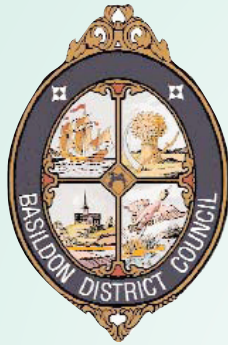


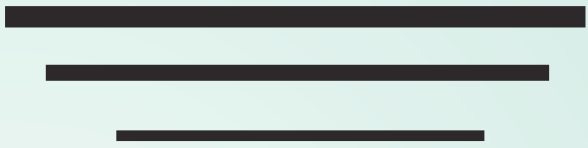
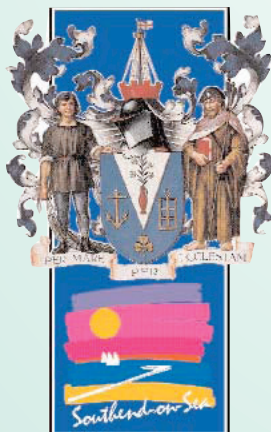
THURROCK  **COUNCIL**



Castle Point
Borough Council



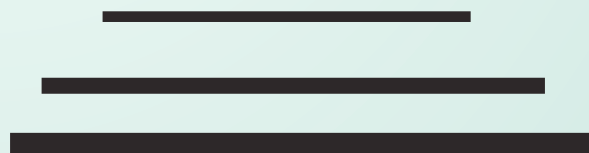
Rochford District
Council



THAMES GATEWAY
south essex

THAMES GATEWAY
SOUTH ESSEX
HOUSING MARKET
ASSESSMENT

SUMMARY REPORT



The Thames Gateway Project

The Thames Gateway South Essex Sub Region forms part of the larger Thames Gateway area which extends for 40 miles along the River Thames from the London Docklands to Southend in Essex and Sheerness in Kent.

The Thames Gateway is identified in Regional Planning Guidance for the South East (RPG 9) as a national priority for regeneration and growth and in the Sustainable Communities plan as one of the four growth areas for new housing in the South East¹.

The Government's vision for the Gateway is set out in the Sustainable Communities Plan (February 2003), Creating Sustainable Communities: Making it happen, Thames Gateway and the Growth Areas (July 2003) and Creating Sustainable Communities: Greening the Gateway (January 2004). The Government's proposals envisage¹:

- ▶ 120,000 homes in Thames Gateway by 2016 - 40,000 homes above current planning targets.
- ▶ the creation of up to 180,000 jobs across the Gateway.
- ▶ the creation of sustainable communities with good local facilities, services and jobs, and good transport links to access services, jobs and training.
- ▶ improved education facilities to enhance the local skills base and enable people to move from the declining industries into the growing economic sectors.
- ▶ major improvement to the image and environment of the Gateway, including higher quality design and attractive open spaces, with improved access to the river.

Housing Needs Assessment

The fact that housing markets operate more widely than within local authority boundaries is not a new finding, but the process of housing needs assessments has only relatively recently been moving to combined surveys of adjoining authorities. The development of Regional Housing Strategies, investment planning and Regional Strategy statements in the future planning framework, has made combined assessment a more logical process.

In the summer of 2004, Basildon, Castle Point, Thurrock, Rochford and Southend-on-Sea Councils appointed DCA to conduct a survey of housing need, which would provide robust data for each individual Council to develop their housing and planning strategies but would also be able to present a sub-regional picture of housing markets and affordable need.

This is one of the first sub-regional assessments conducted in England and these five authorities are therefore operating at the leading edge of policy, working in partnership to assess needs and identify approaches to address the housing, planning and care issues facing them over the next five years.

Both Rochford District Council and Thurrock Borough Councils commissioned DCA to undertake full Housing Market Assessment and Needs Surveys, whereas Castle Point

¹ ODPM (2005) www.odpm.gov.uk

Borough required an update of a previous DCA study (2002) and Southend-on-Sea Borough and Basildon District commissioned DCA to update previous studies conducted by other consultancies (conducted in 2002 / 2004 and 2002 respectively).

Within a coordinated sub-regional process, individual assessments were conducted for each authority to:

- ▶ Provide robust data to inform a sub-regional housing strategy and the five Local Authority housing strategies;
- ▶ Meet the Sub-Region and Councils' statutory obligations to consider housing conditions and needs in the specified areas;
- ▶ Provide robust data to support the Councils' Planning Policy for affordable housing;
- ▶ Assist in the development of detailed Social Housing Grant Investment priorities;
- ▶ Assist in the development and review of:
 - Asset management strategies;
 - ▶ Housing policies in corporate plans, which include the Community Plan, Best Value Performance Plans, Statutory Development Plans, Statutory Development Plan documents & Local Agenda 21;
 - ▶ Community Care Plan and emerging Supporting People strategies;
 - ▶ Sub Regional Housing Strategies.

In all five Councils, the study consisted of the following elements: -

- i. A housing market survey utilising the Land Registry and Halifax databases and a telephone survey of estate agents on the cost of entry level properties and to assess the supply and cost of private rented housing in each authority;
- ii. Secondary data analysis drawing upon HIP and Housing Register data on the level of registered need and the flow of social stock. Comparative data from the 2001 Census, household and population projections and other national research has also been utilised.

The full assessments carried out for Thurrock and Rochford Council's incorporated postal surveys of 11,300 and 10,650 households respectively and 250 face-to-face interviews were also conducted in each authority. The questionnaires were designed in consultation with officers of the individual Councils, and were based upon tried and tested survey forms used in previous comparable assessments.

A large-scale postal survey is the most cost-effective means of identifying the general needs, aspirations and intentions of the population when data is needed at ward level. Nearly all the housing needs studies undertaken by DCA have utilised postal questionnaire surveys as the main method of primary data collection.

THE HOUSING MARKET

The housing market is the context against which all the housing needs of the sub-region are set. In particular, house price information is the basis on which the “affordability” of housing is measured for low-income households. In essence we are seeking to establish who cannot afford to enter in the market.

These assessments are in effect a supply / demand analysis of the whole housing market across all tenures from which we filter down to identify those households unable to afford market housing for sale or rent. 90% of all housing requirements are normally met by the flow of the existing stock and it is therefore vital to understand the distribution of the existing stock by tenure, house type and size to be able to address both need and demand in both sectors and provide better balanced housing markets.

There is some significant variance between Councils in the scale and proportion of social housing stock. Four of the five authorities have social housing stock, i.e. Council and Housing Association dwellings, below the national average of 19.3% from the 2001 Census. The authority with the lowest social housing stock proportion, Castle Point, has only around a quarter of this level, and Southend-on-Sea and Rochford are also below half the national average. Thurrock is very close to the national level, while Basildon exceeds it with 23.3% of stock.

Table 1 Housing Stock

Local Authority	Existing Social Stock	Social Stock as a % of all Stock	Scale of Re-lets p.a.*	Re-lets as a % of Social Stock	Waiting list as % of Social Stock
Basildon	16,775	23.2	1,169	7.0	18.9
Castle Point	1,995	5.5	113	5.7	62.9
Rochford	3,099	9.3	104	3.4	22.0
Southend-on-Sea	8,746	11.4	744	8.6	34.1
Thurrock	11,711	19.2	666	5.7	80.9

Source: *Housing Strategy Statistical Appendices 2004*

*Average over three years

Basildon, the only authority with stock above the national average level of 19.3%, has proportionately the lowest waiting list as a percentage of stock. This is a measure of the ability of a Council to house applicants from re-lets, with a low percentage being a good indicator of an Authority’s ability to house applicants. Thurrock have significantly the highest ratio across the sub-region at 80.9%, with Castle Point at 62.9% also having a high ratio.

Regional Context

House prices in the East Region showed a slight decrease of 2.1% during the fourth quarter of 2004 and the annual rate of house price inflation in the Halifax Index in the East Region at 31st December 2004 was 8.6%.

The housing market has slowed significantly in early 2005 following eight years of continuous house price inflation increases at levels much higher than the growth in incomes.

THE SUB-REGIONAL HOUSING MARKET

The table below shows the average house prices in each authority in the Land Registry database for the year to December 2004. At County level the average price for all dwellings in Essex was £212,395.

Table 2 Average House Prices for All Buyers by House Type (£)

Local Authority	House Type				
	Terraced	Semi-detached	Detached	Flat / Maisonette	All Properties
Basildon	146,769	184,908	325,632	119,423	181,518
Castle Point	157,322	179,724	228,698	136,170	185,327
Rochford	174,462	200,129	320,842	119,986	225,625
Southend-on-Sea	158,470	199,071	281,593	128,732	171,941
Thurrock	154,611	198,070	303,677	125,696	170,790

Source: Land Registry Property Price Report, Q4 2004 © Crown Copyright (Land Registry)

The price of terraced houses have increased by 24% to 30% each year over the five years to 2004.

Concealed Households

A core factor in needs assessment is to be able to determine the issues of affordability and access to housing for concealed or new forming households. As new entrants to the housing market they generally earn below average incomes, and buy below average cost dwellings. The table below details the range of lowest to highest entry level prices from each study for 1 and 2-bed flats (the main entry level property type), and the subsequent income required to purchase at local level, based on 95% mortgages and three times income multipliers, the recommended levels in current guidance. It also shows the proportion of concealed and existing households who are unable to enter the market locally.

Table 3 Entry Level House Prices & Incomes for Concealed and Existing Households

Local Authority	Entry Level Price (£)		Income needed to purchase (£)		% of Concealed Unable to Buy
	Lowest	Highest	Lowest	Highest	
Basildon	76,823	150,998	24,300	47,800	76
Castle Point	105,995	134,497	33,600	43,000	94
Rochford	78,597	169,950	24,900	53,800	75
Southend-on-Sea	81,995	152,248	26,600	48,200	71
Thurrock	79,913	143,163	20,600	45,300	75

Source: DCA Housing Market Surveys 2004

The proportion of concealed households unable to afford entry level house prices range between 94% of concealed households in Castle Point and 71% in Southend-on-Sea.

MIGRATION

The surveys measured the scale of both existing and concealed households planning to migrate both across authority boundaries but also within Essex and those out-migrating from the County.

Table 4 Number of Households Migrating within the Region

Current Location	Area Moving To						
	Basildon	Castle Point	Rochford	Southend-on-Sea	Thurrock	Chelmsford	Elsewhere in Essex
Basildon		-nd-	-nd	-nd	-nd-	-nd-	3,874**
Castle Point*	87		101	328	-nd-	-nd-	785
Rochford	47	56		425	-nd-	32	478
Thurrock	130	96	24	136		282	1,505

Source: DCA Survey - No data for migrating out of Southend-on-Sea

*Source: DCA Survey 2002

** Figure calculated from all movers to within Essex, including the sub-region

-nd- No data available

Clearly there is migration both in and out of a sub-region as part of economic and household life cycles. Employment, family and education are the accepted dominant factors in migration. The scale of those for whom out-migration is as a result of a lack of affordable housing is high in the sub-region. This factor alone affects between 7.1% and 34.8% of new households and is the second most important reason for leaving a District after employment. On a larger scale it has been estimated, using the available survey data from the 2004 full assessments and the update data, that around 6% of households who are leaving the South East are leaving due to lack of affordable housing.

Commuting Patterns in the Area

A third to half of all existing residents work within the District where they live.

Looking at commuting patterns across the Region, Table 5 shows how employees commute between the Districts.

Table 5 Commuting Patterns within the County

Location	Location of Employment							
	Basildon	Castle Point	Rochford	Southend-on-Sea	Thurrock	Chelmsford	Elsewhere in Essex	London
Castle Point	-nd-		-nd-	-nd-	-nd-	-nd-	*12,400	5,438
Rochford	2,251	967		6,456	548	752	2,379	4,529
Thurrock	3,817	157	134	359		382	5,074	11,989

Source: DCA Surveys (No data for Basildon and Southend-on-Sea).

*Figure taken from DCA Survey 2002 for the whole of Essex

-nd- No data available

Table 5 illustrates that the highest proportion of commuters employment is located in Southend-on-Sea for those living in Rochford. For those living in Thurrock this is London and for those in Castle Point employment is located elsewhere in Essex.

The incomes of key workers are set nationally. It is therefore important to be aware of the relationship between house prices in different Local Authorities within the Thames Gateway region and the differing incomes needed to purchase within these local areas. Substantial differences in house prices across local authorities significantly affect the extent to which key worker's incomes allow them access to the market, particularly due to the relative consistency in these incomes across authorities.

The Joseph Rowntree Foundation published in 2003 the results of a study undertaken across the County examining the ability of working households, both existing and new forming, to become homeowners. The survey also identified the incomes required to purchase a property, based on average lower quartile 1 and 2 bedroom dwellings, within Essex and the percentage of these purchase incomes currently earned on average by key workers.

Although the Joseph Rowntree Foundation published an update to the study in October 2004 to take account of local prices and increase in incomes at the end of 2003, the key worker section of the original study was not updated. Therefore in this section the data is from the original 2003 study, rather than the 2004 update.

Table 6 Income Needed to Purchase and % of Key Workers Purchase Income

Local Authority	Lowest Quartile House Prices 2002 Q4 £*	Income needed to Purchase £	Average % Key Workers Income of Purchase Income
Basildon	107,646	34,088	66.0
Castle Point	90,132	28,542	77.7
Rochford	124,483	39,420	56.3
Southend-on-Sea	94,345	29,876	74.3
Thurrock	93,623	29,647	75.9

Source: Joseph Rowntree Foundation 2003

*average lowest quartile prices for 1 and 2 bedroom dwellings

The income required to purchase a property, based on average lower quartile prices 1 and 2 bedroom dwellings, in Rochford is £39,420, but on average only half of the key workers currently earn the income needed to enter the market. This differs within specific key worker professions, with social workers earning only 50.2% of the income needed to purchase, rising to 63.4% for police officers. Key workers living within Basildon have a similar difficulty, with an income of £34,088 needed to purchase. In Basildon, nurses earned only 59.1% of this level and police officers 73.3% of the income needed to purchase.

In the remaining local authorities it is evident that although less of a problem, there are still significant issues regarding the mismatch between incomes needed to purchase locally and the actual incomes earned by key workers. It is anticipated that the Thames Gateway growth and regeneration proposals will address the needs of key workers across a wider area than the sub-region.

BLACK AND ETHNIC MINORITY NEEDS

The DCA surveys looked at the ethnic origin breakdown within each area and assessed the housing needs and aspirations of BME households. BME levels are generally low, ranging from 2.0% in Castle Point to 8% in Thurrock. Relatively high proportions of BME households who are non-white are found within Southend-on-Sea and Thurrock.

Table 7 BME Proportions across the Sub-Region

	Local Authority				
	Basildon*	Castle Point	Rochford	Southend-on-Sea*	Thurrock
% of BME households	5.4	2.0	2.8	7.1	8.0
% of White Non-British	3.1	1.0	1.2	4.2	4.0

Source: DCA Surveys

* Data taken from Census 2001 © Crown Copyright

Generally the analysis shows that most issues for BME households are similar to the whole population.

Three key aspects; unsuitable housing, incomes, and disability, are compared for BME households against all households in Rochford and Thurrock.

Table 8 BME Comparisons for Rochford and Thurrock

Key Issues	Rochford		Thurrock	
	BME %	All (%)	BME (%)	All (%)
Incomes				
Below £10,000	8	15	12	28
Above £30,000	40.2	41.4	42.4	39.2
Unsuitable Housing				
Overcrowding (Non-White only)	2.8	1.5	6.4	2.5
Too Small (all BME)	72.0	68.8	63.8	71.6
Disability				
Households	14.7	16.9	16.0	21.9

Source: DCA Housing Surveys 2004

For BME households in Rochford and Thurrock, incomes are generally higher, with lower proportions earning below £10,000 when compared to all households as shown in table 8 above. For Thurrock this is further reflected with a higher proportion of BME households earning over £30,000 (42.4%), in comparison to all households (39%). Of those earning above £30,000 in Rochford the proportions are similar between BME (40%) and all households (41%). Although all BME households did not record higher proportions stating their home was too small, the levels of overcrowding by the bedroom standard for black and mixed households is much higher in Rochford and Thurrock than for all households. The incidence of households with at least one person with a disability is lower for BME households than for all households. This is a common finding and partly reflects the lower age profile of this community. There are however some distinct differences in the nature of disability between BME and all households containing a disabled person.

Table 9 Incidence & Age of Disability and Adaptations

Local Authority	Incidence of households with a disability		% of households members with a disability		% of dwellings adapted to meet needs of disabled person	
	%	No's implied	age 60+	age 75+	%	No's implied
Basildon**	16.8	12,149	-nd-	-nd-	5.2	3,718
Castle Point*	21.2	7,373	67.4	29.5	7.5	2,603
Rochford	16.9	5,463	67.4	39.9	10.9	3,520
Southend-on-Sea**	13.7	10,154	-nd-	-nd-	-nd-	-nd-
Thurrock	21.9	13,290	60.6	28.9	11.5	7,009

Source: DCA Surveys 2004 (2002*)

**Data taken from 2002 Housing Needs Surveys carried out by other consultants

Table 9 above illustrates the incidence and age of households with a disability, and the percentage of households with adaptations to meet a disabled person's needs. Castle Point and Southend-on-Sea have the highest percentage of households with a disability (21.2% and 21.9% respectively). Looking at the age profile of household members with a disability, data was not available for Basildon and Southend-on-Sea. Similar age percentages are reflected within Castle Point, Rochford, and Thurrock for ages 60+ and 75+. The proportion of dwellings adapted to meet the needs of a disabled person were again only available for Castle Point, Rochford, and Thurrock. Thurrock has the highest proportion of adapted dwellings at 11.5%.

Older Persons Housing Needs

Despite the problems inherent in much of the current sheltered housing stock, demographic change will continue to increase the levels of both need and demand for a wide range of options, including specialist accommodation in this sector. The combined requirement for sheltered housing in both sectors from existing households living in the sub-region and from in-migrating parents / relatives is shown below.

Table 10 Sheltered Housing Demand

Local Authority	Sheltered Housing Demand		
	Private Sector	Affordable Sector	All Sectors
Castle Point*	307	717	1,024
Rochford	470	545	1,015
Thurrock	458	950	1,408

Source: DCA Survey 2004 (* 2002)

No data for Basildon and Southend-on-Sea

SUPPORTED HOUSING NEEDS

Some of the sheltered housing requirement will be addressed by flow of the existing sheltered stock, but acceptability of existing stock to meet today's standards will need to be assessed in calculating the scale of new delivery required.

Table 11 Population Change in 65+ Age Group

Local Authority	Total Population Change 2001 - 2011		Change in 65+ age group 2001 - 2011	
	%	No's	%	No's
Basildon	+ 1.3	+ 2,100	+ 18.0	+ 4,600
Castle Point	+ 0.5	+ 400	+ 25.4	+ 3,500
Rochford	- 1.5	- 1,200	+ 15.2	+ 2,200
Southend-on-Sea*	+ 3.9	+ 6,200	- 3.4	- 1,050
Thurrock*	+ 11.4	+ 16,300	+ 14.8	+ 950

Source: Essex and Southend-on-Sea Council (2001-based)

* Source: Chelmer Model data; from The Population and Housing Research group at Anglia Polytechnic University

Table 11 highlights the growth in the elderly population by District across the Sub Region compared to overall growth from all age groups. Castle Point has the highest increase in elderly population with some 25% growth in the over 65 age group over the next 6 years, compared to just 0.5% in the total population. The forecast figures for Southend-on-Sea show a decrease in the elderly population to 2011, although the population is set to rise again over the following decade to 2021. Although the total population in Rochford is set to decrease by 1.5%, the over 65 age group is forecast to rise by 15.2%, and a similar pattern applies in Basildon with growth of 18% compared to 1.3% overall.

Thurrock District is forecast to have the greatest population increase at 16,300 more people by 2011 but the older population grows by only around 950.

Each survey uses the Good Practice Guidance Basic Needs Assessment Model to calculate the annual shortfall of social housing units. It is clear from the table below that the scale of need addressed by the flow of existing stock falls well below the norm of 90%.

The annual scale of need and expected supply of new affordable housing is summarised below.

Table 12 Annual Affordable Shortfall

	Total Need	Re-lets*	Annual Shortfall after re-lets	New Unit Delivery	Need/Delivery
Basildon	1,976	1,198	778	45	17.3
Castle Point	513	111	402	4	100.5
Rochford	393	102	291	5	58.2
Southend-on-Sea	1,532	782	750	44	17.0
Thurrock	860	656	204	14	14.6
Sub Region	5,274	2,849	2,425	112	21.7

Source: Housing Needs Survey Needs Assessment Model Section 2004.

* after deductions

The total net affordable housing need annually is shown after allowing for the supply from re-lets of the existing social stock, the major means of addressing the scale of need identified.

After allowing for existing stock re-let supply, there are significant annual affordable housing shortfalls in each District. The expected supply of units likely to be able to be delivered from new delivery and conversions is much less than that required to address local needs of concealed households and key workers. The growth planned, especially in Thurrock, will enable need to be addressed over the next decade.

The major difficulty is the pattern of the increase needed in the level of new delivery, ranging between 15 and 101 times current levels, averaging 21.7 times across the sub-region.

KEY FINDINGS OF THE SURVEY

- ▶ Affordability is a major issue due to the local house price / income relationship, particularly for new forming households and key workers. Prices have increased by 24% to 30% for flats and terraces every year since 1999:
- ▶ Existing social stock levels range from 5.5% in Castle Point Borough to 23.2% in Basildon District;
- ▶ The population is ageing, with implications for support and specialist accommodation provision;
- ▶ There is a requirement to develop a more balanced housing stock with a need for more accommodation suitable for smaller households and higher quality large units in the private and affordable sectors;
- ▶ Annually there are shortfalls of almost 2,425 affordable housing units in the sub-region after allowing for existing stock supply in all Districts. New delivery would need to increase by almost 16 times existing levels to meet the scale of need.
- ▶ To meet this demonstrated need across the sub-region, the percentage of new housing targeted as affordable would need to be 40%.



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