50-55%	10-15%
Affordable	25-30%	35-40%	25-30%	5-10%
Overall	15%	30%	45%	10%

Our strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

The mix identified above should inform strategic borough-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

Based on the evidence, we would expect the focus of new market housing provision to be on two and three-bed properties. Continued demand for family housing can be expected from people moving out of London (particularly from Enfield). Demand for medium-sized properties (2 and 3 beds) is also expected from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

The analysis of an appropriate mix of dwellings should also inform the ‘portfolio’ of sites which are considered through the Local Plan process, including: Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.

The Council should also consider whether it is appropriate to set out specific space standards for new development, particularly to encourage provision of decent sized family housing (e.g. 3 bed properties). It should also consider whether it is appropriate to limit the sub-division of existing larger properties which can help to attract and retain family households in the Borough.

9. Specific Groups of the Population

Introduction

- 9.1 We have established overall housing requirements for different sizes of properties over the next 20 years, however there can be specific groups within the population who require specialist housing solutions or for whom housing needs may differ from the wider population. These groups are considered within this section.
- 9.2 Estimates of household groups who have particular housing needs is a key output of the SHMA Guidance whilst the National Planning Policy Framework identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.
- 9.3 The following key groups have been identified which may have housing needs which differ from those of the wider population:
- Older Persons;
 - Black and Minority Ethnic (BME) households;

Housing Needs of Older People

- 9.4 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20 years is expected to be the growth in the population of older persons.
- 9.5 Indeed as population projections show earlier in this document, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including ONS population projections and data from POPPI (Projecting Older People Population Information).
- 9.6 The context to older persons housing provision can be summarised as below:
- A need to provide housing for older people as part of achieving a good mix of housing, but recognizing that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes;
 - Falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing over 20 years, requiring higher levels of support. However many local authorities have struggled to contain expenditure on services for older people;
 - New models of enhanced and extra care housing have emerged. These aim to meet the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move; and
 - Providing choice, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support.

Current Population of Older Persons

- 9.7 Below we have provided some baseline population data about older persons and compared this with other areas. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 55 and upwards. In reality, those aged 55 might not be considered as 'old' but we have started the analysis from this age group due to the fact that some housing developments are specifically targeted at the over 55 age group.
- 9.8 The data shows that, when compared with both the East (Region) and England, the Borough has a lower proportion of older persons (although slightly higher than seen across Hertfordshire). In 2011 it is estimated that 27.5% of the population of Broxbourne was aged 55 or over compared with 29.8% in the East (Region) and 28.0% for the whole of England.

Figure 9.1 Older person population (2011)

Age group	Broxbourne		Hertfordshire		East (Region)		England	
	Population	% of popn	Population	% of popn	Population	% of popn	Population	% of popn
Under 55	67,920	72.5%	819,796	73.2%	4,116,924	70.2%	38,211,710	72.0%
55-64	10,384	11.1%	124,679	11.1%	711,639	12.1%	6,165,792	11.6%
65-74	8,102	8.6%	88,337	7.9%	537,246	9.2%	4,592,171	8.6%
75-84	5,467	5.8%	61,641	5.5%	352,460	6.0%	2,944,178	5.5%
85+	1,829	2.0%	25,371	2.3%	144,149	2.5%	1,193,318	2.2%
Total	93,702	100.0%	1,119,824	100.0%	5,862,418	100.0%	53,107,169	100.0%
Total 55+	25,782	27.5%	300,028	26.8%	1,745,494	29.8%	14,895,459	28.0%

Source: ONS 2011 mid-year population estimates

Future Changes in the Population of Older Persons

- 9.9 As well as providing a baseline position for the proportion of older persons in the Borough we can use published population projections to provide an indication of how the numbers might change in the future compared with other areas. The data provided below is based on the 2010-based SNPP which is the latest source available consistently across areas beyond 2021 – figures for Broxbourne have however been based on our preferred projection linked to delivery of 250 home per annum.
- 9.10 The data shows that Broxbourne (in line with other areas) is expected to see a substantial increase in the older person population with the total number of people aged 55 and over expected to increase by 34% over just 20-years. This figure is however lower than projected for both Hertfordshire and the East Region. Broxbourne is projected to have relatively strong growth in the population aged over 85 when compared with other areas although to some degree this is linked to the relatively small population in this aged group in 2011.

Figure 9.2 Projected Change in Population of Older Persons (2011 to 2031)				
Age group	Broxbourne	Hertfordshire	East (Region)	England
Under 55	1.9%	11.1%	9.8%	7.5%
55-64	18.2%	24.2%	17.0%	13.3%
65-74	35.3%	50.6%	41.8%	38.5%
75-84	34.0%	44.6%	57.6%	50.3%
85+	122.3%	96.5%	110.8%	97.7%
Total	10.8%	19.6%	19.1%	15.4%
Total 55+	34.3%	42.4%	40.7%	35.4%

Source: ONS 2010-based SNPP

Characteristics of Older Persons Households

9.11 At the time of writing up-to-date information about characteristics of older person households was not readily available although in time 2011 Census data will allow a full profile of the population and households to be developed. The table below does however show initial data from the Census about the number of pensioner households (defined as people aged 65 and over regardless of sex) compared with other areas. The data shows in 2011 that around 21% of households were comprised entirely of pensioners. This is slightly higher than for Hertfordshire and England but below the average regional figure. Of the total number of pensioner households some 57% are single person households.

Figure 9.3 Pensioner households (Census 2011)				
Pensioner households	Broxbourne	Hertfordshire	East (Region)	England
Single pensioner	4,584	53,926	306,941	2,725,596
2 or more pensioners	3,480	38,256	233,713	1,851,180
All households	37,658	453,817	2,423,035	22,063,368
Single pensioner	12.2%	11.9%	12.7%	12.4%
2 or more pensioners	9.2%	8.4%	9.6%	8.4%
All households	100.0%	100.0%	100.0%	100.0%
Total % pensioner only	21.4%	20.3%	22.3%	20.7%

Source: Census (2011)

9.12 We have also looked briefly at data from the 2001 Census and whilst this is now quite out of date we would expect the 2011 data to broadly show the same sort of trends. Key findings include:

- Pensioner households are more likely than younger households to live in social rented housing. Single pensioners in particular show a very high proportion living in the affordable sector. Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population.

- Older person households are more likely to under-occupy their housing than other households. Under-occupancy is far more common in households with two or more pensioners than single pensioner households. Whilst the majority of under-occupation is in the owner-occupied sector there is a notable number under-occupying in social rented stock. This may therefore present some opportunity to reduce under-occupation.

9.13 It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement; however we would expect many older households to still require family housing with space to allow friends and relative to come to stay.

Health-related Population Projections

- 9.14 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Information System (POPPI) website which provides a baseline position for 2012 and projects forward to 2030.
- 9.15 The projections from POPPI of older households with health issues are shown in the figure below – in all cases the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.
- 9.16 The figure below shows that all of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular there is projected to be a large rise in the number of people with dementia (up 70%) with all of the other illnesses and disabilities studied expected to see increases in excess of 30% over the 18-year period studied.

Figure 9.4 Estimated population change for range of health issues (2012 to 2030)

Type of illness/disability	2012	2030	Change	% increase
Limiting long-term illness	7,176	10,229	3,053	42.5%
Depression	1,366	1,879	513	37.6%
Severe depression	435	616	181	41.6%
Dementia	1,050	1,780	730	69.5%
Activities affected by previous heart attack	757	1,067	310	41.0%
Activities affected by previous stroke	357	511	154	43.1%
Bronchitis/emphysema	260	366	106	40.8%
Fall (number per year)	4,139	6,047	1,908	46.1%
Falls requiring hospital treatment (per year)	334	490	156	46.7%
Visual impairment	1,400	1,995	595	42.5%
Hearing impairment	6,538	9,884	3,346	51.2%
Mobility problems	2,811	4,312	1,501	53.4%
Obesity	4,131	5,502	1,371	33.2%
Diabetes	1,936	2,691	755	39.0%

Source: POPPI Website (2012)

- 9.17 In addition to projections about disabilities the POPPI data provides estimates of change in the number of older persons living alone and also a projection of the care home population. The projections suggests that the number of people age 65 and over living alone in Broxbourne will increase by around 2,400 from 2012 to 2030 – an increase of 42%. The care home population is expected to increase from 283 in 2012 to 501 in 2030. This latter projection does not take account of whether provision for this scale of increase will be provided or need met through alternative solutions such as extra care housing.

Housing Need

- 9.18 The final topic we have looked at with regard to older persons is around the numbers on the Housing Register (and in need). The data shows that an appreciable proportion of those registered and in need are aged 55 and over. In total, some 15% of households registered and in need are aged 55 and over with a figure of just 9% for those aged 65 and over. When compared with data about the proportion of older person only households within the population these figures are quite low (the 2011 Census suggested that 21% of all households are solely made up of people aged 65 and over).
- 9.19 It is unclear from this information whether or not these figures suggest that older people are less likely to be in housing need or whether to some extent the figures might relate to the speed at which they are typically rehoused on joining the register. We would however note that a good proportion of older person households are owner-occupiers and that older people tend to be less mobile (in terms of moving home) than other groups. Overall the data does not suggest that older persons have particularly high levels of housing need when compared with the wider population. However, changes in the older person population (as discussed above) may mean that additional and specialist provision may be required in the future. The Council should monitor older persons housing needs through the Housing Register and also through referrals from other bodies (such as the NHS).

Figure 9.5 Older person households and the Housing Register		
Age group	On Register and in need	% on Register and in need
Under 55	2,177	84.7%
55-64	166	6.5%
65-74	122	4.7%
75-84	79	3.1%
85+	26	1.0%
Total	2,570	100.0%
Total 55+	393	15.3%

Source: Housing Register

Future Housing Provision for Older People

- 9.20 Whilst the analysis above looks at various characteristics of the older person population and households it does not directly translate into estimates of the level of future provision required. To study this in more detail we have looked at the Adult Accommodation Profile produced in 2012 by Hertfordshire County Council – the document looks at the adult population (including older people) who will need particular types of housing in the future.
- 9.21 A range of information is presented in the document including some of the data we have presented above (such as population and health issue related projections). In addition data is provided about schemes available in different locations. In total, there are 1,204 units of accommodation in both the public and private sectors specifically designed for older people in the Borough. The quality of the stock was found to be quite variable with a lack of choice in many locations – in particular much of the stock in Hoddesdon was described as poor.
- 9.22 The document uses the information to estimate likely future service needs with the general methodology adopted being to project additional requirements on the basis that service provision remains the same but that the target population will grow. The projections consider needs for both private and social rented/public accommodation. The table below shows our summary of the needs evidence as presented in the County Council’s report. Figures for different parts of the analysis use different time horizons so we have annualised figures for consistency. The analysis also studied other adult needs (e.g. for people with learning disabilities) – we have not included this in our table but would note that the figures are quite low relative to the projected needs for older persons accommodation.
- 9.23 The table suggests that an average of 49 units of accommodation for older persons will be required per annum in the future – this is split roughly 40% social/public and 60% private sector. The figure of 49 units represents about 20% of the total annual housing requirement derived from our demographic modelling. Whilst there will always be some uncertainty in estimating future requirements for housing specifically for older people these figures do not seem unreasonable in the context of overall projected population and household growth in the Borough.

Figure 9.6 Older person new provision required		
Type of accommodation	Units required (per annum)	% of units required
Social/public – Flexicare	14	28.6%
Social/public – Nursing care	5	10.2%
Total – Social/public	19	38.8%
Private – Flexicare	23	46.9%
Private – Residential care	5	10.2%
Private – Nursing care	2	4.1%
Total – Private	30	61.2%
Total – Social/public & Private	49	100.0%

Source: Adult Accommodation Profile (Hertfordshire County Council)

Housing Needs of BME Households

- 9.24 Black or Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.
- 9.25 From 2011 Census data we find that around 18% of the population of Broxbourne came from a non-White (British/Irish) background. This figure is slightly lower than found across England but notably higher than the comparative regional figure (only 14%). The key BME groups in Broxbourne are Other-White (which is likely to contain a number of Eastern European migrants) and Black – the Black population makes up 4.2% of all people in the Borough which is significantly higher than the regional proportion of just 2%. Additional data analysis shows some large differences by sub-area with the proportion of the population from a non-White (British/Irish) group varying from 10.1% in Broxbourne up to 34.4% in Waltham Cross.

Figure 9.7 Black and Minority Ethnic Population (2011)

Ethnic Group	Broxbourne	Hertfordshire	East (Region)	England
White: British	80.8%	80.8%	85.3%	79.8%
White: Irish	1.4%	1.5%	1.0%	1.0%
White: Gypsy or Irish Traveller	0.2%	0.1%	0.1%	0.1%
White: Other White	7.9%	5.1%	4.5%	4.6%
Mixed: White and Black Caribbean	0.8%	0.8%	0.6%	0.8%
Mixed: White and Black African	0.3%	0.3%	0.3%	0.3%
Mixed: White and Asian	0.5%	0.8%	0.6%	0.6%
Mixed: Other Mixed	0.6%	0.6%	0.5%	0.5%
Asian: Indian	0.9%	2.6%	1.5%	2.6%
Asian: Pakistani	0.2%	1.1%	1.1%	2.1%
Asian: Bangladeshi	0.2%	0.5%	0.6%	0.8%
Asian: Chinese	0.3%	0.8%	0.6%	0.7%
Asian: Other Asian	0.8%	1.6%	1.0%	1.5%
Black: African	2.4%	1.8%	1.2%	1.8%
Black: Caribbean	1.4%	0.8%	0.6%	1.1%
Black: Other Black	0.4%	0.3%	0.2%	0.5%
Other ethnic group: Arab	0.1%	0.2%	0.2%	0.4%
Any other ethnic group	0.7%	0.4%	0.3%	0.6%
Total	100.0%	100.0%	100.0%	100.0%
Total population	93,609	1,116,062	5,846,965	53,012,456
% non-White (British/Irish)	17.8%	17.6%	13.8%	19.3%

Source: ONS (2011 Census)

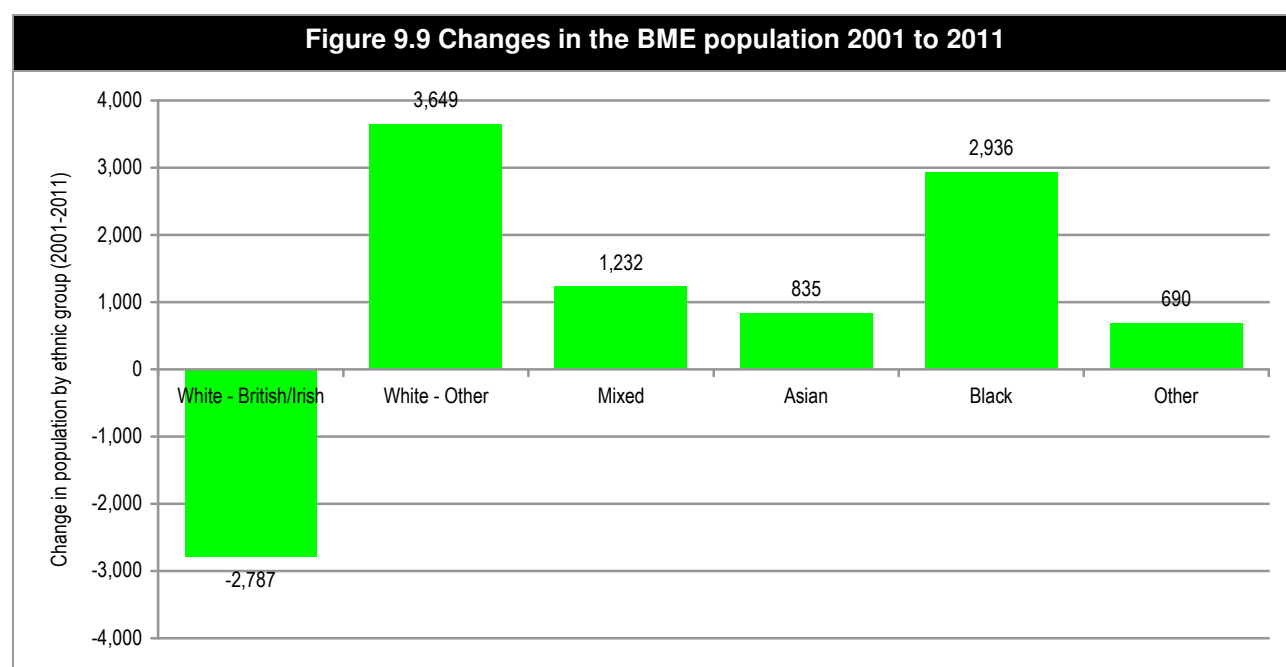
9.26 Since 2001 the BME population in the Borough can be seen to have increased significantly as can be seen in the table below. We have condensed some categories together due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data. The data shows that whilst the overall population of Broxbourne has risen by 6,555 over the 10-year period the increase in BME groups (all groups other than White (British/Irish)) has been 9,342. The White (British/Irish) population has dropped by about 2,800 people – 3.5%.

9.27 Looking at particular BME groups we see that the largest rise in terms of population has been for White-Other people – increasing by 3,659 over the ten years. In proportionate terms the greatest increase has been of the Black population which has increase by nearly three times from about 1,000 people to nearly 4,000.

Figure 9.8 Change in BME groups 2001 to 2011 (Broxbourne Borough)				
Ethnic Group	2001	2011	Change	% change
White (British/Irish)	79,751	76,964	-2,787	-3.5%
White - Other	3,917	7,566	3,649	93.2%
Mixed	909	2,141	1,232	135.5%
Asian or Asian British	1,029	1,864	835	81.1%
Black or Black British	1,021	3,957	2,936	287.6%
Chinese and other	427	1,117	690	161.6%
Total	87,054	93,609	6,555	7.5%

Source: Census 2001 and 2011

9.28 The figure below shows the estimated population change by broad BME group. The figure clearly indicates the growth in all groups other than the White (British/Irish) population.



Source: Census 2001 and 2011

BME Household Characteristics

9.29 As with other analysis we do not have very up-to-date information about the characteristics of the BME population and households although we have briefly reviewed 2001 Census data and would expect the general characteristics of the population to be broadly similar in 2001 when compared with 2011. We have also studied national research (such as the EHS) which consistently suggests that BME groups have a distinct tenure distribution; black households having concentrations in the social rented sector and Asian households having relatively high proportions of owner-occupation. Nationally, all BME groups are more likely than white households to live in private rented housing. At the local level 2001 Census data does confirm some of the trends we might expect. These include:

- Larger household sizes and a greater proportion of households with children (particularly true of Mixed, Pakistani, Bangladeshi and Black African households)
- Relatively high levels of unemployment (notably for the Mixed and Black population)
- Concentrations in the private rented sector for most BME groups; high levels of owner-occupation amongst the Indian and Pakistani communities and high proportions of social renting amongst Black groups
- High proportions of Black and Mixed households living in flatted accommodation. Indian and Pakistani households are relatively more likely to live in houses.
- Most BME groups exhibit high levels of overcrowding and low under-occupation. This is linked to household sizes and also the types/sizes of accommodation occupied and is consistent with national trends

Housing Register (Housing Need)

9.30 The data presented above provides some indication of the differences between households in different BME groups although the information is rather dated and the overall size of the BME population has grown significantly since the 2001 Census. One data source we have which is more up to date is the Housing Register.

9.31 At the time of carrying out the housing needs modelling there were 2,570 households on the register who were also defined as being in need (prior to any affordability testing). Not all of these households have provided information about their ethnic group and in total ethnic group data is available for 2,517 households (98% of those registered and in need). The data shows that of those for whom we have information some 76.6% are White (British/Irish). This would suggest that BME households are slightly more likely to be registered for housing than White (British/Irish) households although to some degree this will depend on household rather than population numbers (which may be lower for BME groups due to larger household sizes).

9.32 The data for individual BME groups is also interesting with Black households looking to be over-represented on the Register and Asian households tending to show very low levels of registration. At the time of the assessment there were only 36 Asian households on the Housing Register and in need compared to 212 Black households.

Figure 9.10 Housing Register by Ethnic Group				
BME group	On Register and in need		Total population	
	Total	%	Total	%
White: British/Irish	1,929	76.6%	76,964	82.2%
White: Other	262	10.4%	7,566	8.1%
Mixed	53	2.1%	2,141	2.3%
Asian	36	1.4%	1,864	2.0%
Black	212	8.4%	3,957	4.2%
Chinese and other	25	1.0%	1,117	1.2%
Total	2,517	100.0%	93,609	100.0%

Source: Housing Register

Policy Implications: Specific Groups of the Population

Older People

The older person population of Broxbourne is fairly average when compared with national figures and is projected to increase significantly up until 2031.

Older persons are more likely to under-occupy homes. In the affordable sector, there may be potential to reduce (or seek to limit potential growth in) under-occupation and the Council may wish to consider providing support and incentives to social housing occupiers to downsize. This will help to release larger affordable homes for younger households. An analysis of older person households suggest that they are particularly likely to live in social rented housing (especially single pensioner households). With the projected increases in older persons there may therefore be additional pressure on the affordable housing stock from such households.

Our analysis also suggests that the growing older population (particularly in the oldest age groups) will result in growth in households with specialist housing needs. Typically the greatest support needs are for alterations to properties (such as to bathrooms, showers and toilets, provision of emergency alarms or help maintaining homes). Many of these can be resolved in situ through adaptations to existing properties and the resource implications of this will need to be planned for.

The growing older population will however likely lead to some increase in requirements for specialist housing solutions. The analysis above suggests a 70% growth in older population with dementia, and a 53% increase in the older population with mobility problems. From a planning point of view, some of these people will require specialist housing such as sheltered or extra care provision. Increasing numbers of older people with health problems will also require joint-working between housing and health (Council and NHS). Analysis of County Council data suggests a requirement for around 50 units of housing per annum specifically for older people – 60% of this in the private sector.

BME Groups

The BME population in Broxbourne has grown strongly since 2001. The 2011 Census shows that BME groups make up 18% of the Borough population (up from 8% in 2001). The Black and White Other Population (which includes Eastern European migrants) have both grown notably.

BME households appear to be typically younger and less likely to be owner occupiers than the White (British/Irish) population – the exception to this are Asian households. BME households are also more likely to be overcrowded and less likely to under-occupy dwellings. There were 588 BME households on the Housing Register (and in need) in late 2012.

The implications of this are more for housing strategy than planning, and suggest a need to consider particularly how the needs of different groups are met within the local housing market, to explore the reasons for higher levels of overcrowding in BME communities and how this can be addressed. It will also be important to consider the role which the Private Rented Sector plays in meeting needs of new migrant communities and the standards of housing in this sector. Investigating these issues in greater detail may assist development of strategic housing policies.

10. Conclusions and Recommendations

Introduction

- 10.1 In this final section we seek to draw together the findings of the work as a basis for the development of planning policies within the Local Plan and of housing policies through the review of the Borough Council's Housing Strategy.
- 10.2 There have been significant changes in housing market conditions since late 2007, with effective housing demand substantially constrained, particularly by the availability of mortgage finance. This has been having a knock-on impact on demand for rented tenures.
- 10.3 Housing need has increased, influenced by the economic recession and unaffordability of market housing. However the ability of the affordable housing sector to meet need is constrained. The stock of affordable housing in the Borough has increased slightly over the last decade although reduced turnover has seen the number of lettings decrease sharply. As a result there is a net shortfall of affordable housing of 749 affordable homes per annum if all households in housing need were to be housed in an affordable home with a secure tenancy. In reality, a substantial proportion of this shortfall is met by the Private Rented Sector, often supported by Housing Benefit.
- 10.4 National policy, set out within the National Planning Policy Framework (CLG, March 2012) sets out that Local Plans should meet the full requirements for market and affordable housing in their areas, and plan for a mix of housing based on current and future demographic trends, market trends, and the needs of different groups in the community.
- 10.5 Local Plans should identify the size, type, tenure and range of housing that is required and set policies for affordable housing. The NPPF emphasises the role of the Strategic Housing Market Assessment in identifying housing requirements and mix. This SHMA has been informed by and is consistent with the Government's current Practice Guidance (CLG, 2007) on such assessments.

Housing Requirements and Distribution

- 10.6 The NPPF identifies that local planning authorities should meet the full requirements for market and affordable housing in their housing market area. Local Plans should be on the basis that objectively-assessed development needs should be met wherever possible.
- 10.7 Housing Market Areas (HMAs) have placed Broxbourne Borough in either a 'Cheshunt and A10 Corridor' area (previous SHMA) or a North London HMA (CLG research). Our own analysis suggests that most logically the Borough falls into a HMA which extends into East Hertfordshire to the North and Enfield to the South.

- 10.8 The Borough's population has been increasing at a slightly slower rate than regionally or nationally and evidence suggests that since the economic downturn levels of unemployment have increased. Market demand (as measured through sales) is currently subdued although this does appear to have been shifted into the rented sector (particularly private renting) which has seen strong growth over the past few years. It is expected that population and demographic dynamics as well as employment growth will drive demand for housing over the longer-term. Planning policies should be developed to respond to these long-term drivers.
- 10.9 Detailed analysis of past demographic trends and projections (including future employment growth) led us to the conclusions that future housing requirements in the borough would fit in a range from about 230 to 270 homes per annum and on this basis we suggest a figure of around 250 would be appropriate (5,000 homes over a 20-year period from 2011 to 2031).
- 10.10 The project also developed projections on a sub-area basis. However, the actual distribution of housing should be subject to an assessment of housing land availability as well as consideration of sustainability and infrastructure needs which in practice may push more housing development towards certain areas (e.g. those with better transport links). Any proposal for housing development should be supported through local consultation. With this in mind we recommend that:
- R1: The Council should engage with other local planning authorities (notably Enfield and East Hertfordshire) in light of the 'duty to cooperate' to agree a common basis for establishing housing requirements and addressing any under-provision within the Borough against identified needs; and**
- R2: The Council consider identifying any housing requirement as a minimum net figure which can be exceeded where additional, deliverable housing sites become available over the plan period.**
- 10.11 The Council might also want to consider the potential for a 'local choice' policy which supports provision of additional housing, including development outside of existing settlement boundaries, where a specific need is identified by the local community and is geared towards meeting this. This would align with the Government's 'localism agenda' and would support the identification of additional land for development through neighbourhood plans.

R3: The Council should consider the inclusion of a local choice policy in the Local Plan which supports the development of sites identified by and supported by the local community, for instance through a neighbourhood plan. For these sites, the starting point for negotiation should be 100% affordable housing provision.

Affordable Housing Policy

- 10.12 An assessment of housing need is a statutory requirement to support affordable housing policies. Its purpose is to establish that the 'need' for affordable housing cannot be met by existing or planned supply, and hence that there is an additional requirement for affordable housing.

- 10.13 This Study identifies a net shortfall of 749 affordable homes per annum, if all households in housing need were to be provided with an affordable home. This is significantly above likely (or realistic) levels of affordable housing delivery. The level of need identified provides an evidence base for seeking to maximise affordable housing delivery. However a policy within the Council's Local Plan must also take account of the viability of residential development.
- 10.14 An Affordable Housing Viability Study was completed 2010 and concluded that affordable housing delivery of up to 40% would be possible in some locations. The figure of 40% was confirmed as viable in additional work completed in 2012 (linked to Community Infrastructure Levy).
- 10.15 Given the viability of residential development within the Borough and the availability of funding for affordable housing, it is unrealistic to assume that all housing needs can be met through provision of new affordable housing. Part of the gap between need and potential future supply of affordable housing will be met by the Private Rented Sector (supported by HB). The Council should look to maximise provision of affordable housing where possible, including working proactively with developing RP's and considering the potential of surplus public sector land to support delivery of affordable housing.
- 10.16 In regard to the policies regarding the mix of affordable housing, our analysis indicates that of net annual housing need (taking account of supply):
- 87% of households in housing need would require benefit assistance to afford an affordable rented property, of these around 18% could afford existing social rents without claiming Housing Benefit;
 - 13% of households in housing need could afford affordable rented housing without benefit assistance and might therefore fall into an 'intermediate' housing band;
- 10.17 Levels of savings are likely to be a key constraint to home ownership and in the short-term it seems probable that a reasonable chunk of any intermediate housing should be delivered as a rented product (i.e. intermediate rent).
- 10.18 By changing the affordability threshold (to 35% of income to be spent on housing rather than 25%) we see a slight reduction in levels of need and a shift towards a greater proportion of intermediate and affordable rented housing being required.
- 10.19 On this basis, for the Borough, it would seem appropriate to seek an 80:20 split between social/affordable rented and intermediate housing. This is based on current market conditions and mortgage availability and should be revised if market circumstances change notably. The evidence does not suggest a strong case for a differential policy across different sub-areas.
- 10.20 In regard to the mix of units, we have considered identified need, existing supply and turnover of properties, and issues related to the management of housing stock. On this basis, we recommend a policy target for 25%-30% of future affordable housing provision to be 1-bed properties, 35%-40% 2-bed, 25%-30% 3-bed, and 5%-10% for 4 or more bedrooms. Provision of larger properties can help to manage affordable housing stock in creating chains of moves.

10.21 It should be borne in mind that the needs assessment presents a 'snapshot' of housing need. We consider that the housing needs assessment should be reviewed in 5 years time (2017).

R4: The Council should continue to monitor affordable housing policies and targets on the basis of the evidence in this report. We note from the Council's Housing Strategy that 'the council will support housing proposals of 32% affordable rented: 8% intermediate' which is in-line with the outputs of analysis in this report.

10.22 Given the high level of housing need identified, we would recommend that the Council also considers other mechanisms to secure new affordable housing such as delivery on public sector land (where the public sector can subsidise provision through accepting a lower land receipt) as well as other mechanisms, such as development by Community Land Trusts.

10.23 National policy within the NPPF provides local authorities with increased flexibility in setting thresholds for affordable housing provision. The viability assessment undertaken in 2010 suggested that a site threshold of below 15 units would be viable for on-site delivery.

R5: The Council should review whether a size threshold for on-site delivery of below 15 units would be appropriate.

10.24 In regard to the mix of affordable housing sought, the analysis of housing need highlights that the majority of need is for social/affordable rented properties. There are particular short-term challenges in delivering shared ownership or shared equity housing linked to the savings of non owner-occupiers and current lending practices which require larger deposits. However in the longer-term, intermediate housing may play an important role as a stepping stone for younger households onto the housing ladder. Provision of intermediate housing will also support the viability of affordable housing provision within residential development schemes.

10.25 On the basis of our analysis we would recommend that the affordable housing tenure mix is set as follows:

R6: The Council should establish a policy for the mix of affordable housing within its Local Plan or through a SPD. This Study would support a policy seeking 80% of affordable housing as rented housing; and 20% intermediate affordable housing (noting that in the short term much of this will also be rented accommodation).

10.26 To consider the mix of affordable homes of different sizes sought on new development schemes, we have drawn together information on housing need, as well as the existing supply and turnover of properties. We have also considered issues related to the management of the existing housing stock and the council's statutory responsibilities to homeless households. Our recommendations are set out on this basis:

R7: The Council should consider a strategic policy target seeking 25%-30% of new affordable homes to comprise 1-bedroom homes, 35%-40% 2-bedroom homes, 25%-30% 3-bedroom homes and 5%-10% with 4 or more bedrooms.

- 10.27 This should be regarded as a strategic long-term policy. In applying the policy to individual development schemes it should be considered alongside information on the current profile of lettings and households on the Council's Housing Register at a more local level at the point in time when planning consent is sought.
- 10.28 In regard to levels of need for different sizes of properties and the management of the affordable housing stock we would recommend that the Council monitors trends in right-to-buy sales. Moving forward we would also expect the Government's proposed changes to Housing Benefit to result in an increase in households looking to move home, and potentially seeking smaller accommodation. The Council should also monitor the impact which this has.

R8: The Council should monitor changes to the stock and need for different sizes of property, taking account in particular of right-to-buy trends and the impact of welfare/benefit reforms.

- 10.29 In addition to provision of new affordable housing, we would advise the Council to investigate how better use of the existing housing stock could be made to meet housing need.

Private Rented Housing

- 10.30 The Private Rented Sector has more than doubled in size over the last 10 years. It plays an important role in meeting housing demand and need, and supporting dynamism within the overall housing market. There are currently over 2,100 Housing Benefit claimants in the Private Rented Sector. There is potential for the Sector to play a stronger role in meeting housing need.

R9: The Council should consider how it might play an enhanced brokerage role linking households on the Housing Register to willing private sector landlords offering decent homes.

- 10.31 There is also clear role for policy to seek to encourage investment and improve standards within the Private Rented Sector. The Council already has an important enforcement role and should work to develop ways to improve the housing offer for households seeking private rented homes (such as through a Landlords Accreditation Scheme).

Housing Delivery

- 10.32 There are currently a set of macro-economic factors linked particularly to the availability of mortgage finance and restrictions on growth in household disposable incomes which are limiting access to the owner occupied sector. Mortgage finance constraints are equally affecting investment purchases (against a context in which yields are now quite strong).
- 10.33 These conditions are likely to impact on housing delivery in the short-to-medium term. We expect levels of housing transactions to improve gradually, returning to pre-2007 levels only from 2016 onwards. However, the continuing weak economy and potential return to recession could have wide ranging consequences on the availability of credit, and the economy and housing market more widely. This could significantly impact on housing transactions and delivery.

- 10.34 While macro-economic factors will play a primary role in affecting levels of housing delivery, the Council can and take a number of steps to ensure that barriers to housing delivery are limited and through proactive measures to support delivery in key circumstances.

R10: The Council should seek to bring forward Site Allocations to provide policy certainty which will help support housing delivery.

R11: The Council should consider taking a more proactive role in key development schemes, particularly where there are public sector land assets, or where it can have an enabling role.

- 10.35 The Council may also want to consider how it engages with developers through pre-application discussions and exercises policy flexibility, including through use of an open book approach to viability, to support housing delivery where the development scheme is compliant with wider policies in the Development Plan.
- 10.36 The Government has also recently introduced a Mortgage Indemnity Scheme for new-build homes, whereby the Government will underwrite an equity loan for up to 20% of the value of the property. This aims to support first-time buyers in getting on the housing ladder. The Council may wish to signpost and help publicise this scheme.

Overall Housing Mix and Densities

- 10.37 The analysis within this report indicates that of overall housing requirements (market and affordable), 30% are for 2-bed properties and 40% for 3-bed properties; with more limited need/demand for 1-bed properties (20%) and properties with 4 or more bedrooms (10%). This reflects long-term demographic dynamics.
- 10.38 There is a policy choice for the Council to make within the Borough regarding the degree to which it wants to cater for demand (for market housing) from local people as against in-migrants. This might influence policies on development densities.
- 10.39 If seeking to cater more for local needs then the Council could for instance seek minimum densities of 40 homes or more per hectare on sites with capacity for over 15 dwellings. Alternatively, greater flexibility could be provided regarding development densities, to support delivery of larger, aspirational housing.

R12: The Council should consider how it seeks to influence the mix of properties of different sizes delivered through density policies.

- 10.40 To be clear, we do not consider it appropriate to set out specific policies regarding the mix of market housing sought. We consider that the market is best placed to judge what will sell on individual development schemes. However the Council should monitor housing delivery against the mix of market housing identified in this report.

Meeting the Needs of Specific Housing Groups

10.41 The analysis undertaken identifies older persons as a key group within the study area who are likely to have specific housing needs. Broxbourne Borough contains an average population in age groups over 55 although the number of older people is projected to increase substantially over the next twenty years. Without intervention, under-occupancy of homes (particularly within the private sector) can also be expected to increase.

R13: The Council has an incentive scheme and the allocations policy incentivises downsizing of social housing tenants. The Council should continue to work with Registered Providers to encourage households to downsize to smaller properties.

10.42 It will be important over the next 20 years that the Council continues to plan to meet the housing needs of a growing older population, including through supporting adaptations to existing properties (within the context of available funding), through provision of floating support (working with the County Council) and through supporting development of specialist housing (including both public and private sector provision). Specialist housing should include extra care.

R14: Working with other local authorities at the HMA and County level, the Council should continue to proactively plan to meet the housing needs of older people.

10.43 The housing needs analysis also highlights a high number of lone parent households in the Borough and a growing BME population. The Council may wish to consider how the needs of these groups are addressed through its Allocations Policy.

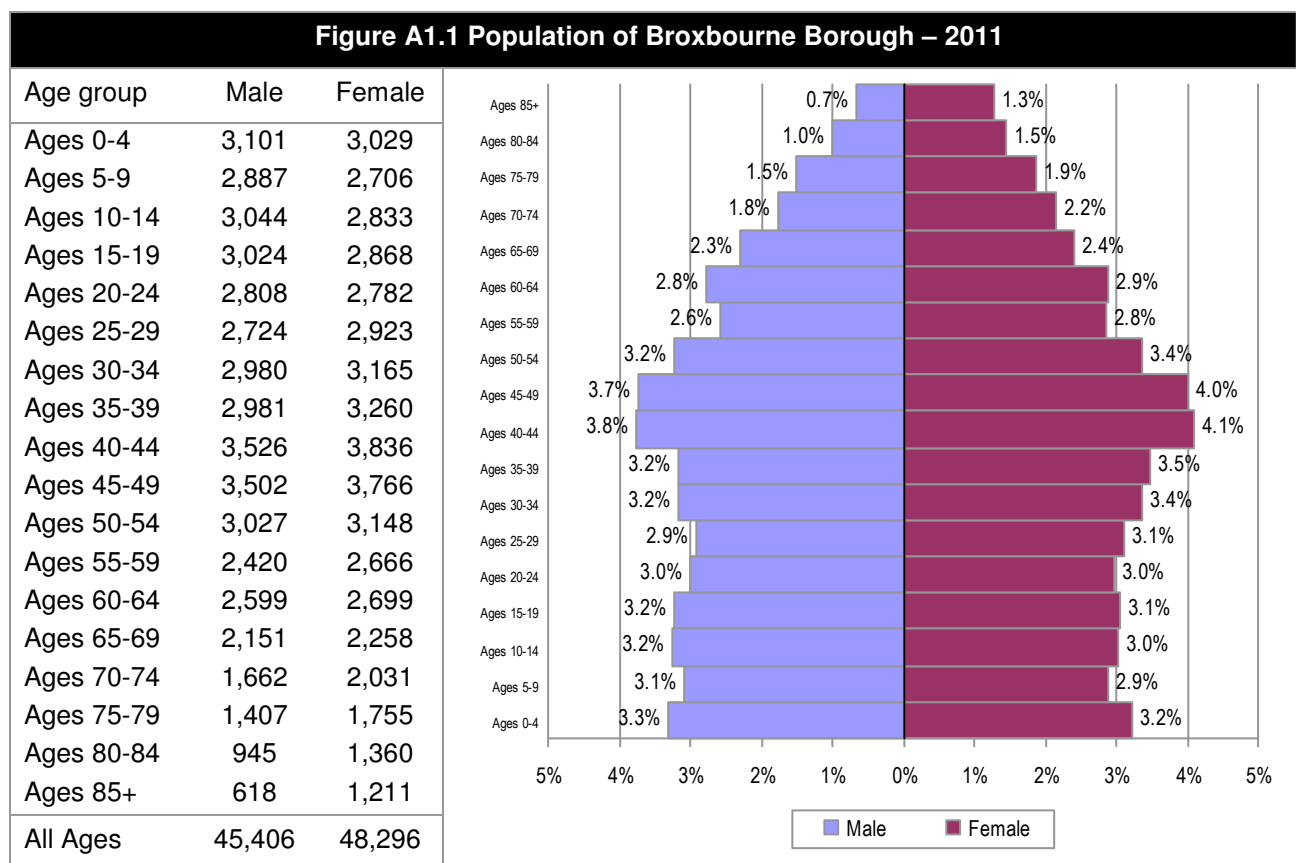
Appendix 1 – Population/household projections methodology

Introduction

A1.1 In Section 6 of the report we provided a series of demographic projections to study likely future housing requirements in the Borough. This appendix runs through some of the more detailed assumptions and data sitting behind this analysis.

Baseline Population

A1.2 The baseline for our projections is taken to be 2011 with the projection run for each year over the period up to 2031. The estimated population profile as of 2011 has been taken from the 2011-based SNPP. The overall population in 2011 was estimated to be 93,702 with slightly more females than males.



Source: 2011-mid year population estimates

Fertility and Mortality Rate Assumptions

A1.3 For modelling of fertility we have used the rates contained within the ONS 2010-based population projections. For the period from 2011 to 2031 the total fertility rate (the expected average number of live births per woman throughout their childbearing lifespan) has been calculated to be 2.12 in 2011/12, this rises very slightly in the short-term before reducing to 1.93 in 2031/31.

- A1.4 We also interrogated the ONS 2010-based projections with regard to death rates which suggested that life expectancy is expected to increase over time for both males and females. It is not possible to provide exact life expectancy figures from the 2010-based SNPP as this to some degree will depend on the assumptions made about the death rates for age groups beyond 90 (the ONS data stops at a figure for 90+). However in modelling life expectancy we suggest that the figures will see an improvement from 79.6 to 83.5 for males from 2011 to 2031 with figures of 83.3 to 86.6 expected for females.
- A1.5 We have no evidence to suggest that either the fertility or mortality estimates used by ONS are unreasonable and note that the expected figures and changes in Broxbourne are consistent with past trend data and future expected patterns as published by ONS on a national basis.

Migration Assumptions

- A1.6 Regarding migration there are two main areas which need consideration. Firstly is around overall expected levels of in- and out-migration and the second is in relation to the age/sex profile of migrants. As with fertility and mortality patterns we have used data from the 2010-based SNPP (and also 2011-based figures) but have interrogated this more thoroughly.

Volume of migrants

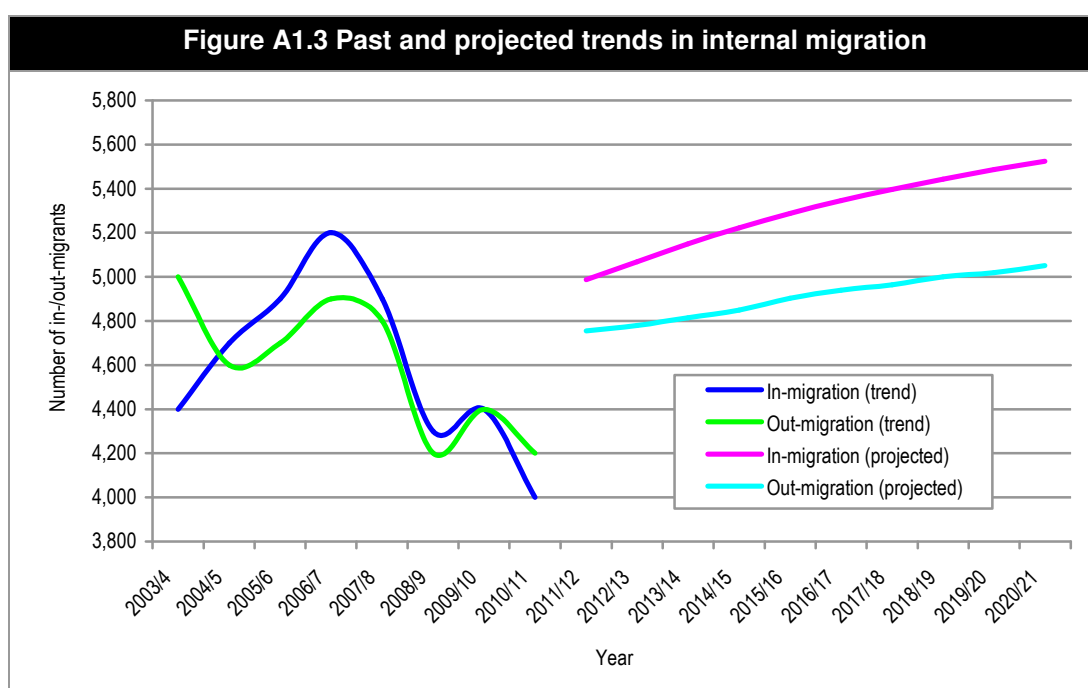
- A1.7 The figure below compares levels of migration by component (i.e. international, internal and cross-border) from both the 2010- and 2011-based SNPP.
- A1.8 The table shows for migration overall that the 2011-based projections expect a slightly lower level of net migration over the 10-year period from 2011 to 2021 (this time period has been used due to the 2011-based SNPP only covering this 10-year period). The difference is almost entirely due to a higher expected level of international out-migration with net figures for internal and cross-border migration remaining largely unchanged. The 2011-based SNPP does however suggest slightly higher levels of both internal in- and internal out-migration when compared with 2010-based figures.

Figure A1.2 Comparing migrations in 2010- and 2011-based SNPP (average figures 2011-2021)		
	2010-based SNPP	2011-based interim SNPP
Internal in-migration	5,187	5,291
Internal out-migration	4,793	4,907
Internal net migration	394	384
Cross-border in-migration	62	62
Cross-border out-migration	80	80
Cross-border net migration	-18	-18
International in-migration	399	399
International out-migration	473	523
International net migration	-74	-123
All in-migration	5,648	5,753
All out-migration	5,346	5,511
All net migration	302	242

Source: 2010- and 2011-based SNPP

A1.9 If we look back to our analysis of past trends in migration we see that the net figures in both of the above projections look too high – whilst some individual years over the past ten years have seen net migration in excess of 242 (or 302) it is the case that as an average the figures have generally been hovering around zero (i.e. no net migration). Hence the SNPP net migration figures look to be too high. This can to some degree be emphasised by the figure below which compares past trends in internal migration with expected volumes shown in the 2011-based SNPP. We have used internal migration figures as we have data for 2010/11 (which we don't currently have for international migration) along with the fact that internal migration makes up about 90% of all gross migration to and from the borough.

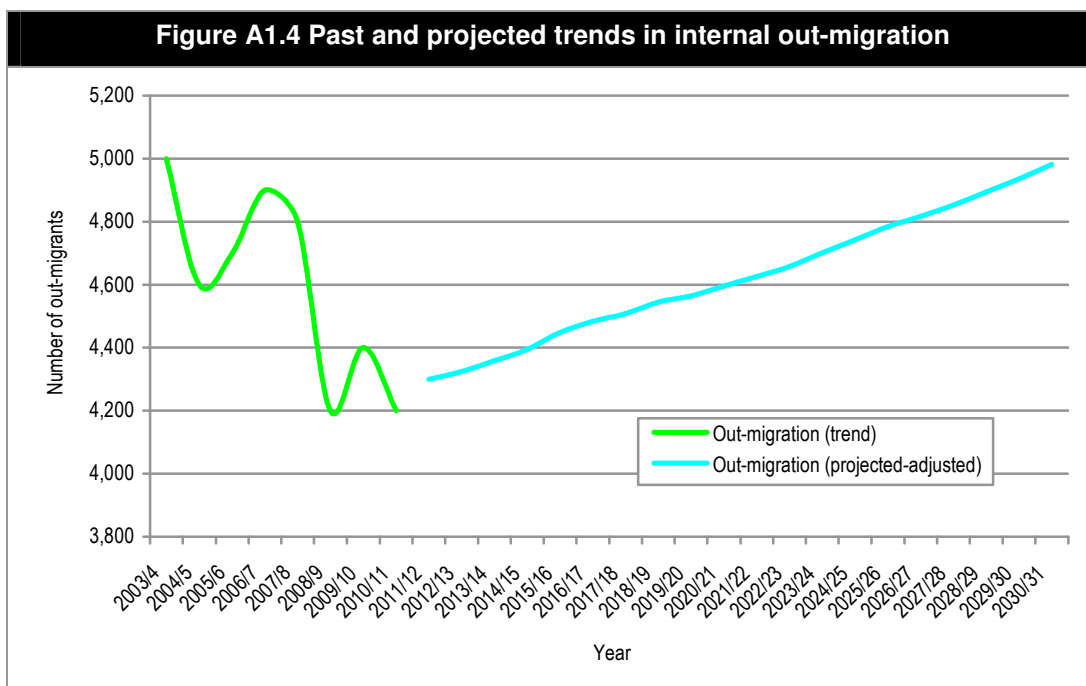
A1.10 The data clearly shows that the projected volume of moves in Broxbourne moving forward is well in excess of figures typically seen in preceding eight years and therefore look too high in the context of historical data.



Source: ONS (including 2011-based SNPP)

A1.11 The finding that SNPP migration volumes are too high and arguably not realistic in the context of trend data does cause us some issues for our projections given that the SNPP is the most comprehensive source of data for understanding the age/sex profile of migrants. We have therefore reduced expected levels of out-migration to more closely fit the pattern we might expect. This is shown in the figure below and projected through to 2031. As with the SNPP we have projected for the overall volume of out-migrants to increase over time and this would be consistent with what we might expect given a growing population. We have simply rebased our start point estimate (for 2011/12) to 4,300 people per annum which is consistent with the average over the previous three years.

A1.12 This adjustment to overall migration volumes will not have any notable impact on the projection outputs but has been done to provide more realistic modelling on the basis of available data at the time of writing. Over the whole 20-year projection period it is assumed that internal out-migration numbers will increase from 4,300 per annum up to 4,981.



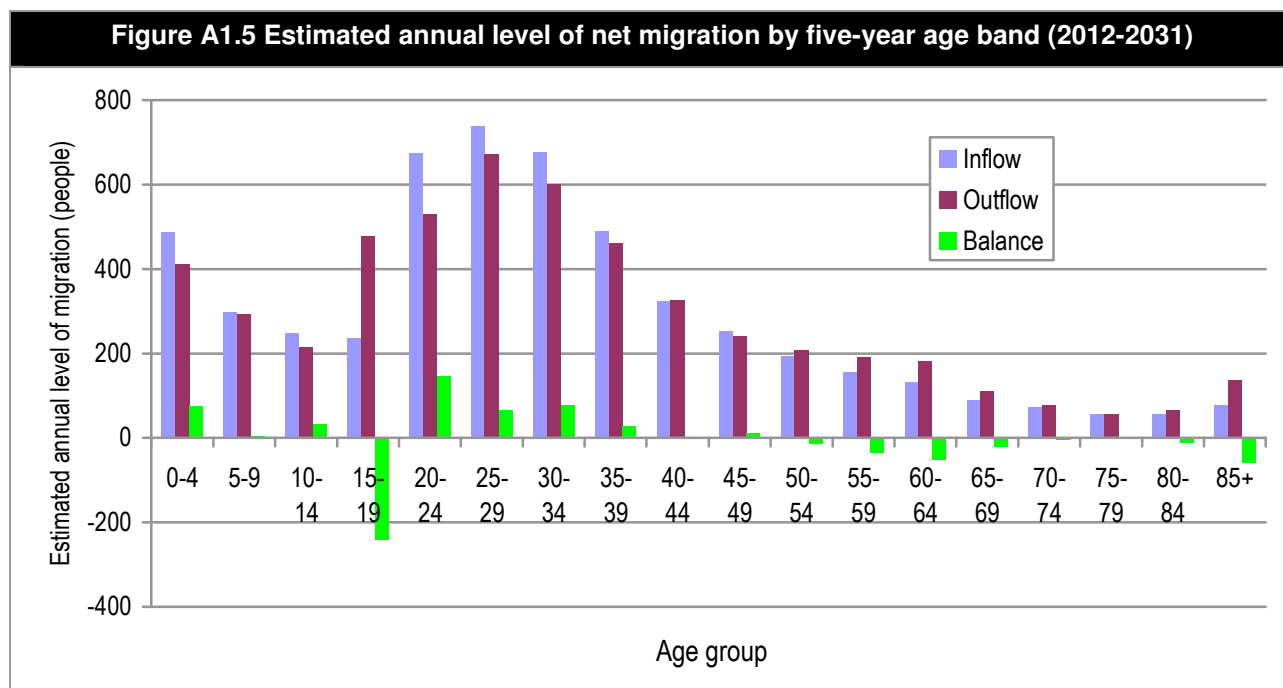
Source: Derived from ONS data

Profile of migrants

A1.13 Having established a realistic baseline position for the volume of migrants in Broxbourne we move on to look at the profile of people moving to and from the borough. Our data for this draws on ONS 2010-based SNPP. The figure below shows the estimated average number of in- and out-migrants for five year age bands over the 19-year period from 2012 to 2031. We have used a 19-year period rather than the full 20-year projection period due to having fixed our migration patterns for 2011-12 on the basis of housing completions in the 12-month period.

A1.14 The figure shows data under a zero net-migration scenario for 19-years and on average over this period it is estimated that there will be 5,254 people moving both to and from the Borough each year (figures increase over time as discussed above). The data clearly shows the sort of pattern of migration we would expect given other data about the demography of the Borough. There is a notable net out-migration of those aged 15-19 which will to a large degree be linked to people moving away for further education. The data then shows net in-migration of those aged 20 to 39 (along with in-migration of children which will be related to this age group). Finally, we see net out-migration for most age groups from 50 onwards.

A1.15 These migration patterns fit with the profile we would expect of younger people moving from London and then potentially making subsequent moves when approaching or reaching retirement age. The ONS data looks therefore to provide a reasonable basis for projecting the population forward and has been used in our modelling.

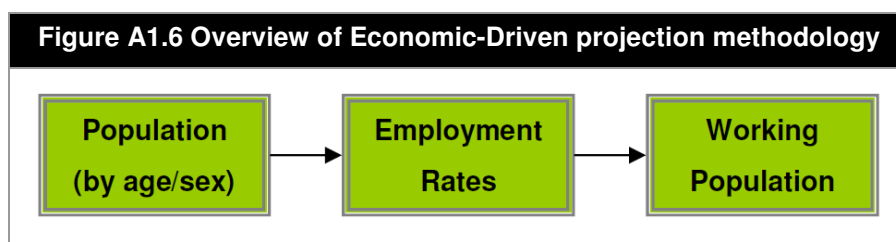


Source: Derived from ONS 2010-based population projections

A1.16 When projecting migration patterns for the various projection scenarios we have used the migration data and adjusted levels of in-migration to match the requirements of our scenario (e.g. when testing what level of migration is required to support a workforce of a particular size). This approach has consistently been adopted across all analysis.

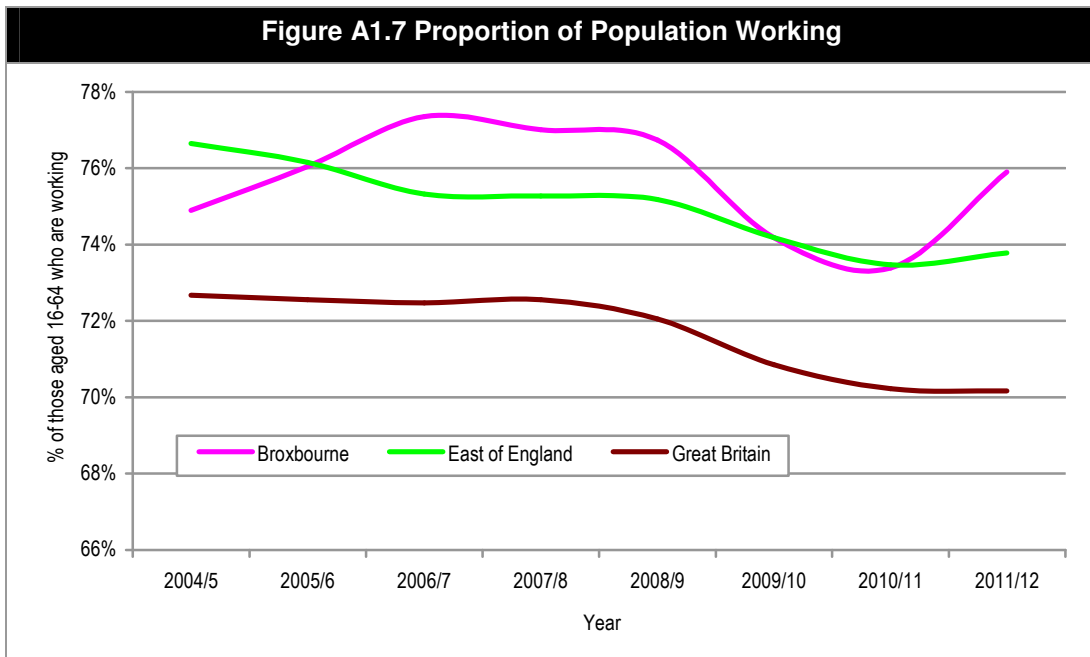
Economic (Employment) Assumptions

A1.17 With the change in demographic structure will come changes in the number of people who are working (as the population of people of working age changes). The next stage of the projection process was therefore to make estimates about how employment levels would change under each of our main projections and also to consider the demographic implications of different levels of employment growth. The process is set out in the figure below.



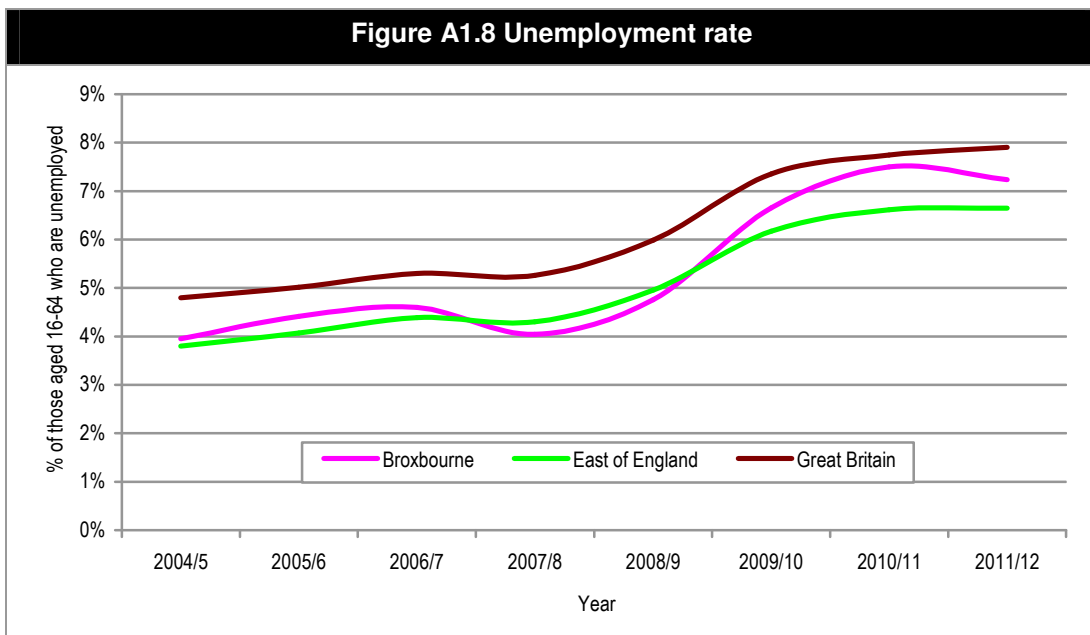
A1.18 The first stage of the process was to establish working patterns in the local authority. The figure below shows data on the proportion of people living in the Borough who were in employment (based on the proportion of the population aged 16-64 who are working). This latter data has also been provided for the East of England and Great Britain.

A1.19 The data shows that overall the proportion of people working has been quite variable over time with no discernable trend. This is in contrast with figures for both the East of England and Great Britain where employment rates can be seen to have dropped.



Source: Annual Population Survey

A1.20 Part of the problem with the Annual Population Survey source used above is that data is based on only a sample of the population and therefore figures can be quite variable at smaller area level (as appears to be the case in Broxbourne). We have therefore also drawn on data about unemployment to give an indication of how employment rates may have changed over the past few years. This is shown in the figure below and shows that unemployment has risen from a typical pre-recession level of about 4% to average over 7% in recent years.



Source: Annual Population Survey (modelled data)

- A1.21 Using the above data to provide us with an overall picture of working patterns we also drew on 2001 Census data and information from the Annual Population Survey to inform the distribution of workers by age and sex. In projecting forward we have assumed from 2011 to 2031 that there is a latent labour force who could be brought back into work as a result of reducing unemployment. Overall employment rates are therefore assumed to be able to increase by about 3% over this 20-year period. Adjustments over time have also been made to take account of changes in pensionable age.
- A1.22 To be consistent with data contained in the EEFM we have also modelled for a small decrease in employment from 2011-2012. Whilst such a decrease is not strongly evidenced in the above figures we continue to be mindful that year-on-year differences may not easily be picked up by the APS. However, for the whole 2011-2031 period the increase in employment rates of 3% is maintained although due to changes in pensionable age and a changing demographic profile of the population the exact change in the rate can be variable (and will be slightly different depending on the scenario being run).
- A1.23 The figure below shows the age specific employment rates used for modelling in 2011 and 2031. The figures have also taken account of 2011 Census data which suggested that there were 46,601 people (aged 16-74) who were working (including economically active full-time students) – a very similar figure to that suggested by the APS – this gives an employment rate of 74.3% - due to the modelled improvement in rates along with changes in pensionable age this figure rises to around 76.8% by 2031.

Figure A1.9 Employment Rates by Age and Sex					
Age group	Male		Female		
	2011	2031	2011	2031	
Aged 16 to 19	47.9%	49.8%	54.1%	56.3%	
Aged 20 to 24	82.2%	85.5%	63.0%	65.5%	
Aged 25 to 29	89.0%	92.5%	76.8%	79.9%	
Aged 30 to 34	91.3%	94.9%	68.4%	71.1%	
Aged 35 to 39	91.1%	94.7%	69.0%	71.7%	
Aged 40 to 44	90.5%	94.1%	72.6%	75.5%	
Aged 45 to 49	88.8%	92.3%	75.3%	78.3%	
Aged 50 to 54	90.2%	93.8%	78.1%	81.2%	
Aged 55 to 59	81.9%	85.1%	63.3%	65.8%	
Aged 60 to 64	61.5%	64.0%	32.7%	45.8%	
Aged 65 to 69	44.5%	50.9%	36.5%	45.6%	
Aged 70 to 74	20.2%	21.0%	11.5%	12.0%	

Source: Annual Population Survey - adjusted using 2001 and 2011 Census data

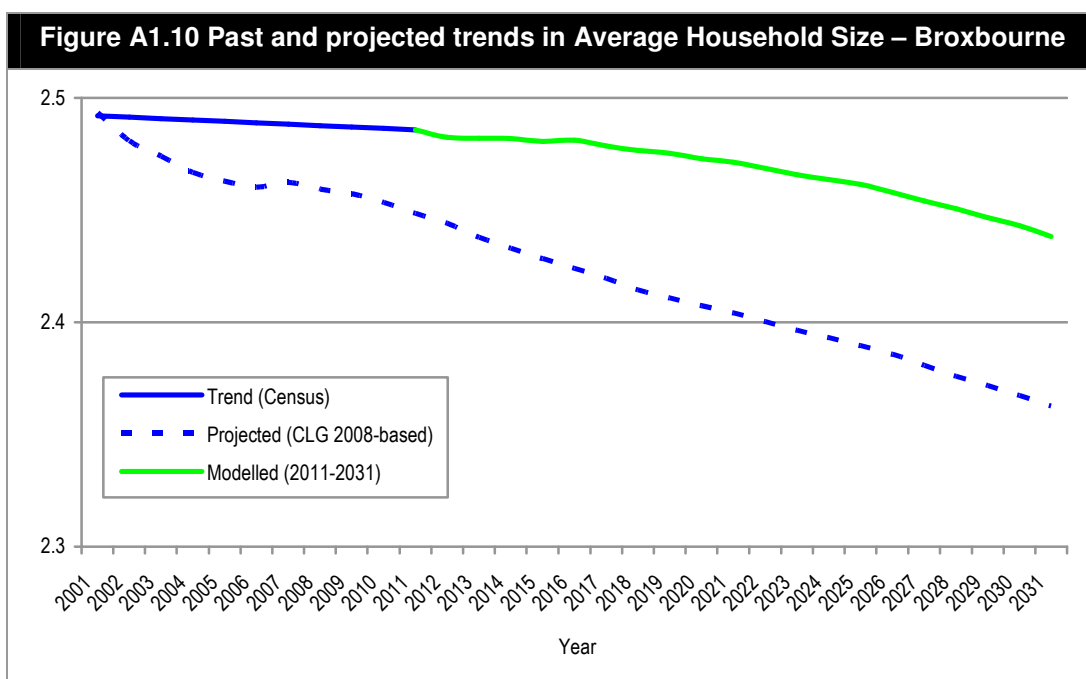
Household (and Housing) Growth Projections

- A1.24 Having estimated the population size and the age/sex profile of the population the next step in the process is to convert this information into estimates of the number of households in the area. To do this we use the concept of headship rates. For the purposes of this analysis we have used information contained in the 2008-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group.

A1.25 Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). We have however also taken account of recent trends in household formation which have generally seen less households being formed from the population than was projected in the CLG 2008-based household projections, this can clearly be emphasised in the figure that follows.

A1.26 The figure below shows the estimated average household size in Broxbourne in 2001 and 2011 along with estimated household sizes derived from CLG projections. The data clearly shows that whilst CLG projections expected a drop in average household size from 2001 to 2011 the Census data indicates that in fact there has been little change. It is difficult to say with any certainty how headship rates (and average household sizes) might change in the future although we would note that the divergence from CLG estimates in Broxbourne is likely to some degree to have been driven by an ‘ethnic dimension’ – the proportion of the population from BME groups has increased notably over the past ten years and with typically larger household sizes may well have had an impact on the observed trends. If the increase in BME the population continues it may be that household sizes continue at a level well above CLG projections.

A1.27 In projecting forward we have taken a balanced view about household sizes – rebasing our figures on 2011 Census data and then projecting headship rates to broadly follow a trend at the mid-point between the trend shown from 2011 to 2011 and the expected trend in CLG projections. For the purposes of our projection we have assumed that average household sizes start at about 2.49 in 2011 and reduce down to 2.44 in 2031 (although exact figures do vary depending on the projection being run).



Source: Derived from ONS and CLG data (including 2011 Census)

A1.28 The table below shows headship rates derived from our analysis for each of the key periods of 2011 and 2031. The data shows that whilst most headship rates remain at a fairly constant level over time there are a number of groups where notable changes are projected to occur (both in an upward and downward direction and particularly in relation to females).

Figure A1.11 Estimated Headship Rates by Age and Sex (2011 and 2031)				
Age group	Male		Female	
	2011	2031	2011	2031
Ages 15-19	1.4%	1.4%	1.3%	1.6%
Ages 20-24	17.1%	16.9%	9.7%	12.0%
Ages 25-29	55.7%	53.3%	21.0%	26.2%
Ages 30-34	80.7%	78.9%	22.8%	27.7%
Ages 35-39	87.1%	84.9%	22.5%	26.4%
Ages 40-44	91.7%	91.7%	23.4%	27.8%
Ages 45-49	93.7%	92.5%	22.1%	22.0%
Ages 50-54	93.9%	92.0%	19.6%	20.7%
Ages 55-59	96.1%	94.8%	22.1%	24.0%
Ages 60-64	96.8%	95.3%	23.1%	24.2%
Ages 65-69	98.0%	96.6%	28.0%	29.4%
Ages 70-74	97.4%	96.2%	36.5%	35.3%
Ages 75-79	97.8%	96.4%	49.7%	42.4%
Ages 80-84	94.3%	93.5%	61.1%	50.9%
Ages 85+	94.4%	93.6%	70.9%	64.0%

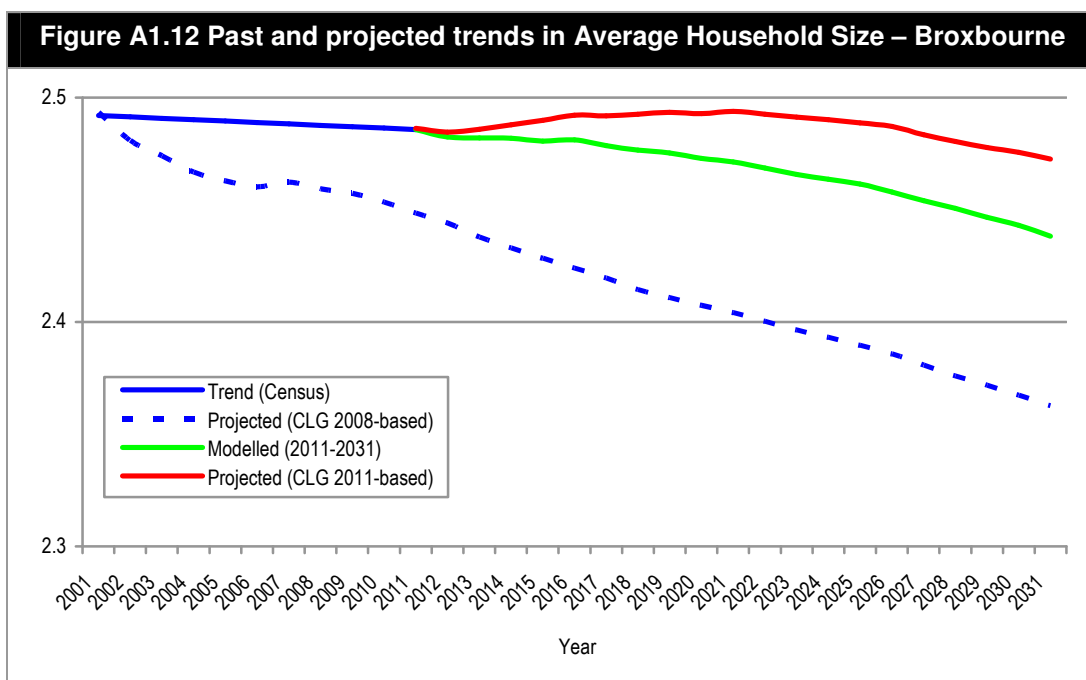
Source: Derived from CLG 2008-based household projections

- A1.29 When applying these headship rates to our population we derive an estimated number of households in mid-2011 of 37,695. This figure is consistent with the number of households shown in the 2011 Census.
- A1.30 In converting an estimated number of households into requirements for additional dwellings we have also factored in a small vacancy allowance which is normal to allow for movement of households between properties. For the analysis we have assumed that around 2.5% of additional stock will be vacant which should be reflective of what can be achieved in new housing stock.

2011-based CLG household projections

- A1.31 On the 9th April 2013, CLG published a new set of household projections. These were published after the bulk of analysis in this report had been completed and so the analysis has not been updated to take account of this new source of data. It is however, of interest to briefly consider the impact of the new information from CLG.
- A1.32 The key piece of information in the new CLG projections is a view about how household formation (headship) rates are expected to change in the future. As discussed above there is clear evidence from the Census that household sizes have not changed as markedly as was expected in the 2008-based projections; we have built-in a view about how headship rates might change in the future into our analysis and it is noteworthy that the new CLG projections share the view taken in this report to a significant degree.
- A1.33 The figure below shows average household size changes as assumed in our analysis along with data from the CLG household projections. The new projections only cover a period from 2011 to 2021 and so additional assumptions have been made to project figures through to 2031 (this has been done by studying incremental changes from 2011 to 2021).

A1.34 As the figure shows the 2011-based projections (as with our analysis) is expecting to see a far more moderate decrease in average household sizes – in fact the new CLG data for Broxbourne actually projects an increase in household sizes from 2011 to 2021 with our analysis beyond this suggesting (mainly on the basis of the changing population structure) that household sizes will then start to decrease. Overall the pattern of headship rates and household sizes suggests fewer households likely to be formed for a given population and this would have a downward impact on housing requirements.



Source: Derived from ONS and CLG data (including 2011 Census)

A1.35 The table below shows estimates of annual housing requirements on the basis of each of our five main projections along with how these would be expected to change under the new 2011-based CLG headship rates. In all cases the reduction in housing requirements is about 30 per annum (about 12%) and so it is clear that the new CLG projections do expect a downward impact on housing requirements.

Figure A1.13 Comparing housing requirements with different headship rate assumptions

Projection	Annual requirement	Annual requirement (CLG headship)	Difference	% difference
PROJ 1 (10-year migration trends)	235	205	-29	-12.5%
PROJ 2 (5-year migration trends)	274	243	-31	-11.2%
PROJ 3 (Zero net migration)	245	216	-30	-12.1%
PROJ 4 (EEFM reduced commuting)	235	206	-29	-12.4%
PROJ 5 (EEFM constant commuting)	260	229	-30	-11.7%

- A1.36 Although the 2011-based CLG household projections show a downward impact on likely housing requirements we do not think this should necessarily feed through into a reduction in the housing requirement figures presented in this report. In particular we would note that projecting how household formation rates will change in the future is quite difficult and can be subject to quite some variability – this can be emphasised by how far off true trends the 2008-based figures turned out to be. Additionally, we would note that if the new CLG headship rates turn out to be of the right order then this would potentially see greater population growth for a given number of households; this in turn will increase the number of working-age residents and can therefore be seen to be more economically positive (i.e. housing delivery would not act as a barrier to employment/job growth in the area).
- A1.37 It is therefore concluded that whilst the new CLG data suggests a downward impact on housing requirements that a housing requirement of around 250 homes per annum remains a sound conclusion.